



Do the SASB standards contribute to the development of sustainability reporting?

A content analysis of Finnish banks' sustainability reports from an investor's perspective

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Master's Thesis in Accounting and Control

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Turku 2022

Subject: Accounting and Control	
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Title: Do the SASB standards contribute to the development of sustainability reporting? - A content analysis of Finnish banks' sustainability reports from an investor's perspective	
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Abstract <p>This study aims to answer what kind of development there has been in sustainability reporting in the Finnish banking sector from an investor's perspective. The increased requirement from stakeholders regarding comparability creates a need to develop the sustainability related information to a point where this information can be used as base for investment and capital providing decisions. The study aims to add more knowledge in the research field around corporate social responsibility and environmental, social and governance investing.</p> <p>In the introduction, the background as well as the research problem is presented, followed by the purpose of the study and the research questions. This lies as the base for the research questions. To answer the research question, related terminology and theoretical reference is presented in chapter 2. In chapter 3, this paper presents widely the previous research regarding this research area.</p> <p>The goal of the study is to answer the research questions through a qualitative content analysis. The data sample is four banks listed on the Finnish stock exchange. The data analysed is either the sustainability reports or annual reports, which includes the sustainability reports from year 2019 to 2021. These reports were score-set through a self-created scoresheet, which answered the fulfilment and amount of information regarding the SASB standards for commercial banks. The methodology and analysis are furtherly presented in chapters 4 and 5.</p> <p>The results of the study show varying results depending on the size of the bank and the geographical areas where the bank is conducting its business. A notable factor affecting the fulfilment of standards is the usage of the standards as guidance. The study found issues with the fulfilment of standards with a qualitative measurement category, as well as the unwillingness to include data regarding high-risk customers and projects. In conclusion, the study found little to no development in the sustainability reports from the perspective used. Through this, the study confirms findings from earlier studies and contributes to the research that critically views sustainability reporting and its development.</p>	
Keywords: Accounting, Sustainability reporting, CSR, ESG, Content Analysis, Comparability, SASB	
Date: 27.11.2022	Pages: 94

ABBREVIATIONS

CSR – Corporate social responsibility; sustainability work carried out by companies

ESG – Environmental, social and governance; how companies handle their CSR

GRI – Global Reporting Initiative; Non-profit organisation which publishes guidance for companies to use in their sustainability reporting

SASB – Sustainability Account Standards Board; Non-profit organisation which publishes guidance for companies to use in their sustainability reporting in a way that answers ESG related questions and is therefore more suitable towards investors and other capital providers

TBL – Triple Bottom Line; The three main pillars of sustainability created by John Elkington

Contents

1	INTRODUCTION	2
1.1	BACKGROUND	2
1.2	RESEARCH PROBLEM	5
1.3	PURPOSE OF THE STUDY	6
1.4	RESEARCH QUESTIONS.....	7
1.5	LIMITATIONS AND STRUCTURE OF THE THESIS.....	7
2	THEORETICAL BACKGROUND	11
2.1	SUSTAINABILITY.....	11
2.1.1	CSR.....	11
2.1.2	ESG	13
2.2	SUSTAINABILITY REPORTING	14
2.2.1	Legislation and Regulation.....	15
2.2.2	SASB standards	16
2.2.3	Other standards and guidance	20
2.3	THEORETICAL REFERENCE.....	22
2.3.1	Stakeholder theory.....	23
2.3.2	Legitimacy theory.....	24
2.3.3	Critical perspective	25
2.3.4	Functionalist perspective	26
3	PREVIOUS RESEARCH	28
3.1	CSR AND SUSTAINABILITY REPORTING	28
3.2	COMPARABILITY OF SUSTAINABILITY REPORTING, GRI AND SASB	31
3.3	ESG INVESTING	35
3.4	CRITICAL VIEWS ON SUSTAINABILITY REPORTING AND FRAMEWORKS	36
4	METHODOLOGY	40
4.1	RESEARCH STRATEGY.....	40
4.2	QUALITATIVE METHODS	42
4.3	CONTENT ANALYSIS	44
4.4	DATA GATHERING AND SAMPLE	45
5	EMPIRICAL ANALYSIS.....	47
5.1	AKTIA BANK OYJ	47
5.1.1	Company presentation.....	47
5.1.2	Analysis	48
5.2	NORDEA BANK OYJ.....	49
5.2.1	Company presentation.....	49
5.2.2	Analysis	49
5.3	OMA SÄÄSTÖPANKKI OYJ	51
5.3.1	Company presentation.....	51
5.3.2	Analysis	51
5.4	ÅLANDSBANKEN ABP.....	52
5.4.1	Company presentation.....	52
5.4.2	Analysis	52
6	RESULTS.....	54
6.1	COMPARISON OF ANALYSIS	54
6.2	FINDINGS.....	55
7	DISCUSSION AND CONCLUSION	57

7.1	DISCUSSION OF FINDINGS	57
7.2	VALIDITY & RELIABILITY	61
7.3	LIMITATIONS	61
7.4	SUGGESTIONS FOR FURTHER RESEARCH	62
8	BIDRAR SASB-STANDARDERNA TILL UTVECKLINGEN AV HÅLLBARHETSRAPPORTERING? - EN INNEHÅLLSANALYS AV FINSKA BANKERS HÅLLBARHETSRAPPORTER FRÅN ETT INVESTERARPERSPEKTIV	64
	REFERENCES.....	68
	ARTICLES	68
	BOOKS.....	75
	REPORTS AND PRESS RELEASES	77
	THESES AND WORKING PAPERS.....	78
	WEBSITES.....	79
	APPENDIX.....	82
	FIGURE 1: COMPANIES LISTED ON NASDAQ HELSINKI.....	82
	FIGURE 2: CREDIT INSTITUTIONS ACCORDING TO BANK OF FINLAND.....	83
	FIGURE 3: THESIS STRUCTURE.....	84
	FIGURE 4: PILLARS OF CSR.....	85
	FIGURE 5: PILLARS OF TBL.....	85
	FIGURE 6: SASB STANDARDS – COMMERCIAL BANKS.....	86
	FIGURE 7: SCORE-SETTING SYSTEM FOR ANALYSIS.....	87
	FIGURE 8: FULFILMENT OF STANDARDS, MATERIAL REGARDING YEAR 2019.....	88
	FIGURE 9: FULFILMENT OF STANDARDS, MATERIAL REGARDING YEAR 2020.....	89
	FIGURE 10: FULFILMENT OF STANDARDS, MATERIAL REGARDING YEAR 2021.....	90
	FIGURE 11: SUMMARIES OF SCORE-SHEETS	91
	FIGURE 12: SUMMARIES CONVERTED TO NUMBERS FOR COMPARISON.....	92
	FIGURE 13: CONCLUSION OF SUMMARIES	93
	FIGURE 14: DEVELOPMENT TABLE.....	94

1 INTRODUCTION

The first chapter in the thesis will introduce sustainability and sustainability reporting by first providing a short background behind these topics. After this, the research problem is discussed with the help of theory and earlier studies, followed by the purpose of the study and its contribution to the research area. The research questions, that this thesis aims to answer, are also presented. The chapter will end with a presentation of the limitations and structure of this thesis.

1.1 Background

During the past decade, sustainability-related topics in accounting have been increasing significantly. At the same time, companies have become increasingly invested in sustainability, mainly in corporate social responsibility (CSR) (Sahay, 2004). Alongside companies' legislative pressure regarding sustainability reporting, possible company stakeholders set their own criteria when choosing companies, they want to be involved with. These criteria include environmental, social, and governance aspects. If a company cannot meet these, they miss the possibility of gaining financing from investors and capital providers (Braam, de Weerd, Hauck & Huijbregts, 2016). These aspects are commonly known as the environmental, social and governance (ESG) criteria and consists of topics such as sustainability reports, employee wellbeing, and internal controls (Friede, Busch & Bassen, 2015). ESG criteria set by investors give companies a strong incentive to constantly develop their business into a more sustainable one.

The term sustainability was first introduced by the World Commission on Environment and Development, a specialist Commission acting under the United Nations aiming to decrease the environmental pressure that we humans cause. They released a report in 1987 called the Brundtland Report, which explained sustainability as a form of using our natural resources in a way that allows future generations to use them to the same extent as we do without causing the number of resources to decline (WCED, 1987). After this, the term sustainability has been developed in a manner where three main pillars are included: ecological, social, and economic sustainability (Hansmann, Mieg & Frischknecht, 2012).

As earlier presented, companies tend to use the term corporate social responsibility when discussing sustainability-related topics. A company's corporate social responsibility can be shown in several different ways. Still, besides including it in marketing and media, the most common form is to publish a report including sustainability-related information. The report provides information on what a company has done for its environment and community, both externally and internally. Usually, it also presents statistics on how well a company performs in its corporate social responsibility by using general standards as measurement tools. In other words, these reports aim to answer how a company has considered the three main pillars of sustainability in its business activities. (Grankvist, 2012) (Frostenson & Helin, 2018)

While companies tend to use CSR as a synonym for sustainability, investors prefer the term ESG. When viewing these terms and studying their purpose, it is understandable that synonyms are created since both terms explain what the company does to create and maintain long-term value for its stakeholders. Companies use the term CSR, which also concentrates on what a company should do to develop a more sustainable business, while ESG measures the development made and is, therefore, more suitable for investors. What also differs is that while governance is one of the main topics in ESG, it is only indirectly included in CSR. (Gillan, Koch & Starks, 2021; Gerard, 2019; MacNeil & Esser, 2022)

As companies increase their involvement in sustainability-related topics, they also face the challenges of communicating their sustainability work to their stakeholders. For this, independent organisations such as the Sustainability Accounting Standards Board, have developed standards that act as guidance for these companies in their sustainability communication, more precisely in sustainability reporting. The SASB standards aims, through continuous development and expansion, to provide the guidance that ensures that the company's sustainability-related information is transparent and usable for especially external stakeholders. (SASB (1), 2022)

According to a survey by KPMG in 2020, 96 percent of the world's 250 largest companies publish an annual sustainability report. In the financial sector, the publishing percentage was 93 percent, a 5 percent increase from 2017, when the last survey was conducted. Geographically the results do not point to any specific regions where sustainability reporting would be more active. In the survey, KPMG states that a quarter of the countries

included has a high sustainability reporting rate, which is achieved when the percentage is 90 or higher. (KPMG, 2020)

As financial institutions such as banks are a significant part of our society, they can act as an example when it comes to sustainability (Cull, Demirgüç-Kunt & Lin, 2013; Scholtens, 2017; Galaz, Crona, Dauriach, Scholtens & Steffen, 2018). Banks are also very visible to the public, creating even more significant pressure to be the corporate role model in transparency and creating and developing a sustainable business (Mandhachitara & Poolthong, 2011). The financial sector, under which the banks are classified, is also very strictly regulated, and by adding this to the fact that banks usually have several stakeholders, there should not be any doubt that banks are highly committed to developing and communicating their sustainability actions.

Finland, where according to the survey, nine out of 10 companies present an annual sustainability report, is one of the countries with the highest sustainability reporting rate (KPMG, 2020). In Finland, most banks are, according to their public-interest entity status, as stated by the Accounting Act amendment from 2016, required to include sustainability information directly in their financial statements or as separate sustainability reports (TEM, 2022; Finlex, 2016).

As earlier stated, independent organisations such as the SASB creates and develops different kinds of standards that companies can use for guidance when creating their sustainability information. The most common are the GRI standards created by the Global Reporting Initiative (GRI), which was first published in 1999 and continues to grow and develop into a precise guide for companies. The latest version of the standards is from 2016, but GRI has published expansions to the standards, and last year they revised the universal part of the standards to make it fit even more companies interested. (GRI, 2022)

Even though the GRI standards are more precise and commonly used for sustainability guidance, they tend to seek coverage for all sectors and all stakeholders (Nordea (1), 2022). Also, by being very broad and extensive, the GRI standards depreciate the effects of sustainability issues on financial materiality, which is one of the most interesting criteria for investors and capital providers (SASB (1), 2022). The SASB standards collection is a guide available for 77 industries, where companies can present the sustainability information that affects the company's financial performance (SASB (1), 2022). Even though GRI and the SASB Foundation, the non-profit organisation behind

the SASB standards, focus on different target groups, their reports are supportive. A guide on aligning these two was introduced in 2011, the same year the first SASB standards were published (SASB (2), 2018). Therefore, stakeholders such as investors can find information from the GRI standards that comply with the SASB standards. Combined with the legislation, these standards and guidelines create a pathway for every company to include sustainability information in their regular financial statements and supporting documentation (Niskala, Pajunen & Tarna, 2009).

Since commercial banks in Finland tend to face the same sustainability challenges, an investor should be able to find information regarding the sustainability issues affecting the banks' financial performance. Earlier studies about how Finnish banks fulfil the GRI standards have been presented with varying results (Koivuporras, 2008; Papunen, 2013; Viitanen, 2020). This thesis aims to investigate how Finnish banks' sustainability reports have developed and whether these banks have adopted the more generalised SASB standards in their sustainability reports.

1.2 Research problem

Companies today can use different standards to support their sustainability, which is a requirement by law for some and industry standards for others. These standards are designed to increase the transparency and quality of sustainability reporting, which according to studies, also has (Papunen, 2013; Araya, Seguí-Mas & Polo-Garrido, 2014; Viitanen, 2020). However, there is a lot to be done before reaching the point where sustainability reporting can be compared both within and cross-industry (Hąbek & Wolniak, 2015; Klinkers, James & Bennett, 2017).

As the amount of sustainability information published has increased, investors have also activated themselves in gathering information from reports, including sustainability-related information, and using these as a tool when making investment decisions. Studies show an increase in sustainability-related interest by investors seeking to maximize their investment profits (Berthelot, Coulmont & Serret, 2012; Du, Yu, Bhattacharya & Sen, 2017). Companies that invest in their sustainability and present it to their stakeholders tend to attract more investors than those who do not, giving these companies additional

capital to expand and develop their primary business and sustainability work (Berthelot et al., 2012; Kresnanto & Putri, 2019).

Non-profit organisations such as GRI and the SASB Foundation have published standards and disclosures for over 20 years that companies can apply in their general sustainability and industry-specific work. These publications also aim to help stakeholders analyse the companies when making investment decisions, but studies show that some investors avoid using sustainability information in their decisions. This is because the investors feel that the information constructed according to the standards is not comparable and that these standards guide the companies to present non-measurable, qualitative information (Langer, 2006; Dragomir, 2012). Also, these standards have been shown to underestimate companies' negative sustainability aspects, which can lead to accusations of greenwashing by the companies' stakeholders (Hahn & Lulfs, 2014; Yu, Luu & Chen, 2020; Lashitew, 2021).

The increasing investor interest in the information in the reporting creates a demand for correct and transparent sustainability reporting that can be compared. Legislation is constantly changing towards a more requiring one, and standards are designed to enable comparison, but with lacking results. Several studies examine the most used standards, GRI standards. However, issues have been found in these as they tend to be predominantly general and do not concentrate on the financial materiality of sustainability issues. Therefore, the SASB standards, which concentrate on the financial impacts of sustainability in a company, have the possibility of enabling a comparison more suitable for investors.

1.3 Purpose of the study

According to the SASB Foundation, the SASB standards were published to help investors analyse the companies ESG performance and in finding the sustainability issues that could affect the company and its performance (SASB (2), 2018). Alongside this, the SASB Foundation states that the standards are also a tool for companies to develop their sustainability reporting towards a more transparent and comparable one (SASB (3), 2022). Earlier studies show that when using the more commonly used GRI standards as a measurement tool for sustainability reporting and its comparability, a comparison valid

enough can't be created. When viewing the statements made by the SASB Foundation, the main goals for the SASB standards and the fact that the SASB standards can be applied to 77 different industries and should therefore be very precise, these standards should enable development in sustainability reporting towards a more transparent and comparable one. This thesis aims to study the development of companies' reports that include sustainability related information, the implementation of SASB standards in these reports and to find out if the reports have developed to a point where a comparison can be made. Through this, the study and its results add knowledge to the research around sustainability reporting, focusing on the development and usability of these reports from an investors perspective. The study is conducted by analysing the development of sustainability information from 4 banks listed on the OMX Helsinki market and using the SASB standards as a measurement tool for development. The time period used for the analysis is three years.

1.4 Research questions

This study intends to answer the following research questions:

Question 1: *How have the banks' sustainability reports developed during the past three years?*

Question 2: *Which criteria of the SASB standards are the investigated banks not fulfilling and what could be the reason behind it?*

1.5 Limitations and structure of the thesis

The aim for this study is to analyse if the sustainability information from year 2019 to 2021 of four banks listed on the OMX Helsinki market has developed by using the SASB standards as a measurement tool. The study also aims to answer which parts of the SASB standards are the studied banks not fulfilling and what could be the reason behind the non-fulfilment.

The study has limited itself on the Finnish banking sector since the sustainability reporting of the banks acting in Finland are very alike because of the regulations on the financial

sector. Additional limitation is done by choosing only the banks that are both listed on the OMX Helsinki market, which allows investors to directly invest in them by buying their shares, and are classified as a credit institution by the Bank of Finland (Nasdaq, 2022; Suomen Pankki, 2022). This enables comparison between the information, which is a crucial component for high quality sustainability reporting and one of the top requirements set by stakeholders and other external when searching for a company's sustainability information (Klinkers et al., 2017). Below presented the companies on the financial sector listed on the OMX Helsinki and the banks classified as credit institutions according to Bank of Finland.

