



# Corporate Responsibility Reporting: The Pulp and Paper Sector in Europe

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## **Introduction:**

Corporate responsibility is an important issue for the Pulp and Paper sector in Europe. In 2003, CEPI Chairman Michael Gröller expressed CEPI's decision "to positively contribute to the three areas of sustainable development.... Through this approach, CEPI wishes to demonstrate that the European paper industry is committed to ensuring that every part of the industry's product cycle is becoming increasingly more sustainable..." (2003a:3)<sup>1</sup>.

This paper gives an overview of current Corporate Responsibility Reporting<sup>2</sup> CRR trends for the pulp and paper industry in Europe. Two main questions are addressed:

- Do pulp and paper companies report on corporate responsibility aspects?
- Is there a consistency of reporting?

To answer these two questions, WWF has examined the CRR of the top 46 pulp and paper companies in Europe. Each of these companies consumes the equivalent of over 1 Million m<sup>3</sup> of wood and, as a group, they account for more than 50% of wood consumption in Europe. They have an annual combined turnover of over €80Bn.

The internet is widely used by companies to communicate corporate information, and is a primary means by which stakeholders can get an overview of individual company performance as well as CRR trends. Therefore, in preparing this paper only the information reported by these companies on their web sites have been considered.

Whilst the focus has primarily been on conservation and environmental issues in this analysis, some basic social aspects are also addressed. Although economics aspects are also important for WWF, we consider that these are adequately addressed through company financial accounts.

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<sup>1</sup> CEPI, 2003a. The European paper industry on the road to Sustainable Development.

<sup>2</sup> The WWF European Forest Programme uses the term Corporate Responsibility Reporting to cover the concept of reporting of corporate performance on environmental and social issues. Corporate Social Responsibility Reporting (CSR) embraces a wider concept of integrating social and environmental issues into the strategic processes of companies.

The review was carried out during January 2004, and used information from 2002, being the latest information reported by the majority of companies.

**Do Pulp and Paper Companies Report on their Environmental Performance?**

72% of the companies in the survey have an environment section on their web sites (see table 1). It is mainly used to communicate basic information on company’s vision regarding the environment.

**Table 1: Information on the web site**

Information	# Companies (%)
Environmental section on the web site	33* (72%)
Corporate environmental performance	29 (63%)
Sustainability, CSR or environmental report	21 (46%)
No environmental information/ web sites not found	13 (28%)

\* 4 of the companies however have no environmental information in this section

However the environment section on the web site does not necessarily provide information on corporate environmental performance. 63% of companies provide some form of information on corporate environmental performance on the websites but the quality and quantity of information varies considerably.

Only 46% of companies produce an environmental, sustainability or CSR report. Generally, these provide data covering the business’s global sphere of operation, evidence of integration into strategic decision making, management issues (such as key impacts, management structures and responsibilities, targets and objectives), comparative data over a 2-5 year time-frame, and sometimes information on the level of engagement with suppliers and customers.

15% companies do not provide any environmental information and the web sites of the remaining 13% companies were not found. In total 28% of companies do not provide any environmental information at all.

## Which Aspects of Performance to Report On?

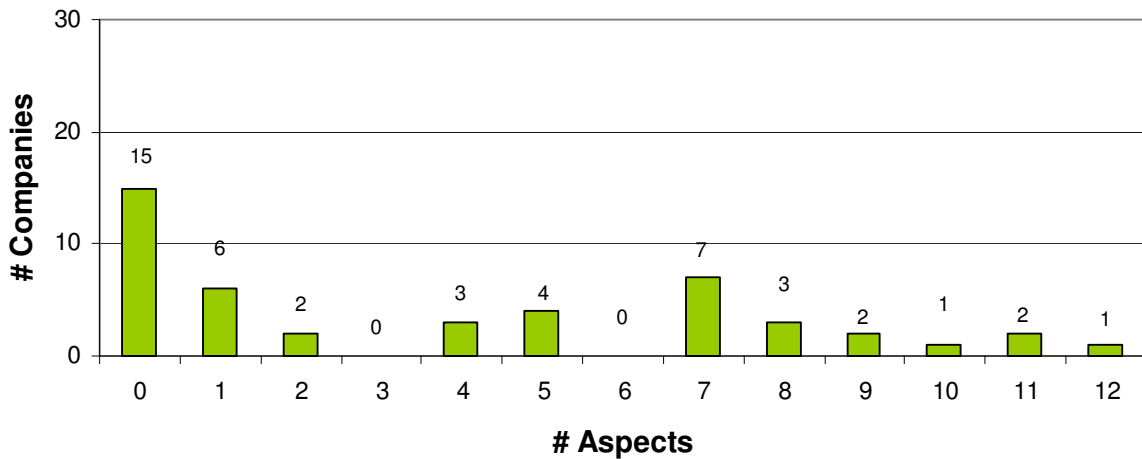
12 aspects of environmental and social sustainability considered to be important by WWF have been used to assess the comprehensiveness of company reporting. The assessment does not show company performance on these 12 aspects. They are:

