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Navigating Emission Reductions through Competition or Collaboration? Maersk in Uncharted Waters

In late 2018, just two years into his tenure as CEO of A.P. Moller - Maersk, Søren Skou faced a decision that could have a significant impact on both his career and the success of the company. Maersk had been approached to join the Getting to Zero Coalition (GTZC) by Peter Stokes, acting chairman of the Global Maritime Forum, the primary organizer of the coalition. News was spreading about the formation of this coalition and its ambitious goal to create a strategic alliance of companies committed to getting deep sea vessels to reach zero emissions by 2030. With the overall increase in sustainability awareness, Skou knew it was only a matter of time before the shipping industry was put directly in the spotlight for its negative environmental impacts, despite playing a significant, positive role in the global economy.

Skou would be attending a Maersk Board of Directors meeting that evening and was expected to give a recommendation about whether the company should join the coalition. The International Maritime Organization (IMO) had already set greenhouse gas emission reduction goals Maersk would have to abide by, but the GTZC goal was much more rigorous and would require quicker and potentially riskier action than reaching the previously set goals. Maersk had the potential to be a global influencer, but at what cost and for what benefit? Could it take on the risk and the demands of the GTZC? Skou saw reassurance in the fact that some major companies in other industries were joining, and was both nervous and excited that he had not yet heard any of Maersk's major competitors being approached to join the coalition.¹ This opportunity could differentiate Maersk as a first mover, but also carried reputational and financial risk. Perhaps the coalition was an opportunity to collaborate on challenges faced by the industry as a whole.

Skou looked at his watch; it was time for lunch. He knew this would be a difficult decision and he should take a break before gathering his final thoughts. Returning to his desk a half hour later, he sat down to review his notes and create a presentation for the board.

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