

UNIVERSITY OF VAASA
SCHOOL OF TECHNOLOGY AND INNOVATIONS, PRODUCTION

Anne Hirvelä

**INTEGRATING THE MATERIAL CSR TOPICS INTO COMPANY'S
BUSINESS STRATEGY**

Case Atria Plc

Master's thesis in
Industrial Management

VAASA 2019

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SYMBOLS AND ABBREVIATIONS

BSCI	Business Social Compliance Initiative
CSR	Corporate Social Responsibility
ESG	Environmental, social and governance – ESG criteria are a set of standards for a company’s operations that socially conscious investors use to screen potential investments.
GRI	The Global Reporting Initiative. A non-profit international independent standards organization.
IIRC	The International Integrated Reporting Council
ISO 26 000	ISO standard for social responsibility
SASB	The Sustainability Accounting Standards Board

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UNIVERSITY OF VAASA
Faculty of technology

Author:	Anne Hirvelä	
Topic of the Master's Thesis:	Integrating the material CSR topics into company's business strategy, Case Atria Plc	
Instructor:	Jussi Kantola	
Degree Programme:	Master's Programme in Industrial Management	
Year of Entering the University:	2017	
Year of Completing the Master's Thesis:	2019	Pages: 55

ABSTRACT:

Corporate social responsibility, CSR, is a broad concept with many dimensions and complementary aspects. For different companies, the materiality of CSR aspects varies greatly. This study outlines the modern concept of CSR from the business implementation point of view. The theoretical frame of reference focuses on CSR as strategic value creator and how the materiality of aspects is theoretically addressed. The empirical part of the study examines how these things are put into practice in the case company: *1) How is the materiality of the CSR topics identified and prioritized in the case company? 2) How are the material topics integrated into the case company's business strategy and processes? What are the practical tools for the integration?*

The study was an abductive, qualitative case study with the aim of providing the case company with information on its prevailing CSR management model. The empirical part of the study combined information from public sources, case company's management system documentation, and interviews with people responsible for the case company's business processes. The findings were grouped and evaluated from the perspective of the outlined theoretical framework.

According to the research findings, the case company's materiality analysis of the CSR aspects and their integration into the business strategy were in many respects in line with the theoretical understanding of modern concept of CSR and the international frameworks.

KEYWORDS: CSR, materiality analysis, strategic CSR

VAASAN YLIOPISTO**Tekniikan ja innovaation yksikkö**

Tekijä:	Anne Hirvelä	
Tutkielman nimi:	Olennaisten yritys vastuuteemojen integrointi yrityksen liiketoimintastrategiaan, Case Atria Oyj	
Ohjaajan nimi:	Jussi Kantola	
Ohjelma:	Tuotantotalouden maisteriohjelma	
Opintojen aloitusvuosi:	2017	
Tutkielman valmistumisvuosi:	2019	Sivumäärä: 55

TIIVISTELMÄ:

Yritysvastuu on laaja käsite, jolla on useita ulottuvuuksia ja toisiaan täydentäviä näkökohtia. Eri yrityksille vastuullisuusnäkökohtien olennaisuus vaihtelee suuresti. Tässä tutkimuksessa avataan nykyaikaista strategisen yritysvastuun konseptia. Teoreettisessa viitekehysessä keskitytään siihen, miten vastuullisuuden nähdään luovan strategista lisäarvoa ja miten näkökohtien olennaisuutta teoreettisesti käsitellään. Empiirisessä osiossa tutkitaan, miten näitä asioita toteutettiin käytännössä tapausyrityksessä: *1) Kuinka CSR-aiheiden olennaisuus tunnistetaan ja priorisoidaan tapausyrityksessä?* ja *2) Kuinka olennaiset yritysvastuun näkökohdat integroidaan tapausyrityksen liiketoimintastrategiaan ja prosesseihin? Mitkä ovat integraation käytännön välineet?*

Tutkimus oli abduktiivinen, laadullinen tapaustutkimus tavoitteenaan tuottaa tapausyritykselle tietoa sen tutkimuksen ajankohtaisesta yritysvastuun johtamismallista. Tutkimuksen empiirinen osa suoritettiin yhdistämällä tietoa tapausyrityksen julkisista lähteistä, johtamisjärjestelmän dokumentaatiosta ja eri toiminnoista ja liiketoimintaprosesseista vastaavien henkilöiden haastatteluista. Löytöjä ryhmiteltiin ja arvioitiin esitetyn teoreettisen viitekehysten näkökulmasta.

Tutkimuslöydösten mukaan tapausyrityksessä vastuullisuusnäkökohtien olennaisuuden arviointi ja näkökohtien sisällyttäminen liiketoimintastrategiaan vastasi monilta osin teoreettista modernin yritysvastuun käsitystä ja kansainvälisissä viitekehysissä esitettyjä suosituksia.

