

**CSR in forest industry – Case study of reporting and implementation
of social responsibility in three international companies**

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<p>Tiivistelmä — Referat — Abstract</p> <p>Corporate Social Responsibility (CSR) has become increasingly important topic in forest industries, and other global companies, in recent years. Globalisation, faster information delivery and demand for sustainable development have set new challenges for global companies in their business operations. Also the importance of stakeholder relations, and pressure to become more transparent has increased in the forest industries. Three dimensions of corporate responsibility economic, environmental and social, are often included in the concept of CSR. Global companies mostly claim that these dimensions are equally important. This study analyses CSR in forest industry and has focus on reporting and implementation of social responsibility in three international companies. These case-companies are Stora Enso, SCA and Sappi, and they have different geographical base, product portfolios and therefore present interesting differences about forest industry strategy and CSR.</p> <p>Global Reporting Initiative (GRI) has created the most known and used reporting framework in CSR reporting. GRI Guidelines have made CSR reporting a uniform function, which can also be measured between companies and different sectors. GRI Guidelines have also made it possible to record and control CSR data in the companies. In recent years the use of GRI Guidelines has increased substantially. Typically CSR reporting on economic and environmental responsibility have been systematic in the global companies and often driven by legislation and other regulations. However the social responsibility has been less regulated and more difficult to compare. Therefore it has previously been often less focused in the CSR reporting of the global companies. The implementation and use of GRI Guidelines have also increased dialogue on social responsibility issues and stakeholder management in global companies. This study analyses the use of GRI's framework in the forest industry companies' CSR reporting.</p> <p>This is a qualitative study and the disclosure of data is empirically analysed using content analysis. Content analysis has been selected as a method for this study because it makes it possible to use different sources of information. The data of this study consists of existing academic literature of CSR, sustainability reports of the case-companies during 2005-2009, and the semi-structured interviews with company representatives. Different sources provide the possibility to look at specific subject from more than one viewpoint.</p> <p>The results of the study show that all case-companies have relatively common themes in their CSR disclosure, and the differences rise mainly from their product-portfolios, and geographic base. Social impacts to local communities, in the CSR of the companies, were mainly dominated by issues concerning creating wealth to the society and impacting communities through creation of work. The comparability of the CSR reporting, and especially social indicators increased significantly from 2007 onwards in all case-companies. Even though the companies claim that three dimensions of CSR economic, environmental and social are equally important economic issues and profit improvement still seem to drive most of the operations in the global companies. Many issues that are covered by laws and regulations are still essentially presented as social responsibility in CSR. However often the unwelcome issues in companies like closing operations are covered just briefly, and without adequate explanation. To make social responsibility equally important in the CSR it would demand more emphasis from all the case-companies. A lot of emphasis should be put especially on the detail and extensiveness of the social responsibility content in the CSR.</p>			
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1. Introduction

Corporate Responsibility (CR) and Corporate Social Responsibility (CSR) are currently important topics in the forest industries (Mikkilä and Toppinen 2008, Panwar and Hansen 2008, Moneva et.al. 2006). Corporate Social Responsibility, and reporting it, can be typically seen in the various operations of the global companies. Companies are facing increasing pressure from various stakeholders to become more accountable and transparent in their actions (Sinclair & Walton 2003, Niskala et.al. 2009). As public awareness of nature, society and welfare have increased, so have also the demands for corporate social responsibility (Panwar and Hansen 2008).

The concept Triple Bottom Line, reflects the demand for company managers to focus on three dimensions, people, planet and profit, in the management (Kolk 2009, Moneva et.al. 2006, Panwar and Hansen 2008). Besides the social, environmental and financial responsibility also sustainable development and company accountability are included in the corporate social responsibility. Corporate responsibility is part of the corporate performance, which indicates the final impact of the company on sustainable development (Mikkilä and Toppinen 2008). CSR has become crucial to both business and societal success, and can benefit both parties. Societies can make business possible by providing resources, while companies can create jobs, wealth and innovations for the society and reduce negative environmental and social impacts (Li and Toppinen 2010).

Stakeholders, in general, are groups or individuals that the company affects, or who can affect the company. For example employees, company management, shareholders, business partners, suppliers, customers, local authorities, NGO's and in general all who are have direct economic importance to the company (O'Connor and Spangenberg 2007, Niskala et.al 2009). The importance of stakeholder relations has increased in companies, along with the demands of corporate responsibility (Kourula 2009, Niskala et.al. 2009). In a longer run companies must be able to satisfy the needs of the most important stakeholder groups, due to their co-operation and interaction (Niskala et.al. 2009).

Forest industry is competing on global markets, where the demand for corporate social responsibility has increased constantly (Juslin and Hansen 2003, Panwar and Hansen 2008). Developments in information technology have made information available easier, around the world and therefore also increased the need for extensive reporting

(Juslin and Hansen 2003, Niskala et.al. 2009). Global operations, and governance, in different societies has also created new challenges for the forest industry companies in their corporate responsibility. The expectations of CSR are not identical around the world, and there can be major differences between the regions (Panwar and Hansen 2008). The demand for local community involvement has increased, as well as group-wide management principles. To control various aspects of CSR many global companies have integrated corporate responsibility, and reporting it, to be part of their main business processes. CSR is therefore becoming closer to support the company's core business operations and the needs of special interest groups (Niskala et.al. 2009). Integration to other processes can also make social responsibility to be more than just a burden, or a way to decrease negative impacts, and can benefit the company in many ways. Reporting gives valuable information to the company itself also.

Corporate responsibility reports have been published in many sectors, but the comparability of the reports has been poor previously (Sinclair and Walton 2003, Global Reporting Initiative 2010). There has been too much variation to compare or evaluate the content of the reporting. To make it easier to compare the different companies and their reporting, guidelines and standards have been published by many organisations. United Nations Global Compact, Organisation for Economic co-operation and Development (OECD) and European Union have set their own recommendations and guidelines about corporate responsibility, which companies can use in their reporting. The foundations for the most of these standards are based on international agreements and declarations by the United Nations. Global Reporting Initiative (GRI) is a non-profit organization that has set the most known and used guidelines for CSR reporting with their uniform reporting frame (Global Reporting Initiative 2010, Brown et.al. 2009, Moneva et.al 2006). The idea behind GRI was to combine the different guidelines that were used in corporate social responsibility reporting. Work towards uniform reports has made CSR reporting a solid function, which can be measured, just like balance-sheeting has been earlier. Also many stakeholders have impressed increasing interests towards a more standardizes approach to reporting due to issues concerning credibility, continuity and comparability of reports (Sinclair & Walton 2003). Monitoring and recording the CSR data is also one of the benefits of uniform GRI reporting. GRI guidelines provide a template for companies how to design their CSR reporting. The use of these guidelines has increased

remarkably during last decade, and they have created conditions for focused sustainability reporting, that is used throughout the in business (Moneva et.al 2006).

Performance Indicators are a core-element of the GRI Guidelines and consist of economic, environmental and social indicators. Information about the company CSR can be divided between these indicators, according to their content. This study focuses on the social indicators, which can present information about the CSR in society issues, labour practices, human rights and product responsibility, for example. Previous studies have shown that there are differences between CSR reporting in many countries, and the importance of social indicators has also been different, which makes the topic interesting. All the three case-companies in this study originate from different countries.

The development of CSR reporting and the wide use of GRI framework has created interesting possibilities for this study, because earlier the comparison would have been much more difficult. Previous studies in forestry have shown that companies which have reported detailed data by using GRI framework have also done excellent work in that area (Xiong 2009). So GRI framework is a good analysis guideline to compare forestry companies CSR performance.

2. Aims and implementation

2.1 Aims of the study

The research questions of this study are:

- How much is the GRI framework used in the forest industry companies' corporate social responsibility reporting?
- On what basis are social indicators selected in the case company reports?
- What does implementation of corporate social responsibility mean in the selected forest industry companies?
- What is the value of corporate social responsibility perceived by sustainability managers?

This is a case-study of implementation and reporting of corporate social responsibility. Aim of the study is to find out how much the GRI framework is used in selected forest industry companies' CSR reporting, and on what basis are the social indicators selected in those reports. The study also has focus on the implementation of corporate social responsibility, in the forest industry companies, how it is realized and reported, and finally what is the value of CSR perceived by the sustainability managers. Previous studies have shown that CSR reporting hasn't been extensive globally, but it is increasing all the time, and this makes this study current, and up-to-date.

This study has focus on more qualitative approach rather than quantitative. Therefore I aim creating a detailed, thick description of the selected data. By presenting results of the study in a qualitative way there are better possibilities to explain them closely and bring out new, detailed information about the matter. This comparative approach was selected because the way the companies operate has lot of similarities but also small differences in unique ways. Corporate social responsibility appears in many forms and in many fields, and therefore cannot be measured as existing or non-existing. Today companies are growing larger and becoming more global, but they also serving more diverse geographical markets, with their specific challenges (Juslin and Hansen 2003).

Three leading international forest companies have been selected for this study, and they are Stora Enso, SCA and SAPPI. By selecting three companies it is possible to focus on these carefully, and present deeper information, which can lead to better understanding of their activities and their impacts. The case-companies are geographically from

different areas, and this presents interesting and useful subject for the study. I focus on presenting objective results of the subject, so that the use and implementation of CSR, and social indicators of the companies in particular could be seen, in a realistic context. Also the data triangulation allows the information to be compared and similarities or differences to be noticed. This way the study benefits future research of CSR in the forestry, because the gathered and interpreted information can be used for further studies.

In the study I also look at the relevance of social indicators. Some previous studies have shown that their reporting has been less common than for example for economic or ecological indicators, so finding out how their importance has grown is interesting. I focus on description of the practical measures, and operations behind the report content, so that the analysis goes deeper than single report level. The detailed analysis is possible by using multiple sources of information. This way the study content has also a clear and practical view.

With the results of this study, conclusions can be drawn about the importance and implementation of CSR in forestry companies, how the GRI framework is used and how the social indicators are selected and reported, during the study period. These currently important topics can also create some discussion and conclusions about the transparency and openness of the companies, and how much the companies are putting efforts to practical operations.

2.2 Background information of three case companies

The three leading forest companies that were chosen for this case study are Stora Enso, SCA and SAPPI, because they present interesting differences about forest industry strategy, product portfolio and geographical base of industry internationalization. All these three companies were also frontrunners in a quantitative clustering analysis on 66 leading forest industry companies (Toppinen et al. 2011).

Stora Enso is a global paper, packaging and wood products company. The company produces numerous paper, board packaging and wood product grades. Stora Enso has around 27 000 employees and 88 production facilities in more than 35 countries worldwide. Stora Enso is a publicly traded company listed in Helsinki and Stockholm. Company's main customers are publishers, printing houses, paper merchants,

packaging, joinery and construction industries (Stora Enso 2010). According to Stora Enso, the respect for the individual and responsibility in business are important in running and developing the company. That applies especially to company's participation in ongoing structural changes in the forest products industry. Stora Enso complies with the principles of sustainable development including social, environmental and economic aspects and expects their stakeholders to do the same (Stora Enso 2007).

SCA, Svenska Cellulosa Aktiebolaget is a personal care product, paper and tissue company. SCA was founded 1929 in Sweden through a merger of various forest companies. SCA develops and produces personal care products, tissues, publication papers, packaging- and solid-wood products. The group has facilities in more than 100 countries. SCA highly values innovation, efficiency enhancements and sustainable development. SCA has around 45 000 employees and the company has headquarters in Stockholm. SCA's Sustainability reporting is according to G3-Guidelines and is confirmed by PricewaterhouseCoopers. According to SCA, the society wellbeing in which it operates is essential in the way the company does business. SCA is committed to creating value for its share- and stakeholders and building relationships in socially and environmentally responsible manner (SCA 2010).

Sappi is a global paper and pulp group, founded in South Africa in 1936. The group produces numerous paper grades for various purposes, chemical cellulose and consumer- and pharmaceutical products. Sappi has around 16 400 employees and manufacturing on four continents. The group is listed on stock exchanges in JSE Limited, South Africa and New York Stock Exchange, USA, and the group has headquarters in Johannesburg. Sappi has focus on innovation and excellence, and the group highly values sustainable development, economic performance and improvements in environmental performance. According to Sappi, the company has set clear targets on returns, customer- and employee satisfaction and to ensure that the company is competitively positioned in all core markets. Sappi is committed on growth and development in their business, remaining true to the core values of excellence, integrity and respect (Sappi 2007).

The companies have different geographical and cultural bases, and they have headquarters in Finland, Sweden and in South Africa. Table 1. presents the key-characteristics of the case-companies, according to their 2009 reports. The economic

performance of the companies is fairly similar. Return on capital employed ranged from 7,5 to 9,0%, and the turnover, in 2009, from 3,9 billion Euros to 10,5 billion Euros. The number of employees in the case-companies ranges from 16 400 to 27 000, and is therefore also relative to the number of production facilities, in some extent. All the companies have various recognitions from stakeholders, although Stora Enso and SCA seem to have more similar ones, than Sappi, which could indicate their relative close geographical areas. All the case-companies own forests, but in different scale. Stora Enso has plantations in Uruguay, Brazil and Thailand, and they also own major part of Tornator, in Finland, and Bergvik Skog in Sweden. SCA has totally 2,6 million hectares of own forests, being the largest's forest owner in Europe, and Sappi has 540 000 hectares of forests, located in South Africa.

Table 1. Characteristics of the three companies selected for the case-study. Characteristics have been presented according to 2009 figures (Stora Enso 2009, SCA 2009, Sappi 2009, Global Reporting Initiative 2010).

	Stora Enso	SCA	Sappi
Turnover (2009)	8,9 billion €	10,5 billion €	3,9 billion €
Operating profit (2009)	320, 5 million €	773 million €	24.4 million €
ROCE, %	7,7	9,0	7,5
Headquarters	Helsinki, Finland	Stockholm, Sweden	Johannesburg, South Africa
Employees	27 000	45 000	16 400
Production facilities	88	200	23
Operating countries	over 35	over 100	over 22
Main product segments	Paper, packaging and wood products	Personal care, tissue, packaging, publication papers, wood products	Paper and pulp
Own forests	Tornator, Bergvik Skog	2,6 million hectares	540 000 hectares
Use of roundwood, m3	30,0 million	*	*
Started GRI reporting	2003	2007	2007
GRI Reporting levels	B+	A+	A
Recognition from stakeholders	Dow Jones Sustainability Index Sam's Sustainability Yearbook FTSE4Good Index Storebrand Global 100 Ethibel Excellence Ethibel Sustainability Index Ethisphere Institute Staples' CSR Supplier Award Pulp and Paper International Award	Ethisphere Institute Canadian Corporate Knights Folksam Finforum award Best Practice by Global Compact Dow Jones Sustainability Index FTSEGood Index Global Challenges Index OMX GES Sustainability SIX STAR	JSE SRI Index National Business Initiative special award Energy Africa CIO 100 Award Antalis UK IR Global Ratings DJSI World

Currency rate converted according to: €=1.35082 USD (19.01.2011)

*Information not available

In general organisations can differ from each others in their culture, principles and actions. Their nature can be affected by geographical characters, traditions or leadership

culture for example. There is usually own culture, in every organization, in which the people act according to rules and authority interrelationship, in a cultural context. A way of action favoured in some region or country might not be as successful in other region. These cultural values can also channel the way people think and work in the companies. The changing nature of society and the environment, for example globalization, has forced the companies and their culture to evolve over time. Human resources, capital and information are shared faster and easier than before, and globalization along with the societal trends is driving the integration and interdependence of the world's markets and people (Juslin and Hansen 2003). Even what we categorise as a good or idealistic can be different between organisations, but usually tells something about the values and culture behind them (Koskinen et.al. 2005).

3. Theoretical background of the study

3.1 Corporate Social Responsibility

CSR, Corporate social responsibility is defined as a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large (World Business Council for Sustainable Development 2000). There is no single definition to CSR globally, but in general it can be seen as a way the company cares and takes responsibility of the interest groups it involves in it's action (Panwar and Hansen 2008). The involved interest groups are usually concerned on the three basic dimensions of social responsibility: economic, environmental and social.

Corporate social responsibility can underline the company's action and values, and can be seen as a way to deal with these social issues. Public demand and reactions towards corporate responsibility of the companies have increased in the form of customers, environmental activists and governments (Juslin and Hansen 2003). The pursuit for corporate responsibility can be generated from business ethics and is closely related to stakeholder management (Li 2009). The importance of stakeholder relations has increased in many companies, and for example non-governmental organizations (NGO's) are now commonly seen as one of the key actors in the global economy along with governments and corporations (Kourula 2009). However shareholders as the owners of corporations, usually have the ultimate control, and fulfilling responsibilities to them can be considered a keystone for good corporate governance. Shareholders must be given accurate information and they must be able to express their concerns (Crane et. al. 2008). Information that the companies present can also empower and help societal actors to demand accountability and certain type of performance from companies (Brown et. al. 2009).

