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Ethics Codes in Finnish Business

ABSTRACT

The purpose of this article is to study the usage of ethics codes in Finnish business. The theoretical concepts of business ethics and ethics codes are reviewed. It is noted that there are various theories on the role of a firm in relation to society. It is observed that Finns are reluctant to play on their strengths and have a tendency to act within the boundaries of laws and conventions. In combination with the demands of the global economy, this has led to a degree of confusion among Finnish businesses in regard to how they should behave in foreign markets. In such situations, Finnish firms choose between many existing conventions and guidelines, a large number of which are discussed in this article. These conventions and guidelines are on five different levels; some having legal status and others being on a voluntary basis. In addition to these, a number of other initiatives exist for ethical businesses, such as indexes and reporting initiatives. An empirical study is carried out on the ethics codes used in a random sample of 50 Finnish companies. The results of this annual report review are listed in seven arguments that clarify the ethical context of Finnish business life.

Key words: *business ethics, ethics codes, annual reports, Finland*

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INTRODUCTION

In recent years, studies have been undertaken on questions of morality in Finnish business life, including two by The Chamber of Commerce. Their first study, *Yrityskulttuuri 2000,* investigated small and medium sized enterprises, their managers and employees. Results showed that over half (55 %) of the 201 managers believed that it was important to identify and define the values of the company, in light of the remarkable changes in the values of both individuals and society. The change in values were not defined, but can be anticipated to be related to intercultural influences, globalization, secularization, individualism and changes in consumption patterns, to name a few factors that influence people's and business' value dispositions. Amongst industrial companies, it was also seen that as many as 64 % expected the following two years to bring growing external pressure from society, as for ethical questions. (Metsä 2000) Their study of 2003 indicates growing confusion in Finnish business life; not only is it difficult for business managers to grasp new ethical terms and concepts, but ethical pressures are also difficult to identify. This study involved 269 business managers and included small, medium and large-sized companies in various sectors of Finnish business life. The study illustrated that Finnish firms generally like to rely on defined laws, which give the managers a sense of ethical correctness. Although companies often state a concern for the environment amongst their values, the study in fact showed that environmental responsibility does not occupy an important place for more than fifty percent of the managers. In this case, why do companies engage in promoting their ethical agenda to the public, when it would simply suffice to follow the law to be ethical? A significant result in the study was the fact that 61 % of the managers felt that ethical values bring a good image and reputation to the company and some 51 % felt that a good ethical policy is a long-term investment. Only around a third felt that loyalty in the business network is improved when individual firms promote ethical values. (*Yritysten yhteiskuntavastuu* 2003) One important finding of the 2003 study was that Finnish firms tend to promote their ethical values internally within the company and only one of four companies use ethics statements externally for marketing purposes. Thus, there seems to be a paradox between an increased social awareness of ethical questions and the fact that firms are hesitant to inform the business environment of their corporate ethical values. Another paradox is that when companies officially publish their ethical principles, it seems to raise a confusion on the market place on how these companies differ from other companies.

With this in mind, it becomes pertinent to assess the appearance and content of corporate ethical documents and the extent that Finnish firms use such ethical principles or codes. The aim of this article is to understand the extent to which Finnish firms use ethics codes. This will be achieved by setting three detailed research questions: a) How are business ethics understood and discussed in literature? b) Which existing recommendations and conventions are

relevant to Finnish business? c) What is the extent and appearance of ethics codes among Finnish businesses? The books and articles used in the literary and theoretical review are predominantly made up of business ethics literature drawn from the Western tradition. The empirical material consists of two parts: firstly, existing global ethical initiatives and secondly, a review of 50 annual reports randomly selected from Finnish businesses in various sectors and of various sizes. The empirical data is analyzed in a template analysis (King 1998) according to the structure of the UN Global Compact (*UN Global Compact* 2000).

Definitions of the key concepts and a short discussion on their appearance in literature will be discussed below. This will be followed by a more thorough theoretical review of business ethics and wider cultural ethics. Next, specific ethical initiatives relevant within the context of Finnish global business will be studied, after which the annual reports are presented. The results of the empirical study will also be analyzed in this section. After this there follows a theoretical and empirical discussion on the outcome of the article. The paper concludes with a statement of its contributions, references and two appendices.

DEFINING KEY CONCEPTS

An ethical code of conduct does not necessarily need to be named *code of ethics* or *ethics code*. Gaumnitz and Lere (2002), for example, include all official statements that contain comprehensive behavioral guidance in their study of ethics codes. Similarly, Dienhart and Curnutt (1998) also use a broad approach in adopting Johnson & Johnson's *credo* as an example of an ethics code. Gasparski (2000) includes differently named codes in his study, such as *codes of values, codes of practice, codes of conduct* and *codes of compliance*. Some researchers argue, however, that anything, which merely resembles a business goal or is named ethical, is not in fact the same as an ethics code. Brytting (1998:196) suggests that an ethics code should express good practice and ideals, be embraced both locally and centrally and requires general applicability and relevance in practical issues. Brytting's definition is used here in order to understand corporate ethics codes. Surveys indicate variation in the extent ethics codes are used in companies. Steiner and Steiner reported in 1997 that 95% of Fortune 500 companies have ethics codes (p. 204, see also Treviño & Nelson 1999:216). The use of ethics codes, however, differs between countries. The Americans appear to use ethics codes the most, with almost every company using one. In Europe, however, it is not as common to use ethics codes. In France, Germany and the United Kingdom, for example, about fifty percent of companies have codes (Gasparski 2000, Pearson 1995). Studies show that firms with ethical principles also seem to have a more morally correct behavior than firms without outspoken ethical concern (Berenbeim 2000).

It is not easy to find a common definition of what constitutes business ethics or what business ethics research should include (e.g. Arrow 1979, Bowie 1979, Chonko 1995, Dienhart & Curnutt 1998, Fleckstein & Huebsch 1999, Gordon & Miyake 2001, Nijhof & Rietdijk 1999, Laczniak & Murphy 1993, Sen 1995). Johnson and Smith (1999) state that it is possible to cite over 300 definitions on business ethics. Even more confusing is the fact that people in everyday life do not always make a clear distinction between morality and ethics. Business ethics researchers themselves use the terms interchangeably in academic literature. Treviño and Nelson (1999:12), for example, define *ethics* as "the principles, norms, and standards of conduct governing an individual or group", which is the definition some other researchers use for the word *morality* (e.g. Beauchamp & Bowie 1979, Brytting 1998). However, ethics does not necessarily equate to morality. The term moral derives from the Latin word *mores*, which means a custom or a practice. Morality, therefore, relates to how people live and how it is considered proper to behave. In turn, ethics is the study and reflection of morality. In this sense, ethics is synonymous with moral philosophy (Brytting 1998:26–27). Consequently, business ethics would be the study of what is right and wrong and just and unjust in the actions of a firm or of the market (Beauchamp & Bowie, 1979:2, Steiner & Steiner 1997:180). Nijhof and Rietdijk (1999:40) write that the part of business ethics that deals explicitly with moral dilemmas and their resolution is applied ethics. Manuel G. Velasquez (2002), one of the leading names in business ethics research, opens his work *Business Ethics: Concepts and Cases* with the statement that all business ethics are applied ethics:

> "Business ethics is applied ethics. It is the application of our understanding of what is good and right to that assortment of institutions, technologies, transactions, activities, and pursuits that we call *business.*" (Velasquez 2002:1)

Consequently, Velasquez sees ethics as a normative study of morality. However, he states that the social sciences often engage in descriptive studies of ethics. A descriptive study does not attempt to reach any normative conclusions about what actions are right or wrong. Instead, the descriptive study attempts to explain the world as it is, without conclusions about how it should be. An alternative to the conclusions drawn by Velasquez is to utilize the work of researchers who define business ethics as the portion of ethics specific to the business environment and only differentiated from other types of ethics by context. (e.g. Gaumnitz & Lere 2002:35). There are no specific business ethics theories that are widely used. However, oftentimes the philosophical ethical theories such as deontology, teleology, virtue ethics or discourse ethics are applied to a business context. Another alternative is to question the morality of a business and lean on any of three different approaches to this. These three so-called theories are brought up below.

