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Network Finland

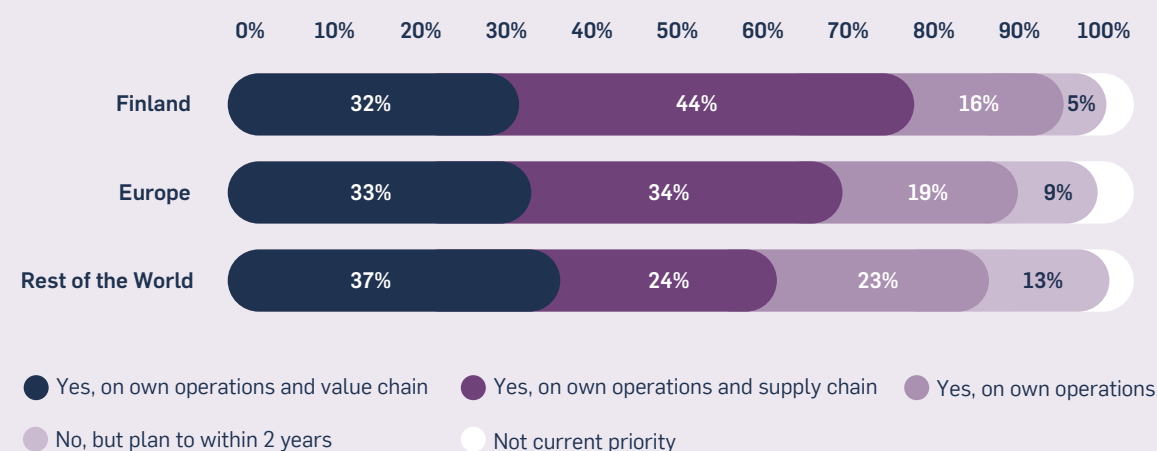
HIGHLIGHTS FROM FINNISH COP REPORTS: SOCIAL RESPONSIBILITY

Each UN Global Compact participant is expected to report on their sustainability progress annually either by submitting their Communication on Progress (CoP) report or their sustainability report to Global Compact. This snapshot is gathered from the data provided by Finnish CoP reporters in 2024. In that year, 135 entities in Finland submitted their CoP report, out of which were 68 large companies and 67 SMEs. Data selected for the snapshots has been chosen to either showcase performance or differences between Finnish CoP reporters and their peers. For more information on data gathering and methodology, please visit www.globalcompact.fi/cop-data, or scan the QR code.

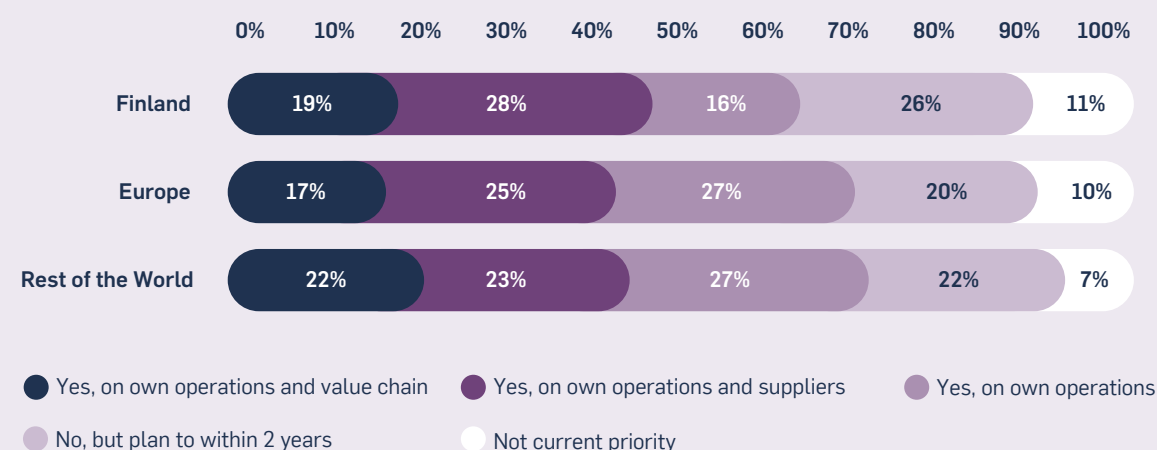


Finnish CoP reporters are committed to human rights, but due diligence processes are lagging

Does the company have a publicly stated commitment on human rights?