Today forest companies compete in global markets, where corporate social responsibility has become highly emphasized (Panwar and Hansen 2008). Moving to a post-modern society has made economy and environment more interconnected, and human rights and the improvement of quality of life have come to fore. Globalization and the rapid development of the information technology have increased the demand even more (Juslin and Hansen 2003). Global operations have set new demands for governance practises, increased the importance of new growing market areas, and

changed the interests of investors. Many companies have embraced the globalization as a means to open new markets, but at the same time it has also increased the amount of competition in the existing markets (Keller 2008). Companies are facing increasing competition at the same time as the demand for sustainable development is also increasing. The demand for sustainable development reflects new thinking, in which development should be socially desirable, economically viable, and ecologically sustainable (Juslin and Hansen 2003). Especially during last decades the public demand for business to be conducted in responsible way and with standards of sustainable development has increased. Associating CSR with sustainable development has become so common that CSR reporting is often called sustainability reporting (Panwar and Hansen 2008). From a corporate perspective sustainable development is about finding new environmentally friendly solutions to satisfy the consumer needs and to create new market segments (Juslin and Hansen 2003). Therefore companies working globally have high responsibility for the areas they operate in. By analyzing the customer needs and transforming them into business opportunities marketing can support the sustainable development and build a bridge between companies and stakeholders (Juslin & Hansen 2003).

The environment where the company operates, and the stakeholders it has create the demands for specific CSR objectives. Because expectations of corporate responsibility can vary between different regions and societies it is important that the practices are addressed to locally identified issues, which are important to local stakeholders (Panwar and Hansen 2008). The way people see corporate social responsibility, and reporting it is different in many regions. However, somehow equal practices and principles are still expected from the local companies, at least in the large scale. If a company operates in different regions, with different liabilities it can bring conflicts and even damage company image and reputation. At the same time the companies are facing standadization pressures in corporate responsibility and stakeholder management globally, but also pressures to adapt to the same issues in a local level too (Kourula 2009). To manage social responsibility corporate management should deal with wide range of issues, and according to the international agreements and guidelines. Therefore connecting opérations and reporting them, can be really useful for the company itself. This can be done using different measures, such as reporting frameworks, indicators, score-cards, business analyses and follow-ups.

Reporting corporate social responsibility can have many benefits. It can enhance corporate image, increase company value and sales and support positive development through openness, transparency and concretized leadership. CSR can also strengthen company brand and increase the ability attract employees, and even decrease operating costs (Kotler & Lee 2005). Various interest groups usually benefit of sound CSR too. All these help to present company in a positive way, which can be essential in the competition of market shares. And creating right and desired image in the minds of customers, or market segments, can maximize the potential benefit to the firm (Keller 2008). In today's markets the differentiation through the physical product alone has become more and more difficult, and the paper products are a good example of this (Juslin & Hansen 2003). In such markets the corporate responsibility has become increasingly important for any company, and strategically fit CSR can be a clear marketing advantage. Company name, or brand, identifies the source of the manufacturer and includes a sign of quality and promise with their characteristics, and companies can benefit from it whenever consumers are in a choice situation (Keller 2008).

In spite of the CSR benefits, it still is a rather new subject, in this scale. The first reports of corporate accountability were published in the 1970s in the United States and Western Europe, but reporting decreased soon and re-emerged in the late 1980s (Kolk 2009). The major elements in corporate social responsibility in the 1980's were the economic, social, ethical and legal dimensions (Mikkilä and Toppinen 2008). However a broader CSR reporting, which has been integrated to companies' annual reports has been used only during last decade (Niskala et.al. 2009). Previously the industrial, and more polluting, sectors have been more active in sustainability reporting, but other sectors, like trade and retail, are increasing their reporting all the time. So differences between the sectors are decreasing all the time (Kolk 2009). Today corporate social responsibility and reporting it is a central topic in all business.

In some ways corporate social responsibility still varies among different business sectors and companies. Each sector operates with certain rawmaterials, certain surroundings and in their own professional way. Also different societies still conceptualize corporate social responsibility differently. Usually the societies with high level of economic development and democracy expect the business to be a "vehicle" for sustainable development. On the other hand less developed societies can expect

business to be a purely economic activity providing jobs (Panwar and Hansen 2008). This highlights the fact that different companies, in different areas, face different demands in their corporate social responsibility. Even the very basic level of responsibility, the legislation, varies greatly among the nations. When it comes to providing social good it is not always possible to determine whether a company is acting voluntarily or not, because different firms react to regulation differently (Crane et. al. 2008). The regional differences have even led to some companies moving their operations to countries with less strict environmental and social regulations (Panwar and Hansen 2008).

There may be many reasons why the reporting is different between regions. The expectations of the companies and even the legislation of the country can affect the reporting. Especially for North American companies the legal implications are essential. Companies may be hesitant to provide certain information because it might be sensitive for competitiveness or because of potential legal implications (Kolk 2009). One major issue is also that once a company has started to publish a corporate responsibility report about something there is a risk that discontinuation may cause negative publicity. So the more information firms supply the higher is also the request for new data among stakeholders (Kolk 2009). For the surrounding society and communities this is however a good thing and gives power to the interested parties. This again highlights the importance of stakeholder management, and in general, the stakeholder engagement determines which information and data the companies are including in their reporting (Manetti 2011).

In the forest industry the CSR can be seen in many ways and since the industry operates with renewable natural resource it has some special features. Forest as a raw material basis makes the sector both economically important and socially and politically sensitive in the global context (Mikkilä and Toppinen 2008). Forests have an important role in maintaining the ecological balance and contributing to environmental quality by preventing soil erosion and desertification. Forest also provide many recreational and leisure activities for people, safeguard the long-term fertility of the soil, regulate the water cycle, and conserve the fauna and flora by preserving the landscape (Kula 1994). Forest industries are using forest certification and eco-labelling as common methods to provide that the wood is from sustainably managed forest (Panwar and Hansen 2008). Also forestry has challenges operating in different areas, because of the cultural

differences. For example in many developing countries the governments are putting an overwhelming emphasis on agricultural and industrial expansion without due regard to forestry (Kula 1994).

Outsourcing, mergers and acquisitions have increased during the years in global forest companies. Therefore CSR has also become more complex and extensive. It brings new demands for the companies and their reporting, because it can involve various suppliers and contractors. The restructuring of the forest industry has concentrated more power of the market, economic and political power to a fewer top companies, which can be a concern for the stakeholders in the future (Sinclair & Walton 2003). However, at the same time the engagement and dialogue with stakeholders is increasingly recognized as crucial element of sustainability reporting (Manetti 2011). Also governmental norms and consumer attitudes will continue to impact the market environment in the future, and drive the changes in corporate responsibility (Juslin & Hansen 2003). In the future, corporate responsibility will probably become even more relevant to our lives in the future, because of the close interdependence it forms between business and society (Li and Toppinen 2010).

3.2 Previous studies of CSR in forest industry

There have been published a number of studies about the CSR in forest industry. In our department of forest sciences at University of Helsinki, there have been numerous master's studies, during the years.

Previous Master's theses by Xiong (2009), Li (2009) and Paldanius (2004) have shown that corporate social responsibility reporting hasn't been extensive globally, but there are signs that it's increasing all the time. Forest- and paper industry has typically been under-presented in CSR research, compared with big companies in other sectors (Sinclair & Walton 2003). Corporate responsibility is a wide field and includes many aspects. How well an individual company handles it's CSR issues is usually a combination of various things. Corporate responsibility orientation can be considered as a combination of adoption, implementation and communication of the corporation's responsibility objectives (Paldanius 2004). These different aspects of corporate responsibility support each other in some level, because even a superb responsible corporate policy does not necessary bring acknowledgements, unless communicated in the right way and context. The way people measure observed phenomena is against

their standards of good or bad, and how close they come to their own expectations (Krippendorff 2004). The nature of the CSR depends on the conditions, and there isn't a well-defined mix of actions which works generally. For example the global industries can watch the behaviour of the competitors closely and then follow the leader, but they may even copy rivals' moves even with unclear or negative benefits, because they want to prevent competitors from having a competitive advantage (Kolk 2009). Companies are facing many challenges to meet the rising demands of CSR globally. Internationalisation and geographic expansion of operations tends to increase the number and diversity of stakeholder pressures in companies' external environment (Mikkilä and Toppinen 2008). In the business world there is a general acceptance to be more socially and environmentally responsible, but there is a lack of technical know-how and leadership capacity. Further collaboration between organisations will be important in this matter (Carol and Liliana 2010).

The country of the company, which is reporting, has been considered important in both reporting levels and themes, even though many forest companies are global (Sinclair and Walton 2003). Of the many companies that have facilities and operations across the globe only a few actually reported activities outside the main country of operation. And this was especially noticeable at the North American companies (Sinclair & Walton 2003). The differences between countries and regions also applies to the focus of the CSR in the companies. Differences between the reporting of North American and European companies are that North American companies have more emphasis on the social issues while the European companies more on the environmental issues (Ning 2009). In European companies the reporting has also been primarily driven by ethical factors, whereas North American industries have been more strongly driven by legal considerations (Panwar et.al 2006). Globally the largest forest product companies produce sustainability reports regularly, but most of the social and environmental indicators used in them are already part of the legislative requirements (Panwar and Hansen 2008).

Scandinavian forestry companies have typically been extensive reporters both in number of levels at which they report and the depth of information included. Norway and Sweden have also introduced legislation in 1999 which required companies to report environmental information in their annual reports (Sinclair & Walton 2003).

European multinational companies have often been frontrunners, in many sectors, particularly when it comes to publishing verified reports at a relatively early stage (Kolk 2009). A study of the Swedish forest companies found out that CSR was mainly produced to seek organizational legitimacy, and the main reason for using the GRI guidelines was an expectation of increasing CSR credibility. The studied companies also found CSR reporting and using GRI guidelines to be more useful in internal than external communication (Hedberg & Von Malmborg 2003).

Besides the country of reporting, also the market areas seem to affect the reporting levels of the forest companies (Sinclair and Walton 2003). For example the specific demands for certified products in different regions are important. Regional variations are evident, and export markets and the preferences in those markets are potential factors influencing it (Sinclair & Walton 2003). Because Corporate Responsibility is a value-bound concept, it can vary between different locations (Mikkilä 2006). One powerful force on governmental and business landscape are the Nongovernmental Organizations (NGOs). Even though they have no direct ability to do changes they can influence and assist the local communities and public. Also a major part of their funding comes from states and similar organizations (Schepers 2006). A previous study of CSR globally and in China observed that by 2007 no leading global company published a separate unit CSR report in China, or sufficient information concerning CSR activities. The communication of CSR with local areas was much less than on a global scale (Xiong 2009).

Despite the differences between regions there are also similar approaches in CSR reporting between many forest companies. Previous studies have also shown that in forest companies the environmental and economic responsibilities were the most focused area of CSR, while the human right responsibility was the least emphasized (Xiong 2009). Also a study by Mäkelä and Näsi (2009) concludes that economic dimension dominates the social aspect in the corporate representatives' argumentation and that stakeholders and representatives of the multi-national companies perceive social aspects differently. In a study by Mikkilä and Toppinen (2008) it is found that regulated financial and environmental reporting actually leaves little flexibility for company specific diversification in reporting. In general the focus of CSR has changed along with CSR development. For example in the 1980's the environmental issues

increased in non-financial reporting, and in the past decade the focus has broadened to social and economic aspects (Kolk 2009).

In a study about GRI's sustainability reporting, and guiding institutions based on information disclosure it is stated that GRI is the best known framework for voluntary reporting, and it has been a successful institutionalization project since its launch. However the study claims GRI has left out a central element of being a mobilizing agent for social actors (Brown et.al 2009).

Also the source of the CSR information has influence on the content of the report. In a study by Li (2009) the sustainability and annual reports of the North American and European forest companies were compared. The study shows that sustainability reports were more focused on the environmental issues, while the annual reports had more emphasis on social focus and external communications. Sustainability reports seem to have much clear focus on environmental-related issues than annual reports. Social focus and external communication received more attention in annual reports, on the other hand (Li 2009).

3.3 Framework of the study

Framework of the study is presented in Figure 1. Framework is modified from the version of the IASB conceptual framework for financial reporting (Moneva et.al. 2006). The qualitative characteristics of the corporate social responsibility consists of social, environmental and economic context. Also previous publications, reports or studies, can affect the elements of CSR in a company, because they act as a premise for the common information in the sector, and therefore also interact with the characteristics of CSR reporting. Company's stakeholder management includes dealing with the various stakeholder demands. The company is also responsible to the shareholders, as they have the ultimate power over the company, and they need to be given accurate information. However stakeholders and shareholders are not to be paralleled. Together with these issues the objectives of CSR reporting can be presented in a company. Focused Sustainability Reporting is made using the reporting content and appropriate framework (such as GRI Guidelines). This leads to disclosure on social, environmental and economic content, and complete CSR reporting.

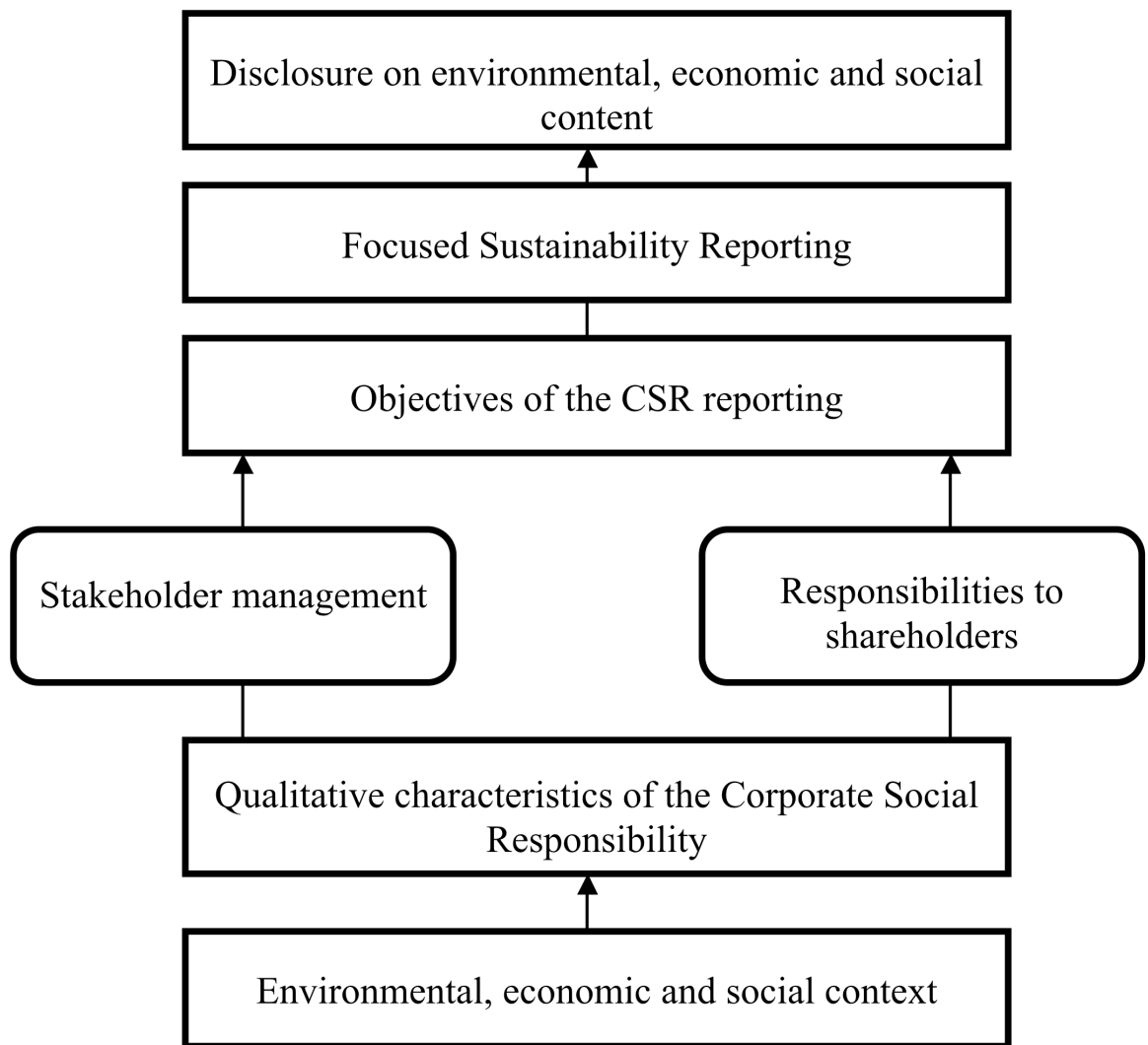


Figure 1. Framework of the study. Framework is a modified version from the IASB conceptual framework for financial reporting (Moneva et.al. 2006). The figure presents the elements that affect the disclosure on social, environmental and economic content in CSR.

3.4 Global Reporting Initiative

The Global Reporting Initiative is a registered not-for-profit organization that has pioneered the development of the worlds most widely used sustainability reporting framework (Global Reporting Initiative 2010, Brown et.al. 2006, Moneva et.al. 2006). GRI reporting framework sets out principles and indicators that organizations can use to measure and report their economic, environmental and social performance. Development of GRI began in 1997 by Boston based non-profit network CERES, and later in 1999 the United Nations environmental project (UNEP) joined as a partner. The

first GRI Sustainable Reporting Guidelines were released in 2000. These Guidelines have been updated regularly, and the latest G3 were released in 2006. These Guidelines form the cornerstone of GRI Framework and they are recommended to be used as basis for all organization's reporting (Global Reporting Initiative 2010).