AVAINSANAT: Yritysvastuu, olennaisuusarviointi, strateginen yritysvastuu

1 INTRODUCTION

In the company's point of view, corporate social responsibility (CSR) is a process of understanding the constantly evolving stakeholder values and expectations and matching them into corporate operations (Chandler & Wertner 2017). CSR is a broad concept that addresses various CSR aspects. The way the aspects are understood and implemented in practice in different companies vary greatly. One reason for this is because the aspects' materiality to the companies differs. This study outlines the modern concept of CSR from the business implementation point of view.

There are several international standards, recommendations and conventions for CSR. To tackle them all is not only challenging, it may also be waste of time since all CSR aspects are not relevant to all companies and their stakeholders. Corporate responsibility is all about understanding the major impacts that the company's operations have to its society and manage them in socially acceptable way. This study focuses on how the materiality is theoretically dealt with and how it is implemented in practice in the case company.

Today's media and public debate challenge the companies to be more transparent in their operations and business decisions. The demand for genuine interaction with the company's stakeholders and taking part in the public debate has increased over the last decade. As the nature of today's public debate, especially in social media, is dynamic and the issues that arise hard to predict, companies need to identify its responsibility to the society and be prepared in the questions that they may encounter in order to maintain their social license in the market. According to Fibs (2018) sustainability in Finland survey over half of the responded companies state that they take public stand in the social issues that are close to their core business.

Other findings in the Fibs (2018) sustainability in Finland survey that have motivated this study are as follows: The key driver to investing in CSR in Finnish companies is securing the future operating conditions; The companies already consider that the business benefits brought by investing in CSR are greater than the resources used in it. Moreover, the survey indicates that the importance of CSR is believed to increase in the future; Integrating CSR into the core business activities is considered the biggest responsibility management

challenge. Also measuring and verifying the sustainability performance is considered challenging in the Finnish companies. (Fibs 2018.)

1.1 The case company

The case company, Atria Plc is one of the largest meat and food manufacturers in its operating countries: Finland, Sweden, Denmark, Russia and Estonia. The company was established in 1903. It is a public company listed in Nasdaq Helsinki Ltd. The majority of Atria's shares are owned and governed by its co-operative farmers. In 2018, Atria's net sales exceeded EUR 1.44 billion and it employed approximately 4,460 people. Atria reports its financial and responsibility indicators from four business areas: Atria Finland, Atria Sweden, Atria Russia and Atria Denmark and Estonia. (Atria 2019a.)

CSR elements are already strongly communicated in Atria's corporate communications as well as in brand communications in Finland. Atria (2019b) states that responsibility is an integral part of its corporate culture covering all levels of its' operations: goals, values, strategies, management and everyday work. At Atria (2019b) responsible operations are considered as precondition for success since the trust of its stakeholders can only be obtained through transparency and continuous improvement in all areas of operation.

The company has a history in implementing CSR into its operations and reporting these issues annually since 2009 (Atria 2019c). According to Atria's (2019c) Responsibility report the reporting has followed the international reporting standards such as GRI and ESG. Atria (2019c) mentions several international conventions and recommendations that it follows and has implemented them into its company policies.

So far at Atria, the perspective of corporate responsibility has been quite standard-centred. While the sustainability and quality experts of the company are familiar with the CSR implementations in the management system and the other organization members understand specific CSR issues of the processes they work with, yet the big picture of the company's CSR work is difficult to understand and explain. Atria's goal is to turn the process view of CSR from the standards' point of view into the business demands' point of view.

Atria has reconstructed its corporate responsibility strategy in 2018 aiming to a business-aligned approach on sustainability with a holistic view and clear direction. The aim of this study is to help Atria implementing the new strategy by providing the analysis of the current CSR management model. Furthermore, the goal is to provide suggestions to develop the managing model so that it is agile enough to ensure the stakeholder needs are met and the material CSR issues are integrated into core business and strategy.

1.2 Research problem

Considering the scope of the study and the goals of the case company, the research questions have been identified as follows:

RQ1: How is the materiality of the CSR topics identified and prioritized in the case company?

RQ2: How are the material topics integrated into the case company's business strategy and processes? What are the practical tools for the integration?

1.3 Outline of the study

The research approach is abductive and research strategy a qualitative case study. The thesis is roughly divided into five parts. First part introduces the research problem along with the basic details of the case company and the motivation behind the study. The second part outlines the theoretical background of the study that focuses on the modern concept of CSR and its implementations in accordance with the research questions. The third part describes the methodology of the empirical part of the study. The fourth part discusses the findings of the empirical study and finally the fifth part concludes the results against the original goals of the study.