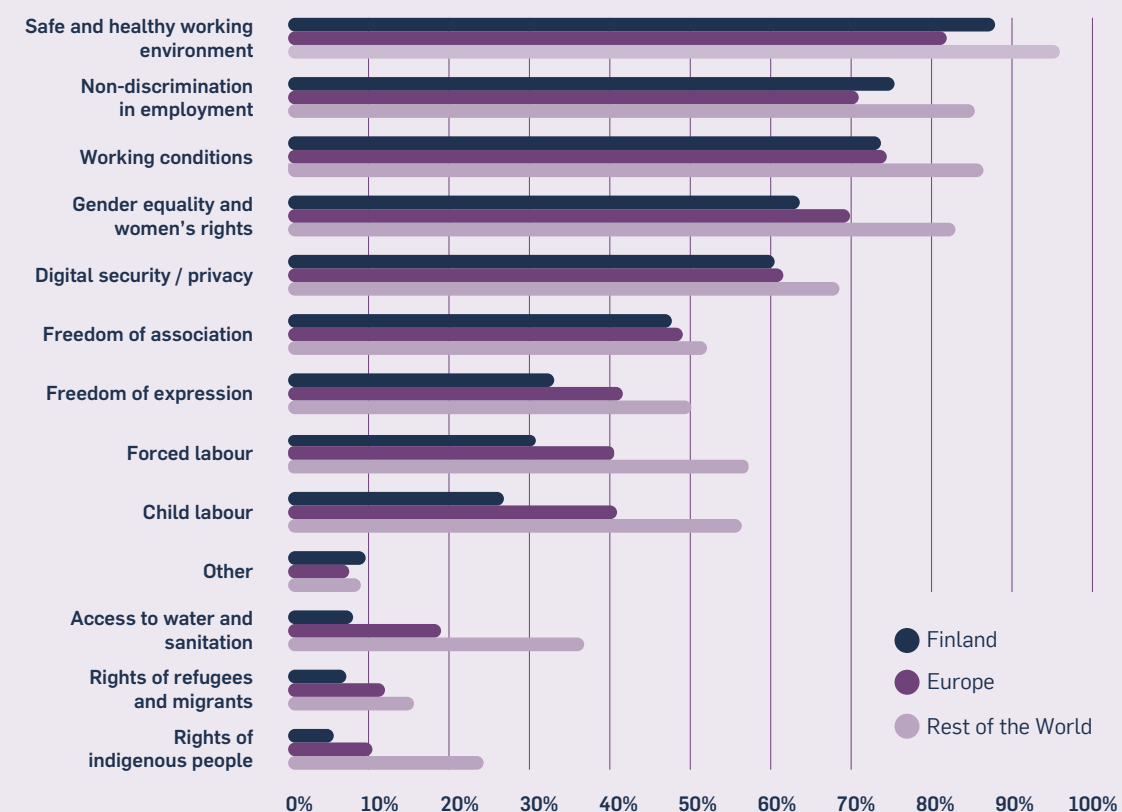
Does the company have a due diligence process on human rights?



OUR INSIGHTS: The basic expectation of international responsible business conduct is a public commitment to human rights. According to their reports, Finnish CoP reporters have a higher level of public commitment to human rights compared to other regions. However, when it comes to implementing those commitments, fewer Finnish CoP reporters than their peers have a human rights due diligence process in place. It must be noted though that the difference is small.