PREVIOUS RESEARCH

The study of business ethics is a relatively recent topic of academic research. It is an interdisciplinary area with roots in theology, philosophy and in business research. (Dienhart & Curnutt 1998:2, Pearson 1995:25) Business ethics has a close affinity to studies on corporate social responsibility, which first received attention with the publication in 1953 of Howard R Bowen's *Social Responsibilities of the Businessman* (Takala 1990). However, the first studies on business ethics by business researchers only took place in the 1960s. From the 1970s De-George (1987) began to view business ethics as a separate field of research. Initially the focus was on attitudes to certain ethical issues. The majority of the research carried out on business ethics has actually explored the ethics and moral norms of business managers and business students (Nijhof & Rietdijk 1999). A number of studies in the USA and Europe have also resulted in the development of practices on how to address ethics issues in business, such as how to design a successful ethics code or how to revise ethical conduct in a company (e.g. Chonko 1995, Laczniak & Murphy 1993). Interest in the interdisciplinary approach has seen consistent growth (Treviño & Nelson 1999:6–7). In the past few years attention has been directed towards ethical reasoning in the decision-making process of businesses. The most recent development, however, has been focused on business ethics for global concerns (Dienhart & Curnutt 1998:5). This raises the question of culture-bound ethics and different value dispositions as corporate operations are located around the world.

Two general theories on business ethics have emerged as the subject has received increased scholarly attention (Steiner & Steiner 1997). The first is the *theory of amorality*, which argues that business should be amoral and therefore immune to ethical ideals in society. Milton Friedman, the Chicago School, laissez-faire economics and social Darwinism all propound this theory. Friedman writes in a revised edition of his *Capitalism and Freedom*:

> "The view has been gaining widespread acceptance that corporate officials and labor leaders have a "social responsibility" that goes beyond serving the interest of their stockholders or their members. This view shows a fundamental misconception of the character and nature of free economy. In such an economy, there is one and only one social responsibility of business – to use its resources and engage in activities designed to increase it profits so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud. /.../ Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible." (Friedman 1982:133)

The second theory, which currently holds more support among both academics and busi-

ness people, is the *theory of moral unity*, in which the general ethical standards of society are applied to the business world. However, it can be argued that a third theory can be adopted in addition to Steiner and Steiner's (1997) two approaches. This third type of theory would include the research of Gaumnitz and Lere that views business ethics as the part of ethics relevant only to businesses (2002:35, see also Pearson 1995). This third approach differs the *theory of amorality* and the *theory of moral unity* by accepting the fact that business cannot, in a moralistic sense, behave as do private individuals. Rather, businesses must take the constraints of a competitive business world into account and the ethical choices are reflective of this context. Nevertheless, this does not imply that the business would be amoral and without ethics at all. As yet, this third type does not have a standard name, but Pearson (1995), who is very critical of the business application of the theory of moral unity, calls his own position *business integrity*. This theory is in line with the definition of business ethics as a concept, described above.

Ethical studies have received a relatively large amount of attention in the United States, especially in empirical and positivistic research. In Finland, a wider interest in ethical research only arose as late as the 1990s, when a noticeable increase in academic publications and dissertations was discernable. It appears that there is still no direct academic study of ethics codes usage in Finland. Most research on Finnish business ethics is focused on ethics management and is concentrated at Jyväskylä University. A number of studies have been undertaken on the value perceptions, speech and ethical behavior of managers (Takala 1990, Takala & Uusitalo 1991 and the dissertations of Kujala 2001, Lämsä 2001 and Takala 1991). Kujala (2001) also studied how business morality can be understood by examining stakeholder relations and moral decision-making. However, the focus of her work concentrates on the personal values held by the managers rather than on marketing-related issues. Karvonen (2000) has undertaken a study on the environmental significance of strategic reaction in the Finnish pulp and paper industry. Korhonen's (2000) study also took place in the industrial market, with an emphasis on industrial ecosystems. Takala has produced an interesting work, which deals largely with the CSR (corporate social responsibility) beliefs of Finnish business managers. He categorizes the ideal types of social responsibility on the basis of an empirical study of managerial talk, attitudes and values. Takala (1991) argues that many discourses on corporate responsibility are a way to seek legitimacy and take place in different models of reasoning. Takala notes that responsibility for creating legitimacy can start to be seen in statements from the 1970's, but only as a method of operating for profit (Takala 1991:25). In a later work Takala (2000) studied the contemporary Finnish company in a world that is becoming increasingly globalized. The only realistic way for a company to be socially responsible, writes Takala (2000), is for a company to simultaneously strive towards its

own goals and to take into account how to create more general advantages on a greater scale:

"When a firm goes for its own advantages, and at the same time takes more general rewards into account, then its operation is socially responsible. An enlightened self-interest can offer a realistic corporate ideology for contemporary market oriented companies. Being altruistic in corporate motives is unrealistic. The idea of corporate citizenship combined with a sophisticated egoism offers an evolutionary level, which is higher than the ideology of sheer profit maximization."[1] (Takala 2000:590)

Takala's position could be compared to Pearson's (1995) theory of business integrity.

In addition to these studies, there are also a number of studies on the Finnish forestry industry, such as Halme's dissertation (1997) on two Finnish paper firms. She argues that the companies engage in environmental action because of external pressures (see also Törnroos 1998). This leads to a positive corporate learning process and can make a company go beyond simple compliance. Halme (1997) also found that firms with environmental considerations are faster in solving new problems of an environmental character than firms lacking environmental management. Lämsä's study (2001) focuses on the ethical problem posed by downsizing and how this is managed. Her results argue that empathy and care should be taken into more consideration in downsizing and that efficiency should be reconsidered from an ethical perspective. Halme's (1997) study is complimentary to the environmental issues and the manager-oriented value changes and dispositions that have been studied in Finland. In his study Rytteri (2002) describes the degree of environmental and social responsibility developed at Enso-Gutzeit from 1872 to early 2000. One of Rytteri's most interesting findings is that corporate social responsibility the 1990's was introduced in order to secure markets. Furthermore, his analysis demonstrates that sustainable development has come to function in relation to and as a result of stakeholder ideology. Additions to the list of Finnish studies are constantly being added.[2] Thus far, however, the studies on ethical issues in Finland have not focused on ethics codes as a phenomenon and a wide range of ethical issues has been studied, such as the envi-

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1 Author's own translation from original text: "Kun yritys pyrkii ajamaan omaa etuaan, ottaen huomioon myös yleisen edun, on sen toiminta sosiaalisesti vastuullista. Valistunut itsekkyys tarjoaa realistisen toimintaperiaatteen tämän hetken markkinatalousjärjestelmässä toimiville yrityksille. Epäitsekkäämpi toiminnan motiivipohja on epärealistinen. Valistunut itsekkyys ja yritys kansalaisen roolissa-periaatteet tarjoavat ja edustavat jo korkeampaa evolutiivista astetta yrityksen yhteiskunnallisen vastuun tunnustamisessa kuin pelkkä voiton maksimointi-ideologia"

2 Some 35 doctoral researchers in Finland are currently working on doctoral dissertations on business ethics. Examples are e.g. Johanna Kotila, Karoliina Malmelin and Suvi Vaarla (all in marketing communication), Heidi Kurkela (pharmaceutical industry), Juhana Markkula (ethical organizational culture), Mirja Mikkilä (forestry industry), Marjo Siltaoja (image), Andrea Sjöblom (CSR and society), Cai Talvio (CSR reporting). (CSR tutkimusrinki 2004)

ronment, downsizing and moral values. These are not related specifically, however, to the corporate ethics code.