Figure 1: Companies listed on Nasdaq Helsinki

COMPANIES LISTED ON NASDAQ HELSINKI

Companies below are listed on Nasdaq Helsinki. For viewing other markets or segments, please use the links in the right column.

Name	Symbol	Currency	ISIN	Sector	ICB Code	Fact Sheet
				financials		
Aktia Bank Abp	AKTIA	EUR	FI4000058870	Financials	3010	
CapMan Oyj	CAPMAN	EUR	FI0009009377	Financials	3020	
EAB Group Oyj	EAB	EUR	FI4000157441	Financials	3020	
Enento Group Oyj	ENENTO	EUR	FI4000123195	Financials	3020	
eQ Oyj	EQV1V	EUR	FI0009009617	Financials	3020	
Evli Oyj	EVLI	EUR	FI4000513437	Financials	3020	
Fellow Pankki Oyj	FELLOW	EUR	FI4000170915	Financials	3010	
Nordea Bank Abp	NDA FI	EUR	FI4000297767	Financials	3010	
Oma Säästöpankki Oyj	OMASP	EUR	FI4000306733	Financials	3010	
Panostaja Oyj	PNA1V	EUR	FI0009800379	Financials	3020	
Sampo Oyj A	SAMPO	EUR	FI0009003305	Financials	3030	
Sievi Capital Oyj	SIEVI	EUR	FI0009008924	Financials	3020	
Taaleri Oyj	TAALA	EUR	FI4000062195	Financials	3010	
United Bankers Oyj	UNITED	EUR	FI4000081427	Financials	3020	
Ålandsbanken Abp A	ALBAV	EUR	FI0009000103	Financials	3010	
Ålandsbanken Abp B	ALBBV	EUR	FI0009001127	Financials	3010	

Source: Nasdaq, 2022

Figure 2: Credit institutions according to Bank of Finland

Suomessa toimivien luottolaitosten markkinaosuudet

	Lainat Suomeen (muille kuin rahalaitoksille)		Asuntolainat kotitalouksille(1) Suomessa		Yrityslainat(2) Suomeen		Talletukset Suomesta (muilta kuin rahalaitoksilta)	
	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %
Rahalaitokset yhteensä	269 386	100	107 585	100	59 832	100	200 452	100
OP Ryhmä	93 535	35	41 462	39	23 196	39	76 203	38
Nordea	67 310	25	31 755	30	19 014	32	56 421	28
Danske Bank	24 770	9	10 515	10	6 108	10	21 555	11
Kuntarahoitus	29 214	11	296	0	3 340	6	0	0
Handelsbanken	13 700	5	3 124	3	2 513	4	5 807	3
Säästöpankkiryhmä	9 558	4	5 691	5	1 377	2	7 288	4
Aktia Bank	7 436	3	4 309	4	759	1	4 644	2
S-Pankki	6 078	2	3 673	3	31	0	7 622	4
POP Pankki -ryhmä	4 239	2	2 318	2	549	1	4 204	2
Ålandsbanken	2 764	1	1 445	1	573	1	2 760	1
Hypo-konserni	2 626	1	815	1	31	0	1 639	1
Oma Säästöpankki	4 317	2	2 154	2	924	2	2 871	1
Muut	3 840	1	29	0	1 418	2	9 437	5

OP Ryhmä: OP Yrityspankki Oyj, OP-Vähittäisasiakkaat Oyj, OP-Asuntoluottopankki Oyj ja Yhteinliittymäosuuspankit
 Nordea: Nordea Bank Abp, Nordea Kiinnitysluottopankki Oyj ja Nordea Rahoitus Suomi Oy
 Danske Bank: Danske Bank A/S, Suomen sivuliike ja Danske Kiinnitysluottopankki Oyj
 Handelsbanken: Svenska Handelsbanken AB (publ), filiaalverksamheten i Finland, Stadshypotek AB (publ), filiaalverksamheten i Finland
 Säästöpankkiryhmä: Säästöpankit, Säästöpankkien Keskuspankki Suomi Oyj ja Sp-Kiinnitysluottopankki Oyj
 POP Pankki -ryhmä: POP Pankit ja Bonum Pankki Oyj
 Hypo-konserni: Suomen Hypoteekkiyhdistys ja Suomen Asuntohypopankki Oy
 Muut: Sisältää Suomessa toimivat muut luottolaitokset kuin edellä mainitut
 *Yllä oleva ryhmäluokittelu koskettaa vain viimeisimmän julkaistun havaintoperiodin raporttijaajoukkoa. [Historiatietojen osalla ota yhteistä](#) rahoitustilastot@bof.fi.

Source: Bank of Finland, 2022

By limiting the study to these four banks classified as credit institutions, the study aims to include the sustainability perspective of credit granting alongside other financial activities of banks. Through this limitation, the banks chosen for this study are Aktia Pankki Oyj, Nordea Bank Oyj, Oma Säästöpankki Oyj and Ålandsbanken Abp.

The thesis will with an introduction, where the background and the research problem are presented, as well as the purpose of the study and the research questions. After this, the limitations and structure of the thesis are discussed. Following the introduction, the thesis will discuss the main topics and theoretical background, after which the previous research in these topics is presented. The thesis will move on to the present the methodology used, including a presentation of the data gathering and sample. The empirical analysis with presentations of the sample company and their sustainability reports or annual reports is conducted in chapter 5, followed by the results of the analysis in chapter 6. The thesis will end with a discussion and conclusion chapter, followed by references and appendices. Below is the thesis structure in a tabular format:

Figure 3: Thesis structure

Introduction	Introduction			
	Background Research problem Purpose of the study Research questions Limitations and structure of the thesis			
Theory	Sustainability	Sustainability Reporting	Theoretical framework	Previous Research
	CSR ESG	Legislation and regulation SASB Standards Other standards and guidance	Stakeholder theory Legitimacy theory Critical perspective Functionalist theory	CSR and sustainability reporting Comparability of sustainability reporting, GRI and SASB ESG investing Critical views on sustainability reporting and frameworks
Methodology	Research strategy	Qualitative methods	Content analysis	Data gathering and sample
Empirics	Aktia Bank Oyj	Nordea Bank Oyj	Oma Säästöpankki Oyj	Ålandsbanken Abp
Syntehsis	Results		Discussion and conclusion	
	Comparison of analysis Findings		Discussion of findings Validity & Reliability Limitations Suggestions for further research	

2 Theoretical background

The second chapter of the thesis presents the most common terms and theories around the studied topic. First, sustainability and the different perspectives of it is presented, followed by a review of sustainability reporting, where the legislation and regulation around it is discussed. After this, the SASB standards, which functions as the measurement tool in the study, is presented. A review of other standards and guidance for sustainability reporting is also included in this chapter. Lastly, the four common theories that this thesis uses as support for the study conducted is reviewed.

2.1 Sustainability

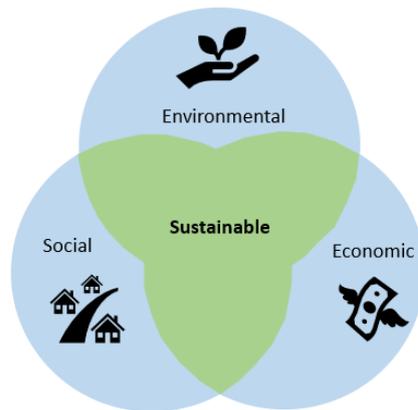
2.1.1 CSR

As stated earlier, the term sustainability was first presented in the Brundtland report in 1987 and has after that been developed to a term that consists of three main pillars. These three, the ecological, the social and the economic sustainability, needs to be in perfect harmony to ensure that the number of resources we use today is also usable for future generations (Gray, Bebbington & Houldin, 2001; Kuhlman & Farrington, 2010).

Companies face the pressure of both legislators and stakeholders to carry their responsibility of sustainability. This is done by activating the company to invest and act in all of the three aspects, preferably in an equal way. The work done can include improvement of employee benefits, donations or engagement in community projects and decreasing of greenhouse gas emissions in the supply chain through a life cycle assessment (Niskanen & Nieminen, 1998; Baumann & Tillman, 2004). If the company choose to focus only on two of these aspects, there is a big risk that the sustainability work done will have a negative effect and that stakeholders view the company's sustainability work as greenwashing (Kuhlman & Farrington, 2010; Grankvist, 2012). This sustainability work carried out by companies is called corporate social responsibility, shortened CSR, which also includes three main pillars, the economic, the social and the environmental. The three main pillars and their part in CSR, presented below, are partially developed from the idea that companies should include information of social and environmental costs in their annual reports. This idea was introduced and widely spoken

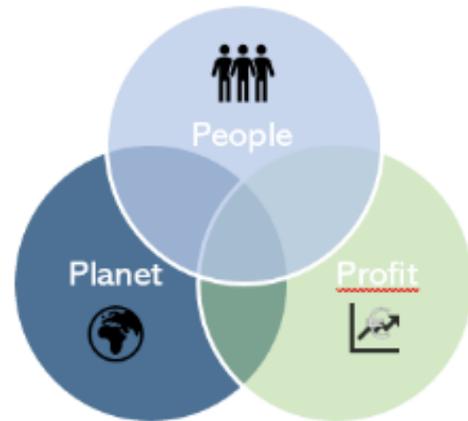
for by John Elkington who created the Triple bottom line (TBL), also called the 3 P's meaning people, planet, and profit (Borglund, De Geer & Hallvarsson, 2009; Grankvist, 2012).

Figure 4: Pillars of CSR



Source: Investopedia, Brock & Courage, 2022

Figure 5: Pillars of TBL



Source: WallStreetMojo & Vaidya, 2022

The economic responsibility started to lift its head in the 1970's when consumers started to require the companies to improve both the quality of goods and services sold and the production process behind it. Companies that followed up on the requirements and were innovative quickly noticed that consumers started to prefer their products instead of others, which gave them a competitive advantage on the market. Alongside this, the quality of the products attracted new customers, resulting in higher earnings than expected. Higher earnings lead to increased taxes for the company, which indirectly benefitted the community around the company when additional tax earnings were used by the government for welfare. Concluding this, a company fills the criteria of economic responsibility when it drives its business in a responsible manner while also trying to maximize its profits. (Uddin & Hassan, 2008; Grankvist, 2012; Wickert & Risi, 2019)

Alongside the indirect positive impact that the company through taxes makes to the community, it can also engage directly in community matters. Doing good for the community is a great example of how companies can carry out their social responsibility, whether it is donations or arrangement of community activities to employee welfare or

benefit increasing. The company makes known through the social responsibility that it is not after profits and pure business, but that it wants to do good for the stakeholders around it. This means that the company can not only focus on new employments and not breaking laws in their social responsibility, but it needs to consider how it can improve the community and its people as a whole. (Uddin & Hassan, 2008; Grankvist, 2012; Wickert & Risi, 2019)

The third pillar of CSR is considered the environmental responsibility, where the focus is mainly laid on the environment around the company. Good examples of environmental responsibility would be to investigate how to decrease the emissions that are made from the production of a product or service and by improvement of the production chain in fact decrease the emissions. This considers not only the production that happens within the company, but also the production steps before and after, which could for example be the production of materials used and the transportation of a manufactured product or service to the buyer. The whole production chain and its issues can be analysed through a life cycle assessment, where the whole life cycle is investigated to find the environmental impacts the product or service causes (Baumann & Tillman, 2004). The optimization and effectivity of production is also a key role in environmental responsibility. By planning the logistics, production and sales of a product or service, the company avoids unnecessary production, which usually would result in an increased environmental impact. What is notable in the environmental responsibility is that it is usually hard to quantify the effects or change in environmental impact from a company, leading to the fact that the environmental aspect of CSR is challenging to put in comparison. (Uddin & Hassan, 2008; Grankvist, 2012; Wickert & Risi, 2019)

2.1.2 ESG

Several studies have proven that the amount of investors considering ESG criteria when making investment decision is on a constant rise (Derwall, Guenster, Bauer & Koedijk, 2005; Amel-Zadeh & Serafeim, 2018; Pedersen, Fitzgibbons & Pomorski, 2021). The term ESG comes from the words environmental, social and governance and is often used by investors to measure how well a company handles its CSR. ESG has originated from the term SRI, socially responsible investing, which was commonly used in the 1980's to

provide social and environmental yields alongside the financial profits that a company generates. When investors started to aim their interest in the ownership and management of the company, the requirement for governance was created, and the term SRI was developed to ESG. SRI is still used in today's investing terminology, but the main difference between these two is the environmental and social aspect; in SRI, the yields from these should overlap the financial yields, while in ESG all of these should increase equally. (Bialkowski & Starks, 2016; Schramade, 2016; Schanzenbach & Sitkoff, 2020)

The environmental and social aspects of ESG are highly comparable to the CSR pillars with the same name. The governance part of ESG includes using policies and methods that are applicable, transparent, and legitimate in all business areas of the company. Examples of these are diversity in management, assurance and fighting against corruption. As this part is the latest one adopted in the sustainability investing discussion, the governance part has the highest probability of both risks and opportunities for a company's ability to create long-term value for its stakeholders. Governance is also prone to the vast development of cultural, social, and political attitudes from the society around the company. (Amel-Zadeh & Serafeim, 2018; Brown & Brown, 2021)

2.2 Sustainability reporting

The World Business Council for Sustainable Development defined sustainability reporting as a way for companies to communicate information to its internal and external stakeholders of the environmental, social and economic activities performed by the company (WBCSD, 2002). This information can be communicated in several ways; through press releases, information packages or by including it in the company's annual report. The most common way is to publish a separate sustainability report, where the company can clearly present both the negative and positive aspects of sustainability performance and its effects (GRI, 2022).

Companies can benefit from sustainability reporting both internally and externally. From an internal perspective, going through the company's processes with a focus on sustainability aspects provides the employees an understanding of risks and possibilities that the company face on a daily basis. Sustainability reporting can also activate the company's employees to act in a more sustainable way. As for the external part,

sustainability reporting can act as an information-asymmetry reductant in the communication between the stakeholders and the company. It also provides stakeholders with additional information of the material and immaterial assets that can for example lead to increased customer loyalty or additional funding through investors. (Adams & McNicholas, 2007; Kresnanto & Putri, 2019; GRI, 2022)

The origins of sustainability reporting are in Europe, where in the 1960s companies started to present how their business affects the community around them. The information publishing continued to grow through the 1970s, but it was not until the 1980s that the theory around sustainability reporting started to grow. Behind the theory development was mainly the WCED formed in 1983, which in 1987 published the sustainable development report “Our Common Future”, but also other institutions like the International Union for Conservation of Nature published studies and reports that helped forming the theory. The first methodological tools were developed under the 1990s and during this time several non-profit organisations around sustainability were established. These organisations then started to publish guides and standards for companies to use when reporting their sustainability to stakeholders. Since interest in sustainability continued to increase, legislators started to prepare regulations and laws around it. Next the study will present the key legislation, guidance and standards around sustainability reporting. The study will concentrate the presentation in those applied in Finland, since the empirical evidence is gathered from this geographical area. (WCED, 1987; Yu, Guo & Luu, 2017; Gokten, Ozerhan & Gokten, 2020)

2.2.1 Legislation and Regulation

The legislation behind sustainability reporting in Finland comes from the European Union Directive 2014/95/EU which demands companies and corporate groups of certain size to regularly present non-financial and diversity information. The aim behind this directive was to establish similarity and comparability between companies in the member states and to achieve a more sustainable economy on a global scale. Non-financial information is generally considered as information that is not and cannot be measured in direct financial terms. The information considered as non-financial information in the EU directive should include aspects of social, environmental and governance issues that the

company or group has faced or are likely to face in their operations. (EUR-Lex, 2014; Accountancy Europe, 2020)

Finland adopted the EU directive by updating its accounting act in 2016. The legislation is applicable for companies operating after the 29th of December and the requirement for publishing information regarding sustainability is fulfilled if the company has over 500 employees on average and if the company is a public interest entity, PIE. The company is considered PIE if one of the following fulfils (Finlex, 2016):

- Company is considered an insurance company
- Company is considered a credit institution
- Company has emitted stocks, securities or debt instruments that are traded on a regulated market determined by the Finnish Securities Market Act

According to the accounting act, the non-financial information that companies are required to provide follows the same as the EU directive, i.e., questions regarding environmental, social aspects and staff, work towards human rights and against corruption and bribery. The accounting act also states that these companies should provide the key non-financial information, that has significance in the company's operations. This information must be presented in the annual report, as an annex to the annual report or in a separate report publicly available no later than 6 months from the financial statement closing date. (Finlex, 2016)

2.2.2 SASB standards

The SASB standards is a reporting framework which aims to provide information regarding ESG factors that affects the financial performance of a company. The framework is mainly directed for investors and other providers of financial capital and therefore the topics within the standards are presented from an investor's standpoint. The SASB standards are tailored for 77 industries across 11 sectors, i.e. consumer goods, extractives & minerals processing, financials, food & beverage, health care,

infrastructure, renewable resources & alternative energy, resource transformation, services, technology & communications and transportation. (SASB (1), 2022)