2 MODERN CORPORATE SOCIAL RESPONSIBILITY

The theoretical approach of study is limited on the modern concept of corporate social responsibility (later CSR) from a strategic perspective. It discusses what strategic CSR means in theory and in practice, how can CSR be defined and implemented to create value within a company.

2.1 The modern concept of CSR

The companies' role in the society and their contribution to sustainable development is a broad topic that has been in the centre of public debate and research for decades (Chandler & Wertner 2017). This topic is also known as CSR. Nevertheless Chandler & Wertner (2017) discuss that there is no commonly accepted definition of CSR, there are several international initiatives as well as political strategies, affecting the development of applying legislation, that do define CSR and its concerns quite similarly. The European Commission (2011) defines CSR as:

“The responsibility of enterprises for their impact on society. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility.

To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximising the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;*
- identifying, preventing and mitigating their possible adverse impacts.”*

One prevailing view for CSR is that it means taking action beyond the requirements of the legislation (Juutinen, 2016). Sarkar & Searcy (2016) explored how the concept of

CSR has evolved over time and found six recurrent, enduring dimensions that underpin the CSR concept: social, sustainability, economic, stakeholders, ethical and voluntariness.

Sustainable development is another concept that is much used in the same context with CSR. In contrast to CSR, sustainable development is a widely accepted concept that was introduced in 1987 by the United Nations Commission on Environment and Development in the publication *Our Common Future* (UN, Brundtland, 1987): “*The ability to meet the needs of the present without compromising the ability of future generations to meet their needs.*” While both concepts CSR and sustainable development have three interdependent dimensions identified – economic, social and environmental, CSR has the individual company as its focus and sustainable development is a broader concept looking at the needs of the society and planet (ISO 26 000, 2011). For a company, sustainable development can be considered as a way to sum up the broader expectations of society that must be taken into account when a company seeks to conduct business responsibly (ISO 26 000, 2011).

2.2 Principles and dimensions of CSR

In short, the overall principle of CSR is to contribute to sustainable development. As discussed previously, sustainable development and corporate responsibility are overlapping and mutually supportive concepts. However, they are multidimensional concepts that are difficult to comprehend unless divided into smaller perspectives, such as related principles or dimensions. Although there are several other perspectives that divide the dimensions of CSR, this chapter presents the breakdowns against which the case company’s activity will be evaluated later.

The ISO 26 000 (2011) defines general principles for CSR as accountability, transparency, ethical behaviour, respect for the stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights. CSR principles defined in ISO 26 000 (2011) are well in line with the European Commission (2011) definition on CSR represented previously in chapter 2.1. With accountability and transparency principles the standard denotes that the company needs to identify the impact of its

decisions on the surrounding society, the economy and the environment. The company's stakeholders as well as the authorities are entitled to scrutiny company's operations whereas the transparency principle stands for the accepting this scrutiny and building trust with the open dialogue in the issues that are important to its stakeholders. By ethical behaviour the standard refers to behaviour that is based on the values of integrity, equity and honesty and building a system that support these values in practice. Furthermore, the standard instructs the company to examine the materiality of corporate responsibility issues from the point of view of seven core subjects that are organizational governance, human rights, labour practises, the environment, fair operating practises, consumer issues and community involvement and development. (ISO 26 000, 2011.)

The basic dimensions for CSR haven't changed from Carrol's (1979) A Three-Dimensional Conceptual Model of Corporate Performance or Elkington's (1997) triple-bottom line of sustainability. The dimensions contributing to each other are social, economic and environmental responsibility, see figure 1. In the ISO 26 000 standard, GRI reporting standard and most of the latest literature eg. Chandler & Wertner (2017) and Kurittu (2018) have high emphasis on the importance of defining the materiality of the CSR issues within these dimensions to the company in question when planning the practical implementations and reporting the company's responsibility.

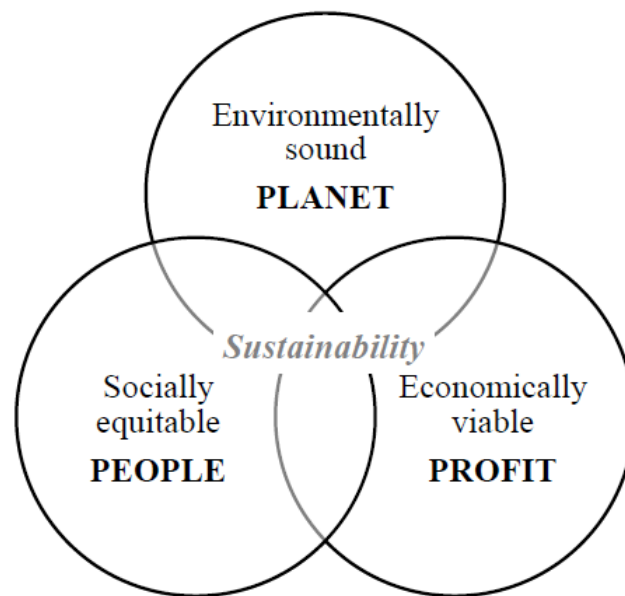


Figure 1. The triple-bottom line of sustainability (Elkington 1997).