Occupational health and safety, non-discrimination, and working conditions most material human rights for Finnish CoP reporters

Most material human rights identified by companies



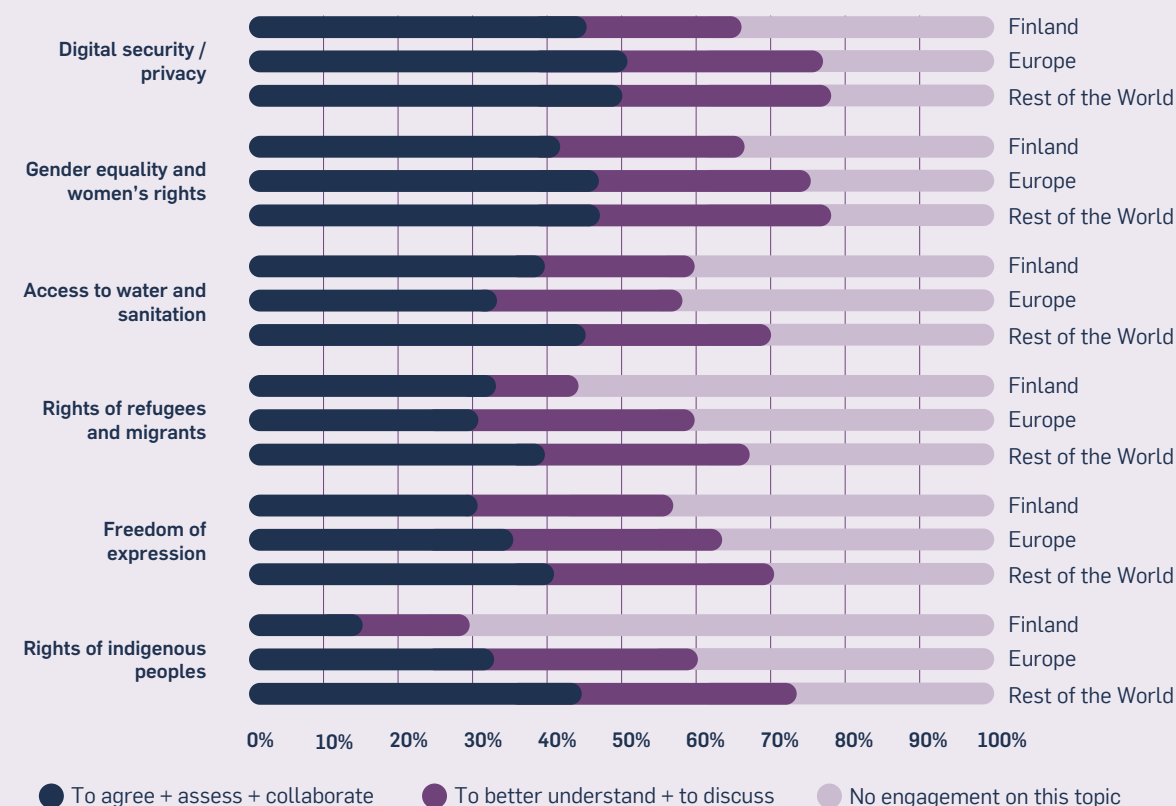
OUR INSIGHTS: In 2024 the CoP reporters were asked to identify the key risks or human rights impacts most salient to them. The aim was not for companies to select as many human rights issues as possible but rather to list the salient human rights impacts they had identified, as part of their due diligence process. Occupational health and safety (OSH) is found as the most material issue both for Finnish CoP reporters as well as their peers. OSH is also a human rights theme where there is quantitative data readily available. OSH, non-discrimination, and working conditions (working hours, wages) are also strongly regulated or institutionalized through collective bargaining in Finland. On the other hand, these are human rights that are often not met in value chains situated in countries with weak regulation or its enforcement.

Forced labour is seen as less material as a human rights issue to Finnish CoP reporters than their global peers. This seems interesting, as forced labour is a major issue in global supply chains – globally there are 27,6 million people in forced labour, 12 % of them children working in forced labour (3,3 million).¹ The European Union has introduced a ban on products made forced labour, which will be implemented from December 2027. This ban will apply to all economic actors and all products.² It will be interesting to follow, whether the ban will increase the weight of this issue in upcoming Finnish CoP reporting.

