



SUSTAINABILITY REPORTING IN FINLAND-2022 A REPORT

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About this Report



This report is based on data collected via a survey conducted by Askel Sustainability Solutions. The survey participants were Finland-based companies that are disclosing sustainability data in the form of stand-alone sustainability reports or as integrated reporting where ESG disclosures form a part of their annual reports.



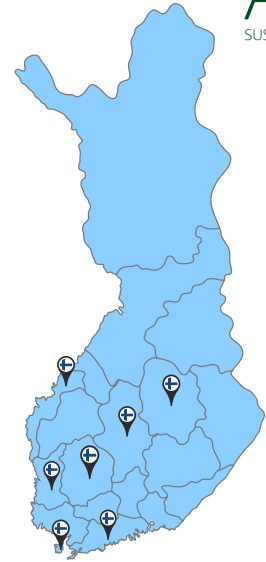
The aim of this report is to showcase and highlight in particular the key drivers, challenges, and benefits as experienced by organizations that are practitioners of sustainability reporting.

Methodology

The data represented in this report was collected via a questionnaire-based survey, conducted by Askel Sustainability Solution during the period between 05/02/22 to 05/04/22. A total of 115 organizations were contacted, out of which 27 responded in full. The medium of communication was via email. The point of contact was primarily the designated sustainability professional in the organizations. However, where such designations did not exist, the email was addressed to the communications department.



Participants



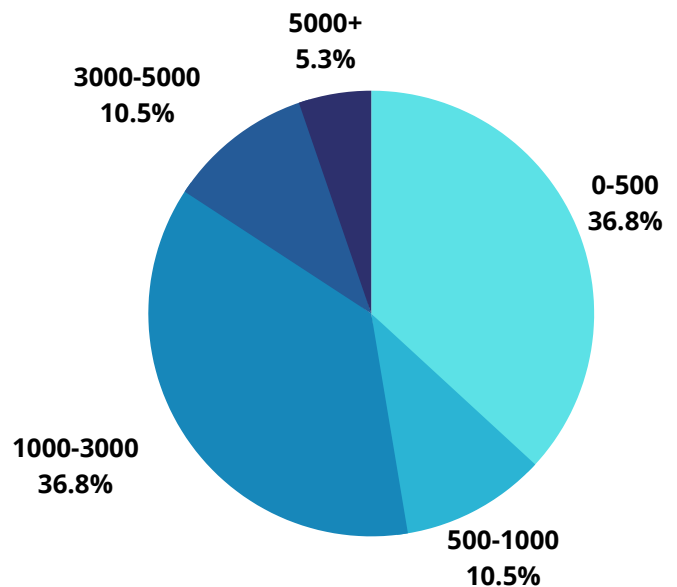
To make the results of this survey comprehensive, we chose companies from across the spectrum, from within the broad categories of **Revenue**, number of **Employees** and **Industry**.

Industries

Key industries to which the participating companies belonged:

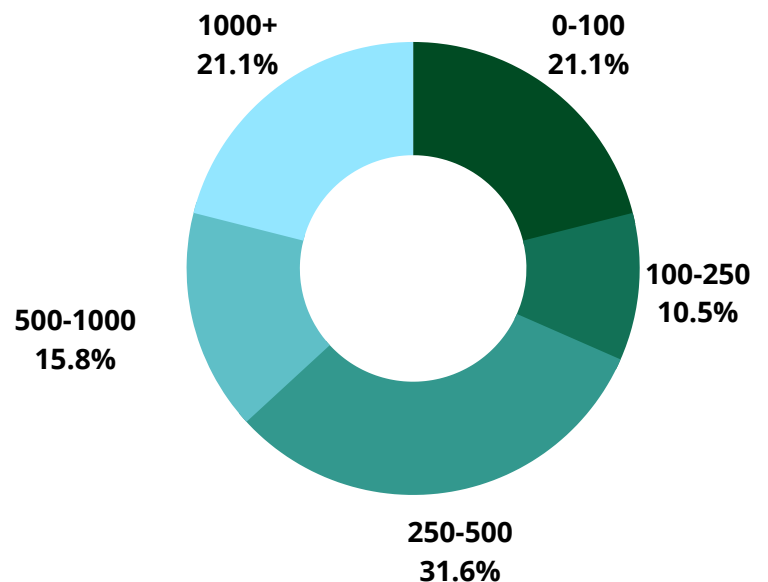
- Oil and Gas
- Food and Beverage
- Real Estate
- Media and Digital Services
- Energy
- Shipping
- Banking
- Investment and Asset Management
- Consumer Products
- Industrial Goods and Services
- Research and Development
- Plastic Manufacturing

