

Pentland | Lancaster University

Funded by

Lloyd's Register Foundation

This seminar will outline the project design & theory of change

We would welcome conversations with you about any aspect of this work (contact details on last page)

& in partnership with

October 20th, 2026

Seminar Transcript

[Slide1] [0:00] Jan Bebbington:
Welcome. What we're wanting to do in this seminar is to give you an oversight of some of the foundational work that we've been doing on the Corporations for Safer Ocean Industries Project. This whole project is funded by Lloyd's Register Foundation, so we're very appreciative of their funding, but also really appreciative of the help they're giving us to connect to other places and to connect to people in their network, which is hugely valuable.

This is also a project that's being conducted in partnership with the UN Global Compact, and in particularly linked to the Ocean Centre's work. And we're really pleased to see Suzanna on the call. She's our key partner there. Also the UN's Ocean Stewardship Coalition is central to part of this project as well.

Safer defined

- All corporations have the duty to protect those working for them, ensure communities that they interact with are treated fairly, and to ensure due diligence requirements across their value and supply chains are met: a rights holder focus
- Environmental, social & economic dynamics will drive impacts on workers & communities (in-direct impacts with corporations having a duty to protect against)
- The focus of the study is how corporations might:
  - Be confident to act in this context to ensure rights are up held &
  - Be held responsible by stakeholders for their actions/inaction

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Seminar Transcript

[Slide 2] [1:04] Jan Bebbington:
So, what do we mean by safer? So, safer is really from the perspective of rights holders, so people living in the local community near to corporations or people working for a corporation, either directly or indirectly through the supply chains. These are rights holders that corporations have the duty to make sure are safe. Workers have to be protected both in their own employment and along with the supply chain. Communities that are interacted with need to be treated fairly. They have to have the ability to make informed decisions about who's working in their locale, but also that their traditional rights are upheld. The way of getting to that kind of outcomes along supply chains is through due diligence, which is a big corporate requirement and something that companies have a lot of experience in doing. But we also know that the ocean is a changing space, which generates potential for unsafe and unfair conditions to emerge over time.

We are not focusing on that broader picture insofar as those impacts come and be centred on corporations who have to maybe enhance their protection of communities and workers because of them. It is not looking at everything in the ocean space that might change things that are going on. But our focus then is on how corporations could be confident to act in this area, but also able to report in

this area.

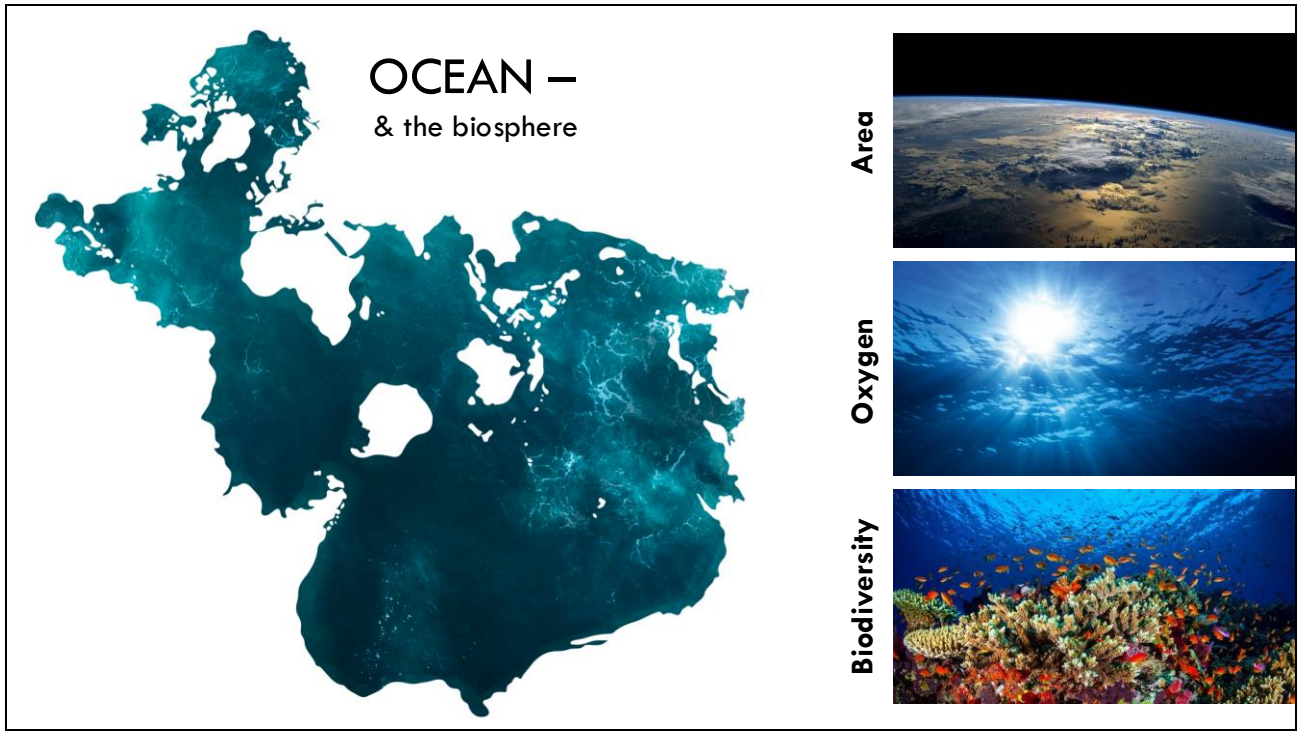
Six elements (we will be moving fast)

1. Introducing the ocean (Jean-Baptise Jouffray)
2. Study design & corporate reporting (Jan Bebbington)
3. Characterising the issues (Ophelia Chidgey)
4. Norms for corporate reporting (Tibor Vegh, John Virdin, Hesham Yousef)
5. Analysing disclosures primer (Mahmoud Gad)
6. Q&A … discussion

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Seminar Transcript

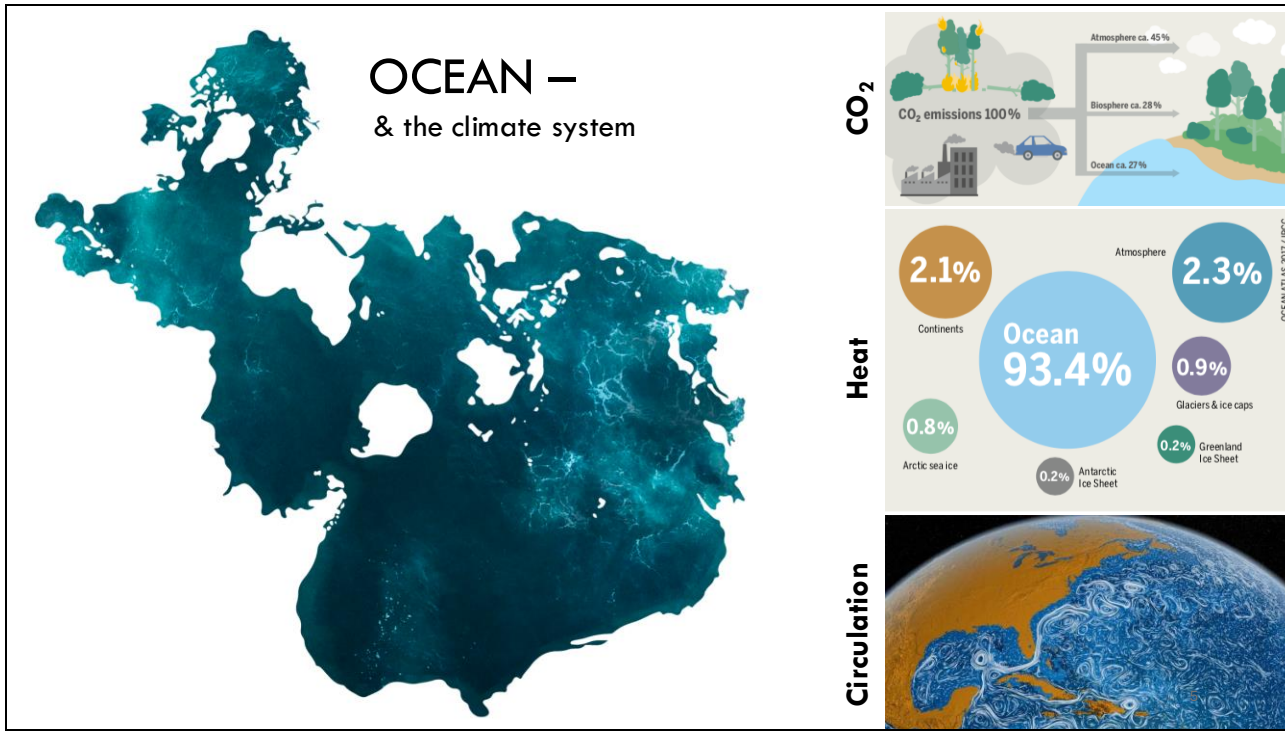
[Slide 3] [2:39] Jan Bebbington:
You can see that we're going to work through six elements and we're going to move quite fast. We're going to leave the Q&A to the end, but we hope to be through this material and all of the elements which are foundational to being able to make this whole project sing. I think that's enough of me for the moment, I'll pass on to Jean-Baptiste, who will tell us about the ocean, the place from which everything comes. Passing on to Jean-Baptiste.



Seminar Transcript

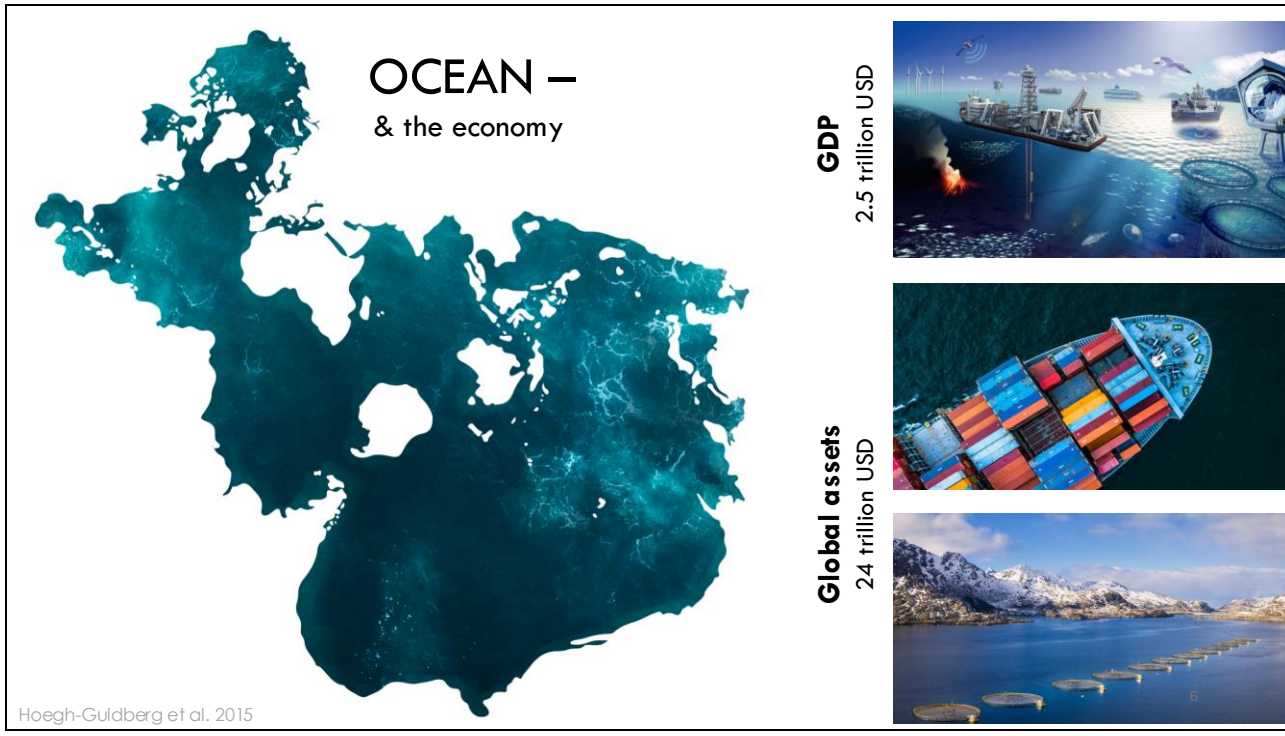
[Slide 4] [3:01] Jean-Baptiste Jouffray:
Let me indeed start with maybe a step back before we get into the nitty-gritty details of the project to kind of introduce what we're focusing on and why we're focusing on it. This is the global ocean that you can see here represented by the Spilhaus Projection that shows the ocean as one united body of water.

Why does the ocean matters? Well, it matters because two-thirds of the planet is in fact covered by the ocean. It also matters because it provides the oxygen we are breathing. And it matters because life in the ocean has existed for 3.7 billion years, more than life on land, so it is a tremendous reservoir of biodiversity. It's estimated that 90% of marine species are still undescribed today. There's a lot of unknown and a lot of diversity in the ocean.



