

Corporate Social Responsibility Reporting in the Cruise Industry

An analysis of the development in corporate social responsibility reporting in the cruise industry, using a longitudinal mixed-methods approach

FREDRIK SKOGHEIM HILLESTAD

PHILIP HAGETRØ LARSEN



(Illustration of Oasis & Titanic, n.d.)

SUPERVISOR

Associate professor John Arngrim Hunnes

University of Agder, 2020

Faculty of Business and Law

Department of Economics and Finance

Preface

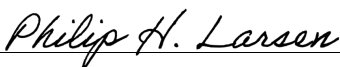
This thesis is written as the final part of our Master of Science in Business Administration at the University of Agder, School of Business and Law, and was carried out as a partnership between Fredrik Skogheim Hillestad and Philip Hagestrø Larsen. The writing process derived from a genuine shared interest for sustainability and environmental concerns, which evolved as we made progress with the study. Getting extensive knowledge about a high polluting industry and their measures to become more sustainable was a strong motivational factor for our work. It has been a challenging journey with several obstacles to overcome, but in the end, we are grateful that we have had the opportunity, and we are confident that we have grown strengthened through the process.

Throughout our work, several parties have given valuable contributions through feedback, support, and advice, which has been crucial for the finished product. We would like to give special thanks to our supervisor, Associate Professor John Arngrim Hunnes, for his invaluable guidance and support for the whole duration of the project. We would also like to thank all our friends and family for kind words of motivation and moral support when needed.

Furthermore, we want to express our gratitude to the University of Agder for allowing us to attend this master's program providing us with academic competence and essential knowledge with their engaging courses, real-world cases and international challenges.

Finally, we would like to thank you, the reader of our work, for taking the time to read what we have produced. We sincerely hope that it is useful and that you find it interesting.

x 
Fredrik Skogheim Hillestad

x 
Philip Hagestrø Larsen

Kristiansand, 12.06.2020

Executive summary

The United Nations Sustainable Development Goals depict several issues that need to be dealt with, including working towards sustainable tourism. For several years the cruising industry has been associated with environmental pollution, poor labour practices and exploitation of local communities. Corporate social responsibility reporting can be an essential tool for actors in the industry to display transparency of operations and overcome the problems associated with these concerns. This study investigates trends and motives behind CSR reporting within the cruising industry in the period from 2012 to 2020. We analyzed companies' reporting practices from websites and dedicated reports through the institutional theory and compared our findings to the results of a similar previous study by de Grosbois (2016).

Our analysis indicates an improvement in CSR reporting on close to all indicators assessed and increased use of formal reporting guidelines. Our findings also suggest that the publishing of a dedicated report and affiliation with the leading cruise brands can be associated with better reporting. Furthermore, we found that company size has a direct positive correlation to CSR disclosure. Social and community well-being issues and environmental concerns received the highest scores, while issues of diversity and accessibility, economic prosperity, and employment quality were reported to a lesser extent.

Compared to other industries in the tourism sector, cruising remains under-researched. Our study differs from the previously existing literature by applying a wide range of social behaviour theory through a longitudinal mixed-methods study. Our findings suggest that CSR reporting is institutionalized through professionalization. By looking at reporting patterns through the institutional, stakeholder, and legitimacy theories, we explain how and why businesses have responsibilities to society well beyond profit-making. Our results suggest that the cruise industry is moving towards a common understanding of reporting on some sustainability issues.

Keywords: corporate social responsibility reporting; cruise line industry, institutional isomorphism, institutional theory, SDG, sustainability

Table of contents

CHAPTER 1	INTRODUCTION.....	1
1.1	Research questions	3
1.2	Outline of the thesis.....	5
CHAPTER 2	THE CRUISE INDUSTRY.....	6
2.1	History of cruising and current state	6
2.1.1	Industry growth.....	7
2.1.2	Industry structure	8
2.2	Cruise industry impacts.....	9
2.2.1	Environmental impacts	9
2.2.2	Social impacts	10
2.2.3	Economic impacts.....	11
2.3	Navigating the regulatory environment.....	12
2.3.1	Flags of convenience.....	12
2.3.2	International Maritime Organization	14
2.4	Summary	15
CHAPTER 3	LITERATURE AND THEORETICAL CONTEXT	16
3.1	Sustainability.....	16
3.1.1	Triple bottom line	18
3.1.2	Corporate social responsibility	19
3.2	Corporate disclosure.....	20
3.2.1	Legitimacy and stakeholder theories	21
3.2.2	Sustainability reporting.....	22
3.2.3	Reporting standards and directives	22
3.2.4	Greenwashing	25
3.3	The dynamics of CSR reporting.....	26
3.3.1	Institutional theory	27
3.3.2	Institutional isomorphism	30
3.3.3	A three-stage model of CSR reporting.....	32
3.4	Existing research	33
3.5	Summary	36
CHAPTER 4	METHODOLOGY.....	37
4.1	Research design.....	37
4.1.1	Research strategy	38
4.1.2	Mixed methods approach.....	38
4.1.3	Data sources	39
4.1.4	Analytical approach	40
4.2	The research instrument	41

4.2.1	Population selection	41
4.2.2	Data collection	43
4.2.3	Data analysis	43
4.3	Research quality	45
4.3.1	Selection error	45
4.3.2	Reliability	45
4.3.3	Validity	46
4.3.4	Ethical considerations	47
CHAPTER 5 FINDINGS AND DISCUSSION		48
5.1	General findings	48
5.2	Industry structure and reporting form	50
5.2.1	Reporting structure	50
5.2.2	Ownership structure	53
5.2.3	Company size	56
5.3	Development of CSR disclosure	58
5.3.1	Environmental sustainability	62
5.3.2	Employment quality	64
5.3.3	Diversity and accessibility	66
5.3.4	Social and community well-being	67
5.3.5	Economic prosperity	69
CHAPTER 6 CONCLUSION AND RECOMMENDATIONS		71
6.1	Comments and further research	73
References		75
Appendices		84
Appendix A – Reporting scores		84
Appendix B – Selection of companies		86
Appendix C – Extent of reporting		87
Appendix D – Sustainability reports covered		89
Appendix E – Regression statistics of size analysis		90
Appendix F – Reflection note Fredrik Skogheim Hillestad		91
Appendix G – Reflection note Philip Hagetør Larsen		94

List of figures

Figure 1 – Annual cruise passengers and growth (Cruise Market Watch, 2018)	7
Figure 2 – Illustration of the triple bottom line. (Dyllick & Hockerts, 2002, p. 132) .	18
Figure 3 – Overview of the GRI Standards framework (GRI, n.d.-b).....	24
Figure 4 – A three-stage model of CSR reporting (Shabana et al., 2017)	32
Figure 5 – Number of articles related to CSR within hospitality, leisure and tourism	34
Figure 6 – Maturity level one: Commitment (P&O Cruises, n.d.)	44
Figure 7 – Maturity level two: Initiative (Paul Gaguin Cruises, n.d.)	44
Figure 8 – Maturity level three: Performance(Royal Caribbean Cruises LTD., 2018)	44
Figure 9 – Extent of commitment reporting split between report vs. not	51
Figure 10 – Correlation between report length and reporting scores.....	53
Figure 11 – Parent brand affiliation: commitment vs. performance follow-through...	54
Figure 12 – Extent of performance measures compared with annual passengers	57
Figure 13 – Summarized data on extent and quality (de Grosbois, 2016).....	60
Figure 14 – Summarized data on extent and quality.....	61
Figure 15 – Aggregated results on environmental sustainability.....	63
Figure 16 – Aggregated results on employment quality	65
Figure 17 – Aggregated results on diversity and accessibility	66
Figure 18 – Aggregated results on social and community well-being.....	68
Figure 19 – Aggregated results on economic prosperity	69

List of tables

Table 1 – Standards-setting and reporting initiatives (Deloitte, 2016; World Travel & Tourism Council, 2017)	23
Table 2 – Traits of the Institutional Pillars (Scott, 2001)	28
Table 3 – Categorizing of cruise lines, Group A and B.....	42
Table 4 – General findings of reporting characteristics.....	49
Table 5 - Correlation values for report length and reporting scores	52

CHAPTER 1 INTRODUCTION

In recent years, sustainable development has gained a central position in the public debate. Corruption, human rights violations, and environmental damage caused by businesses characterize the worldwide news. This has led to an increasing focus on business' need to not only make financial considerations, but also to take into account the social and environmental impacts of their activities (Porter & Kramer, 2011). A broad international consensus has established that companies should strive to operate in a way that does not violate national and international human rights principles, workers' rights, responsible business behaviour, and the environment (Dias, 2000; Friedman & Miles, 2001; Medrado & Jackson, 2016).

At the global level, governments and businesses have committed to work towards sustainable development with the objectives enshrined in the United Nations (UN) Sustainable Development Goals (SDGs) for 2030. The UN developed the SDGs through the "2030 Agenda for Sustainable Development" to "stimulate action over the next 15 years in areas of critical importance for humanity and the planet". Their ambition is to ensure stability and sustainability on earth so that not only those who live today can benefit from it, but also those who come after us (United Nations [UN], 2015). The goals are universal and apply to all member states, with a strong interlinkage between them, which calls for integrated engagement. They are ambitious but highly needed to heal and secure our planet for our future existence (UN, 2015).

At the company level, disclosure of financial information is already well established, with both state regulations and frameworks for reporting well in place (Bonilla-Priego et al., 2014). Financial reporting models have become widely institutionalized and generally accepted as the primary means for describing a firm's performance (Villiers & Maroun, 2017). However, as stakeholder-demand increases, financial reporting alone does not meet the demand for information – thus, improved disclosure of information, including environmental and social impacts, is required to describe a company's responsibility fully. The importance of corporate social responsibility (CSR), is therefore increasingly put on the agenda. The rising concern about the environment and social well-being from various stakeholders causes pressure towards corporations to take responsibility for their actions and work towards a more sustainable way of doing business. This pressure has called for action, forcing companies to adapt by lowering

the impact on the environment and contributing more to society (Engert & Baumgartner, 2016; Font et al., 2012).

One sector where sustainability has deemed crucial for operation is the cruising industry. As the growth in demand and globalization of cruising continues to reach new heights, so does the scrutiny towards their environmental, social and economic impacts in scale (Bonilla-Priego et al., 2014; Font et al., 2012). A large part of the criticism is focused on the industry's environmental impact, including air pollution, noise pollution, unnecessary plastic usage, solid waste, and sea discharges such as ballast water, greywater and sewage (Hall et al., 2017; Pakbeen, 2018). Together with a negative association towards labour conditions and impact on local society (Klein, 2011), the combination has long been damaging for the industry's reputation, and recent high-profile events have further worsened the situation.

The Costa Concordia accident in 2012 causing 32 deaths (Font et al., 2012; Liu-Lastres & Johnson, 2019), 30 norovirus outbreaks affecting 5300 passengers (Liu-Lastres & Johnson, 2019), the rapid spreading of the recent coronavirus (SARS-CoV-2) in February 2020 (Mizumoto & Chowell, 2020; Sawano et al., 2020), are just some of the recent events receiving extensive media coverage with a substantial impact on awareness of the industry. The cruise industry is thus dependent on proper documentation to convince both the public opinion and other stakeholders that they take the related problems seriously. They must demonstrate that further growth is possible within the requirements set for sustainable operation.

The UN SDGs mention the cruise industry specifically both in goal No. 8 and in goal No. 14, referring to "Decent work" and "Life under water". Goal No. 8 stresses the need to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", and goal No. 14 to "Conserve and sustainably use the oceans, seas and marine resources for sustainable development" (UN, n.d.-a; UN, n.d.-b). Sustainability reporting is perhaps the most essential tool for actors in the cruise industry to display their work on overcoming the problems associated with the environment, employment, and local communities (Bonilla-Priego et al., 2014). The cruise industry has taken notice, which has led to an emergence of extended CSR reporting and increased marketing focus on the topic (Bonilla-Priego et al., 2014; Font

et al., 2012). In a recent article, Font (2017) stated that "tourism is meant to be a tool for the sustainable development of societies" (p. 213).

In this study, we explore how non-financial reporting on sustainability issues has developed in the last decade by comparing the current situation with previously published results from de Grosbois' article "Corporate social responsibility reporting in the cruise tourism industry: a performance evaluation using a new institutional theory based model" (2016). As there is no common standard for non-financial reporting equivalent to the standards for financial reporting (D'Aquila, 2018; Muslu et al., 2019), it is interesting to see how the reporting practices of different players within the same industry have evolved over time. By using an institutional perspective, we are investigating whether the results are characterized by the regulatory, normative, or cognitive dimensions.

Through focusing on a single industry, we can gain knowledge of not only what corporations choose to report but also suggest the reason for their behaviour (Bonilla-Priego et al., 2014). In her study, de Grosbois (2016) stressed the importance of further research and analysis of CSR practices, in order to guide sustainability policy development and industry regulation. Our data is limited to publicly available documents and webpages from March 2020 to reflect the current information available to company stakeholders. Our focus is on accountability in the way companies are willing to take responsibility for their outcomes, not their actual performance. Thus, the authors have not attempted to verify the accuracy and validity of the information within the assessed documents.

1.1 Research questions

Our research objective is to understand the current CSR reporting practices in the cruising industry and investigate its development since 2012. By measuring the extent and quality of cruise companies' CSR reporting, and assessing the results through relevant social behaviour theories, we aim to explain the changes and motives behind the evolution of the reporting. Based on this we have formulated three research questions to better answer the research topic.

Structural reporting characteristics

During our initial research on CSR reporting in the cruise industry, we found that only 12 companies published CSR reports. This made us wonder whether there was a significant difference in reporting characteristics between companies that publish reports and companies that do not. Furthermore, we discovered that most cruise lines are mainly owned by five companies, and we therefore wanted to investigate whether ownership affiliation with these brands influenced the reporting. Lastly, when looking through existing research on CSR in the cruise industry, signs were suggesting that increased company size correlates with increased reporting scores. This led us to develop the following research question:

RQ 1: How does the *reporting structure*, *ownership structure*, and *company size* influence CSR reporting?

Extent and quality of reporting

The second research question derived from our initial idea that there has been a development in both extent and quality of CSR reporting due to changes in the institutional environment. Since the comparing study on CSR reporting in the cruise industry was published with data up until 2012 (de Grosbois, 2016), there have been several events in the area of CSR, which could have resulted in changed reporting behaviour. The UN Sustainable Development Goals set in 2015, the newest GRI reporting framework, the increased focus on environmental issues, and events such as the Costa Concordia disaster all could have an impact. The second research question that we will study is as follows:

RQ 2: How has the *extent* and *quality* of CSR reporting developed since 2012?

Dynamics of CSR practices

Furthermore, we aim to explain the dynamics of CSR practices in the cruise industry through the application of three interrelated social behaviour theories: legitimacy theory, stakeholder theory and institutional theory. We believe the coupling of these theories explains why organizations behave to be compliant with the expectations of its stakeholders, and how social norms and beliefs develop over time. The third research question is as follows:

RQ 3: How can the *dynamics* of CSR reporting be explained?

1.2 Outline of the thesis

This study consists of six chapters in total, structured in a way so that the reader can understand our analysis and conclusions. In the following chapter (Chapter 2), we will explain the industry, its most relevant issues, and the regulatory framework it must adhere to. Further (Chapter 3), we present the theoretical framework relevant for our study and present existing research in the field. Moving on to methodology (Chapter 4), the investigating approach and the analysis is described. In the next chapter (Chapter 5), the findings will be presented and theoreticized, and finally (Chapter 6), we will present concluding remarks and suggestions for future research.

CHAPTER 2 THE CRUISE INDUSTRY

This study focuses on the cruising industry and their efforts towards a more sustainable way of operating. We therefore find it crucial for the reader to have some insight into the cruising industry itself and its sustainability impacts. In this chapter we start by presenting a brief storyline of how the industry has evolved from being a side project of some post companies to becoming a key player in tourism, present the industry growth, and give an outlook for the future. Second, we look at its environmental, social and economic impacts on its surroundings before we finish by presenting the regulatory environment.

2.1 History of cruising and current state

There have been traces of cruise tourism as far back as the 1840s, and from then, the industry has only grown larger over time (Müller & Więckowski, 2018). Cruise Tourism has developed from operating primarily on transporting goods and post, with some sections dedicated to leisure and the comfort of the passengers. These ships remained a means of transport for a long time, before suddenly being hit by the emergence of the airline industry (Grace, 2008). During the second half of the 20th century, it became apparent that cruise ships were outcompeted as a means of cross-Atlantic transport, and the industry needed change to survive. The early origins of what we see as "modern-day" ocean cruising, came in the 1960s and early 1970s, where several ships were transformed to include luxury and entertainment properties. This resulted in fleets of vessels that we today call cruise ships (Müller & Więckowski, 2018). Today, they include impressive amenities such as theatres, waterslides, and casinos, and can be compared to floating amusement parks.

The cruise industry has since increased in number of passengers and capacity, as well as the number of destinations. From the first operations contained primarily in the Caribbean, cruise tourism has spread to cover a vast portion of the world with destinations like the Mediterranean, the Atlantic Islands, Northern Europe, Canada and Alaska, Dubai and the Arabian Gulf, Asia and the Pacific, Australia and New Zealand, South America and Antarctica (Jones et al., 2019). Rodrigue and Notteboom (2013) argue that the cruising industry has become "the salient symbol of the globalization of the tourist industry in terms of its coverage, its practices and the mobility of its assets"

(p. 31). Because of their growth and increasingly global reach, the environmental, social, and economic impacts are growing in scale.

2.1.1 Industry growth

As mentioned, the cruise industry has seen substantial growth in the latest years, and in 2019 it was the fastest-growing category within the tourism sector (The Florida-Caribbean Cruise Association, 2019). The Cruise Lines International Association (CLIA), which is the world's largest cruise industry trade association representing more than 95% of the world's cruise fleet (Cruise Lines International Association, 2020a), reported a compound annual average growth rate of 5.4% from 2009 to 2018, and the numbers are expected to grow into 2020 with a projected 32 million passengers. Annual cruise passengers and the growth rate of the industry are illustrated in Figure 1. The industry well receives this growing demand for cruising as they are building more and larger ships to increase supply (Cruise Lines International Association, 2019) alongside the diversification of the ships, more local ports and destinations, and new activities both on the ships and their destinations (Cruise Market Watch, 2018). In 2020 alone, CLIA projects cruise lines to have 19 new ships in operation, resulting in a total of 278 vessels in operation this year (Cruise Lines International Association, 2019). The Florida-Caribbean Cruise Association (FCCA) has reported that there were 72 new vessels in order from their members in the period from 2019-2027, totalling the overall investment to \$57.6 billion (The Florida-Caribbean Cruise Association, 2019). It is to be noted that all projections were made before the outbreak of the coronavirus (SARS-CoV-2).

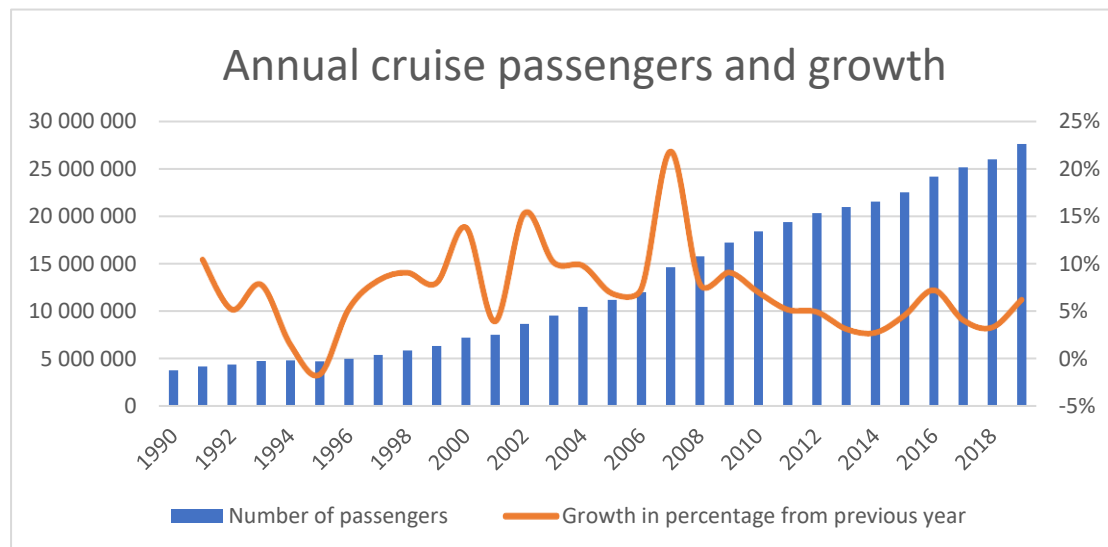


Figure 1 – Annual cruise passengers and growth (Cruise Market Watch, 2018)

While cruise tourism has grown much faster than the overall tourism market, it remains relatively small in a global context. Although we call it the "global cruise market", it is made up of several highly concentrated submarkets (Clancy, 2017). The biggest markets, respectively North America and Europe, are primarily located in The Caribbean and Bahamas (making up 42.0% of the global market) and the Mediterranean (20.4%). Other submarkets include North Europe/Scandinavia (7.8%), Alaska (6.4%), the Pacific coast of Mexico (3.3%), and Hawaii (2.9%) (Florida Department of Transportation, 2013).

Over the years, as cruising has grown in popularity, and the increase in demand has primarily been filled by increasing both the number and size of the ships. In 1912, *Carnival's Holiday* was by far the biggest ship made for vacation, measuring in at 41,000 gross registered tonnes and a capacity of 1,400 passengers (Klein, 2006). Now, the largest ships, the Royal Caribbean *Oasis* ships, exceed 225,000 gross tonnes and can accommodate more than 6,500 passengers (Marine Insight, 2020). The shipbuilding engineers show prowess with scaling their creations, and the potential is unclear. The Freedom Ship, a project that was initially proposed in the late 1990s, envision a 1,800-meter-long "floating city" with condominium housing capacity for 80,000 people. The company is still working on the project, but are yet in the early planning stages, and it is unclear whether it will ever see the light of day (Freedom Cruise Line, 2018).

2.1.2 Industry structure

Since beginning in the late 1980s, as cruising companies went public, the ownership structure of the cruising industry became increasingly monopolistic due to mergers and acquisitions (Clancy, 2017; Jones et al., 2019). Market consolidation has brought several benefits for the leading firms, including the creation of economics of scale and scope, and the concentration of market power (Clancy, 2017). Today the industry is highly concentrated and primarily dominated by three parent companies, Carnival Corporation & plc (Carnival), Royal Caribbean Cruises Ltd. (RCCL), Norwegian Cruise Lines Corporation Ltd. (NCL). These three giants control more than 75% of the passenger berths (Clancy, 2017). Although not as big, Genting Hong Kong (GHK), and TUI Group also control a considerable market share, being the fourth and fifth largest cruise brands. The companies affiliated with these five brands account for more than 85% of the worldwide cruise passengers (Cruise Market Watch, 2018).

2.2 Cruise industry impacts

Sustainable cruise tourism is facing a broad area of concern, and we have therefore chosen to divide their impacts into three main topics covering the three dimensions of the triple bottom line framework (explained in Chapter 3.1.1). The framework includes environmental, social, and economic impacts in which cruise line stakeholders are affected.

2.2.1 Environmental impacts

Cruise ships impact the environment in a number of ways, with outcomes seen to damage both local ecosystems and effects contributing to global warming (Klein, 2011). These unfavourable environmental impacts derive from various waste streams on a ship. They include the usage of natural resources as an input such as water and fuel oil, the release of harmful material in the environment such as polluted bilge water, and ballast water, as well as air emissions from fuel, to mention a few. Among the several impacts the cruise industry has on the world, the environmental aspect may be the most visible (Klein, 2011). Sustainable cruise tourism is facing multiple obstacles to environmental sustainability, of which we will discuss the most important ones.

Air emissions

A report made by European Federation for Transport and Environment (2019) revealed that the amount of disease-causing sulphur oxide emissions from cruise brands under Carnival Corporation & plc in 2017 in European waters alone was more than ten times the number from all of Europe's 260+ million passenger vehicles. These gases created by the ship engines have linkage to causing severe harm towards humans, and numbers from 2007 estimated a total of 60,000 deaths related to the emissions from ships in general. While the number of cruise ships only represents 12% of all commercial ships, they cause a significant problem in ports as they need a considerable amount of power while docked, and must run auxiliary engines even when stationary. In addition to this, the cruise ships tend to concentrate their operations in the same coastal areas, and their aggregated impacts can, therefore, be substantial (Klein, 2011).

Wastewater

Alongside its significant emissions of greenhouse gases closely associated with global warming, discharge of waste harming marine ecosystems is also linked to the cruising

industry (Jones et al., 2016). Although the industry has seen many technological advancements in the field of wastewater treatment, a notable amount of potentially harmful liquid still reaches the sea. Because of the confined space on-board ships, there is little room for the water treatment machines, and they are therefore not as effective as the ones found on land (Klein, 2011).

Solid waste

Cruise ships operate as mobile territories comparable to small cities. Consequently, they produce a considerable amount of non-hazardous solid waste. The United States Environmental Protection Agency stated in a report that each of the guests on the assessed cruise ships generated from 2.6–3.5 kg of waste per day. Plastics, glass, wood, carton, food waste, paper, cans, and several other materials disposed of, all contribute to this significant amount (United States Environmental Protection Agency, 2008). Although there has been increased attention to waste reduction and recycling, a substantial amount is still produced. A medium-sized ship produces a weekly amount of more than eight tons on average (Klein, 2011).

2.2.2 Social impacts

A second dimension relevant to the industry refers to the cruise lines' impact on society. It addresses key outside stakeholders such as customers, local communities, the government, and the public, with impacts considered to be of both negative and positive outcomes.

Local communities

The cruise industry offers several different destination regions, which contribute to both beneficial and adverse impacts on local culture and society. Cruise tourism can, for example, assist in spreading information about the local communities' culture and enrich its customers with knowledge about other people's way of life. While on the one hand, this is positive for awareness – on the other hand, it is also linked to the possible loss of socio-cultural authenticity, traditional cultural heritage and behaviour (Klein, 2011). As cruise ships tend to concentrate their operations in the same areas, and as multiple ships often choose to dock in the same port, this leads to a considerable spike in tourism at certain times. Thus, as a consequence of overcrowding and congestion, ports in cities such as Santorini, Dublin, Dubrovnik, Bruges, Venice and Bergen, among

others, have all decided to put into effect special regulations and restrictions on how many cruise ships and tourists are allowed at the same time (Baird Maritime, 2017; Saraogi, 2019).