In 2010, Steve Lydenberg, Jean Rogers and David Wood published a report that discussed the key issues on industry-based sustainability reporting. In the report, the authors presented an idea of an organisation that would establish guidance and standards that companies could use to fulfil the mandatory requirements of sustainability reporting. This led to the creation of the Sustainability Accounting Standards Board, shortened SASB, by Jean Rogers in 2011. In the beginning the SASB developed standards that investors could use when comparing filings sent to the U.S. Securities and Exchange Commission, SEC. Soon the SASB noticed the requirement for standards that could be used for comparison of annual statements and its annexes. It started to develop the SASB standards in 2012 and six years later the standards were launched for public use. Before the publishing of the SASB standards, the SASB's guidance was more commonly used in the North American region. However, during the last five years, several European companies started to adopt the guidance that SASB had published. When the official SASB standards were launched in 2018, several European companies within the 77 industries adopted its standards and presented them in their information regarding sustainability (Nordea (1), 2022). In 2019, SASB announced that it will continue to update the standards, with an aim to extend the number of industries and develop the ESG-related metrics presented in the standards. (Lydenberg, Rogers & Wood, 2010; Trentmann, 2018; SASB (1), 2022)

SASB defines five dimensions of sustainability, which are the environmental, social capital, human capital, business model & innovation and leadership & governance. Analysing these, the five dimensions are an extension of the three main topics of ESG. In SASB's dimensions, both the social and the governance part of ESG has been split into two separate dimensions. Within these dimensions, the SASB standards include different kinds of disclosure topics specified for each industry. These topics include accounting metrics that are both quantitative and qualitative. On average, the number of topics per industry is six (6) and the accounting metrics is thirteen (13). (SASB (1), 2022)

In the SASB standards aimed for the commercial banks there are five (5) topic disclosures and twelve (12) direct accounting metrics. These accounting metrics includes sub-metrics, which sums up to sixteen (16) metrics when calculated separately. Alongside the accounting metrics, the SASB standards for commercial banks include two (2) activity

metrics. In total, there are four (4) qualitative metrics and ten (10) quantitative metrics in these standards. Below presented the SASB standards for commercial banks in a tabular form:

Figure 6: SASB standards – Commercial Banks

Sustainability Disclosure Topics & Accounting Metrics				
Topic	Accounting Metric	Category	Measurement Unit	Code
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Number, Percentage	FN-CB-230a.1
	Description of approach to identifying and addressing data security risks	Qualitative	n/a	FN-CB-230a.2
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	Number, Reporting currency	FN-CB-240a.1
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	Number, Reporting currency	FN-CB-240a.2
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	Quantitative	Reporting currency	FN-CB-410a.1
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Qualitative	n/a	FN-CB-410a.2
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-CB-510a.1
	Description of whistleblower policies and procedures	Qualitative	n/a	FN-CB-510a.2

Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Qualitative	n/a	FN-CB-550a.2
Activity Metrics				
Activity Metric		Category	Measurement Unit	Code
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business		Quantitative	Number, Reporting currency	FN-CB-000.A
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		Quantitative	Number, Reporting currency	FN-CB-000.B

Source: SASB (2) (2018)

In November 2020, the SASB standards announced a merger with the International Integrated Reporting Council to form the Value Reporting Foundation (VRF). The aim of the new foundation is to provide a tool for companies to communicate their long-term sustainability work and strategy for stakeholders. In the new foundation, there are three main components; the SASB standards, the Integrated Thinking Principles and the Integrated Reporting Framework, which means that the SASB standards will continue to act as the framework tool for companies to create sustainability reports that serves the needs of investors and other providers of financial capital. The merger was finalized in June 2021. (Integratedreporting, n.d.; Accounting Today & Cohn, 2021)

The VRF did not last long as an independent organisation. In November 2021, the IFRS Foundation trustees announced of a new board being set up. This standard setting organisations was named the International Sustainability Standards Board (ISSB) and its mission is to serve the increased requirement for ESG related principles on a global scale. Alongside with the launch of ISSB, the IFRS trustees announced its proposition to have the VRF and the Carbon Disclosure Standards Board consolidated with the IFRS Foundation. The aim for this proposition was to develop the industry specific SASB standards with ISSB in a way that allows the standards to be used in a larger scale globally by different industries. This proposition was accepted and the consolidation of VRF, including the SASB standards, into IFRS Foundation was launched to be effective as of 1st of August 2022. (SASB (1), 2022; IFRS (1), 2022; IFRS (2), 2022)

2.2.3 Other standards and guidance

For many years, the United Nations has been one of the leading organisations in the sustainability work around the world. The organisation has launched several different programmes, pacts and goals for individuals, countries and companies that want to be more sustainable.

Already in 1972, the United Nations Environment Programme (UNEP) was established to develop solutions to different kinds of sustainability issues and to also coordinate the actions required for solving these issues. During the first 10 years, the programme published over 200 reports that gave guidance to handling sustainability issues. The UNEP programme continued to grow and create sub-organisations with their own programmes and in 1992, the partnership between the financial sector and UNEP was created. In the beginning the UNEP FI, short for United Nations Environment Programme – Finance Initiative, consisted of a few large banks but was soon joined by large insurance companies. (UN, 2022)

The UNEP FI continued to publish guidance for the financial sector and in 2019 they launched “Principles for Responsible Banking”, which was the first globally used sustainability framework in the banking sector. This framework includes guidance on how banks can successfully follow the UN Global Compact and fulfil the 17 sustainable development goals published by the UN. Followed by this, in 2021 the UNEP FI also launched the principles for responsible investments, UNPRI, which consist of six principles that a company can fulfil to support and strengthen their sustainability impact and ESG factors. (UN, 2022)

While the UN’s programmes, goals and pacts has assisted companies in their sustainability actions, capital providers have increasingly demanded more investment products classified as sustainable. An issue with this was that there was no direct definition of what an “sustainable investment” is. Alongside this, the European Union has stated that by directing investments towards more sustainable options, the EU’s climate and energy targets for 2030 can be met. This led to the creation of EU Taxonomy,

which presents the definition of a sustainable investment and classifies what an environmentally sustainable economic activity is. (EU, 2022)

The EU Taxonomy states that an economic activity can be classified as a sustainable investment if it fills at least one of the criteria listed below without affecting negatively on the other five criteria (EU, 2022; KPMG, 2022)

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

Source: EU, 2022

The EU Taxonomy journal was launched in December 2021, and it is applicable in all member states since January 2022, with updates coming to the journal starting from January 2023. The aim is to expand the applicability to countries outside the European Union, and since multinational companies have started to apply the taxonomy, it is believed that the goal of global usage of the EU Taxonomy will be fulfilled before year 2030. (EU, 2022; KPMG, 2022)

The EU Taxonomy journal and the UN's reports are not commonly used by companies as direct guidance for sustainability. Instead, the Global Reporting Initiatives Standards, GRI standards, are the most used guidance tool. Global Reporting Initiative was established in 1997 as a non-profit organization to assist companies in publishing sustainability related information aimed for the company's stakeholders. The first guidance was published in the late 1990s the organisation developed its guidance to a globally used standards set with the name GRI standards, which were published in 2016. During the development of the global standards, GRI started to increase its cooperation with other guidance-providers like the SASB, the UN SDG's and the EU Taxonomy, aiming to make the different standards, reports, and guidelines comparable and jointly

used. All of these parties have stated that comparability has increased vastly and that most of these are already supportive in a large manner. (GRI & SASB, 2021; GRI, 2022)

The GRI standards are divided into two main categories and six subcategories. The first main category includes the universal standards GRI 1, 2 and 3. GRI 1 presents the foundation of the standards, including the requirements from companies wanting to report according to the GRI standards. GRI 2 handles the general disclosures including methods on reporting company policies, size and profile. GRI 3 presents the material topics and in which manner they should be included in sustainability reporting. The second main category includes the three pillars CSR; GRI 200 for economic responsibility, GRI 300 for environmental responsibility and GRI 400 for social responsibility, and these subcategories present how different topics within these pillars should be measured and presented in the sustainability related information. Alongside the two main categories, GRI has started to develop sector-specific standards. GRI has stated that it will publish 40 sector specific standards, starting with the ones that have largest impact on sustainability. The first three have already been published, which are the oil and gas sector, the coal sector and the agriculture, aquaculture, and fishing sector. The fourth sector, mining, is expected to be published in Q3 2023. The banking sector is planned to be the 7th sector published. The GRI sector-specific standards which are in development, are designed to establish comparability and be supportive to the sector specific standards by SASB. (GRI, 2022)

The difference between the SASB standards and the GRI standards are mainly the usage of them. GRI with 93 percent of the world's largest companies using their standards is the most used tool for sustainability reporting. Although, since the increasing demand of sustainable investments from the capital providers and more widely spreading EU Taxonomy framework, the usage of standards that looks at the sustainability related information from an investor's standpoint has surged. Also, as stated earlier, the target group using the standards is different. While the GRI standards guides the companies on how to present the company's impact on sustainability, the SASB standards focus on presenting how the world affects the company and its sustainability. (GRI & SASB, 2021)

2.3 Theoretical reference

Common theories around sustainability reporting are considered to be the stakeholder theory and the legitimacy theory. These are commonly classified as one compilation of theories that explains the interaction between a company and the community around it. Therefore, these theories will be presented and used also in this essay. (Gray, Kouhy & Lavers, 1995)

Alongside the common theories, this essay wants to use the critical perspective and functionalist as a tool when investigating the comparability between sustainability related information and the use of the SASB standards.

2.3.1 Stakeholder theory

Stakeholders are both individuals and organisations that in some ways have or have had a relation to a company. The relation can for example be financial, legal or emotional. Alongside this, these stakeholders have the power to affect the company's state or help it in achieving its goals. Management is responsible for taking the stakeholders into consideration when making decisions that could affect the company's business and going concern. (Clarkson, 1995; Freeman, Wicks & Parmar, 2004; Fontaine, Haarman & Schimid, 2006)

Companies tend to focus on some stakeholders more than others, depending on the relation the stakeholder has. Stakeholder theory divides these relations into primary and secondary stakeholders, where companies prefer the primary stakeholders by considering requirements and interest they set. By fulfilling these requirements, the company handles its primary stakeholders as more than simple resources, which creates a dependent relationship that both parties want to maintain. Through this, the companies are considered to fulfil the principle of good management and succeed to attract additional stakeholders, which will preferably turn into primary stakeholders. (Donaldson & Preston, 1995; Clarkson, 1995; Ljungdahl, 1999)

Stakeholder theory has been criticized by the fact that it divides the stakeholders into more and less important groups. When doing this, companies neglect the importance of requirements from the secondary stakeholders. Since the stakeholders have different requirements on the company, the legitimacy of the company can be affected in a negative way if the company don't take all of the stakeholders into consideration. This drop of

legitimacy can also be mirrored to the credibility of reports including sustainability related information, but according to studies, stakeholders in general do have the same requirements when it comes to CSR and sustainability reporting. (Barić, 2017; Beske, Haustein & Lorson, 2020)

2.3.2 Legitimacy theory

Legitimacy theory also considers the company's relation to its stakeholders. It considers the relationship, no matter what type of stakeholder it is, to be in a strong value for both parties. Therefore, the company has the incentive to drive its business in a way that also helps the community and its residents, e.g. through sustainability. By publishing information about the sustainability aspects of the company, the company builds its legitimacy. When the community sees the company as a legitimate business, it raises the possibility of attracting more stakeholders to the company. On the contrary, if a company decides not to act in sustainability manners, there is a high possibility that the company is considered illegitimate, and stakeholders will abstain. This explains why legitimacy theory is the most used theory when arguing for why companies choose to communicate their sustainability actions and publish sustainability reports. (Ljungdahl, 1999; Mousa & Hassan, 2015)

By publishing reports including sustainability information, the company has the power in choosing which aspects they want to communicate to their stakeholders. Since the stakeholders are mainly responsible in deciding how legitimate a company is, the sustainability information received by the stakeholders plays an important part. Alongside choosing to present sustainability aspects that the management prefers, the company needs to figure out which aspects the stakeholders want to know. Failing in providing correct and required sustainability information can lead to stakeholders withdrawing their contributions to the company. Therefore, companies need to carefully create a strategy for their sustainability communication. The strategy's aim is to include information that in the bare minimum maintains the legitimacy of the company, as well as reviving the lost legitimacy caused by actions presented below. (Pfeffer & Salancik, 1978; Clarkson, Li, Richardson & Vasvari, 2008)

The company's legitimacy is not always affected in a positive way. The company can provide sustainability information that is viewed in a negative perspective by the

stakeholders, but the reason behind the loss of legitimacy is not always the company's information. External sources, for example media, have the possibility through their own research find out practices done by the company that negatively affects the sustainability. Throughout the years there have been several examples of companies performing environmental damage, reducing working conditions or avoiding taxes. These are seldomly communicated by companies themselves because the effect on legitimacy in these cases would most certainly be negative. (Ljungdahl, 1999; Hahn & Lulfs, 2014)

From the above it can be questioned why companies would want to communicate their negative aspects on sustainability. Even if the companies face the pressure from stakeholders requiring information that can also be viewed as negative, these parts of information are often softened by the company and presented in a way that reduces the negative reality. Researchers have proposed a solution for this issue, which would be the regulation of sustainability reporting. By having a globally regulation on sustainability reporting, companies could not evade the negative sustainability aspects and their effect on the community. Global regulation could, alongside the increase of legitimacy, allow the sustainability information to be more comparable, which would give the stakeholders a possibility to steer the resources to the companies that are the most sustainable. (Mousa & Hassan, 2015)

2.3.3 Critical perspective

Certain studies argue that in sustainability reporting, the information included is more targeted towards the company's management and their expectations, instead of following the core idea of sustainability reporting which is to communicate information to the company's stakeholders. The argument used is the critical perspectives view on organisations. (Dumay, Guthrie & Farneti, 2010; Dragomir, 2012)

According to the critical perspective, organisations are created through economic interests and relationships of power. Due to this, the organisation structure is built so that individuals with power over others are in the top management. This leads to the fact that the sub-management, which most often are responsible for creating the sustainability related information, feel the pressure to include information that pleases the top management of the company. As long as the companies create their own sustainability reporting with no third-party assurance or control, these reports fail in transparency and

cannot be applied to the theoretical possibility of sustainability reporting comparison. Also, the management pressure and the company's own control leads to a higher possibility of greenwashing and disinformation by excluding company factors that have a negative effect on sustainability. (Morgan, 1980; Gray et al., 2001; Alves, 2009)

Enabling a third-party assurance or control to the reporting of sustainability can increase the possibility of comparison, but the critical perspective also states that the core terminology and framework needs to be defined for successful comparison. Even if there are several frameworks that can be used for guidance, the information included in these can freely be interpret in a way that best suits the company and its sustainability work. By defining the terminology and renewing the framework in a way that leaves minimal space for own interpretations, sustainability reporting could be more comparable. (Gray et al., 2001; Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006; Dumay et al., 2010)

2.3.4 Functionalist perspective

The demand for regulation and comparability is the main driver for the functionalist perspective in sustainability reporting. This perspective states that in order to achieve comparability in sustainability reporting, the information provided in these reports needs to be presented from an objective view and based on facts instead of analyses and perceptions. According to the functionalist perspective, comparability can only be achieved if the information can be measured rationally. (Morgan, 1980; Dillard, 2007)

The comparability between sustainability reporting is also the main goal for organisations such as GRI and SASB Several studies show that the framework and guidance published by these organisations has increased the comparability, but there are still issues with finding a way to convert the interpretive measures included in these publications to a more rational, measurable one. Studies has also shown that it is challenging to analyse the real contribution towards sustainability when analysing the non-measurable topics in the frameworks. (Boiral & Herni, 2015; Zsoka & Vajkai, 2018)

From an investor's standpoint, the rational measurability is even more crucial. Since investors have increasingly started to direct their resources towards more sustainable options, they also require the companies to present information in a way that can be

measured and compared with other companies. Therefore, investors are keen to view the reports including sustainability related information from a functionalist perspective. (Unruh, Kiron, Kruschwitz, Reeves, Rubel & Felde, 2016; Horan, Dimson, Emery, Blay & Kelton, 2022)

3 Previous research

In this chapter, previous research regarding CSR and sustainability reporting is presented, both in a more general form as well as targeted to investigate the banking sector. The chapter will continue to present research within the two main standards of sustainability reporting, GRI and SASB. Previous research within ESG investing and the connection to sustainability reporting will also be presented. Lastly, this chapter discusses critique towards sustainability reporting and the two main frameworks.

The theories presented in the preceding chapter are also identified in the presentation of previous research. These several studies around CSR, sustainability reporting, the comparability of sustainability reporting, as well as studies regarding the use of different frameworks and ESG investing uses the theories presented below as their main arguments. The results of studies conducted on the topics above varies from negative to positive and are explained through the theories presented in this chapter.

3.1 CSR and Sustainability reporting

Sustainability reporting has been widely studied since its first steps to the present. Several studies confirm the development as positive, but many of them state that companies tend to minimise presenting the negative sustainability effects (Niskanen & Nieminen, 1998; Ljungdahl, 1999; Gokten et al., 2020). It has been stated that the minimizing harms the value and credibility of the companies and therefore an international authority that creates a global regulation for sustainability reporting is required (Gokten et al., 2020).