Employees



Revenue

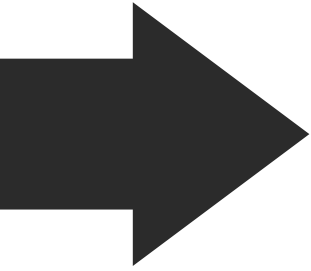
A breakdown of the participating companies according to their revenue for the year 2020, expressed in million euros.



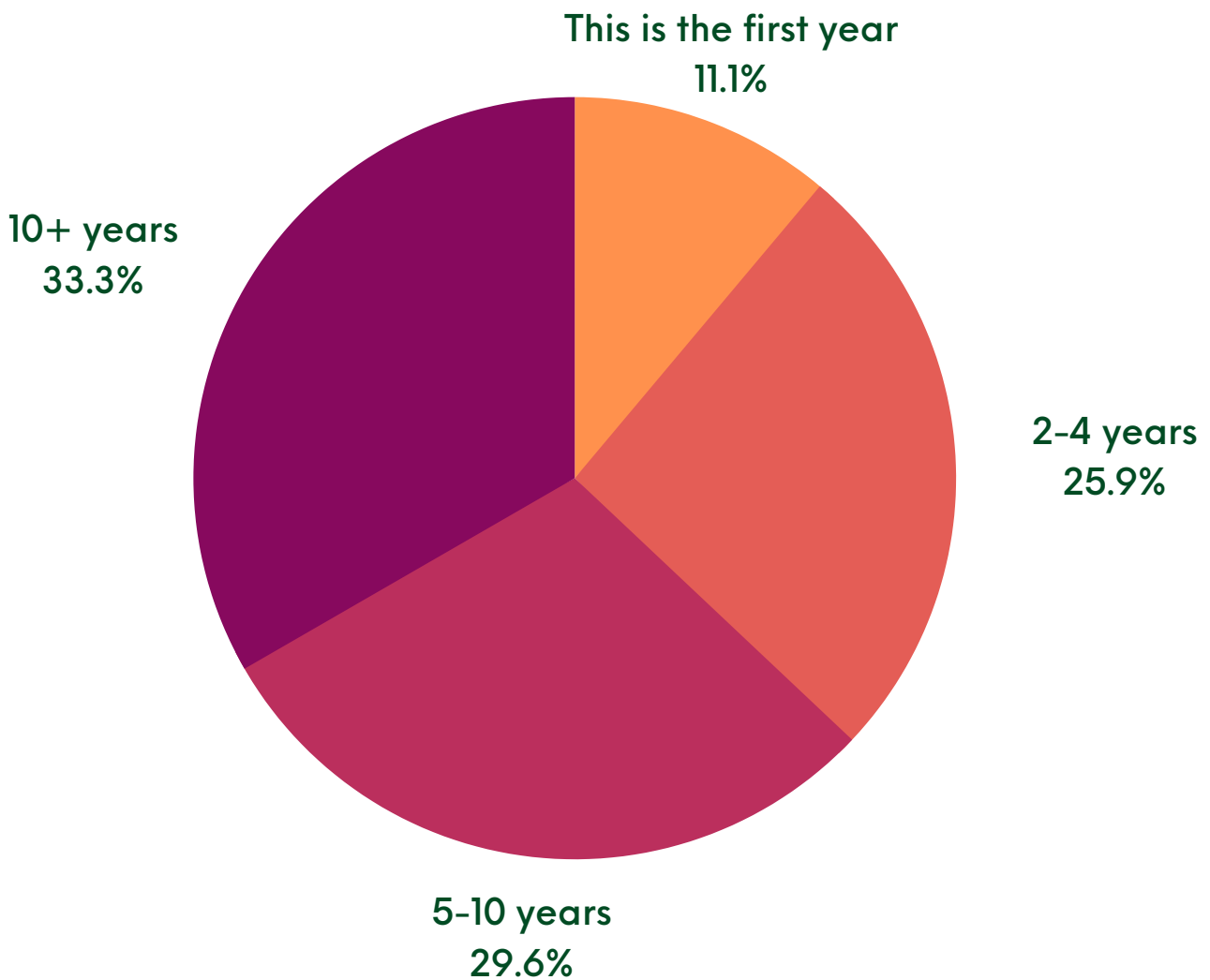


