



# Corporate responsibility

– practices in Finnish business

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Successful companies are fundamental for economic growth and for the well-being of people in all countries. Today's business climate also calls for corporate responsibility (CR) to be factored into business know-how.

Finnish business has committed itself to promoting corporate responsibility and continuously improving its practices. A successful and responsible company is able to recruit and retain the best employees. As a result, its customers and business associates are satisfied, and the company is respected by its stakeholders. Yet, the way in which corporate responsibility is managed is soon reflected in the company image and the associated risks. When corporate responsibility is conscientiously upheld, it can prove to be a distinct competitive advantage.

The Confederation of Finnish Industries EK is the leading business organisation in Finland. It represents

” **The content and focus of corporate responsibility are changing over time.** ”

the entire private sector, both industry and services, and companies of all sizes. EK's member companies represent more than 70 per cent of Finland's gross domestic product, and over 95 per cent of exports from Finland. EK is a member of UNICE (the Confederation of European Business).

” **Topics in developing markets include human rights and the rejection of corruption.** ”

## The Finnish Business Alliance

Corporate responsibility has long been on the Finnish business agenda. Many companies have taken CR as a part of their strategy and everyday operations. In addition to that, business associations have, for example, published guidelines and organised workshops. Practices, networks and co-operation with stakeholders have been developed during the years.

Finnish business has a well-functioning alliance based on

” **Current topics include**

- **Global Competitiveness**
- **Developing responsible practices in the whole supply chain**
- **Well-being and know-how of personnel**
- **Health and safety**
- **Combating climate change**
- **Eco-efficient use of raw materials**
- **Co-operation with main stakeholders.** ”

existing CR networks. In 2006 the main topics in the Finnish network were CR in the supply chain, the role of the finance sector in encouraging CR, the organisational aspects of CR at the company level, CR and SMEs, as well as indicators for and the reporting of CR. Current activities like ISO standardisation and GRI have also been discussed.

The current business networks and the co-operation with stakeholders it embraces will be strengthened and improved to better rise to the future challenges of CR.

## What is Corporate Responsibility (CR)?

The Confederation of Finnish Industries EK uses the term Corporate Responsibility (CR), but the concept is variously known as corporate social responsibility (CSR), good corporate citizenship or corporate sustainability.

Corporate responsibility is active responsibility, which stems from the company's values, objectives and activities and which takes into account the expectations of the main stakeholders. It is built upon economic, environmental and social principles. The aim is to realise sustainable development within companies in a voluntary way.

” **Current business networking and co-operation with stakeholders will be strengthened and improved in the future.** ”

## Elements of the Finnish Business Alliance

**EK's working group** on corporate responsibility, co-ordinated by the Confederation of Finnish Industries EK, identifies and discusses the relevant topics and business needs. It also arranges workshops or think-tank meetings. The working group covers all the main business sectors such as industry, commerce, banking and insurance.

**A broad business network** has been built up in co-operation with the Confederation of Finnish Industries EK, ICC Finland and the Finnish Chamber of Commerce.

This comprehensive business network works as an information channel when disseminating information on business practices or more general matters.

**Concrete CR development** takes place in companies that also have co-operation projects with each other and with their stakeholders.

**Co-operation with stakeholders** is an important element of CR. One example of stakeholder co-operation is **the Finnish Ethical Forum** whose main objective is to promote

interaction between different stakeholders and offer them a means to discuss corporate social responsibility and business ethics. The Forum was formed in 2001 by companies, business organisations, NGOs, trade unions, and church and governmental officials. EK is a member of the Forum.

EK also represents its members on the committee known as **Monika** (Finnish Committee on International Investment and Multinational Enterprises), a governmental organization which discusses and encourages corporate responsibility.

## Concrete examples

The Confederation of Finnish industries published a booklet titled "Corporate responsibility – practices in Finnish companies" in September 2006. The publication covers examples of the huge diversity of corporate responsibility and topics arising from it. Its focus is on practices adopted by Finnish companies and branches, and the following cases all appear in the publication. Additional information can be found on the respective websites of the companies concerned.

