

**The United Nations Sustainable Development Goals
in Corporate Sustainability Reporting**



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ABSTRACT

The importance of the United Nations Sustainable Development Goals (UN SDGs) in corporate social responsibility (CSR) has been growing after the 2030 Agenda was adopted by the United Nations in 2015. The UN SDGs provide governments, companies, organizations, and citizens with a modern comprehensive framework on sustainable development, integrating all the three dimensions of sustainability – environmental, social and economic. Many companies, in Finland and around the world, have already chosen to align their sustainability actions with the UN SDGs.

The purpose of this thesis is to create a proposal for the commissioning company Kiilto on mapping their environmental actions against the most relevant UN SDGs, and thus to update and improve the company's corporate social responsibility reporting practices. This is achieved by studying the theory of sustainable development, corporate social responsibility, and knowledge base behind the UN SDGs, researching the practices of other industry players on SDG reporting and analyzing the actions of the commissioning company through the UN SDG perspective.

Kiilto has a strong record of environmental actions and mapping those against UN SDGs is a logical step forward in the company's CSR and is in line with global sustainability trends. The results of the thesis contain recommendations for SDG referencing for the commissioning company.

Keywords sustainability, sustainable development, corporate social responsibility, corporate social responsibility reporting, the United Nations Sustainable Development Goals

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1 INTRODUCTION

As sustainability and sustainable development have become the imperative themes of the 21st century (Koshy, 2018, p.22), the demand for environmentally and socially sustainable products and services has been growing strongly and steadily in recent decades. Declining natural resources makes it impossible to support business models of the linear throwaway economy any longer and companies are modifying their operations to improve their environmental, economic, and social impact. Stakeholders expect organizations to incorporate social, health, and environmental values into the core business with no compromises in quality and price and demand radical transparency from companies about sustainability issues. (Zhexembayeva, 2015, p. 301) As more businesses become global, the interest in their impact in the global perspective is growing. Many companies have embraced corporate social responsibility reporting as a means of assessing their progress towards sustainability, proactive reputation management, and communicating their sustainability achievements to internal and external stakeholders. (White, 2015, p. 16-17)

The United Nations along with national governments, non-governmental organizations and academic and media sectors have put their considerable focus on sustainability issues during recent decades (Koshy, 2018, p.22). The United Nations Sustainable Development Goals (UN SDGs) launched in 2015 have become a comprehensive framework for sustainable development actions for countries and businesses around the globe. Business communities across the world recognize the unprecedented potential of SDGs to unleash economic growth, development and innovation. The “Better Business, Better World” report by the Business and Sustainable Development Commission (2017, p. 12) estimates that \$12 trillion of additional market value can be unlocked by 2030 in case of meeting the targets of the Sustainable Development Goals.

As the growing amount of companies is adopting the SDGs framework in their operations, the need for proper referencing the UN SDGs in sustainability reporting is also increasing. However, companies experience challenges in shaping their reporting on SDGs, as an established process or standard for this activity has not been created. (KPMG, 2018, p.2)

1.1 Research Questions and Methods

The announcement of the 17 UN SDGs in 2015 became a significant milestone in sustainable development not only for governments and governmental organizations but also for private businesses across the world. Businesses find itself in a challenging situation when UN SDG reporting is not obligatory but still it cannot be omitted by any company concerned with its reputation and stakeholder relationships. Besides,

modern businesses put a considerable effort in development and improvement of their sustainability impact and find SDGs to be a comprehensive framework for communicating their sustainability achieves to the public.

The research topic of this Bachelor thesis was created in a situation when Kiilto companies started considering the necessity of referencing the UN SDG in regard to their project Promise to the Environment (PtE) and were looking for efficient implementation ways of this intention. The research question of this thesis is: What SDGs are most relevant for the targets of the Promise to the Environment project by Kiilto?

The research was conducted by a qualitative method and is based on the documentary analysis. The documentary analysis included systematic examination and evaluation of printed and electronic materials, such as books, scientific articles, companies' websites, organizational and institutional reports. The theoretical framework includes sustainability and sustainable development, corporate social responsibility, corporate social responsibility reporting, and the UN SDG. The research findings provide the commissioning company with recommendations on the SDG identification process, information on SDG practices of other industry players, and the author's recommendations on relevant SDGs.

1.2 The commissioning company

Kiilto Group and KiiltoClean Group, the companies of this study, belong to a family-owned Finnish chemical concern Kiilto Family Group established in 1919 when the company Teknokemiallinen Tehdas O/Y Santalahti was founded in Tampere. At the beginning of the 20th century, the company produced mouthwashes and hair tonics for drug stores, shoe waxes, polishes, and pains for shoe producers, and furniture polishes and lacquers for furniture factories. The current name of the company Kiilto means "shine" in the Finnish language, which refers to the polishes produced by the company during its early years. As the Finnish market developed and changed over time the company introduced new products into its assortment such as shoe adhesives to replace conservative mechanical processes of fixing shoe materials and in the 1930s construction adhesives in response to the development of floor coverings. Since 1961 Kiilto decided to focus exclusively on adhesives for the industrial and the construction sector. In 1983 Kiilto expanded into the cleaning industry and it added cleaning products into its assortment. In 1987 Kiilto started its internationalization when the Swedish branch of the company was established. Currently, the company is represented in eleven countries and employs around 1000 people. In 2019 the net sales of the company were 222,200.000 million euros and it annually manufactures 180.000 tons of products. Currently, Kiilto operates in four main business areas: construction, industrial bonding solutions, professional hygiene, and

consumer products. In 2019 38% of the net sales of the company came from the construction business area, 19% - from the industrial bonding solutions, 6% from consumer goods and 37% from professional hygiene.

Kiilto Family Group consists of five companies: Kiilto Family Oy, Kiilto Group, KiiltoClean Group, Kiiltoplast Oy and Intermedius Oy. Kiilto Family Oy is the parent company of the Kiilto Family Group and it focuses on concern management issues such as finance, human resources, communication and IT services for the whole concern.

Kiilto Group focuses on industrial and construction bonding solutions and consists of the mother company Kiilto Oy in Finland and its international branches in Sweden, Poland, Baltic countries, Russia, Ukraine, and Belorussia. Kiilto Group has three factories in Finland, two factories in Russia, and two plants in Sweden. KiiltoClean Group produces and markets products for professional hygiene, household cleaning, and personal hygiene. KiiltoClean Group includes KiiltoClean Oy in Finland and its international branches in Denmark, Sweden, Russia, and Baltic countries. KiiltoClean Group has production sites in Finland, Russia, Sweden, and Denmark. Kiiltoplast Oy manufactures plastic-coated products and Intermedius Oy manufactures technical textiles, plastic and textile scotches, and polyester fleece. After the brand renewal in 2018, the companies of Kiilto Group and KiiltoClean Group use jointly two master brands – “Kiilto” for consumer products and “Kiilto Pro” for professional products. The research of this study will be limited to the operations of Kiilto Group and KiiltoClean Group (later referred to as Kiilto).

Kiilto positions itself as a “family-owned environmental leader in four business areas” (Kiilto n.d.) and makes a strong emphasis on corporate responsibility and environmental issues. In 2018 Kiilto launched the environmental project Our Promise to the Environment with several ambitious goals aiming at considerable improvements to the environmental impact of the company operations. More detailed information about the project will be presented in the corresponding part of this paper.

1.3 Reference companies

Companies Unilever and Henkel were chosen as reference companies for this thesis. The choice criteria were operating in the same business areas as Kiilto and the existence of well-established CSR practices. Unilever is a multinational company that produces consumer goods, out of which beauty and personal care products and consumer detergents belong to the same business area as Kiilto products. Unilever is co-headquartered in London and Rotterdam. The company sells 400 brands in 190 countries including such well-known brands as Dove, Lux, Rexona, Cif, Comfort, and Persil. Paul Polman, the company’s CEO during 2009-2019, became famous for his outstanding CSR leadership. He emphasized the need for balance

between sustainability and profitability and introduced the Unilever Sustainable Living Plan (USLP) with an ambitious target to halve the environmental footprint of the company by 2020, while at the same time growing business. In addition to being Chairman of the World Business Council for Sustainable Development, he was also a member of the panel for developing SDGs and in 2016 joined the SDG Advocacy Group, aimed at promoting action of SDGs. (Hanski-Leventhal, 2018, p. 158-159).

Henkel is a 140-year-old global company operating in the areas of adhesive technologies, laundry and home care, and beauty care, all of which relate to Kiilto's business areas. The company is headquartered in Dusseldorf, Germany and its leading brands are Loctite, Schwarzkopf, and Persil. Henkel has a long history of promoting sustainability and its broad assortment of products and diverse value chains provide them with possibilities to contribute to almost all of the 17 SDGs. The long-term sustainability goal of the company is to triple the value created in relation to the environmental footprint of their services and products. (Henkel, 2019, p. 11)

1.4 The need to report on the UN SDGs

Finland is at the leading point in many international sustainability studies and comparisons and is close to meeting many of the social and economic SDGs. Key challenges for Finland are related to the issues of biodiversity, climate change, and consumption and production patterns. Besides, spillovers, increasing obesity, gender equality issues, and the level of official development assistance still need more attention in Finland. The current government of the country aims to transform Finland into an ecologically, economically, and socially sustainable society by the year 2030, and the engagement of cities, youth, and the private sector into implementing the UN SDGs is increasing. (UN n.d.)

According to the PWC report (2017, p.10), 62% of surveyed 470 companies in 17 countries mentioned the UN SDGs in their reporting. Aligning with the UN SDGs gives companies tools to communicate the impact of their local actions in a global language and provides a shared framework to compare and evaluate results across the countries. Millennials are seeking authentic transparency beyond basic statistics on corporate impact for their job, products, and investment choices, and SDG reporting provides the required level of transparency and shows the company's understanding of its role in the large global effort. (SoPact, 2020)

Subsequently, Kiilto companies experience the necessity of introducing reporting on the UN SDGs to be able to respond to the domestic and international trends in corporate sustainability reporting and to better communicate their significant environmental efforts to external and internal stakeholders.

