

Comparative Study of CSR reporting in Finnish and UK listed Companies

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<p>Abstract:</p> <p>This is the comparative study of CSR reporting in Finnish and UK listed companies. This thesis provides user with knowledge on Corporate Social Responsibility (CSR) reporting and shows the comparative study on how CSR reporting is carried out in Finnish and UK listed companies. This study is carried out using qualitative study. In order to know the reporting pattern in Finland and UK three listed companies from both the countries are selected and their CSR reports have been analyzed. The aim of the thesis was to know the difference between Finnish and UK listed companies in CSR reporting. The result of the study shows that the use of guidelines in CSR reporting as a main difference in CSR reporting between two countries.</p> <p>In theoretical part different topics related to CSR and CSR reporting are discussed. Books, web sites and publication of different organization are used as main source of information in theoretical part. Similarly in research part the CSR report of selected companies are analyzed with the help of their latest CSR report. In empirical research information regarding the general trend of CSR reporting in Finland and UK is also given. CSR reports of selected companies and their web sites have been used as only source of information in this research.</p>	
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List of Abbreviations

CSR	Corporate Social Responsibility
UN	United Nations
ISO	International Organization for Standardization
UK	United Kingdom
WBCSD	World Business Council for Sustainable Development
NGO	Non-Government Organization
GRI	Global Reporting Initiative
MDG	Millennium Development Goal
OECD	Organization for Economic Cooperation and Development
EU	European Union
ISSF	International Stainless Steel Forum
JSE	Johannesburg Stock Exchange
CSI	Corporate Social Investment
ICMM	International Council on Mining & Metals
CDP	Carbon Disclosure Project
PLC	Public Listed Company

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1 INTRODUCTION

1.1 Background and motivation for research topic

Companies today are not only responsible for making profit but are also being called by shareholders and stakeholders to address the problems related to economic, social and environmental development. Companies now a day also have to focus on different environmental and social impacts caused by its operation. Most of the initiatives taken by companies in solving these problems are voluntary but there has been increase in regulations by different international organizations and the countries' regulations are also forcing companies into making more effort in solving social and environmental problems. Corporate Social Responsibility (CSR) is all about how companies manage and carry out its operations to produce an overall positive impact on the society. Being actively involved in solving the problems and making contribution in minimizing the negative impacts of its operation bring out many benefits to the company as well. The major benefits of CSR includes risk management, cost saving, access to capital, customer and stakeholder relationship. Through CSR companies on one hand can participate in mitigating its impacts on society and environment and on the other hand it has possibility to get benefits for its economic value generation. So it is important for companies to effectively communicate their economic, environmental and social, and governance performance to its stakeholders. To communicate its CSR activities effectively many companies specially the large and multinational ones publish their CSR report.

CSR reports are published by different companies and organizations to inform their stakeholders and other interested parties to communicate its sustainability performance and let them know how the company or organization is managing its economic, environmental and social impacts caused by its everyday activities. Although the number of companies and organizations reporting their CSR activities is increasing there is no single acceptable standard and guidelines to report the CSR activities. Companies and organizations are free to choose any of the available reporting guidelines based on their

requirement, capacity and need. There are many guidelines issued by different organizations for CSR reporting. Among them GRI issued by Global Reporting Initiative, UN Global Compact Issued by UN, ISO 26000 issued by ISO are the major guidelines available.

As both the trend of globalization and CSR reporting are increasing it is important for investors and other parties to know and compare how the companies operating in different part of globe are managing its CSR activities to make any decisions. Since there are many methods of reporting CSR activities for the company the writer was curious to know the difference between two countries about how they report their CSR activities. To know about the harmonization in CSR reporting was also the interest of the writer.

1.2 Research questions

The prime research questions that will frame the thesis work are:

- ❖ How do the public listed companies in UK and Finland report their CSR activities?
- ❖ What are the differences between Finnish and UK listed companies in CSR reporting?

1.3 Structure of the thesis and sources

The thesis is mainly divided into four parts. First is the introduction where the background and motivation for research topic is presented. Similarly in the first part information regarding research questions and sources of information for the research are also given. Moreover, the aim and limitations of the thesis are also presented in the first part. In second part author has described about different subject matter relating to CSR reporting. The theoretical part is divided into several headings which include *Definitions of CSR, The history of CSR, CSR reporting Introduction, Existing Guidelines, Current Issues and Trends in CSR reporting*. In third part CSR reporting of case companies from

UK and Finland is explained in details. In the fourth and last part *Analysis and Findings* of the study and *Conclusion* is given.

The sources or references for the thesis have been collected from different books, web sites, publications of the companies and organizations and also through emails from some companies. For theoretical part most of the references have been taken from books and publications of different organizations. Similarly websites also have been used as a major source of information. For research purpose latest CSR reports of the case companies are studied and in some case email was sent to the companies when extra information was needed or when something was not clear in the report.

1.4 Description of methods

In this research qualitative method has been used, since the main objective of the thesis was to gain deeper understanding of the subject. Information is collected from the latest annual reports of the case companies. All the case companies had published their annual report and CSR report of 2013 so it was very easy to find the latest information on CSR reporting. Three case companies from Finland and three case companies from UK were selected for the research. The companies used in this study were selected on certain basis. The chosen companies were either related to Pulp and paper, Mining or Oil related business. The criteria used in the selection were 1) Listed on stock exchange, 2) Involved in International Business, 3) Involved in manufacturing products, 4) Publish its CSR reports 5) Well known. The information for the research is gathered from the CSR reports and annual reports of the case companies. Information regarding the company is collected from the company's official web sites and other official publications.

1.5 Aim

The aim of the thesis was to compare the CSR reporting in Finnish and UK listed companies. Finding the information about the structure of the reports, focus area, guidelines used and other different factors that shape the CSR reports were the main aim of the

writer. After analyzing the different CSR reports of companies from two countries finding the differences between the reports of Finnish and UK listed companies was another main aim of the thesis.

1.6 Limitation

Because of the size of the subject and time limitations only three companies from each countries are taken for case studies. CSR reporting itself is a very wide subject there are many factors that can be analyzed in CSR reporting but not all of those were included in this study due to size and time limitation. Furthermore, the limitations also includes the techniques used; in this study company's CSR reports and websites were taken as main source of information, the study would have more significance if information from external sources was also taken.

2 CORPORATE SOCIAL RESPONSIBILITY

2.1 Definitions

Corporate social responsibility (CSR) is a broad term that can encompass almost any responsibility that company holds towards society and people. This may include simply making a profit and following laws, regulations and customs of the country. CSR in extended view would include aspects such as environmental conduct, the working conditions at foreign affiliates and subcontractors, and protection of human rights (Segerlund, 2010). It is a business commitment to work in the betterment of people and society by publishing voluntary reports of activities done for the betterment of people and society. (Kotler & Lee, 2005) World Business Council for Sustainable Development (WBCSD) defines corporate social responsibility as “Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

CSR is concerned with corporate attitudes and behavior towards its responsibility beyond its immediate profit gains and other benefits pursued by the business, CSR encompasses of those activities that are not only done for fulfilling legal obligation and requirement. CSR is more about activities that any business undertakes for mitigating the negative impacts of the business on the society and people it is related to. That means business should not just do what is legally, economically and morally right and avoid what is legally, economically and morally wrong, but also hold social and moral obligations to help build a better society. (Sun; Stewart ;& Pollard, 2010). Corporate Social Responsibility is expressed in many different terms by different companies and authors. Corporate citizenship, corporate philanthropy, corporate giving, corporate community involvement, community relations, community affairs, community development, corporate responsibility, global citizenship, and corporate social marketing are the some of the terms used in expressing the concept of corporate social responsibility. (Kotler;Hessekiel;& Lee, 2012)

Archie B. Carroll’s view on CSR is one of the most cited concepts. He tried to classify earlier definitions and differentiated four types of social responsibility: economic, legal, ethical, and philanthropic obligations. This categorization is also known as “The Pyramid of CSR”. Four responsibilities which constitute CSR are placed in a pyramid model economic responsibility is placed in the bottom, above that is legal responsibilities and then Ethical responsibilities. Philanthropic responsibilities occupy the top position in the pyramid. The pyramid has been criticized in several respects mainly for the leveling of the responsibilities from top to bottom. According to the pyramid the order of responsibilities starts from the bottom and goes upward. It means the first responsibility of business is to fulfill economic responsibilities and then fulfill other responsibilities in respective order. (Löber, 2012)

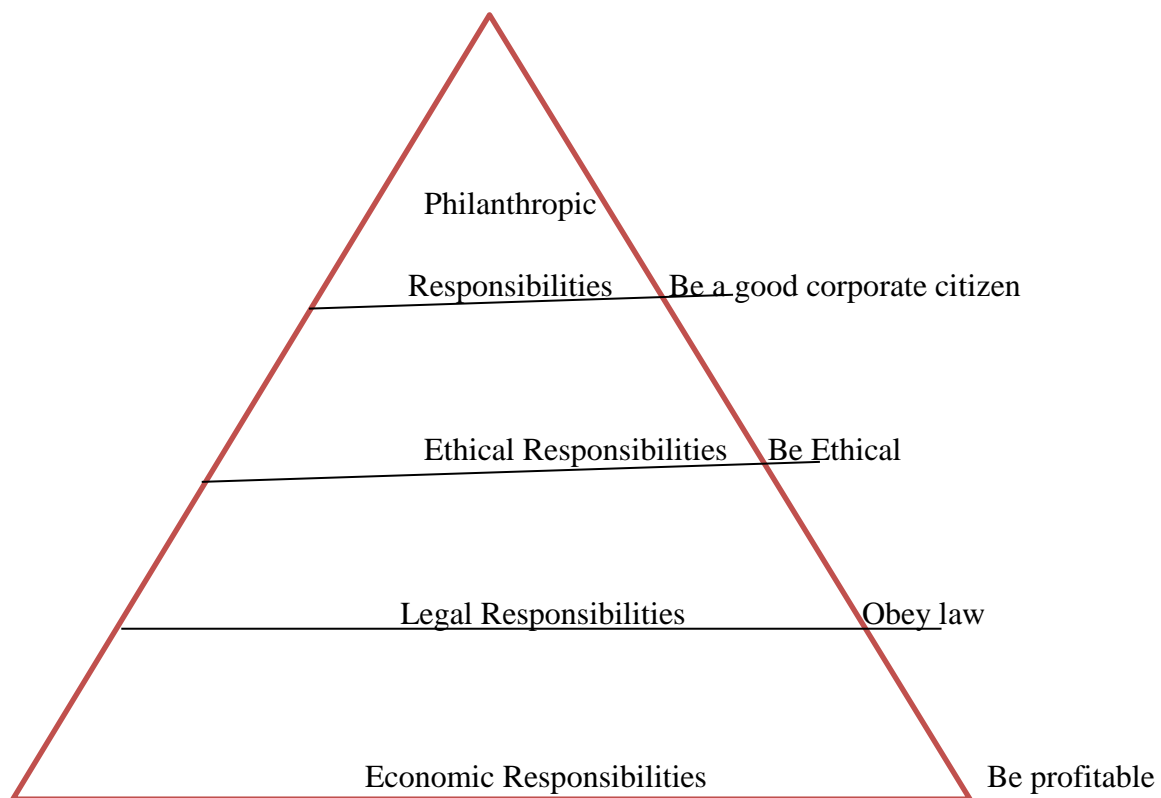


Figure 1 Carroll’s Pyramid of Corporate Social Responsibility (Schwartz, 2011)

2.2 History and current outlook of CSR

The history of CSR can be traced before many hundred years ago but it is mostly the product of twentieth century, especially from the early 1950s up to the present time. (Carroll, 2008) Business practices of 1900s that could be termed socially responsible took different forms like philanthropic donations to charity, service to the community, enhancing employee welfare and promoting religious conduct. During 1950s the ideology of CSR was primarily based on an assumption of the obligation of business to the society. This obligation arose because some people specially scholars saw business as an integral part of society and the management people as an administrator whose duty was to maintain balance among the competing demands of employees, customers, suppliers, communities and shareholders. (Banerjee, 2009) The publication of the book (*The Social Responsibilities of Businessman*, 1953) by Howard R. Bowen, who is often regarded as a father of CSR best marks the modern period of literature on the subject. He set forth an initial definition of the social responsibilities of businessmen as follows:

It (SR) refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.

