Maritime Leadership in "Corporate Ocean Responsibility"

Paul Holthus
Executive Director, World Ocean Council

Ocean sustainability issues are increasingly affecting the future of shipping and the ocean and maritime industry leadership is essential to navigating this critical juncture.

Shipping industry leadership is not only important to the future of the industry, but also to the future of the ocean. Sustainability issues are increasingly affecting the industry and are therefore critical to the maritime executives who drive the global shipping industry. Maritime professionals are an essential part of creating industry-led ocean stewardship and making their companies part of a maritime industry that respects the ocean, is responsible for its impacts, takes the lead on developing business-oriented solutions, and collaborates with other ocean industries and stakeholders in ensuring the health and continued economic use of the seas.

Many policy, practical and public reputation aspects of shipping are now affected, if not dominated, by environmental concerns. These issues are playing out at local, national and international levels and are affecting most, if not all, other industries that use ocean space and resources, e.g. oil and gas, fisheries/seafood, aquaculture, ports, marine tourism, ocean renewable energy, seabed mining, etc. This is creating important needs and opportunities for collaboration, synergies, and business benefits among the diverse sectors of the ocean business community. Unfortunately marine industries are not engaging in a coordinated systematic approach to many of the developments affecting their ability to do business in the ocean. Opportunities are being missed for ocean industry collaboration and economies of scale in developing solutions to cross-cutting marine environmental issues.

As the principle users of the marine environment, shipping and other ocean industries have the most to gain by developing and delivering solutions to sustainability - and the most to lose by continuing to be perceived only as the cause of ocean problems as the marine environment is subject to increasing commercial use. Business access to ocean resources, services and space is at risk from the loss of the "social license" to operate in the seas and from the ocean governance regimes and policies that are emerging from processes in which industry is not well engaged.

To address the ocean sustainability issues and opportunities critical to business, the World Ocean Council (WOC) is creating an unprecedented global, cross-sectoral industry alliance. The WOC is catalyzing proactive, collaborative efforts towards "Corporate Ocean Responsibility" by bringing together the shipping industry and other sectors. Cross-sectoral leadership and collaboration will result in significant business value for the maritime executives committing to the vision of a healthy and productive ocean that supports sustainable use and stewardship by the responsible ocean business community.

Growing ocean use, impacts and concerns

Although the ocean covers over 70% of the earth's surface, it is an increasing crowded place. Ocean industries such as shipping, oil, fisheries, aquaculture, and tourism are big and have been expanding rapidly, with increasing impacts to the marine environment. Seaborne shipping already accounts for 90% of global trade, and worldwide cargo will continue to rise in the coming decades, notwithstanding the current downturn. The offshore oil industry is expanding and moving into ever deeper waters and new areas, for example Brazil has recently discovered offshore reserves that rival those of the North Sea, and the waters of Angola may soon be the leading oil producer in Africa. In the seafood sector, more and more fishing vessels are searching ever harder to harvest fish, with human consumption of seafood fish growing from 20 - 85 million

tons during 1960 – 2002, at the same time that 70% of fish stocks have become fully- or overexploited.

Add in the other ocean uses, such as the doubling of cruise ship passenger capacity in the past 20 years, the recent growth in offshore aquaculture and wind farms, and the coming of wave energy, and the overall mix becomes a dangerous. Inter-industry conflicts in the ocean are on the rise, for example, witness last year's skirmishes between fishers and oil exploration firms off the coast of Norway as they try and work the same areas. As noted by Michael Grey of Lloyd's List of London: "[I]t is probably sooner rather than later that we will hear of the first accident involving a ship or fishing craft and a wave generator, so systems that promote inter-industry co-operation must surely be welcomed."

Underlying this growing level and variety of industry marine activities is an ocean in trouble. Oceans provide 59% of the world's ecosystem benefits; nearshore marine areas alone (5% of the Earth's surface) provide 38% of these global benefits. Unfortunately, the global marine environment, its unique biodiversity and its life-sustaining resources are being degraded, destroyed and overexploited at an ever increasing rate and global scale. Scientists recently produced the first global map of impacts to the marine environment, which graphically illustrated that essentially all of the world's marine environment is affected by human activities to some degree. Even the ocean's essential role in regulating climate is being compromised as marine ecosystem health declines. Ocean ecosystem impacts are especially affecting the coastal inhabitants and communities worldwide that depend on marine areas for food and livelihood.

