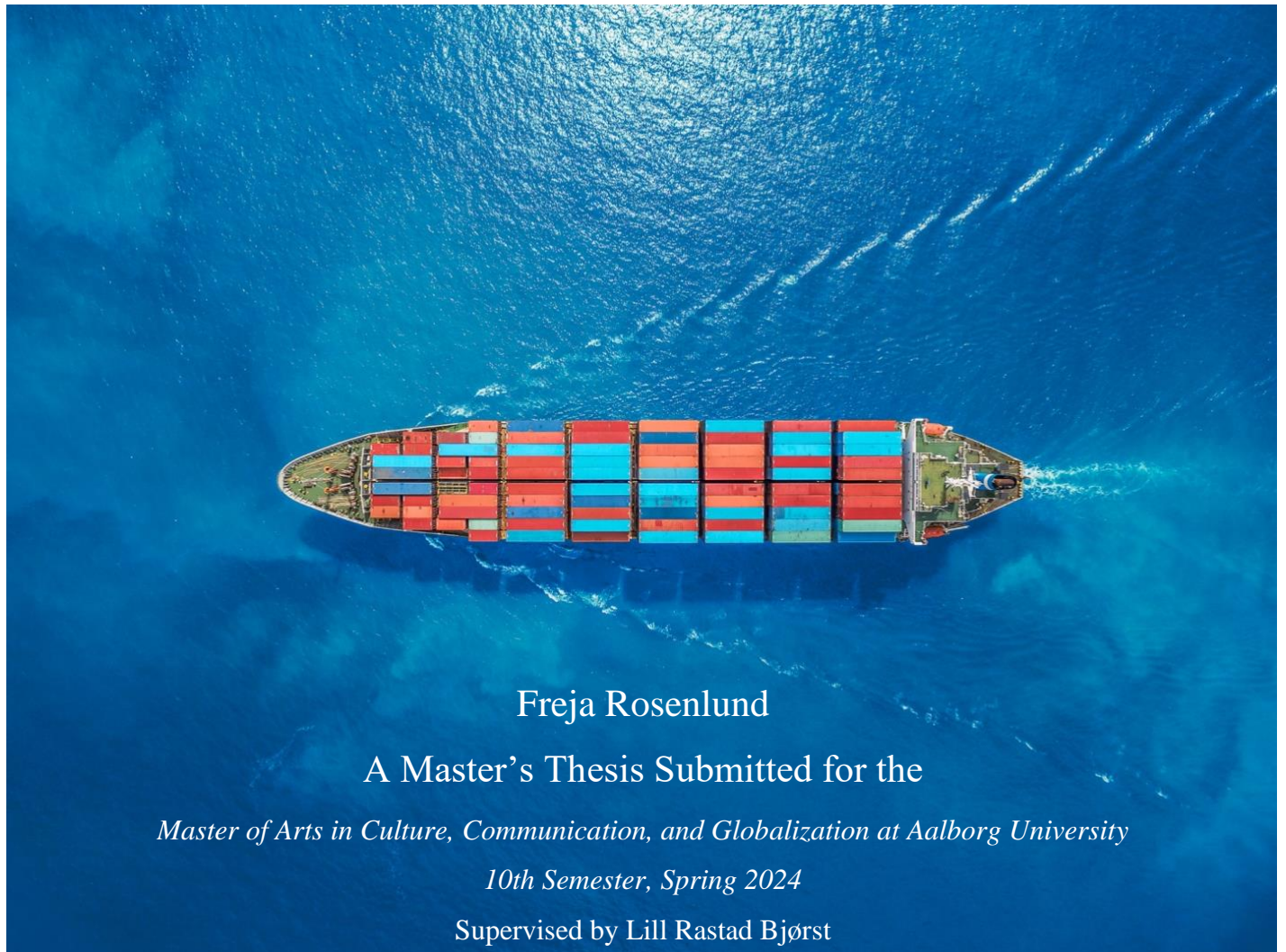


# Sustainability at Sea

Exploring ESG Challenges and Opportunities in Blue Denmark's  
Maritime Industry through the Phenomenon of Institutional Isomorphism



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A Master's Thesis Submitted for the

*Master of Arts in Culture, Communication, and Globalization at Aalborg University*

*10th Semester, Spring 2024*

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# Abstract

This thesis examines the impact and challenges of institutional isomorphism in shaping sustainable governance structures in Blue Denmark's maritime sector as a driver of sustainable initiatives. It focuses on the European Union's reporting requirements under the Corporate Social Responsibility Directive, with a special interest in the Environmental, Social, and Governance (ESG) framework. The study consists of four annual sustainability reports, supported by five interviews with four companies of varying sizes representing the transport sector in Blue Denmark, exploring how they communicate and view the upcoming ESG framework. Additionally, the study includes two ethnographic field observations to understand how companies across Blue Denmark communicate ESG among themselves and their stakeholders. By grounding this study in social constructivism and critical realism, this thesis provides a nuanced insight into the multifaceted interplay in the maritime domain by socially constructing knowledge through the study's datasets.

The research addresses the increasing attention to the maritime industry's influence on the oceans as a global common through the lens of organizational and development studies. The study examines various economic, social, and environmental challenges, including vessel pollution, operational costs, green transition, crew and vessel safety, ecosystem health in the Baltic and North Sea, and human maritime security concerns in regions like the Red Sea and Gulf of Aden. By examining these issues, through the theoretical framework of Institutional Theory, this thesis aims to provide a holistic insight into the role of isomorphic elements in shaping organizational behaviors and communicative practices within the maritime sector.

This thesis uncovers a promising trend of active engagement. This engagement is not limited to companies mandated to adhere to the framework in the near future. It argues that adopting an ecocentric perspective is not only crucial from a regulatory standpoint but also from a corporate one. This perspective recognizes the oceans as active participants in the maritime domain, not just as arenas for offshore and transportation activities. This research has practical opportunities for the maritime industry, as it can guide companies in their transition towards sustainable governance structures and the utilization of data as a means of communication.

*Keywords:* sustainable governance, sustainability reporting, ESG, Institutional Theory, institutional isomorphism, European Union, Blue Denmark, blue economy, global commons.

# List of Abbreviations

AI	Artificial Intelligence
CII	Carbon Intensity Indicator
CO <sub>2</sub>	Carbon dioxide
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DMA	Danish Maritime Authority
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
GHG	Greenhouse gases
HELCOM	The Baltic Marine Environment Protection Commission
IMCA	International Marine Contractors Association
IMO	International Maritime Organization
ISOA	International Ship Owners Association
MARPOL 73/78	International Convention for the Prevention of Pollution from Ships, 1973
OECD	Organization for Economic Co-operation and Development
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDG	United Nations 17 Sustainable Development Goals
SMEs	Small and Medium-Sized Enterprises
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNCTAD	United Nations Conference on Trade and Development
UNFCCC	United Nations Framework Convention on Climate Change

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# 1 Introduction

While almost everything is intricately linked to maritime activities, operations, and matters of sea transport through the movement of goods, passengers, and vessels across the ocean, the discourse around the maritime domain is often overshadowed by the phenomenon of sea blindness. That is a tendency to envision the vast expanses of the ocean as a space solely inhabited by marine life and a dark blue emptiness (Gorud-Colvert and Ward 2023, 24). However, the current utilization of the oceans starkly differs from this discourse, as these vast expanses of water have evolved into crucial transport arteries for the global maritime sector due to globalization. More precisely, the growing interdependence of the world's economy and flows of transnational trade in goods and services that have derived from globalization has been instrumental in integrating diverse societal norms, values, and practices across maritime boundaries into what Anna Tsing (2009, 149) refers to as supply chain capitalism.

At the same time, globalization and the international community and actors' play a critical role in the continuous territorialization of the Earth's water surface division, also commonly referred to as maritime boundaries (Jagota 1985, 3), which define the international border at sea. The maritime boundaries can be divided into a national territorial zone, an exclusive economic zone, and the continental shelf; in addition to these zones, it also encompasses the limits of the national rights over the various zones to avoid an overlap of ownership and regulations (Jagota 1985, 3-4). Globalization and maritime control have led to friction between maritime-oriented companies and the regulatory frameworks established by countries, as they need to navigate a landscape defined by the international -and domestic regulatory frameworks. This tension illustrates the intricate network of conflicting social and regulatory interactions in the maritime industry that, both consciously and unconsciously, shapes our contemporary world in every aspect.

Even though the maritime industry has successfully managed to develop a business model that has made itself instrumental to human society; from shipping to oil exploration. It has become evident that the environment is the one paying the true cost of the maritime business model. While it should be noted that moving goods by sea can emit ten times less carbon dioxide (CO<sub>2</sub>) than by road, then the paradox of the maritime industry arises from the sheer distances involved and the massive sizes of new vessels, which result in CO<sub>2</sub> emissions accumulating and becoming a global problem (UNCTAD 2009, 8). In fact, according to a 2009 United Nations Conference on Trade

and Development (UNCTAD) report *Maritime Transport and the Climate Change Challenge*, "international shipping generates around 3 percent of global CO<sub>2</sub> emissions from fuel combustion" (iii) and an estimated 80 percent of ships rely on heavy fuel oil (Degnarain 2020). A 2009 UNCTAD (2009) report, therefore, called for the urgent need for the maritime industry to halve its emissions by 2030 to avoid dire consequences. Despite the 2009 discovery, a recent 2023 UNCTAD report on the maritime transport industry revealed that the average distance traveled, is at an unprecedented high level (UNCTAD 2023, 7).

Moreover, the environmental consequences of the industry's reliance on heavy fuel oil puts a pressure on maritime companies that must learn to navigate the mitigation and adaptation of the regulatory frameworks put forward by national -and transnational institutions (Degnarain 2020), such as the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978 (MARPOL 73/78 Convention). To provide context, the MARPOL 73/78 Convention was initially designed to regulate marine pollution through legislation but has, in the case of heavy fuel oil, revised its standards, resulting in lower emissions of Nitrogen Dioxide and Sulfur Dioxide, which cause air pollution (Degnarain 2020). However, the tar-like consistency fuel has, for the first time, come under mandatory regulation to protect the Arctic waters as a means to mitigate the impact of shrinking sea ice (Degnarain 2020). While companies operating within the maritime boundaries might, therefore, be pressured into alternative options regarding the type of oil that is used on their fleets by transitioning to cleaner energy sources, then they also have to navigate a forum in which a complete ban on heavy fuels in the maritime sector might still be years away, as it remains approximately 30 percent cheaper than alternative fuels (Degnarain 2020). While this introduction only has illuminated a small portion of the challenges that the international community within the maritime industry have to navigate, it also underlines the economic and regulatory challenges in transitioning to a sustainable practice of maritime activities.

Since 1958, the United Nations (UN) specialized agency, the International Maritime Organization (IMO), has been the sole organization responsible for setting policies for the sector in terms of safety, security, and the prevention of marine and atmospheric pollution by ships (IMO n.d.). At the same time, the IMO is not the sole institution responsible for the slow progress in the maritime domain; neither the United Nations Framework Convention on Climate Change (UNFCCC) in 1992 nor the Kyoto Protocol, that extended the former convention in 1997, has been able to respond to the international shipping industry's impact on the greenhouse gas (GHG)

emissions (Michaelowa and Krause 2000, 127). Thus, “While the FCCC [UNFCCC] remained relatively vague concerning concrete measures, the Kyoto Protocol defines legally binding emission targets for industrialized countries and countries in transition” (Michaelowa and Krause 2000, 127). Conversely, this innovative approach to target emissions, “...the Kyoto Protocol excludes emissions from shipping (marine bunker fuels), due to the global nature of shipping and the difficulty in assigning ship sourced emissions to economic activities of specific countries” (Nast 2013, 29)

Despite this, the discourse of sustainability governance is gradually shifting, particularly in the European Union (EU), where Environmental, Social, and Governance (ESG) factors have become a focal point for companies operating within the union borders. More specifically, the European Commission aims to utilize the regulatory framework to hold companies accountable for their sustainability metrics and their ability to promote responsible business practices (European Commission n.d.). Compared to other regulatory frameworks, the central change in the ESG framework is that it seeks to assess a company’s impact on the environment, society, and organizational practices by going beyond mere financial statements (Dolan and Barrero Zelles, 2021). While some companies have already reported on their sustainability practices, the upcoming framework aims to recognize the intricate nature of sustainability reporting by structuring the framework around areas that are central to the company and the planet. The forthcoming EU Corporate Sustainability Reporting Directive (CSRD) reporting requirements, which will be mandatory from 2024, represents a shift in EU corporate reporting as it seeks to promote greater sustainability and accountability through the ESG framework as part of the EU’s broader strategy to achieve its sustainability goals, including the European Green Deal and the transition to a more sustainable economy (European Commission n.d.). Companies operating within the EU must now begin thinking about their decision-making processes from an angle that positively affects the international community and the ecosystem ecology.

Thus, as the global community confronts unprecedented challenges related to climate change, social inequality, and ethical concerns, there is a growing recognition (see Porter and Kramer 2011; Hart 2007) that corporate practices impact the planet and society. With a need for more data on the topics of GHGs emissions and human -and marine security, the EU’s CSRD directive serves as a mechanism for compliance as it ensures companies invest more in their own data gathering and sustainable transition. This compliance also affect maritime companies within



the EU that now has to adapt their practices to align with the upcoming ESG reporting standards. Examining sustainability reporting in the maritime industry against this backdrop of institutions and individual organizations becomes imperative, considering the maritime industry's impact on global trade, sustainability, and societal security.

Albeit the maritime industry's relation with sustainability is a well-researched area, this master thesis seeks to examine the changing discourse of organizational sustainability reporting through the theoretical framework of Institutional Theory to determine the processes by which structures become established within companies as authoritative guidelines for not only social behaviors, but also corporate conduct becomes more transparent. More specifically, this master thesis will examine the case of sustainable governance within the Danish maritime industry as the industry is set to adhere to the upcoming CSRD directive.

## *1.2 Blue Denmark*

The Danish maritime industry domestically accounts for approximately 25 percent of the country's total exports and 7,3 percent of the nation's total economy (Danish Maritime Authority 2021). According to the Danish Maritime Authority, "About 61,000 persons are directly employed in Blue Denmark [Danish maritime industry], and about 36,000 persons are indirectly employed in Blue Denmark (...) [which] corresponds to 3.4 percent of Danish employment" (Danish Maritime Authority 2021). Blue Denmark consists of various businesses directly tied to the international and Danish transport sector, e.g., shipowners, transport companies, offshore companies, ports, shipyards, -and service companies (Danish Maritime Authority 2021). The Danish society and corporate world are, thus, closely intertwined with the Danish maritime industry, which makes it an interesting focal point for this study on sustainable governance and institutional change, as the Denmark traditionally has been at the forefront of safety and quality, especially regarding sustainability, innovation, and good seamanship. However, due to the sheer size of Blue Denmark, this master thesis will focus on industrial maritime companies that operate their own fleets.

By exploring ESG challenges and opportunities in Blue Denmark through the lens of institutional change and sustainability, this master thesis examines how companies within Blue Denmark convey their organizational practices regarding ESG reporting. By connecting the power relations between institutions and how companies interact, this thesis aims to discover the role of

institutions in organizational change and sustainability reporting. This master thesis, therefore, seeks to examine the following research question:

*How does the maritime transport industry in Blue Denmark integrate and convey its ESG practices, and to what extent do the practices of its organizational field influence the evolving landscape of sustainability reporting within the industry?*

## 2 Literature Review

Based on an extensive body of pre-existing literature on sustainable governance within the maritime domain, this literature review seeks to provide an account of relevant scholarly material to discover where my research grounds itself. The literature review is structured around two sections, each shedding light on the intricate relationship between oceans and society to explore the dynamic interplay between Blue Denmark and sustainability reporting.

The first section deconstructs the linkage between oceans and society. Beginning with an examination of the concept of global commons within the context of ecopolitics, it proceeds to scrutinize the Blue Economy, particularly within the framework of Blue Denmark. Through an examination of the economic activities associated with the ocean and sea, this section provides valuable insights into the ethical dimensions inherent in maritime operations. Subsequently, the literature review's second part explores sustainability reporting to understand the evolving regulatory landscape at sea. Starting with an exploration of sustainability reporting through the lens of ESG, this section seeks to lay the groundwork for a broader scholarly understanding of sustainable business practices within the maritime industry of Blue Denmark. The section will end with exploring the critical challenge of converting raw data into a form of dialogue to understand the pre-existing research on the role of communication strategies.

Through these two sections, the literature review seeks to establish a comprehensive framework for understanding the intersection of the maritime industry and ESG practices to provide a solid foundation for this study's analysis.

### *2.1 The Nexus of Oceans and Civilization*

Given the ocean's vastness and significant role in sustaining life on Earth, it is imperative to delve into literature on the commons as a facet of ecopolitics. The oceans, being both an integral part of the planet and a catalyst for delineating boundaries and regulations, necessitates a nuanced understanding of sovereignty within discussions of ecopolitics. While sovereignty traditionally serves as a safeguard for countries against external interference, sovereignty transcends territorial confines in ecopolitics, particularly in the context of sustainability in domains that impact humanity and the ecosystem's health (Litfin 1997, 193). For Karen T. Litfin (1997), this is directly

tied to the issue of the “...global ecological interdependence” (170) as ecopolitics, extends beyond sovereign territories, into what Litfin (1997, 184) terms a global common. Katarina Abhold et al.’s (2019) study links the oceans as a global common. The study found that the oceans are one of the last places in the world that could be considered a frontier due to humanity's inability to research the domain (Abhold et al. 2019). This finding also illustrates the paradox of how scholars discuss the ocean as it simultaneously functions as a silent actor for ocean life while also being a common that we are on the verge of losing.

In exploring the complexities of our relationship with the commons, Litfin (1997) questions the paradoxical nature wherein human fixation on territorialization has fragmented these shared resources into disparate regions and perceptions, while Abhold et al. (2019) point out that the oceans simultaneously is considered the property of no one while also serving as a state's extension of their sovereign borders through the maritime domain. This observation resonates with Robert Costanza's (1999) research that highlights the oceans' status as open-access resources ripe for exploitation due to the inherent challenges regulating them. In his 1999 study on the oceans' interconnected ecological, economic, and social significance, Costanza (1999, 206, 211) emphasizes the importance of creative deliberation and consensus-building among diverse stakeholder groups. His research advocates for innovative approaches to sustainable governance structures, echoing the need for dynamic solutions in navigating the complexities of oceanic sustainability (Constanza 1999, 211).

Interestingly, both Costanza and Litfin conducted their research prior to the development of the UN's 17 Sustainable Development Goals (SDGs) and the EU’s CSRD directive. Despite this temporal distinction, the two studies offer valuable insights into the longstanding discourse surrounding human impact on the global commons and the phenomenon of territorialization. In fact, Daniel Lambach's (2022) research sheds light on the need to reassess the international system due to actors' tendencies to territorialize the commons. However, the study reveals a significant gap in the literature regarding the underlying mechanisms guiding the selection of regulatory models by the international community (Lambach 2022, 48). This raises fundamental questions about the decision-making processes concerning global commons governance and the complexities inherent in balancing sovereignty stewardship.