Bowen argued that since social institutions shaped economic outcomes it was to be expected that business firms as an economic outcome of societal interests should also consider the social impact of business activity. (Carroll, 2008)

In the past 20 years the concept of CSR has been received in a serious manner not only by the companies but also by the consumers as well. Companies now are expected to operate in more responsible manner taking consideration into many issues as diverse as climate change, pollution, employee relation, human rights, bribery and corruption and many other matters that are directly or indirectly related to the society and people living there. Companies have responded these issues according to their level of operation and their capacity. They have set up board and committee to take care of CSR issues, among the many methods establishing management systems, conducting environmental and social audits, creating board committees and appointing senior managers are some of the key strategies of the companies regarding CSR. Companies have spent great amount of money and resources for mitigating their im-

pacts on environment and other aspects. (Sullivan, 2011) The number of CSR disclosure has increased by significant number in many countries. Companies now are obliged to be more careful about these issues due to increased awareness among the consumer. People are now more concerned about the activities of the companies relating to environment and other stakeholders such as suppliers of raw materials and other resources, customers, employees, local community, society and the government. Though there is no universal legal obligation for CSR, mandatory reporting has developed mainly on the environmental side of the issue and many countries have regulations concerning the companies' environmental impacts on society. (Janggu;Joseph ;& Madi, 2007) The trend towards mandatory reporting also has been increasing. According to a survey carried out by Global Reporting Initiative, in 2006, 58 percent of policies were mandatory; now, more than two thirds (72 percent) of the 180 policies in the 45 reviewed countries are mandatory. (Global Reporting Initiative, 2013)

2.3 Benefits of CSR for company

There are many reasons for companies being socially responsible and acting for the betterment of environment and society. Companies develop and implement CSR policy primarily taking consideration that CSR will pay off in the future. There are several ways in which CSR can affect profitability. CSR as a concept has caught attention from not only business sectors but also from other parties like NGOs (Non-Government Organization) and government as well. CSR has become a part of many activities carried out by companies. The direct or indirect of impact of CSR is visible in many departments and sections of the companies. CSR has become part of marketing campaigns, purchasing, and an important factor for hiring and retaining talented people in the company. It is also the regarded as a source of innovation and entrepreneurial development tool in the company. It is often taken as profit driver and even as an export product. (Moratis & Timo Cochius, 2011)

CSR is a way for companies to benefit themselves while also benefiting society. The benefit of the CSR also depends upon the type of company and its CSR activity. Following are the main benefits that company can get by successfully implementing CSR strategy:

- 1.) **Innovation and Cost Saving:** For environmental reasons many companies now focus on designing products that consumes less energy and resources. Doing so companies can innovate new things for the market which ultimately benefits the company. Not only in new products but such strategy of is applied in the entire process of manufacturing and other business activities like marketing, logistics etc. By implementing environmental friendly measures in such activities company can reduce the cost of energy and other direct indirect and costs. (James Epstein-Reeves, 2012)
- 2.) **Human Resource:** Due to the growing awareness of the importance of CSR many people consider CSR of the company as an important factor for selecting their workplace. It is not only crucial to recruit talented employees but also for maintaining the engagement of the existing workforce. Research conducted by Cone Millennial Cause Group found that 80% of 1800 respondents aged 13-25 olds wanted to work for a company that values social responsibility. (Meister, 2012) Good working conditions and behavior by top level management are also the part of CSR. Unpleasant managerial behavior towards workforce, discrimination in recruiting and promotions, unpleasant atmosphere among the staff could lead to a bad reputation and may downgrade the credibility of the company. But on the other hand an organization can display a healthier image and reputation to external stakeholders and concerned people my caring for his workforce and being involved in the process of being good social responsible citizen. (Paetzold, 2010)
- 3.) **Brand Differentiation:** CSR can also be used as a medium of brand differentiation. The successful implementation of CSR helps to strengthen the relationships and expand market share. It also enhances the organization's brand appeal to potential customers, employees and investors. As the level of customers' awareness is increasing customers will recognize the brand with good social responsibility. (4imprint, Inc, 2010)

3 CORPORATE SOCIAL RESPONSIBILITY REPORTING

3.1 CSR reporting introduction

The philosophy of not just only doing good but also making other know what you are doing is important in business world. CSR reporting is the medium through which companies can report their CSR activities to interested parties. (Mullerat, 2010) Since many stakeholders and organizations operating worldwide demand transparency and accountability from companies, implementing and communicating CSR activities is an important task for many companies. Although there are guidelines for reporting CSR there is no single universal frameworks to report CSR so, companies sometimes find it difficult to

report their CSR activities. (Ellerup & Thomsen , 2007) CSR reporting gives an account of an organization's progress toward sustainable development for both internal and external stakeholders. CSR reports give useful information for external users and stakeholders on company's social, environmental and economic impacts and the activities that is being undertaken to minimize the effects on environment and society. Looking at the CSR reports stakeholders can find about the CSR performance of the company in particular time and the impacts of their activities on the targeted sector. CSR reports are equally important for internal users as well. With the help of CSR reports people working in different departments of company can understand how the company is performing in CSR and where they are heading towards. Such reports assist in identifying and managing the CSR activities across all departments and know the impacts they can have from process, products, services and other activities. (White, 2009)

3.2 Existing reporting guidelines and standards

The purpose of CSR report is to provide information to internal and external stakeholders by measuring, disclosing and showing how the company is accountable towards the aim of sustainable development. CSR reporting can be applied to cover reporting on environmental, social and economic impacts of the company. (Simpson & Taylor, 2013)The trend towards making the operations of companies sustainable is increasing. Companies nowadays can not only look profitability as their main aim but they also need to think about the social justice and environment as well. CSR reporting is the document where companies show their activities that make their operation more sustainable. CSR reporting helps in understanding and managing the effects of the sustainability developments on the organizations' core activities. Internally agreed disclosure and metrics makes the reports accessible and comparable. (Global Reporting Initiative, 2013) There is no a single universal guideline or disclosure format based upon which companies can report their activities. There are many guidelines formulated by different Organizations such as United Nations (UN), Global Reporting Initiative (GRI), and International Standard Organization (ISO). Some of the main guidelines and standards are explained below.

3.2.1 UN Global Compact:

UN Global Compact was launched in July 2000 to give a platform for companies to develop, implement and disclose responsible and sustainable policies and practices of companies. It is the world's largest voluntary corporate sustainability initiative with nearly 8,000 corporate participants in over 140 countries. UN global impact has 10 different principles relating to

Human Rights, Labor, Environment, and Anti- Corruption. UN Global Compact has two main objectives first is to mainstream the ten principles in business activities around the world and the second one is to catalyze actions in support of broader UN goals including the Millennium Development Goals(MDGs). It is not compulsory regulatory instruments rather a voluntary initiative that aims to get public accountability and transparency. Upon joining the UN Global Compact companies are asked to make regular annual financial contributions based upon their annual sales/revenue. The contribution ranges from USD 250 to USD 15,000 depending upon the revenue of the company. (UN Global Impact, 2014) The UN global Impact has ten different principles that relate to Human Rights, Labor, Environment and Anti- Corruption. Companies following the UN Global Impact are asked to use, support and formulate these principles in their day to day business operations. The ten principles of The UN Global Impact outlined in the UN Global Compact are outlined below.

THE TEN PRINCIPLES OF UN GLOBAL COMPACT

Human Rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labor;
- **Principle 5:** the effective abolition of child labor; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility;
- **Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- **Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery

Figure 2 Ten Principles of UN Global Compact (UN Global Impact, 2014)

3.2.2 Global Reporting Initiative (GRI):

GRI which was founded in 1997 is leading organization in sustainability field. It is a non-profit organization which involves thousands of professionals and organizations of different backgrounds and sectors. The first version of the guidelines was launched in 2000 and the recent version known as G4 was launched in May 2013. The second generation of Guidelines

known as G2 was unveiled in 2002 and similarly the third generation of Guideline known as G3 was launched in 2006. With some updates and completion of G3, G3.1 guidelines were published in 2011. (Global Reporting Initiative) According to GRI database which keeps record of organizations and their sustainability reports from all around the world, more than 2.500 GRI based sustainability reports were published in the year 2012. (GRI Annual Activity Review 2012/13, 2013) In the new version of GRI guideline G4 the content are divided into two sections Reporting Principles and Standard Disclosure, and the implementation manual. G4 version of GRI can be used by all types of organizations like SMEs, Listed companies and other small and large companies.

Reporting principles of GRI

Principles in GRI, G4 are divided into two groups first one is principles for defining report content and second one is principles for defining report quality. Principles for defining report content gives an overview of what content the report should cover. In this part the report should content about stakeholder inclusiveness, sustainability context, materiality and completeness. According to stakeholder inclusiveness principle organization should identify its stakeholders, and should report about how it met their reasonable expectations and interests. Reporting on current trends does not make a good report. So organization also should report on wider aspects on the responsibility like improvement or deterioration of economic, environmental and social conditions and the developments and trends of these factors in local, regional and global level. This principle is named sustainability context in G4 guidelines. There are many different topics that organization can report but according to Materiality principle organizations should report on those topics that reflect the organization's economic, environmental and social impacts or influence the assessment and decision of stakeholders. Completeness principle of G4 emphasis on the coverage of material aspects and boundaries. It means that the report should contain economic, environmental and social impacts in responsible and appropriate manner. (Global Reporting Initiative, 2013)

Principles for defining report quality is meant for ensuring the quality of the report in the sustainability report. Under this principle basic things like balance, comparability, accuracy, clarity and reliability are included to maintain the quality of the information provided by the organization. An unbiased report only can give accurate information so the CSR report should be balance and the report should have all the positive and negative aspects of the or-

ganization's performance. The report should be free from omission, selections or any other kind of cheating that will influence the readers' decision or judgment. The comparability principle states that the reports published by organization should be comparable in order to evaluate and judge the performance of the organization. The report should be presented in such a way that the reader can compare the organization present performance with its past performance. Another important principle of defining report is accuracy. The provided information should be accurate and detail. It is very essential to get the organization's correct performance in different indicators. Moreover, the reports should also be published in regular time interval, it helps stakeholders in decision making process. The clarity principle states that the report should be presented in such a way that the reader who has minimum information about the organization can understand it. The last principle of defining report is reliability. According to this principle the information used in the report should be true and the organization should be able to disclose information and facts used in the report when asked. (Global Reporting Initiative, 2013)

3.2.3 ISO 26000

ISO (International Organization for standardization) which was founded in 1947 is developer of voluntary International Standards covering different aspects of technology and business. (ISO)ISO 26000 is a guideline of ISO which provides guidance to business and organizations to operate in responsible way. ISO 26000 formulated in 2010 advises an organization to take society, environment, legislation, politics and organizational diversity into consideration while operating business activity and encourages to follow international norms and regulation as well. (ISO 26000:2010)

3.2.4 OECD Guidelines

OECD Guidelines for Multinational Enterprise are comprehensive set of recommendation proposed by Organization for Economic Co-operation and Development (OECD) to multinational companies. OECD guidelines are the recommendation to enterprises operating in multiple countries which come across different culture, legal and regulatory environments.

These business conducts are addressed by governments to multinational companies which are operating in or from the country which is following OECD guidelines. The Guidelines has eight different chapters which covers many important aspects of responsible business practices including Concept, principles and General policies of the organization, Disclosure, Employment and Industrial Relations, Environment, Combating Bribery, Bribe Solicitations and Extortion, and Consumer Interests. (OECD, 2014)

3.3 Current issues and trends of CSR reporting

With the increase in interest of consumers and other stakeholders in CSR the trend of CSR reporting is also increasing. Since there is no one global standard on reporting CSR companies follow different guidelines proposed by different organizations. KPMG Survey of Corporate Responsibility Reporting provides a very useful insight into the recent trends in CSR reporting. KPMG started publishing such report from 1993 and the latest report was published in 2013. This KPMG report covers 4,100 companies across 41 countries, 100 big companies from each country. The report suggests that there have been growth in the number of companies reporting their CSR activities all around the world and the trend is growing especially in the Asia Pacific. Although CSR reporting is taken as a voluntary practice, in recent time governments and stock exchange around the world are increasingly imposing mandatory reporting requirements. The gap between the different industry sectors in CSR reporting is narrowing. Although heavy industry and resource based sectors like mining, pulp and forest have highest reporting rates than the service, retail and trade the gap between them is narrowing. According to the KPMG more than 51% of world's biggest companies report their CSR report in their annual report. Similarly the report suggests that GRI is the most used guideline when it comes to reporting CSR. More than 78% of the surveyed companies use GRI as a guideline for disclosing their CSR activities. In several countries GRI is linked to local regulatory reporting requirements. The overall quality of the reported data is also increased in the recent year. The quality of data which was measured based on different parameters shows European companies as a top quality reporter of CSR. (KPMG, 2013)

The trend towards CSR reporting is increasing and many organizations are actively involved in the development of CSR reporting. But there are many issues that need to be addressed for CSR reporting to meet its desired purpose.