Also interesting is the very last issue on the materiality listing, the rights of indigenous peoples, as the Sámi people are Finland's and the European Union's only indigenous people. The low materiality of the issue could possibly be explained by few Finnish CoP reporters having business operations related to the Sami people and the Sami area. However, as globally there are major issues related to the rights of indigenous peoples – especially related but not limited to land rights – the percentage of this issue seems low.³

Stakeholder engagement active on digital security, very low on the rights of indigenous peoples

Stakeholder engagement and its type on human rights topics

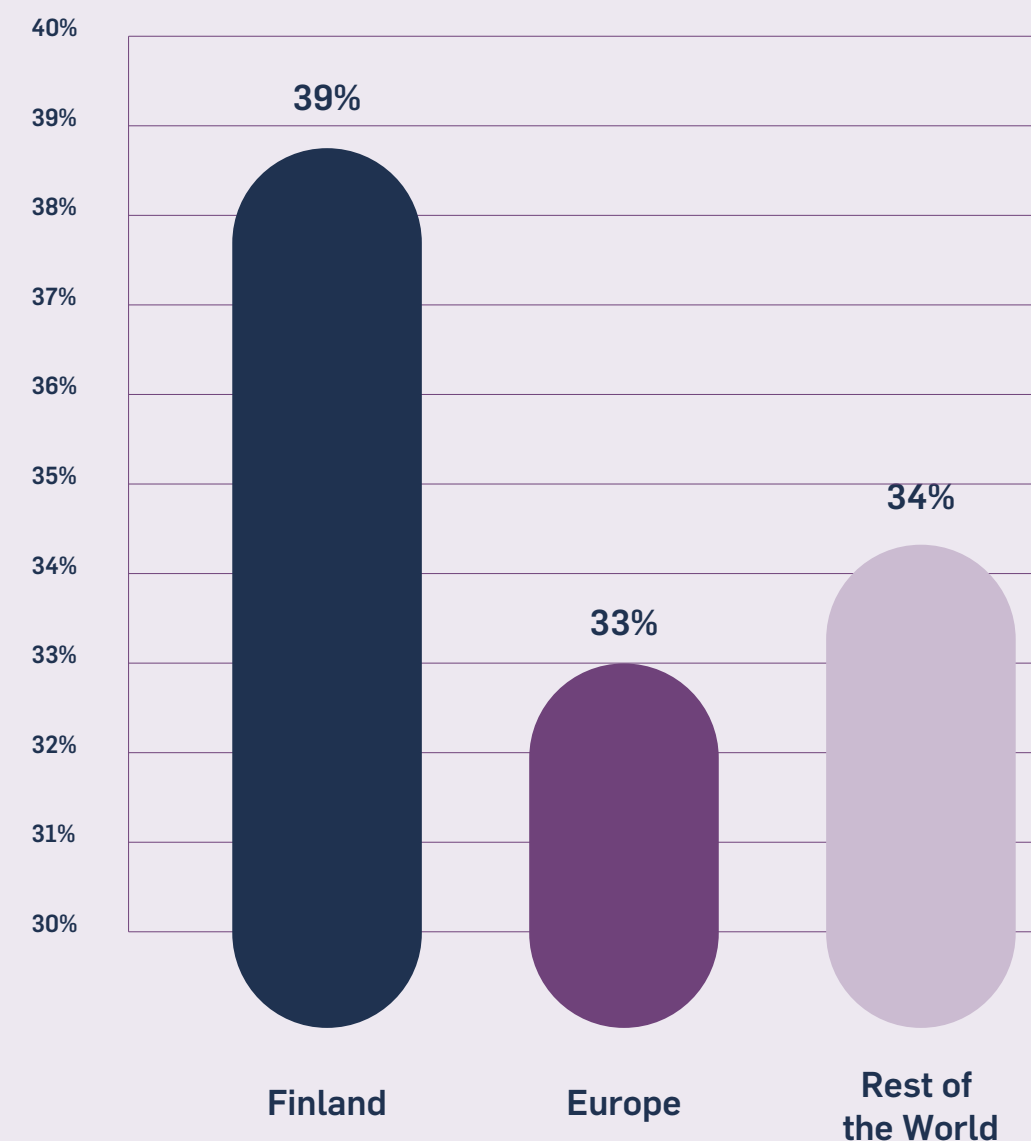


OUR INSIGHTS: Finnish CoP reporters are very active to have stakeholder dialogue on issues such as digital security, gender equality and access to water and sanitation. This can be explained by Finland as a highly digitalized society, where risks for digital data breaches are also higher. Data breaches in the past years, that have gathered major media coverage, can also explain the high number. Gender equality is the second biggest stakeholder theme, but interestingly it is an even bigger theme for engagement in other European countries and the rest of the world. One could ask if gender equality is seen as an already achieved goal in Finland. The