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SKEMA Consolidation Study

SE 1.5.1 EU CSR-policy, the case of shipping: A global frontrunner whilst a CSR laggard
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Contents

Executive summary

The shipping industry is a global frontrunner whilst a CSR laggard. Explanations for this may be the global and highly Business to Business (B2B) orientation in the shipping industry. This report examines whether an initiative from the Danish government concerning Corporate Social Responsibility (CSR) has been able to embrace the shipping industry and whether this amendment is suitable to be implemented in EU shipping policy. The policies in question are the EU Maritime policy and the policy regarding CSR, both with a point of departure from the Lisbon Strategy. Furthermore, the Danish policy regarding CSR is included. To respond to the query, a comparative study of the ten largest non-shipping companies and the ten largest shipping companies in Denmark was conducted. The EU policies on CSR were reviewed. The paper concludes that I) The Danish initiative has indeed had an effect on the shipping industry; II) The EU can adopt the Danish amendment to the annual financial statements act without conflicting with the voluntariness of CSR; III) The EU will be twisting the levelness of the global playing field but in the advantage of the countries of the European Union. However, the report underpins the need for further research in the area of Corporate Social Responsibility and Shipping.

Glossary terms

a) Corporate Social Responsibility, CSR
   The European Commission defines CSR as:
   "*A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholder on a voluntary basis*" (European Commission 2001).
b) Business case
   The business case provides justification for undertaking a project, in terms of evaluating the benefit, cost and risk of alternative options and rationale for the preferred solution.
c) Business to Business
   Business-to-business (B2B) describes commerce transactions between businesses, such as between a manufacturer and a wholesaler, or between a wholesaler and a retailer. Contrasting terms are business-to-consumer (B2C).

1. Introduction

The European Union (EU) has, for more than 10 years, encouraged national governments to promote CSR in European businesses (European Commission 2001). The EU has chosen a voluntary approach to CSR both in the definition and in their approach to promote CSR. Arguments of Strategic CSR (Porter and Kramer 2006) have been used to convince businesses to engage in CSR, stating that CSR may better the financial performance. As shown in this study, this approach has, to some extent, been successful. However, regarding CSR, little has been achieved in the shipping industry. This may be explained by globalization and highly B2B orientation in the shipping industry. In the aftermath of the financial crises it is more pivotal than ever to introduce transparency and confidence into the shipping industry. An instrument is needed in the EU to get the industries that lag behind involved in CSR issues. As a response to this challenge, the Danish government has made an amendment to the annual financial statements act, requiring the largest companies to annually report on their involvement in CSR (Erhvervs- og Selskabsstyrelsen 2010).

The study shows that the Danish shipping industry indeed is a laggard in reporting on their CSR activities. In average, the ten largest Danish non-shipping companies began reporting on CSR in 2005/6 while the ten largest Danish shipping companies began reporting on CSR three years later. This result conforms to another study made by “Det Norske Veritas” (DNV 2004) where they conclude that shipping is a frontrunner when it comes to globalisation but a laggard in implementing CSR in their business. Seaborne shipping is one of the cornerstones in the globalisation and has a huge impact on society, environment, and climate. Therefore, it would be very fruitful to do further research within the field of CSR and shipping. Shipping is a truly global industry and is daily dealing with all aspects of CSR such as an intercultural labour force with the risk of racism and low labour standards, risk of environmental disasters and oil pollution, CO2 emissions, facilitations payment or even bribery.

A few scientific works have been done in the field of CSR and shipping. One study finds that CSR has a low prevalence in the Greek cargo short-sea shipping, mainly due to lack of information about CSR and a disbelief in the benefits of CSR in business (Fafaliou et al. 2006). Another study finds that large shipping companies’ perception of CSR and performance were higher than those of small companies, in Taiwan. Furthermore, the study indicates that implementing CSR has a positive effect on financial performance (Lu et al. 2009).

1.1 Aim

This paper examines whether the Danish amendment to the annual financial statements act has been able to embrace the shipping industry and whether this amendment can be implemented in EU shipping policy. The policies in question are constricted to the Maritime policy and the policy regarding CSR, both with a point of departure from the Lisbon Strategy (2000). Furthermore, the Danish policy regarding CSR is included.