- **Target Audience:** A key issue in CSR reporting is the target group. The target stakeholder groups are varied and not clearly defined. Company seeks to provide information to wide range of stakeholders like investors, employees, communities etc. but a clear definition of what exactly those groups are and what those groups seek from the reports and how to balance of conflicting needs of different groups should be made clear in the report. (The Institute Of Chartered Accountants, 2009)
- **Independent Stakeholders' Comment:** Stakeholders' comments that include both criticism and praise in CSR reports help to make the report more transparent. As giving voice to potential critics remains challenging many companies do not put such comments in their CSR reports. According to KPMG survey only one third of the companies take comments from third party. (KPMG , 2013)
- **Staff remuneration and CR performance:** It is important to link CSR performance with the remuneration of the employees. It helps to show that company is serious about the CSR issues and it also helps to ensure long term viability of the company. But now only 22% of the companies disclose how staffs are remunerated in relation to CR performance. (KPMG, 2013)
- **Understandability of the report:** There is no defined framework for CSR reporting. Unlike financial reporting which has standard format and defined framework CSR reports are comprehensibility. Although there are many provisions in GRI guidelines those guidelines are not enough to make CSR reports as comprehensive as financial reports. (The Institute Of Chartered Accountants, 2009)
- **Supplier and the value chain:** CSR in the supply chain is not easy to manage and not easy to report on. Although many companies in Europe and America report on such issues the reporting rate of companies in Asia Pacific is low. Among the companies that report about the supplier and value chain only few of them report in detail about the supplier. (KPMG, 2013)

4 RESEARCH FRAMEWORK

The research part of the thesis is divided into different heading and sub headings. In the first part information regarding CSR reporting in Finland is given and in the next section of that part CSR reports of Finnish case companies are analyzed. Similarly, in the next part information regarding CSR reporting in UK is given and in the following section the CSR reports

Of UK case companies are analyzed. Analysis, findings and Conclusion are presented in the later part of the thesis.

The length of CSR reports of companies vary significantly. Among the six different companies presented in this thesis the shortest CSR report was of 14 pages and the longest one was of 100 pages. So the content of CSR reports also varies significantly. While analyzing the CSR reports the author has tried to follow a standard model to analyze every company so that the reader can understand the flow of subject matter in the thesis. Following are the topics that have been covered while analyzing the CSR reports of the company.

1. Introduction of the company: In about one paragraph a short introduction of the companies is given in the beginning of company's case analysis. This includes name of the company, Business area, Number of employees, Name of stock exchange and other general information about the company.
2. Structure of CSR report: No of pages conceded for CSR report, attached or Separate CSR report and guidelines followed by company are general content included in this section.
3. Main Content: In this section the focus area of company, its principles and strategy relating to CSR is analysed. Depending upon the availability of information in CSR reports a description of comparison of latest CSR trend is also presented in this part. The content in this part vary in large extent as the companies have their own way of presenting their CSR activities.
4. Recognition by external organizations: The CSR activities and also CSR reports of the companies are evaluated and ranked by different organization. Different awards are given to the companies based on their CSR activities. Information regarding such external recognition by different organization is given in the last part.

5 CSR REPORTING IN FINLAND

In Finland CSR is well established in different national policies and government programs. Mainly the national CSR policies are governed by Ministry of Employment and Economy which acts as a coordinating body for CSR but CSR related issues are also dealt and taken care by other related ministries like Ministry of Environment which looks at issues related to environment. Moreover Ministry of Foreign Affairs looks at the issues related to human rights and trade policies. Similarly Prime Minister's Office takes care of State's ownership

policy. A Committee on Corporate Social Responsibility is formed by Ministry of Employment and Economy. Its term of office extends from 24 November 2011 to 23 November 2014. This committee supports in administrative decision making and also acts as the Finnish National Contact point for the implementation of OECD guidelines. (Ministry of Employment and Economy, 2014)

In the private sector CSR issues are taken seriously by Finnish enterprises. Mainly the large companies have shown strong commitments on improving CSR in recent time. There have number of survey and research by different accounting firms and organizations regarding CSR activities of Finnish companies. The reports published show a very positive sign of development in CSR in Finland. PwC Corporate Responsibility Barometer 2013 evaluated 568 companies about their CSR activities. According to the report the numbers of companies reporting CSR information have increased in recent year. Only 121 used to report their CSR information in 2009 but the number reached 157 in 2012. Similarly many Finnish companies have set long term goals and also have defined indicators to monitor CSR management results. One of the main reasons for such trend is the increased awareness among the investors who now not only look at the company's profitability but also take care on the company's value creating ability as well. Supply chain management and human rights issues have been addressed by increasing number of companies. Nearly 70% of the companies report on CSR issues related to supply chain which was 43% in 2011 and 46% of the companies monitor the supply chain's compliance with CR requirements which was 15% in 2011. (PwC, 2013)

Corporate Responsibility Network FIBS is a non-profit organization in Finland; it helps in promoting sustainable business practices to its 200 member companies in Finland. Its recent report on CSR 'sustainability in Finland 2013' has analyzed many aspects of Finnish CSR. Like the previous research of PwC this report also shows the positive development in CSR activities in Finland. This report shows that 98% of the companies are investing in CSR, which shows the important consideration of CSR by companies. Most of the companies consider building brand value and image as a main reason for investing in CSR. The most important factor of CSR in Finnish companies is environment and community development and involvement is less prioritized theme. Moreover for most of the companies supply chain management is the most challenging CSR theme and on the other hand corruption is the least challenging CSR theme. When asked about the CSR in next five year 87% of the companies

expected the importance of CSR to increase in coming year and most of them also forecast that their investment on CSR will rise by 54%. (FIBS, 2013)

The KPMG survey of Corporate Responsibility Reporting 2013 also included 100 big Finnish companies in its survey. The report suggests that more than 81% of the surveyed company report their CSR activity which is more than EU average of 73%. There has been remarkable increase in number of firms reporting their CSR activities since 2008. In 2008 only 44% of the companies reported their CSR activity, the EU average at that time was 51%. In year 2011 85% companies reported their CSR activities crossing the EU average of 71%. The number slightly dropped to 81% in 2013 but the figure is still high compared to EU. The survey's result on assurance rates of published report shows very weak result of Finnish companies. Only 27% of the companies did assurance of their reports in 2013 and in 2008 30% of the companies used to do that. The EU average on assurance rates in 2013 was 40%. Although the EU average is also low on that Finnish companies should increase in assurance rate to increase recognition, trust and credibility. (KPMG, 2014) When it comes to using the guidelines for sustainability reporting GRI is the most used guidelines used by Finnish companies. According to PwC survey more than 60% of the companies use GRI as a reporting guideline. Similarly more than 65% report CSR information in their annual report. The PwC survey shows that 38% of the surveyed companies publish separate CSR report and all most same number of companies publishes online CSR report as well. (PwC, 2013)

5.1 Finnish Case Companies

In this research three Finnish listed companies related to different industry are selected. The selected Finnish have international business operations and are related to manufacturing some kind of products. Table below provides short information about the selected companies.

Company	Related Industry	Stock Exchange
UPM Kymmene Oyj	Pulp & Paper	NASDAQ OMX Helsinki
Neste Oil Oyj	Oil and Gas	NASDAQ OMX Helsinki
Outokumpu Oyj	Mining	NASDAQ OMX Helsinki

5.1.1 UPM Kymmene Oyj

UPM Kymmene also known as UPM is a Finnish forest industry. UPM was established in 1995 by the merger of Kymmene Corporation and Repola Ltd and its subsidiary United Paper Mills Ltd. The new company, UPM-Kymmene, which now comprises of 100 production facilities, officially started its operations on 1 May 1996. UPM which is now present in 65 countries has production plants in 14 countries and employs approximately 21,000 people worldwide. UPM shares are listed on the NASDAQ OMX Helsinki stock exchange. UPM consists of different business areas which include UPM Biorefining, UPM Energy, UPM Raflatac, UPM Paper Asia, UPM Paper ENA (Europe and North America) and UPM Plywood. (UPM, About UPM, 2014)

CSR reporting in UPM Kymmene Oyj

UPM reports about its CSR in its webpage and annual report. The web page provides detail information on its various past and current CSR activities. Similarly in the annual report of 2013, UPM has discussed about its CSR activities and reporting from page 39 to 53 of the annual report. The responsibility section of the annual report gives very clear picture of the company's CSR activities and its reporting. In UPM CSR report environment is given main priority. Out of 14 pages CSR report in its annual report, 8 pages have been separated for environmental section alone. This shows that among other dimensions like economic and social the company has given top priority for the environment.

Key trends	Key area of responsibility	Target	Achievement 2013
POWER SHIFT IN WORLD ECONOMY	ECONOMIC Profit Shareholder value creation	<ul style="list-style-type: none"> Operating profit margin > 10% Return on equity at least 5 percentage points above the yield of a 10-year risk-free investment Gearing ratio to be kept below 90% 	<p>Operating profit excluding special items was 6.8% of sales. Return on equity excluding special items was 6.4%.</p> <p>Gearing ratio as of 31 December 2013 was 41%.</p>
	Governance Accountability and compliance	<ul style="list-style-type: none"> > 90% coverage of participation to UPM Code of Conduct training by 2015 ²⁾ 	85% of employees have completed the Code of Conduct training.
	SOCIAL ¹⁾ Leadership Responsible leadership	<ul style="list-style-type: none"> Employee engagement index overall favourable score exceeding 70% by 2015 Employee engagement survey response rate reaching 70% and over by 2015 	<p>Employee engagement index overall favourable score declined slightly to 60%.</p> <p>Employee engagement survey response rate was 78%.</p>
DEMOGRAPHIC CHANGE	People development High performing people	<ul style="list-style-type: none"> Employee Personal Performance Review (PPR) coverage exceeding 90% globally by 2015 	Employee Personal Performance Review (PPR) coverage increased slightly and was at the level of 85% globally.
	Working conditions Safe and encouraging working environment	<ul style="list-style-type: none"> No fatal accidents (continuous) Last-time accident frequency below 5 (per million hours or work) by 2015 Annual targets set for the reporting of near misses and safety observations 	<p>One fatal travel accident during a business trip in Finland.</p> <p>Nearly 40% improvement in last-time accident frequency (LTAF) from the previous year. In 2013, the LTAF was 5.4.</p> <p>Annual targets set and exceeded in all business areas.</p>
	Community involvement Local commitment	<ul style="list-style-type: none"> Continuous development of strategic sustainability initiatives with leading NGOs Continuous sharing of best practices of stakeholder initiatives 	<p>Cooperation with IUCN, WWF and Birdlife continued.</p> <p>New stakeholder forums established.</p>
	Responsible sourcing Value creation through responsible business practices	<ul style="list-style-type: none"> > 80% of UPM supplier spend qualified against UPM Supplier Code by 2015 ⁴⁾ Continuous supplier auditing based on systematic risk assessment practices 	<p>64% of supplier spend qualified against UPM Supplier Code with eight percentage points increase compared to the previous year.</p> <p>Supplier auditing continued. Auditing trainings organised to sourcing personnel and new auditing tools introduced.</p>
	ENVIRONMENTAL ²⁾ Products Taking care of the entire lifecycle	<ul style="list-style-type: none"> Environmental management systems certified in 100% of production units (continuous) Environmental declarations for all product groups (continuous) 25% growth in the share of eco-labeled products by 2020 ³⁾ 	<p>All except 2 sites have certified environmental management systems in place. UPM is a global frontrunner in the use of EU EMAS.</p> <p>Environmental declarations are available for all relevant UPM products. In 2013, Rafiatac developed a lifecycle assessment tool for its label products.</p> <p>Increase of eco-labeled sales in line with the target. UPM was the first user of the new EU Ecolabel for newsprint paper grades.</p>
CLIMATE CHANGE	Climate Creating climate solutions	<ul style="list-style-type: none"> 15% reduction in fossil CO₂ emissions by 2020 ³⁾ 	Development not in line with the target. Despite of good improvements in the fuel mix and energy efficiency, actions have not compensated the increased level caused by the Myllykoski acquisition.
	Water Using water responsibly	<ul style="list-style-type: none"> 15% reduction in waste water volume by 2020 ⁴⁾ 	Development not in line with the target. Average specific waste water volume for UPM increased due to a higher weight of pulp in portfolio, despite of the fact that UPM Fray Bentos has one of the lowest process water uses in the industry.
		<ul style="list-style-type: none"> 20% reduction in COD load by 2020 ⁴⁾ 	Development in line with the target. 16% reduction achieved for the UPM average product since 2008.
	Forest Keeping forests full of life	<ul style="list-style-type: none"> Maintain high share of certified fibre 85% 100% coverage of chains of custody (continuous) 	<p>The share of certified fibre increased to 80% from 77% in 2012.</p> <p>Chains of custody coverage is approximately 99 %.</p>
RESOURCE SCARCITY	Waste Reduce, reuse and recycle	<ul style="list-style-type: none"> 40% reduction in solid waste to landfill by 2020 	Development nearly in line with the target, despite of the fact that amount of landfilled solid waste increased.

