

**Module: Global Sustainability Tourism**

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Essay**

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Corporate Social Responsibility is a must-have in the 21st century (Fernando, 2023). Says, "Corporate social responsibility is a business model by which companies make a concerted effort to operate in ways that enhance rather than degrade society and the environment". A company that uses corporate social responsibility to its advantage is Royal Caribbean International, which has a high reputation for environmental and social impacts on communities. This essay is going to heavily focus on Royal Caribbean International and how it runs its corporate social responsibility. This includes their environmental responsibility, ethical/human rights responsibility, philanthropic responsibility, and economic responsibility.

This essay will then see what the group is doing for its circular economy and see if they're being Greenwashed by the government or the public. This essay will discuss the three sustainability pillars and how overcrowding can affect areas. This will be discussed using Doxey's Irritation Index. Next, the essay will be looking at Maslow's law and Buttler's tourism area of life cycle to see people's changing demands and personal needs of the Royal Caribbean International group. After this, the essay will look at the group's triple bottom line. (Kelsey Miller, 2020) states that "The Triple bottom line is a business concept that states firms should commit to measuring their social and environmental impact". The essay will evaluate to see if the Royal Caribbean is using this method for good use. Finally, the essay will link the golden thread to evaluate how the organization sticks to its goals, (Naudin 2014)

Royal Caribbean International takes its social corporate responsibility very seriously. They state, "Every one of our values and actions flows from this promise. To operate the safest ships on the seas. To protect the oceans, we sail. To put people and communities first in everything we do". (Royal Caribbean Group, 2022). This is vital to local communities and the environment as the Royal Caribbean International has 26 ships divided into six classes (Crow, 2023), and travels to 61 countries on six continents. (Cruisebooking.com, 2023) The President and CEO of the company states "Through our blue Green Promise, we are committed to protecting, inspiring, and empowering ocean communities". (Jason Liberty, 2022) The company focuses on the three pillars of sustainability which include Environmental, Social, and Economic impacts. Royal Caribbean has also had some negative impacts of having a social corporate responsibility such as public backlash and rising inspection costs. This is caused because the company wants to have a positive public image. (Kishore, 2021)

The company says it's going to reduce its environmental impact by reducing greenhouse gas emissions with every class of ship and is working on developing more fuel-efficient engines and energy-efficient initiatives. They also state, "We're on a journey to achieve net-zero emissions by 2050". (Energy Use and Air Emissions, n.d.) This shows that the company is making an effort to save the environment instead of just thinking about profit. On the other hand, (Ketti, 2023), said that Royal Caribbean has

been caught red-handed dumping untreated sewage and oil straight into the ocean while lying about it in the undercover of night. This makes the question of whether they care about the environment or are they just trying to gain a good reputation in this controversial industry. Some people are wondering if the Royal Caribbean is greenwashing the public to try and gain more sales. According to (Hirsh, 2023), "Royal Caribbean has long been one of the worst offenders". This has been a long-term thing in the past and has cost the company eighteen million dollars in fines for illegal dumping.

Royal Caribbean has stepped up its environmentally friendly programs to help destinations they visit. Some of the things they're doing include announcing their Blue Green Promise. This means that the company says that they're committed to supporting ocean communities around the world. They have also donated five million dollars to preserve ocean health. These are both positive steps to regaining customers' trust and loyalty.

Some destinations can relate to Butler's Tourism Area of Life Cycle model. It first looks at the exploration and development of a destination analysing if the destination would attract tourists. But then this concept looks at stagnation and decline or rejuvenation. This means the area over time has been overused from over-tourism and is no longer appealing to tourists wanting to go on holiday or travel. (drhayleystainton, 2022) An example of a destination who are on the decline part of the model is Venice. They have had to stop large cruise ships sailing into the city as it has too much of an environmental impact on the local wildlife and the safety of small boats. (euronews, 2023) says, "Large cruise ships have long imperilled Venice's fragile natural and built environment". The reason they have done this is to ensure that the city stays in its natural beauty, so tourists keep coming back in the future before it's ruined.

Another research method that certain destinations use to evaluate cruise ships, such as the Royal Caribbean is Doxey's Irritation Model. This model includes Euphoria, Apathy, Annoyance, and Antagonistic. Starting from Euphoria being positive to Antagonism being the most negative. This concept means that the locals taking in tourists may change their attitude about them after a while because of certain things like over-tourism and tourists being destructive and negative towards their lifestyle. An example of a destination that the Royal Caribbean hurts is the Caribbean islands. Although the population on the Caribbean islands at the start was Euphoria the cruise ships created jobs and made an easier way of making money. Now some locals are feeling Antagonism as Royal Caribbean cruise ships are getting larger each year causing a bigger negative effect on their homes and environment as coral and wildlife are slowly being led out from overpopulation and overuse. (drhayleystainton, 2022)

The Royal Caribbean does its part to help the environment by having a good circular economy. The company claims to work with its suppliers to, "Green our supply chain, reduce packaging materials and use more sustainable resources". This helps their ships to aim to be landfill-free and to follow international, national, and local environmental regulations. (Waste Management, 1991). This is great news for the destinations the ships visit as they don't have to unload any waste to the local area but instead reuse it for the next customers.