Findings

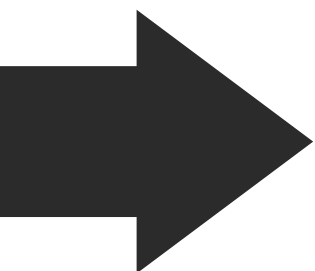
Reporting Period



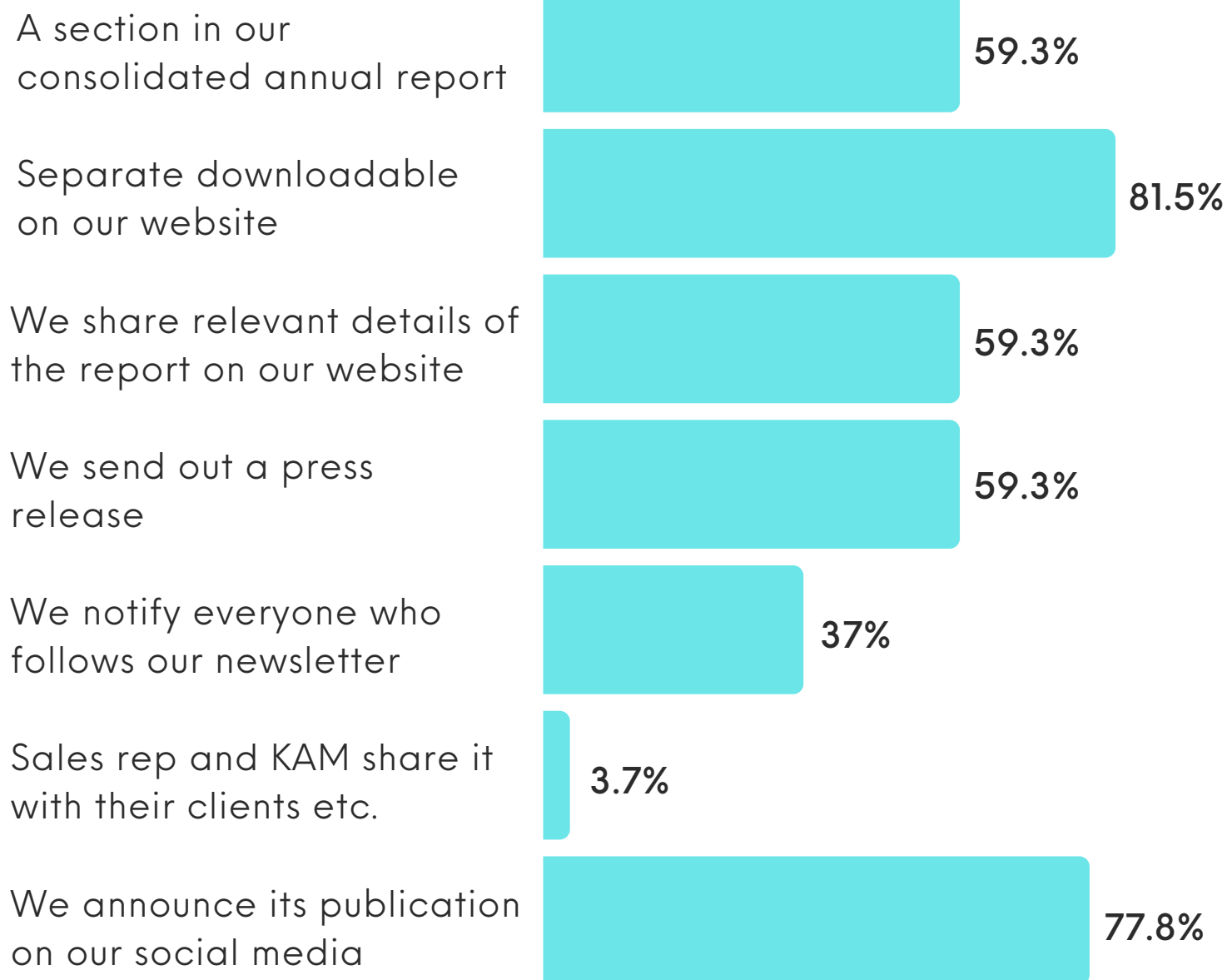
For how many **years** has your organization conducted sustainability reporting?