Figure 3 UPM target and achievement table (UPM Annual Report, 2014)

One of the most important parts of the report is the table where the company has shown target and achievement in different area of responsibility like Economic, Social and Environmental.

It seems clearly from the table that UPM has been able to achieve most of its targeted goals in 2013 and many of the missed targets are also missed by very narrow margin. In economic area it has missed the target of profit margin. The target was to achieve more than 10% but it only could get 6.8% in 2013. In social area UPM failed to meet the targeted goal by short margin in leadership and people development section. But it has achieved significant achievement in other dimensions of social responsibility like working conditions, community involvement and responsible sourcing. In environmental area UPM has set many long term goals on various parameters of environment like product lifecycle, climate, water, forest and waste. The achievement is impressive in many of those parameters. Except 2 all of the production units have certified environmental management system. Among the different parameters in environment area it has not achieved desired achievement in forest sector only that is also by very narrow margin. But otherwise the targets and achievements shown in the responsibility part of annual report show a very good commitment of the company in different areas of responsibility. (UPM Annual Report , 2014)

UPM follows the framework and indicators of the Global Reporting Initiative's (GRI) reporting guidelines for CSR reporting. It uses the G3 version of GRI guidelines. UPM has shown in a table the GRI content index in its annual report so it is very easy to locate the particular information in its annual report. The table also gives information whether the specific profile is fully or partially reported. The extended version of the table is shown in the webpage also includes information about data measurements techniques in environmental and social responsibility indicators. The data measurement technique gives detail information about how the company has calculated quantitative information on different indicators. The GRI index shows that UPM has fully reported almost all the indicators stated in the table but there are some indicators that have been partially reported. Short information is given on those indicators which are not found in the annual report. For example on public policy *S06 Contribution to political parties, politicians and related institutions* it has mentioned that UPM does not pay any political contributions. UPM has self-declared its CSR reporting to be Application Level B+ of the GRI G3 guidelines and it has been confirmed by PricewaterhouseCoopers Oy. PwC has also checked the CSR reporting of UPM. (UPM Responsibility, 2014)

UPM has performed well in different Sustainability Index. In Dow Jones Sustainability Index UPM has been given Gold Class. It was only Finnish company to get gold class although 10

different companies from Finland had participated in CSR assessment. (Robecosam Sustainability Investing , 2014) Similarly, UPM was ranked in the Nordic Carbon Disclosure Leadership Index scoring 99 out of 100. It also shows that company has very good internal data management and understanding of the climate related issues affecting the company. (Carbon Disclosure Project , 2012) UPM is also finalist for Sustainability Leaders Awards 2013 in Sustainability Product Innovation Category. This award is organized by edieWaste an organization which is corporates in sustainable business development. (edieWaste , 2013)

5.1.2 Neste Oil Oyj

Neste oil is a refining and marketing company which produces a comprehensive range of major petroleum products. It is the leading supplier of renewable diesel. The company operates in 15 countries. The company has its headquarters in Espoo Finland and employees more than 5000 people. Neste the predecessor of Neste Oil was founded in 1948 to secure Finland's oil supply. Neste oil is listed in NASDAQ OMX Helsinki. Neste Oil has two business area and four reporting segments. Business area consists of Oil Products and Oil Retail whereas as reporting segments consists of Oil Products, Renewable Fuels, Oil Retail and Others. In 2013 the net revenue of the company was 17,462 million Euros. The operating profit of the company in 2012 was 355 million Euros but in the year 2013 the figure rose to 604 million euros. (Neste Oil , 2014)

CSR reporting in Neste Oil Oyj

Neste oil provides an extensive CSR reporting both in its web page and in its annual report. Neste oil does not publish separate sustainability report but combines its CSR activities and reporting in its annual report. Both webpage and sustainability part of annual report gives a very clear picture of the companies' strategy and principles in CSR, Sustainability Program and Reporting principles. Neste Oil has developed six focus area of sustainability in 2012. The focus area consists of Customer, Safety, Personnel, Society, Climate and Resource efficiency and Sustainable Supply Chain. Board of directors and senior executive board members

are involved in formulating CSR policies and principles in Neste Oil. (Neste Oil Sustainability, 2014)

Managing sustainability

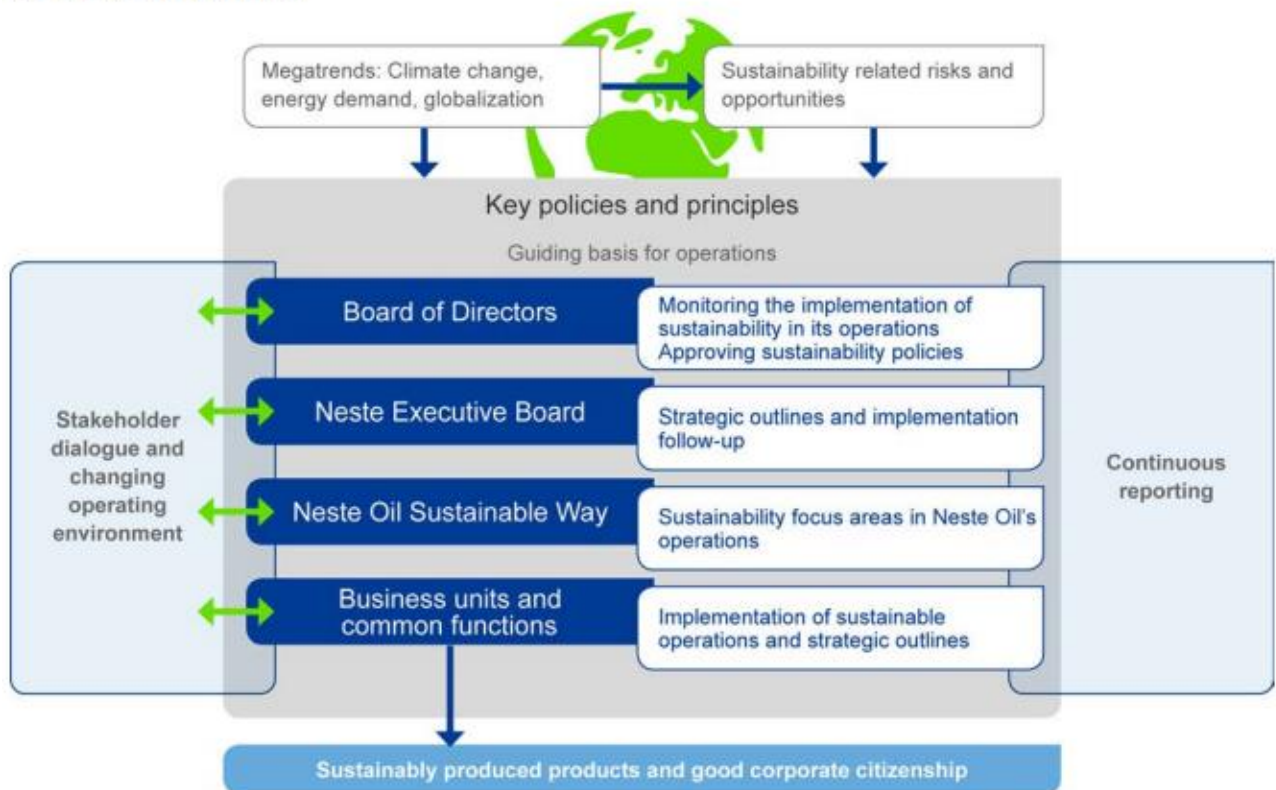


Figure 4 Neste Oil Management approach of sustainability (Neste Oil Annual Report, 2013)

96 pages have been conceded for sustainability part in the 2013 annual report of Neste Oil. In the sustainability part of the annual report, Neste Oil also highlights the Neste Oil’s sustainability work in six different focus areas. Each of the focus areas have been presented with the company’s targets, actions and achievement and its future plan. In the report the different sustainable works and methods developed and used by the company in different focus areas are presented in a very clear way with examples and statistics. Like on other part of the report the sustainability part of the report is also made interactive with figures and video links. The report also gives chart of the materiality assessment. In materiality assessment part the company has gathered and compared different interests of company and stakeholders in matrix. The matrix gives easy layout of the relative importance of specific environmental, social and governance issues to the company and other stakeholder. The report also shows the company’s rating given by different organizations. A comparison table of latest three years’ achievement

in different aspects of company's six different areas is also presented in the report. (Neste Oil Annual Report , 2013)

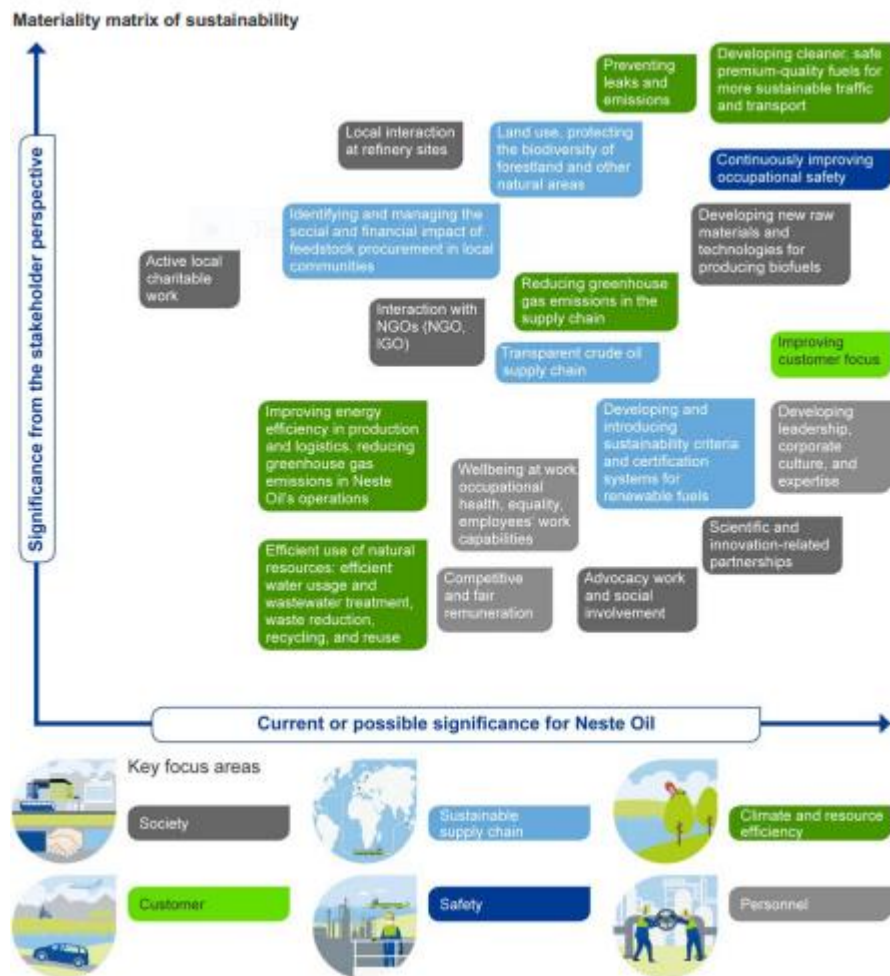


Figure 5 Neste Oil's Materiality matrix of sustainability (Neste Oil Annual Report , 2013)

