

**CSR REPORTING IN THE ARCTIC CRUISE TOURISM:  
A CONTENT ANALYSIS OF ARCTIC CRUISE  
OPERATORS' CSR DISCLOSURES**

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## ABSTRACT

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Title CSR reporting in the Arctic cruise tourism: A content analysis of Arctic cruise operators' CSR disclosures	
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<p>The travel and tourism industry has grown over the last century and this can also be seen in the Arctic destinations. As cruise tourism has become the primary form of tourism in the Arctic, the concerns for its negative impacts have increased as well. Thus, it is increasingly important for the Arctic cruise operators to take Corporate Social Responsibility (CSR) issues into account and transparently communicate about them.</p> <p>This thesis aims to increase the understanding of the CSR reporting practices of the cruise lines that operate in the Arctic. The purpose is to find out what kind of CSR information Arctic cruise operators are reporting and how they are reporting it, as well as compare their reporting practices to the <i>best practices</i> to find out what is done well and what could be improved. The theoretical background covers the concept of CSR and CSR reporting, as well as discusses sustainability in cruise tourism and earlier research on CSR reporting in cruise tourism. Qualitative content analysis, with some quantitative elements, was chosen for research approach. The empirical data consisted of content analysis of 15 Arctic cruise operators' websites, latest CSR reports and other CSR enclosures.</p> <p>The findings indicate that Arctic cruise operators' CSR reporting practices are still in its infancy, and more CSR reports are needed. The majority discloses CSR information on their websites, whereas only a few provide CSR reports. Also, the use of formal reporting guidelines and third-party verifications are non-existent. The type and amount of reported CSR information vary significantly between cruise lines; however, it commonly consists of soft data regarding social, environmental and technical aspects, whereas economic aspects are less addressed. The findings suggest that positive aspects are reported willingly, whereas negative issues are communicated less. However, to provide a complete and honest picture of CSR performance, the focus must be on both positive and negative material, or relevant, issues, as the <i>best practices</i> have emphasized. When defining material issues that should be included in CSR reports, stakeholder engagement should play a key role. The findings also indicate the need for more hard data, including information on performance and measurable targets. Reporting numeric data on material issues would enable comparisons between different cruise lines based on their CSR performance. This could create pressure for the cruise lines to take CSR issues seriously into account and improve their reporting practices.</p>	
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<p>Matkailu- ja turismiala ovat kasvaneet merkittävästi viimeisen vuosisadan aikana ja tämä on huomattavissa myös arktisilla alueilla. Risteilyturismista on tullut suosituin turismin muoto Arktiksella ja tämä on lisännyt huolta risteilyn haitallisista vaikutuksista. Tämän vuoksi risteily-yritysten on yhä tärkeämpää huomioida toiminnassaan yritysvastuu ja raportoida siitä avoimesti.</p> <p>Tämän tutkielman tarkoituksena on lisätä ymmärrystä Arktiksella operoivien risteily-yritysten vastuullisuusraportointikäytänteistä. Tarkoituksena on selvittää mitä ja miten arktisella alueella toimivat risteily-yritykset raportoivat vastuullisuudesta, sekä verrata raportointikäytänteitä raportoinnin <i>parhaisiin käytäntöihin</i> ja selvittää mitä tehdään hyvin ja mitä voitaisiin parantaa. Teorettinen osuus käsittelee yritys vastuuta ja vastuullisuusraportointia, kestävyyttä risteilyturismissa sekä aiempaa kirjallisuutta risteily-yritysten vastuullisuusraportointiin liittyen. Tutkimusmenetelmänä käytetään laadullista sisällönanalyysiä, sekä joitakin kvantitatiivisia elementtejä. Empiirinen data koostuu 15 arktisella alueella toimivan risteily-yrityksen nettisivuista, uusimmista vastuullisuusraporteista ja muista nettisivuilla olevista vastuullisuutta käsittelevistä dokumenteista.</p> <p>Tulokset osoittavat, että arktisten risteily-yritysten vastuullisuusraportointikäytännöt ovat alkutekijöissään, ja lisää vastuullisuusraportteja tarvitaan. Useimmat viestivät vastuullisuudesta nettisivuillaan ja vain muutama tarjoaa vastuullisuusraportin. Muodollisia vastuullisuusraportointi-viitekehyksiä ja varmuuksia ei käytetä. Raportoitu informaatio ja sen määrä vaihtelee merkittävästi yritysten välillä, mutta useimmat raportoivat pehmeää dataa sosiaalisista, ympäristöllisistä ja teknisistä aspekteista, kun taas taloudellisia aspekteja huomioidaan vähemmän. Positiivisista seikoista viestitään mielellään, kun taas negatiiviset asiat jätetään raportoimatta. Jotta raportti tarjoaisi aidon kuvan yrityksen vastuullisuustyöstä, sen tulee koskea sekä positiivisia että negatiivisia olennaisia aspekteja, kuten raportoinnin <i>parhaat käytännöt</i> painottavat. Sidosryhmien sitouttamisen tulisi olla avainasemassa, kun määritellään olennaisia asioita joista raportoida. Tulokset myös osoittavat, että enemmän numeerista dataa, kuten mitattavia tavoitteita ja tietoa suoriutumuksesta, tarvitaan. Kun raportointi keskittyy olennaisiin seikoihin ja numeeriseen dataan, vertailu eri risteily-yritysten välillä helpottuu. Tämä voisi asettaa risteily-yrityksille painetta huomioida enemmän vastuullisuusaspekteja ja parantaa vastuullisuusraportointikäytänteitä.</p>	
Asiasanat Vastuullisuus, vastuullisuusraportointi, kestävyys, risteilyturismi, Arktis	
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# 1 INTRODUCTION

## 1.1 Background of the study

The travel and tourism industry has become one of the largest industries in the world and it is only predicted to keep growing in the foreseeable future. Globally, tourism has been growing tremendously, from 25 million international tourist arrivals in 1950 to 1.5 billion in 2019. (UNWTO, 2017; UNWTO, 2020) The trend of increasing tourism can also be seen in the Arctic region, which has fascinated explorers and researchers for a long time, but only recently gained interest from the rest of the world. Over the last two decades, the great North has become a popular destination on travelers bucket lists, mostly due to its landscapes, wildlife and unique historical and cultural assets. (WWF, 2019; Barr, 2017; Bickford et al., 2017; Luck et al., 2010) Also, last-chance tourism has become a growing trend in the Polar region, where climatic changes are most rapid and radical, and people want to see these destinations before they disappear. Paradoxically, using carbon-fueled travel to get to the Arctic contributes to climate change. (Eijgeelar et al., 2010)

Globally, cruise tourism is growing faster than other forms of leisure travel and it has already become the primary form of tourism in the Arctic (Manley et al., 2017). Climate change and its impacts, such as melting sea ice and technology developments, have enabled growing access to the Arctic region and new opportunities for cruise tourism over the last 25 years (Têtu & Dawson and Lasserre, 2019; Huijbens & Lamers, 2019). The variety of cruise products has increased and there is everything from small-scale adventures to large luxury cruises (Lamers et al., 2015). In addition to mass tourism, ecotourism niches such as expedition cruising are on the rise (Van Bets et al., 2017). In fact, a notable part of Arctic cruise tourism consists of these expedition-style vessels that carry less than 200 people on board. (Pashkevich et al., 2015). These expedition



cruises differ from other forms of cruising, as they are focused on offering rich experiences with educational programs and shore excursions to remote locations (Manley et al., 2017).

Cruise tourism can have many positive effects on the economy of a destination, as it can e.g., generate profit and create new jobs. While ships are in port, passengers and employees can purchase food, gifts and shore excursions. Furthermore, cruise ships need to buy food and beverages, fuel and other supplies from ports, as well as pay port fees, fairway dues, tug hire services, agents' fees and invest in ship maintenance. (Pearce, 2013, Dowling, 2006; Gibson & Bentley, 2007) In some cases, destinations can even become economically dependent on cruise tourism (de Grosbois, 2015).

Despite the economic benefits discussed above, it has been argued that they are exaggerated and not divided equally between the cruise lines and destinations. Cruise tourism can earn substantially less for local economies than other forms of tourism (Klein, 2011), and many sources that could provide revenue for the locals might be taken care of by cruise companies themselves, which means lost economic opportunities for the local communities (Clancy, 2008). Furthermore, the harmful impacts of cruise tourism on local communities and cultures have gained increasing attention (Lasserre & Faury, 2019). A growing number of tourists in destinations, especially during cruise visitation peaks, can contribute to overcrowding or what Klein (2011) calls "people pollution" (Lamers et al., 2015). During these tourism peaks, locals have to endure noise pollution as well as environmental and spatial impacts of overcrowding (Klein, 2011; Johnson, 2002). Many tourism destinations in the northern region are also used for other purposes such as aquaculture, energy infrastructure and fisheries. However, growing inbound tourism contributes to increasing infrastructure, which is made at the expense of local people, other uses and natural habitat (Johnson, 2002; Klein, 2011). Moreover, cruise tourism can contribute to the homogeniza-

tion of the port experience, loss of socio-cultural authenticity and traditional cultural heritage and behavior (Klein, 2011; Baker & Stockton, 2013).

In addition to economic and socio-cultural impacts, cruise tourism has notable effects on the environment. Ships require many inputs such as freshwater, energy (fuel or electricity), food and other consumables. From an environmental viewpoint, the most significant outputs from cruise tourism are air pollutants, wastewater and solid waste (Pearce, 2013). Also the impacts on biodiversity are severe, as cruising can cause physical damage to marine ecosystems, contribute to the loss of habitat and disturb wildlife (Butt, 2007; Cloesen, 2003). When cruise tourism concentrates on the same coastal area, its cumulative impacts can be severe (Brida & Zapata 2010a; Klein 2010a) Glasson et al., (1995) have stated that tourism contains the seed of its own destruction, as *“tourism can kill tourism, destroying the very environmental attractions which visitors come to a location to experience”*. For Arctic tourism, it is crucial that nature remains as a wilderness area, untouched by human activities (Huijbens & Lamers, 2017). Also Pearce (2013) highlights how the cruise industry highly depends on the quality of the natural environment and socio-cultural heritage of the destinations they visit. If cruise tourism is not properly managed, it can degrade these same assets (Pearce, 2013). The Arctic environment is particularly fragile, and it can take a long time to recover from changes or disturbances (Bickford et al., 2017).

Given the increasing cruise tourism in the Arctic and growing awareness of the industry's various economic, socio-cultural and economic impacts, it is increasingly important for the cruise lines operating in the Arctic to seriously take these matters into account and transparently communicate about them to the stakeholders.

## **1.2 Research task and questions**

Polar tourism is a maturing field of research (Huijbens & Lamers, 2019), and there is much research regarding the sustainability of cruise tourism in general. However, the concept of Corporate Social Responsibility (CSR) in the cruising industry is relatively new (Yliskylä-Peuralahti & Gritsenko, 2014) and the research on CSR reporting, especially in the field of tourism, remains under-investigated (Bonilla-Priego et al. 2014). De Grosbois (2016), among others, has stated that cruise industry research could benefit from a larger body of literature regarding CSR in the cruising industry. This triggered the author's interest towards this field of study. It is especially interesting to study CSR reporting practices of cruise lines that operate in the Arctic, as cruising in this delicate environment poses particular risks.

This research aims to better understand CSR reporting practices of Arctic cruise operators. In this study, Arctic cruise operators refer to those cruise lines that operate in, but not necessarily only in, the Arctic region. In order to do so, a content analysis is conducted on websites, latest CSR reports and other enclosures of 15 cruise operators. Cruise lines selected for this study are full members of Association of Arctic Expedition Cruise Operators (AECO), they provide cruises in the Arctic and information in English. The focus is on understanding what kind of CSR information Arctic cruise operators report and how they report it. Further, the aim is to assess what these cruise lines are doing well and what could be improved, by comparing their CSR reporting practices to the *best practices*.

This study aims to answer the following **research questions**:

- What kind of CSR information do Arctic cruise operators report, and how do they report it?
- Compared to the *best practices* of CSR reporting, what are Arctic cruise operators doing well and what could be improved?

### 1.3 Structure of the research report

This research paper is structured as follows. In the first chapter, the background of the study is introduced, and research tasks and questions are defined. In the second chapter, the concept of CSR and its development will be briefly introduced, and CSR reporting literature regarding mandatory and voluntary reporting, stakeholder approach, reporting tools as well as materiality will be discussed. Additionally, the second chapter focuses on CSR in the context of cruise tourism and previous studies regarding CSR reporting in the cruise industry. In chapter three, research methodology, data collection and analysis are described. After this, the findings will be presented and discussed in chapter four. The final chapter will discuss conclusions and recommendations for the Arctic cruise operators. Also, the reliability, validity and limitations will be evaluated, and suggestions for future research are presented. The theoretical framework of this research is illustrated in Figure 1.