Passenger and crew safety

Passenger safety is essential to operate a cruise line. Various concerns have been brought up with one of the most recent being illness outbreaks. The outbreaks of the well-known norovirus have often raised the media's attention (Liu-Lastres & Johnson, 2019), where infections of the virus spread both between passengers and crew. One problem with the virus spreading on board the ships is that if crew members are reliant on tips, they must work to have an income. Multiple vessel sanitation inspection reports in 2013 and 2014 stated that crew had chosen to continue work in the galley even though they were symptomatic with gastrointestinal illness (Klein, 2016b). Most recently, the spreading of the coronavirus SARS-CoV-2 on cruise ships has been put to attention, and recent research has indicated that the infection rate on-board, for example, the Diamond Princess, was four times higher than the worst areas of China (Rocklöv et al., 2020). This escalated infection rate was suggested to be caused by the confined space at the ship, forcing people to be close to one another.

Crime on-board the ships is another factor continuing to be a problem. In contrast to previous claims from the cruise companies saying cruising is safe, data suggests that there is risk involved with cruising. In 2011 and 2012, there were 959 crimes reported to the FBI. The two most common crimes include sex-related incidents and theft (Klein, 2016a).

2.2.3 Economic impacts

In 20 of the 48 least developed countries, cruising is their primary or secondary source of export earnings (Macneill & Wozniak, 2018). Cruise Lines International Association (2019) reported that in 2018, the cruise industry generated 1,177,000 jobs, USD 50 million in wages and had a total worldwide economic output of USD 150 billion. However, some research has suggested that this money does not reach the local economy because the elite and foreign investors are capturing it (Font et al., 2016; Klein, 2011; Macneill & Wozniak, 2018). In a multi-method natural experiment, Macneill and Wozniak (2018) suggested that unless there is an investment in the destination communities with involvement from the locals, there is little local benefit

from cruise tourism. They found that there were "gains in cultural capital and security, but these were offset by an increase in corruption, a diminished capacity for residents to provide for necessities of life, and by increased environmental costs" (p. 399). Rich countries usually benefit more from tourism than poorer countries. However, poorer countries can benefit from infrastructure improvements leading to improved quality of life for residents (Ecological Tourism in Europe, n.d.)

2.3 Navigating the regulatory environment

The sinking of the Titanic in 1912, which was the symbol of luxury travel, became a potent reminder of the dangers at sea. The incident led to the introduction of stricter maritime safety standards (Jones et al., 2019), and later, with an increased focus on sustainability, environmental protection regulations also became more stringent (Sustainability Accounting Standards Board, 2014). However, cruise ship law and jurisdiction are incredibly complex and intricate, and as such, most cases of cruise ship misconduct are decided on a case-by-case basis. Maritime law struggles to keep up to date, with laws that are decades, or in some cases, hundreds of years old (Justia, 2018). One of the more recent efforts to handle some of the crime that previously has gone unprosecuted is the Cruise Vessel Security and Safety act 2010. The act set out to deal with various problems, such as the lack of reporting of crime to the US authorities (Marten, 2014).

However, with slow development and little clarification on how to proceed, multiple channels of exploitation have emerged over the years. Most relevant for our study is the practice of "flags of convenience", which enables cruise companies to adhere to the national legislation that benefits them the most. For example, US law requires that the cruise ship is built entirely in the United States, is mainly crewed by Americans, and at least 75% owned and operated by American citizens. As a consequence, there is only one – *NCL's Pride of America* – cruise ship registered in the United States, while others seek other flag states (Sustainability Accounting Standards Board, 2014).

2.3.1 Flags of convenience

The process of registering ships in foreign countries, different from the state where ownership and operations are based, is called "flagging out" or using "flags of convenience". With a few exceptions, this trend has come to characterize virtually the

entire cruise industry. This affair allows cruise lines to operate their vessels more efficiently, given fewer costs and less regulatory burden (van Fossen, 2016).

Cruise ships answer to different jurisdictions based on what type of waters they are sailing in. When in internal waters (areas like bays and ports), all laws of that country apply to the ship. The regulations get less stringent the further away from the coastline the ship sails. However, most of a nation's laws still apply until the ship is in international waters. Once a ship is in international waters, the law of that ship is the law of the country it is sailing under, except specific rules for economic exploitation (i.e. harvesting of natural resources like oil and fish). For example, a Maltese-registered cruise ship that is 25 nautical miles off the coast of Florida is not subject to US law, but rather Maltese law. The use of flags of convenience is part of an extended maritime history that predates the cruise industry. Previously only being used for minor obstacles, the trend grew in the first half of the 20th century, where American ships used it to avoid prohibition laws (Alderton & Winchester, 2002). Additionally, during World War II, before the attack on Pearl Harbor, it helped the US trade with Britain without fear of creating a cause for war with Germany, by flagging under the Panamanian flag.

The benefits of breaking the link between country of ownership and country of operations quickly became apparent, and with it came competing flag states. Over the 1950s and 60s, several new entrants, such as Costa Rica, Lebanon, Cyprus, Singapore, Malta, Bermuda, and the Bahamas, became popular flag states, each with slightly different benefits and disadvantages. Many of these flag states were, and some are still to this day, dependent on the shipping industry for creating government revenue and foreign exchange opportunities (Terry, 2017). In some cases, the flag registries of these states are run more like businesses rather than governmental entities. For example, Liberia's registrations office is run by a US company and headquartered in Washington, DC, contracted to operate the registry by the Liberian government. The vessels do not have to be physically present in the home country or port, so even landlocked countries like Bolivia and Mongolia have emerged as flag states in later years (Neumann, 2012).

One major area of exploitation is the practice of hiring employees from low-cost countries to reduce payroll and tax expenses. In addition, it lets the cruise ships operate with less regulatory burden, in turn increasing their efficiency based on which flag states' registry best fits their needs (Terry, 2017). Although the purpose of flagging out

might be for financial gain, the impacts can be seen causing harm to the related environments and societies. 70% of the cruise line labour force comes from relatively poor countries, such as South East Asia and the Caribbean (Terry, 2017). The workers from low-wage countries are often more vulnerable to exploitation and will accept greater risks and mistreatments (Bauder, 2006). Working at sea is regarded as one of the most dangerous forms of employment, with the relative risk of mortality from accidents at work being more than six times greater than those working ashore, according to the Danish merchant fleet (Borch et al., 2012). In order to become a flag state, the ship must be in accordance with international regulations, often adopted by the UN International Maritime Organization (IMO). However, the legislation varies greatly from flag to flag, with the worst fleets reporting casualty rates 100 times greater than the best (International Maritime Organization [IMO], n.d.).

2.3.2 International Maritime Organization

Because of the complexity of regulations and companies' ability to choose which flag to fly, the IMO was founded to facilitate cooperation of governmental regulation. IMO is a "global standard-setting authority for the safety, security and environmental performance of international shipping". Their work includes the creation of a far-reaching regulatory framework for the shipping industry, including cruising. Because of its international nature, the industry needs a regulatory framework that is internationally implemented, and therefore IMO has set out to create a framework that is fair and effective while at the same time being universally adopted. IMO is part of the UN and is consequently actively working with Agenda 2030 and the SDGs in mind (IMO, 2020c). Their conventions are covering many aspects of the cruise industry, and their two most important conventions are the International Convention for the Prevention of Pollution from Ships (MARPOL) and the International Convention for the Safety of Life at Sea (SOLAS).

MARPOL

On November 2nd, 1973, IMO adopted MARPOL, which is the main globally reaching convention designed for the mitigation of marine pollution. MARPOL forces cruise lines to adhere to regulation covering the discharge of contaminants into water, such as gray water, petrochemicals and plastics, and exhaust of polluting gases. MARPOL is the most important international marine environmental convention ratified by a wide

array of countries. For cruise ships, disposal of garbage (MARPOL Annex V) and treatment of sewage (MARPOL Annex IV) is a vitally important part of the convention (IMO, 2020a). Equally important is the amendment covering energy efficiency and air pollution requirements (MARPOL Annex VI). Over time, a variety of protocols have been amended to MARPOL, and the regulations have become significantly more stringent, covering more areas (IMO, 2020a). Their latest update on the amendment, limiting emissions of sulphur oxides (SO_x), was put in place 01.01.2020 and reduced the upper limit from a level of 3.5% SO_x to 0.5% SO_x. This limit will lead to an overall 77% drop in SO_x, equivalent to 8.5 million tonnes of emissions annually (IMO, 2020d).

SOLAS

SOLAS is an international safety treaty created by IMO, ensuring that ships flying signatory states are complying with a set of minimum safety standards. The treaty is widely regarded as the most important of all treaties regarding safety on ships (IMO, 2020b). The treaty sets standards for the construction, operations, and equipment of the ships to help ensure safety for both crew and passengers. It was first introduced in 1914 as a response to the sinking of the Titanic and has since been modified frequently. The modifications have often been a result of major incidents, such as the Costa Concordia accident, or with a proactive approach in mind (IMO, 2020b).

2.4 Summary

In this chapter, we have highlighted the main characteristics of the cruising industry. Although travel on the seas has a long history, for much of that history, transportation has laid at its centre. The market has seen substantial growth since the 1990s and has developed into one of the key actors in the tourism sector. However, the increase in popularity has led to an increase in environmental, social, and economic impact in scale. The combination of a weak regulatory environment and high environmental and societal impacts makes the cruise industry unique.

CHAPTER 3 LITERATURE AND THEORETICAL CONTEXT

In this chapter, we present relevant literature and theory that forms the basis of the thesis and its subsequent analysis. In the first part, we discuss the concept of sustainability, present its definition, and show where it originated, together with one of its strongest drivers – the UN SDGs. We then place it in an economic context explaining why it is of relevance for organizations today. Following, we put the concept of sustainability in the context of reporting and explain the incentives for reporting through legitimacy and stakeholder theories, before we provide insights into current reporting standards and directives relevant to the cruising industry. Furthermore, we present the institutional theory, which describes how different forces constitute societal behaviour. The theory of isomorphic pressures is then used to explain how companies respond to these forces over time. Continuing, we introduce a three-stage model of CSR reporting, which illustrates how the institutional forces and their mechanisms of change relate to CSR reporting. Lastly, we present already existing research on CSR reporting in the cruise industry.

3.1 Sustainability

The term *sustainability* was coined by the World Commission on Environment and Development in 1987, defining it as "...development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Development, 1987, p. 43). In an economic context, sustainability defines our ability to maintain a certain level of resource usage for the natural balance to be upheld. Even though the definition of sustainability in the literature can vary, there is a consensus that it is required for long term shared value creation (Font, Bonilla, et al., 2017; Lubin & Esty, 2010).

In 2015 the UN published the "2030 Agenda for Sustainable Development" providing 17 Sustainable Development Goals consisting of 169 targets, stressing the urgency of achieving their ambition of sustainable development. In terms of scope, nature, and mechanisms, the agenda is far more comprehensive than its predecessor, the Millennium Development Goals. The goals include a broad set of issues, including social, economic, and environmental concerns regarding people, the planet, partnerships, peace, equality and prosperity. Their wide-ranging objective is to achieve equal rights for all, save humanity from poverty and hunger, and the planet from

pollution. To achieve this, the UN is urging business sectors and industries to take action by prioritizing responsible business practices, before pursuing "opportunities through innovation and collaboration" (UN, 2015). Sustainable tourism is an essential contributor to the achievement of the goals, and the UN World Tourism Organization (UNWTO) has long been advocating for sustainability in their sector. Already in 1998, in their publication "Guide for Local Authorities on Developing Sustainable Tourism", they introduced a definition that still is in use:

"Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support system" (World Tourism Organization [WTO], 1998, p. 9).

In the 2019 report of the tourism industry, UNWTO demonstrated their devotion to the SDG's by encouraging the tourism industry to embrace "tourism as a means of achieving the SDG's and building a better future for all" (WTO, 2019, p. 2). WTO (2017) further asserts that the activities of the tourism industry contribute mostly to SDGs 1, 4, 8, 12, 13, on "No Poverty", "Quality Education", "Decent Work and Economic Growth", "Responsible Consumption and Production", and "Climate Action" respectively. They state that implementing the goals to businesses can bring advantages such as higher cost savings, competitiveness and efficiencies. Three of the targets stand out as they mention tourism directly:

- Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products (United Nations Development Program, 2020a).
- Target 12.B: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products (United Nations Development Program, 2020b).
- Target 14.7: By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism (United Nations Development Program, 2020c)

As mentioned, cruising is the fastest growing segment within the tourism industry and has a severe impact on multiple sustainability issues. Thus, it can be a significant enabler when it comes to reaching the SDGs, especially when it comes to environmental concerns (Pakbeen, 2018).

3.1.1 Triple bottom line

Rendering sustainability to a business context, corporate sustainability can be seen as meeting the needs of a company's current stakeholders, without deteriorating future stakeholders' ability to meet their needs (Dyllick & Hockerts, 2002). In an attempt to implement the concept of sustainable development into the business context, Elkington (1998) developed the triple bottom line framework, extending the traditional measures of profits to include the environmental and social dimension as well. The framework suggests that a company's responsibilities are not only limited to the economic aspect but that there is a need for balance between the economic, environmental and social aspect to achieve change (Bonilla-Priego et al., 2014). All aspects, illustrated in Figure 2, are considered independent and of equal importance.

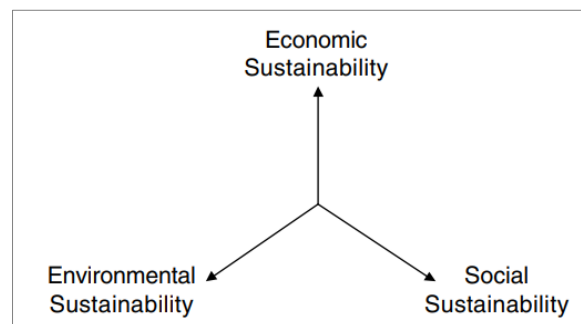


Figure 2 – Illustration of the triple bottom line. (Dyllick & Hockerts, 2002, p. 132)

Dyllick & Hockerts (2002) suggested that focusing solely on economic sustainability will only succeed in the short run and that long-term sustainability requires focusing on all three factors of the framework. Although there is little mentioning of the triple bottom line as a term today, the idea still lives on as managing, measuring and reporting on the aspects are becoming increasingly normalized (Milne & Gray, 2013). While the triple bottom line looks at outcomes and tries to gauge the business' performance in relation to the three parts, another aspect of business sustainability comes with the term CSR, which looks at their responsibility to society.

3.1.2 Corporate social responsibility

CSR has grown substantially as a concept over the last decades, both in significance and recognition among businesses, as well as among academics. The perception of companies' responsibility reaching beyond only making profits, also covering the public at large, has existed for centuries (Carroll & Shabana, 2010). However, the early mention of CSR as a construct was traced to the 1950s by Carroll (1999). No generally accepted definition for the concept of CSR settled, despite there being much interest within the literature (Radu-Dan, 2015). A study published in 2016 explored as many as 110 different definitions and argued that because the literature is so saturated, it becomes difficult to compare the empirical results from different studies. In the study, they simultaneously argued that since there are so many definitions, it also hampers the theoretical development of the concept (Sarkar & Searcy, 2016).

While some seek the meaning through definitions, others have found meaning through the different dimensions incorporated in the concept. A study by Dahlsrud (2008) analyzed 37 different definitions and found that they in no small degree were coinciding. The general confusion was not so much about the definition, but rather about how it is socially constructed in a specific context. He developed five dimensions incorporated by all the definitions; the stakeholder dimension, the voluntariness dimension, the social dimension, the economic dimension, and the environmental dimension. It is generally recognized within the concept that corporate decision-making gives responsibilities not only to the company itself and their profit-making, but also to stakeholders affected by their operation (Carroll & Shabana, 2010). The voluntariness dimension defines that these are responsibilities not prescribed by law, but are based on ethical values. The last three dimensions are identical to the three parts of the triple bottom line framework.

Although many competing, complementary, and overlapping concepts such as business ethics, sustainability, corporate citizenship and stakeholder management are in use, CSR remains the most commonly accepted description. Today the term is being widely used and is the prevailing term in both academic and business contexts (Carroll & Shabana, 2010).

3.2 Corporate disclosure

In order to communicate responsibility, companies publish information on their operations and reasons as to why they are in line with societal expectations. Disclosure of voluntary information is a recent trend that has emerged over the last twenty years, and there are a variety of reasons why companies choose to share their sustainable impact. Especially since the rise of the internet, we see more and more companies releasing internal information on internet sites, press releases, and corporate reports. Regarding publicly traded companies, information asymmetry between companies and investors' expectations can potentially break down the functioning of the capital markets, as values continually misalign (Akerlof, 1970).

A company would ideally want to share perfect information with its stakeholders, mitigating the information asymmetry problem. However, fear of releasing competitively sensitive data makes public relations complicated and tedious, which tends to make companies release less rather than more (Kreps, 1990). Not releasing obvious negative information can lead stakeholders to the conclusion that management is struggling to understand and solve the problem, or it can give a notion that the company is not aware of the potential impact. High-quality reporting improves trust in businesses and how they are being run (Financial Reporting Council, 2019). According to Friedman and Miles (2001), issues such as environmental sustainability and human rights can severely damage a company's brand, increasing reputational risk.

At the core, sustainability reports are meant to be vessels of transparency and accountability intended to improve internal processes and engage stakeholders (Bristow, 2011). Non-financial reporting enhances the legitimacy of the businesses and is often seen as a social contract between the company and society (Magness, 2006). Although more disclosure is seen as better by all stakeholders, certain information is better left undisclosed, as the potentially negative impacts can devalue the benefits disclosure had in the first place. Accordingly, firms are more willing to disclose positive news as it is seen to strengthen the company's competitive ability by enhancing its reputation (Branco & Rodrigues, 2006). Another incentive for managers to reduce voluntary disclosure comes from the public's expectation of future disclosure. Setting a disclosure precedent commits the company to maintain the same pattern in the future, whether they develop positively or negatively (Graham et al., 2005).

3.2.1 Legitimacy and stakeholder theories

To explain how societal pressures influence organizations, we will discuss legitimacy and stakeholder theories. The legitimacy theory provides a framework for understanding how a firm responds to legitimacy concerns, while stakeholder theory looks at the relationship between a firm's societal actors and its financial performance. The coupling of these two theories helps us understand the firm's specific actions relating to their CSR practices.

According to Husted (1998), institutions and organizations must "take their legitimacy seriously" (p. 648). He argues that in order to ensure support from stakeholders, a firm must display fairness of decisions and procedures relating to its operations. This creates the notion that there is a social contract between a firm and its respective society. Failure to conform to the said contract can result in stakeholder animosity, which can damage the firm's financial performance. Some examples include; consumers reducing their demand for the firm's products and services, suppliers favouring competitors, and governments creating new laws and regulations to control outcomes. The specifics of the said social contract are often hard to identify, relating to the immense complexity of normative behaviour that we will describe in the institutional theory later (chapter 3.3). Through conducting a survey asking stakeholders to value their perceived influence on cruise companies, and matching the answer with what they reported, Font, Bonilla, et al. (2017) found that managers continually misinterpret what stakeholders value.

Husted (1998) further points out that when it comes to managing legitimizing concerns, it gets more complicated. A firm's work towards resolving a stakeholder concern will be tempered by individual personal affiliation to said stakeholders and the problem at hand. Therefore, we can see misalignment of operations occurring within the firm itself. To effectively solve legitimizing concerns, a shared corporate culture must be developed, as the culture of a company affects everything they do. Porter and Kramer (2006) state that for a company to ensure success in legitimizing, they must change their CSR agenda from mere damage control towards genuine triple bottom line integration.

3.2.2 Sustainability reporting

Historically, the act of sustainability reporting was considered to be an activity just for a few dedicated firms (KPMG, 2012), but has in recent years evolved into standard practice for large and mid-cap companies (Font et al., 2016; KPMG, 2017; Medrado & Jackson, 2016). According to the report on global trends in sustainability reporting by KPMG, 93% of the 250 largest corporations in the world (G250) publish a dedicated corporate responsibility report (KPMG, 2017). If we look at the S&P 500, the percentage of companies releasing a sustainability report has increased from 20% in 2011 to 80% in 2015. The trend is not only limited to the US but is manifesting globally (Ioannou & Serafeim, 2017).

Reporting practices regarding non-financial related topics have developed throughout the years, and it is possible to find several different varieties of reports. Some companies have designated sustainability reports, some use parts of their annual report, and some have other means of disclosure (World Business Council for Sustainable Development, 2019). However, the reliability of these publications is primarily dependent on the initial presumption that it is possible to assess and compare the performance for the companies to demonstrate genuine corporate commitment. Despite the steady increase in designated reports, studies show that public trust seems nearly unaffected (Boiral et al., 2017). Hodge et al. (2009) suggest that this is a result of a lack of consistency and the need for a quality assurance process. This has led to a demand for independent assurance of sustainability reports in order to validate claims.

3.2.3 Reporting standards and directives

In recent years several different sustainability initiatives have emerged globally, and from them, many reporting standards have been developed (Kiron et al., 2012). These frameworks work as instruments for standardization and help the companies on what and how to report. Although not all being utilized explicitly by the industry, we present some of the initiatives considered the most recognized and relevant – summarized in Table 1.

	Year founded	Type	Audience	Form of report	Focus
GRI	1997	Reporting	A broad set of stakeholders	Sustainability report	Empower sustainable decisions through established standards and a global, multi-stakeholder network
IIRC	2010	Reporting	Providers of financial capital	Integrated annual report or stand-alone report	Establish integrated reporting and thinking within the mainstream business practice for both public and private sectors
SASB	2012	Reporting	Investors in US public companies	SEC 10-K, 20-F filings	Establish and improve industry-specific metrics for investors in the US.
EU non-financial reporting directive	2014	Reporting	A broad set of stakeholders	Investor Filings and 'Comply or Explain' ESG Disclosure	Materiality assessment disclosed in annual financial filings, specific ESG disclosure, on a 'comply or explain' basis, on ten key ESG topics

Table 1 – Standards-setting and reporting initiatives (Deloitte, 2016; World Travel & Tourism Council, 2017)

Global Reporting Initiative (GRI)

GRI is an independent organization pioneering the field of sustainability reporting. Established in 1997 by the Coalition for Environmentally Responsible Economies (CERES) and the UN Environment Program (UNEP), its goal was to create reporting guidelines for the triple bottom line framework – accounting for economic, as well as environmental and social performance by corporations (Ioannou & Serafeim, 2017). GRI was the first organization dedicated to the development of internationally agreed-upon non-financial reporting standards, and has since been working to help companies and governments across the globe to "understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being". They seek to make theoretical issues more tangible, providing a basis for comparison for critical stakeholders, and encourage transparency and consistency, rendering the information useful (Global Reporting Initiative [GRI], n.d.-a).

GRI's framework is set in the "Sustainability Reporting Standards", made as a free public good. These standards have been developed over the last two decades and are supposed to represent global best practices for sustainability reporting (GRI,n.d.-a). Their current framework, the Sustainability Reporting Standards (GRI Standards) consists of three universal standards that all reporting organizations use and three topic-specific standards that one can choose to also report on (see Figure 3). It is possible to report on only some or all standards, both as a basis for a complete stand-alone sustainability report or for merely reporting on a specific topic. Companies using the

framework are required to apply a specific set of principles to be able to claim that the report has been prepared following the GRI Standards (GRI, 2016). According to KPMG (2017), the GRI framework was the most popular framework for reporting in 2017, and two-thirds of the assessed reports were in accordance with the GRI framework.

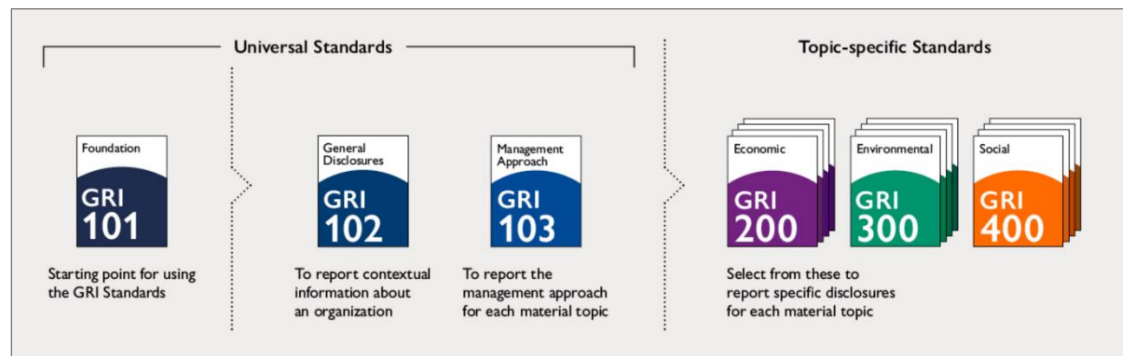


Figure 3 – Overview of the GRI Standards framework (GRI, n.d.-b)

International Integrated Reporting Council (IIRC)

IIRC was formed in 2010 by HRH Prince Charles of Wales' Accounting for Sustainability Project (A4S), the GRI, and the International Federation of Accountants (IFAC) (Shoaf et al., 2018). It is a globally operating non-profit organization designed to foster communication about value creation in the short, medium, and long term for society and its stakeholders, as the next step in the evolution of corporate reporting practices. They operate together with regulators, investors, companies, standard setters, the accounting profession, academia, and NGOs on making integrated reporting the norm within the traditional business practice (International Integrated Reporting Council, n.d.). Their integrated report ties together the financial and non-financial strategies and impacts, showing the relationship between them and how they are creating value for the various stakeholders (Shoaf et al., 2018).

Sustainability Accounting Standards Board (SASB)

SASB is an industry-specific independent non-profit organization working to establish disclosure standards that can be used for decision-making processes. Its goal is to create a shared understanding of companies' sustainability performance by providing materiality focused reporting standards allowing investors to make informed decisions. They focus on long-term value creation by using evidence-based research and including stakeholders in the development of the standards, and provide tailored tools for each

industry sector, with 77 industry-specific standards for cruising (Sustainability Accounting Standards Board, 2018). Since starting in 2012, they have worked on developing these tools, resulting in a list of disclosure topics and sample standards, including accounting metrics, units of measure, categories and codes (Shoaf et al., 2018).

EU non-financial reporting directive

In 2014 the European Union passed Directive 2014/95/EU, also called the non-financial reporting directive, forcing disclosure of information from certain large companies concerning their way of managing social and environmental challenges. In July 2001, the EU endorsed CSR by presenting the 2001 Green Paper, promoting "development of a new framework for the promotion of corporate" (European Union, n.d.). The following year another Green Paper was published stating that "responsible behaviour leads to sustainable business success" proposing a greater focus on increasing knowledge, integration, and promoting CSR. In the time after, they continued to publish material advocating for CSR, and in 2011 they started the work on the 2014 directive. It was with this directive they took the lead on CSR disclosure (Dunlap et al., 2017). The directive was published as an amendment to the accounting directive 2013/34/EU and required companies to include non-financial information in their annual reports from the year 2018. All public-interest companies with more than 500 employees are affected. However, the rules are flexible in terms of reporting method - opening for several different ways of reporting (European Union, n.d.).

