

Sustainable Development Goals in the cruise industry: The contribution of sustainability disclosure

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Abstract. This paper aims to investigate societal sustainability according to the Sustainable Development Goals (SDGs), that is the 17 global goals for Sustainable Development settled by the United Nations General Assembly in 2015. The study focuses on the cruise industry that is a segment of the wider tourism industry that records a continuous positive trend by increasing its cruisers' demand and size ships. Drawing from a review of the literature and practice on the topic by integrating the SDGs model and the sustainability disclosure framework, we investigate, through a manual content analysis of sustainability disclosure sources, the major cruise companies for explaining the way in which the cruise industry could follow and achieve the sustainable goals, mostly the SDG 11. Interesting and useful results for the academics and practitioners in the making-decision processes have been discussed.

Keywords. sustainable development goals, sustainable cities and communities, cruise industry, sustainability disclosure, sustainable reporting.

1. Introduction

This paper investigates societal sustainability according to the Sustainable Development Goals (SDGs), that is the 17 global goals for Sustainable Development settled by the United Nations General Assembly in 2015². We combine the SDGs model and the sustainability disclosure framework by creating an integrative conceptual schema for reading, identifying and exploring effective voluntary and mandatory disclosure practices (non-financial reports, sustainability reports, websites, and so forth) to meet the SDGs.

This study combines the 17 SDGs model and the sustainability disclosure framework for critically reading the sustainability phenomenon through a final integrated conceptual schema of analysis. It argues that voluntary and mandatory disclosure can and should play a crucial role for achieving the SDGs by helping to embed effective policies and actions at organizational level in this direction. Drawing from some previous studies [1; 2; 3; 4; 5; 6; 7], mainly according to Jones and colleagues [8], we propose a broader reading of sustainability phenomenon, following

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² <https://www.un.org/sustainabledevelopment/sustainable-development-goals>.

the SDGs model, combined to the sustainability disclosure framework, making a comparative analysis of the two market leaders in the cruise industry.

The following research questions have been discussed: What is the role of voluntary and mandatory disclosure practices for achieving the SDGs? What is the state of art in the sustainability disclosure practices of the cruise industry for achieving the SDGs, especially the SDG 11?

Starting from a review of the main contributions in the research and practice on sustainability topic, mostly the SDGs, adopting the sustainability disclosure framework, we investigate, through a manual content analysis of sustainability disclosure sources, if and how the two market leaders in ocean cruising are able to achieve the SDGs and sustainable behave. Especially, we pay our attention to the SDG 11, *sustainable cities and communities*, evidencing through the analysis and processing of the main sustainability disclosure sources, if and how the two cruise companies investigated address their sustainable actions and interventions for improving the commitment of the overall community, and, thus, positively affect the destinations not only in terms of economic benefits, but also in terms of global social improvement.

The paper is structured as follow below: Section 2 briefly describes the two-step research process. Section 3 provides a brief overview of the main contributions in the literature on the SDGs. Section 4 describes and analyses the results of the two major cruise companies investigated for responding to our research questions. Finally, Section 5 provides final considerations, limitations and future perspectives of the study.

2. Methodology

This study has been conducted in two-step research process, that is a review of the literature and practice on sustainable development phenomenon and a qualitative research in the cruise industry. First, the most relevant contributions in the literature and in practice for meeting the SDGs and sustainability disclosure framework were analysed and summarized for systematizing and evidencing the major research orientations of scholars and the prevalent practitioners' view. Only published studies and reports clearly focused on SDGs and sustainability disclosure were considered over a 10-year period (2008-2018), mainly during the last three years (2015-2018), that is since 2015 with the 2030 SDGs Agenda. The qualitative analysis of SDGs classified into voluntary and mandatory disclosure for sustainability took into account previous studies [1; 9; 2; 3; 4]. The cruise companies investigated were selected because of the high annual number of cruise passengers served, the number and size of their fleet, generated revenues-about 70% of total [10] and also the availability of dedicated sustainability reports. The empirical analysis of the selected cruise companies was performed according to the following steps: first, in-depth analysis of each cruise company's website for evidencing the content and type of information provided in terms of sustainable performance, mission and vision of the organization addressed to the SDGs, especially the SDG 11; second, sustainability reports were assessed (only year 2017); third, specific "key words" within the non-financial documents collected and websites, such as "sustainable development", "sustainable development goal", "SDGs", "environmental", "commitment", "environmental performance", as well as "community", "societal sustainability", "disclosure" were explored; forth, after identifying the specific key words, a manual content analysis was conducted for comparing the characteristics of the collected documents in terms of the language style

and content of communication (specific words and sentences used) adopted by the two leading market cruise companies in the perspective of SD, SDGs and sustainability disclosure.