The remainder of the paper is organized as follows: First the conceptual framework regarding the regulations of shipping, the theory of CSR, and Business diversity is reviewed. Then the method is demonstrated. This is followed by the results of the study, mainly illustrated in tables. The paper concludes with a discussion on the development of EUs policies regarding CSR seen from a maritime perspective. Finally a conclusion is presented and potential areas of new research.

1.2 Regulation of shipping

Authorities regulate for a variety of reasons. Due to market failure, the market forces sometimes need to be guided or controlled. Furthermore, regulation is used as a method to control the way people, companies, or entire societies behave in order to protect public goods. Public goods like e.g. clean air, clean water, wild life, and stable climate do not have a price. Consequently, the market does not have any incentives to protect or reduce the use of public goods. For that reason, authorities, in the interest of the public, have to introduce regulatory means (Viscusi W 1995).

The International Maritime Organization (IMO) is the United Nations specialized agency with responsibility for the safety and security of shipping and the prevention of marine pollution by ships. It has been recognized that the best way of improving safety at sea is by developing international regulations that are followed by all shipping nations; and from the mid-19th century onwards a number of such treaties were adopted. When nations on a global scale follow the same rules regarding safety on board, education and training of seafarers, mitigate pollution, and labour rights there is a basis for a level playing field for the competition between the global shipping companies. When a supranational authority like the EU encourages member states to introduce regional regulation, it is interesting to analyse the rationale behind.

The regulation of commercial seaborne shipping has a long history and is strongly connected to politics (or change in politics), specific events, and the general public opinion. It is carried out at different levels; national, supranational, and international (Selkou and Roe 2004). Figure 1 illustrates how the three levels influence shipping companies. The full-lines indicate that the regulation determined on international and supranational level have to be implemented in national legislation. The dotted line indicates that the European Union to some extent has direct influence on national companies.

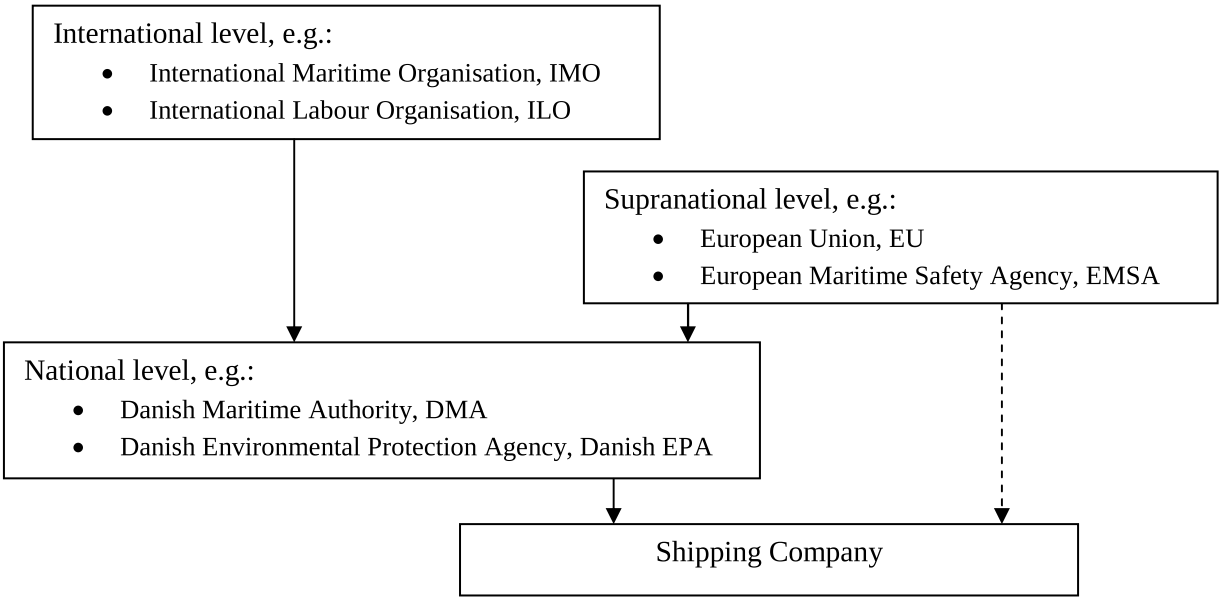

Figure 1. *International, Supranational, and National levels that influence shipping companies*

Globalisation, global warming, and the growing concern about the environment and pollution are topics that may have an impact on seaborne shipping. In light of the globalization, where more and more activities are being outsourced, the international shipping community has been concerned with the risk of a race to the bottom. The shipping business is claimed to be reactive (Blanco-Bazán 2004). The main reason is that the shipping business has a tradition to react on maritime accidents and learn how to avoid the same type of accident of reoccurring. Therefore, a proactive approach committing to various CSR issues would be sea-change for the maritime sector.