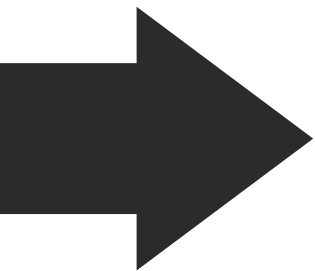
Sharing Platform



How do you **share** your sustainability report with your **stakeholders**?

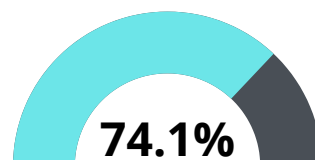


Reporting Standard

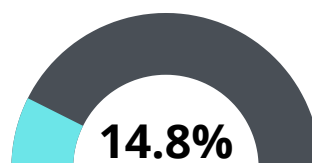


Which **reporting standard** is your organization using?

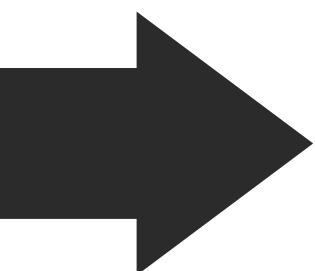
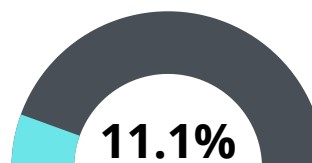
GRI (Global Reporting Initiative) Standards



We do not use any specific standard



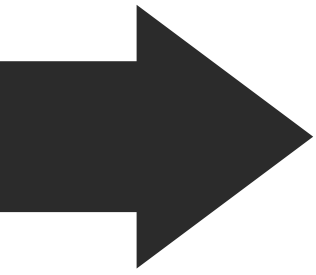
Other



In case you replied to the previous question some **other**, which one?

- FASB (Financial Accounting Standards Board)
- UN Global Compact
- WEF (World Economic Forum) Stakeholder Capitalism Metrics
- TCFD (Task Force on Climate-Related Financial Disclosures)
- TNFD (Taskforce on Nature-related Financial Disclosures)
- EU Taxonomy

Drivers



What are the **drivers** behind your organization's reporting?