Another way the company uses the circular economy is by reusing and creating fresh water to drink and clean. (Water and Wastewater Management, n.d.) says, "Royal Caribbean Group ships produce 90% of the freshwater used onboard via steam evaporation or reverse osmosis desalination systems". This is very impressive and great for the environment as the ships can produce water for drinking, pools, kitchens, and showers while never having to take water from the local communities. The only issue is that they still import plastic water bottles onto the ship causing unnecessary plastic waste that must be recycled.

Royal Caribbean International has some guiding principles and management styles for dealing with its supply chain. (Supply Chain, n.d.) says, "Our Supplier Guiding Principles establish human rights, labour, and environmental expectations". This suggests that the company looks regularly at the standards of their supplies to make sure they live up to the quality and ethical responsibility of what they say they achieve. This is great news for people working in the supply chain as they know they will be looked after properly. This could include getting the right number of breaks while working and they know they're being thought of. They also say "We seek to build a more responsible, resilient supply chain that promotes the wellbeing of workers, our communities, our employees, and the environment". This shows that the Royal Caribbean sticks to the three pillars of the sustainability principle.

The company says they're also proud of the awards they have won, including the "World's Most Ethical Companies by the Ethisphere Institute seven years in a row". (Ethics and Compliance, n.d.) This shows the company is doing great with its staff members. On the other hand, a cruise company that is struggling with ethics and the environment is Crystal Cruises, (Watson, 2015) says, "Grade F in 2014, F in 2013. It received Fs in pollution and sewage treatment and provided no information about water quality compliance". This shows that the Royal Caribbean is heading in the right direction and is well ahead of cruise companies such as Crystal Cruises setting a great role model.

We all know overcrowding can cause huge problems for destinations Royal Caribbean visits as its biggest ships can hold 6,988 passengers and 2,300 crew members. (Ahmed, 2023). A study by (Luque-Gil et al, 2018) says, "Substantial research conducted in related contexts has shown that crowding can reduce people's satisfaction, attitude, and loyalty". (Bailey, 2019), said the Royal Caribbean will work

with local ports to help bring in new projects to help with over-tourism. (Biesiada, 2019) A way local governments are supporting their efforts to reduce the impacts of over-tourism is by introducing a Tourism tax for people coming off cruise ships such as Royal Caribbean. A great example of a destination that uses tourism tax to benefit them is Mallorca. By collecting tourism tax from tourists visiting the country including cruises they raise 120 million euros each year which would go towards protecting the environment and natural resources. (Abc-mallorca.com, 2023), says “absolutely necessary to protect the island's natural beauty and improve infrastructure”. By having this tax, the country will be able to develop the ports and infrastructure to make it more environmentally friendly.

During the year of 2019, the Royal Caribbean International made a great profit of around 1.9 billion dollars. This was great for the company's stakeholders and investors. By the year 2020 unfortunately all the docks had to shut down across the world meaning cruise ships couldn't travel anywhere meaning they had no way of making money. This was due to the COVID-19 pandemic that hit every country across the globe and made all the governments shut their borders to tourists. According to (Statistia, 2023), “Royal Caribbean Cruises has reported significant economic losses. In the first year of the health crisis, the company recorded a negative balance of nearly 5.8 billion U.S. dollars. In 2021, the net loss totalled roughly 5.3 billion dollars”. On the other hand, in the current year 2023 the Royal Caribbean has seen its first positive economic. (Macrotrends.net, 2023) says, “Royal Caribbean Cruises net income for the quarter ending June 30, 2023, was \$0.459B”. This shows that cruise companies like the Royal Caribbean are making a slow but positive comeback since the pandemic.

According to the (Cruise Line Industry Association, 2020) they say, “Demand for cruising remains strong, with 84 percent of cruisers saying that they plan to cruise again soon-exceeding pre-pandemic levels. In addition, 69 percent of non-cruisers say they are open to cruising, an increase of 9 percent since November 2021”. This meant that the pandemic made people miss cruising as they were stuck at home not being able to travel. This is great for the ports the cruise ships travel to as they miss out on money from the cruise passengers including the people who survive off cruise tourism including taxis and local restaurants and hotels.

To conclude this essay, Corporate Social Responsibility has become essential in the 21st century. As emphasized by (Fernando 2023), Focused on Royal Caribbean International, this essay heavily explored the company's commitment to CSR across environmental, ethical, philanthropic, and economic domains. The essay discussed the impact on destination areas, highlighting areas like Doxey's irritation index and Butler's tourism area of Life Cycle. The Royal Caribbean faced many challenges, including accusations of environmental misconduct. The company also got scrutinized for its circular economy efforts such as its ethical practices, and economic resilience in the post-pandemic.

On the other hand, the positives outweighed the negatives. The essay then talked about the triple bottom line and the organizational goals through the golden thread using the significance of responsible business practices in ethical well-being and environmental sustainability. The Royal Caribbean International has a bright future ahead of it with its environmental program and its reputation for helping local communities and ecosystems.

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