Sustainability reports can be used to different tasks, for example benchmarking, demonstrating or comparing purposes. The goal of the GRI project was to harmonize numbers of reporting systems used at that time (Brown et.al 2009, Global Reporting Initiative 2010, Niskala et.al. 2009). This was done so that GRI could be used in all kind of companies, not in just certain branch or sized company. The wide application area can be described as one on the GRI's strenghts. GRI's core goals include the mainstreaming of disclosure on environmental, social and governance performance (Global Reporting Initiative 2011). The idea behing comparability of the reports is, that specific information can be found easier on the reports (Niskala et.al. 2009). With the GRI Guidelines a reporting company can present a balanced and sufficient picture of its operations and results in the economic, social and environmental responsibility (Niskala et.al. 2009).

The Global Reporting Initiative's (GRI) vision is that disclosure on economic, environmental, and social performance become as commonplace and comparable as financial reporting, and as important to organizational success. GRI's mission is to create conditions for the transparent and reliable exchange of sustainability information through the development and continuous improvement of the GRI Sustainability Reporting Framework (Global Reporting Initiative 2010).

In the development process of GRI specialists from various institutions were used. GRI is an organization which includes Board of Directors, Stakeholder Council, Technical Advisory Committee and Organizational Stakeholders and Secretariat. The institution was founded in Netherlands and the Secretariat works in Amsterdam. Assumption, in the GRI launch, was that it would serve the interests of progressive companies, which have public claims for being socially responsible, transparent and accountable. And later also the not-so-progressive companies would eventually follow. Today GRI can be considered the best-known framework for voluntary reporting in environmental and social reporting (Brown et.al. 2009, Moneva et.al. 2006).

Hundreds of organizations and thousands of individuals have been involved in the development of the GRI Guidelines, and the targets of the new G3 Guidelines were to be more practical and easier to apply for the companies. Figure 2. presents the Sustainable Reporting Guidelines, the options for reporting and how the content is divided into different categories. These Guidelines consist of Reporting Principles, Reporting Guidance and Standard Disclosures. All these elements are considered to be equally important. The main elements of the reporting are report content, quality and boundary setting (Global Reporting Initiative 2010, Niskala et.al. 2009).

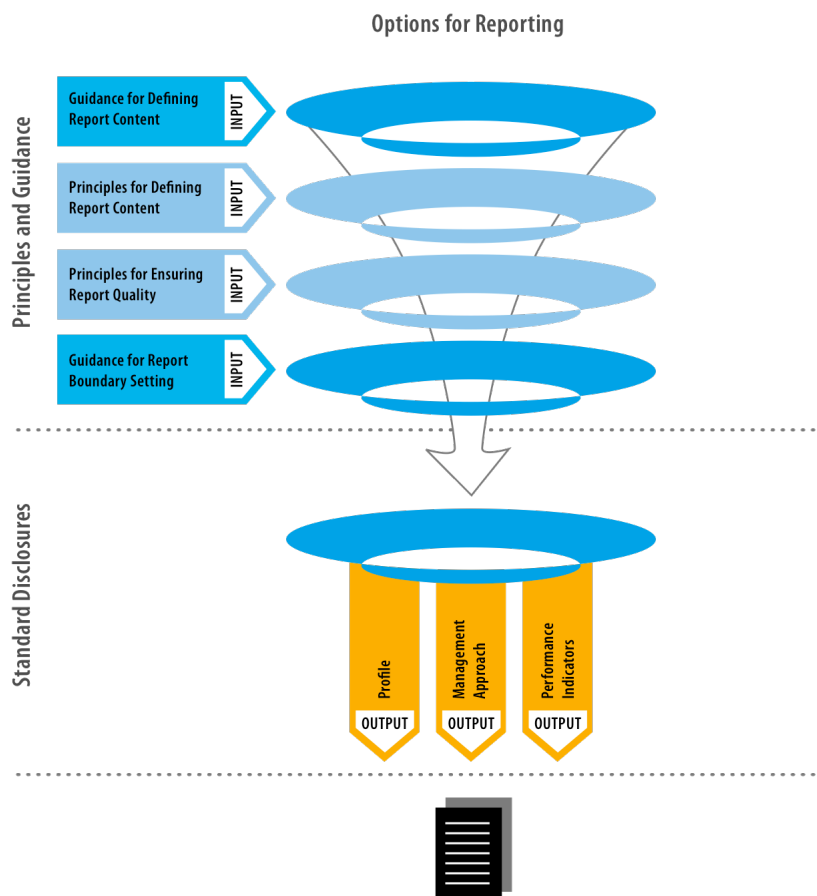


Figure 2. The GRI Sustainable Reporting Guidelines (Global Reporting Initiative 2010). GRI Sustainable Reporting Guidelines consist of Reporting Principles and Guidance and Standard Disclosures. They result to the Focused Sustainability Reporting (Global Reporting Initiative 2010).

GRI Guidelines divides the reporting content into three main categories, also known as the Standard Disclosures:

1. Profile Disclosures: the general subtext of the organization

2. Management Approach Disclosures: how the organization controls different sectors of its action
3. Performance Indicators (core and additional): information about the economic, social and environmental action of the organization

The Profile Disclosures include description of the reported content, its structure, size and coverage. It presents the general view of the reporting company and the report content. The Management Approach Disclosures includes the operational principles of the corporate responsibility, plan of action and targets. The management practices of all important sectors should be covered.

The Performance Indicators include measuring results and performance levels in the reporting. They can be further divided into core- and additional indicators, but in general the core indicators should always be reported. The core indicators influence the organization's action closely and are essential for most of the companies. They are usually in high importance for the interest groups also. The additional indicators are still being developed and possibly more important in the future. They usually present best-practices and provide information for the interest groups (Global Reporting Initiative 2010, Niskala et.al 2009). For many GRI reporters the main point of interest has been the report section devoted to performance indicators (Moneva et.al. 2006).

The economic, social and environmental indicators are included in the Performance Indicators category. The economic indicators include information about the organizations influence on interest groups, and how that affects the interest group financially. The benefit for the interest group economy is important here. Economic indicators also describe the marketing position of the organization and the indirect financial influences the organization has. In this category results can be related to targets, and the most significant success and failure may also be mentioned (Global Reporting Initiative 2010).

The social indicators describe labor practices, decent work, human rights, society and product responsibility. These include employment, labor/management relations, occupational health and safety, training and education and diversity and equal opportunity (Global Reporting Initiative 2010).

The environmental indicators reflect organizations influences on the environment, including the inputs and outputs. The use of rawmaterial, energy and water, emissions to air, soil and water, and the influence on nature diversity are reported in this context. Also aspect on product-, transport- and environmental regulations can be included. The organization should also report it's procedures and have a description of it's possible improvements and risks and in this field (Global Reporting Initiative 2010).

GRI also produces Sector Supplements, which are a tailored version of the general Guidelines. They are made because certain business sectors face unique challenges in their reporting, in addition to the Guidelines. Sector Supplements make the reporting available for larger groups and also increase the quality of their reporting. These sectors include electric utilities, financial services, food processing, mining, metals, and NGO's. Sector Supplements still under develolment are airport operations, construction, real estate, event organizer, media, oil and gas (Global Reporting Initiative 2010). However there is no supplement for the forest sector, even though there is demand for it (Panwar and Hansen 2008).

Global Reporting Initiative is supported by many generous contributors. These include a large international community of Organizational Stakeholders, institutional grants from governments and organizations, and corporate and governmental sponsorships (Global Reporting Initiative 2010). GRI has been, by several measures, a successful institualization process, since it's launch (Brown et.al. 2009). And probably it's greatest contribution to the financial sectors has been raising expectations for disclosure of information and making companies more receptive for requests of information.

According to studies, most of the GRI reporters are large international companies, and this has been the goal of GRI founders, because their initial support has been crucial for the organization's success (Brown et.al 2009). However the reason why large firms are more likely to report is presumably because they have a greater visibility and exposure to media and NGO attention (Kolk 2009).

The Table 2. from a study by Brown.et.al. (2009) presents the various actors and their activities in the GRI field. It shows that there is interaction from multiple parties in the field. The parties range from large multinational companies to activist organizations and governments.

Table 2. The actors and their activities in the GRI field (Brown et.al. 2009).

Activities								
Actors	Codes of conduct	Policy debate	Guidelines development	Reporting	Sustainability management	Report verification	Standards for verification	Use of reports
GRI secretariat	**	**	**	**	*	**	**	
Large MNCs	**	*	**	**	**	*	**	
Accountancies and international consultancies	*	*	**	**	**	**	**	
Idea entrepreneurs	**	**	**				**	
Multilateral Org: UNEP	**	**	**				**	
International business associations	**	*	*					
Investors and capital markets		*	*					*
International activist organizations	*	*	*?					*?
National/local activist organizations	*	*	*?					
Governments		*						
Organized labor	*							
SMEs								

**Signifies high involvement of an actor in an activity.

*Signifies one of the following: moderate/low involvement of the entire group or high/moderate involvement by only some members of the group.

*?Signifies moderate/low activity that seems to be declining; Empty cells signify minimal or no involvement.

Whether the verification of GRI reporting should be done by an external party, as a requirement, is still an open question. There is also problem should the verification be conducted by traditional accounting firms or experts in sustainability issues (Brown et.al. 2009). However the external voluntary verification of the report content has increased significantly, especially in Europe (Kolk 2009). GRI supports development of external verification systems, and if an external verification has been used in reporting, it is marked with plus (+) in the grade. However this is not compulsory by GRI, so it gives free hands for companies. Prerequisites for external verification are that reported information have enough content supporting it, that there are clear criteria's to compare against, that there are enough resources for verification and that there are premises for co-operation, so that verification gets done (Niskala et.al. 2009, Global Reporting Initiative 2010).

Recent studies of GRI have shown that companies do not often read reports from other firms, and therefore even reports from the same sector are not easily-comparable (Brown et.al. 2009). This emphasizes the need, and use, of a common reporting framework, and the applying of the GRI Guidelines can make the reports more comparative in advance. Being able to compare the CSR of the companies is also important for the development because in the responsibility reporting the words of companies don't always compare to their actual performance. And in future it will be important to clarify the relationship between the reporting and actual performance (Mikkilä and Toppinen 2008, Moneva et.al. 2006). Today's global operating environment has also brought possible legitimate problems to company responsibilities. Companies have various partnerships, there can be imbalance of power among

participants, some areas have lack of accountability and even inadequate enforcement sanctions, which complicates the situation. All these challenges have a use for more standardized reporting (Brown et.al. 2009).

The sustainability reports and the GRI tables of the companies show that they present a bit different sets of social indicators. Many things may affect the selection of the indicators but in general the stakeholder demands will have a significant role. Stakeholders usually prefer indicators that respond to their particular concerns, and at the scale of their concerns (O'Connor & Spangenberg 2007). Over the years, GRI has greatly contributed to the popularization of the concepts multistakeholder process, social impact indicators and materiality (Brown et.al. 2009). However just the fact that companies are reporting their social responsibility issues is not enough to guarantee that they have a responsible attitude and are acting sustainably. The data also needs to be monitored and recorded (Moneva et. al. 2006).

3.3 Global Reporting Initiative on Social Indicators

The GRI Guidelines divide the social responsibility into four categories: labour practices and decent work, human rights, society and product responsibility. The issues about labour practices and decent work are mainly based on the declaration of human rights by the United Nations, the international labor standards by the International Labor Organisation (ILO), and the directions by Organisation for Economic Co-operation and Development (OECD) (Global Reporting Initiative 2010). In CSR reporting the social indicators can provide information about organization's principles on labour practices, decent work and human rights. Also information about the personnel education possibilities, the progress follow-up systems and the correcting and pre-emptive actions can be included. Reporting can also provide information about the major success and failures that have occurred (Niskala et.al. 2009).

In addition to the rights and possibilities the social indicators can also present a lot of information of the reporting company and it's principles. Social indicators are linked to the strategic choices of the company because there can be differences geographically, especially when company moves its facilities to different regions, or shuts down operations in other places. These strategic choices also appear in the form of personnel amount, personnel-cost and the knowledge- and educational levels of the personnel. Social indicators may present important information about the personnel satisfaction

also. For example a rapidly changing personnel may lead to decreased commitment and productivity of the work, and even to difficulties in recruiting new employees (Niskala et.al. 2009). Informations on these subjects can also present important information for the company itself.

Labor Practices and Decent Work category includes 14 Performance Indicators: LA1-LA14. Of these nine are core indicators and five additional indicators (Global Reporting Initiative 2010). They present the rights and possibilities of the personnel in organizations. Employment and labor/management relations include the gender- and age distribution of the personnel, and the dialect between organization and it's personnel. Occupational health and safety includes matters of personnel health and welfare, and safe working conditions. Training, education and equal opportunities, present the possibility for personnel to proceed in their career, and be rewarded equally. All these indicators can present a lot of information about changes in amount and structure of the personnel (Niskala et.al. 2009).

Human Rights category includes nine Performance Indicators: HR1-HR9. Six of these are core indicators, and three additional indicators (Global Reporting Initiative 2010). Many parts of the GRI Guidelines concerning social responsibility are based on the ILO standards and declarations. The international labor standards promote global wellbeing, human rights, equality and sustainable economic development. Rights at work, encouraging employment opportunities, enhancing social protection and strengthening the dialogue in work-related issues have been aims of ILO since it's beginning, over 80 years ago. Also equal opportunities for women and men to work in safe conditions, and have human dignity are important tasks for ILO. This work has supported many societies and communities also. ILO also serves in technical cooperation, best practices training and publications with it's member states (International Labour Organisation 1996-2010).

The principles concerning human rights and decent work conditions also include the subcontractors and cooperations of the company, which may be in other countries or regions. Operations of the subcontractors can have a direct impact on the head company also. This is especially important in companies which have made a lot of outsourcing and increased the amount of subcontractors. These influences can be decreased to some extent by criterias and demands. The rights of the native people, elimination of child

labor and ban on discrimination on age, gender or religion are some of the essential issues that must be complied. Also the unionisation right of the personnel is a basic declaration by both the UN and ILO. It is usually also good for the company too to have versatile personnel, and flexible relocation possibilities to different tasks in organisation level. All these issues should be concerned in organization and its activities with suppliers and subcontractors (Niskala et.al. 2009).

Society category includes eight Performance Indicators: SO1-SO8. Of these six are core indicators and two additional. Society indicators cover the corporate responsibility on the issues like community, corruption, public policy, anti-competitive behaviour and compliance (Global Reporting Initiative 2010). An organisation is always in some kind of interaction with the surrounding community. A company may have a major role as an employer in some area, or as a natural resource user in other. In some countries companies can even have political influence, but that should be transparent. Usually the image the company has on the surrounding society is remarkable for the company reputation. Fair interaction with the society also helps to prevent rebelling and destructive action against the company in advance. Any kind of corruption or bribery, can decrease the company's reputation, and prevent the welfare in the society also. In regions where corruption is more common the decision-making is usually unfair and not efficient. It also decreases the possibilities the public state can have, and this way also ruins the funding. Contracts that constrict the free competition, like monopolies or cartels, can have a bad reputation for the organization and are also forbidden by the legislation. (Niskala et.al. 2009) The importance of social indicators is increasing in the CSR reporting. A study by Brown et.al. (2009) stated that recent trends in sustainability reporting have been widening the scope to include social impact indicators and information on corporate governance.

Product Responsibility category includes nine Performance Indicators: PR1-PR9. Of these four are core indicators and five additional (Global Reporting Initiative 2010). Product-responsibility in GRI Performance indicators, includes the impacts that the company's products have on customers. Basic rights of the consumers are covered by legislation, for example the health- and safety regulations of the products. Also package labeling, available product information, sound marketing and protection for privacy are usually set by legislation and are part of the company product responsibility. OECD has also set global directions about these issues. Breaking the

legislation may result to compensations to others, but it is not the only reason why these issues are important to companies. A defective, or harmful, product damages the company reputation badly, and can be hard to cover. On the other hand, products that exceed the customer expectations help the company to rise above average. This is also what companies look for, and many successful brands are a result of responsible and decisive actions, involving production and marketing. Product responsibility can be seen as a part of marketing communication, which influences customer image and purchasing decisions. Marketing communication is also legislated and should follow the accepted patterns and standards set by the society. Ethical and responsible marketing also includes the customer rights to privacy and confidentiality (Niskala et.al. 2009).

Even though financial and environmental performance is today well regulated, and the application of GRI guidelines is institutionalizing also social reporting, it is still more challenging to compare, because of its qualitative metrics (Mikkilä and Toppinen 2008). Also some relevant issues, like social audits, should be included in the social indicators, to have increase their importance (Moneva et.al. 2006).

4. Qualitative research method and data of the study

4.1 Qualitative research method

The study focuses on three purposively selected forest companies. This kind of case study incorporates a smaller amount of data than a broader survey, where samples are randomly selected from a large group. Therefore it is important to gather as much information about the selected target companies as possible. Justification for a case study is also that it brings specific and multiform information and helps to understand organisations as a whole and in realistic environment. In business studies the case study method is considered an important instrument, which has not been used in same extent than in other social sciences (Koskinen et.al. 2005).

