



Summary

Sustainability in Finland 2023

A survey on the corporate responsibility management, practices, challenges and future prospects of Finland's largest companies

The prerequisites for a genuine sustainability transformation exist

Our corporate responsibility survey brings to light the state of Finnish companies' sustainability efforts. Thanks to our updated content, it is more current than ever. In addition to describing the current state, it indicates the direction for the future and helps companies to develop their own operations in the direction required by international reference frameworks.

According to our survey, Finnish companies currently have good prerequisites for effective sustainability efforts: Corporate responsibility reflects in strategy and the management's agenda, and its importance and benefits are recognised.

Despite these prerequisites and good intentions, a surprisingly large number still have much to do at the basic level of corporate responsibility, i.e. managing risks and negative effects. We encourage companies to take even more concrete actions regarding climate, environment, and human rights, as well as transparent reporting.

In this report, we now turn our gaze to the future. With new perspectives, we want to encourage companies to reflect on their

own influence in accelerating the sustainability transformation.

Pioneering companies use a wide range of innovation, financing and advocacy tools to promote social and environmental well-being and resilience. We were delighted to see that efforts in this area are underway in Finnish companies. Sustainability is now particularly visible as a driver of innovation and investment.

World turbulence, pandemics, the energy crisis and war have further increased the commitment to promoting corporate responsibility. So the keys to a business-led sustainability transformation are already in our hands.

We hope that the 10th anniversary of our survey inspires you to effective sustainability measures, and that you enjoy our findings.

Helena Kekki, Director, FIBS



Finland's most comprehensive survey reveals the state and future direction of corporate responsibility

The **Sustainability in Finland 2023** describes the strategic importance, management and practices of corporate responsibility in the country's largest companies - not forgetting the outlook for the future.

This survey provides useful information on sustainability for companies, business decision-makers and policy-makers alike - and we already have a strong tradition of using it in Finland. The last survey was carried out in 2021

The set of questions has now been partly revised to reflect the recommendations of our international partner WBCSD, and the questions cover the key themes of sustainability efforts, from climate change to human rights. The role of companies as an enabler of the wider sustainability transformation will also be explored from a new perspective.



Business decision maker: How to make the most of this survey

- Benchmark your company's sustainability performance against the results of the survey
- Use the analyses and perspectives to support your company's strategic planning and operational development in its sustainability efforts
- Use the questions to identify key sustainability themes, and plan and develop your own operations in line with them
- Use the survey to train your own personnel
- Use the information to your advantage in communication, sales and marketing
- Extract information and figures for your own blogs and analyses
- Analyse and monitor more widely the level of corporate responsibility in Finnish companies - encourage and pressure others to invest in the topics covered
- **The content of the survey may be cited by mentioning the publisher (FIBS).**

The target group of the survey are the 1000 largest companies in Finland

Participants in the survey in 2023 included:

184 companies

with 1 person from each as follows:

30% CEOs

39% of directors responsible for corporate responsibility

31% of managers responsible for corporate responsibility

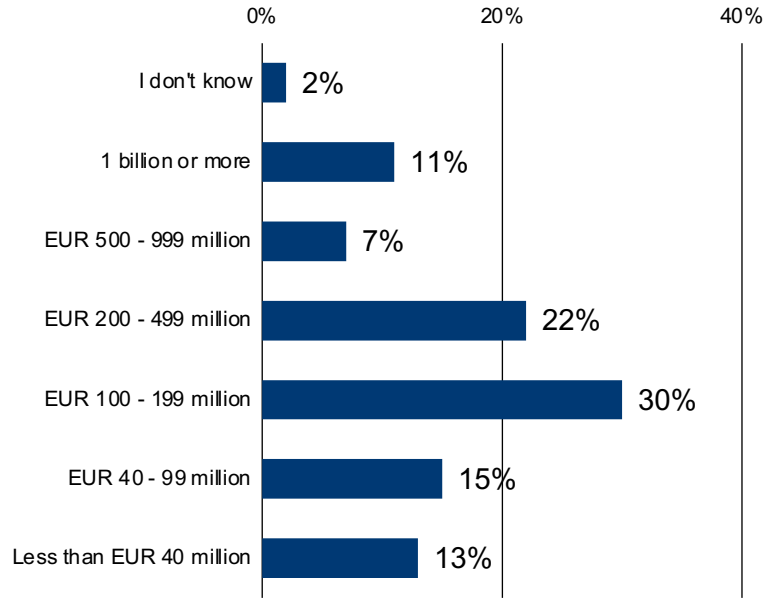
29% listed companies

38% of companies with personnel only in Finland

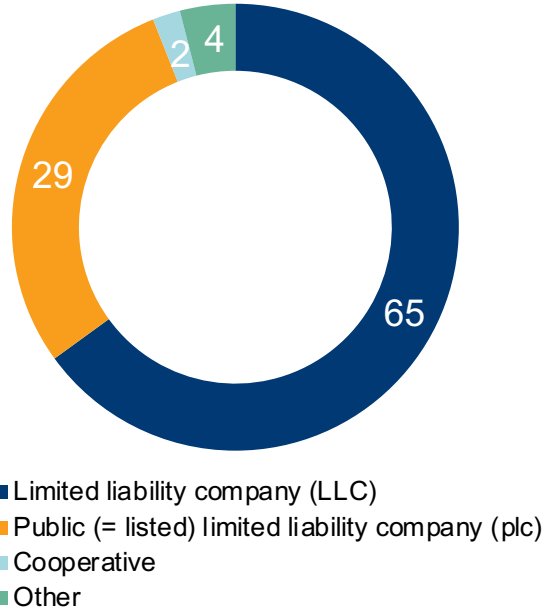
46% FIBS members

65% of respondents from limited liability companies, just over a third from manufacturing

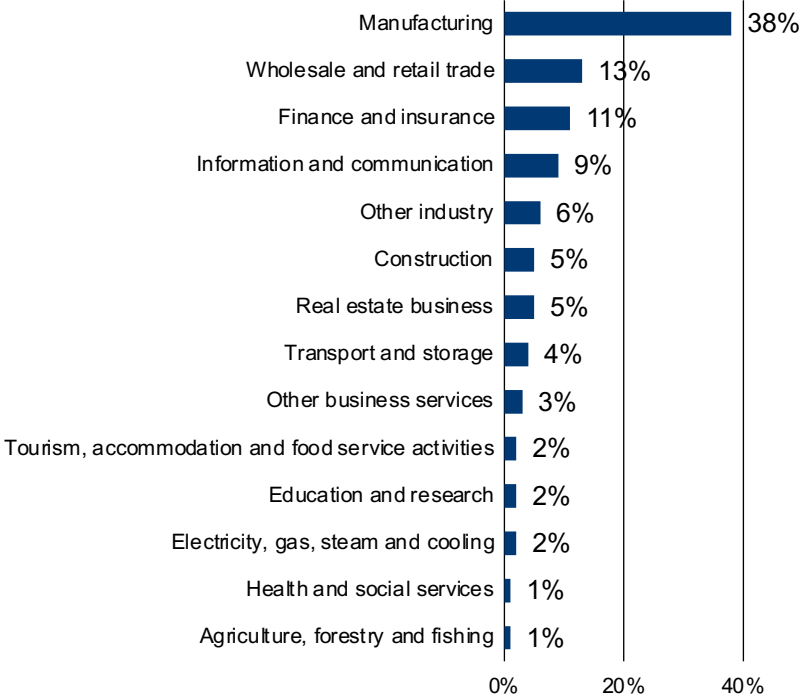
Turnover (n=184)



Type of company (%)



Main sector of activity



The study is carried out by FIBS

FIBS is the largest corporate responsibility network in the Nordic countries and a leading developer of corporate expertise.



Our aim is to accelerate the drivers of corporate responsibility towards a more sustainable world

Involved in our activities

400+ members

$\frac{3}{4}$ companies
 $\frac{1}{4}$ other operators

We provide our members with the widest range of services and development tools in the industry, including:

- ✓ Studies and surveys
- ✓ Training
- ✓ Seminars and webinars
- ✓ Light mentoring programme

Read more: www.fibsry.fi

The 5 main findings of the survey

1

Businesses are well placed to make an impact in the area of corporate responsibility. Sustainability is reflected in the strategy and management agenda, and its importance and benefits are recognised. The war in Ukraine and the pandemic led to an increasing commitment to CSR.

2

Sustainability commitments and targets do not always translate into concrete actions. Despite good conditions, there is still much to be done on climate, nature, human rights and transparent reporting.

3

Sustainability is now driving innovation and investment. Yet companies persist in their unsustainable business practices.