ETHICS AS PART OF THE CULTURAL DISCUSSION

Finland has not been a country where there has been extensive discussion on business ethics. Aaltonen and Junkkari (1999) even claim that Finland lies far behind Sweden, the United Kingdom, the USA, Canada and Australia, who are at the forefront of ethical questions in business life. The authors assess the reasons for this and propose that Finns have a tendency to speak more generally about values than ethics. Furthermore, the Finnish character tends not to be moralistic or domineering and Finns do not want to pretend they know how issues should be resolved in other parts of the world. However, Aaltonen and Junkkari claim that the discussion of ethics is about to increase in Finnish society and business life. In fact, they predict a new paradigm for Finnish business:

> "Our own evaluation is that we should prepare for a great change. It is therefore wise for the corporate manager to explore in more depth the spiritual side of management and working life. Such a manager is better off in the future and his company has a much greater chance to survive in the new millennium – maybe even as a forerunner in the development."[3] (Aaltonen & Junkkari 1999:43)

The authors base many of their claims on personal experience of business consulting and state that European and American ethics codes are different. While American codes highlight fairness, equality and customer relations, European codes are more concerned with behavior of the personnel and tend to trust individual employees and their own values and norms. There is some wisdom in the results of Aaltonen and Junkkari, because according to several researchers there is a clear linkage between coping with culture and corporate success. Törnroos (2002) refers to Schoenberger and Adler, both in 1997, who take different approaches to this linkage. Schoenberger sees lack of cultural management in companies to be one reason why some large firms lose their competitive advantage and why others strengthen their business position. Adler, on the other hand, argues that a multi-cultural outlook can form synergies for companies and thereby become a corporate strength. Törnroos (2002:20) concludes by noting that ethics have emerged as a new cultural norm and that have become important for industrial

3 Author's own translation from original text: "Oma arviomme on, että meidän on syytä varautua suureen muutokseen. Yritysjohtaja tekee siis viisaasti, jos hän alkaa syventyä johtamisen ja työelämän henkiseen puoleen. Hän itse selviytyy paremmin tulevaisuudessa, ja hänen yrityksellään on paremmat lähtökohdat olla hengissä pitkälle ensi vuosituhannelle – tai jopa kehityksen kärjessä"

buyers. However, ethics codes may not only provide a competitive advantage, but may also cause challenges.

Researchers use the concepts of *cultural distance* and *psychic distance* to describe culturally related and potentially difficult situations for international companies. Cultural distance may constitute, for example, the differences between notions of individualism/collectivism or questions of power distance (e.g. Sandström 1992, Treviño & Nelson 1999:291–292). An organizational culture also exists within companies, maybe between different divisions of companies and cultural distance occurs between firms. This is accentuated in international businesses with regional offices, local production or outsourced operations. Research shows that ethics codes are a way to implement and transmit common values throughout a firm (e.g. Cleek & Leonard 1998, Gaumnitz & Lere 2002, Tucker et al. 1999). It is possible for companies to approach cultural homogeneity on an internal basis, but this is not feasible externally as firms cannot achieve cultural homogeneity with their business partners. With expanding globalization this challenge is compelling (see e.g. Håkansson & Johanson 2001:1, Johanson et al. 1999, Pearson 1995:39, Törnroos & Möller 1993). Companies are faced with the rapid introduction of new routines, in new countries and new corporate cultures.

How can Finnish firms cope with the challenges of cultural and ethical diversity? Takala & Uusitalo (1991:2) write that Finland has traditionally responded to pressures by creating governmental laws to control business and to compel a greater sense of justice into business operations. Finnish firms are now faced with a mixture of national regulatory law, regional norms and international initiatives that create pressures in regard to ethical behavior.

ETHICAL INITIATIVES IN THE FINNISH GLOBAL BUSINESS CONTEXT

Recent decades have brought attempts by both the business community and researchers to shape a mutual business atmosphere and to narrow the cultural distance in business. The aim should be to find a *global* or *transcultural ethic* applicable to any culture in the world. Academics seek to find possible principles and norms that are common throughout history and in various geographical places. Weiss (2003:296), for example, uses the term *hypernorm* to refer to "basic values acceptable to all cultures and organizations". These common principles would appear irrespective of language and worldview. Proscriptive notions, such as not killing other humans and not stealing, are norms that seem to prevail in all cultures (Treviño & Nelson 1999:300). Other researchers speak of a *moral minimalism*, or a *global ethic* (Berenbeim 2000, Brytting 1998:184, Bergström 1990:14, Steiner & Steiner 1997). Examples of codifying such norms are the initiatives by the *Council for a Parliament of the World's Religions,* formed by more than 200 representatives of religious and business communities, *The Caux Round Table*

Principles, formed by top business people and politicians in 1993 and the *Global Compact* scheme promoted by the United Nations. Other initiatives are *The European Social Charter*, which is a declaration summarizing European social policy and the *CERES Principles* that have been launched to promote environmental responsibility by institutional investors, environmental groups and business organizations. The International Chamber of Commerce also produced *The Business Charter for Sustainable Development*, consisting of 16 principles. According to Steger (1998) some 350 corporations have signed this charter. Steger also notes that the UN Commission on the Environment and Development traces the most frequently cited definition of sustainable development back to the Brundtland Report of 1987. According to this report, sustainable development is: "Meeting the needs of the present without comprising the ability of future generations to meet their own needs" (Steger 1998:12). Once again, it can be seen that issues of business ethics, corporate social responsibility and sustainable development are not always easy to distinguish. Companies are not compelled to abide by the norms stipulated by global ethics organizations. The exceptions are the legally binding contractual agreements signed by nation-states, such as The UN Universal Declaration of Human Rights and the ILO Conventions for Labor Rights. A problem in this area is that there is no external institution judging the ethical behavior of a firm, nor is there any official punishment when abandoning such contracts. The recommendations and norms are voluntary and it seems that most firms in Finland develop their own ethical codes, albeit in many cases on the basis of ideas given by initiators of global ethics.

Several researchers have attempted to make an overview of the existing ethical recommendations and conventions (e.g. Aaltonen & Junkkari 1999, Brytting 1998, Magnusson & Norén 2003, Stückelberger 2002, Wilson 2000). The Confederation of Finnish Industries, TT, has published an overview in the form of a guidebook for Finnish industrial firms (*Yritysten yhetiskuntavastuu* 2001). By far the most relevant overview, however, is that of Niskala and Tarna (2003), which is not only informative and accurate, but also specifically aims to guide Finnish firms. They note five groups of external forces. (See Table 1)

TABLE 1. Five levels indicating the source of ethical pressure.

1. National Finnish law	Binding legal laws for Finnish firms
2. International laws and agreements	Binding for member states and firms.
3. Social and civil movement groups, NGOs	Pressures on general opinion, voluntary
4. Voluntary standards	Voluntary
5. Pressure from competitors	(Voluntary)

Firstly, there is national law with binding regulations concerning many issues, such as environmental protection, labor rights, consumer rights, production responsibilities, owner-ship and accounting. Secondly, there are obligatory international laws and agreements for mem-ber states. The UN and its subordinate institutions, such as UNHCR (United Nations High Com-mission for Refugees) and UNEP (United Nation's Environment Program), form regulatory and recommendatory bodies. The most important is the *Universal Declaration of Human Rights*, which is the foundation for many other initiatives, such as the *EU Convention for the protec-tion of human rights and fundamental freedoms* and also for specific conventions aimed at women, children and indigenous inhabitants. Most of these are binding for nation states. One finds the *ILO* (International Labor Organization) *Tripartite Declaration of Principles Concern-ing Multinational Enterprises and Social Policy* in this category and summits of sustainable development, such as Rio de Janeiro in 1992 and Johannesburg in 2002. Finland is also part of an international OECD (Organization for Economic Co-operation and Development) agree-ment. The EU Commission launched a green paper for corporate social responsibility in 2001 and discussions have taken place regarding this initiative, with the EU Parliament coming to the conclusion that corporate social responsibility should remain on a voluntary basis (*Legisla-tive acts...* 5049/03). Thirdly, there are social and civil movement groups lobbying on issues and bringing pressure on companies. This can indirectly influence the firm through the opin-ion of an employee, or directly through a stakeholder of the firm. Fourthly, there are voluntary standards and actions. The *UN Global Compact*, the International Chamber of Commerce and *The OECD Guidelines for Multinational Enterprises* are examples of these. One can also add different standards, such as the AA (Account Ability) 1000S standards for social and stakehold-er related accounting, the ISO (International Organization for Standardization) 14000 and the corresponding European EMAS (EcoManagement and Audit Scheme) standards for environmen-tal management and the SA (Social Accountability) 8000 standard for labor rights. There are ongoing discussions concerning a new ISO standard for ethical behavior towards stakeholders of companies, but no final decisions have yet been made (*Press release* 24.2.2003). Lastly, pressure builds from forerunners in business life, who can instigate institutional recommenda-tions and exert pressure on other firms. (Niskala & Tarna 2003)