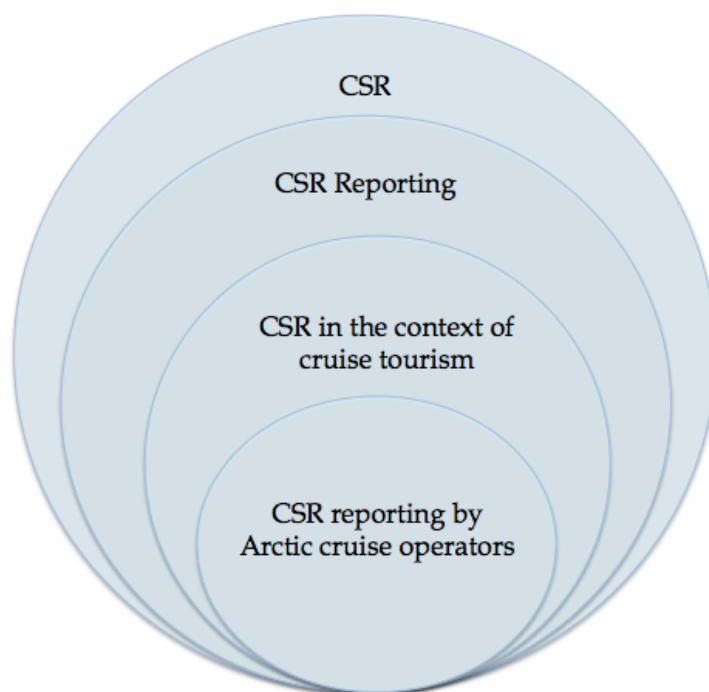


Figure 1. Theoretical framework of the study

## 2 THEORETICAL FRAMEWORK

### 2.1 The concept of CSR and its development

The concept of Corporate Social Responsibility (CSR) has received increasing attention in business and academia. The economic, environmental and social challenges we are currently facing indicate that *business as usual* is no longer an option and companies play a crucial role in finding solutions to these pressing challenges. There is no one definition for CSR, but the Commission of the European Communities (2002) defines it as follows:

*“Corporate social responsibility is about companies having responsibilities and taking actions beyond their legal obligations and economic/business aims. These wider responsibilities cover a range of areas but are frequently summed up as social and environmental – where social means society broadly defined, rather than simply social policy issues. This can be summed up as the triple bottom line approach: i.e. economic, social and environmental”*

This *Triple Bottom Line* of economic, environmental and social responsibility by Elkington (1998), also known as *people, planet and profit*, is the most widely used model for describing CSR. In addition to these three aspects, stakeholder and voluntary dimensions are an essential part of CSR. Even though the definitions of CSR vary, they consistently refer to economic, environmental, social, stakeholder and voluntariness dimensions. (Dahlsrud, 2008)

It is not possible to set a specific starting point for when the concept of CSR was born. Its roots are in the twentieth century, but some evidence of socially responsible business behavior can be found before. In late 1800, the emerging business was already particularly concerned with employees and how to make

them as efficient and productive as possible. Also, philanthropy, one of the earliest forms of CSR, was practiced in the late 1800s. The concept of CSR truly began to form and gain more attention in the early 1950s. (Carroll, 2008) Bowen (1953) published the book *Social Responsibilities of the Businessman* and was one of the first to define what Social Responsibility (SR) means. The 1970s was an era of managing corporate social responsibility when companies began to focus on specific social and environmental issues and took management actions to address them (Murphy, 1978; Carroll, 2015). During the 1980s and 1990s, important CSR themes were introduced, including stakeholder theory (Freeman, 1984) and Pyramid of Corporate Social Responsibility (Carroll, 1991). Further, in 1996 Burke and Logsdon began to link CSR to positive financial performance (Agudelo et al., 2019).

During the twenty-first century, CSR has become a global phenomenon and increasingly important part of business strategies, as more extensive social and environmental responsibilities have been placed on companies. (Agudelo et al., 2019; Carroll 2008) Nowadays, CSR can be considered as an important tool for companies to attract environmentally and socially aware customers and employees (Servaes & Tamayo 2013). In addition, investors are more interested in sustainability aspects while making investment decisions, which creates pressure for companies to take these matters into account (KPMG, 2017). Currently, large, publicly traded and government companies, as well as companies coming from environmentally sensitive industries, are more likely to engage in CSR (Moravcikova et al., 2015; KPMG, 2011). However, CSR can be considered essential in small and medium-sized companies as well (Yehia et al., 2016).

The concept of CSR has evolved over time. Even though environmental aspects were not included in the early definitions, CSR, as we know it today, considers environmental and social dimensions to be equally important (Carroll, 2008). Further, over time the focus has shifted from shareholders and maximizing their profits to recognizing broader responsibilities towards all stakeholder

groups in all operations and activities, with the aim of achieving sustainable development (Dodds & Jobbe, 2005; Carroll, 2008). Due to CSR's dynamic nature, it continues to change constantly in line with environmental and social changes, external demands and companies themselves (Font et al., 2016).

## 2.2 Understanding CSR reporting

The previous chapter briefly introduced the concept of CSR and its development. In this chapter, the focus is on CSR reporting, but it is important to note that CSR practicing and reporting are inseparable and *“cannot be understood in isolation of each other or the organizational functions and operations on which they impinge”* (Adams, 2008).

CSR reporting can be simply defined as providing information on economic, environmental and social aspects. It demonstrates the connection between the company's strategy and its commitments to a sustainable global economy (GRI, 2011). Other terms, including sustainability, triple-bottom-line, corporate responsibility (CR), and environmental and social reporting, are used alongside with CSR reporting. In this research report, the term CSR reporting is used when referring to the phenomenon.

CSR reporting can be traced back to the 1970s (Mathews, 1997). Since that time, it has evolved from brief declarations to comprehensive reports with detailed data on CSR actions and performance (Kolk, 2004; Kolk, 2010). Accounting on financial performance has been well established among businesses, whereas reporting “additional” environmental and social information has developed alongside with society's growing expectations over the past 40 years (Bonilla-Priego et al., 2014; Bellucci & Manetti, 2018). Environmental and social issues are often referred to as non-financial aspects. However, it must be noted that conventional lines between “financial” and “non-financial” are beginning to disappear, as it is now understood that issues such as climate change, water

scarcity and human rights are in fact, financial issues as well (KPMG, 2017). Global Reporting Initiative (GRI) is an organization that aims to “*raise the level of sustainability reporting to that of financial reporting*”. (Dodds & Jobbe, 2005) There are multiple different reporting tools available for businesses that assist in CSR reporting. These will be discussed in chapter 2.2.3

Nowadays, CSR reporting is standard practice for large companies around the world (KPMG, 2017). With the increasing number of companies engaging in it, some improvements in reporting practices can be noticed across industries. For instance, reporting guidelines are used more, environmental impacts are increasingly quantified, specific numeric targets are set, progress towards these is measured and third-party verifications are used more often. (de Grosbois, 2015)

Despite an increasing number of companies conducting CSR reports and some positive trends in reporting practices, they are still somewhat limited in availability and quality (Bartels et al., 2016; de Grosbois, 2015). Different practices are diminishing the benefits of transparency and credibility of reporting, and various steps still need to be taken in order to improve the quality of reports (Bartels et al., 2016; Bonilla-Priego, 2014). Studies indicate that CSR reporting lags behind in many sectors, and the scope and depth of reporting vary significantly. Further, earlier research shows low comparability and usability of the provided information and lack of consistent CSR performance measurement. (Hooper & Greenall, 2005)

Even though CSR reports are supposed to provide a complete and balanced picture of corporate sustainability performance, their voluntary nature enables rendition, or even greenwashing, which refers to providing misleading information to the public in order to obtain environmentally responsible public image (Hahn & Lulfs, 2014; Lyon et al., 2011). CSR reports do not always demonstrate accountability or genuine attempt to account for environmental and so-



cial impacts (Adams, 2004). Studies have recognized that companies are willingly providing overly positive information in CSR reports, mainly for PR purposes, whereas negative information is provided more grudgingly. This can be derived from the fear of risking corporate legitimacy when company's operations are not in line with societal norms, values and beliefs of stakeholders, as well as from the fear of negative sustainability performance leading to negative financial performance. (Bansal and Clelland 2004; Hahn & Lulfs, 2014) However, cutting out negative information does not give a genuine view of a company's performance, which can affect how reliable a company is perceived. Companies can even benefit from reporting transparently about the negative aspects of sustainability, as it can be seen as an active risk management (Hahn & Lulfs, 2014).

The ambition levels of CSR reporting vary considerably between companies (Bonilla-Priego et al., 2014; Ellerup Nielsen & Thomsen, 2007), depending on their priorities, size, country and legal environment for instance. Studies have indicated that the level of CSR disclosure increases with firm size (Morhardt, 2010). Moreover, the country of origin and the country in which company reports may affect how important it is for a company to be perceived as responsible and what CSR issues are considered important to disclose. (Maignan and Ralston, 2002; KPMG, 2017)

### **2.2.1 Mandatory and voluntary CSR reporting**

The concept of CSR contains the idea that companies should regularly and publicly report their commitments to sustainable development but does not require it (Holder-Webb et al., 2009). Even though some countries have introduced mandatory requirements regarding CSR reporting, it still highly leans on voluntary initiatives (Manetti and Becatti 2009; Deegan 2004 as cited in Hahn & Lulfs, 2014).

However, the amount of policies and regulations for CSR reporting is growing worldwide (Bartels et al., 2016). Currently, reporting regulations mainly concern large companies, as they generally have the most significant impacts on the environment and society. In addition, state-owned and listed companies, as well as various sectors such as extractives, mining and financial sectors, are experiencing increasing regulations regarding reporting practices. (Bartels et al., 2016) Since 2014 the European Union (EU) has demanded that large public-interest companies with more than 500 employees report information regarding how they operate and manage social and environmental challenges (directive 2014/95/EU). This directive enables company's stakeholders, such as investors, consumers and policymakers to evaluate the environmental and social performance of large companies and also motivates these companies to develop a more responsible approach to business (European Commission, 2017).

While some countries have already introduced mandatory regulations regarding CSR reporting, according to KPMG (2017), more reporting regulation is on its way. Guidelines and frameworks that have earlier been voluntary are now becoming mandatory requirements in many parts of the world (KPMG, 2017). The line between mandatory and voluntary approaches is not always that clear and sometimes they can overlap. As mandatory requirements concerning CSR reporting increase, so does the voluntary reporting, and vice versa. (Bartels et al., 2016) Bartels et al., (2016) also notes how several mandatory requirements origin from voluntary guidance and sometimes, voluntary guidance can feel mandatory due to peer pressure.

Even though stricter regulations urge companies to disclose information regarding environmental and social aspects, companies are also increasingly willing to do so. As already mentioned earlier, CSR comprises the voluntary efforts that are not required by law (Maguire, 2011). Regulatory requirements only set the minimum performance level, which companies should exceed and perform

above them. Thus, CSR starts where the law ends. (Dahlsrud, 2008; de Grosbois, 2015) As reporting CSR is highly based on voluntary initiatives, the content of the report is also optional. Companies can decide what they want to focus on in their reporting and to what extent, which is why the content and quality of CSR reports vary significantly (Hąbek & Wolniak, 2016).

There are many different theories about why companies report voluntarily and various factors that have contributed to growing engagement in CSR reporting. A survey conducted by the global accounting and consulting firm KPMG (2008) indicates that the main drivers for companies to engage in CSR reporting are economical and ethical.

Companies can engage in CSR and report about it because it is the right thing to do, thus, for *ethical* reasons. Ethics is closely connected with morality, which makes distinctions between what is right and wrong, good and bad, and acceptable and unacceptable (Joyner et al., 2002 as cited in Cacioppe et al., 2008: 682). The concept of ethics emphasizes the importance of honesty, fairness, prudence, respect for others, keeping promises and developing business relationships based on the principles of trust and integrity (Cacioppe et al., 2008: 682). Ethics highlights the need for companies to consider the needs of all stakeholders within their objectives and seek to avoid harming them (Cox, 2005: 8 as cited in Cacioppe et al., 2008). Also, Gray et al. (2014; 50) suggest that CSR reporting can be explained by an accountability perspective, which refers to organizations' moral responsibility to explain its actions or offer accounts for its stakeholders.

The reasons for CSR reporting can also be *economical*. The world's top-performing businesses would not engage in the practice of CSR reporting unless they were benefiting from it (KPMG, 2008). The strategic importance of CSR and its contribution to financial performance are increasingly recognized by businesses (Bartels et al., 2016; Commission of the European Communities,

2003). The long-term success of a business strongly depends on the way the stakeholders perceive it and its responsibility and CSR report is the main tool to communicate company's environmental and social policies, commitments and operations to the stakeholders (Moravcikova, 2015; Cornelissen, 2011). CSR reporting increases transparency and thus, can build trust and engagement of stakeholders, maintain or improve reputation and manage risks (GRI, 2015a). By conducting CSR reports, companies can demonstrate where they stand compared to their competitors and gain competitive advantage. (Adams, 2008; Todorova, 2011; Bonilla-Priego et al., 2014)

Not only is CSR report an important communication tool for companies, it is also an essential tool for measuring and understanding performance on economic, environmental and social aspects, after which setting goals and managing change can be done more effectively (GRI, 2015b). Reporting demonstrates the connection between a company's goals, the actions taken and progress towards these goals. Without reporting, it would be challenging to assess what is being done and how close or far the company is from achieving its goals. (Bartels et al., 2016)

## **2.2.2 Stakeholder approach in CSR reporting**

When discussing CSR reporting, it is important to discuss the stakeholders as well, as they are the target audience for CSR reports. Stakeholders can be defined as *"any individual or group who can affect, or who is affected by the actions, decisions, policies, practices or goals of the organization"* (Freeman 1984, 46). Stakeholder groups differ whether they are considered through a broad or a narrow view. The narrow view considers stakeholders to be the groups that organization success depends on, whereas Freemans (1984, 46) definition represents the broader view. (Mitchell, Agle & Wood, 1997) Common examples of stakeholder groups are customers, employees, investors, suppliers, communities and gov-

ernments. However, a broader stakeholder view can also perceive future generations and non-human natural environments as stakeholders (Starik, 1995).

