Corporate Social Responsibility in Finland

From Environmental Management to Truly Sustainable Business: Adoption of Responsible Practices by Finnish Industries

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Abstract The desire for sustainable development (SD) and its implementation within business has emerged during the past decades calling for more effective production in response to human needs in the social, economic and environmental dimensions. Institutionalization of environmental management practices was the first phase of business responsibilities. The concept of corporate social responsibilities took place in the second phase of the responsible business debate. The ongoing third phase is turning the organizational inside-out perspective to an outside-in approach (i.e. the business contributes products and services to resolve pressing sustainability issues in its society).

Using the institutional organization theory as a background for the conceptual framework based on environmental management, value creation through corporate responsibility and truly sustainable business models, this paper analyses the development of corporate responsibility reporting in three Finnish large-scale companies representing the energy, grocery, and pulp and paper sectors. Evidence for the development of business strategies from environmental management towards truly sustainable business were looked at through qualitative analysis.

Finnish large-scale companies have been the forerunners in the adoption of global responsibility and reporting practices. The content of the studied report was developed most intensively from the late 1990s until the mid-2000s. The content analysis demonstrated the adoption of well institutionalized managerial concepts, namely environmental management and corporate responsibility. The reports shared little evidence of the adoption of truly sustainable approaches. However, the homepages of all three companies indicate large potential for this kind of positive impact.

Globally acceptable reporting frameworks provide a large set of sustainability criteria that could provide new perspectives to evaluate the sustainability of operations. This standardized reporting seldom leads to a wider consideration of the potential for value creation and the larger sustainability impacts of operations,

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since companies (commonly) apply the parts of the larger framework that are relevant to daily business.

1 Introduction

Business begins with value creation. It is the purpose of the institution to create and deliver value in an efficient enough way that it will generate profit after cost (Jorgenson, 2015). Value creation of business enterprises are monitored through financial reporting. Gray (2006) questioned the role of a strictly financial focus when improving business operations. The consensus of calling for sustainable development (SD) and its implementation within business has emerged, covering all kinds of sustainable manufacturing as well (Jovane et al., 2008). Kaihara et al. (2018) called for more effective production in response to human needs in social, economic and environmental dimensions.

Demands for sustainable business created the need for a more diverse measurement of operations. Elkington (1998) called for an equal three-part approach to accountability and looked towards a time when an organization's annual report would comprise three equally emphasized and equally reliable sections relating to the economic, social and environmental activities of the organization.

The triple bottom line (TBL) system was developed for the more comprehensive monitoring and diverse annual reporting of business. Gray (2006) assessed the approach, recognizing that current emphases and balances within society are probably inimical. Simultaneously, it seems to believe that whilst societies and business may need to reform organizational emphases and even the structures and governance of organizations, the basic systems of economic organization are probably satisfactory, salvageable and reformable when considering the three dimensions of businesses (Fig. 1).

The reporting practices do not automatically lead to more profitable or sustainable operations. Scholars and practitioners have made attempts to show value creation through responsible operations, but there is little concrete evidence. Current accounting practices may explain this; regardless of the well-known triple bottom line approach, financial statements focus strictly on business figures. Hence, direct or indirect value creation is challenging to concretize within the current practices.

The value creation debate has developed further towards a truly sustainable business approach. The ongoing third phase of the responsibility debate and practices turns the organizational inside-out perspective to an outside-in approach (i.e. the business contributes products and services to resolve pressing sustainability issues in its society). The third phase is relatively new, thus, reflecting little in the reporting practices of industries.

The presented theoretical path is reflected in the corporate social responsibility (CSR) approached by Finnish industries at large. Responsibility as such is a value and time bound concept, inevitably reflecting changes in the societal situation and debate with time and place (Mikkilä, 2006). The adoption of responsible operations