The sustainability figures from last three years show that the company is doing a very good job in CSR management. It is evident that the company has improved in many different indicators but there is still room for further improvement as well. Neste Oil has achieved great success in climate and resource efficiency section. It has been able to introduce new raw materials and fuel that reduce CO2 emission and reduce greenhouse effect. Similarly it has also increased the use of waste-based raw materials by almost double as compared to 2012. The figures also show good result in personnel and society section of the focus area. But the company needs to improve in its safety area because the figures in some of the safety indicators are poorer than previous year. Sustainability materiality matrix shows that developing cleaner, safe premium-quality fuels for more sustainable traffic and transport is most significant

sustainability action from both company's and stakeholders' perspective. Stakeholders value active local charitable work but it is the least significant issue for the company itself. Similarly scientific and innovation-related partnership is very significant for the company but it one of the least significant issue for stakeholders. Likewise there are many other issues which have different degree of significance for company and stakeholders. Major sustainability related risks, performance of the company in the key risk area in 2013 and preventive measures are also presented in the report. The risks outlined in the report are mainly related to the four focus areas like Sustainable supply chain, safety, climate and resource efficiency and customer. (Neste Oil Annual Report , 2013)

Most part of the CSR reporting section of the annual report of Neste Oil is used in reporting on six different focus areas of the company like customer, safety, personnel, society, climate and resource efficiency and sustainable supply chain. Each of the focus area is described with the examples of the sustainable work done by the company in different sections of the the focus areas. For example in Safety the report gives detail information about Process safety, people safety performance and development, preventing safety measures, safety training in 2013, transport safety, and many other different safety issues. Numbers and figures are also provided in the report to measure the company's targets and achievement in different focus areas. Targets, actions and achievement and future steps are well presented in the table. Neste oil also has been involved in different organizations and joint projects which are related to the development of the industry. Human rights issues are also dealt very carefully in Neste Oil and its supply chain. (Neste Oil Annual Report , 2013)

CSR report of Neste Oil is compiled in accordance with the G3 (Version 3.0) guidelines of the Global Reporting Initiative (GRI). The report has been assured and checked by PricewaterhouseCoopers Oy. Neste Oil's CSR reporting meets GRI's Application Level B+ requirements. Information about how different indicators are measured is also given in the report. Most of the contents of the GRI 3.0 are fully reported and link is given in every indicators reported. But there are still many contents that are partially reported or not reported. Around 16 contents are partially reported and 20 contents are not reported at all. Most of the unreported contents are related to human rights, environment and employment. Neste Oil's CSR has been figured out and reviewed by many rating and indices given by different organizations. Neste Oil has been ranked sixth in *The Global 100* ranking; similarly it has also been

selected for inclusion on Dow Jones Sustainability Index. It has got 72 score in Carbon Disclosure Project and also has been recognized in many other indices. (Neste Oil Annual Report , 2013)

5.1.3 Outokumpu Oyj

Outokumpu is one of the leading producers of the stainless steel. The history of Outokumpu tracks back to 1910 when rich copper ore deposit were discovered in Eastern Finland. The company has acquired Avesta Sheffield in 2001 and Inoxum in 2012 to form the present Outokumpu. It is organized in four business areas- Stainless Europe, Middle East and Africa (EMEA), Stainless Asia Pacific (APAC), Stainless Americas and Speciality Stainless. Its production facilities are spread all over the continents. The production facilities of Outokumpu are located in China, Germany, Mexico, Sweden, the UK and USA. Total sales revenue of the company in 2013 was 6,745 million euros. It delivered a total of 2,585,000 tons of stainless steel in 2013. More than 12,500 employees are employed by the company in more than 30 countries. The headquarters of the company is located in Espoo and its shares are listed in NASDAQ OMX Helsinki. (Outokumpu, 2014)

CSR reporting in Outokumpu Oyj

Outokumpu published separate Sustainability Report in 2013. The 67 page long CSR report contains different CSR activities of the company. The report starts with the CEO's foreword and is followed by the company's highlights of CSR activities in 2013. The report also contains information about the different properties of the company's main production material stainless steel. Moreover the report also gives information about the company's focus group in CSR which includes environment, people, work safety and society. CSR report of the Outokumpu gives a very clear picture about the different properties of the stainless steel. The description includes the information about the product, its recycling, Cleanliness, Product life Cycle, Safe Use of materials, Product and application development and many other important information about the main product of the company i.e. stainless steel. (Outokumpu, 2014)

The CSR report of Outokumpu has reported on the various dimensions of the company's impact on the environment. The company has specified group-wise results of 2013 which accumulates the achievement of the company as a whole in 2013 in different environmental indicators like Climate change, Energy efficiency and Material efficiency. Similarly site-specific results 2013 give information on achievements of the company in mining sites located in different countries. The goals and targets for 2014 are also set up in the same way. The goals and targets are categorized as group-wise goals and site-specific goals. The group wise result in environment sector shows that companies has achieved goals in most of its targets set for 2013. The company is using 38% of electricity from renewable sources, 34% from nuclear sources and rest 28% from Fossils and turf. In the report company has given detailed information about the price and sources of electricity it has used in its production plants. Material balance table shows the company's use of different materials from 2011. This table gives the numerical value of materials, additives and energy used in production. The table also gives the value of output of steel and other by-products. Emissions to air, emission to water, treatment on hazardous waste and water and by products is also presented in the table. The table shows that the company has achieved mixed result in different aspects of material balance. In some cases the company seems to done well in improving the situation and in some cases the results are diminishing. (Outokumpu, 2014)

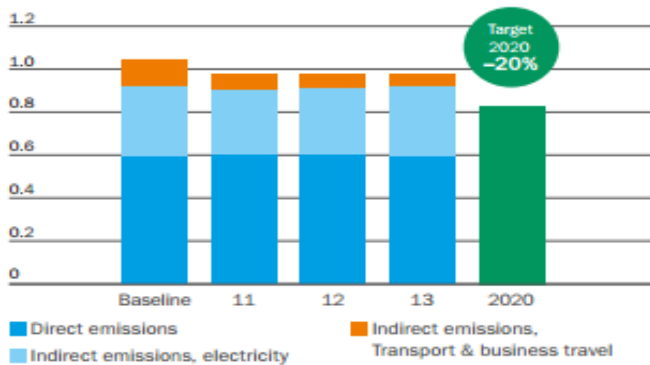
Material balance

Materials used, tonnes	2013	2012	2011
Recycled steel	2 111 093	2 328 984	2 099 568
Recovered metals	148 329	130 780	159 517
Ferrochrome	434 191	456 683	479 572
Nickel alloys	202 118	210 041	210 086
Other alloys	122 836	126 212	130 607
Additives, tonnes			
Slag formers	384 028	376 967	400 177
Melt shop process gases	313 804	308 578	314 391
Pickling acids bought	37 703	31 249	33 884
Pollution prevention materials	46 107	45 363	44 930
Packaging materials used for final products	20 498	20 237	20 088
Energy			
Electricity, GWh	4 715	3 940	4 018
Propane, GWh	1 015	1 151	1 147
Carbon monoxide gas, GWh	541	342	397
Natural Gas, GWh	1 705	1 844	1 408
Diesel, light and heavy fuel oil, other GWh	155	204	221
Output, tonnes			
Steel	2 598 006	2 686 262	2 804 877
Emissions to air, tonnes			
Carbon dioxide*	1 274 515	1 083 978	1 102 434
Nitrogen oxides	2 634	2 362	2 229
Sulphur oxides	348	446	382
Dust	447	524	463
Ozone-depleting substances	0	0	0
Carbon dioxide per tonne of steel	0.49	0.40	0.39
Emissions to water, tonnes			
Metals	44	50	52
Nitrates	1 810	1 662	1 589
Hazardous waste, tonnes			
Oily sludge to the treatment	16 582	18 901	18 299
Hydroxide sludge landfilled	73 639	66 280	89 863
Steel making dust to recovery	57 274	48 597	52 294
Wastes and by-products, tonnes			
Steel Slag, total	906 143	821 086	844 417
Slag utilized	735 087	586 321	627 492
Slags utilization rate (recovery, reuse, recycling)	81.1%	71.4%	74.3%

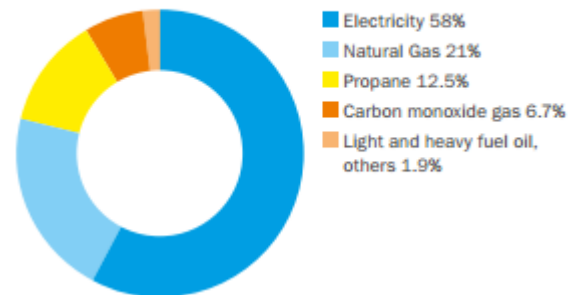
Figure 6 Material Balance table of Outokumpu taken from its Sustainability Report (Outokumpu, 2014)

The report deals with the problem of Climate Change from different angles. CSR report has outlined the challenges and opportunities created by climate change and increased regulatory framework by EU and government bodies. Company sees the increase demand in the use of stainless less steel as a result of growing awareness among the customers and environment friendly nature of the product itself. The main challenges outlined in the report is the EU regulatory risks by which its production plants located in Finland, Sweden, Germany, Sweden and UK will be affected. Looking at the carbon profile it can be seen that Outokumpu has not achieved significant result in past three years. The trend of emission is somehow similar since 2011.

Carbon profile



Energy sources in 2013



Carbon profile 2011–2013

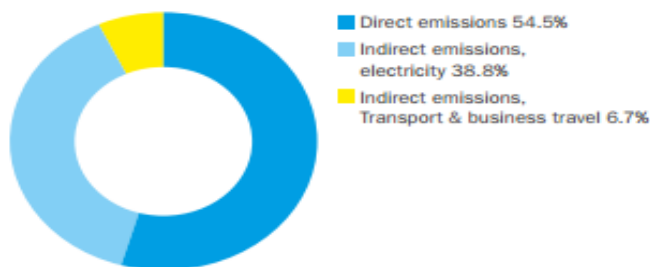


Figure 7 Graphical Presentation of Carbon profile and Energy sources in Outokumpu annual report (Outokumpu, 2014)

The CSR report also provides information about the investment on improving the quality of the environment. Issues related to Supply chain management is also dealt in the report. One of the main achievements of the company in supply chain management is the reduction in the emission in transportation. Another important part of Outokumpu CSR report is the report about the people employed by Outokumpu. There is detailed information about the personnel by countries, investment on personnel and educational background of the employees. Like in environment section of the report in people section also the report gives goals and results achieved in 2013 and goals set for 2014. Diversity and equal rights, employee integration, training and development, Compensation and benefits, performance management and Health and Safety are the key issues which are detailed in the People section of CSR report. Outokumpu has also involved actively in different associations, NGOs and other public and private sector for well-being of local, national and international communities. The last part of the CSR report provides information relating to involvement and relation of the company in different parties and stakeholders. Contribution made to different parties of the community

like stakeholders, customers, suppliers, current and future employees, local communities, associations, NGOs is described in last part of the CSR Report. (Outokumpu, 2014)