Stakeholder theory focuses on the interaction and interdependence that occurs between an organization and its stakeholders. Donaldson and Preston (1995) have presented three aspects of stakeholder theory: descriptive, instrumental and normative. The *descriptive* approach provides a model describing what company is and how it can exist, as well as explains the relationship between an organization and its stakeholders. The *instrumental* approach focuses on the connections between stakeholder management and corporate performance. In this approach, stakeholders can be perceived as a way to achieve profitability and growth, for instance. However, the fundamental basis of stakeholder theory is the *normative* approach, which highlights stakeholders' legitimate interest in corporate activity and considers that all stakeholders' interests are of intrinsic value. (Donaldson & Preston, 1995) According to some scholars (e.g. Svendsen, 1998; Waddock, 2002 as cited in Manetti, 2011), these approaches can also be viewed as stages for stakeholder involvement, starting from identifying who the stakeholders are, to how to manage the stakeholder relations and finally, engaging the stakeholders (Manetti, 2011).

Nowadays, stakeholders are increasingly expecting companies to transparently report how they are dealing with issues related to social and environmental sustainability and CSR reports are the primary tool to communicate information regarding positive and negative impacts for the ones who are affected by them (Isakkson & Steilme, 2009; Bartels et al., 2016). Different stakeholder groups can have varying interests and even conflicting demands, which makes it challenging to choose which interests to prioritize (Dahlsrud, 2006). Evidence suggests that the contents of CSR reports are decided based on the understanding of the relative importance of different stakeholders (Cormier, Gordon, & Magnan, 2004).

Scholars (e.g., Manetti, 2011; Ngu & Amran, 2018) have highlighted the importance of stakeholder engagement and dialogue in the CSR decision-making and reporting. Stakeholder engagement is a fundamental step in the CSR reporting process, as it enables companies to identify which issues are relevant for their stakeholders (Font et al., 2016; Manetti, 2011). Thus, when defining which information should be included in CSR reports, stakeholder engagement should play a key role (Gray, 2000 as cited in Manetti, 2011). CSR report that does not take into account the perspectives of the stakeholders cannot be considered to be fully accountable and credible (Ngu & Azlan, 2019).

### **2.2.3 Tools for CSR reporting**

There are various sustainability reporting tools, including frameworks, standards as well as ratings and indices. Frameworks, like *the United Nations (UN) Global Compact*, refer to principles, initiatives or guidelines that aim to assist organizations in their disclosure efforts. Standards, including *AA1000* (by AccountAbility) and *ISO14001* (by International Organization for Standardization) are more formal than frameworks and spell out specifications and requirements. Then again, ratings and indices, like *Dow Jones Sustainability Index (DJSI)*, refer to third-party evaluations of organizations sustainability performance. (Siew, 2015) In this chapter, the world's leading organization for sustainability reporting Global Reporting Initiative (GRI) and its Standards will be discussed in more detail. In addition, the focus will be on the UN Global Compact, the world's largest voluntary corporate sustainability initiative, and its Ten Principles and Sustainable Development Goals (SDG).

More than 90% of the world's 250 largest companies report CSR and 82% of them use GRI Standards to do so (GRI, 2020a). GRI Sustainability Reporting Standards represent the global best practice for reporting publicly on economic, environmental and social impacts of an organization (GRI, 2011). Today, the

GRI guidelines are perceived as *de facto* and the primary example of sustainability reporting (KPMG, 2011; Joseph, 2012). The first version of GRI Guidelines was introduced in 2000 and the latest version, GRI Standards, was launched in 2016. GRI Standards consist of Universal Standards, applicable to all organizations despite size, industry and material issues, as well as topic-specific Standards, which are used to report information on organization's material economic, environmental and social impacts. These topic-specific Standards consist of various indicators, such as energy, employment and impacts on local communities. Instead of reporting information regarding all indicators, organizations should identify indicators that are material for them and disclose information regarding these aspects as well as how they are managed. (GRI, 2015b) GRI also provides sector-specific guidelines for ten different high-impact sectors, such as oil & gas, mining & metals and airport operators (GRI, 2012).

Another widely accepted initiative for corporate sustainability is the UN Global Compact (UNGC). The UNGC states that *corporate sustainability begins with a principles-based approach to doing business*; thus, they have introduced ten principles regarding human rights, labor, environment and anti-corruption. By including these Ten Principles into strategies, policies and procedures, businesses can uphold their responsibilities to people and planet, as well as pave the way for long-term success. (UNGC, 2011) Companies committed to supporting the Ten Principles report the Communication on Progress (CoP) annually and simultaneously provide important information for the stakeholders. The format of CoP is flexible, but it must meet three minimum requirements, which are: statement by the chief executive expressing the support and commitment for UN Global Compact, a description of practical actions that organization has taken or is planning to take to implement the Ten Principles and finally, a measurement of outcomes. Further, based on organizations self-assessment, CoP will be placed in one of the following differentiation levels: advanced, active or learner. CoP is collaborating with other CSR frameworks, including GRI,

to ensure that standards are aligned and that attaining the requirements of one framework will help companies comply with others. (UNGC, 2020a)

In addition, businesses worldwide are using UN Sustainable Development Goals (SDG) as a framework for sustainability. In 2015, *Agenda 2030* for sustainable development was launched by all 193 Member states of the United Nations, and at the heart of this agenda are the 17 SDGs that aim to tackle the world's most pressing issues (UNGC, 2020b; UNGC, 2020c). It is widely recognized that businesses play a key role in solving complex sustainability challenges and achieving the SDGs. In order to support companies in this, the UNGC has developed a portfolio of Action Platforms. One of the initiatives is the *Reporting on the SDGs*, developed in cooperation with GRI, which strives to help companies integrate the SDGs in their reporting processes. (UNGC, 2020c) PwC (PricewaterhouseCoopers) (2019) has explored over 1,000 company reports to find out how businesses engage with the SDGs. While their study shows that 72% of companies mentioned SDGs in their reporting, only 25% included SDGs in their published business strategy and 14% mentioned specific SDG targets. These findings indicate that in order to achieve SDGs by 2030, more concrete actions need to be taken. (PwC, 2019)

#### **2.2.4 Materiality in CSR reporting**

Businesses are facing various economic, environmental and social topics on which they could report, and it can be challenging to select and prioritize the topics disclosed in CSR reports. However, identifying the most relevant, or material, issues is becoming increasingly important in CSR reporting. (GRI, 2015b). Materiality has been a central topic in financial reporting for some time, but its meaning has increased in CSR reporting more recently. International Financial Reporting Standards (IFRS) has defined materiality as following:



*“Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature and magnitude, or both, of the items to which the information relates in the context of an individual entity’s financial report.”*

Identifying material issues in financial reporting can be considered easier than it is in the case of non-financial reporting. In financial reporting, an issue can be considered material if it has a notable financial impact, whereas in CSR reporting materiality refers to those economic, environmental and social aspects that exceed a threshold in affecting the *“ability to meet the needs of the present without compromising the needs of future generations”*. (GRI, 2013)

Materiality plays a crucial role in determining the issues that should be included in CSR reports. It also plays a significant role in ensuring that reports are concise, targeted and focused. (Ngu & Amran, 2018) When the emphasis is on relevant issues, reports are more credible and user friendly, and over-reporting and greenwashing can be avoided. (GRI, 2015b; Font et al., 2016) As materiality highly depends on the context, it is not possible to provide one set of rules that would apply to all circumstances (Edgley, 2014). Material matters are different for every business, even if they would operate in the same sector (Ngu & Amran, 2018). Moreover, different reporting frameworks have slightly different approaches to materiality, which can create challenges for organizations conducting their CSR reports based on materiality principles.

GRI’s G4 guidelines placed materiality at the heart of CSR reporting. According to materiality principle, CSR reports must disclose issues that *“reflect the organization’s significant economic, environmental, and social impacts”* as well as aspects that *“substantively influence the assessments and decisions of stakeholders”*. In the latest modification of GRI guidelines, GRI Standards, the materiality principle has remained the same, but two clarifications have been made regarding *the*

*meaning of impact* and *two dimensions* of the materiality principle. The first clarification specifies that impact refers to a company's significant effects on the external environment, instead of the effects upon an organization. The second clarification refers to the two principles, mentioned above, that companies must consider when identifying material topics: the significance of the economic, environmental and social impacts and influence on the decisions of stakeholders. According to the Standards, a topic can be perceived as material if it fits either one of these dimensions. (GRI, 2020c) Similarly, international consulting and standard firm AccountAbility in its AA1000 standards emphasize that an organization must identify its material issues that *"will influence the decisions, actions and performance of an organization or its stakeholders"*. (AccountAbility, 2013)

However, whereas GRI and AccountAbility focus on all stakeholder groups, International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) focus specifically on investors, and material topics are defined to be those that are relevant for investment purposes. (IIRC 2013b, 2; SASB, 2014)

Even though different standards have slightly differing views regarding which stakeholder groups perspectives should be prioritized when defining what is material, they all agree that materiality assessment aims to separate relevant information from irrelevant information and determine the content of a CSR report.

### **2.3 CSR in the context of cruise tourism**

The World Tourism Organization (UNWTO) defines the concept of sustainable tourism as *"tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"* (UNWTO, 2019). This concept has emerged

with the aim to reduce harmful impacts from tourism activities and has become a desirable form of tourism (Sharples, 2003; Hashemkhani Zolfani et al., 2015).

Increasing cruise tourism and realization of its detrimental effects has led to growing concern for nature, human wellbeing and the long-term economic viability of communities (Choi & Sirakaya, 2006). Bigger ships, mass tourism, negative environmental and social impacts, limited positive economic impacts on destinations and poor labor conditions are some of the issues that have been under discussion. On the other hand, marine tourism also provides high potential for delivering jobs and sustainable growth. For instance, the EU has coastal and maritime tourism as one focus area in *blue growth* strategy, which aims to support sustainable growth in marine and maritime sectors. (EC, 2020)

With a focus on sustainability, the concept of ecotourism has emerged and become the fastest growing area within tourism (Eijgelaar et al., 2010; Bickford et al., 2017). The International Ecotourism Society (TIES) defines ecotourism as “*responsible travel to natural areas that conserves the environment and improves the wellbeing of local people*” (Diedrich, 2010). Whereas traditional form of tourism development, *mass tourism*, focuses on large groups of visitors and maximizing the short-term incomes, ecotourism concentrates on providing satisfying travel experience for small groups without disrupting the natural setting (Eijgelaar et al., 2010; Kiper, 2013; Bickford et al., 2017). These same aspects are highlighted by expedition cruises, which focus on providing enriching cruise experiences to remote destinations on relatively small vessels (Manley et al., 2017). Ecotourism and expedition cruises both emphasize unique natural environments where passengers are introduced to local cultures, traditions and lands. One of the main ideas of ecotourism is to provide an educational experience to people and, in this way, affect their environmental attitudes and improve conservation. (Eijgelaar et al., 2010; Bickford et al., 2017) Also, various expedition cruise operators are emphasizing this educational perspective. However, scholars have presented conflicting findings regarding its benefits. For instance, a study about

Antarctic cruise passengers conducted by Eijgelaar et al. (2010) did not find evidence about passengers' enhanced environmental awareness, changed attitudes, or more sustainable travel choices in the future. In contrast to these findings, study by Manley et al. (2017) indicated that education on expedition cruises is an important component of the cruise experience, as it has positive impacts on passengers' attitudes, behaviors and knowledge post-cruise.

It has been discussed whether sustainable cruise tourism is an impossible goal. Although cruise tourism has a greater inclination to be unsustainable than some other forms of tourism that are less intensive, scholars emphasize that all types of tourism can be unsustainable unless appropriately managed, and vice versa. (Diedrich, 2010)

Pearce (2013) has developed a framework for sustainable cruise tourism. In addition to economic, environmental and social aspects, which are the cornerstones of any approach to sustainability, Pearce's framework also includes technical aspects. The framework is based on a review of over 70 documents relating to key aspects of sustainable cruise tourism and it was originally developed to improve sustainable cruise tourism in the North Sea Region. (Pearce, 2013) In the following chapters, the four aspects of this framework will be discussed in more detail.



Figure 2. Framework for sustainable cruise tourism (Pearce, 2013)

### 2.3.1 Economic aspects

In order to be sustainable, business must be profitable. Cruise lines, just like any other businesses, aim to minimize their costs and maximize the benefits. (Pearce, 2013) Growing awareness of the issues related to cruising has affected the values of consumers, who nowadays consider it increasingly important that purchases reflect their personal values. (Jones, 2010 as cited in Adams, 2014; Mc Hugh, 2010 as cited in Adams, 2014). Cruise lines are increasingly recognizing that engaging in CSR can attract customers that value sustainability and contribute to positive *financial impacts* and competitive advantage. (Pearce, 2013)

As discussed earlier in the paper, engaging in CSR can help to enhance the image and *reputation* of a company, both of which play a key role in ensuring long-

term viability. In addition to this, engaging in CSR is also becoming necessary due to increasing regulations. Some cruise lines have taken a proactive approach by predicting future changes in regulations and doing more than is required. (Pearce, 2013)

*Employment* issues related to wages, long working hours and questionable working conditions have been under a scope in the cruise industry (Polat, 2015). Ensuring the wellbeing and safety of employees, as well as providing training and education for them, is an essential part of sustainability and it also attracts skilled and committed employees. Cruise tourism industry can also contribute to sustainable development by supporting the employment of local communities they visit and optimizing the business opportunities for them. (Pearce, 2013; Hashemkhani Zolfani et al., 2014) Also, WWF (World Wildlife Fund) (2019) states that responsible tourism should create additional income for the locals and support traditional lifestyles.