3. The literature review: SDGs in the cruise industry

In the last three decades, the sustainable performance of any organizations (institutions, public and private companies, public administrations and so forth) has been receiving an increasing attention by scholars [11; 12; 13; 14; 15]. This interest achieved the highest level in 2015 with the adoption of the global sustainable development agenda by the United Nations (UN), with the 17 Sustainable Development Goals (SDGs) for promoting and developing actions really crucial for humanity and the planet over the next 15 years [16]. The achievement of these 17 SDGs requires effective solutions to make the firms to sustainable behave respecting ethical, social and human values. In this perspective, it is very challenging to propose and implement technical, managerial, accounting and reporting solutions, which have been significantly considered in the research and practice [17; 18; 19; 20; 21].

The cruise sector has been chosen as the research context because of its constant growth in passenger flows and vessel sizes and its consequent increasing and recognized environmental, social and economic impact which requires much attention especially to search for technical, managerial, accounting and reporting practices for meeting the SDGs Agenda by 2030. Indeed, the cruise industry represents one of the major segments of tourism with high economic, social, and environmental impacts on a local community, especially as sources of global warming and air pollution [22].

The cruise industry has been characterised over the years from a continuous increase in terms of passenger flows and vessel sizes, representing the fastest growing business in the leisure and tourism industry [23; 8; 24; 25] with relevant effects related to the of socio-economic benefits [22; 26]. The environmental impacts generated by the cruise industry activities is an emerging field of research, which arose predominately from the gigantism trend of the cruise ships, a fact that made the cruise activity even more visible to port-cities communities [8].

Within this context, cruise companies are paying an increasing attention for sustainable performing. Indeed, they try to prevent and manage the social, environmental and economic impacts of their operations and tend to increasingly disclose transparent and complete information by publishing annual sustainability reports and by adopting sustainability disclosure practices (voluntary and mandatory), meaning sustainability reports, websites, external and internal information systems, and so forth [22; 8]. Although numerous studies, as already outlined, explore the main environmental, social and economic impact of the cruise industry, also considering the sustainability disclosure in general, and sustainability reporting in particular, a dedicated research on sustainability disclosure sources within the cruise industry following the SDGs model is still missing.

4. SDGs in practice: sustainability disclosure analysis of the two leading cruise companies

The cruise market is characterized by oligopoly model, dominated by a few players. Carnival Corporation & PLC and Royal Caribbean Cruises Ltd., are the leaders of the industry, representing together 70% of global passengers and the revenue income [8; 10]. Carnival Corporation & PLC was concretely established in 1994 after achieving its high position as “The World’s Most Popular Cruise Line” (Carnival Corporation, 2019, webpage). Royal Caribbean Cruises Ltd. is a global cruise holding company established in Liberia and based in Miami, Florida and was founded in 1997. It is the world’s second-largest cruise line operator, after Carnival Corporation & PLC.

As shown in our analysis, the two major cruise companies investigated adopt a sustainability policy, also publishing specific sustainability reports. In the integrated perspective of both the SDGs and the sustainability disclosure framework, the results show that both major cruise companies pay an increasing attention to sustainability issue, trying to achieve the 17 SDGs through their sustainability disclosure practices. Each company presents in their corporate websites dedicated sections to sustainability goals, while their homepage clearly shows the high interest of both companies for sustainability³.

Carnival Corporations & PLC mostly focuses on specific SDGs, that is the good health and well-being (SDG 3), clean water and sanitation (SDG 6), reduced inequalities (SDG 10), sustainable cities and communities (SDG 11), and responsible consumption and production (SDG 12), climate action (SDG 13), and peace, justice and strong institutions (SDG 16). Company’s corporate motto is “from ship to shore”, that shows the focus of corporate actions on community engagement (Carnival Corporations & PLC Sustainability Report, 2017: 14)⁴. Company develops and implements actions and practices for meeting the specific SDGs, considering this portfolio of interventions as instrumental and crucial for the main area of interest, the commitment of community. Indeed, the company is really involved in working and promoting initiatives and partnerships able to support and sponsor many organizations for creating high benefits for the local and global community.

Royal Caribbean Cruises Ltd company explicitly declares that all kind of interventions and actions are mainly focused on the following four SDGs goals: quality education (SDG 4); industry, innovation and infrastructure (SDG 9), sustainable cities and communities (SDG 11), and life below water (SDG 14). In addition, the company implements strategies and policies to further fulfil nine additional sustainable development goals, that is good health and well-being (SDG 3), gender equality (SDG 5), clean water and sanitation (SDG 6), affordable and clean energy (SDG 7), reduced inequalities (SDG 10), responsible consumption and production (SDG 12), climate action (SDG 13), life on land (SDG 15), and partnerships for the goals (SDG 17) (Royal Caribbean Cruises Ltd Report, 2017). Alike Carnival Corporation, Royal Caribbean focuses on community commitment.