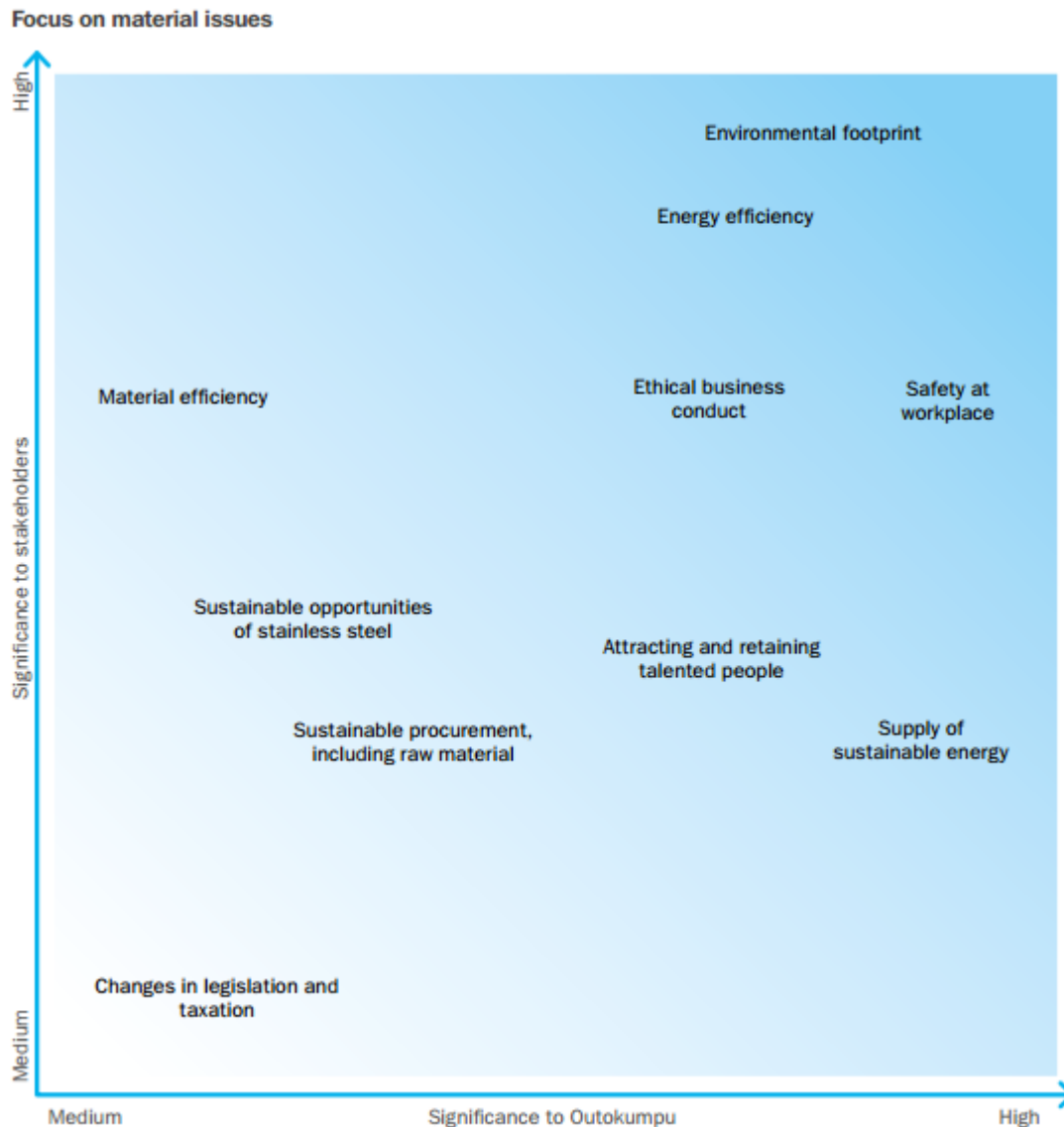


Figure 8 Outokumpu Materiality analysis table (Outokumpu, 2014)

The materiality analysis shows somewhat similar interests of the company and the stakeholders in different CSR issues. Ethical business conduct, safety at work place, energy efficiency and environmental foot print are some of the issues where the interests of both parties are somewhat similar. Material efficiency is highly valued by stakeholders but less valued by company according to the materiality analysis report of the Outokumpu. CSR report of Outokumpu is prepared including GRI and UN Global Compact reporting index, where all the

indicators are listed together with links to the pages on which they are addressed. Outokumpu's CSR report also meets the ISO 26000 requirements. Outokumpu also uses G3 guidelines of GRI index and the report has been assured and confirmed to be application level of B+ by PricewaterhouseCoopers Oy. Twenty two contents of the G3 guidelines have not been reported in its CSR report similarly 14 contents have been partially reported. Information regarding reporting principles as well as measurement techniques has been provided in the report. (Outokumpu, 2014)

Outokumpu sustainability performance is recognized by different organizations and rating agencies. Outokumpu is included in Dow Jones Sustainability Indices for sixth consecutive year. In 2012 review Outokumpu is among the best steel companies included in the DJSI world index. Similarly Outokumpu has also been featured in Carbon Disclosure Leadership Index, CDP's annual Nordic 200 Report. Moreover Outokumpu is the receiver of the first International Stainless Steel Forum (ISSF) sustainability award. Apart from these Outokumpu has also been recognized and featured in many different organizations. (Outokumpu , 2014)

6 CSR REPORTING IN UK

In UK both government and private sectors have well understood and adopted the CSR in their practice. Government is not only helping private organization on adopting CSR practices in their daily activities but government itself has set out CSR policies and carried out them in its day to day activities. The government has itself leaded as an example by reducing Government's waste generation, water use and greenhouse gas emission. In UK the different department of ministries and departments take of the CSR issues of which they are related. For example The Department of Energy and Climate Change takes issues related to climate change and sets out goal and policies for tackling the problem of climate change. Similarly The Department of Health's Public Health Responsibility Deal encourages business and other sectors to contribute to healthier nation in the areas of food, alcohol, physical activity, health in the workplace and behavior change. (Department for Environment, Food and Rural Affairs, 2011)

UK government is actively involved in managing CSR reporting as well. It has recently published Guidelines on Environmental reporting which is used as a reporting guideline by all UK listed companies and also can be used by non-listed companies as well though it is voluntary to them. (Department for Environment Food & Rural Affairs, 2013) KPMG survey of Corporate Social Reporting 2013 shows a very data in CSR reporting in UK big companies. 91% of the companies did CSR reporting in 2008 in UK, when the EU average reporting was 51%. Similarly in 2011 all of the companies surveyed had done CSR reporting making the reporting rate 100%. In year 2013 the reporting rate dropped to 91% again though the EU average reporting rate is 73% in 2013. The assurance of CSR reports by UK companies is increasing in very slow rate. The assurance rate is increased by 1% in every survey done by KPMG. The assurance rate was 55% in 2008, 56% in 2011 and in 2013 it was 57%. Although these figures are not fascinating these figures are well above the average EU assurance rate of 20% in 2008, 41% of 2011 and 40% of 2013. (KPMG , 2013)

6.1 Analysis of UK case companies

For the research purpose three listed companies listed in London Stock Exchange are selected in this thesis. Like in Finnish case companies the selected companies are related to manufacturing and have international operation. For the easy availability of materials to research large sized companies are selected. Following table gives the short information on the selected UK case companies.

Name of the Company	Related Industry	Stock exchange
Mondil Plc	Pulp and Paper	London Stock Exchange
Anglo American Plc	Mining	London Stock Exchange
Bp Plc	Oil & Gas	London Stock Exchange

6.1.1 Mondi Plc

Mondi is an international packaging and paper Group which has production facilities across 30 countries. It employs around 24,400 people and had revenue of 6,5 Billion Euros in 2013. The key operation of the group is located in Central Europe, Russia, the Americas and South Africa. Their operations are fully integrated across packaging and paper value chain—from the management of its own forest and the production of pulp and paper to the conversion of the packaging paper into corrugated packaging, industrial bags and other different products. Mondi has a dual listed company structure, with listing in Johannesburg Stock Exchange (JSE) Limited and the London Stock Exchange. Mondi operates in two Divisions: Europe & International and South Africa. Its corporate offices are located in South Africa and UK. (Mondi, 2014)

CSR reporting in Mondi Plc

Mondi has published a 100 page long separate sustainability report that includes the company's principles in CSR and also the different activities that the company has undertaken in 2013. The company has identified seven different key sustainability aspects which are applied in all operations owned and managed by the company. The seven aspects include: sustainable forestry, environmental performance, climate change, product stewardship, corporate citizenship, global employment, and occupational health and safety. The report also gives the detailed description of the stakeholders of the company as well. The company had set up sustainable development commitments that are targeted to be fulfilled by 2015. The report also tables commitments and also the progress made in those commitments. The company's performances in 2013 are listed separately in the report. The report highlights that the company is using 61% of the fuel from renewable sources and similarly it has been able to reduce the landfilled waste by 7%. The company also has certified many of its operations and is using certified products and woods. Most part of the report is used in describing the company's CSR activities in seven different headings and these headings include Our Forests, Our Manufacturing Operations, Our Supply Chain, Our Products, Our Economic Performance, Our Future and Supplementary Information. (Mondi, 2014)

In *Our Forest* part of the report the company has described many activities that are related to the development and proper utilization of the forest resources. The report deals with the is-

sues related to modernization of forest harvesting to health and safety issues of the people working in the forest sector. The company has also worked in partnership with many organizations and local communities in developing ecosystem stewardship. Information regarding such organizations and joint effort carried with such organizations is also reported. On the right side of the report there is quote of the people working indifferent sector of the company about the CSR policy and activities of the company. In *Our Manufacturing Operations* part the report explores the issues related to manufacturing operations and report of the performance in energy and climate change, water use and emissions, air emissions and waste. The company has committed € 431 million in green energy related projects between 2011 and 2016. Similarly it has achieved success in reducing harmful emission of gases. The table of the CO₂ emission of last four year is also presented in the table. It can be seen that the rate of CO₂ emission caused by company's manufacturing operations has decreased constantly in last four years. Very descriptive and clear data of water usages of last four year has been presented in the report. The data gives clear picture on quantity and quality of water used for operation and emission of discharges to water. In air emission part the company has given information of about ozone depleting substances of last four year. Similar kind of facts and data are given in managing solid waste as well. Comparison of treatment of different kind of waste is given from year 2010 till 2013. In the same manufacturing operation part information on investment made on different sections of the company that promotes the sustainability vision of the company is also given with examples. The people and social part of the manufacturing operations gives data and information on company's programs and initiatives on uplifting the standard of working people and also society as a whole. The company has reported on gender diversity is various working level of the company. According to the data presented 22% of the directors, 7% of senior managers and 20% of employees are female. Moreover information on corporate social investment (CSI) spent from 2010 to 2013 in different headings is presented in the table. During 2013, Mondi contributed €9.9 million towards CSI projects. Company has paid attention in managing supply chain and set up program to reduce the environmental harms caused by supply chain. It has increased the no of certification on its various raw materials and supplier. In *Our Products* section of the report information about innovation and development of the products is given. This helps the reader to know about the importance of the company and its products from environmental prospective. The *Our Economic Performance* section of the report demonstrate how the company create and share sustain-

able value through payments to employees, provision of equity and loan capitals, payments to suppliers and other different practices. Value added statement 2013 shows how and how much value the company added in purchasing, employees, on forming capital, paying taxes and through investment. The second last part of the report *Our Future* is all about the commitment of the company for the development of the future sustainable development strategy. There also part where the challenges and opportunities faced by company on implementing CSR are described. The company is working in developing new five year Sustainability Development commitments that will start from 2016 and last till 2020. (Mondi , 2014)

The last part of the report *Supplementary Information* provides data summary of economic, social, environment aspects of the CSR. Information regarding reporting guidelines, assurance and observation of the report is also provided in this part. The CSR report of the Mondi has been made in accordance with Sustainability Reporting Guidelines G3.1 of the Global Reporting Initiative and internal indicator criteria developed by Mondi. EMR certification and Verification Services (EMR CVS) was engaged by Mondi Group to provide assurance in relation to information presented in 2013 Sustainable Development Report. The company has also mentioned about the shortcoming in its activities and areas where it needs to improve under observation topic. GRI's report services have concluded that the Mondi's CSR report fulfills the requirement of Application Level B+. GRI content index shows that Mondi has not reported on 28 contents most of which related to social aspects and especially about human rights. Similarly 19 contents of the index are partially reported. Glossary of the terms used in the report is explained at the end of the report. (Mondi , 2014) Mondi's sustainable work has been recognized by different external parties and organizations. Mondi has been included continuously in FTSE4Good and JSE SRI Indices. It has been awarded WWF Environmental Paper Award for Transparency, PPI award for 'managing risk and safety', Ned bank Capital Award for sustainable business achievements and Institute of Chartered Secretaries and Administrators (ICSA) best Sustainability and Stakeholder Disclosure-FTSE250 award. (Mondi, 2014)

6.1.2 Anglo American Plc

Anglo American Plc is one of the world's largest mining companies. Its headquarter is in the UK and it is listed on the London and Johannesburg stock exchanges. The mining portfolio of the company consists of iron ore and manganese, copper, nickel, niobium, phosphates, platinum and diamond and many other metals. The main activities of Anglo American are exploration of mineral deposits and mining, processing and smelting of metals. It also provides technical skills as well as well as research and technology development in mining and mining related technology. It operates in different countries of in Africa, Europe, South America, North America, Asia and Australia. Total number of permanent employees and contractors is 158,900. Its operating income in 2013 was 6,168 million dollar in 2013. (Anglo American , 2014)