We have a legal obligation



Improved brand image



We believe it gives us a competitive advantage



Our value chain partners have requested for it



Our clients have requested it



Improved transparency



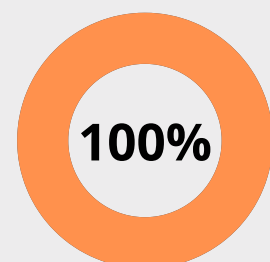
Reporting makes it easier to manage risks



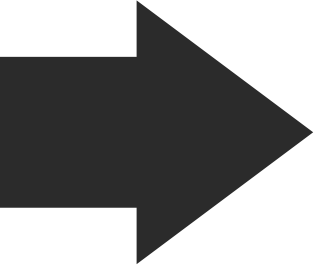
It enables us to reduce our negative impact



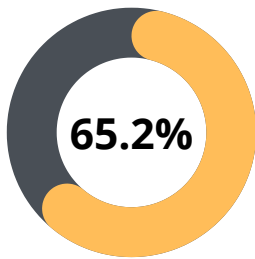
I believe that the significance of sustainability reporting will increase in the future.



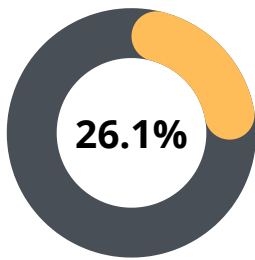
Challenges



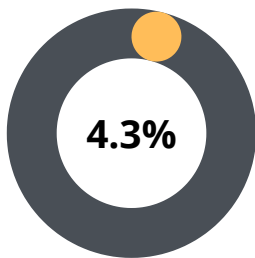
What is the **greatest challenge** your organization has faced regarding sustainability reporting?



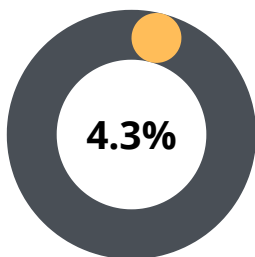
Coordinating data collection between departments