This study has used qualitative approach. A qualitative research requires versatile material to begin with, including secondary and primary data. The results of this study cannot be generalised to other companies, because they may be unique for a certain company. Company uniqueness can be also certain competitive advantage. For example, some company may have a unique capability that allows it to respond to a certain social need more effectively than others (Crane et.al. 2008).

The disclosure data of this study is going to be empirically analysed using content analysis. Content analysis is selected as a method for this study because it makes it possible to use various different sources. Content analysis examines data, printed matter, images, sounds and texts in order to understand what they mean to people, and what they enable or prevent. It also allows the data to be analyzed in view of meanings, symbolic qualities and their expressive contents, and the communicative roles they have in the data's sources (Krippendorff 2004). This interpretation part of analysis is important for this study because the problem with GRI reports has been, that nobody has translated the raw information into a language that can be used to rank, rate or benchmark the reporting companies (Brown et.al. 2009).

Data triangulation is used because there are three main sources of information. Collecting information from three sources is important because by looking at an object from more than one standpoint it is possible to produce a more true and certain representation of the object (Moisander and Valtonen 2006). Because of the purposive sampling the companies are already selected carefully and thus every observation is

valuable. This way more unique information about corporate social responsibility and the use of GRI Guidelines and social indicators can be gathered, than just looking similarities in a large random sample. It is important in the study that the data is of right type and available for judgement. It is essential for research, in general, to have right information, which can be trusted. However this study aims in bringing new information about the companies and their CSR, so too strict screening might lead to too conservative and cautious results.

Information validity means that a certain phrase or interpretation manifest the target, which it is supposed to refer. Validity can be categorised as internal and external. Internal validity means that the interpretation is logical and not in conflict. External validity means that the interpretation can be generalised to also other studied cases. Information validity is however a highly debated topic, because it has no single and generally agreed definition, but refers to the truth or accuracy made by the researcher. The study can be considered as accurate as the interpretations of it (Moisander and Valtonen 2006), and external generalization is not targeted in this study.

Reliability in content analysis means a level of consistency, in which the cases are categorised in the same class, by different observers and at different times. In other words reliability means that the cases are not in conflict between, and that different people would get the same results on repeated analyses. Reliability also includes uniformity, which indicates how different indicators measure the same subject. Uniformity can be achieved by changing the indicator types. Also the continuity of the event is included as reliability (Koskinen et.al. 2005). This replicability means that future studies and researches could come up with the same results of the subject and therefore it is important that the methods are transparent, so that others can draw their conclusions about the quality of the study (Moisander and Valtonen 2006).

In this study **validity** is achieved so that the data and results are shown to be relevant for the theory and interpreted correctly. Validity means that the measurements really measure the phenomena they are intended to. The additional data used in this study is gathered by using relevant interview questions that are not of an untypical situation. The reliability is achieved in this study by using different indicators and correcting the data from three sources, which can also be interpreted by other researchers in other time. This triangulation refers to combining multiple theories, methods, observers, and

empirical materials to produce a more accurate, comprehensive and objective representation of the study. If the findings obtained with these methods correspond and draw the same conclusions, the validity can be considered established (Moisander and Valtonen 2006). However in this type of a case study of companies it is obvious that things may not be exactly the same after five years, but a certain degree of repeatability in the material is essential for research. A selected data doesn't allow too much generalisations, and this kind of research doesn't have a distinct unit to compare with. However from a small data there is possibility to report findings more in detail.

Many global companies seek competitive advantages from unique operations and doing the same things as competitors a bit better. Therefore this kind of case-company data cannot be sorted out by too strict causality, because it would sort out the uniqueness and excellence that might exist. But the results of the qualitative research can be made more general by connecting them to the existing theory in science, and comparing the results to similar occasions (Koskinen et.al. 2005). Theoretical background of this study presents the possibility to connect the study results to a larger interconnectedness. This allows the enriching of the theory, at the same time to be as informal as possible and to expand its limitations. The claims that are made in the study also have to agree, or be somehow in line, with the data on which those claims are based upon.

4.2 Material of the study

The material of this study consists of existing academic literature on CSR, case-company sustainability reports, and other documents, during 2005-2009, and the complementary semi-structured interviews with the company representatives.

In the first phase the existing academic literature of the CSR in the context of forestry and GRI reporting was examined and reviewed. These included previous studies related to the subject, publications and scientific articles. Information was also gathered from the reporting organisations, such as GRI. In the second stage the selected companies were contacted and their CSR reports requested, from the years 2005-2009. In addition the websites of the companies and organizations were visited and necessary reports downloaded. The collected data was thoroughly examined, compared between the years, and the GRI content and social indicators listed. The GRI application and reporting levels of the companies were confirmed from GRI's list of reporters, which is found on their website. This list includes accurate, annual information of all the companies

that are reporting according to the GRI guidelines. The GRI indicator content was listed on tables, with focus on the amount and level of social indicators. Special interest was given to the SO1-indicator content.

For example, in reports which had marked the SO1-indicator content in their GRI table, the given content was listed from the marked pages, or sources. The content was listed on the comparative tables, which show the content of the reporting company, during the study period. If the SO1-indicator content was not marked, or for example company website mentioned for additional information, the content was listed according to what seems relevant to the SO1-indicator nature. Taking this into account, the markings in the comparative SO1-content tables reflects to what extent the content was actually informed.

SO1-indicator is the first GRI core indicator with community aspect. SO1-indicator can include information about the following issues in GRI reporting: *“Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting”* (GRI 2010). It is important to notice that the description also includes the nature, scope and effectiveness of a company exiting some programs or practices, so that it included the whole lifecycle of the operation.

In the third stage the semi-structured company interview templates were formulated and the company representatives contacted and interviewed. One representative of each company was selected, who was involved in CSR reporting. Interviews were realized both at the company sites, and in telephone. Interviews lasted between 15 minutes and 45 minutes. The data of the interviews was documented and results drawn for the study. The data gathered from the interviews was supplementing the information about company's use of GRI framework, selection of social indicators and the implementation of corporate social responsibility. In addition the information was compared to other sources of data, by using data triangulation, for achieving more detailed information about the subject.

Finally, the comparative analysis and conclusions of the study are drawn from the data, from all sources, the research questions are answered and the results and conclusions are written. The final part of the study also presents some potential themes for further studies about CSR in forestry.

5. Results of the study

5.1.1 General

Since the introduction of Ceres Principles (1989) sustainability reporting has been central instrument by which companies who adopt sustainability codes of conduct show accountability to the outside world (Brown et.al. 2009). Companies which report according to GRI Guidelines can be classified with following grades: A, (A+), B, (B+), C, (C+). Marking + means that the company has been audited and rated by a third party member. Stora Enso is a Finnish founded company, rated B+ on the GRI scale. SCA is a Swedish founded company, rated A+, and Sappi is a South-african founded company rated A (Global Reporting Initiative 2010).

5.1.2 Stora Enso

Stora Enso Sustainability 2005 report is part of the Annual Report, and the other booklets were Company 2005 and Financials 2005. Sustainability report puts special interest on the unit-specific CSR aspects, which base on the unit's own business environment and stakeholder concerns. *"The 2005 report is the first to combine economic, environmental and social responsibility illustrating the interlinked challenges that face Stora Enso along the value chain."* The report also includes GRI content index, and contains information on how Stora Enso has reported the various information and indicators specified in the GRI guidelines, and also states where in the annual report this information can be found. In this matter Stora Enso is definitely a frontrunner, because other case-companies didn't have any kind of GRI table in their reports, back in 2005. According to GRI's list of reporters, Stora Enso's report in 2005 was labeled as "Content index only" (Global Reporting Initiative 2010).

Stora Enso's support to the ten principles of the UN Global Compact, reflects their social responsibility, and the report also states where more information about it can be found. According to Stora Enso the report is designed to address the main sustainability issues raised by Stora Enso's stakeholders, which supports the idea of drafting the content according to stakeholder dialogue. Stora Enso is primary a manufacturer of paper, board and wood products, and their strategy is to focus on emerging markets, where the Group is establishing plantations and expanding operations. This focus shows also in the emphasis of the sustainability efforts. Sustainability Report 2005 content is divided to five main subtitles: Raw materials and suppliers, the Group, Markets,

Investors and Society. The Society segment includes socio-economic indicators, strategic partnerships and philanthropy. The socio-economic indicators deal with the economic responsibility that includes the values Stora Enso creates for stakeholders by contributing to local, regional and national economies. Strategic partnerships and philanthropy mentions company's co-operation with international associations like the United Nations, UNICEF and United Nations Development Programme (UNDP) and WWF.

GRI content index at the end of the 2005 report, and it states that the SO1 indicator has been partially reported. The table also shows where additional information about the indicator can be found. Stora Enso aims in identifying and prioritizing CSR aspects in unit-level, where each unit has unique set of priorities and challenges. Those included business practices, health and safety issues, internal and external communication and managing CSR in the supply chain. However the issues are presented only in general context. According to report company worked hard during the year to prevent corruption and bribery. The report emphasizes how the diversity in workforce, especially in gender, and the equal opportunities are important for the company, and that the company has detailed function-specific guidelines that define acceptable behaviour for the employees and business partners. Information about the business practices is also integrated to company's corporate-wide training programmes, and the monitoring and observation of these is the responsibility of all Stora Enso managers.

According to report Stora Enso sees philanthropy in a broader perspective than just donations, so that it includes community projects from which both parties can benefit. Report mentions two concrete partnerships that have been launched with UNDP and Stora Enso, first the socio-economic assessment of Stora Enso's investments in Veracel pulp mill, and second the environmental and social impact assessment of Stora Enso's plantations in Guanxi, China. According to the report these operations help to understand the environmental, social and socio-economic impacts as a part of sustainability management, help to build dialogue with stakeholders and improve transparency and accountability. Having other parties involved in the projects helps to increase credibility of those ambitions, for a reader. In Suzhou Mill, in China the Stora Enso has launched sustainability management system, because it was one of the first units to start implementation of social responsibility. *"A workshop was organized in late 2004 to identify CSR priorities, with four themes chosen for further elaboration:*

CSR in supply chain, employee well-being, community involvement and stakeholder dialogue.” According to the report Suzhou Mill has gained considerable competitive advantage due to its growing reputation for sustainability. This emphasizes the importance of social responsibility since the principles mentioned above clearly go into that category.

At the last pages of the report there some specific issues are mentioned. Some are presented openly, even though they might have had also negative impacts, like the land use conflict in Lapland in November 2005 about the logging of old-growth forests. The Tikhvin project presents a more prominent issue, which is improving the transparency of the social and ecological conditions of wood supply in Russia. Report also states that the company has community involvement at grassroots level also, for example shared infrastructure or services, like fire brigades, with Stora Enso mills and local communities. Company donations and fundraising activities are also mentioned important here. The report also deals with the restructuring programmes that have affected employment, and their impacts on the local economy. However the restructuring is not mentioned included in SO1-indicator content, even though the indicator nature clearly included also exiting operations. At the last page of the report there is also a feedback form, to share comments about reporting, which presents some kind of a commitment towards the interest groups, and readers in general.

In 2006 Stora Enso also published Sustainability Performance 2006 along with Company and Financials reports. These three together form the Annual Report 2006. The main themes of the Sustainability report are sustainability governance, stakeholder engagement, targets and performance, and sustainability in the value chain including raw materials and suppliers, the Group and markets. According to the report, it follows new guidelines from the Global Reporting Initiative, and the GRI content index is presented at the end of the report. The GRI content index also states where additional information about the indicators can be found. SO1-indicator is marked being partially reported, like many other social indicators. There are clear page numbers where the indicator content can be found, which allows an easy access to specific information. According to GRI’s list Stora Enso’s 2006 report was classified as “Content index only” (Global Reporting Initiative 2010).

Stora Enso's partnerships and support to various international associations like the UN Global Compact, UNICEF and UNDP are mentioned being valuable for the company. Also stakeholder reviews are mentioned as being utilized to ensure that sustainability strategy and resources are suitably directed. Stora Enso also created a new Sustainability Policy to better reflect the Group's sustainability challenges. The workforce reductions in Europe are already mentioned in the introduction of the report, and that company implemented group-wide guidelines for them. According to the report plantations in Brazil and Uruguay had increased resources for sustainability work, during 2006, but this work, or resources, are not specified in more detail.

In comparison to the earlier year the main subtitles of the report content had decreased three: Raw materials and suppliers, The Group and Markets. The economic-, environmental and social responsibility are included in the Group category, and so has the SO1-indicator content also. However philanthropy and strategic partnerships are categorized under Raw materials and suppliers -section. According to the report Stora Enso's donations for UNICEF prioritise education, and were committed to building child-friendly schools in developing countries. Community events such as art exhibitions, jumble sales and fundraisings were also managed, to generate income and raise awareness for UNICEF. In Brazil the Socio-Economic Impact Assessment of Veracel pulp mill and plantations, by UNDP was discontinued in 2006 due to lack of confidence among some local stakeholders, according to the report. In China Stora Enso worked in partnership with UNDP in the Environmental Socio Impact Assessment of the plantation operations. The partnership also included building community telecentres in rural livelihoods and promoting biodiversity in South Guangxi. *"Community telecentres, offering local villagers access to internet and other media, are an effective way to improve communications with and between communities."* The work in Guanxi includes protecting valuable areas, and having a trial project to regenerate a degraded site.

The report also emphasises Stora Enso's local involvement with communities, where mills and units can share infrastructure or services, for example waste water treatment plants or district heating networks. Open house events are mentioned as the most typical way mills can interact with local stakeholders. The some events that were listed were contribution towards the cost of a bridge built to replace a level crossing on railway line, a writing competition about recycling, internship with local newspaper, Caring

Company award to China sales office and the US units raising funds to support non-profit organizations in mill communities Wisconsin and Minnesota.

Stora Enso's co-operation with WWF is mentioned to develop sustainable forestry practices in Russia, Finland and Canada. Practices included forest certification, sustainable forestry and legality of wood sourcing. Russian Pskov Model Forest project received approval from the Russian Federal Forest Agency, to test forestry practices developed in the project. Vologda project created a concept for an analysis of the New Forest Code in Russia. In Finland the co-operation project aimed to develop and promote the concept of Green Forest Management plans for forest owners, with non-intensive forestry. Co-operation also included continuing the Heritage Forest Programme, which is based on voluntary forest protection. A similar programme was also introduced in Nova Scotia, Canada. In addition Stora Enso worked together with WWF to develop cost-efficient group forest certification models for small-scale forest owners.

Reductions in the workforce and company's principles to address them are also covered in the report. Two major closures, Hammarby Mill in Sweden, and shutdown of paper machine at Varkaus Mill, Finland are specially emphasized in the report. *"The background, reasons, and rationale behind reductions in the workforce are to be clearly communicated by managers and supervisors to all employees affected. Decisions related to restructuring must be unbiased and based on openly communicated criteria. Factors such as the need to maintain diversity and prevent discrimination also have to be considered."* According to the report the affected employees were supported by finding new jobs, retraining interested people, relocations, early retirements, and unemployment and pension packages. Supervisors were also trained to support these employees through discussions and psychological services, voluntary crisis discussion, and meetings with the labor market authorities.

In 2007 Stora Enso published only Annual Report and Parent Company Financial Statements. The Annual Report included a lot of information about the company, and Sustainability performance was one major subtitle. For some reason the report did not include GRI table, like the previous Stora Enso reports, which seems like unfavourable development, considering the increased importance of GRI. Stora Enso was still on GRI's list of reporters in 2007, but the report was classified as "Undeclared" (Global

Reporting Initiative 2010). Sustainability performance section in the report emphasizes company's wood and pulp supplies, plantations, fighting climate change, ethical business practices, community involvement, workforce reductions, human rights and health and safety issues.

The following areas were mentioned as main events of environmental and social responsibility: increasing the amount of certified wood, by traceability systems and third-party certification, working to mitigate climate change, by conducting carbon footprint study and reducing CO2 emissions, stepping forward with business ethics, by expanding business practice principle to business experiences and tighter requirements, and a new set of business practice guidelines and improving performance in health and safety. Health and safety was mentioned as still being a challenge for the company. Plantations in Brazil, Southern Brazil, Uruguay, and China are again emphasized in this report, as well as Veracel. *“Stora Enso's firm commitment to sustainable plantation establishment and management is expressed in our plantations principles. Plantations are established on lands which have previously been used for crop cultivation or cattle ranching. Stora Enso does not plant areas with high conservation value status, and never converts natural forests into plantations.”* According to the report cooperation of Veracel and UNICEF is aimed at citizenship programme, which strives to prevent child exploitation, and company has supported many education programmes such as multiple use of wood, beekeeping, family farming, environmental education, sustainable palm management, and the eradication of leprosy and tuberculosis. In Guangxi, China Stora Enso continued trial-operations, involving planting native tree species, and a partnership with UNDP and China's administrations on biodiversity conservation partnership. According to the report Environmental and Social Impact Assessments (ESIA) and stakeholder dialogues are applied when planning operations to new areas. Stora Enso is also helping to mitigate climate change, by reducing carbon dioxide emissions, which are presented in tables also, and by offering wood-based products that are important in storing carbon. However the benefits of carbon-storage can be categorized as a general advantage of forest industry, not a specific action taken to show corporate responsibility.