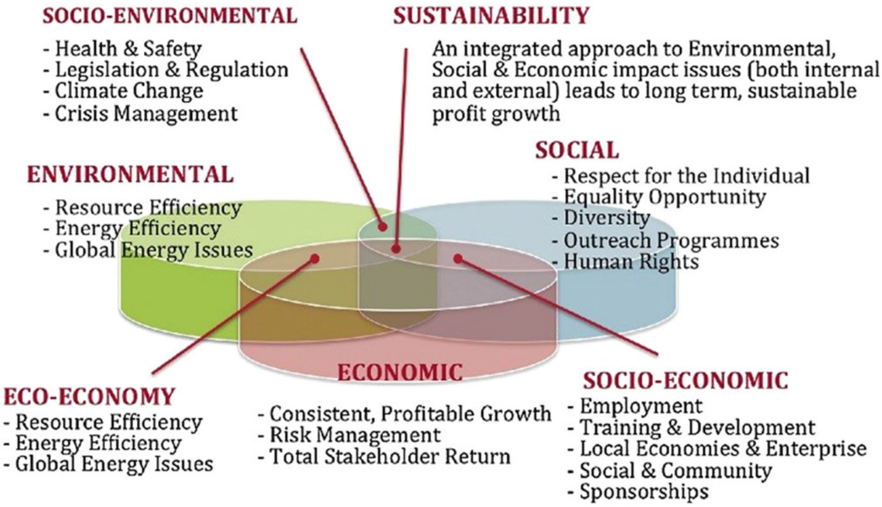

Fig. 1 Triple bottom line of manufacturing (Jovane et al., 2008; Kaihara et al., 2018)

by companies has closely followed the public debate in society. The historical development of corporate responsibility in Finland can be divided into three phases: industrialization, emerging of environmental awareness and globalization. In this regard, Finland has followed many of the practices of the Nordic and central European countries (Mikkilä, Linnanen, & Panapanaan, 2015). Following rules and standards as well as an emphasis on the environmental dimension of CSR characterizes much of the Nordic-German responsibility approach. Consequently, Nordic industries have a long tradition in well-established CSR reporting practices (Mikkilä, Panapaan, & Linnanen, 2016). Thus, corporate reporting provides fruitful material for investigating the development of CSR approaches within Finnish industries.

This paper aims to find evidence of truly sustainable business within industry practices by studying the development of responsibility management through three Finnish case companies representing globally significant sectors: energy (Fortum), grocery (Kesko), bio economy, and pulp and paper industries (Stora Enso). First, the theoretical framework based on the institutional organization theory is briefly introduced. Next, the conceptual development of corporate reporting from environmental management through corporate responsibility to truly sustainable business is reviewed, followed by the introduction of the case companies and context. The results of the qualitative content analysis are then shown. Finally, conclusions are drawn, providing some further development ideas for both scholars and practitioners.

2 Theoretical and Methodological Considerations

2.1 *Institutionalization of Organizational Behaviour*

Both practical observations and theoretical findings guided the theoretical basis—the institutional organization theory (Powell & DiMaggio, 1991). Theory and research on institutionalization have generated an understanding of the processes that define and explain institutionalization in organizational environments and their influence on organizational conformity to the environment (Oliver, 1991). The central assumption of the institutional theory is that institutional environments exert a potent conforming influence on organizations' attention. Social, economic and political factors constitute an institutional structure of a particular environment, which provides firms with advantages for engaging in specific types of activities there. Businesses tend to perform more efficiently if they receive institutional support. However, Oliver (1991) recognized that the institutional perspective has also been increasingly criticized for its lack of attention to the role of organizational self-interest and active agency in organizational responses to institutional pressures and expectations.

Braam, Uit de Weerd, Hauck, and Huijbregts (2016) concluded that legitimacy plays an important role in companies' choices concerning environmental disclosure. Mikkilä's findings support this in that the first responsibility initiatives among Finnish industries were based on ad-hoc reactions to the case at hand rather than systemized responsibility strategies in international operations from the 1970s to the 1990s (Mikkilä, 2006; Mikkilä et al., 2016). For example, employees' positions when closing production units and outsourcing, industrial pollution, and acceptable utilization of natural resources were discussed intensively with various stakeholders. This has led to an intensive responsibility debate and institutionalization of the responsibility approach by governmental, non-governmental and industrial sectors in the 2000s.

Responsibility as such is a value and time bound concept, inevitably reflecting changes in the societal situation and debate with time and place (Mikkilä, 2006). The adoption of responsible operations by companies has closely followed the public debate in society, indicating the institutionalization of the related values and practices. The concept of institutionalization provides the theoretical framework. The development of the responsibility concept within industries is studied through the reporting practices named environmental, corporate responsibility and sustainability.

3 Conceptual Development of Sustainability Approaches within Business

3.1 *Environmental Management*

Environmental management can be considered as the first institutionalized approach to consider managerial issues that go beyond the traditional financial dimension of industrial operations.