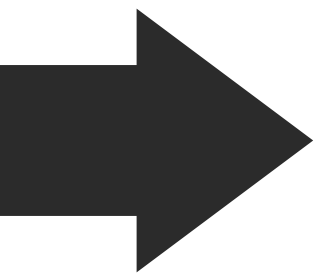
Lack of manpower in-house



Lack of suitable skillset in-house



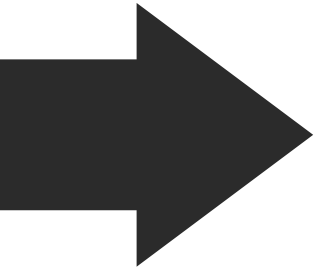
ESG data in general



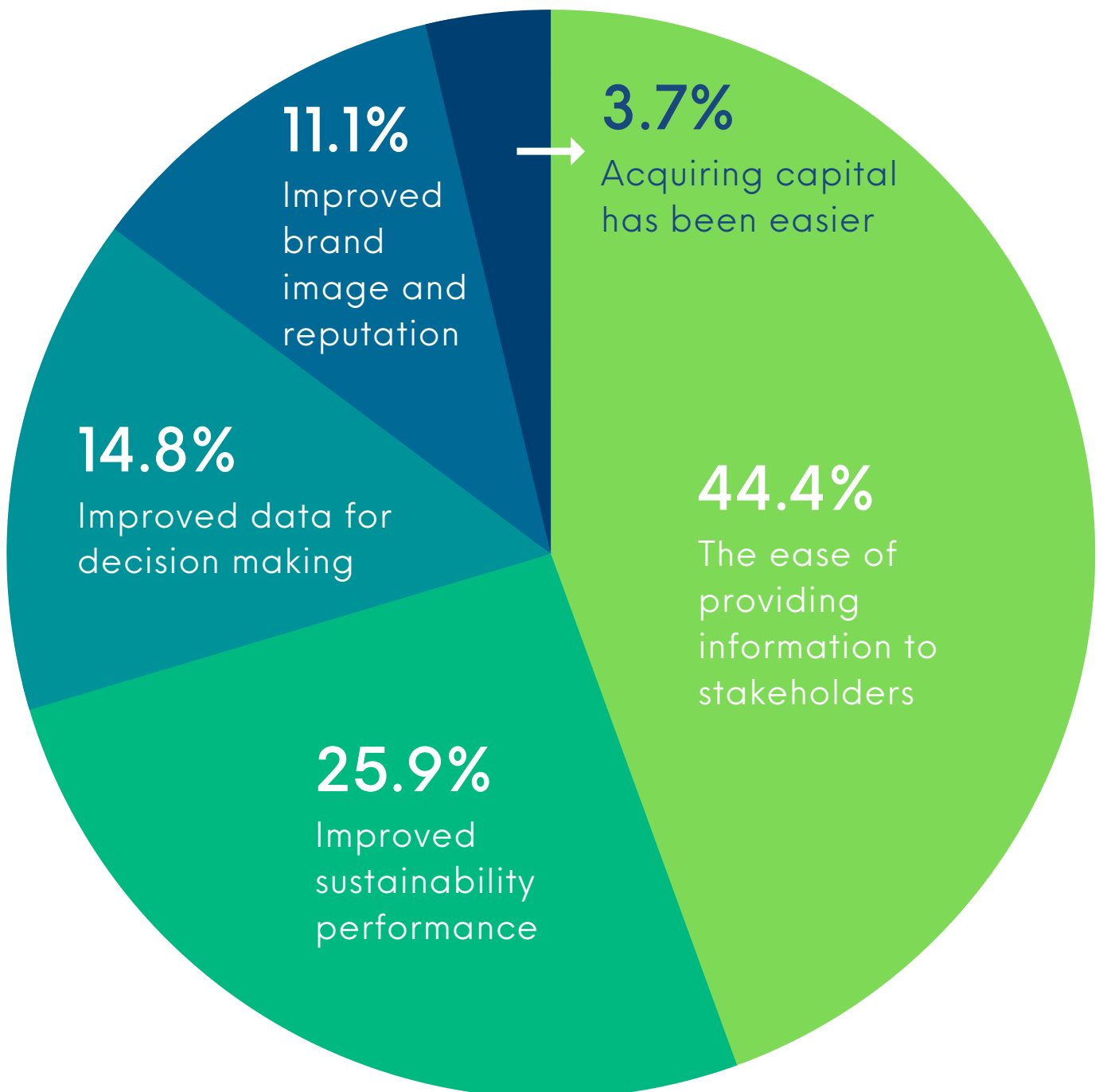
What **other challenges** have you faced when conducting sustainability reporting?

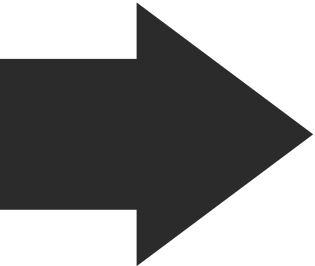
- Constantly **changing regulation and guidance**.
- Deciding on **how comprehensive** the sustainability report should be i.e. short and concise vs. long detailed version.
- **Data collection**: the data is not always available on time as local business partners' invoices are usually sent with a delay, sometimes up to 1,5 months after the measured time period.
- **Layout**: Creating a visually good-looking report, that is reader-friendly but includes all material information is a demanding collaboration. If the layout is not done in-house the creation-approval process usually stretches even more as changes in the content might affect several pages of the report.
- **EU Taxonomy requirements**.
- Ensuring **data quality**.
- Ascertaining **compliance** with reporting requirements.
- Given the complexity of sustainability data, **ensuring** its **verifiability** particularly when new data is being collected.
- Stakeholders wish to receive information in real-time, not afterward when the reporting year has already passed. For example, even right now we receive significantly more inquiries about the impacts of the war on our business and our approach to the matter, than about the year 2021's sustainability data.
- **Data availability**.
- **Coordinating information in-house**.

Benefits



What is the **greatest benefit** you have experienced as a result of sustainability reporting?





What **other benefits** has your organization experienced as a result of sustainability reporting?