### **2.3.2 Environmental aspects**

Various studies state that the cruise industry is one of the most *energy*-intensive forms of tourism transport and that the impacts on the *atmosphere* are significant (e.g. Pearce, 2013; de Grosbois; 2015). Cruising highly depends on heavy diesel fuels that result in pollutants and other negative impacts on the environment. To improve sustainability efforts, cruise lines should aim to maximize energy efficiency, minimize total energy consumption and use renewable energy sources whenever possible. (Pearce, 2013) Hashemkhani Zolfani et al., (2015) state that renewable energy and sustainable development are closely inter-linked, especially in tourism. Recently, many cruise lines have done improvements and shifts towards cleaner fuels, emission reduction technologies and air management programs to monitor emissions and reduce pollutants. (Pearce, 2013) One example is the use of shore power. Ships must also produce electrici-

ty while they are in port, which negatively contributes to the air quality of the port environment. By connecting ships to shore power-supply, both fuel consumption and air pollution can be substantially reduced. Even though the benefits are notable, there are some barriers to the adoption of shore power, including financial aspects and complex grant requirements. (Tseng & Pilcher, 2015) According to Tseng and Pilcher (2015), the ports where shore power has been implemented, it is due to governmental drive and initiative as part of a greater green port strategy.

Cruise tourism heavily relies on the availability of freshwater and thus, cruise lines must aim to use *water* resources sustainably, for example, by installing efficient toilets, showers and taps (Rutty et al., 2015; Pearce, 2013). Also, water pollution creates a major environmental challenge for cruise lines, as vessels produce significant amounts of blackwater (sewage from toilets), greywater (wastewater from sinks, showers and cleaning), and oily bilge water. Some cruise lines have applied notable technological advances to cruise ships that improve wastewater treatment systems beyond conventional marine sanitation devices. (Pearce, 2013; Baker & Stockton, 2013) Wastewater discharge into the sea must be avoided completely and ports have an important role in this, as they must provide facilities to receive and treat wastewater from vessels (Pearce, 2013). Also discharge of ballast water (water carried by ship to ensure stability) and introduction of invasive species to new marine environments poses significant risks. However, there are both ship- and port-based technologies available for treatment of ballast water. (Tsolaki & Diamadopoulos, 2010)

One of the basic principles for the concept of sustainability is the need to protect *biodiversity* (Baker & Stockton, 2013). Tourism often depends on possibilities to observe local flora and fauna, and visit certain landscapes, habitats or ecosystems that are the main attractions for tourists (Rutty et al., 2015). However, high volumes of tourists visiting sensitive destinations and ecosystems with high biodiversity can have harmful impacts. In order to conserve destinations and

minimize the impacts on local biodiversity, tourism must be managed. This requires cooperation with the destination and actions, including limiting visitor numbers for excursions, educating guests about protected areas and how to minimize damage to them as well as using incomes on the conservation of destinations. (Pearce, 2013) Tourism development that does not consider environmental concerns will not remain viable in the long run (Pigram, 1990 as cited in Hashemkhani Zolfani et al., 2015).

Further, cruise ships are using many *resources* and creating massive amounts of *waste* disposed of by passengers on a daily basis (Pearce, 2013; Baker & Stockton, 2013). In order to achieve a more sustainable cruise industry, cruise lines must aim to minimize the use of resources and this way, the production of waste will also be minimized. There are both environmental and economic incentives to do so. (Pearce, 2013) However, reducing the volume of waste alone is not enough, but created waste must also be managed appropriately and disposed of onshore.

Although cruise ships are mostly at sea, they affect *land use and soil* quality as well. The impacts vary from contamination on soils due to water pollution or spills, to the effects on land use of tourism development. Careful planning and design practices, as well as environmental management operations, are fundamental to minimize environmental impacts and maintain destination attractiveness. (Pearce, 2013)

### **2.3.3 Social aspects**

Nearly every aspect of cruise holiday contains *travel* (Pearce, 2013). The long-term survival of the tourism industry requires that transport and the environment could be integrated in a sustainable way (Martin-Cejas & Ramirez Sanchez, 2010). Thus, the focus must be on minimizing the negative impacts of



transport, by increasing the use of more environmentally-friendly fleet and promoting greener options (Pearce, 2013).

One essential part of the cruise is to experience the local *culture* of destinations, while simultaneously, it is important to ensure that host communities are treated with respect. However, a large number of cruise passengers on a daily basis can compromise this and negatively affect the integrity and cultural heritage of a destination. (Klein, 2011; Pearce, 2013) It is important to manage and conserve the historical and cultural areas. This also ensures that the destinations remain attractive for tourists in the future. (Pearce, 2013)

Ensuring the *wellbeing*, health, safety and security of passengers, employees, surrounding communities and other stakeholder groups involved plays a crucial role in ensuring an enjoyable cruise (Pearce, 2013). Public health is subject to a range of local, national and international guidelines and regulations, concerning cruise ships as well (Jones et al., 2016). Cruise passengers consider these aspects highly important and cruise lines seem to well recognize their responsibility to ensure safety on board (Pearce, 2013).

In order to advance sustainable change in cruise tourism, *collaboration*, engaging with stakeholders and sharing best practices plays a key role. Partnerships with groups of international organizations such as the cruise lines international association (CLIA), government regulators, tour operators and port authorities are becoming more common. In addition, many collaborate with NGOs and donate money for good causes. (Pearce, 2013)

#### **2.3.4 Technical aspects**

Careful planning and on-going *management* are essential when addressing issues related to sustainability. Some cruise lines are operating environmental

management systems (EMS), which provide structured approaches for managing, monitoring and minimizing environmental impacts. A key component of EMS is setting objectives and targets to ensure continuous improvement in sectors discussed in the earlier chapters, including energy use, emissions, water consumption and waste production. (Pearce, 2013)

The *supply chains* in the cruise industry are considered to consist of all parties involved in fulfilling a passengers request, including suppliers of food, beverages and other consumables, tour operators, port services, waste companies and transport providers (Véronneau & Roy, 2009; Pearce, 2013). Cruise lines have a significant purchasing power because of their size and they can drive sustainability improvements throughout the value chain. Some cruise lines have adopted purchasing policies that include sustainability criteria, such as environmentally certified suppliers, purchasing materials with recycled content, fair trade products or organic goods, and local goods and services. (Pearce, 2013)

High-*quality* issues can be managed by adopting innovative approaches and technologies. This plays a crucial role in achieving continuous improvement, ensuring competitive advantage and driving sustainable change. Cruise lines are increasingly introducing new eco-friendly improvements and technologies on vessels that focus on, e.g., fuel conservation, energy efficiency, reduction of air emissions and wastewater treatment. (Baker & Stockton, 2013; Pearce 2013) Cruise lines can enhance the sustainability of vessels, for instance, with more aerodynamic designs, solar power panel installation, LED lights and low-flow showerheads (Baker & Stockton, 2013).

#### **2.4 Previous research on CSR reporting in cruise tourism**

A considerable amount of research has been conducted regarding the cruise industry in general, as well as the complex environmental and socio-cultural im-

pacts that cruising can cause. However, CSR efforts and reporting in the cruise industry have gained less attention in research (Klein, 2011; de Grosbois, 2016).

CSR issues are increasingly addressed throughout the tourism industry, including the cruise industry (Buckley & Pegas, 2013). Even though the largest companies are already conducting CSR reports, and also in the cruise industry company size is often directly related to CSR disclosure, there are some large cruise lines that do not report or who report weakly. Many cruise lines are still focusing on reporting general information, rather than CSR information. It appears that the cruise industry is in the early stages of accepting its responsibility and behind other sectors with respect to CSR reporting. (Font et al., 2016) Bonilla-Priego et al., (2014) have stated that many cruise companies are trying to answer to the growing pressure that the cruise industry is facing, but failing in their attempts.

Earlier research indicates that the use of formal reporting guidelines is rare and CSR information is often presented incoherently on websites, without specifying the scope or source of provided information, or time frames. Provided CSR information is often difficult to access, interpret and compare between cruise lines. Furthermore, assessing the credibility of reported information is challenging, as external assurances are very unusual. (de Grosbois, 2016)

Previous studies (e.g., Bonilla-Priego et al., 2014; de Grosbois, 2016) indicate that cruise lines mainly focus on reporting soft data, including statements, commitments and management data, which is easy to mimic and difficult to verify. However, hard numeric data regarding specific initiatives or assessments of impacts and performance is reported less. There appears to be a connection between the amount and type of provided data. Cruise lines that are communicating less information are more likely to focus on providing soft data, whereas cruise lines reporting more CSR information tend to focus on hard indicators. (Bonilla-Priego, 2014)

Moreover, earlier research indicates that cruise lines often provide information regarding activities that are already regulated or lead to cost savings (Bonilla-Priego et al., 2014; Font et al., 2016). Bonilla-Priego et al., (2014) state that cruise lines seem to consider regulation as a key stakeholder, as that is the basis for acting. For example, environmental aspects such as water, emissions, effluents and waste, which are increasingly regulated and lead to cost savings, have received considerable attention from cruise lines (de Grosbois, 2016; Font et al., 2016) Furthermore, social and community wellbeing aspects as well as passenger safety haven been addressed by many (Bonilla-Priego, 2014; de Grosbois, 2016). In turn, themes such as economic prosperity and economic wellbeing of destinations, employment quality, diversity and accessibility have been addressed less in CSR reporting. (Bonilla-Priego, 2014; de Grosbois, 2016).

Font et al., (2016) suggest that transparency of cruise lines is opportunistic, as many publish reports with environmental claims and positive aspects to maintain an environmentally friendly image, but under-report the main issues. On the contrary, cruise lines are avoiding reporting impacts that could negatively influence the brand (Bonilla-Priego et al., 2014). Thus, reporting can be seen as a legitimation tool for cruise lines to manage risks and protect reputation and image. However, providing positive bias can also be perceived as greenwashing (Bonilla-Priego et al., 2014; Font et al., 2016)

Further, Font et al. (2016) propose that the CSR reports conducted by cruise lines are not in line with stakeholder expectations. In the cruise industry's materiality analysis, the expectations of different stakeholder groups were compared to cruise line CSR reporting practices and some differences were identified. Although, there were also differences among stakeholder groups in what was perceived as material. Stakeholders seem to prioritize material soft disclosures regarding management, such as taken actions, over hard data like performance indicators that demonstrate the outcomes. Further, reporting on *vision and strat-*

*egy* is preferred over hard evidence of *compliance with regulations* and *the number of sanctions*. (Font et al., 2016) According to Font et al. (2016), cruise operators are placing a high focus on hard and performance data on CSR reports. However, these findings are in contrast with Bonilla-Priego et al. (2014) discoveries, which indicate that cruise lines focus on management data, rather than performance data.

The gap between stakeholder expectations and CSR reporting practices implies that there is an absence of stakeholder engagement and accountability (Font et al., 2016). This indicates the need for materiality analysis and stakeholder needs to play a bigger role in CSR reporting (Font et al., 2016).

### 3. DATA AND METHODOLOGY

This chapter aims to explain how this study has been conducted and explain the chosen research methods. First, the focus is on the chosen research approach, after which the data collection and analysis will be discussed.

#### 3.1 Research method

The empirical part of this study is mainly based on qualitative research methodology, which is an interpretive approach seeking to understand and describe a certain phenomenon (Schreier, 2014, 20 & Silverman 2015, 5) Qualitative research approaches are often sensitive to the social and cultural context and aim at a holistic understanding of the studied issue. (Eriksson & Kovalainen, 2008) Qualitative research uses words and is concerned with meanings (Silverman, 2015; 5). Qualitative data, such as texts, typically enables various interpretations (Krippendorf, 2009) and thus, researcher has an important role when gathering, organizing and interpreting the data (Lichtman, 2014; 6)

Krippendorf (2009) states that there are several sources of unreliability, including malfunctions of measuring instruments, irrelevant circumstances of their use, or misreading. In consequence, unreliable data will guide the researcher to make mistaken conclusions. Thus, reliability – meaning the extent to which the data can be trusted to represent the phenomena of interest (Krippendorf, 2009), must always be evaluated (Hirsjärvi et al., 1997; 2013). Reliability refers to consistency and stability, meaning that if the same research was conducted again, the results would be the same (Mills et al., 2009). Reliability of this study will be discussed in chapter 5.1.

Additionally, some quantitative elements are used alongside qualitative methods to gain a better understanding of the studied subject. Contrary to the quali-

tative approach, quantitative research presents observations in a numerical form in order to describe and explain the phenomena that those observations represent (Sukamolson, 2007).

When choosing the appropriate research methodology, research questions should always guide the choice. Thus, the choice between different research methods depends on what the researcher is trying to find out. (Silverman 2015, 9) Qualitative method is chosen for this study because the aim is to increase understanding of the CSR reporting practices of cruise lines operating in the Arctic. Qualitative methods can provide a deeper understanding of social phenomena than could be acquired from a merely quantitative methodology (Silverman 2015, 9). However, by combining some quantitative elements, more detailed information on the studied subject can be acquired.

### **3.2 Data collection**

Empirical data of this study consists of secondary data collected from websites, the latest CSR reports and other enclosures of 15 cruise lines. The goal in qualitative research is not to make statistical generalizations and thus, smaller amounts of data is usually needed than in quantitative research (Tuomi & Saarajärvi 2002 p. 87-88).

Cruise lines chosen for this study are full members of the Association of Arctic Expedition Cruise Operators (AECO). AECO aims to manage responsible, environmentally friendly and safe tourism in the Arctic and set the highest possible operating standards. All visitors, staff and crew from AECO members' ships are obligated to comply with national and international laws and regulations, as well as extensive set of AECO by-laws and guidelines, to ensure that operations support the association's objectives. The AECO guidelines are intended to ensure that the members can give their visitors memorable and safe experiences of the Arctic nature, wildlife and cultures, as well as support the protection of the

environment and benefits to local communities. (AECO, 2019) The full members are operating within AECO's core areas, presently Svalbard, Jan Mayen, Greenland, Arctic Canada and the national park "Russian Arctic". (AECO, 2020)

Altogether, the number of full members of AECO was 30 in January 2020 when the data collection began. However, all full members are not assessed in this study. Cruise lines are chosen based on the following criteria: they operate in the Arctic and are full members of AECO, focus on providing cruises on motorized cruise ships (instead of sailboats or passengers own vessels), and provide information in English on their websites and reports.