- Commitment to sustainability: Company expresses a commitment to sustainability, triple bottom-line, or economic, social and environmental responsible performance.
- Compliance with national laws and international conventions: Company reports incidents, or the absence of them, for non-compliance with all applicable international, national, regional, and local regulations associated with environmental and social issues.
- Materials: Company reports on raw materials used.
- Forest management: Company reports on the management system or standards in place in forests managed by the company.
- Responsible forest product purchasing policy: Company has in place and reports on a process for the systematic tracking of forest products to provide evidence that the ultimate origin of commodities they are trading and / or processing is known and do not come from a controversial source (for example: illegally logged wood).
- Toxics: Company reports on toxic chemicals used and / or the management system in place.
- Water: Company reports on water use
- Energy: Company reports on energy use
- Emissions, effluents and/on waste: Company reports on emission, effluent and / or waste
- Transport: Company reports on transport impact and / or measures to manage transport impact.
- Stakeholders: Company reports on stakeholder engagement
- Labour codes and standards: Company reports on labour codes and standards in place (for example: health and safety measures at the working place)

## How Consistent is Company Reporting?

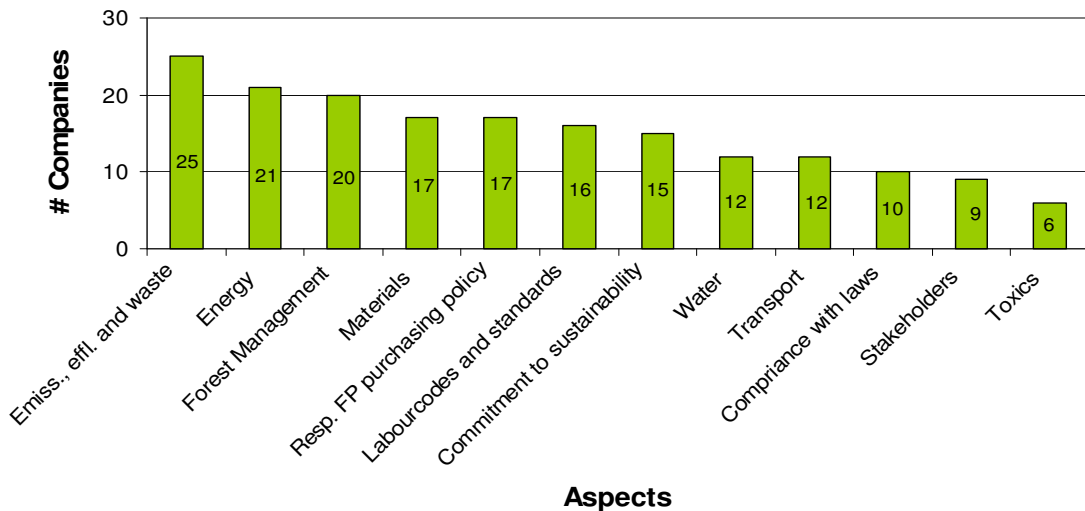
The scope of reporting is variable. Only 1 company reports on all 12 areas identified by WWF as fundamental to providing an overall view of environmental and social sustainability. Only 13% report on more than two thirds of the areas, and only 35% of companies report on more than half of the 12 aspects. (see Figure 1). This variability on reporting makes more detailed comparisons difficult.