Barrow (2005) acknowledged environmental management to be a goal or vision, an attempt to steer a process, an application of a set of tools and a philosophical exercise seeking to establish new perspectives towards the environment and human societies. Environmental management therefore involves many stakeholders and requires a multidisciplinary perspective. It involves many spatial scales, ranging from the local to the global. It also involves many diverse goals, including the desire to control the direction and pace of development, to optimize resource use, to minimize environmental degradation and to avoid environmental disaster.

From this point of view, environmental management may be defined as the system that anticipates and avoids, or solves, environmental and resource utilization and conservation issues. On the other hand, environmental management may be defined as a process concerned with human-environment interactions which seeks to identify: (a) what environmentally desirable outcomes are; (b) what the physical, economic, social, cultural, political and technological constraints to achieving those outcomes are and (c) what the most feasible options for achieving those outcomes are (SOAS University of London, 2018).

An environmental management system (EMS) is a voluntary management tool that aims to improve an organization's environmental performance through an integrated and systematic approach to dealing with environmental issues. Firms and other types of organizations have been implementing environmental management systems for more than two decades. They may design their own EMS or, alternatively, they may follow the guidelines laid down by third parties, such as the International Standard Organization's ISO 14001 Standard or the European Union's EMAS regulation.

Several different impacts of EMSs have been identified over the years. Many of these are managerial related in nature, which include better organization of work and reduction of risks. However, a long-lasting debate has emerged in the literature regarding the environmental benefits of EMSs. Often, a positive impact is seen when examining individual organizations, while large-scale surveys provide ambiguous results (SOAS University of London, 2018).

As a result, both the International Standard Organization and the European Union have recently revised their guidelines to involve more concrete requirements regarding the collection of information and the measurement of data relating to actual environmental performance (Gyula, 2017). Figge and Hahn (2013) expanded the debate on environmental management by considering the value-based approach as it relates to the concept of eco-efficiency and considering this as a standard for managerial decision making in an environmental context because it seemingly reconciles the efficient use of capital and environmental resources.

Finnish industries started to launch environmental management systems in the 1990s, and this has been reflected through environmental reporting since the late 1990s. Mäkelä (2016) observed Finnish pulp and paper companies reporting on a massive number of indicators but focusing mainly on input and output indicators. Furthermore, the environmental performance of their supply chains was considered only marginally in the reporting. This leads the challenge to obtaining a balanced view of environmental performance. Regardless of the reporting practices, among the Nordic and central European countries, Finland has been a forerunner both in qualitative and quantitative terms of reporting (Kuisma & Temmes, 2011).

3.2 Value Creation through Corporate Social Responsibility

Globalization enlarged the business debate from environmental management and related reporting to cover various social issues since the late twentieth century. Respectively, business language has adopted the concepts of corporate (social) responsibility and corporate sustainability and covers many environmental issues, too.

Regardless of the institutionalization and intensive strengthening of various operational practices, the responsibility approach has reached a relatively low strategic position in corporation management. The concept remained a rather normative reporting concept mainly due to the indirect connection between productive operations and the moral concept of responsibility. This led to the attempts by scholars and practitioners to concretize value creation through responsible operations.

Scholars aimed at proving the value creation potential of responsible practices, but many of the works ended up being more of a managerial recommendation than concrete evidence on value creation. For example, Burke and Logsdon (1996) examined social responsibility programmes which create strategic benefits for firms. The five strategic dimensions they identified which help to assess the value created for the firm by responsibility programmes are: centrality, specificity, proactivity, voluntarism and visibility. However, the outcome of their work consists of managerial recommendations but gives little concrete evidence on value creation. Husted and Allen (2007) aimed at modelling how the strategic management of CSR may contribute to improving firm profitability by examining the impact of three strategic CSR variables—visibility, appropriability and voluntarism—on value creation and ended with the conclusion that understanding of the similarities and differences between corporate responsibility and other traditional corporate market activities must be strengthened for the pursuit of value creation. Jonikas (2012, 2013) outlined a conceptual framework to determine the potential value emerging from various responsibility actions. Bhardwaj, Chatterjee, Demir, and Turut (2018) analysed the conditions under which it is optimal to invest in corporate responsibility and then expanded the analysis to study the increase in consumers‘appreciation of CSR and the increase in consumers' sensitivity to evaluate context affecting firms' optimal CSR strategies.