The cruise lines selected for this study, their country of origin as stated in websites of AECO, parent company, and the number of vessels informed on the cruise lines websites, can be found in Table 1. The cruise lines assessed in this study originated from various countries, and the number of vessels varied from two to 82. The number of vessels presented in Table 1 includes both currently operating and upcoming vessels. Eight of the cruise lines were owned by parent companies. However, CSR information provided by the parent companies is not taken into account in this study due to a limited amount of time. Further, press releases and articles published by cruise lines, were left out of this study.

<b>Cruise Line</b>	<b>Origin</b>	<b>Parent Company</b>	<b>Number of vessels</b>
Aurora Expeditions	Australia		2
Hurtigruten	Norway	TDR Capital	16
Lindblad Expeditions	USA		15
Oceanwide Expeditions	The Netherlands		6
Quark Expeditions	USA	Travelopia	6



PolarQuest	Sweden	Unlimited Travel Group	9
Silversea Cruises	Monaco	Royal Caribbean Cruises	10
Albatros Expeditions	Denmark	Albatros Travel Group	2
Poseidon Expeditions	UK		3
Noble Caledonia	UK		43
Seabourn	USA	Carnival Corporation	6
Ponant	France	Artémis	12
Adventure Canada	Canada		3
Viking Cruises	Switzerland		82
Hapag-Lloyd Kreuzfahrten GmbH	Germany	TUI Group	6

Table 1. List of cruise operators selected for the research, their respective country of origin, parent companies and number of vessels informed on cruise lines websites during data collection (January and February, 2020)

### 3.3 Content analysis

The chosen data analysis method for this research is qualitative content analysis, which is used for organizing, summarizing and bringing clearance to qualitative data. (Tuomi & Sarajärvi 2002, 105) Qualitative content analysis is a widely used technique to systematically analyze qualitative material and describe its meanings. It involves classifying material into categories by coding and identifying themes or patterns. (Schreier 2014, 2)

Qualitative content analysis can be used to analyze many different materials, either verbal or visual, which can be either collected by researcher himself, for example via interviews, or from secondary sources such as documents, websites, company brochures which already existed before the research and despite any

actions done by the researcher (Schreier 2014, 2; Eriksson & Kovalainen 2008, 77-78). Earlier studies have utilized qualitative content analysis to assess organizations' CSR reporting practices (e.g., de Grosbois, 2015); therefore, it was considered an appropriate analysis method for this study as well.

Content analysis can be either conventional, directed or summative. All of these approaches are used to interpret meaning from the content of text data, but there are some differences regarding the coding schemes, origins of codes and threats to trustworthiness. In *conventional* content analysis, the coding categories are derived directly from the text data, whereas in *directed* content analysis, used in this study, theory and relevant research findings guide the choice of coding categories. In *summative* approach, keywords or content are counted and compared in order to interpret the underlying context. (Hsieh & Shannon, 2005)

There are no simple guidelines for content analysis, which can create challenges for the researcher (Elo & Kyngäs, 2008). Commonly, the process of qualitative content analysis involves the following stages (Schreier, 2014), which were also followed in this study:

1. Deciding research question
2. Selecting material
3. Building a coding frame
4. Dividing material into units of coding
5. Trying out coding frame
6. Evaluating and modifying coding frame
7. Main analysis
8. Interpreting and presenting your findings

Qualitative content analysis can be described as systematic and flexible. *Systematic* nature refers to examining all material and deciding for each part where in the coding frame it fits. The categories must be defined clearly and data capture

must be systematic. *Flexibility* refers to the possibility to change the coding frame during the analysis if important aspects are missing from the framework. Even if the coding frame would originate from research, it is always partly driven from the data and tailored to match the material. This improves the reliability and validity of the coding frame. (Schreier, 2014; 5-7) The third main feature of qualitative content analysis is that it *reduces the amount of data*. Instead of describing the full meaning of the material in every aspect, the focus is on the aspects that are relevant with research questions. (Schreier, 2014; 7)

In this study, the coding frame for analyzing the websites, latest CSR reports and other CSR enclosures (see Table 2) of selected cruise lines was built around the GRI topic-specific Standards, which consists of economic, environmental and social categories and their sub-categories (Appendix 1). In addition to these three aspects, technical aspects from Pearce's (2013) sustainable cruise tourism - framework was added to the coding frame, as it was considered important when focusing on the cruise industry. However, as mentioned above, content analysis is a flexible method and thus, the coding frame was modified during the analysis to fit the data. The coding frame is illustrated in Appendix 2.

In order to acquire more specific numeric information about the type of CSR information provided by the Arctic cruise operators, some quantitative elements were used to support qualitative methods; during the content analysis, it was counted how many cruise operators refer to a certain aspect. In this manner it can be evaluated, which topics are the most popular among the Arctic cruise operators and which themes are addressed less.

## 4 FINDINGS AND DISCUSSION

In this chapter, the key findings from a content analysis will be presented and discussed. First, the focus will be on how the cruise lines report about CSR, after which the type of provided CSR-information will be discussed under four main topics: social, environmental, economic and technical. Finally, cruise lines CSR reporting practices will be compared to the *best practices* in order to find out what is done well and what could be improved.

### 4.1 How CSR is reported?

Of the 15 cruise operators assessed in this study, all provided some CSR information on their websites. However, the way in which CSR information was communicated varied notably between cruise operators.

The majority provided CSR information only on their websites. Two cruise lines had CSR sections in the header (top portion of the website), but the majority (10) discussed CSR aspects under the *About Us* -section. Nine of these cruise lines had dedicated separate sections for CSR under *About Us*, although not necessarily under that name. Only one cruise line discussed sustainability issues as a part of general company information. Furthermore, one cruise line provided CSR information under *Why Us* -section, one under *Cruise With Us* -section and one under *The Ponant Experience*.

Cruise lines addressed CSR aspects under various names (see Table 2). In addition to the aforementioned, cruise lines reported about, e.g., *Responsible Travel*, *Sustainability*, *Social Responsibility* and *Environmental Management*.

Cruise Line	CSR Report (used framework)	Other CSR Enclosures	CSR section on the websites	CSR aspects discussed in various sections on the websites
Aurora Expeditions			Responsible Travel	✓
Hurtigruten	Sustainability Report 2018 (UNSDG)		Sustainability: A footprint we are proud of	✓
Lindblad Expeditions		Traveler Impact Report 2018/19	Global Stewardship	✓
Oceanwide Expeditions				✓
Quark Expeditions	Sustainability Report 2019 (UNSDG)	Polar Promise 2019 Infographic	Sustainability	✓
PolarQuest			Sustainability	✓
Silversea Cruises			Social Responsibility	✓
Albatros Expeditions	Communication of Progress 2019 (UN Global Compact)		CSR; Green Initiative	✓
Poseidon Expeditions			Sustainability	✓
Noble Caledonia			Charitable Trust	✓
Seabourn		Seabourn Sustainability update 2019	Sustainability	✓
Ponant		Ponant Foundation Brochure	Sustainable Development	✓
Adventure Canada			Guiding Principles	✓
Viking Cruises			Responsible Travel	✓
Hapag-Lloyd Kreuzfahrten GmbH		Environmental Brochure	Environmental Management	✓

Table 2. How Arctic cruise operators communicate CSR information (January/February 2020)

Although the majority of cruise lines reported about environmental, social and economic issues in separate CSR sections, it was also discussed under various other sections on the websites. All 15 cruise lines covered CSR information in more than one section on the websites. Twelve cruise lines discussed it under *Our Ships* or *Our Fleet* –sections, and often provided data concerned either safety features or environmental aspects of specific vessels. Further, some disclosed CSR related information in their blogs, brochures, videos and one even in a podcast, which were also analyzed in this study.

Three cruise lines provided CSR reports, which were found from the websites under CSR sections. For Hurtigruten its latest *Sustainability Report 2018* was the second report, as earlier *Environmental Report 2017* was also provided on the websites. Quark Expeditions provided its first *Sustainability Report 2019* and alongside it, *Polar Promise 2019 Infographic* summarizing the sustainability work. Both Hurtigruten and Quark Expeditions used the United Nations (UN) Sustainable Development Goals (SDG) as a framework for CSR reporting. Albatros Expedition had published *Communication of Progress 2019* –report, in which commitments to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption were stated, and explained how these principles are integrated into strategies, policies and daily practices.

Additionally, other enclosures addressing CSR information were provided by cruise lines. Hapag-Lloyd Cruises presented *Environmental Brochure* and Seabourn *Sustainability Update 2019*, whereas Lindblad Expeditions provided *Traveler Impact Report 2018/2019* and Ponant Expeditions *Ponant Foundation Brochure*.

Eight cruise lines assessed in this study are owned by parent companies. As stated earlier in the paper, the CSR information provided by these parent companies was not taken into account due to a limited amount of time. Surprisingly,

most cruise lines owned by parent companies did not provide links to the parent company's CSR report or to their websites where CSR information can be found. In fact, Seabourn was the only cruise line to provide a link to its parent company's (Carnival Corporation) CSR report in the sustainability section of their websites. In addition, links to Carnival Corporations *Code of Conduct* and *Statement Pursuant to Modern Slavery Act* was provided. Hapag-Lloyd Cruises did not provide a link to its parent company's (TUI Group) CSR report, but TUI Care Foundation was discussed in *Environmental Brochure* as well as on the websites, where link was provided to the foundations' websites.

Earlier research indicates that the size of a company increases the level of CSR disclosures. However, due to a lack of financial information, e.g., turnover, provided by cruise operators, it was challenging to assess the size of the companies. The size of cruise lines could be estimated based on the number of their vessels. However, there was no connection between a larger number of vessels and a higher level of CSR disclosures. Further, the country of origin did not seem to have any connection with CSR reporting practices.

#### **4.2 What kind of CSR information is reported?**

The findings regarding the type of provided CSR information will be discussed under four main topics: social, environmental, economic and technical. The GRI Standards were guiding the coding process of social, environmental and economic aspects and the findings related to these three aspects are discussed in chapters 4.2.1, 4.2.2, and 4.2.3. The final chapter, 4.2.4, will discuss findings related to technical aspects from Pearce's (2013) framework for sustainable cruise tourism. The most addressed sub-categories of each aspect, identified during the content analysis, will be presented in the tables in descending order. Further, to support the findings, various quotes from the analyzed data will be provided.

### 4.2.1 Social aspects

The findings revealed that social aspects were the most popular, addressed by all 15 cruise operators. Eleven sub-categories, presented in Table 3, were identified during the content analysis and will be discussed in this chapter. First, the focus will be on the aspects that were specifically looked for during the content analysis, after which the topics derived from the data will be discussed.

<b>Social Aspects</b>	<b>No</b>
Safety and Health	15
Partnerships for Sustainability	15
Philanthropy	15
Sustainability Education and Creating Ambassadors	11
Cooperation with Scientific Institutions	11
Citizen Science	10
Local Community Wellbeing	8
Employment and Working Conditions	7
Employee Training and Education	7
Diversity, Equal Opportunities and Non-discrimination	7
Human rights and Modern Slavery	5

Table 3. The most reported social aspects and number of cruise operators addressing them

Ensuring safety and health, onboard and onshore, was a topic addressed by all 15 cruise lines, and it was often referred to as a top priority. Various initiatives to ensure safety and health were discussed, including compliance with the lat-



est safety standards, regular inspections and check-ups, and awarded safety certifications. Further, many highlighted the importance of trained captain and crew, and safety exercises for passengers, whereas some discussed careful route planning together with captain, crew, expedition leaders and local guides, as well as modern fleet and most up-to-date safety technology. Further, safety features including fire detection and extinction systems, watertight dividing walls, lifeboat capacity and GDMSS (Global Maritime & Distress Safety Systems) emergency communication system were addressed by many. Various cruise lines also provided information about the doctors and medical centers onboard, and required information on passengers' medical conditions and mobility restrictions. For instance, PolarQuest stated that participation on their expedition cruise requires good health and mobility. Similarly, Oceanwide Expeditions stated:

*“You will be traveling in remote areas without access to sophisticated medical facilities, so you must not join this expedition if you have a life-threatening condition or need daily medical treatment.”*

Oceanwide Expeditions

Cruise tourism's negative impacts on local community well-being have gained increasing attention, but roughly half (8) of the cruise lines addressed this topic. Many emphasized their respect towards the communities they visit, and their cultural heritage and traditions. Further, various cruise lines made commitments to ensure that their operations would have positive impacts on the locals. Discussed initiatives included: forming relationships and working closely with the local population and authorities, as well as traveling with local culturalists aboard and educating passengers about visitor guidelines. Further, some discussed supporting local employment (discussed in 4.2.3) and community projects, as well as providing practical support for locals, such as medical care free of charge, portable water filter units and educational materials.

*"We have more than thirty years of relationships and friendships in the regions we visit. Since the beginning, Adventure Canada has worked in cooperation with communities and individuals at the most local level possible."*

Adventure Canada

Employment and working conditions in the cruise industry have been under a scope, but less than half (7) of the cruise lines addressed these topics. Provided information focused commonly on the working environment and culture. Further, some discussed the benefits of working for the cruise line, such as social security, insurances, onboard living arrangements, paid vacation days, and travel and cruise rewards. Reported information regarding employment was mainly soft, consisting of statements and commitments. For instance, new employee hires and turnover were not addressed at all, and only a few cruise lines disclosed information regarding working hours.