Applying a more case-specific literature on the intricate relationship between the oceans as a global common and a domain for maritime-oriented companies makes it clear that a complex

interplay marks the relationship. Companies heavily depend on the oceans to transport goods and services, yet this reliance comes at a cost: the rapid decline of ocean biodiversity and health due to human activities (Spalding and Suman 2023; Tsing 2003). Despite the growing recognition of oceans as a pressing global challenge by key stakeholders in the maritime industry, e.g., politicians, companies, and the public, then the ocean's diverse physical and biological characteristics pose significant challenges for researchers (Cisneros-Montemayor 2023, 266). To reshape how researchers perceive the oceans, Denis Lacroix et al. (2016) conducted a survey spanning the fields of biology, sociology, and economics to forge connections and uncover insights across the disciplines. The study identified nine pivotal research challenges, thereby, shedding light on the prevailing inclination of maritime powers to prioritize safeguarding national resources over fostering international cooperation for sustainable trade and the responsible exploitation of marine resources (Lacroix et al. 2016, 7).

Lacroix et al. (2016, 13) findings underline the importance of governance through two key research areas: the delicate balance between national sovereignty and the maritime common good and the imperative for standardized laws and regulations at sea. The idea of the intertwined nature of economic, environmental, and social aspects can moreover be regarded in Susanne Brander and Peter Betjemann's (2023) research, which emphasizes that "...instead of assuming that the ocean is too big to fail, we must acknowledge that it is too big to ignore" (91). Thus, any blueprint for a sustainable model related to the maritime industry must first acknowledge the unsustainable use of the oceans before regulatory progress can be beneficially applied to a changing discourse on the use of the commons.

More recently, Ana Spalding and Daniel Suman (2023) have sought to conceptualize the sea and land as a unified domain to draw attention to the underlying societal issue of treating the two domains in isolation, as evident in both Litfin (1997) and Abhold et al.'s (2019) research. Spalding and Suman (2023) furthermore point out that any study of the dynamic interplay between the marine environment and human activity should be aware that the ocean, through "...attitudes, beliefs, and actions..." (4), has been socially constructed over time to fit into a narrative constructed by the international community and people. By pointing out that the ocean described in academia, regulations, and the public is a fragmented perception of the ocean, the authors highlight the need for an interdisciplinary approach to issues regarding the domain, in line with Lacroix et al. (2016). This perception is also visible in Sing et al. (2021) study of the oceans, as

they question whether understanding the full picture of the ocean will enable us to develop a sustainable model for the "...ocean we want" (1). Albeit my study is only conducted from the field of organizational -and development studies and thereby does not in and of itself reflect an interdisciplinary approach, then my research seeks to add another dimension to the ocean and society discussion by highlighting the imperative of understanding the discourses that are applied by companies, industries, and supranational organizations that affects a sustainable regulatory framework and economy.

### 2.1.1 The Balance Between Economic Growth and Sustainable Practices

The blue economy framework is rooted in sustainable development and balances economic growth with ecosystem conservation and social well-being. More specifically, the World Bank (2021) has defined Blue Economy as the "...sustainable use of ocean resources for economic growth, improved livelihoods, and job creation while preserving the health of ocean ecosystems" (8). Various research (Fratila et al. 2021; Konar and Ding 2020) delve into the effects of maritime transport on economic growth and development, highlighting its significance for international trade, economic prosperity, and global development trajectories of a blue economy.

Fratila et al. (2021, 3) aimed to assess the influence of maritime transport, associated investments, and air pollution on economic growth across 20 EU countries. Utilizing eight-panel data regression models from 2007 to 2018, the study delved into the intricate dynamics shaping the region's economic landscape (Fratila et al. (2021, 3). Notably, based on the 20 countries examined, the data revealed that within the EU, the blue economy driven by maritime transport and its subsidiary activities contributes approximately 40 percent to the European economy (Fratila et al. 2021, 19). Fratila et al.'s (2021) findings underscore the substantial numerical impact of the maritime transport sector on economic vitality.

Manaswita Konar and Helen Ding (2020) conducted a special report for the Initiative High-Level Panel for a Sustainable Ocean Economy. The report examined a cost-benefit analysis of the global economy by implementing a sustainable, ocean-based intervention over a 30-year period in which they found that by "investing \$2.0–\$3.7 trillion globally across the four areas [protecting mangroves, scaling up offshore wind, decarbonizing shipping, and promoting sustainable ocean protein] from 2020 to 2050 could generate \$8.2–\$22.8 trillion in net benefits" (Konar and Ding 2020, 34).

In recent years, Tsing (2009) has connected supply chains to capitalism, highlighting how logistics impact human experiences. Tsing (2009, 148) argues that capitalism prioritizes logistical efficiency within supply chains and overlooking diversity concerns. Stated differently, through capitalism, we have created these investment landscapes in which value is created through the performance of another value. Within the context of this master thesis, this perspective results in the commodification of the marine environment as resources are categorized and owned to integrate them into the capitalist system. While Tsing (2003, 5100) primarily examines land frontiers, she questions the portrayal of the ocean as a frontier, as it is challenged by its unique governance and resource ownership issues. Tsing (2003, 5101) thereby challenges the notion of emptying landscapes for universal use, relevant not only to terrestrial but also to maritime global commons. This observation is inherent in the way companies often seek to convey that their area of operation is empty through the mindset of if no one uses it, we might as well. When applied to the context of the ocean, this mindset is aided by the discourse of a vast nothingness of endless resources. The nexus between the oceans and capitalism gains significance when considering the blue economy agenda and the implications of maritime companies' data collection on ESG parameters.

Given that oceans cover over two-thirds of the planet and play crucial roles such as providing food, generating oxygen, and absorbing 93 percent of the Earth's increase in GHG emissions (Abhold et al. 2019, 6), as well as serving as a primary artery for international maritime transportation, there is a growing need to reexamine its current economic connection to the capitalistic system (Tsing 2009). Dipesh Chakrabarty (2017, 29) highlights a critical flaw in the current capitalist system as companies and consumers take on an anthropocentric mindset when addressing the ecological impact of human activity. At the same time, it should be noted that this does not explicitly address the maritime industry to the same extent as Konar and Ding as well as Fratila et al., then his research can be linked to the blue economy as he found that this anthropocentric mindset leads to a situation where responses primarily revolve around marketing tactics rather than addressing the root cause of overconsumption (Chakrabarty 2017, 34-35). Thus, any research must critically examine the blue economy, its underlying principles, and its implications for global development efforts, such as ESG, through a holistic approach. This holistic research strategy would provide insight into the economic potential of the oceans while addressing environmental sustainability and social equity.

## *2.2 From Data to Dialogue: An Exploration of ESG Reporting*

The notion of sustainability reporting has evolved tremendously since the 2004 UN report *Who Cares Wins*, which made one of the first mentions of ESG in a mainstream context (The Global Compact 2004). The report heavily leaned into the importance of every stakeholder within a supply chain needing to embrace a long-term ESG framework to constitute a sustainable practice. However, the concept of sustainable reporting has, in recent years, gained more attention from institutional organizations and regulatory bodies as there has been a global push towards sustainable and social responsibility in business practices (Kolk 2004). This structural change in the sustainability arena has given rise to ESG factors, which can be seen as a collective endeavor to hold companies socially accountable for their positive and negative impact on their environment (Kolk 2004). However, to fully comprehend the institutional pressures of ESG, it is essential to explore the data captured within the framework and how this data serves as a form of dialogue.

Christina Dolan and Diana Barrero Zelles (2021, 60) point out that it can be challenging to develop a standardized single approach to define not only ESG but also what needs to be constituted in the framework as it needs to cover a myriad of global problems, that spans through various sectors and deals with various data providers. As a result, while ESG has been granted a key role in sustainable governance within the EU, stakeholders are still trying to determine the taxonomy of various industries. The problem with the ESG metrics lies in data inconsistency, making it difficult to properly utilize and understand the ESG data (Dolan and Barrero Zelles 2021, 59).

Although the ESG framework has been extensively investigated, the sustainability measures have yet to be examined to the same extent. Drempetic et al. (2020) questions “what sustainability rating agencies measure with ESG scores, what exactly needs to be measured, and if the sustainable finance community can reach their self-imposed objectives with this measurement” (333). This argument resonates with Porter et al.'s (2019) critique of fragmented ESG data metrics, such as the inability to integrate the data into the company strategy and the influence of external rating agencies. To avoid this limitation in the ESG reports, the study suggests that companies develop a compressive evaluation of their ESG data and how they utilize data through standardized metrics, i.e., the EU's CSRD directive (Porter et al. 2019). By calling for collective action, the author highlights the potential effect of a sustainable governance framework that is regulatory



adopted rather than coercively adapted to prioritize the long-term value of data and reporting (Porter et al. 2019).

Researchers have also begun to examine the potential impact of the impending regulatory framework of the ESG factors within a European context. For instance, Aboud et al. (2023) investigated the effects of EU Directive 2014/95 on ESG decoupling, and whether national enforcement systems influence this relationship. Their findings suggest that before the directive, ESG disclosures often served the symbolic purpose of legitimizing company actions (Aboud et al., 2023). More specifically, the study found that EU firms now face normative and coercive institutional pressures, reducing their tendency to engage in ESG decoupling (Aboud et al. 2023, 1317). Rocío Redondo Alamillos and Frédéric de Mariz (2022) research on the European regulation on ESG highlighted that the current structure of the ESG taxonomy tended to favor larger companies. Based on this finding, the authors argue that there is a misalignment between “what sustainability rating agencies measure with ESG scores and what exactly we, the scholars, but also the SR investors and politicians, want to have measured” (Redondo Alamillos and Mariz 2022, 1305).

While extensive research has been conducted on sustainability reporting, few researchers have considered the prevalent issue of transforming data into dialogue and how much ESG is spoken about in companies. Recent studies, e.g., Sciarrelli et al. (2020), have begun to rethink how dialogue and data-driven decision-making impact ESG coverage. One of the main reasons that studies and researchers have begun to reevaluate the various natures of sustainability data and dialogue is the paradox of ESG reporting, namely the fine line between sustainability reporting and greenwashing. Sciarrelli et al. (2021) therefore sought to understand the impact of ESG factors in ensuring sustainable growth. The author's research indicates that companies' ability to communicate their sustainable financial policy is essential for their business model (Sciarrelli et al. 2021, 42). However, it also emphasizes the need for standardized communication of socially responsible investments' environmental and social impact (Sciarrelli et al. 2021, 51).

The research on socially responsible investments highlights the importance of including comprehensive data in understanding ESG metrics. This observation of a comprehensive data overview is reinforced by Sakis Kotsantonis and George Serafeim's (2019, 12) study of 50 Fortune 500 companies, in which they found an inconsistency in companies' ESG data reporting, which made it difficult to develop any meaningful cross-metric comparisons between the ESG data. To

overcome this issue, Kotsantonis and Serafeim (2019) found that companies need to "...take control of the ESG data narrative" (12) to create a baseline that would be able to cross-compare companies across the various ESG metrics. This issue of a universal baseline in the ESG framework is highlighted by the EU's delay in completing the sector-specific ESG framework despite the CSRD directive coming into full effect at the end of 2024.

Interestingly, Alex Edmans' (2023) research asks if the end is near for ESG ratings, contrasting its rising status in the European Union. The ESG framework is by Edmans (2023, 9-10), connected to the continuous emphasis of stakeholder investing, as he found that if companies actively were to successfully not only implement but, to an even more significant degree, utilize the ESG taxonomy for the benefit of society and the planet, then said company needs to be a great company — not just a company that is great as at facilitating their ESG metrics, as these numbers can be turned and twisted as needed. More specifically, Edmans (2023, 4) contends that if ESG, in fact, has gone from a niche in a corner office to be a large part of justifying companies' politics and investments, then sustainability needs to be at the forefront of the whole company and not just the individual that pertains an ESG title. Edmans' argument is supported by scholarly research as it underscores the importance of ESG, potentially, being used as a calculated metric, rather than the whole story of a company's policies (Kotsantonis and Serafeim 2019; Dolan and Barrero Zelles 2021). These ESG metrics are often transformed from numbers on a piece of paper into a fully reported document that utilizes marketing as a key selling point.

By contrast to the examined literature on the area, Henrik Nielsen and Kasper Villadsen's (2023) work takes its point of departure on the ESG discourse in Danish companies and their ability to embrace the framework. "The study consisted of 281 annual reports, which contain the self-representation of 24 Danish large-cap companies, including how they communicated their ESG policies from 2010 to 2021" (1). Based on the data-mining methodology, the authors found that ESG has grown from "9355 hits in 2010 to 17,285 in 2021" (Nielsen and Villadsen 2023, 9). In addition to this finding, the datasets illustrated that within the Danish corporate landscape, the ESG framework has become an essential part of how business communicate their practices and strategies (Nielsen and Villadsen 2023). According to Nielsen and Villadsen (2023, 24) the Danish companies' adaption of the ESG framework can be regarded as a tactical response to the evolving sustainability landscape.

### *2.3 Operationalization of the Literature Review*

The pre-existing research on the ocean-society relation and the sustainability reporting framework provides insight into the complexity of combining business models and sustainability reporting. This thesis is, therefore, drawing on the pre-existent scholarly research to examine how the maritime industry in Blue Denmark, consciously and unconsciously, adapt to the evolving landscape of sustainability reporting. By drawing on pre-existing scholarly research, this thesis could be argued to be a part of the emerging movement within scholarly debate concerning the institutional isomorphic tendencies relating to sustainability reporting. I will utilize the scholarly material to address the gap in research on the institutional practices of sustainability reporting in Blue Denmark.

### 3 Theoretical Framework of Institutional Theory

Given the centrality of a sustainable governance structure in the maritime industry's organizational dynamics and the need to understand the social dynamics influencing said domain, I recognized the importance of applying a theoretical framework that would be able to recognize organizational landscapes social patterns. In navigating the multifaceted landscape of ESG and institutional structures, Institutional Theory emerged as a pillar for studying Blue Denmark's interplay of social, economic, and political forces and the organizational behaviors and responses within the industry. By examining the influence of an institutional framework on organizational practices, structures, and strategies, Institutional Theory offers valuable insights into the processes of isomorphism and institutional change in Blue Denmark.

Drawing specifically on *The New Institutionalism in Organizational Analysis* edited by Walter W. Powell and Paul J. DiMaggio's (1991a), this thesis aims to leverage its sociological perspective on institutions to understand the complex dynamics of society that affect Blue Denmark's ESG challenges and opportunities. Institutional Theory's emphasis on the homogeneity of practices in organized life and the mechanisms driving structural change provides a solid foundation for analyzing the nuances of ESG practices within Blue Denmark. The following section will highlight four concepts that comprise the theoretical framework of Institutional Theory: institutions, organizational fields, institutional isomorphism, and organizational structure.

#### 3.1 Institutions

In framing the conceptualization of institutions, it is essential to explore the perspectives of prominent scholars within Institutional Theory (Powell and DiMaggio 1991b; Ronald L. Jepperson 1991). Within the framework of Institutional Theory, international regimes, i.e., the UN, the World Bank, and the EU, are according to Powell and DiMaggio (1991b) regarded as institutions to the same extent as a company as they are "... build upon, homogenize, and reproduce standard expectations and, in so doing, stabilize the international order" (7). This linkage to the institutional regime is an important insight into the socially constructed world of Institutional Theory, as this clarification provides an insight into the actors that shapes and navigates the sustainable governance practices that this thesis 'Sustainability at Sea' seeks to examine. Powell and

DiMaggio's (1991b, 9) emphasize that institutions are not merely products of conscious design but instead emerge from the collective actions and interactions of human activity within organizational contexts.

Jepperson's (1991) defines institutions as "... a social order or pattern that has attained a certain state or property; *institutionalization* denotes the process of such attainment" (145). By regarding institutions as social patterns, Jepperson (1991) alludes to the idea that institutions — due to their self-sustaining social mechanisms — can function as a singular entity in the form of an individual, company, nation, or intergovernmental organization. Thus, Powell and DiMaggio's definition of institutions closely resembles Jepperson's definition of institutions, as they both define institutions as socially constructed systems of routines, programs, or rules. As explained by Jepperson (1991), "The perpetuation of routines reinforces and sustains these patterns, facilitating their ongoing reproduction — unless collective action blocks or environmental shock disrupts the reproductive process" (145). Stated differently, one first acts when the actor no longer follows the institutionalized social patterns, such as the changing sustainability landscape in the EU and Denmark. By applying a modern context to Max Weber's (1952) conceptualization of the iron cage, Powell and DiMaggio (1991c, 63) argue that although bureaucracy leads to the homogenization of organizations, it remains prevalent due to the efficiency it provides.

However, according to B. Guy Peters (2000), when applying Institutional Theory to empirical research, it is important to be aware that it can be challenging to measure institutions as "...we know they exist, but how do they vary?" (14). As the theoretical framework thus examines institutions as static actors, it can be difficult to properly examine the dynamic and complexity of social patterns that affect institutional change and practices. Institutions, hence, provide a framework for examining the dynamics of organizations in Blue Denmark by highlighting the importance of recognizing the social patterns and mechanisms that underpin institutional endurance and organizational behavior, which will be vital for drawing up a complete picture of Blue Denmark's institutional patterns.

### *3.2 Organizational Fields*

A key element in Institutional Theory is the world of institutions. While traditional, modern organizational theory typically focuses on the myriad variations in organizational forms and

practices, Powell and DiMaggio (1991c, 64) deviate by directing their research towards understanding the underlying reasons for the striking uniformity observed across the organizational landscape. This departure demonstrates a shift from exploring diversity to the mechanisms driving organizational homogeneity. Notably, Powell and DiMaggio (1991c) argue that by scrutinizing homogeneity rather than variation, one can ascertain the trajectory of institutions through various stages in their life cycles. Through this lens, the aspect of homogeneity, can provide insight into the changing landscape of Blue Denmark. For instance, while institutions initially exhibit significant diversity in their approaches and forms according to the theoretical framework, then upon the establishment of an organizational field, a phenomenon known as high culture exerts pressure, compelling these institutions into a state of homogenization (Powell and DiMaggio 1991c, 64).

An organizational field is thereby defined as a domain in which institutions collectively compose a distinct area within institutional life, such as in the case of this study; Blue Denmark, Denmark, and the EU. This includes primary actors, such as, but not limited to "...key suppliers, resource and product, regulatory agencies, and other organizations that produce similar services or products" (Powell and DiMaggio 1991c, 64-65). It is imperative to highlight that if delineating these fields as organizational fields hinges upon them being institutionally defined (Powell and DiMaggio 1991c), then this thesis needs to conduct an empirical investigation to ascertain the structural design of Blue Denmark's organizational field and the delimitation of what constitutes its institutional structure.

According to Powell and DiMaggio (1991c, 65), delineating an organizational field entails four essential components; increased interaction among constituent entities, the emergence of dominant players, heightened informational exchange, and the development of mutual awareness among participants. Upon these processes' culmination, organizations become structured into an organizational field due to competition, the state, or the professions, which all accumulate in homogenization (Powell and DiMaggio 1991c). As explained by Powell and DiMaggio, "Organizations within a structured field are responsive to an environment comprised of other organizations, themselves responding to their respective environments, which in turn are shaped by the responses of yet other organizations" (1991c, 65). This statement illustrates the intricate interplay and interdependence characterizing organizational dynamics within organizational fields as homogenization affects them deeply. Hence, as organizations interact with the organizational

fields, they are subject to various processes and structures that indirectly and directly drive homogeneity. Thus, by examining Blue Denmark as a singular organizational field and its relation to larger organizational fields, e.g., Denmark and the EU, this thesis will determine to what extent their ESG practices are connected to the delineation of the organizational fields.