4

Enabling sustainability breakthroughs are taking place in Finnish companies. The role of political influence in promoting sustainability is not yet recognised by companies.

5

The skills gap is an obvious bottleneck for the future.



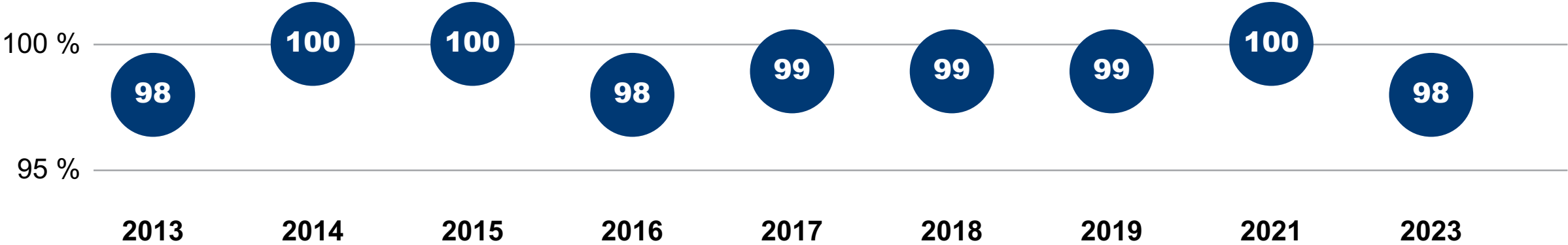
1

Businesses are well placed to make an impact in the area of corporate responsibility:

Sustainability is reflected in the strategy and management agenda, and its importance and benefits are recognised.

The war in Ukraine and the pandemic led to an increasing commitment to CSR.

Sustainability has been **an essential factor** for Finnish companies for **10 years**



72%

stated that the war in Ukraine, the pandemic and the energy crisis have increased commitment to sustainability objectives

Sustainability is reflected in the strategy and management agenda, and its importance and benefits are recognised



Four out of five have set quantitative and qualitative targets for sustainability



86%

**have set
quantitative
targets**



80%

**have set
qualitative
targets**

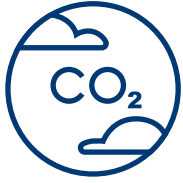


2

Sustainability commitments and targets do not always translate into concrete actions.

Despite good conditions, **there is still much to be done** on climate, nature, human rights and transparent reporting.

**Commitment
or Objective**



46%

have set a **Net Zero** target for their operations (2050)



42%

have set targets to contribute to the restoration of nature or its **biodiversity**



85%

support the UN Guiding Principles on Business and **Human Rights** in their business activities



93%

are committed to supporting inclusion, **equality**, diversity and the elimination of all forms of discrimination

Measure



27%

developed a **science-informed plan** to achieve the net zero target (e.g. SBTi)



16%

developed a **science-informed plan** to achieve the nature objectives



<40%

carried out a human rights **risk analysis** or conducts an ongoing human rights **due diligence** process



62%

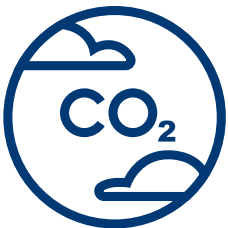
set quantitative or qualitative targets for work on these themes



74% publish a sustainability report

Significantly fewer report progress on thematic objectives annually in a standard format

38%



Climate

32%



Nature

49%



Human rights

62%



D&I

45%



Financial information



82%

Of companies integrate ESG into their risk management processes and reporting



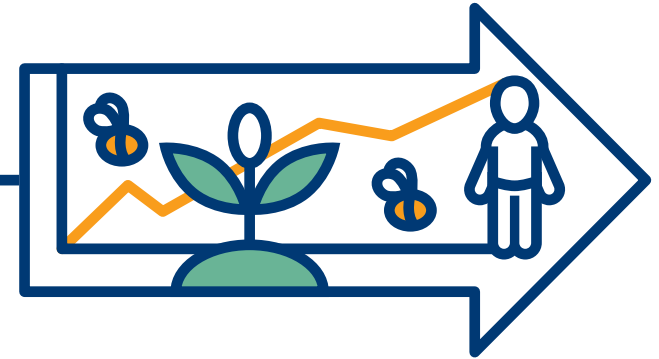
3

**Sustainability is now driving
innovation and investment.**

**Yet companies persist in their
unsustainable business
practices.**

63% made
investments

59% made
innovations



where sustainability is the main driver



Only 16% have abandoned
business activities that are not
sustainable



54% are working to promote **sustainable consumer behaviour**

Yet, only **13%** **removed options** that do not support sustainable development **from their product or service range**