**Figure 1: Range of issues reported by Companies**



Emissions, effluents and waste is the aspect most reported on, with 54% of companies report on this. (see Figure 2). On the other hand only 13% of companies report on toxic chemicals. 26% of companies report on water consumption whilst a surprisingly low 43% of companies report on forest management.

**Figure 2: Aspects reported by companies**



## **Conclusions**

Comprehensive reporting on environmental impacts is essential not only to demonstrate a companies' commitment to corporate responsibility, but is also a pre-requisite for a sound evaluation of the sector by customers, ratings agencies, investors and financial institutions.

This analysis has indicated a huge variability in the reporting by the pulp and paper sector on environmental and social aspects of sustainability. The quality of reports varies, and the lack of standardisation on information provision means that comparing environmental and social performance of different companies is very difficult.

WWF believes that sector-specific standards for corporate responsibility reporting, coupled with increasing transparency of reporting would bring key benefits to the sector. It would contribute to the ability of the sector to communicate its environmental and social credentials to a broad range of stakeholders. For those companies providing leadership in performance it would improve their visibility with ratings agencies, investors and financial institutions.

WWF has prepared a discussion document on suitable CRR guidelines for the Pulp and Paper sector and welcomes the opportunity to work with the industry to define guidelines on Corporate Responsibility Reporting, including defining suitable criteria as well as best practice standards.

## Annex

This table lists an overview of the CRR of 51 top pulp and paper companies in Europe. The table does not show companies' performance on the 12 aspects, it just gives an overview on how similar is the scope of aspects reported by companies.

COMPANIES	Nationality	Corporate Responsibility Reporting													
		Information in the web			Aspects reported										
		Env. Section	Corporate environmental information	Env., Sustainable Report	Commitment to sustainability	Compliance with national laws and international conventions	Materials	Forest Management	Responsible Forest product purchasing policy	Toxics	Water	Energy	Emissions, effluents and waste	Transport	Stakeholders

### 1<sup>st</sup> Group: Environmental, CSR or Sustainability Reports

Ahlstrom <a href="http://www.ahlstrom.com/">http://www.ahlstrom.com/</a>	Finland			YES. Env. Section in Annual Report 2002.	YES				YES			YES	YES			YES
Arctic Paper (Previously called Trebruk) <a href="http://www.trebruk.com/">http://www.trebruk.com/</a>	Sweden	YES	YES	YES. Env. Report 2002	YES							YES	YES			YES
Ence <a href="http://www.ence.es/main.html">http://www.ence.es/main.html</a>	Spain	YES	YES	YES. Env. Report 2002	YES		YES	YES			YES	YES	YES			YES
Georgia Pacific <a href="http://www.gp.com/">http://www.gp.com/</a>	USA	YES	YES	YES. Env. and Safety Report 2002				YES	YES	YES	YES	YES	YES			
Holmen <a href="http://www.holmen.com/index_uk.html">http://www.holmen.com/index_uk.html</a>	Sweden	YES	YES	YES. Env. Report 2002			YES	YES	YES		YES	YES	YES	YES	YES	
International Paper/PL and Russia <a href="http://www.internationalpaper.com/">http://www.internationalpaper.com/</a>	USA	YES	YES	YES Sustainability Report 2002	YES		YES	YES		YES		YES	YES			YES
Kimberly-Clark <a href="http://www.kimberly-clark.com">http://www.kimberly-clark.com</a>	USA	YES	YES	YES. Env. Report 2002. There was an European Env. Report in 2001			YES	YES	YES		YES	YES	YES			
Korsnäs AB <a href="http://www.korsnas.com/?id=1884">http://www.korsnas.com/?id=1884</a>	Sweden	YES	YES	YES. Env. Report 2001 and Env. Data 2002			YES		YES	YES	YES	YES	YES	YES	YES	
Lecta <a href="http://www.lecta.com/">http://www.lecta.com/</a>	UK	YES	YES	YES Env. Report 2002			YES		YES		YES	YES	YES	YES	YES	YES
M-real <a href="http://www.m-real.com/">http://www.m-real.com/</a>	Finland (Metsäliitto Group)	YES	YES	YES. Env. Report 2002			YES	YES		YES		YES	YES	YES	YES	