*"Our crew are contracted to work a minimum of 10 hours per day, 7 days per week for the duration of their contract."*

Silversea Cruises

Seven cruise operators provided information regarding training and education of the employees. Many of them had launched, or were planning to launch, training programs for their employees. Moreover, some had established academies and colleges to ensure *the highest level of training and competence development* of the employees. Training and education often concerned topics such as safety, sustainability, ethics, company policies and professional development. Provided information varied from statements to numeric data regarding the number of training modules and training hours. For example, Ponant stated that they regularly hold exercises and simulations without providing further information, whereas Hurtigruten reported that in 2018, they launched 92 new training modules for employees and had 5373 training hours in Hurtigruten academy.

Furthermore, seven cruise lines addressed topics related to diversity, equal opportunities and non-discrimination. Again, the information provided regarding these topics consisted mostly of statements and commitments, with no hard evidence supporting them. Seabourn, for example, stated that they are *“committed to a positive and just corporate culture, based on inclusion and the power of diversity”*, without providing any additional information to support this commitment. Similarly, Quark stated that they *“employ the best people in the industry and will lead the industry in diversification of their workforce”*, without providing further details.

*“All candidates and employees will be treated in a fair and equal manner regardless of race, color, religion, sex, age, national origin, disability, sexual orientation, sexuality, gender identity or expression or marital status.”*

Silversea Cruises

Some addressed diversity by pointing out that staff members are from many different nationalities, whereas others addressed gender diversity and balance. Numeric data on diversity was rare, but, e.g., Ponant reported that their score on the professional equality index between women and men in France was 91/100. Similarly, Hurtigruten disclosed information regarding the number of different nationalities of staff, as well as the number of female apprentices, staff, and managers working for them.

*“Half of the top management team are women and 43% of employees are women which exceeds industry norms.”*

Hurtigruten

Five cruise operators addressed issues regarding human rights and modern slavery, which refers to, e.g., human trafficking, forced labor and child labor. Albatros Expeditions stated that it complies with all applicable laws regarding

human rights, supports the Ten Principles of the United Nations Global Compact in the areas of Labor as well as objects child labor. Furthermore, several cruise lines stated their commitments to Modern Slavery Act. For instance, Noble Caledonia stated that they are "*committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business*". Initiatives included policies prohibiting modern slavery and human trafficking in own operations and supply chains, spreading knowledge about human rights, implementing systems and controls, training employees on these issues and providing whistle-blowing policies that enable employees to report any concerns.

In addition to the afore-discussed themes that were looked for during the content analysis, other important aspects arose from the data. For instance, all of the assessed cruise operators addressed their partnerships for sustainability. Most commonly cruise operators mentioned their memberships in international associations like AECO, which was the criteria for the cruise lines to be chosen in this study, and IAATO (The International Association of Antarctica Tour Operators). In addition, some cruise lines discussed their partnerships with organizations such as UNESCO and National Geographic. Many considered collaboration important, because "*major tasks can't be solved alone*", as Hapag-Lloyd Cruises put it.

Equally addressed topic was cruise lines philanthropic efforts to the NGOs (Non-Governmental Organization) supporting some environmental or social cause. In addition to company donations, the majority also involved passengers by organizing auctions, raffles and other philanthropic events onboard. Some cruise lines had established foundations, through which they support different organizations and causes. In many cases, these foundations were funded by both company donations, as well as donations by passengers, staff and onboard activities. Even though philanthropy was addressed by all cruise lines, only a few provided numerical data regarding donated amounts. Hurtigruten report-

ed how much money had been collected in 2018 via auctions and onboard activities, as did Quark who also set a goal to “*contribute a minimum of \$500,000 USD each year through in-kind donations, Quark Expeditions funding, and funds from passenger auctions*”. Further, Lindblad Expeditions provided a *Traveler Impact Report 2018/2019* with details on how money donated by the passengers has been used.

Moreover, eleven cruise lines reported about cooperation with scientific institutions, by participating in research, supporting it financially as well as by hosting scientists onboard and hiring them as lecturers and guides. For instance, Hurtigruten stated that they have been measuring sea temperature, salinity levels and algae growth since 1932, whereas Oceanwide Expeditions mentioned that they have helped position ARGO floats that measure vital attributes for understanding how climate change impacts the oceans. The majority discussed hosting scientists on board and offering them “*a platform from which they can pursue their important work as well as a forum where they can voice their unique understanding of these fragile and remote ecosystems*”, as Ponant stated. Viking Cruises reported that some of their vessels also work as research vessels, as they have developed, in consultation with Cambridge University and their other academic partners, a well-appointed laboratory “*designed to support a broad range of research activities*”.

The education of passengers on sustainability themes and creating ambassadors was a topic addressed by eleven cruise lines. They discussed how raising awareness on sustainability issues combined with seeing the Polar region and the consequences of climate change can transform passengers to lifelong ambassadors and environmental citizens, who will go home with a new understanding of the challenges that planet is facing and inspiration for lifestyle changes. In addition to educating guests about local guidelines before landings, the majority of cruise lines provide lectures, presentations and talks on board covering a range of topics “*from climate change to ocean plastic and eco-efficiency*”.

*measures quests can take on board and when they return home*”, as Hurtigruten stated. Albatros Expeditions mentioned that their objective is to develop *“sustainable explorations with a focus on education and transformative experiences”*, whereas Adventure Canada stated that their program is based *“on education, not on leisure”*.

*“We make it our goal not just to escort travelers safely and comfortably to these wondrous places, but to do so in a way that engages, informs and inspires them so that they return home as more aware, and more committed, environmental citizens.”*

### Quark Expeditions

Even though the environmental impacts of cruising are significant, some cruise lines even stated that it is beneficial to take people to experience the Polar region. Ponant stated that *“we protect best what we know best”*. Similarly, Oceanwide Expeditions asked on their websites: *“if nobody experiences these beautiful environments, how passionate are they likely to be about preserving them?”* Quark had even set an ambitious goal that *“by 2025, the positive benefit of bringing people to the Polar Regions will far outweigh any impact of taking people there”*.

To further educate passengers on sustainability issues and support scientific research, ten cruise lines provided opportunities for citizen science participation. Taking part in citizen science projects included assisting in fieldwork and collecting samples and data, such as sightings and photos of birds, seals, whales and other marine mammals, observing cloud cover, height and type as well as recording ice thickness, age, topography and the degree of melt.

*“We want to help passengers on board to develop an intimate connection with nature whilst being able to make a direct contribution to the marine conservation work that ORCA does, by helping to collect critical sightings data of whales, dolphins and porpoises.”*

#### 4.2.2 Environmental aspects

Environmental aspects were addressed by nearly all (14) cruise lines, even though the type and amount of disclosed information varied notably. The findings related to environmental aspects are discussed under six sub-categories, presented in Table 4. Again, the focus will first be on the aspects that were specifically looked for during the content analysis.

<b>Environmental Aspects</b>	<b>No.</b>
Preservation of Biodiversity	14
Energy-Related Aspects	11
Emission-Related Aspects	11
Fight Against Plastic Pollution	11
Water-Related Aspects	8
Waste-Related Aspects	7

Table 4. The most reported environmental aspects and number of cruise operators addressing them

The most addressed environmental topic by assessed cruise lines was the preservation of biodiversity (14). The vast majority declared their profound respect towards the oceans, nature and wildlife of the places they visit, as well as the importance of preserving them and leaving them as they were found.

Cruise lines provided information about various measures to preserve biodiversity, many of which were also declared in AECO guidelines. Reported initia-

tives included: leave-no-trace policies, boot-washing and vacuuming footwear when leaving or entering the vessel to prevent the transfer of invasive species, and observing wildlife from a distance to avoid disturbance. One highly addressed initiative was participation in beach cleanups in visited destinations. Often, these efforts were a part of the Clean Up Svalbard, a program coordinated by AECO. Also, some cruise lines mentioned measures such as: carrying out environmental impact studies with each new itinerary, monitoring the water content to detect oil spills, using ballast water treatment systems as well as using eco-friendly and biodegradable products to reduce chemicals released to the ocean. Further, several cruise lines addressed the importance of traveling in small groups and limiting the number of passengers taken into destinations. For instance, Hurtigruten reported that it is working for stricter regulations and *“taking the lead in the fight against the exploitation and degradation of sites, nature and local communities by unsustainable mass tourism”*. As discussed earlier in the paper, limiting the number of tourists is crucial also from the social perspective.

Another topic addressed by the majority was energy (11). The provided information mostly concerned the type of fuel used by vessels, and the efforts to reduce energy consumption and improve energy efficiency. Many cruise lines reported that they are already using, or planning to use, alternative fuels such as marine gas oil (MGO) or electricity instead of heavy fuel oil (HFO). For instance, Hapag-Lloyd Cruises stated that their entire fleet will forgo HFO completely from July 2020, whereas Hurtigruten stated that HFO has been banned on all their ships for over a decade, and currently they are spearheading a campaign to ban the use of it entirely in Arctic waters. However, it was also noted by some that shifting entirely to alternative energy such as renewables or electricity is not yet possible, as in some areas their availability is still limited or non-existent.

Further, reductions in energy consumption and improvements in energy efficiency were addressed by several cruise lines. Reported initiatives included, e.g.,



route planning, speed optimization, LED-lighting, heat recovery systems, shore power and regular maintenance work. Modern fleet and technical improvements (discussed in chapter 4.2.4) were emphasized as important means to reduce energy consumption and improve energy efficiency. Some also highlighted the environmental benefits, such as reduced fuel consumption, from operating smaller expedition ships that carry a smaller number of passengers. The type and amount of provided data varied between cruise lines from generic statements, to energy consumption reduction goals and more detailed information regarding the initiatives on how to achieve these goals. For instance, Seabourn stated that they have made *tremendous progress* in reducing fuel consumption, without providing any evidence supporting this statement, whereas some cruise lines provided specific numeric energy reduction goals or information on the performance.

*“On coastal routes in Norway we reduced our fuel consumption by over 2 litres/nautical mile to 77.3 l/nm in 2018.”*

#### Hurtigruten

Emissions were another popular theme (11), commonly reported together with energy-related information. Also, the reported initiatives to reduce emissions were somewhat similar, such as using alternative fuels that create fewer emissions as well as improvements on the fleet. Further, some cruise lines reported about the use of shore power or SCR catalyst (scrubbers) that filter particulates out of ships exhaust gases and thus, reduces air emissions. However, Hurtigruten stated that they are advocating a ban on open-loop scrubbers, as they enable ships to burn high sulfur fuel in areas with a sulfur cap instead of choosing more environmentally friendly alternatives. Also, open-loop scrubbers use seawater to wash exhaust gas and then discharge the process water back into the sea.

Although various cruise lines addressed emissions by making commitments on reducing them and discussing different means, only a few cruise lines provided specific amounts regarding emission reduction goals or performance, and even fewer reported their total emissions. Quark Expeditions reported their carbon emissions per passenger per day between years 2010 to 2019, whereas PolarQuest declared their carbon footprint on all trips per year, as well as expeditions with smallest and biggest carbon footprint and their headquarters emissions. Also, several cruise lines reported about offsetting their carbon emissions to reduce their impacts on climate change. Some cruise lines over-compensated in order to “*slowly pay back to mother earth for emissions made back in time*”, as PolarQuest put it. Further, Hapag-Lloyd Cruises stated that in addition to offsetting the CO<sub>2</sub> emissions produced by their company, they also contribute 25% of the carbon offsets that their customers purchase.

Water-related aspects were addressed by eight cruise lines – including the use of freshwater and treatment of wastewater. The majority of these cruise lines reported that they produce their own freshwater onboard with reverse osmosis plants that convert seawater into freshwater. However, none of the cruise lines provided specific numeric information regarding their water consumption onboard. Further, only a few discussed means to reduce freshwater use onboard, but, e.g., Hapag-Lloyd Cruises stated that they use Preval water-saving systems to reduce the amount of freshwater used onboard:

*“Washing our hands once can quickly use up 2.5 litres (5.3 pints). To make a difference, we fit the taps on our ships with an aerator. This small nozzle is screwed onto the tap and reduces the water used by up to 70 %.”*

Hapag-Lloyd Cruises

Many cruise lines stated that black- and greywater generated onboard are fully treated, only clear water is pumped back in the ocean and sewage is appropriately disposed onshore. However, reported information regarding wastewater

treatment often concerned one specific vessel, instead of the entire fleet. Further, only a couple of cruise lines discussed the management of bilge- and ballast water.

*“The wastewater produced on board Sea Spirit is treated using an internationally certified and approved sewage treatment system which utilizes a chemical chlorination and dechlorination process, producing a clean, safe, effluent suitable for discharging overboard. All sewage sludge is held in sewage holding tanks onboard the ship, for disposal ashore.”*

#### Poseidon Expeditions

Waste was a topic addressed by seven cruise lines and reported information mainly concerned how waste is treated onboard and onshore, waste reduction goals and measures, as well as compliance with international regulations. Again, reported information varied between cruise lines, as some simply stated that waste is recycled on board, whereas others reported ambitious waste reduction goals and explained more in detail how these goals will be met. For instance, Quark Expeditions stated that by 2025, their fleet will be zero waste and they are committed to measure and transparently report on the waste they generate on voyages and through their operations. Furthermore, Quark Expeditions stated that two of their ships will be equipped with Micro Auto Gasification System (MAGS) that thermally breaks down waste, reducing its volume by up to 95%. Due to this, their ship Ultramarine *“can operate for 40 days and discharge no solid waste”*.