The challenge of addressing sustainability in the global ocean

Sustainable development of the dynamic, interconnected global ocean "commons" - for which everyone, and no one, is completely responsible - presents unique challenges for maritime industry leaders. As marine environmental health declines, shipping and other ocean industries are collectively being held responsible for their impacts by the public, governments, non-government organizations (NGOs), and inter-governmental organizations (IGOs). Advocacy groups are aggressively confronting ocean industries on a sector, incident, or local basis (e.g. oil spills, trawling, port expansion). Moreover, ocean environmental concerns are increasingly being pursed through globally coordinated campaigns on issues that will affect most industries (e.g. ocean zoning, marine protected areas (MPAs), ocean noise, marine debris, greenhouse gas emissions). Unfortunately there is often not a corresponding coordination of effort by the sectorally fragmented ocean business community to engage these cross-cutting issues and international campaigns.

Ocean stakeholders are pushing for increased ocean regulation in a variety of international organizations, programs, and agreements where the international "playing field" and "rules" for the ocean are established. Although the shipping industry has a long-standing and productive interaction with the International Maritime Organization (IMO) and the MARPOL conventions on pollution from sea-based sources, many ocean sustainability issues are much broader than this coverage and are being actively taken up in other policy arenas.

Some of the most important ocean governance developments are being pursued through coordinated efforts in the international policy processes covering the sustainable development of oceans and coasts that are not sector-specific, e.g. the Convention on Biological Diversity (CBD) and the UN Convention on the Law of the Sea (UNCLOS), the Convention on the International Trade in Endangered Species (CITES); the Convention on Migratory Species, Regional Seas Conventions, etc. Coordinated industry participation in these processes is lacking, as is balanced, comprehensive information regarding industry efforts to address marine environmental issues, with maritime industries often portrayed solely as the perpetrator of ocean demise.

As a result, private sector access to ocean resources, services and space - even by companies with the best environmental record - is increasingly at risk due to the loss of the "social license" to

operate. Ocean governance regimes and policies are emerging from processes in which industry is not well engaged and in which other stakeholders have sophisticated, well organized agendas and involvement.

There have been limited efforts by responsible companies to differentiate themselves from poor performers and try to do business in a more environmentally sustainable way. However, the efforts of one company or even a whole sector are not enough to address collective global impacts by a diverse range of industries in a shared global ecosystem.

The opportunity for industry leadership in ocean stewardship and sustainable use

As the private sector is the primary ocean user, it is well placed to develop and deliver solutions in response to society's increasing demands that marine ecosystem use is sustainable and industry impacts on the marine environment are minimized. The health, productivity and biodiversity of the world's ocean cannot be secured without proactive, collaborative private sector leadership. The ocean business community has the opportunity to develop this leadership and deliver ocean sustainability solutions that work for business, rather than being forced to react to conditions advanced by other stakeholders. As Vaclav Mikulka, Director, United Nations Division of Ocean Affairs and Law of the Sea states: "Managing the global oceans requires the involvement of all stakeholders, especially the private sector, and all ocean industries have a responsibility to help maintain the health and productivity of the marine environment."

There is a need and opportunity for responsible companies from the multi-sectoral ocean business community to create leadership and collaboration in ocean stewardship among those who want to address marine environmental issues, differentiate themselves from poor performers, collaborate with like-minded companies within and across sectors, and engage ocean stakeholders and policy processes. Given the size and scope of the shipping, visionary companies and executives from the maritime industry have a particular opportunity to provide leadership in collaborative industry-driven ocean stewardship.

With the establishment of the World Ocean Council there is now a structure and process for companies to seize this opportunity and create a global industry leadership alliance on ocean sustainability. As Law of the Sea chief Mikulka says, "The World Ocean Council efforts to bring together the global 'ocean business community' to develop leadership and collaboration for ocean sustainability and stewardship are critical to the future of the oceans."