3.2.4 Greenwashing

Although disclosure of non-financial information such as environmental disclosure has its benefits as an accountability instrument, it also has some underlying issues. Some research has shown that firms may use their disclosure practices to depict themselves in a more positive light rather than portraying the full picture (Font et al., 2012). The name "greenwashing" derives from the term "whitewashing", which is known as conveying a false impression, whether on purpose or not, and using misleading information to gloss over undesirable behaviours and outcomes (Dictionary, 2020). Businesses perform this practice intending to create a positive impression with the stakeholders, influencing them on false facts for financial or societal gain (Font, Elgammal, et al., 2017). Today many are considering greenwashing to be an issue

related to sustainability reporting (Font et al., 2012). Voluntary disclosures can be useful tools to reduce regulatory risk. However, it can backfire if the reported material is considered underreporting and therefore acting as greenwashing. These practices can undermine the benefits of transparency and credibility (Font et al., 2012).

3.3 The dynamics of CSR reporting

We have now explained how legitimacy and stakeholder theories emphasize businesses to ensure that it is perceived as functioning within the boundaries of the society it operates in. CSR disclosure is a strategy concerned with showing accountability towards a variety of stakeholders to garner legitimacy in order to ensure long-term survival. Following, we introduce the institutional theory, which explains how these societal expectations create norms and beliefs of common institutional practices. The theory explains that organizations are “forced” to adhere to stakeholder pressures, which are moulded to become similar over time, ultimately leading to homogeneity in organizations in the same field.

Campbell (2006) used the institutional theory to describe CSR related actions in general, and de Grosbois (2016) used it to conceptualize CSR in the cruising industry. De Grosbois (2016) argued that it is a useful tool in the cruise industry because of their high visibility towards stakeholders. She also stressed the difficulty of doing research on the cruise industry, as it is highly complex, operating globally across several regulatory environments. Institutional theory is suitable because it describes how firms perceive issues and how they consider different options for action (Hoffman, 1999). Hoffman highlighted how this is particularly relevant in the case of the environmental aspect because environmental problems cannot be expected to be resolved by internal pressures, but rather through institutional change. The concept is widely known as "the tragedy of the commons", where individual users of a shared-resource system act independently according to their own self-interests contrary to the common good (Hardin, 1968). The theory works well to explain environmentally sustainable development, as the consequences of overuse are shared across the whole planet and take long periods of time to manifest. Similarly, the concept is also relevant when it comes to the social impacts of international corporations, as short-term interest is at odds with long-term group interest and the common good.

3.3.1 Institutional theory

The institutional theory examines the workings by which organizational structures and routines develop and become established guidelines for social behaviour (Scott, 2004). Scott describes institutions as "governing structures embodying rules for social conduct" (p. 408). North (1990) describes institutions as formal and informal constraints that shape human interaction and argues that institutional change shapes the way societies evolve through time. The institutional theory is rather hard to define as it is used to approach several widely different social compositions. However, a central tenet is that "institutions matter" when it comes to social behaviour.

According to Scott (1991), institutional forces mainly affect the more "peripheral" structures of an organization, such as managerial and governance systems, while technological forces primarily shape core functions. However, the direction of new technological innovations is mainly dependent on managerial strategies, which is slowly moulded by institutional forces over time. The extent and speed to which this transition happens vary greatly across industrial sectors. Educational organizations are generally subject to stronger institutional than technical pressures, whereas the opposite is true for industrial organizations. Historically, decision-making has been guided by measurements relating to economic performance as an appropriate measure of success. During the 1990s and onwards, as institutional theories evolved, new frameworks of measuring performance began to appear. Powell (1991) describes how these frameworks have increased stakeholder engagement in the competitive environment by creating new standard definitions on evaluating performance, targeting new areas of stakeholder commitment like environmental sustainability and social well-being. He further argues that the structures of business management over time will attune to ensuring accountability and securing social fitness, rather than to improve the quality and quantity of products and services.

Scott (2001) grouped the institutional forces into three dimensions, which he named the regulative, normative, and cognitive pillars, summarized in Table 2, in which institutional evolution transitions between.

<u>Traits:</u>	<u>REGULATIVE</u>	<u>NORMATIVE</u>	<u>COGNITIVE</u>
Basis of compliance	Expeditious	Social obligation	Taken for granted
Basis of order	Regulative rules	Binding expectations	Consultative scheme
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules and laws	Legitimization	Common beliefs
Basis of legitimacy	Legally sanctioned	Morally governed	Culturally supported

Table 2 – Traits of the Institutional Pillars (Scott, 2001)

The Regulative Pillar

The regulative pillar refers to the forces governed by laws and regulations required to be upheld in order to operate a business. The regulative pillar can be seen as "the rules of the game", which are upheld by governing entities through enforcement mechanisms (North, 1990). As the regulative institutions have the power to constrain and force behaviour, compliance is more likely to elicit strategic responses, as the outcomes are more apparent. The context of governance is the first building block that encourages companies to consider ethics and fairness shown through transparency and accountability of their operations (Jamali et al., 2008). Governance is especially important in the tourism industry since it is characterized by rapidly changing customer demands (Tsai, 2011) and intense competition (Yeh & Trejos, 2015).

North (1990) argues that organizations are not only governed by institutional constraints, but also of other constraints (e.g. technology, knowledge and preferences). The incentives of acting in a certain way will be reflected by the payoff embedded in the institutional constraints. However, due to the highly competitive and profit-driven nature the business world has developed into, organizations continually find ways to cheat the game. In the pursuit of pleasing their owners (usually in the way of wealth or power-maximization), firms will look beyond ethical limitations, as the collective business mind removes responsibility and is accepted as being more cynical. Such actions are not necessarily socially productive and often value short-term results over long-term sustainability (North, 1990).

Carroll (1979) explained the relationship of CSR in a business context through prioritization. A company will foremost act on the responsibility to be profitable, before meeting legal obligations, ethical fairness and lastly, philanthropic behaviour, respectively. This framework coincides well with the institutional theory, as companies will act based on the structure of reward and punishment in the present, and institutions will develop based on society's tolerance for exploitation. This is the basis of why institutions change over time, not only in the business context but as different societies develop (North, 1990).

The Normative Pillar

The normative pillar is constructed through values and norms of how actors ought to behave under specific circumstances. Normative systems empower and enable social actions and facilitate cooperation through agreed-upon guidelines. In the organizational context, job positions are formally constructed, which define specific rights given to carry out their responsibilities (e.g. an accountant receiving information about employee payrolls, which they are expected not to misuse). Roles can also emerge informally as, over time, through interaction, expectations develop to guide behaviour (Scott, 2001). The participants of a normative system can often struggle to identify exactly where the boundaries lie, but still be able to coordinate efforts. As with regulative systems, confronting normative systems can evoke strong feelings, but from different emotions. Trespassing norms induce feelings of shame or disgrace rather than punishment, and exhibiting exemplary behaviour gives a sense of pride and honour, rather than reward. Conformity in a normative system revolves around self-evaluation and stresses how appropriate behaviour is based on the expectations of the community (Scott, 2001).

The Cognitive Pillar

The third pillar describes the degree to which distinct behaviour has become the natural way of operating. It explains the cognitive conceptions of how social reality is perceived and creates the frames of which meaning is made. Weber et al. (1968) regarded the difference between the normative and cognitive pillar to when the actors attach meaning to the behaviour, rather than just "knowing" what is right and wrong. Over time, certain features of society will evolve from not only being thought of as being the right thing to do, but to become the best thing to do. However, the specific

reasons for why particular behaviour in a society is deemed correct comes down to subjective values. Scott (2013) explains that although cultures operate as unitary systems that are internally consistent across situations, individuals can perceive the situations differently when it comes to why a specific behaviour is the correct one.

In the context of reporting, we can, therefore, expect cooperative acting towards a goal, but with different reasoning for its perceived correctness. As cognitive values evolve, common values are concretized, and rules are made in order to guide behaviour (Scott, 2001). In our study, we focus on the mechanisms that contribute to "convergent" change, which explains the way organizations develop similar strategies to conform to given institutional pressures over time.

3.3.2 Institutional isomorphism

Hawley (1968) defines the concept of isomorphism as a collection of forces that mould a units' organizational characteristics toward those that are more compatible with its environment. DiMaggio and Powell (1983) observed that the structuration processes of the institutional pillars develop through stages of isomorphic pressures. They argue that, over time and in the aggregate, organizational fields will lead to homogeneity in structure, culture, and output.

The definition of an organizational field is one with a substantial similarity in the usage of resources, product consumers, supply chain processes, regulative agencies, or other relevant actors. As an organizational field develops, it will go from being innovative and highly diverse, towards an established system where activities become similar between companies. Developing through the isomorphic forces, a dominant culture emerges, which starts with minor requisite information sharing – developing into mutual awareness, patterns of a coalition, and shared practices. Although not always easily distinguishable, they each derive from different conditions and lead to different outcomes. DiMaggio and Powell (1983) further categorized the forces of homogenization into three separate forces, relating to each institutional pillar; coercive, normative, and mimetic isomorphism.

Coercive isomorphism

Coercive isomorphism results from the need to conform to rules and regulations, or other compelling forces of which an organization is dependent upon. These forces

usually come in the way of following government mandates but can also be felt when trying to please other stakeholders. DiMaggio and Powell (1983) explain that because regulations can be complex and penalties are perceived to be harsh, companies tend to partner with others that follow the same conformities.

Although required, an organization might not always follow the laws which they are governed by. Research by Mezas (1995) shows that the basis of compliance varies as a function of the resources devoted to enforcement. The expediency of following the regulative systems depend on external controls, like surveillance and sanctioning. However, the cost of getting caught for not following rules and regulations are more apparent and seem to be more harmful than those relating to the normative and cognitive pillars. Hence, there is a significant risk in not following compliance, but also costly to plan for future alterations on regulations.

Normative isomorphism

Normative pressures relate to deriving at a common standard or norm of behaviour. In the organizational context, this change stems from professionalization. Although standards are rarely achieved with complete success, they will help establish a cognitive base and legitimization tool to enhance cooperation, which is developed specifically to the needs of a given organizational field (DiMaggio & Powell, 1983). An example is educational certifications, which are an essential mechanism for the filtering of personnel. Companies will, however, only utilize standards that they deem beneficial. Normative pressures become evident when companies feel compelled to adhere to industry standards in order to reap the rewards such as greater ease of transaction with other business players, increased operational efficiency, and increased legitimacy towards their stakeholders (DiMaggio & Powell, 1983).

Mimetic isomorphism

On explaining mimetic isomorphism, Lawrence and Suddaby (2006) define mimicry as "... leveraging existing sets of taken-for-granted practices, technologies and rules, if they are able to associate the new with the old in some way that eases adoption" (p. 225). An organization will tend to imitate another organization's structure based on the belief that the solution is beneficial. Mimetic behaviour primarily happens when the means of achieving a goal are unclear or costly to develop. This uncertainty is enhanced when organizational technologies are poorly understood or when goals are ambiguous

or badly defined (DiMaggio & Powell, 1983). This process does not necessarily happen consciously as organizational practices are so intertwined in this stage of industry professionalization. The mimetic pressures guide stakeholders to coordinate efforts as it is more efficient. In this stage, different methods of acquiring goals are continually examined for their correctness, resulting in homogeneity (DiMaggio & Powell, 1983).

3.3.3 A three-stage model of CSR reporting

Figure 4, developed by Shabana et al. (2017), explains how CSR reporting is influenced by institutional forces. The forces of institutional isomorphism will influence an organizational field to become more similar in contents and style, both improving and standardizing reporting (Ramus & Montiel, 2005). Note that all three forces can be in play at the same time, and that the transition between stages is characterized by the dominance of one force.

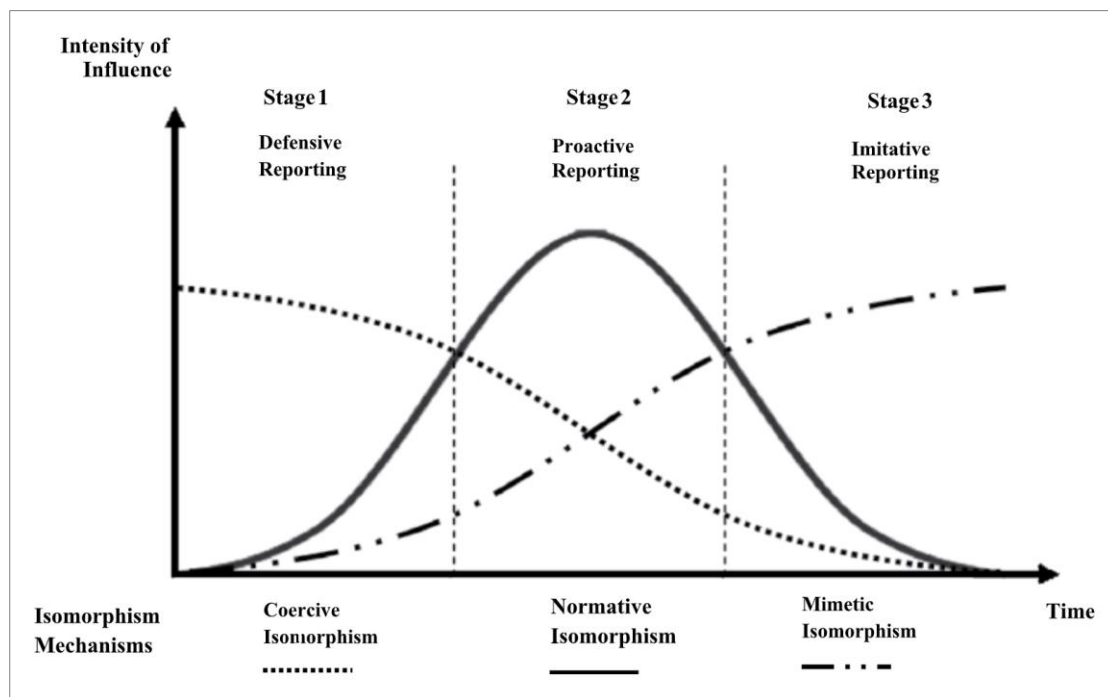


Figure 4 – A three-stage model of CSR reporting (Shabana et al., 2017)

The first stage is driven by coercive isomorphism, as firms are pressured into closing an expectational gap that has occurred. This stage of defensive reporting is usually communicated through explicit responses (do/do not), but with little additional information in order to retain decision-making discretion (Matten & Moon, 2008). When coercive isomorphism advances further than what is currently required towards what is thought to be required in the future, we go from reactive to proactive CSR,

which marks the separation of the regulative and the normative pillar. The extent to which proactive implementation is practiced depends on the organizational field. Building a cruise ship takes multiple years of completion, from planning to final launch, and outlook on the development of laws and regulations is therefore critical.

In the second stage, CSR reporting becomes normatively sanctioned as more and more businesses approach it as a new opportunity to achieve CSR goals. Through the media and other forms of information sharing, certain ways of behaving normalize, and proactive reporting emerges from a goal-oriented perspective to tackle CSR issues (Shabana et al., 2017).

In the third stage, a critical mass of CSR reporters is reached, at which the reporting benefits exceed the costs. At this point, the practice of reporting has become so widely accepted that not reporting might be considered problematic. As an innovation spreads, a threshold is reached in which further adoption provides legitimacy rather than improved performance (Meyer & Rowan, 1977). In a CSR reporting context, this can be interpreted as the separation between the normative and the cognitive pillar. At this point, the net benefits of reporting outweigh the net costs, independently of the content disclosed. The desire to be consistent with peer firms is perceived to reduce uncertainty to the extent that performance does not matter. DiMaggio and Powell (1983) argued that “organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness” (p. 150). As social processes become enshrined and institutionalized, and reporting on these issues obtain value, competition on CSR reporting arises, and standards are developed in order to legitimize claims.

3.4 Existing research

A review of the literature reveals that CSR in the tourism and hospitality industry has gained significant interest from scholars in the last ten years, as several studies on the topic have been published (Font & Lynes, 2018; Medrado & Jackson, 2016). A search on the Web of Science database for articles that identified itself of being related to either CSR, corporate sustainability, corporate responsibility, or corporate social and environmental responsibility, within the category of hospitality, leisure, and tourism revealed that more than 70% of the articles published were from the last five years (see Figure 5).

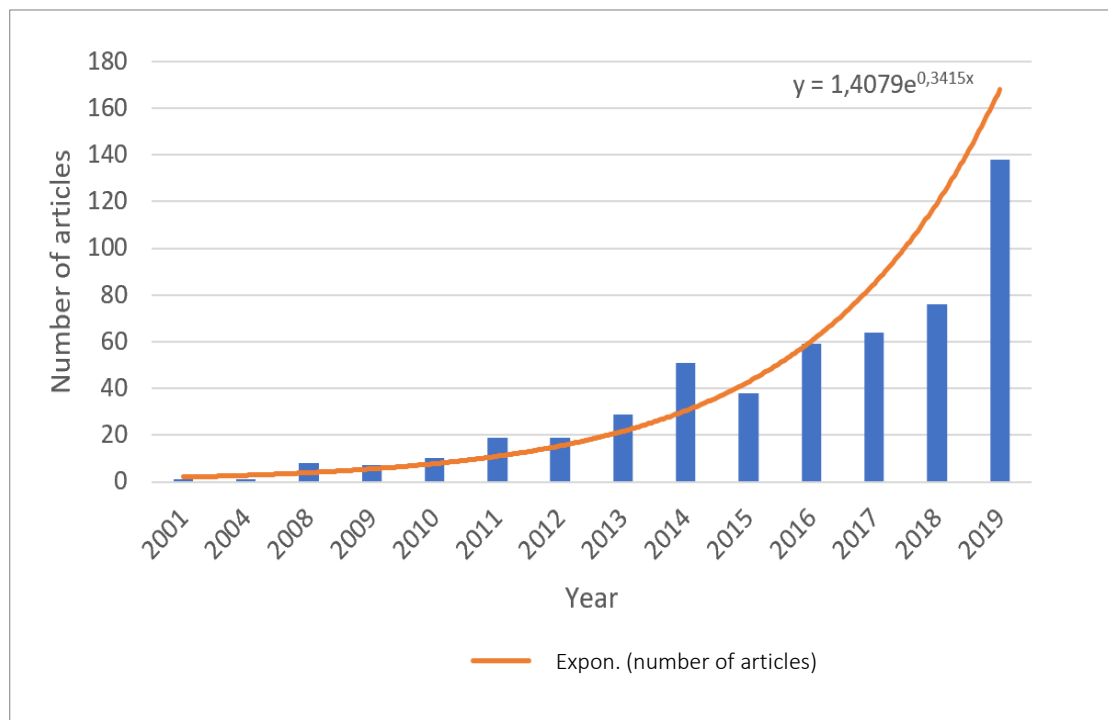


Figure 5 – Number of articles related to CSR within hospitality, leisure and tourism

Despite the growth in research, CSR in the tourism context is still under-investigated (Bonilla-Priego et al., 2014; de Grosbois, 2016). Relevant articles on the field are massively concentrated on the hotel and airline industries, while cruising has received considerably less attention (de Grosbois, 2016). However, in the latest years, there has been a rise in reports in the field (de Grosbois, 2016; Font, Bonilla, et al., 2017; Hall et al., 2017; Jones et al., 2019; Jones et al., 2016; Macneill & Wozniak, 2018; Pakbeen, 2018) primarily focusing on current sustainability reporting practices.

Bonilla-Priego et al. (2014) published the first work containing an overview of the reporting practices in the cruising industry. They developed a framework for assessing reporting practices in 2011 and argued that the cruise industry was in the early stages of accepting responsibility. Only 29 out of the 80 analyzed companies reported any CSR information, and they found that there was a non-linear decline in reporting scores from the top to the bottom scoring companies. The authors suggested that this could be related to the dominance of major international brands reporting, and the limited disclosure of performance, together with the industry having little CSR experience. They argued that the industry lacked the normative and cultural institutions needed to

stimulate an industry-wide CSR reporting practice and that it had not yet reached mimetic behaviour.

De Grosbois (2016) published a similar study two years later, suggesting a link to the extensive literature on CSR in the shipping industry and used the institutional theory to conceptualize CSR in the cruising industry. De Grosbois (2016) developed a model explaining how CSR reporting behaviour is directly linked to stakeholder pressure. She argued that CSR reports would be constructed around how strongly firms perceive four stakeholder pressures: expectations, visibility, verifiability, and accountability. Greater stakeholder pressure increases the external institutional pressure for the company. Assuming that managers are rational and aware of the threats, de Grosbois (2016) explains how decision-making on tackling CSR issues is influenced by implementation enablers and barriers. Depending on how they perceive an issue, managers will create CSR goals to alleviate stakeholder pressures.

De Grosbois (2016) argued that the cruise industry had many of the same CSR related issues as the ones found in other parts of the shipping industry and the tourism sector. However, she also suggested that they were facing their own unique challenges caused by a complex regulatory environment and varying stakeholder expectations. She developed a research instrument and found that most of the assessed companies disclosed some degree of CSR information. However, she also found that there were few details of performance and verifiable information with little focus on important issues such as economic prosperity and quality of employment. Lastly, she argued that the reporting was dominated by the big actors because of low stakeholder pressure, confirming the findings of Bonilla-Priego et al. (2014).

Font, Bonilla, et al. (2017) analyzed the materiality of the CSR reports in the cruise industry and examined the evolution of the content in relation to stakeholder pressure. They found that there was still a lack of detail in the reporting, both in how they responded to stakeholders and in actions taken. They found that the balance to which different stakeholders' concerns are included differs widely. For example, indicators relating to water pollution, emissions, and waste, that have been facing increased regulations in the last decade were highly disclosed, whereas biodiversity and economic sustainability were under-reported (Font, Bonilla, et al., 2017).

3.5 Summary

In this chapter, we have presented various topics relevant to the purpose of the study; to investigate the development of CSR reporting in the cruise industry. First, we explained sustainability and how it relates to corporations. Sustainability reporting is a practice that companies utilize to show responsibility towards their stakeholders through the transparency of operations, which again helps to legitimize the business.

Furthermore, we have seen that several international initiatives have been established to assist companies both on CSR reporting and to operate sustainably – mainly driven by the UN SDGs and the GRI framework. The institutional theory explains how different societal pressures guide behaviour and isomorphic pressures explain how norms within an organizational field align over time. The three-stage model of CSR reporting describes the institutional forces in relation to sustainability reporting. The coupling of these social behaviour theories will help us answer the research questions.

Compared to other industries in the tourism sector, cruising remains under-researched. Our study differs from the previously existing literature in a way that it applies institutional theory to the cruise industry using a longitudinal approach. Since isomorphic pressures explain how institutions impact behaviour over time, we believe that the longitudinal approach is needed.

CHAPTER 4 METHODOLOGY

When writing a thesis, it is crucial to clarify the methodology used to answer the problem at hand. Doing this helps enable the reader to gain an understanding of how the researcher has arrived at the given results and to reach a verdict on whether the procedures and results are legitimate or not. This chapter aims to explain the methodology used to arrive at the given results. First, we present our research design, which explains the conceptual plan behind how the research was conducted. Subsequently, we present the research instrument and how this has been used in the process of content analysis and coding of data, before we explain the process of data collection. Finally, the reliability and validity of the study are examined, together with ethical aspects. Strengths and weaknesses will be pointed out throughout the chapter to help the reader get a better understanding of the full context.

4.1 Research design

The research design is an integral part of a study as it describes the plan of how the collection, measurement, and analysis of data is carried out to answer the research questions. It describes the level of interference the researcher has with the investigated phenomenon, the study setting, unit of analysis and the time horizon. These choices must be made with significant consideration as the quality of the research depends on an appropriate design in order to correctly answer the research question (Sekaran & Bougie, 2016). When starting our work on investigating the development of the reporting practices in the cruising industry, we became aware of an article published by de Grosbois (2016). De Grosbois developed a framework for assessing cruise companies' reporting practices to explain their CSR behaviour. She presented findings from 50 cruise lines in the period from 2009-2012, linking CSR reporting activities to the institutional theory. Our report has a basis in the same framework presented by de Grosbois, using the same set of themes, indicators, and rules for determining the categories and level of reporting maturity. Bonilla-Priego et al. (2014) also developed a scoring instrument for measuring CSR reports, but the results were not public. Based on access to information, de Grosbois' instrument and baseline data was therefore used for comparison. The study uses an exploratory approach with a broad perspective on the extent and form of CSR reporting. The actual performance and impact of the reviewed indicators are not evaluated.

4.1.1 Research strategy

The research strategy is the plan for achieving a particular goal, and a well-developed plan can help the researcher reach their research objective (Sekaran & Bougie, 2016). To answer our research questions, we chose to conduct a case study. Case studies can be used to collect information regarding a specific group in the interest of the researcher (Sekaran & Bougie, 2016). In our case, we chose to investigate a group of organizations, namely current and some former members of CLIA in the cruising industry, to illustrate the sustainability reporting in light of institutional theory. We operated in an uncontrived setting where various factors were examined in the natural environment in which daily activities go on as usual with no interference from the researchers (Sekaran & Bougie, 2016).

4.1.2 Mixed methods approach

When performing a study, it is important to carefully consider what kind of what kind of method for obtaining the information is suitable for the study. While qualitative methods try to seek understanding, quantitative methods try to explain (Gripsrud et al., 2016). Bowen (2009) suggests that document analysis is a suitable method of tracking and identifying changes and development over time within a project or organization. He defines document analysis as “a systematic procedure for reviewing or evaluating documents – both printed and electronic material” (p. 27). We have chosen to use document analysis to assess publicly available written reports and other forms of information available on the internet. The process of document analysis consists of both skimming, reading, and interpretation, combining both content and thematic analysis (Bowen, 2009). Our data mostly consists of qualitative textual data alongside some degree of quantitative data. Qualitative data is constrained to data depicted through words, and quantitative data is in the form of numbers (Sekaran & Bougie, 2016). Qualitative data is used for analytical description and the understanding of relationships (Gripsrud et al., 2016), while the quantitative data was used to enrich the discussion and to provide useful contextual information. Qualitative data analysis can, in general, be divided into three steps: data reduction, data display, and the drawing of conclusions (Sekaran & Bougie, 2016). Several of the assessed reports were hundreds of pages long, and severe data reduction was needed to be able to present the data in a reasonable manner and to be able to draw conclusions based on the findings. As both quantitative and qualitative data are used, our study utilizes a mixed-methods approach. The

approach is widely used in the literature when investigating non-financial disclosure from organizations (Gray et al., 1995).

4.1.3 Data sources

Our results and assessments have been made based on primary information made publicly available from the selected companies and secondary information from the article “Corporate social responsibility reporting in the cruise tourism industry: a performance evaluation using a new institutional theory based model” (de Grosbois, 2016). Primary data is characterized by consisting of data collected from original sources by the researchers themselves, and the data is collected for the specific purpose of the study (Sekaran & Bougie, 2016). As we intended to study the actual change in reporting behaviour, we chose to use an unobtrusive method of data collection. Unobtrusive methods are used when seeking to understand what people actually do, instead of what they say they do (Sekaran & Bougie, 2016). Primarily there were three sources of primary data; separate CSR related reports (CSR, environmental, sustainability, stewardship), information incorporated in the companies' websites (e.g. “about us”, “career”, “FAQ”, “legal”), and sections of sustainability information found in annual reports. Financial statements were not included.