Together with the Maritime Labour Convention, IMO has designed a global legal instrument to enhance the international regulatory regime, see table 1. The four pillars are internationally rooted and apply to all vessels leaving the shipping companies on a level playing field of competition.

Almost every major maritime disaster has prompted new regulations, see table 1: The sinking of the S/S Titanic in 1912 initiated the formation of The International Convention for the Safety of Life at Sea (SOLAS) (IMO 2009). In the 1970's, the public awareness of the environment and pollution, in combination with a significant number of shipwrecks, was a driving force in the implementation of the MARPOL convention.

Table 1. *The four pillars of the international regulatory regime*

	Name	Authority	Key issues
SOLAS	International Convention for the Safety of Life at Sea, 1914	United Nations, International Maritime Organization	Requires flag States to ensure that their ships comply with minimum safety standards in construction, equipment and operation.
STCW	International Convention on Standards of Training, Certification and Watch keeping, 1978	United Nations, International Maritime Organization	Establish basic requirements on training, certification and watch keeping for seafarers.
MARPOL	International Convention for the Prevention of Pollution from Ships, 73/78	United Nations, International Maritime Organization	Designed to minimize pollution of the seas, including dumping, oil and exhaust pollution.
MLC	Maritime Labour Convention	United Nations, International Labour Organization	Sets minimum requirements for seafarers to work on a ship, from minimum age to conditions of employment, hours of work and rest and social security.

The European Commission wants to play a major role in the politics concerning maritime transport worldwide. An "Integrated Maritime Policy" will enhance Europe's capacity to face the challenges of globalisation and competitiveness, climate change, degradation of the marine environment, maritime safety and security, energy security, and sustainability (European Commission 2007b).

As seen in table 1, the four pillars cover issues regarding labour rights, environment, climate, health and safety. These are all issues that coincide with the concept of CSR, even though the mentioned issues do not cover the complete area of CSR.

1.3 Corporate Social Responsibility

Reporting on CSR-issues has become a mainstream activity for large companies. The shipping industry is one of the few major business segments where reporting on CSR, until recently, has been significantly absent. Shipping is an infrastructural cornerstone in globalization by securing the flow of goods around the world. But when transporting oil and other dangerous goods and operating in environmentally fragile areas, the industry has an obligation to society to try its outmost not to harm the environment and the climate or to bear the full responsibility and cost when it does.

There exist various definitions of CSR. A study has identified at least 37 definitions of CSR (Dahlsrud 2008) consisting of five dimensions: voluntariness, stakeholder, social, environmental, and economic. The European Commission's definition of CSR encompasses all five dimensions: "*A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholder on a voluntary basis*" (European Commission 2001).

Today, however, there is a general consensus that corporations receive a social sanction from society that requires that they, in return, contribute to the development and welfare of that society (Devinney 2009). But Friedman's statement: "*the social responsibility of Business is to increase its profits*" (Friedman 1970) is not dismissed, many contemporary advocates of CSR have implicitly accepted Friedman's position by claiming that the main justification for corporate responsibility is its contribution to the bottom line (Vogel 2005). Especially professor Michael Porter from Harvard Business School advocates that corporate social responsibility and business fulfilment can and should go hand in hand (Porter & Kramer 2006).

There have been many studies of the causality between CSR and the bottom line and examples has been found where CSR increases the profit of a company. Between 1972 and 2002, 127 published studies empirically examined the relationship between companies' socially responsible conduct and their financial performance. The findings imply that there is a positive association, and very little evidence of a negative association, between a company's social performance and its financial performance (Margolis and Walsh 2003). Aguilera et al. (2007) go as far as to say that the debate whether CSR is effective or not should be closed. They see the two studies by Mackey et al. (2005) and Orlitzky et al. (2003) as a "breakthrough". Instead of discussing whether CSR is contributing to the bottom line or not, Vogel (2005) argues that companies can choose different levels of corporate responsibility, depending upon the risks and opportunities they face. Instead of being a necessary condition for business success, corporate responsibility is better understood as one dimension of corporate strategy. Sometimes investments in CSR make business sense and sometimes they do not (Vogel 2005).