Practitioners also made a few proposals to concretize the value creation potential of responsibility practices. For example, Goodwill Management (2018), a consulting firm in socially responsible economic performance, assists clients in creating synergies between CSR initiatives and economic performance by developing methods to manage responsible practices through value creation, emphasizing that costs are simple to determine. But the benefits and avoided costs are often hidden. The firm conceives and implements a responsibility project that creates economic value and evaluates the social and economic impact of responsibility projects.

In spite of the strong existing literature on the role of CSR regarding the aspects of environment and society, there is a significant gap of how CSR can create value for company stakeholders. The measurement of value creation through responsible operations turned out to be challenging. Proponents of corporate social responsibility used to be convinced that it pays off for the firm as well as for the organization's stakeholders and the society, but evidence was sparse. In the early adoption phase of responsibility practices, Husted and Allen (2007) had already recognized that CEOs and government leaders insist in public that responsibility projects create value for a firm, but privately they admit that they do not know if CSR truly pays off.

3.3 Truly Sustainable Business

The adoption of the strategic approach related to the implementation of corporate (social) responsibility seemed to remain much in its half way among practitioners. This may have boosted the further development of sustainability approaches within the business context. Business practices can hardly be considered truly sustainable if the sustainability is not reflected in the outcomes of the industries—regardless of the adoption of concepts like environmental management and corporate (social) responsibility into the operations. Commonly, these concepts have been replaced by the concept of sustainability referring regularly to sustainable development based on the three pillars of economic, social and environmental aspects.

Dyllick and Muff (2015) observed that sustainability management is becoming more widespread among major companies, but the impact of their activities is not reflected by studies monitoring the state of the planet. They identified a big disconnect between an organization's micro-level sustainability progress and the ongoing macro-level deterioration of the globe. Even though organizations have addressed the different criteria, it has not resulted in significant improvements on the level of global sustainability. Thus, the researchers have introduced a divergent approach to business to execute sustainability. To address this challenge, they created a typology of business sustainability ranging from Business Sustainability 1.0 (Refined Shareholder Value Management), Business Sustainability 2.0 (Managing for the Triple Bottom Line) and Business Sustainability 3.0 (True Sustainability), justifying the approach to distinguish between those companies that contribute effectively to sustainability and those that do not.

The first, yet insufficient, effort towards sustainable business is the Business Sustainability 1.0 level. Here, the company acknowledges that environmental and social challenges exist outside of the market. These challenges are normally claimed by external shareholders as creating economic risk if not addressed properly. Thus, due to potential business opportunities, organizations integrate concerns into the existing infrastructure and processes without altering the core business idea. In many cases, these efforts are made to enhance the attractiveness as well as the reputation of the business. Thus, the motives still lie in profit maximization, and prosperity is evaluated heavily from an economic point of view (Dyllick & Muff, 2015).

Business Sustainability 2.0 represents the level into which many sustainably ambitious enterprises can be categorized. Defined by Dyllick and Muff (2015), a Business Sustainability 2.0 company practices the triple bottom line approach and thus broadens its stakeholder perspective. The value creation exceeds the shareholder value by including environmental and social values. Here, the value is created by setting measurable and reportable goals, and targets and programmes to address certain sustainability issues or stakeholder groups. The perspective can still be seen inside-out even though the company produces, invents and even reports results of well-defined sustainability areas whilst generating economical profit.

The final level, the truly sustainable business, is a company that shifts its perspective from seeking to minimize its negative impacts to understanding how it can create a significant positive impact in critical and relevant areas of society and the planet. A Business Sustainability 3.0 company aims to deliver positive impact through its expertise, resources, products and services. Using the shifted outside-in operating perspective, a truly sustainable business is able to turn the environmental and societal sustainability issues into business opportunities (Dyllick & Muff, 2015). Consequently, in a case where the organization is able to make business sense of the global challenges, the organization can be observed to gain profit without compromising the wellbeing of the environment and the society.

Few large-scale companies in Finland have actively looked for opportunities in strategic responsible business or the truly sustainable business elements. Meanwhile, several small and medium-scale enterprises have been established during the last ten years to create business based on recycling materials and nutrients, the establishment of virtual banks for the marketing of recycling materials and a search for new biomass sources for bioenergy production, including the elements of truly sustainable business (Mikkilä et al., 2015).

3.4 Conceptual Framework

The institutionalization of the responsibility debate is reflected in the expectations towards managerial responsibilities of businesses beyond the financial dimension. The concepts of environmental management and corporate (social) responsibility are

Fig. 2 Institutionalized responsibility discussion

well-known and adopted concepts in societies. The larger approach, truly sustainable business, does not yet have the same status (Fig. 2).