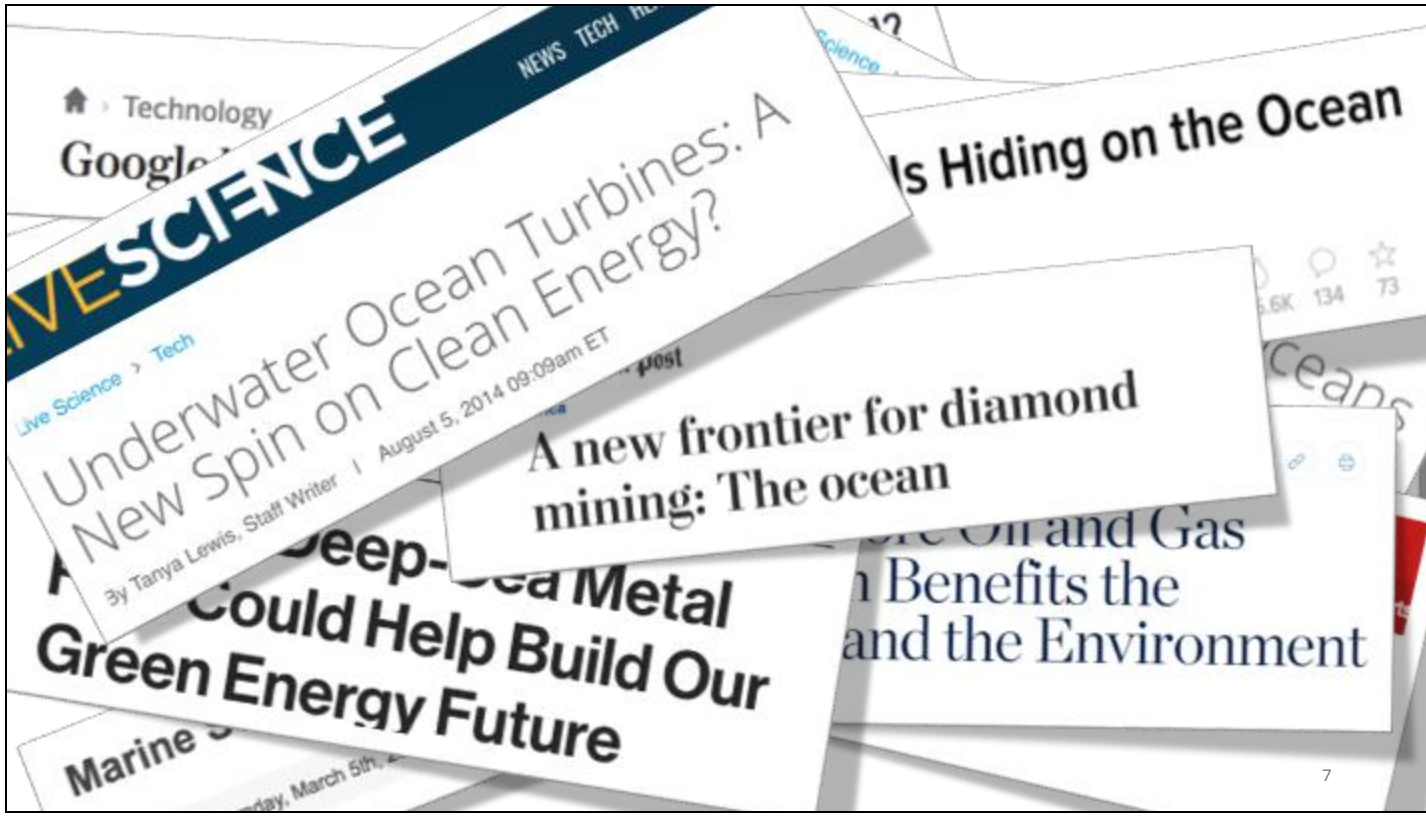
Seminar Transcript

[Slide 5-6] [3:55] Jean-Baptiste Jouffray:
It is also part of the climate system, it is the engine of the climate, you have currents and circulation, it absorbs excess heat and it is a huge buffer for some of the emissions and the global warming. It has that function as an engine of the planetary system. And it is indispensable for the economy as well. We often hear about the blue economy or the ocean economy. If the ocean was a country, it would be up to the 7th largest GDP in the world, close to 24 trillion US dollar of global assets. Millions of people rely on it for their livelihoods, and it is centre of what's perceived as a new economic frontier.



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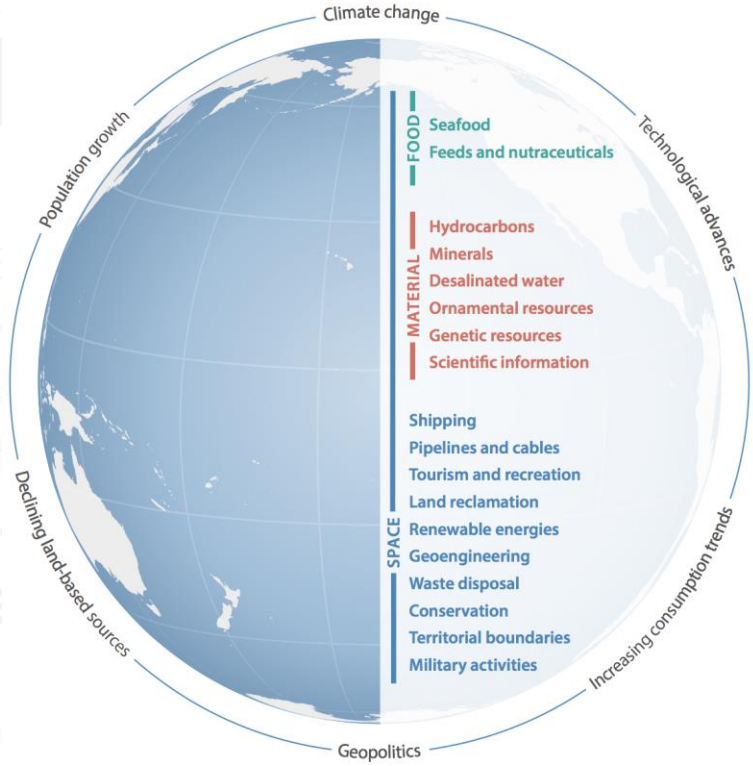
Seminar Transcript

[Slide 7] [4:58] Jean-Baptiste Jouffray:
Why is it perceived as new economic frontier? It's because there are all those hopes and expectations for the ocean to deliver on the needs of humanity, whether it's for food, for material, for space, for energy, for medicines. You have all those hopes that the ocean will provide.

And indeed, if you look at all the claims that we're making on the ocean and why we're using the ocean today, you can see that it's a tremendous diversity of uses and activities that are actually taking place in the ocean today.

Jouffray et al. 2020, *One Earth*

OCEAN FOR FOOD, MATERIAL, AND SPACE



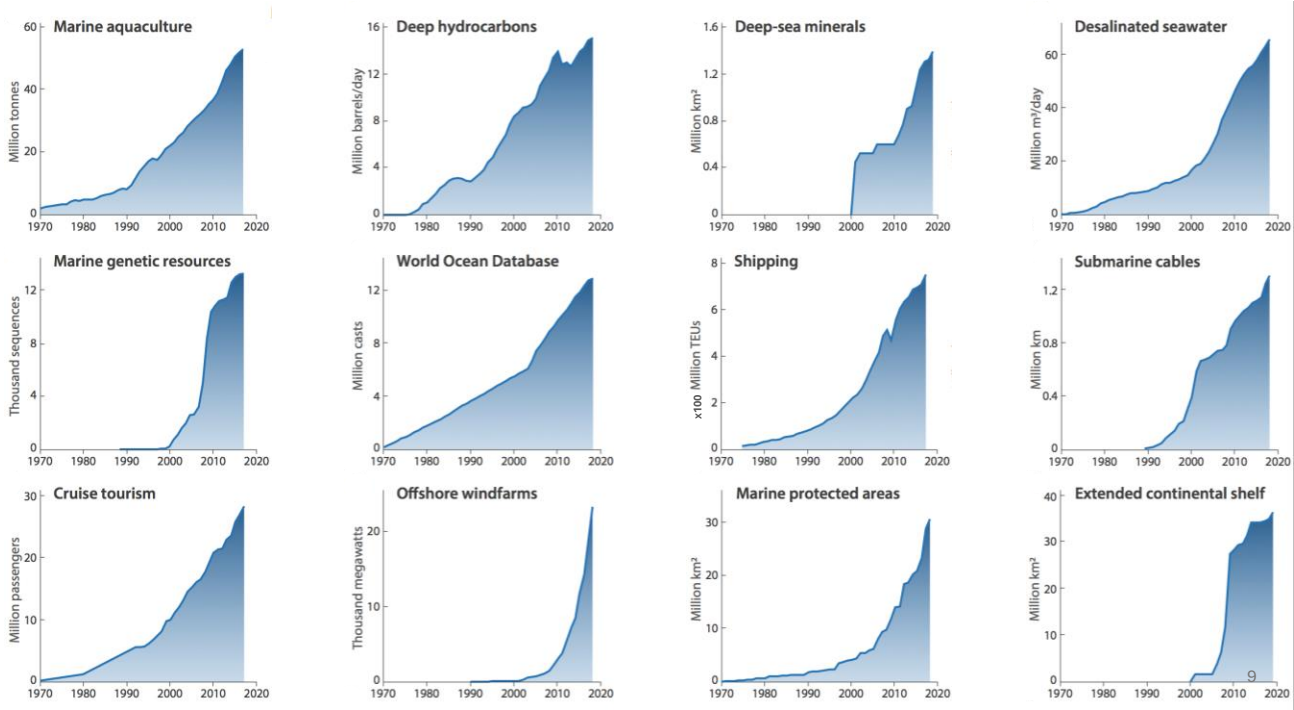
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Seminar Transcript

[Slide 8] [5:35] Jean-Baptiste Jouffray:
Some of those are listed here, categorised and there are three fundamental needs for food, for material and for space. But importantly, if you look at those over time...

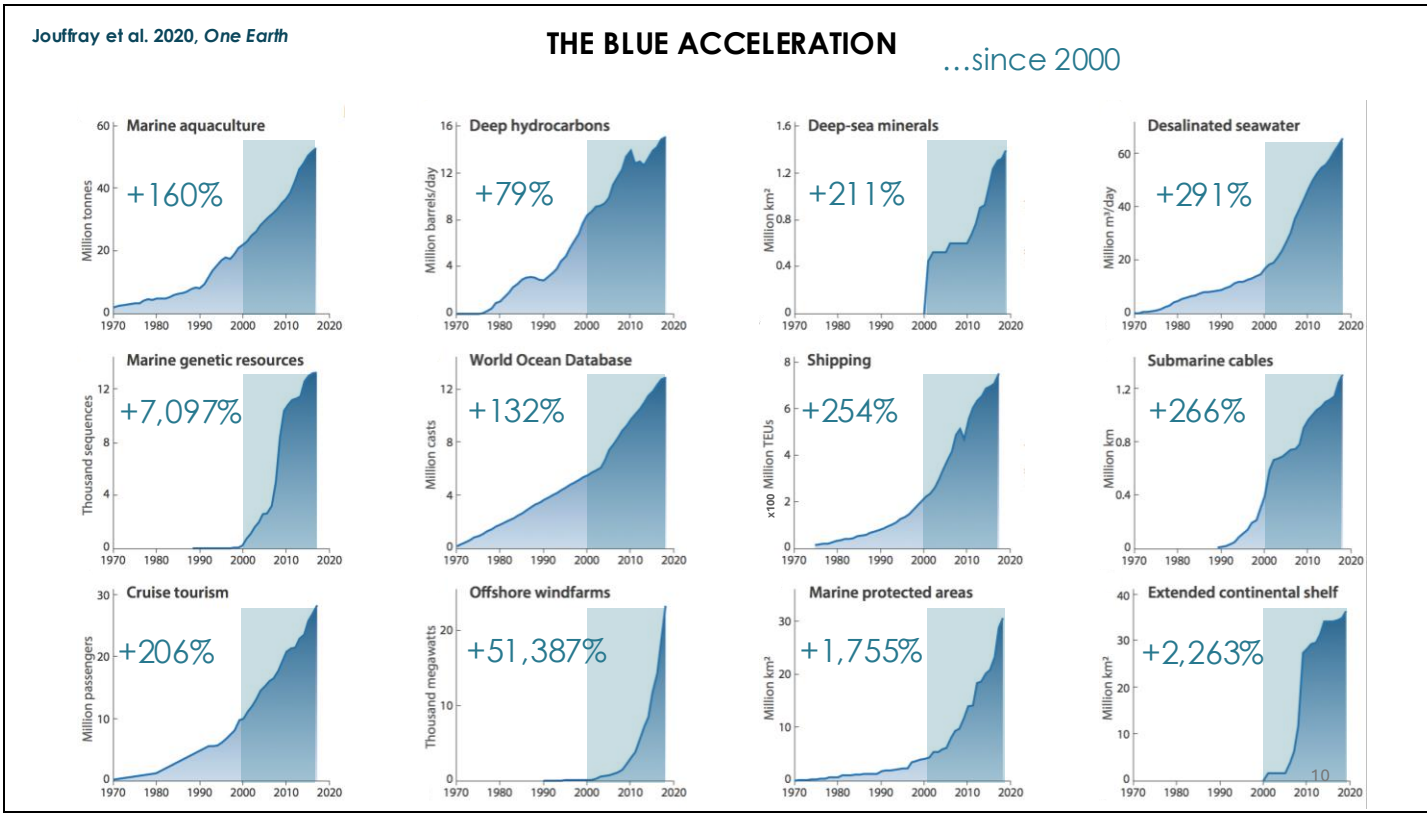
Jouffray et al. 2020, *One Earth*

THE BLUE ACCELERATION



Seminar Transcript

[Slide 9] [5:47] Jean-Baptiste Jouffray:
…you will see a trend that's been described as the blue acceleration in the spirit of the great acceleration that shows rapid exponential increase of social and ecological variables after World War II. In the context of the Blue Acceleration, it's a little bit later than mid-centuries. It really is at the onset of the 21st century that suddenly you see a rapid growth across a wide range of sectors.



Seminar Transcript

[Slide 10] [6:12] Jean-Baptiste Jouffray:
If I looked at the percent growth in just the last 20 years, you're seeing some numbers like 51,000% increase in the global capacity of offshore wind. Likewise, maritime transport has quadrupled over 20 years. Submarine cables, we're talking about more than 1.3 million kilometres of cables that are accounting for 99 percent of international telecommunication. So what you're seeing in that one slide is that humanity is rapidly expanding into the ocean domain.