1.4 Danish legislation regarding CSR

In addition to their annual financial statements act, large Danish companies have to report on their policy regarding CSR. If a company does not have a policy regarding CSR, this has to be stated in the directors' report. The report regarding CSR has to include: 1) The company policy regarding

CSR; 2) How the CSR policy is carried out; and 3) An assessment of what have been achieved as a consequence of the CSR policy and the expiations for the future work. If a company has signed up for the UN Global Compact, then the annual Communication on Progress can replace the annual report regarding CSR. The first report was due with reference to the financial year of 2009 (Erhvervs- og Selskabsstyrelsen 2010). CSR is still voluntary, but if a company has no CSR policy this information must be stated explicitly.

1.5 The drivers of CSR

Three drivers of CSR in the academic literature are identified (Basu and Palazzo 2008). The three main drivers of CSR: a) Motivation driven; b) Performance driven; and c) Stakeholder driven.

The Motivation driven line is the moral and ethical driver of CSR. Business, as part of the society itself, has an obligation to society to try its outmost not to harm the environment.
Ethics in business is necessary because business can become unethical, and there are plenty of evidences today on unethical corporate practices.

The Performance driven line is the business case of CSR. Porter and Kramer (2006) claim that the essential test that should guide CSR is not whether a cause is worthy but whether it presents an opportunity to create shared value. CSR should benefit both the society and the company. Kurucz et al. (2008) has identified four main areas where CSR can contribute to the business case: Cost and risk reduction; Profit maximization and competitive advantage; Reputation and legitimacy; and Synergistic value creation (Kurucz et al. 2008).

Finally, the Stakeholder driven CSR is viewed as a response to external stakeholders. Industries with a transparent and trustworthy CSR policy are less likely to be subject for future regulation. And if regulations are necessary, governments are more willing to form new regulation in a way that is less harmful to the industry. Therefore, the existing and future regulations are an important driver for CSR.

1.6 Business diversity

Previous studies (Haddock-Fraser and Fraser 2008) and (Gonzalez-Benito and Gonzalez-Benito 2006) have shown that there is a relationship between closeness to market and environmental reporting. Companies proximate to the final consumer (business to consumer, B2C) have a greater inclination to report on CSR issues than business to business (B2B) companies. Furthermore, the position in the value chain is an influencing factor in environmental reporting. Therefore, regulators need to differentiate between where the business is situated in the supply chain. Seaborne shipping is a typical B2B sector with passenger and cruise vessels as an exception.

The voice of the political consumer has grown louder and become more influential than in the past decades. But even though costumers like IKEA and the oil majors are increasingly requiring CSR issues to be taken into account, most customers in the B2B segment have price as their main concern (Wolf and Seuring 2010).

2. Method

The aim is to determine whether the Danish amendment to the annual financial statements act has had an effect on the Danish shipping companies, being a laggard in CSR reporting. And if so, can this amendment can be implemented in EU shipping policy.

To determine whether the amendment had an effect or not, a comparative study of the top 10 Danish shipping companies and the top 10 Danish non-shipping companies were conducted. The top 10 Danish shipping companies, see table 2, to be targeted were selected by reviewing the publication "Facts about Danish Shipping, 2011" by the Danish Maritime Authority (DMA 2010) and the web-site www.top1000.dk/en. On the same homepage, the top 10 Danish non-shipping companies were identified, see table 3. Then the annual financial statements of the 20 companies were examined and reports on CSR were identified. If a company did report on CSR, then the previous year were examined. This was repeated until no CSR reporting was identified in the annual financial statement. Finally, a participants search on the UN Global Compact was conducted for all 20 companies and the year for signing up were examined for the companies that were listed on www.unglobalcompact.org/participants/search.

Furthermore, how can the amendment to the Danish annual financial statements act apply to EU shipping policy? First, a review of the EU policy on CSR was conducted. To find the policies on CSR, a systematic literature review using criteria of inclusion and exclusion on the European Union homepages: http://eur-lex.europa.eu/en/index.htm was conducted. EUR-Lex provides free access to European Union law and other documents considered to be public. The contents of the database amount to more than 2.815.000 documents and is updated daily. At the "Advanced search" site the following criteria were used: Title = "corporate social responsibility" AND Author = "European

Commission". This resulted in 16 documents. Acknowledging the narrow scope of the search, a chain search on the documents was carried out. The chain search took place while reading the 16 documents from the first search. All reference to other EU documents regarding CSR was noted. This increased the list of documents to a number of 22 documents. These documents were exposed to a comprehensive reading, extracting six main documents concerning the EU policy on CSR, see table 4. Finally, the Integrated Maritime Policy or the "Blue Book" with the accompanying action plan was examined (European Commission 2007a).