3.5 *Methodological Basis*

This paper analyses the development of corporate responsibility reporting in three Finnish large-scale companies representing energy, grocery, and pulp and paper industries. Energy, food and forest-related sectors are the cornerstones of the national economy and are among the most important sectors producing daily necessities for citizens. Reporting practice was the other key-criteria for the selection; all case companies launched sustainability reporting in the late 1990s (starting with environmental reports during the first years), followed by larger responsibility reports since the early 2000s. Hence, the reports and reporting periods were relatively comparable and comprehensive. Each company presents a comprehensive set of reports on their homepages. Furthermore, the reports of the case companies have been regularly awarded as the best sustainability reports by the non-profit Finnish Corporate Social Responsibility Network (FIBS), showing the quality of the reports.

The purpose of the qualitative analysis herein was to observe how the case companies' reporting reflected the sustainability path, indicating environmental and value creation through social responsibility and truly sustainable business thereby following the analysis path of Miles and Huberman (1994), Yin (2003), etc. The content of the publicly available reports was analysed manually in regard to the conceptual framework. Then we built a development path based on the public corporate reporting dimensions.

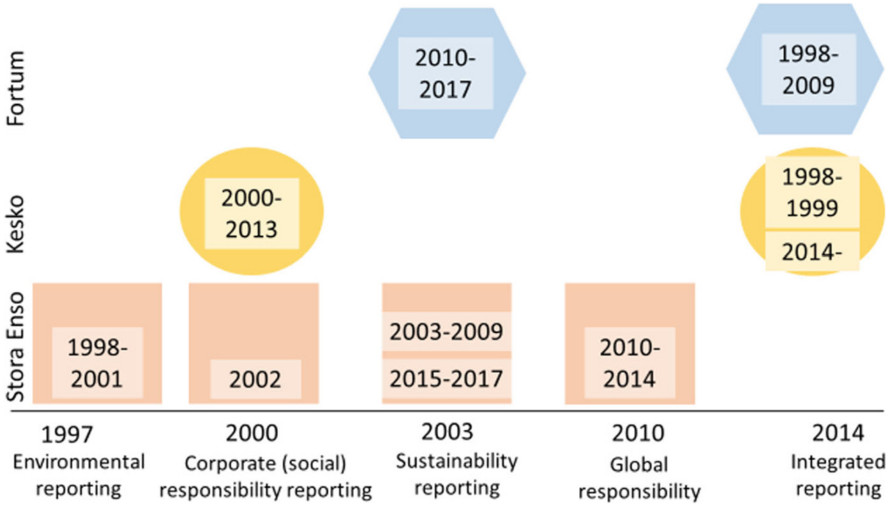

Fig. 3 Corporate reporting practices of the case companies from 1997 to 2017

Figure 3 demonstrates the applied material in terms of conceptual content and time span. The analysis period covered the last 20 years in the three analysed cases. The conceptual content followed much of the general debate in society, starting from environmental reporting in the late 1990s, followed by corporate (social) responsibility reporting in the early 2000s and then turning towards sustainability terminology.

4 Content Analysis of the Case Companies

We first made an overview of the three case companies followed by the content analysis of their corporate reporting (Tables 1, 2, and 3). Table 1 introduces the main figures and facts of the chosen cases. Table 2 analyses global and standardized elements of the corporate reporting. Table 3 focuses on the traditional tridimensional elements of the reporting based on the sustainable development definition—namely, economic, environmental and social responsibility. The analysis aims to elaborate similarities and differences across businesses and, consequently, point out future research needs.

4.1 Energy: Fortum

Fortum Oyj is an international energy company providing customers with energy solutions that, according to company strategy, improve present and future life and

Table 1 Main facts regarding the case companies in 2018

	Fortum	Kesko	Stora Enso
Field of industry	Energy	Grocery	Pulp and paper
Net sales, € bill.	4.5	10	10
Operating profit, € mill.	811	324.6	904
Employees (#)	8507	24,983	25,700
Main product categories	Electricity, heating and cooling, energy sector services, power trading	Grocery trade, building and technical trade, car trade	Packaging, biomaterials, wooden constructions and paper
Examples of strategic sustainability initiatives	Integration to the circular economy with the acquisition of the company Ekokem	Establishment of electric car charging point networks and a car sharing pilot, biogas produced from stores' waste utilised as energy in new production	Wood-based biocomposites to replace plastics, selling the renewable surplus energy to local heating systems
Reporting material available from the homepages	Annual reports 1998–2017 Sustainability reports 2010–2017	Annual reports 1998–2017 Responsibility reports 2000–2013	Annual and sustainability reports 1998–2017
Awards in best reporting competition/ FIBS	1999–2005, 2012, 2013, 2016	2000–2005, 2008–2011, 2013–2014	1998, 2002, 2011, 2015, 2016