The information used for comparison is secondary information made available de Grosbois (2016). Secondary data is characterized by consisting of data collected by others and not by the researchers themselves (Bowen, 2009; Sekaran & Bougie, 2016). Gripsrud, Olsson and Silkoset (2016) point out that secondary data is useful for gathering a large amount of data in a time- and cost-saving way when it is hard to obtain primary data. During our initial research, we found that only a few companies had information older than three years old. We also found that using a “time machine” to assess how webpages used to look like in the past rendered inconclusive results.

Although time and cost-effective, there are also disadvantages to using secondary data. One disadvantage is not having the opportunity to assess the context of the data collected in the same way as one has by collecting data first-hand. Therefore, the validity of secondary data could, in some instances, be considered lower. However, as we are using data from an article published in a peer-reviewed journal, we see the lowering of validity to be minimal. Furthermore, we recognize that questions can be raised as to whether a company's public statements fulsomely, and in detail, reflect

strategic corporate thinking or is a well thought out way of conducting corporate greenwashing. However, as mentioned in the introduction, we focus on the degree of accountability to which companies are willing to take responsibility for their actions, not the actual performance.

4.1.4 Analytical approach

A content analysis maps and analyses the non-financial sustainability reports made by the companies for the period, along with information from their webpages. Content analysis is the dominant research method for collecting evidence in the field of social and environmental accounting and reporting (Bonilla-Priego et al., 2014; Silverman, 2010). The purpose of using document analysis is to see to what extent CSR related reporting has changed over a period of time. We investigated if more companies have chosen to use a dedicated report and whether companies have chosen to report on more or fewer themes and indicators than before. As the research topic implies that the development must be mapped over time, we also investigated archival data to get a correct picture of the period. Thus, this is considered a longitudinal study. However, as we were not able to collect reports from the beginning of the period, and websites change with little or no records on what was presented in the past, we used a cross-sectional approach on the current reporting practices. This way, we could get a clear picture of today's situation and be able to compare it to an already existing study portraying the practices from the beginning of the period. These are both observational techniques where we record information about the subjects without manipulating the study environment (Sekaran & Bougie, 2016). Combining these techniques gave us the opportunity to assess and compare both within our selection, and with the results presented by de Grosbois (2016).

The period for our research was set from 2017 to 2020, and we chose to assess the most recent available material from each company. Most of the companies with dedicated separate reports had published material from 2018, and one company had a report from 2017 that we also chose to include. The information extracted from websites was difficult to date, as timestamps on when it was published were seldomly available, and the information was regularly updated. Our website content gathering took place in the period from January to March 2020. Similar to de Grosbois' study, the results from the

reports were then included into the assessment of the subsidiary, if the requirement of a close link was met.

4.2 The research instrument

To evaluate each company's sustainability reports, a suitable research instrument had to be used. The instrument used to collect data is also referred to as the coding scheme. This must be made in the right way so that it is both reliable and valid (Sekaran & Bougie, 2016). To make our assessment as accurately comparable with the previous study as possible, we chose to use the same framework as used in the study by de Grosbois (2016). This framework consists of 36 CSR related indicators measuring different aspects of five CSR themes (environmental sustainability, employment quality, diversity and accessibility, social and community well-being, and economic prosperity). As described in de Grosbois' article (2016), these themes and indicators were all derived from research articles with a focus on CSR-reporting in other tourism sectors, documentation from GRI, The UN Environmental Programme and the World Tourism Organization. The full list of indicators can be found in Appendix A.

Each of the themes and indicators was entered in a coding scheme with three levels of maturity; commitment, initiative, and performance – describing to what degree the company reported on a specific indicator. Each indicator must be scored in a mutually exclusive way for the information to fit into a single category (Ghauri & Grønhaug, 2005). The level of reporting was recorded for all the individual cruise lines on a dichotomous scale as a binomial yes/no (Sekaran & Bougie, 2016) to answer whether or not each level was reported on. This was converted to a binary variable in order to perform calculations.

4.2.1 Population selection

There is no common directive with all cruise lines of the world. However, CLIA claims to represent more than 95% of the world's cruise fleet (Cruise Lines International Association, 2020a). As we are comparing our results to those presented by de Grosbois (2016), we chose to use the same selection of cruise companies, although, with some necessary alterations. The original sample frame consisted of 50 cruise lines in the membership database from CLIA, but as the membership database has changed over time, we chose to include both the current members and the ones used by de Grosbois

(Cruise Lines International Association, 2020b; de Grosbois, 2016), leaving us with a total population size of 57 companies. Out of the total, 44 are current members and 13 previous ones. The entire list of cruise line companies included in the study can be found in Appendix B.

Most of our analysis is based on aggregated data from each individual ship. To more easily differentiate between the different companies and how their reporting practices played a part in their level of reporting, we defined different groups as our units of analysis. By dividing the cruise lines into categories and aggregating the individual data, we were able to observe differences among the groups within our selection. The groupings are explained below in Table 3.

Group A1 – Published CSR report	Group A2 – Other means of disclosure
These Cruise lines were characterized by having published a dedicated CSR related report in the timeline from 2017-2019. Only the latest report available was included.	This category included cruise lines which did not publish a dedicated report. The information coded from this category comes from their webpages or other means of disclosure, such as annual reports.
Group B1 – Parent or subsidiaries of the leading cruise brands	Group B2 – No ownership affiliation to the leading cruise brands
This group consists of parent and subsidiary companies affiliated with one of the five leading cruise brands: RCCL, NCL, Carnival, GHK and TUI Group.	This group consists of those companies with no affiliation to the five leading parent companies.

Table 3 – Categorizing of cruise lines, Group A and B

4.2.2 Data collection

To perform the analysis, we reduced the qualitative data from reports and webpages to quantitative data based on whether it fulfilled the criterion rules presented by de Grosbois. By quantitative data in this context, we mean that if a phenomenon was observed in the text, we classified it as approved and tabulated it in Excel. This data was used for quantitative calculations. We used the rules to determine if the information was fitting in one of the five categories and the level of maturity presented in the research instrument. Each level had a clear difference that was easy to understand when putting them to use.

Maturity level one – Commitment/goal statement

The first level states that the company needs to both mention and state a commitment to the goal in question (whether sincere or posturing).

- *Is the cruise line reporting commitment to the goal? (yes=1/no=0)*

Maturity level two – Initiatives

The second level specifies that there must be a specific action or a set of actions put in place to make advancement towards the goal (whether substantial or superficial).

- *Is the cruise line reporting at least one specific initiative contributing to this goal? (yes=1/no=0)*

Maturity level three – Performance measures

The final level requires there to be at least one quantifiable performance indicator covering its contribution to the goal (whether verifiable or not).

- *Is the cruise line reporting at least one performance measure capturing its contribution to the goal? (yes=1/no=0)*

4.2.3 Data analysis

The collected data was coded from document and website data published by the selected companies. Below, we present an example of each maturity level. Figure 6 is extracted from the webpage of P&O Cruises, and depicts an example of maturity level one, where a commitment towards ensuring a safe environment for customers and employees, is expressed without an initiative or performance measures.



Figure 2 – Maturity level one: Commitment (P&O Cruises, n.d.)

Figure 7 is cropped from the sustainability webpage of Paul Gaugin Cruises. They state that they have a specific program in place to educate guests on environmental subjects. This initiative approves the classification to reach maturity level two on raising public awareness and involvement in sustainable development issues.

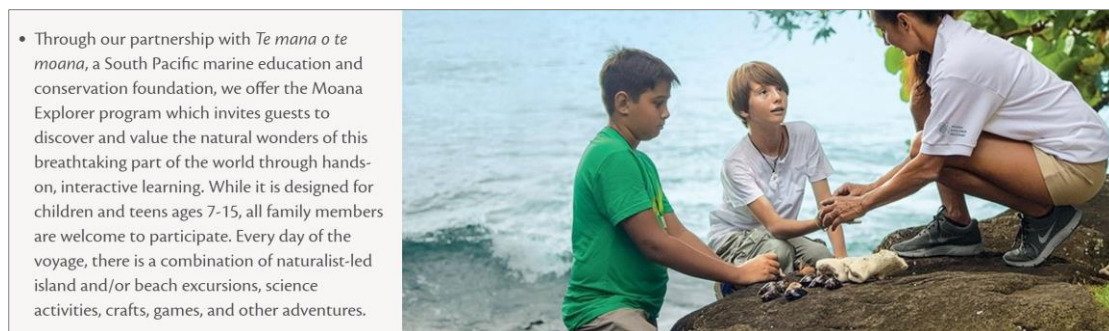


Figure 7 – Maturity level two: Initiative (Paul Gaugin Cruises, n.d.)

Figure 8 shows a screenshot from the RCCL “Seastainablity report” from 2018. To fulfil the criteria for reaching the highest maturity level on waste reduction and recycling, the company must report on at least one quantifiable performance indicator. Using the example of RCCL, their report stated that they have reduced average waste-to-landfill per passenger to eight ounces per day. This satisfies the requirement made by de Grosbois (2016), and we can, therefore, note that RCCL has reached the highest maturity level for waste reduction and recycling.

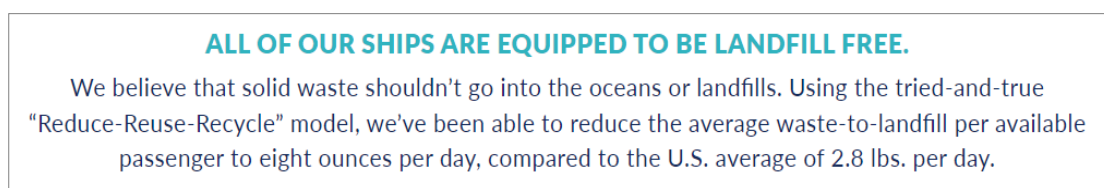


Figure 8 – Maturity level three: Performance (Royal Caribbean Cruises LTD., 2018)

There is an inherent weakness with our document analysis, as we had to interpret how de Grosbois (2016) made her assessment based only on the written statements in her article. Therefore, it cannot be ruled out that there have been cases where we perceived a criterion as fulfilled, while de Grosbois could have perceived it to be unfulfilled or vice versa. Some questions were raised along the way, but we tried to the best of our ability to concretize the explanations given by de Grosbois (2016) in cases where there was room for interpretation. We believe our data still has value and are confident that different interpretations of a few specific cases do not significantly reduce the value of our study.

4.3 Research quality

The quality of the research is determined by the level of reliability and validity, indicating how well we measure what was intended to be measured (Sekaran & Bougie, 2016). In this subsection, we describe one of the most common errors (selection error) in qualitative research before we discuss the reliability and validity, finishing with a review of the ethical considerations.

4.3.1 Selection error

There may be various selection errors associated with selecting items. In our case, the most common error to occur is coverage error; if the population we want to comment on is not adequately covered in our sample frame (Gripsrud et al., 2016). This study has a basis in the membership database from CLIA, together with some previous members assessed by de Grosbois (2016) in her article. Not every cruise line is associated with this organization, and therefore some have been left out. Also, because CLIA tries to be an environmentally friendly promoter and encourage their members to do better at CSR reporting, we might have gotten a skewed positive picture of the reality than if we included cruise lines that have had no affiliation with the organization.

4.3.2 Reliability

Reliability explains to what degree one can trust results to be reliable. It questions whether the same result will transpire if the assessment is repeated multiple times. All assessments will have random errors, but the degree of reliability relates to the number of these errors (Gripsrud et al., 2016).

A research's category reliability depends on "the analyst's ability to formulate categories and present to competent judges, definitions of the categories, so they will agree on which items of a certain population belong in a category and which do not" (Kassarjian, 1977, p. 14). Category reliability refers to the quality of the category definitions and how easy they are to interpret. Precise and unambiguous categories will lead to higher reliability. Also, if the categories are broadly defined, it will lead to higher category reliability. However, this can lead to oversimplification of categories, in turn reducing the relevance of the research findings (Sekaran & Bougie, 2016). Clear rules stated in the research instrument by de Grosbois (2016) formed the basis of assessments on how to interpret the information made available from the various cruise lines. These rules made the interpretations uniform, leaving less room for error.

The degree of clarity on category definitions also affects interjudge reliability. Kassarjian (1977) explained it as the degree of consistency between coders processing the same data, meaning how consistent the agreements are out of the total number of coding decisions made when more than one coder is categorizing the same data (Sekaran & Bougie, 2016). Because of time constraints and the magnitude of each company's report/website, we chose to divide the companies between the two researchers and covered half of the assessment each. We made sure that whenever one felt there was the slightest chance of ambiguity or misinterpretation, we discussed the case and verified that we reached a unanimous agreement. However, the fact that both researchers did not assess all companies may have led to situations where one was confident about their decision and therefore chose not to bring it up when in reality, the other coder would not have agreed on this decision. To reach higher interjudge reliability, we could have both assessed every company individually and compared our results. By doing this, we could have calculated agreement rates and discussed variances post coding.

4.3.3 Validity

Validity defines to what extent one measures the intended phenomenon. If anything is measured other than intended, there is a systematic error (Gripsrud et al., 2016). Another definition states that validity is the extent of how "research results (1) accurately represent the collected data (internal validity) and (2) can be generalized or transferred to other contexts or settings (external validity)" (Sekaran & Bougie, 2016,

p. 349). Because the study intends to investigate how the quality level of CSR reporting within the cruise sector has changed over time, it is crucial to include all the reported material presented by the companies. The data collected has been used in all research questions, and the depiction of our analysis approach is well described. We, therefore, argue that the data represent the relevant phenomenon investigated. We did our due diligence and spent a considerable amount of time searching for data presented by the companies; however, if the information was somehow hidden, it could have been overseen. We argue that the data we might not have found cannot be considered as public, as it defeats the concept of reporting by not reaching its stakeholders.

4.3.4 Ethical considerations

In business research, ethics refers to a specific set of societal norms of behaviour or a code of conduct expected while conducting the research, applying to all the parties related to the research (Sekaran & Bougie, 2016). Throughout our research, ethics has always been in focus, and the university's ethical standards have served as a guideline for the duration of the project. Research performed at the University of Agder is expected to follow the four fundamental values of openness, trust, responsibility and respect (University of Agder, n.d.). We believe with great assurance that we have practiced these values as they are not only essential for conducting credible research, but they are also in line with our personal views. We have made a great effort not to misinterpret the work of other authors while conducting our literature review, but to make sure that we are bringing out their intended message. Alongside this, we have also made sure to stay clear of plagiarism by not reproducing others' original work and presenting it as our own. We have to the best of our abilities tried to depict factual information exclusively, and to portray the world as it is, not in any way misleadingly bent to our convenience.

CHAPTER 5 FINDINGS AND DISCUSSION

This chapter is dedicated to giving an account of the results from the empirical data collected in the study. We will review the data and present our analysis before we further discuss the research questions. In the work of analyzing and discussing the questions, we use the information found in the document analysis. In the first part, we present our general findings to give an account for the process of data-gathering and analysis. We then present the findings relating to each of the research questions. Throughout the chapter, we discuss the findings in light of the previously mentioned theories.

5.1 General findings

Out of our initial list of 57 cruise line companies, four have ceased operations, and one did not have any English content available, leaving a sample size of 52. The sample represents a cross-section of the population of cruise lines in the world, from smaller companies operating in a few distinct areas to globally operating giants with several ships and destinations. The companies included represent 95% of the cruise line passenger travels in the world (Cruise Lines International Association, 2020a).

The reviewed companies ranged from barely reporting on any indicators at all, to issuing elaborate reports more than a hundred pages in length, covering most of the assessed themes and indicators. All the 52 cruise lines assessed provided some CSR-related information on at least one of the indicators. 13 of the 52 included companies had sustainability reports available. Celestyal Cruises only had a report in Greek and was therefore not included leaving the total assessed reports to 12. The reviewed reports ranged from the shortest, 21 pages long by TUI Cruises, to the longest, 152 pages published by Carnival. The average report was 52 pages, including figures and imagery, and the median was 41 pages. It is worth mentioning that in most of the reports, design elements such as pictures and illustrations allocated a large portion of space on each page.

A descriptive or qualitative approach characterized the majority of the reporting, and only 17.3% of the reported indicators were at the highest maturity level, including performance measures. Most of the information disclosed included general information about policies, company values or vague commitment statements. While some

companies were distinguished by a considerably lower level of reporting than the average, some companies were on the far other end of the spectrum. The information provided on company websites could be found at several different locations, and no standard for how to present the information was found. Most companies used their “about us” section as their primary conveyor for sustainability information. Some of the website's “career” section linked to a dedicated website with extensive information about life on board, career options and possibilities. The findings on general reporting characteristics are summarized in Table 4.

	Assessed companies		Dedicated sustainability report		Subsidiaries represented by parent report		GRI framework used		SASB framework used		SDGs mentioned		IIRC Framework used	
	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016
Year of study	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016	2020	2016
Number	52	50	12	6	9	11	6	No data	0	No data	7	No data	0	No data

Table 4 – General findings of reporting characteristics

We found that 13 companies had dedicated CSR reports as compared to six in 2012. Additional nine cruise lines were represented in parent companies reports as compared to 11 in 2012. However, this is aggregated information with little or no distinct separation between which company their information comes from. Out of the 22 subsidiaries, 13 companies did not provide a clear link to their parent company, and the information was, therefore, not included in any of these companies' assessments. Only two companies had reports older than three years available on their website – Carnival tracking back to 2010 and RCCL back to 2008. All the cruise lines providing a dedicated report also chose to report with additional information on their website. Out of the seven cruise lines mentioning working with SDG’s in mind, only one of them (Lindblad) did not provide a dedicated report.

None of the companies referred to the SASB or IIRC reporting framework. Six of the assessed companies used the latest GRI reporting framework as a guideline for their reporting. However, none of the reports using GRI’s framework was up to date in GRI’s Sustainability Disclosure Database (Global Reporting Directive, n.d.). Utilizing the GRI framework as a reporting tool can prove beneficial for the company, but it does not facilitate standardization, as it is not externally verified. The results are similar to those of de Grosbois (2016), where only one company was in accordance with and verified by the GRI framework. These signs strengthen the idea that posturing (e.g. “greenwashing”) might be taking place when cruise companies report on sustainability.

We believe that being able to verify the difference between the intended strategy and realized strategy is of great importance in order for an industry to develop towards creating a normative culture. Meyer and Rowan (1977) suggest that organizations are likely to “decouple” the normative structure with the operational one, resulting in conflicting activities.

Several of the companies reported on indicators extensively, to the degree that it might have been valuable to divide the indicators into new sub-indicators within the framework we used. For example, safety information, crime, disease prevention, injury prevention, or substance abuse were not differentiated between. Only a few of the companies reached the highest level of maturity on multiple indicators with a clear focus on quantification and comparability. Also, it is essential to note that a lot of the information disclosed did not specify to which ships of the fleet or specific operation they applied to.

5.2 Industry structure and reporting form

The first research question is divided into three parts that we believe influence CSR reporting. When looking at the reporting structure of CSR reporting, we analyze the differences between companies that publish a dedicated report and those that do not. The second dimension is the ownership structure, which we have analyzed by looking at whether the companies are owned by one of the five leading cruise brands or not. The last dimension, company size, is analyzed by comparing the individual cruise companies’ annual passengers with their reporting scores.

5.2.1 Reporting structure

Looking at the extent to which the companies reported commitment towards the indicators, the companies that published information in dedicated sustainability reports (group A1) scored an average of 73% inclusion, whereas those without reports (group A2) scored an average of 31% (see Figure 9). Some companies receive high scores without having a stand-alone sustainability report. By looking at the median of the two groups, we see that the distribution of high-scoring to low-scoring companies is similar to the average, which means that the distribution is close to symmetrical. The large spread between companies is somewhat expected, as stakeholder pressures will vary based on company size and ownership structure, leading to different CSR strategies.

Extent of commitment reporting

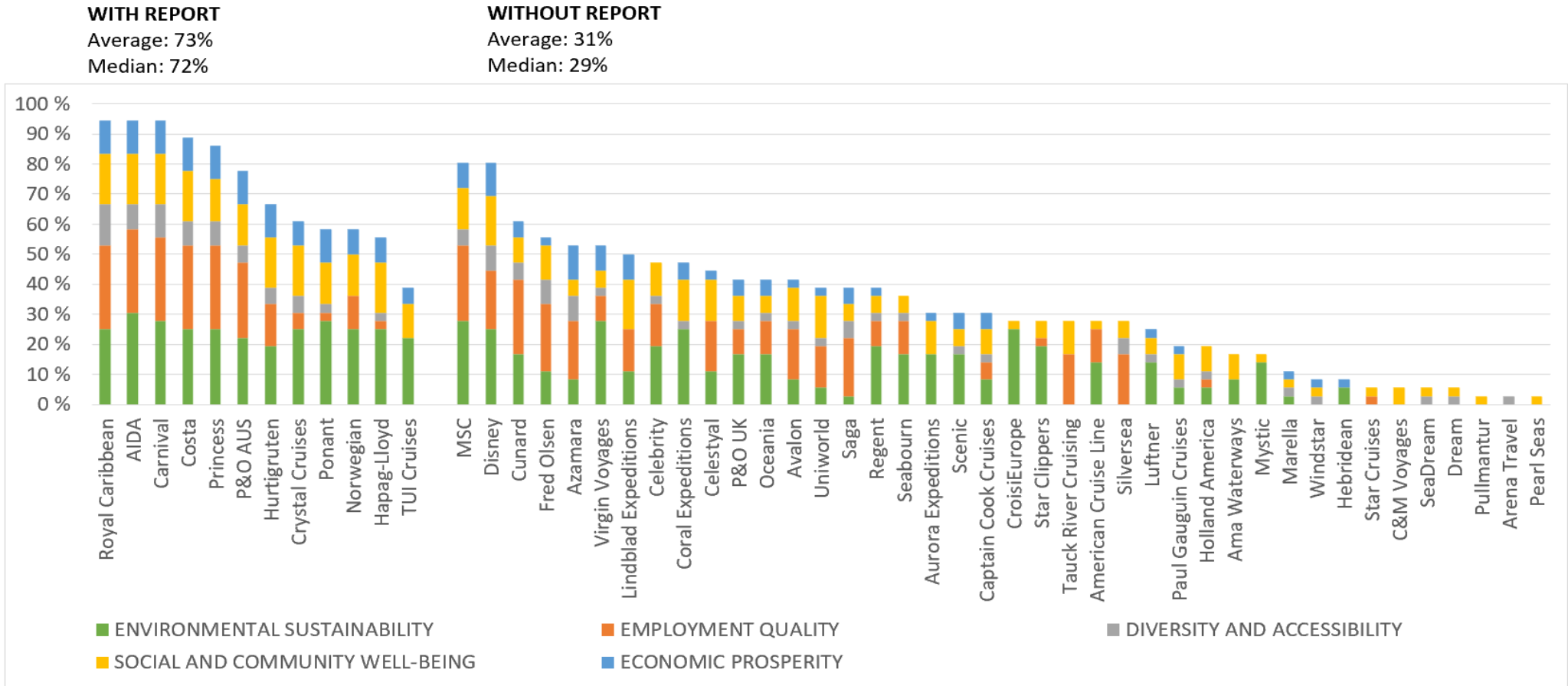


Figure 9 – Extent of commitment reporting split between report vs. not

When looking at the extent of initiative and performance indicators disclosed, we see a similar and even stronger pattern (see Appendix C). One might think that it should not matter whether they disclose on a website or individual report. However, the issue with websites is that they can be edited and removed with no record or accountability. In contrast, reports provide permanency, which facilitates opportunities for comparison over time.

The extent of scrutiny towards a company for its behaviour depends upon their relative stakeholder pressures (de Grosbois, 2016). Not publishing a sustainability report implies a strategy of reducing visibility and accountability towards stakeholders. Whether it is a conscious decision or not, it reduces the overall stakeholder pressure, and in turn, reduces overall risk. Since so few of the companies publish CSR reports, it can be implied that the rewards for being accountable are low. Looking back at the three-stage model of CSR reporting, Shabana et al. (2017) found that larger firms are more likely to publish CSR reports in the third stage of reporting than smaller ones. Generally, the larger the company, the more exposed it is to society, which in turn increases stakeholder pressures, and expectations of the firm to copy socially accepted innovations. Smaller companies are generally less visible, and therefore, it can be argued that they are less prone to scrutiny and can choose more freely whether to publish reports or not.

When looking at the length of each individual report (see Appendix D), we found that there is a moderate positive relationship between the length of the report and their score on the commitment and initiative measures, and a strong correlation with performance (shown in Table 5).

	Pearson's coefficient (r)	P-value
Commitment	.69	.014
Initiative	.66	.020
Performance	.71	.010

Table 5 - Correlation values for report length and reporting scores

Some outliers we noticed were Carnival, whose report was 100 pages longer than the average, yet reporting approximately at the same level as AIDA with 77 pages.

Another outlier on the other end of the scale was Royal Caribbean who received the best scores of all the assessed companies with a 56 pages long report. While it has

been found that longer reports have more information than shorter ones (Li, 2008), it has also been argued that firms can use lengthy reports as a means of obfuscation (Font, Bonilla, et al., 2017; Li, 2008; Muslu et al., 2019). The report length and reporting scores are displayed in Figure 10.

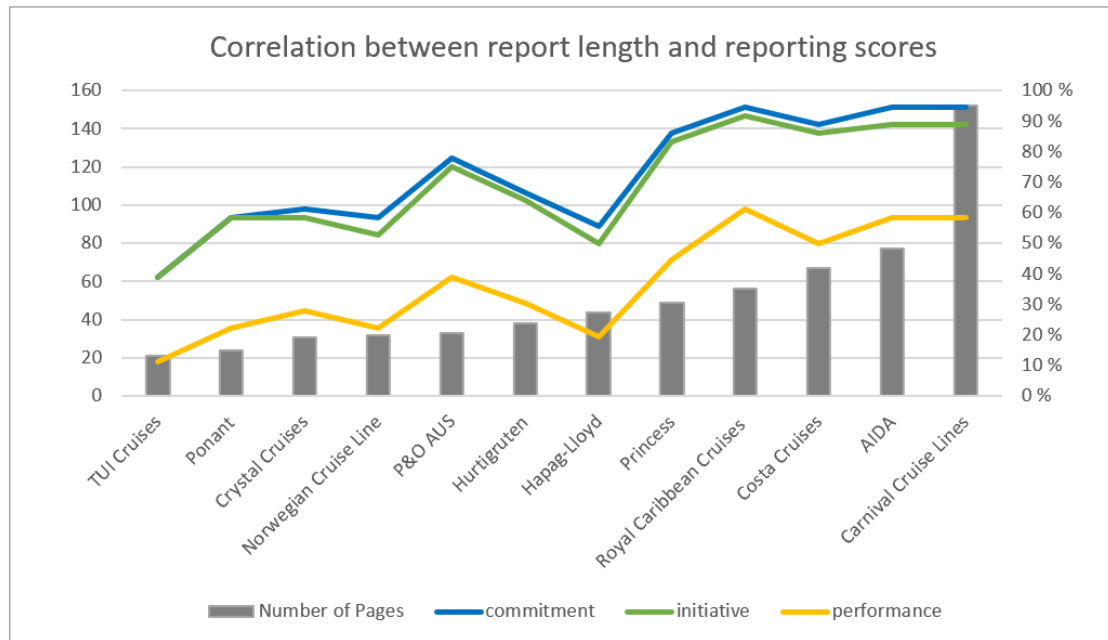


Figure 10 – Correlation between report length and reporting scores

5.2.2 Ownership structure

Out of the 52 companies analyzed, 22 were subsidiaries under five major parent companies; Carnival (9), RCCL (4), NCL (3), GHK (3), and TUI Group (3). All parent companies issue sustainability reports with information on subsidiary brands. However, the reporting practices of subsidiary brands varied greatly when disclosing this information themselves. For example, the Holland America line offered almost no information on their website, while their parent company’s website and report included detailed information on almost all indicators. Only 9 out of the 22 subsidiaries provided a clear link to their parent company’s reporting. As mentioned in the methodology chapter, only the companies providing a clear link received scores on the indicators included in the parent report.