2.3 Strategic CSR

Juutinen (2016) considers corporate responsibility to be strategic when it is understood as part of the company's value creation as it can affect the quality, availability and price of different types of capital. Investing in responsible business practises are considered to be a prerequisite for profitable business in mid and long term since it connects the risk management to core business as Chandler (2014) defines Strategic CSR: *“The incorporation of a holistic CSR perspective within a firm’s strategic planning and core operations so that the firm is managed in the interests of a broad set of stakeholders to optimize value over the medium to long term.”* Chandler & Wertner (2017) encapsulate the integration of CSR to day-to-day operations of the company by combining the following five components:

1. Incorporation of a CSR perspective within the company’s culture and strategic planning process.
2. CSR actions shall be directly related to core operations.
3. Stakeholder involvement that seeks to understand and respond to the needs of the company’s stakeholders.
4. Optimized value creation.
5. Shifting the management perspective of resources and stakeholder relations from short term to medium to long term.

2.3.1 CSR in strategic planning

Good strategy aims in providing the company’s business with a competitive advantage. Strategic planning or the process of strategy work can be described in many ways. In practice, companies adjust the coverage of the strategy process to their own needs. Roughly, the strategy process can be thought of as a linear model or more modern way to describe it is as a continuous management process. In a linear process, the strategy can be divided into five stages that loops back from the stage five to stages 1-4: 1) Defining vision and mission; 2) Setting goals; 3) Developing a strategy to achieve the goals; 4) Implementing the strategy; 5) Measuring, evaluating and taking corrective measures. The modern process of strategic management is considered as a continuous work that includes

pre-determined steps, but the duration and order of these phases are flexible. Thereby the strategy is divided into three phases: 1) strategic position analysis; 2) strategic choice; 3) implementing the strategy. (Vuorinen, 2013.)

As Pellinen (2017) sums up, CSR should not be seen as a constraint or extra cost in the companies, but as a strategic opportunity to renew and develop new sources of competitive advantage. In practise, CSR perspective can be included in all the steps that are typical in the strategy process described previously. In the company's strategy process CSR is strongly linked to the analysis of the operating environment as risks and opportunities that may result in new services or products or new markets (Juutinen, 2016).

Chandler & Wertner (2017) introduce the idea of CSR filter. As illustrated in the figure 2 there are three types of constraints for company's vision, mission, strategy and tactics. Resource constraints mean the company's access to resources such as the human, social and financial capital. The company's internal policies form the policy constraints that shape the company's culture. Environmental constraints are those that are generated by external factors such as legislation, markets and technology that shape the context in which company can implement its tactics to pursue its strategic targets. Therefore, an effective competition strategy is developed within the constraints mentioned and evaluated through a CSR filter to assess the company's impact on relevant stakeholders. (Chandler & Wertner, 2017.)