3. Results

In figure 2, the numbers 1 – 10 are the top 10 Danish non-shipping companies and the numbers 11 – 20 are the top 10 Danish shipping companies. The light-gray pillar indicates the first year a company publish their CSR initiatives. While the dark-black pillar indicates the year the company joined the UN Global Compact.

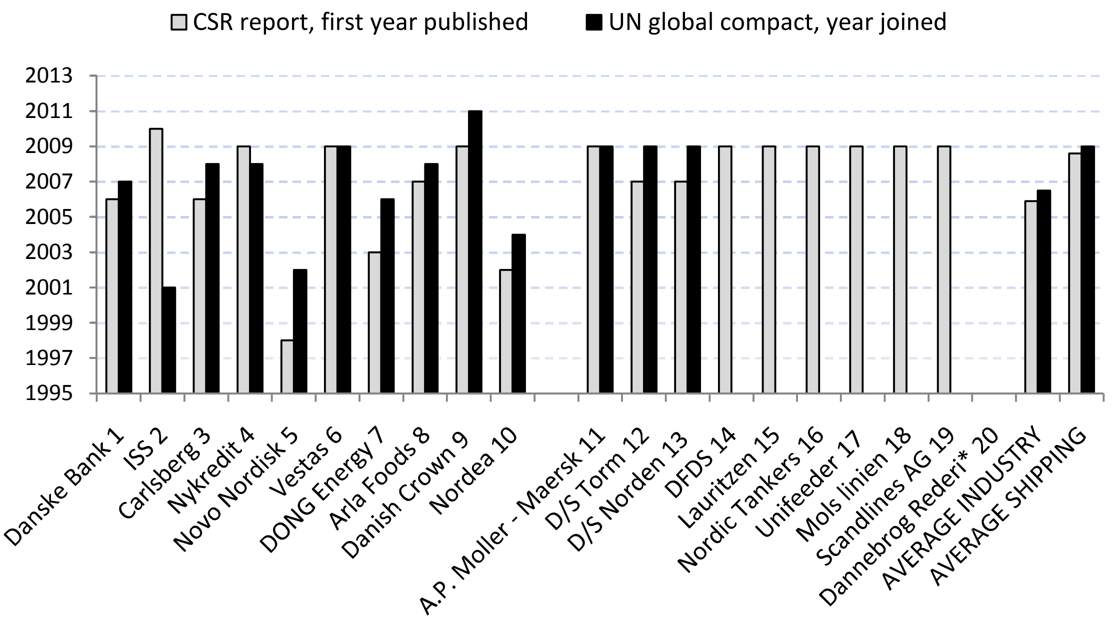

Figure 2. *Comparison of the non-shipping and the shipping companies*

In tables 2 & 3 the top 10 Danish shipping companies and the top 10 Danish non-shipping companies are listed.

Table 2. *Top 10 Danish shipping companies*

Shipping company	CSR report, first year published	UN global compact, year joined
11 AP MollerMaersk	2009	2009
12 D/S Torm	2007	2009
13 D/S Norden	2007	2009
14 DFDS	2009	-
15 Lauritzen	2009	-
16 Nordic Tankers	2009	-
17 Unifeeder	2009	-
18 Mols linien	2009	-
19 Scandlines AG	2009	-
20 Dannebrog Rederi	-	-
Average	2008,6	2009

Table 3. *Top 10 Danish non-shipping companies*

Company	CSR report, first year published	UN global compact, year joined
1 Danske Bank	2006	2007
2ISS	2010	2001
3 Carlsberg	2006	2008
4 Nykredit	2009	2008
5 Novo Nordisk	1998	2002
6 Vestas	2009	2009
7 DONG Energy	2003	2006
8 Arla Foods	2007	2008
9 Danish Crown	2009	2011
10 Nordea	2002	2004
Average	2005,9	2006,5

In table 4 the main documents on the EUs policies concerning CSR are listed. This study indicate that the path of policy on CSR in the EU starts in 2000 with the “Lisbon Strategy”, followed by the “Green Paper on CSR” in 2001, the “Communication from the Commission concerning CSR” in 2002, “Implementing the partnership for growth and jobs” in 2006, ending with “Europe 2020, A strategy for smart, sustainable and inclusive growth” in 2010.