and **50%** **design their products to be durable and repairable**

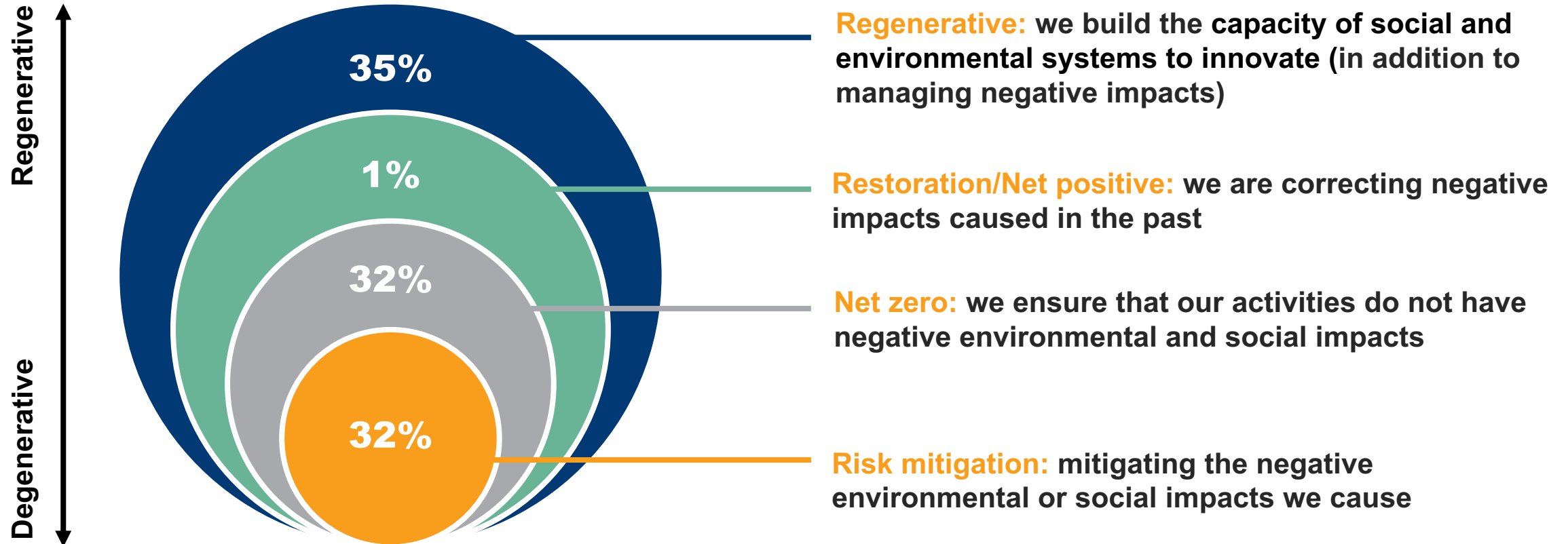


4

Enabling sustainability breakthroughs are taking place in Finnish companies.

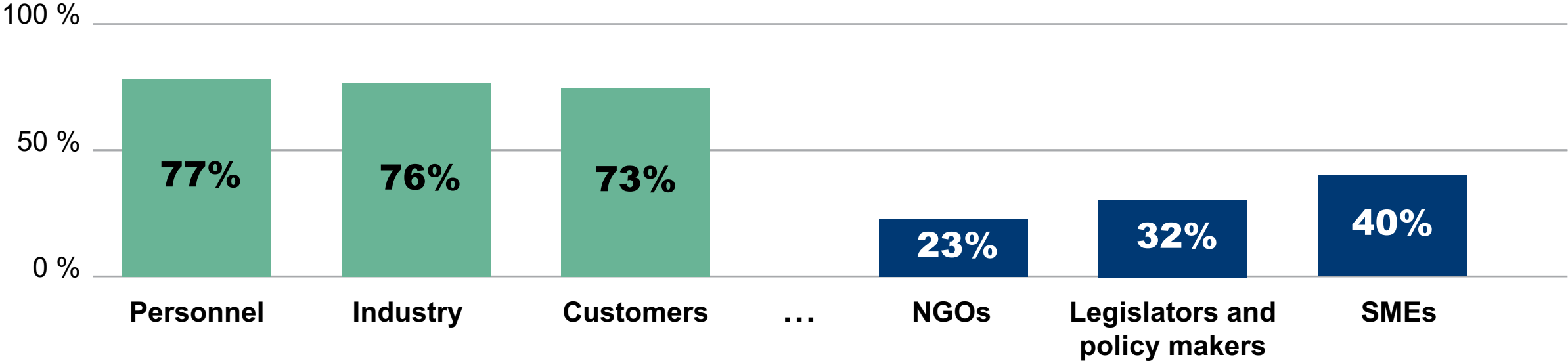
The role of **political influence** in promoting sustainability is not yet recognised by companies.