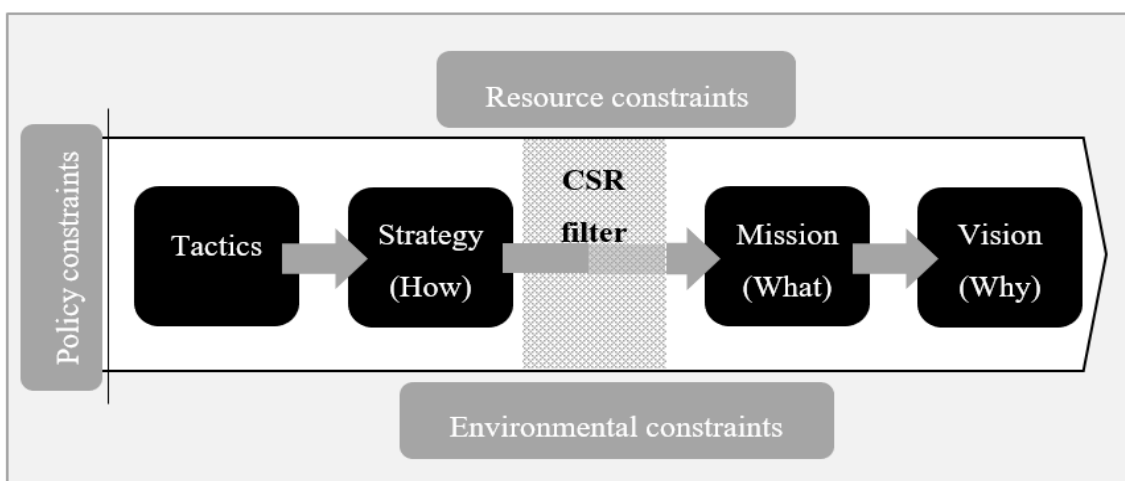


Figure 2. Strategic constraints and the CSR filter adapted from Chandler & Wertner (2017).

2.3.2 Stakeholders' role in strategic CSR

As discussed earlier the respect for stakeholders' interests is a basic principle for CSR, and therefore the company should consider and seek to respond to them (ISO 26000, 2011). Besides observing the interest of the company's stakeholders, maintaining a dialogue with them provide the company with many opportunities from better risk management to creating common business value (Pohl & Tolhurst, 2010). Although the company's own objectives may be limited to quite small group of stakeholders, each stakeholder have their own definition on CSR and expectations towards the companies (Pellinen, 2017). By systematically mapping stakeholders' still partly strange and non-mainstream expectations, reading these weak signals can anticipate the upcoming changes (Juutinen, 2016). The company should therefore expand their view when identifying their stakeholders and their interests to include all those stakeholders who, collectively, define the operating environment (Chandler & Wertner, 2017). For ignorance in the concerns of the stakeholders might result in serious financial or reputational disadvantages (Pohl & Tolhurst, 2010).

Defining which issues are important and those that are not, stakeholder management is needed since most likely the values and interests of one stakeholder group conflict with those of another or with the company itself. It is also needed since the stakeholders are not equally important to the company. In stakeholder management it is important to understand that a company's stakeholders form a network that is characterised by different stakeholders having intercedences. It is clear that the companies cannot satisfy all the interests of all the stakeholders, but through an open dialogue and communications companies can show that they are dealing responsibly with the issues they have an influence in. (Pohl & Tolhurst, 2010.)

Rather than confronting the goals of the stakeholders and the company, it is seen more sensible to seek cooperation and define corporate responsibility targets integrated into the corporate strategy (Pellinen, 2017). To do so a stakeholder dialogue comes into picture. Pohl & Tolhurst (2010) describe it as a structured discussion between the company and one or several stakeholder groups. Pohl & Tolhurst (2010) distinguish the stakeholder dialogue according to the level of stakeholders' participation in it and further, provides

with example methods of each level of dialogue. A first level of dialogue is informative communication, where stakeholders are provided with information in one direction only and where the content of the information communicated is in full control of the company (Pohl & Tolhurst, 2010). The second level of dialogue is consultative, where the stakeholders are asked for their views for specific issues and the results of the consultation are utilized in the corporate decision-making process (Pohl & Tolhurst, 2010). The third level of stakeholder dialogue is decisional, where the stakeholders get to involve in company's decision making by, for example, continuous dialogue processes, joint projects or stakeholder panels (Pohl & Tolhurst, 2010).

2.3.3 Value creation with strategic CSR

The underlying general conception is that the companies' activities depend on the health of the world's ecosystems (ISO 26 000). Therefore, companies' impacts on their operating environment and their social acceptability has become a critical part of measuring the companies' overall performance and their ability to operate effectively (ISO 26 000). Moreover IIRC (2013) notes that an organisation does not create value within or by itself alone. Value is created through stakeholder relationships while it is influenced by the external environment as well as it is dependent on various resources (IIRC, 2013).

IIRC (2013) defines the value creation as the process that increases, decreases or transforms the different forms of capital through company's business activities and outputs. The IIRC (2013) value creation process is illustrated in figure 3. The discussed capitals in the IIRC Framework (2013) are defined as the stocks of value that are categorized as financial, manufactured, intellectual, human, social and relationship, and natural. The referred business activities that are the main vessel to create value include

- the planning, design and manufacture of products;
- the utilization of skills and knowledge in the provision of services;
- the innovating in terms of creating new products or services, increasing efficiency and better use of technology, substituting inputs to minimize adverse social or environmental effects, and find alternatives to outputs.