The value and credibility of sustainability reporting from a framework-perspective has been investigated by Belen Fernandez-Feijoo, Silvia Romera and Silvia Ruiz in their article “Financial Auditor and Sustainability Reporting: Does it matter?”. The authors investigated sustainability reporting data that was submitted to the Global Reporting Initiative between the years 2011 and 2013, with the aim of finding whether there was a connection between the company’s financial auditor and the creditability of the sustainability related reports. Their results indicate that since the financial audit procedure, as well as the sustainability related reports, seeks to provide a higher level of assurance of the company, it can be proved through data analysis, that the level of

disclosure in the sustainability reporting is higher when the auditor of the financial statements was a Big4 accounting firm, i.e., Deloitte, EY, KPMG or PWC. (Fernandez-Feijoo, Romero & Ruiz, 2018)

Alongside value and credibility, there are many studies that discuss the correlation of sustainability reporting and company market value. Carmelo Reverte has studied this effect in Spanish-listed companies between 2007 and 2011 with results that indicate both the direct and indirect impact of sustainability reporting in the company's market value, especially in branches that are more environmentally sensitive (Reverte, 2016). The same results can be found in a study by Marna De Klerk, Charles de Villiers and Chris van Staden, that compared sustainability reporting and company market value of the 100 largest companies in the United Kingdom between the years 2007 and 2008 (De Klerk, de Villiers & van Staden, 2015). Later results like the systematic analysis of the quality in sustainability reports between 2006 and 2015 have also confirmed that the higher the quality, the more stakeholders a company attracts which gives them a competitive advantage in the market (Barić, 2017; Du et al., 2017).

The quality of the sustainability reporting by banks has been researched broadly by Habib Khan, Sudipta Bose, Abu Mollik and Harun Harun. In their empirical investigation, the authors used data from 315 banking firm-year observations between 2002 and 2014 to create an 11-item quality of sustainability reporting index that could be used in measuring the banks performance in providing sustainability reports. When the authors tried to implement the 11-item index to review the quality of the financial reports of banks in Bangladesh, they noticed that the information presented in the reports needs to be improved before the index can be used. (Khan, Bose, Mollik & Harun, 2021)

The effect of sustainability actions and financial performance in Chinese banks has been investigated by Olaf Weber. In his article "Corporate sustainability and financial performance of Chinese banks", Weber explains that the sustainability actions are not in a trade-off with the financial performance, but instead they tend to have a positive correlation. By analysing Chinese banks reports and websites, Weber finds that this correlation might be caused by the Chinese Green Credit Policy, which then again would benefit the whole social environment in China. (Weber, 2017)

The findings in Weber's research paper might explain why the banks across the world invest in sustainability reporting. Mehmoona Sharif and Kashif Rashid investigated

financial statements of commercial banks in Pakistan between 2005 - 2010 and concluded that alongside the positive and increasing amount of CSR reporting done by the banks, it is more and more often that non-executive directors are the ones who initiate CSR activities and therefore creates a possibility for the banks to present CSR -related material in their financial statements. (Sharif & Rashid, 2013)

Moving to research conducted closer to the geographical area used in this thesis, Helena-María Bollas Araya, Elies Seguí-Mas and Fernando Polo-Garrido studied the development of sustainability reports after the financial crisis of 2007 – 2008. The scope of their study included European privately owned and cooperative banks and the authors aim was to see what kind of differences in sustainability reporting these banks produce. The main findings of the study were that even if the frequency of published sustainability reports is the same between privately owned and cooperative banks, the cooperative banks stand out in fulfilling the latest standards and using the latest applications in their sustainability work. Also, the authors find that when privately owned banks mostly report on economic and environmental issues, the cooperative banks tend to concentrate on the social sustainability. (Araya et al., 2014)

In Finland there are also several studies that investigate the effect of CSR reporting in companies. In her master's thesis "En kvalitativ innehållsanalys om effekterna av EU-direktivet 2014/95/EU på hållbarhetsrapportering", Isabelle Ramsay studied how the EU directive from 2014, which was later included in the Finnish accounting act amendment published in 2016, has affected the sustainability reporting of mid-sized listed companies in Finland (Ramsay & Åbo Akademi, 2020). The study finds that even if the sustainability reports have not changed to more comparable after the directive, the reports are considered to be more trustworthy and transparent (Ramsay & Åbo Akademi, 2020). On the contrary, Niclas Gustafsson has in his master's thesis studied what kind of effect the accounting act amendment published in 2016 has on the CSR reports transparency in large Finnish companies (Gustafsson & Åbo Akademi, 2021). While Ramsay's findings presented an increase in transparency, Gustafsson's study found no change in the amount of transparency after the legislation changed in 2016 (Gustafsson & Åbo Akademi, 2021).

Corporate social responsibility and sustainability reporting processes has been studied in a major Finnish bank named OP-Pohjola. Titta-Liisa Koivuporras (2008) conducted her doctoral thesis through a case study that through observation, interviews and content

analysis included both the external and internal actors in the bank's sustainability work. According to the study, the bank's sustainability is well managed, and that the information provided in the reports consists mainly of what the stakeholders require from the bank. The study found also that the banks sustainability contributions in all of the three main pillars of CSR were mainly directed towards the local community rather than the national, which can be explained through the OP-Pohjola's branding of being a collection of "local banks". Koivuporras states that these contributions should be more national since OP-Pohjola is widely spread in the country. (Koivuporras, 2008)

3.2 Comparability of sustainability reporting, GRI and SASB

Research that investigates the functionality and comparability of sustainability reporting following the GRI and/or SASB standards have increased since the development of the SASB in 2012 and the launch of the GRI standards in 2016. Before the newest standards, even though sustainability reporting was in general widely studied, comparability between sustainability reporting showed little to none results. For long, researchers were suggesting a general framework that would allow companies stakeholders to compare and conclude on the sustainability aspects.

Already in 1995, Max B. E. Clarkson presented the requirement for a framework that would allow evaluation of corporate social performance and responsibility. In his study that included a 10-year research from 70 field studies, Clarkson presented that company success should not only be measured in wealth and value. Instead, a sustainability aspect should also be included, and that the company's sustainability work needs to be presented to the stakeholders in a transparent way, preferably by a generally accepted framework. (Clarkson, 1995)

In 2006, Markus Langer conducted a study which focused on the comparability of Austrian sustainability reports against international ones. Through a content analysis, where companies from different industries were included, Langer found that in different pre-settings like geographical positioning and culture, the sustainability reporting is not yet conducted in a manner that allows comparability. In his study, Langer pointed out that the requirement for standardisation and a reporting framework is a widely welcomed idea and that GRI has the possibility to establish material that allows comparability. (Langer, 2006)

After the launch of the GRI program, studies in different countries and industries were conducted. For example, in 2013 Mikko Papunen conducted a study that investigated the extent of sustainability reporting in the Finnish financial sector. The study was conducted by choosing 4 case banks and through interviews, find out how these banks perform when using 83 criteria of sustainability created by GRI as a measurement tool. The result showed that even if the criteria were plenty, they were hard to interpret. Therefore, these case banks had issues in deciding if the criteria were relevant to the bank's sustainability work. Through this, these case banks were divided into two groups; one that fulfilled the criteria to a large extent and one that did not, mostly because they had chosen the lower level of reporting of sustainability. (Papunen, 2013)

A few years later, Olivier Boiral and Jean-Francois Henri studied, through a qualitative content analysis, how 12 sustainability reports from the mining industry would fulfil the GRI framework (Boiral & Henri, 2015). The authors used 92 indicators from the framework to analyse comparability and discussed the findings through three perspectives which were the critical, the functionalist and the postmodern perspective. These perspectives concluded that the sustainability reports are impossible to compare due to the flexibility of the indicators, even though GRI markets these as precise. The key issues behind the non-comparability was that the indicators allows the companies to present the information in a unmeasurable way. The authors suggested that the framework and its indicators should be formed in a way that allows measurability. (Boiral & Henri, 2015)

Global Reporting Initiative informed in their launch of the GRI standards in 2016 that these standards have been designed to increase the comparability and measurability between sustainability reporting. Agnes Zsoka and Eva Vajkai studied through a literature review how 37 large companies present their sustainability information and if these reports, that were conducted with the help of GRI standards, allowed comparability and transparency (Zsoka & Vajkai, 2018). The authors wanted to analyse these reports to find the pros and cons and their causes. The 37 companies reviewed were from different industries and countries and therefore they represented widely the largest companies around the world. Researchers found that the transparency in the reports have increased from earlier studies, as well as the comparability. This is caused by the fact that companies invest more in the creation of their sustainability reporting as well as they do in their sustainability work. Although the comparability had increased, the authors found that the comparability could only be applied for companies in the same industry. The sustainability reporting conducted with the help of GRI standards did not yet allow cross-industry comparability. (Zsoka & Vaikai, 2018)

The earlier study by Papunen that investigated the sustainability reporting in the Finnish financial sector was continued by Marianne Viitanen in 2020. Viitanen wanted to find out the development of sustainability reporting between 2013 and 2018, by using the GRI G4 - framework as a measurement tool. The case banks were doubled in this study, and the method applied was a content analysis. The study found great development in all areas of sustainability reporting and pointed out that possible comparison could be conducted with the sustainability material presented in 2018. Viitanens study also agreed with Papunens when comparing the amount of reporting. Once again, the case banks were divided into two group, more specifically into large and small banks. The large banks, due to their PIE -status and greater number of stakeholders, presented sustainability information in a larger manner than the smaller banks. (Viitanen, 2020)

The same findings of increased development and comparability were found by Carin Karlsson in a study that analysed the sustainability reporting of four listed companies. The timeframe of development was 2016 to 2019 and the study was conducted through content analysis combined with an interview with 2 sustainability experts. Karlsson found that development had increased and that through the new 11 indicators of comparability by GRI, these reports including sustainability related information provided better quality. According to the study, the reason behind the improvement is the increased knowledge of sustainability as well as the development of the GRI standards. (Karlsson & Åbo Akademi, 2020)

Development in Finnish companies' sustainability reporting was also studied by Casper Linnaila. Linnaila analysed sustainability reporting from the Finnish forest industry and aimed to find out if comparability can be achieved when using the GRI standards as a measurement tool. Linnailas findings was in line with earlier studies; development has happened, and some comparability is possible. The study found problems in the comparability of the qualitative criteria, which were almost non-comparable. In general, Linnaila's study stated the need to improve the frameworks so that full comparability is possible when studying companies' sustainability reporting. (Linnaila & Åbo Akademi, 2022)

The SASB standards, which because of the later time of publishing, has more recent studies done. In 2017, Arturo Rodriguez, Henrik Cotran and Levi S. Stewart analysed a study by SASB that investigated how companies filing annual reports to the Securities and Exchange Commision (SEC) present their sustainability disclosures. By analysing over 700 filings, the SASB found variation between industries due to regulation and concluded that the sustainability disclosures filed cannot be used by investors for comparison. In the study, Rodrigues et al. used the guidance published by SASB to test if comparison would be

possible. The authors found that even if the guidance does not provide full comparison, it establishes development towards comparability from an investor's perspective. (Rodriguez, Cotran & Stewart, 2017)

Comparability of CSR disclosures of the world's fifteen largest pharmaceutical companies has been studied by Mert Demir and Maung Min in 2019. With a monitoring system that evaluates transparency and external verification of CSR reports, the authors used 11 topics from SASB as measurement for the evaluation. Their findings concluded that pharmaceutical companies are more invested in their CSR reporting than other, but that disclosures of non-standardised areas of CSR, such as human rights, are yet far from being on a level that would enable comparison. When it comes to the 11 topics of SASB, the authors found that US-based companies invest more in these topics and that issues might be found in comparison. This is because the SASB standards views CSR from a United States perspective, which leads to the fact that non-US based companies have issues in conducting their CSR reports in a way that fits the SASB standards. The authors state that further development of SASB standards is required, so that comparison between reports could be made globally. (Demir & Min, 2019)

After the publishing of the SASB standards, companies started to adapt their sustainability reporting to fulfil the framework launched. Under one year after launch, in 2019, SASB announced that 91 companies have published reports including sustainability related information that followed the SASB standards. Cristiano Busco, Costanza Consolandi, Robert G Eccles and Elena Sofra analysed these reports to assure that the reports and the sustainability information in them followed the standards. Their study found that in general this is the case, and that the SASB standards has allowed comparison from an investor's perspective. The authors underline that if a company chooses to conduct their sustainability reporting in a way that follows the SASB standards, it has the possibility to reach good to very good results. What the authors did find as an issue was that companies still tend to put focus on the aspects that has the highest financial value. This issue leads to the fact that smaller, but still crucial, aspects of sustainability are hidden from the reports. This again fights against the legitimacy and transparency of the reports. (Busco, Consolandi, Eccles & Sofra, 2020)

3.3 ESG investing

The aspect of ESG investing, and others alike, has also been studied for several years. Several studies have discussed the value that ESG brings to the company and how it can attract investors.

ESG and sustainability related reporting, where companies present their sustainability performance, tend to attract more investors than those who avoid doing it (Du et al., 2017). This has been tested by several studies, and most of these studies conclude that sustainability creates value to the company in several ways, which then again leads to increased attraction among investors (Amel-Zahed & Serafeim, 2018; Unruh et al., 2016). Studies from around the world that investigate the investors preferences shows that investors in general have a positive attitude towards sustainability reporting, and that they use this information in their investment decision (e.g. Bialkowski & Starks, 2016). The result from these studies shows also that investors believe that increased sustainability work makes the company more efficient, while lowering its risks and cost of capital (Unruh et al., 2016; Du et al., 2017; Berthelot et al., 2012). Therefore, a framework such as GRI or SASB, that allows investors to conduct comparison between sustainability reporting, is warmly welcomed among investors (Berthelot et al., 2012).

There are also several studies that prove the actual increase of performance when a company is investing in their sustainability (MacNeil & Esser, 2022). For example, Willem Schramade discussed if the ESG perspectives, that are more and more used when making company valuations, really do have an effect on the company's performance (Schramade, 2016). His study found that companies that invest in their ESG aspects and present them have in general a 5% higher performance annually (Schramade, 2016). The same outperformance was proven by Jędrzej Bialkowski and Laura Starks, who compared the performance of normal investment funds against socially ones between 1999-2011 (Bialkowski & Starks, 2016).

The reason behind the outperforming of the market has also been studied and it has been proven that for now, the benefits that companies gain from acting and presenting ESG related tasks are larger than the costs of it. Yu et al. states that as long as the cost stay under the benefits, ESG related factors will boost the valuation of companies and will attract more investors (Yu et al., 2017; Yu et al., 2020). Agreeing to Yu et al., Schanzenbach and Sitkoff present in their study how and when investors can use ESG as a base for their investment decisions. The authors also state that currently it is easy to find

a positive ESG-profit relation, but that the relation will slowly fade away when companies adapt to the ESG trend (Schanzenbach & Sitkoff, 2020).

As presented by Schanzenbach and Sitkoff, there are ways to decide when to use ESG information as a decision-making tool in investing. Pedersen, Fitzgibbons and Pomorski have through studying market activity and company ESG disclosures developed a ratio when ESG investing can be applied in a profitable way (Pedersen, Fitzgibbons & Pomorski, 2021). While the ESG efficient frontier by these authors helps investors making decisions, their model is not the only one used. Iain MacNeil and Irene-marié Esser studied different models, the outcome of them and identified flaws that misleads the investors when using these. To solve these flaws, MacNeil and Esser presented an alternative model that is more wholesome when acting as the base for investment decisions (MacNeil & Esser, 2022).

3.4 Critical views on sustainability reporting and frameworks

Even though the idea behind CSR and sustainability reporting, alongside with the guidance and framework around it, is intended to help organisations to deliver value-based information to its stakeholders, several studies has critiqued that the reporting and the frameworks are far from being legitimate for use. Critique has been addressed for as long as sustainability has been around, but it took a while until studies with a critical perspective surfaced to general knowledge.

In 2006, the development of CSR and the term in general was studied from a critical perspective by Prieto-Carrón et al. The authors studied earlier research around the topic and found out that the majority of the research focuses on the western perspective of sustainability. The data collected for the research such as companies, sustainability reports and other publications were mainly from western and developed countries. According to the study, developing and third-world country perspectives on CSR and sustainability reporting are on the rise, but that the general opinion is formed mostly by a research base. Therefore, the picture of development of CSR is falsely presented and that current research presents for example only a one-sided view of a win-win situation regarding sustainability. Prieto-Carrón et al. also presents their own research from these developing and third-world countries to confirm their findings of current research

contradicting with the author's research. The authors suggest that there is a lot of further critical research and discussion to be done before the view of development of CSR and its terminology can be seen as correct. (Prieto-Carrón et al., 2006)

Studies have also shown that even if companies publish information regarding their sustainability work, the information is lacking or not correct. According to Dragomir, the current sustainability reporting practices do not produce the correct data, which leads to the fact that researchers cannot access raw performance data of a company's sustainability performance. The statement was based on a decade long study of sustainability reporting from the top 5 European oil and gas companies, which all have a great impact on global sustainability. Dragomir's study also found that the presented data in the reports including sustainability topics was not explained or that it was not logical, which again presents a thought of misleading, incorrect data. Concluding this, Dragomir stated that instead of focusing on finding comparability between sustainability reporting, current and future research should focus on enabling companies to publish correct and consistent data. The data presented should also be more quantitative instead of qualitative, to ensure clear usage of data, which in time would also allow comparability. (Dragomir, 2012)

The issues in using the frameworks have been studied widely. For example, Anet M. Smit and Johan van Zyl investigated through content analysis the financial reports of 8 commercial banks listed on the Johannesburg Stock Exchange (Smit & van Zyl, 2016). Their research provided findings that indicated a relatively high success rate, 75 percent, in fulfilling the basic GRI G4 standards, but a only a couple of the reports included more advanced but critical information regarding the banks CSR actions (Smit & van Zyl, 2016). Smit and Van Zyl's research might indicate, as well as Khan's et al. attempt to launch a quality index, the lack of maturity in the company's ability to publish CSR reports (Khan et al. 2021). This same lacking has been found in India, where Ranjan Kumar, Neerja Pande and Shamama Afreen investigated how the top 10 Indian banks fulfil the GRI G4 standards (Kumar, Pande & Afreen, 2018). In their research they found out that most of the banks have not adopted the CSR work that would fulfil the standard (Kumar et al., 2018). They also found that even if the publishing of CSR information exists, the metrics presented are vague and that some of the company's actions categorised as CSR work is not considered CSR work by the general opinion (Kumar et al., 2018).