And this is what's being described as the Anthropocene Ocean. So, it's this industrialisation of the ocean.



Seminar Transcript

[Slide 11] [6:53] Jean-Baptiste Jouffray:
Now, the Anthropocene Ocean looks like that…



Seminar Transcript

[Slide 12] [7:05] Jean-Baptiste Jouffray:
...but it also looks like that.

Which is more with some of the impacts of some of those activities. So here you're seeing some snippets of impacts, whether it's dead zones, whether it's bleached corals, whether it's marine fauna being coated in fishing gear, in ghost gear, or whether it's plastic pollution inside the stomach of a black-footed albatross.



Seminar Transcript

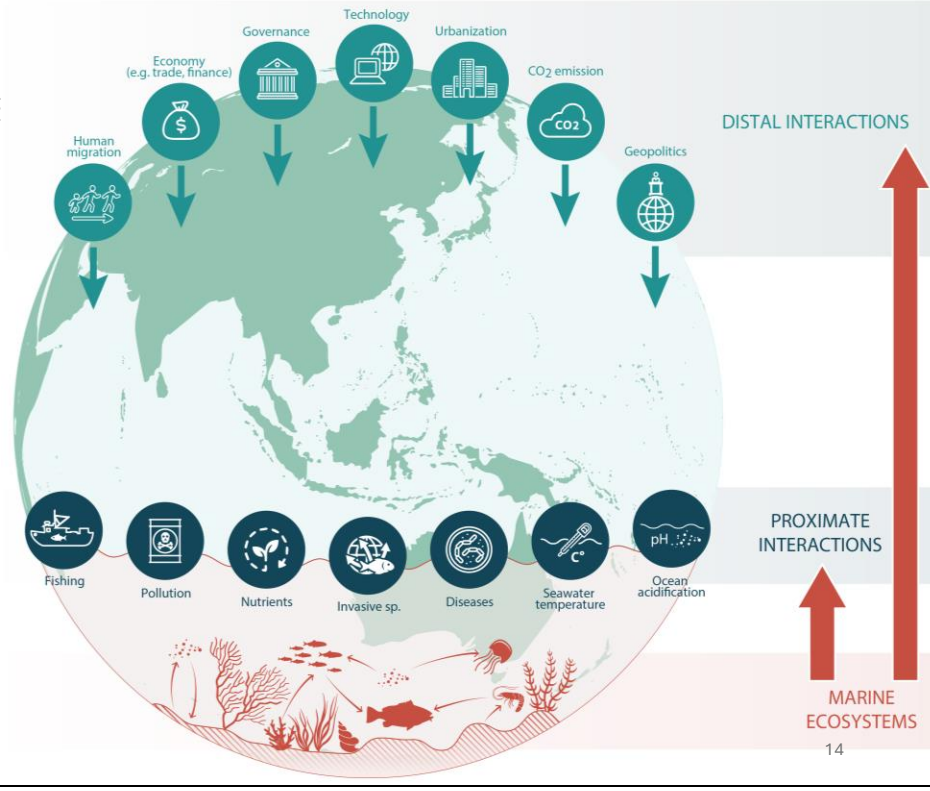
[Slide 13] [7:25] Jean-Baptiste Jouffray:
And the Anthropocene Ocean is also looking like that. And those are the people who depend on it for their livelihoods or who can be impacted by some of the activities that we described before.

So what is really important to take into consideration when thinking about the ocean today, about this new reality of the ocean, is how to make sense of that new world, how to make sense of this ocean.

MARINE ECOSYSTEM SCIENCE ON AN INTERTWINED PLANET

Österblom et al. 2016, *Ecosystems*

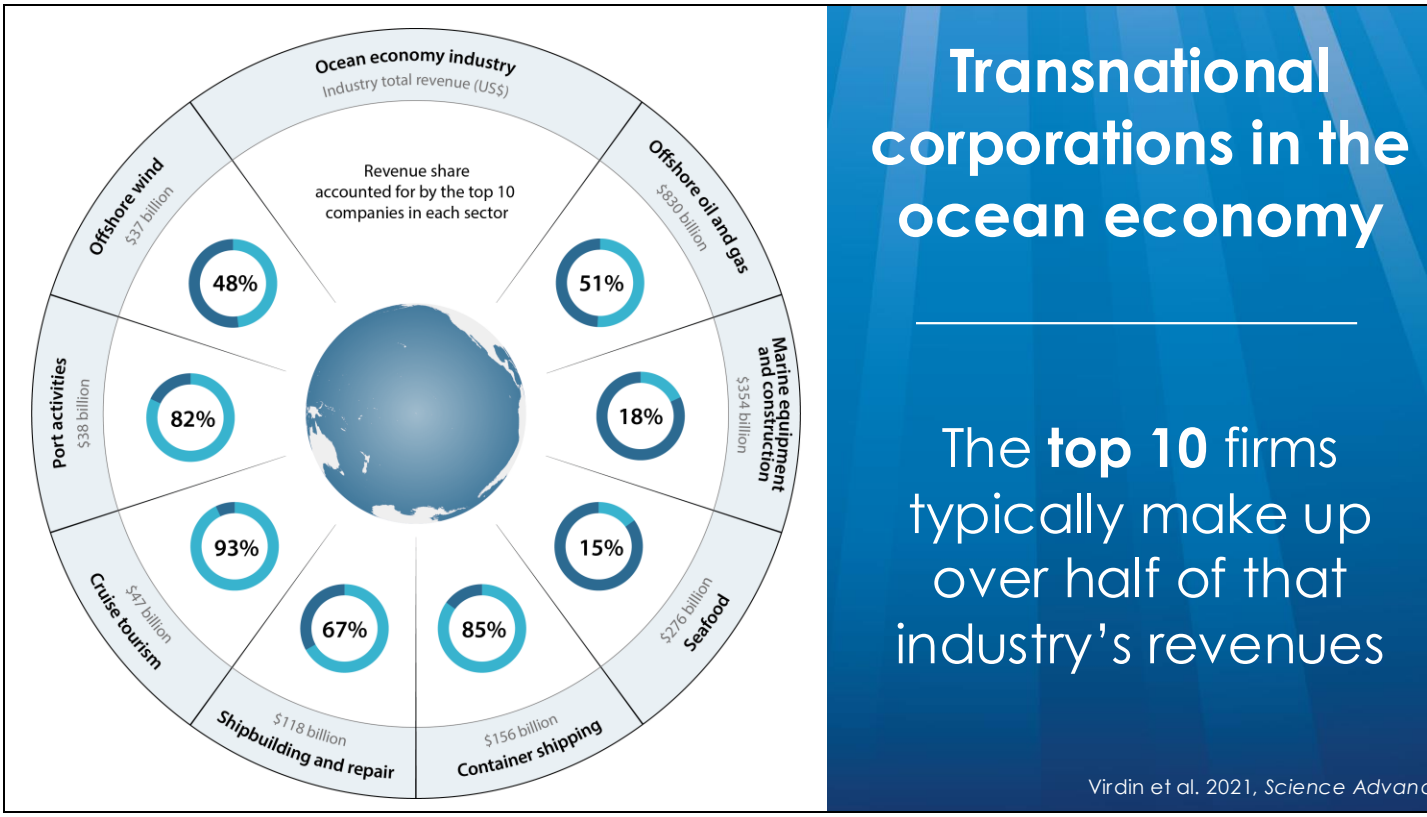
"Changes in marine ecosystem dynamics are influenced by proximate socioeconomic activities and human-induced biophysical change, both embedded in a much broader and distal socioeconomic context"



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Seminar Transcript

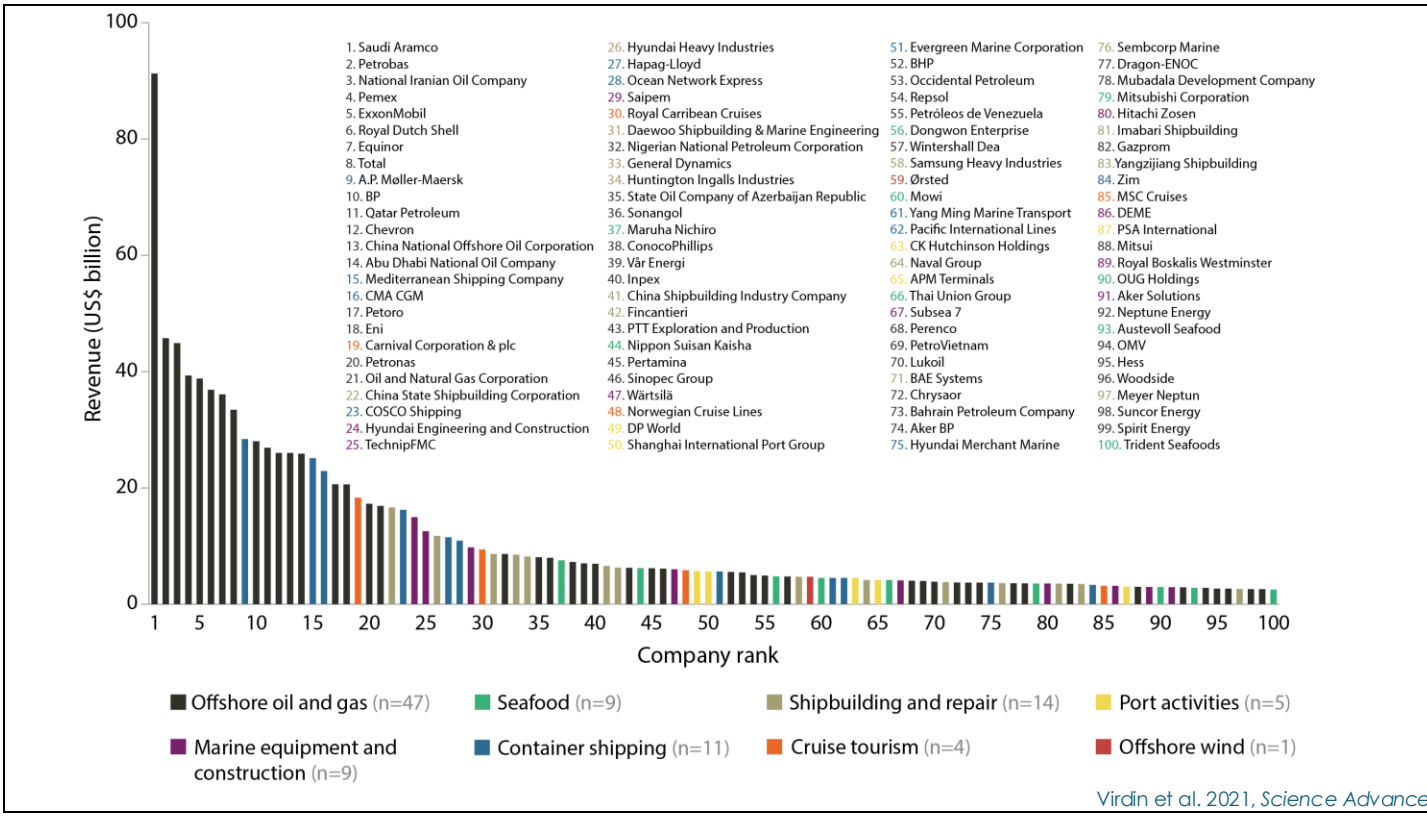
[Slide 14] [7:56] Jean-Baptiste Jouffray:
And one way to make sense of it is to understand that the changes that we're observing in the ecosystem and the ecosystem dynamics are influenced by approximate socioeconomic activities and human induced change, both embedded into a much broader and distal socioeconomic context. So it's not just the ecosystem and the environment, but it's everything around it that is driving some of those interactions, be it governance, economy, technology, urbanisation, and so on. And this is where the social element also comes in.