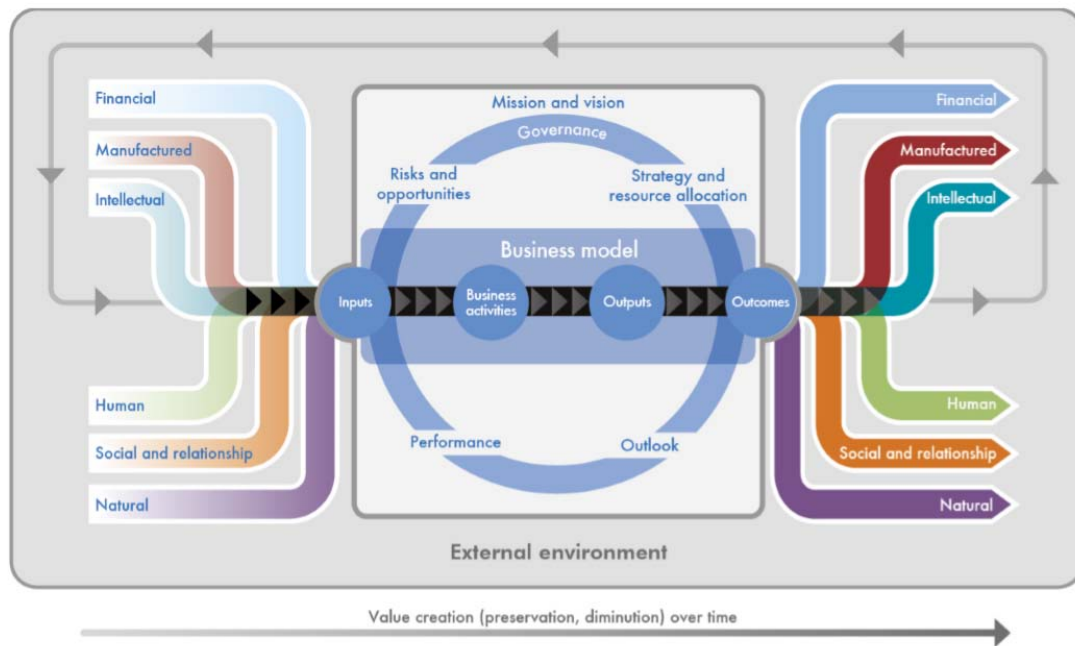


Figure 3. The value creation process adapted from IIRC (2013).

Juutinen (2016) discusses that the investments in CSR can be justified by the fact that it enables the company to improve its strategic agility through four factors that are discussed in figure 4: Improved competitiveness, better networking, more efficient use of resources and personal motivator. The company's competitiveness improves both by creating new cash flow and growth and also by creating opportunities for more affordable financing by lowering the business risks. By supporting networking with different stakeholders, CSR raises the expectations of different parties and weak signals. CSR can also help to improve cost-efficiency by making more efficient use of various resources, such as raw materials and energy. It is also important that the company's management and its employees can act according to their own values and be proud of the company, assuming that people rather act responsibly than irresponsibly. (Juutinen, 2016.)

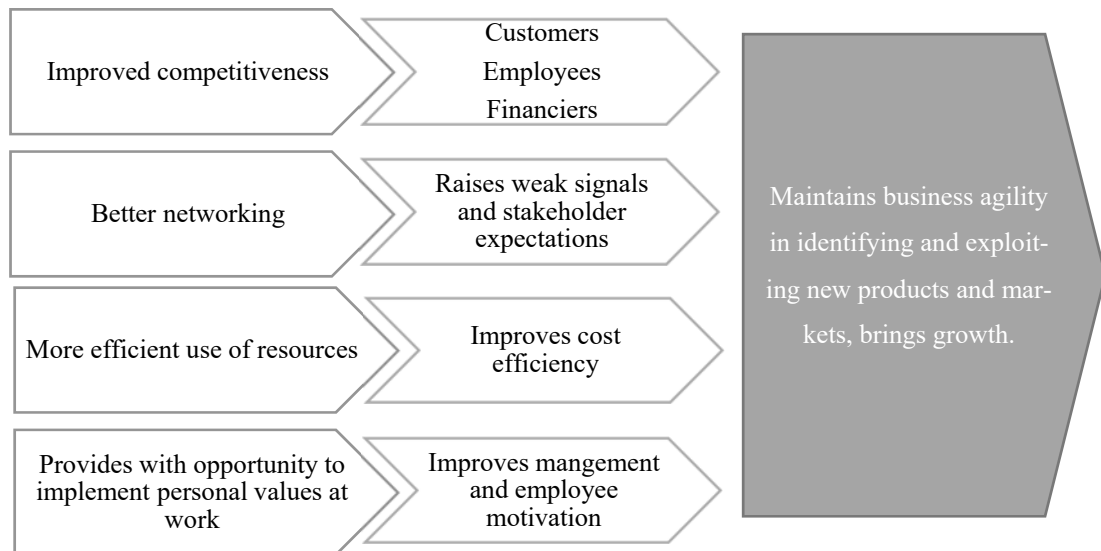


Figure 4. Benefits of CSR adapted from Juutinen (2016).