CSR reporting in Anglo American Plc

Anglo American Plc has published separate Sustainable Development report in 2013. In the first page of the report company has reported about its commitment on workforce diversity. It shows that the company is very committed on promoting workforce diversity. Anglo American's sustainability plan is divided into two phases. Phase one is from 2013-2016 and phase two is 2013-2025 and beyond. During phase one period the company aims to apply standards throughout the Group to achieve zero harm at workplace and within communities and operate within agreed environmental management parameters. The phase one plan also includes delivering positive benefits to society and forming strong relationship with stakeholders. The second phase planning is about longer-term ambition to lead fundamental change in the mining industry and involve collaboration with governments, NGOs and peers in business. Anglo American has defined Safety and Health, Environment, Socio-Political and People as four pillars of value. The report also provides data on targets and results on different subsection of the pillars. Anglo American has clearly defined its stakeholders, engagement channel with them and the issues raised by them concerning CSR in its CSR report. The opportunities and possible risks related to sustainable development are also outlined in the report. (Anglo American Plc, 2014)

In our people section of the report detail information is provided about many of people related classification including work force diversity, relationship management with workers, pro-

protecting labor rights, talent management and skill development. According to the CSR report of the company by the end of 2013 23% of the managers were women and at the same time 16% of the overall workforces were also women. And nearly 91% of the company's permanent workforce is represented by work councils, trade unions and other similar bodies. As a signatory of UN Global Compact Anglo American is committed to the labor rights principles provided in International Labor Organizations core conventions. Another important pillar of the company's value outlined in the report is Safety and Health. In safety part of the report information regarding the management of safety in its operation, strategy and management approach on safety and other safety related issues are presented in the report. The statistics on safety given in the report shows that 14 members of the workforce lost their lives in 2013 in work-related activities when the company's target was to keep it 0. Similarly health section of the report is also about the strategy and management approach in health related matters. The report also presents some statistics on health related matter like number of workers working in disease prone area. The company has program to combat Tuberculosis and HIV/AIDS. Company is trying to partner with many NGOs and local community to solve the health problem of the community and area near its operation. The report also illustrates in details about the taxes paid to the governments of different countries. It also benefits the people working in its company by giving them free housing. The social investment output indicators shows total number of community, business and individuals benefited through its different programs and investment made in the society. Data about sector wise and regional global spending in societal development is also provided in the report. The main reporting topics under environment section of the report are impact management on the environment, water, climate change and energy, land stewardship and waste management and air quality. Under each reporting topic information about company's management approach and data regarding recent achievements is given. (Anglo American Plc, 2014)

The CSR report of Anglo American Plc is made in line with Global Reporting Initiative (GRI) G4 guidelines. The report is also aligned with the International Council on Mining and Metals (ICMM) Sustainable Development Principles and reporting framework, as well as with the 10 principles of the United Nations Global Compact. PricewaterhouseCoopers Inc has assured the report on reasonable or limited assurance. The Assurance report in the report gives clear information on topics of reasonable assurance, topics of limited assurance, limitations and conclusion of the report. A very detailed data on different indicators and indices of

safety, health, environment, and human resource, social and economic parameters is given at the end of the report. A Five year comparative result from 2009 to 2013 is shown in each parameter making the results comparable. Anglo American Plc is member of Dow Jones Sustainability Indexes, and is included in FTSE4Good. It has been awarded Sector Leader 2013 award by ROBECOSAM Sustainability Award and given Gold Class for 2013 by ROBECOSAM. (Anglo American Plc, 2014)

6.1.3 BP Plc

BP is one of the world's leading international oil and gas companies. Its products include fuel, energy for heat and light, lubricants, petrochemicals and other. It operates in 80 countries and has employed 83,900 peoples. The British multinational oil and Gas Company headquartered in London. Its shares are listed in London stock exchange. Total revenue and other income of the company in 2013 were 396,217 million US dollar. Some popular brands of BP consist of Aral, Castrol, bp, ampm and Wild Bean Cafe. BP operates in almost all part of the world. It operates in Europe, Americas, Asia Pacific and Africa and Middle East.

CSR reporting in BP Plc

Information regarding CSR reporting in BP is given in its CSR report and also in its website. BP published a separate 52 page long CSR report in 2013. The report deals about the company's CSR policies and achievements and gives example about different activities carried out during recent year. Under *title BP in Figures* the data on the safety, environment, people and performance is given from 2009 to 2013. The main reporting segments of the report are the energy future, our people, how we operate, safety, environment and society. Under the energy future issues related to energy demand, climate change, oil and gas and alternative energy are reported. Similarly, under our people section information is given regarding employees, their management and code of conduct. Moreover information and data regarding corporate government and risk management, contractors, suppliers and partners is given under how we operate section. In the Safety part of the report reporting is done about safety management, health and personal safety and contractor safety. The environment section of the report deals

with the company's commitments, achievements and future plans about environmental management. Besides this it also informs about the management of potential impacts of its operations on sensitive areas. BP supports many development works in the society and social aspects like human rights and impact management in society. These issues are dealt in the societal part of the report.

Data on our safety, environment, people and performance from 2009 to 2013.

For the year ended 31 December

Safety ^a	2009	2010	2011	2012	2013
Fatalities – employees	0	0	1	1	4
Fatalities – contractors	18	14	1	3	2
Day away from work cases – workforce	134	408	168	152	130
Day away from work case frequency ^b (DAFWCF) – workforce	0.069	0.193	0.090	0.076	0.070
Recordable injuries – workforce	665	1,284	677	710	578
Recordable injury frequency ^b (RIF) – workforce	0.34	0.61	0.36	0.35	0.31
Hours worked – employees (million hours)	174	168	165	182	170
Hours worked – contractors (million hours)	216	255	209	220	203
Losses of primary containment (number)	537	418	361	292	261
Tier 1 process safety events ^c (number)	–	74	74	43	20
Tier 2 process safety events ^c (number)	–	–	–	154	110
Oil spills ^d (≥ one barrel)	234	261	228	204	185
Volume of oil spilled (million litres)	1.2	1.7 ^e	0.6	0.8	0.7
Environment					
Oil spills – to land and water ^d (number)	122	142	102	102	74
Volume of oil unrecovered (million litres)	0.2	0.8 ^e	0.3	0.3	0.3
Direct carbon dioxide (CO ₂) ^f (million tonnes (mte))	60.4	60.2 ^g	57.7	56.4	46.0
Direct methane ^f (mte)	0.22	0.22 ^g	0.20	0.17	0.15
Direct greenhouse gas (GHG) ^f (mte CO ₂ equivalent (CO ₂ e))	65.0	64.9 ^g	61.8	59.8	49.2
Indirect carbon dioxide (CO ₂) ^h (mte)	9.6	10.0 ^g	9.0	8.4	6.6
Customer emissions ^f (mteCO ₂)	554	573	539	517	422
Flaring (Upstream) (thousand tonnes (kte) of hydrocarbons)	2,149	1,671 ^g	1,835	1,548	2,028
Environmental expenditure ⁱ (\$ million)	2,483	18,400	8,521	7,230	4,288
Environmental and safety fines (\$ million)	66.6	52.5	77.4	22.4	2.5
People					
Number of employees – group ^j	80,300	79,700	84,100	86,400	83,900
Number of employees – group leadership	492	482	516	546	530
Women in group leadership (%)	14	14	15	17	18
Women at management level ^k (%)	23	24	25	25	27
People from UK and US racial minorities in group leadership ^l (%)	6	7	6	6	6
People from beyond the UK and US in group leadership ^l (%)	21	19	19	20 ^m	22
Employee turnover ⁿ (%)	15	15	14	13	15
OpenTalk cases ^o	874	742	796	1,295	1,121
Dismissals for non-compliance and unethical behaviour ^p	524	552	529	424	113 ^q
Benefits to employees – including wages, salaries, share-based payments, benefits and pensions ^r (\$ million)	12,523	12,256	12,501	13,448	13,654
Performance					
Total hydrocarbons produced (thousand barrels of oil equivalent (mboe) per day)	3,998	3,822	3,454	3,331	3,230
Reserves replacement ratio ^{r*} (%)	129	106	103	77	129
Total refinery throughputs (thousand barrels per day (mb/d))	2,287	2,426	2,352	2,354	1,791
Total petrochemicals production ^s (thousand tonnes (kte))	12,660	15,594	14,866	14,727	13,943
Replacement cost profit (loss) ^{r**} (\$ million)	13,740	(5,259)	23,412	11,428	23,681
Taxes to governments – comprising income taxes and production taxes paid (\$ million)	10,309	12,071	16,339	15,033	13,904
Dividends paid to shareholders (\$ million)	10,483	2,627	4,072	5,294	5,441
Contribution to communities (\$ million)	106.8	115.2	103.7	90.6	78.8

Figure 9 BP in Figures (BP, 2014)

The data on safety, environment, people and performance shows that the company is improving in many of the indicators it has reported. Data presented in the table give a very clear comparative picture of the company's performance on many different sub indicators. Although the company is doing well in most of the indicators the result is not same for all indi-

cators for example fatalities of employees are highest in 2013. In Year 2009 and 2010 it was 0 similarly in 2011 and 2012 it was 1 but in 2013 it reached 4. It shows that company needs to work on safety issues. But there has been significant reduction in the fatalities of contractors. In 2009 it was 18 but in 2013 it is only 2. But other indexes of safety are improving in recent years. On environment performance data is provided on different gas emission, oil spills, environmental expenditure and environmental and safety fines. Company seems to be doing well in most of the environmental indicators and it has heavily reduced environmental and safety fines from 22.4 million US dollar in 2012 to 2.5 million US dollar in 2013. Data on division of worker on the basis of different category like gender, racial minority, and origins is given. Information is also given about employment turnover, dismissal of employees and benefits paid to employees. Data shows that in 2013 the percentage of women in group leadership was 18 and in management level it was 27%. Similarly people in group leadership beyond UK and US were 22%. Employees' turnover was 15% in 2013. The interesting thing about people part of the data is that there has not been any tremendous change in the indicators from 2009 to 2013 except in dismissal case where the highest number was 552 in 2010 and it has been reduced to 113 in 2013. The last part on the data table is about the company's performance from economic point of view. Data is given on dividend paid to shareholders, contribution to communities, taxes paid to government and about the production capacity of the company. (BP, 2014)

The report also highlights the company's three main commitments, achievements and future plan in above mentioned six different reporting segments. On future energy future segment among other commitments one of its commitment was to invest 8 billion dollar by 2015 but the company already invested 8, 3 billion dollar by 2013. In future the company plans to meet the growing energy needs, continue to engage with stakeholders and further improve fuel efficiency. BP values diversity in workforce so it has many plans and commitments to increase workforce diversity. Its plans include making 25% of its group leader female by 2020. And in 2013 18% of its group leaders were women. Similarly 44% of the graduate intake recruited was outside from UK and USA which was 4% more than its initial planning. In operation section its commitments and plans include risk management of its own operation and also risks associated with its contractors, suppliers and partners. Managing safety also has been key priority of the company as a result it has been able to reduce number of incidents significantly in recent years. Under safety, the safety issues of the contractors are also taken care of.

The company has set out plans to further develop the self-verification capability of operations to carry out health, safety, security and environment checks and implement recommendations of the Bly report. In environment sector BP is collaborating with government regulators in planning for oil spill response. In future it has plans to develop modeling tools to better predict the consequences of oil spill. Moreover it has set out plans and actions for proper management of water resources taking consideration of water demand and local water supply. BP has spent 78, 8 million US dollar on community investment and has conducted 21 human rights training events as part of its social commitment in 2013. BP is also supporting development work in societies where it is working. (BP, 2014)

Materiality matrix part of the report has highlighted issues that are important for both company's prospective and from stakeholders' prospective. Issues related to climate change, employee and contractor safety, diversity and inclusion, emission, human rights are among the issues which have high significance to both the parties. Ernst and young LLP, London has done 'limited level' assurance engagement on the report. It has clearly stated the part where it has done complete assurance and part where partial or no assurance is done. The assurance team has also given its observation and areas for improvement as well. (BP, 2014) Detail information regarding reporting standards is provided in its websites. BP's 2013 Sustainability Reporting applies GRI's 3.1 sustainability reporting guidelines to A+ level. BP also reports against IPIECA/API/OGP sector-specific sustainability reporting guidance for the oil and gas industry. Moreover it also report against UN Global Compact's ten principles on human rights, labor, environment and anti-corruption. Under reporting standard section of its webpage BP has mentioned about the level of reporting, where the information can be found and if some indicators are partially reported or not reported at all then it has given explanation on such cases. Its reporting can be found in four different heading namely Profile disclosures, Economic Indicators, Environmental Indicators and Social Indicators. All the indicators of profile disclosure all fully reported. But there are total of around 50 indicators which are partially reported and 28 indicators are not reported. Most of the partially reported indicators fall under environmental and social indicators and most of the non-reported indicators also fall under social indicators. (BP, 2014)

7 ANALYSIS AND FINDINGS

After studying the recent CSR reports of the companies both from UK and Finland some differences and similarities have been found. Firstly the difference in CSR reporting in UK and Finland is presented and later the difference between the companies of UK and Finland is compared.