Figure 11 illustrates the individual results of all the companies in our study, with the companies affiliated to the five major brands colour coded (group B1) and all the others striped in grey (group B2).

Breadth of commitment and performance follow-through

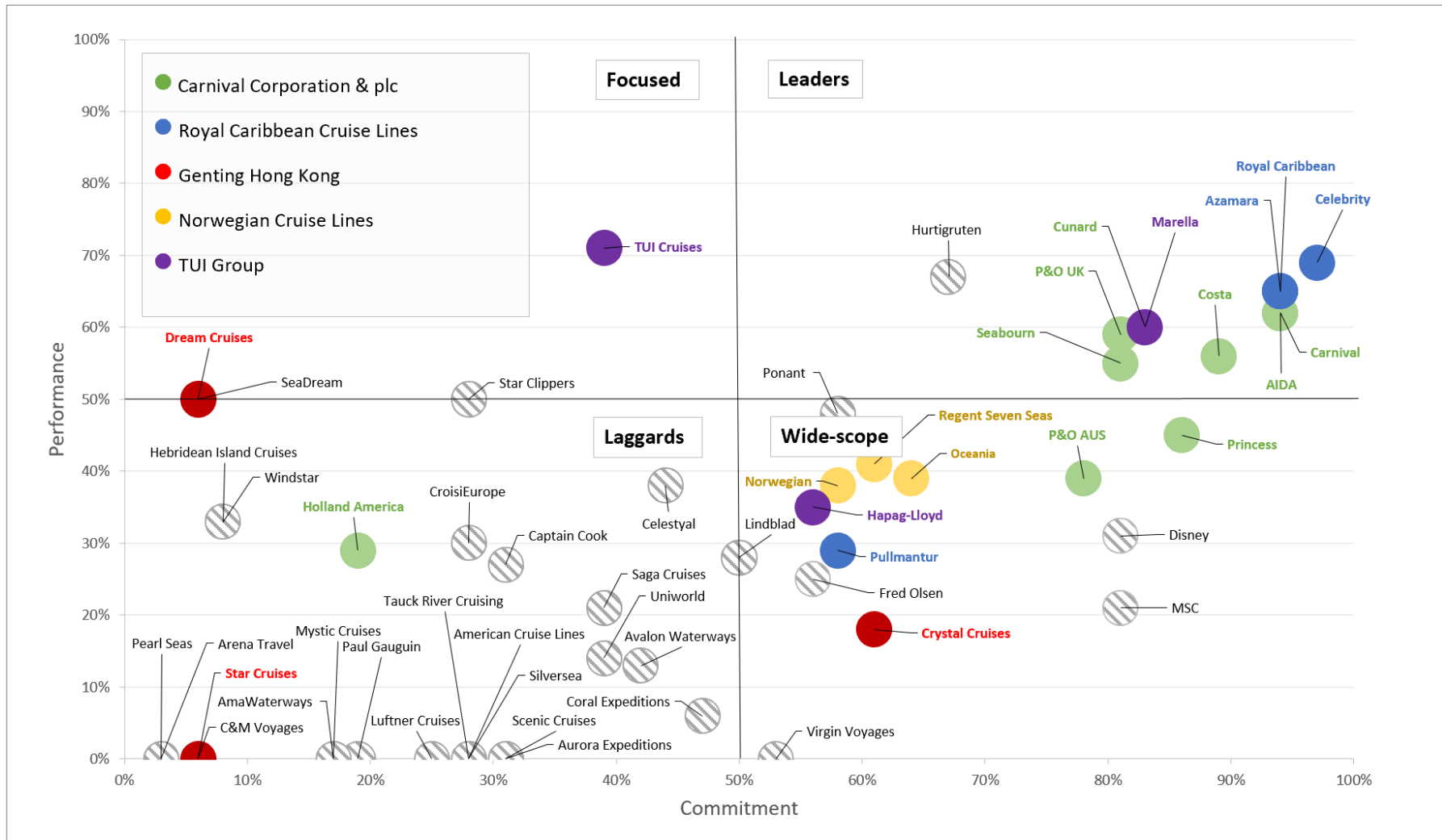


Figure 3 – Parent brand affiliation: commitment vs. performance follow-through

The cruise lines are divided into a matrix based on two criteria: 1) whether the company reported above 50% inclusion of all commitment indicators, and 2) whether the company reported above 50% performance follow-through (percent of goals reported on the highest maturity level, of the goals the company also declared on the lowest maturity level). Four groups were identified: leaders, laggards, focused and wide-scope. To exemplify, Crystal Cruises (marked in red in the bottom-right quadrant) reported commitment on close to 60% of the indicators. They reported performance measures on some 18% of those indicators, categorizing their reporting approach as reaching a wide scope of areas, but with little depth.

The bottom-left quadrant consists of the companies that reported low inclusion on both ends of the maturity spectrum and can be seen as *laggards* in adopting CSR reporting practices. Cruise lines in the top-right quadrant can be considered the *leaders* in terms of breadth and quality. The remaining two quadrants consist of the *focused* companies – with a narrow scope of commitment, but high-performance follow-through, and the *wide-scope* companies, who report on a wide range of indicators, but failed to report performance measures on the majority of them.

We see a clear distinction between the companies of group B1 and B2. The leaders mainly consist of companies owned by Carnival and RCCL, and most of the other companies affiliated with the leading brands are placed in the wide-scope quadrant. Holland America is the only Carnival subsidiary reporting sparsely and is hence placed in the *laggards* quadrant. Similarly, Pullmantur was the only RCCL subsidiary not reporting well. Marella was the only TUI Group subsidiary providing a link to the parent company report, thus reaching the top-right quadrant. Regent Seven Seas and Oceania were the only subsidiaries that provided a link but did not get placed in the leaders' quadrant. None of the GHK subsidiaries provided a clear link to their parent company.

To sum up, ownership affiliation with the leading cruise brands can prove to be valuable if managed correctly. It is unclear to us whether not linking a subsidiary to its parent company is a conscious decision. However, such a strategy proves counterintuitive in terms of CSR reporting and will not help to alleviate stakeholder pressures.

5.2.3 Company size

Larger companies can be assumed to be more visible to stakeholder pressure, as their operations generally cause more significant impacts on its environment and society at large. Fortanier et al. (2011) and Gallo and Christensen (2011) found that company size can have a positive effect on the adoption and extent of sustainability reporting. In addition, Shabana et al. (2017) found that size has a positive effect on the likelihood of publishing CSR reports in the third stage of isomorphic pressures. Gallo and Christensen (2011) provide evidence that ownership structure and industry affiliation are strongly related to increasing support for sustainability reporting mechanisms. Furthermore, smaller companies might have higher marginal costs of disclosure (Haddock, 2005), which makes allocating resources towards such a task less likely.

To investigate whether company size influences reporting scores, we put the companies in a graph measuring the extent of performance measures compared with the number of yearly passengers. The effect of size on performance measure reporting scores was highly significant ($p < .001$) (see Appendix E). Looking at Figure 12, we see a trend line supporting the initial assumption. However, some companies stand out on both sides. The most significant outliers on under-reporting compared to size were Norwegian, MSC and Holland America, Dream Cruises, Star Cruises, C&M Voyages, and Silversea. The ones that overperformed were Seabourn, Azamara, Marella, Cunard, Hurtigruten, Celebrity, and AIDA.

Comparison of sustainability scores and company size

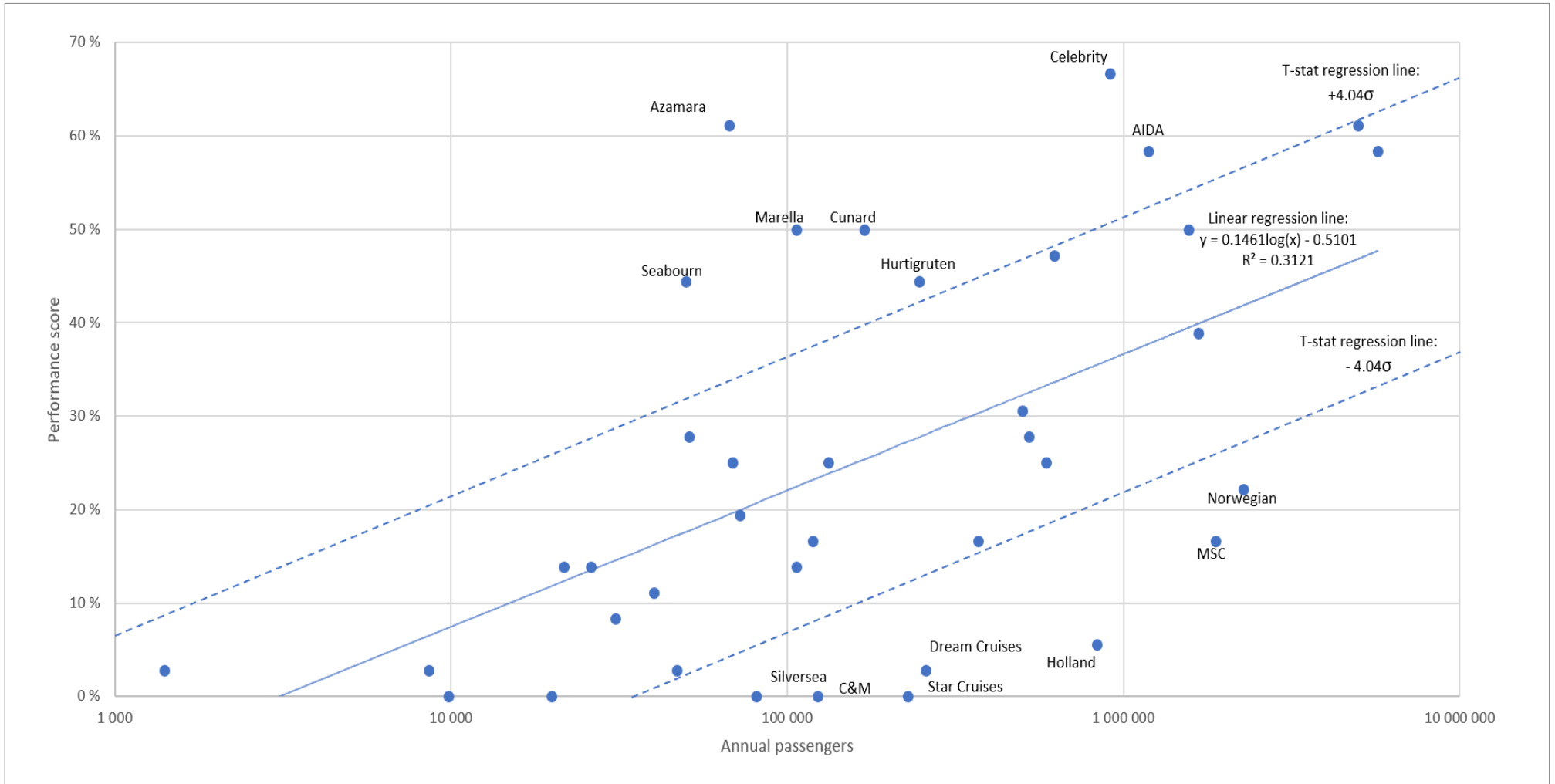


Figure 4 – Extent of performance measures compared with annual passengers

Six of the seven over-performing companies are subsidiaries of the three largest parent companies (RCCL, Carnival, and TUI Group). We believe this relationship serves as “artificially” increasing their organizational size. Hurtigruten remains an exciting find, being the only overperformer not affiliated with any of the large cruise line brands. If we look back at Figure 11 (page 54), Holland America is the only Carnival subsidiary not performing well. The other subsidiaries either reported well on their own or provided sustainability information by linking to Carnival. The same is true for Star Cruises and Dream Cruises, being incorporated by GHK, but not showing a coordinated effort in CSR reporting. We do not believe this occurrence can be explained through external stakeholder pressures but is rather a result of internal management.

Regarding the underperformers, MSC is an exciting find as its parent company is a massive player in the shipping industry. Stakeholder pressures are largely different between the shipping and cruising industries, especially when it comes to environmental issues. Where boat transport is regarded as bad for the environment for the transport of people (cruising), it is by far the best option for the transport of goods (shipping). Compared with air travel, the emissions of sea travel are much lower (by a factor of 75) when measured in weight travelled over a distance (European Chemical Transport Association, 2011). Also, cruise companies deliver products and services to the end customer, whereas a shipping company can be one of many supply chain parts not visible for the end customer. Cruise companies are, therefore, more visible to their customers, which increases their expectations towards acting sustainable. MSC does not seem to value the stakeholder pressure in their cruising segment as strongly as the other comparably sized cruise lines. Norwegian Cruise Lines and MSC Cruises were identified by Bonilla-Priego et al. (2014) as the only two larger cruise lines not publishing a sustainability report back in 2011. Both released reports in 2018, so an experience gap could explain their underreporting.

5.3 Development of CSR disclosure

To answer the second and third research questions, we have aggregated the reporting data into the five sustainability categories of the research instrument: environmental sustainability, employment quality, diversity and accessibility, social and community well-being, and economic prosperity. We discuss the specific results of each category and compare them with the data from 2009 to 2012 (de Grosbois, 2016), while

explaining the findings in light of the legitimacy, stakeholder -and institutional theories, as they apply. As the data is aggregated across all cruise lines, the findings should give some insight into the direction to where the cruise industry focuses its CSR attention. Overall, we see a considerable increase in commitment and initiative reporting, while only some areas have seen improvement in performance measures.

Many of the indicators are reported on a similar extent on commitment reporting, but with widely different scores on performance measures, illustrating how different stakeholder pressures and isomorphic mechanisms work. Figure 13 and 14 below demonstrates the institutional forces at play. The horizontal axis measures the extent of commitment reporting, while the vertical axis measures the extent of performance measure reporting. Next, the graph is divided into a matrix based on two criteria: 1) whether the indicator was reported by more than 50% of companies on the commitment level, and 2) whether the indicator was reported on by more than 25% of companies on the performance measure level.

DiMaggio and Powell (1983) noted that the separation between the institutional stages is ambiguous, as organizations vary in the extent to which they are, or feel, dependent upon institutional forces. The placement of the matrix will, therefore, not be fixed, as in our figures, but will develop together with culture, as institutions evolve. For this reason, we have chosen not to name the quadrants, as it could be misinterpreted.

Findings categorized in sustainability indicators, measured on extent and quality (2009 – 2012)

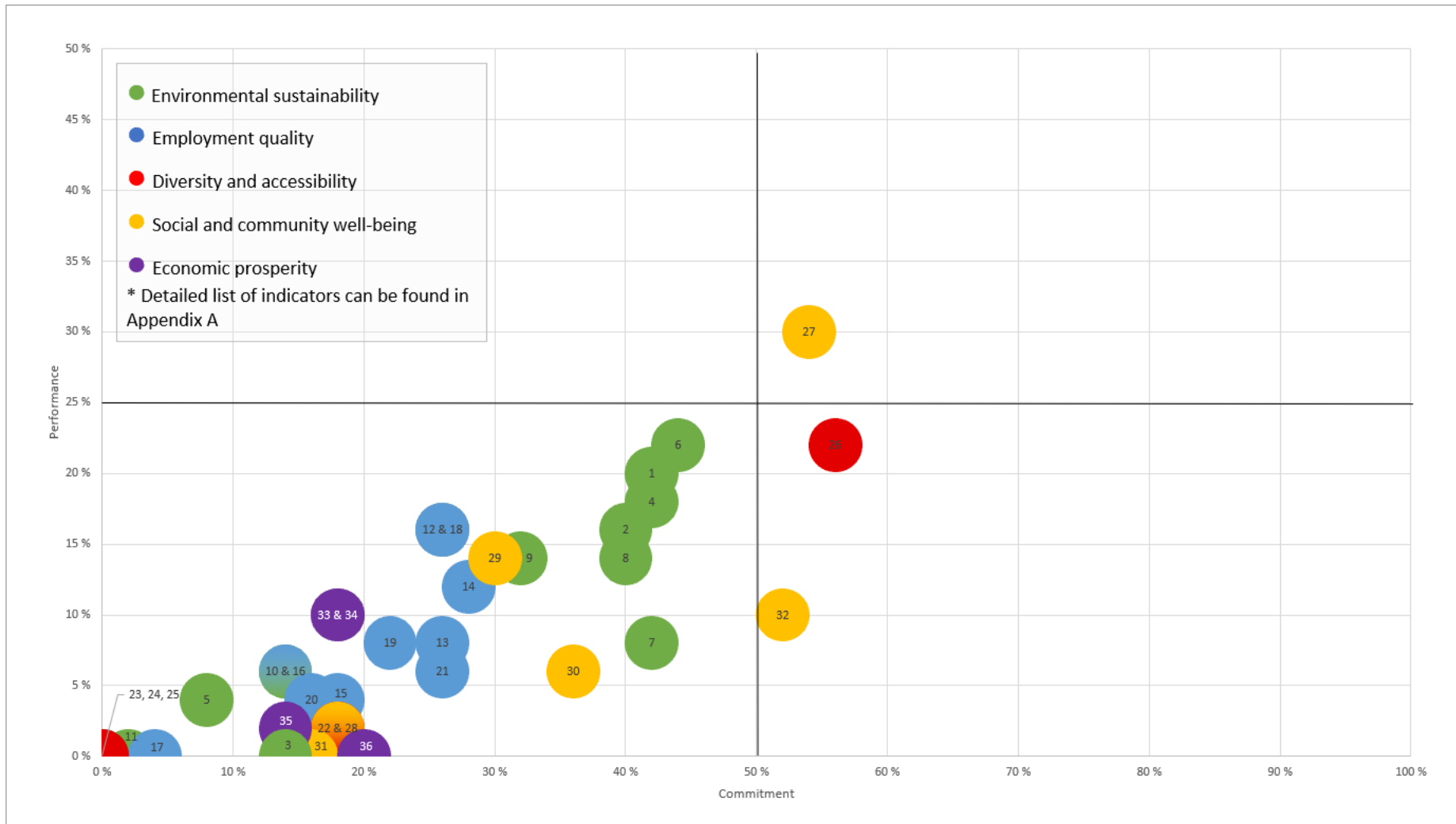


Figure 5 – Summarized data on extent and quality (de Grosbois, 2016)

Findings categorized in sustainability indicators, measured on extent and quality (2017 – 2020)

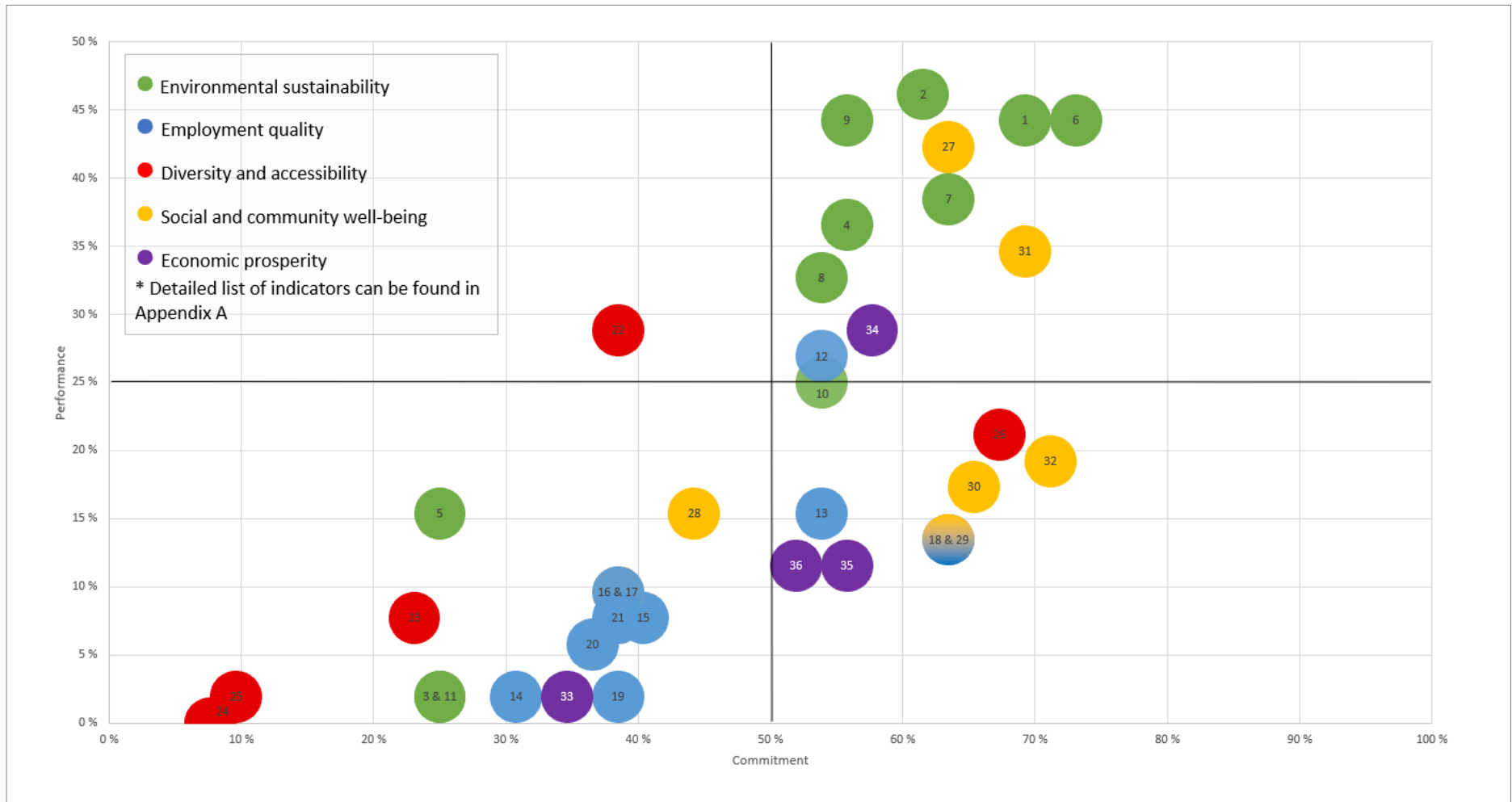


Figure 6 – Summarized data on extent and quality

The bottom-left quadrant marks the start of CSR reporting. As coercive isomorphic pressures mount, firms that are vulnerable due to their realized or potential CSR issues, publish CSR responses to alleviate the stakeholder pressures. As more and more companies publish their CSR performances, word spreads through the media and professional networks, and the practice becomes normatively expected (DiMaggio & Powell, 1983), illustrated as the shift towards the bottom-right quadrant. Those that perceive their CSR performance as strong, develop CSR practices from a goal-oriented perspective, and reporting changes from being defensive towards being proactive (Shabana et al., 2017). Eventually, a tipping point is reached where standards of higher reporting maturity are developed to differentiate performance. Institutionalization enters the third stage, demonstrated as the top-right quadrant, in which the firms publish CSR performance out of a concern that not doing so would reflect badly on their reputation (Shabana et al., 2017). At this stage, mimetic isomorphism is the underlying mechanism, as organizations that are faced with CSR reporting uncertainty tend to pattern their practices after others that they consider successful. Most of the environmental indicators have developed towards being highly reported on with performance measures, together with some separate indicators from the other sustainability themes.

5.3.1 Environmental sustainability

Similar to the findings in the study by de Grosbois (2016), our findings showed that the environmental category was the best reported upon with 43 of the 52 companies addressing at least one indicator. We see an increase in all the 11 indicators on all levels of reporting (summarized in Figure 15). Generally, the indicators that did well in the previous study still receive the most attention and were those that increased the most. These are the indicators discussing mitigation of climate change, reduction of air pollution, reduction of energy consumption, waste and recycling, contribution to biodiversity conservation, reduction of water consumption, and reduction of water pollution. We believe that the broad focus on the environment comes from an increasing understanding of how our human actions affect the planet. This education should manifest itself by raising stakeholder pressures in the form of increased expectation and accountability of what a business should be allowed to do (de Grosbois, 2016).

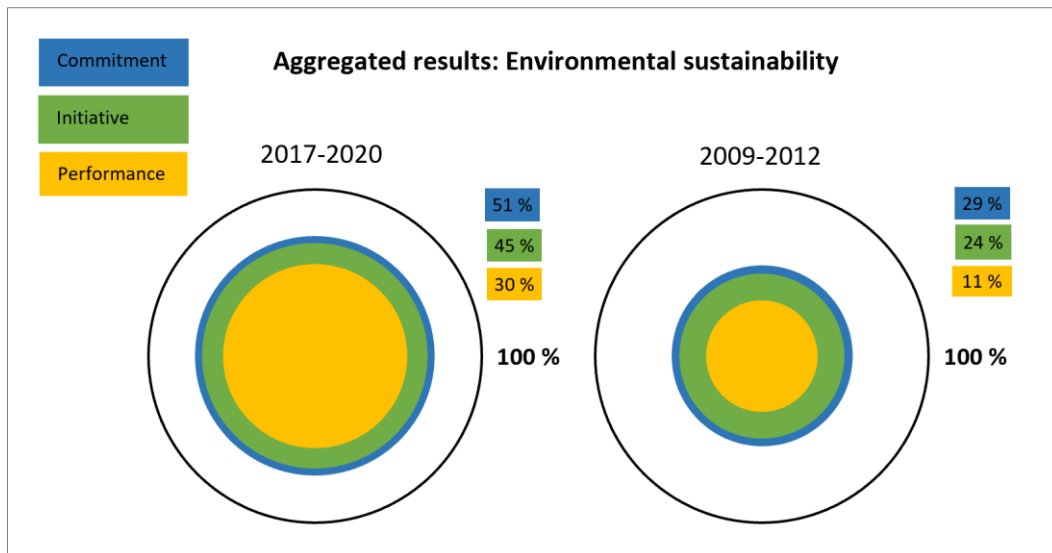


Figure 15 – Aggregated results on environmental sustainability

Especially in the past couple of decades, we have seen an emergence of climate change education (Jorgenson et al., 2019), and visibility has been raised through several profiled ambassadors such as Al Gore and recently Greta Thunberg. The movement sees adversity in persuading certain business segments and age groups (Diprose et al., 2019), with different age groups focusing on different areas of sustainability. It can be argued that some of this resistance comes in the form of stubbornness, refusal of facts and different world views. However, Sheffi and Blanco (2018) point out that we do not tend to put our money where our mouths are, regardless of age, which makes sustainable behaviour counteractive for profit-seeking businesses. In order to collectively fight sustainability issues, we believe that verifiability and accountability of actions must be bettered.