2 SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

2.1 Sustainable Development

Penty (2019, p.5) generically defines sustainability as “the ability to self-maintain in time”. Robertson (2017, p.3) describes sustainability as the ability of processes, practices, and systems to perform and persist on their own for a long time without interruption. Instead of being a stable state, sustainability is rather a dynamic and evolving process that endures into the long-term future and in which all parts of a system maintain equilibrium by supporting and completing each other. Sustainability recognizes the interdependency of everything in the system and constantly searches for outcomes, which are beneficial for all of the parts. (Penty 2019, p.5). In the business framework, the word “sustainable” refers to business activities conducted in a way, which protects people and the Earth from the damages caused by human actions (White, 2015, p. 1).

The term “sustainability” is often used interchangeably with the term sustainable development, though they are not completely identical. Sustainability refers to the end state of maintaining a dynamic equilibrium between people and nature, whereas sustainable development explains the working process aimed at achieving that state (Koshy, 2018, p.22). In the Report of the World Commission on Environment and Development “Our Common Future” (1987, p. 16) (also known as the Brundtland Commission report) sustainable development was defined as that, which “meets the needs of the present without compromising the ability of future generations to meet their own needs”. In addition to providing a practical and theoretical framework for sustainable development, the Brundtland definition calls for a mindset change. It implies that present generations do not own the planet. Instead, we are supposed to pass the planet to the following generations in such a condition, that their needs can be met. The first part of the definition concerns the needs of the present, which in addition to the consumption and basic needs such as access to water, clean air, shelter, and healthy food, include equity for humans of all backgrounds and “growth needs, such as self-fulfilment” (Hanski-Leventhal, 2018, p.132). The second part of the definition involves the needs of future generations, which may suffer from the termination of the Earth’s resources. The limited ability of the Earth to process and absorb the outcomes of human activity and industrial operations is at the core of the Brundtland definition of sustainable development. (Hanski-Leventhal, 2018, p.132)

2.1.1 The Triple Bottom Line model of sustainable development

The discussion of the concept of sustainability started with the natural environment, but soon it became evident that the concept needs to be broadened into a wider scope of business activities. In the 1990s John Elkington noted that sustainability of business operations does not only refer to the impact of a company on the natural environment but has obtained a holistic perspective, which includes the triple bottom line: social, financial, and environmental sustainability. (Carrol, 2015, 87-96)

The triple bottom line approach to sustainability and sustainable development assigns equal importance to environmental, economic, and social concerns and emphasizes that long-term business stability and prosperity depend on the balance of all three. (Pullman & Sauter, 2012, p.2.) Sustainable business operations aim “to optimize the environmental, health, safety, and social impacts of enterprise activities while realizing operational efficiencies, cost-saving, risk mitigation, increased cash flow, and other benefits” (Deloitte, 2014, p.3). Environmental concerns of sustainable development focus on minimizing the use of natural resources, on choosing renewable resources when possible as well as on minimizing the environmental impact of outputs of business activities through reuse, recycling and reduction. Environmental sustainable development refers to pollution, global warming, climate change, and depletion of the ozone layer. The social dimension of sustainable development focuses on how companies impact communities and employees, for example, on the equality of wages, decent working time, health and safety issues, preventing child labour, forced labour, discrimination, harassment, and violence. The economic dimension of sustainability and sustainable development is concerned with the material and financial effect on stakeholders including profit-making, economic prosperity, competitive advantage, enhancing the marketability of companies, reducing risks and costs, improving employee morale, and benefiting from regulatory opportunities. (Shad, Lai, Fatt, Klemes & Bokhari, 2018, p.415 – 425; Pullman & Sauter, 2012, p. 2-14; White, 2015, p. 8-13).

The triple bottom line model of sustainability can be illustrated with the three circles, which overlap each other, each representing one of the three dimensions – social, economic and environmental. The extent of sustainability or the well-being of humans at a particular moment is reflected by the area of overlapping of the circles in the centre. The interactions of only two areas create the following sub-themes to the model: eco-efficiency, socio-environmental, and socio-economic. The areas of the circles, which include no interactions with other areas at all, help to recognize the limits of sustainable development set by the boundaries of other areas. (Koshy, 2018, p.23-24).

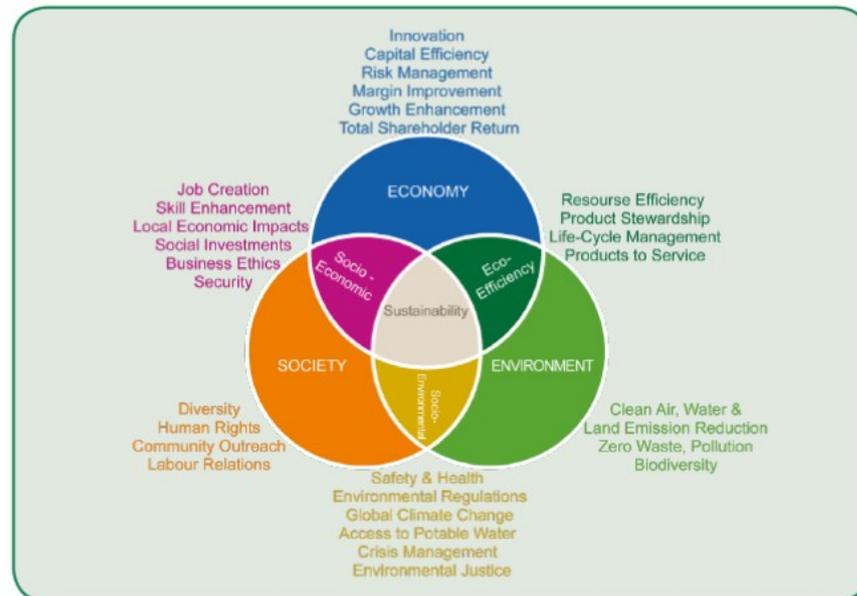


Figure 1. The Tribble Bottom Line model of sustainable development (Koshy, 2018, p.24).

2.2 Major threats to sustainability

The current paradigm of mankind's development is not sustainable and people and all life on the Earth are facing severe threats to environmental, social, and economic sustainability. Unprecedented progress achieved through industrialization increased usage of natural resources, large-scale agriculture, and improvements in infrastructure, education, transportation, and healthcare has come at a high cost of degradation of the environment and imbalanced growth of economies. (Koshy, 2018, p.237)

2.2.1 Environmental threats to sustainability

The Intergovernmental Panel on Climate Change (IPCC) was established by the United Nations Environmental Program and the World Meteorological Organization with the aim to provide objective scientific information on climate change. The reports by IPCC are based on contributions from experts in relevant disciplines from all over the world. After the 17 years of studies, the committee concluded that global warming was evident from increasing global average air and ocean temperatures, widespread snow, ice melting, and rising of global average sea level. The IPCC forecasted that due to the decreased amount of snow, the amount of fresh water will also decrease, which will have negative consequences to industrial, agricultural, and human needs. (White, 2015, p. 2-3)

Global warming and the loss of natural capital create the biggest existential threat to humanity. The average temperature of the Earth rises at an

unprecedented speed due to the exponential growth of levels of greenhouse gases caused by human activities. The average temperature has risen by 1,1 °C since the pre-industrial period of 1850-1990 and during the last two decades, 16 years have been the hottest ever. Carbon dioxide CO₂ is responsible for 76% of greenhouse gases and emission sources, with 65% coming from the burning of fossil fuels and 11% coming from decay and deforestation. Methane CH₄ generated from waste and animal farming is responsible for 16% of GHGs and nitrous oxide N₂O produced by chemical fertilizers and fossil fuel burning creates 6,2% of GHGs. Since 1960 the amounts of natural disasters and extreme weather events have increased by 300% and more than half of them can be attributed directly to global warming. The inability of ecosystems to adapt to the average temperature growth results in bleaching of coral reefs and extinction of 30% of species. Floods, droughts, and heatwaves cause disease, malnutrition, and deaths. (Penty, 2019, p.6 -7)

The growing demand for resources by the increasing global population has caused the loss of biodiversity and natural ecosystems of the planet. Deforestation for agricultural needs has become the second largest reason for global warming. By now half of all rainforests of the planet have been destroyed, which causes the extinction of 50 000 wide life species yearly in the rainforest. Mining, gas, and oil exploitation lead to habitat loss, and animal populations have become smaller by 60% during the last 50 years. Overfishing has caused the decline of freshwater wide life by 83% within the last 40 years and over 80% of the world's fish are being exploited beyond the limits of sustainability. Overconsumption has been the reason for the reduction of supplies of food, medicines, fresh water, and crop pollination. The biological and economic survival of humans depends on the natural resources and ecosystems, which are being destroyed by them. (Penty, 2019, p. 8 -9.)