### *3.3 Institutional Isomorphism*

Powell and DiMaggio (1991c) contend that isomorphic processes drive the process of homogenization in the organizational field. Within the theoretical framework proposed by Powell and DiMaggio (1991c, 66), the concept of isomorphism identifies two fundamental types: competitive and institutional. The main distinction between these two forms of isomorphism is their structuring in the organizational fields (Powell and DiMaggio 1991c). Competitive isomorphism — prevalent in fields driven by “...open and free competition...” (Powell and DiMaggio 1991c, 66) — offers insights into initial bureaucratization phases and innovation adoption. However, they caution that competitive isomorphism alone cannot fully display a field's dynamics, as it cannot examine the influence of bureaucratization within the organizational structure thus resulting in limited explanatory power in modern organizational fields (Powell and DiMaggio 1991c, 66). Thus, Powell and DiMaggio (1991c) point to the influence of institutional isomorphism, which considers inter-organizational and external influences. The theoretical framework of institutional isomorphism is beneficial for analyzing the political and procedural dynamics shaping the organizational fields in Blue Denmark. Due to the industry's business model, they must account for national and international maritime boundaries, regulatory framework, and security.

More specifically, Powell and DiMaggio (1991c) contend that three forces drive the phenomenon of institutional isomorphism. Namely, Coercive isomorphism, originating from external entities like regulatory bodies and government mandates, which compels conformity (Powell and DiMaggio 1991c, 67). Mimetic isomorphism, stemming from a desire to imitate successful organizations, reduces uncertainty within the organization (Powell and DiMaggio 1991c, 69). On the other hand, normative pressures arise from the need to align with professional standards and societal norms to enhance an organization's legitimacy (Powell and DiMaggio 1991c, 70). It is crucial to acknowledge that while the coercive, normative, and mimetic

mechanisms offer distinct rationales for institutional isomorphic change, then their empirical boundaries often intermingle and manifest nuanced ways, influenced by various contextual factors (Powell and DiMaggio 1991c, 74-75). Moreover, these mechanisms can incite different conditions and potentially yield diverse outcomes within organizational settings. Thus, while each mechanism provides valuable insights into the dynamics of institutional isomorphism, their interaction and differential impacts point to the complexity inherent in institutional change processes.

Institutional isomorphism thereby provides insights into how organizational fields evolve and why specific patterns of similarity emerge among organizations. By examining the interplay of coercive, normative, and mimetic forces within Blue Denmark, this thesis will gain a deeper understanding of the mechanisms driving institutional homogeneity within the organizational field. Consequently, by applying the phenomenon of institutional isomorphism to the sector, this study aims to highlight how companies within Blue Denmark mitigate and adapt their institutional strategies to meet the challenges and opportunities of the upcoming ESG regulatory framework in the EU.

### *3.4 Institutional structure*

In contemporary institutions, formal structures emerge within highly institutionalized contexts, in which institutional rules represent systems of coordinated and controlled activities ingrained in society as mutually understood interpretations (Meyer and Rowan 1991, 41). As highlighted by John W. Meyer and Brian Rowan (1991, 53), rationalized structures offer conformity to institutional activities by fostering a sense of legitimacy, stability, and resource acquisition. Within relational and institutional frameworks, organizations must coordinate activities and balance internal relations and ceremonial demands (Meyer and Rowan 1991, 54). Organizations facing the imperative of adhering to institutionalized rules encounter two key challenges. Conflicts arise between technical efficiency and ceremonial production rules, compounded by conflicting myths from diverse environmental sources. This dilemma forces institutions to allocate resources to activities that uphold institutionalized rules, thus potentially slowing efficiency (Meyer and Rowan 1991, 55). According to Meyer and Rowan (1991, 57), Institutional Theory offers two strategies to address these conflicts: decoupling and the logic of confidence.



### 3.4.1 Decoupling

According to Meyer and Rowan (1991, 57), decoupling refers to the institutional strategy wherein institutions adopt certain practices as symbolic gestures to signal adherence to institutional rules. However, the actual execution of these practices may deviate from the external appearance of these actors (Meyer and Rowan 1991, 57). This strategy allows institutions to preserve standardized and legitimate formal structures while adjusting their activities based on practical constraints and considerations (Meyer and Rowan 1991). Decoupling illustrates the tension between organizational conformity and pragmatic adaptation within institutional environments. While organizations may project a uniform external image to meet societal expectations and maintain legitimacy, their internal operations often reflect a more nuanced reality (Meyer and Rowan 1991, 57). This disparity between the external and internal practices allows institutions to navigate the complexities of their environments by balancing compliance with the demands of operational efficiency and effectiveness (Meyer and Rowan 1991, 58).

Thus, decoupling serves as a strategic mechanism through which institutions integrate the competing demands of institutional conformity and pragmatism (Meyer and Rowan 1991, 5). In other words, the strategic mechanism of decoupling is central in examining companies within Blue Denmark's articulation of the ESG framework, especially, regarding whether they adopt the EU's CSRD directive as a framing device of internal and external practices as a gesture to the institutional regulatory framework presented by the institutional regimes of Denmark and the EU.

### 3.4.2 The Logic of Confidence and Good Faith

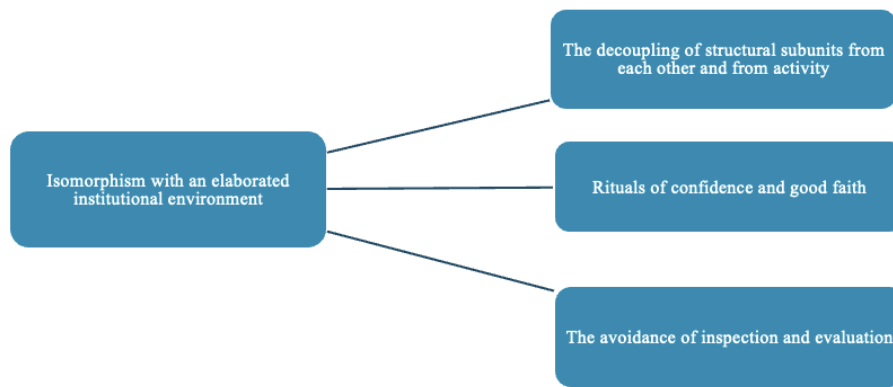
It is essential to emphasize that decoupled institutions do not exhibit anarchic tendencies (Meyer and Rowan 1991, 58). Instead, they operate based on the assumption that institutions conduct their affairs in good faith, both internally and externally (Meyer and Rowan 1991). The idea of structural confidence and good faith, within the theoretical framework of Institutional Theory, is intricately linked to the three fundamental practices of avoidance, discretion, and overlooking (Meyer and Rowan 1991, 58). Institutions sustain a sense of legitimacy and trustworthiness by actively avoiding actions that could compromise an institution's reputation, exercising discretion in decision-making processes (Meyer and Rowan 1991, 58). These practices are essential for fostering confidence among internal stakeholders and the broader institutional environment.

Furthermore, preserving individual participants' reputations is crucial within institutions, according to Meyer and Rowan (1991). When employees and stakeholders believe their actions align with the institution's values and principles, they are more likely to act in ways that uphold its reputation (Meyer and Rowan 1991, 59). Institutions that strongly identify with their organizational field often go a step further by employing various strategies to effectively display their structural elements internally and externally (Meyer and Rowan 1991, 59). Whether through formal policies and procedures, symbolic gestures, or strategic alliances, these institutions adhere to their institutional environment's norms and expectations. This reinforces their legitimacy and enhances their ability to navigate the complexities of the organizational field and maintain their competitive advantage (Meyer and Rowan 1991, 59).

### 3.4.3 Ceremonial Inspection and Evaluation

The phenomenon of ceremonial inspection and evaluation — like ESG — presents a critical perspective on how institutions interact with institutional rules and formal structures. As evidenced by the rationalized rituals surrounding inspection and evaluation processes, bureaucratization heavily influences contemporary institutions, (Meyer and Rowan 1991, 59). However, while these practices are intended to bestow legitimacy upon institutions, Meyer and Rowan (1991, 59) point out that they paradoxically risk undermining that very legitimacy.

Thus, the process meant to validate institutional operations often needs to be revised to maintain credibility. Given that evaluation and inspection mechanisms serve as societal controls, their imposition contradicts the foundational premise that institutions operate with confidence and good faith (Meyer and Rowan 1991, 60). Consequently, institutions must navigate this tension by minimizing external oversight over their operations and processes. This involves a united effort from internal and external actors to reduce the influence of inspection and evaluation mechanisms (Meyer and Rowan 1991). In light of this, decoupling and the strategic avoidance of inspection and evaluation emerge not merely as organizational strategies, but as fundamental strategies aimed at preserving organizational autonomy and legitimacy within institutional contexts (Meyer and Rowan 1991, 60).



*Figure 1: The effects of institutional isomorphism on (Meyer and Rowan 1991, 60)*

Fig. 1, developed by Meyer and Rowan (1991, 60), illustrates the effects of institutional isomorphism on an elaborated organizational field. When applied to the organizational field of Blue Denmark and the institutional regime of the EU, this figure illustrates the various strategies companies can utilize to strengthen their position in their organizational field. Although the various strategic mechanisms can be measured independently of one another in terms of what strategy the institution prefers, it is only through an understanding of how they are all intertwined that a complete picture of the organizational field and the institutions emerges.

### *3.5 Operationalization of the Theoretical Framework*

By integrating the theoretical framework from Institutional Theory with the specific context of the maritime sector in Denmark, this thesis seeks to cast a light on the social patterns, power dynamics, and institutional responses influencing ESG practices and their alignment with the imperatives of sustainability reporting. Through a nuanced application of Institutional Theory, this thesis seeks to contribute to a deeper understanding of how companies within Blue Denmark navigate the evolving landscape of sustainability and adapt their strategies to meet the challenges and opportunities therein. In summary, the choice of Institutional Theory as the theoretical framework for this study reflects a deliberate effort to provide a comprehensive analytical framework that captures the complexities of ESG organizational responses within the maritime sector while elucidating its implications for organizational behavior and performance in the context of sustainability transitions.

## 4 Methodology

In determining the scope of this thesis, it was crucial to select a case that would offer insight into the linkage between sustainable governance and institutional changes to understand the correlation between institutional change and institutional isomorphism in connection to the EU's CSRD directive. I have therefore chosen to focus this thesis on the case of ESG practices in Blue Denmark. By emphasizing the context of these companies' ESG practices, this thesis sought to discover the various mechanisms of ESG integration that impacted organizational strategies, such as communicative and organizational practices. By examining maritime actors with a fleet within the Danish Maritime domain, this thesis examined the cause-and-effect relationship between ESG compliance and institutional change to determine if this cause-and-effect relationship could be connected to institutional isomorphism. The following sections will define my philosophy of science, research design choices, data collection methods, and analysis methods to evaluate and justify my methodological choices.

### *4.1 Philosophy of Science*

It is essential to clarify my social ontological and epistemological standpoints as these philosophical perspectives position the structuring of my arguments.

Institutional Theory by Powell and DiMaggio (1991a) is heavily influenced by Peter L. Berger and Thomas Luckmann's (1967, 19) theoretical argument of the social construction of reality, particularly their argument that reality is not an objective given but rather a socially constructed phenomenon. Thus, to apply my theoretical framework to my chosen case study of sustainable governance in Blue Denmark, my ontological stance would likewise need to view reality as a product of human interpretation and social agreements (Bryman 2012, 3). I am, therefore, drawing on the social constructivist ontology as I thereby can examine whether the phenomena of ESG practices are structured around fixed or objective realities or if social interactions, cultural norms, and institutional isomorphism influence these practices. This philosophical perspective thus guides my research in exploring how these factors shape the understanding and implementation of ESG practices within institutions and broader societal systems within the organizational field that makes up Blue Denmark. Consequently, by grounding

challenges and opportunities for ESG practices, this thesis examines to what degree organizations, such as A.P. Moller-Maersk (henceforth referred to as Maersk), DFDS, Maersk Supply Service, and Norden, are impacted and impacts their organizational fields.

In determining my epistemological approach, careful consideration was given to selecting a methodological perspective that facilitated a nuanced understanding of the multifaced interplay between knowledge acquisition processes and the evolving discourse surrounding ESG practices in Blue Denmark. This thesis has therefore adopted the epistemological perspective of critical realism to understand the interplay between the reality of the natural and social world by identifying inherent structures in the organizational field of Blue Denmark as our material reality is constantly being shaped by social influences and interpretations (Della Porta and Keating 2012, 24). By employing the framework of critical realism, my epistemological stance leverages my ontological perspective by exemplifying the underlying mechanisms and structures of sustainable governance in Blue Denmark, potentially explaining the observable phenomenon of institutional isomorphism.

Simultaneously, the epistemological approach of critical realism also acknowledges the influence of socially constructed factors on my perception and interpretation of reality (Della Porta and Keating 2012, 24), thereby shaping my findings. Thus, by adopting a critical realist perspective, the findings of this study move beyond empirical observation to identify inherent structures in Blue Denmark's response to the evolving sustainability reporting framework, like ESG, while also recognizing the role of human agency and interpretation in mediating these processes. This dynamic philosophical perspective between my social constructivist ontology -and critical realist epistemological stance can facilitate a nuanced exploration of how companies within Blue Denmark navigate and adapt to the challenges and opportunities of the ESG framework.

## *4.2 Research Design*

As I sought to examine the correlation between institutional change and institutional isomorphism within the context of ESG reporting in Blue Denmark, I opted to utilize an in-depth case-study research design to understand the complex issue of transitioning to a sustainable regulatory framework in a setting that is regarded as both an area of industrialization and a global common. Although case study designs generally are not designed around a single case study, Bent Flyvbjerg

(2006, 220) clarifies that while one cannot generalize from a single case study, it is possible to exemplify a phenomenon from a single case study. By utilizing the theoretical framework of Institutional Theory and my literature review on the relationship between ocean and society in an analytically generalizable way; as well as incorporating my maritime event ethnography and interviews with maritime companies in Blue Denmark as a part of my case study, I am able to exemplify the phenomenon of ESG reporting in Blue Denmark to shed a light on seemingly similar ESG issues that might be impacted by the territorialization of a global commons when discussing sustainable governance within the EU.

This thesis focuses on the dynamics of institutional change and ESG practices within Blue Denmark, and it was conducted through a case study on institutional isomorphism in Blue Denmark's sustainable governance practices. My research was conducted through a case study to understand the organizational behaviours of maritime companies transition to the EU's impending regulatory directive, CSRD. By conducting this case study in organizational studies, I aim to thoroughly examine the internal and external influence of stakeholders and the organizational field by applying the institutional theoretical framework. More specifically, by applying my theoretical framework to Blue Denmark's maritime industry, I can examine any potential correlation between a desire to adhere to sustainability reporting from an institutional isomorphism perspective. Furthermore, by employing an explorative approach to this case study, I ensured flexibility during my data collection and knowledge to include new insight and data throughout this project (Bryman 2012, 41). This approach was chosen as this specific angle of examining ESG integrations against institutional isomorphism is not an area that has yet to be extensively researched, especially not in the context of Blue Denmark.

Although the topic of sustainability as sea is examined from the aspect of regulations, science, technology, engineering, and math, then this study's application of the explorative methodological strategy has been utilized to investigate the complex research area of organizational practices in the maritime sphere through the interlinked nature of institutional structure and ESG practices in the oceans. To provide some structure to my exploratory research approach, I have chosen to conduct my research using a qualitative research method to ensure that I can qualitatively utilize quantitative materials within my study (Bryman 2012, 35-36). As I am examining any patterns that might emerge from my study on sustainable governance in Blue Denmark, the qualitative methods approach allows me to use a variety of data collection methods

and analytical techniques to gain a complete understanding of the domain as well as enhance the validity and reliability of my findings. This study's qualitative research strategy will consist of interviews, field observations, textual analysis, and numerical data based on ESG reports and available data on the maritime domain to explore the phenomenon of institutional isomorphism and ESG reporting in Blue Denmark.

Moreover, an essential part of this study's research design is my chosen method of reasoning, as it influences the structuring of my arguments, analytical findings, and this study's overall conclusion. Given the predominant interpretivist considerations inherent in both my ontological and epistemological stance, this thesis adopts an inductive method of reasoning. This approach enables my argument to be grounded in available data without asserting an objective truth (Bryman 2012, 27). The inductive method facilitates concluding the ESG practices of Blue Denmark based on a sample of observed instances, such as my chosen method of conducting interviews with individuals responsible for decarbonization and sustainability departments within companies operating within Blue Denmark. My thesis is thus constructed as an inductive study, aiming to explore how ESG shapes the institutional practices of companies which — until the EU's upcoming regulatory framework — have been able to avoid scrutiny through legislative frameworks by the Danish government and the EU. By analyzing current data on the topic and generating additional insights through interviews and event ethnography, I could construct my study as a scientific inquiry into the impact of institutional pressure and change.

By choosing to base my arguments on the perceptions and worldviews presented in my selected datasets, my analytical findings and conclusions are limited to the scope of these chosen datasets due to their reliance on available knowledge. Consequently, these analytical findings and conclusions, rooted in this methodological approach, may not be verifiable or objectively accurate, as they are based on my researched data, interviews, ethnographic observations, and interpretations thereof. It is, therefore, essential to recognize that other researchers investigating the same research problem may arrive at different conclusions due to the social construction of how we as researchers view the world. To address this limitation and enhance the credibility and validity of my research, I have employed the triangulation method to ensure that my findings would be able to be cross-checked across several data sources in my study. According to Bryman (2012, 392), this approach ensures a more robust and reliable form of argumentation and analytical findings, as findings are based on multiple sources and methods. More specifically, the approach of triangulating findings

was especially vital for my qualitative research study as it, on the one hand, allowed me to cross-compare my ethnographic observations with interview questions, as well as asking the maritime companies in Blue Denmark the same question to triangulate findings on institutional isomorphism in Blue Denmark sustainable governance practice.

### *4.3 Method of Data Collection*

As I sought to explore the organizational -and regulatory practices within the maritime domain that have led to an institutional change of companies' impact on the environment, society, and its internal governance practices as part of a long-term sustainable solution, my chosen dataset needed to be able to represent the focal points of my study. To ascertain the presence of isomorphism within the practices among various actors in Blue Denmark, I opted for a more unstructured approach to data collection. This method was chosen to ensure that while my data would be utilized qualitatively, I could maintain an open mind regarding the insights that might emerge from my literature review and theoretical framework. The following section will, therefore, outline my methods used to collect data, e.g., event ethnography, interviews, which has allowed for a more inductive approach to my data collection and my chosen criteria for data selection.

#### **4.3.1 Criteria for Data Selection**

It was crucial to establish specific criteria for data selection to ensure the validity and reliability of the analytical findings derived from my dataset. This approach aimed to help identify patterns within the data that effectively address my research question and ensure that my data would be comparable. The first criterion was based on the relevance of the data to my case study on Blue Denmark's sustainable governance practices. It was vital that the data could be used qualitatively, meaning it could not be purely numerical without any contextualization to support the data.