## Organising CR at the company level

### Companies have continued to make progress

The Central Chamber of Commerce monitors the development of Finnish Business Culture every two years. According to the latest survey, companies have, for example, voluntarily promoted the well-being of their personnel (97%) and rejected the grey economy (84%). The largest companies have established

guidelines on such issues as equity (78%) and good corporate governance (74%).

**Further information:**  
[www.keskuskauppakamari.fi](http://www.keskuskauppakamari.fi)

### Energy Efficiency Agreements are producing good results

Energy Efficiency Agreements are effective tools for promoting energy efficiency. Finnish industries and

government are planning a third generation's agreement.

**Further information:** [www.ek.fi](http://www.ek.fi)

### CR in construction

**Skanska Oy** and **Varte-yhtiöt** are examples of construction companies that have a comprehensive system to manage CR.

**Further information:**  
[www.skanska.fi](http://www.skanska.fi) and [www.varte.fi](http://www.varte.fi)

## Economic responsibility

### CR is a feature of the investment activities in Ilmarinen

According to its ownership policy, the mutual insurance company **Ilmarinen** pledges that investments should be profitable, responsible and ethical.

**Further information:**  
[www.ilmarinen.fi](http://www.ilmarinen.fi)

### Different faces of risk management in the Wärtsilä Corporation

According to its risk policy, the technology company **Wärtsilä Oyj** carries out risk management surveillance on operational risks every second year and develops continuous reporting.

**Further information:** [www.wartsila.com](http://www.wartsila.com)

### Construction industry combats the grey economy

The building industry is implementing an agreement to combat the grey economy. The branch has also encouraged the use of passes and an identification system on construction sites.

**Further information:**  
[www.rakennusteollisuus.fi](http://www.rakennusteollisuus.fi)

## Practices in stakeholder involvement

### Consumer forum in the Tapiola Group

The Tapiola Group is a mutual insurance company. Since 1995, the company has organised discussion forums for stakeholders.

Further information:  
[www.tapiola.fi](http://www.tapiola.fi)

### Voluntary measures by pharmacies

Pharmacies are offering special services to their customers to

promote medical care and support public health.

Further information:  
[www.apteekkariliitto.fi](http://www.apteekkariliitto.fi)

### Business also has its own educational institutes

Finnish industries have about 40 educational institutes whose objective is to promote education and co-operation within working life.

Further information: [www.ek.fi](http://www.ek.fi)

### Image in communications

Communications industries have carried out a project to promote co-operation with stakeholders, especially where young people are concerned.

Further information:  
[www.TyojokaNakyy.fi](http://www.TyojokaNakyy.fi)

## Know-how and well-being of personnel

### Management is the biggest challenge

The objective of the Tykes programme is to develop working life in close co-operation with employers and employees at the company level.

Further information: [www.tykes.fi](http://www.tykes.fi)

### Working capacity project in M-real

The paper and board company **M-real Oyj** has carried out a project to decrease absenteeism due to illness.

Further information: [www.m-real.com](http://www.m-real.com)

### Equity project in banking

A Finnish banking company, the **OP-group**, has carried out a project to encourage equity between men and women.

Further information: [www.op.fi](http://www.op.fi)

### Skilful personnel in Validia Services

A branch of the Finnish Association of People with Mobility Disabilities, **Validia Services** offers housing services for people with a mobility disability. The company has focused on the well-being and skills of its

personnel.

Further information: [www.invalidiliitto.fi](http://www.invalidiliitto.fi)

### Practices in the food industry

The food industries, including Gustav Paulig Ab, Valio Oy, Vaasan & Vaasan Oy and Moilas Oy, have carried out many development projects to improve the well-being of their personnel.

Further information:  
[www.paulig.fi](http://www.paulig.fi); [www.valio.fi](http://www.valio.fi);  
[www.vaasan.com](http://www.vaasan.com) and [www.moilas.fi](http://www.moilas.fi)

## Practices in the supply chain

### CR in import trading

The working group co-ordinated by the Central Chamber of Commerce has developed the principles of import trading.