Only a couple of cruise lines reported commitments regarding reducing food waste. These cruise lines provided reduction goals and initiatives on how to meet them, including preparing meals from order instead of laying out large dishes of food in buffet, digital registration, real-time measurement scheme for all stages of food production, as well as engaging guests and working closely with head chefs, kitchen staff and suppliers. Hurtigruten, who launched their

food waste management program in 2019, stated that their *“early results show more than a 20 percent expected reduction in food waste”*.

The topics discussed above were specifically looked for during the coding process. However, during the analysis, it was found out that the majority (11) of cruise lines reported commitments to participate in the fight against plastic pollution by either reducing or eliminating the use of single-use plastic onboard. Cruise lines reported initiatives, like: elimination of plastic bags, straws, stirrers and coffee cup lids, and replacing plastic items with more sustainable alternatives such as biodegradable items. They also discussed replacing single-use jelly and butter containers, using bulk soaps and shampoos, as well as giving passengers reusable bottles that can be filled onboard instead of buying plastic bottles of water.

Whereas many reported commitments to reduce or eliminate single-use plastic entirely and discussed the management of unavoidable plastic waste, fewer provided data on performance. Quark Expeditions stated that in 2019, they eliminated 14,000 individual yogurt containers and 320,000 single-use bottles by giving their guests reusable water bottles, whereas Hurtigruten stated that they are on track to reduce plastic waste by nearly 30 tonnes each year. A couple of cruise lines also discussed ways to avoid microplastic. For example, Hurtigruten stated that they stopped selling fleece clothing in their shops and started using washing nets for laundry.

#### **4.2.3 Economic aspect**

Economic aspects were the least disclosed by less than half of the cruise lines. Provided information regarding economic aspects consisted mainly of soft data, including statements and commitments, whereas numerical data was rare. The identified sub-categories of the economic aspect are presented in Table 5.

Economic Aspects	No.
Support for Local Economies	6
Anti-Corruption Policies and Procedures	3
Tax	2

Table 5. The most reported economic aspects and number of cruise operators addressing them

The most addressed economic aspect was the support for local economies, which was addressed by six cruise lines. Many of them discussed different initiatives to support local economies, such as purchasing local products and services; however, fewer provided numerical evidence about the actual impacts.

*“We want to contribute to the local economy, make sure that the right people benefit from our presence and create job opportunities for locals.”*

Albatros Expeditions

Many cruise lines declared that they purchase local foods and drinks and this way positively contribute to local economies. However, some stated that local products are purchased *whenever possible and reasonable*. Further, only one cruise line (Hurtigruten) provided numeric data regarding the amount of local foods and drinks purchased, as well as incomes generated for the local communities, companies and operators along the Norwegian coast annually.

*“Around 80 percent of the food and drinks we serve comes from Norwegian suppliers, and nearly half of this is delivered directly from farms, fisheries and producers – with as few food miles added as possible. We receive daily deliveries at 15 of the 34 ports we stop at along the norwegian coast.”*

Hurtigruten

In addition, cruise lines discussed supporting local economies by buying local services like excursions and using local guides, as well as collaborating with local businesses, including hotels and restaurants, and visiting museums and souvenir shops. To further support local entrepreneurship, Lindblad Expeditions discussed helping local artisans through the Lindblad Expeditions-National Geographic (LEX-NG) Artisan Fund, and this way creating jobs, increasing income security and preserving ancient cultural traditions that in many places are at risk of being lost. Also, Hurtigruten discussed their support for Aalans dairy farm located in Lofoten. In order to bring guests closer to local communities and create additional income streams for the farm, Hurtigruten arranged 291 excursions to the farm during 2018.

*“According to owner Knut Aaland, a key success criteria has been Hurtigrutens interest in ensuring that Aalan farm develops a sustainable financial business in the long term. This includes looking for additional income streams such as farm visits that can provide a stable financial basis on which to build the business.”*

Hurtigruten

Only three cruise lines addressed anti-corruption policies and procedures. Reported information included commitments to work against corruption in all forms, code of conducts and ethical requirements of cruise lines that address anti-corruption, and training programs implemented for employees to raise greater awareness on these issues.

*“Albatros Expeditions will develop and improve its due diligence processes to identify, prevent and account for any adverse impacts on human rights, environment and anti-corruption directly linked to its operations.”*

Albatros Expeditions

In addition, two cruise lines discussed taxes. Silversea Cruises introduced their tax principles, tax risk management and governance, as well as their approach

to tax planning. Silversea Cruises stated on their websites that as a member of Royal Caribbean Cruises Ltd. (RCCL) they are “committed to complying with all relevant laws and regulations in all jurisdictions where the group operates” and they recognize “the importance of maintaining robust tax compliance processes and consider it key to managing tax risk”. Furthermore, Albatros Expeditions in their CoP stated that they pay most of their taxes in Denmark, in line with Danish law and collaborate with Danish tax authorities when hiring new suppliers for their head office to make sure that there is no any illegal work or moonlighting.

#### 4.2.4 Technical aspects

This chapter will discuss the findings related to three technical aspects, presented in Table 6, from Pearce’s (2013) sustainable cruise industry –model.

Technical Aspect	No.
Quality	12
Supply Chain	10
Management	2

Table 6. The most reported technical aspects and number of cruise operators addressing them

The quality aspect of Pearce's (2013) model refers to innovative approaches and technologies, which play a key role in achieving continuous improvement, ensuring competitive advantage and driving sustainable change. The majority (12) of cruise lines emphasized innovative green technologies as a means to reduce environmental footprint. For instance, Hurtigruten stated that their response to climate change is “new technology and innovation”. Many reported about retrofitting old vessels or launching new greener, safer and more advanced expedition

fleets. Cruise operators discussed *green* features such as state-of-the-art engines that reduce fuel consumption and emission, virtual anchoring that protects the sea floor and minimizes damage, as well as launching hybrid-powered ships that combine the use of clean battery power and liquefied natural gas (LNG). These aspects were highlighted especially in the latest additions to the fleet, which indicates that environmental and safety features are increasingly taken into account in the design of new vessels.

*“It’s the vessels visiting the Polar Regions that leave the largest footprint. So if the ships aren’t green, neither is the environment.*

#### Oceanwide Expeditions

The supply chain aspect in Pearce’s (2013) model refers to the purchasing power of cruise lines and the possibility to drive sustainability improvements throughout the supply chain. The majority of cruise lines addressed this topic by committing to ensure suppliers compliance with laws and code of conducts, improve the sustainability of suppliers operations and source sustainable foods and products.

Several cruise lines communicated their values or stated their policies and demands for suppliers either in their own code of conducts or in supplier code of conducts and ethical requirements. These concerned topics such as health and safety standards, workers rights regarding minimum wages, working hours and union participation, environmental pollution, anti-corruption as well as ensuring there is no child labor, slavery or human trafficking in the supply chain. In order to ensure supplier compliance with the company policies, Hurtigruten had nearly 15000 suppliers signed their supplier code of conduct, whereas Viking Cruises surveyed their fifty top suppliers to ensure they are acting in line with their policies relating to the prevention of modern slavery.



*"Albatros Expeditions expects its business relations to respect human rights, take a precautionary approach to the environment and to refrain from corruption, and will take measures to promote responsible practices throughout its value chain."*

#### Albatros Expeditions

Further, a few cruise lines discussed closer cooperation along the supply chain in order to promote more sustainable practices. For instance, Quark Expeditions stated they work with their supply chain to measure, report and reduce their emissions. Moreover, some discussed working with suppliers in order to reduce packaging. For instance, Lindblad Expeditions demanded alternative solutions for pens that were being shipped in individually wrapped plastic sleeves, whereas Quark Expeditions was working with one hotel provider to replace individually wrapped items (e.g., butter, sugar, jam, honey, yogurt) with bulk versions. Quark Expeditions also mentioned that they were able to eliminate more than 7,500 parka-packaging bags by having their supplier stop wrapping parkas individually. Similarly, Hurtigruten reported that they have set stricter sustainability demands on their suppliers, challenging them to reduce or stop the use of single-use plastic and worked closely with Helly Hansen, one of their main suppliers of clothing, to reduce packaging.

*"Initially products were individually wrapped in plastic, but after working closely to find alternative solutions, Helly Hansen now package products in batches, reducing plastic packaging by over 90%"*

#### Hurtigruten

Furthermore, various cruise lines discussed sustainably sourced foods and products. Commitments often concerned serving sustainable, either MSC (Marine Stewardship Council) or ASC (Aquaculture Stewardship Council) certified, seafood on board. Lindblad Expeditions stated that they had removed shrimp from their menus already in 2001 due to environmental consequences of shrimp trawling and farming, whereas Albatros Expeditions stated that they only pre-

pare seafood that is caught or farmed in ways that consider the long-term vitality of harvested species and the wellbeing of oceans. Hurtigruten stated that their Norway's coastal kitchen focuses on local food, while endangered species and industrially processed food have been abandoned from the menu. In addition, some reported commitments to buy organic, fair-trade and welfare foods and products, such as staff uniforms, bed linen and toweling. Furthermore, Hurtigruten reported about testing plant-based alternatives to meat, whereas Hapag-Lloyd Cruises declared that passengers are provided onboard with natural cosmetics comprising plant ingredients and vegan formulas.

*"Quark Expeditions is developing a sustainable sourcing policy that intends to shift our spending towards products that are more environmentally sound and socially and ethically beneficial."*

Quark Expeditions

One technical aspect from Pearce's (2013) model was *management*, which includes Environmental Management Systems (EMS). EMS was discussed by only two cruise lines: Ponant and Hapag-Lloyd Cruises. Ponant reported that environmental (ISO 14001) and energy (ISO 50001) management systems are used in its head office, whereas Hapag-Lloyd Cruises reported that every ship in their fleet is certified in accordance with ISO 14001.

*"Every ship in our fleet is certified in accordance with ISO 14001, the international standard for environmental management systems."*

Hapag-Lloyd Cruises

### **4.3 What is done well and what could be improved?**

The earlier chapters focused on how Arctic cruise operators report about CSR and the type of CSR information they disclose. In this chapter, the findings will

be analyzed and discussed in relation to earlier research and the *best practices* of CSR reporting, to assess what is done well and what could be improved.

The findings of this study indicate that the CSR reporting practices of Arctic cruise operators are still in its infancy - the majority lacks consistent CSR reporting practices, and as earlier studies (see de Grosbois, 2016) suggested, CSR-related information is often reported incoherently on the websites. The findings of this study comply with earlier research conducted by, e.g., Bonilla-Priego et al. (2014), which suggested that cruising is a late adopter of CSR reporting and Font et al. (2016), which stated that cruise lines are still in the early stages of accepting their responsibilities.

It appears that Arctic cruise operators have only recently begun to conduct CSR reports, as for Hurtigruten *Sustainability Report 2018* was its second and Quark Expeditions published its first *Sustainability Report 2019* when this study was conducted. However, Albatros Expeditions published *CoP 2019* on its websites without providing information regarding earlier CoPs, if there were any. Nevertheless, based on these findings, it could be assumed that CSR reporting is starting to increase among Arctic cruise operators, although there is still a long way to go before CSR reporting becomes mainstream.

All three cruise lines that had prepared CSR reports utilized CSR reporting tools in doing so; however, none of them used formal reporting tools, e.g., GRI Standards. Even though UNSDG provides guidelines and assists companies in disclosing CSR information, and UNGC sets some requirements, both of these reporting tools can be considered less formal. These findings are in line with a study by de Grosbois', 2016, which suggested that the use of formal reporting guidelines is rare among cruise lines. In compliance with the existing literature (e.g. de Grosbois, 2016), the findings also demonstrated the lack of third-party verifications. Due to this, assessing the credibility of provided information was challenging. In order to improve Arctic cruise operators' CSR reporting practic-

es and the credibility of reported information, there would be a need for the use of formal reporting guidelines and third-party verifications.

The voluntary nature of CSR reporting enables companies to decide which issues they want to focus on and to what extent (Hąbek & Wolniak, 2016). This results in varying contents of CSR disclosures, as the findings demonstrated. The most addressed social, environmental, economic and technical aspects are illustrated below in Figure 3.



Figure 3. Visualization of the most addressed CSR aspects by Arctic cruise operators

As shown in Figure 3, Arctic cruise operators have well recognized their responsibility to ensure the safety and health of passengers and crew. This plays a key role especially in the remote Arctic waters, where the weather can be unpredictable and local rescue services are limited (Nikel, 2019). However, equally addressed topics were cruise operators' partnerships for sustainability and their philanthropic activities. The findings also indicated that much emphasis has been placed on research and educational perspective, which is typical for expe-

dition cruising and ecotourism, and the members of AECO. Several scholars have suggested that cruise lines preferably report about CSR issues that are either increasingly regulated or that can lead to cost savings, such as water, emissions, effluents and waste (Bonilla-Priego et al., 2014; de Grosbois 2016; Font et al., 2016). Although most cruise operators addressed emissions, far fewer actually reported them. Further, roughly half discussed water- and waste-related aspects. Whereas the majority discussed applying innovative green technologies to vessels, encouraging sustainability improvements throughout the supply chain, and fighting against plastic pollution, fewer addressed, e.g., economic aspects or issues related to employment, although these have received negative attention. For instance, it has been claimed that cruise tourism's economic benefits are exaggerated; in fact, cruise tourism can earn substantially less for the local communities than other forms of tourism (Klein, 2011). Also, employment aspects, including working hours and wages, have evoked discussion (Polat, 2015).

GRI Standards, which represent the global *best practice* for CSR reporting, emphasize the importance of reporting about the issues that are material. According to the Standards companies must disclose, both positive and negative, information regarding their most significant, economic, environmental and social impacts, as well as aspects that substantially influence the assessment and decision of stakeholders. Thus, companies should provide a complete and balanced picture of their sustainability performance. However, the findings indicated that Arctic cruise operators are willing to disclose positive information, whereas negative issues are addressed more reluctantly.