The second criterion was closely related to the timeliness of my research problem and the existing knowledge gap. Therefore, the data needed to focus on either Blue Denmark or sustainable governance within the maritime domain. This ensured that the data could be triangulated with each other and connected to my literature review on oceans and society.



The third criterion for my data selection was based on Meyer and Rowan's (1991) fig. 1 of institutional isomorphism within an elaborated institutional environment. This ensured that my data could identify potential contradictions or heterogeneity within the figure. By applying this criterion, I aimed to triangulate my selected dataset with my theoretical framework to assess the impact of the institutional field and organizational change.

The fourth criterion was established to ensure that my dataset's findings could apply to ESG and institutional change in Blue Denmark. Consequently, I required a comprehensive dataset consisting of at least 10 datasets focusing on interviews and potential ESG reports from maritime companies that operate with vessels in their day-to-day activities, as well as data from maritime fairs pertaining to sustainable governance. Of these ten datasets, four needed to be interviews with relevant actors within the Danish maritime domain.

#### 4.3.2 Dataset Overview

My chosen dataset comprises of diverse textual materials gathered from various sources, i.e., events, interviews, and sustainability reports. My dataset provides an extensive resource for organizational analysis, sociological studies, and policy analysis. I meticulously collected two datasets from fieldwork, five interview transcriptions, and four analytical reports, totaling 11 datasets. My dataset offers insights into organizational practices, discourse patterns, societal trends, legal frameworks, and policy recommendations. Each document type offers unique insights into different domains, enabling interdisciplinary investigation and fostering a deeper understanding of ESG practices in Blue Denmark. Below is a comprehensive overview of the dataset and source information:

Data Type	Location	Date	Site	Actors* <sup>1</sup>	Material/data
Event <sup>2</sup>	Aalborg University, Denmark	March 6, 2024	Maritime Careers Fair	Maritime companies, Researchers, students	Slides (PowerPoint) Field notes (and participant observation) Interviews with stakeholders
Event <sup>3</sup>	Copenhagen, Denmark	May 14, 2024	Scandinavian Maritime Fair	Ship manufacturers, suppliers, operators, shipowners, and service providers (both onshore and offshore)	Field notes (and participant observation) Interviews with stakeholders Pictures
Interview <sup>4</sup>	Teams	April 2, 2024	Maersk Supply Service	Head of Decarbonization*	Transcription of interviews
Interview <sup>5</sup>	Teams	April 5, 2024	DFDS	Head of Group Sustainability*	Transcription of interviews
Interview <sup>6</sup>	Teams	May 15, 2024	A.P. Moller Maersk	Sustainability Manager Nordics*	Transcription of follow-up interview
E-mail Interview <sup>7</sup>	E-mail	May 13, 2024	A.P. Moller - Maersk	Sustainability Manager Nordics*	Written interview
E-mail Interview <sup>8</sup>	E-mail	April 4, 2024	NORDEN	Head of Decarbonization & Climate Solutions and Head of Organizational Development*	Written interview
Sustainability Report	Website	2022	Maersk Supply Service	Sustainability Overview 2022	Analytical documents
Sustainability Report	Website	2021	DFDS	ESG Review 2021	Analytical document
Sustainability Report	Website	2023	A.P. Moller - Maersk	Sustainability Report 2023	Analytical document
Sustainability Report	Website	2023	NORDEN	Annual Report 2023	Analytical document

Table 1: Dataset Overview Table

### 4.3.3 Overview of Method of Data Collection

As I recognized the need to gather more information about the maritime industry before delving into my study, my exploratory research strategy guided my initial research stages. The maritime domain in Denmark offers multiple perspectives for examination, so I attended a maritime career

<sup>1</sup> Original identities can be provided by the author.

<sup>2</sup> Appendix F: Event Ethnography.

<sup>3</sup> Appendix G: Event Ethnography.

<sup>4</sup> Appendix A: Interview Transcript.

<sup>5</sup> Appendix C: Interview Transcript.

<sup>6</sup> Appendix E: Interview Transcript.

<sup>7</sup> Appendix D: Interview Transcript.

<sup>8</sup> Appendix B: Interview Transcript.

event at Aalborg University to gain more insights into the sector. During this event, I was introduced to the concept of Blue Denmark and witnessed firsthand the company-specific emphasis on sustainability and innovation. This initial observation prompted me to focus my research on the role of organizational strategies within Blue Denmark, explicitly examining how these strategies are employed to convey information about the sustainable governance framework of ESG.

As outlined in my criteria for data selection, it remained crucial for me to compare the influence of institutional structures across different organizations. I, therefore, decided to concentrate my interviews on stakeholders directly involved in the maritime transport industry, including shipping companies, offshore companies, and ferry operators. In addition to these interviews, I also attended two events within the maritime domain to observe how maritime transport companies utilize various platforms to establish a sustainable profile and assess how this may be influenced by institutional isomorphism. The following section will present an overview of my method of data collection.

#### *4.3.3.1 Events as ethnographic scenes*

Event ethnography was employed to comprehensively explore the interplay between diverse organizations within the Danish maritime domain. This methodological approach provided an in-depth examination of the interactions among key stakeholders, thus highlighting a critical aspect for the study's findings of institutional structures within an evolving sustainability framework.

Events, as focal points of collective experience, inherently possess temporal constraints due to their fleeting nature (Brosius and Campbell 2010). Despite this limitation, they serve as an invaluable platform for observing and analyzing the dynamics of inter-organizational relationships. The participatory nature of companies within the maritime industry in engaging with the study underscored the significance of leveraging event ethnography as a methodological tool. Through immersion in such events, I gained insight into the power dynamics and evolving relations generated by a concentrated interaction among diverse stakeholders. Furthermore, these events provided a platform to observe the flow of ideas and innovation across maritime organizational boundaries.

According to J. Peter Brosius and Lisa M. Campbell (2010), there is a “...surprising lack of ethnographic attention to ‘the meeting’ as a field site” (247). Brosius and Campbell's (2010)

research sheds light on this gap, emphasizing the need to explore localized field sites and their interface with actors shaping discourse on global environmental governance. This insight resonates within the context of my ethnographic inquiry into maritime events, as these field sites provide a forum for me as a researcher to participate as an individual to understand the correlation between institutional change and institutional isomorphism within the context of ESG reporting in Blue Denmark. Through the method of event ethnography, both the Maritime Careers Fair and Scandinavian Maritime Fair extend beyond mere occurrences such as conferences or conventions; instead, they represent a multifaceted forum embedded within a broader socio-cultural context. Nonetheless, as Brosius and Campbell (2010) point out, the sheer complexity and dynamic of these events make it inherently challenging for any individual researcher "...to gain a broader analytical perspective on the events unfolding before them as these meetings proceed apace" (247). To address this limitation, I employed the data collection strategy of interviews with targeted interviews with representatives from four prominent maritime companies and the inclusion of sustainability reports. This triangulation of data sources enhanced the reliability and validity of my analytical findings and the interpretive nature of my study.

Besides my exploratory approach to the maritime event hosted by Aalborg University, I also aimed to structurally approach event ethnography through an event directly marketed to individuals already entrenched in the maritime industry. To effectively comprehend the intricacies of sustainable governance within Blue Denmark, the Scandinavian Maritime Fair in Copenhagen was selected as a primary research site. This venue offered a unique vantage point for engaging with a spectrum of participants, including ship manufacturers, suppliers, operators, shipowners, and service providers, both onshore and offshore. Thorough documentation of notes proved indispensable, offering thorough encapsulations of observed behaviors, social dynamics, and individual insights. Through written vignettes, this documentation will be presented within the analytical findings to provide a written conceptualization of the way in which these event shaped by knowledge of the maritime industry transition to the sustainability framework.

**4.3.3.1.1 Researcher role.** There was an apparent difference in my researcher role between the two locations, as the Maritime Careers Fair targeted my specific demographic i.e., student, and was held in a location that could be considered my habitat i.e., Aalborg University. In contrast, the Scandinavian Maritime Fair specifically targeted people within the maritime industry and was held

in an unfamiliar location i.e., conference hall in Copenhagen. I attended the two events from an exploratory approach. I therefore observed the events from the participant observation role of a young female student. As a result, I did not hold a neutral position as I am always situated in correlation to how I view the view from my social constructivism ontological standpoint.

As I observed from the role of participant observation, I deemed it necessary to clarify my objective to the participating companies as it provided me with a forum for follow-up questions about their strategies and insight into areas I might need to look further into. This format, therefore, affected how I read the event as I came in with a scholarly background rather than a business or engineering background. While I do not represent the traditional attendee, it was furthermore important that I clarified that I would observe and write down my findings as well as intervene to ask questions to people at the stands as well as the ones conducting the various presentations throughout the day. There might therefore be a level of analytical distance in the data collection, as I had to determine what was essential and what was not as the way I entered the event meant that I had already positioned myself as a researcher in one way or another.

#### *4.3.3.2 Interviews*

To ensure the validity and reliability of the analysis, this thesis used interviews as the primary method of data collection. Embracing their versatility, I employed structured and semi-structured formats. While I initially favored semi-structured interviews due to their adaptability as they provided the format of interview guides, thus allowing for spontaneous follow-up inquiries, then the study's interdisciplinary nature prompted a pragmatic approach, with some companies expressing a preference for written interviews.

Notably, the interview with NORDEN and Maersk was conducted in a written format over e-mail correspondence. Moreover, logistical considerations had to be accounted for, particularly the scale of specific organizations such as Maersk, which led to the inclusion of written interviews to accommodate their operational constraints. Although this structured format may have limited the depth of question clarification compared to verbal interviews, the gained insights facilitated a broader generalization of findings. This interview format also reflects that the Head of Sustainability Manager Nordics at Maersk and the Head of Decarbonization & Climate Solutions and Head of Organizational Development at NORDEN act as a spokesperson for their institutions as they encompass a slightly more hierarchical organization structure. It should also be noted that,

in addition to the written interview with Maersk, they also participated in a follow-up interview, during which I utilized the written interview as a background reference for follow-up questions.

I also utilized semi-structured interviews conducted over Teams due to geographical constraints. Specifically, I conducted semi-structured interviews with the Head of Decarbonization at Maersk Supply Service and the Head of Group Sustainability at DFDS. The selection of these interviews was predicated on the conviction that they would provide an insight into the portrayal of the multifaceted dynamics within the Danish maritime industry to cast a light on the organizational behaviors and practices. I limited the interviews to one per company to maintain a focused exploration of key insights into sustainable governance without overwhelming the study with an excess of interviews.

Acknowledging the nuances introduced by differing interview modalities, the utilization of written interviews alongside semi-structured verbal interviews contributed to a comprehensive exploration of perspectives across diverse organizational contexts.

## *4.4 Method of Analysis*

Due to the large variety in my datasets, I strategically developed a data analysis plan that would outline the procedures for data analysis and facilitate the processing, organization, and interpretation of the collected data. This section will, therefore, first provide an overview of my chosen research instrumentation, which would allow me to triangulate my findings. The next section will be based on my self-developed data analysis strategy table describing my analytical approach to my data analysis and a subsection on the interplay between my theoretical and methodological framework.

### **4.4.1 Research Instrumentation**

The initial phase of my research instrumentation involved establishing the ability to cross-compare various components within my datasets. Given the various nature of data sources, I adopted a multifaceted data collection and processing approach. While the ESG reports were available written materials that required less extensive gathering and processing, the interviews conducted

with DFDS, Maersk, Maersk Supply Service, and NORDEN, along with the maritime event data, demanded more thorough processing prior to analysis.

To prepare the interview data, I employed transcription as a research tool. I transcribed the audio recordings into textual format, allowing for deeper analysis and comparison across interviews. As the interviews were conducted via Microsoft Teams, and as Aalborg University supports this platform, I leveraged the platform's built-in artificial intelligence (AI) for real-time transcription. Subsequently, I reviewed the AI-generated transcriptions five times to ensure an unabridged version of the original spoken words, thus enhancing the accuracy and reliability of the transcribed data.

For the maritime event data, I adopted a systematic approach to data collection, ensuring comprehensive documentation of observations and insights. I meticulously wrote field notes during the events, capturing critical discussions, presentations, and observations related to sustainability practices in the maritime industry. These field notes served as primary data sources for subsequent analysis, as they shaped my social reality of the maritime industry.

#### 4.4.2 Data Analysis Overview

To ensure a thorough understanding of the source information for each dataset and guide the analytical process effectively, I devised a structured table. This table serves as a comprehensive tool for identifying the origin of each data set. It outlines the analytical strategy focusing on research objectives, findings, isomorphic elements, and limitations for every component. By employing this specific analytical approach, I aimed to interpret the data across various components systematically, thereby enhancing the robustness of my qualitative analysis method. Below is a comprehensive overview of the structure of the table:

Dataset	Objective	Analytical Approach	Isomorphic Elements	Limitations
Interviews	Gain insights into organizational ESG practices of maritime stakeholders.	Thematic content analysis of organizational ESG practices undertaken by maritime transport and offshore companies.	Identification of common themes and patterns in sustainability efforts across different stakeholders	Potential limitations of the datasets
ESG Reports	Analyze ESG reports and sustainability disclosures to assess adherence to ESG criteria.	Thematic content analysis of variations in the depth and quality of ESG reporting among maritime stakeholders.	Identification of trends and inconsistencies in ESG reporting practices	Potential limitations of the dataset.
Maritime Event Data	Explore industry engagement with ESG topics through exhibitor and attendee data.	Thematic content analysis of emerging trends and innovations displayed at maritime fairs related to sustainability in the industry.	Identification of key themes and topics driving discussions on sustainability in the maritime sector	Potential limitations of the dataset.

*Table 2: Data Analysis Strategy Table (Developed by the author)*

The data analysis strategy table was developed to ensure I could cross-reference my findings across various datasets. This was specifically relevant to my study, as I utilized three different forms of datasets: Interviews, ESG reports, and maritime event data. The first step of my analytical strategy was centered around getting to know my various datasets to gain a thorough overview of the data and how the different datasets gave insight into different dimensions of my case study. The second part of my analytical strategy was centered around a thematic content analysis in which I employed the methods of coding to highlight elements that seemed of particular interest, as well as areas that illustrated a specific discourse or lack thereof, such as the discourse around the commons in the sustainable regulatory framework.

As my case study specifically examines the phenomenon of institutional isomorphism, I also deemed it important that this was reflected in my analytical strategy table. I therefore utilized this aspect to identify key themes, trends, and patterns across Blue Denmark's maritime industrialization sector. The last part of the table aided the process of discovering any potential limitations inherent in the datasets that might impact any triangulated findings, as well as limitations that might provide insight into limitations in my study.



## 5 Analytical Findings

The following analysis will be divided into the three: Navigating the Sustainability Challenges of the Last Frontier, Oxymoron of Institutional Change and Sustainability Reporting, and Deconstructing the Future ESG Practices of Blue Denmark.

The first part *Navigating the Sustainability Challenges of the Commons* will focus on the different institutional attitudes that impact the regulatory frameworks of ecopolitics in the global commons through my datasets and my literature review on the relationship between the oceans and society. This will aid me in determining the operational dynamics of the global maritime companies' business model in a domain that, despite its busy practices, often is subjected to the framework of institutional regimes and its interlinked relation with the framework of the blue economy.

The second part *Oxymoron of Institutional Change and Sustainability Reporting* takes its point of departure in institutional change amidst the evolving sustainability reporting landscape. The Institutional Theory framework is combined with the ESG framework to portray the interconnectedness between institutions and the organizational field to determine drivers of sustainability. This will be done by highlighting the interconnected nature of the various actors affected by the maritime industry and the economic and environmental impact of an industry run by vessels.

Lastly, the third part *Deconstructing the Future ESG Practices of Blue Denmark* investigates the future of sustainability reporting in Blue Denmark to discover how companies use data as a form of dialogue to their stakeholders. This will be done by contextualizing findings from the two previous sections and the literature review to deconstruct the current and future maritime practices of companies operating within Blue Denmark and the Danish government.

In the following sections, the sustainability reports by DFDS, Maersk, Maersk Supply Service, and NORDEN, as well as the ethnographic fieldwork, are often implicit in the presentation of findings as they were utilized throughout the process of thematic content analysis to provide insights into the intertwined discursive structure of actors within Blue Denmark as well as shaping by social reality of the domain and researcher role.

## *5.1 Navigating the Sustainability Challenges of the Commons*

In my preliminary research on the maritime industry's sustainability reporting, I discovered that although there was a predominant focus on data, research, and development, said focus was rarely aimed directly at underpinning the oceans as a crucial actor within the maritime business model ecosystem, but as an area of territorialization and operationalization. Recognizing the importance of viewing the oceans as an active and equal actor alongside the maritime industry in the evolving sustainability landscape — both within the international milieu as well as in my case of Blue Denmark — I deemed it essential to examine the correlation between the oceans and society within the framework of ecopolitics as presented in the literature review.

This section, therefore, aims to explore how the oceans are viewed by the maritime industry, politicians, and the public. This will be done by considering how businesses and financial institutions navigate sustainability challenges within a finite global common that has become a part of everyday life. By delving into the intersection of ESG reporting and an economic system of a finite global common, this section provides a comprehensive understanding of how maritime companies in Blue Denmark align their operations with sustainability objectives amid limited resource constraints. The analysis will first examine the practices inherent in an anthropocentric business attitude towards the sustainability framework. Subsequently, the analysis will utilize this insight to explore the organizational field that Blue Denmark's maritime industry navigates within.

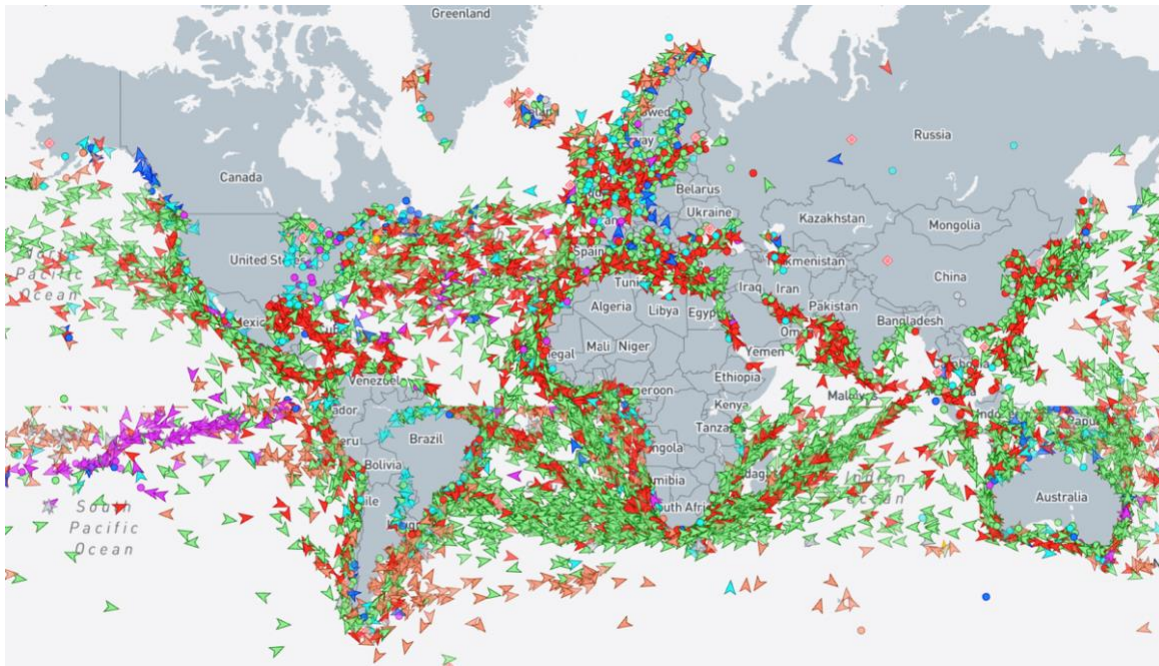
### **5.1.1 Anthropocentric Attitude Towards ESG Reporting**

In recent years, there has been a significant paradigm shift in ocean governance, particularly in establishing a sustainability framework capable of addressing sustainable maritime business practice within the maritime domain. In contrast, this debate surrounding ocean governance has adopted a reactive approach in which sustainability reporting in the maritime sector was primarily prompted by external pressures such as public demands and regulatory mandates (Spalding and Scott 2023, 158). This reactive approach has taken precedence despite the oceans being considered one of the planet's last frontiers to be territorialized (Abhold et al., 2019). While this thesis does not seek to examine the sovereign territorializations of the oceans, my datasets revealed that using the ocean as a direct transport line for goods, services, and offshore activities enables an anthropocentric approach to sustainability reporting and, subsequently, the blue economy.