7.1 Comparison of CSR reporting in UK and Finland

The government and the private sector in both Finland and UK value CSR as an integrated part of their operation. There are different ministries and divisions taking care of CSR. In Finland, Ministry of Employment and Economy acts as a coordinating body of CSR. Other ministries like Ministry of Environment, Ministry of Foreign Affairs look at the issues related to Environment and Human Rights and trade policies respectively. While in UK different department of ministries and separate government bodies take care of CSR issues. For example Department of Energy and Climate Change takes issues related to climate change.

The KPMG survey of Corporate Social Responsibility 2013 shows some differences in CSR reporting among the big companies in Finland and UK. According to the survey 91% of the surveyed companies in UK had done CSR reporting and the reporting rate in Finland was 81%. The assurance of report by external party is high among UK companies compared to Finnish companies. According to the survey 57% surveyed companies of UK did assurance of CSR reports in 2013 while only 27% of the Finnish companies did assurance of their report in 2013. So both reporting rate and assurance rate in high among UK companies compared to the Finnish companies.

7.2 CSR reporting Analysis of case companies

Although the reports look similar in many ways but there are some differences in the CSR reporting structure and principles in Finnish and UK listed companies. Some general indicators are compared in the table below and some other indicators are explained in headings.

Company	Indicators	Value/Information from Report
UPM Oyj	➤ Separate or attached CSR report	Attached CSR report presented in Annual Report
	➤ No of pages conceded for CSR reporting	14 pages
	➤ Guidelines	GRI G3 Guidelines
	➤ Grading of the GRI report	B+
	➤ Total no of partially and not reported indices	17 partially reported and 0 not reported.
	➤ Information about partially reported and not reported indicators	Not Available
Neste Oil Oyj	➤ Separate or attached CSR report	Attached CSR report presented in Annual Report
	➤ No of pages conceded for CSR reporting	96 pages
	➤ Guidelines	GRI G3 Guidelines
	➤ Grading of the GRI report	B+
	➤ Total no of partially and not reported indices	22 partially reported and 20 not reported indices
	➤ Information about partially reported and not reported indicators	Not Given
Outokumpu Oyj	➤ Separate or attached CSR report	CSR report published separately
	➤ No of pages conceded for CSR reporting	67 pages

	➤ Guidelines	GRI G3, UN Global Compact, ISO 26000
	➤ Grading of the GRI report	B+
	➤ Total no of partially and not reported indices	14 partially reported and 22 indices not reported
	➤ Information about partially reported and not reported indicators	Not Given
Mondi Plc	➤ Separate or attached CSR report	CSR report published separately
	➤ No of pages conceded for CSR reporting	100 pages
	➤ Guidelines	GRI 3.1
	➤ Grading of the GRI report	B+
	➤ Total no of partially and not reported indices	19 partially reported and 28 not reported
	➤ Information about partially reported and not reported indicators	Not Given
BP Plc	➤ Separate or attached CSR report	CSR report published separately
	➤ No of pages conceded for CSR reporting	52 pages
	➤ Guidelines	GRI 3.1, IPIECA guidance, UN Global Compact
	➤ Grading of the GRI report	A+
	➤ Total no of partially and not reported indices	50 partially reported and 28 not reported
	➤ Information about partially reported and not reported indicators	Given in all the partially or not reported indicators

Anglo American Plc	➤ Separate or attached CSR report	CSR report published separately
	➤ No of pages conceded for CSR reporting	84 pages
	➤ Guidelines	GRI G4
	➤ Grading of the GRI report	Not given For GRI G4
	➤ Total no of partially and not reported indices	Information Not Available
	➤ Information about partially reported and not reported indicators	Information Not Available

Table 1 Analysis and Findings presented in tabular form

In the above table the CSR reports of the Finnish and UK listed companies are compared on the basis of their general layout and their reporting principles. Among the three Finnish case companies two of them publish their CSR report attached with their annual report and one of them Outokumpu Oyj publishes separate CSR report. But in case of UK listed companies all of the three case companies publish separate CSR report. The table shows mix result about the volume of the published report. The lowest page conceded for CSR reporting in Finnish case company is 14 pages and the largest number of pages conceded by Finnish case companies is 96. The average number of CSR reporting pages for Finnish case companies is 59. Moreover in UK listed companies the highest number of pages conceded for CSR reporting is 100 pages and the lowest is 52. The average number of pages for CSR reporting is about 79 pages. It is seen that the UK companies' CSR reports are larger than the Finnish companies when compared with the number of pages conceded in the report. Although, all Finnish and UK companies use Global Reporting Initiative (GRI) as main reporting guidelines there is difference between UK and Finnish companies in using the versions of GRI. All the Finnish case companies have reported their latest CSR reports in GRI G3 guidelines but UK companies have used latest version of GRI guidelines. Two of the UK companies use GRI G3.1 guidelines and one of the UK companies has already started using the latest version of guidelines, GRI G4 guidelines. It shows that companies in UK embrace the latest and updated version of guidelines. Grading in CSR report is assured either by GRI representative or by the

assurance company. Grading is not available in GRI G4 guidelines. Except one UK Company which has got A+ grading all other Finnish and UK case companies have got B+ grading. Companies do not report on every index there are always some partially reported indices and some indices that are not reported at all. Total of 53 indices are partially reported in Finnish companies and 42 indices are not reported at all. Similarly in UK case companies only two companies have provided information on reported indices. In two UK case companies 69 indices are partially reported and 56 indices are not reported at all. The numbers of partially reported and not reported indices are more in UK than the Finnish companies. Moreover only one UK case company has provided information on partially reported and not reported indices.

Apart from above mentioned indicators the reports of companies can be compared and analyzed in number of other ways. But taking the length of the thesis into consideration the writer has chosen to analyze the reports on few important headings which will help in getting the better comparison result. Comparability and assurance, Area of priorities, Recognition by external organizations and award received for CSR activities are some of the topics under which the reports of the companies will be analyzed and compared.

Comparability and Assurance: Among three Finnish case companies two companies Outokumpu and Neste Oil provide comparable data from year 2011 to 2013 on various criteria like Environmental, Social, People. But UPM has provided comparable data on environmental section only. In UPM's CSR report data on some indices like waste management, use of electricity are presented from the year 2004 to 2013 but in most cases comparable data are provided for only year 2012 and 2013. The assurance of all the Finnish case companies is done by PricewaterhouseCoopers (PwC) oy. On the other hand, two of the UK case companies BP and Anglo American provide comparable data on all reported criteria from year 2009 to 2013; Mondi has provided data from year 2010 to 2013. The assurance of UK companies is done by different firms. Assurance of Mondi was done by ERM certification and Verification Services and BP's assurance was done by Ernst and Young LLP. Similarly Anglo American's assurance was done by PricewaterhouseCoopers Inc.

Area of Priorities: There are many areas of priorities that are common for both Finnish and UK listed companies. Most of the companies have reported about Environment, Personnel, Society, and Economic Performance. But looking deeply at the companies' reports the writer

has analyzed some differences. Finnish companies' main focus is on environment and health and safety of its worker but they do not report on diversity issues. In some companies' report the issue of diversity is only limited to division of workforce on gender basis. But on the other hand most of the UK companies have reported about its workforce diversity not only in gender basis but also on other basis like how any people are from other countries than USA and UK working in managerial possession. They also report about recruiting people outside from USA and UK. Numbers of minority people working in the companies are also dealt in some CSR reports. It shows that UK companies are committed in workforce diversity than the Finnish companies.

External Recognition: All the company except BP has been included in some kind of sustainability index. BP has not given any information about its external recognition. All the Finnish case companies have been included Dow Jones Sustainability Index and Nordic Carbon Disclosure Leadership Index. Similarly UK case companies have been included in Dow Jones Sustainability Index and FTSE4GOOD index. Companies also have been recognized by other organization individually.

8 EXAMPLE OF GOOD CSR REPORT

After analyzing the six different CSR reports of Finland and UK the writer has selected once report as an example of good CSR report. The selection is based on writer's own judgement and analysis of the report. There are many common things in CSR reports of the companies as all of the case companies' reports followed GRI as a reporting guideline. Having said that there is difference in the way in which companies present the CSR activities and management involvement. Neste Oil's CSR report stood out to be the best one on writer's prospective among the other reports.

Although the Neste Oil's CSR report is attached with its annual report, it has conceded 96 pages for CSR report. Allowing large space for CSR reporting has allowed company to mention many aspects of its CSR reporting. The report is also made reader friendly and attractive to read with the use of graphics and multimedia. The report is filled with charts, diagrams, pictures, comparative tables and many other interactive tools. The report starts with the how sustainability is managed in the company and is followed by its short term and long term targets. In the CSR report the company has identified six different focused areas and most part of the report deals with the different activities done in those areas. Customer, Safety, Personnel, Society, Climate and resource efficiency and Sustainable Supply Chain are chosen as focus areas. Every focus area is well explained with recent year statistics so it is easy for the reader to trace out how the company doing in CSR. Similarly, third party opinion on related subject matter is also given in the report. People working in the company, journalists, business partner and other stakeholders have expressed their views about the CSR activities of the company. It has made the report more reader friendly and interesting to read.

The report is made reliable by giving examples of work done in specific focus area with pictures and description. In the report a comparative statistics of focus area is also given making the report more reader friendly and easy to read. The link to different subject matter is given if the reader wants more information on particular subject matter.

9 CONCLUSION

CSR reports of the companies vary significantly from companies to companies. Since there is no single acceptable procedure and framework about reporting CSR activities companies are free to choose any of the procedure and framework. So it is obvious that the CSR reports of the companies will be different within the country as well. As CSR reports vary within country it can be assumed that the CSR reports vary largely in large extent when compared between two countries. However the recent development in CSR reporting and worldwide trend of CSR reporting has shown that harmonization in CSR reporting is becoming a phenomenon. After studying the latest CSR report of Finnish and UK listed companies it is observed that there are many common criteria under which these companies do CSR reporting. Although there are differences in the version of guidelines used, companies from both the countries follow Global Reporting Guidelines. Similarly, other common trends of CSR reporting includes providing comparable data to make the report comparable and also the companies in both countries highlight about their achievement of recent years and let the readers know about their CSR plans for future. This is very helpful from readers' prospective to know about the past and future CSR initiatives of the company.

The main differences however were the version of GRI guideline used for reporting. All the Finnish companies use GRI 3.0 guidelines while the UK case companies use either GRI 3.1 or GRI 4.0. The average length of the reports of UK case companies is also bigger than the Finnish ones. Having bigger reports does not necessarily mean the reports are of high quality but it shows higher commitment of the company in corporate social responsibility. But the number of not reported and partially reported indices of GRI is less in Finnish companies compared to UK case companies. That means Finnish companies report fully on many indices compared to the UK listed companies. Also the workforce diversity is one of the important aspects of reporting in UK companies but for Finnish companies it was not that important aspect of reporting. *Dow Jones Sustainability Index* is the only common index where all the companies from UK and Finland have been included. Almost all the companies both from UK and Finland have been included in other different index and have got awards for their CSR initiatives. This shows that both Finnish and UK companies have good prestige and perform well when it comes to be recognized by external organization.

The CSR reports are shaped by many different factors including size of the companies' operations, stakeholders' involvement, governments' rules and regulations and many other factors. The UK case companies taken in this research had wider operation than compared to Finnish ones so this could be the main reason for having longer CSR reports by UK listed companies. As the area of operation is bigger there is need for companies to report from all part of their operation which eventually makes the report bigger. The Finnish companies report using GRI 3.0 guidelines although the newer versions of guidelines are already available. This shows that Finnish companies need to adopt quickly in using the newer guidelines and regulations imposed by GRI. Many companies both from UK and Finland did not report all the indices on GRI and only very few companies provided information on non-reported and partially reported indices this reduces the significance of the guidelines. GRI should act in it and impose some kind of rules to make companies obligatory on reporting on every index of guidelines.

CSR reporting is emerging topic so there are many areas where the further studies can be carried out. After doing this research the author felt that the study will be much more significant if the study on CSR reporting difference in one specific section i.e. either in Environment, Social or Employees is carried out. Further study also can be done in the harmonization process in CSR reporting and reasons that affecting the harmonization process. Moreover, the difference between different guidelines proposed by different organizations will also be an interesting topic to do research.

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