Both developed and undeveloped regions suffer from environmental damages caused by human activities. In undeveloped countries, people living in poverty use natural resources in an unsustainable way, which causes deforestation, erosion of topsoil and disappearance of hundreds of acres of rainforest. In developed countries, the usage of fossil fuels has damaged the land, water, and the air as the burning of coal produces carbon dioxide (CO₂) and dangerous pollutants such as mercury, which fall into land and water. Aquatic ecosystems are also affected by the disposal of industrial waste into streams and oceans. Human activity has also damaged oceans and the wild fish populations have been substantially reduced by overfishing. By 2011, approximately 31 % of the world's fisheries were fully fished, and these resources are being fished at their maximum sustainable limits. The loss of fish means significant economic losses globally, as annual revenues from fishing are estimated at nearly \$240 billion. (White, 2015, p. 3-4)

2.2.2 Socio-economic threats to sustainability

Loss of natural capital and climate change have a negative impact on social wellbeing, future prosperity and economies. Rising sea levels, extreme weather conditions, species extinctions, loss of essential ecosystems and toxic air disrupt productivity, agriculture, infrastructure, and economic outputs. They negatively affect social wellbeing issues through threats to health, prosperity and security. Developing countries are affected the most because of their geographical location and lack of ability to find and implement adaptation measures. Climate change damage costs more than \$1 trillion annually and the cost is expected to grow at a rapid rate as global temperatures rise. Natural disasters cause more than 60,000 deaths annually. In 2014 the amount of 150,000 deaths was directly attributed to climate change and is projected to rise due to malaria, diarrhoea, and malnutrition. In 2015 the costs of pollution exceeded \$4,6 trillion and caused more than 9 million deaths. (Penty, 2019, p. 12-13)

The socio-economic threats have been created by the overconsumption and by the absence of immediate feedback about the environmental impacts of consumption choices. Visionary governance and collective responsibility are still insufficient for the reduction of GHG emissions and the protection of natural habitats. Current accounting systems do not assign any monetary value to “natural capital”, so the businesses obtain their profits at the expense of nature. (Penty, 2020, p. 13)

Environmental degradation and climate change lead to reduced access to clean water, reduced ability to cultivate food, the spread of diseases, all of which affect social wellbeing and cohesion. Besides, extreme weather events lead to population displacement. Climate change has effects across national boundaries and creates migration flows and tensions between regions. According to Penty (2020), the UK Department for Transport (2016) predicts the global income to decrease by 23% by the end of the century due to climate change. (Penty, 2020, p. 13)

Inequality of wealth, income, employment, and social security represent another socio-economic threat to sustainability. According to Oxfam International (n.d.), the gap between the poorest and the richest is still increasing, and currently, 1% of people own more than all of the rest population combined. Nearly half of the world’s population has an income of less than \$5.50 per day. Approximately 100 million people worldwide do not have access to free healthcare. 1 out of every 5 children is not allowed to attend school. The wealthiest 10% of people are responsible for the consumption of the majority of resources as well as for the generating of more than half of all GHGs between 1990 and 2015. (Oxfam International, n.d.). Half of all workers are affected by underemployment, bad working conditions and underpayment. As a consequence of those, valuable human potential is wasted, which creates a major barrier to

sustainable development and to eliminating global poverty. (Penty, 2020, p. 13)

2.3 Corporate Social Responsibility

Corporate Social Responsibility is a management concept, in which companies incorporate environmental and social concerns into their operations and communications with their stakeholders. Corporate Social Responsibility helps companies work towards the balance of social, environmental, and economic imperatives and address the expectations and needs of stakeholders and shareholders at the same time. The Triple Bottom Line Approach creates an effective framework to measure and report corporate performance on economic, social, and environmental issues and provides private businesses with a set of comprehensive targets to align with the goals of global sustainable development. In the perspective of Corporate Social Responsibility, a sustainable organization, in addition to being financially successful, is also capable of minimizing its negative impacts on the environment and of conforming to expectations of society. (United Nations Industrial Development Organization, n.d.)

Corporate Social Responsibility focuses on the long-term environmental, economic, and social impacts of an organization and emphasizes the interaction between all those three dimensions. Actions of companies affect a wide range of groups and individuals all over the world, which makes long-term corporate sustainability crucial for the world environment, economy, and society. Public scrutiny towards corporations has increased due to financial frauds and globalization of business operations, so the corporations need to reassure the public of their good behaviour. Organizations face a stronger demand for more transparency on how they manage environmental issues, treat employees and communities, and govern themselves. (White, 2015, p. 5-6)

2.3.1 Definition of CSR

CSR concepts have been evolving for decades and its diverse definitions have included a wide range of voluntary, legal, and economic activities of organizations (Carroll, 1979, 2-3). One of the early definitions provided by Archie Carroll (1979, p.500) states that “CSR encompasses the economic, legal, ethical and philanthropic expectations that society has of organizations at a given point of time”. The definition emphasizes that besides maximizing profits, companies also have their legal, ethical and philanthropic responsibilities. Financial responsibilities come first in the responsibility list of Carroll’s definition, which may suggest, that unethical behaviour for the sake of meeting financial responsibilities can be

accepted. The definition puts organizations in a passive position towards CSR, as according to it the expectations of the society are the main driver to CSR. (Hanski-Leventhal, 2018, p.8-9)

The definition introduced by Freeman in 1984 as cited by Hanski-Leventhal (2018, p.9) from Werder and Chandler (2011), defined CSR “as a view of the corporation and its role in society that assumes a responsibility among firms to pursue goals in addition to profit maximization and a responsibility of the stakeholders to hold the firm responsible for its actions”. Freeman’s definition brings the stakeholder approach to CSR and includes a view, that the role of companies in society is larger than just maximizing profits. In Freeman’s definition companies still have a passive role towards CSR and stakeholders are the main drivers in keeping businesses responsible for their actions. (Hanski-Leventhal, 2018, p. 9)

Aaronson (2003, p.2) shares a more recent definition of CSR by the organization Businesses for Social Responsibility (n.d.), according to which CSR is “business decision making linked to ethical values, compliance with legal requirements, and respect for people, communities, and the environment around the world.” This definition views CSR as managerial practices such as business decision making which are in alignment with legal and ethical responsibilities of the organization and includes environmental issues, which have become highly relevant in recent years. (Hanski-Leventhal, 2018, p. 9)

2.3.2 Drivers and motivation for CSR

The current approach of businesses to CSR has been influenced by various direct and indirect drivers. Successful responsible companies, such as The Body Shop, Patagonia, and Ben&Jerry have become known and appreciated for their sustainability efforts and inspired other companies to follow their CSR practices. The growing consumer awareness of social issues and the environmental impact of businesses has encouraged many companies to launch proactive CSR actions and to communicate those actions to their customers. Globalization has changed the world by connecting economies and people around the globe and created possibilities for businesses not only to distribute their products worldwide but also to outsource their manufacturing processes to developing countries. Consequently, the issue of ensuring decent working conditions for employees in those places gained importance. Besides, the free flow of information due to digitalization creates unprecedented possibilities for consumer awareness and social and environmental activism. (Hanski-Leventhal, 2018, p. 19-21)

Aguilera et al. (2007) divide the motivation of businesses towards CSR into three groups: economical, moral and relational. Moral motivation for CSR

activities includes understanding by the companies of the key role of society for their operations and of the obligation businesses have towards society. Moral motivation drives companies with strong values to behave sustainably. Relationship motivation builds on the understanding by companies of the crucial importance of good relationships with people, the environment, and officials for the success of their operations. Economic motivation is connected with the growing evidence of improvements in financial performance and employee motivation due to successful CSR efforts. (Hanski-Leventhal, 2018, p. 19-22)

The potential benefits of CSR for companies are positive impacts on brand evaluations and brand choice, increased customer satisfaction and loyalty, and possible influence on consumer purchase intentions. Consumers appreciate the engagement of companies in CSR and are willing to pay higher prices for the products of such companies. (Pradeep, Prabirendra, Kivilcim & Ozge, 2018, p.209-216)

2.3.3 Reputational benefits of CSR

Many authors emphasize the reputational benefits of CSR for organizations. According to Turker et al. (2013, p. 57-58), reputation among stakeholders remains the main driving force for organizations to engage in CSR practices. Corporate reputation builds on corporate identity and reflects the perception of multiple stakeholders of the company's success in fulfilling their expectations. A positive reputation is an important company asset, which enhances company access to capital markets, attracts better investors and job applicants, and allows them to charge higher prices for their products and services. In addition to effective communications, a favourable corporate reputation requires a positive identity, which can be created through consistent performance over many years. (Gottschalk, 2011, p. 28-28; Turker et al., 2013, p. 57-58)

A favourable corporate reputation achieved through successful CSR efforts improves the stakeholder engagement with the company. Stakeholders impact the economic, environmental and social activities of companies. Mutually beneficial relationship between companies and stakeholders is the base for corporate sustainability. (White, 2015, p. 7-8.) Motivated and responsible employees, who are satisfied with the working conditions and ethical behavior of the company will do their jobs honestly and ethically. In return, they expect fair wages, appropriate work tools and training. In order to maintain vibrant relationships with suppliers, the needs of both suppliers and companies need to be met. Employees also play an important role in the external perception of a company through corporate volunteering and word of mouth. To maintain mutually beneficial long-term relationships both companies and their suppliers need to be able to offer their customers fair pricing, good availability, and readiness to respond to complaints. Communities and governments provide business

with the authority for their operations. Companies have to pay taxes to be able to work in safe environments and to get services such as fire protection, water and sewer management, and police force. (White, 2015, p. 7-8; Schaefer, Terlutter & Diehl, 2019, p.128-143)

2.4 Corporate Social Responsibility reporting

As CSR has developed into a common set of practices for corporations and small and middle-sized companies over the recent decades, companies have started to perceive internal and external stakeholders as the core audience for their CSR communications. Organizations share information on their sustainability activities with stakeholders through nonfinancial sustainability reporting. (Turker, Toker, & Altuntas, 2013, p. 149-159)

Corporate social responsibility reporting also referred to as corporate sustainability reporting and corporate responsibility reporting is voluntary in most countries, and companies have the freedom to choose the information to be provided in their reports. Research reveals significant variations of approaches to CSR reporting in different cultures and geographical locations, and in different types and sizes of industries and companies. (Turker et al, 2013, p. 149-159). Still, the common concept of corporate social responsibility reporting is connected with the capability of companies to use their limited resources in an effective and efficient way, which includes implementation of the best sustainable practices and deliberate reduction of the negative environmental and socio-economic impact of business activities (Shad et al., 2018, p. 415 – 425). CSR reporting is a way for businesses and organizations to claim how they meet their ethical and social responsibilities toward the communities and the environment of their operations, and it reflects the commitment of the company management to improve environmental and social performance. Sustainability reporting is attributed to such characteristics as visionary chief executives of the organization, financial success, incentives, and motivation, which include social, market, and accountability benefits, influencing powerful stakeholders, and differentiation as a responsible organization. (Haggis, Stubbs & Milne, 2015, p. 309-311.) Businesses focusing on sustainability need to ensure their risk management ability while meeting the expectations of diverse stakeholders. (Shad et al., 2018, p. 415 – 425)

CSR reporting provides stakeholders with information on the social, economic, and environmental impacts of the company and helps in managing change towards sustainable development. All types of organizations (non-profit, government, and profit) with all types of products and services have possibilities to measure and report the effect of their activities. CSR reporting provides valuable information for both internal and external users of the reports. CSR reporting enables external

stakeholders to trace the sustainability activities of an organization through a given period of time, to evaluate the company's progress, and to obtain a transparent view of the company's overall sustainability impact. Sustainability reports assist internal users in managing the full scale of corporate sustainability impacts from all company activities, processes, products, and services. (White, 2015, 13)