Apart from the overview of Niskala and Tarna (2003), there are a number of other initia-tives in the business environment that have an ethical direction. In recent years there has been a proliferation in indexes run by global analytical institutions, such as the FTSE4Good Index. This is a joint venture between The Financial Times and the London Stock Exchange and rates companies according to criteria linked to environmental sustainability, stakeholder relations and support for human rights. Such indexes are often used as indicators for large investors when deciding on which company to select. Another global initiative is the Global Reporting

Initiative, GRI. The GRI has expanded the traditional environmental approach into a tripartite system including 1) economic, 2) environmental and 3) social reporting. The GRI is an independent institution that was launched in June 2000. In 2002 it became a collaborating center for the United Nations Environment Program (UNEP). The GRI aims to transfer financial reporting expertise to environmental and sustainability reporting. Mikael Niskala, who was involved in the drafting of the GRI principles in 2001, argues that sustainability broadens the traditional view of a company and shows the impact on its operating environment. Sustainability reporting has its roots in Europe, and not in the USA. Niskala speculates on the reasons behind these American influences:

> "This can be explained by the fact that the release of additional information is voluntary. In the United States companies prefer to only publish information that is required by law, whereas in Europe transparency is important, and many company operations are based on a relationship of trust with their interest groups" (*Index* 2/2003:27)

Another part of the ethical environment of Finnish firms is the Finnish Ethical Forum, which has been functioning since June 2001. Its members include companies, organizations, unions and officials who formed the Forum in conjunction with the Church. It is a forum, which facilitates discussion on business ethics and corporate social responsibility and members assemble a number of times a year (*Eettinen foorumi* 2003). Finnish Business in Society, an association stimulating business ethics in Finland, also forms part of the Finnish ethical business environment. Some 50 firms are members of this association, which is administered by Stakes, and forms part of a larger CSR initiative in Europe. (*Interview with Finnish...* 31.10.2003) Amnesty International also recently distributed recommendations for Finnish companies on human rights and other ethical issues. It was the first time that Amnesty International had published such recommendations in Finnish. In *Ihmisoikeudet ja sosiaalinen vastuu Amnesty Internationalin suositukset yrityksille* (2003), four Finnish firms are interviewed: Nokia, UPM, Stora Enso and Metso.

What are the implications of this overview? One can see that Finnish firms operate in an atmosphere of cultural plurality and it is likely that they experience cultural distances. One outcome of this overview is that when a company designs a corporate ethics code, it can be based on one, or several of, the five categories listed in Table 1. A company merely seeking to follow the letter of the law, for example, only needs to include ethics issues stated in obligatory laws and agreements. It can be asked if this actually constitutes an ethics code (see e.g. Granovetter 1985, to be discussed in more detail below). An ethics code aiming to express the ideals of a reputable company, should include issues included in voluntary levels three, four and five – listening to global recommendations, social movements and forerunners in industry. It is also essential to include issues that are seen as values within the firm.

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AN ANNUAL REPORT REVIEW

In order to investigate the extent to which Finnish companies have official ethical codes, an empirical review of fifty annual reports was undertaken. Below the research method, the empirical data collection and analysis, and finally the results are presented.

Method

A sample of fifty annual reports of Finnish companies formed the empirical basis of this review. A&N WILink AB in Helsinki distribute annual reports free of charge and market this service through advertisements in newspaper media. The researcher ordered all available reports through an advertisement in the national newspaper *Hufvudstadsbladet.* All-in-all, the advertisement included over 245 firms, and out of these 51 were sent to the researcher. Of these, one was dismissed because it was a 25th anniversary report. From these 50 reports, it became apparent that Finnish firms have only taken action regarding ethical responsibility in the past one to four years. This means that the implications of this study can only be understood in a contemporary context and are only applicable for a short period. The method used in identifying ethics codes proved to be challenging, because the material under investigation was extremely heterogeneous. With this in mind, some careful limitations and reflections had to be carried out. It could be asked why annual reports were studied when one is searching for a company's potential ethics code, as ethics principles can exist in a firm without being included in an annual report. Therefore, the absence of an ethics document in the annual report does not in fact *exclude* the existence of an ethics code in the firm. However, if the company aims to portray ethics awareness, it tends to include an ethics code in its annual report. Furthermore, the annual report compiles and presents the most important data of a company and thus if the ethics code is seen as important, it will most likely appear in the annual report. Finally, for the study to be feasible, it was important to limit it to time and resources, which matched the goal. It is important to note that some of the firms in the study are certified using different standards, such as ISO (International Organization for Standardization) 14001 or SA (Social Accountability) 8000. However, neither these nor any other standards are seen as ethics codes, although some parts of the standards include ethical regulations. In reviewing the reports the search for potential ethics codes was guided by a principle that only registered definite statements of ethics or values. The only ethical issues noted were those with their own ethical headlines (ethical principles, values, mission, sustainable development etc.) in the annual report. General headlines, including reports on such topics as the "Environment", "Personnel" or "Financial Report", are not considered as ethical statements. Thus, it is important to note that it is possible for a company to be ethically aware and adopt environmentally sustainable operations even if these features are not mentioned in their reports.

A more detailed analysis was undertaken on companies, which published a statement of values and ethical issues in their annual reports. The analysis of this material took place using template analysis. This analysis method makes use of different codes (templates), according to which the text is analyzed. Template analysis differs from the more well known method of content analysis and the term was first developed by Crabtree & Miller in 1992. Nigel King (1998) also uses it in several studies:

> "The essence of the approach is that the researcher produces a list of codes (a 'template') representing themes identified in their textual data. Some of these will usually be defined *a priori*, but they will be modified and added to as the researcher reads and interprets the text. The template approach can thus be seen as occupying a position between content analysis (Weber, 1985), where codes are all predetermined and their distribution is analysed statistically, and grounded theory (Glaser and Strauss, 1967), where there is no *a priori* definition of codes." (King 1998:118)

The template used in this study includes five codes. The first three depart from the three pillars that compose the UN Global Compact: human rights, labor rights and environmental concern. See more on this below. The last two, in turn, came into being as the textual data was read over and over again in the analysis process: owners' concern and customers' concern.

1. Human rights
2. Labor rights
3. Environmental concern
4. Owners' concern
5. Customers' concern

The codification was thus carried out with the intention that the first three codes reflected the UN Global Compact. Kofi Annan launched the UN Global Compact at the World Economic Forum in 1999 as a challenge to global business life. The operational phase of the UN Global Compact was launched at UN Headquarters in New York on July 26, 2000. Annan's initiative outlined nine principles in three areas – the promotion of human rights, labor rights and environmental protection. (*UN Global Compact* 2000) The Global Compact has its basis in the UN Universal Declaration of Human Rights, which is a binding document. The Global Compact is not binding in itself, however, and this is why it is suitable as an analytical framework for reviewing the ethical codes of Finnish firms. Furthermore, it is well known and is held in high regard in Finland. Thirdly, the UN Global Compact is clear and straightforward to apply. A further differentiation was made concerning whether or not the ethics code addressed either the owners or the customers concerns. Generally formulated sentences, such as "We

take all ethical issues seriously" or "We comply with ethical principles in all our operations" were not noted as indicating any of these specific issues.

Empirical data and analysis

The material in the study had the following characteristics.
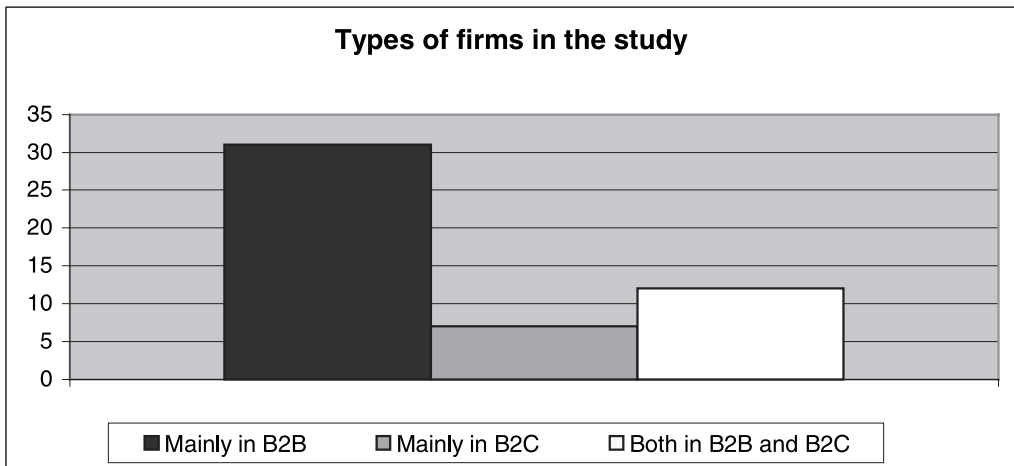
FIGURE 1. The studied firms are found both in the B2B and in the B2C market.