1/3 focuses on reducing risks, 1/3 approaches sustainability work through regenerative thinking



The majority of companies cooperate with their close stakeholders

There is least cooperation with NGOs



Companies should actively seek to influence, among other things, these enablers of change to support systemic change towards a more sustainable society:

Innovation and technology

55% estimate the environmental impact and only **24%** estimate the social impact of innovation

38% innovate extensively, involving stakeholders

Finance and investment

44% take sustainability into account in cost-benefit analyses of internal development projects

60% work with decision-makers, regulators and industry groups to create better conditions for sustainable investment

Individuals and consumption

69% of companies manufacturing products are increasing the share of recycled materials in their products

50% design their products to be durable and repairable

Policy and regulation

Surprisingly many do not know their company's policy on political influence

24% will disassociate from advocacy organisations whose political influence does not support sustainable development

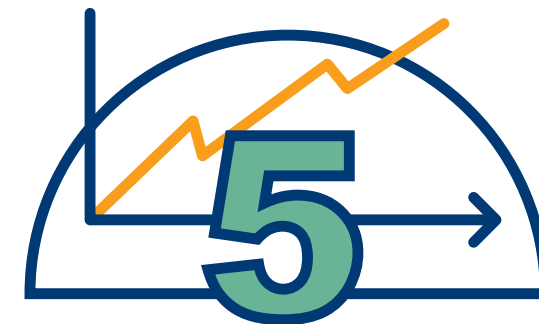
33% only engage in political lobbying that supports sustainable business



5

The skills gap is an
obvious bottleneck for
the future.

The majority of companies see an increase in the **importance** and **resources** devoted to corporate responsibility over the next 5 years.



Yet only **10%** assess the adequacy of the **resources and measures** used in relation to the company's sustainability objectives, and

6% assess the adequacy of the company's **competences** in relation to the company's sustainability objectives.

Sample and data collection

Target group

- The target group of the survey is the largest 1000 enterprises in Finland in terms of turnover (Profinder Register of Principal Investors).
- The target group also includes other major players, such as cooperatives and mutual companies.
- The target group included 1030 organisations (1000 largest companies + 30 major players).

Sampling

- The sample meets the criteria for a reliable sample.
- CEOs and corporate responsibility directors, including corporate responsibility managers where appropriate, were accepted as respondents.
- Only one respondent from each respondent organisation was included. To make the results comparable, the responses were weighted so that 29% of respondents were listed companies and the rest were limited liability companies and other operators.
- 30% of the respondents were CEOs.

Contacting respondents

- The survey was conducted by telephone and email in Finnish and English.
- The data collection was primarily carried out through telephone interviews. If the respondent did not have time to answer by telephone, they were offered the opportunity to do so using a visual and clear electronic survey form. The target companies were also informed about the survey and participation through various channels, and some respondents answered the survey directly through an electronic link.
- 88% of respondents were contacted by phone and 12% responded via an email form.
- The data collection was carried out between 14.10.2022 and 25.1.2023.

Response rate

- A total of 184 CEOs, corporate responsibility directors or managers responded to the survey.
 - The remaining questions (7) were optional for respondents - for these the response rate is lower than the total number of respondents (n=140)
- The response rate for the survey was 18%.
- The 2021 and 2023 survey was carried out by

The logo for INNOLINK, featuring the word "INNOLINK" in a bold, purple, sans-serif font. The letters are slightly slanted to the right.

**More information
on the Sustainability in Finland 2023
survey or FIBS services:**

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