With an estimated 70 percent of the Earth's surface covered by water, the sheer size of the oceans makes it simultaneously the plants' largest ecosystem due to its ability to regulate the global climate system and its importance in supporting life below and above water. The role of the oceans in mitigating humankind's climate change is, furthermore, supported by the domain's ability to absorb an estimated 23 percent of annual CO<sub>2</sub> emissions directly linked to human activities (United Nations. n.d.). Despite its global importance, the oceans have become a fragile domain, especially since pre-industrial times, as "...decades of irresponsible exploitation have led to an alarming level of degradation" (United Nations. n.d.).

In support of the UN's Sustainable Development Goal 14: 'Life Below Water' (United Nations. n.d.), the Nippon Foundation and General Bathymetry Chart of the Ocean developed the Seabed 2030 project to provide a detailed underwater mapping of the world's ocean floor by 2030 (Seabed 2030 n.d.). When the project was launched in 2017, only six percent of the oceans had been mapped out, but the latest data from 2023 indicates that the project successfully has managed to map out around 25 percent of the seafloor (Seabed 2030 n.d.). While the initiative plays a large part in how we understand the oceans, then it is not a standalone solution to altering the continuous degradation of the domain. There is, therefore, a need for maritime companies to take on a direct role as healthy oceans are vital for their operation. In line with this discourse, Maersk has aimed to collect data from their vessels and utilize it to positively impact the issues that society is facing in connection to the oceans (Appendix E, l. 67-70).

The data provided by Seabed, nevertheless, highlight the issue of sustainable governance in the maritime domain that Blue Denmark has to navigate in to make the best-informed decisions for their business model on the one side, and their impact on the oceans and unexplored areas full of species and biodiversity that is yet to be identified (Spalding et al. 2021). Concurrently, the nearshore and high seawater directly impact human activity through habitation, tourism, and sea transport routes (Spalding et al. 2021). Nevertheless, while it is possible to track human activity in the ocean through satellite tools due to global shipping routes, as illustrated in Fig. 2, then other human impacts are not visible to the open eye — noise pollution, air pollution, ballast water, disruption of migratory routes, carbon emission, oil spill — but can negatively impact climate change and biodiversity of not only the sea but also land activities (Harden-Davies 2023, 141).



*Figure 2: Global shipping and transportation routes (Marine Traffic 2020).*

In order to find symbiosis in this ocean-society relationship, the role of initiatives such as the UN Decade of Ocean Science for Sustainable Development 2021-2030, the UN's SDG 14, and Seabed 2030 draw attention to the growing need to address maritime sustainability in a framework that can account for both the oceans and maritime industry as vital actors. Nevertheless, despite the growing traction of these initiatives within the context of the international milieu and sustainability reporting, then my datasets indicate that the discourse surrounding ocean governance continues to be heavily influenced by an anthropocentric worldview, in which companies must buy into the premise of sustainable governance in the maritime domain. For instance, the Sustainability Manager Nordics at Maersk (Appendix E) noted that sustainability reporting has gone from being a philanthropic Corporate Social Responsibility (CSR) coded value to being a "...strategic tool, (...), that is the big change. And now it is not nice to have anymore. It is a must have (...) so do you want to be the last one, or do you want to be the first one, or do you want to lie there in the middle, or where do you want to be?"<sup>9</sup> (Appendix E, l. 26-30). This alteration in how companies discuss the sustainability framework within the EU thereby represents a gradual shift in company

<sup>9</sup> Translated by the author from original text: "...strategisk værktøj, (...) det er sådan det helt store skifte. Og nu er det ikke nice to have mere. Det er need to have. Og så handler det jo lidt om at komme, altså vil du være the last one, eller vil du være the first one, eller vil du ligge der i midten, eller hvor vil du? Så jeg tror, det er mere det, der er spørgsmålet nu, eller om du vil være medlem eller ej."

structures. The reporting for larger companies is no longer only a result of mimetic isomorphism, but also heavily influenced by coercive isomorphism, as the EU and Denmark, as institutional regimes, exert formal pressure on the maritime industry.

Albeit this premise of being either at the forefront or end of the sustainable transition and reporting is a concurrent finding in my datasets, then it is rather interesting that the Head of Decarbonization & Climate Solutions and the Head of Organizational Development at NORDEN also expresses a “fear that the focus on governance and reporting can take away focus from the actual ESG initiatives as the reporting requirements are getting more and more comprehensive”<sup>10</sup> (Appendix B, l. 74-76). Even though the datasets thereby underline that the corporate landscape of maritime companies within Blue Denmark is motivated by a form of coercive regulatory framework, such as the EU's CSRD; then the reservations by NORDEN also highlight a need to situate sustainable governance with the commodification of the maritime environment. This finding is exemplified in Tsing's (2003) perception of investment landscapes as the oceans end up being examined from an anthropocentric corporate business perspective rather than an ecocentric perspective.

However, one platform that has sought to challenge this static perception of viewing the oceans is the Earth Overshoot Day<sup>11</sup>, which seeks to take a more ecocentric perspective to the notion of sustainability initiatives. The platform does this by proactively examining areas that can change the current overshoot day. Albeit the Earth's overshoot day for 2024 was calculated to be the 25th of July, Denmark only needed 76 days to utilize its resources (Footprint Network n.d.b).<sup>12</sup> Recognizing the intricate linkage between modern societies and the maritime industry, the platform also analyzed the impacts of adjusting the speed of cargo ships through a 20 percent reduction in which they found that this single change alone would be able to move the projected date by 0,9 days globally (Footprint Network n.d.c).

These observations are also evident in my interview with Maersk Supply Service, in which the Head of Decarbonization noted that: “...but we can control that we can go seven knots instead

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<sup>10</sup> Translated by the author from original text: “We do however fear that the focus on governance and reporting can take away focus from the actual ESG initiatives as the reporting requirements are getting more and more comprehensive.”

<sup>11</sup> Earth Overshoot Day determines when human consumption of natural resources exceeds the biocapacity of the planet's ability to regenerate itself (Footprint Network n.d.a).

<sup>12</sup> Calculated from and including Monday, the 1st of January 2024, to and including Saturday, the 16th of March 2024.

of 12 knots. (...) we go slow so that we can save emissions when we can, because (...) there are certain situations where we have to go somewhere very quickly. So, we need to go slow so that we can save it for when we really need to go fast.” (Appendix A, l. 454-458). While these findings, on the one side, demonstrate the intricate interplay between the resources of the maritime industry and climate dynamics, they also showcase how even subtle shifts in industry practices can positively alter global practices by applying unconventional solutions.

However, while a prevailing anthropocentric sustainable governance framework drives the perception of nature as a resource for manipulation and control, it is essential to recognize that not all actors prioritize their needs over nature within this framework. The global supply and demand market structure has generated contrasting worlds where society and the ocean are juxtaposed as conflicting entities rather than symbiotic partners. This observation can be linked to the 1992 Rio Declaration on Environment and Development (Rio Declaration), which outlines 27 principles set forward by the United Nations Conference on Environment and Development (UNCED) to ensure sustainable development and environmental protection (United Nations General Assembly 1992). While the Rio Declaration could be argued to support an ecocentric attitude by stating that “Human beings are at the center of concerns for sustainable development” (United Nations General Assembly 1992, 1), then the declaration upholds an anthropocentric attitude toward sustainable governance by asserting that human beings are "...entitled to a healthy and productive life in harmony with nature” (United Nations 1992, 1). The issue of navigating the oceans as a frontier is challenged by a discourse that, whether consciously or subconsciously, upholds an us versus them mindset towards the global commons by not regarding human practices as a part of the natural world. As a result, the practices of the maritime industry and the global regulatory frameworks are not being innovatively challenged by a willingness accommodate a business model designed around the planet's biocapacity and ability to regenerate itself.

At the same time, although my findings indicate that the regulatory framework and subsequent green transition are connected to an anthropocentric perspective, then it is also important to note that my field observation at the Scandinavian Career Fair and the Maritime Career event also illustrated that the innovative resource problem hinders the predominant discourse for a sustainable transition. More specifically, several companies at the events indicated that it was challenging to commit to a specific strategy as the cost and timeline of building ships meant a long timeline from ordering a specific modification to the vessels becoming an active part

of the company's operating fleet. These observations are also linked to my interview datasets in which Maersk noted that "...the maritime shipping industry will be put to the test for how they treat people and the environment - so across the many parameters (safety, inclusion, pollution, health, biodiversity, etc.)"<sup>13</sup> (Appendix D, l. 122-124). While acknowledging the company's responsibility, this changing perspective indicates that the ESG framework can examine the three dimensions simultaneously through normative pressure and legitimizing the company's autonomy. For DFDS, this shift also impacts a company's ability to help one another, as they can share available knowledge (Appendix C, l. 339-341).

Nevertheless, while the IMO's regulation is predominantly directed at cargo, bulk, -and tanker vessels, then smaller companies are actively beginning to either prepare to adhere to the regulatory framework or, as in the case of a data company at the Scandinavian Maritime Fair, beginning to look into investing in niche areas, such as data mining and decarbonization as a means to disrupt the market structure due to the mimetic pressures of larger institutions and institutional regimes, like the IMO and the EU.

### 5.1.2 Economic System of a Fixed Global Common

Following my findings that an anthropocentric worldview heavily influences the maritime sustainability reporting discourse; this section will continue the exploration of the economic and organizational field of Blue Denmark that the Danish maritime industry navigates inside. Through the claim of the organizational field and the conceptualization of the blue economy, I will delve into the changing resource and reporting patterns to examine whether implementing another economic strategy could impact the evolving sustainability framework.

UNCTAD (2023) revealed a concerning trend in Denmark's maritime transport industry: The industry's carbon dioxide emissions increased 44 percent<sup>14</sup> from 11,734,910 tons in 2012 to 16,887,869 tons in 2022. The report emphasized the urgent need to balance "...environmental sustainability, regulatory compliance, and economic demands for a prosperous, equitable, and resilient maritime transport future" (UNCTAD 2023, 4). This perspective from UNCTAD challenges governing bodies to take decisive action. However, it is crucial to acknowledge their

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<sup>13</sup> Translated by the author from original text: "... den maritime skibsindustri kommer til at stå på mål for hvordan de behandler mennesker og miljø – så tværs af de mange parametre (safety, inclusion, pollution, health, biodiversity osv.)."

<sup>14</sup>  $[(\text{Final Value} - \text{Starting Value}) / |\text{Starting Value}|] \times 100$ .

calculations, which estimate that decarbonizing the world's fleet by 2050 could necessitate an annual investment ranging from \$8 billion to \$28 billion (UNCTAD 2023, 25). The infrastructure required for 100 percent carbon-neutral fuels could demand an even more significant investment, ranging from \$28 billion to \$90 billion per year, which would mean that full decarbonization could "...raise annual fuel costs by 70 to 100 percent compared to current levels" (UNCTAD 2023, 25).

As part of this process of greening shipping, NORDEN has increased carbon emission transparency to ensure that their customers, besides the cost and time, also can account for the environmental impact of the voyage (NORDEN 2022, 45). These emissions are, furthermore, published in a report by the Sea Cargo Charter Organization to provide an overview of the maritime transport industry's GHG targets (Appendix B, l. 63-65). By contrast, although Maersk Supply Service does not have to report its carbon emission intensity, then the company has created a similar "...calculation for offshore vessels because how do you calculate the emission intensity of a vessel that doesn't do a lot of transit but does very emission intense activities" (Appendix A, l. 434-436).

At the same time then, this economic resource constraint in the decarbonization process is, according to the Head of Decarbonization at Maersk Supply Service, also hindered by human resource constraints as "...there are more people who work on labor rights and relations and human rights than there are in decarbonization" (Appendix A, l. 563-564). When analyzing this human resource restraint, it should be noted that a company's fleet's economic approach and decarbonization efforts are directly tied to its size, as any advancement of the blue economy must encompass financial resources, organizational size, and investment priorities. My datasets shed light on this resource challenge that the decarbonization departments face, as the scope and scale of decarbonization initiatives can be significantly impacted by the financial resources available and the company's ability to allocate them effectively while aligning with the principles of the blue economy.

For example, my interview with DFDS drew attention to this issue of resource allocation within DFDS, providing valuable insight into their sustainability efforts within the context of the blue economy. More specifically, the Head of Group Sustainability noted that while DFDS's sustainability group consists of three people, then the company's "...Sustainable Fleet..." (Appendix C, l. 55) consists of 12 individuals that are focused on sustainability within their fleet operations as well as an additional ten personnel assigned explicitly to group-wide decarbonization



initiatives (Appendix C, l. 54-57). By developing a target around their primary source of emissions, namely the vessel, then the company has been able to innovatively reconsider how human resources are being utilized within the internal institutional structure by utilizing normative pressure to reduce their missions through various targets on both a climate and societal level (DFDS n.d.a). This substantial allocation of human resources underscores the institutional commitment to addressing environmental concerns and implementing sustainable practices throughout its operations, contributing to the advancement of the blue economy. Such investments in personnel and expertise highlight DFDS's proactive approach to navigating the challenges of decarbonization and achieving long-term sustainability goals within the framework of the blue economy.

While the blue economy, based on its singular focus on the sustainable utilization of oceanic resources to promote economic growth, human well-being, and social equity, I would argue, that this anthropocentric lens consequently prioritizes human interests and economic development. These findings are connected to the need for a proper regulatory law on the maritime industry, overlooking SMEs or fleets outside of IMO's traditional scope and historical exploitation of maritime resources for commercial gain. However, evidence from my datasets suggests that this perception of an anthropocentric interdependency between society and the maritime ecosystem is slowly changing as companies become more aware of their influence on overexploitation, habitat degradation, pollution, and biodiversity loss. By utilizing the political platform of various events such as the Conference of the Parties (COP), dominant actors, such as Maersk, are seeking to make their voices heard while also making sure that policy regulators are drafting a regulatory framework that is possible both in theory and in practice and utilizes the knowledge from the maritime industry to set a certain standard of operation (Appendix E, l. 77-85). By uniting the maritime industry at these events, the five major maritime shipping companies that stand for 70-90 percent of all global trade can agree on specific topics rather than solving the problem alone; then the Sustainability Manager Nordics at Maersk notes that the EU and the United States of America are forced to listen. These regulatory solutions thereby become "...a part of the political agenda, and not just out of goodwill..."<sup>15</sup> (Appendix E, l. 113-114).

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<sup>15</sup> Translated by the author from the original text: "...bliver en politisk agenda, og det ikke bare bliver out of goodwill..."

The interdependency between society and the maritime ecosystem is starting to take a more ecocentric approach, as dominant actors in the maritime industry are leading the sustainable transition by acknowledging the importance of maintaining ecological integrity for the well-being of all species, including humans. This perspective emphasizes ecosystem-based management, marine spatial planning, conservation measures, and sustainable resource use practices that prioritize ecological resilience and biodiversity conservation over short-term economic gains. By embracing ecocentrism within the blue economy framework, policymakers, businesses, and stakeholders can strive for a more balanced and sustainable relationship between human activities and marine environments, ensuring ocean ecosystems' long-term health and resilience for future generations.

### 5.1.3 Partial Conclusion

The operational dynamics of global maritime companies span multiple dimensions, often requiring intricate forms of international cooperation and legislative frameworks to navigate. Despite the emergence of policies aimed at addressing the imperatives of the ocean and an increasing corporate discourse surrounding sustainability considerations, socio-cultural perspectives on the relationship between society and the ocean remain anthropocentric. This perspective highlights the economic, cultural, and political interdependencies between humanity and the ocean, often relegating the latter to a secondary status. However, amidst these dynamics, it is essential to recognize the intrinsic voicelessness of the ocean within contemporary decision-making processes. While regulatory frameworks and sustainability protocols may serve to facilitate human activities within the maritime domain, they likewise need to adequately consider the holistic needs and rights of the ocean as a living ecosystem.

## 5.2 *Oxymoron of Institutional Change and Sustainable Reports*

Following Institutional Theory, institutional change refers to the process of altering the structures, policies, and practices within an institutions to adapt to new circumstances (Powell and DiMaggio 1991a). On the other hand, sustainability reporting involves disclosing information about an organization's ESG performance. Sustainability reporting has become increasingly important as

businesses within Blue Denmark recognize the need to address environmental and social concerns alongside economic goals. Thus, institutional change and sustainability reporting might not initially seem contradictory, given the perception that both institutions and sustainability reporting necessitate change and can be mutually reinforcing.

The oxymoron occurs as a result of the slow and bureaucratic nature of institutional change against the urgent need for action on sustainability issues as evident in this study on the relation between the oceans and industrialization. This tension also means that maritime companies in Blue Denmark are more motivated to set 2030 or 2050 targets than 2028, as economic -and innovative resources must align with their targets (Appendix A). This perception is also supported in my interview datasets; for instance, NORDEN operates with a “...2030 target to reduce CO2 emissions 20% compared to [their] 2020 baseline and a net-zero target by 2050” (Appendix B, l. 115-116). At DFDS, their decarbonization team is working actively to support the company's pathway “...up to 2050, what kind of targets should we have set, how do we ensure that our resources are used properly in relation to the overall objectives we have”<sup>16</sup> (Appendix C, l. 46-48). While Maersk follows a similar line as NORDEN and DFDS, then the Head of Decarbonization at Maersk Supply Service revealed that the company's 2028 goal is to reduce 40 percent of their carbon emission intensity based on their 2018 baseline, which is “... more ambitious than the IMO's intensity target, which is from a baseline of 2008, (...), and they have a goal of reducing 50% by 2030” (Appendix A, l. 403-404). What separates them from the other three shipping companies is that Maersk Supply Service does not have the same regulatory restrictions due to operating as an offshore company. Yet, Maersk Supply Service separates themselves from most of the SMEs in the maritime organizational field as they are part of A.P. Moller Holding Group. Thus, while they have a target that is above the IMO target, then most of their competitors in the offshore industry “...are looking at the 2040 (...) [and the] 2050 net zero target” (Appendix A, 420-421).