The environmental dimension of CSR reporting includes reporting on the company's material impacts, such as impacts on the land, water and air. A manufacturing company should assess the impacts of the entire life cycle of its products beginning with development until after consumer disposal. Choices of the most sustainable raw materials and the most efficient production processes should be made at the product development and designing phase. Negative impacts of production processes can be controlled and measured by reporting the quality of purchased raw materials, the amounts of used water and generated waste, and the emission of greenhouse gases. Toxic raw materials spills are dangerous for nature and people and affect the company's reputation. Possible fines and cleaning charges can be high and can have a negative impact on profits. (White, 2015, 13-14)

The social dimension of CSR reporting encompasses organizational impacts on employees, consumers, and society in general. The economic dimension of sustainability reporting includes reporting on financial and material impacts on employees, governments, communities, charities. (White, 2015, p.15)

2.4.1 Global reporting initiative (GRI)

Global reporting initiative (GRI) has developed into the most commonly utilized CSR reporting framework in the world during the last decades. It was launched with the aim to standardize sustainability reporting and to help companies understand their influence on sustainability and communicate it to stakeholders. GRI helps to measure and report sustainability performance with three sustainability indicator categories (environmental, economic and social), and four social subcategories (labour practices, human rights, society, product responsibility). GRI has identified the ten principles of sustainability reporting, which include "stakeholder inclusiveness, sustainability context, materiality, completeness, balance, comparability, accuracy, timeliness, clarity and reliability" (GRI, UN Global Compact and WBCSD n.d., p. 27). The principles help companies in preparation high-quality content for their reporting and are useful also for communication issues. (Paun, 2018, p.925-935; Hanski-Leventhal, 2018, p.295; GRI et al. n.d., p.27)

GRI is an independent multi-stakeholder international nonprofit organization, which was founded in the USA in 1997 with the purpose of

creating the first accountability framework to help companies adhere to the principles of responsible environmental behaviour. Later GRI broadened into social and economic issues. The first version of GRI Guidelines (G1) was issued in 2000, and the following updates G2, G3, and G4 were published in 2002, 2006, and 2013 correspondingly. In 2016 GRI published GRI Standards - the first global standards for CSR reporting. The newest standards Topic Standards on Tax and Waste were issued correspondingly in 2019 and 2020. (GRI, n.d.)

GRI Standards create a common communication tool for private and public businesses for consistent and credible reporting of sustainability impacts. GRI Standards represent a set of modules, which are interrelated and can be used together. GRI Standards consist of Universal Standards and Topical Standards. The three Universal Standards known as GRI's 100 series are the following:

- GRI Standards 101: Foundation
- GRI Standards 102: General Disclosures
- GRI Standards 103: Management Approach

The Universal Standards reflect the most significant sustainability impacts of an organization and are used by all companies reporting their sustainability according to GRI. Topical Standards are used for reporting on material topics reflecting an organization's specific impacts and consist of the following series:

- GRI Standards 200: Economic
- GRI Standards 300: Environmental
- GRI Standards 400: Social

Companies can use all the standards for their reporting or can choose relevant standards to report their specific impact. Flexibility combined with detailed guidelines makes the GRI popular with the companies. (Hanski-Leventhal, 2018, p.296; Courtnell, 2019; GRI, n.d.)



Figure 2. Overview of the set of GRI Standards (Courtnell, 2019).

3 THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

3.1 Background of the UN SDGs

In 1983 the Secretary General of the United Nations established the World Commission on Environment and Development, which was directed by the Norway prime minister Gro Harlem Brundtland. The aim of the commission known also as the Brundtland Commission was to investigate the extent of the global environmental challenges. The research of the commission found out that economic and environmental issues were strongly interconnected and that people around the world experienced a high level of concern due to damages to the environment. The final report of the Brundtland Commission stated the importance of sustainable development for the future of the planet and concluded that also businesses need to be involved in solving sustainability challenges. (White, 2015, p. 2.) Issues of sustainability and sustainable development started to receive high attention from the UN and governments after the Brundtland Commission Report published in 1987. It became obvious that businesses and countries primarily focused on economic growth while environmental and social issues were not addressed. Society needed to shift its attention to developing a holistic approach to sustainability and the UN played a significant role in facilitating this process. (Hanski-Leventhal, 2018, p. 134)

In 1992 the United Nations Conference on Environment and Development (UNCED, the Earth Summit) was held in Rio de Janeiro. The conference hosted leaders of 189 countries, whose attention was focused on environmental issues, such as climate change and limiting the increase of the global temperature and preserving biodiversity. Besides, the meeting involved in active discussions representatives of non-governmental groups

from diverse sectors: businesses and industry, NGOs, women, indigenous peoples, children and youth, local authorities, workers and trade unions, farmers and the scientific and technological community, and the role of those groups in actions towards sustainable development was highlighted. The conference aimed at establishing global partnerships between governments and key sectors of societies. The participants of the Earth Summit committed to the three conventions: UN Framework Convention on Climate Change, the Convention on Biological Diversity, and the Convention to Combat Desertification. Two other important outcomes of the conference were the Agenda 21 and the Rio Declaration on Environment and Development. (Hanski-Leventhal, 2018, p.134; Kanie & Biermann, 2017, p.8-9; Browne, 2017, p.84)

Agenda 21 was a 350-page comprehensive global action plan consisting of 40 chapters, which addressed a broad range of sustainability issues and included the following sections:

Section 1. Social and Economic Dimensions

Section 2: Conservation and Management of Resources for Development

Section 3. Strengthening the Role of Major Groups

Section 4. Means of Implementation

(United Nations Department of Economic and Social Affairs, n.d.)

Rio Declaration on Environment and Development was a statement of 27 principles guiding sustainability actions. The first principle of the declaration proclaims that “human beings are in the centre of concerns for sustainable development” (United Nations 1992, p.1). In 1992 the Commission on Sustainable Development was created for effective following up of the Earth Summit and for monitoring and reporting on the implementation of its agreements. (Hanski-Leventhal 2018, 134; Kanie & Biermann, 2017, p.8-9; Browne, 2017, p.84)

In 2000 the United Nations hosted the Millennium Summit, the outcome of which was the Millennium Declaration. The Millennium Declaration was a comprehensive document, which aimed at decreasing poverty and improving human health, gender equality and educational opportunities all over the world. The declaration proclaimed freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility to be the fundamental values for the international relations of the present time and identified key objectives to transfer those values into real actions. (United Nations, 2000)

In 2001 the UN Secretariat developed the seven Millennium Development Goals (MDGs) together with corresponding targets and indicators to support the implementation of the Millennium Declaration objectives. The eight MDGs had the vision to fight all dimensions of poverty and to guide global policies toward the year 2015. Originally the goals contained 18 measurable targets and 48 indicators, but in 2005 they were expanded

to 21 targets and 60 indicators. The MDGs addressed poverty, health, education, partnership, and the environment. Figure 3 illustrates the Millennium Development Goals. (Browne, 2017, p.84-87; Kanie & Biermann, 2017, p.11-12)



Figure 3. Millennium Development Goals (Johnson & Johnson, 2010).

The MDGs initiated a successful anti-poverty global movement. Basing on comprehensive official statistics the Millennium Development Goals Report 2015 showed that the targets for reducing poverty and improving conditions for millions of people were met and that progress on the global level is possible. The rate of people in developing countries living on less than \$1.25 per day dropped from 50% in 1990 to 14% in 2015. The number of primary school-aged children not attending school decreased worldwide almost by half, from 100 million in 2000 to an estimated 57 million in 2015. 90% of countries had more women in parliament in 2015 than in 1995. The global under-five mortality rate declined from 12.7 million in 1990 to 6 million in 2015. Despite the significant achievements, the report admitted that the progress on the MDGs was uneven, inequalities persisted and millions of poorest and disadvantaged people were left behind. Further targeted efforts were needed to proceed with the progress and reach the most vulnerable people. (Koshy, 2018, p. 224; United Nations, 2015, p.3-8)

In June 2012 United Nations Conference on Sustainable Development held another Earth Summit in Rio de Janeiro, known as Rio +20. The attention of the conference was directed to the post-MDGs agenda and the process of developing a set of new ambitious yet manageable sustainability goals to follow MDGs after 2015 was initiated. The main outcome document of Rio+20 “The Future We want” called for creating an action-oriented and universal in nature broad set of goals that would include all three dimensions of sustainability – environment, society, and economy. In 2013 the Open Working Group consisting of representatives of 70 countries was established, which after two years of collaboration came up with a detailed and specific list of Sustainable Development Goals and targets. (Kanie & Biermann, 2017, p.15-18)

3.2 2030 Agenda for Sustainable Development

2030 Agenda for Sustainable Development was formally accepted in September 2015 by the UN General Assembly. 2030 Agenda is an ambitious action plan for people, planet, prosperity, peace and partnership. The Preamble of the 2030 Agenda states that the plan aims at eradicating poverty, realizing human rights, achieving gender equality, and shifting the world to a resilient and sustainable direction. The 2030 Agenda builds upon MDGs and aims at completing what MDGs did not achieve. (United Nations, n.d.a, p.5-6)

2030 Agenda includes a set of 17 Sustainable Development Goals, which replaced the MDGs and are to be achieved and implemented globally by 2030. Unlike MDGs, which were mainly seen as the task of governments and mainly focused on eliminating poverty, SDGs are supposed to be achieved by joint efforts of governments, businesses, civil society and individuals, all of which need to address simultaneously the three dimensions of sustainable development: economic, social and environmental. Figure 4 illustrates the UN SDGs.