Seminar Transcript

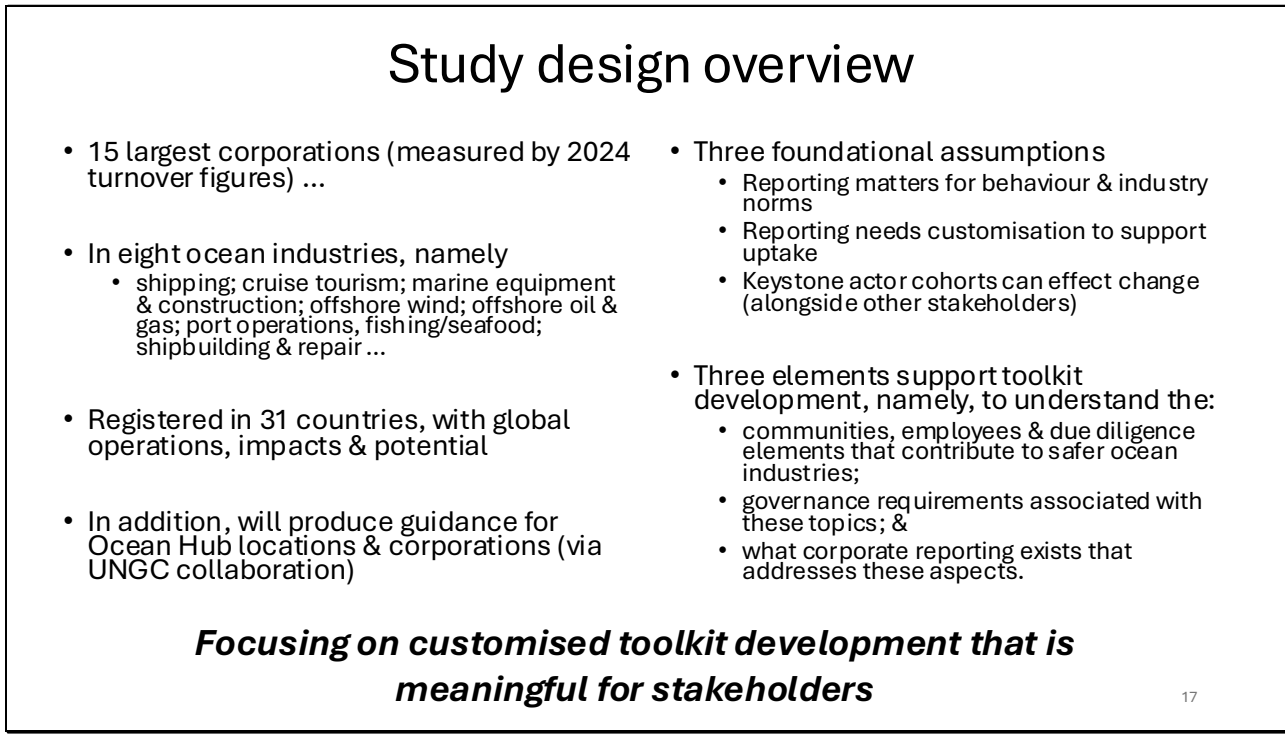
[Slide 15] [8:29] Jean-Baptiste Jouffray:
So in some of our work with some of the folks here presenting that will speak later, a couple of years ago, we looked at the role of the private sector into that matrix of multiple drivers. And we looked at the role of transnational cooperation in the ocean economy. What you see here is a measure of how much the top 10 firms typically make up of a particular industry revenues. It's a measure of concentration or consolidation. And what you see is that the ocean economy is really consolidated into the hands of the few companies, like the offshore oil and gas, 10 companies account for 51%. If you look at container shipping, it's much more concentrated even than that with the 10 largest companies in the world accounting for 85%, and cruise tourism even more so with 93%. Perhaps the only outlier here would be seafood, where it's a more diffused and decentralised sector, and still the 10 largest companies account for 15%.

So you have a few companies that really account for a large portion of their respective industries.



Seminar Transcript

[Slide 16] [9:35] Jean-Baptiste Jouffray:
But if you look across industries and just look at the largest 100 companies in the world, in the ocean economy, what we refer to as the ocean 100, then you start seeing a pattern where most of them are actually are seated with offshore oil and gas, 9 out of the top 10, and 47 out of the top 100, which tells you how much the ocean economy right now in terms of revenue is driven by the extraction of offshore oil and gas. And you see a few other sectors here and there afterwards. Why this matters is because those companies don't always report on their impact.



Seminar Transcript

[Slide 17] [10:24] Jean-Baptiste Jouffray:
And so here we looked at 15 of the largest corporation measured by 2024 turnover figures. Jan will takeover from here.

[10:35] Jan Bebbington:
We're very much following that previous work and looking at large ocean actors. But instead of having the oil and gas sort of crowding out all the rest, we're looking at 8 ocean industries, which you saw in the previous slides, and then the 15 largest corporations in each one of those industries as measured by 2024 turnover figures. So it updates the earlier work as well, who had turnover figures from 2018. This gives us another glimpse of those actors in 2024.

When we look at those 120 companies, this is what inflation does for you, we're off 100 to 120, then you can see that we have them registered in 31 countries. Those countries have the ability to regulate corporate behaviour, but they also have global operations impact and hence the potential for a positive global effect as well. Part of our study design is looking at these big actors, but we are also wanting to produce guidance that will be helpful to the ocean hub locations and corporations. So we might say more about this in a future seminar, but these are other places

around the globe which are ocean centres, which might not have those large corporations, but are still really important for the ocean industry as a whole.

And then there's the foundational assumptions, which, I'm an accountant, so I'm of course going to tell you that reporting matters for behaviour and for development of industry norms. But our academic literature also tells us that as well. So this project is very much looking for the evidence and the reporting of how corporations think about what they should be doing and report on performance. But we know from preceding work before we got to develop this project that many firms find it hard to use generic resources in this area. So we need reporting to be customised to those eight ocean industry segments and really customised to both employees, communities and due diligence.

The final foundational assumption we have, which we've had through a whole array of work, is that groups of companies, particularly what we would describe as keystone actors, which are very large corporations, can affect change across a whole industry in partnership with other stakeholders.

So if you like, that's our study design and our desire is to be able to create toolkits that will help those 120 companies and many others besides be able to understand their impact on communities, employees and to conduct good due diligence. To do that, we need to know what kind of governance is associated with those activities, but also what corporation reporting is out there as well.

We've got 6 evidence streams that we're working on simultaneously and Ophelia is going to talk us through the first.

Six evidence streams

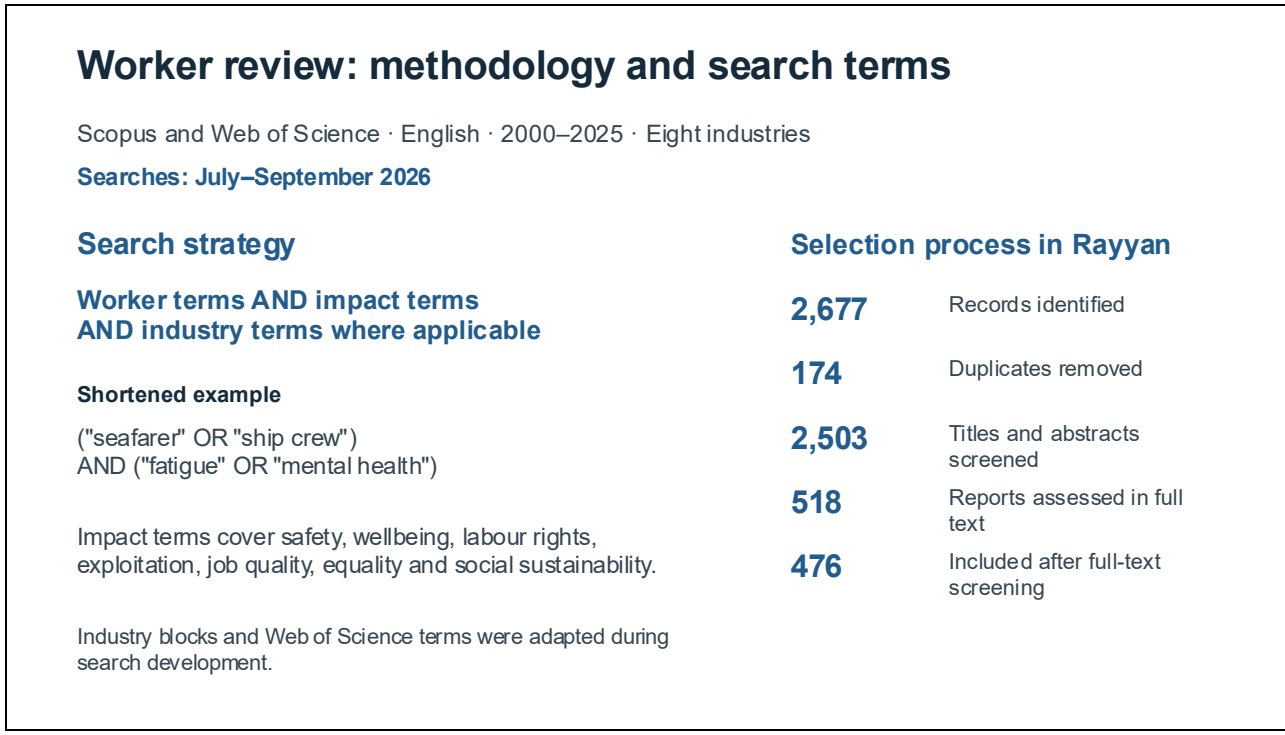
Element	Rationale for evidence element
1. Academic focused literature reviews for community, workers & due diligence.	To establish the knowledge base of what is known via peer review processes & have been subject to investigation.
2. Review of corporate governance requirements in cohort countries (& those of Ocean Hub locations) incorporating financial & non-financial reporting.	To establish the requirements & expectations for information provision by corporate actors.
3. Review of corporate reporting practices.	To establish what is already widespread & competent practice.
4. Review of international agreements that related to issues & their adoption in cohort countries.	To identify potential sources of governance across issues of salience (including sector specific agreements).
5. Stakeholder mapping & resource identification.	To establish who may already be acting in this space and generating resources for companies.
6. Stakeholder engagement for toolkit design & proofing.	To ensure the useability of toolkits ahead of their finalisation.

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Seminar Transcript

[Slide 18] [13:30] Ophelia Chidgey:
Thanks, Jan. Thanks, JB. As Jan said, I'll take you through sort of the first stream of the six evidence streams. And I think what's also important to highlight is that we'll be looking overall at all of the six evidence streams together, but as well as the gaps between them.

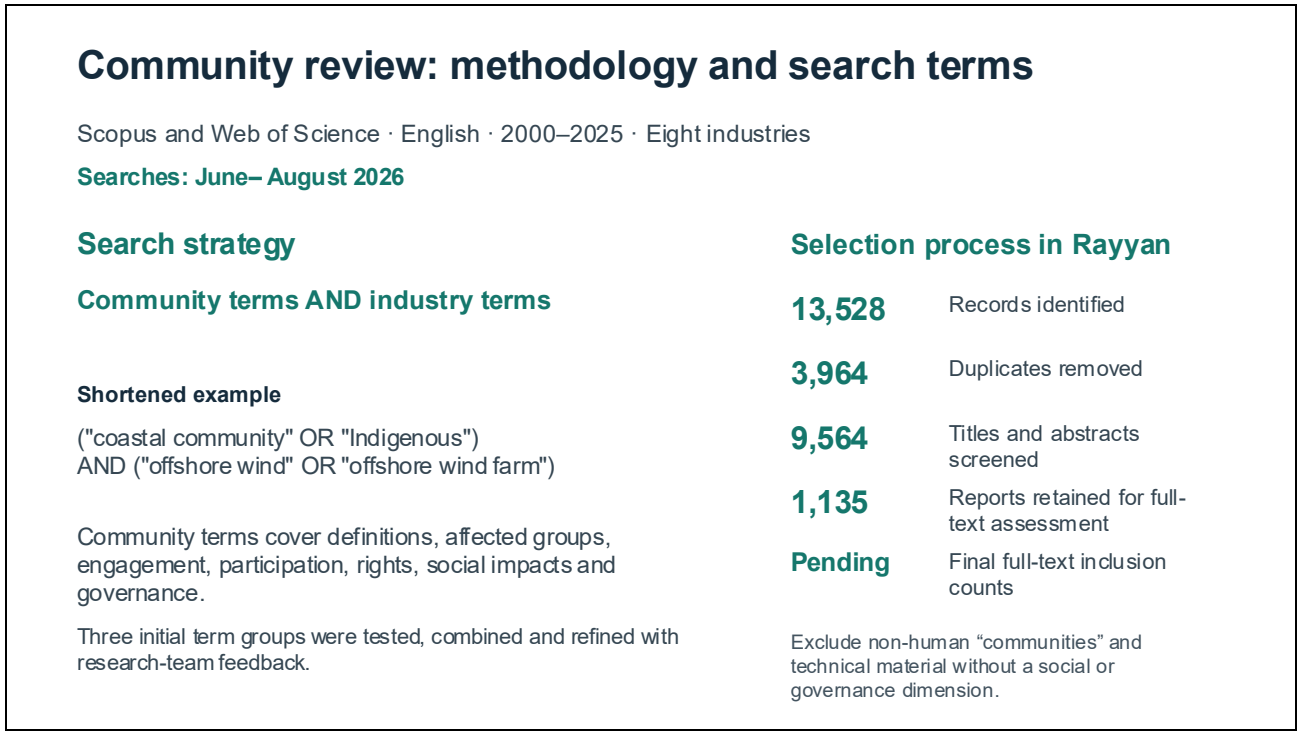
So what are the gaps between the issues that are coming through the academic literature, between the reporting, between the regulations and seeing where these gaps are. And I'll be focusing this next part on the academic literature for communities and workers and the issues that have been presented through these.



Seminar Transcript

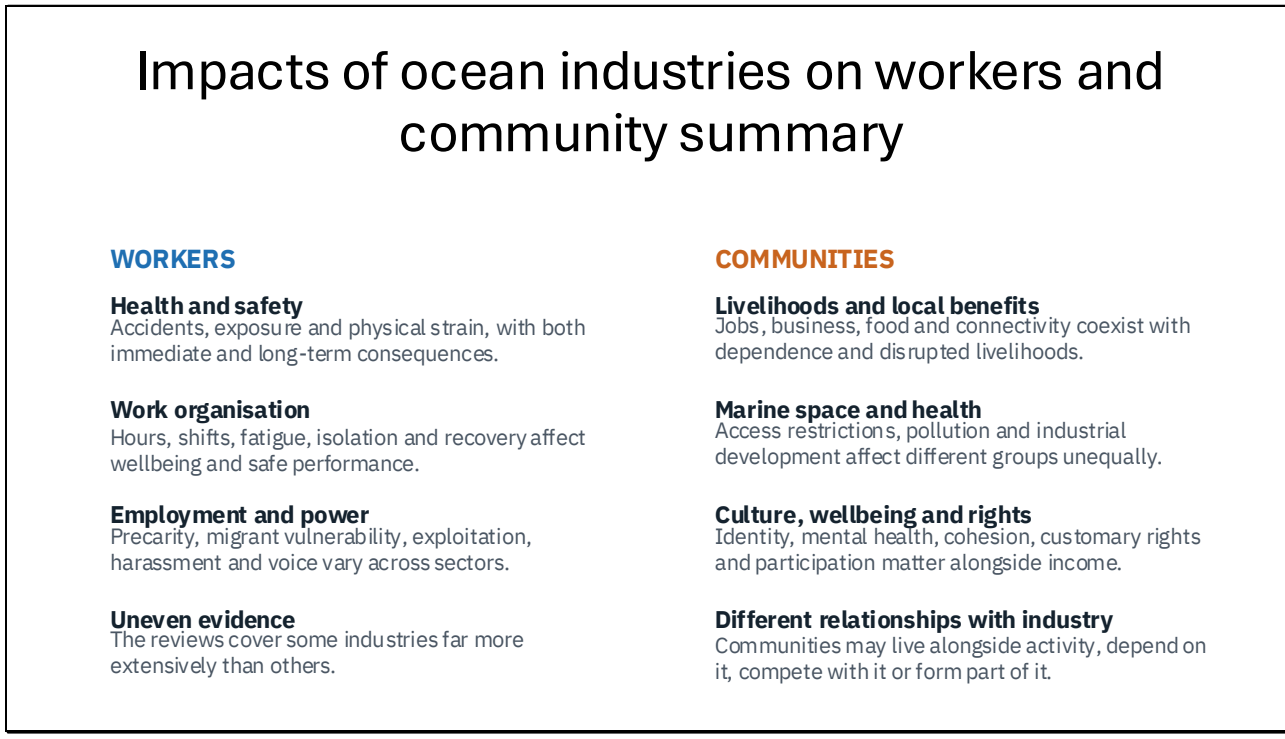
[Slide 19] [14:20] Ophelia Chidgey:
So the first two academic literature streams have focused on workers and communities. And just as an overview of what this process looked like for all the workers and the search terms, we looked at worker search terms and impact terms and where appropriate, also industry terms.