According to Juutinen (2016) CSR perspectives should be treated in the same way as other factors that influence the company's value and success. Consequently, those CSR issues which can increase the company's customers' willingness to pay or buy in the first place or reduce costs anywhere in the value chain are material to the business (Juutinen, 2016).

Winston (2014) summarizes the linkage between the CSR issues and value creation as represented in table 1. Evaluation of the CSR issues from the business perspective, for example by reflecting them to the Winston's (2014) value creating factors described in table 1, should lead to identifying the material issues in the company's own activities, in the supply chain as well as the things that customers cannot accept and that make the purchase decision unfulfilled (Juutinen, 2016).

Table 1. Value creating factors adapted from Winston (2014).

Value creating factor	CSR value creator	What does it mean in practise?
Turnover	<ul style="list-style-type: none"> • New products • Increased sales • Higher price 	Make more money
Brand	<ul style="list-style-type: none"> • Distinctive products • Customer loyalty • Employee availability and turnover 	Secured money making in the future
Costs	<ul style="list-style-type: none"> • Ecoefficiency • Capital efficiency • Insurance costs 	Spend less money
Risks	<ul style="list-style-type: none"> • Supply chain reliability • Less variation in price changes • Business continuity and flexibility 	More reliable money
Combination of the factors	<ul style="list-style-type: none"> • Business model innovations • “Licence to operate” • Forerunner advantage 	Higher business value

Juutinen (2016) divides the value creation of CSR into three levels as describe in figure 5. At the bottom level lay the type of CSR value creators that relate to identified operational risks, such as risks and costs associated with material and energy efficiency. The company seek to manage the risks both in their own and in the value chain to achieve cost savings. In the middle level are the CSR issues the company considers as the current market and stakeholder expectations and takes care that they are being met by developing products and services according to them in order to maintain competitiveness in business. On the top level there are the CSR issues the company has identified as factors affecting the quality, availability and price of capital types now and in the future, as well as weak signals. These issues are not only treated as risks but also as possibilities for growth or new business innovations. (Juutinen, 2016.)



Figure 5. Different stages of value creation (Juutinen, 2016).

2.4 Managing and communicating CSR

For managing and reporting CSR there are several international frames of reference. The standards and the guidance underlying the international conventions are useful for the companies' management since they define and concretize the stakeholder expectations in different aspects of CSR for example through the reporting disclosure descriptions. This study focuses on the standards and the conventions that are applied or adapted in the case company.

In line with the transparency principle (ISO 26 001) corporate communications role is to provide the stakeholders with material and reliable information of the company's governance and the policies and actions the company has taken in order to address its material CSR issues.

2.4.1 CSR management standards

The companies that operate in OECD member countries are bound to conduct business in accordance with the OECD Guidelines for Multinational Enterprises. This is because the Guidelines are promoted by the member country's government policies and legislation. The Guidelines provide voluntary principles and standards for responsible business conduct. The provided comprehensive recommendations are related to compliance with

domestic legislation and international standards, disclosure, human rights, employment and industrial relations, environment, combating bribery and extortion, consumer interests, science and technology, competition and taxation. The Guidelines aim to strengthen the mutual trust between the companies and their operating societies, promote sustainable development and improve the investment environment. As well they aim to promote positive impacts of the companies' business on economic, environmental and social development worldwide. (OECD, 2011.)

The UN Global Compact Management Model is a practical tool to help companies to develop their sustainability management and performance. The model provides companies guidance to create their corporate responsibility strategy based on the Global Compact and its principles. Hereby the model consists of parts that describe how the company may formally commit to, assess, define, implement, measure, and communicate their corporate responsibility strategy accordingly as illustrated in figure 6. (UN Global Compact, 2010.)