- Roughly one fourth of the firms were in the IT and financial investment sector. The remainder was evenly distributed among engineering, forestry, steel, power, confection, transportation, construction and services.
- Seven companies located themselves as operating mainly within the business-to-consumer (B2C) environment and thirty-one companies operated mainly in the business-to-business (B2B) environment. Twelve firms actively operated in both environments. See Figure 1.
- Fifteen companies did not separately list any set of values in their annual reports. The remaining 35 firms included some principal values/ethics principles as a separate document. See Figure 2.

There exists a clear confusion on how to use the terms values, ethical principles, vision and also at times strategy. Some companies, for example, include values under ethical principles, whilst some do the reverse and some hold strategy above values and vision. The study should be viewed in light of confusion among Finnish firms. Consequently, the trend for offi-

cial documentation of ethical values and principles can be interpreted as a relatively recent trend, which is still finding its way.

Distribution of Annual Reports Review

No ethically related principle; 15

Ethically related statement, with title different than value (not ethics code); 5

Other; 13

Only ethics code; 6

Statement of values AND separate ethics code; 7

Statement of values, no ethics code; 17
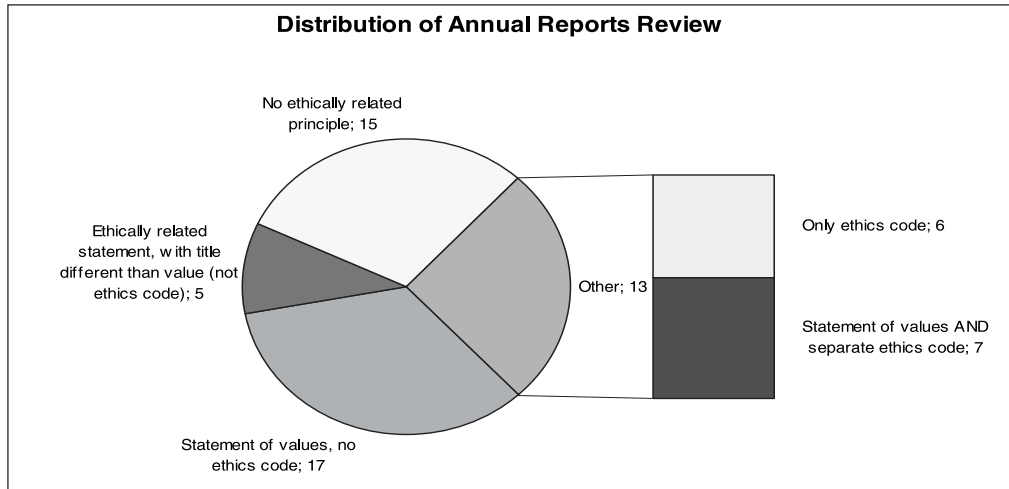
FIGURE 2. Distribution of annual reports in the review study. The right column shows that 13 firms had ethics codes.

Firstly, about half of the firms listed *Values* as a separate headline in their annual report. Secondly, companies generally seemed to differentiate values from ethical principles. Values appear to be the goals of the firm, but ethical principles and CSR (corporate social responsibility) seem to be ways in which to relate to the environment, people and society. These terms were sometimes very similar and at other times were distinctive. This again illustrates the confusion of terms used in the business environment and the lack of a common terminology on these ethical issues. Thirdly, words and phrases that regularly appeared in the values and ethics statements were transparency, responsibility, trust, development, following the letter of the law and customer loyalty. It was relatively surprising to find statements regarding following the law in many of the principles. One can ask if this needs to be stated as an ethical principle, as it would be quite strange if a company proclaimed that it is ethical by stating that it legally paid taxes or salaries. Fourthly, out of fifty companies, fifteen did not mention any separate ethical principle, value or other statement referring to ethical issues. Fifthly, 24 firms had a statement of values and seven of these had additional ethics codes. Lastly, thirteen companies in total had a statement regarding ethics codes and six firms used this ethics code exclusively. Five firms demonstrated principles related to ethics by using other names, such as 'principles governing the business', 'vision and goal', 'environmental policy', 'security, environ-

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ment, quality', 'quality and environment, the best conduct'. However, these are not seen as ethics codes but rather as policies, strategies and business goals.

Existence and location of the ethics code
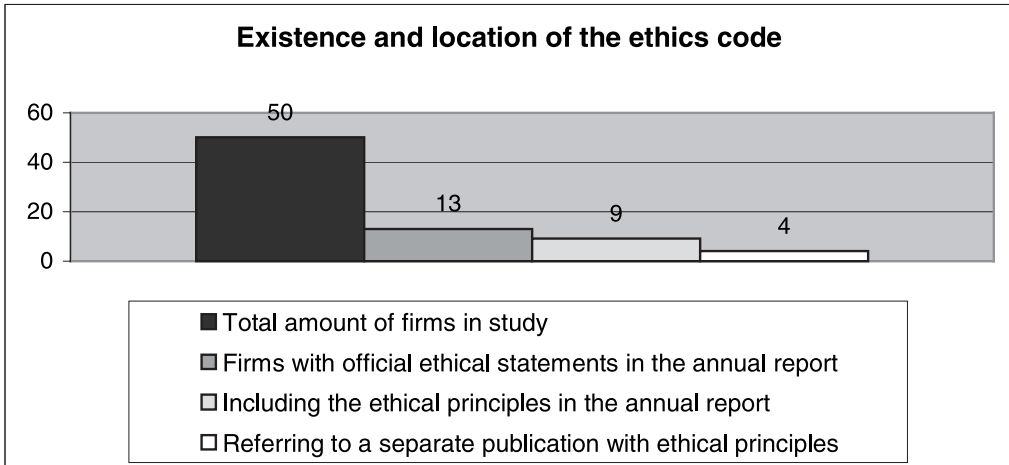
FIGURE 3. The 13 firms with ethics codes did not all include the code in their annual report.

Only four firms referred to an external source for their ethical values, such as the EU, OECD and the ICC (International Chamber of Commerce) and only one company mentioned the Kyoto Summit and the Johannesburg Meeting. When naming an ethics code, different titles were used. Kemira used the term *Code of Conduct*, whilst Metso, OKO, Kesko and Rautaruuk-ki used the terms *Ethical Principles* or *Ethical Values.* Eight firms (Elcoteq, Uponor, Amer Sports, Yomi, HOK, Sampo, Varma-Sampo and YIT) used some variation of the term *Corporate Social Responsibility (CSR)*. The review shows however that Ethical Principles/Values and CSR tend to include the same types of principles. In this respect, a total of 13 firms had an official state-ment with ethical principles (sometimes called CSR). These are shown on the right hand side of Figure 2. These 13 statements can be seen as a companies' ethics code. It was anticipated that these firms would represent a certain type of industry, but the results show that these firms actually represent a wide variety: the IT & electronics industry, construction technology (2 firms), confection & tobacco, chemical technology, paper mineral and automation technolo-gy, banking industry, steel industry, food industry (2 firms), construction and machinery, fi-nance and investment industry and the insurance sector. Of these 13, four firms chose to refer to their ethics codes as separate statements. As a result, out of the initial 50 companies, thir-teen were finally focused upon, of which only nine published an ethics code in their annual report. See Table 2.

TABLE 2. The 13 firms that have separate ethics codes in the annual report.

Key for abbreviations in table:

c = statement of value and separate **ethics code**, d = only **ethics code**, ? = indicating that the document is referred to in the annual report, but not available here.