Mondi International <a href="http://www.mondiinternational.co.uk/">http://www.mondiinternational.co.uk/</a>	UK (Anglo American Forest and Paper division)	YES	YES	Mondi International NO, AngloAmerican YES (Sustainability Report 2002)	YES	YES	YES	YES			YES	YES	YES		YES	YES
Norske Skog <a href="http://www.norske-skog.com/">http://www.norske-skog.com/</a>	Norway	YES	YES	YES Annual report 2002 contains economic, social and environmental information	YES		YES	YES	YES			YES	YES	YES	YES	YES
Rottneros <a href="http://www.rottneros.com/">http://www.rottneros.com/</a>	Sweden	YES	YES	YES. Env. section In the Annual Report 2002					YES			YES	YES	YES		
Sappi <a href="http://www.sappi.com/">http://www.sappi.com/</a>	South Africa	YES	YES	YES. Sustainability Report 2003				YES	YES		YES	YES	YES		YES	YES
Södra <a href="http://www.sodra.com/">http://www.sodra.com/</a>	Sweden	YES	YES	YES Env. Report 2002			YES	YES			YES	YES	YES	YES		YES
Stora Enso <a href="http://www.storaenso.com/CDAvgn/main/0_1_-1000-3218-00.html?p=true">http://www.storaenso.com/CDAvgn/main/0_1_-1000-3218-00.html?p=true</a>	Finland	YES	YES	YES. Env. Report 2002. CSR principles	YES	YES	YES	YES	YES		YES	YES	YES	YES	YES	YES
Sunila <a href="http://www.sunila.fi/sunila/sunilawww.nsf/ALL/en.Etusivu?OpenDocument">http://www.sunila.fi/sunila/sunilawww.nsf/ALL/en.Etusivu?OpenDocument</a>	Finland	YES	YES	YES. Env. Statement 2002	YES		YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Sveaskog <a href="http://www.sveaskog.se">http://www.sveaskog.se</a>	Sweden	YES	YES	YES. Env. Report 2002			YES	YES				YES	YES			YES
Svenska (SCA) <a href="http://www.sca.se/">http://www.sca.se/</a>	Sweden	YES	YES	YES Env. & Social Report 2002	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Tembec <a href="http://www.tembec.com/">http://www.tembec.com/</a>	Canada	YES	YES	YES. Env. Section in the Annual Report 2002	YES	YES		YES	YES				YES			
UPM-Kymmene <a href="http://w3.upm-kymmene.com/">http://w3.upm-kymmene.com/</a>	Finland	YES	YES	YES. CSR Report 2002	YES	YES	YES	YES	YES			YES	YES	YES	YES	YES
Companies #:	21	20	20	21	11	10	14	16	14	6	12	20	21	11	9	14
1 <sup>st</sup> Group %:	100%	95%	95%	100%	52%	48%	67%	76%	67%	29%	57%	95%	100%	52%	43%	67%
Total %:	46%	43%	43%	46%	24%	22%	30%	35%	30%	13%	26%	43%	46%	24%	20%	30%

## 2<sup>nd</sup> Group: information on the web site on corporate environmental performance but no report

Arkangelsk <a href="http://en.appm.ru/">http://en.appm.ru/</a>	Russia	YES	YES										YES			
Biocel AS, CZ <a href="http://www.biocel.cz/e_html/index.htm">http://www.biocel.cz/e_html/index.htm</a>	Czech Republic	YES	YES	YES. Brief env. Information: -Env. Policy -Statement - ISO 14001					YES							YES