Figure 4. The United Nations Sustainable Development Goals (United Nations, n.d.b)

The goals address two main spheres: environmental and social. Some of the social goals refer to the very basic human needs, such as poverty, hunger, access to basic healthcare and sanitation. Other social goals aim at advancing human rights, education and gender equality. The scope of environmental goals is wide, and they address issues of climate change, clean energy, biodiversity, preservation of oceans, the sustainability of production and consumption. Goals 16 and 17 focus on governance and values and call for global partnership in order to deliver the SDGs. The

goals are integrated, and the delivery of each separate goal contributes to the delivery of all others. (The Business and Sustainable Development Commission 2017, p. 24.) The full text of each UN SDG is presented in Appendix 1. Below are brief explanations about the conditions addressed by SDGs:

Goal 1. No poverty: about 736 million people in 2015 live on \$1.90 per day, which means that approximately 10% of the world's population lives in conditions of extreme poverty.

Goal 2. Zero hunger: estimated 821 million people including 151 million children were chronically undernourished in 2017, which is usually due to environmental degradation and biodiversity loss.

Goal 3. Good health and well-being: about 400 million people have no access to basic healthcare; 7 million people die yearly due to being exposed to polluted air; 15 million HIV patients are still not receiving proper therapy.

Goal 4. Quality education: 57 million primary school-aged children still remain out of school and 6 of 10 people have not achieved a minimum proficiency level in mathematics and reading.

Goal 5. Gender equality: currently women earn 77 cents for each dollar earned by men for the same job; 35% of women have experienced sexual or physical violence; in 2018 women were only 23% of national parliamentarians.

Goal 6. Clean water and sanitation: 844 million people in 2015 lacked drinking water; 2.3 billion of the world population have no access to basic sanitation; 2 billion people are affected by water stress.

Goal 7. Affordable and clean energy: 1 of 7 people do not have electricity; energy produces 60% of greenhouse gases; only 20% of power in 2015 was produced from renewable energy sources.

Goal 8. Decent work and economic growth: approximately 172 million people lacked work in 2018; 700 million working people in 2018 lived on less than \$3.20 per day; 61% of the world's workforce in 2016 were employed informally.

Goal 9. Industry, innovation, and infrastructure: approximately 4 million people have no access to the Internet with 90% of them living in developing countries; only 30% of agricultural products in developing countries undergo industrial processing when in high-income countries this amount is 98%.

Goal 10. Reduced inequalities: 1% of the world's population receives 22% of the global income whereas 50% of the population receives 10% of income; only in 60% of the countries, women have as much access to financial services as men.

Goal 11. Sustainable cities and communities: Cities use only 3% of the Earth's land, but are responsible for up to 80% of energy consumption and for 70% of carbon emissions; an estimated 828 million people live in slums.

Goal 12. Responsible consumption and production: approximately 2 billion people suffer from hunger or undernourishment when 1.3 billion tons of food is wasted every year; 2 billion people are obese; humans are using drinkable water faster than it can be replaced by nature.

Goal 13. Climate action: humans are responsible for 1.0 °C global warming by 2017 from pre-industrial levels; since 1880 sea levels have risen by 20 cm.

Goal 14. Life below water: 40% of the ocean is heavily polluted.

Goal 15. Life on land: 80% of the human diet comes from plant life; 13 million hectares of forest are yearly lost; 3,6 billion hectares have been desertification due to degradation of drylands.

Goal 16. Peace, justice, and strong institutions: 10 million people are stateless and lack rights related to nationality; 49 countries do not have laws to protect women from domestic violence; the birth of 625 million children below 14 was not registered and they remain legally "invisible".

Goal 17. Partnerships for the goals: achieving SDGs requires strong global partnerships, official development achievements, and sustainable and responsible investments.

(United Nations, n.d.c)

Each SDG is broken down into several middle-level targets and then into lower-level activities with indicators, which make it understandable, how the goal should be achieved. The Goals have a total of 169 Targets and 231 associated unique indicators, of which 12 are repeated in several Targets. The indicators framework was agreed upon in March 2017 and will yearly be reviewed and refined by the Statistical Commission and complemented by regional and national indicators introduced by the Member States. Figure 5 represents an example of Goal 1, Targets 1.1, 1.2, 1.3, and corresponding indicators. (Koshy, 2018, p. 224-227)

<i>Goals and targets (from the 2030 Agenda for Sustainable Development)</i>	<i>Indicators</i>
Goal 1. End poverty in all its forms everywhere	
1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	1.2.1 Proportion of population living below the national poverty line, by sex and age 1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable

Figure 5. Goal 1, Targets 1.1, 1.2, 1.3 and corresponding indicators (United Nations, n.d.d)

Targets and indicators make the goals more understandable, concrete and measurable. Targets explain what particular actions need to be taken in order to deliver the goals, and indicators reveal, how improvements towards each goal can be reported and how the achievement of each goal can be measured. Targets and indicators show the direction for SDG related actions and efforts. Besides, targets make it possible to measure the contributions of individual players towards delivering global goals.

UN SDGs are universal in nature and incorporate an integrated approach to sustainable development. The goals acknowledge the interdependence of socio-ecological systems and human societies and they encourage systemic approaches towards the problems of the planet and societies. (Kanie & Biermann, 2017, p.12-13)

3.2.1 The influence of SDGs on Businesses

Businesses play a significant and meaningful role in achieving SDGs. 2030 Agenda clearly communicated the particular role of business by calling them to apply all their innovations and creativity to solving challenges of sustainable development. To meet the SDGs on the global level, the role of businesses, first of all, is to avoid actions, which generate pollution and contribute to poverty and to violation of human rights. In addition to duties, SDGs create also opportunities for businesses as SDGs aim at thriving societies and such societies contribute to strong markets. (Hanski-Leventhal, 2018, p.135-136.)

According to the report “Better business, Better world” published in 2017 by the Business & Sustainable Development Commission, SDGs drive innovations, open up new business opportunities and enhance the reputations of companies. Sustainable companies are favored by

consumers, B2B customers, investors, and employees and provide their stakeholders with attractive results. The research of the Commission (2017, p.13) shows that achieving the SDGs opens up \$12 trillion market opportunities in the areas of health and well-being, energy and materials, cities and agriculture, and agriculture, which cover about 60% of the real economy. The list of 60 marketing opportunities in four sectors identified by the Commission to be open due to SDGs is presented in Appendix 2 to this thesis.

The significant role of businesses in delivering SDGs is recognized in Goal 17 calling for partnership on the global level towards sustainable development. Goal 8 Decent work and economic growth and Goal 9 Industry, innovation, and infrastructure are directly relevant to business and industrial activities. SDG 3 Good health and wellbeing and SDG 6 Water and sanitation are relevant to the pharmaceutical and food industry correspondingly. Some goals are beyond the framework of interests of business, but still, many companies are concerned with the issues of corporate social responsibility and sustainable development and give SDGs a high priority in their strategic agenda. SDGs are important for businesses, as they provide companies and the world economy with a growth strategy, which opens a huge amount of new market opportunities. Companies need to seize the new market opportunities opened by the SDGs because otherwise the businesses and the world will only partially benefit from achieving SDGs. (The Business and Sustainable Development Commission, 2017, p.23; Hanski-Leventhal, 2018, p.136)

3.2.2 UN SDGs in Finland

Finland is considered to be a frontrunner in implementing the 2030 Agenda and is strongly committed to delivering SDGs both domestically and internationally. The development policy priorities of Finland are aligned with SDGs and contribute to their implementation. Finland focuses on enhancing the position of girls and women, good governance, strengthening democracy, improving labor legislation around the world. The climate actions of Finland are governed by the Paris Agreement. Finland supports investments in sustainable energy solutions. (Ministry of Foreign Affairs of Finland, n.d.)

The Government of Finland submits the SDG implementation report to the Parliament of Finland every four years. The first report was submitted in 2017 and the most recent report was submitted in October 2020. The report contains information on the actions of the Finnish Government towards each SDG on the domestic and global level. In 2016 Finland was among the first countries, who submitted their 2030 Agenda Voluntary National Review to the United Nations, and the newest Voluntary National

Review (VNR) was submitted by Finland in June 2020. (Ministry of Foreign Affairs of Finland, n.d.)

According to the VNR, Finland is particularly actively promoting gender equality, reproductive and sexual health, contraception, and family planning in a global context. Finland has participated in educational development cooperation in Africa and Asia, has acted on improving the rights of girls, women, and people with disabilities. Support provided by Finland in 2016-2019 helped to improve the food security of more than four million people. The VNR shows that Finland has already reached or is approaching many social and economic SDGs. Maintenance of biodiversity and reduction of emissions to the atmosphere remain the biggest SDG challenges for Finland. (Ministry of Foreign Affairs of Finland, 2020)

According to the Finnish VNR 2020, a growing number of Finnish companies are integrating SDGs into their businesses and most of the largest companies map their activities against SDGs. Many companies have incorporated SDGs into their strategies and have developed science-based targets to measure their impact. Small and medium-sized companies in Finland are still familiarizing themselves with SDGs and searching for their own approaches towards the goals. A big amount of companies taking active actions towards sustainability have not yet linked their activities with SDGs. (Prime Minister's Office, 2020, p. 35)

"Sustainability in Finland 2019" survey conducted by the Finnish Business & Society (FIBS) showed that 52% of the biggest Finnish companies take the SDGs into account in their business operations. This figure has grown significantly in two years, as in 2018 it was 41% and in 2017 32%. The survey reported that 87% of corporate executives confirmed that climate change is an important or extremely important focus area for corporate responsibility in their organizations during the next 12 months. Conversely, only 8% of companies recognized biodiversity protection as an important focus area. In the opinion of 55% of respondents, the global challenges should be primarily addressed through global treaties and legislation. (FIBS, 2019, p.4 -35)

The follow-up assessment of an independent consultant provided a comprehensive picture of the SDG integration process by large Finnish companies. The assessment studied publicly available on 120 largest companies in the country. According to the results of the assessment, in 2019 44% of the companies did not mention SDGs, 20% committed to the SDGs on a general level, 23% have made prioritization of SDGs, 14% integrated SDGs into their businesses and sustainability processes. SDG 13 Climate action, SDG 12 Responsible consumption and production, SDG 8 Decent work and economic growth are the most prioritized by the Finnish companies. (Prime Minister's Office, 2020, p. 37)

3.2.3 Reporting on SDGs

According to the report by KPMG (2018, p.2) in 2017 UN SDGs were referenced in the corporate reporting of four out of ten of the 250 world's biggest companies surveyed. This shows that the interest of businesses in SDGs has grown significantly since 2015. As presented in Figure 7, companies in Germany, France, and the UK are more likely to reference SDGs than companies from other countries.