least identified stakeholder engagement topic for Finnish CoP reporters is the rights of indigenous peoples, which again interesting. The low number could be explained by low business activity of the reporters in the Sami area – or by lack of recognition of how the rights of indigenous peoples can be adversely impacted both in Finland and globally.

In addition to looking at this graph from the dichotomy of engagement – no engagement, it is also interesting to have a look at the types of engagement. Both the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises call for a meaningful stakeholder engagement: meaning a process of interaction and dialogue between an enterprise and its potentially affected stakeholders that enables the enterprise to hear, understand and respond to their interests and concerns, including through collaborative approaches⁴⁵. In this graph we have grouped the alternative responses to those including actions (to agree, assess or collaborate) and to those based on understanding and discussion. It is positive to note that the Finnish CoP reporters tend to report more of dialogue leaning towards action rather than “just discussing”.

Some progress on the number of women in managerial positions, but leadership is still male dominated everywhere

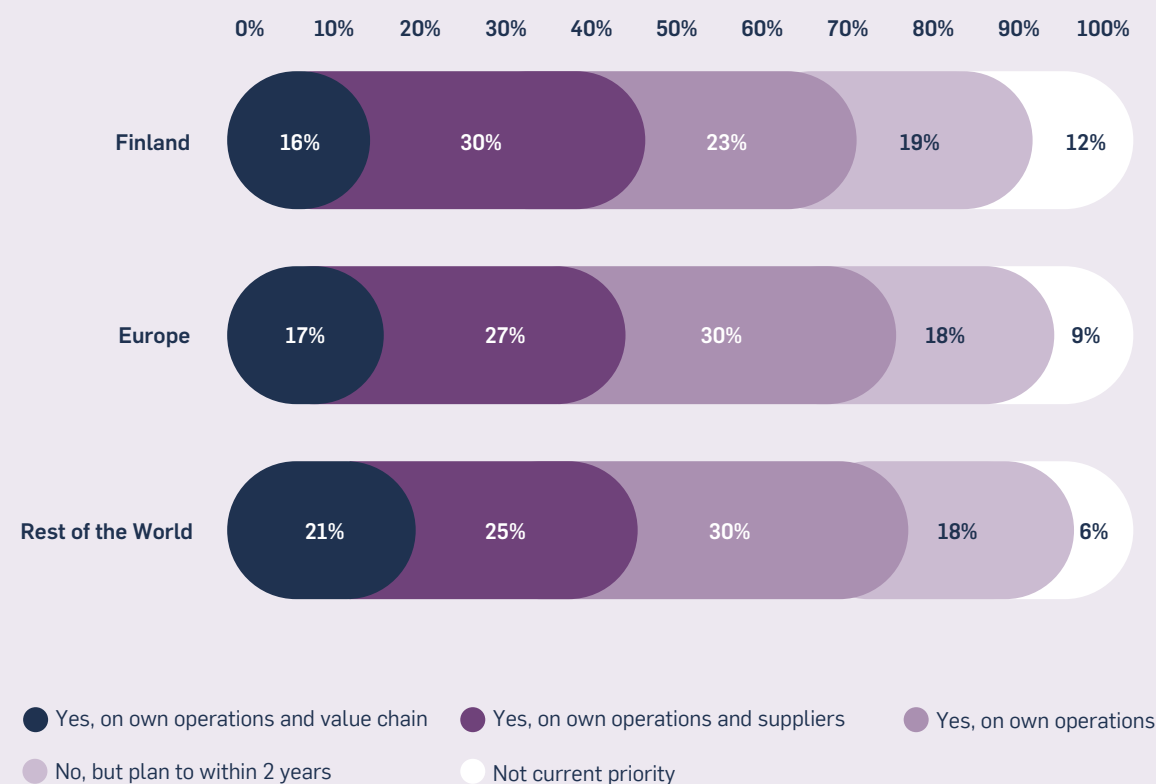
Percentage of women in managerial positions