Stora Enso's principles for social responsibility cover business practices, communication, community involvement, responsible reduction in workforce and human and labour rights. Cooperation with surrounding communities is achieved by

open house events, regular meetings, supporting local schools and sharing infrastructure. Report also mentions Stora Enso's donations to educational projects in Bangladesh, China, Nepal, Russia and Tanzania. Russia projects Pskov Model Forest and the Vologda, are also mentioned. Stora Enso emphasizes responsibility in workforce reductions in general, but no specific targets are mentioned. Support to ensuring human and labour rights is based on international declarations of and conventions, is also emphasized. In addition some essential events during the year are mentioned. For example the land use conflict in Upper Lapland continued in 2007, but Stora Enso no longer considered being directly involved in the dispute.

In 2008 Stora Enso published Sustainability Performance 2008, which again included the GRI indicator table, after one years break. The content of social responsibility is clearly stated in the report pages. However the specific SO1-indicator content has been marked to be found on Sustainability- or Annual Performance report. The reference is wide, and does not give the possibility the check the indicator content, for a casual reader. This specific indicator is also marked being partially reported. Stora Enso's Berhuizer mill is listed in GRI's list of reporters in 2008, but the report was classified as "Undeclared" by GRI (Global Reporting Initiative 2010). In the social responsibility pages Stora Enso's principles are mentioned, which include open and transparent communication, community involvement, responsible reduction in workforce, and dedication to human and labour rights. According to the report establishing Code of Conduct e-learning tool for all employees and evaluating human and labour rights were important during the year. The Code of Conduct includes both Stora Enso behaviour towards employees and communities and employee behaviour towards Stora Enso, and the way business is done. Stora Enso also found it important that all employees are guided by the same principles.

The Occupational Health and Safety (OHS) was refocused during the year, and the company set new targets to achieve zero lost-time accidents. To achieve this target best practice databases and global guidelines were used. Also the fatal accidents that have happened during the year are openly reported and there is also comparative table of the mills and accident rates. According to the report the Arapoti Mill, in Brazil had one of the best safety records within Stora Enso. *"It has done this through measures such as long-term safety training, regular safety meetings and daily discussions about safety."* This particular mill had focused on training employees to recognize unsafe behaviour,

and expecting everyone to know the correct safety rules. Also this report mentions Stora Enso's reductions in workforce. To support affected people company offered help by redeployment, retirement planning, outplacement, training and supported moves to other facilities. Additional measures such as extended re-employment period and start-up assistance were also implied as additional measures, according to the report. Especially the closures of Kemijärvi and Summa mills, and closing a paper machine in Anjala, were highly emphasized in the report. It seems that also for Stora Enso the unwanted news in homeland operations received a lot of concern in social responsibility reporting. However even the closure of Kemijärvi Mill, which received a lot of attention in Finland, is not explained in more detail. The mill stopped production in April 2008 resulting in lot of displeasure from the employees. According to the report Stora Enso plans to change radically, and efficiency improvements and restructuring of workforce are necessary. Stora Enso also mentions competitiveness in the business environment and strengthening capabilities in the future, as main reasons for shutdowns. Some quantitative facts or other relevant information, would have increased the sense of responsibility in the matter. Shutting down a mill that has worked for decades, and been a major employer in the remote area cannot be covered in a sustainability report by just few paragraphs.

In new market areas the plantation projects received again a lot of visibility in the reports. The company tree plantations are said to benefit the local communities by creating jobs and business possibilities. It is certain that these projects employ many people, but how much of the workforce is native, and how much is brought from abroad is uncertain. Stora Enso's engagement with local communities is based on dialogue and encouraging people to take part in community work. In Uruguay Stora Enso worked together with WWF to enable the local stakeholders to assess outcomes and changes in livelihoods, when plantations are introduced to the local landscape. In Guangxi Stora Enso focused in training a sustainable contractor base for its operations, by working together with the International Financial Corporation (IFC). Also housing for migrant workers was build at the site. Stora Enso also continued building a network of telecentres which aim in supporting the community development, at China. In Veracel, Brazil educational and development programmes were created for indigenous people.

In 2009 Stora Enso's annual reporting included three reports, Stora Enso 2009, Financial Performance 2009 and Sustainability Performance 2009. Besides the

Sustainability Performance report, Stora Enso published information about the company's CSR at Annual Report and three Sustainability booklets. The booklet series was divided into themes *Wood from sustainable resources*, *Reducing environmental impact* and *Curbing climate change*. The GRI framework was included in the Sustainability Performance report, and included clear page numbers for additional information about specific indicators. Also the SO1-indicator has page numbers marked. In this report the SO1-indicator is also first time marked being fully reported. The number of fully reported indicators, especially social indicators has evidently increased, which shows increased responsibility towards social issues and GRI reporting. The SO1-indicator pages have four four main themes: economic impacts, impacts on local communities, coping with structural change in Finland and establishing operations in new settings. Economic impacts include Stora Enso's contributions to local, regional and national economies and a list of impacts to different stakeholders, like customers, suppliers, employees, shareholders and governmental bodies. The list has detailed, numerical information about sales, purchased materials, wages, capital distributed and net taxes paid. According to the report Stora Enso units have long traditions of cooperation with surrounding communities, supporting local schools, sports associations and cultural events. Stora Enso's mills are mentioned having positive impacts on local communities, by being employers, taxpayers and business partners for local enterprises.

The structural change that the company is going through is covered also in the 2009 report. According to the report Stora Enso is undergoing profound restructuring, so that it would remain competitive in a rapidly globalizing economy. Structural changes in traditional areas like Finland are emphasizes, because some areas have suffered from closures. The same chapter mentions that in new market areas, the impacts are positive, on the other hand. However no specific development in the new is mentioned, besides promoting economic and social development. Stora Enso openly admits that closing mills creates problems for affected communities and mentions that company helps these communities to deal with the change. Examples of this are that Stora Enso has worked with Finland's Ministry of Employment and Economy in a project to anticipate structural changes and find new business opportunities for such communities. Affected employees are also provided support packages by the company, in form of redeployment, retirement planning, outplacement, supported moves to another locations

or retraining. The report also has a table which shows the amount of employees, which has decreased from 36 137 in 2007, to 28 696 in 2009.

For Stora Enso establishing operations in new settings include Environmental and Social Impact Assessments (ESIA) on new projects, common guidelines for conducting them, and establishing dialogues with local residents, members of local organisations and expert researchers through interviews, meetings, workshops and public hearings. ESIA's in Uruguay and Guanxi, China are specially mentioned. The report mentions as an example that in Uruguay actions have been taken, after the assessments, to improve local dialogue and ensure that operations benefit local communities.

In addition to the SO1-indicator content, it is stated in the 2009 report that the focus of sustainability work in Stora Enso varies according to local conditions and priorities. The geographical map includes five main locations Brazil, Uruguay, Europe, Russia and China, each with their own main sustainability issues. For example in Brazil five specific issues are prioritized: 1) Protecting and restoring Atlantic rainforest around plantations, 2) Partnering with local farmers in wood production, bee-keeping and cattle grazing, 3) Working to resolve and prevent land use disputes and to build dialogues with critical stakeholders, 4) Maintaining good relations with local indigenous communities, 5) Improving interaction and dialogue with local communities. All of these issues also have page numbers to sustainability report, for additional information. In general this report presents a clear content, is easy to read, and probably benefits different stakeholders also, more than previous reports.

The GRI table is at the end of the Sustainability Performance 2009, and follows the G3 Guidelines. Stora Enso is listed on GRI's list of reporters, and classified as B+ reporter, and the report is marked third party checked (Global Reporting Initiative 2010). The extended version of the GRI table can be found at the company website. During the years the form of GRI table, and division of indicators, has slightly changed in Stora Enso reports, but the basic structure is similar and easy to read. The table shows which of the indicators are fully reported and which ones partially. In the 2009 table there are total 90 GRI indicators, under the performance indicators division, and 22 of them are social indicators.

Table 4. Society Indicators in the GRI table, in Stora Enso Sustainability Performance 2009 report (Stora Enso 2009).

Society	
Community	
SO1	Management of impacts on communities in areas affected by activities
Corruption	
SO3	Anti-corruption training
Public policy	
SO6	Contributions to political parties, politicians and institutions
Anti-competitive behaviour	
SO7	Anti-trust and monopoly court cases
Compliance	
SO8	Fines and sanctions for non-compliance with laws and regulations

In the table, there are nice social indicators about labour practices and decent work and two of them, concerning occupational health and safety, are fully reported. Human rights issues include six indicators, and five of them are fully reported. Society issues included five indicators total, and they were all fully reported, as shown in Table 4. According to these results it seems that the importance of social indicators has definitely increased in Stora Enso reports during the study period. Product responsibility issues included two indicators, and also they were both fully reported.

In summary the Stora Enso CSR reporting has had the GRI guidelines in use from 2005, which is longest of all the case-companies. The SO1-indicator content has been also clearly marked on many reports. Only 2007 was different, when only annual report was published, without the GRI table. For some reason the use of GRI tables was actually more precise in 2005 and 2006 than for example in the following years 2007 and 2008. It is unclear why the company left the GRI table from 2007 report, since the background work, and structure for them had already been done. However the table was included in 2008 report, and the 2009 report presented exemplary GRI-table again, with clearly marked indicator content. Stora Enso has also been in GRI's list of reporters for the whole study period, even though the earlier reports were classified Undeclared by GRI (Global Reporting Initiative 2010). According to this study's results Stora Enso has been a frontrunner in reporting according to GRI Guidelines, especially during 2005-2006. Therefore Stora Enso's B+ reporting level, in 2009, doesn't give the whole picture of the performance. To some extent this supports the finding by Kolk (2009) that European companies are often frontrunners, particularly when it comes to publishing verified reports at a relatively early stage. In later years the general level of

GRI reporting has improved, so the differences among companies are less, and even a highly detailed report does not stand out so easily.

In comparison the amount of GRI indicators in Stora Enso reports has decreased, during the study period. Sustainability 2009 report lists 90 GRI Indicators, and 22 of them are social indicators. There are 14 social indicators fully reported and 7 partially. Sustainability 2005 included total 141 GRI indicators and 49 of them social indicators. However in 2005 report also those indicators which weren't actually reported were in the table. In this study's context leaving the unreported indicators in the GRI table, doesn't increase the comparability in any way, so leaving them out in later years is favourable development. 11 of the social indicators were fully reported, 18 partly, and 20 not reported at all. It must be also here also that the GRI guidelines have been updated during that time. According to data that the amount of fully reported social indicators has increased, during five years.

To sum up Stora Enso's reports it seems that for operating responsibly in the new market areas like Guangxi, China, Veracel, Brazil, Uruguay and Russia were important. They were well covered in every year's report. The issues in South America and China were more focused on plantations and their effects on local communities, and in Russia more on sustainable forest management and forest certification. The geographical map of sustainability work in 2009 was practical to emphasize how the work varies according to local conditions and priorities. Many reports seemed to also have emphasized how the impacts on local communities can be assessed beforehand, and possibly prevented. The reports often stated that these operations bring benefits, like jobs and infrastructure, to these areas, but those impacts could be covered more in detail. Just mentioning employment and infrastructure development don't tell much about the local effects, and especially the how the local people adopt to those. Coping with structural change and the reduction of workforce had an essential role in the 2007, 2008 and 2009 reports. Mill closures were covered in the reports, but the reasons for them, and the implications afterwards to employees and local communities were described quite shallow. Company's way to support the affected employees afterwards, were listed however. Especially the effects to Finland seemed to have more focus in later reports, which reflects the company's responsibility on the country of origin. The content of restructuring was also often included in the actual SO1-indicator content, where it also belongs, according to GRI's definition.

The partnerships with global institutions were covered in many reports during the study period. Also practical operations and projects were mentioned. Stora Enso's principles and guidelines, like transparency, open dialogue, and best practices in operations are often referred to in the company's Code of Conduct. The expansion of the CSR network was mentioned in the early reports, like 2005, but seemed to have less importance afterwards, maybe due to development in that area, during that time. Also the co-operation between mills and surrounding communities, like sharing infrastructure, seemed to be a common way of sharing interests. Table 5. presents the themes of the SO1-indicator content in Stora Enso reports, during the study-period 2005-2009.

Table 5. Comparison of SO1-indicator content in Stora Enso sustainability reports during 2005-2009.

Stora Enso Sustainability 2005-2009, Indicator SO1 focused content:		
2005	2006	2007
Transparent/open stakeholder dialogue *	Philanthropy *	Business practice principles
Emerging markets *	Strategic partnerships *	Transparent/open communication
Environmental Management systems *	Local involvement in communities *	Local involvement in communities
Stora Enso Code of Ethics *	Sustainability assessments in new areas *	Reductions in workforce
Unit specific CSR aspects *	International co-operations *	Health, safety and human rights
Managing social impacts on communities*	Plantations and forest programs *	International co-operations
Health, safety and human rights *	Veracel, Guanxi China *	Economic impacts on stakeholders
Equal opportunities on gender distribution*	Health, safety and human rights *	Strategic partnerships
Philanthropy *	Reductions in workforce *	Third party verifications
Strategic partnerships *		Code of Ethics compliance
2008	2009	
Business practice principles	Economic impacts *	
Transparent/open communication	Impacts on local communities *	
Local involvement in communities	Coping with structural change *	
Reductions in workforce	Establishing operations in new settings *	
Health, safety and human rights	Code of Conduct training *	
Stakeholder dialogue	Business practice principles *	
Sustainable contractor base	Risks in Latin America and China	
Refocusing of OHS	Occupational Health and Safety (OHS)	
New Code of Conduct launched	Diversity in workplace	
Strategic partnerships	Employee representation	
International co-operations	Responsible forestry	

Note: Content marked with * is referred in the tables as SO1-specific.

It seems that Stora Enso's approach to the issues in their reporting is that it covers relatively few themes, but clearly focuses on these more. Whether this reflects their stakeholders having emphasized these issues or not, is however not possible to determine within these results. These results support the findings by Sinclair and Walton (2003) that Stora Enso is one of the industry's most prolific reporters, reporting

at corporate, geographic and site levels. However the industry is not studied as a whole in this study, so it is difficult to determine how representative the results are.

5.1.3 SCA

SCA Environmental and Social Report 2005 is built on three main themes: Environmental- and Social Reports and Resource Management System. Report doesn't include GRI table, so information about SO1-indicator content cannot be presented. To make it more comparable the themes from Social Report, such as health and safety, employee relations, business practise, human rights and community relations can be referred as relative to indicator nature.

SCA's Code of Conduct is stated as essential part of the company principles, and in general it includes health and safety, employee relations, business practises, human rights, community relations, communication, privacy of data, and the applicability to all employees and countries. Content is really similar in all SCA reports, during the study period. *"For SCA, sustainable development means ensuring that our business remains viable and contributes lasting benefits to society."* According to the report main CSR targets in 2005 were conducting a survey on Code of Conduct awareness among employees, and rebuilding awareness of its principles. Code of Conduct violations were also listed in the report. To improve health and safety SCA applied increased training and communication, performance monitoring and internal audits. Company also conducted tests of Legionella bacteria levels, in many wastewater treatment plants, because it was identified as potential risk. According to report medical implementations were also trained. SCA states it's pursuing to achieve international standard Occupational Health and Safety Assessment Series (OHSAS) certification. Employee diversity is also mentioned being important, and SCA conducted survey's to identify the extent of diversity and its patterns among management. SCA arranged training courses, international assignments, mentoring, team development days, workshops, seminars and electronic learning to develop employee capabilities and a traineeship programme was initiated in Sweden. Company restructuring is covered in the report, and according to figures resulted in termination of approximately 2000 employees. To the affected employees company provided employment search assistance, financial support, assistance with further education and early retirement. In addition the report emphasises that SCA's suppliers and business partners must also act in compliance with the Code of

Conduct. SCA's charitable donations to some natural disaster devastations, such as tsunami in Southeast Asia and Hurricane Kathrina in USA are also mentioned.

SCA published Sustainability Report for the first time in 2006, and has published them ever since. The 2006 report also doesn't include GRI-indicator table. According to the report the main themes of sustainability in the year were: improving efficiency of water consumption, reducing carbon dioxide emissions levels, responsible use of wood and observance of Code of Conduct. SCA states in the report that right partnerships are important for the company, and financial stability and long-term business possibilities are prioritized in them. Supply chain control is mentioned important in the report, in order to minimize environmental impacts of the products. Also assurances of the supply chain assurance are conducted. Also this report emphasizes the employee diversity, for SCA and that company is focusing on employee development possibilities and dialogue. *"The Group's relations with its employees must be based on the company's fundamental values, as outlined in the Code of Conduct, and on local legislation, and collective agreements."* SCA conducted annual diversity survey on its employees also. Report mentions that SCA has assessed operations in countries, which may have risks in human right issues. According to the report SCA is careful when employing new staff, to make sure that the company fundamental values are adopted and understood.

Also meeting the criteria for FSC certified timber in all company operations, and that no rawmaterial from controversial sources is used is covered in the report. SCA considers dialogue with local representatives important, and states that for example in Northern Sweden SCA Forest is a major employer. However being a major employer, doesn't guarantee a responsibility towards community itself, because the reasons may vary. SCA is also supporting Mid Sweden University's wood fibre research activities, and has representation in Sundsvall municipal crime prevention council.