- Organizational **competence and ESG know-how**.
- More **motivated employees, easier hiring, and competitive advantage**.
- It's easier to **reply to customers' RFI's (request for information)** when data is collected clearly.
- Sustainability targets and progress made support our objective to **drive purpose-driven culture**.
- It has helped us to get insight into the **state of sustainability in different operations** of the company.
- To **compile in one document** all the information that has been previously collected and reported separately across different business functions.
- Compiling corporate sustainability matters into one report makes it easier to **respond to questions and demands presented by different stakeholder groups**. With the help of a report, it is possible to provide a clear view of the company's impacts and its corporate sustainability management.
- Reporting is a valuable tool when looking back in time, but also in **planning for the future**.
- Brand, competitive advantage, **better-organized** work on sustainability.
- The information collected helps the company itself, for purposes of **setting targets and monitoring** how well they are reached.
- **Improved stakeholder trust**.



Conclusions

Drivers

The most important drivers for companies for conducting sustainability reporting among the respondents were improved brand image as well as improved transparency. Over 80% of the respondents also believed, that sustainability reporting will give them a competitive advantage. From the results, it was also possible to derive, on the basis that slightly less than one in three respondents had received inquiries related to ESG data from their clients or from their suppliers, that making these types of data requests is not yet a very common phenomenon in Finland, and the companies are prompted to take up sustainability reporting for primarily brand related reasons and competition.

Challenges

The most significant challenge that over 60% of companies face when taking up sustainability reporting is coordinating data collection between departments, in addition to which over a quarter of all reporting companies have experienced that they do not have enough workforce in-house for the purpose of creating a report. In the open format answers, the respondents also experienced, that choosing the level of disclosure in the report, the manner in which the layout will be worked on with design agencies, as well as general data availability were challenging points in the reporting process, among other challenges that were mentioned.

Benefits

The greatest benefit that over 44% of survey participants had experienced as a result of sustainability reporting was the ease of providing information to stakeholders. Also over 25% percent of the survey participants considered that the greatest benefit for them was, that they had been able to reduce their negative impacts with the help of a report. For almost 15% of the respondents, the greatest benefit was receiving improved data for decision-making. Also, ease of acquiring capital as well as improved brand image were mentioned as the most significant benefits experienced by some of the survey participants.

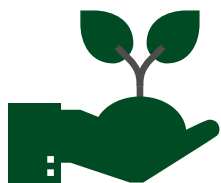
The Future of Sustainability Reporting



Out of the various questions posed, exploring the different aspects of sustainability reporting, the one that received a 100% unanimous response was the statement "**I believe that the significance of sustainability reporting will increase in the future**".

This is not a mere coincidence that companies operating across industries, regardless of size think that sustainability reporting will be a key component going into the future. It is an assumption based on solid facts regarding the direction of sustainability regulation worldwide and within the EU as well as growing palpable pressure for transparency and action by multiple key stakeholder groups such as investors, consumers, and suppliers.

Today, organizations across the world are taking cognizance of this demand for transparency and action and through sustainability reporting are showcasing their ESG efforts alongside their impacts, to build value while staying ahead of the curve. As a practice sustainability reporting is already seeing a rapid adoption rate and all realistic estimates for the future corroborate its continued rise.



About the Authors

Askel Sustainability Solutions is a full-service corporate sustainability agency. We assist companies big and small with their ESG-related challenges, in order to ensure that they are able to communicate this data to their investors, employees, and other stakeholders. We trust that swift and personal service tailored to your company's needs, whether you need sustainability and/or emissions reporting, emissions calculation, advisory, or training, will be the key to having a long-lasting and mutually beneficial relationship with a common goal for a more sustainable future.

How we at Askel can help: our services at a glance

- Sustainability Reporting
- Emissions Calculation and Reporting
- ESG Consultancy & Advisory
- ESG Compliance
 - EU Taxonomy
 - ESG Due Diligence
 - Corporate Policies
- Internal Third-Party Whistleblowing Channel
- Training Services
 - Sustainability Reporting
 - Sustainability Communications
 - Whistleblowing Channel

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