Category of review	Company	Industry	B2C/B2B	Name of principles (the annual reports were in different languages: Finnish, Swedish and English)	Source of principles	Key words	Human Rights	Labour Rights	Environmental Concern	Owners' Concern	Customers' Concern
c	Kemira	Chemical Technology	B2B	1) Värden, Vision (=Values, Vision)	-	respect, innovation, teamwork	-	-	-	-	x
				2) Code of Conduct (referred to in the annual report)	OECD	sustainability, social responsibility, health, environmental concern	?	?	x	?	?
c	Metso	Paper, Mineral and Automation Technology	B2B	1) Etiska principer (=Ethical Principles)	-	integrity, laws, transparence, human rights, health, corruption, immaterial capital, environment	x	x	x	-	x
				2) As part of ethical principles, Value-statement	-	customer, success, innovation, professionality	-	-	x	x	x
c	Kesko	Service, Food, Construction, MAchinery	B2B, B2C	1) Keskos värderingar (=Values), including the ethical principles, see below.	-	customer-orientation, best, teamwork, social responsibility	-	-	-	-	x
				2) Arbetspolicy - etiska principer (Working policy - ethical principles)	-		?	?	?	?	?
c	Elcoteq	IT & Electronics Technology	B2B	1) Arvot (=Values)	-	customer, personnel, loyalty	-	-	-	-	x
				2) Yhteiskuntavastuu (=Social responsibility) since 2002	EU	development program, ISO 14001 certificate, social politics, stakeholder groups	-	-	x	-	x
c	Uponor	Construction Technology	B2B	1) Ydinarvot (=Core Values)	-	loyalty, customers development, sustainability	-	-	x	-	x
				2) Yhteiskuntavastuu	-	stakeholder groups,	-	-	x	-	x

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	Company	Industry	Type	Responsibility		Keywords	environmental protection, personnel health, social concern				
c	Amer Sports	Confection, Tobacco	B2C	1) Visio, Strategia, Arvot (=Vision, Strategy, Values)	-	best, teamwork, development	-	-	-	x	x
				2) Ympäristö ja sosiaalinen vastuu (=Environmental and social responsibility)		resource use, following the law, energy use.	x	x	x	-	-
c	Rautaruukki	Steel Industry	B2B	1) Etiska Värden (=Ethical Values)	-	trustworthiness, transparency, responsability, respect	-	-	-	-	-
				2) Grundläggande Värden (=Foundational Values)	-	customer, quality, environment	-	-	x	-	x
d	Sampo	Finance & Investment	B2C/B2B	Samhällsansvar / Sampo Corporate Responsibility	Kyoto Summit, Joburg Meeting	ethics, loyalty, transparence, activity, sustainable development	x	x	x	-	x
d	Varma-Sampo	Insurance	B2C	Samhällsansvar (=Social responsibility)	-	social responsiblity, economic responsibility, ecological responsibility	x	x	x	x	x
d	Helsingin Osuuskauppa HOK	Food Industry	B2C	Yhteiskuntavastuu (Social Responsibility), referred to in Annual Report	-	social responsibility, economic responsibility, environmental responsibility, safety,	?	?	x	x	x
d	Yomi	IT	B2B	Ympäristövastuu	-	natural environment, development, raw material	-	-	x	-	-
d	OKO	Banking Industry	B2B, B2C	1) Etiska Principer (=Ethical Principles)	-	trustworthiness, responsibility, fairness, honesty	-	-	-	x	x
				2) Vision och mission (=Vision and mission)	-	customers, owners, efficiency, competitiveness	-	-	-	x	x
d	YIT	Construction Technology	B2B	Samhällsansvar (=Social responsibility), published in a special pamphlet *Yhteisryöllä huipputuloksiin*, referred to in the annual report	-	quality, wellbeing, safety, envrionment	?	?	x	x	x

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Of these thirteen companies, only four explicitly mention human rights in their ethics codes. These same four firms also mention labor rights as an ethical principle. Environmental concerns, on the other hand, are given much more space and the majority of firms include environmental responsibility in their ethics codes. This reflects a trend in ethics issues, which started with environmental questions. To date, the recent developments concerning social issues as part of corporate social responsibility have primarily been recognized by a number of industrial firms in Finland. It is interesting to note that five companies give the interests of owners a place in their ethical principles. This can be understood as part of financial responsibility. The interests of customers are included in most of the ethics codes. This aspect signifies that firms in both the B2B and B2C sectors primarily use ethics principles to please customers/buyers.

Results

The results of the study can be concluded as follows:

1. Pleasing customers/buyers is seen as important from an ethical perspective.
2. Environmental responsibility is traditionally seen as a primary ethical responsibility in Finnish companies. This seems to be the case still today.
3. Social responsibility is *not* primarily seen as an ethical responsibility, although most companies use a form of the term CSR in naming their ethics code.
4. Financial responsibility towards owners is seen as an important part of ethical principles, although these are often named CSR principles.
5. Judging by the survey of annual reports, it seems that not many Finnish companies use ethics codes.
6. There is great confusion regarding the terms value, corporate responsibility, social responsibility, ethics and principles among Finnish businesses.
7. It is evident that the trend for ethics codes among Finnish companies is new.

DISCUSSION AND CRITICISM OF ETHICS CODE USAGE

How can the results of the empirical study be understood? The study demonstrates that Finnish companies do not use ethics codes as often as, for example, American, British or German firms. This does not mean however that Finnish firms do not have the same high moral standards. Neither does it mean that Finnish companies are followers of the Chicago school or Milton Friedman (1982/1962), where the idea of business lack an ethical dimension. This study shows that at least some Finnish companies do care about societal and moral values and that these somehow try to operate in a tough business culture, but with more or less official ethical prin-

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ciples or values. One could say that these companies with ethical consciousness seem to perceive themselves according to the theory of business integrity (Pearson 1995).

In a frequently cited article of 1985, Granovetter discusses the modern industrial firm and its relationship to the environment and introduces his argument of embeddedness. He argues at length that social relations are what create trust in economic life. He does not regard "institutional arrangements or generalized morality" (1985:491) as capable of promoting the same kind of social order or trustworthy behavior, although he does admit that generally arranged norms are necessary in society. Granovetter notes several arguments for the existence of generalized morality and institutional arrangements. Having no such regulations would give enhanced opportunity for malfeasance, bad behavior and for an atmosphere of "honor among thieves". According to Granovetter, trustworthy behavior and social order by economic actors or agents is dependent upon social relations and the absence of strong institutional arrangements. Is it not the same scenario regarding ethics issues in economic organizations? By definition, ethical behaviour reflects what is seen in society as good behaviour and therefore ethics is not identical to abiding by the law. The law is founded, however, on the fundamental premise of what is perceived as proper and socially correct behaviour. Creating trust by the use of an ethics code implies that they are not obligatory among companies. If such codes were obligatory, then partner companies and other concerned parties would not view an ethics code as remarkable or trustworthy. Therefore, if corporate ethical behaviour is only appreciated when it is not stated in law, what is the role of institutional recommendations on ethical behaviour? Are the guidelines set down by the United Nation's (UN) Global Compact, the International Labor Organization (ILO), the Organization for Economic Co-operation and Development (OECD) and the Caux Round Table only accepted as ethical guidelines because they are not obligatory? Would legislation actually make them useless as *ethical* guidelines and would they merely become the letter of corporate law? Following corporate law does not necessarily create the trust Granovetter refers to. The voluntary use of an ethics code in social relationships, however, can foster such trust. Thus, ethics only create value, in the form of trust, image, approval, sociability, status, good reputation and power, if they are not stated in "institutional arrangements or generalized morality" (Granovetter 1985:491).