Although multiple companies report with performance measures, verifiability of environmental measures struggle to get a grip and normalize, shown through the minimal usage of sustainability standards (GRI, SASB, and IIRC). We know that companies frequently have an incentive to use their private information strategically and only disclose what is deemed to result in positive effects (Akerlof, 1970). Environmental disclosure is especially tricky in this context, as there are multiple ways of showing responsibility towards a single issue. Currently, when reporting performance measures, cruise lines are open to choose quite freely on which performance data they want to disclose. Without standardized and comparable

measurements, accountability cannot be proven, and environmental development will falter.

The indicator measuring the preservation of non-renewable resources only saw a slight increase and is generally underreported. Responsible design, construction and renovation saw a noteworthy spike in commitment and initiative reporting but had weak improvements in providing performance data. When disclosing information about new ships, we encountered many claims of having “the newest and most environmentally friendly fleet,” but without giving additional information on the measures achieved to be able to claim it. A prevalent trend in making the ships more sustainable is companies changing from engines using heavy fuel oil (HFO) and marine gas oil (MGO) to liquified natural gas (LNG), which is far less harmful to the environment. Shore power connections, also known as “cold ironing,” is another emerging technology that we see being adopted, which enables ships to connect to electric power grids while at the docks. There are however few harbour docks that currently provide this opportunity (Klein, 2011).

On using renewable resources, it was primarily the market leaders who reported the use of solar power in their land-based operations. The only other renewable resource mentioned was wind power applied through using sail ships in their fleet, communicated by Ponant and Star Clippers. Reduction of noise and underwater vibrations saw a considerable increase in commitment and initiative reporting, However, only one company (Hapag-Lloyd) reported measurable data in the way of reduction in decibel numbers.

5.3.2 Employment quality

Thirty-six cruise lines addressed concern for employment quality compared to 22 in the 2016 study (aggregated data illustrated in Figure 16). The relevant information was usually reported in the career section on websites and was seldom included in reports, indicating that the information is targeting possible future employees, not the end customers. Generally, the larger companies provided the most in-depth information. Their career portals were much more extensive, often doubling up on different information on multiple indicators. This is not surprising as the more prominent companies employ many more people and are expected to put more resources into hiring.

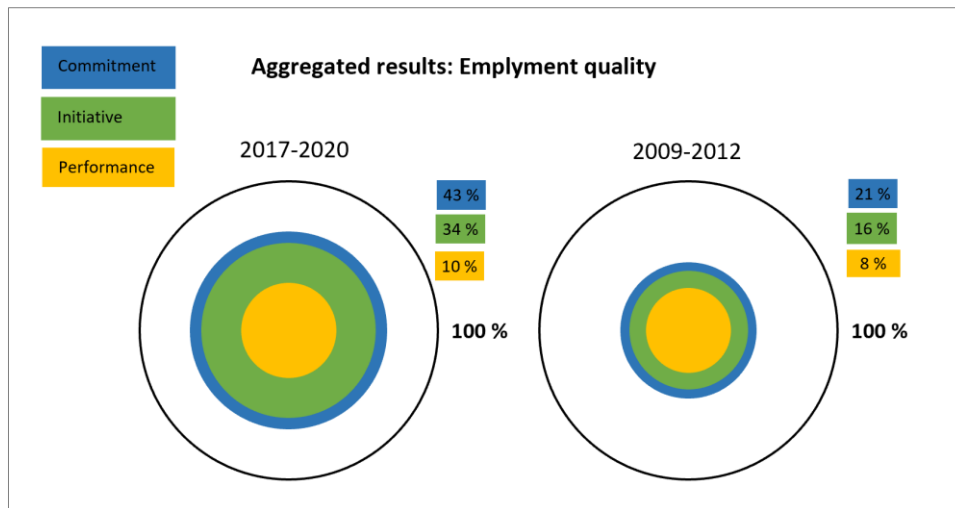


Figure 16 – Aggregated results on employment quality

Employment quality is the least reported indicator when it comes to performance data. The majority of companies report in the form of positive statements only, without measurable data, and are therefore hard to verify without third-party involvement. The information depth varied greatly, with some companies providing elaborate descriptions of work practices and how they align with their sustainability goals. The narrative of most cruise lines’ career sites often leaned towards requirements needed to be employed, instead of disclosing how they contribute positively towards their employees.

In reporting on creating a safe work environment and employee well-being, many companies reported very narrowly and often only communicated that their practices comply with legislation. The more prominent companies, especially those utilizing the GRI framework, reported numbers of injuries and initiatives to prevent them. We found very little information on providing fair wages and benefits. Fair wages are an area that the cruise line industry has been scrutinized heavily previously, and they are still hiding behind flags of convenience, giving them the ability to dodge away from minimum wage requirements, dismissal practices, and the like. The company’s reporting on the provision of fair wages and benefits was the only indicator that declined significantly compared to the 2016 study. Commitment saw a slight increase (3%), while initiative and performance measures declined (7% and 10%, respectively).

On providing work/life balance and assistance programs for the employees, we found a considerable increase in commitment and initiatives, and a slight increase in performance measures reported. The most common benefits include medical, disability

–and life insurance, paid and unpaid vacation programs, maternity, paternity –and adoption leave, access to a gym, library and other social activities, medical facilities, as well as meals and accommodation. Few companies gave information on who had access to the different benefits, often stating that further information will be given during the employment process. Reporting on opportunities for learning and development saw a considerable increase in reporting, often with extensive information on learning programs across multiple career branches. Performance measures were usually given in the way of how many were offered training, and the acceptance rate. While about half of the companies stated essential goals to ensure non-discrimination, very few reported performance data. Of the ones that did, it was again primarily those utilizing the GRI framework.

5.3.3 Diversity and accessibility

The scores on diversity and accessibility were very split and mainly focused on employees and customers. Reporting towards diversity and accessibility has seen considerable growth in all maturity levels (see Figure 17), but it is primarily Carnival and RCCL (with their subsidiaries included) who lead the way.

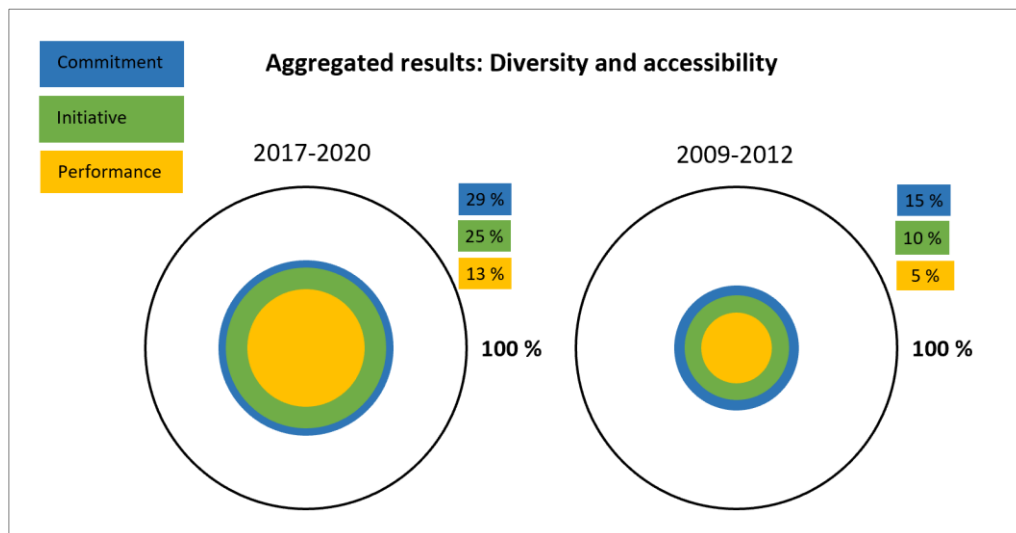


Figure 7 – Aggregated results on diversity and accessibility

When reporting on accessibility for their customers, the narrative was usually limited to expressing commitment to it, often reserving the right to exclude individuals under challenging circumstances. Typical features included specially designed staterooms with extra wide doors, shower seats, raised beds, wheelchair rental and accessible transportation to and from the vessel, to name a few.

Accessibility for employees is a measure that no cruise lines reported on in the 2016 study, whereas 12 companies addressed the topic in 2020. The information was, however, hard to find and usually reported under “legal” sections, communicating that no discrimination on accessibility would be made in the employment process. Although we see growth from the 2016 study, accessibility for suppliers and partners remains heavily underreported. Customers are, by far, given the most attention when it comes to supporting accessibility. Stakeholder pressure aside, we believe this separation comes from the belief that customers are more valuable to please than other stakeholders. Employees and suppliers are often bound by professional contracts that state exactly what is required by both parts. It was generally the larger companies that reported accessibility to more than just customers.

Increasing diversity in the workforce was one of the better-reported indicators in total, with many cruise lines being proud of pointing out the many different countries their employees originate. On reporting performance measuring diversity in the workforce, many cruise lines provided breakdowns of personnel by age, gender, geographical area and employment type (full time/part-time) in raw numbers. However, few of the cruise lines gave in-depth information on which segments held the different positions, or how the diversity was achieved.

5.3.4 Social and community well-being

Social and community well-being saw a significant rise in reporting with a 45% raise on average commitments reported, a 43% rise in initiatives and a 56% rise in performance measures (see Figure 18). All other indicators also saw a rise with the exception of performance measures on raising employee awareness of and involvement in sustainable development issues, which saw a negative trend. In 2012, seven of the 50 cruise lines reported a performance measure on this indicator, and our assessment found that the number of reporting bodies remained the same. However, as our selection of companies is slightly more comprehensive, the performance results show a 4% drop. 94% of the investigated companies reported at least one commitment on one of the six indicators – a rise of 28 percentage points from the 2016 study. Most noticeable was the increase reported on responsible products/healthy product choices with a 77% increase on both commitment and initiatives, and an increase from 0% to 35% on performance. This was the result of a strong focus on healthy food alternatives, and an

increased focus on alternatives to plastic. As much as 50% of the assessed companies reported that they worked on reducing unnecessary plastic usage. We believe this increase is due to media sensationalism (selecting and writing news stories to excite the greatest number of readers). Consequently, the media is quick to scrutinize any unfair behaviour and will often describe stories in a black and white manner. This facilitates actions and policies that must be uncompromising regarding outcomes, exemplified in statements such as “sugar-free” and “no plastic straws in use”.

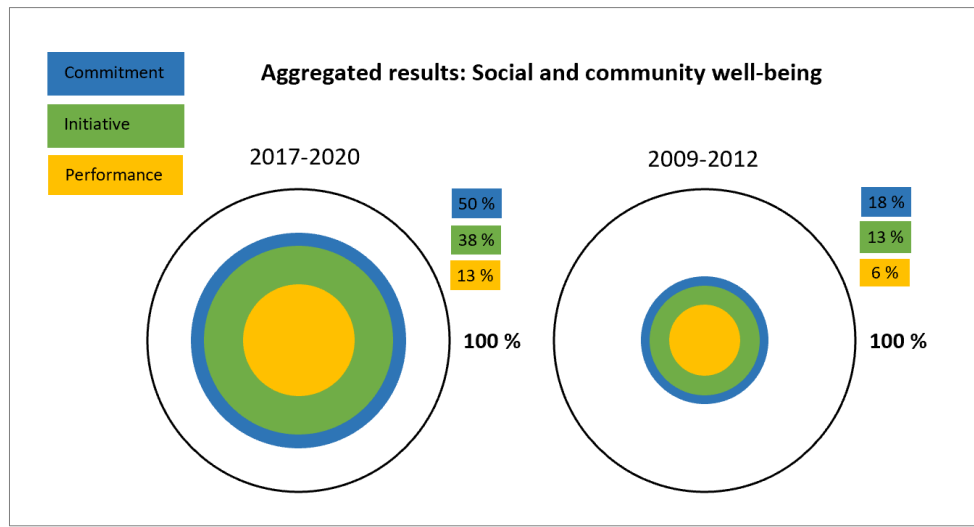


Figure 18 – Aggregated results on social and community well-being

Eight companies reported performance measures on local culture protection and preservation, while only one company reported on the same indicators in the 2016 study. According to the Global Heritage Fund (2018), heritage has suddenly become increasingly popular, appearing in modern marketing in a vast range of industries. Cruise destinations include some of the most remote and culturally unique places in the world. As more people become interested in discovering the novel and different cultures of the world, the cruise lines’ responsibility for the preservation and sustainable use will increase.

Creating a safe environment for customers and employees is one of the best-reported indicators overall, but with low growth, as it also scored well in the 2016 study. Focus on safety seems to be a step ahead of the other indicators, which we believe comes down to stakeholder pressures on expectations and visibility. First, expectations for safety will always remain high as the consequences of failure can entail horrifying outcomes, such as sickness and death. Second, as these outcomes bring great emotion to humans, it will attract more media attention, increasing their visibility. According to

institutional theory, this increased stakeholder expectation and visibility force companies to respect safety concerns more.

Prevention of sickness aboard the ships is something few companies reported on in our initial investigation, usually regarding the norovirus outbreaks occasionally occurring every year. However, as the coronavirus pandemic unfolded in the first quarter of 2020, more and more companies started reporting on their measures to alleviate the damages. This reactive behaviour is precisely what Shabana et al. (2017) refer to as the first stage of CSR reporting. Although many of the cruise lines had not yet experienced any cases of the virus, stakeholder pressure quickly mounted, and the cruising companies had to fill the gap between expectations and reality.

5.3.5 Economic prosperity

Economic sustainability issues were among the least addressed in 2012, with only 16 cruise lines mentioning efforts aimed at the economic well-being of communities they operate in (summarized in Figure 19). Our findings reveal significant growth in three of the indicators, while quality/local employment creation sees only slight growth. Support of the local economy, sustainable supply chain and cooperation with the industry and public sectors all were discussed by more than 50% of the cruise lines. The support is usually through external or internal charity foundations, and the performance measures primarily amounted to money donated. In what way the money attributed to achieving the goal was seldom disclosed on the cruise lines' websites and reports.

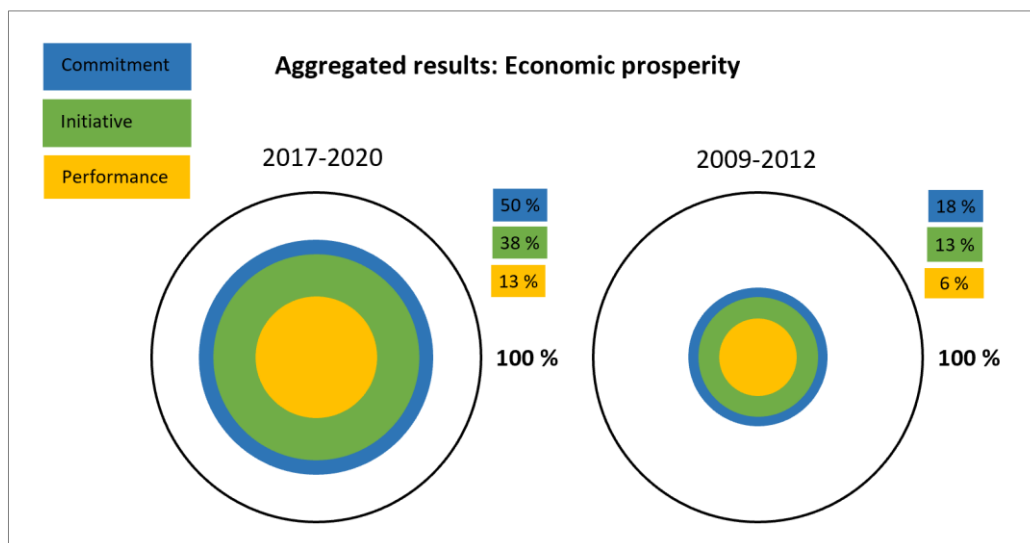


Figure 19 – Aggregated results on economic prosperity

Similarly, many cruise companies publish the awards they have earned over the years, but without disclosing their involvement in how they won the award. The givers of the awards sometimes even give company-specific initiatives and performance measures on their websites, but the cruise company themselves does not seem to refer to this information. The growth in focus on economic prosperity could be explained by an increase in stakeholder pressure from the port destinations. Many ports have become over-dependent on cruise tourism, and when trying to increase port taxes, they could be met with threats of getting dropped from cruise itineraries.

The Organisation of Tourism Economy Countries (OTEC) urges the cruise destination countries to work together to fend off predatory cruise company behaviour – advocating that they learn from how the Organisation of Petroleum Exporting Countries (OPEC) cooperated to increase the oil prices (Forbes, 2019). Many cruise destinations' number one, and sometimes “only” income comes from cruise tourism, much in the same way that many OPEC countries rely on oil (Klein, 2011). Although little action has been taken yet, it seems that there are increased stakeholder pressures on economic prosperity. Institutional theory suggests that this stakeholder interest will fuel further action, which can narrow the power difference, giving cruise destinations the bargaining power to demand what they could not before.

CHAPTER 6 CONCLUSION AND RECOMMENDATIONS

The purpose of this assignment was to answer the issue presented in Chapter 1 on how the cruise industry works with CSR by measuring the extent and quality of its sustainability reporting from the financial year of 2012 compared with 2020. To answer this, we studied the CSR information presented by current and previous members of CLIA and compared our findings with past results presented by de Grosbois (2016). An in-depth analysis with a basis in the institutional theory was conducted of the companies' CSR related reporting practices. Three research questions were identified. RQ 1 explores how the industry and reporting structure affects reporting. RQ 2 explains the actual changes in reporting behaviour, and RQ 3 investigates the reason for the change. The results are summarized below.

RQ 1: How does the *reporting structure, ownership structure, and company size* influence CSR reporting?

Our findings suggest that companies issuing a dedicated sustainability report tend to score higher than those who do not, on all three levels of reporting maturity. We also found that there is a positive correlation between the length of the reports and reporting scores. In addition, our results indicate that being affiliated with the five leading parent corporations increase scores. However, multiple brands fail to coordinate sustainability reporting practices and therefore, some subsidiaries do not benefit from their parent company's work. Furthermore, we found that company size is directly related to CSR disclosure for the cruise industry.

RQ2: How has the *extent and quality* of CSR reporting developed since 2012?

Our analysis indicates that both the extent and quality of reporting has increased during the period from 2012 to 2020, although by various degrees. On reporting towards environmental sustainability, we see growth on all indicators and all levels of reporting maturity. Diversity and accessibility is the category with the least amount of overall growth, implying that it is an area of lower importance. Reporting on employment quality sees growth in commitment and initiative reporting, but remains stagnant when it comes to performance measures. Economic prosperity is the category with the strongest growth since 2012, which suggests a rising pressure from the cruise ship destination stakeholders. Social and community well-being has also seen substantial

growth, especially on the indicators measuring cultural preservation and responsible product choices.

RQ3: How can the *dynamics* of CSR reporting be explained?

We suggest that parts of the increase in CSR reporting in the cruising industry may be attributed to what Shabana et al. (2017) described as defensive reporting, as a consequence of recent incidents and increased legislation, supporting the findings of (Bonilla-Priego et al., 2014). We see some form of proactive reporting measured through initiatives to solve sustainability issues, and emerging proactive reporting practices as different companies create “norms” of why and how to deal with an issue. However, we only see slight growth regarding performance measure reporting – only widely used on environmental sustainability. Performance measures is an important tool to facilitate standardization and, consequently, coordinate behaviour. Through common behaviour, stakeholder pressures increase to the point where cruise companies are forced to change practices that affect the core of the business, which is crucial to solving sustainability issues.

Mimetic isomorphism is more effective when the ways of solving an issue are complex and uncertain. The mechanisms to solve sustainability issues in the cruise industry can be described as such – continually developing, with considerable uncertainty of how to proceed. The strength of regulative institutions varies between countries, opening opportunities for exploitation for transnational enterprises. Companies that move their assets over borders, like the cruising and aviation industry, have become experts in analyzing, and hence exploiting, the different regulatory frameworks that they operate in.

Bonilla-Priego et al. (2014), suggested that the cruise industry is in the early stages of accepting responsibility, and pointed out that the cruising industry lacked the normative and cultural institutions needed to stimulate an industry-wide CSR reporting practice. Continuing, they argued that the industry had not yet reached mimetic behaviour and that the industry was somewhat unusual compared to other industries with more CSR experience as they had few top-scoring actors and not a linear decline in reporting scores. De Grosbois (2016) found that although most of the assessed companies reported on some degree of CSR-related information, this was limited to goals with little or no performance information. She also suggested that there was low stakeholder

pressure resulting in low adaptation of CSR initiatives, supporting the findings of Bonilla-Priego et al. (2014).

Our analysis suggests that since 2012, cruise line companies are further recognizing the increasing importance of sustainability reporting in their communication with stakeholders. We suggest that the increased attention towards sustainable stakeholders' results from a strengthening demand from institutions, media, and markets, leading to cruise companies feeling the need to comply with the CSR concept to legitimize their operations. Although many cruise companies are still utilizing a defensive reporting strategy (identified as laggards), the number of companies with strong reports (identified as leaders) have increased significantly, further incentivizing mimetic isomorphism. The results showcase the cruise lines' perceived understanding of the different stakeholder pressures. A greater extent and quality of reporting towards an issue implies that the stakeholders are in a more mature stage of institutional development, garnering closer attention.

By looking at the different aspects of sustainability reporting (through the triple bottom line framework), we identify which stakeholder concerns receive the most attention. We discuss the data by applying stakeholder, legitimacy, -and institutional theory, which gives us a better understanding of how social norms and rules affect reporting practices. It is to be noted that we have only studied the cruise lines' response to pressure, not the pressure itself. Hence, we understand that some enablers and disablers might have discriminated against data. We will further discuss the limitations of our study and give advice for further research.

6.1 Comments and further research

This study aimed to compare today's reporting situation to the past; hence a longitudinal approach was chosen. This approach was practical as it gives a good overview of how corporations change their disclosure behaviour, as explained by the institutional theory. However, as there was limited access to CSR-reports older than three years and website "time machines" gave inconclusive results, we were forced to make use of pre-made baseline data. We considered this to be an advantage as the article containing the baseline data was peer-reviewed and accepted by academics. However, at the same time, limiting the study to the information from the indicators assessed in said article.

Another limitation was within the research instrument itself. Using a simple yes/no scale as to whether a transparency indicator was reported, resulted in an advantage for companies choosing to report extensively. By simply choosing to include a statement about how they care about the health and safety for their passengers, this would result in an increased score on both “safe environment for customers and employees” and “employee well-being”, even though it is likely that most of the companies did so without mentioning it. As a measure for transparency and reporting, this was correct, but there might be a performance-disclosure gap. As mentioned earlier, we did not seek to capture performance as our focus is on accountability in the way companies are willing to take responsibility for their outcomes, not their actual performance. More knowledge is needed on the relationship between corporate transparency and actual performance in the cruising industry to show disparities between reported and actual behaviour as a result of decoupling. However, such data is costly to obtain and very rare (de Grosbois, 2016).

Sekaran and Bougie (2016) described triangulation as a way to enhance reliability and validity. By collecting information using multiple sources, triangulation helps to strengthen the results’ validity. In our research, we could have interviewed companies to gain further knowledge of how corporates were thinking and the reasoning behind their reporting practices. However, our efforts to get in touch with cruise lines were in vain as the few who responded only referred to already public information.

A number of potential future research agendas can be identified within the cruising industry. It could be interesting to duplicate our study in other industries to investigate whether similar patterns transpire. Moreover, it could also be interesting to see how critical events such as the spread of the coronavirus in 2019-2020 change the way companies report CSR. The virus has already had an enormous impact on the industry, leading to a collapse in the stock market. Carnival’s stock dropped by nearly 60%, while RCCL and Norwegian lost more than 70% of their value over 30 days of trading (CNBC, 2020). As we write, NCL, one of the major operators, has stated that there is “substantial doubt” about their ability to continue operating as a “going concern” due to the currently ongoing coronavirus pandemic (United States Securities and Exchange Commission, 2020). With this in mind, it could be of interest to investigate whether this leads to changes in reporting practices as it is likely to cause severe disruptions in future operations.

References

- Akerlof, G. A. (1970). The Market for “Lemons”: Quality Uncertainty and the Market Mechanism*. *The Quarterly Journal of Economics*, 84(3), 488-500.
<https://doi.org/10.2307/1879431>
- Alderton, T., & Winchester, N. (2002). Regulation, representation and the flag market. *Journal for Maritime Research*, 4(1), 89-105.
<https://doi.org/10.1080/21533369.2002.9668323>
- Baird Maritime. (2017). *Cruise Ship Cap at Bergen to Reduce Overcrowding*. Retrieved 04.03 from <https://www.bairdmaritime.com/work-boat-world/passenger-vessel-world/cruise/cruise-ship-cap-at-bergen-to-reduce-overcrowding/>
- Bauder, H. (2006). *Labor Movement : How Migration Regulates Labor Markets* [Book]. Oxford University Press.
<http://search.ebscohost.com/login.aspx?direct=true&db=e000xww&AN=169183&site=ehost-live>
- Boiral, O., Henri, J.-F., Hahn, T., Figge, F., Aragón-Correa, J. A., & Sharma, S. (2017). Is Sustainability Performance Comparable? A Study of GRI Reports of Mining Organizations. *Business & Society*, 56(2), 283-317.
<https://doi.org/10.1177/0007650315576134>
- Bonilla-Priego, M. A. J., Font, X., & Pacheco-Olivares, M. A. D. R. (2014). Corporate sustainability reporting index and baseline data for the cruise industry. 44, 149.
- Borch, D., Hansen, H. L., Burr, H., & Jepsen, J. R. (2012). Surveillance of maritime deaths on board Danish merchant ships, 1986-2009. *International maritime health*, 63, 7-16.
- Bowen, G. (2009). Document Analysis as a Qualitative Research Method. *Qualitative Research Journal*, 9, 27-40. <https://doi.org/10.3316/QRJ0902027>
- Branco, M. C., & Rodrigues, L. L. (2006). Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics*, 69(2), 111-132.
<https://doi.org/10.1007/s10551-006-9071-z>
- Bristow, R. (2011). *Online discussion: sustainability reporting*. The Guardian Professional Network. Retrieved 02.17.2020 from <https://www.theguardian.com/sustainable-business/online-panel-discussion-sustainability-reporting>
- Campbell, J. L. (2006). Institutional Analysis and the Paradox of Corporate Social Responsibility. *American Behavioral Scientist*, 49(7), 925-938.
<https://doi.org/10.1177/0002764205285172>
- Carroll, A. (1979). A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4), 497-505.
- Carroll, A. B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business & Society*, 38(3), 268-295.
<https://doi.org/10.1177/000765039903800303>
- Carroll, A. B., & Shabana, K. M. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, 12(1), 85-105.
<https://doi.org/10.1111/j.1468-2370.2009.00275.x>
- Clancy, M. (2017). Power and Profits in the Global Cruise Industry. In (pp. 43-56).