Cartiere Burgo <a href="http://www.burgo.com/en/home.html">http://www.burgo.com/en/home.html</a>	Italy	YES	YES Brief env. Information				YES		YES				YES			YES
Mayr Melnhof <a href="http://www.mayr-melnhof.co.at/">http://www.mayr-melnhof.co.at/</a>	Austria	YES	YES. Brief information	Brief env. Section in the Annual Report 2002			YES									
DAO Volga <a href="http://www.volga-paper.ru/index_En.html">http://www.volga-paper.ru/index_En.html</a>	Russia	YES			YES			YES	YES			YES	YES			
Portucel Soporcel <a href="http://www.portucelsoporcel.com/eng/">http://www.portucelsoporcel.com/eng/</a>	Portugal	YES	YES	Env. Report 2002 (brief env. Information)	YES			YES								
Seka <a href="http://www.seka.gov.tr/engmenu.html">http://www.seka.gov.tr/engmenu.html</a>	Turkey	YES	YES										YES			
W. Hamburger Group <a href="http://www.hamb.com/">http://www.hamb.com/</a>	Austria	YES	YES	Only Dunapack (group's company) produced Env. Report 2002			YES									
Companies #:	8	8	8	0	2	0	3	2	3	0	0	1	4	0	0	2
2 <sup>nd</sup> Group %:	100%	100%	100%	0%	25%	0%	38%	25%	38%	0%	0%	13%	50%	0%	0%	25%
Total %:	17%	17%	17%	0%	4%	0%	7%	4%	7%	0%	0%	2%	3%	0%	0%	4%

### 3<sup>rd</sup> Group: environmental section on the web but no information on corporate environmental performance

Jefferson Smurfit <a href="http://www.smurfit.ie/">http://www.smurfit.ie/</a>	Ireland	YES	NO Some Group's facilities report environmental information	NO Some Group's facilities produce environmental report												
Kappa Packaging, NL <a href="http://www.kappapackaging.com/">http://www.kappapackaging.com/</a>	The Netherlands	YES														
Myllykoski <a href="http://www.myllykoski.com/">http://www.myllykoski.com/</a>	Finland	YES			YES											
Segezha PPM <a href="http://www.scbk.ru/">http://www.scbk.ru/</a>	Russia	YES														
Companies #:	4	4	0	0	1	0	0	0	0	0	0	0	0	0	0	0
3 <sup>rd</sup> Group %:	100%	100%	0%	0%	25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total %:	9%	9%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

### 4<sup>th</sup> Group: no environmental information

Cham Paper <a href="http://www.champaper.com/">http://www.champaper.com/</a>	Switzerland		NO. There is a Policy for Quality, Environment, Health & Safety in the workplace		YES											
Groupe Gascogne <a href="http://www.groupe-gascogne.fr/">http://www.groupe-gascogne.fr/</a>	France															
Iljim <a href="http://www.russianpapermills.com/">http://www.russianpapermills.com/</a>	Russia															



Mercer <a href="http://www.mercerint.com/regular/index.html">http://www.mercerint.com/regular/index.html</a>	Germany																
Perm Wood Producers <a href="http://www.permonline.ru/english/custom/wood/index_e.htm">http://www.permonline.ru/english/custom/wood/index_e.htm</a> <a href="http://www.ceebd.co.uk/ceebd/permi-di.htm">http://www.ceebd.co.uk/ceebd/permi-di.htm</a>	Russia																
Sarrio SA <a href="http://www.sarriopapel.com/Sarrio/index_dyn">http://www.sarriopapel.com/Sarrio/index_dyn</a>	Spain																
Solomba'skiy TSBK <a href="http://www.sppm.ru/">http://www.sppm.ru/</a>	Russia																
Continental Invest Group	Russia	Not found															
Karellesprom	Russia	Not found															
Kondopoga	Russia	Not found															
Solikamskumprom	Russia	Not found															
Suzer, Turkey	Turkey	Not found															
VPG Packaging	Belgium	Not found															
Companies #:	13	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
4 <sup>th</sup> Group %:	100%	0%	0%	0%	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total %:	28%	0%	0%	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Total Companies #:	46
Total %:	100%

32	28	21	15	10	17	18	17	6	12	21	25	11	9	16
70%	61%	46%	33%	22%	37%	39%	37%	13%	26%	46%	54%	24%	20%	35%



**Contacts:**

Duncan Pollard:  
Head, European Forest Programme  
dpollard@wwfint.org

Margareta Renström  
European GFTN Coordinator  
margareta.renstrom@wwf.se

Helma Brandlmaier  
European Forest Programme Communications Officer  
Helma.brandlmaier@wwf.at