deliver excellent shareholder value. The company operates mainly in Nordic and Baltic countries, Russia, Poland and India. In addition to production of heat and electricity, Fortum recently invested in the production of fast pyrolysis oil made of wood-based raw materials (e.g. forest residue, wood chips and sawdust) integrated with existing combined heat and power production and an urban district heating network (Fortum, 2019).

In 2016, Fortum acquired Ekokem—a leading Nordic circular economy company specialising in material and waste recycling, final disposal solutions, soil remediation and environmental construction. The company strengthened its strategy as a Nordic circular economy leader in the field of waste-to-energy solutions with this acquisition (Fortum, 2019).

Fortum included environmental issues in its annual reporting in the late 1990s. The reporting developed most intensively in the early 2000s, and this is reflected in the gathering of new elements and indicators annually (Tables 2 and 3). The company launched a separate sustainability report relatively late in 2010. The structure of the first separate sustainability reports followed that of the previous

Table 2 Global elements of sustainability indicated in the corporate reporting

Content of sustainability reports																
Fortum = X, Kesko = O, Stora Enso = Y	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008–2012	2013	2014	2015	2016	2017
Global responsibility																
Sustainable development	Y	O				X										
UN sustainable development goals															XOY	
Climate change, CO2 balance	XY			O												
Circular economy													Y		XO	
Standardized practices																
Strategic sustainability				O					Y							
Quality/responsible management	XOY															
Operation in compliance with regulations	XY	O														
Risk management (profitability, operational)	Y		O		X											
Code of conduct		O	Y								X					
Business ethics		O			Y								X			
Bribery						Y	O									
Transparency	Y															
Sustainability indices		O	Y				X									
GRI					OY							X				
ISO 14001, EMAS, FSC	XO		Y													
SA 8000		O														

ISO 9001					Y											
ISO 26000																
Supply chain management	Y			O												
Fair trade				O												

Table 3 Environmental, social and economic sustainability indicated in the corporate reportin

Content of sustainability reports																
Fortum = X, Kesko = O, Stora Enso = Y	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007–2011	2012	2013	2014	2015	2016	2017
Environmental responsibility																
Environmental/fibre strategy		O						Y								
Biodiversity	Y												X			
Environmental technology			X													
Eco-efficiency	XY		O													
Energy efficiency	Y		O													
Renewable energy, biofuels	Y	X						O								
Material balance/ efficiency	XY		O													
Emissions	XY		O													
Emission trading						X										
Water balance			O										X			
Waste water	Y															
Waste and by-products	Y														X	
Waste management	OY															
Recycling	OY															
Land use			Y		O											
Life-cycle thinking	Y	O														
Logistics, transport	OY															
Social responsibility																

Stakeholder relationships	Y		O						X							
Occupational safety	XY	O			Y											
Education, training	OY				X											
Motivation of employees	O				Y		X									
Payments to employees (salaries, pensions, insurance)	XO				Y											
Gender and age balance			XO		Y											
Philanthropy, consider-ation of local societies	Y			O	X											
Human rights	Y		O										X			
Economic responsibility (beyond financial statements)																
Taxes			O													
Adding value (generating value for stakeholders)							Y				X					
Product responsibility	Y				O								X			
Plant decommissioning													X			
Security of supply	Y														X	

integrated reporting very closely. Hence, the content difference between the integrated annual report and the separate sustainability report remained marginal until the launching of GRI basis in reporting in 2012.

Fortum integrated sustainability into its strategy in 2009 by stating the goal of creating sustainable energy solutions for current and future generations. Furthermore, in 2013, the company stated value generation for its stakeholders through employment and production of sustainable energy and climate-benign products, but no concrete indicators for this were presented in the reports.