- CNBC. (2020). *How the deadly coronavirus brought an industry to its knees: The 'cruise lines 9/11'*. <https://www.cnbc.com/2020/03/15/cruise-lines-911-how-coronavirus-brought-industry-to-its-knees.html>
- Cruise Lines International Association. (2019). *State Of The Cruise Industry Outlook 2020*. <https://cruising.org/news-and-research/research/2019/december/state-of-the-cruise-industry-outlook-2020>
- Cruise Lines International Association. (2020a). *About CLIA*. Retrieved 03.03 from <https://cruising.org/about-the-industry/about-clia>
- Cruise Lines International Association. (2020b). *CLIA Cruise Lines*. Retrieved 28.02 from <https://cruising.org/cruise-vacationer/cruise-lines>
- Cruise Market Watch. (2018). *Growth of Worldwide Passengers Carried*. Retrieved 19.02.2020 from https://public.tableau.com/views/2012Growth/2015Growth?:embed=y&embed_code_version=3&loadOrderID=0&display_count=y&origin=viz_share_link
- D'Aquila, J. (2018). The current state of sustainability reporting. *CPA Journal*, 88(7), 44-50.
- Dahlsrud, A. (2008). How corporate social responsibility is defined: an analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15(1), 1-13. <https://doi.org/10.1002/csr.132>
- de Grosbois, D. (2016). Corporate social responsibility reporting in the cruise tourism industry: a performance evaluation using a new institutional theory based model. *Journal of Sustainable Tourism*, 24(2), 245-269. <https://doi.org/10.1080/09669582.2015.1076827>
- Deloitte. (2016). *Sustainability Disclosure: Getting Ahead of the Curve*. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/risk/us-risk-sustainability-disclosure.pdf>
- Development, W. C. o. E. a. (1987). *Report of the world commission on environment and development: Our common future*. D. a. I. C.-o. E. United Nations General Assembly.
- Dias, A. (2000). Human rights, environment and development: With special emphasis on corporate accountability. *Human Development Report*.
- Dictionary, C. (2020). Meaning of whitewashing in English. In <https://dictionary.cambridge.org/dictionary/english/whitewashing>
- DiMaggio, P., & Powell, W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, 48(6), 147.
- Diprose, K., Valentine, G., Vanderbeck, R. M., Liu, C., & McQuaid, K. (2019). Building common cause towards sustainable consumption: A cross-generational perspective. *Environment and Planning E: Nature and Space*, 2(2), 203-228. <https://doi.org/10.1177/2514848619834845>
- Dunlap, T., Grapsas, R., Vorlat, K., & Loges, R. (2017). Sustainability disclosures in the EU after the 2014 Non-Financial reporting directive. *Insights: The Corporate & Securities Law Advisor*, 31(8), 12.
- Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment*, 11(2), 130-141. <https://doi.org/10.1002/bse.323>
- Ecological Tourism in Europe, Ö. (n.d.). *Sustainable Tourism Development in UNESCO Designated Sites in South-Eastern Europe*.

- http://portal.unesco.org/en/files/45338/12417872579Introduction_Sustainable_Tourism.pdf/Introduction_Sustainable_Tourism.pdf
- Elkington, J. (1998). Partnerships from cannibals with forks: The triple bottom line of 21st-century business. *Environmental Quality Management*, 8(1), 37-51. <https://doi.org/10.1002/tqem.3310080106>
- Engert, S., & Baumgartner, R. J. (2016). Corporate sustainability strategy – bridging the gap between formulation and implementation. *Journal of Cleaner Production*, 113, 822-834. <https://doi.org/10.1016/j.jclepro.2015.11.094>
- European Chemical Transport Association. (2011). *Guidelines for Measuring and Managing CO2 Emission from Freight Transport Operations*. https://www.ecta.com/resources/Documents/Best%20Practices%20Guidelines/guideline_for_measuring_and_managing_co2.pdf
- European Federation for Transport and Environment. (2019). *One corporation to pollute them all*. https://www.transportenvironment.org/sites/te/files/publications/One%20Corporation%20to%20Pollute%20Them%20All_English.pdf
- European Union. (n.d.). *Non-financial reporting*. Retrieved 16.04 from https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/non-financial-reporting_en
- Financial Reporting Council. (2019). *Annual Review of Corporate Reporting*. <https://www.frc.org.uk/getattachment/b3b6cd43-7ade-4790-959e-3b84d59a7253/Developments-in-Corporate-Reporting-2019-Final.pdf>
- Florida Department of Transportation. (2013, May 1st). Florida's cruise industry: a statewide perspective.
- Font, X. (2017). What meaning for sustainability? Creating tourism impacts in a slippery policy context. *Journal of Policy Research in Tourism, Leisure and Events*, 9(2), 209-215. <https://doi.org/10.1080/19407963.2016.1258514>
- Font, X., Bonilla, m. j., & Guix, M. (2017). Corporate social responsibilities in the cruise sector. In *Cruise Ship Tourism* (2nd ed., pp. 86-105). <https://doi.org/10.1079/9781780646084.0086>
- Font, X., Elgammal, I., & Lamond, I. (2017). Greenhushing: the deliberate under communicating of sustainability practices by tourism businesses. *Journal of Sustainable Tourism*, 25(7), 1007-1023. <https://doi.org/10.1080/09669582.2016.1158829>
- Font, X., Guix, M., & Bonilla - Priego, M. J. (2016). Corporate social responsibility in cruising: Using materiality analysis to create shared value. 53(C). <https://doi.org/10.1016/j.tourman.2015.10.007>
- Font, X., & Lynes, J. (2018). Corporate social responsibility in tourism and hospitality. *Journal of Sustainable Tourism*, 26(7), 1027-1042. <https://doi.org/10.1080/09669582.2018.1488856>
- Font, X., Walmsley, A., Cogotti, S., McCombes, L., & Häusler, N. (2012). Corporate social responsibility: The disclosure–performance gap. *Tourism Management*, 33(6), 1544-1553. <https://doi.org/10.1016/j.tourman.2012.02.012>
- Forbes. (2019). *Call for Caribbean Destinations to Unite Against Predatory Cruise Lines*. <https://www.forbes.com/sites/jamesellsmoor/2019/08/28/call-for-caribbean-destinations-to-unite-against-predatory-cruise-lines/>
- Fortanier, F., Kolk, A., & Pinkse, J. (2011). Harmonization in CSR Reporting. *Management International Review*, 51. <https://doi.org/10.1007/s11575-011-0089-9>

- Freedom Cruise Line. (2018). *FREEDOMSHIP - The city at sea*. Retrieved May 1st from <http://freedomship.com/>
- Friedman, A. L., & Miles, S. (2001). Socially responsible investment and corporate social and environmental reporting in the UK: an exploratory study. *British Accounting Review*, 33(4), 523-548.
- Gallo, P. J., & Christensen, L. J. (2011). Firm Size Matters: An Empirical Investigation of Organizational Size and Ownership on Sustainability-Related Behaviors. *Business & Society*, 50(2), 315-349. <https://doi.org/10.1177/0007650311398784>
- Ghauri, P. N., & Grønhaug, K. (2005). *Research methods in business studies : a practical guide* (3rd ed. ed.). Financial Times Prentice Hall.
- Global Reporting Directive. (n.d.). *Sustainability Disclosure Database*. Retrieved March from <https://database.globalreporting.org/>
- Global Reporting Initiative. (2016). GRI 101: Foundation. <https://www.globalreporting.org/standards/gri-standards-download-center/>
- Global Reporting Initiative. (n.d.-a). *About GRI*. <https://www.globalreporting.org/information/about-gri/Pages/default.aspx>
- Global Reporting Initiative. (n.d.-b). *GRI Standards Download Center*. <https://www.globalreporting.org/standards/gri-standards-download-center/>
- Grace, M. (2008). *A Brief History of the Cruise Ship Industry*. Retrieved May 20 from <https://www.cruiselinehistory.com/a-brief-history-of-the-cruise-ship-industry/>
- Graham, J. R., Harvey, C. R., & Rajgopal, S. (2005). The economic implications of corporate financial reporting. *Journal of Accounting and Economics*, 40(1), 3-73. <https://doi.org/10.1016/j.jacceco.2005.01.002>
- Gray, R., Kouhy, R., & Lavers, S. (1995). Constructing a research database of social and environmental reporting by UK companies. *Accounting, Auditing & Accountability Journal*, 8(2), 78-101. <https://doi.org/10.1108/09513579510086812>
- Gripsrud, G., Olsson, U. H., & Silkoset, R. (2016). *Metode og dataanalyse : beslutningsstøtte for bedrifter ved bruk av JMP, Excel og SPSS* (3. utg. ed.). Cappelen Damm akademisk.
- Haddock, J. (2005). Consumer influence on internet-based corporate communication of environmental activities: the UK food sector. *British Food Journal*, 107(10), 792-805. <https://doi.org/10.1108/00070700510623559>
- Hall, C. M., Wood, H., & Wilson, S. (2017). Environmental reporting in the cruise industry. In (pp. 441-464). CABI. <https://doi.org/10.1079/9781780646084.0441>
- Hardin, G. (1968). The tragedy of the commons. *Science (New York, N.Y.)*, 162(3859), 1243-1248. <https://doi.org/10.1126/science.162.3859.1243>
- Hawley, A. (1968). Human ecology In D.L. Sills (ed.) *International Encyclopedia of the Social Sciences*, 328-337.
- Hodge, K., Subramaniam, N., & Stewart, J. (2009). Assurance of Sustainability Reports: Impact on Report Users' Confidence and Perceptions of Information Credibility. *Australian Accounting Review*, 19(3), 178-194. <https://doi.org/10.1111/j.1835-2561.2009.00056.x>
- Hoffman, A. (1999). Institutional evolution and change: Environmentalism and the U.S. chemical industry. *Academy of Management Journal*, 42(4), 351-371. <https://doi.org/10.2307/257008>
- Husted, B. W. (1998). Organizational justice and the management of stakeholder relations. *Journal of Business Ethics*, 17(6), 643-651.

- Illustration of Oasis & Titanic.* (n.d.).
<https://malcolmoliver.files.wordpress.com/2010/03/whyxse0.jpg>
- International Integrated Reporting Council. (n.d.). *The IIRC*.
<https://integratedreporting.org/the-iirc-2/>
- International Maritime Organization. (2020a). *International Convention for the Prevention of Pollution from Ships (MARPOL)*. Retrieved 02.05.2020 from
[http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-\(MARPOL\).aspx](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-(MARPOL).aspx)
- International Maritime Organization. (2020b). *International Convention for the Safety of Life at Sea (SOLAS), 1974*.
[http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Safety-of-Life-at-Sea-\(SOLAS\),-1974.aspx](http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Safety-of-Life-at-Sea-(SOLAS),-1974.aspx)
- International Maritime Organization. (2020c). *Introduction to IMO*.
<http://www.imo.org/en/About/Pages/Default.aspx>
- International Maritime Organization. (2020d). *Sulphur 2020 – cutting sulphur oxide emissions*. <http://www.imo.org/en/MediaCentre/HotTopics/Pages/Sulphur-2020.aspx>
- International Maritime Organization. (n.d.). *Flag State Implementation*. Retrieved May 27 from
<http://www.imo.org/en/OurWork/Safety/Implementation/Pages/FlagStateImplementation.aspx>
- Ioannou, I., & Serafeim, G. (2017). *The Consequences of Mandatory Corporate Sustainability Reporting* (Harvard Business School Research Working Paper No. 11-100). <https://ssrn.com/abstract=1799589>
- Jamali, D., Safieddine, A. M., & Rabbath, M. (2008). Corporate Governance and Corporate Social Responsibility Synergies and Interrelationships. *Corporate Governance: An International Review*, 16(5), 443-459.
<https://doi.org/10.1111/j.1467-8683.2008.00702.x>
- Jones, P., Comfort, D., & Hillier, D. (2019). Sustainability and the world's leading ocean cruising companies. *Journal of Public Affairs*, 19(1), n/a-n/a.
<https://doi.org/10.1002/pa.1609>
- Jones, P., Hillier, D., & Comfort, D. (2016). The Environmental, Social and Economic Impacts of Cruising and Corporate Sustainability Strategies. *Athens Journal of Tourism*, 3, 273-285. <https://doi.org/10.30958/ajt.3-4-2>
- Jorgenson, S. N., Stephens, J. C., & White, B. (2019). Environmental education in transition: A critical review of recent research on climate change and energy education. *The Journal of Environmental Education*, 50(3), 160-171.
<https://doi.org/10.1080/00958964.2019.1604478>
- Justia. (2018). *Cruise Ship Law*. Retrieved 19.02.20 from
<https://www.justia.com/admiralty/cruise-ships/>
- Kassarjian, H. (1977). Content Analysis in Consumer Research. *Journal of Consumer Research (pre-1986)*, 4(1), 8. <https://doi.org/10.1086/208674>
- Kiron, D., Kruschwitz, N., Haanaes, K., & Velken, I. (2012). Sustainability Nears a Tipping Point. *MIT Sloan Management Review*, 53, 69-74.
- Klein, R. A. (2006). Turning Water Into Money: The Economics of the Cruise Industry. In R. K. Dowling (Ed.), *Cruise Ship Tourism: Issues, Impacts, Cases* (pp. 261-269). CABI Publishing.

- Klein, R. A. (2011). Responsible Cruise Tourism: Issues of Cruise Tourism and Sustainability. *Journal of Hospitality and Tourism Management*, 18(1), 107-116. <https://doi.org/10.1375/jhtm.18.1.107>
- Klein, R. A. (2016a). Crime at Sea: A Comparison of Crime on Carnival Cruise Lines, 2007–2011. In A. Papathanassis (Ed.), *Cruise Business Development: Safety, Product Design and Human Capital* (pp. 17-28). Springer International Publishing. https://doi.org/10.1007/978-3-319-27353-2_2
- Klein, R. A. (2016b). Safety, Security, Health and Social Responsibility. In A. Papathanassis (Ed.), *Cruise Business Development: Safety, Product Design and Human Capital* (pp. 3-15). Springer International Publishing. https://doi.org/10.1007/978-3-319-27353-2_1
- KPMG. (2012). *International Survey of Corporate Responsibility Reporting 2011*. <https://assets.kpmg/content/dam/kpmg/pdf/2012/02/Corporate-responsibility-reporting-2012-eng.pdf>
- KPMG. (2017). *The KPMG Survey of Corporate Responsibility Reporting 2017*. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/10/kpmg-survey-of-corporate-responsibility-reporting-2017.pdf>
- Kreps, D. M. (1990). *A course in microeconomic theory*. Princeton University Press.
- Lawrence, T. B., & Suddaby, R. (2006). 1.6 institutions and institutional work. *The Sage handbook of organization studies*, 215-254.
- Li, F. (2008). Annual report readability, current earnings, and earnings persistence. *Journal of Accounting and Economics*, 45(2-3), 221-247.
- Liu-Lastres, B., & Johnson, A. (2019). Managing the reputation of cruise lines in times of crisis A review of current practices. In. <https://doi.org/10.23912/9781911396673-4102>
- Lubin, D. A., & Esty, D. C. (2010). The sustainability imperative. *Harvard Business Review*, 88(5), 42-50.
- Macneill, T., & Wozniak, D. (2018). The economic, social, and environmental impacts of cruise tourism. *Tourism Management*, 66, 387-404. <https://doi.org/10.1016/j.tourman.2017.11.002>
- Magness, V. (2006). Strategic posture, financial performance and environmental disclosure: an empirical test of legitimacy theory. *Accounting, Auditing and Accountability*, 19(4), 540-563.
- Marine Insight. (2020). *Top 10 Largest Cruise Ships in 2020*. Retrieved May 1st from <https://www.marineinsight.com/know-more/top-10-largest-cruise-ships-2017/>
- Marten, B. (2014). Port States Taking Charge: The United States' Cruise Vessel Security and Safety Act 2010. In *Port State Jurisdiction and the Regulation of International Merchant Shipping* (pp. 63-115). Springer International Publishing. https://doi.org/10.1007/978-3-319-00351-1_4
- Matten, D., & Moon, J. (2008). "Implicit" and "explicit" CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Acad. Manage. Rev.*, 33(2), 404-424. <https://doi.org/10.5465/AMR.2008.31193458>
- Medrado, L., & Jackson, L. A. (2016). Corporate nonfinancial disclosures: An illuminating look at the corporate social responsibility and sustainability reporting practices of hospitality and tourism firms. *Tourism and Hospitality Research*, 16(2), 116-132. <https://doi.org/10.1177/1467358415600210>
- Meyer, J., & Rowan, B. (1977). Institutionalized Organizations: Formal Structure as Myth and Ceremony. *American Journal of Sociology*, 83(1), 340.

- Mezias, S. J. (1995). Using institutional theory to understand for-profit sectors: The case of financial reporting standards. *The institutional construction of organizations*, 164.
- Milne, M. J., & Gray, R. (2013). W(h)ither Ecology? The Triple Bottom Line, the Global Reporting Initiative, and Corporate Sustainability Reporting. *Journal of Business Ethics*, 118(1), 13-29. <https://doi.org/10.1007/s10551-012-1543-8>
- Mizumoto, K., & Chowell, G. (2020). Transmission potential of the novel coronavirus (COVID-19) onboard the diamond Princess Cruises Ship, 2020. *Infectious Disease Modelling*, 5, 264-270. <https://doi.org/https://doi.org/10.1016/j.idm.2020.02.003>
- Muslu, V., Mutlu, S., Radhakrishnan, S., & Tsang, A. (2019). Corporate Social Responsibility Report Narratives and Analyst Forecast Accuracy. *Journal of Business Ethics*, 154(4), 1119-1142. <https://doi.org/10.1007/s10551-016-3429-7>
- Müller, D. K., & Więckowski, M. (2018). *Tourism in Transitions : Recovering Decline, Managing Change* (1st ed. 2018. ed.). Springer International Publishing : Imprint: Springer.
- Neumann, C. B. a. S. (2012). Regulatory frameworks of the cruise industry. In A. P. a. B. W. M. Vogel (Ed.), *The Business and Management of Ocean Cruises* (pp. 30-45). CAB International.
- North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge University Press. <https://doi.org/DOI:10.1017/CBO9780511808678>
- Pakbeen, H. (2018). Comparative Study of Leading Cruise Lines' Sustainability Practices and Environmental Stewardship in Contribution to SDGs' Sea and Water Conservation Goal. *European Journal of Sustainable Development*, 7. <https://doi.org/10.14207/ejsd.2018.v7n3p507>
- Paul Gaguin Cruises. (n.d.). *We care*. <https://www.pgcruiises.com/we-care>
- Porter, M., & Kramer, M. (2006). Strategy & Society: The Link Between Competitive Advantage and Corporate Social Responsibility. *Harvard Business Review*, 84(12), 78-85,88+.
- Porter, M., & Kramer, M. (2011). Creating shared value: how to reinvent capitalism - and unleash a wave of innovation and growth.(The Big Idea)(Cover story). *Harvard Business Review*, 89(1 2), 62.
- Powell, R. (1991). Absolute and Relative Gains in International Relations Theory. *American Political Science Review*, 85(4), 1303-1320. <https://doi.org/10.2307/1963947>
- Radu-Dan, T. (2015). Sustainability Reporting – An Analysis Of The Worldwide Diffusion. *SEA: Practical Application of Science*, III(7 (1/2015)), 557-564.
- Ramus, C. A., & Montiel, I. (2005). When Are Corporate Environmental Policies a Form of Greenwashing? *Business & Society*, 44(4), 377-414. <https://doi.org/10.1177/0007650305278120>
- Rocklöv, J., Sjödin, H., & Wilder-Smith, A. (2020). COVID-19 outbreak on the Diamond Princess cruise ship: estimating the epidemic potential and effectiveness of public health countermeasures. *Journal of Travel Medicine*, 27(3). <https://doi.org/10.1093/jtm/taaa030>
- Rodrigue, J. P., & Notteboom, T. (2013). The geography of cruises: Itineraries, not destinations. *Appl. Geogr.*, 38, 31-42. <https://doi.org/10.1016/j.apgeog.2012.11.011>

- Royal Caribbean Cruises LTD. (2018). *Seasustainability 2018*.
<http://sustainability.rclcorporate.com/download/report/>
- Saraogi, V. (2019). *Not just Venice: six countries which have banned cruise ships*. Retrieved 04.03 from <https://www.ship-technology.com/features/cities-who-banned-cruise-ships/>
- Sarkar, S., & Searcy, C. (2016). Zeitgeist or chameleon? A quantitative analysis of CSR definitions. *Journal of Cleaner Production*, 135, 1423-1435.
<https://doi.org/10.1016/j.jclepro.2016.06.157>
- Sawano, T., Ozaki, A., Rodriguez-Morales, A. J., Tanimoto, T., & Sah, R. (2020). Limiting spread of COVID-19 from cruise ships - lessons to be learnt from Japan. *QJM: An International Journal of Medicine*.
<https://doi.org/10.1093/qjmed/hcaa092>
- Scott, W. R. (1991). *Unpacking Institutional Arguments/The New Institutionalism in Organizational Analysis*. Ed. Walter Powell, W and Paul DiMaggio. Chicago: University of Chicago Press.
- Scott, W. R. (2001). *Institutions and organizations* (2nd ed. ed.). Sage Publications.
- Scott, W. R. (2004). *Organizations: Rational, natural, and open systems*. Prentice Hall.
- Scott, W. R. (2013). *Institutions and organizations: Ideas, interests, and identities*. Sage publications.
- Sekaran, U., & Bougie, R. (2016). *Research methods for business : a skill-building approach* (7th ed. ed.). Wiley.
- Shabana, K. M., Buchholtz, A. K., & Carroll, A. B. (2017). The institutionalization of corporate social responsibility reporting. *Business & Society*, 56(8), 1107-1135.
- Sheffi, Y., & Blanco, E. (2018). *Balancing Green: When to Embrace Sustainability in a Business (and When Not To)*. MIT Press.
<https://books.google.no/books?id=cF9TDwAAQBAJ>
- Shoaf, V., Jermakowicz, E. K., & Epstein, B. J. (2018). Toward Sustainability and Integrated Reporting [Article]. *Review of Business*, 38(1), 1-15.
<http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=129631246&site=ehost-live>
- Silverman, D. (2010). *Doing qualitative research : a practical handbook* (3rd ed. ed.). Sage.
- Sustainability Accounting Standards Board. (2014). *Cruise Lines Research Brief*
https://www.sasb.org/wp-content/uploads/2019/08/SV0205_CruiseLines_Provisional_Brief.pdf
- Sustainability Accounting Standards Board. (2018). *Governance*.
<https://www.sasb.org/governance/>
- Terry, W. C. (2017). Flags of Convenience and the Global Cruise Labour Market. In R. D. a. C. Weeden (Ed.), *Cruise ship tourism* (2nd Edition ed., pp. 72-85). CAB International.
- The Florida-Caribbean Cruise Association. (2019). *2019 FCCA Cruise Industry Overview*. <https://issuu.com/fcca/docs/2019-cruise-industry-overview-and-s>
- United Nations. (2015). *Transforming our world: the 2030 Agenda for Sustainable Development*.
https://www.un.org/ga/search/view_doc.asp?symbol=A/70/L.1&Lang=E
- United Nations. (n.d.-a). *Sustainable Development Goal 8*. Retrieved 06.04 from <https://sustainabledevelopment.un.org/sdg8>

- United Nations. (n.d.-b). *Sustainable Development Goal 14*. Retrieved 06.04 from <https://sustainabledevelopment.un.org/sdg14>
- United Nations Development Program. (2020a, 2020). *Target 8.9*. Retrieved 16.04 from <https://open.undp.org/sdg/targets/8/9>
- United Nations Development Program. (2020b, 2020). *Target 12.b*. Retrieved 16.04 from <https://open.undp.org/sdg/targets/12/b>
- United Nations Development Program. (2020c, 2020). *Target 14.7*. Retrieved 16.04 from <https://open.undp.org/sdg/targets/14/7>
- United States Environmental Protection Agency. (2008). *Cruise Ship Discharge Assessment Report*.
<https://nepis.epa.gov/Exe/ZyPDF.cgi/P1002SVS.PDF?Dockey=P1002SVS.PDF>
- United States Securities and Exchange Commission. (2020). *FORM 8-K*.
<https://www.sec.gov/ix?doc=/Archives/edgar/data/1513761/000110465920056537/nclh-20200416x8k.htm>
- University of Agder. (n.d.). *Research ethics*. <https://www.uia.no/en/for-employees/research/research-ethics>
- van Fossen, A. (2016). Flags of Convenience and Global Capitalism. *International Critical Thought*, 6(3), 359-377.
<https://doi.org/10.1080/21598282.2016.1198001>
- Villiers, C., & Maroun, W. (2017). *Sustainability Accounting and Integrated Reporting*. Taylor & Francis Ltd.
- Weber, M., Roth, G., & Wittich, C. (1968). *Economy and Society: An Outline of Interpretive Sociology*. Bedminster Press.
<https://books.google.no/books?id=1uHtAAAAMAAJ>
- World Business Council for Sustainable Development. (2019). *Reporting matters*.
https://docs.wbcsd.org/2019/10/WBCSD_Reporting_Matters_2019.pdf
- World Tourism Organization. (1998). *Guide for Local Authorities on Developing Sustainable Tourism*. <https://www.e-unwto.org/doi/pdf/10.18111/9789284402809>
- World Tourism Organization. (2017). *Tourism and the Sustainable Development Goals – Journey to 2030*.
- World Tourism Organization. (2019). *International Tourism Highlights*.
<https://www.e-unwto.org/doi/pdf/10.18111/9789284421152>
- World Travel & Tourism Council. (2017). *Reporting Guidance for Travel and Tourism Businesses*. <https://www.wttc.org/-/media/files/reports/policy-research/esg-2017/esg-2017-reporting-guidance-for-travel-and-tourism-businesses.pdf>
- Yeh, C. M., & Trejos, B. (2015). The influence of governance on tourism firm performance. *Current Issues in Tourism*, 18(4), 299-314.
<https://doi.org/10.1080/13683500.2013.820258>