So we looked at searching up different jobs, different roles across the eight ocean industries, and looking into different impact terms like safety, wellbeing, labour rights, and more broad terms like social sustainability. Through this, we've identified, we started with about 2 1/2 thousand and looking at 476 really good articles that give us some good information.



Seminar Transcript

[Slide 20] [15:02] Ophelia Chidgey:
And then similarly for the communities, similarly looking at key search terms, including coastal communities and looking at indigenous and indigenous rights, as well as looking then at the industry terms like offshore wind and expanded terms like offshore wind farm. This has a much larger group of literature. There was a lot of literature in the different industries, but also some of the terms caught quite a wide range of literature in different fields. So we're still working through some of those.



Seminar Transcript

[Slide 21] [15:52] Ophelia Chidgey:
And just as like a general overview across all of the industries and communities, there are a lot of themes that reoccur through the eight industries. So in relation to workers, there are lots of discussions about health and safety, accidents, musculoskeletal strains, and both in the immediate short term as well as historic cases. For example in shipbuilding where exposure to certain chemicals and dusts are producing issues for works decades after they've actually left that employment, work organisation including shift and fatigue, which also then feeds back into health and safety, where fatigue leads to increased risk of accidents but including isolation in certain industries such as shipping, where people are spending a long time on board, wellbeing and safe performance linked in there, as well as employment and power.

So how different workers and different groups of workers experience harms and precarity in different ways, including migrant workers and how exploitation and harassment or sexual harassment can be experienced in different workplaces.

It's important to note here that there is a lot of uneven evidence. In some industries, we have a real wealth of information coming through, for example, fishing. And then

in marine construction, although there are some papers in other fields like engineering, we're not seeing a lot of discussion about workers.

On the other side, we have communities. So a lot of the literature here talks about both the pros and cons to communities, often in the same places.

So livelihoods and local benefits, including jobs, businesses, providing food and connectivity, but how this also is linked to dependence and also disruption, as well as competition for marine space and then how these industries also impact that through health. So access and restriction for example to fishing, pollution and industrial development and how different groups have access and are impacted differently.

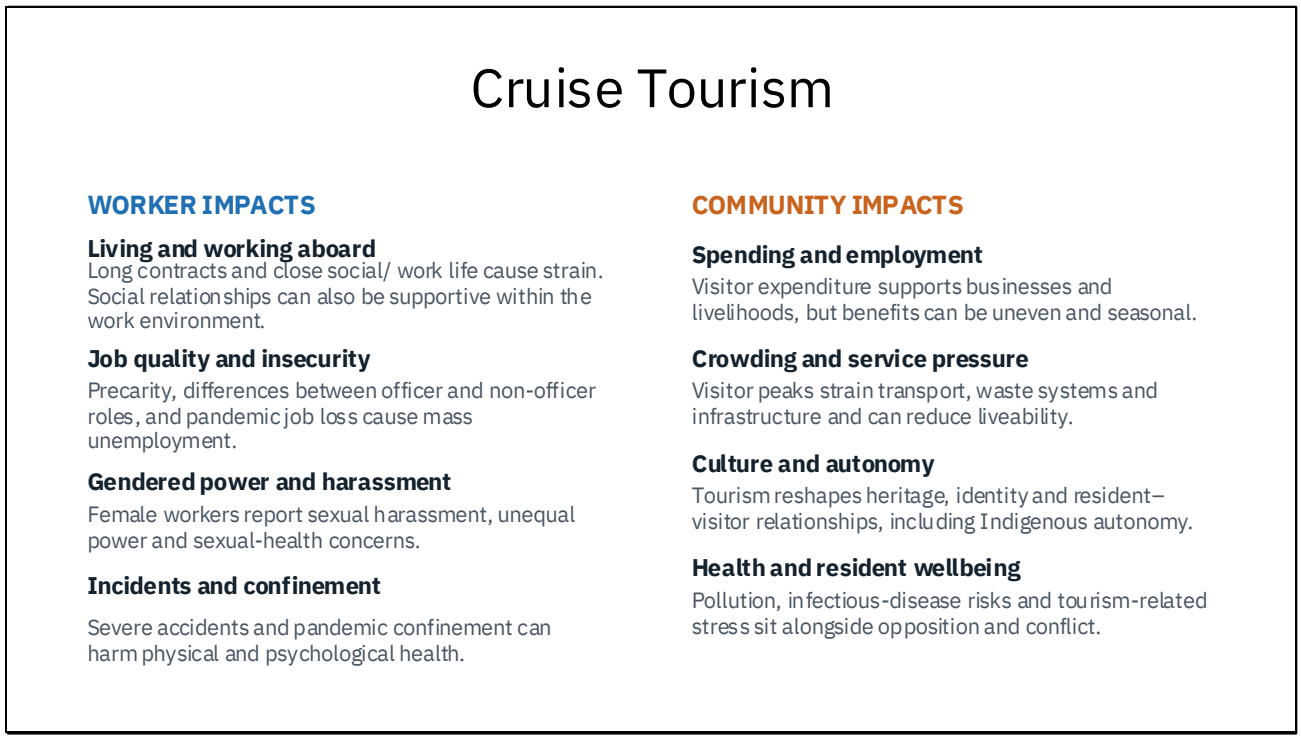
There's a strong current of literature that talks about culture, wellbeing and rights and indigenous access to spaces and an access to indigenous practices that is then often disrupted by different industries and different relationships within the industries.

So communities may live alongside activity, depend on it, compete with it, that will be part of it. But as well as between the industries themselves, how there is often experienced relations between the industries and how they can sometimes be competing.

Two examples of how this plays out for specific ocean industry sectors (the eight sectors have been characterised)

Seminar Transcript

[Slide 22] [18:26] Ophelia Chidgey:
I will just take you through two of the industries as examples of some of the detail that we found. So these are just two examples of the 8 industries that we've covered.



Seminar Transcript

[Slide 23] [18:36] Ophelia Chidgey:
So in worker impacts for cruise tourism, we're looking at the real dynamic of living and working in the same space. And we also see this in shipping, where people are confined to ships for long periods of time and how this can cause friction with your social and your work life being the same, but also where social relationships become extremely important to you and can be supportive. Job quality and insecurity within cruise tourism, including global shocks like the pandemic can cause immediate unemployment or challenges as well as precarity in, there were lots of issues in cruise tourism during the pandemic about where they were allowed to dock, if they were allowed to dock.

A lot of workers were then confined to their ships because of this global shock, which really affected the well-being of a lot of the workers stuck on board.

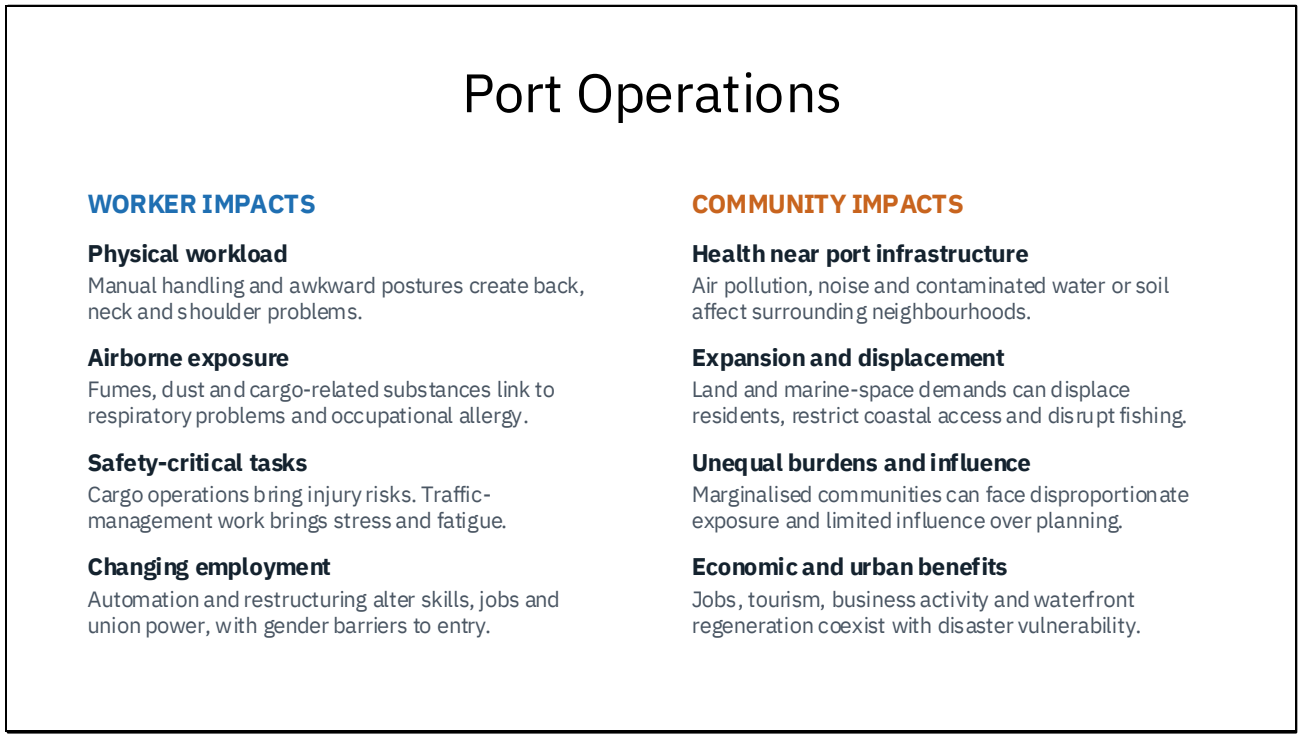
Gendered power and harassment. So again, often with the workplace being a confined place, that when there are incidents that happen on the ship, it's very hard often to be removed from those situations and there are a heightened risk of things like sexual harassment.

And incidents and confinement. So accidents and incidents on the ship, again, because of this close relationship with your living quarters, these can be hard to escape from and include physical injury as well as the psychological harm from confinement that can happen not just when you have a global shock, but more generally in the industry.

How cruise tourism then impacts communities. So spending and employment. There's a really great wealth of literature that talks about the benefit of cruise tourism through the boost in economies, this is often uneven and seasonal, but also a trade off between crowding and service provision with the additional influx of people with the benefits economically, but you also get other issues like waste management and disposal, infrastructure.

Are the places that are becoming very busy then actually liveable for residents and causing people to leave. Although the economy may be picking up, there's a trade-off here. Culture and autonomy, again, so with the influx of people, there is sort of a change in shape to the culture and heritage of the places.

Some practices become more challenging for people and some identity is being eroded. This also includes health and resident wellbeing, intertwined with the ideas of increased waste systems, you have increased pollution, infectious disease risk, not just from COVID, but from a range of illnesses that are being transported and stress and psychological stress that is associated with the influx of people.



Seminar Transcript

[Slide 24] [21:30] Ophelia Chidgey:
And just as another example, we have port operations, which is much more geographically bound than what we see in cruise tourism. So the impacts are quite different. So for workers, we have manual handling, musculoskeletal issues created from handling and awkward postures neck and shoulder problems. Similarly to shipbuilding, you can have a lot of airborne exposure to dust and fumes, as well as development of occupational allergies. So these can sometimes happen whilst the worker is in the employment or several decades later. Safety critical tasks, so cargo operations bringing injury.

This is where wellbeing and shift patterns become really important. Fatigued employees are less able to make safety observations in appropriate timeframes, which can then impact accidents and incidents. And changing employment. So changes that we're seeing generally in all areas, for example, AI and different software that are coming in are also changing employment structures, altering the required skills in these industries and shifting the workers who are involved. And on the other side, the community impacts, which are quite different than we have from cruise tourism.

So we have health, near port infrastructure, air pollution, noise, contaminated soil affecting surrounding neighbourhoods. This actually combines quite well with the unequal burden and influence that is felt. The questions about environmental justice get brought up here because it's often marginalised or low income communities who are most negatively affected or displaced by the development reports. Expansion and displacement, competing for the space, so the demand for a port that may bring more employment, but actually displace a lot of the local residents and economic and urban development. So these bring jobs and tourism, business activities, but then also may bring increased accidents and large scale accidents that greatly disrupt the local residents.