The unique nature, wildlife and cultures, towards which many cruise lines emphasized their respect, are one of the main attractions for the tourists traveling to the Arctic. However, Arctic cruise tourism poses threats to these very same aspects. As discussed earlier in the study, cruising is one of the most energy-intensive forms of tourism, it creates a significant amount of emissions on air

and water, and contributes to climate change. Further, in case of an accident, e.g., fuel leak, or any other disturbance to sensitive Arctic environment, it would take a long time to recover (Bickford et al., 2017). Moreover, a growing number of tourists increases disturbances to and the possibility of encounters with wildlife. One incident that evoked much criticism towards Arctic cruise tourism occurred in 2018 in Svalbard Archipelago, when Hapag-Lloyd Cruises guard shot a polar bear dead (see The Guardian, 2018). However, a growing number of tourists does not only pose threats to local wildlife, but also for the local communities, their well-being and cultural heritage.

Despite the issues related to Arctic cruise tourism, many cruise lines concentrated on excessively highlighting the benefits. For example, some stated that cruise experience and education on sustainability issues will lead to increased awareness and changed lifestyles, which will compensate for the negative impacts that cruising has caused. However, considering the significant impacts of cruising discussed earlier in the study, this claim should be interpreted with caution. Also, earlier studies conducted regarding the education of cruise passengers have presented contradictory results (see e.g. Eijgelaar et al., 2010; Manley et al., 2017), and the actual outcomes remain unknown.

Given the afore-discussed findings, it can be stated that the transparency of cruise lines is opportunistic. As studies by Bonilla-Priego et al. (2014) and Font et al. (2016) suggested, instead of reporting about the main issues or impacts that could negatively influence the brand, the focus is rather on positive aspects that enable the company to maintain an environmentally friendly image. Consequently, in many cases, reporting can be seen as a legitimization tool for Arctic cruise operators to protect their reputation and image. However, leaving out the negative aspects does not provide a genuine view of a company's actual CSR performance, and as Bonilla-Priego et al. (2014) and Font et al. (2016) have stated, providing positive bias can also be perceived as greenwashing.

In order to improve CSR reporting practices, more focus should be placed on recognizing the significant impacts and transparently reporting these. Similarly, Font et al. (2016) have highlighted the need for material reporting practices among the cruise industry. As Hahn and Lulfs (2014) have stated, companies can even benefit from honestly addressing their negative sustainability issues. Also, when the focus is on relevant issues, immaterial aspects will be reported less, and this way, the positive bias of provided information decreases (Font et al., 2016).

Furthermore, when assessing what is material and should be included in CSR reports, it is important to recognize the relevant stakeholders and their main expectations and concerns. As discussed earlier in this paper, various scholars (e.g. Manetti, 2011; Ngu & Amran, 2018) have highlighted the importance of stakeholder engagement and dialogue in sustainability decision-making and CSR reporting processes. However, when this study was conducted, only one cruise line (Hurtigruten) mentioned materiality analysis as well as involving staff and selected external stakeholders, when recognizing the most important SDGs.

As studies by de Grosbois (2016) and Bonilla-Priego et al. (2014) indicated, the majority of cruise operators focused on providing soft data, including statements, commitments and initiatives, which are easy to mimic but challenging to verify. These findings contrast with a study by Font et al. (2016), which suggested that cruise lines mostly focus on hard and performance indicators. However, there appears to be a connection between the amount and type of provided data, as those cruise operators that conducted CSR reports were also more likely to provide hard data. Similar observations have been made in a study conducted by Bonilla-Priego et al. (2014).

Due to a lack of numerical data on performance, assessment of impacts and quantifiable targets provided by Arctic cruise operators, it can be stated that

their CSR reporting practices differ from the *best practices*. In contrast, a company that reports about, e.g., energy according to the GRI Standards shall provide detailed numeric information regarding energy consumption within and outside the organization, energy intensity, energy consumption reduction, and reductions in energy requirements of products and services.

The findings of this study demonstrate that more hard data regarding material issues would be needed. This would not only allow cruise operators to assess their own performance and compare it against others in the industry but also enable stakeholders to compare different cruise lines based on their CSR performance and make more informed decisions. Enhancing the comparison between different cruise lines could create pressure for Arctic cruise operators to place more focus on CSR issues and improve their reporting practices. This would be needed, as there are no mandatory requirements for the Arctic cruise operators to report CSR.

As Arctic cruise tourism continues to grow, it becomes increasingly essential for the cruise lines to place focus on minimizing the negative impacts on the environment, respecting local communities and wildlife, as well as bringing economic benefits to the destinations. Although balancing between tourism and conservation is by no means an easy task, placing CSR issues at the center of Arctic cruise tourism and transparently communicating about these plays a crucial role in protecting this iconic region and enabling the continuance of Arctic tourism in the future.



## 5 CONCLUSIONS

The purpose of this study was to increase understanding of CSR reporting practices of cruise lines that operate in the Arctic. The aim was to find out what kind of CSR information Arctic cruise operators are disclosing and how they report it. Further, the goal was to compare the findings to the *best practices* of CSR reporting to assess what Arctic cruise operators are doing well and what could be improved in their CSR reporting practices.

The findings indicated that CSR reporting practices of Arctic cruise operators are still in the early phases. The majority addressed CSR issues only on their websites, whereas only a few provided separate CSR reports. The findings also demonstrated the lack of formal reporting frameworks and third-party verifications. The type and amount of provided information varied significantly between cruise operators. Social and environmental aspects were the most addressed topics, as the former was addressed by all and the latter by nearly all cruise lines. Also, the majority discussed technical aspects, whereas economic aspects were the least popular topic addressed by less than half of the cruise lines. The majority focused on reporting soft data, including commitments, statements and initiatives, whereas fewer set specific numeric goals or provided data on their actual impacts or performance. It appears that cruise lines are willing to report about the positive aspects; however, negative issues are left unreported.

Based on the findings of this study, as well as earlier research discussed in the paper, recommendations for improving Arctic cruise operators CSR reporting practices are presented below in Table 7.

## Recommendations

Conduct CSR reports, use formal reporting frameworks and third-party verifications

Identify material issues and place these at the center of the CSR report

Identify and engage relevant stakeholders in CSR decision-making and reporting

In addition to soft data, such as statements and commitments, provide hard data on impacts and performance, and set specific measurable goals

Table 7. Recommendations for Arctic cruise operators to improve CSR reporting practices

There is an apparent necessity for more CSR reports, the use of formal CSR reporting frameworks and third-party verifications. To provide a complete and honest picture of CSR performance, cruise operators must identify the issues that are material and build CSR reports around these. When defining which issues are material, stakeholder engagement should play a key role. To further improve CSR reporting practices, cruise lines should provide more hard, verifiable data regarding actual impacts and performance and set measurable goals. This would enable comparisons between different cruise lines and could create pressure to place more focus on CSR issues and improve reporting practices.

### 5.1 Reliability, validity and limitations

This part will discuss the reliability and validity of the study, as well as consider its limitations. As discussed earlier in chapter 3.1, every research's reliability should be evaluated (Hirsjärvi et al., 1997; 213). The content analysis process in this study was systematic, and it followed eight stages of qualitative content analysis described in chapter 3.3. Although the coding frame was built beforehand around GRI topic-specific Standards and technical aspects from Pearce's sustainable cruise tourism -framework, it also partly derived from the assessed

material. As Schreier (2014; 7) has stated, reliability and validity of the coding frame can be improved by tailoring the coding frame to match the material. This study was mainly based on qualitative methods, which highly relies on researchers' evaluation and thus, enables various interpretations. However, some quantitative elements were included in order to gain more detailed and credible information regarding the CSR information reported by Arctic cruise operators.

Validity means how accurately research measures what it is supposed to measure (Hirsjärvi et al., 1997; 213-214). In this research, the purpose was to find out what kind of CSR information Arctic cruise operators are reporting and how they are reporting it. Further, the aim was to compare Arctic cruise operators reporting practices to the *best practices* in order to find out what is done well and what could be improved. The cruise operators were chosen for this study from AECOs (the Arctic Expedition Cruise Operators) full members. However, in order to ensure the validity of this research, all full members were not included in this study. Only those cruise lines that operated in the Arctic, focused on providing cruises on cruise ships and provided information in English were chosen. Those full members that provided other tourism services, mainly focused on providing cruises on sailboats or customers' own vessels, or did not provide information in English were left out of this study.

Finally, this study had some limitations that must be addressed. First limitation was that all of the assessed cruise operators were members of AECO - an association that is "*dedicated to managing responsible, environmentally friendly and safe tourism in the Arctic and strive to set the highest possible operating standards*". In addition to laws and regulations, AECO members must follow an extensive set of AECOs guidelines. These requirements may compel the members to adopt more CSR practices than they would without being members of AECO. Thus, assessing merely the full members of AECO may distort the results by providing a more positive picture of the Arctic cruise operators' CSR reporting practices. Another limitation was the sample size, which is rather low compared to

all the cruise lines that operate in the Arctic region. Thus, this can limit the generalization of the results.

Despite the afore-discussed limitations, this study was able to answer the research questions that were set at the beginning of the research, and the results increase understanding of Arctic cruise operators' CSR reporting practices.

## **5.2 Further research**

Although this research contributes to existing CSR reporting literature by increasing knowledge about the CSR reporting in the Arctic cruise tourism, it also opens new questions for further studies. The findings demonstrated poor CSR reporting practices, as most cruise lines disclosed vague CSR information on their websites. It would be relevant to examine more in detail; what are the motivations for and barriers to conducting CSR reports. Further, the voluntary nature of CSR reporting allows cruise operators to report about the topics they want and as much, or little, as they want. Thus, it would be worthwhile to examine the aspects guiding the choices. At the beginning of this research, the author contacted AECO's full members and inquired about their interest in participating in this study. The idea was to conduct interviews or questionnaires to the cruise operators to gain in-depth knowledge about their CSR reporting practices. This idea was discarded due to limited time and interest from cruise lines. However, more information about CSR reporting from Arctic cruise operators' perspective is needed, and this is a topic that future research could look into.

When this study was conducted, the world paused due to an unexpected crisis – Coronavirus (COVID-19), which spread worldwide, including cruise ships, at lighting speed. The travel and tourism industry, alongside several other industries, took a big hit due to travel restrictions and mandatory quarantines. When finalizing this research paper, assessed cruise lines had temporarily suspended

their operations. It remains unknown how the COVID-19 pandemic will affect Arctic cruise tourism and stakeholders' attitudes towards cruising in the future, and whether CSR issues will play an increasingly important role. This is also something that future research could focus on.

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## 6 APPENDICES

### Appendix 1: GRI topic-specific Standards

<b>Economic Standards</b>
GRI 201: Economic Performance
GRI 202: Market Presence
GRI 203: Indirect Economic Impacts
GRI 204: Procurement Practices
GRI 205: Anti-Corruption
GRI 206: Anti-competitive Behavior
GRI 207: Tax
<b>Environmental Standards</b>
GRI 301: Materials
GRI 302: Energy
GRI 303: Water and Effluents
GRI 304: Biodiversity
GRI 305: Emissions
GRI 306: Waste
GRI 307: Environmental Compliance
GRI 308: Supplier Environmental Assessment
<b>Social Standards</b>
GRI 401: Employment
GRI 402: Labor/Management Relations
GRI 403: Occupational Health and Safety
GRI 404: Training and Education
GRI 405: Diversity and Equal Opportunity
GRI 406: Non-Discrimination
GRI 407: Freedom of Association and Collective Bargaining
GRI 408: Child Labor
GRI 409: Forced or Compulsory Labor
GRI 410: Security Practices
GRI 411: Rights of Indigenous Peoples
GRI 412: Human Rights Assessment
GRI 413: Local Communities
GRI 414: Supplier Social Assessment
GRI 415: Public Policy
GRI 416: Customer Health and Safety
GRI 417: Marketing and Labeling
GRI 418: Customer Privacy
GRI 419: Socioeconomic Compliance

## Appendix 2: The coding frame for content analysis

Cruise Lines / the most addressed social, environmental, economic and technical aspect	Aurora Expeditions	Hurtigruten	Lindblad Expeditions	Oceanwide Expeditions	Quark Expeditions	PolarQuest	Silversea Cruises	Albatros Expeditions	Poseidon Expeditions	Noble Caledonia	Seabourn	Ponant	Adventure Canada	Viking Cruises	Hapag-Lloyd Cruises
Safety & Health	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Partnerships for Sustainability	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Philanthropy	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Sustainability Education & Creating Ambassadors	x	x	x	x	x	x		x	x			x	x		x
Cooperation with Scientific Institutions	x	x	x	x	x	x			x	x		x	x	x	
Citizen Science		x	x		x		x	x	x	x		x	x	x	
Local Community Wellbeing		x	x		x			x	x			x	x		x
Employment & Working Conditions		x	x				x	x	x		x			x	
Employee Training & Education		x			x			x			x	x		x	x
Diversity, Equal Opportunities & Non-Discrimination		x	x		x		x	x			x	x			
Human Rights & Modern Slavery		x						x		x	x			x	
Preservation of Biodiversity	x	x	x	x	x	x		x	x	x	x	x	x	x	x
Energy	x	x		x	x			x	x	x	x	x		x	x
Emissions	x	x	x	x	x	x			x	x	x	x			x
Plastic	x	x	x	x	x	x		x	x		x	x			x
Water	x	x			x			x	x			x			x
Waste	x	x			x			x	x			x			x
Local Economies		x	x					x	x			x			x
Anti-Corruption		x						x						x	
Tax							x	x							
Quality	x	x		x	x			x	x	x	x	x		x	x
Supply Chain		x	x		x			x	x	x		x	x	x	x
Management												x			x