OUR INSIGHTS: When it comes to women in managerial roles, Finnish CoP reporters take the lead with 39%, compared to 33% or reporters in Europe and 34% in the rest of the world. While none of these numbers are exactly groundbreaking – still well below parity – they do show Finnish CoP reporters pulling ahead, likely thanks to stronger workplace policies supporting women's career progression. Europe's 33% is slightly underwhelming, considering the region's emphasis on gender equality. The fact that the rest of the world is slightly ahead suggests that some countries outside of Europe are doing a better job at breaking the glass ceiling. The big picture? There's progress, but leadership is still male dominated almost everywhere.

Most companies have a due diligence process on labour rights, but there is variation on which specific risks are monitored

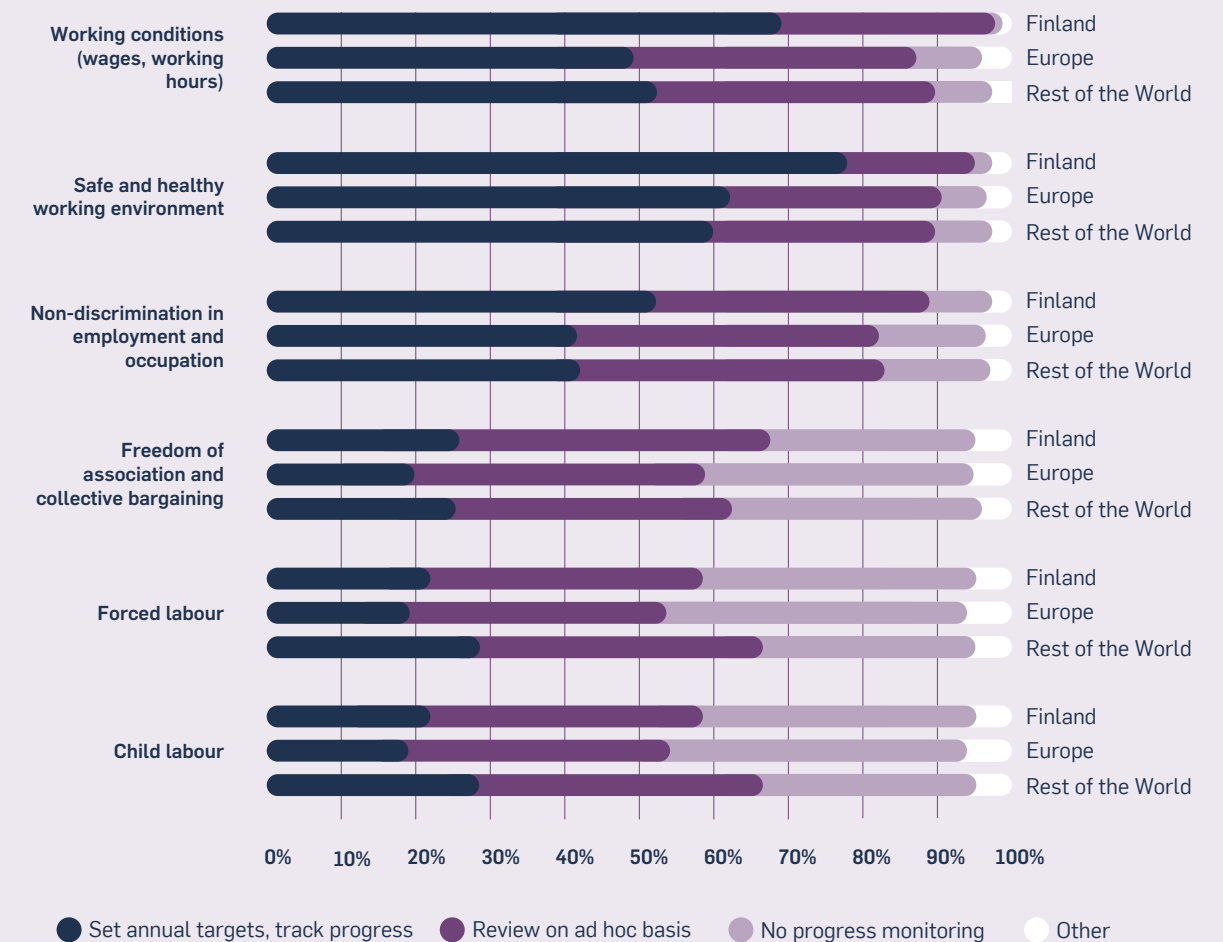
Does the company have a due diligence process on labour rights risks?