4.2 Grocery: Kesko

Kesko is a Finnish trading sector pioneer. Kesko was formed when four regional wholesaling companies that had been founded by retailers were merged in October 1940. The company operates in the grocery trade, the building and technical trade and the car trade. Kesko's principal business model in the Finnish market is the chain business model in which independent K-retailers run retail stores in Kesko's chains. Outside Finland, the business model is based on retailing and B2B trade. The approximately 1600 stores operate mainly in the Baltic Sea region, Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Belarus and Poland. K Group is the third largest retailer in northern Europe and employs around 42,000 people (Kesko, 2019).

K Group launched a new model for online food sales in the greater Helsinki region with notably wider selections and home delivery in 2017. Another strategic focus area is actively growing the business of K Group's food service wholesale company, which serves customers in the hotel and restaurant business. The Group is implementing its sustainability strategy through new forms of mobility by establishing a nationwide network of electric car charging points and a car sharing pilot. In addition, Kesko is cooperating with the gas company, Gasum, with a new way to use wastage. Biogas produced from K-food stores' waste is utilised as energy to manufacture new products. Kesko aims to contribute to turning Finland into a forerunner in bioeconomy and cleantech (Kesko, 2019).

Kesko published printed environmental reports from 1997 to 1999. The first digital responsibility report used for the analysis here was available in 2000. Responsibility reporting was developed intensively until the mid-2000s, reflecting the active societal debate on corporate responsibility. Commonly, corporate responsibility remains a normative statement in corporate values. Kesko also aimed at the adoption of strategic responsibility in 2001, by noting it in its strategy. GRI reporting practices were launched relatively early, in 2002. The company changed reporting practices in 2014, integrating responsibility/sustainability dimensions of operations into a comprehensive integrated annual report.

4.3 Pulp and Paper: Stora Enso

Stora Enso Oyj is a multinational renewable materials company working in the pulp and paper industry. The corporation Stora Enso Oyj was formed in 1998 as a Swedish mining and forestry company. Stora AB was merged with the Finnish forest company Enso Oyj. Stora Enso's headquarters is in Helsinki, Finland. Stora Enso ranks itself as the leading provider of renewable solutions in biomaterials, packaging, wooden constructions and paper products. In 2017, Stora Enso's sales totalled 10 billion euros, making it third in the world amongst pulp and paper industry companies. Stora Enso consists of five different divisions with specific areas of business. These divisions are: consumer board, packaging solutions, biomaterials, wood products and paper. Due to the different fields of specialisation, Stora Enso's customers vary from publishers to converters and even construction companies (Stora Enso, 2019).

The sustainability strategy is highly reliant on a raw material basis—as the purpose of the company is to replace fossil-based materials with renewable solutions. Stora Enso's concrete actions include the launching of wood-based biocomposites to provide a bio-based alternative to plastics for the market. Through the joint development agreement, Stora Enso will licence Sulapac's materials and technology and begin the development of fully renewable caps and closures for liquid packages. Furthermore, the company sells renewable surplus energy from its mills to local district heating systems or private companies (Stora Enso, 2019).

Stora Enso provides the oldest separate sustainability reports. It has published a digital version of the environmental report since 1998. One corporate responsibility report was published in 2002, but the company adopted the concept of sustainability reporting in 2003 and has used it since. Global responsibility reports were published from 2010 to 2014, but the company returned to sustainability reports after that. The content development is much the same as the other two case companies, with the most active period being in the early 2000s. The company adopted the GRI reporting framework in 2002.

5 Synthesis

This paper analyses the adoption of responsibility concepts, namely environmental management, value creation through corporate responsibility and truly sustainable business, through the corporate reporting of three Finnish large-scale companies representing energy, grocery, and pulp and paper. The analysed companies were forerunners in the adoption of environmental (and later, responsibility/sustainability) reporting practices in Finland and Europe. The quality of the reports was high, as all three companies have been rewarded regularly in the annual responsibility reporting competition arranged by the Finnish Business and Sustainability network since 1996

(FIBS, 2019). The analysed reports were, thus, well standardized and relatively comparable and comprehensive.

The content analysis demonstrated the adoption of well institutionalized managerial concepts, namely environmental management and corporate responsibility, in the corporate reporting during the studied time span of 20 years. The reporting shared little evidence of the adoption of truly sustainable approaches (i.e. delivering positive impact through the company's expertise, resources, products and services to societies at large and beyond strictly defined business accounting) by the studied companies. However, the sustainability webpages of all three companies demonstrated high potential for this kind of positive impact.