SCA Sustainability report 2007 is divided to four main sections: sustainability strategy, environmental responsibility, social responsibility, economic responsibility and control and assurance. It is the first SCA report with the GRI-indicator table included. In the table there have been marked the pages for some indicators, where information can be found. However for SO1-indicator there is no such information. The indicators in the table have been marked as reported, partly reported or not reported. Also in this context the reason of presenting not reported indicators stays unclear. SCA's report in 2007 is

classified as “Undeclared” by GRI, in their list of reporters (Global Reporting Initiative 2010). Code of Conduct, and it’s principles, is essential in this report also. SCA continued human rights assessments in countries, which are identified as having higher risks, based on personal interviews, qualitative and quantitative data. Improving health and safety at workplaces was also focused during the year. The company also further developed systems for the assessment of suppliers. Monitoring, reporting and investigation of Code of Conduct violations are considered important in SCA. Report also presents graphics about the employee diversity on gender, age and education levels. Also detecting and preventing the risks of legionella bacteria continued. Report also mentions company’s proactive policy to prevent blood-bourne virus infections, such as Hepatitis, HIV and AIDS. SCA provides hygiene and feminine care products to improve the living of women, and company is also participating in campaigns and donations. It must be noted however that providing personal care products is also business to SCA. According to the report SCA is also participating in activities to fight cancer and incontinence, and increasing knowledge and research on them. In China SCA conducted internal audits in facilities to improve health and safety levels. They included fire-fighting exercises, first-aid training, thermo-graphic surveys and knowledge-based safety competitions.

SCA Sustainability Report 2008 also has the GRI-indicator table, at the end of the report. According to report it is the first report where SCA applies GRI Guidelines. Report is defined in GRI’s list of reporters as A+, and being third party checked. In this year’s report the indicators no more have partially, or not reported –markings. Most of the indicators also have references and page numbers, where additional information can be found. For some reason SO1 only refers to company website, which seems undefined.

Pages about social responsibility, in Chapter 4, emphasize the Code of Conduct also in this year’s report. Human rights assessments and business practice reviews were conducted to guarantee the compliance. According to report diversity and non-discrimination are cornerstones in the company, but because of the number of employees, avoiding instances completely is difficult, and therefore efforts are put on dealing with these issues as they occur, and working to avoid them in future. Product safety is mentioned important for SCA, and it is implemented through safety assessments of rawmaterial, rawmaterial specifications, quality assurances, hygiene

standards and product recalls, for example. Supplier screenings and preventing corruption are also covered in the report, and even some incidents are mentioned. Building a mill for tissue products in Russia, demands informing and adopting the company principles during recruitment process, according to the report. In Latin America and Middle East, SCA is doing Code of Conduct implementation in the company's co-owned operations. In Eastern Europe SCA conducted Business Practice Reviews in special units, including internal control regulations. In employee relations SCA emphasizes diverse workforce and non-discrimination at the workplace. Discrimination incidents and their consequences are also mentioned in the pages, which increases the credibility and openness. There are various diagrams in the pages about the workforce nationalities, gender and age. In addition, the report presents Transforming Our Performance (TOP) programme, designed to increase the employee skills and company operating performance, by discussions with managers and employees. Employee dialogue is mentioned important, and SCA lists surveys that are conducted to gather information from employees. According to the report SCA also supports freedom of association, and collective bargaining. Health and safety -pages present quantitative statistics about accidents and their severity, and also mentions SCA's safety monitoring system. SCA's products, like the Tena brand, are also presented in the pages, and their positive health impacts are highlighted. Improving women's lives, raising awareness of diseases, promoting early cancer detection and documentation of infections are mentioned as means to tackle the health issues. However the depth of participating in activities and initiatives, and the value to reader is somewhat limited. Finally, report mentions that SCA was named one of the world's most ethical companies, by the Ethisphere Institute in New York, USA.

SCA published Sustainability Report in 2009 with main content divided to Sustainability strategy, Environmental responsibility, Social responsibility, Economic responsibility and Control and assurance. Information about SCA's sustainability targets, environmental impacts, GRI reporting, environmental responsibility and social responsibility can be found also in the Annual Report 2009. Annual report states that company's sustainability targets are reducing carbon emissions from fossil fuels, 100% control of fresh fibre-based raw material, improved water usage and compliance with Code of Conduct throughout the Group. However the sustainability report has the main focus in these issues, and also contains GRI index table. Accordingly it follows the G3

guidelines. Report is classified as A+ and third party checked, just like the previous report, in the GRI's list of reporters (Global Reporting Initiative 2010). This table has no partly, or not reported markings, which makes it clear to read. Also the page numbers, for additional information about indicators, have been marked, with SO1 included. SO1-content refers to one page in sustainability report, and the company website. The GRI index shows that it's been verified by PricewaterhouseCoopers. The index has total 105 performance indicators, of which 34 are categorized as social performance indicators. Table 6. presents the society indicators, and their description, in the SCA Sustainability Report 2009.

Table 6. Society Indicators in the GRI Index, in SCA Sustainability Report 2009 (SCA 2009).

Society	
Community	
SO1	Programmes for evaluating the operation's impact on communities
Corruption	
SO2	Business unit analysed for risks related to corruption
SO3	Employees trained in the organisation's anti-corruption policies and procedures
SO4	Actions taken in response to incidents of corruption
Public policy	
SO5	Participation in public policy development and lobbying
SO6	Total value of financial contributions to political parties, etc.
Anti-competitive behaviour	
SO7	Total number of legal actions for anti-competitive behaviour
Compliance	
SO8	Monetary value of fines for non-compliance with applicable laws

SO1-indicator content has emphasis on code of conduct, it's compliance CSR strategy, health and safety issues, community relations, business practices, employee relations, human rights, and supply chain assurance. SCA's code of conduct is again in essential role, and providing the basis for company policy and approach to different issues, for example to suppliers. This has been a very basic structure in all SCA reports, during the study period. According to the report SCA's CSR strategy was reviewed and strengthened in 2009, and GRI reporting and indicators have enabled more defined approach, and also helped to guide the focus areas. *"Methods applied by SCA to monitor compliance with the Code of Conduct include global reporting systems, which involve reporting on the performance of all SCA businesses using a series of internal and GRI Key Performance Indicators."* Also the violations of Code of Conduct have been listed, shortly described and consequences mentioned. In this aspect, reporting seems to reflect clearly stated targets and transparency. SCA's focus on health and

safety, according to the report, was to prevent accidents due to “slips, trips and falls” and identifying all unsafe behaviour. Community relations are only described as being developed to enable better communication, but the actual practices are not listed. Business practice reviews included procedures conducted throughout the group, to identify risks. For example in Russia they consisted of interviews with senior managers. Code of conduct compliance in jointly owned companies is also covered, and SCA admits that in most cases the partnerships existed prior to the Code of conduct. According to the report all new contacts are include the requirements, but with given information the big picture is somewhat contradictory. SCA has also continued human rights reviews in sites, which company believes are risky, including mostly code of conduct compliance. With suppliers SCA conducted screenings on social and environmental footprint, according to the report the processes could be more robust. In addition SCA launched the “Whistleblower” pilot in China and Southeast Asia, which is a third party Code of Conduct Compliance Hotline, and providing alternative method, without administrative channels, for reporting on Code of Conduct violations. A lot of the SO1-relative content is listed, but the content remains shallow, and without actual coverage of the operations. Also many of the issues are already covered in legislation, so their input to social responsibility is limited.

In addition to the SO1-content, sustainability report is well divided to environmental, social and economic perspectives, being similar to the triple bottom line concept. According to it SCA’s sustainability strategy has base on systematic approach, transparency, clear targets, and integration with business operations and innovation. SCA also states that integrating social indicators in the financial reporting system is one way to provide their systematic approach. Impacts of restructuring and reorganization activities are also covered, especially their effects in Europe, but their reasons and consequences are not discussed. To affected employees SCA provides early information, social plans, employment search assistance, financial support, assistance to further education or early retirement schedules. Report also mentions that during the year 11 corrugated plants and one containeboard plant were closed down in Europe.

The Table 7. presents the content of SO1 indicator in SCA sustainability reports between 2009-2005. Since the GRI table has been on the reports since 2007, the content of the reports 2006 and 2005 have been selected in general of the society and community aspects.

Table 7. Comparison of SO1-indicator content in SCA sustainability reports during 2005-2009.

SCA Sustainability 2005-2009, Indicator SO1 focused content:		
2005	2006	2007
Code of Conduct	Code of Conduct	Code of Conduct
Health and safety	Health and safety	Health and safety
Employee relations	Employee relations	Employee relations
Business practices	Business practices	Business practises
Respect for human rights	Respect for human rights	Respect for human rights
Community relations	Community relations	Community relations
Communication and privacy of data	Communication and privacy of data	Communication and privacy of data
Applicability	Applicability	Applicability
Increased training	Joint ventures	Community involvement
Tests on legionella bacteria	Local representative dialogue	Preventing blood borne virus infections
OHSAS certification	Wood fibre research co-operation	Supplier assessment development
Restructuring and reorganisation	Involvement in local communities	Restructuring and reorganisation
Diverse workforce	Diverse workforce	Long-term business relationships
Suppliers and business partners		Recruiting and developing employees
Stakeholder engagement		Investments on environmental performance
2008	2009	
Code of Conduct	Code of Conduct *	
Health and safety	Health and safety *	
Employee relations	Employee relations *	
Business practices	Business practices *	
Respect for human rights	Respect for human rights *	
Community relations	Community relations *	
Communication and privacy of data	Communication and privacy of data *	
Applicability	Applicability *	
Supplier assessment	Strengthened CSR strategy *	
Diverse workforce	Community relations *	
Recruiting and developing employees	Supply Chain Assurance *	
Growth in Russia	Restructuring and reorganisation	
TOP Programme	Stakeholder engagement	

Note: Content marked with * is referred in the tables as SO1-specific.

To summarize SCA reporting, the company has published GRI-tables since 2007, and has been A+ level reporter since 2008. However when it comes to specific indicator content, SCA reports didn't seem to emphasize SO1-indicator. Only in 2009 report the SO1-content was clearly marked. SCA's reports are quite extensive, in general, but the idea of easily found information for the interest groups, wasn't reflected in the reports. Perhaps if the focus had been on some other performance indicator than SO1, the results would have been different.

SCA's Code of conduct is in essential role in their reports, during the study period. It presents the principles and values, which guide the company approach to different issues, and these issues take a major part of every report. Therefore it is also marked thoroughly in every years' table. However lot of the code of conduct is already covered

by legislation or they are self-evident. Summarizing the content of COC in a box, at the side of the page, which was made in one report, would be more than sufficient. SCA stood out from the other case companies in a way how they emphasized their code of conduct in depth, in every report. If the conduct really applies to all operations and principles it is of course extensive, but does it take the space and focus of more important issues, at the same time? One could also expect that same stakeholder groups read the reports from the very company year after year, and this kind of structure creates lot of repetition unavoidably.

Company restructuring and it's effects are visible on the SCA reports also, although not quite as much as in Stora Enso's. The reasons and consequences are not discussed in more detail, and the effects on local issues remain uncovered.

The GRI table has been on SCA's sustainability reports since 2007, and some reports have specific indicator content marked more clearly than others. Reference to the report section, or page numbers, makes it easy to find, unlike the reference to a web site. Sustainability report 2007 contains total 105 performance indicators and 34 of them social indicators. The comparison to 2009 report shows that the amount of indicators and especially social indicators has remained the same. However in the 2007 report the indicators have still been marked fully reported, partly reported or not reported, which wasn't anymore on the 2009 report. In 2007 report 13 social indicators were fully reported. SCA operations in Latin America and Russia were also covered in many reports, with their special challenges in employment and adoption of the company principles. SCA also often presents information boxes about specific accomplishments, on current issues, at their reports. The health and safety issues, such as the prevention of diseases through SCA hygiene products are emphasizes in many reports, as well as the general employee wellbeing. This is one of the essential differences between the case-companies and their product portfolios.

5.1.4 Sappi

During 2005 and 2006 Sappi didn't publish sustainability reports, so the data consists of reports from 2007 to 2009. According to the 2007 report previous sustainability reports were published in 2003, and 2004. Sappi 2007 Sustainability Report is the first which has the GRI table included. According to GRI's list of reporters, Sappi's report is "In accordance" with the GRI guidelines, and has been self-declared as A-level (Global

Reporting Initiative 2010). Reporting elements of GR3 include all the performance indicators, also those which haven't been covered in the report. Why the non-reported indicators are left in the table, remains unclear. However the indicators which have been reported accordingly also have report section, or sub-section marked, where additional information about them can be found. SO1-indicator content refers to pages titled forest certification systems, and CSI (Corporate Social Investment) initiatives. *“Our approach has been to use the GRI indicators as a guideline, rather than a checklist, and where necessary, to report more broadly on our key material issues.”* This was the only sustainability report from 2007, of the case-companies, which had the SO1-content marked clearly.

The content of SO1 states the importance of company participation with local communities, which is realized by arranging forums, where local issues and concerns can be raised and resolved. These forums also present possibility for the local communities to become familiar with the mills and forestry operations, according to Sappi. Sappi's CSI initiatives prioritise educational, environmental and cultural projects. In South Africa Sappi also directs funding to literacy, education, environment, health and welfare, skills development, job creation, arts and culture. Educational interests include for example mathematics, science, technical skills and English, and the environmental interest include environmental conservation and eco-tourism.

Sappi's focus to its country of origin is very visible in the report. *“Given the development needs of South Africa and the fact that we are headquartered there, the majority of Sappi's CSR spend is allocated to this region.”* In Europe and North America Sappi's mills tailor their support the local communities, according to the needs. For example Sappi has supported projects ranging from youth clubs, community centres, vulnerable groups, music festivals, sports clubs and environmental education. Sappi presents also their “Ideas that Matter” global Corporate Social Investment (CSI) programme which is described as inviting designers to use paper-based design, and support worthy causes and programmes for public good. Report also covers Sappi's wood usage, and states that Sappi does not procure wood fibre from endangered forests. Sappi has also achieved certification by Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI) and the Programme for the Endorsement of Forest Certification (PEFC). These policies, as well as the ISO and EMAS certificates of the mills, are conducted in every region Sappi operates in, according to the report. Sappi's forests and

plantations are located in South Africa, and in Europe and North America the company procures and sources wood mainly from the regions where their mills are located.

Besides the SO1-content, Sappi 2007 Sustainability Report is divided to three main themes: Prosperity, People and Planet. Community aspects are mainly reported in the People chapter, including skaholder communication, employee relations, health and safety and leadership development, for example. According to the report Sappi's appreciates employee relations, which are based on fairness, integrity, transparency and mutual respect. Report states that these are realized by working with trade unions, supporting standards like ILO. In addition Sappi's employees have freedom of association and discrimination is not tolerated in the company. Report also states that health and safety issues are managed by measuring and monitoring potential risks, maintaining quality and safety in products, and identifying the risk areas. General health and wellbeing programmes in the company also include the self-defence programmes, stress management for employees, and HIV/AIDS prevention programme. Offering self-defence, and stress management programmes, for example, reflects realistic approach, and pure ambitions to actually improve wellbeing, and so increases the impressiveness of reporting social issues.

Sappi and Sustainability 2008 also includes GRI table at the end of the report, and clear page indications for additional information about specific indicators. SO1-content refers to two pages on the People-chapter of the sustainability report. Also in 2008 Sappi was the only case-company to report SO1-content so properly. According to GRI's list of reporters, Sappi's 2008 report is classified as being "In accordance", and self-declared as A-level (Global Reporting Initiative 2010).

SO1-pages have focus on engaging with stakeholders openly and constructively, according to the report. *"Engaging with stakeholders is the basis of our licence to trade. To build sustainable business, we have to understand our stakeholders' concerns, expectations and priorities and engage with them on an ongoing basis through a structure, inclusive transparent process."* This citation from the report-pages describes the stakeholder-management in Sappi quite clearly, even though remaining mostly narrative.

Sappi states it deals with investor relations by communicating clearly about developments and trends, in company performance. Sappi's investor relations team and

senior management also make regular presentations to investment analysts, institutional investors and financial journalists. According to the report Sappi's customers are currently asking about the environmental aspects of fibre sourcing, production processes behind the brands, and carbon footprint. To tackle these issues Sappi publishes various documents to their customers, such as Paper Profile documents, Product Information sheets. Also Metafore's Environmental Performance Assessment Tool (EPAT) can be used by buyers, to evaluate the environmental performance of Sappi mills.

Sappi emphasizes their active membership in the industry associations and organisations, like Confederation of European Paper Industries (CEPI), Paper Manufacturers Association (Pamsa). According to the report Sappi works with these members on current issues, like climate change and emission trading. Report also highlights the importance of employee and labour relations to Sappi. According to it, as 63% of the labour force is unionized, dialogue takes place through the trade unions. Even though the unions definitely have their role and influence, dialogue through them sounds rather distant. Report also states that during the year Sappi conducted Employee Engagement Surveys, and the results focused especially on following issues: 1) Being more involved with employees, 2) Taking more pro-active approach in communicating important strategic issues, 3) Receiving regular communication from the chief executive officer.