Based on the theoretical frameworks of Institutional Theory and empirical data, this section sheds light on how institutional change can catalyze, complement, or hinder sustainability reporting initiatives within Blue Denmark, as it can be difficult for a company to interpret the regulations. By examining the connection between institutional change and sustainability

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<sup>16</sup> Translated by the author from original text: “...frem til 2050, hvad for nogen targets skal vi have sat os, hvordan sikrer vi at vores ressourcer er brugt til rigtigt i forhold til de overordnede målsætninger vi har.”

reporting, this section seeks to examine the how institutions utilize the sustainability framework due to isomorphic pressures. This will be done by first examining sustainability as a driver of sustainable change in Blue Denmark and subsequently providing an overview of an SME path to sustainable governance to understand how companies apply the ESG blueprint.

### 5.2.1 Sustainability as a Driver of Institutional Change

Sustainable innovation can drive institutional change by challenging preexisting practices and norms within institutions and institutional regimes through the strategy of decoupling and the logic of confidence and good faith. This section will therefore examine Blue Denmark's sustainability drivers of institutional change, and the strategies that shape their behavior.

As one of the leading global logistics companies, Maersk significantly impacts the global supply chains and their organizational field and domain. More specifically the company operates globally, employs over 100,000 people, and deploying over 700 container vessels, Maersk generated around \$10 billion in earnings before interest, taxes, depreciation, and amortization for the fiscal year 2023 (Maersk 2023b). In fact, the company's influence extends to their role in sustainability efforts, where they regard themselves as a major actor in promoting innovations and initiatives that can positively impact the oceans (Appendix E). Rather than continuing to reinforce and sustain unsustainable patterns, the company has partnered with the Science Based Targets initiative (SBTi)<sup>17</sup> which aims to provide companies with a clear framework for achieving GHG emission reduction to meet the goals of the Paris Agreement (Science Based Targets n.d.) In addition, the company has since 2021 — alongside Maersk Supply Service — partnered up with the Ocean Cleanup<sup>18</sup> to take an active part in cleaning up the oceans. Sustainability Manager Nordics at Maersk (Appendix E) elaborates:

... we are somewhat part of the sphere in the sea or inhabitants of the sea, (...), so we also have part of the responsibility, even if it is not really our problem or our fault that it arose, we would like to contribute to, and just like facilitate some of these cleanups, and solve some of these societal problems that exist. So, it is of course a strategic view, but also because we

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<sup>17</sup> SBTi is a collaboration developed by several leading organizations, including the Carbon Disclosure Project, the United Nations Global Compact, the World Resources Institute, and the Worldwide Fund for Nature.

<sup>18</sup> A non-profit organization that has developed a technology to extract floating plastic debris from the global oceans.

have knowledge about how to operate at sea and where we can help with that, and then it is simply to say that this is what we want to be involved in to invest in...<sup>19</sup> (l. 42-47).

This remark by Maersk highlights the collaborative efforts in the maritime domain. By supplying the Ocean Cleanup with financial support, two vessels, and logistics capabilities for the organization's oceans and rivers-based activities, it could be argued that the two companies are disrupting the current patterns in the industry by collectively altering the status quo of what is expected of companies operating within the global commons (The Ocean Cleanup 2021; The Ocean Cleanup 2023; Maersk Supply Service 2022, 11-12). This finding is further supported in Maersk Supply Service as they through their contribution has been a crucial factor in ensuring that 194 tonnes of plastic was collected from the Pacific Ocean (Maersk Supply Service 2022, 5)

According to the Head of Group Sustainability at DFDS (Appendix C), this aspect of biodiversity has begun to fill more externally and internally within the last few years due to the company's growing focus on welfare of the marine life due to their operation the domain (DFDS 2021, 56). However, she points out that the central problem in the green transition at sea is tied closely to ambitions, as discussions on reducing greenhouse gases (GHGs) are tied to the energy transition (Appendix C). More specifically, then the business structure of DFDS means that they are intricately connected to their partnerships with the ports as they rely on them for day-to-day business. As the Head of Group Sustainability notes (Appendix C):

We are hugely dependent on green development also taking place precisely in the ports and terminals where we are. So we have a large project running around what we call channel decarbonisation, where together with, it is Dover on the UK side, and I can't remember if it is Calais or Dunkirk, but where we have actually done a collaboration with both ports and us in relation to, if we are to be able to put some electric ships on the canal, then they have to make sure that there is electricity available<sup>20</sup> (l. 120-126).

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<sup>19</sup> Translated by the author from original text: "...vi er lidt en del af sferen i havet eller indbyggere i havet, (...), så vi har også en del af ansvaret, selvom det egentlig ikke er vores problem, eller vores skyld, at det opstod, så vil vi gerne bidrage til, og ligesom facilitere nogen af de her cleanups, og løse nogle af de her samfundsproblemer, der er. Så det er selvfølgelig et strategisk view, men også fordi vi har en viden omkring, hvordan man opererer på havet, og hvor vi kan hjælpe med det, og så er det simpelthen at sige, at det her, det vil vi gerne være med til at investere i..."

<sup>20</sup> Translated by the author from original text: "Vi er jo kæmpe afhængige af, at den grønne udvikling også sker netop i de havne og de terminaler, hvor vi er. Så vi har et stort projekt kørende omkring, hvad vi kalder channel decarbonisation, hvor vi jo sammen med, det er jo så Dover på UK-siden, og jeg kan ikke huske om det er Calais eller Dunkirk, men hvor vi jo faktisk har lavet et samarbejde med begge havne og os i forhold til, hvis vi skal kunne sætte nogle elektriske skib på kanalen, så skal de jo sørge for, at der er elektricitet tilgængeligt."

For DFDS, Maersk NORDEN, sustainability hence represents a domain where collaboration is often possible and beneficial, especially within ports where multiple companies operate (DFDS 2021; Maersk 2023a; NORDEN 2022). For instance, as the Head of Group Sustainability at DFDS notes, all parties can benefit if competitors agree to undertake sustainable initiatives within a port.

Thus, keeping an open dialogue and learning from each company in the maritime domain is a crucial aspect of institutional change, as maritime companies mimic sustainable and cost-effective initiatives. Maritime companies, including industry leaders like Maersk, participate in various networks to discuss and collaborate on innovations. These collaborations extend to forums such as Danish Shipping, where members work together on initiatives that enhance industry-wide practices, including biodiversity and reducing harassment and bullying on ships. This cooperative approach allows companies to inspire and assist one another across different sustainability and social responsibility efforts.

#### *5.2.1.2 Human and maritime security*

However, it should be noted that sustainability in the maritime domain is not only connected to green innovation and the oceans' health, as a vast majority of sustainability is also focused on the safety of the people employed in the vessels and the vessels themselves (DFDS 2021; Maersk 2023a; NORDEN 2022).

One area in which this issue of safety has become a crucial point of discussion is the issue of maritime piracy within the shipping industry, as it disrupts the safety of the crews on the ships and maritime security in maritime trading routes. Since November, the global shipping routes in the Red Sea and the Gulf of Aden have been especially troubled by maritime piracy as Houthi Rebels have targeted cargo ships and launched attacks on the vessels and crew with ballistic missiles. This has forced, among other things, Maersk to suspend the maritime trading route, "To safeguard our crew, vessels, and your cargo, we are rerouting around the Cape of Good Hope for the foreseeable future" (Maersk 2024). To understand the issue of rerouting the trading route then, it is essential to add that the Red Sea and the Gulf of Aden oversee around 30 percent of global cargo trade (Cooban and North 2024). With Maersk and 18 other shipping companies deciding to add ten days of travel to go around Cape of Good Hope, rather than cross the Suez canal the united global shipping organizational field is trying to remove operations in an area that puts their livelihood at risk, by simultaneously risking affecting the local economy in the Red Sea and Gulf

of Aden (Cooban and North 2024). A consequence of the Red Sea and Gulf of Aden attacks is the longer route also forces companies to be in transit longer time, thus resulting in a higher fuel consumption and emission cost (Maersk 2023a, 5, 21, 35). According to Maersk, "This issue [can therefore not] (...) be addressed by the global shipping industry alone, and we urge the international society to come together to find a swift resolution to bring the situation under control" (Chambers 2023). The Sustainability Manager Nordics at Maersk reconfirmed this challenge in the company's path to sustainable reporting in the maritime domain, as she reports that a large part of piracy is connected to boredom and a lack of financial sustainability in the region (Appendix E).

To solve the issue of piracy in the Red Sea, Maersk, therefore, tried to look more creatively at the problem and did "...a project where they say, now we create a company in ours, that is, with everything we can now, and help secure them here by creating some jobs, we also remove them [the people] from piracy"<sup>21</sup> (Appendix E, l. 57-59). Through strategic planning and resource allocation, Maersk aims to provide a comprehensive solution to the issue that supports and protects support and protection to the vulnerable communities that produce piracy (Maersk 2023a, 5). This proactive stance safeguards Maersk's interests and contributes to greater good by fostering stability and economic growth in regions plagued by piracy. With their commitment to creative problem-solving and social responsibility, Maersk sets a precedent for corporate accountability by addressing complex global challenges. Maersk, thus, utilizes the decoupling strategy to preserve standardized and legitimate formal structures to protect the safety of their crews e also adjusting their shipping routes to a path that is not troubled by piracy.

While DFDS (2021, 48) and NORDEN (2022, 56) does not explicitly focus on the issue of piracy in their sustainability reports, then the companies have still implemented significant measures to enhance its approach to human rights by acknowledging a long-standing need for such initiatives. According to the Head of Group Sustainability at DFDS, this process includes creating a comprehensive human rights policy and establishing a dedicated task force focusing on human rights (Appendix C, l. 232-239). The task force's role is to systematically address human rights issues, reflecting a move towards an improved organizational structure and commitment as the

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<sup>21</sup> Translated by the author from original text: "...lavede et projekt, hvor man siger, nu opretter vi en virksomhed i vores, altså med alt det vi nu kan, og hjælper med at sikre de her ved at lave nogen arbejdspladser, også fjerner vi dem fra pirateri."

area of safeguarding human rights is a priority in DFDS governance framework (DFDS 2021, 169). These steps signify a strategic shift towards more structured and proactive organizational human rights governance (Appendix C, l. 232-239) in the maritime domain.

### 5.2.2 Small and Medium-Sized Institutions Path to Sustainable Governance

Within Denmark's maritime industry, the landscape of sustainability initiatives reflects a nuanced interplay of institutional pressures and organizational responses, marked by a combination of coercive, mimetic, and normative forces. Larger companies, including DFDS, Maersk, and NORDEN, have emerged as key players in sustainability, by strategically aligning themselves with emerging ESG frameworks well before legal mandates as evident in the ESG and sustainability reports since before 2018 (DFDS n.d.b; Maersk n.d.; NORDEN n.d.). This proactive stance not only serves as a response to regulatory pressures but also signals a recognition of normative expectations, positioning these firms as industry leaders in sustainability and enhancing their reputational capital. In contrast, smaller entities such as Maersk Supply Service often navigate the sustainability landscape from mimetic pressure. However, they also have a unique ability to make innovative and risky investments. In short, Maersk Supply Service operates as a “...leading provider of global offshore marine services and integrated solutions for the energy sector worldwide. The company serves the energy sector with a fleet of 36 vessels staffed by more than 1,300 crew members and supported by around 300 onshore staff worldwide” (Maersk 2023b).

Despite Maersk Supply Service relatively small actor, then they mirror the sustainability practices of larger institutions within their corporate hierarchy, illustrating the considerable influence exerted by dominant players in shaping organizational behavior and maintaining alignment with broader corporate strategies. However, the Head of Decarbonization at Maersk Supply Service points out that specific issues, like safety, deviate offshore companies' cargo, bulk, -and tanker vessels companies. For instance, in offshore vessels anchors weigh approximately 25 tons, and one vessel might “...have three of them on board. (...) [and] large cranes, et cetera, whereas cargo, of course there are safety elements, but it's just different kinds of work. So, it was very important that we have our own point of view on sustainability” (Appendix A, l. 39-41). This statement underlines the growing importance of ESG integration within the sector, as evident by the company's “...Safety 2.0 framework (...) [of] Safety as a capacity; Just and joint



accountability, and Strong learning with a proactive mindset” (Maersk Supply Service 2022, 20) which serves as a part of signaling a shift in maritime industry norms and values.

Nevertheless, it should be noted that even within offshore companies, Maersk Supply Service might deviate from the norm as they as a SMEs are not subjected to the EU's CSRD regulatory framework, but as a part of A.P Moller Holding Group they need to strive to be a leader in green sustainability -and innovation (Appendix MSS, l. 308-309) alongside the rest of the companies. This point is reconfirmed by the Sustainability Manager Nordics at Maersk who notes that by standing together in a united front, both in Holding Group and the international maritime community, a sustainable change is possible (Appendix E, l. 117-122). While Maersk Holding Group contains a very ambitious green plan, then it was important for Maersk Supply Service to form its targets that would be able to define the company as its own rather than a target that is mimetic to the practices of the internal organizational field of the Maersk Holding Group (Appendix A, l. 78-81).

Nevertheless, as an offshore company, Maersk Supply Service often ends up in a "...miscellaneous category” (Appendix A, l. 69), and as a result, they, rarely meet external pressure from its maritime or regulatory organizational field on their GHG emissions. For the Head of Decarbonization at Maersk Supply Service, this lack of normative pressure has also led to a sense of dissatisfaction with the area of sustainable governance as “The truth is, is that I [the Head of Decarbonization] wish there was more outside pressure. More outside pressure means I don't have to convince anyone of any resources. A lot of what I do in decarbonization now, is provide business cases to our customers to show them why they should, why should we collaborate on upgrading the vessel for efficiency purposes” (Appendix A, l. 151-154). The lack of outside pressure thereby forces companies like Maersk Supply Service to navigate between the normative expectations of the organizational field and the coercive pressures of its holding group and institutional regime. A part of this discourse is connected to the discourse of sustainability and ESG in the maritime domain, as attention is often centered around the discussion rather than regulation (Appendix A, l. 168-171).

Furthermore, appointing roles such as the Head of Decarbonization within the SMEs reflects the organization's proactive adaptation to meet the evolving ESG demands and its willingness for institutional change. The department head's responsibilities thereby extend beyond addressing current sustainability concerns to actively engaging stakeholders and integrating

sustainability principles into the company's strategy. This strategic approach indicates Maersk Supply Service's commitment to navigating the changing landscape of sustainability and positioning itself as a forward-thinking industry player. In the preliminary days of their sustainability department (now the decarbonization department), they created a decarbonization forum whose singular purpose was to draft principles of decarbonization that would align with their targets and those of their customers. This forum drafted a "...white paper..." (Appendix A, l. 50-52), which has since grown and is used today by many organizations. As the Head of Decarbonization explained, "...ISOA is using it, (...) [International Support Vessel Owners Association]. It's also being used by IMCA, which is the International Marine Contractors Association. So not just the shipping part, but also the marine contractors. And that has been a tool that we have used to discuss the importance of decarbonization in our space" (Appendix A, l. 55-59). Maersk Supply Service's initiatives, such as the collaborative development of decarbonization principles with customers, highlight the significance of collective action in driving industry-wide change. These collaborative endeavors foster innovation, strengthen stakeholder relationships, and promote knowledge-sharing within the industry. Thus, these internal and external collaborative efforts underscore the industry's recognition of the collective nature of sustainability challenges.

### **Rosenlund's first vignette from event ethnographic fieldwork at the Maritime Careers Fair 2024**

*After a few presentations from maritime companies, we walked out to the main hall where several maritime companies — spanning from the Danish fleet to engineering companies — had a stand to display themselves as a future workplace. While it quickly became apparent that the event was directed at students in science, technology, engineering, and mathematics, one company caught my attention. They included the person responsible for incorporating ESG into the company's organizational behaviors and communicative practices. The maritime contractor company explained that although they embraced the forthcoming reporting requirements, navigating the sustainability framework was not an easy task. The complexity of the maritime sector-specific draft, still on the drawing board, posed significant challenges.*

As the vignette highlights, navigating the regulatory landscape is a common challenge across maritime companies, necessitating proactive engagement and strategic information-sharing. Maersk Supply Service approach is therefore characterized by leveraging industry networks and

organizations for regulatory insights, e.g., the American Bureau for Shipping, Danish Shipping Association, and Maersk Mc-Kinney Moller Center for Zero Carbon Shipping (Appendix A). This process exemplifies the importance of staying informed and actively participating in regulatory discussions. However, it is rather interesting that my interview with the Head of Decarbonization revealed that while SMEs technically are exempt from normative pressure from the international regime of the EU, then Maersk Holding Group contains a “...very, very, very strict [set of] rules that (..) [they] all have to follow” (Appendix A, l. 392-393). Thus, by staying ahead of regulatory developments, SME institutions can adapt their strategies and operations to remain compliant and capitalize on emerging opportunities in the sustainability space.

Lastly, stakeholder communication and compliance emerge as critical components of sustainability strategies, with Maersk Supply Service demonstrating transparency and accountability through various channels. The organization's commitment to communicating its sustainability commitments and regulatory compliance efforts reflects a proactive approach to engaging stakeholders and building trust. This strategy of decoupling hence illustrates the company's outward adoption of a symbolic gesture to the institutional regulations of ESG in line with their organizational field A.P. Moller Holding Group. By maintaining open lines of communication and undergoing customer audits, Maersk Supply Service reinforces its commitment to meeting stakeholder expectations and upholding industry standards.

This finding thereby provides insights into the complex dynamics shaping organizational responses to sustainability pressures within Denmark's maritime industry.

### 5.2.3 Partial Conclusion

Based on my analytical findings on the issue of sustainability reporting and institutional change, I argue that while the path to institutional change in support of sustainability reporting may be challenging and complex, it is not impossible. My examination into the different challenges in large and SMEs actors illustrates the resource issues that smaller firms are facing. For instance, having an ESG-specific personnel in small firms is a huge drain in a company's day-to-day operations. However, while Maersk Supply Service regards themselves as a small player in the industry, then their role within the organizational field of A.P. Moller Holding Group, means that they have a forum in which they can draw on in terms of governance and innovation. As a result,

my findings of Maersk Supply Service cannot be stated to represent most SMEs' transition to the ESG framework as they might not have the same economic resources and stability.

As a result, both the maritime industry as well as the institutional regimes such as the IMO, EU, and Denmark must recognize that the industry alone cannot make the change as the industry is interconnected with various actors and industries that all depend on how fast and cheap a commodity or product can be delivered. By collectively recognizing the interconnectedness of these concepts and leveraging synergies between them, the organizational field of Blue Denmark can navigate this oxymoron and ensure meaningful progress toward a more sustainable future. On the one hand, sustainability reporting can be utilized to ensure the safety of crews and ships without contributing to a negative discourse in regions affected by poverty. On the other hand, it can be held accountable for the industry's impact on the welfare of the ocean's ecosystem.