Fortum considers itself as an accelerator of change by reshaping the energy system, improving resource efficiency and providing smart and clean solutions for the future, reflecting the economic, social and environmental responsibility of operations (Fortum, 2019). The company leaves the definition of changing direction open to some extent, giving the impression that the doors for fossil-based solutions are not fully closed. The sustainability targets strive for employee well-being and a secure supply of electricity. A large energy company could have the ambitious goal of providing a climate neutral energy source for a large group of people. Hence, the business idea could logically be shifted towards inside-out thinking and the creation of truly sustainable value.

Kesko's strategy focuses on quality and customer orientation. Responsibility emphasizes circular economy and organic food aspects (Kesko, 2019). A grocery company has good potential to be a power player in solving worldwide food waste problems. More efficient food treatment would improve the nutrition of populations, and decreased wood waste would have a direct impact on climate change. These elements of truly sustainable value are not yet found in the strategy and reporting of the case company.

Stora Enso places much focus on the traditional environmental issues when presenting itself (Stora Enso, 2019). The company could produce truly sustainable value, for example, through one of its key operations—packaging board production. An essential strategic element of Stora Enso is to be among the safest and most reliable high-quality suppliers in the food packaging segment. Regardless of this, the importance and general value of improving food safety has received little emphasis in the assessment of the larger value creation of the company. The environmental issues (such as renewable raw materials) are also emphasized here and are in line with the company's communication even though the relation the food challenges allowed the connection to social issues, such as equal rights to safe food.

6 Concluding Remarks

Since the early steps, Finnish large-scale companies have been the forerunners in the adoption of global responsibility and reporting practices. The content of the studied reports was developed most intensively from the late 1990s until the mid-2000s. The adoption of environmental management as a part of management resulted in the first environmental reports that focused mainly on environmental issues such as raw material basis and eco-efficiency. Regardless of the environmental focus, the first reports also listed several health and safety indicators. Ethical elements, like codes of conduct, have also been considered since the early phases of reporting.

The adoption of the GRI framework in 2002 and onwards has standardized reporting. The contents have developed little since the adoption of the GRI. This can also indicate the marginal development of operational responsibility within the companies after the launching period. However, this second phase of report development demonstrates that there is little value creation potential in corporate responsibility. Fortum and Stora Enso recognized value creation for the stakeholders, but there seemed to be few related concrete actions.

The global concepts such as UN SDG and circular economy are the newest elements of the report referring to the truly sustainable business approach. So far, the analysed reports show little evidence of how these concepts are directly integrated at the operational level even though all case companies have implemented several actions that fulfil, for example, the criteria of circular economy. The standardization of reporting through the GRI framework provides, on one hand, a comprehensive platform for comparable and comprehensive reports. On the other hand, this standardization leaves little space for the development of operational responsibility.

It can be concluded that the global reporting framework provides a comprehensive framework for reporting managerial issues that go beyond the strict financial accounting reports. Globally acceptable frameworks provide a large set of sustainability criteria that could also provide new perspectives to evaluate the sustainability of operations. This standardized reporting seldom leads to a wider consideration of the potential for value creation and larger sustainability impacts of operations, as companies (commonly) apply the parts of the larger framework that are relevant to daily business. The analysis showed no evidence that environmental accounting practices or responsibility related value creation analyses were generalized among industries. Environmental and responsibility approaches have been inadequately integrated into the strategic level of industrial operations as decision-making criteria among financial criteria. This limits the recognition of the larger value of sustainability of operations to societies and, consequently, the further development of operations towards such sustainability.

Both financial and corporate social responsibility reporting are bound by global constraints. A common trait among the reporting systems is a growing movement towards comparability and accountability. Global pressures initially motivated the push towards stand-alone CSR reporting and now towards integrated reporting. Integrated reports (IR) include financial, economic, governance and social information (in one report).

The observation here supports former findings (for example, Mikkilä, 2006; Mikkilä et al., 2016) that Finnish industries react to external pressures that give the final push to improve quality operations even though simultaneous internal development processes have been going on. The internal processes, including sustainability reporting, are relatively few and diversified. The International Integrated Reporting Council (IIRC, 2019) proposes integrated reporting of financial figures and sustainability issues as one solution to disclose the leading indicators that managers use in their sustainability decision processes and thus to overcome traditional silo thinking (Hertz Rupley, Brown, & Marshall, 2017). In this respect, IR could favour the integrative management of sustainability. Some scholars question the potential of IR to contribute to sustainability management. True sustainability management and a more sustainable and larger value creation by companies is a diverse issue that requires diverse managerial solutions and open-minded attitudes.

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