Report also states that contractors and suppliers are seen as valuable stakeholders for Sappi, and the same values and Code of Conduct is also expected from them.

Besides the SO1-content the 2008 report is divided to the following goals: prosperity, people and planet. People-chapter is mostly social responsibility and includes following subtitles: Being a great place to work, Cultivating an inclusive, diverse workplace, Providing training and development opportunities, Engaging with stakeholders openly and constructively, Prioritizing health and safety, and Partnering with communities. Report also mentions Sappi's collaborative research with University of Pretoria, to combat the disease threatening pine trees in Sappi's South African landholdings. According to the report Sappi also opened Resource Centres in South African Umijindi Municipality, so that the community members have opportunity to use state-of-the-art information technology, and educational resources. Sappi's participation in project with

non-profit organisations in North America to clean up the North-American rivers was also covered in the report.

Sappi and Sustainability 2009 report was published along with the Sappi Annual Report. The Annual report also refers to a comprehensive GRI index, included in more detail to online-report. According to GRI's list of reporters it is A-level, and being GRI-checked (Global Reporting Initiative 2010). The GRI index in the online-report has links to relevant sections of the Annual- and Sustainability reports, for additional information about the specific indicators. SO1-indicator content in is divided to three main themes: 1) adding value to stakeholders, 2) cultivating an inclusive, diverse workforce, and 3) partnering with communities. Adding value to the stakeholders covers mainly Sappi's contributions to industry and economy. Graphs about the contributions are included in the report, and diagrams show that majority is spent on employee salaries and benefits, and reinvested to grow the business. An example of the contribution on Maine, where company Somerset and Westbrook mills are situated lists the following benefits: direct employment, contractor employment, support to other industries, and major local tax payments.

Inclusive and diverse workforce –chapter mainly focuses on eliminated and integrated operations, and employee turnover. Partnering with communities –chapter includes Sappi's approach to CSR issues, and the ongoing programmes. This approach covers Sappi's funding in areas where the company operates, and an involved, participatory approach in communities. According to the report Sappi's community support prioritises educational, environmental and cultural projects, and the charitable donations are towards diseases, such as HIV/AIDS, cancer or tuberculosis. Also this report states that majority of Sappi's CSR is spend in South Africa. Sappi's "Ideas That Matter" (ITM) initiative, is also covered in the report, and the regional CSR activities, such as cleaning rivers and restoring forest in North America and the University of Maine's scholarship.

In Europe Sappi is donating it's older PC's to schools, and this way promoting reusing, recycling and education, according to the report. In South Africa ongoing projects include working with WWF and sponsorships on biodiversity, for example Sappi Birdlife day and TreeRoute eco-tourism project. Sappi states it promotes literacy, and other educational programmes in South Africa through supporting schools and

providing newprint for newspapers. In addition report mentions recruitment centre that Sappi has built in South Africa, offering basic-skills training, and establishing a joint venture between private sector and government to help create jobs.

The GRI index, on the online-report has total 130 performance indicators, and 120 of them are reported. 40 of the indicators are categorized social indicators, and of them 32 were reported. Table 8. Presents the society performance indicators, and their description, in Sappi's 2009 report. Sappi was the only company, in this study, which still listed the non-reported indicators in their 2009 report. However the report has clear markings which of the indicators are additional, or non-core as specified by the GRI. According to the report, information presented in the table has been determined on the basis of ongoing engagement with stakeholders. The GRI-index also has a column for extra information, such as link to department or institution, a contact person, or "no operations" -marking. Report also states that the report structure assists reader in referencing Sappi's sustainability reporting and also avoids some repetition of information. Mentioned benefits are notable for reader, and in this way the 2009 report reflects it's commitment.

Table 8. Society Performance Indicators in the GRI Index in Sappi and Sustainability 2009 report (Sappi 2009). The indicators marked with * are not actually reported, but included in the table. Indicators marked with Italic are additional indicators.

Society performance indicators

	Management approach
SO1	Nature, scope and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting
SO2	Percentage and total number of business units analyzed for risks related to corruption
SO3	Percentage of employees trained in organisations's anti-corruption policies and procedures
SO4	Actions taken in response to incidents of corruption
SO5	Public policy positions and participation in public policy development and lobbying
<i>SO6</i>	<i>Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country</i>
<i>SO7 *</i>	<i>Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes</i>
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations

In comparison to earlier years the number of GRI's performance indicators has increased in Sappi reports from 2007 to 2009. The total amount of GRI's performance indicators in 2007 report is 116, and 109 of them are reported. The total amount of social indicators, in the same report, is 36 and 35 of them are reported. However in 2007

the additional indicators have not been marked, which makes comparison bit more difficult.

To summarize Sappi reporting, the company has been improving the GRI indicators use, during the study period. From 2007 forward, when the company published it's first GRI tables in the reports, the SO1-indicator content has been clearly marked in every year's report. This continuity is one notable difference to other case-companies. Whether or not it is useful to list the indicators, which are not reported is questionable however. Table 9. presents the SO1-indicator content in Sappi's reports during the study period. For some reason, the GRI table is no more on attached to the Sappi and Sustainability 2009 publication, which is unfortunate. GRI table is available at the company website, but constantly publishing it in the same place would increase credibility, and guarantee the accessibility for various interest groups too.

Table 9. SO1-indicator content in Sappi sustainability reports during 2005-2010.

Sappi Sustainability 2007-2009, SO1 Indicator focused content:		
2007	2008	2009
Local community participation *	Engaging with stakeholders *	Adding value to stakeholders *
Community forums *	Investor relations *	Cultivating diverse workforce *
Initiatives and funding *	Engaging with customers *	Partnering with communities *
Fibre sources and certification *	Industry associations/organisations *	Attracting and retaining talent *
Mill certification *	Employee/labour relations *	Company restructuring *
Health, safety and wellbeing	Contractors and suppliers *	Charitable donations *
Leadership development	Carbon footprint	Supporting education *
Employee relations	Code of Ethics	Health, safety and wellbeing
Diverse workplace	Health, safety and wellbeing	Training and development
South Africa development		

Note: Content marked with * is referred in the tables as SO1-specific.

Sappi's sustainability reports during 2009-2007 have been made constantly in the same detail, and finding additional information about specific issues is easy and logical. However only 2009 report is being GRI-checked. For some reason none of the Sappi reports during study period are third-party checked. This doesn't increase the image of credibility or transparency, since other case-companies seem to have their reporting third-party checked, even on earlier years. It seems also that Sappi's timing to publish their reporting makes for interesting difference in the GRI's list of reporters. While other case-companies have their reports on the list in following year, Sappi's reports are already on the same year. For example, if one looks at GRI's list of reporters in 2009, it

includes Sappi's 2009 sustainability report, but 2008 sustainability reports from the other case-companies. Sappi's custom to publish annual reports before the end of the year explains the difference.

Sappi constantly emphasises the company vision of 3Ps, Prosperity, People and Planet, which are the core values of the company everyday business. Sappi reports also often include graphs or diagrams. Of all case-companies Sappi is also indicating it's focus to homeland, South-Africa most clearly. In some extent the concern on South African issues seem to have such visibility in the reports that the global operations in other regions are missed out more or less. If the differences between regions are notable in the report content it rises some questions at least.

Restructuring and structural change hasn't been as extensively reported on the Sappi's reports as on the other companies, which could indicate that it hasn't been as markable for the company. In fact Sappi bought the Graphic Papers-business-area from Finnish M-Real in 2008, including the mills in Kirkniemi and Kankaa. The mills continued running, and in this way Sappi showed exemplary social responsibility, by keeping the local community alive and vital.

In Sappi's reporting even very precise operations, or actions, are mentioned especially in South Africa, but the content of SO1 is clearly divided to only few pages, and therefore easy to read. An interesting feature about Sappi's reports in comparison the other case companies, are the employee wellbeing programmes, which include self-defence courses and stress-management exercises. These programmes seem to have a practical and realistic nature, perhaps on the necessity of circumstances, in the areas the company operates in. In any case, they present responsibility and practices addressed to locally identified issues, which often important for stakeholders. It seems like Sappi has actually applied some kind of stakeholder-management, or focus on key stakeholders, in their reporting which can be seen in the language, conceptual outlook and small details they use in their reporting. Focused content, reflecting increased focus on key stakeholders, sounds reasonable because according to companies, they also make the reports according to their stakeholders' feedback.

5.1.5. Common themes in reporting

Even though the structure of the CSR reports in the case-companies varied between the study period some common themes especially including the SO1-indicator content can be drawn. Table 10. presents the common themes, during the study period, in case-companies. Health, safety and human rights issues were most actively reported in all companies, and also often included some sort of employee wellbeing-programmes and principles for safe work. Various tools like employee health-monitoring and best-practice guidelines in the work were covered in the reports, as a means to achieve the targets. Preventing injuries at work, and supporting positive development in safety issues seemed important for transparency, because presenting figures on accidents, and the preventive measures taken after them, was quite regulated in all case-companies. Issues concerning employee wellbeing were often connected to the gender distribution in the companies and the degree of diversity present in the workforce.

Table 10. Common themes of social responsibility in the CSR reporting of the selected case-companies during 2005-2010. Common themes which have been covered by only two companies during that year have been marked in the table.

Common themes of social responsibility in the case-companies:	
2005	Code of Conduct / Code of Ethics Stakeholder engagement/dialogue Community relations/impacts Health, safety and human rights Gender distribution / Diverse workforce Partnerships
2006	Health, safety and human rights Partnerships Community relations/involvement Co-operations / Joint ventures
2007	Health, safety and human rights Community involvement Restructuring / Reorganisation * Business Practices * Code of Conduct / Code of Ethics * Partnerships * Personnel development/training *
2008	Code of Conduct / Code of Ethics Health, safety and human rights Suppliers / Contractors Community relations/involvement * Stakeholder engagement/dialogue *
2009	Stakeholder engagement/impacts Community relations/involvement Business Practices Health, safety and human rights Code of Conduct * Diverse workforce * Restucturing / Reorganisation *

Note: Themes marked with * included in two companies

Company involvement in the local communities was the second common theme in the reporting. Different approaches like including assessments about company impacts to the local communities, and creating dialogue with local stakeholders were covered as a means to manage it. Often the community involvement also included some charity campaigns, donations and funding public programmes in the nearby areas. However even though they were commonly presented in every company's reports, the quantitative information was missing. The effects of restructural operations to the local communities and stakeholders were common topics in some companies, but not all. Both European companies Stora Enso and SCA seemed to emphasise reporting these

activities highly, but in Sappi's reports the content was a minor topic. Mill closures and major reductions in workforce naturally made a peak in some year's reports, during the study period. However the fundamental reasons for shutdowns and consequences to local communities and stakeholders were covered just briefly throughout. Economic competitiveness, cutting costs and increasing profitability were briefly presented by way of explanation. These operations were also described as compulsory and unavoidable. Both Stora Enso and SCA mentioned the various programs to support affected employees, but no figures of their scope or success afterwards were mentioned. This finding supports the study by Mäkelä and Näsi (2009), that in downsizing/shutdown operation the multi-national companies emphasize economic responsibilities and understand CSR from a global business perspective as a responsibility to provide profitability to shareholders.

Throughout reporting period 2005-2009 each case-company emphasized their own code of conduct, or code of ethics. This content was essential part of almost every report, however not always specified under SO1-indicator content. Code of conduct's covered one of the widest fields in the companies' CSR principles and activities in reporting, but it seems that dividing the sub-content under main topics, was not clear. The value of presenting these so essentially was bit questionable however, because most of the principles are already included in laws and regulations and don't bring new, specific information about the CSR of company. Also their relativity to SO1-indicator nature was somewhat limited. They definitely have a wide scope, but assessing their nature and effectiveness on communities is rather limited. Therefore, to some extent these findings support Panwar and Hansen (2008), that most of the social indicators that companies use in sustainability reporting are already part of legislative requirements.

Memberships in international associations, and co-operation with international organisations were constantly presented in every company reports. Memberships were often listed extensively, but the role was not described in more detail. The observation that listing memberships in international associations promoting sustainable development were commonly presented in reports, support the findings of Mikkilä and Toppinen (2008), that multinational companies do it in order to inform investors on the attractiveness of the companies.

5.2 Results from the company interviews

5.2.1. Stora Enso

For this study Sustainability Manager was interviewed from Stora Enso. In Stora Enso sustainability manager is working at Global Responsibility function and responsibilities include CSR-reporting and implementing CSR-standards in supply chain. Interview took place at 22nd March 2011 at Stora Enso's facilities in Helsinki, Finland. According to Sustainability Manager *“Stora Enso sees three aspects in CSR: economical, environmental and social. It is vital that all these three are in balance, because they affect each others. It is also important there is a good stakeholder-dialogue behind them.”*

According to Stora Enso key stakeholder groups for the company are customers, investors, NGO's, civil society, authorities, international organisations, employees, local communities and people living near the operations. Stora Enso sees stakeholders as global actors, because even local interest groups are connected nowadays. For example, news from Brazil can be in Finnish media fast, and local and global level of information cannot be separated anymore. It is important to understand the local people and communities and there has to be a balance between standardization and local knowledge. Dialogue with stakeholders includes dealing with concerns, and finding out the important corporate responsibility areas jointly for stakeholders and Stora Enso. Stora Enso also collects feedback from the stakeholders on its sustainability work and impacts to find out what issues stakeholders prioritises and find important. This helps Stora Enso focus it's sustainability work and sustainability reporting on the topics that are material to both stakeholders and the company.

According to Stora Enso Sustainability Manager implementing CSR in the company means setting goals through for instance Group-level targets. Some examples are targets to decrease emissions from the mills, or implementing CSR standards to supply chain.

For Stora Enso the challenges of CSR vary in different locations. Company plantations and mills in new market areas, like China, Uruguay and Brazil are new places for Stora Enso, and have new challenges. Sustainability Manager continues *“It is vital for Stora Enso to learn to listen and understand the local issues, environment and culture before opening operations in new areas.”*

The demand for CSR reports has increased during last years, according to company representative. *“One group that reads these reports a lot are the investors. But also the public, in general, has more understanding of CSR issues nowadays.”* Manager continued that because of GRI’s guidelines it is now easier for an outsider to read reports, because they are easier to compare with each other. With GRI’s guidelines it is easier to offer relevant information to reader. Stora Enso has now reported for two years on an official GRI application level B+. On earlier reports, the reports didn’t have enough indicators to fulfill GRI’s criteria. According to Sustainability Manager applying GRI has affected reporting in Stora Enso. *“Issues such as boundary and scope need to be carefully considered, so that systematic approach can be achieved.”* Stora Enso sees that GRI is good guideline to implement because it is widely used and accepted. Guidelines also bring transparency to the reporting, and help readers to understand and compare reports from different companies.

According to Sustainability Manager Stora Enso has received feedback from interest groups concerning water use, and company has increased indicators concerning water use lately. According to Stora Enso there is demand for sector supplement in forest industry, because without it the indicators are sometimes hard to implement, or the content is not that relevant. Sustainability Manager continued that in Stora Enso the reports of competitors are read, and benchmarking frontrunners is used, also outside the forest sector. *“Because of the GRI table, it is now easier to find information concerning specific issue, for example CO₂- emissions. Stakeholders don’t usually read reports page to page, they rather need some specific information quickly.”*

According to Stora Enso currently important issues in the company are water usage, stakeholder-dialogue and understanding and listening local communities on new market areas. Also traditional environmental work is important, in form of continuous improvement, and less emissions and waste. Also cutting CO₂-emissions, sustainable forestry, biodiversity and forest certification are important issues. As future challenges Sustainability Manager sees truly intergrating CSR issues into core business processes.

5.2.2. SCA

From SCA, Vice President of environmental affairs was interviewed for the study. Interview took place at 14th April 2011, with use of telephone. According to the interview SCA emphasizes their environmental performance in the CSR, and SCA is

usually preferred by their customers, such as McDonald's or Starbucks. Some key issues that SCA is working at the moment are water handling and usage, carbon dioxide emissions and avoiding controversial sources of wood fibre. According to Vice President: *"CSR is integrated to all SCA work, and it is important for the company to select projects which have positive impacts."* The key stakeholders for SCA are customers, investors and NGO's. According to Vice President *"Some NGO's like SCA, while some don't, and this leads to different dialogue with different stakeholders."* According to Mr. Isaksson the GRI guidelines are more of use in the social responsibility, rather than in environmental issues. Vice President also stated that *"SCA's approach to communities we operate in is driven by cooperation on the locally important issues."* The feedback from the communities has included issues such as noise from the facilities, emission particles, carbon dioxide, wood materials and water usage. According to the interview SCA is also the largest forest owner in Europe and the use of FSC certification and sustainable forest management are seen important in the company.