While the studies above found companies that used the GRI framework, it is notable that these companies were operating in the private sector. Dumay et al. studied usage of the same framework in public and third sector organisations sustainability reporting. The study found out that the current framework, alongside with the sector-specific guidelines, are presented in a way that is only applicable for private sector companies. Dumay et al. argued that since the framework is presented from a managerialist perspective, it cannot be applied in organisations that act for the greater good of the society. Therefore, the authors stated that companies who act in sustainability from the GRI perspective do not really improve sustainability in practice. Instead, these companies act on the incentive of greenwashing. Dumay et al. suggest that the development of frameworks and guidelines should be directed towards the public and third sector organisations. The authors underline the importance on focusing the development here, since these sectors play an important role in the global society. Critique is also directed towards the active development of sector-specific standards, since none of the parties developing these standards has addressed the interest towards developing guidelines for public and third sector organisations. (Dumay et al., 2010)

While several studies have presented positive ideas of investors using the company's sustainability reporting in their investment decisions, there is almost as many studies arguing against these statements. For example, Kresnanto and Putri, as well as Cort & Etsy and Afolabi, Ram & Rimmel, studied how investors used the sustainability reporting and what their opinions are on the data presented in the reports (Kresnanto & Putri, 2019; Cort & Etsy, 2020; Afolabi, Ram & Rimmel, 2022). These studies found out that by publishing these reports, companies can present themselves as sustainable in the investor's eyes, which attracts these investors in engaging with the company. In these cases, the engagement is seldomly an increase of funding, but more of a call to increase the stakeholder engagement (Cort & Etsy, 2020). These reports also are viewed as the investors in a way to present the management preferences in not only chasing after profits, but in gaining competitive advantage and ensuring company wellbeing (Kresnanto & Putri, 2019). Together, all of these studies conclude that currently the reports including sustainability topics are more of a tool for investors to gain more information of the company in general instead of using these reports as a base for investment-decision making (Kresnanto & Putri, 2019; Cort & Etsy, 2020; Afolabi, Ram & Rimmel, 2022). The authors underline the importance of developing the standards and framework before

the data presented in sustainability reporting can be used for investment-decision making (Kresnanto & Putri, 2019; Cort & Etsy, 2020; Afolabi et al., 2022).

4 Methodology

The methodology used for the research is presented in this chapter. The chapter starts with a conclusion of the earlier chapters, setting up a basis for the discussion regarding the research strategy and the most suitable research method. Followed by this, the pros and cons regarding qualitative research and content analysis as a research method is reviewed. The chapter ends with a presentation of how the data is gathered and the sample is made for the study.

4.1 Research strategy

The previous research underlined the development of both sustainability reporting and the frameworks and guidance around it. Still, the requirement for further development to ensure both transparency and comparability was something that several authors have pointed out in their results of studies. This applied in both the CSR and ESG perspectives of companies' sustainability reporting. As stakeholder theory underlines the importance of managements communication to and consideration of requirements from stakeholders, which according to the studies are increasingly demanding sustainability related information, the development of these reports is crucial for a company to attract and maintain capital providers.

The communication of sustainability information in general is also crucial for companies when it comes to maintaining legitimacy, as stated by the legitimacy theory, and confirmed by previous research. The requirements for development of these reports are also underlined through the critical and the functionalist perspective; if the sustainability information cannot be measured and compared, the information provided loses its value for investors'.

Concluding from the above, the requirement for development can be confirmed both through previous studies and through the theoretical reference. To answer the research questions set by this study, the methodology used needs to investigate in what way the reports that include sustainability related information have developed. Since the previous research and the theoretical reference underlines the importance of comparability and measurability, the study needs to have a framework for measuring the development.

This thesis aims to study how the sustainability reporting have developed, when analysing the last three reports that include sustainability related information, of four Finnish banks listed on the OMX Helsinki stock exchange. To ensure that the goal of the thesis is reached, a valid and reliable research strategy needs to be chosen.

Due to the legislation and increased demands from stakeholders, companies tend to present the majority and material aspects of their sustainability information as an integrated part of the annual report or as a separate sustainability report. Therefore, the appropriate strategy is to focus on these reports and the information found in them. If the thesis would focus on other sources for gathering sustainability information, there might be a risk of analysing data that is not relevant when trying to answer the research questions. This thesis aims to use the sustainability reports as the primary selection and annual reports as the secondary selection for the analyses.

To investigate if development in these reports has occurred, the thesis needs to have a framework which can be used to score-set the development of each bank's sustainability reporting. In this thesis, the framework used is the SASB standards, since these standards are presented to be the most suitable for investors and other capital providers (SASB (1), 2022). The SASB standards are also conducted in a way that should allow comparison of sustainability reporting (Busco et al., 2020). The most suitable scoring-system is simple; starting from the first year, the study goes through the sustainability or annual reports and checks if different standards are fulfilled. This is done for each bank, after which the study moves on to the next years sustainability reporting. The amount of information fulfilling one standard will also be divided in two parts, to describe the possible development more precisely. When all sustainability or annual reports from every bank and every year have been analysed, the results are combined into one table. In this table, the development can be easily viewed and standards that are not fulfilled at all are also easily accessible for further investigation. Below presented the score-setting system in a tabular format:

Figure 7: Score-setting system for analysis

Information included in report?	Quality of information provided for a standard?	Mark on score sheet
N (no)	None	N
Y (yes)	Low quality	L
Y (yes)	High quality	H

The first stage of the development analysis is defined simply as no “N” and yes “Y”. Through this, it is easy to analyse if development has been made on a year-to-year comparison. If a fulfilment of a standard is already confirmed, the next stage is to analyse the quality of the information provided for a specific standard. In this stage, the measurement scale is none “N”, low quality “L” and high quality “H”. The measuring terms “Low” and “High” is defined by comparing the information provided in the reports against the guidance in the SASB commercial banks standards and analysing how well the bank has fulfilled the standards according to the guidance (SASB (2), 2018). Through this, the study wants to achieve a quality-based point-setting when analysing the information provided in the banks’ sustainability reporting.

Concluding the thesis goal and the methods presented above, the research strategy for this thesis is to find quality information from the analysed material to answer the research questions presented in chapter 1 section 1.4.

The two major methods for conducting research are the quantitative and the qualitative method. While the quantitative method focuses on gathering a large amount of data for analysis, the qualitative method wants to investigate the quality of the data gathered which is most often a lot smaller in amount. As this thesis only analyse four reports including sustainability related information per year and aims to find development, the quality aspect is more important than the quantity aspect. Therefore, this thesis will use qualitative methods to answer the research. The chosen research methods will be furtherly presented below.

4.2 Qualitative methods

The usage of quantitative methods was for a long time the preferred way to go when conducting accounting-related research, and only a minority of the research published

was using quantitative methods. The reason behind this was the thought of qualitative research being secondary class research and that the quantitative methods produced more accurate and reliable data. But as research methodology developed and new methods were presented, the usage of qualitative methods in accounting and management research increased grew strongly. The benefit of this method was that it gave the researchers a whole new perspective on the topics already covered by quantitative research, which led to new findings within this research area. (Parker, 2003; Basri, 2014)

The qualitative methods aim is mainly investigate and analyse material that has already been produced, mostly by others than the researchers (Patton, 1989). This thesis aims to analyse sustainability data produced by the four listed banks and therefore the qualitative research method has been chosen. Through the analysing, the researchers want to confirm the material produced and establish new insights and understanding that could not be gathered from the original material (Patton, 1989). Because producing new insights from existing material is the goal of qualitative research, the amount of the material chosen to the research cannot be high. This is explained by the main idea of qualitative and quantitative research; while quantitative research focuses on quantity, the qualitative research focus is on quality (Patton, 1989). The reports analysed in this thesis are four per year in total and these do not present direct information on development between other annually published reports which includes sustainability related topics. The amount of material and the aim to find new insights confirms the fact that the right research method has been chosen.

Qualitative research, as other research methods, have both pros and cons. A great issue with it is that the data used in this method such as reports, interviews and observations take a longer time to produce when comparing to quantitative data (Denscombe, 2018). The time used for producing the data most often results in precise outcomes, since the amount of data is not large in quantity. This is why quantitative research methods, through limited research areas and precise data outcomes, have the likelihood to provide more favourable research results (Eriksson & Kovalainen, 2015).

This thesis evades the time issue by using already published and readable sustainability or annual reports as its research data and content for analysis. The number of reports analysed in total is twelve and alongside this, the thesis will confirm the data analysed through a system that has factors for development due to the SASB standards. This

concludes that the content analysed is limited in a good manner and that gives the thesis a high possibility of a favourable and clear result regarding the development of these annually published reports. Concluding this, the tool for answering the research questions and the more precise research method used in this thesis is a qualitative content analysis. The specifications of content analysis are presented in the next chapter.

4.3 Content analysis

In its simplest form, content analysis aims to find similarities and specific patterns from material that has been reproduced or rearranged to a specific, quantifiable format (Russo-Spena, Tregia & De Chiara, 2018). Bryman and Bell states that because of its nature, where the aim is to find content from investigated material and comply it against pre-defined groups, content analysis is the most preferred method when conducting research that analyses text material (Bryman & Bell, 2017). Bryman and Bell also state that content analysis is a great tool for analysing company communication, which the sustainability or annual reports can be classified as.

The pre-defined groups are crucial for finding patterns and relationships between the content studied. When converting, matching the and classifying the data to the groups, the researchers use coding as a tool for finding the connection between the content (Bryman & Bell, 2017). In this thesis, the coding is done by through the two stages of measurement for development; the benchmark yes/no when analysing if the annually published report includes sustainability information answering the fulfilment of a specific SASB standard and the benchmark none/low/high when analysing the amount of information provided.

As other research methods, content analysis has its cons. Because content analysis focuses on studying already produced material, the outcome data from the coding can be classified as secondary data. According to Denscombe, this might cause an issue because the original data was not intended to answer the research questions that the content analysis aims to answer (Denscombe, 2018). Secondary data creates a risk of manipulation in a way where the results of the content analysis does not match when reinvestigating the original data (Denscombe, 2018). Manipulation of the secondary data as well as the final results are dependable on the researcher behind the content analysis, which means that

the preferences set and interpretations done by the researchers can cause wrongful and misleading results (Denscombe, 2018). Understandably, misleading results are not accepted or welcome in the academic practices or in general research.

4.4 Data gathering and sample

The sample of the qualitative content analysis consist of reports including sustainability related information from year 2019, 2020 and 2021, where the publisher of the report is a bank classified as a credit institution and listed on the Helsinki Stock Exchange. The reports analysed are a) a separate sustainability report or b) an annual report that has the sustainability information included. The choice of timeline for this sample is explained by the relatively new SASB standards. SASB standards was launched in 2018 and according to studies, European companies started to adopt these a year afterwards. Therefore, the thesis wants to investigate the newest annual reports to ensure that the companies have had the possibility to develop or adopt the sustainability related information in a way that fulfils the SASB standards. Therefore, the criterions for the sample are following:

- Company is classified as a credit institution by the Bank of Finland
- Company is listed on the OMX Helsinki market
- Company has during the years 2019, 2020 and 2021 published a sustainability report, or an annual report, which includes sustainability related information

As presented in chapter 1 section 1.5, there are four banks that fulfil these criterions. These are Aktia Pankki Oyj, Nordea Bank Oyj, Oma Säästöpankki Oyj and Ålandsbanken Abp. These banks will be furtherly presented in the chapter 5 Empirical analysis.

Almost all of the stock exchange listed companies publish their annual reports on the company's website, since it is the easiest way to communicate with and deliver information to the company's stakeholders. In this sample, all of the data gathered is from the annual reports, that are published on the sample banks websites which are:

- Aktia Pankki Oyj: <https://www.aktia.com/>
- Nordea Bank Oyj: <https://www.nordea.com/>
- Oma Säästöpankki Oyj: <https://www.omasp.fi/en>
- Ålandsbanken Abp: <https://www.alandsbanken.com/>

These annual reports are accessible as a pdf-format and can be downloaded for own use. Since both the sustainability and the annual reports are signed by the board of the company, as well as the annual reports are audited and signed by authorised public accountants, the reports are non-modifiable and cannot be edited afterwards.

5 Empirical analysis

In this chapter of the thesis, the companies included in the study are presented. After the company presentation, the analysis regarding the fulfilment of the SASB standards for each year is presented. The scoresheet for the analysis can be found as an attachment, figures 8-10, at the end of this thesis.

5.1 Aktia Bank Oyj

5.1.1 Company presentation

Aktia Bank is considered to be the oldest Finnish bank. Its roots are originating from Helsingfors Stads Sparbanks Inrättning which was established in 1825. In 1991, eight local savings banks merged into one bank with the name of Aktia. The bank continued growing and in 2009 it was listed to the Helsinki Stock Exchange. On December 31st 2021, Aktia Bank Oyj's market value was 890 million euros and there were approximately 39 000 shareholders at the closing date of the annual statements. The company had a balance sheet value of 11,7 billion euros while managing 15,5 billion euros of customer funds when the fiscal year 2021 closed. In other numbers, Aktia Bank Oyj employed over 900 persons and had around 270 thousand private, corporate, and institutional customers. (Aktia (1), 2022; Aktia (2), 2022; Kauppalehti (1), 2022)

According to their website, sustainability is a crucial part of Aktia's strategy, and it enables the company's goals as being a financially stable, trusted and environmentally sustainable partner for both individuals and corporate bodies. For the latest fiscal year, Aktia has focused on improving the sustainable quality in their investment and wealth management activities. In the company's sustainability report, which included in and consists of almost half of the annual report, Aktia has measured it's sustainability through own set criteria, the UN SDG:s and the GRI standards.

5.1.2 Analysis

In the first year of the analysis, Aktia fulfilled 6 of the 14 standards included in the SASB standards aimed at commercial banks. Four of the standards were fulfilled with a low amount of information or data, while 2 of them was rewarded a “high” mark. Aktia presented information and data regarding their data security aspects, especially concentrating on the approach of identifying and addressing the risks around it. Another aspect that Aktia had included in their report was the business ethics aspect, where the bank fulfilled both standards set by SASB. Financial inclusion and capacity building was the only aspect where Aktia did not fulfil even one of the standards. The data collected for year 2019 was Aktias annual report, where the sustainability report was included. (Aktia (3), 2020)

For the next year, Aktia had increased the data presented in the business ethics section, reaching the top grading in the standard for inclusion of monetary losses as a result of legal proceedings. This was done by stating that Aktia have not had any legal procedures regarding the objectives stated by the SASB standards. In 2020, Aktia also fulfilled the standard FN-CB-410a.2 which regards the description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis. Through this, Aktia fulfilled both standards regarding incorporation of ESG factors in credit analysis. None of the other factors increased or decreased from the prior year. In total, Aktia fulfilled 8 of the 14 standards, which meant an increase of 2 standards, of which five was graded as “low” and three as “high”. As in 2019, Aktias annual report was the source for data for year 2020 in the analysis. (Aktia (4), 2021)

For year 2021, Aktias annual report had been renewed in a way that affected the SASB standards fulfilling negatively. Only four standards were fulfilled, meaning a drop of 50 % from prior year. This resulted in no standards fulfilled regarding activity metrics or systemic risk management. Financial inclusion and capacity building was not fulfilled in any of the years included in the study. (Aktia (2), 2022)

5.2 Nordea Bank Oyj

5.2.1 Company presentation

Nordea Bank has its roots originated a few years earlier than Aktia. The first roots were established in Denmark in 1820, where Sparekassen for Kjøbenhavn og Omegn was launched. The Finnish roots started growing in 1862, when Föreningsbanken i Finland was established. The current Nordea was created in 2001, when Nordbanken, Unibank, Kreditkassen and Meritabank was merged. Since the merge, Nordeas stock has been tradeable on both Helsinki and Stockholm stock exchange. (Nordea (3), (2022))

The latest fiscal year was a success for Nordea, even though the Covid still influenced the business. The annual report from 2021 presented a balance sheet value of 570 billion euros which is the largest of banks acting in the Nordics. Nordea managed 411 billion euros of customer funds and had approximately 10 million customers in 21 countries. The amount of full-time equivalent employees at the financial statement closing date, 31st December 2021, was 24 305. (Nordea (2), (2022); Kauppalehti (2), (2022))