Table 4. *The main document on EU policy concerning CSR*

1	2000	Lisbon strategy
2	2001	Green paper – Promoting a European framework for CSR
3	2002	CSR: A business contribution to sustainable development
4	2005	Working together for growth and jobs. A new start for the Lisbon strategy
5	2006	Implementing the partnership for growth and jobs:
6	2010	Europe 2020, a strategy for smart, sustainable and inclusive growth

4. Discussion

The six documents concerning EUs CSR policy and the maritime policy are briefly discussed in the following sections.

4.1 EUs policy concerning CSR

The existing CSR policy of the EU has its offspring in the Lisbon Strategy. The Lisbon Strategy was launched in 2000 as a response to the globalization and the ageing of Europe (European Council 2000). It was an action and development plan for the European Union and its aim was for the EU "*to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion*" (European Council 2000). When the strategy was re-launched in 2005, the European Commission did not change the focus from the business case of CSR. The Commission stated that CSR "*can play a key role in contributing to sustainable development while enhancing Europe's innovative potential and competitiveness*" (European Commission 2005).

In 2001 The European Commission published a Green Paper (European Commission 2001) to stimulate a discussion on CSR. The Commission received more than 250 responses to the paper. About half of these responses came from employers' organisations, business associations and individual enterprises. Trade unions and civil society organisations accounted for another large portion of the responses. Furthermore, organisations at different levels, as well as academics, have responded. All respondents welcomed the paper, and almost all supported the action in this field. However, there were also significant differences between the positions expressed: a) Enterprises stressed the voluntary nature of CSR; b) Trade unions and civil society organisations advocated for a regulatory framework establishing minimum standards; c) Investors stressed the need to improve transparency of companies; and d) Consumers' organisations underlined the importance of trustworthy and complete information. Following the Green Paper the European Commission published the communication: "Corporate Social Responsibility: A business contribution to Sustainable Development" (European Commission 2002). This is the European Commission's strategy to promote CSR.

In 2002, The European Commission firmly rejected a regulatory approach to CSR. The voluntary nature of CSR was emphasized, and it was made clear that the EC have no intentions to impose responsible behaviour by regulation. Instead, the commission wanted to help the industries by increasing the knowledge of the business case for CSR, to develop means of sharing best practice, to promote CSR management skills, and to introduce an ethical dimension to its own procurement policies.

Corporate Social Responsibility is part of the Europe 2020 strategy for smart, sustainable and inclusive growth. The Europe 2020 strategy claims that Corporate Social Responsibility (CSR) can make a significant contribution towards sustainability and competitiveness, both in Europe and globally. This is the rationale for EU promoting CSR as a means for gaining competitive advantage. However, the Commission underlines that short term profits cannot solely achieve sustainable business success. Emphasizing that implementing CSR is clearly a matter for companies themselves, the Commission states that there is evidence suggesting that CSR creates value for both the company and society. The strategy was focused on the following areas: a) Increasing knowledge about the positive impact of CSR on business; b) Developing the exchange of experience and good practice on CSR between enterprises; c) Promoting the development of CSR management skills; d) Fostering CSR among Small and Medium size Enterprises, SME; and e) Integrating CSR into Community policies.

Furthermore, in the "Europe 2020 – a strategy for smart, sustainable and inclusive growth" the European Commission maintain the position of wanting to commit business to the concept of CSR. In the strategy, the commission among other things states that (European Commission 2010): "*At EU level, the Commission will work: To renew the EU strategy to promote Corporate Social Responsibility as a key element in ensuring long term employee and consumer trust*" and "*Action under this priority will require ... raising corporate social responsibility among the business community*"

4.2 EUs maritime policy

Until the 1980s the maritime policy of the EU was virtually non-existing. In the mid 1980s the four Council Regulations of 1986, with the aim to improve the competitive structure of the European liner shipping industry, were adopted. This is frequently regarded as the starting point of the systematic and meaningful EU involvement in maritime affairs (Selkou & Roe 2004).