### *5.3 Deconstructing Blue Denmark's Future ESG Practices*

Thus far, this analysis has examined the complex interactions between the ocean as a global common and the structured sustainability reporting system that companies operating within the maritime industry in Denmark must navigate. Given that over 95 percent of Danish shipping operations occur outside national waters, it is critical to deconstruct the industry's practices within the context of the evolving sustainable governance landscape. This section will, therefore, deconstruct Blue Denmark's ESG practices by first examining ESG as a corporate form for data dialogue and subsequently by seeking to dissect the future of the maritime organizational field, with a unique look into the Danish government's desire to be a front runner in the sustainable transition in the maritime industry.

#### **5.3.1 ESG as a Communicative Tool of Data Dialogue**

While a large part of research on ESG is closely related to the difficulty of developing a standardized approach to the framework, then my datasets revealed that the way maritime companies in Blue Denmark utilize their ESG and Sustainability reports varies as the inconsistency of the ESG framework has led companies to navigate the landscape alone. NORDEN (Appendix B) also supports this finding as they communicate their ESG results through their annual report,

shareholder meetings, and digital platforms, thus reflecting a more comprehensive and cohesive reporting strategy within companies operating in Blue Denmark. In comparison, one of the companies that has taken a detour from the traditional presentation of the ESG reports is Maersk, which invites its stakeholders to an annual ESG day where they physically present the budget and data for the year (Appendix E, l. 7-8). The Sustainability Manager Nordics notes that the event also serves as a vital indicator to their stakeholders of ESG being a “...part of the main strategy, and it is not just a side thing”<sup>22</sup> (Appendix E, l. 7-8). The ESG framework has thereby been embedded into Maersk's core strategy by influencing their budget discussions and performance evaluations across the company's stakeholder. Notably, the Sustainability Manager Nordics explains that the event only serves as a small part of broader communication efforts as a substantial portion of the event is focused on sustainable transport and related priorities (Appendix E, l. 11-16).

The difficulty of discussing ESG as a singular framework is further exemplified through the practices of Maersk Supply Service as their Head of Decarbonization stresses that the challenge in shipping lies in balancing innovation with safety and reliability; consequently, most companies therefore rely on careful and collaborative approaches (Appendix A, l. 500-504). While the company's strategic target of establishing a decarbonization team and setting emission intensity reduction years before they are required to adhere to the ESG framework, then this mimetic isomorphic tendency is closely related to the normative dimorphism as outlined by the institutional regime of the EU as the maritime company is trying to be ahead of their time. As their Head of Decarbonization explains, “...it's like spinning wheels. Right. And you can't spin one, but you really have to kind of crank all of them together. They all must go together in the same direction or else everything we do is very, very minimal and won't make a huge impact. So, to get to that significant impact, we really need to find a way to to agree across the board” (Appendix A, l. 206-209). This can also be regarded in their partnership with Ocean Cleanup as they try to promote innovation and green initiatives without hindering safety. As a result, the company utilizes its early preparation for the ESG framework to emphasize the importance of collective industry action by aiming to align various efforts toward common goals.

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<sup>22</sup> Translated by the author from original text: “ESG blev en del af hovedstrategien, og det er ikke bare sådan en side ting.”

This notion that ESG reports can transcend beyond a mere data report is also supported in my findings from my interview with the Head of Group Sustainability at DFDS as the company actively engages in conferences and events, such as the 27th European Cold Chain Conference that was held in April of 2024 in which the company as the leading European multi-modal supply chain company communicated their ESG efforts, e.g., decarbonization of its maritime, transport and warehousing operations (Appendix C). These events could thereby be argued to increase the homogenization within the organizational field as these institutions are pressured into a structural design that promotes sustainability. Despite the massive influence of the maritime industry on global supply chains and the health of the oceans, the industry's sustainability practices, to a certain degree, can still be considered a niche, as the regulatory framework has sometimes set different standards internationally and domestically. For DFDS events and conferences, therefore, serve "...also a very good way to get around"<sup>23</sup> (Appendix C, l. 110) and gain an insight into what other companies are focusing on and transitioning into the ESG framework.

### **Rosenlund's second vignette from event ethnographic fieldwork at the Scandinavian Maritime Fair 2024**

*Later in the afternoon, a maritime travel company invited me back to an informal networking event at the Scandinavian Maritime Fair. Initially, this networking session's purpose was to bring visitors closer together outside the fair's structured environment. However, the reality was that very few people attended the fair, and among those who did, the majority were students like myself. Despite the participation of approximately 30 companies, some of which had even flown in representatives specifically for the event. By three o'clock, it became evident that something had gone wrong in the marketing of the event, as the event mainly was attended by a few student, including myself, and the companies that participated at the fair. Realizing the low turnout, many companies joined the informal networking, which became a casual gathering. During this informal networking, a representative from a maritime regulations company expressed his disappointment over the event. He was shocked by the poor attendance, since the fair was held in the heart of Copenhagen, right next to the central railway station which made it easy to attend. This location should, according to the representative thereby have been ideal for attracting visitors, yet the turnout was even worse than the year before. His reaction underscored the*

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<sup>23</sup> Translated by the author from original text: "...en meget god måde at komme rundt på."

*mismatch between expectations and reality, revealing a deeper issue with the event's marketing and outreach strategies.*

The turnout at the industry-planned Maritime Fair highlighted the finding that the maritime industry is an actor that can operate in the obscure. While I acknowledge that the event in Copenhagen does differ from the global maritime industry, it still indicates the difficulties within Blue Denmark in promoting itself and the innovative green solutions that companies were promoting at the event.

This importance of collaborative advocacy in shaping how companies utilize the data as a source of data, as discussed by companies in the maritime sphere in Blue Denmark, can also be linked to mimetic isomorphism as they seek to imitate the successful institutions within the field. Within the context of this study, by successful institution, I refer to the companies that has successfully managed to not only implement the sustainability framework, but also proactively sought to innovate the sustainable transition through bold investments. More specifically, insights from the Sustainability Manager Nordics at Maersk (Appendix E, l. 67-85) highlight the strategic integration of public affairs efforts with industry-wide collaboration to influence regulatory frameworks effectively. More specifically, the company's public affairs team is central to navigating the company's political landscape (Appendix E, l. 67-85), thus, emphasizing the importance of being actively involved where regulatory decisions are made. This proactive engagement allows the company to showcase possible sustainability solutions and advocate for regulations that align with these capabilities. By presenting practical advancements, the company aims to push for regulatory standards that drive industry-wide improvements. Hence, while the company's sustainability report serves as its ESG commitment frame, its public affairs team is "'the outward face' where we are present at everything from COP, Climate Week, IMO/MEPC<sup>24</sup> meetings, UN GC [United Nations Global Compact], etc. – from here come some press releases, which are sent out from our own website to the media"<sup>25</sup> (Appendix D, l. 63-67) This proactive engagement allows the company to showcase feasible sustainability solutions and advocate for regulations that align with these capabilities. By presenting practical advancements, the company aims to push for regulatory standards that drive industry-wide improvements.

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<sup>24</sup> The Marine Environment Protection Committee is the central committee of the IMO.

<sup>25</sup> Translated by the author from original text: “‘ansigtet udadtil’ hvor vi er til stede ved alt fra COP, Climate Week, IMO/MEPC møder, UN GC [United Nations Global Compact] o.lign. – heraf kommer en del press releases, som sendes ud fra egen website til medierne.”

When industry leaders such as Maersk, CMA CGM, and Hapag-Lloyd align their demands, it creates a powerful collective voice that is difficult for regulators to ignore. Conversely, fragmented demands from individual companies weaken the industry's overall position, thereby highlighting the importance of coordinated efforts. By forming alliances and presenting coordinated requests to regulatory bodies like the EU and Denmark, my datasets indicate that the maritime industry can effectively influence policy changes within their organizational fields.

ESG communication, among the examined companies DFDS, Maersk, Maersk Ship Supply, and NORDEN, serves as a tool to engage stakeholders, demonstrate commitment, and drive industry-wide change. While each company adopts a mix of annual reporting, public engagements, strategic partnerships, and transparent dialogues to communicate its ESG initiatives, the integration of ESG into the core strategy and performance evaluations can be resource-intensive, both in terms of time and financial investment. Smaller firms or those with limited resources might struggle to replicate this model effectively. Their strategic participation often depends on available resources and funding opportunities within the industry. This dependency can, in the worst-case scenario, limit their ability to maintain a consistent and proactive ESG communication strategy, especially during times of economic constraints in the industry because of disrupted trade routes — as evident in the current disruption in the Red Sea and the Gulf of Aden. Based on these constraints, relying heavily on formal reports and shareholder meetings for communication companies might risk excluding broader stakeholders who prefer more interactive or real-time updates. This could potentially limit the reach and impact of their ESG communication efforts. Moreover, the emphasis on innovative approaches in a traditionally conservative industry like the maritime industry can face significant resistance. Nonetheless, while this needs to balance safety with innovation might slow down the implementation of new ESG initiatives, leading to slower progress, then my datasets suggest that setting ambitious targets, such as Maersk Supply Service's target of emission intensity reduction by 2028, can alter the industry as normative -and coercive pressure disrupts the day-to-day organizational practices.

Thus, while ESG communication is vital for engagement and strategic alignment, the negative aspects highlight the complexities and challenges associated with its implementation. Limited focus areas, resource intensity, transparency challenges, inconsistent engagement, dependency on external factors, perception of superficiality, complexity, and resistance to innovation are key issues these companies face. Nevertheless, addressing these challenges requires



a balanced and adaptive approach to ensure that ESG communication remains effective and credible.

### 5.3.2 Shaping the Future of the Maritime Organizational Field

With an industry that thrives in a global common that is slowly being pulled apart, it leaves the question of what the future of Blue Denmark encompasses and to what extent a prioritization of the environment and human security is possible within the ESG framework.

A report by the Baltic Marine Environment Protection Commission (HELCOM<sup>26</sup>) call attention to this need to reassess the ocean's health as their holistic assessment of the ecosystem health in the Baltic Sea is under immense pressure, and other pressured marine environments around Denmark will continue to suffer for many years (HELCOM 2023). Fig. 3 illustrates the results from an integrated assessment of benthic habitats, i.e., the lowest level of a body of water. In order to have a good status, the biological quality ratio needs to be above 0.6.

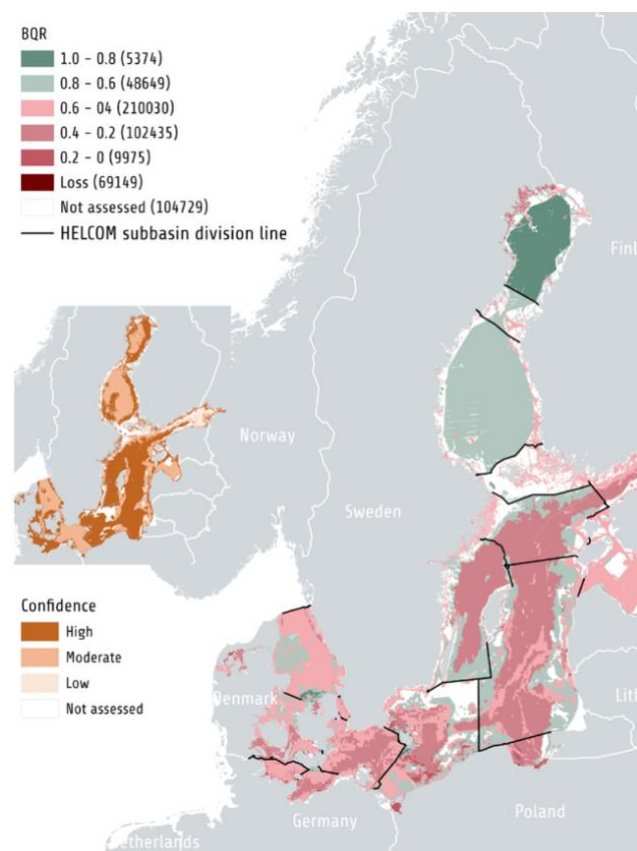


Figure 3: The quality of marine environment data (HELCOM 2023, 48)

<sup>26</sup> Helsinki Commission.

As the quality of the marine environments is dwindling, it becomes more vital to rethink not only innovation but also the make-up of the organizational field as the notion of the green fleet and ecosystem health needs to become increasingly intertwined to accommodate for sustainable production of the oceans. By sustainable production, this thesis refers to the idea that the ocean as a global common is being utilized as both a resource and a highway simultaneously to benefit an anthropocentric capitalist system. One of the latest aspects that the industry is heavily investing in is the area of energy transitions, i.e., the transition from conventional to green energy sources in the maritime sector.

#### *5.3.2.1 The influence of an institutional regime in developing a blue economy*

Although IMO in theory serves as the primary global regulator of the maritime industry, it faces rising pressure from companies within the industry advocating for changing regulatory practices. As if a response to this effort in facilitate this process, the Danish government created the Danish Government's Climate Partnerships in which they established 14 climate partnerships — each representing a distinct sector of the Danish economy — which would be able to promote green and sustainable initiatives (State of Green, n.d.). Among these partnerships is Blue Denmark, which, according to a report by the State of Green, revealed that “Danish domestic shipping emits 0.8 million tons of CO<sub>2</sub> annually. This includes ferries, fishing vessels, and ships operating between Danish ports. Emissions from Danish international shipping amount to 38 million tonnes of CO<sub>2</sub>e” (State of Green, n.d., 14). The Danish government's 2030 economic plan emphasizes its commitment to maintaining and enhancing Denmark's position as a "leading green country" (Prevljak 2023) in the maritime sector, necessitating a reevaluation of Blue Denmark. Building on previous analytical findings, this section will explore how Blue Denmark communicates its ESG practices and targets to stakeholders and the strategic measures it undertakes to influence the maritime industry's future.

In addition to the climate partnership, Denmark made an €808 million partnership agreement with the European Commission in 2022 to target strategic alignment with the overarching objectives of economic, social, and territorial cohesion within the EU (European Commission, 2022). Despite not explicitly referencing the blue economy, the agreement supports its underlying principles. Primarily, the partnership agreement underscores the imperative of

advancing key EU priorities, notably the green and digital transition, which resonates with the sustainable maritime development (European Commission, 2022). While not expressly stated, the framework advocates for a circular, export-oriented green economy that indirectly promotes a blue economy in the maritime sector. The deliberate targeting of SMEs within the partnership initiative is of interest. This targeted approach holds considerable implications, suggesting a nuanced recognition of SMEs as primary actors in fostering sustainable economic growth and innovation (European Commission, 2022). Although the initiative diverges from the direct maritime industry that this thesis examines then, its strategic orientation towards SMEs offers potential insight into the gradual integration of blue economy principles within broader economic frameworks in Blue Denmark thus signaling a changing landscape.

This broader framework of rethinking the utilization of the oceans as a never-ending resource can also be observed in the Danish government's latest draft of an economic emergency packet of approximately €54,3 million<sup>27</sup> (Regeringen 2024). The packet will be used to improve the water environment after reports have indicated that the oxygen depletion in inland Danish waters is the lowest it has been in over 20 years (Regeringen 2024). The emergency marine plan underlines the Danish governments and the EU's plan an effort to establish regulatory predictability conducive to diverse maritime activities. This regulatory framework, moreover, establishes operational stability within the maritime domain and provides a clear direction for the utilization of marine spaces — in contrast to the ESG framework. Such methodical governance mechanisms catalyze growth and innovation within the maritime sector and underscore the symbiotic relationship between regulatory clarity and sustainable economic development. However, recently, the former Prime Minister of Denmark (2015-2019), Lars Løkke Rasmussen, revealed that a large portion of the issues in the Danish maritime environment is directly related to policies he was a part of drafting that was meant to facilitate an agricultural agreement (Ritzau, 2024), despite warnings from various actors on the harmful impacts the agreement would have on the marine environment. Additionally, it was revealed in 2024 that the Danish Fishing Agency for years has held its hand over illegal fishing by removing regulatory laws to protect the ecosystem and biodiversity of the maritime environment (Ditzel 2024), thus demonstrating a dismissal of the institutional rules of Denmark.

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<sup>27</sup> 405 million Danish crowns (DKK) converted based on numbers from the 27th of May in which 1DKK is equivalent to €0,13.

Although these actions are not directly related to the maritime industry of Blue Denmark that this thesis examines, then I would argue that they illustrate the negative aspect of the institutional regime of Denmark as they do not uphold the logic of confidence by acting in good faith, but instead have made decisions that negatively affect the country by putting them in a bad light, which in contrast goes against their desire to be a leader of the green transition. This could make it difficult for companies in the maritime industry to follow suit in sustainability reporting, as they could wait for the Danish government to draft new policies that favor the industry over the oceans' well-being. Yet, my datasets indicate that the Danish maritime industry is decoupling from the Danish government's practices by seeking to disrupt the maritime market into becoming greener by promoting the safety and health of their crews, ships, and areas that they operate within — including but not limited to ports, societies, and cross-boundary maritime ecosystem.

### **Rosenlund's third vignette from event ethnographic fieldwork at the Scandinavian Maritime Fair 2024**

*As I observed the event area, it quickly became apparent that most companies present were centered around engineering solutions for ships. However, a startup specializing in data solutions for maritime companies stood out due to its branding. Unlike the other companies that had professional banners and merchandise, this startup used a simple cloth with its name written over. This untraditional approach stood in contrast to the conventional maritime setups. The company revealed that they were a new start-up that had specialized themselves in data mining. With only a few major companies being prepared for the EU's CSRD directive, then company had successfully managed to insert themselves into an area that is expanding day by day. Another company, when asked about what the current trend within the industry, revealed that energy transition was the main focus on a lot of these fairs. More specifically, the maritime debate is centered around whether companies should invest in vessels that run on ammonia or methanol fuel. This decision is further complicated for smaller companies, as they revealed that ships only last an estimated 25 years, so if they were to be on the wrong ship, it could end up being either cost expensive.*

This ethnographic discovery can also be linked to a 2023 report by the International Energy Agency which warns “that this fuel could be 25-100% more expensive than ammonia” (Martin 2024). Interestingly enough, according to the Sustainability Manager Nordics, it takes three to four

years to introduce a new fuel system as they must provide a profile of the fuel's advantages or disadvantages and determine whether the company can "...stand by it, sector-wise, both for the environment and for people..."<sup>28</sup> (Appendix E, l. 170-171). However, Maersk has been some of the first to order dual-fuel engine vessels and has 25 vessels in its order book. For reference, globally, 125 to 150 vessels have been ordered across various companies (Appendix E, l. 173-177) which means that Maersk has ordered around 18 percent<sup>29</sup> of the global order for this new vessel. However, for Maersk, this is an important bet as changes have to be made, "...if there is no fuel and if there is no ship, then we will never progress, but you have to sort of break that part, and yes, there is some risk in that, and it might be a bit of a bold investment..."<sup>30</sup> (Appendix E, l. 177-179).

In contrast to Maersk, Maersk Supply Service points towards the area of digitalization, as they regard it as a primary role in data gathering and operational management. The Head of Decarbonization defines this process as "...whatever you measure, you can manage..." (Appendix A, l. 513), which highlights the company's strategic importance of data in enhancing operational efficiency and environmental performance. This finding supports the data collected in my ethnographic study from various companies that have taken an extra role in tracking down data and finding new measures to utilize AI to gather data in real-time from the vessels to the offices. The interplay between decarbonization and the ESG framework reveals an intricate balance between environmental goals and social responsibility to ensure that governance and social dimensions are not overlooked in the framework. Thus, while innovation within the maritime industry is ongoing, then any new implementation is driven by tried-and-true methods due to the excessive cost associated with vessels that are not in operation. As a result, the strategy is instead driven by the implementation of established technologies.