Nordea has engaged widely in different sustainability activities. The company's website states that it has actively partaken in sustainability work since 2007. Nordea has also been a part of the group forming the principles for responsible banking, which aim was to align the UN SDG:s with the Paris Climate Agreement and to provide clear and banking specific principles for the industry. By developing sustainability related tools, attending in more community engagements, and increasing the equality and diversity at the company, Nordea aims to be the leading sustainable bank in the world. The company presents its sustainability information in several ways; included in the annual report, as separate sustainability indices and widely through their website. In these reports and presentations, Nordea has presented the sustainability information through the UN SDG perspective as well as through the GRI and SASB standards. (Nordea (3), 2022; Nordea (2), 2022)

5.2.2 Analysis

In year 2019, Nordea published a separate sustainability report. From this, only four of the 14 SASB standards were fulfilled. The fulfilled standards receiving the "high" mark

were regarding the approach towards inclusion ESG factors in credit analysis and inclusion of monetary losses as a result of legal proceedings, while the lower mark got the standards of the data security approach and the description of whistleblower policies. Concluding from this, Nordea fulfilled both of the business ethics standards, in the same way that Aktia in that year. Financial inclusion and capacity building, systemic risk management as well as the activity metric areas were not fulfilled at all by Nordea in the 2019 sustainability report. (Nordea (4), 2020)

For 2020 Nordea started including their sustainability report in their annual report. Nordea also stated that alongside the guidance from the GRI standards, the bank had started to apply the SASB standards in their reporting. This led to an increase of 2 standards, resulting in 6 of 14 standards fulfilled for the year. The information regarding the standards presented in the annual report were quantitatively large, which resulted in a “high” mark for all of the 6 standards fulfilled. Nordea fulfilled all of the standards in the incorporation of ESG factors in credit analysis section and in the business ethics standards. Nordea had also included information regarding the standard FN-CB-240a.4, number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers, which is a part of the financial inclusion and capacity building section. In 2020, information regarding the systemic risk management section and the activity metric section was not included. (Nordea (5), 2021)

The last year of the analysis, Nordea continued to publish a combined annual and sustainability report, stating the use of the SASB standards as guidance to their reporting. The number of fulfilled standards increased to 9, meaning that the majority of the standards were fulfilled in 2021. Again, the information presented was rewarded a “high” mark, since the amount of information was large in amount. By fulfilling both of the activity metric standards and one of the systemic risk management standards, in year 2021 Nordea had fulfilled at least one of the standards for every section in the SASB standards for commercial banks. (Nordea (2), 2022)

5.3 Oma Säästöpankki Oyj

5.3.1 Company presentation

The youngest of the sample banks, Oma Säästöpankki Oyj, was established year 2009. The bank was created when several smaller banks from both Säästöpankki Group and Osuuspankki Group merged, and currently Oma Säästöpankki is considered to be the largest individual savings bank in Finland. In the fiscal year 2021, which ended 31st December 2021, Oma Säästöpankki employed 315 full-time equivalent employees. The total amount of customers was over 150 thousand, mostly consisting of private customers. The balance sheet value was approximately 5,4 billion euros. (Oma Säästöpankki (1), 2022; Kauppalehti (3), 2022))

Oma Säästöpankki was listed on the Helsinki stock exchange on 30th of November 2018. The market value has grown rapidly during the last few years, and on the balance sheet closing date the market value for the bank was 512 million euros. The total amount of stocks available was 29,8 million, of which Oma Säästöpankki owns 188 155. (Oma Säästöpankki (2), 2022; Kauppalehti (3), 2022))

As Aktia, Oma Säästöpankki states sustainability to be a very important part of their strategy. The sustainability work performed is based on both internal and external expectations, as well as factors influencing the company's business. In their annual report, where the sustainability report is included, Oma Säästöpankki informs being committed to UN SDG's and presents their sustainability work both through these criteria as well as their own pre-set ones. (Oma Säästöpankki (1), 2022; Oma Säästöpankki (2), 2022)

5.3.2 Analysis

Oma Säästöpankki has published a separate sustainability report for all of the three years included in the study. Unfortunately, only one standard was fulfilled. This was in the sustainability report for the year 2021. The fulfilled standard was FN-CB-240a.4, number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers, and for this standard the rewarded mark was "low". Reasons behind the low scoring will be discussed later in this thesis. (Oma Säästöpankki (4), 2020; Oma Säästöpankki (5), 2021; Oma Säästöpankki (3), 2022)

5.4 Ålandsbanken Abp

5.4.1 Company presentation

The pioneer for stock exchange listed banks in Finland is Ålandsbanken. It was established as Ålands Aktiebank in 1919 by local entrepreneurs on the Åland Islands. The interest towards the bank created a demand that led to a listing on the Helsinki stock exchange in 1942 and as of the fiscal year closing date, 31st December 2021, Ålandsbanken had a market value of 499 million with over 15,6 million shares available held by 12 170 shareholders. (Ålandsbanken (1), (2022); Ålandsbanken (2), 2022; Kauppalehti (4), 2022)

According to the company, Ålandsbanken employed 948 full-time equivalent employees in 2021. These were located into 11 different branches in Sweden, Finnish mainland and the Åland Islands. In total, the amount of customer funds managed is 9,8 billion euros. Ålandsbanken has a balance sheet value of 6,6 billion euros at the end of year 2021. (Ålandsbanken (1), 2022; Kauppalehti (4), 2022)

The sustainability work done by Ålandsbanken has been credited both nationally and globally. Ålandsbanken has for a longer period of time granted the possibility for its customers to engage and commit towards the sustainability work done by the bank. Ålandsbanken has also launched the Åland Index, which is a globally used tool for banks and their customers to measure the carbon footprint created by every single transaction. The data in the Åland Index covers 99% of the global market and notable banks such as Nordea and BNP Paribas offer this index to its customers. The bank has committed to follow the UN PRI's as well as committing towards the UN SDG's and the EU Taxonomy. (Ålandsbanken (1), 2022; Ålandsbanken (2), 2022)

5.4.2 Analysis

Ålandsbanken fulfilled three of the 14 standards in the first year of the study. All of the three fulfilled standards, which were FN-CB-230a.2 description of approach to identifying and addressing data security risks, FN-CB-410a.1 commercial and industrial credit exposure, by industry, and FN-CB-550a.2 description of whistleblower policies and procedures, received the mark "low" in the analysis. The SASB standards sections

excluded in the annual report were financial inclusion and capacity building, business ethics and activity metrics. (Ålandsbanken (3), 2020)

For the following year, 2020, there were no changes in the fulfilled standards. The change in the amount of information provided was small in quantity and therefore did not change the mark in the analysis. For the last year of the analysis, Ålandsbanken excluded the data regarding credit exposures and lost therefore the fulfilment of the standard FN-CB-410a.1 commercial and industrial credit exposure, by industry. Instead, the annual report included information regarding inclusion of ESG aspects in credit analysis, meaning that the standard FN-CB-410a.2 was fulfilled. All of the fulfilled standards received the mark “low” in the analysis. (Ålandsbanken (4), 2021; Ålandsbanken (1), 2022)

6 Results

In this chapter, results from the analysis are presented first as a yearly-level comparison to clarify the development of the sustainability reporting of the banks. After the comparison, the findings from the study are explained. Finally, five requirements or assertions that the fulfilling of the standards are dependable on are presented.

6.1 Comparison of analysis

In year 2019, Aktia is the bank which fulfils most of the standards with 6 fulfilled, followed by Nordea with 4 and Ålandsbanken with 3 fulfilled standards. Oma Säästöpankki did not fulfil any of the standards. When comparing amount of information for each standard, Nordea and Aktia is tied with 2 standards reaching the “high” mark. Rest of the fulfilled standards received the “low” mark. (Aktia (3), 2020; Nordea (4), 2020; Ålandsbanken (3), 2020; Oma Säästöpankki (4), 2020)

In the next year, both Aktia and Nordea increases the fulfilled standards by two. For Aktia, one of the already existing standards receives a higher mark in the amount of information, while the two new ones receive the “low” mark. Nordea, who states that they use the SASB standards as guidance in their reporting, increase the information for all of their existing as well as new standards, resulting in a “high” mark for all six fulfilled standards. The analysis finds no increase or decrease in the fulfilment of standards for Oma Säästöpankki and Ålandsbanken. (Aktia (4), 2021; Nordea (5), 2021; Ålandsbanken (4), 2021; Oma Säästöpankki (5), 2021)

From the SASB standards perspective, the last year is the worst for Aktia. A change in the annual report results in a decrease of fulfilled standards, resulting in only 4 standards fulfilled. Nordea, increasing the information included with the guidance of the SASB standards, fulfils 9 of the 14 standards, all with the mark “high”. In 2021, Oma Säästöpankki fulfils their first SASB standards in the analysis. For Ålandsbanken, the number of fulfilled standards is the same. (Aktia (2), 2022; Nordea (2), 2022; Ålandsbanken (1), 2022; Oma Säästöpankki (3), 2022)

The full data set of comparison can be found as an attachment, figures 11-12, at the end of this thesis.

6.2 Findings

The findings of the study are varying. Between the first and the second year, Aktia developed its annual report in a way that allowed more SASB standards to be fulfilled. For the last year, Aktia renewed their annual report which affected the fulfilment resulting in only half of the standards fulfilled when comparing to the year before. From the first year of the study to the second, Nordea changes its reporting style, by including the sustainability report in their annual report. Nordea also starts to use the SASB standards as guidance to their reporting in year 2020, which results in an increasing of standards fulfilled and amount of information per standard for both of two last years studied. Oma Säästöpankki, being the newest and smallest bank in the study, did not perform well, only fulfilling one of the standards in the last year of the study. Ålandsbanken has a steady fulfilment of three standards per analysed year. All of the standards fulfilled by Ålandsbanken received a mark of “low” in the study.

The study also found that if a bank fulfils a standard, it is more likely that the measuring category is qualitative instead of quantitative. For example, in the first year, the banks fulfil 13 standards in total, of which 7 standards are measured through a qualitative category. In 2020, the total amount of fulfilled standards is 19, of which 9 were measured through a qualitative category. In the last year, the amount has increased to 10 fulfilled standards with the qualitative category, while the total amount has decreased to 17. Considering the fact that only 4 of the 14 standards has the qualitative category as measurement, the amounts presented clearly indicate that it is easier for the banks to fulfil standards where the measuring category was qualitative rather than quantitative. The reason behind this is not explained in the sustainability information analysed in this study, and therefore one can only speculate what the reason behind this is.

An interesting connection regarding the fulfilment of quantitative standards is the fulfilment of SASB standards FN-CB-240a.1, FN-CB-240a.2 and FN-CB-240a.3. The first two of the standards are regarding number and amounts of loans allocated to small businesses and community development. The third one presents the number of bank accounts provided customers who have been or still are unbanked or underbanked. The study finds that none of the banks fulfilled any of these standards during the years included in the study.

Concluding the analysis and its findings, the number of fulfilled standards is dependable on the following requirements and assertions:

- 1) The size of the bank. The banks included in the analysis were different in size, both by the amount of customer as the number of credits outstanding and savings in the bank. Banks that were larger in size had a higher number of standards fulfilled. Also, the larger banks tend to have more sustainability-related information included in their reporting.
- 2) The geographical areas where the bank is active. According to the study, the bank that is active in more geographical areas, i.e., countries, fulfilled more of the SASB standards. One of the companies included in the study, only active in Finland, fulfilled almost none of the standards set by SASB.
- 3) If the company publishes an annual report where the sustainability report is included, the amount of fulfilled SASB standards is higher.
- 4) The banks have it easier to fulfil standards whose measurement category is qualitative rather than quantitative.
- 5) Banks do not want to present quantitative data regarding customers and projects that have a higher risk rating.

The full data set of comparison summary and development can be found as an attachment, figures 13-14, at the end of this thesis.

7 Discussion and conclusion

In the last chapter of this thesis, a discussion of the findings is executed. The discussion focuses on the five requirements or assertions stated in the previous chapter, combining this with relevant theory and earlier studies. After this, the validity and reliability, as well as the limitations of the thesis is reviewed. The thesis, and this chapter, ends with suggestions for further research, alongside with recommendations of research questions for future studies within the same research area.

7.1 Discussion of findings

The findings from this study presented five main statements. The first of the statements presents how larger banks tend to fulfil more standards than the smaller ones, as well as the fact that larger banks include more sustainability-related information in their reporting. The finding agrees with Papunens findings in his study of sustainability reporting in Finnish banks from year 2013 and Viitanens findings in her study from 2020 (Papunen, 2013; Viitanen, 2020). Both studies resulted in findings stating that larger banks tend to report greater amounts of sustainability related information and therefore fulfilling more of guiding standards, such as the GRI or SASB standards (Papunen, 2013; Viitanen, 2020). The findings of this study confirm the stakeholder and legitimacy theory to a large extent. As stated by the stakeholder theory, larger companies tend to have more stakeholders than smaller companies (Donaldson & Preston, 1995; Clarkson, 1995; Ljungdahl, 1999). As primary stakeholders, which are considered to have a dependable relationship with the company, set their requirements, the management of a larger company faces more requirements that needs to be fulfilled, to ensure that the principle of good management is accomplished (Ljungdahl, 1999). This study confirms that when the company is bigger in size, it tends to fulfil more standards. Therefore, the reason behind the findings can be linked to the increased amount of stakeholders. When companies take the wishes and requirements of these primary stakeholders into consideration, they have a possibility of attracting even more stakeholders, leading the company to grow even more (Donaldson & Preston, 1995; Clarkson, 1995; Ljungdahl, 1999). While the stakeholder theory has received criticism of the categorisation of stakeholders, the legitimacy theory states that different stakeholders require different

kinds of information from the company (Beske, Haustein & Lorson, 2020; Mousa & Hassan, 2015). To ensure the growth of the stakeholders as well as the company itself, the company needs to ensure that all stakeholders receive the information they require from the company (Mousa & Hassan, 2015). This can be achieved by publishing a greater amount of sustainability related information and therefore increasing the legitimacy of the company (Ljungdahl, 1999; Mousa & Hassan, 2015). This study finds that larger companies tend to publish more sustainability-related information, which confirms the statements of the legitimacy theory.

The second statement presents the geographical area as an indicator for increased fulfilment of the SASB standards. This is also connected to the stakeholder and legitimacy theory, since conducting business in more geographical areas most usually attracts more stakeholders for the company, as well as the increase of legislative pressure towards the company. As Langer stated in his study in 2006, sustainability reports from different geographical areas, e.g., countries are not comparable, because the information included is different (Langer, 2006). When companies operate in different countries, the requirements for information in the sustainability related reporting are different. This leads to the situation where the information included in the sustainability reporting is larger in quantity, and therefore have a higher chance of fulfilling different kinds of standards, in this case the SASB standards. As the study points out, the bank that is the most geographically spread in the study, both fulfils most of the standards and has the greatest development during the years observed in the study. The amount of sustainability-related information can therefore be explained through the larger amount of both stakeholders and legislative pressure.

Fernandez-Feijoo et al. presented in their study from 2018 results that indicated that a company's sustainability reporting has a higher legitimacy when the auditor of the financial statements is a Big4 accounting firm (Fernandez-Feijoo et al., 2018). In this study, the same results have been achieved. The result of the study conducted shows that a higher amount of SASB standards are fulfilled if the information is presented in an annual report that includes the sustainability report instead of a separate sustainability report. All of these annual reports are signed by both the board of directors, as well by an authorized public accountant working at a Big4 company. The presence of an auditor signature on a report including sustainability-related information also creates an addition of legitimacy, which again helps the company to communicate legitimate and transparent

information to its stakeholders. This finding strengthens the relatability of the stakeholder and legitimacy theory in this study. The finding also confirms the suggestions of several earlier studies that have used the critical perspective theory in their studies; third-party assurance or control have the possibility to ensure transparency of presented data, and by this allow comparability between information presented (Gray et al., 2001; Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006; Dumay et al., 2010).

The fourth statement from the findings presents the difference of fulfilment between qualitative and quantitative measurement categories. The study found that the banks had it easier to fulfil the standards whose measurement category is qualitative. This underlines the issue that several studies have had when studying the development and comparability of sustainability reporting. Authors such as Langer and Dragomir has presented the issues with qualitative aspects when comparing or measuring performance between sustainability reporting (Langer, 2006; Dragomir, 2012). Same issues have been found by Linnaila in 2022, when studying the comparability of sustainability reporting in the Finnish forest industry through the GRI standards (Linnaila, 2022). The results showed that standards that used qualitative as the measurement category were non-comparable, as they are in this study. The findings are in line with the functionalist perspective theory, which states that data cannot be compared if it can be measured rationally (Morgan, 1980; Dillard, 2007).

The fifth statement presents the trends where companies have not fulfilled specific SASB standards. The unfulfilled standards, which none of the banks have presented information about, is regarding higher-risk customers and projects. All of these three standards require quantitative data to be fulfilled, which again confirms the functionalist perspective theory of non-comparable information (Morgan, 1980; Dillard, 2007). The findings of the study also address the issue of companies still hiding data regarding negatively affecting actions. Underbanked or unbanked customers in general carry a greater risk towards the bank, and therefore the bank would have an incentive to exclude this type of information from their reports. The same applies for small businesses and community-related projects, which don't always turn out as planned. According to the critical perspective and the legitimacy theory, there are issues like this in companies' sustainability reporting and therefore, a requirement for third-party assurance or control for sustainability-related information should be forced into legislation (Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006; Dumay et al., 2010; Mousa & Hassan, 2015).