Stevens (1999) also discusses how the public perception of ethics in business continues to be negative. She refers to an American Gallup poll carried out to ascertain ethical credibility among twenty-five professions, where the business profession only ranked thirteenth. Stevens writes that as scandals continue, credibility soars. Lack of credibility will be especially strong if scandal hits those firms with official ethics codes. Sinclair (1993) contends that cultural plurality is a value in itself and therefore an ethics code can be problematic if it only accepts one way of doing things. She warns against cultural imperialism and proposes dis-

course ethics, a form of ethics, which proposes discussion as an ideal for maintaining subcultures. She is not a follower of the institutionalization of ethics codes, championed by some researchers, such as Johnson & Smith (1999), Tucker et al. (1999) and Wotruba et al. (2001). Schwartz (2000) also sees problems with a management driven code of ethics. He argues that management may use the ethics code as a tool for control in a firm. He refers to this behaviour as paternalism and writes that it is not "commensurate with contemporary, post-industrial, pluralistic societies" (2000:175). Furthermore, Pearson (1995) is critical of professional codes, as they are by definition general and therefore become relatively meaningless. However, he argues that industry-specific or company-specific codes can serve a significant purpose by establishing and managing an organization's culture. (Pearson 1995:158) Huang (2001) has also put forward further criticism in his study, arguing that codes constitute meaningless rhetoric and contain conflicting themes, are filled with trivial verbiage, are irrelevant, impertinent, vague and difficult to understand. Consequently, ethics codes result in confusion and condemnation from employees and other members of the organization. Similar results are shown in a study from 1985 by Chonko & Hunt, which surveyed 200 marketing management professionals (Takala & Uusitalo 1991). They argue that the extent of ethical problems is not related to whether or not there is a corporate ethics code. Tucker et al. (1999, also Weiss 2003:141) note that even if a firm has an ethics code, it does not necessarily mean that the whole organization knows about the code. In these cases the strategic use of an ethics code can become contradictory and actually result in unethical behaviour. Steger (1998) attempts to tackle the seemingly impossible situation of global corporations. Firstly, he finds the board of directors bound by law to protect the interests of the corporation. Secondly, the corporation is limited to existing technical, legal and institutional requirements. Thirdly, a single corporation cannot possibly solve global problems. Fourthly, in a similar manner as Sinclair (1993), Steger notes that no global ethic exists that can guide global firms, even though different institutions frequently propose new ethical postulates. Finally, he sees a voluntary code as not legally binding which consequently makes it weaker in character.

This rather pessimistic last paragraph should be seen as part of the discussion on corporate ethics code usage in Finland. Ethics codes are not good *per se*, simply because they are seen as something positive and valuable. Indeed, such codes can have a negative effect, as statements of loyalty, trust and credibility are never straightforward or easy to launch or implement. This may partly explain why Finnish companies are reluctant to use ethics codes. Nonetheless, it seems that the trend to adopt an ethics code is permanent and that Finnish companies must profile themselves as ethical in an official way. In the longer term, with ethically sustainable investors, ethical indexes and more or less binding ethical initiatives, the use of ethics codes in Finnish business is anticipated to rise above the current 26 % found in the present article.

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SUMMARY, CONCLUSION AND CONTRIBUTION

This article has discussed business ethics with specific reference to a Finnish context. The literature review contained a theoretical overview and analysis of the concepts of business ethics and ethics codes. Three theories of business ethics were presented: the theory of amorality, the theory of moral unity and the theory of business integrity. After reviewing various global initiatives on ethics principles, a study on the use of ethics codes in Finnish business was provided

This article proposes that Finnish companies are not less ethical than companies in other countries, such as The United States of America, The United Kingdom, France or Germany, where ethics codes seem to be more widely used. Rather, the context of Finnish business life seems to be in line with Granovetter's (1985) arguments. This means that, to some extent, Finnish companies can be anticipated to avoid including moral rhetoric to market themselves towards customers and partners because they feel uneasy with the procedure. However, this study does not in itself confirm this anticipation, because the aim was not to study *why*, but rather *how* many Finnish firms use ethics codes. However, in the end of the article, this anticipation can be planted, which gives reason for further research. Thus, this article argues that the trend for ethics code usage in business is not fully in line with Finnish culture and is an imported tradition that the market, consumers and companies are gradually embracing.

The contribution of this paper is threefold. Firstly, it purports to be one of very few papers able to understand *business ethics* in a Finnish context. Most scientific work on business and society in Finland has focused on the concept of corporate social responsibility. Consequently business ethics literature is often overlooked. Secondly, this paper is innovative in reviewing and analyzing the appearance of ethics codes in Finnish corporate life and especially in annual reports. Thirdly, it raises the fact that there is still some confusion in Finnish business life regarding the terms value, ethics, vision and mission. In sum, this paper is part of a wider discussion on how Finnish business life can adapt to the use of ethics codes in business. ■

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APPENDIX 1: All results from the study on 50 Finnish annual reports.

a = no ethically related principle

b = statement of values, no ethics code

c = statement of value and separate **ethics code**

d = only **ethics code**

e = ethically related statement, with title different than value (not ethics code)

Category of review	Company (Total of 51)	Industry	B2C/B2B	Name of principles	Source of principles	Key words	Human Rights	Labour Rights	Environmental Concern	Owners' Concern	Customers' Concern
a	Biohit	Biotechnology	B2B	-	-	-	-	-	-	-	-
a	PKC Group	IT and Electronics Technology	B2B	-	-	-	-	-	-	x	x
a	Neomarkka	Investment	B2C, B2B	-	-	-	-	-	-	-	-
a	Lähi-vakuutus Lokal-försäkring. Finland	Insurance	B2B, B2C	-	-	-	-	-	-	-	-
a	Teleste	Cable and Video Networks	B2B	-	-	-	-	-	-	-	-
a	Solteq	IT	B2B	-	-	-	-	-	-	-	-
a	Norvestia	Investment	B2C/B2B	-	-	-	-	-	-	-	-
a	Jippii Group	Telephone & IT Communication	B2B/B2C	-	-	-	-	-	-	-	-
a	Honkarakenne	Housing Construction	B2C	-	-	-	-	-	-	-	-

a	Technopolis	Personnel and Housing Services	B2B	-	-	-	-	-	-	-	-
a	Aspocomp Group	Electronics Technology	B2B	-	-	-	-	-	-	-	-
a	SSH Communications Security	IT	B2B	-	-	-	-	-	-	-	-
a	Iocore	eBusiness	B2B	-	-	-	-	-	-	-	-
a	Ahlstrom	Fiber production	B2B	-	-	-	-	-	-	-	-
a	Huurre	Cooling Technology & Services	B2B	-	-	-	-	-	-	-	-
b	Tecnomen	Information Technology	B2B	Missio, visio, arvot ja strategia (=Mission, Vision, Values and Strategy)	-	transparency, trust, development	-	-	-	-	x
b	Finnair	Aeroplane & Flight Industry	B2C	Arvot (=Values)	-	customer proximity, development, trust, transparency, responsibility	-	-	-	-	x
b	Jaakko Pöyry Group	Consulting for Forestry Industry and Energy Industry	B2B	Arvot, Missio (=Values, Mission)	-	clients, Team, Drive, excellence	-	-	-	-	x
b	Novo	IT	B2B	Missio, Arvot (=Mission, Values)	-	client, truthfulness, loyalty	-	-	-	-	x
b	CapMan	Financial Investor	B2B	Visio, Arvot (=Vision, Values)	-	transparency, trust, loyalty, personnel	-	-	-	x	x
b	Raisio Yhtymä	Chemical Industry and Food Industry	B2B, B2C	Visio, Strategia ja Arvot (=Vision, Strategy and Values)	-	openness, responsibility, knowhow, teamwork	-	-	-	-	x
b	Panostaja	Investment	B2B	1) Visio, Strategia ja Tavoitteet (Vision, Strategy and Goals)	-	leading, investment, core functions	-	-	-	-	-
				2) Arvot (=Values)	-	business, competence, trustworthiness, sustainability	-	-	-	-	-
b	InCap	Engineering Industry	B2B	Arvot (=Values)	-	customer orientation, result, development, appreciation of the individual	-	-	-	-	x
b	Finnlines	Shipping Industry	B2B	1) Liikeidea, tavoitteet ja arvot	-	customer orientation, result,	-	-	-	-	x