Catalyzing solution-oriented strategies and actions for ocean business

The WOC is the only international organization created to catalyze cross-sectoral industry efforts on ocean sustainability. Through the following strategies and actions, the WOC is working with the responsible ocean business community to address the challenges of ocean sustainability:

1. *Creating a vibrant international, cross-sectoral ocean business community that provides private sector leadership towards achieving marine ecosystem sustainability and addresses threats to ocean space and resource access.*

The WOC is a business membership organization that creates a broad, global leadership alliance of like-minded companies and industry associations committed to marine environmental sustainability and stewardship. We are creating a forum for interaction among responsible companies on ocean issues, for example, the WOC "Sustainable Ocean Summit" is planned for June 2009. We work with maritime companies and their management teams to increase the understanding of marine sustainability issues and stakeholders. The WOC serves as a clearinghouse for objective, independent and balanced information on ocean sustainability issues relevant to the ocean business community. We are creating cross-sectoral working groups of leadership companies for substantive collaboration and action on issues and regions of interest in order to address threats to industry access to marine space and resources.

2. *Ensuring companies are well-informed on ocean policy and decision making processes and constructively engaged on key issues and developments with ocean stakeholders.*

The WOC is working to ensure the responsible ocean industry has the necessary "eyes and ears" on major ocean policy and decision-making processes by monitoring, analyzing and reporting on critical developments, especially those that are not sector specific. Further, we are developing a "voice" for sustainability oriented companies by coordinating industry information and input to these processes and enhancing collective, constructive, sustained engagement of the public and ocean stakeholders by companies involved in the WOC. The result is active monitoring and analysis of major policy developments for WOC members, early industry awareness of critical developments and emerging issues, rapid and effective input to critical policy processes and proactive, positive relations with the public and ocean stakeholders.

3. *Catalyzing and coordinating cross-sectoral industry collaboration in developing practical, cost-effective, science-based solutions to specific marine environmental issues.*

We are fostering collaboration among companies to determine priorities and develop science programs that benefit from economies of scale in finding cost-effective solutions to shared environmental problems, e.g. the impacts of sound on marine life, shipboard waste discharges, environmentally sound recycling of vessels and marine structures. This will result in practical, cost-effective solutions to address priority shared marine environmental problems and the reduction or elimination of specific industry impacts to the marine environment.

4. *Working with ocean industries to improve environmental performance by developing and implementing continuous improvement, best practices and standards.*

Companies and sectors need to determine their "ocean footprint" and develop Corporate Ocean Responsibility policies and strategies. We are working with industry to develop best practices on cross-cutting issues, e.g. marine debris, ship strikes on whales. This enables us to document and disseminate case studies and best practices in Corporate Ocean Responsibility, e.g. case studies on creating an ocean sustainability strategy, case studies in best practices for partnerships with ocean NGOs. The most useful ideas on best practices often come from those at the forefront e.g. maritime managers dealing directly with the problems. Through best practices, specific marine environmental issues can be addressed and impacts reduced. Leadership companies that implement ocean sustainability strategies and actions to minimize their "ocean footprint" and minimize their impacts beyond compliance are improving their brand value and reputation.

5. *Developing operational ocean industry leadership alliances in priority regional or national or sub-national sea areas.*

The WOC is working to develop cross-sectoral industry leadership groups for critical geographic ocean areas, e.g. the Arctic, Mediterranean, Caribbean, and coordinate industry inputs to regional processes and participation in specific processes. This leads to operational alliances addressing ocean sustainability issues in priority geographic areas and participation in regional solutions implemented that reduce inter-industry conflicts and/or stakeholder conflicts and ensure access to ocean space and resources.

6. *Facilitating interaction among sectors to improve mutual understanding, create cross-sectoral dialogue and reduce ocean use conflicts.*

Opportunities for dialogue, exchange of information and developing mutual understanding among like-minded companies are being created through the Sustainable Ocean Summit and other means to increase cross-sectoral information exchange on ocean sustainability issues and challenges. Better understanding among industries of each other's ocean requirements leads to

improved collaboration and participation in ocean spatial planning at local, national and international levels to avoid and resolve user conflicts.