That's the end of my section, but as we were saying, those issues are across the eight industries and one part of our evidence stack. Now over to John and Tibor.

Six evidence streams

Element	Rationale for evidence element
1. Academic focused literature reviews for community, workers & due diligence.	To establish the knowledge base of what is known via peer review processes & have been subject to investigation.
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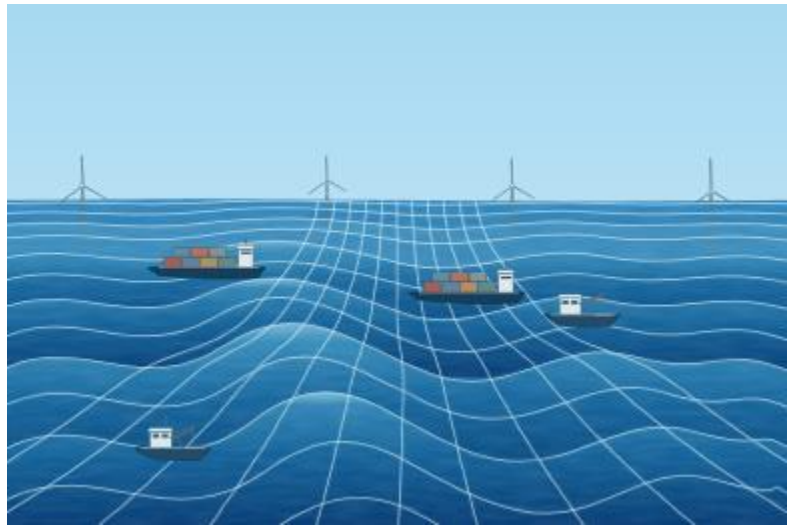
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Seminar Transcript

[Slide 25] [23:50] Tibor Vegh:
So where we are in our presentation is now we've talked about the ocean. We've talked about the 120 large corporate entities that we're studying. And Ophelia has just gone through the social worker and community impacts that we're studying as part of our project.

What we're going to be talking about in the next couple of minutes is the international agreements that relate to these issues that sort of form a network into which corporate governance and corporate reporting is embedded.

The unseen matrix of rules and norms governing ocean use and social impacts



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Seminar Transcript

[Slide 26] [24:30] Tibor Vegh:
So on this image, you see a visual of how we look at governance. You can think of it as an unseen matrix of these rules and norms.

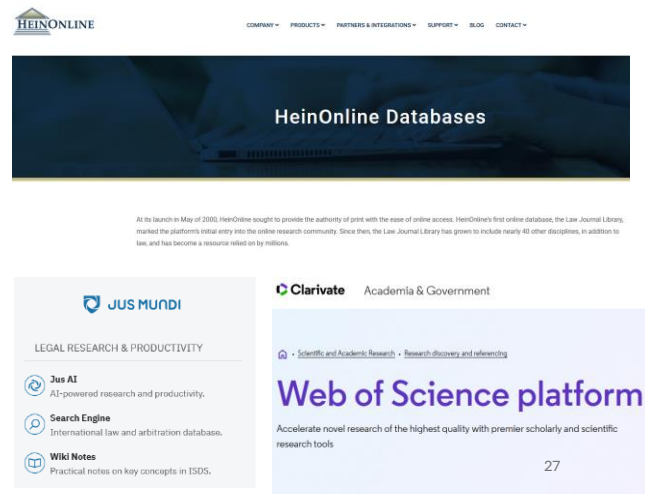
So what is governance? It's one of those words that we hear often, like sustainability, and maybe many of us don't exactly know what that means. Governance is simply a network of the rules and norms that direct, put boundaries on and enforce these rules in the ocean space.

When we talk specifically about the ocean economy, and rules you can think of as sort of top down agreements that those that have agreed to will follow or something will happen. Some sort of consequence.

Norms, however, can be thought of as agreements among peers or common practices that dominate how things are done in this space.

The landscape of international agreements

- Two parallel approaches to identify relevant agreements
  - ***Governing ocean use & conservation*** (worker and community impacts within core ocean-based industries & the agreements that aim to address these)
  - ***Regulating specific social impacts*** (cross cutting impacts on workers across industries, coastal communities)
- Keyword searches within 3 sources
- Creating a database of agreements:
  - Binding / non-binding agreements
  - Applies to states or corporations
  - Industry-specific or cross-industry
  - Applies to workers, communities, or outside-ocean economy supply chain due diligence



Seminar Transcript

[Slide 27] [25:38] Tibor Vegh:
So with this image in mind, let me walk you through how we're going about identifying these international agreements that relate to social issues in the ocean economy. We're taking two parallel approaches and kind of keep these in mind as I go through the next couple of slides.

So you can think of worker and community impacts that sort of relate to or are confined to one of the eight industries, offshore oil and gas, shipping, cruise tourism, so on and so forth.

And we are doing specific searches of the scientific and legal literatures to identify these international agreements that pertain to each of the 8 industries.

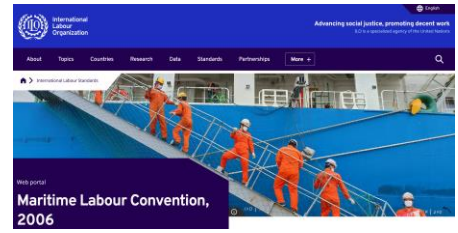
Then there are social impacts that are cross-sectoral, cross-cutting. They don't just relate to, or they are not exactly confined to the ocean economy. And we're doing additional searches in these legal databases, law literature, as well as scientific literature to identify these agreements. And there's quite a few of them.

So we've developed a keyword search, a string similar to what Ophelia has shown,

just terms that are kind of self-explanatory, ocean economy, worker impact, community effects, so on and so forth. And we're doing systematic searches in each of these three sources. And after that we are assembling a database essentially, where we're coding these agreements to see whether they're binding or not to those that have accepted them.

Whether the agreements apply to states or corporations, maybe both, whether they're industry specific or cross industry, and whether they apply to workers, communities, or supply chain due diligence, which could be just thought of an extension, as an extension of the worker and community impact down the supply chains of these 120 corporations.

Example of ocean agreements affecting specific maritime industries



ILO Maritime Labour Convention 2006

- "Seafarers' Bill of Rights"
- Applies to offshore *mobile* drilling units
- Multi-industry | Applies to workers | Legally binding
- Applies to sovereign States that choose to ratify it
  - Flag States: Ratifying countries are legally obligated to write the MLC rules into national laws. They must then enforce these laws on all ships flying their flag.
  - Port States: Ratifying countries are also bound to inspect foreign-flagged ships that enter their ports. Under the "no more favorable treatment" clause, port states must enforce MLC standards even on ships from countries that haven't ratified the treaty.
- Applies to legal entities indirectly through national law
  - The "Shipowner" Liability: The MLC specifically defines the "shipowner" as the legal entity responsible for compliance. This can be the actual owner, the manager, or the bareboat charterer.
  - Domestic Enforcement: Because ratifying States turn the MLC into domestic legislation, legal entities are bound by their country's maritime and labor laws.
  - Consequences: If a shipping company (legal entity) violates MLC standards, it faces direct legal penalties from the State. This includes fines, legal prosecution, or having their vessels detained in port, which can cause massive financial losses.

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Seminar Transcript

[Slide 28] [27:56] Tibor Vegh:
On this slide, I'm just going to briefly walk you through, and you can keep this slide as a reference, an example of the first type of international agreement. And an international agreement that applies to one, and in this case, actually more than one, ocean economy sector.

So the ILO, International Labour Organisation, Maritime Labour Convention of 2006 (MLC) was identified as one of these. It's often called the Seafarer's Bill of Rights. So it applies to cruise tourism. It applies to all sorts of shipping, container shipping, roll-on, roll-off, and others. As well as, perhaps interestingly to some of you and some of us as well, mobile drilling units in the offshore oil and gas industry, but not the stationary ones.

So as we go through these international agreements, we are trying to understand exactly what segments of each of these industries these apply to.

This is a multi-industry agreement that applies to workers, not communities, and is legally binding, but only to those sovereign states that have chosen to ratify it. This process of ratification and then actually doing something after ratification. You can

read about this in the context of the MLC as well as other international agreements. Just because a country ratifies an agreement but doesn't move to the next step of actually implementing it, you can think of it as, well, they did the least that they could do to maybe look good on the international scene, but they need to implement it.

Ratification followed by implementation means that a ratifying country enforces the MLC rules as part of its national legal framework. So first, they put MLC rules into national laws and then enforce these either as flag states, so flag states would be the states that describe vessels flying a country's flag, so the flag state would be the flag that's displayed on the vessel, and as well as port states. Port states would be states that have a port, an ocean port, and they inspect and they might be able to enforce MLC rules on vessels that enter their ports, whether or not the flag state or the flag country of a given vessel had ratified or implemented MLC rules into national laws.

Again, there's some interesting dynamics going on here with just the state side. And the MLC also applies to legal entities, but it's quite a web to untangle. So the legal entity in the case of MLC is the ship owner. The MLC defines the ship owner as the legal entity that's responsible for compliance but it could be structured as different types of legal entities. And they are actually the ones that will be held accountable by the ratifying and implementing state of the ILO MLC. Also, the state will do the domestic enforcement, because obviously MLC applies to them. And if a company violates MLC standards or one of the national rules that were created or written, in the implementation process of the MLC, the legal penalties will apply to the legal entity, the ship owner in this case.

So as we go through this exercise, I want you to think about corporate governance and corporate reporting. And these presentations will be coming up after my slides end. It is in this web that governance and reporting are embedded.

Example of an applicable agreement focused on social impacts



ICESCR 1966

- Economic and labor rights
- Just working conditions
- Trade union rights
- Multi-sectoral | Applies to workers | Legally binding
- Applies to sovereign States that choose to ratify it
  - Actions: legislate domestically, report to UN Committee, and agree to review
  - Implementation: instantly ban actions contrary to the agreement; implement conditions over time considering budgets, etc…
- Applies to legal entities indirectly through national law
  - Codify or update national labor codes, minimum wage laws, corporate safety regulations, and environmental standards
  - Ensures compliance & sets enforcement structure, fines & penalties

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Seminar Transcript

[Slide 29] [32:33] Tibor Vegh:
And I will go through one of the cross-sectoral agreements that are focused on social impact.

So the International Covenant on Economic, Social, and Cultural Rights(ICESCR), as the name implies, it's a very broad agreement that was passed in 1966. It covers economic labour rights, just working conditions, trade union rights, and it's a multi-sectoral agreement that crosses sectors, not even just in the ocean economy, but outside of it.

It obviously applies to workers, and it is legally binding, just like the previous slide showed the MLC could be legally binding. It applies to states just like the MLC did. The states, again, legislate domestically. They also have a reporting requirement to the UN committee. So ideally, there's improvements over time because of this reporting requirement, and they also agreed to be reviewed over time. There's different phases of implementation when it comes to the ICESCR. Initially, countries would ban actions that go against the ideas and the specifics of the agreement. And then over time, they implement conditions that specifically address and improve trade union rights, just working conditions.

So where a country is on this spectrum makes a big difference when it comes to corporate reporting. Keep this in mind as we go through the next couple of slides.

One last point, similar to the MLC, this agreement also applies to legal entities. So these would be the corporations that need to comply with the national laws, not with the ICESCR specifically, but wherever these corporations are headquartered or have their operations. And that's again, an interesting question because some of these multinational, transnational corporations have different operating environments than their headquarter or where they were legally established. So the countries in which they operate or are legally established have laws and regulations to ensure that legal entities comply with this agreement. Next slide and we will pass on to Hesham.

Six evidence streams

Element	Rationale for evidence element
1. Academic focused literature reviews for community, workers & due diligence.	To establish the knowledge base of what is known via peer review processes & have been subject to investigation.
2. Review of corporate governance requirements in cohort countries (& those of Ocean Hub locations) incorporating financial & non-financial reporting.	To establish the requirements & expectations for actions & the information provision by corporate actors.
3. Review of corporate reporting practices.	To establish what is already widespread & competent practice.
4. Review of international agreements that related to issues & their adoption in cohort countries.	To identify potential sources of governance across issues of salience (including sector specific agreements).
5. Stakeholder mapping & resource identification.	To establish who may already be acting in this space and generating resources for companies.
6. Stakeholder engagement for toolkit design & proofing.	To ensure the useability of toolkits ahead of their finalisation.

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Seminar Transcript

[Slide 30] [35:30] Hesham Yousef:
Thank you Tibor, and welcome again for all of our audiences. So, as a continuous for filling the part of corporate governance, we are collecting all available corporate regulations that govern the reporting of companies, Tibor just shared the kind of world regulations, but it doesn't mean that are already reflected in the corporate regulations.

So now we are going to go in deep for what we have in each country as kind of regulations that govern the social sustainability issues and disclosure.

The reporting analysis: aligning the issues, the law, & what companies report

Aspect	Gap analysis
Issues: what harms workers, communities (own operations & in supply chains)	**Regulatory gap:** issues matter but no law asked for corporate disclosure about them
Regulation: what the law requires companies to report on (& to do)	**Compliance gap:** law asks for disclosure but there is a lack of reporting
Corporate reporting: what the 120 cohort companies disclose (in any reporting format)	**Transparency gap:** lack of reporting means that stakeholders can engage companies on these issues

Closing these gaps is the route to transparency & better accountability. The reporting matrix is the middle piece: without it, we cannot distinguish a missing disclosure from a missing rule.

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Seminar Transcript

[Slide 31] [36:33] Hesham Yousef:
OK. So, before going in deep to get what we already collected for regulations, I would like to mention that, as my colleague already talked about, in our project, we try to find specific aspects.