When viewing the comparability of the sustainability reports, this study found comparability in only a few of the sections in the SASB standards. This confirms several earlier studies that have studied comparability between sustainability reports from different perspectives (Gray et al., 2001; Prieto-Carrón, Lund-Thomsen, Chan, Muro & Bhushan, 2006; Dumay et al., 2010; Boiral & Herni, 2015; Zsoka & Vajkai, 2018).

The findings of this study challenge the goals that the SASB has set for their standards; to allow companies to publish transparent and usable information especially for external stakeholders (SASB (2), 2022). Since most of the 14 standards in the SASB – Commercial Banks standard set, as well as most of the standards fulfilled in this study, can be fulfilled through presenting qualitative information, the standards do not allow comparison of sustainability-related information between companies. When most of the standards are fulfilled presented with qualitative information, the information provided gives an idea of it being very clear for the company's management but not for external stakeholders, i.e., investors and other capital providers. The critical perspective addresses this issue of sustainability reporting (Dumay, Guthrie & Farneti, 2010; Dragomir, 2012). The purpose of this study is to find if development in the sustainability reporting has happened towards a more comparable and transparent companies. Through the results of this study, a statement can be made that with the current standards, the SASB does not achieve what it sets as the goals for the publishes SASB – Commercial Banks standards. The statement can be supported through the theories of functionalist and critical perspective.

In general, the study showed that banks who have openly mentioned the usage of SASB standards as guidance for their sustainability reporting, have developed their sustainability reporting during the years studied. In other banks, the development has not taken place. In one bank, the development has taken a step back when using the SASB standards as the measurement criteria. The findings of the study shows that in general, no or little development has happened during the past three years in the Finnish bank sectors sustainability reporting. This is mainly due to the small usage of SASB standards as guidance as well as the non-comparable information that the studied banks have included in their sustainability related information.

The findings of this study confirm the additional requirement for development of the guidance and standards provided to the companies. Alongside this, the study presented issues that indicate the requirement for companies to present their sustainability data in a

way that allows comparison and can therefore be used by investors and other capital providers (Berthelot et al., 2012; Dragomir, 2012).

7.2 Validity & Reliability

At its core, reliability is an idea of how secure the data used in research is. All data collected for this study has been signed at least by the board of directors for the company studied, and if the data collected was from an annual report, also by an external auditor. This means that the data analysed has a high level of reliability regarding correctness. However, the method used in this study and the outcoming results might be subject to manipulation, since the original data analysed was not intended to answer the research questions stated by this study, as stated by Denscombe (Denscombe, 2018). Also, since the survey is done manually, the chance of human errors in compiling the results is high. The score-setting system and scoring of the data is also creating a risk of unreliability in the study, especially when score-setting the standards that have qualitative as the measurement category. Concluding this, performing qualitative content analysis manually carries a greater risk of error than if the analysis would be an automatically conducted one. However, several previous studies done in this research area has used the same research method and succeeded to provide valid results.

7.3 Limitations

The results of the study and the conclusions drawn are directly an object of the limitations of this study. As the chosen sample for the study only consist of Finnish listed banks, the study does not fully project how the SASB standards are fulfilled and how companies' sustainability reports have developed during the years included in the study. Since the SASB standards used in this study are targeted towards the commercial banks, the usage of other SASB standards might provide a result that differs from the results of this study.

It also needs to be noted that the sustainability reporting varies between industries in Finland and therefore this study only projects the banking industry. Moving away from Finland, legislation and regulation in other countries might affect the sustainability reporting for both commercial banks and companies in other industries. This naturally

also affects the data studied, and therefore, the results might be different when changing the object country in the study.

7.4 Suggestions for further research

As the results of this study shows a lot of improvement to be done both by the banks included and the SASB standards. Even though there has been a lot of development in both CSR and its terminology, the statement from Prieto-Carrón et al. from year 2006 is still valid. There needs to be additional critical research in this area, both from a general perspective as from a more focused perspective.

Therefore, it is recommended to furtherly study the standards and its guidance from a critical perspective. This study shows that banks sustainability reporting has developed both positively and negatively, when using the SASB standards as a measurement tool for development. The study confirms that the sustainability related information has not developed to a point where investors and other capital providers could compare the information and use it as a decision-making tool for their investment decisions. The reasons behind the results can be linked to the SASB standards, which don't provide concrete examples on what and how the sustainability-related information should be presented, as well as the banks unwillingness to present quantitative and comparable data. Since both of the reasons behind the results tend to be negative, the requirement for further research from a critical perspective is crucial. Through critical research, the studies can provide findings and suggestions that most likely improves the outcome of the SASB standards, and the sustainability information published.

Another suggestion for further research in this area would be to expand the sample both by including more banks to the study as well as expanding the years used in the study. When only including four banks and three years in the study, this study only provides a narrow view on the development of the sustainability reporting in the banking sector.

As the usage of SASB standards as guidance in sustainability reporting is increasing in a vast amount, it is recommended that further research is done both from the perspective and the method used in this study. It would also be welcome to include other sectors in study, since the SASB provides standards for 77 different sectors. Therefore, the

recommendation for further research follows the earlier recommendations of Demir and Min.

Based on the suggestions presented above, further research could discuss topics such as why the commonly used standards, e.g., GRI and SASB, include guidance where the presentation of sustainability-related information can be in a qualitative format. The results from this study has a strong indication that companies do not apply the guidance that is available, and therefore, to gain additional information on how companies use the standards, future research could through interviews question to what extent companies use the guidance provided when creating their sustainability-related information.

8 Bidrar SASB-standarderna till utvecklingen av hållbarhetsrapportering? - En innehållsanalys av finska bankers hållbarhetsrapporter från ett investerarperspektiv

Hållbarhet anses i dagens läge vara något som är viktigt för företag. Hållbarhet förklarar individers och företags vilja att värna om miljön och dess omgivning. Majoriteten är överens om att hållbarhet definieras som ett sätt att tillfredsställa sina behov genom att idag använda resurser på ett sätt som möjliggör detsamma för framtida generationer. Denna definition presenterades av WCED i Brundtlandrapporten år 1987 (WCED, 1987).

Från WCED:s utlåtande har hållbarhetens betydelse utvecklats vidare till tre olika huvudområden för hållbarhet och hållbar utveckling: ekologisk hållbarhet, social hållbarhet och ekonomisk hållbarhet (Hansmann, Mieg & Frischknecht, 2012). I den ekologiska hållbarheten fäster man uppmärksamhet vid jordens ekosystem och upprätthållning av dem. Den ekologiska hållbarheten anses dessutom utgöra ramarna för den sociala och ekonomiska hållbarheten. I den sociala hållbarheten koncentrerar man sig på individens rättigheter i samhället, medan man i den ekonomiska hållbarheten strävar efter tillväxt och förbättring utan att de två andra huvudområdena lider (Hansmann et al., 2012).

Hållbarheten i ett företag rapporteras på flera olika sätt och i dagens läge talar man ofta om CSR. CSR härstammar sig från engelskans ”corporate social responsibility” och företagets samhällsansvar är den lämpligaste motsvarigheten i svenskan. CSR behandlar ett företags ansvarstagande inom de tre huvudområdena för hållbarhet (Grankvist, 2012). Genom att med jämna mellanrum publicera hållbarhetsrapporter kan företag förklara hur de går till väga för att uppfylla de tre huvudområden som presenterats i förra stycket. Hållbarhetsrapportering kan bättre förklaras som ett sätt att redovisa hur ett företag hanterat frågor gällande hållbar utveckling (Frostenson & Helin, 2018).

ESG är termen som investerare föredrar att använda då de behandlar företagets samhällsansvar och därför är det normalt att dessa termer blandas med varandra. Både CSR och ESG handlar om hur företaget kan skapa och upprätthålla ett långsiktigt värde för företagets intressenter. Då CSR handlar om vad företaget ska göra och hur företaget ska agera för att vara mer hållbart, mäter ESG däremot utvecklingen av företagets hållbarhet. Dessutom behandlas företagets styrning endast som en liten del av CSR,

medan det är ett av huvudämnen inom ESG. (Gillan, Koch & Starks, 2021; Gerard, 2019; MacNeil & Esser, 2022)

Då finansiella institut är en stor del av och har daglig kontakt med samhället, har de möjlighet att agera som exempel gällande hållbarhet och transparens (Mandhachitara & Poolthong, 2011; Cull, Demirgüç-Kunt & Lin, 2013; Scholtens, 2017; Galaz, Crona, Dauriach, Scholtens & Steffen, 2018). Vid sidan om dessa möjligheter, finns det också ett utomstående tryck på bankerna i form av lagstiftning. Då största delen av bankerna i Finland klassas som företag av allmänt intresse, ska de publicera hållbarhetsinformation med jämna mellanrum.

Företagen har möjlighet att använda sig av flera riktlinjer och standarder för att underlätta skapandet av hållbarhetsrapporter. Den mest använda av dem är GRI-standarderna, publicerade av Global Reporting Initiative som grundades år 1999. Själva standarderna publicerades 2016 och har utvecklats med tilläggs paket och generella uppdateringar (GRI, 2022). Problemet med GRI-standarderna är att avsikten är att stödja alla branscher och intressenter och att standarderna nedvärderar hållbarhetsaspekternas finansiella påverkan, vilket är det som investerare är mest intresserade av (SASB (1), 2022; Nordea (1), 2022). Som lösning till detta har SASB-standarderna publicerats. Dessa standarder är industrispecifika och koncentrerar sig på hållbarhetsfrågor från ett investerarperspektiv.

Syftet bakom studien är följande. SASB presenterar sina standarder som en lösning till investerarnas behov att analysera företagens ESG-prestation och för att hitta de aspekter från hållbarhetsinformationen som kunde påverka företagets lönsamhet. Tidigare studier inom bankernas hållbarhetsrapportering har gett varierande resultat, men i de flesta av studierna har man kommit fram till att GRI-standarderna inte tillåter utveckling eller jämförelse av hållbarhetsrapportering. Målet med denna avhandling är att studera hållbarhetsrapportering med hjälp av SASBs standarder för att få reda på vilken utveckling som skett i finländska bankers hållbarhetsrapportering. Studien är en innehållsanalys där hållbarhetsinformation från fyra banker, som är klassificerade som kreditinstitut och listade på Helsingforsbörsen (OMX Helsinki), har inkluderats. Tidsperioden för analysen är tre år.

Som metod för studien valdes kvalitativ innehållsanalys. Då studien granskar data som redan producerats av andra och målet är att analysera kvaliteten hos detta data, lämpar sig

den kvalitativa metoden bäst (Patton, 1989; Parker, 2003; Basri, 2014). I innehållsanalys strävar man efter att hitta likheter och specifika mönster i det analyserade materialet (Russo-Spena et al., 2018). I denna studie är målet att hitta likheter i materialet för att kunna se om det skett någon utveckling under åren, vilket bekräftar att den valda metoden är den mest lämpliga för studien. För att kunna jämföra och hitta likheter enklare, rekommenderar Bryman och Bell att ett särskilt kodningssystem skapas för materialanalysen (Bryman & Bell, 2017). I denna studie är kodningssystemet tudelat. Först markeras om det analyserade materialet innehåller hållbarhetsinformation som krävs för att uppfylla en specifik SASB-standard med ja/nej, varefter mängden information som inkluderats mäts med ingen/liten/stor.

De banker som ingår i den här studien har uppfyllt följande kriterier:

- Banken är klassificerad som ett kreditinstitut av Finlands Bank
- Banken är börslistad på Helsingforsbörsen (OMX Helsinki)
- Banken har under åren 2019, 2020 och 2021 publicerat en särskild hållbarhetsrapport eller en årsredovisning som inkluderar en hållbarhetsrapport

Fyra banker uppfyller dessa kriterier. Dessa banker är Aktia Pankki Oyj, Nordea Bank Oyj, Oma Säästöpankki Oyj och Ålandsbanken Abp.

Materialet som behövs för studien är de valda bankernas hållbarhetsinformation från år 2019, 2020 och 2021. För att avgränsa mängden information och genom detta minska risken för missvisande data, används i denna studie endast information som finns a) i bankens årsredovisning, där hållbarhetsrapporten är inkluderad eller b) i en separat hållbarhetsrapport. Dessa rapporter hittas på respektive företagens webbplats i pdf-format. Dessutom är hållbarhetsrapporterna undertecknade av bankens styrelse och årsredovisningarna av både styrelsen och den externa revisorn, vilket garanterar att modifieringar inte kan göras i efterhand.

Studiens resultat är varierande. Resultaten visade både utveckling och tillbakagång när det gäller hur SASB-standarderna uppfylls. Vissa banker hade tydligt engagerat sig i

utvecklingen av hållbarhetsrapporterna mot ett håll som betjänar placerare och andra kapitalinvestorer. Andra hade däremot minskat mängden information som uppfyller SASB-standarderna. I analysen av materialet framkom det också att banker som utvecklats sig mest använder sig av SASB-standarderna som vägledning i skapandet av sina hållbarhetsrapporter eller årsredovisningar. Dessutom visade studien att ett större antal SASB-standarder ifylls när analysobjektet var en årsredovisning i stället för en hållbarhetsrapport. Resultaten visade också att banker som är mer globala och engagerade i andra länder tenderar att i högre mån uppfylla de standarder som SASB ställer. Exempelvis visar studien att den enda banken som endast medverkar i Finland, inte uppfyllde några standarder åren 2019 och 2021 och endast en SASB-standard år 2021.

Som helhet bekräftar studien det som tidigare studier kring GRI-standarderna kommit fram till, vilket är att olika riktlinjer och standarder än idag är inte tillräckliga för att studera utveckling och jämförbarhet i företagens hållbarhetsrapportering. Studiens resultat stöder teorin kring det kritiska perspektivet och understryker att det ännu är en lång väg innan investerare kan använda dessa rapporter som djupare analysverktyg för investeringsbeslut. Detta beror både på standardernas innehåll och på företagens användning av dessa standarder som riktlinjer för hållbarhetsrapporteringen. Som fortsatta studier rekommenderas andra branscher där hållbarhet står i fokus, då denna studie begränsades till endast den finska bankbranschen. Ett faktum är dock att eventuella fortsatta studier inte kommer att kunna visa utvecklande resultat med en gång, utan studierna behöver utföras först efter några år.

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Appendix

Figure 1: Companies listed on Nasdaq Helsinki

COMPANIES LISTED ON NASDAQ HELSINKI						
Companies below are listed on Nasdaq Helsinki. For viewing other markets or segments, please use the links in the right column.						
Name	Symbol	Currency	ISIN	Sector	ICB Code	Fact Sheet
				financials		
Aktia Bank Abp	AKTIA	EUR	FI4000058870	Financials	3010	
CapMan Oyj	CAPMAN	EUR	FI0009009377	Financials	3020	
EAB Group Oyj	EAB	EUR	FI4000157441	Financials	3020	
Enento Group Oyj	ENENTO	EUR	FI4000123195	Financials	3020	
eQ Oyj	EQV1V	EUR	FI0009009617	Financials	3020	
Evli Oyj	EVLI	EUR	FI4000513437	Financials	3020	
Fellow Pankki Oyj	FELLOW	EUR	FI4000170915	Financials	3010	
Nordea Bank Abp	NDA FI	EUR	FI4000297767	Financials	3010	
Oma Säästöpankki Oyj	OMASP	EUR	FI4000306733	Financials	3010	
Panostaja Oyj	PNA1V	EUR	FI0009800379	Financials	3020	
Sampo Oyj A	SAMPO	EUR	FI0009003305	Financials	3030	
Sievi Capital Oyj	SIEVI	EUR	FI0009008924	Financials	3020	
Taaleri Oyj	TAALA	EUR	FI4000062195	Financials	3010	
United Bankers Oyj	UNITED	EUR	FI4000081427	Financials	3020	
Ålandsbanken Abp A	ALBAV	EUR	FI0009000103	Financials	3010	
Ålandsbanken Abp B	ALBBV	EUR	FI0009001127	Financials	3010	

Source: Nasdaq, 2022

Figure 2: Credit institutions according to Bank of Finland

Suomessa toimivien luottolaitosten markkinaosuudet

	Lainat Suomeen (muille kuin rahalaitoksille)		Asuntolainat kotitalouksille(1) Suomessa		Yrityslainat(2) Suomeen		Talletukset Suomesta (muilta kuin rahalaitoksilta)	
	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %	Kanta milj. euroa	Markkinaosuus %
Rahalaitokset yhteensä	269 386	100	107 585	100	59 832	100	200 452	100
OP Ryhmä	93 535	35	41 462	39	23 196	39	76 203	38
Nordea	67 310	25	31 755	30	19 014	32	56 421	28
Danske Bank	24 770	9	10 515	10	6 108	10	21 555	11
Kuntarahoitus	29 214	11	296	0	3 340	6	0	0
Handelsbanken	13 700	5	3 124	3	2 513	4	5 807	3
Säästöpankkiryhmä	9 558	4	5 691	5	1 377	2	7 288	4
Aktia Bank	7 436	3	4 309	4	759	1	4 644	2
S-Pankki	6 078	2	3 673	3	31	0	7 622	4
POP Pankki -ryhmä	4 239	2	2 318	2	549	1	4 204	2
Ålandsbanken	2 764	1	1 445	1	573	1	2 760	1
Hypo-konserni	2 626	1	815	1	31	0	1 639	1
Oma Säästöpankki	4 317	2	2 154	2	924	2	2 871	1
Muut	3 840	1	29	0	1 418	2	9 437	5