7. *Developing collective industry support for, and participation in, improved ocean science, especially on climate change.*

The WOC is developing and coordinating cross-sectoral calls for expanded, improved and better coordinated ocean science, especially regarding climate change. This will improve the understanding of the oceans, create a more predictable ocean operating environment and increase the use of science for safe, responsible industry operations and marine ecosystem management. Related to this are efforts to develop ocean industry participation in programs to improve ocean science, e.g. participation in ocean observation programs, interaction with intergovernmental ocean database programs.

8. *Undertaking proactive outreach and communication to the media and public on ocean industry efforts and progress in addressing marine environmental issues.*

We are working to raise the awareness of the public and media of the positive efforts by shipping and other ocean industry members to address environmental issues by providing factual and science-based information about real results. Media and public recognition of proactive industry efforts to tackle marine environmental impacts will be achieved through increased outreach to these audiences. WOC press releases, web content and other materials will ensure the "good news" about industry programs and progress are generating positive attention and improved reputation with the media, public, governments, inter-governmental bodies, NGOs, for responsible ocean companies.

World Ocean Council Benefits to Business, Progress and Next Steps

The World Ocean Council is working to create business value to responsible ocean companies through reduced risk, increased sustainability and solutions through collaboration. This includes reducing risks to the ocean industries from uninformed policies by better tracking and participation in these processes and by improving industry relationships with stakeholders. There are also economic benefits to collaboration amongst industry sectors in developing solutions to shared, pre-competitive issues. Improved communications with the media and public on positive industry actions to address ocean sustainability will generate credibility, visibility and improve reputation. The opportunity to interact with colleagues from other ocean industries will improve relationships among ocean sectors and reduce inter-industry conflicts.

The WOC is achieving considerable progress in its mission to bring together the multi-sectoral ocean business community to catalyze global leadership and collaboration in ocean sustainability and "Corporate Ocean Responsibility". Extensive interaction with companies has leveraged involvement and in-kind support to for the alliance and the basis of WOC membership. Interaction with many of the global ocean industry associations (shipping, tankers, oil and gas, fisheries, aquaculture, etc.) has led to their interest in the WOC, and opportunities to review and analyze sectoral ocean environmental issues and stakeholders. Relationship building with the UN Division on Ocean Affairs and Law of the Sea (DOALOS) and other UN ocean agencies have resulted in strong IGO partnerships and endorsements of the WOC. Major NGOs are also supportive of the WOC mission and efforts.

In mid-2008, the WOC organized a cross-sectoral industry meeting at UN offices on "Global Ocean Industry Leadership and Collaboration on Sustainable Development of the Marine Environment" (New York, June 24-25, 2008). The workshop brought together representatives of the oil and gas, shipping, fisheries, aquaculture, and other sea-based industries to identify the priorities for leadership and collaboration, determine the strategy and mechanisms for working together and develop the action plan for moving forward.

Sustainable Ocean Summit

One of the key recommendations from the industry representatives to the WOC meeting in New York was to hold a major cross-sectoral international industry conference on ocean sustainability. The "Sustainable Ocean Summit" (Belfast, 16-17 June 2009), the first high level, multi-industry conference on ocean sustainability developed by and for the ocean business community.

The Future: Industry Leadership in Ocean Sustainability and Stewardship

Few people know the ocean better than those who depend on it for their livelihood. Maritime executives in the shipping, fishing, aquaculture offshore oil, and other marine industries can and should be leaders in ocean stewardship and ensuring the oceans remain healthy, productive and able to support responsible economic use.

The World Ocean Council is there to help make this happen by providing an unprecedented business alliance for individuals, companies and associations in the private sector who care about the future of the ocean. We are working to create private sector leadership and collaboration in tackling ocean environmental issues and at the same time generate business benefits and reduce the threats to continued responsible use of marine areas and resources. As Lloyd's Register notes, "If we are thinking globally, oceanically and collectively, rather than considering our own narrow industry requirements, the World Ocean Council could be a very good idea. [It] could provide just the sort of co-operative inter-industry vehicle we need."

Contact the WOC for more information on becoming a part of this innovative effort to bring together the sustainability leaders of the ocean business community. See www.oceancouncil.org for more information, or contact paul.holthus@oceancouncil.org