Firstly, we would like to identify what kind of issues that we have and related to social sustainability. And as Ophelia already mentioned, we already screening a lot of literature to just to put our hand what kind of issues related to workers, community, supply chain. The next step is just to would like to know whether we have enough regulations that can help companies or help the society to be able that govern the companies conduct in relation to social sustainability and whether these regulations are reflected in the corporate reporting.

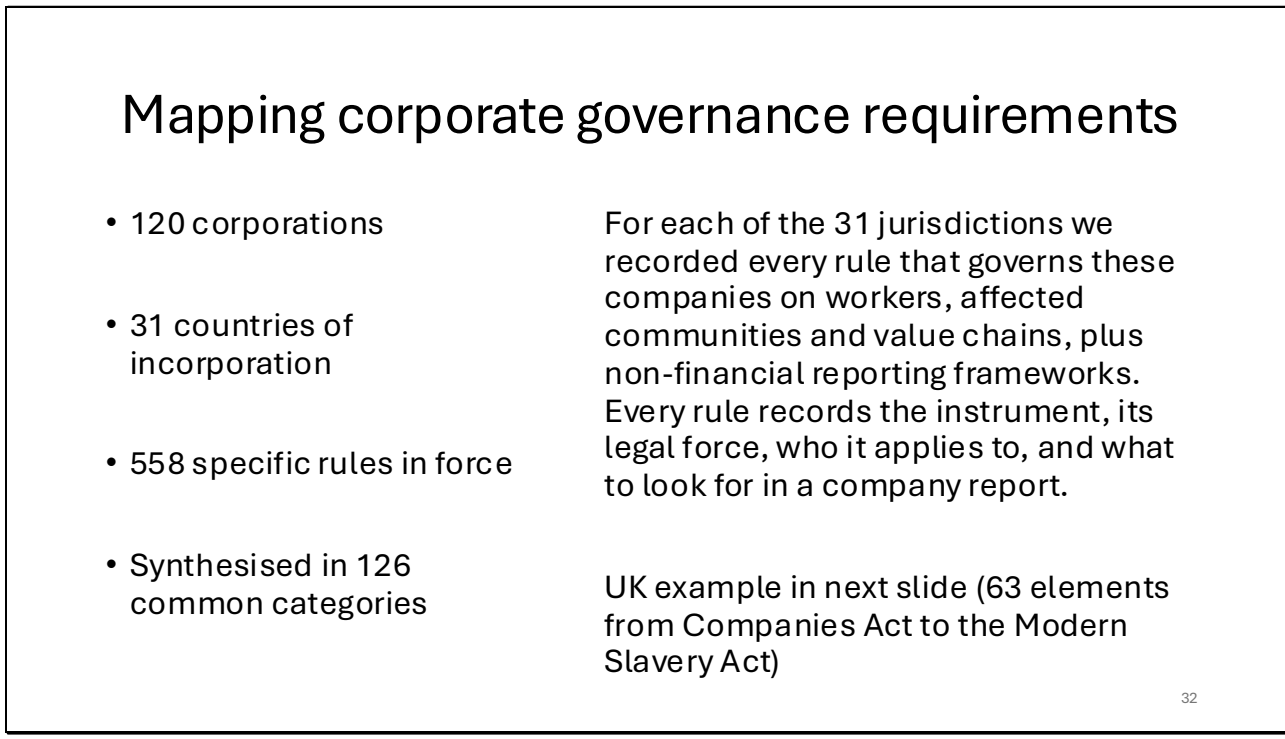
This why? Because we need to find the gaps. The first gap, whether the issue already exists in our regulation, and if it does exist, it's already applied in the companies, which is called the compliance gap.

So one of our analysis is to be able to identify whether the corporate reporting reflects the current regulation. If not, it called compliance gap. At the end, we will

be able to find whether the company reports reflect and govern the issues related to social sustainability.

Because our final target, we need to close this gap to be able to achieve better transparency, better accountability. And actually, like we are we can notice that starting with the regulation is important part in this kind of identifying this gap.

And this is what we are doing now is to collect all available regulations for all countries and what is called our governance regulation metrics.



Seminar Transcript

[Slide 32] [38:57] Hesham Yousef:
So what we did to collect this regulation metrics, we already identified the main cohort and the main 8 ocean industries, and we selected the biggest 15 company and eight industries. So we have 120 corporations. These 120 corporations exist in 31 jurisdictions.

After identifying these 31 countries, we started to collect all available regulations related to workers, community, supply chain and even what is called cross-cutting or the framework that collects all of this together.

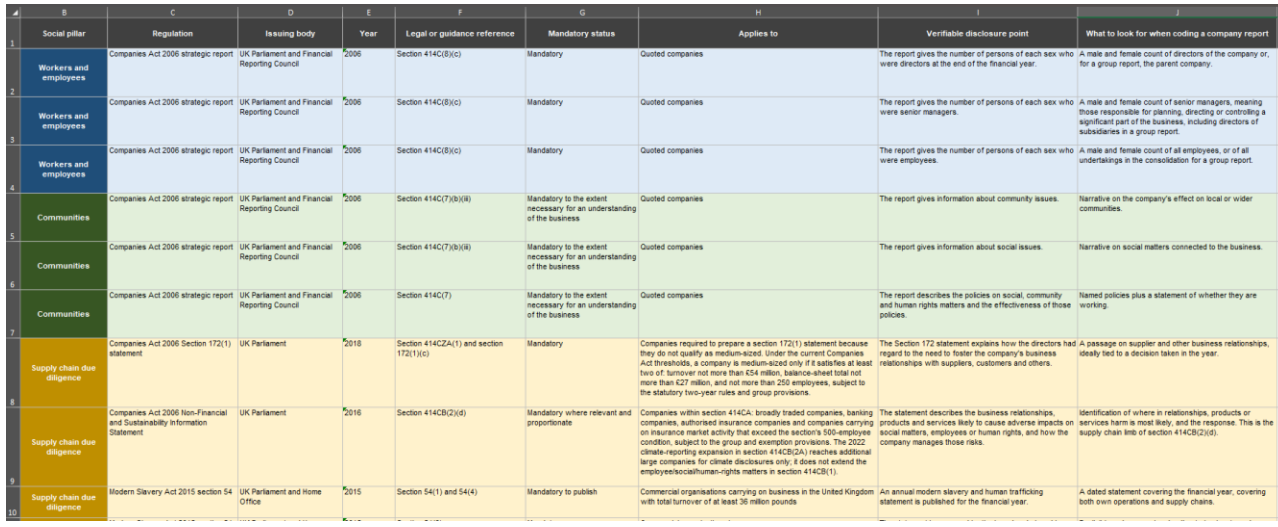
There are some regulations which are related to sustainability in general, but it's important, if there is required something for sustainability, like for assurance, for a kind of signing from the side of border, so we keep it like in the 4th category as cross-cutting.

And after collecting all available regulations, we have reached more than 558 specific rules that govern the conduct, the activity, of companies in relation to social sustainability.

And from this 558, we selected what is, as we called it, common or spine, which is the most common regulations between all the countries. And this spine will be used for further analysis in the future, just to be able to compare the countries between each other, so we'll be able to score each country against this spine.

In the next slide, I can share with you one example of what this regulation matrix will be.

Each row of the matrix is one rule a company report can be checked against



	B	C	D	E	F	G	H	I	J
1	Social pillar	Regulation	Issuing body	Year	Legal or guidance reference	Mandatory status	Applies to	Verifiable disclosure point	What to look for when coding a company report
2	Workers and employees	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(8)(c)	Mandatory	Quoted companies	The report gives the number of persons of each sex who were directors at the end of the financial year.	A male and female count of directors of the company or, for a group report, the parent company.
3	Workers and employees	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(8)(c)	Mandatory	Quoted companies	The report gives the number of persons of each sex who were senior managers.	A male and female count of senior managers, meaning those responsible for planning, directing or controlling a significant part of the business, including directors of subsidiaries in a group report.
4	Workers and employees	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(8)(c)	Mandatory	Quoted companies	The report gives the number of persons of each sex who were employees.	A male and female count of all employees, or of all undertakings in the consolidation for a group report.
5	Communities	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(7)(b)(ii)	Mandatory to the extent necessary for an understanding of the business	Quoted companies	The report gives information about community issues.	Narrative on the company's effect on local or wider communities.
6	Communities	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(7)(b)(ii)	Mandatory to the extent necessary for an understanding of the business	Quoted companies	The report gives information about social issues.	Narrative on social matters connected to the business.
7	Communities	Companies Act 2006 strategic report	UK Parliament and Financial Reporting Council	2006	Section 414C(7)	Mandatory to the extent necessary for an understanding of the business	Quoted companies	The report describes the policies on social, community and human rights matters and the effectiveness of those policies.	Named policies plus a statement of whether they are working.
8	Supply chain due diligence	Companies Act 2006 Section 172(1) statement	UK Parliament	2018	Section 414CZA(1) and section 172(1)(c)	Mandatory	Companies required to prepare a section 172(1) statement because they do not qualify as medium-sized. Under the current Companies Act thresholds, a company is medium-sized only if it satisfies at least two of: turnover not more than £54 million, balance-sheet total not more than £27 million, and not more than 250 employees, subject to the statutory two-year rules and group provisions.	The Section 172 statement explains how the directors had regard to the need to foster the company's business relationships with suppliers, customers and others.	A passage on supplier and other business relationships, ideally tied to a decision taken in the year.
9	Supply chain due diligence	Companies Act 2006 Non-Financial and Sustainability Information Statement	UK Parliament	2016	Section 414CB(2)(d)	Mandatory where relevant and proportionate	Companies within section 414CA: broadly traded companies, banking companies, authorised insurance companies and companies carrying on insurance market activity that exceed the section's 500-employee condition, subject to the group and exemption provisions. The 2022 climate-reporting expansion in section 414CB(2A) reaches additional large companies for climate disclosures only; it does not extend the employee/social/human-rights matters in section 414CB(1).	The statement describes the business relationships, products and services likely to cause adverse impacts on social matters, employees or human rights, and how the company manages those risks.	Identification of where in relationships, products or services harm is most likely, and the response. This is the supply chain limb of section 414CB(2)(d).
10	Supply chain due diligence	Modern Slavery Act 2015 section 54	UK Parliament and Home Office	2015	Section 54(1) and 54(4)	Mandatory to publish	Commercial organisations carrying on business in the United Kingdom with total turnover of at least 36 million pounds	An annual modern slavery and human trafficking statement is published for the financial year.	A dated statement covering the financial year, covering both own operations and supply chains.

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Seminar Transcript

[Slide 33] [40:56] Hesham Yousef:
So what we have here is a screenshot for one of our regulation matrix. This is just for the UK. So we try to keep this matrix as detailed as possible because this matrix will be like the input. It will be added to the model that will be built to be able to trace, to screen the financial reporting of the corporations.

So we tried for each regulation to keep it as detailed as possible. For example, the first one is for the social bill, we identify the social bill, is it related to workers? Is it for communities? Is it for supply chain?

And then we identify the regulation, the regulation body which issues this provision, and we identify the year and also the specific part of the provision like this one, is related to the Companies Act 2026, but this kind of provision is section 414, section C, subsection 8, paragraph C. And we identify for each provision is it mandatory or not mandatory and even to what extent is it mandatory. And this applied to which company? Is it for a specific type of company?

We try to identify to whom the rule will be applied. And here was a verifiable disclosure point. We try just to present the regulation or what should exist in the

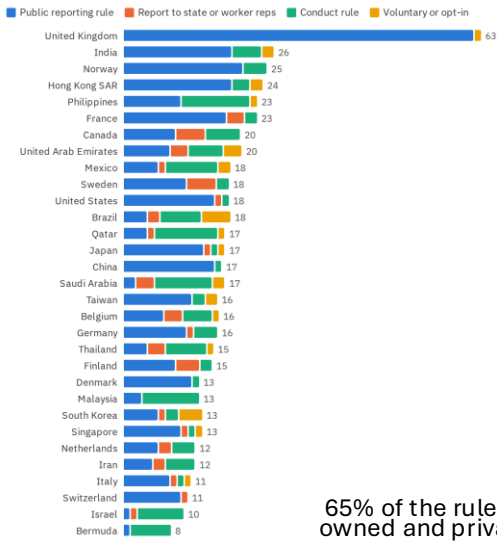
report to present adherence and compliance with the rules. So this is a very viable disclosure point. It's just to clarify what should exist in the report.

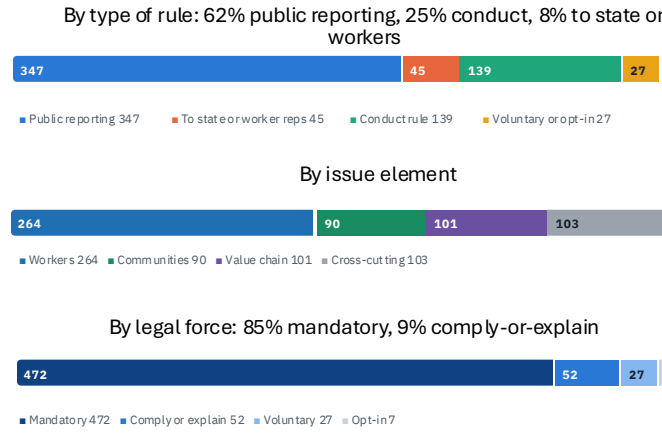
And the final column here is just a hint for the coder, later on when someone from the team starts to screen the financial reports of the companies, what should we find in the report? For this one, it should be like the current number of male and female directors in the company. So when we built our model for scaling, it will be easier, so we keep it detailed.

As you can, see here, for the workers, we have 3 subcategories with the same provision, but it is different because the first one is for directors, the second one for senior managers and the third one for employees.

So each row represents a specific rule that will be matched against the company disclosure. So we'll be able to code all companies under our investigation.

What is in the matrix?