OUR INSIGHTS: Interestingly, fewer Finnish CoP reporters than their global peers say that they have a due diligence process on labour rights, although the difference is small. This could be because labour issues are so strongly subject to regulation in Finland. However, many of the Finnish CoP reporters operate in multiple countries, many of which have weaker labour regulation, or where regulation is not implemented properly. On the other hand, some CoP reporters might also have included labour rights into their human rights due diligence process.

Annual targets are set and progress tracking done mostly on working conditions, safety and health, and non-discrimination

How does the company assess progress in managing labour rights risks?



OUR INSIGHTS: When looking at how specific labour rights risks are managed, interesting patterns emerge. Most Finnish CoP reporters set annual targets or review issues on ad hoc basis on working conditions, safety and health, and non-discrimination. Target setting for the first two can be easier, as it is likely that there is available HR data on these. Very interesting are the high numbers of Finnish CoP reporters for no monitoring on child labour, forced labour, and freedom of association. As mentioned before, forced labour is a significant problem globally and can be found in Finland too, despite being criminalized in Finland. Globally there are a total of 160 million children in child labour, 70% of which working in agriculture – making the risk of child labour significant for many businesses working with agricultural supply chains⁶. Freedom of association is a so-called enabling right, meaning its existence makes it more likely that other labour and human rights are met. It also scored a high number on no monitoring both for Finnish and international CoP reporters.

Endnotes

- 1 ILO: Data and research on forced labour, <https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons/data-and-research-forced-labour>. Obtained 16 April 2025.
- 2 European Council: Forced labour products, <https://www.consilium.europa.eu/en/policies/forced-labour-products/>. Obtained 7 April 2025.
- 3 IHRB: What is Free, Prior and Informed Consent (FPIC)?, <https://www.ihrb.org/resources/what-is-free-prior-and-informed-consent-fpic>. Obtained 7 April 2025.
- 4 ILO: Data and research on forced labour, <https://www.ilo.org/topics/forced-labour-modern-slavery-and-trafficking-persons/data-and-research-forced-labour>. Obtained 27 March 2025
- 5 UN & OHCHR (2012): The Corporate responsibility to respect human rights. An interpretive guide, https://www.ohchr.org/sites/default/files/Documents/publications/hr.puB.12.2_en.pdf, p. 8.
- 6 ILO: Child labour, <https://www.ilo.org/projects-and-partnerships/projects/child-labour>. Obtained 8 April 2025.



For more information on data gathering and methodology, please visit www.globalcompact.fi/cop-data, or scan the QR code to the left.



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