Further information:  
[www.keskuskauppakamari.fi](http://www.keskuskauppakamari.fi)

### Management of raw materials in UPM-Kymmene

The global pulp and paper company **UPM-Kymmene Oyj** has developed a pioneering global management system for wood-based raw materials.

Further information:  
[www.upm-kymmene.com](http://www.upm-kymmene.com)

### CR in cocoa cultivation

The chocolate and cocoa industries are developing a global certification scheme to monitor the working conditions on cocoa plantations. Finnish industries are taking part in the work.

Further information: [www.etl.fi](http://www.etl.fi) and  
[www.worldcocoafoundation.org](http://www.worldcocoafoundation.org)

### Long-term co-operation has far-reaching benefits

**Metso Paper Oy** and one of its subcontractors **Meteco Oy** have described their principles and ways of co-operating in a mutually beneficial way.

Further information: [www.metso.com](http://www.metso.com)

### Co-operation within the supply chain in the food industry

Food industry companies, such as Saarioinen Oyj, Raisio Oyj, Lännen tehtaat Oyj and HK Ruokatalo Oy have also described their practices in co-operation with other companies within the supply chain.

Further information:  
[www.etl.fi](http://www.etl.fi); [www.saarioinen.fi](http://www.saarioinen.fi);  
[www.raisio.com](http://www.raisio.com); [www.lannen.fi](http://www.lannen.fi);  
[www.hk-ruokatalo.fi](http://www.hk-ruokatalo.fi)

## Health and Safety

### Safety 24hr co-operation in the chemical sector

The objective of the Safety 24hr co-operation is to improve the safety in Finnish chemical industries. Over 40 projects have been carried out since the co-operation started in 2001.

Further information:

[www.chemind.fi](http://www.chemind.fi); [www.kemianliitto.fi](http://www.kemianliitto.fi)

### Self-regulation and quality work in restaurants

The Finnish hotel and catering sector has established self-regulation guidelines, which have been formulated in close co-operation with companies, authorities, educational institutions and environmental health experts.

Further information: [www.shr.fi](http://www.shr.fi)

### System for product withdrawal

The purchasing organisation **Inex Partners Oy** has a voluntary system for withdrawing products from markets in the event that the products are unserviceable. A product may be considered unserviceable if it is thought to pose a risk to consumer health or safety or if it does not fulfil the standards.

Further information: [www.inex.fi](http://www.inex.fi)

### Companies are promoting public health

The food companies **Vaasan & Vaasan Oy**, **Raisio Oyj** and **Valio Oy** have described their measures to promote public health on a voluntary basis.

Further information: [www.vaasan.com](http://www.vaasan.com), [www.raisio.com](http://www.raisio.com) and [www.valio.fi](http://www.valio.fi)

## Environmental responsibility

### Environmental policy in the brewing and soft drink industry

Companies in the brewing and soft drink industry have committed themselves to a branch environmental programme. Ethical aspects are also included.

Further information:

[www.panimoliitto.fi](http://www.panimoliitto.fi)

### Controlling greenhouse gas emissions in Fortum

The energy company **Fortum Oyj** has systematically developed its climate friendliness. The starting point was a voluntary climate change initiative adopted in 2000.

Further information:

[www.fortum.com](http://www.fortum.com)

### Water returns to the riverbed

The energy company **Pohjolan Voima Oy** has carried out a large project whose aim was to landscape a dry riverbed between 1991 and 2004. Co-operation with stakeholders played an important role during the project.

Further information:

[www.pohjolanvoima.fi](http://www.pohjolanvoima.fi)

### Neste Oil reduces emissions caused by traffic

The oil company **Neste Oil Oyj** has developed a new technology to produce synthetic diesel fuels from different kinds of renewable raw materials.

Further information:

[www.neste.com](http://www.neste.com)

### CR in Plastiroll Oy

**Plastiroll Oy** is an innovative SME whose products include totally biodegradable plastic bags. CR is an integral part of the company's values and practices.

Further information:

[www.pastiroll.fi](http://www.pastiroll.fi) and [www.muoviteollisuus.fi](http://www.muoviteollisuus.fi)

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