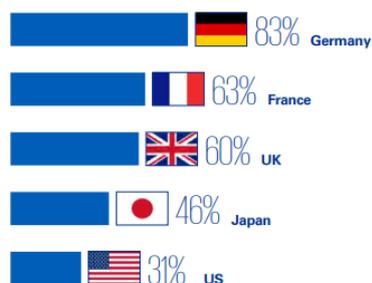


Figure 6. Share of companies reporting on SDGs in different countries. (KPMG, 2018, p.6)

55% of the companies surveyed by KPMG pay the most attention to the three SDGs: SDG 13 Climate change, SDG 8 Decent work, and economic growth and SDG 3 Good health and well-being. Among the least prioritized were SDG 15 Life on land, SDG 2 Zero hunger, SDG 14 Life below water with only 26% of companies reporting on those. As an established SDG reporting process or standard is not yet available, companies do not have enough information on what is required for good SDG reporting. 75% of the companies discussing SDGs in their reporting, mention only positive impacts of their actions on SDG. 39% of companies have SDGs mentioned in their CEO's message and only 8% of companies demonstrate a clear business case for SDGs. (KPMG, 2018, p.1-8)

4 WHAT UN SDGS ARE MOST RELEVANT FOR THE TARGETS OF THE KIILTO PROJECT "PROMISE TO THE ENVIRONMENT"?

4.1 The project Promise to the Environment by Kiilto

Environmental leadership lies in the core of the Kiilto brand. This statement is strongly backed up by the major project "Promise to the Environment" (PttE) launched by Kiilto at the beginning of 2018. Kiilto is aiming at making environmental leadership a competitive advantage for the company and the project was launched to facilitate this vision. The purpose of the project is to invest significant time, material, and financial resources into creating a comprehensive positive environmental effect by

the company operations. The realization of the project involves all company employees and the project group was formed from representatives of different Kiilto functions. The project is supposed to clarify the company brand, add value, increase equity, and to offer a competitive advantage on the market.

The Kiilto PttE project consists of four directions: Green Energy, Green Materials, Green Services, Green Packages and Logistics. Each direction has its commitment and includes several targets.

The commitment of Green Energy is “by 2028 all company functions are carbon neutral”. The main energy targets in the frames of the PttE are

- participation in a carbon sink project for forest planting in 2019 with the purpose of reduction of the company’s business travel climate impact
- usage of renewable energy only through purchasing green electricity, biogas, thermal heat and benefiting from solar energy and geothermal heat
- reduction of energy consumption in production by 20% by 2025 compared to 2010

Kiilto has already taken significant steps towards the realization of the above targets. In 2018 a hybrid heating system was implemented in the chemical plant of the company in Finland. The system utilizes several different heat sources including waste heat from the polymerization process, geothermal heating, and cooling and provides possibilities to store excess heat to soil or rock bed for later usage. The system offers an estimated energy consumption reduction of 180 MWh annually and CO₂ reduction of 320 tons annually. Besides, Kiilto utilizes solar energy from a total of 592 solar panels installed in two plants of the company in Finland.

The commitment of the Green Materials is “we are the leading circular economy company of our industry”. The targets of the Green Materials are

- we will halve our amount of waste by the year 2022
- we will double the share of renewable and circular raw materials by the year 2022.

To achieve this target Kiilto develops its waste separation processes to minimize the amount of residues. The cleaning filler for cleaning Kiilto dry mix plant equipment is no longer disposed of as waste. Instead, Kiilto has found a solution, in which the filler will be utilized for the manufacture of other products. Also, the dust created in Kiilto dry mix production is now utilized by a cement producer instead of being disposed of. Kiilto increases the amount of purchased recycled raw materials. In collaboration with Business Finland, Kiilto is developing a research project searching for solutions on debonding used adhesives in order to recycle them separately from the product.

The commitment of Green Services is “Kiilto Pro Services offer the best circular economy solutions”. The targets of Green Services are by 2023

Kiilto Pro Services will reduce loss and material discharge at our customer's by 200.000 tons (the reference year 2017)

- through sustained development and measurement, the Kiilto Pro Service concept will minimize the joint environmental impact induced by Kiilto and its customers
- by 2020 all Kiilto trainings will have content on sustainable development and the environment.
- by 2020 environmental issues will be integrated into all our customer encounters
- by 2020 all Kiilto employees have been trained on environmental issues.

To realize the Green Services targets Kiilto has developed material loss calculations for the customers to show material savings connected with the usage of Kiilto products. Fleet management of cleaning machinery helps maximize the utilization of customer's equipment and prevent unneeded repair breaks. The development of all products and services starts in Kiilto with setting environmental measurable targets for the project. Kiilto trains approximately 20 000 people only in Finland yearly, and adding environmental issues to the training sessions creates an educational impact and shows the company's strong position in environmental issues to customers.

The commitment of Green Packaging and Logistics is "positive environmental impact is the ground of our packaging solutions". The targets are

- by 2020 all Kiilto packages include information about their environmental efficiency
- by 2025 all Kiilto packages are 100% recyclable
- Kiilto will not increase packaging material per product kg
- By 2025 70% of Kiilto packaging material are reusable, renewable, or made from recycled materials
- Kiilto will initiate collecting back packaging waste by 2019

Kiilto has introduced 1-litre bottles for its cleaning products made with 50% recycled plastics, floor levelling packages produced from recyclable materials, hot-melt adhesive packages produced from recycled materials, and packages produced of post-industrial recycled plastic and post-consumer recycled plastic for tile grouts.

(Company Kiilto intranet; Puntti, interview 29 June 2020)

4.2 How to report on SDGs

GRI, United Nations Global Compact, and the World Business Council for Sustainable Development (WBCSD) have created the SDG Compass, the guide for business action on the SDGs. The guide supports companies on their way to finding relevant SDGs and offers information on the main

steps to be taken by businesses to be able to successfully add sustainability into the heart of their strategy. The guide provides a framework of 5 major steps:

Step 01. Understanding the SDGs. Delivering solutions for the SDGs will help companies find new business opportunities and will improve their risk management. SDG framework helps companies develop, implement, report, and communicate their sustainability operations and achievements and provides capitalization opportunities on a wide range of benefits. Redirection of investment flows towards challenges presented by SDGs will open up more opportunities for enterprises with relevant solutions. SDGs contribute to the enhancement of the value of corporate sustainability through brand strengthening, new market segments development, operational efficiency improvement, product innovations stimulating, and employee turnover reductions. (GRI, UN Global Compact and WBCSD n.d., p.8)

Step 02. Defining priorities. The relevance of each of the 17 SDGs to particular businesses varies and is influenced by different factors. First, the entire value chain should be mapped with the aim of identifying its impact areas. The purpose of the mapping is to find the point of the greatest impact and in assessing both positive and negative contributions of the company's product portfolio, technologies, and main competences on the implementation of SDGs. High impact areas will show the company areas to focus on. Secondly, the company needs to find relevant indicators and collect relevant data. The indicators should reflect in an adequate way the company performance in the chosen area and should express activities, inputs, outputs, outcomes, and impacts. Next, data should be collected for each of the indicators. Thirdly, the priorities of the company should be defined based on the assessment of the present and possible future negative impacts and of potential opportunities from current positive impacts. (GRI et al., n.d., p. 11-15)

Step 03. Setting goals. The focus areas identified in step 02 should guide the scope of sustainability goals of the company including the reduction of current or potential negative impacts and contributions to positive impacts. Selecting key performance indicators (KPIs) is important for monitoring and communicating progress. A company needs to come up with a baseline for its every goal, and the baseline can be tied to a particular point or a particular period in time. The goal type should also be chosen. SDG Compass identifies two categories of goals, absolute goals, and relative goals. Absolute goals focus only on KPIs, whereas relative goals compare KPIs to outputs or units. Companies should carefully consider the ambition level of their goal setting. Ambitious and unprecedented goals will enhance creativity and innovation. Finally, in this step, the announcement of the company's commitment to SDGs can be an effective tool of communication, which will inspire constructive interactions with internal and external stakeholders. Goals aligned with

the SDGs can be announced by companies on the UN website www.business.un.org. (GRI et al., n.d., p. 16-18)

Step 04. Integrating. Senior management plays an important role in the integration of sustainability into company operations and long-term strategy. Shared understanding needs to be created in the company on the benefits of commitments towards SDGs and a business case for SDGs should be clearly communicated. Each function and employee should be aware of their impact on achieving SDGs. Sustainability goals need to be integrated into all financial, strategic, and operational goals. At the same time, it should be recognized that some functions may have a bigger impact on the achievement of sustainability goals than others. Integrating SDGs can be enhanced through value chain partnerships, sector partnerships within an industry, and multi-stakeholder partnerships between governments, civil society and the private sector. A shared set of goals can help bring partners together. (GRI et al., n.d., p. 21-24)

Step 05. Reporting and communicating. Effective reporting is important for value creation, establishing trust with stakeholders, and can stimulate decision making and internal changes within the company. SDGs make the sustainability reporting principle of the “sustainability context” identified by GRI even more significant and actionable and help companies better understand their sustainability context and provide them with a common reporting language. Effectiveness of reporting and communications can be enhanced through a focus on material issues, which reflect the company’s most significant impacts, both positive and negative. Besides, effective reporting considers issues, which respond to concerns, interests, and expectations of stakeholders regarding SDGs. For effective communication of SDGs, SDG Compass recommends companies to disclose why and how a certain SDG has been assigned relevance for the company; what are the relevant SDG related important impacts; company goals for the SDG and how the company is going to achieve it; practices of contributing to SDGs through integration across the business area. Companies can choose between producing a separate SDG report and integrating their SDG information into existing types of communications or reports. (GRI et al., n.d., p. 25-28)