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	Company	Industry	B2C/B2B	(Business idea, goals and values) 2) Ympäristöpolitiikka (Environmental policy)		responsibility, personnel satisfaction					
					-		-	x	-	-	
b	Altia	Alcoholic Beverages	B2C	Missio, Visio, Arvot (=Mission, Vision, Values)	-	quality, well-being, respect for the individual, teamwork	-	-	-	-	x
b	KCI Konecranes	Engineering	B2B	Strategic Cornerstones - Environmental - Shared Values	-	environmental management, humbleness, trust	-	-	x	x	x
b	Wärtsilä	Power	B2B	1) Wärtsiläs värden (=Wärtsilä's values)	-	energy, superiority, enthusiasm	-	-	-	-	-
				2) Mission, Vision, Mål (=Mission, Vision, Goals)	-	sea transportation, energy production, environmental friendliness, value creation	-	-	x	x	x
b	Suomen Posti	Communication and Logisitcs Services	B2C/B2B	Värden (=Values)	-	customer orientation, trustworthiness, development	-	-	-	x	x
b	Tamfelt *	Industrial textiles	B2B	Värden (=Values)	-	customer satisfaction, transparence, justice, competence, sustainable development	?	x	x	x	x
b	Finnforest	Mechanical Forestry Industry	B2B	Värden (=Values)	-	efficiency, boldness, teamwork, environment, joy at work	-	-	x	x	x
b	Spar Finland	Food Industry	B2C	Values	-	responsibility, willingness for renewal, customer orientation, simplicity, teamwork, added value	-	x	x	x	x
b	Vacon	Power and electronics technology	B2B	Mission, Vision, Värderingar (=Mission, Vision, Values)	-	customer orientation, respect, technology, development	-	-	-	-	x
c	Kemira	Chemical Technology	B2B	1) Värden, Vision (=Values, Vision)	-	respect, innovation, teamwork	-	-	-	-	x
				2) Code of Conduct (referred to in the annual report)	OECD	sustainability, social responsibility, health, environmental concern	?	?	x	?	?
c	Metso *	Paper, Mineral and Automation Technology	B2B	1) Etiska principer (=Ethical Principles)	-	integrity, laws, transparence, human rights, health, corruption, immaterial	x	x	x	-	x

	Company	Industry	Type	2) As part of ethical principles, Value-statement		Description (capital, environment …)						
				2) As part of ethical principles, Value-statement	-	capital, environment customer, success, innovation, professionality	-	-	-	x	x	x
c	Kesko *	Service, Food, Construction, MAchinery	B2B, B2C	1) Keskos värderingar (=Values), including the ethical principles, see below.	-	customer-orientation, best, teamwork, social responsibility	-	-	-	-	-	x
				2) Arbetspolicy - etiska principer (Working policy - ethical principles)	-		?	?	?	?	?	?
c	Elcoteq	IT & Electronics Technology	B2B	1) Arvot (=Values)	-	customer, personnel, loyalty	-	-	-	-	-	x
				2) Yhteiskuntavastuu (=Social responsibility) since 2002	EU	development program, ISO 14001 certificate, social politics, stakeholder groups	-	-	x	x	-	x
c	Uponor	Construction Technology	B2B	1)Ydinarvot (=Core Values)	-	loyalty, customers development, sustainability	-	-	x	x	-	x
				2) Yhteiskuntavastuu	-	stakeholder groups, environmental protection, personnel health, social concern	-	-	x	x	-	x
c	Amer Sports	Confection, Tobacco	B2C	1) Visio, Strategia, Arvot (=Vision, Strategy, Values)	-	best, teamwork, development	-	-	-	-	x	x
				2) Ympäristö ja sosiaalinen vastuu (=Environmental and social responsibility)		resource use, following the law, energy use.	x	x	x	-	-	-
c	Rautaruukki	Steel Industry	B2B	1) Etiska Värden (=Ethical Values)	-	trustworthiness, transparency, responsability, respect	-	-	-	-	-	-
				2) Grundläggande Värden (=Foundational Values)	-	customer, quality, environment	-	-	x	x	-	x
d	Sampo *	Finance & Investment	B2C/B2B	Samhällsansvar / Sampo Corporate Responsibility	Kyoto Summit, Jo-burg Meeting	ethics, loyalty, transparence, activity, sustainable development	x	x	x	x	-	x
d	Varma-Sampo *	Insurance	B2C	Samhällsansvar (=Social responsibility)	-	social responsibility, economic responsibility, ecological responsibility	x	x	x	x	x	x
d	Helsingin	Food Industry	B2C	Yhteiskuntavastuu (Social	-	social responsibility,	?	?	x	x	x	x

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	Osuuskauppa HOK *			Responsibility), referred to in Annual Report		economic responsibility, environmental responsibility, safety,					
d	Yomi	IT	B2B	Ympäristövastuu	-	natural environment, development, raw material	-	-	x	-	-
d	OKO	Banking Industry	B2B, B2C	1) Etiska Principer (=Ethical Principles)	-	trustworthiness, responsibility, fairness, honesty	-	-	-	x	x
				2) Vision och mission (=Vision and mission)	-	customers, owners, efficiency, competitiveness	-	-	-	x	x
d	YIT *	Construction Technology	B2B	Samhällsansvar (=Social responsibility), published in a special pamphlet *Yhteisesti huipputuloksiin*, referred to in the annual report	-	quality, wellbeing, safety, envrionment	?	?	x	x	x
e	Elektrobit	IT	B2B	Toimintaa ohjaavat periaatteet (=Principles governing the business)	-	social responsibility, social environment, long term	-	-	-	-	x
e	Suominen	Clinical Industry	B2B	Turvallisuus, Ympäristö, Laatu (=Security, Environment, Quality)	ICC	accident prohibition, environmental protection, quality	-	x	x	-	x
e	Lassila & Tikanoja	Environmental, Real Estate and Institutional Services	B2B/B2C	Laatu ja ympäristö. Parhaita käytäntöjä. (=Quality and Environment. The best conduct)	-	development, competitiveness, quality, environment, safety, working conditions	-	x	x	-	x
e	Veritas Group	Insurance	B2C	Vision och mål (=Vision and a Goal)	-	customer service, competence, quality	-	-	-	-	x
e	Nordiska Investerings-banken	Banking	B2C/B2B	Miljöpolicy (=Environmental Policy)	-	international principles, positive environmental consequences	-	-	x	-	-

* = indicating firms that stand out in ethical awareness and documentation of ethics codes

APPENDIX 2. Annual Reports

Ahlstrom FiberSolutions Årsberättelse 2002, *Small fibers. Big difference.*
Altia Vuosikertomus 2002
Amer Sports Vuosikertomus 2002
Aspocomp-konserni Vuosikertomus 2002
Biohit Vuosikertomus 2002
CapMan Vuosikertomus 2002
Elcoteq Vuosikertomus 2002
Elektrobit Vuosikertomus 2002
Finnair Vuosikertomus 2002, *Most Experienced in Northern Skies*
Finnforest Årsredovisning '02, *Rethink wood*
Finnlines Oyj Vuosikertomus 2002
Helsingin Osuuskauppa HOK Vuosi 2002
Honkarakenne Oyj Vuosikertomus 2002
Huurre Vuosikertomus 2002
InCap Vuosikertomus 2002
Iocore Vuosikertomus 2002
Jaakko Pöyry Group Liiketoiminta 2002
Jippii Group Vuosikertomus 2002
Kemira Årsredovisning 2002
Kesko, *Keskos år 2002*
KCI Konecranes Annual Report 2002
Lassila & Tikanoja L&T Vuosikertomus 2002
Lokalförsäkring Ömsesidigt Bolag Årsredovisning 2002
Metso Årsöversikt 2002
Neomarkka Årsberättelse 2002
Nordiska Investeringsbanken Årsredovisning 2002
Norvestia Vuosikertomus 2002
Novo Vuosikertomus 2002
OKO Årsredovisning 2002
PCKGroup Oyj Vuosikertomus 2002
Painostaja Vuosikertomus 2002
Posti Årsberättelse 2002
Raisio Yhtymä Vuosikertomus 2002
Rakentajain Konevuokraamo Oyj Tilinpäätös 2002
Rautaruukki Årsberättelse 2002
Sampo Årsredovisning 2002, *Någonting är på gång.*
Solteq Oyj Vuosikertomus 2002
Spar Årsberättelse 2002
SSH Communications Security Vuosikertomus 2002
Suominen Vuosikertomus 2002
Tamfelt Årsberättelse 2002
Technopolis Vuosikertomus 2002
Tecnomen Vuosikertomus 2002
Teleste Vuosikertomus 2002
Uponor Vuosikertomus 2002
Vacon Årsberättelse 2002
Veritas-Gruppen Årsberättelse 2002
Varma-Sampo Arbetspensionsbolag Årsredovisning 2002, *Power on Land and at Sea*
Wärtsilä Årsredovisning 2002,
YIT Årsredovisning 2002
Yomi Vuosikertomus 2002