Nevertheless, with a regulatory framework hanging over the industry's head, the introduction of the ESG regulatory framework in the EU underscores the urgency for suppliers to provide precise emission data, as failure to comply may result in the termination of business relationships, disproportionately affecting small suppliers with fewer resources. As explained by the Head of Decarbonization & Climate Solutions and Head of Organizational Development at

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<sup>28</sup> Translated by the author from original text: "... kan vi stå inden for det, sikkerhedsmæssigt, både for miljø, og for mennesker osv."

<sup>29</sup> Calculated based on a average of international order being 137 vessels: Percentage = (Whole/Part) × 100.

<sup>30</sup> Translated by the author from original text: "...hvis der ikke er noget fuel, og hvis der ikke er nogen skib, så kommer vi aldrig videre, men man er nødt til ligesom at bryde den der del, og ja, det er der noget risiko i, og det er måske lidt bold investment..."

NORDEN, "Compliance will become an increasing competitive parameter and it will become even more difficult to fly under the radar" (Appendix B, l. 153-154). Thus, the future of the maritime industry will be shaped by innovation, such as "...adopting innovative technologies and approaches to decrease carbon emissions and safeguard marine ecosystems just as promoting the well-being of seafarers, ensuring fair labour practices and fostering positive relationships between vessels and the communities in which they operate" (Appendix B, l. 155-158).

DFDS, therefore, calls for a more holistic approach, as the regulatory and social responsibility to the oceans and society as the industry is slowly beginning to understand the full effect they have on the planet and the species that inhabit both land and sea domains. However for the Head of Group Sustainability, "...there is so much regulation around ships, so ships, shipbuilding, and shipping, you know that if you follow the rules, at least in our part of the world, it can't be completely wrong, (...) If you only follow the rules then maybe you're not very progressive and super ambitious either, so it's also about finding the balance, where can you find this little extra thing that makes a difference"<sup>31</sup> (Appendix C, l. 494-499)

### 5.3.3 Partial Conclusion

Based on my analytical findings, I would argue that while Blue Denmark is actively trying to follow a green transition in line with the logic of confidence as it is in the industry's best interest as they are highly dependent on the ecosystem of the oceans, then the ceremonial inspection and evaluation that is meant to provide a platform of institutional rules and formal structures is limited on the one side by the Danish Governments inability to prioritize an ecocentric attitude over the commons. At the same time, this anthropocentric attitude impacts institutions' ability to be held accountable for their corporate practices, thus not promoting innovation. More specifically, I found that this paradoxical dynamic between the institutional regimes of Denmark and the EU makes it difficult for institutional actors to navigate sustainability reporting. As a result, institutional isomorphic influences are tied to the decoupling of practices within Blue Denmark; the sustainable frameworks of ESG by the institutional regimes of the EU and Denmark risk being regarded as a

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<sup>31</sup> Translated by the author from original text: "...der er jo så meget regulering omkring skibene, så skibe, skibsbygning, og skibsfart, man ved jo godt at hvis du følger reglerne, I hvertfald i vores del af verdenen så kan det ikke være helt galt, (...) Hvis du kun følger reglerne så er du måske heller ikke særlig progressiv og super ambitiøs, så det er også at finde balancen hvor kan man finde den her lille ekstra ting, som gør en forskel."

symbolic societal control in which they contradict the premise that institutions operate from a standpoint of confidence and good faith.

## 6 Discussion

In the case of sustainable governance within the organizational field of Blue Denmark, this thesis has examined how the maritime industry in Denmark has taken the lead in challenging the preconceived corporate EU CSRD directive. It has created a debate on the issue of sustainability in the maritime domain. This thesis discovered an interconnected issue between the various actors in Blue Denmark that operate with vessels. More specifically, I found that although companies within the organizational field are looking out for their own interest, the industry has constructed a dynamic in which communication and innovative practices go hand in hand. Thus, while this study has not included the perspectives of small players from Blue Denmark, it has demonstrated the significant role of major players in driving the industry forward. For example, although DFDS, Maersk, and NORDEN on the one side can utilize the framework to as an opportunity to create a sense of legitimacy around their operations, then the choices made by these major actors within the shipping industry affect SMEs. More specifically, then this adherence to the ESG framework poses challenges; If SMEs do not implement some level of adherence to the regulatory framework in the near future, they risk being left behind.

This dynamic of communication and innovation is best exemplified through conferences and events, which play a vital part for the industry as a method to create a green narrative of their practices while simultaneously uniting as an industry, both within Blue Denmark as well as globally, to make policy advisors change the regulatory framework in order to hold the company reliable of their impact on the ESG dimensions. Therefore, this discussion will focus on how my findings support the theoretical framework of Institutional Theory, which is stated in the preconceived literature on the area.

### *6.1 Interpretations*

When interpreting my results, I found several correlations between my datasets and the effects of institutional isomorphism in an elaborated organizational field, such as Blue Denmark. This correlation is seen through the employment of Institutional Theory in which I discovered, in line with Meyer and Rowan's (1991) claim of decoupling and logic of confidence, a connection between the way economic, innovation, and sustainability framework mandated by an institutional



regime, such as the EU and Denmark, shapes the discourses in the maritime domain. One example of this interconnected with my chosen theoretical framework is the influence of an institutional regime on the development of a sustainable blue economy and the safety of crews. More specifically, my datasets illustrate that although institutional regimes drive the sustainability movement on the surface, then in reality, it is up to the maritime industry to promote this changing discourse, as there exists a significant difference in the capabilities of the various actors in the maritime domain. Based on my datasets, I can illuminate why it is difficult for maritime companies to implement sustainable reporting practices as companies operating outside the traditional domains and small actors can avoid scrutiny and instead are forced to implement the reporting due to coercive pressure and decoupling.

Furthermore, this change takes time as companies need to restructure their management, a process that is more prolonged in larger companies as it is easier for SMEs to bypass traditional bureaucratic hierarchies. This situation explains why many big companies, like Maersk, started very early in the process, as getting everyone on board is a slow endeavor. For instance, the proportion of academic professionals within the industry has increased, indicating a shift away from a focus solely on business and engineering. This shift highlights the difficulty in pushing ESG initiatives forward, as some companies do not always understand why they are so crucial compared to others who work on issues like CO<sub>2</sub> emissions. This changing position within the industry might also explain why the attendance at the maritime career event was fully attended, while the Scandinavian fair struggled to promote the event to potential participants.

The results indicate that an anthropocentric attitude toward sustainable governance underlines the pressing need to reevaluate how society utilizes it and conceptualizes the world and its resources. My data thereby finds resonance with the research conducted by Lacroix et al. (2016), which delves into the intersection between ecopolitics and the management of the maritime commons. Nevertheless, what distinguishes my findings from Lacroix et al. (2016) is the specific emphasis placed on the discursive strategies inherent in a regulatory sustainable model of maritime practices. Specifically, while the ESG framework serves as a valuable tool for promoting sustainability within various industries, it does not explicitly address the issue of unsustainable ocean use, as observed by the Head of Decarbonization & Climate Solutions and the Head of Organizational Development at NORDEN. Instead, it provides a framework for reporting requirements, prompting actors of all scales to reconsider their practices and align them with

sustainability objectives. For instance, while SME companies are not expected to adhere to the ESG regulatory framework for a few years, then Maersk Supply Service has already begun to take several measures towards compliance, thus signaling a shift towards more sustainable practices within the maritime industry and a path towards a more ecocentric approach to sustainability reporting and organizational practices. Yet, my findings on Maersk Supply Service's role illustrate that as a part of A.P. Moller Holding Group, they must comply with ESG rules to maintain legitimacy and goodwill within the organization. This means their supply business can draw on many resources the holding group develops and invests in. Those who cannot keep up with the offshore company end up stopping their business or selling it.

## *6.2 Implications*

This thesis should be considered when considering the changing sustainability reporting landscape in industries that operate in the sphere of a global common and how companies can utilize these reporting frameworks to illuminate the challenges and opportunities within their operations. My findings of sustainable governance within Blue Denmark present the idea of a parallel between the opportunities of the ESG framework, as well as the inherent risk within the framework to solely represent a market strategy rather than the root cause of environmental degradation, climate change, safety of crews, and societal response to its environmental impact in regions prone to piracy, among others. Thus, my findings support Chakrabarty's (2017) and Edmans' (2023) research as they provide insight into the nexus between capitalism and reporting practices. By combining my datasets with my theoretical framework, I have thereby been able to conduct extensive research into the various platforms and organizational structures that have to either adhere to the upcoming ESG framework or are in the preliminary stages of trying to determine what measures need to be taken to be able to prepare for the framework.

## *6.3 Limitations of the Study*

The methodological choices employed in this study have contributed to establishing a verifiable and reliable analytical standpoint. However, it is essential to acknowledge the inherent

limitations, primarily stemming from the recency of ESG integration within companies, particularly among small and medium-sized enterprises exempt from compliance with the EU Directive. Consequently, alternative methodological approaches or theoretical frameworks may have offered insights into other dimensions of sustainable governance within the context of Blue Denmark.

For instance, the datasets utilized in this study exhibit noticeable limitations:

1. There is a notable underrepresentation of smaller or less accessible companies within the interview pool.
2. A potential bias exists in publicly available ESG reports, favoring more transparent or proactive institutions.
3. Incomplete data coverage arises due to constraints in data collection methodologies or the availability of pertinent materials.

Nevertheless, the principal constraint affecting this study's findings lies in the restricted pool of companies examined. Consequently, the conclusions drawn are significantly influenced by the practices of Maersk, a dominant actor within the maritime industry. It has therefore been important to cross-reference my findings across the various maritime companies investigated in this study, with the observations gathered from my field work, as well as the pre-existing literature and news on the area.

## *6.4 Recommendation to Future Research*

As my case study is closely linked to my theoretical application of Institutional Theory, it is essential to underscore the interplay between my theoretical and methodological framework to explore the phenomenon of institutional isomorphism and ESG reporting in Blue Denmark. I have therefore developed a figure that illustrates the interplay between my theoretical and methodological framework when examining sustainability reporting in Blue Denmark's transport and supply service industry to guide future research.

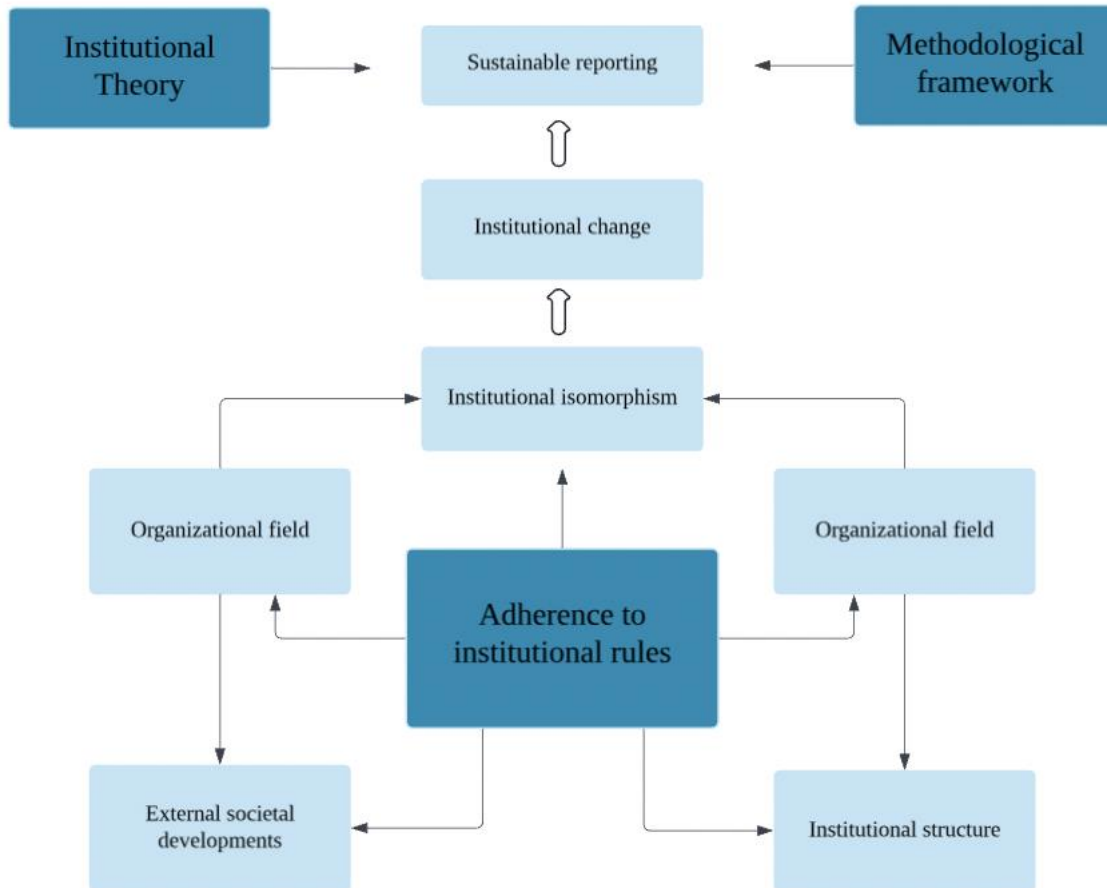


Figure 4: Interplay between Institutional Theory and methodological framework (developed by the author)

As the model is designed around my case study, it begins with the critical moment of the ESG regulatory framework set forth by the institutional regime of the EU. The figure encapsulates the trajectory of institutional response within the maritime industry. Companies are forced to adhere to the new sustainable governance framework, compelling them to reassess the ramifications for their day-to-day operational dynamics within the sustainability reporting milieu. This shock to the organizational field of the maritime industry led to a series of strategic choices as the reproductive processes of the field transformed.

The model posits that when actors, whether that be institutions or institutional regimes, have to adhere to institutional rules, e.g., as in this case study on sustainable governance in Blue Denmark, then said actors' initial strategy choices are shaped around their organizational fields, external societal development, and the institutional structure. Including institutional structure has been deemed important as the interconnected field of some companies means they can draw on resources from a parent or subsidiary company, thus altering the institutional structure of said

actor. The model thereby provides a visual representation of the interplay between the theoretical and methodological framework in analyzing the institutional changes within an industry. It delineates three distinct decision strategies: organizational field, institutional structure, and external societal development. The choice to include the organizational field on both sides of the conceptual framework has been deemed necessary as this thesis highlighted companies' dependency on their organizational field, both in terms of isomorphism and in terms of sharing knowledge and reflection. These strategies prompt organizations to rethink their strategy as institutional actors navigate the evolving landscape of sustainable governance. These choices are not mutually exclusive; they can be concurrently and independently leveraged. A common outcome across these choices is the induction of institutional isomorphism, leading to adherence to sustainability reporting standards.

The model focus on sustainability reporting exemplifies the interplay between the theoretical and methodological frameworks. Through the application of empirical datasets, this study aims to ascertain the applicability of institutional isomorphism to the case of sustainable governance within the organizational field of Blue Denmark. Additionally, it seeks to elucidate whether other contextual factors influence the trajectory of institutional change within maritime enterprises. Thus, future research can apply the analytical lens of this model a conduit for synthesizing theoretical insights with empirical investigation when examining the discourse on institutional isomorphism within the maritime industry transition to the sustainability framework.

## 7 Conclusion

By analyzing the changing discourse on sustainability governance in the maritime industry in Blue Denmark, this thesis has shown a direct linkage between institutional isomorphism and institutional change. More specifically, my research found that the corporate practices within the maritime industry are connected to a lack of regulation. As a result, there has unconsciously been developed an anthropocentric attitude towards the oceans in which institutional regimes and the international community have, to the detriment of the global common, successfully been able to separate the oceans from the maritime industry. On the one hand, this discourse has meant that companies such as NORDEN are somewhat skeptical of the upcoming ESG reporting requirements as they risk being solely a blueprint for superficially reporting innovation and change. On the other hand, SMEs like Maersk Supply Service welcome the framework as it means that they, within a company, through the application of normative isomorphism, can start the process of ceremonial inspection and evaluation as a means to legitimize not only their sustainability framework but also the institutional change of the companies as a means to fit into its two dominant primary fields of, A.P Moller Holding Group, and Blue Denmark.

While the singular focus on companies within Blue Denmark that operate with their fleet of vessels limits the generalizability of the results, then this provides new insight into the interconnected nature of the global commons, as the matter of maritime security, environmental protection, and the commodification of the oceans as a global transport route, becomes highlighted in terms of the difficulty of applying a sustainability governance framework that on the one hand can accommodate cargo, bulk, -and tanker vessels, while on the other hand also accommodating offshore vessels. Yet, this finding underscores the importance of sector-specific regulatory frameworks, as companies operating with these vessels not only have to be able to find innovation in a slow business by themselves but also must depend on government and supra-national organizations to uphold the framework.

Simultaneously, these companies also have to account for the totality of the maritime supply chain as they depend on various companies from the development of innovative inventions, such as the changing of the tar-like polluting fuel, to the constructing of their vessels, to the crews that operate on these ships in periods of times, the companies that are responsible for flying crew members to various location, to the infrastructure of the ports that can accommodate various types

and sizes of vessels, to the shipyards that need to ensure that the vessels live in the most sustainable matter. At the same time, I have only examined a small portion of this supply chain; future research needs to link the whole supply chain in terms of the changing sustainability reporting landscape to understand how companies not only view the ESG framework but, to an even greater extent, how to convey this information to stakeholders in order to be held accountable for their practices, but also to decouple from the industry by betting on themselves and the innovation. In an industry that, due to the infrastructure and resources required to construct the ships, needs to think 25 years ahead to follow the life cycle of the vessels, the corporate infrastructure must be set in enough place to ensure that the industry does not risk due to them not having the proper framework to follow.

Further research is therefore needed to determine the effects of institutional isomorphism in changing the organizational field of Blue Denmark and to what extent this changing discourse is bound to SMEs mimicking more giant corporations or whether these institutions, in reality, seeking to disrupt the market by developing their solutions as a way to get a foot insight a niche territory. Another aspect of this institutional isomorphism is also interesting in the cross-comparison of Blue Denmark with other industries that negatively affect the wealth of the planet and its ecosystem to determine whether this changing perspective is connected to the ESG framework, or if it instead is the result of an industry that for too long has been left alone and therefore forced to create their own rules and regulations outside the traditional framework, as evident in my examination of the Danish government that has prioritized the farming industry over the maritime ecosystem under Prime Minister Lars Løkke Rasmussen from 2015 to 2019.

It can, based on my master thesis, thereby be concluded that although the researcher has sought to examine the emerging ESG framework from a corporate structure, then there is a need to rethink the global commons as actors that also need to have a voice in the institutional frameworks, such as the Rio Declaration, as the world's ecosystem else will end up in a capitalistic system that is navigated based on the logic of confidence of companies, that individually will need to be sure on what side of the institutional practices of sustainability reporting that they are operating in. Moreover, by linking the oceans and society together, this research has aimed at changing the voice of data, as evident in the Earth Overshoot Days calculation that provided a clear picture of slight changes that proactively could reduce the pollution of the ships. While

Maersk Supply Service already seeks to reduce their vessels, it is first necessary to understand the totality of the issue so that real change can occur.



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