4.3 The chemical sector and the SDGs

The chemical industry is a global business with a value of \$4 trillion that employs approximately 20 million people. The sector provides a wide range of products which are indispensable in the life of today’s world. Many of the products of the chemical industry are purchased directly by consumers (such as detergents and perfumes), others are intermediates used for the manufacture of other products. The chemicals sector is

complex and uses a wide range of raw materials and thus can advance each of the 17 UN SDGs in various ways. In 2018 WBCSD published its Chemical Sector SDG Guidelines providing a comprehensive methodology for chemical sector companies to explore their potential related to SDGs. The roadmap offers a vision for the chemical sector on its key impact opportunities for SDGs and on its most relevant SDGs and SDG Targets. By a collective initiative of chemical sector companies, industry associates, external experts, and WBCSD 10 UN SDGs were identified as priority areas for the chemical industry (figure 7):



Figure 7. Priority SDGs for the chemical sector (WBCSD, 2018, p. 6)

The Roadmap (2018, p.22) described the four major cross-cutting factors, most crucial for the capacity of the industry to generate an impact on the prioritized SDGs: human rights, low carbon economy, circularity, and digitalization. Below is a short explanation of each of the factors:

- Human rights. The chemical sector utilizes a wide and extensive value chain, which presents opportunities for enhancing human rights on a global level. By proactive action and participating in collaborative initiatives chemical companies can create a positive impact on the lives of the most vulnerable individuals.
- Low carbon economy. The core environmental challenges for the planet are combating climate change and sustainable development of the energy system. The chemical industry is the major user of energy, but at the same time, it has a significant potential to advance the economy, which relies on low carbon power sources.
- Circularity. Currently, the global economy is only 9% circular and more circular business models are needed to prevent the accelerated degradation of the environment. Chemical sector innovations for new products and eco-efficient materials can play a central role in enabling further development of the circular economy.
- Digitalization. The necessity to adopt digital advancements on every level of the chemical sector value chain enhances the industry

transformation. Technological innovations may cause loss of jobs, which may negatively affect the levels of poverty, hunger, and inequality in the world. At the same time, new types of jobs may be created, and new technological solutions may positively contribute to critical environmental, social and economic issues.

(World Business Council for Sustainable Development, 2018, p. 1-23)

4.4 SDG reporting practices of other players

4.4.1 Unilever

Unilever has chosen to see SDGs as a unique opportunity for businesses and for the global economy. Unilever aims to use its resources to address such issues as climate change, hygiene, sanitation and nutrition. The Unilever Sustainable Living Plan (USLP) is the main driving force for change within the business of the company and many of its goals are closely related to SDGs. The USLP consists of three big goals: improving the health and well-being of more than 1 billion people; reducing environmental impact by half; enhancing livelihoods for millions. Each of the goals has its clearly formulated target and to contribute to its delivery Unilever has identified two to four directions concentrating on different areas within the goal. Relevant SDGs are defined for each direction (Unilever, n.d.)

In this part, we will focus on the environmental goal of the USLP as the most relevant one to the interest of the commissioning company. The target of the goal “reducing environmental impact by half” is to halve the environmental footprint of the production and the use of products by 2030 while growing the company business. The goal is divided into four directions: greenhouse gases, water use, waste and packaging, and sustainable sourcing. Out of these four directions, greenhouse gases (GHG) and waste and packages can be best projected to the targets of Kiilto’s Promise to the Environment.

The GHG commitment by Unilever is “we will halve the greenhouse gas impact of our products across the lifecycle by 2030” and “by 2020 CO₂ emissions from our factories will be at or below 2008 levels despite significantly higher volumes” (Unilever n.d.). To achieve carbon positive manufacturing the company commits to using only renewable energy, to avoid using coal as an energy source, and “to make surplus energy available to communities” (Unilever n.d.). Reduction of GHG from washing clothes will be achieved with the help of reformulation of products, reduction of GHGs from transportation and from refrigeration, reduction of an employee travelling and energy consumption in offices. By delivering these goals Unilever contributes to SDG 7 Affordable and clean energy, SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 15 Life on land, SDG 17 Partnership for the goals. (Unilever, n.d.)

The waste reduction commitment by Unilever is to halve the amount of waste from the disposal of Unilever products by 2020 and by 2020 to achieve the level below 2008 of all the disposed waste while volumes are significantly higher. These targets will be achieved by reducing packaging, using recyclable, reusable, or compostable packaging, and delivering zero amount of non-hazardous waste to landfill. In addition, Unilever has committed to increasing its rates of recycling and recovery, to increase the recycled content, eliminate sachet waste and PVS, to reduce office waste. By delivering these goals Unilever contributes to SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 14 Life below water, SDG 17 Partnership for the goals. (Unilever, n.d.)



Figure 8. The environmental goal of USLP (Unilever, 2019).

4.4.2 Henkel

Henkel informs that the company is committed to leadership in sustainability issues and is actively supporting SDGs. Henkel has identified the following four SDGs as their priorities: SDG 4 Quality education, SDG 8 Decent work and inclusive, sustainable economic growth, SDG 12 Responsible consumption and production, and SDG 17 Partnerships for the goals. (Henkel, n.d.)

The environmental commitments of the company include a commitment to climate protection, reducing the flow of waste into oceans, and supporting sustainable consumption. Henkel's commitment to climate protection is expressed in its long-term vision of becoming a climate-positive company by 2040 and to enhance progress in relevant parts of their value chain. By 2030 the company plans to reduce by 75% the carbon footprint of their manufacture and to achieve 100% of energy from renewable sources. By 2020 the consumers and the customers of the company will save 50 million tons of CO₂ by using Henkel brands and technologies. By these actions, the company commits to SDG 7 Affordable and clean energy and SDG 13 Climate action. (Henkel, 2019, p.16-17)

Henkel was the first large consumer goods company, which started a collaboration with a social enterprise Plastic Bank and helped to open plastic collection points in Haiti. Thus, the company contributes to its goal of reducing the flow of waste to the oceans This activity relates to SDG 1 No poverty as the local population gets money from the collected plastic, SDG 14 Life below water, and SDG 17 Partnerships for the goals. (Henkel, 2019, p.16-17)

To promote sustainable consumption Henkel focuses on developing its products towards resource efficiency. Henkel aims at encouraging customers for responsible usage of their products. The company has also developed a footprint calculator, which can be used by individuals. The company informs, that these actions contribute to SDG 12 Responsible consumption and production, SDG 13 Climate action, SDG 17 Partnership for the goals. (Henkel, 2019, p.16-17)

4.5 Recommendation to Kiilto

To generate recommendations for the commissioning company the author of the thesis analyzed the targets of Kiilto's Promise to the Environment from the perspective of the UN SDGs. The relevance to environmental issues, the existence of relevant indicators, compliance with SDG Roadmap for the Chemical Sector, and the SDG choices of the reference companies were used as the main criteria for the recommendations. The author finds the following SDGs to be the most relevant for the targets of Kiilto's PttE:

SDG 7. Ensure access to affordable, reliable, sustainable, and modern energy for all

SDG 9. Build resilient infrastructure, promote sustainable industrialization, and foster innovation

SDG 12. Ensure sustainable consumption and production patterns

SDG 13. Take urgent action to combat climate change and its impacts.

(United Nations, n.d.d, p.1-14)

4.5.1 SDG 7 Affordable and clean energy

The following PttE commitments contribute to SDG 7 Affordable and clean energy:

- We will cut 20% of our energy consumption/produced tonnes by 2025 compared to 2010.
- The energy we use is 100% renewable by 2028.

(Kiilto intranet)

The commitments contribute to SDG Targets

- Target 7.3 By 2030, double the global rate of improvement in energy efficiency

- Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

(United Nations, n.d.d, p.7-8)

The commitments can be measured and reported according to SDG Indicators

- Indicator 7.3.1 Energy intensity measured in terms of primary energy and GDP
- Indicator 7.2.1 Renewable energy share in the total final energy consumption.

(United Nations, n.d.d, p.7-8)

SDG 7 belongs to the focus SDGs of the chemical sector according to the WBCSD (2018, p.6), and both Unilever and Henkel map their energy actions towards SDG 7.

4.5.2 SDG 9 Industry, innovation, and infrastructure

The following PttE commitments contribute to SDG 9 Industry, innovation, and infrastructure:

- We will cut 20% of our energy consumption/produced tonnes by 2025 compared to 2010.
- We will halve our amount of waste by 2022.
- We will double the share of renewable and circular raw materials by the years 2022.
- 70% of our packaging materials will be reusable, renewable, or made from recycled materials by the years 2025.

(Kiilto Intranet)

All these targets to be achieved require excessive development and innovation work from the Kiilto product developers, designers and production planners. The optional raw material needs to be thoroughly tested before the change of product composition. New packaging materials require innovation, testing and design work. Decreasing energy consumption requires innovation of production processes.

The commitments contribute to the following SDG Targets:

- Target 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
- Target 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.

(United Nations, n.d.d, p.9-10)

The commitments can be measured and reported according to

- Indicator 9.4.1 CO2 emission per unit of value added
- Indicator 9.5.1 Research and development expenditure as a proportion of GDP

(United Nations, n.d.d, p.9-10)

SDG 9 belongs to the focus SDGs of the chemical sector according to the WBCSD (2018, p.6).

4.5.3 SDG 12 Responsible consumption and production

The following PttE commitments contribute to SDG 12 Responsible consumption and production:

- We will halve our amount of waste by 2022.
- We will double the share of renewable and circular raw materials by the years 2022.
- 70% of our packaging materials will be reusable, renewable, or made from recycled materials by the years 2025.
- Kiilto will initiate a collecting back packaging program during 2019.
- By 2023 Kiilto Pro Services will reduce loss and material discharge at our customers by 200.000 kg per year.

(Kiilto intranet)

Corresponding SDG targets are

- Target 12.2 By 2030, achieve sustainable management and efficient use of natural resources
- Target 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment,
- Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse

(United Nations, n.d.d, p.12-13)

The commitments can be measured and reported according to the following SDG indicators:

- Indicator 12.2.1 Material footprint, material footprint per capita, and material footprint per GDP
- Indicator 12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
- Indicator 12.5.1 National recycling rate tons of materials recycled

(United Nations, n.d.d, p.12-13)

SDG 12 belongs to the focus SDGs of the chemical sector according to the WBCSD (2018, p.6), and both Unilever and Henkel map their waste reduction and footprint reduction actions against SDG 13.