The Integrated Maritime Policy or the "Blue Book" is anchored in the Lisbon Strategy (2000) for jobs and growth and the Gothenburg agenda for sustainability. The policy should, among other issues, enhance Europe's capacity to face the challenges of globalisation and competitiveness. The Blue Book (2007) acknowledges that much of maritime policy transcends the boundaries of Europe and is best regulated on the basis of international rules. The interaction between the population, industry, society and the seas are more intense, more varied, and create more value for Europe than ever before. The present technology and know-how makes it possible to extract more and more value from the seas and more people want to benefit from the value of the seas. The cumulated effect of this activity is leading to conflicts of use and to the deterioration of the marine environment. The European Commission has recognised this and is promoting an integrated and inter-sectoral approach to face the challenges. The Blue Book intended to "enhance Europe's capacity to face the challenges of globalisation and competitiveness, climate change, degradation of the marine environment, maritime safety and security, and energy security and sustainability and points towards a holistic approach but do not include the concept of CSR in its way forward.

5. Conclusion

This paper examines whether the Danish amendment to the annual financial statements act has had any effect on the shipping industry and whether this amendment is suitable to be implemented in EU shipping policy.

The **first observation** of this paper is that the amendment to the annual financial statements act indeed has had an effect on the shipping industry. The Danish top 10 non-shipping companies reported on CSR three years earlier, in average, than the top 10 Danish shipping companies. This combined with the fact that all Danish top 10 non-shipping companies have joined the UN Global Compact while only three of the top 10 Danish shipping companies have joined the UN Global Compact leaves a clear picture of the Danish shipping industry as a laggard regarding CSR.
Following the implementation of the new annual financial statements act, the first CSR report had to be published with reference to the financial year of 2009. Prior to 2009, 80% of the top 10 non-shipping companies reported on CSR or joined the UN Global Compact while only 20% of the top 10 shipping companies. By 2009 100% of the top 10 non-shipping companies report on CSR while 90% of the shipping companies report on CSR. This is a strong indication of the positive effect of the initiative taken by the Danish government and could be implemented in the future EU shipping policy.

Furthermore, a voluntary approach to CSR is underpinned in both the EU's definition of CSR and in the stated policy. The voluntary approach of the EU and the more regulatory approach from the Danish government can coalesce by at least two arguments. The EU definition of CSR states that companies should integrate social and environmental concerns in their business operations and in their interaction with their stakeholder on a voluntary basis. According to the Oxford English Dictionary, voluntary means: "Performed or done of one's own free will or choice". Though reporting on CSR is made compulsory, the actual involvement in CSR can still be on a voluntary basis. A company with no intention of engaging in CSR can simply state this in the annual report. Likewise, the compulsory reporting on CSR can be seen as "Implicit" CSR and the actual involvement in CSR as "Explicit" CSR (Matten and Moon 2008). Consequently, the **second observation** is that the EU can adopt the Danish amendment to the annual financial statements act without conflicting with the voluntariness of CSR.

Finally, the EU CSR-policy has no attention to business diversity such as global and/or B2B orientation. Therefore, the EU will be twisting the levelness of the global playing field if they introduce supra-national regulation. But in regards to CSR, the European Commission has been inspired by the Strategic perspective of CSR (Porter & Kramer 2006) and the main driver of the EU CSR-policy is the performance motivation, focusing on the business case of CSR. As a result, the **third observation** is that the EU will be twisting the level of the global playing field but to the advantage of the European countries. Besides the already mentioned arguments in favour of Strategic CSR, when introducing CSR transaction cost might be lower. In addition, more transparency can lead to more trust among businesses and this can lead to more innovation.

5.1 Further research

There are many scholars trying to understand and define CSR from a theoretical view, and many studies on the business case for CSR have been conducted. But there is a need for further research within the area CSR and Shipping. Among others, the following questions are important to be addressed: Being in the B2B segment, what are the rationales for shipping to address CSR? Is transaction cost lower when introducing CSR and does more transparency lead to more trust and innovation among businesses? Is there a need for new competences and human resources within the shipping industry? When authorities introduce compulsory reporting on CSR, how limit the risk of green washing and window-dressing? By studying CSR in shipping we can learn more about CSR in a globalized world. Likewise, shipping needs a better foundation regarding CSR and to learn from the frontrunners in order to deal with the just mentioned issues.

Another important challenge to be dealt with is the relationship between IMO and EU. Many shipping companies are concerned that the balance of fair international competition is tipping with the introduction of EU regulations.

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