The findings of the manual content analysis show us that the sustainability disclosure sources, that is sustainability reports and websites, in both the cruise companies, provide significant information and details about the key points of the strategy and management policies adopted in each company following the 17 SDGs

³ For more details see: <http://www.rclcorporate.com/>; <http://www.carnivalcorp.com>.

⁴ http://phx.corporate-ir.net/phoenix.zhtml?c=140690&p=irol-sustainability_env.

Agenda. Also, for both companies it is very clear the focus on community issues, because both organisations try to achieve the SDG 11. For these companies the promotion and the implementations of actions and initiatives able to better and strongly involve the community always receive the maximum attention. For instance, regarding the SDG 11 in the 2017 Sustainability Report Carnival Corporations & PLC states:

“Having a positive impact on the communities we visit begins with trust and unity on the inside; a strong company culture, a sense of responsibility and a focus on transparency. We embrace the culture of the communities in which we operate, including our headquarters locations, homeports, private islands and ports of call. ... We continually strive to promote sustainable tourism by contributing to our communities in a positive social, environmental and economic manner, working in conjunction with local governments, trade associations, tourism organizations and other community stakeholders.”

These statements indicate that Carnival Corporations & PLC shows a relevant community orientation, indeed, through adopting specific initiatives for reducing negative environmental and social effects in regional level. Also, the company, as shown from the special award received, presents a proactive strategy focused also on the local economy through creating synergies with local and international institutions for the development of the entire community and territory. Looking at Royal Caribbean Cruises Ltd, the 2017 Sustainability Report states:

“We have a responsibility to the guests who sail with us, the people who work for us and the communities we visit, but most we have a responsibility to the oceans.”

“Supporting Sustainable Destinations: Destinations can also undergo a destination assessment based on GSTC Destination standards. This multi-stakeholder approach examines how a destination maintains the area’s unique cultural and environmental heritage while protecting the local economy. Through our partnership, and in collaboration with other stakeholders, we will support the destination assessment process in two tourism destinations, as well as two of the company’s private destinations, to identify sustainability and environmental threats. ... other designated partners will work to develop action plans to mitigate these threats hand-in-hand with local governments and other stakeholders.”

Royal Caribbean Cruises Ltd. Corporate statements show the increasing attention paid to the 2030 SDGs Agenda, particularly regarding the SDG 11. Indeed, the several comments highlight the crucial mission of the company to engage the community through effective interventions and partnerships with several organizations. The main aim, as shown, is to explore the world sustainably, leaving a positive economic and societal footprint in cruise destinations.

Thus, these two major cruise companies investigated aim at achieving a sustainable performance within the context of Sustainable Agenda, focusing on social

sustainability development, where the environmental and economic sustainability actions have been considered instrumental and crucial for minimizing the negative impact on the destinations.

In summary, the existence of non-financial reports and websites of both companies shows the transition from Corporate Social Responsibility reporting to the SDGs framework. The main documents processed explicitly mention the SDGs, highlighting that there is a strong orientation to the sustainability issues, especially for making the cities and communities inclusive, safe and sustainable (SDG 11).

5. Concluding remarks

This paper aims to analyse the cruise industry commitment to the 2030 SDGs Agenda adopting an integrated conceptual schema combining SDGs model and the sustainability disclosure framework. Thus, we investigate whether the two major cruise companies under research meet the SDGs in their sustainability disclosure practices (non-financial reports, websites, and so forth) and specifically if their business strategy and operating activities meet the SDG 11.

The findings of our study confirm previous contributions on the topic [1; 9], and further highlight that creating the scale of change necessary for achieving the SDGs Agenda requires reengineering, than easily relabeling the existing compliance efforts with the SDGs. Firms have to be responsible for their activities (positive and negative) and must account for these operations and halt them making changes in their strategy, and make a very clear and transparent disclosure on their sustainable performance focused on the SDGs. “To steer our society toward a more sustainable future it is important that developments are measured” [27: 6], but likewise we know that data on the environmental and social dimensions of sustainability are much less common than economic data for being regularly collected [8]. Finally, it should be useful and beneficial to develop more studies on companies’ engagement to SDGs, where sustainability disclosure interventions might play a key role, because they provide basic information to develop and adopt effective measures and practices for meeting the 2030 SDGs Agenda.

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