Appendices

Appendix A – Reporting scores

Appendix A1– Our results, 2017-2020

Number	Theme/Goal	Commitment/ goal statement	Initiatives	Performance Measures
	ENVIRONMENTAL SUSTAINABILITY	51 %	45 %	30 %
	At least one indicator reported?	81 %	77 %	56 %
1	Mitigate the impacts of climate change / reduce CO ₂ or greenhouse gases emissions	69 %	56 %	44 %
2	Reduce air pollution and reduce fuel use	62 %	60 %	46 %
3	Preservation of non-renewable resources	25 %	10 %	2 %
4	Reduce energy consumption	56 %	54 %	37 %
5	Use renewable energy sources / produce own clean energy	25 %	23 %	15 %
6	Waste reduction and recycling	73 %	63 %	44 %
7	Contribute to biodiversity conservation / habitat restoration	63 %	56 %	38 %
8	Reduce water pollution	54 %	52 %	33 %
9	Reduce water consumption	56 %	52 %	44 %
10	Responsible design, construction and renovations	54 %	50 %	25 %
11	Reduce noise	25 %	21 %	2 %
	EMPLOYMENT QUALITY	43 %	34 %	10 %
	At least one indicator reported?	65 %	58 %	29 %
12	Create a safe work environment	54 %	40 %	27 %
13	Employee well-being, healthy working environment	54 %	42 %	15 %
14	Provide fair wages and benefits	31 %	19 %	2 %
15	Employee performance rewards	40 %	31 %	8 %
16	Provide work/life balance policies	38 %	31 %	10 %
17	Employee assistance programs	38 %	35 %	10 %
18	Provide opportunities for learning and development	63 %	54 %	13 %
19	Provide opportunities for career advancement	38 %	27 %	2 %
20	Increase employee empowerment / feedback	37 %	25 %	6 %
21	Ensure non-discrimination (equal opportunities)	38 %	35 %	8 %
	DIVERSITY AND ACCESSIBILITY	29 %	25 %	13 %
	At least one indicator reported?	69 %	54 %	40 %
22	Increase diversity in workforce	38 %	33 %	29 %
23	Accessibility for employees	23 %	17 %	8 %
24	Increase diversity among suppliers and partners	8 %	8 %	0 %
25	Accessibility for suppliers and partners	10 %	10 %	2 %
26	Accessibility for customers	67 %	56 %	21 %
	SOCIAL AND COMMUNITY WELL-BEING	63 %	53 %	24 %
	At least one indicator reported?	94 %	83 %	54 %
27	Social assistance for local or global community	63 %	60 %	42 %
28	Heritage and local culture/traditions protection and preservation	44 %	27 %	15 %
29	Raise employee awareness of and involvement in sustainable development issues	63 %	52 %	13 %
30	Raise, customer and/or public awareness of and involvement in sustainable development issues	65 %	60 %	17 %
31	Responsible products/healthy product choices	69 %	60 %	35 %
32	Safe environment for customers and employees	71 %	60 %	19 %
	ECONOMIC PROSPERITY	50 %	38 %	13 %
	At least one indicator reported?	71 %	56 %	27 %
33	Quality/local employment creation	35 %	21 %	2 %
34	Support local economy	58 %	52 %	29 %
35	Sustainable supply chain	56 %	40 %	12 %
36	Cooperate with industry and public sector	52 %	40 %	12 %

Appendix A2 – Results from comparing study (de Grosbois, 2016), 2009-2012

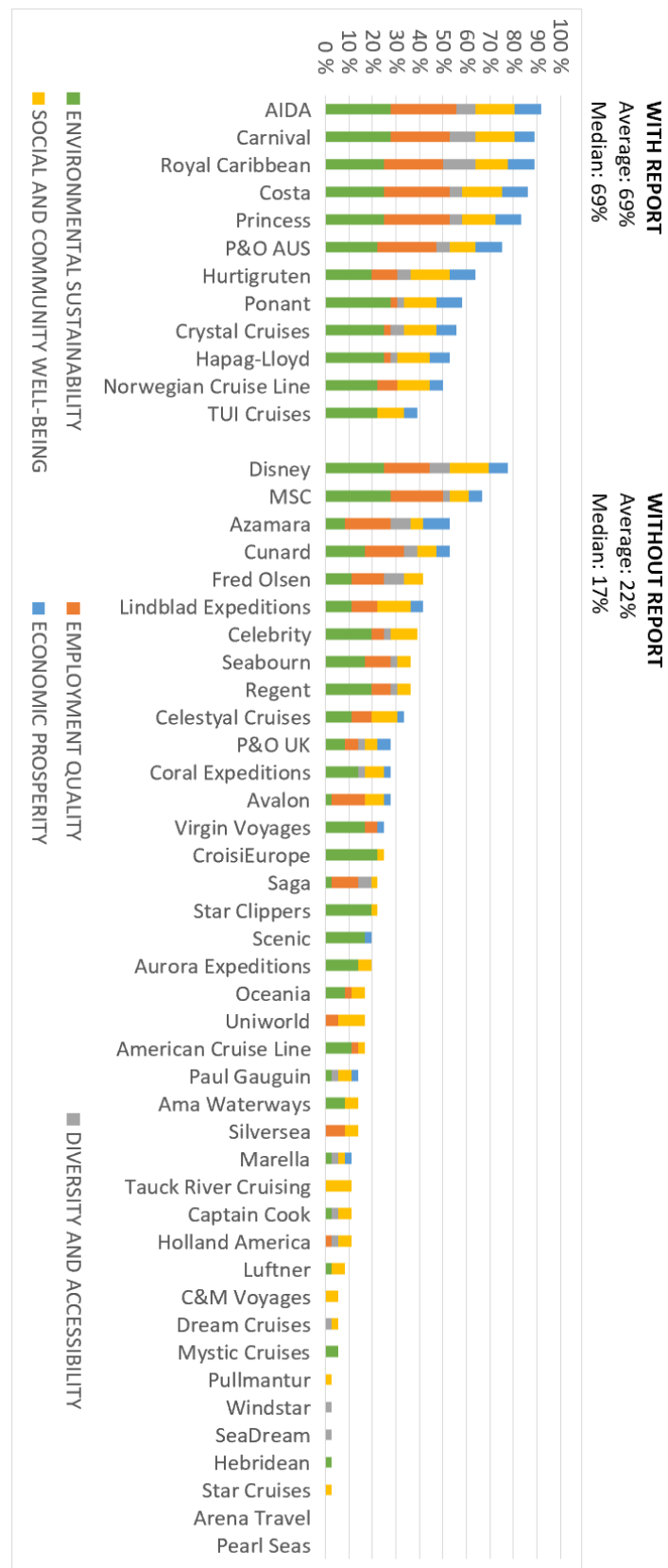
Number	Theme/Goal	Commitment/ goal statement	Initiatives	Performance Measures
	ENVIRONMENTAL SUSTAINABILITY	29 %	24 %	11 %
	At least one indicator reported?	76 %	62 %	38 %
1	Mitigate the impacts of climate change / reduce CO ₂ or greenhouse gases emissions	42 %	40 %	20 %
2	Reduce air pollution and reduce fuel use	40 %	38 %	16 %
3	Preservation of non-renewable resources	14 %	4 %	0
4	Reduce energy consumption	42 %	36 %	18 %
5	Use renewable energy sources / produce own clean energy	8 %	6 %	4 %
6	Waste reduction and recycling	44 %	36 %	22 %
7	Contribute to biodiversity conservation / habitat restoration	42 %	36 %	8 %
8	Reduce water pollution	40 %	30 %	14 %
9	Reduce water consumption	32 %	24 %	14 %
10	Responsible design, construction and renovations	14 %	14 %	6 %
11	Reduce noise	2 %	2 %	0
	EMPLOYMENT QUALITY	21 %	16 %	8 %
	At least one indicator reported?	44 %	34 %	26 %
12	Create a safe work environment	26 %	20 %	16 %
13	Employee well-being, healthy working environment	26 %	22 %	8 %
14	Provide fair wages and benefits	28 %	26 %	12 %
15	Employee performance rewards	18 %	18 %	4 %
16	Provide work/life balance policies	14 %	12 %	6 %
17	Employee assistance programs	4 %	2 %	0
18	Provide opportunities for learning and development	26 %	18 %	16 %
19	Provide opportunities for career advancement	22 %	14 %	8 %
20	Increase employee empowerment / feedback	16 %	16 %	4 %
21	Ensure non-discrimination (equal opportunities)	26 %	8 %	6 %
	DIVERSITY AND ACCESSIBILITY	15 %	10 %	5 %
	At least one indicator reported?	58 %	48 %	24 %
22	Increase diversity in workforce	18 %	4 %	2 %
23	Accessibility for employees	0	0	0
24	Increase diversity among suppliers and partners	0	0	0
25	Accessibility for suppliers and partners	0	0	0
26	Accessibility for customers	56 %	48 %	22 %
	SOCIAL AND COMMUNITY WELL-BEING	34 %	30 %	10 %
	At least one indicator reported?	68 %	34 %	36 %
27	Social assistance for local or global community	54 %	50 %	30 %
28	Heritage and local culture/traditions protection and preservation	18 %	12 %	2 %
29	Raise employee awareness of and involvement in sustainable development issues	30 %	26 %	14 %
30	Raise, customer and/or public awareness of and involvement in sustainable development issues	36 %	30 %	6 %
31	Responsible products/healthy product choices	16 %	14 %	0
32	Safe environment for customers and employees	52 %	50 %	10 %
	ECONOMIC PROSPERITY	18 %	13 %	6 %
	At least one indicator reported?	32 %	30 %	12 %
33	Quality/local employment creation	18 %	10 %	10 %
34	Support local economy	18 %	12 %	10 %
35	Sustainable supply chain	14 %	12 %	2 %
36	Cooperate with industry and public sector	20 %	18 %	0

Appendix B – Selection of companies

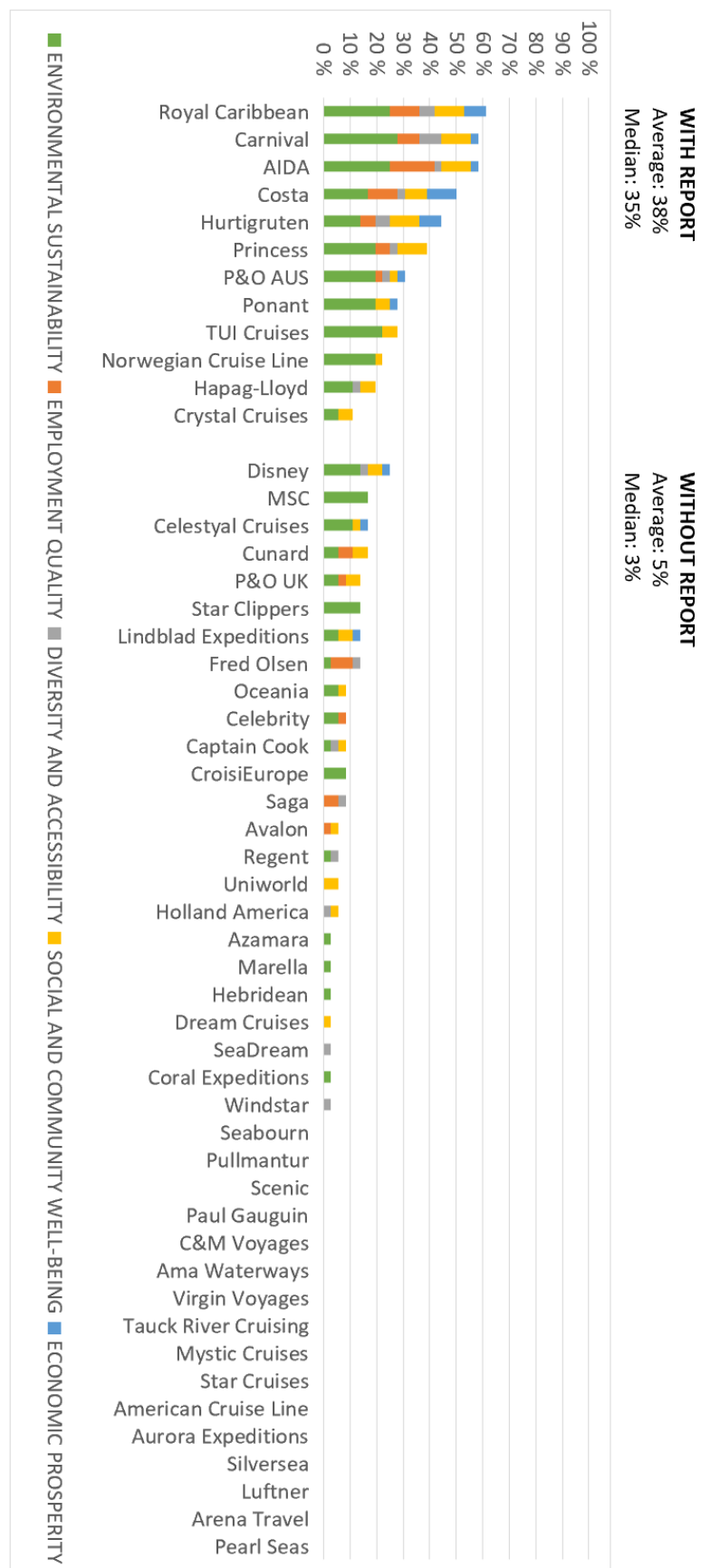
<p>Carnival Corporation & plc brands:</p> <p>AIDA Cruises Carnival Cruise Lines Costa Cruises Cunard Cruise Lines Holland America Line P&O Cruises Australia P&O Cruises UK Princess Cruises Seabourn Cruise Line</p> <p>Royal Caribbean Cruises Ltd. brands:</p> <p>Royal Caribbean International Azamara Club Cruises Celebrity Cruises Pullmantur*</p> <p>Genting Hong Kong Limited brands:</p> <p>Crystal Cruises Dream Cruises Star Cruises</p> <p>Norwegian Cruise Lines Corporation Ltd. brands:</p> <p>Norwegian Cruise Lines Oceania Cruises Regent Seven Seas Cruises</p> <p>TUI Group brands:</p> <p>Hapag-Lloyd Cruises Marella Cruises (Thomson Cruises) TUI Cruises Pullmantur*</p> <p>*Pullmantur is a joint-venture owned equally by RCCL and TUI Group. When analyzing, we only included it under RCCL, as they linked to RCCL’s sustainability report, and few traces were given that linked them with TUI Group.</p>	<p>All other current CLIA brands:</p> <p>AmaWaterways American Cruise Lines Avalon Waterways Celestyal Cruises (Louis Cruise Lines) Compagnie du Ponant CroisiEurope Disney Cruise Line Fred Olsen Cruise Line Luftner Cruises MSC Cruises Pearl Seas Cruises Scenic Cruises SeaDream Yacht Club Silversea Cruises Tauck River Cruises UniWorld Boutique River Cruises Windstar Cruises</p> <p>(NEW) Aurora Expeditions (NEW) Coral Expeditions (NEW) Mystic Cruises (NEW) Saga Cruises (NEW) Virgin Voyages</p> <p>Former CLIA brands: (de Grosbois, 2016)</p> <p>Arena Travel (The River Cruise Line) Captain Cook Cruises Cruise & Maritime Voyages Hebridean Island Cruises Hurtigruten Lindblad Expeditions (Orion Expedition) Paul Gauguin Cruises Rivages du Monde St. Helena Line Star Clippers Swan Hellenic Voyages of Discovery Voyages to Antiquity</p>
--	---

Appendix C – Extent of reporting

Appendix C1 – Extent of initiative reporting



Appendix C2 – Extent of performance reporting



Appendix D – Sustainability reports covered

Company/Cruise Line	Type of Report	Year and Number of Pages
Parent companies		
Royal Caribbean Cruises	Sustainability report <i>(aggregated data on all brands)</i>	2018 – 56
Carnival Cruise Lines	Sustainability report <i>(aggregated data on all brands)</i>	2018 – 152 pages
Genting Hong Kong	Sustainability report	2018 – 28 pages
TUI Group	Sustainability report <i>(Specified information on some brands)</i>	2018 – 74 pages
Norwegian Cruise Line	Sustainability report	2018 – 33 pages
Individual cruise lines		
Costa Cruises	Sustainability Report	2018 – 67 pages
TUI Cruises	Environmental Report	2018 – 21 pages
P&O Cruises Australia	Sustainability Report	2017 – 33 pages
Aida	Sustainability report	2018 – 77 pages
Hapag Lloyd	Sustainability report	2018 – 44 pages
Crystal cruises	Sustainability report	2018 – 31 pages
Ponant	Sustainability report	2018 – 23 pages
Hurtigruten	Sustainability report	2018 – 38 pages
Princes cruises	Sustainability report	2018 – 49 pages

Appendix E – Regression statistics of size analysis

<i>Regression Statistics</i>								
Multiple R	0.558625871							
R square	0.312062864							
Adj. R square	0.292953499							
Standard Error	0.177563740							
Observations	38							
ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	1	0.5148780838	0.514878083	16.33036294	0.000267368			
Residuals	36	1.1350397463	0.031528881					
Total	37	1.649917830						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t-Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	-0.51007616	0.1910006638	-2.67054658	0.011294777	-0.89744347	-0.12270886	-0.89744347	-0.12270886
Variable X	0.146100938	0.0361538945	4.041084377	0.000267368	0.072777441	0.219424435	0.072777441	0.219424435

Appendix F – Reflection note Fredrik Skogheim Hillestad

This reflection note will provide a brief summary of the central theme and findings of the study, together with reflections of how our work relates to the three broad concepts of internationalization, innovation and responsibility. These are key concepts in the School of Business and Law's mission statement and strategy and are emphasized in the learning outcomes for all study programmes at the University of Agder.

Summary of the thesis

The work on this study is based on an interest in sustainability and how companies choose to relate to the issues we are facing in today's society. As people are getting increasingly concerned about the health of our planet, people, and societies, we wanted to investigate one of the most visible industries known for its pollution and questionable ways of operating – the cruising industry. By investigating the cruise line industry in light of the Institutional Theory, we intended to explore how the industry's non-financial reporting practices have evolved over time and to suggest reasons for the change.

We started by defining the characteristics differentiating the individual cruise lines and discussed whether they could influence how well the companies reported. By investigating the means of communication, whether through issuing a dedicated report or through website material, we found that companies issuing a report scored higher than those choosing not to. In addition, we found that an ownership affiliation with one of the five larger corporations had a positive impact on reporting and that the size of the company had a positive correlation with reporting scores. The results obtained in the analysis suggests a positive trend for the reporting practice and that there has been an overall increase in reporting for most of the investigated topics. We argue that this is due to increased institutional pressure, which has led the industry closer to a cognitive state for reporting. We are suggesting that this could be due to drivers such as regulatory frameworks, the industry itself and media. Although we found that not a small number of the previous laggards have started to catch up, there are still some companies that barely report anything at all. I am excited to monitor the development of the industry's reporting practices and hope to see a continuous improvement also for the future.

Internationalization

I believe that in order to reach the targets set out in the UN sustainable development goals, governments and corporations must join forces, working together across borders, in order to mitigate the negative impacts we as a species have on earth. Sustainability should, therefore, more and more put on the agenda, as an increasing number of organizations realize the benefits it has for their operations. The importance of corporate social responsibility is being acknowledged as an essential tool for companies to portray their efforts, and international cooperation is essential to facilitate accessible reporting. Working together, both within and across borders, is the only way we can achieve the essential goal of reaching sustainable business practice. Initiatives such as the UN sustainability goals, GRI, SASB, and the like, link countries and companies together in a common framework for the promoting of sustainable development. The way cruise companies operate all over the world using flags of convenience, a global crew, and the increasing internationalization of cruise company ownership structure makes them the perfect example of an internationalized industry. Because of their high visibility, their internationalized nature gives them an extra responsibility to be a driving force for sustainability.

Innovation

In my opinion, the transition to sustainable operation is an inevitable step in order to preserve the planet as we know it, and because of this, continuous innovation is crucial in order for corporates to mitigate their negative impacts while at the same time continue to make a profit. Non-financial disclosure can be a driver for innovation as it allows for corporations to display their efforts in order to gain competitive advantage, thus leading others to imitate their reporting behaviour. As one of the most severe challenges with reporting is its voluntary nature, there is reason to believe that more stringent regulations will emerge in the years to come. If international organizations, together with local governments, impose rules forcing companies to report through a common framework, it will open for more easily comparison between different companies. Such a framework would have to be comprehensible in a matter that both allows for smaller companies to adhere, but also cover enough detail to be significant and useful for various stakeholders. A tier-based version could be one solution, where the extent of reporting is dependant on the size or impact of the company. One problem is smaller companies having higher marginal costs, leading to them not being able to

spend their scarce resources on reporting. One would, therefore, need to find innovative ways to allow for easy, cost-effective reporting for all. One way to innovate the industry allowing for this, is to implement technological solutions with automated systems monitoring the companies' efforts where this is possible. This, however, could prove difficult in terms of coding and implementation of the systems.

Responsibility

Corporate social responsibility, and reporting practices surrounding this topic, can closely be associated with the practice of accountability and responsibility as it depicts how corporates account for the way society at large is affected by their activities. Companies should strive to report both positive and negative impacts, as this can be seen as a way of accounting for their actions. With a highly complex regulative framework that is partly avoidable by operating from countries with less stringent laws on reporting, we are forced to assume that the companies' willingness to disclose is due to other drivers. Hopefully, more and more do it out of a sincere desire to improve their operation, making it more sustainable. Companies have a responsibility to publish relevant non-financial information so that it is easily obtainable by their stakeholders in order to strengthen decision making. Being transparent can benefit as a driver for change for the better, but if they are not truthful with their reporting, it can have the opposite effect. The act of greenwashing can lead to decisions being made on false premises, and in turn, force other actors to also perform greenwashing not to lose their competitive position. Companies are, therefore, responsible for making sure corporate social reporting remains a tool for improvement, not just monetary gain.

Summary

The cruising industry is a highly international industry operating all over the world. Their efforts in strengthening corporate social reporting can lead to other industries following along and, in turn, get us closer to a sustainable way of living. For this to happen, it is essential to make continuous innovations and improvements on how reporting should take place so that it is conceivable for all companies. Together, nations, organizations, and companies have a responsibility to preserve the earth so that future generations can benefit from it, and reporting on both positive and negative impacts is an essential way for companies to act. I believe that companies taking responsibility is a crucial step towards sustainable development for the future.

Appendix G – Reflection note Philip Hagestrø Larsen

In our thesis we have investigated the extent and quality to which cruise companies report their efforts to solve sustainable issues. We have compared our thesis to a study done by de Grosbois (2016) with data from 2012. By comparing our data from 2020 with the ones from eight years earlier, we aim to get an understanding of how corporate social responsibility (CSR) reporting has developed in the cruise industry. We utilize several widely known organizational and social theories to explain our findings. The institutional theory (North, 1990) describes how behavior is manifested in society, which informal norms and formal rules are created around. To understand the institutional theory in a business context, we explain stakeholder and legitimizing theories (Husted, 1998). The theories explain that companies can not only care about profit maximizing, because there are also other forces playing into a firm's success. In order to survive, a business has to account for its societal impact. Lastly, we put the aforementioned theories into the context of CSR reporting, to explain the three-stage model of Shabana et al. (2017). To sum up, our thesis uses sociology and organizational theories in order to explain the forces that play into a cruise lines decision to voluntarily disclose its sustainable performance.

Our results are pretty much as expected, showing growth in both extent and quality across most sustainability indicators and reporting maturity levels. However, when we looked more into the data, we found some interesting results. Our findings suggest that companies issuing a dedicated sustainability report tend to score higher than those who do not, on all three levels of reporting maturity. We also found that there is a positive correlation between the length of the reports and reporting scores. In addition, our results indicate that being affiliated with the five leading parent corporations increase scores, but multiple brands still fail to coordinate sustainability reporting practices. Further, we find that company size is directly related to CSR disclosure for the cruise industry. When it comes to the different aspects of sustainably, we identified that some areas and stakeholders are more focused on than others. I believe our thesis serves as a good study on the current state of CSR reporting in the cruise industry, which is strengthened by looking at its previous state.

Internationalization

The cruising industry is fully entrenched in international business, as moving across countries and continents is the basis of its existence. To investigate one of the most international industries in the light of intuitional theory proved to be difficult. Institutions emerge through cultural development of what is considered right and wrong to do. Our international institutions are still very young, and there are few common norms that all humans share. Moreover, the impacts of non-sustainable operations are rather hard to even discover, and it is only in the late 20th century that we have started to understand the effect it can have. As stated above, investigating such a broad problem has proved to be difficult, but also very motivational and inspirational. I really do believe that human interaction, whether local or international, can be explained through social behavior and our cultural understanding. We are in an age of immense acceleration in terms of technology and living standards, and I believe cultures have to come together and really understand the value of issues such as environmental sustainability, that have little economic value to solve (as seen from an individual perspective).

Innovation

The cruise industry is described as being one the biggest contributors to the environmental impacts we struggle to solve. Previous studies have found the cruising industry's CSR reporting as weak, and barely scratching the surface of what is necessary for actual change. We see an emerging interest to solve sustainable issues, especially since the rise of Greta Thunberg and her call for action of international cooperation. With interest in studying sustainability, and a little help from our supervisor, we discovered that the cruising industry remains under researched, compared with other tourism sectors (Font, 2014). When looking into the issue, we also found that the cruise industry is able to "cheat" national regulations by flying under "flags of convenience". Similar to the problem of international tax havens, regulations on international waters can only be solved through international cooperation. Sustainability in a business context has taught me the great complexity of how businesses interact with their environment. I believe the chase for profit has gone too far, and that the non-financial aspects (people/planet) of a firm's responsibility can get more attention in the future. I hope that the powers of the theories assessed in this study

are powerful, to the extent that change can happen, through further research and education.

Responsibility

Reporting on sustainability is heavily tied to responsibility, as firms try to garner respect from their stakeholders by showing responsibility towards their actions. For a company to be seen as responsible, I believe it needs to be fully transparent and show results that are both negative and positive. In our study, we found that stakeholder pressures are not yet strong enough to reach all parts of an industry. I believe the structure of firms today can be described as very short term and perversely seeking of profit. In order for companies to become responsible, they either have to be forced (involuntary disclosure) or have incentives to voluntarily disclose their performance. As discussed in the thesis, this happens in the last stage of institutional theory in which not reporting data (whether positive or negative) can have negative outcomes. A company should stand for its actions, but unfortunately, there is currently too much to gain by not doing so. One way to increase company's disclosure is through standardizing of measures, which creates an area of comparison, and hence incentivizes companies to disclose and perform better. As researchers, our responsibility is to stay objective throughout the study, and to make sure that what we present is as close to reality as possible.

I have never worked this hard on a paper before, and it has been tough at times, but with help from friends and family, and good support from our supervisor, we deliver the thesis in good heart, with an optimistic outlook on what is to come next.

References

- de Grosbois, D. (2016). Corporate social responsibility reporting in the cruise tourism industry: a performance evaluation using a new institutional theory based model. *Journal of Sustainable Tourism*, 24(2), 245-269. doi:10.1080/09669582.2015.1076827
- Husted, B. W. (1998). Organizational justice and the management of stakeholder relations. *Journal of Business Ethics*, 17(6), 643-651.
- North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.
- Shabana, K. M., Buchholtz, A. K., & Carroll, A. B. (2017). The institutionalization of corporate social responsibility reporting. *Business & Society*, 56(8), 1107-1135.