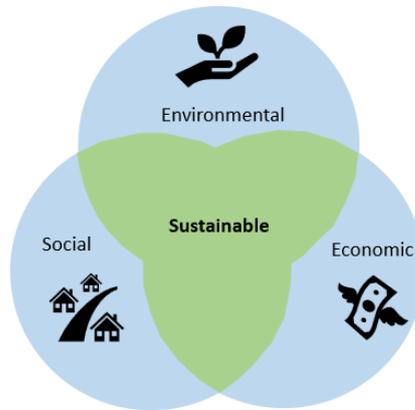
OP Ryhmä: OP Yrityspankki Oyj, OP-Vähittäisasiakkaat Oyj, OP-Asuntoluottopankki Oyj ja Yhteenliittymäosuuspankit
 Nordea: Nordea Bank Abn, Nordea Kiinnitysluottopankki Oyj ja Nordea Rahoitus Suomi Oy
 Danske Bank: Danske Bank A/S, Suomen sivuliike ja Danske Kiinnitysluottopankki Oyj
 Handelsbanken: Svenska Handelsbanken AB (publ), filiaalverksamheten i Finland, Starshynotek AB (publ), filialverksamheten i Finland
 Säästöpankkiryhmä: Säästöpankit, Säästöpankkien Keskuspankki Suomi Oyj ja Sp-Kiinnitysluottopankki Oyj
 POP Pankki -ryhmä: POP Pankit ja Bonum Pankki Oyj
 Hypo-konserni: Suomen Hypoteekkiyhdistys ja Suomen Asuntohypoteekki Oy
 Muut: Sisältää Suomessa toimivat muut luottolaitokset kuin edellä mainitut
 *Yllä oleva ryhmäluokittelu koskettaa vain viimeisimmän julkaistun havaintoperiodin raporttijaajoukkoa. [Historiatietojen osalla ota vhtevttä rahoitustilastot@bof.fi](mailto:Historiatietojen_osalla_ota_vhitevta_rahoytilastot@bof.fi)

Source: Bank of Finland, 2022

Figure 3: Thesis structure

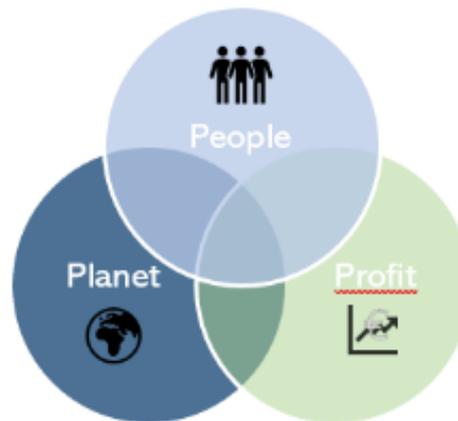
Introduction	Introduction			
	Background Research problem Purpose of the study Research questions Limitations and structure of the thesis			
Theory	Sustainability	Sustainability Reporting	Theoretical framework	Previous Research
	CSR ESG	Legislation and regulation SASB Standards Other standards and guidance	Stakeholder theory Legitimacy theory Critical perspective Functionalist theory	CSR and sustainability reporting Comparability of sustainability reporting, GRI and SASB ESG investing Critical views on sustainability reporting and frameworks
Methodology	Research strategy	Qualitative methods	Content analysis	Data gathering and sample
Empirics	Aktia Bank Oyj	Nordea Bank Oyj	Oma Säästöpankki Oyj	Ålandsbanken Abp
Syntehsis	Results		Discussion and conclusion	
	Comparison of analysis Findings		Discussion of findings Validity & Reliability Limitations Suggestions for further research	

Figure 4: Pillars of CSR



Source: Investopedia, Brock & Courage, 2022

Figure 5: Pillars of TBL



Source: WallStreetMojo & Vaidya, 2022

Figure 6: SASB standards – Commercial Banks

Sustainability Disclosure Topics & Accounting Metrics				
Topic	Accounting Metric	Category	Measurement Unit	Code
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Quantitative	Number, Percentage	FN-CB-230a.1
	Description of approach to identifying and addressing data security risks	Qualitative	n/a	FN-CB-230a.2
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	Number, Reporting currency	FN-CB-240a.1
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	Quantitative	Number, Reporting currency	FN-CB-240a.2
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	Quantitative	Reporting currency	FN-CB-410a.1
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Qualitative	n/a	FN-CB-410a.2
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-CB-510a.1
	Description of whistleblower policies and procedures	Qualitative	n/a	FN-CB-510a.2
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	Basis points (bps)	FN-CB-550a.1
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Qualitative	n/a	FN-CB-550a.2
Activity Metrics				
Activity Metric		Category	Measurement Unit	Code
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business		Quantitative	Number, Reporting currency	FN-CB-000.A
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate		Quantitative	Number, Reporting currency	FN-CB-000.B

Source: SASB (2) (2018)

Figure 7: Score-setting system for analysis

Information included in report?	Amount of information provided for a standard?	Mark on score sheet
N (no)	None	N
Y (yes)	Low amount	L
Y (yes)	High amount	H

Figure 8: Fulfilment of standards, material regarding year 2019

Code	Aktia			Nordea			Oma Säästöpankki			Alandsbanken		
	Type of document: Info included (Y/N)?	Annual review Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Sustainability report Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Sustainability report Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Annual report Info on page	Mark on score sheet
EN/CB-250a.1	Y	39	L	N		N	N	N	N			N
EN/CB-250a.2	Y	38-39	H	Y	12	L	N	N	N	Y	68	L
EN/CB-240a.1	N		N	N		N	N	N	N	N		N
EN/CB-240a.2	N		N	N		N	N	N	N	N		N
EN/CB-240a.3	N		N	N		N	N	N	N	N		N
EN/CB-240a.4	N		N	N		N	N	N	N	N		N
EN/CB-410a.1	Y	70, 120, 121	L	N		N	N	N	Y	70		L
EN/CB-410a.2	N		N	Y	9, 10, 36, 41	H	N	N	N	N		N
EN/CB-510a.1	N		N	Y	40	H	N	N	N	N		N
EN/CB-510a.2	Y	29, 38, 94	L	Y	8, 18	L	N	N	N	N		N
EN/CB-550a.1	N		N	N		N	N	N	N	N		N
EN/CB-550a.2	Y	118	L	N		N	N	N	Y	67		L
Code												
EN/CB-000.A	N		N	N		N	N	N	N			N
EN/CB-000.B	Y	64	H	N		N	N	N	N			N

Figure 9: Fulfilment of standards, material regarding year 2020

Code	Arbe		Nordia		Ora Statistikk		Årshanken		
	Type of document: Info included (Y/N)?	Annual review Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Annual report Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Annual report Info on page	Mark on score sheet
EN:CB-230A.1	Y	44	L	N		N	N		N
EN:CB-230A.2	Y	43,44	H	Y	27	H	N	61	L
EN:CB-240A.1	N		N	N		N	N		N
EN:CB-240A.2	N		N	N		N	N		N
EN:CB-240A.3	N		N	N		N	N		N
EN:CB-240A.4	N		N	Y	22	H	N		N
EN:CB-410A.1	Y	76, 125, 126	L	Y	13	H	N	63	L
EN:CB-410A.2	Y	49	L	Y	13,14	H	N		N
EN:CB-510A.1	Y	42,44	H	Y	17	H	N		N
EN:CB-510A.2	Y	42,98	L	Y	27	H	N		N
EN:CB-550A.1	N		N	N		N	N		N
EN:CB-550A.2	Y	75, 122	L	N		N	N	62	L
EN:CB-000A	N		N	N		N	N		N
EN:CB-000B	Y	70	H	N		N	N		N

Figure 10: Fulfilment of standards, material regarding year 2021

Code	Aktia			Nordea			Oma säästöpankki			Aandspanken		
	Type of document: Info included (Y/N)?	Annual review Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Annual report Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Sustainability report Info on page	Mark on score sheet	Type of document: Info included (Y/N)?	Annual report Info on page	Mark on score sheet
EN-CB-250a.1	Y	37/ 39/ 64	L	N		N	N	N	N	N		N
EN-CB-250a.2	Y	37/ 39/ 40	H	Y	30	H	N	N	Y	66	L	L
EN-CB-240a.1	N		N	N		N	N	N	N		N	N
EN-CB-240a.2	N		N	N		N	N	N	N		N	N
EN-CB-240a.3	N		N	N		N	N	N	N		N	N
EN-CB-240a.4	N		N	Y	7, 36/ 324	H	Y	19	L		N	N
EN-CB-410a.1	N		N	Y	30	H	N	N	N		N	N
EN-CB-410a.2	Y	44	L	Y	30, 32, 315, 319	H	N	N	Y	20	L	L
EN-CB-510a.1	N		N	Y	110	H	N	N	N		N	N
EN-CB-510a.2	Y	39, 63	L	Y	161, 324	H	N	N	N		N	N
EN-CB-550a.1	N		N	N		N	N	N	N		N	N
EN-CB-550a.2	N		N	Y	Note G2	H	N	N	Y	66	L	L
EN-CB-000.A	N		N	Y	47	H	N	N	N		N	N
EN-CB-000.B	N		N	Y	47	H	N	N	N		N	N

Figure 11: Summaries of score-sheets

			2019							
			Aktia		Nordea		OmaSP		Ålandsbanken	
			Y/N	N/L/H	Y/N	N/L/H	Y/N	N/L/H	Y/N	N/L/H
Data Security	FN-CB-230a.1	Quant	Y	L	N	N	N	N	N	N
	FN-CB-230a.2	Qual	Y	H	Y	L	N	N	Y	L
Financial Inclusion & Capacity Building	FN-CB-240a.1	Quant	N	N	N	N	N	N	N	N
	FN-CB-240a.2	Quant	N	N	N	N	N	N	N	N
	FN-CB-240a.3	Quant	N	N	N	N	N	N	N	N
	FN-CB-240a.4	Quant	N	N	N	N	N	N	N	N
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Quant	Y	L	N	N	N	N	Y	L
	FN-CB-410a.2	Qual	N	N	Y	H	N	N	N	N
Business Ethics	FN-CB-510a.1	Quant	N	N	Y	H	N	N	N	N
	FN-CB-510a.2	Qual	Y	L	Y	L	N	N	N	N
Systemic Risk Management	FN-CB-550a.1	Quant	N	N	N	N	N	N	N	N
	FN-CB-550a.2	Qual	Y	L	N	N	N	N	Y	L
Activity Metric	FN-CB-000.A	Quant	N	N	N	N	N	N	N	N
	FN-CB-000.B	Quant	Y	H	N	N	N	N	N	N

2020															
			Aktia			Nordea			OmaSP			Ålandsbanken			
			Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	
FN-CB-230a.1	Y	L	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-230a.2	Y	H	0	Y	H	1	N	N	0	Y	L	0	Y	L	0
FN-CB-240a.1	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.2	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.3	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.4	N	N	0	Y	H	1	N	N	0	N	N	0	N	N	0
FN-CB-410a.1	Y	L	0	Y	H	1	N	N	0	Y	L	0	Y	L	0
FN-CB-410a.2	Y	L	1	Y	H	0	N	N	0	N	N	0	N	N	0
FN-CB-510a.1	Y	H	1	Y	H	0	N	N	0	N	N	0	N	N	0
FN-CB-510a.2	Y	L	0	Y	H	1	N	N	0	N	N	0	N	N	0
FN-CB-550a.1	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-550a.2	Y	L	0	N	N	0	N	N	0	Y	L	0	Y	L	0
FN-CB-000.A	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-000.B	Y	H	0	N	N	0	N	N	0	N	N	0	N	N	0

2021															
			Aktia			Nordea			OmaSP			Ålandsbanken			
			Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	
FN-CB-230a.1	Y	L	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-230a.2	Y	H	0	Y	H	0	N	N	0	Y	L	0	Y	L	0
FN-CB-240a.1	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.2	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.3	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-240a.4	N	N	0	Y	H	0	Y	L	1	N	N	0	N	N	0
FN-CB-410a.1	N	N	1	Y	H	0	N	N	0	N	N	0	N	N	1
FN-CB-410a.2	Y	L	0	Y	H	0	N	N	0	Y	L	1	Y	L	1
FN-CB-510a.1	N	N	1	Y	H	0	N	N	0	N	N	0	N	N	0
FN-CB-510a.2	Y	L	0	Y	H	0	N	N	0	N	N	0	N	N	0
FN-CB-550a.1	N	N	0	N	N	0	N	N	0	N	N	0	N	N	0
FN-CB-550a.2	N	N	1	Y	H	1	N	N	0	Y	L	0	Y	L	0
FN-CB-000.A	N	N	0	Y	H	1	N	N	0	N	N	0	N	N	0
FN-CB-000.B	N	N	1	Y	H	1	N	N	0	N	N	0	N	N	0

Figure 12: Summaries converted to numbers for comparison

			2019							
			Aktia		Nordea		OmaSP		Ålandsbanken	
			Y/N	N/L/H	Y/N	N/L/H	Y/N	N/L/H	Y/N	N/L/H
			1,00	2,00	0,00	0,00	0,00	0,00	0,00	0,00
Data Security	FN-CB-230a.1	Quant	1,00	2,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-230a.2	Qual	1,00	3,00	1,00	2,00	0,00	0,00	1,00	2,00
Evasion & Capax	FN-CB-240a.1	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-240a.2	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-240a.3	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-240a.4	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Quant	1,00	2,00	0,00	0,00	0,00	0,00	1,00	2,00
	FN-CB-410a.2	Qual								
Business Ethics	FN-CB-510a.1	Quant	0,00	0,00	1,00	3,00	0,00	0,00	0,00	0,00
	FN-CB-510a.2	Qual	1,00	2,00	1,00	2,00	0,00	0,00	0,00	0,00
Climate Risk Management	FN-CB-550a.1	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-550a.2	Qual	1,00	2,00	0,00	0,00	0,00	0,00	1,00	2,00
Activity Metrics	FN-CB-000.A	Quant	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	FN-CB-000.B	Quant	1,00	3,00	0,00	0,00	0,00	0,00	0,00	0,00

2020											
Aktia			Nordea			OmaSP			Ålandsbanken		
Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY
1,00	2,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	3,00	⇒ 0,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	1,00	2,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	1,00	3,00	↑ 1,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	2,00	⇒ 0,00	1,00	3,00	↑ 1,00	0,00	0,00	⇒ 0,00	1,00	2,00	⇒ 0,00
1,00	2,00	↑ 1,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	3,00	↑ 1,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	2,00	⇒ 0,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	2,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	1,00	2,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00

2021											
Aktia			Nordea			OmaSP			Ålandsbanken		
Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY	Y/N	N/L/H	Change PY
1,00	2,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	3,00	⇒ 0,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	1,00	2,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	1,00	3,00	⇒ 0,00	1,00	2,00	↑ 1,00	0,00	0,00	⇒ 0,00
0,00	0,00	↓ -1,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	↓ -1,00
1,00	2,00	⇒ 0,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	1,00	2,00	↑ 1,00
0,00	0,00	↓ -1,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
1,00	2,00	⇒ 0,00	1,00	3,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	↓ -1,00	1,00	3,00	↑ 1,00	0,00	0,00	⇒ 0,00	1,00	2,00	⇒ 0,00
0,00	0,00	⇒ 0,00	1,00	3,00	↑ 1,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00
0,00	0,00	↓ -1,00	1,00	3,00	↑ 1,00	0,00	0,00	⇒ 0,00	0,00	0,00	⇒ 0,00

Figure 13: Conclusion of summaries

Conclusion of summary

2019				
	Aktia	Nordea	OmaSP	Alandsbanken
Total Yes	6	4	0	3
Total No	8	10	14	11
Total None	8	10	14	11
Total Low	4	2	0	3
Total High	2	2	0	0

2020								
	Aktia	Change from PY	Nordea	Change from PY	OmaSP	Change from PY	Alandsbanken	Change from PY
Total Yes	8	2	6	2	0	0	3	0
Total No	6	-2	8	-2	0	0	11	0
Total None	6	-2	8	-2	0	0	11	0
Total Low	5	1	0	-2	0	0	3	0
Total High	3	1	6	4	0	0	0	0

2021								
	Aktia	Change from PY	Nordea	Change from PY	OmaSP	Change from PY	Alandsbanken	Change from PY
Total Yes	4	-4	9	3	1	1	3	0
Total No	10	4	5	-3	13	-1	11	0
Total None	10	4	5	-3	13	-1	11	0
Total Low	3	-2	0	0	1	1	3	0
Total High	1	-2	9	3	0	0	0	0

Figure 14: Development table

Development table

	2020				2021			
	Aktia	Nordea	OmaSP	Alandsbanken	Aktia	Nordea	OmaSP	Alandsbanken
Total Yes	2	2	0	0	-4	3	1	0
Total No	-2	-2	0	0	4	-3	-1	0
Total None	-2	-2	0	0	4	-3	-1	0
Total Low	1	-2	0	0	-2	0	1	0
Total High	1	4	0	0	-2	3	0	0