65% of the rules also apply to unlisted companies: this matters for the state-owned and private companies in the cohort. Each company is read against its own law, not a generic list.

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Seminar Transcript

[Slide 34] [43:56] Hesham Yousef:
And just as a first glance for what we get from gathering for all the regulations, we find that as a part of 558 regulations, we have 347 public reporting regulations.

What does this mean? Like most regulations that we have, they require a company to provide and disclose this information for the audiences, like for the public. So it is not just adherence to the rule, they also require to disclose and report about what they are doing in relation to social sustainability. We have 45 rule. It is just to report to the kind of state or worker representatives. They are not required to disclose publicly, they disclose specifically for the state or kind of representative for workers and so on.

Conduct rules, we have approximately 139 rule. This kind of conduct rule, it means organisations are bound into doing something, they are required to do or are not required to do something, but they are not required to disclose. So this kind of rules binds a company, but they are not forced to report on it. What they did in relation to these requirements, and we have 27 as a voluntary regulations or opt-ins. It means for some companies, if they select to be covered under this rule, they are required in this case to adhere with the rule. But at the beginning, they volunteer to be under

this rule or not.

As another classification for the rules we have, most of the rules are related to workers. About 264 of the rules. And for communities, it is the lowest number of rules. For the value chain, we have 101. And we have a cross-cutting or something for the framework in general sustainability 103.

And for the legal force, most of the regulations are mandatory 85%, we have 472 mandatory regulations. We have 9% or 52 regulations classified as “comply or explain”. It means you should comply, but if you don't comply you should explain why the company didn't comply. So it is less enforcement compared to the mandatory reporting.

Voluntary reporting is the lowest level of enforcement, more like guidance. It's up to you as a company to follow the regulation or not, 27 rules. And finally, also we have opt-in with only 7 rules.

On the left side, we can see here, we classify all the country based in rules. And we can say for United Kingdom, for Norway, for USA, they are more based on public reporting rules. There are some countries like Saudi Arabia and Brazil, there is a lot of conduct rule, but they are focusing less on the public reporting rule. And there are some countries like Canada, there is a balance between conduct rules and reporting to the state. And we have some countries like Bermuda, that have the lowest existence of regulations for social sustainability.

Just as a last reflection that I would like to share that we have our regulation of the 558, we have like 65% of the rules applied also to a listed company, which is very important because in our sample of companies, we have some which are state-owned or private company, so what we already collected can be applied to this company, and when we are doing checking and scoring for company, each company will be traced to against its own law for the country in which the company exists.

So now Mahmoud will explain to us how this kind of regression can be applied to scoring company reports.

Six evidence streams

Element	Rationale for evidence element
1. Academic focused literature reviews for community, workers & due diligence.	To establish the knowledge base of what is known via peer review processes & have been subject to investigation.
2. Review of corporate governance requirements in cohort countries (& those of Ocean Hub locations) incorporating financial & non-financial reporting.	To establish the requirements & expectations for actions & the information provision by corporate actors.
3. Review of corporate reporting practices.	To establish what is already widespread & competent practice.
4. Review of international agreements that related to issues & their adoption in cohort countries.	To identify potential sources of governance across issues of salience (including sector specific agreements).
5. Stakeholder mapping & resource identification.	To establish who may already be acting in this space and generating resources for companies.
6. Stakeholder engagement for toolkit design & proofing.	To ensure the useability of toolkits ahead of their finalisation.

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Seminar Transcript

[Slide 35] [49:10] Mahmoud Gad:
Thanks, Hesham. Okay, so to put this part into context, kind of a quick reminder, the project asks 3 main questions. How do ocean industries affect workers and communities? And then what do agreements and laws require firms to report? And finally, what firms actually report? When we look at the answers to these three questions, we can see, we can potentially see two issues. First, issues that affect workers and communities, but there are no rules that cover but also rules that exist, but no evidence of reporting. And each kind of problem might require a different solution where kind of all projects came to provide a toolkit that kind of speaks to this.

Disclosure survey design

Kind of report	What it is
Annual report	The yearly report to shareholders, also US 10-K and 20-F
Separate sustainability report	A report only on environmental, social and governance topics (ESG or CSR report)
Other documents	Mostly modern slavery statements and climate reports

Example rule (UK Companies Act): requires the number of directors by gender.

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Seminar Transcript

[Slide 36] [50:01] Mahmoud Gad:
So we are going to look at three main kinds of documents to look at what's covered in the reports. First, the annual reports. This is the yearly report provided to shareholders. Also in the US, it's called 10K or 20F for cross-listed companies. Also all the information are in the annual report. We are going to look at a separate sustainability report where it's not included as part of the annual report. But also other documents that could include modern slavery statements that are available in different formats in different countries and potentially also climate reports where there is a discussion about labour.

So we're going to read all of these kind of documents and to give you an example of what we are doing. So this is a rule from the rule that Hesham just mentioned. So the UK Companies Act requires quoted companies or listed companies to give the number of directors by gender. So how do we score this rule?

Evaluating quality of disclosure

Score	Meaning	Example
2	Specific: gives what the rule asks for	“7 men and 4 women on the board”
1	General: talks about the topic, not complete	“We support gender diversity”, no count
0	Absent: does not give the information	Nothing on board gender
N/A	Not applicable: the rule does not apply to this firm	The firm is not a quoted company

Every score comes with the quote and the page number, so anybody can check it.

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Seminar Transcript

[Slide 37] [51:09] Mahmoud Gad:
We are going to give each answer to that question four different scores. So if you look at the first row, here is a company with seven men and four women on our board. So this is kind of a specific disclosure that kind of directly gives what they will ask for.

Another option is when the company provides generic discussions that, okay, we support gender diversity. It does not provide the specifics of what the rule asks for, and here we give it a lower score, which is 1. And then if the disclosure doesn't exist, it's given 0. But there are two things we need to differentiate. The information doesn't exist, but the firm is required to disclose this information, but also the information is not applicable where we give it not applicable.

For example, private firms may not be required to provide certain disclosure that's required for listed firms. So disclosure about board here is not required from private firms. They can still provide it, but we are trying to document the information, but we will not give it a score.

Every information that we collect will be documented, so the score, the code, page

number, so all the information will be available and documented.

Outputs from the analysis

Firms	All 120 firms in the cohort
Documents	All public documents for 2024
Scores	Every rule for every firm
Evidence	A quote and a page for each label of specific or general

1. We read each report in full, in its original language
2. A computer checks that every quote is on its page
3. People check a random sample of scores
4. We report the error rate with the results

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Seminar Transcript

[Slide 38] [52:32] Mahmoud Gad:
So, as mentioned before, we are looking at all these 120 firms where this economy is concentrated. That's why we're looking at the big drivers, and these companies are mainly the drivers of most of the actions there. So we are going to look at all of the public documents that are relevant as mentioned, and all the rules that apply to each firm. And we are going to look to score these and then we are going to look at the report in full. So we are not going to look at specific sections or parts because information can be scattered around and kind of doing search or keyword search has not been shown to provide less accuracy.

I'll show you the detailed pipeline later if someone asks about it, but our approach will involve a combinations of AI deterministic algorithms based on computational text analysis, but also humans in the loop and manual checks. We will provide the error rates from our analysis, which are going to allow us to provide. Sort of inferences beyond our sample.

Typology of reporting

	Found in public reports	Not found in public reports
Required by home rules	Reported as required Danish shipping firm: diversity policy, target and result, page 115	No evidence found
Not required	Voluntary reporting Swiss shipping firm: fatalities by worker group, pages 54 and 61	No home rule asks for it Swiss shipping firm: board gender

This is the basis from which we will develop reporting toolkits for each country & sector (identifying if it is a lack of guidance or an inability to translate guidance into industry settings)

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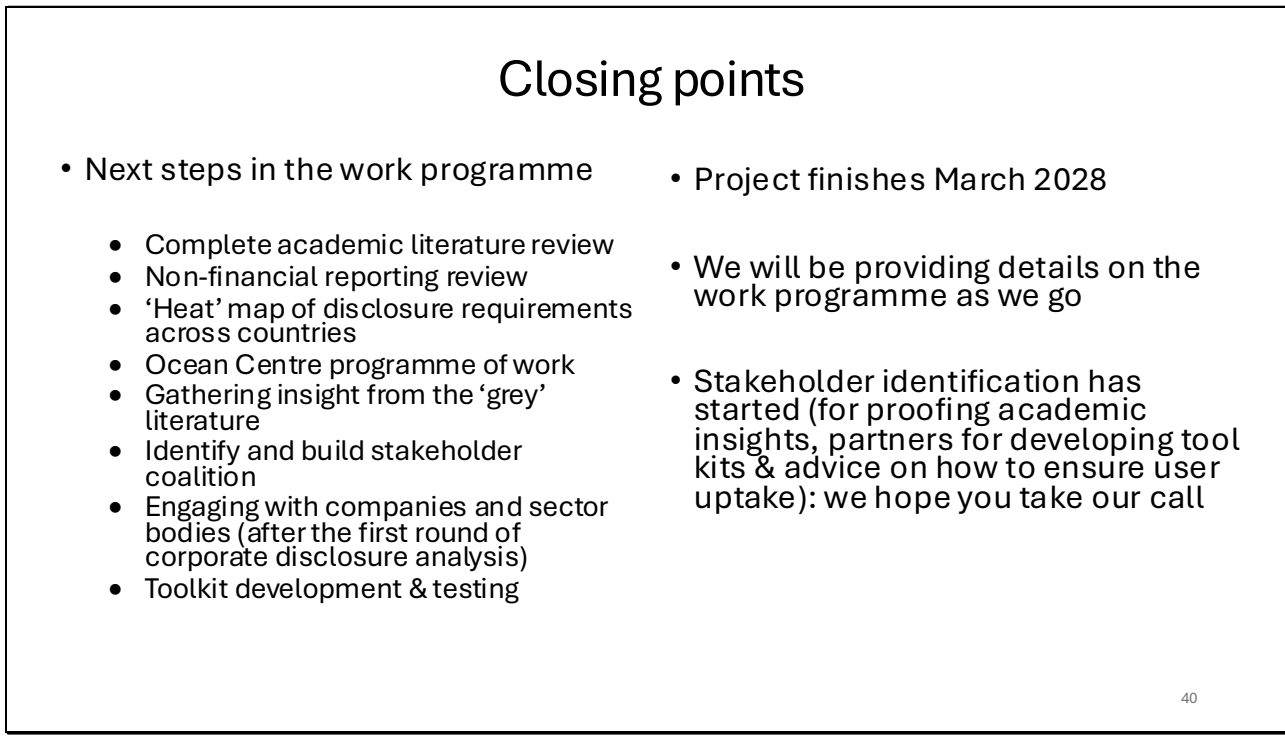
Seminar Transcript

[Slide 39] [53:42]
We potentially are going to end up with something like this. So this table is going to bring our main three questions together to see what's missing and how our toolkit is going to help. So for each firm and each item, we are going to ask two questions. Does the home rule ask for this firm to report it, and then did we find it in the public report and answers yes and no will provide us with four parts. Top left, the firm reported as required, and here is an example that's from our data.

So, here a Danish shipping firm that was required to describe its diversity policy for management. On page 16 of its annual report, the company says, here is the policy. Our target is 40% women and they provide the progress, we reached this percentage in the previous year. So the disclosure is given. On the top right, the disclosure is required, but nothing was found in the public report, and here, basically, we could not find evidence that support this.

Now, on the bottom row, kind of this is the bottom left is voluntary reporting. So, here, for example, a Swiss shipping firm, this firm is private. So, rules for listed companies are reporting is not required, but the firm provides information anyway. So, this firm provide information about the facilities by workers groups, and this is a

good practice that other firms can copy. The bottom right, which is kind of an interesting case, so no home rule requires them to provide it, and there is no information in the reports, but if the issue is important for workers and communities and nobody makes this information public, this is where rules or guidance can be missing and we can provide our results and can help speak to this. And now back to Jan.



Seminar Transcript

[Slide 40] [55:56] Jan Bebbington:
Thank you colleagues. So we're heading towards the end of the presentation part. We'll move to the Q&A. We are still working on the foundations. But you get a glimpse of the materials that we're looking to lay out, to bring together, to find the foundational material so we can do the actual reporting surveys, which can then lead us to the toolkits. And the toolkits, both developed, tested and refined, is the ultimate aim of this project. At the same time, we're customising this work to relate to the Ocean Centre's program of work. And that means that corporations and countries around the globe will also, who maybe not have these Keystone actors in them, will also have materials to help them make sure that they are safe and just places to work as well. Our current sort of process that's about to kick off is stakeholder identification and building that coalition, which is why we thought this was also a great chance to be able to talk to you as a group of colleagues who would be interested in this.

And I'll give you some emails to address if you want to put your hand up and say, we'd like to hear more about this as we go along as well. We like to be in the stakeholder coalition part of the process. The project finishes in sort of a year and a bit. So the foundational work should be completed by Christmas and the big move

forward after that is then working with stakeholders, looking at the reporting, looking at what could be refined, looking at the other stakeholders that provide guidance on reporting as well, customised to Ocean Industries. So the academic literature isn't the only place where we might find out where things are going on.



Thanks for listening

We know there is a great deal to ‘take in’

Questions?

Contact: j.bebbington1@lancaster.ac.uk

Website: https://www.lancaster.ac.uk/pentland/activities/hubs/people-and-the-ocean/c4safe/

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Seminar Transcript

[Slide 41] [57:46] Jan Bebbington:

I'm going to bring us back to the One Ocean, which Jean-Baptiste started out with. We know that it's a lot of things to take in. We are going to put this presentation on the C4Safe website, which you can see at the bottom of the slide. But also, I'm really happy to talk to people afterwards.

[Transcript End]

[Webinar continues onto Q and A without recording or transcription.]