4.5.4 SDG 13 Climate action

The following PttE commitments contribute to SDG 13 Climate action:

- Our logistics and business trips will be carbon neutral by 2028.
- During 2019 Kiilto participates in projects which are increasing carbon sinks.
- By 2020 all Kiilto employees have been trained on environmental issues and all Kiilto customer meetings and training sessions have content on sustainable development and the environment.

(Kiilto intranet)

These commitments contribute to SDG Targets:

- Target 13.2 Integrate climate change measures into national policies, strategies and planning
- Target 13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

(United Nations, n.d.d, p.14)

The commitments can be measured and reported according to the SDG Indicator:

- Indicator 13.2.2 Total greenhouse gas emissions per year.

(United Nations, n.d.d, p.14)

SDG 13 belongs to the focus SDGs of the chemical sector according to the WBCSD (2018, p.6), and both Unilever and Henkel map their energy actions against SDG 13.

4.5.5 SDG compass framework

The SDG reporting framework of the SDG Compass was applied to the targets of PttE in the following way:

Step 01. Understanding the SDGs. This step was implemented in Kiilto by the means of this thesis. The author of the thesis has collected a wide set of information on SDGs, reporting recommendations, and other players' practices. The collected information provided a good basis for understanding SDGs and for correlating them to the sustainability activities of the company. In the process of the thesis work the author shared information on SDGs with Kiilto employees in two sessions, one of which

was held for the Finnish Kiilto audience and the other for the international employees of the company.

Step 02. Defining priorities. Kiilto had defined the company priorities of its environmental actions prior to launching the PttE. To map those priority actions to the relevant SDGs, the author focused on finding the SDG indicators, which are directly corresponding to the impact of the actions and which can themselves function as indicators for the PttE project. The author has mapped the chosen SDGs against the company value chain as presented in Figure 9:

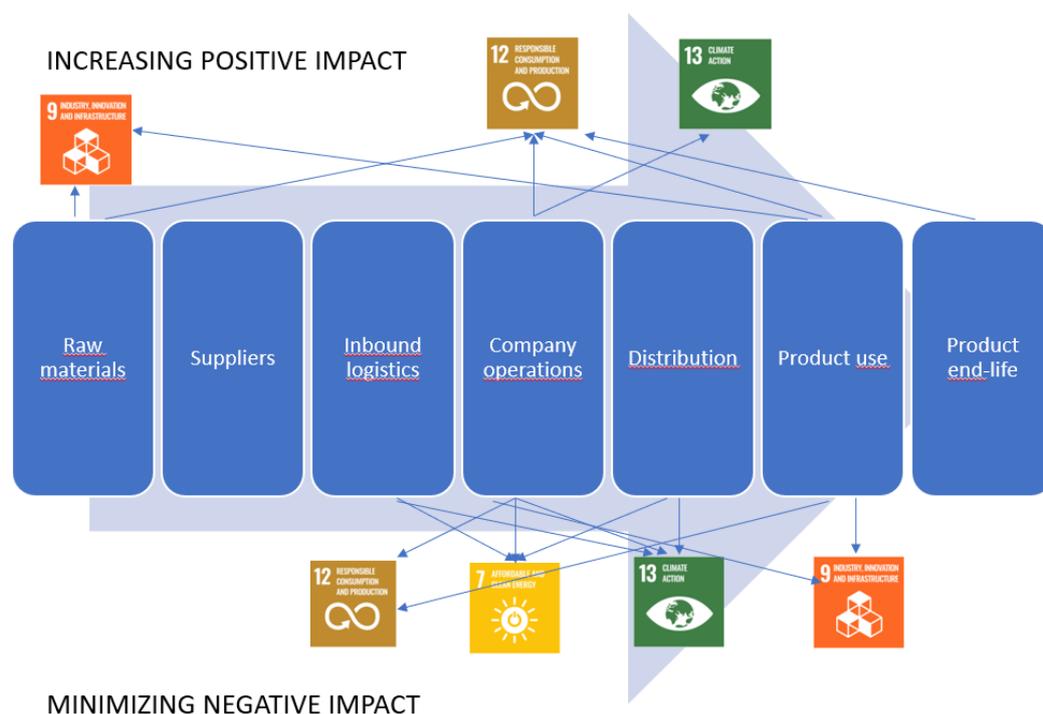


Figure 9. Mapping priority SDGs against Kiilto value chain

Mapping showed that PttE activities address both negative and positive impacts of the commissioning company to SDG and address most parts of the company value chain. Thus, we can conclude, that the PttE will have a significant impact on the sustainable development of Kiilto operations. The SDGs will provide a comprehensive framework for measuring, reporting, and communicating this process.

Step 03. Setting goals. The goals and KPIs have already been set for the targets of the PttE project by the company. The SDG Targets and Indicators will provide common measurable KPIs used globally.

Step 04. Integrating. The priority SDGs will need to be integrated to the core business of the company. According to the author's experience as an

employee of the commissioning company, the integration of PttE in Kiilto has already succeeded. All involved in the PttE project will need to have an understanding of SDGs and commitment to them will need to be developed.

Step 05. Reporting and communicating. According to the author's experience gained in the course of the research, SDG reporting and communicating practices strongly vary between companies. At this stage, as many companies already communicate and report on SDGs, Kiilto has the possibility to adopt the most successful practices as well as to show creativity to differentiate. The UN SDGs can enhance internal and external sustainability communications.

5 CONCLUSION

The importance of the sustainability of business operations cannot be underestimated. The economic model based on the unsustainable linear approach has brought the humans and the planet to a critical situation, when the natural resources are not enough for the coming generations, the climate change negatively affects living conditions of humans and Earth's other creatures, and the differences in incomes and social condition between different nations are enormous. Traditionally businesses are seen as a source of threats to sustainability, as unsustainable business operations solely aiming at maximizing profits have contributed to the depletion of natural resources, air pollution, poverty, inequality and income gaps. Currently, it is understood that business can also be the source of creativity and innovation towards sustainable development and active action for environmental, economic, and social sustainability.

Corporate social responsibility is an evolving business practice that aims at managing the environmental, economic, and social aspects of sustainability of businesses. CSR involves close interactions with all diverse stakeholders of businesses. CSR practices leverage the negative impact on businesses on the environment and the society as well as persuades the development of positive impacts. Companies need CSR for reputational and economic reasons, as the level of demands of consumers, employees, and investors towards the sustainability of products, services, and business operations is constantly increasing. Sustainable companies enjoy higher demand for their products, strong employee loyalty, and a favourable reputation among other stakeholders.

The 2030 Agenda by the United Nations has introduced the 17 Sustainable Development Goals, which became a global sustainability action plan for governments, businesses, societies and individuals. The Sustainable Development Goals of the 2030 Agenda aim at significant improvements in social, economic and environmental issues on the planet. Businesses are

attributed to a special role in achieving the goals of the 2030 Agenda as they have multiple resources and the abilities to make an impact on the global level. Many companies have chosen to actively contribute to the UN SDGs and as a result experience the need of adopting SDG communication and reporting practices. As an established SDG reporting framework is still missing, companies develop their individual SDG reporting solutions.

Kiilto is a Finnish chemical company currently working in 11 countries. In 2018 the company launched its ambitious Promise to the Environment project with the aim of significant improvement of the environmental sustainability operations. The need to map the actions of this project to SDGs became the reason for this research. As a result of the research four priority SDGs were identified for the project: SDG 7 Affordable and clean energy; SDG 9 Industry, innovation and infrastructure, SDG 12 Responsible consumption and production; SDG 13 Climate action. Relevant SDG Targets and SDG Indicators were also identified and will be utilized for monitoring development and reporting the achievements. SDG reporting will make the company's CSR reporting more modern and comprehensive. SDGs can be widely benefited in the company's internal and external communications.

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Appendix 1

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, FULL TEXTS

1. End poverty in all its forms everywhere.
2. End hunger, achieve food security and improve nutrition and promote sustainable agriculture.
3. Ensure healthy lives and promote well-being for all at all ages.
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5. Achieve gender equality and empower all women and girls.
6. Ensure availability and sustainable management of water and sanitation for all.
7. Ensure access to affordable, reliable, sustainable and modern energy for all.
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
10. Reduce inequality within and among countries.
11. Make cities and human settlements inclusive, safe, resilient and sustainable.
12. Ensure sustainable consumption and production patterns.
13. Take urgent action to combat climate change and its impacts.
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development.
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Appendix 2

60 biggest market opportunities related to delivering the Global Goals

	 Food and Agriculture	 Cities	 Energy and Materials	 Health and Well-Being
1	Reducing food waste in value chain	Affordable housing	Circular models - automotive	Risk pooling
2	Forest ecosystem services	Energy efficiency - buildings	Expansion of renewables	Remote patient monitoring
3	Low-income food markets	Electric and hybrid vehicles	Circular models - appliances	Telehealth
4	Reducing consumer food waste	Public transport in urban areas	Circular models - electronics	Advanced genomics
5	Product reformulation	Car sharing	Energy efficiency - non-energy intensive industries	Activity services
6	Technology in large-scale farms	Road safety equipment	Energy storage systems	Detection of counterfeit drugs
7	Dietary switch	Autonomous vehicles	Resource recovery	Tobacco control
8	Sustainable aquaculture	ICE vehicle fuel efficiency	End-use steel efficiency	Weight management programs
9	Technology in smallholder farms	Building resilient cities	Energy efficiency - energy intensive industries	Better disease management
10	Micro-irrigation	Municipal water leakage	Carbon capture and storage	Electronic medical records
11	Restoring degraded land	Cultural tourism	Energy access	Better maternal and child health
12	Reducing packaging waste	Smart metering	Green chemicals	Healthcare training
13	Cattle intensification	Water and sanitation infrastructure	Additive manufacturing	Low-cost surgery
14	Urban agriculture	Office sharing	Local content in extractives	
15		Timber buildings	Shared infrastructure	
16		Durable and modular buildings	Mine rehabilitation	
17			Grid interconnection	

(Business and Sustainable Development Commission, 2017, p. 14)