5.2.3. Sappi

From Sappi Environmental Manager of Sappi Fine Paper, in the European region was interviewed for the study. Environmental Manager is responsible of the sustainable development committee in Sappi, and speaking on behalf of Sappi. Interview took place 3rd May 2011, with use of telephone. According to Environmental Manager: *"CSR in Sappi is part of the sustainable development and our charter commitments. There is a fine line between sustainable development and CSR."* Implementing CSR in Sappi is managed by global sustainable development council, but there are also regional committees and a council for all line managers. According to Environmental Manager: *"Sustainability report is a way Sappi communicates their performance to the outside world. Inside the company CSR means engaging all the employees, and it is important for example that nobody is hurt at the Sappi operations."* Environmental Manager emphasized the LEAN-programme, which is an initiative in Sappi that focuses on quality management and eliminating waste. The programme is aimed at every employee. Committed employees, who tell the company what they think are important for Sappi, according to Environmental Manager and it is important that they share the Sappi values. All CSR in Sappi link to their sustainable development charter commitments, and company organises, for example, global safety awareness days. Knowing where the

wood fibre comes from, limiting environmental effects and impacts to neighbours are some of the many sustainability elements, according to Environmental Manager. Every Sappi mill has also EMAS-reports for outside world, and environmental program.

According to Sappi the key stakeholder groups for the company are first their people, then customers, neighbours and shareholders. It is important for Sappi to understand customers and markets, also in the future, and the company has customer councils for products. Environmental Manager also states that: *“Building image is important for the paper industry in the area, because some people have bad image of it.”* According to him, this problem is clear in Netherlands, perhaps because there are not much forests in the area. The CSR issues and practices in Sappi sustainability reports have changed mostly after the implication of GRI guidelines, since 2007, and the structure they provide has helped Sappi, according to Environmental Manager. *“Sappi sees the GRI guidelines as more generally accepted, nowadays, and using them makes sense, because they provide reports which have a certain structure, and that brings advantages.”* GRI guidelines also help to understand what parts should be included in the reporting. Since Sappi started using the guidelines they have brought positive impacts and new ideas to the company, but also raised questions.

According to Sappi the environmental, economic and social issues have to be equally important for the company. Environmental Manager admits that economic issues may sometimes seem to be more important than others, however it is vital for Sappi that their people are behind them. However, without economic benefits the company cannot manage for long. According to Environmental Manager *“Sappi is both global and local at the same time. Sappi is a company that is globally sourcing and selling, but the globalization has certainly changed the ways to operate.”* It has brought challenges and opportunities, and makes it more interesting, according to interview.

Feedback to Sappi's CSR, from the communities and interested parties, has been very scarce according to interview. Shareholders have liked it a lot, because the structure makes comparing reports possible. CSR is part of Sappi's quality management, and has also brought some questions, but Environmental Manager sees them as more positive. Reports from other companies are sometimes read in Sappi, but not in a benchmarking way, according to interview. They provide follow-ups on many areas, learning from each others and getting better ideas. Environmental Manager thinks it would be

interesting to see if the CSR reports could work as balance sheeting or scorecards. He believes they might bring possibilities inside the sector, but probably not outside.

As a currently important topic in Sappi's CSR agenda, Environmental Manager sees market consolidation. *"Market consolidation has been a problem for many years, with supply chain and paper manufacturing."* Also issues on overcapacity are challenging. Upcoming issues in Sappi's CSR include mostly developing rights products and solutions for the future and dealing with raw materials and energy, he continued.

5.2.4. Emerging themes in company interviews

The emerging themes in the company interviews presented in Table 11. included some similar issues, while there is some special focus from different companies. The table presents the themes divided into social-, environmental- and economic responsibility, according to their characteristics. Understanding local issues and markets were also brought up in Stora Enso and Sappi as means of social and economic responsibility. However only Stora Enso emphasized the importance of this dialogue, in sustainability reports. Involvement and impacts to local communities were present in every company interview, however in a bit different way in each. SCA emphasized the cooperation on globally important issues, and selecting projects with positive impacts. Stora Enso and Sappi emphasized the importance of GRI framework and its advantages in general, while SCA saw it only useful on reporting social responsibility. In Sappi the positive impacts and new ideas that the GRI guidelines have brought into the company were well presented, however the manager also admitted that GRI has also raised questions. In general the main benefit of GRI's reporting guidelines in the case-companies was perceived to be the comparability of reports. Each company also stated that they read the reports of other companies, although only Stora Enso was using benchmarking regarding it.

Reducing CO₂-emissions, knowing wood-fibre origin and water handling issues were also common themes in the interviews and seem to present the importance of environmental responsibility in the companies. However also the tasks and responsibilities of managers might have influences this, since two of the managers were from environmental side. The scope of actual social responsibility was interpreted quite differently in company interviews. Some similar issues were mentioned, but some signals show that Stora Enso emphasizes the dialogue with key stakeholders most, and

their influence on reporting content. SCA emphasizes more their environmental responsibility, cutting emissions, and traditional sustainability work. For Sappi sustainable development, engaging employees and understanding the markets and customers were most emphasized issues, although the interview showed signals of balancing the environmental-, economic- and social responsibilities as well.

Table 10. Emerging themes, brought up in company interviews. The table presents the issues case-companies stated important in their CSR work, the challenges it includes and the benefits of using GRI guidelines in reporting. Content has been divided according to its characteristics into social-, environmental- and economic responsibility.

Emerging themes in company interviews:		
Stora Enso	SCA	Sappi
Social Responsibility: Stakeholder dialogue Report content through dialogue Understanding local issues and culture GRI brings transparency and helps to read reports Integrating CSR to whole company Environmental Responsibility: Decreasing emissions CSR on whole supply chain Water handling and usage Carbon dioxide reduction Sustainable forest management Economic Responsibility: Benchmarking reporting in the sector	Social Responsibility: Cooperation on globally important issues GRI improves reporting social responsibility Reducing noise in mill-site communities Environmental Responsibility: Water handling and usage Carbon dioxide reduction Wood fibre use and sources Sustainable forest management Economic Responsibility: Selecting projects with positive impacts	Social Responsibility: Engaging all employees Impacts to neighbours locally GRI structure brings advantages Charter commitments Environmental Responsibility: Sustainable development Wood fibre use and sources Limiting environmental impacts Raw materials and energy Economic Responsibility: Understanding customers and markets Building good image Quality management

6. Discussion and conclusions

6.1 Discussion

This study analysed the CSR in forest industry, and reporting and implementation of social responsibility in three international companies, during 2005-2009. Reporting and implementation of social responsibility had many similarities, but also some differences in the case-companies. The outlook and comparability of the sustainability reports increased substantially from 2007 on, and by the end of the study period all case-companies were publishing GRI tables in their CSR reports. 2007 was the first year, when all selected case-companies were publishing GRI guidelines table in their reports. The comparability of earlier reports, which didn't have the GRI table, was more difficult and less balanced, even when comparing reports from the same company. Stora Enso was the only company, in this case-study, to publish GRI content index, and report according to the guidelines in 2005 and 2006, so the development of GRI use has only increased in recent years. In this context it is interesting why Stora Enso is still categorized as B+ reporter, in 2009, even though it has been a frontrunner in the matter. SCA and Sappi started publishing GRI-tables in 2007, but they have already been categorized as A+ and A-level reporters.

Three dimensions of CSR, economic, environmental and social are often referred in the CSR literature and companies claim them to be equally important. Also the CSR reports of the case-companies and GRI tables in them included indicators from all these aspects. However recent studies, and also signals from companies often show that economical values are still pretty much the most important factor that drives the focus of multi-national companies. The environmental side is also much easier to measure, compared to social responsibility, and is often also regulated largely by legislation. But the use of GRI's guidelines has apparently increased the importance of social responsibility issues, and also popularized the language and concepts of stakeholder management. However it seems that even though the social responsibility indicators are included in the GRI tables, their content and specific information can be minimal.

The actual reporting and implementation of CSR in the selected forest industry companies, remains different, even though all emphasize the three aspects of CSR. Study results show that implementing CSR to the whole company, and it's personnel wasn't obvious, for example in balancing the three aspects of environmental, economic

and social responsibility. It would actually demand increased efforts from all the case-companies to convince the stakeholders of the relative importance of the three domains of responsibility. It must be noted however, that basic rights of stakeholders, for example employees, seem to be taken into account in these case-companies. Company reports also showed some signs of actual commitment to their principles in many fields like health, safety and employee rights issues. Mill closures and employee reductions are topics, which often get a lot of information in the media and public also. Whether they, and actions taken after them, show inadequate responsibility towards social issues and community it is difficult to determine. It is a reality that today global companies are facing increased competition and keeping up old or unefficient units is unwise. Therefore the mainly economic, rationale of the closures can also be considered to some extent as justified.

Value of CSR perceived by the sustainability managers of the case-companies was a bit different. The interviews included information on economic, environmental and social responsibility issues, but with different significance. However also the position and expertise of the manager might have also influenced this, and the exact value of CSR perceived by the managers is difficult to determine in one interview. Balancing the three aspects of CSR was most visible in Stora Enso and Sappi interviews. For more detailed results more interviews with the company representatives would be needed.

Regional characteristics of the case-companies were identified mostly through their product portfolios, where especially SCA's nature as a consumer goods company was obvious. Because SCA is a major producer of personal care and hygiene products, the advantages and possibilities of their products to the people, had a clear focus in their reporting also. The use of these products in undeveloped areas had a major significance in their social responsibility reporting. On the other hand, Stora Enso has a considerable packaging, and food casing business, and the specific product responsibility issues included in them reflected some characteristics in their reporting. For example product safety concerning liquid packaging boards, their eco-labels and recyclability were often emphasized in Stora Enso's reporting. Regional characteristics in Sappi's reporting reflected mostly the challenges around South Africa, including health and general safety, and Sappi's participation to regional development. Sappi's reporting also often emphasized the importance of their employees, and their wellbeing.

The focus of CSR and sustainability issues in the case-companies reporting seemed to be increasingly focusing on their new markets areas, and often undeveloped countries. This also seemed to affect the themes selected for reporting, so that rural development and increasing employee safety and rights in those areas were often highlighted. Whether this indicates the increasing need of CSR practices in those areas, or a high interest of the forest companies to focus on these areas, could be an interesting topic for further research. It is known however that in countries with higher standards of regulations some issues may not be seen as a part of a CSR portfolio (Panwar and Hansen 2008). Lack of laws and agreements in some undeveloped areas probably presents some difficulties to companies when opening operations, but they also present a good possibility for a company to present responsibility that surpasses the local standards. It would also be interesting to see in future studies how the CSR reporting of forest companies in these areas changes.

6.2 Conclusions

The use GRI Guidelines in CSR reporting has increased recently, and also the reporting of social responsibility in the forest industry companies has become more uniform and comparable. Also the CSR reporting of the case-companies has become easier to compare during this five years study period. The use of GRI framework in CSR reporting proved to be practical source of information for this study and the easiest way to find specific information from the reports. However it proved to be more difficult to compare and categorize the use of social indicators like SO1 in the companies, than originally thought. Marking the specific SO1-indicator content was only available in 2009 in the case-companies reports. This will hopefully increase in the future. In the comparison of SO1-indicator content it had to be noted that companies divide their report content differently, and some similar information was found under different categories, in case-companies. Health, safety and human rights -issues were examples which were sometimes marked as SO1 content and sometimes not. How the case-companies selected the GRI indicators they included in their CSR reporting didn't make clear in this study.

Clear marking of the specific indicator content in the report sections was really important for this kind of study, since it makes the GRI tables more comparable and informative. This comparability of CSR reporting is also considered as one of GRI's

main benefits, so it should have a high importance. When the indicator content was compared there was a risk that reports with clearly marked page numbers and content actually get less aspects under one indicator than others. Vice versa, the CSR reports and GRI tables without clearly described indicator-content can get more aspects under one indicator, even though they are not described properly. A reference to the company website, for example, is really wide-ranging exclusion and doesn't help finding specific information. All the companies in this study were global and their websites contain so much information, that they cannot be extensively acquired in reasonable time.

However, what is more important than amount of indicator-content, is that CSR reports with clear focus on some key issues are easy to read and informative. In this way it seems that less can be more. Focusing on key issues in CSR reporting allows an extensive and detailed reporting of social responsibility. The specific information also becomes more noticeable and gives impression of focused activities, and actual responsibility. This leads to conclusion that making detailed CSR reports, and using GRI indicators accordingly don't necessary mean increased page numbers and endless lists.

There is still lot of room for development to have CSR reporting and social responsibility actually presenting transparency and sincerity. From this study's point of view a lot of emphasis should be put on the detail and extensiveness of the CSR reports social responsibility content. Currently there are many reports available from all the case-companies, with numerous information. However still too much of the CSR reporting in general includes lists and principles, without specific background information or exact description of the content.

In this study there was no clear display on the cohesion of company rating, from A to C in GRI classification, and superiority in CSR reporting. The rating, according to GRI, seems to be guided mainly by the number of GRI indicators the companies include in their CSR reports. The readability of the CSR reports or the actual information content don't seem to have such high value. If the high amount of issues dealt in the CSR report makes for a better GRI rating than a report that is perhaps shorter and more focused, the ultimate usefulness of it stays controversial. Because the comparability of the CSR reports was one of the main targets in creating the GRI framework, it could be that the use of GRI indicators should incorporate even more rules and regulations. It would be

an interesting topic for further study to see how it would affect the popularity of GRI, if the limitations and rules would be increased. After all one reason for GRI's rise to important status has been its popularity, among wide range of companies.

During this study the need for a GRI's sector supplement in the forest industry became apparent many times. The demand for this sector supplement in forestry has been present also in companies and previous studies. It is interesting why GRI is still not developing sector supplement for the forest industry, even though the special characteristics of the industry are widely known. Sector supplement for forest sector should include some specific details, such as the issues concerning the use of renewable rawmaterial and its possibility to decrease carbon dioxide in a long cycle, for example. Perhaps applying this sector supplement for forest industry would also solve some of the problems, related comparability of CSR reporting and social responsibility.

This study succeeded well in finding out how much GRI's framework is used in the forest industry companies reporting. This topic was clear and data was well present. However determining how the social indicators are selected in the case-companies didn't succeed as well, and would perhaps need further studies, or different methods. The development of CSR reporting in forest industry could also make the topic better suitable for further studies. After all the use GRI's Guidelines in CSR reporting was only in the beginning in many case-companies, during this study period. In advance I would have also done more interviews in the case-companies because they provided lots of information about the company CSR and reporting and implementation of social responsibility.

The results of this study show, that studying the CSR of the case-companies and especially their use of GRI indicators would have been really challenging in earlier years, because GRI has been used only during the last extensively. The study topic is important and current, because there has been remarkable development in the CSR reporting of the forest industry companies, and especially its comparability, during the study period. This study's description of CSR in case-companies during 2005-2009 and reporting and implementation of social responsibility creates premises for further studies on the CSR in forest industry, especially on social responsibility and the use of GRI's guidelines in it.

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Appendix

Labour Practices and Decent Work Performance Indicators (Global Reporting Initiative 2010).

Labor Practices & Decent Work

Performance Indicators

Aspect: Employment

- CORE** LA1 Total workforce by employment type, employment contract, and region.
- CORE** LA2 Total number and rate of employee turnover by age group, gender, and region.
- ADD** LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

Aspect: Labor/ Management Relations

- CORE** LA4 Percentage of employees covered by collective bargaining agreements.
- CORE** LA5 Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

Aspect: Occupational Health and Safety

- ADD** LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
- CORE** LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.
- CORE** LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
- ADD** LA9 Health and safety topics covered in formal agreements with trade unions. Health and safety topics covered in formal agreements with trade unions.

Aspect: Training and Education

- CORE** LA10 Average hours of training per year per employee by employee category.
- ADD** LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
- ADD** LA12 Percentage of employees receiving regular performance and career development reviews.

Aspect: Diversity and Equal Opportunity

- CORE** LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
- CORE** LA14 Ratio of basic salary of men to women by employee category.

Human Rights

Performance Indicators

Aspect: Investment and Procurement Practices

CORE **HR1** Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

CORE **HR2** Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

ADD **HR3** Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

Aspect: Non-discrimination

CORE **HR4** Total number of incidents of discrimination and actions taken.

Aspect: Freedom of Association and Collective Bargaining

CORE **HR5** Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

Aspect: Child Labor

CORE **HR6** Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

Aspect: Forced and Compulsory Labor

CORE **HR7** Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.

Aspect: Security Practices

ADD **HR8** Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

Aspect: Indigenous Rights

ADD **HR9** Total number of incidents of violations involving rights of indigenous people and actions taken.

Society

Performance Indicators

Aspect: Community

- CORE** **S01** Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

Aspect: Corruption

- CORE** **S02** Percentage and total number of business units analyzed for risks related to corruption.

- CORE** **S03** Percentage of employees trained in organization's anti-corruption policies and procedures.

- CORE** **S04** Actions taken in response to incidents of corruption.

Aspect: Public Policy

- CORE** **S05** Public policy positions and participation in public policy development and lobbying.

- ADD** **S06** Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

Aspect: Anti-Competitive Behavior

- ADD** **S07** Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

Aspect: Compliance

- CORE** **S08** Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

Product Responsibility Performance Indicators

Aspect: Customer Health and Safety

CORE **PR1** Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

ADD **PR2** Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.

Aspect: Product and Service Labeling

CORE **PR3** Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

ADD **PR4** Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

ADD **PR5** Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Aspect: Marketing Communications

CORE **PR6** Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

ADD **PR7** Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

Aspect: Customer Privacy

ADD **PR8** Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

Aspect: Compliance

CORE **PR9** Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services