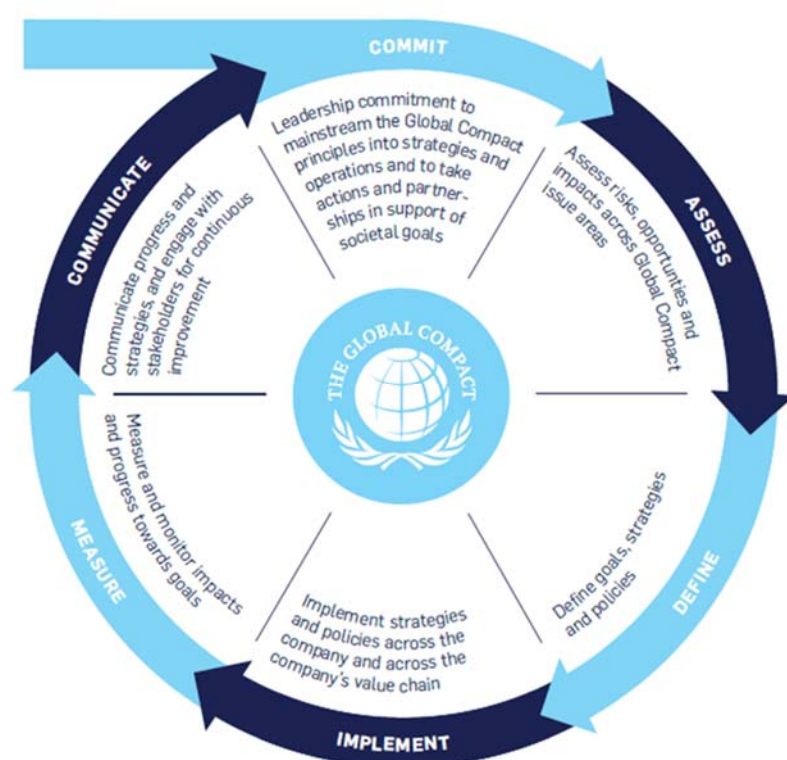


Figure 6. The UN Global Compact Management Model (2010).

All the Finnish companies that are listed on Nasdaq Helsinki Ltd must comply with The Finnish Corporate Governance Code. It is a collection of recommendations on good corporate governance and they supplement the obligations set forth in the legislation. It consists of two parts, the recommendations that and the reporting guidance. The main principle in the corporate governance code is the comply-or-explain. It means that companies must strive to comply with all the practises described in the Code, however all the practises may not necessarily apply equally well to all companies. Therefore, it offers companies needed flexibility in applying the Code, since a company may adopt procedures that differ from the Code's recommendations if these alternative procedures are sufficient to guarantee appropriate level of governance. (Securities Market Association, 2019.)

2.4.2 Materiality of CSR issues

Materiality assessment usually is part of company's strategy work (Juutinen, 2016) bearing in mind that the process is highly individualized depending on the company's business (Vuorinen, 2013). It is a process in which a company identifies the most important environmental, social and governance issues in the context in which it operates (Datamaran, 2018). CSR issue is material if it is likely to have remarkable impact on company's value creation (IIRC, 2013). Materiality is assessed against the importance in terms of its known or potential effect on value creation with reference to extent of the matter's effect and, likelihood of occurrence (IIRC, 2013). The results of a material assessment can be used to CSR reporting, reputation management and align business strategy to create business value and minimize risks (Datamaran, 2018).

Most of the reporting standards view the materiality through investors' perspective since the reporting is primarily targeted at them. For example, The Sustainability Accounting Standards Board (SASB) defines financially material issues, as "*the issues that are reasonably likely to impact the financial condition or operating performance of a company and therefore are most important to investors*" (SASB, 2018). Whereas the Global Reporting Initiative (GRI) has wider stakeholder perspective and it suggests "*the report should cover aspects that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of its stakeholders.*" (GRI, 2019).

2.4.3 CSR reporting frameworks

In 2013, the International Integrated Reporting Council (IIRC) published the International Integrated Reporting Framework. The purpose of an integrated report is to explain to the investors and other stakeholders how the company creates value over the short, medium and long term. The Framework pins out the information to be included in an integrated report while it does not describe specific indicators, the disclosure or measurement methods of individual matters. This approach gives the organisation, that is preparing and presenting the report, flexibility since the organisation define the material issues and how they are disclosed by themselves. (IIRC, 2019).

First and the most widely adopted global sustainability reporting standards are the GRI Standards (GRI, 2019). As the Global Reporting Initiative (2019) states, the GRI Standards have been continuously developed over 20 years and has reached a global best practice position for reporting on sustainability issues. In addition to developing the available GRI Standards, the GRI support the widespread use and implementation of the standards (GRI, 2019).

The global stock exchange, Nasdaq, updated the ESG data reporting guide to version 2.0 that was originally launched in March 2017. The emergence of ESG (Environmental, Social, Governance) data as a significant performance signal and promotion of meaningful engagement between investors and listed companies were the factors behind launching the reporting guide. The ESG Reporting Guide aims to improve the ESG engagement for all sizes of companies by simplifying and standardizing the guidance and used metrics and incorporating the emerging frameworks such as SDGs, GRI Standards and EU NFR Directive to reporting guidance. (Nasdaq, 2019.)

Agenda 2030 - The UN Agenda for Sustainable Development was adopted by all United Nations Member States in 2015. It is implemented through 17 Sustainable Development Goals, SDG's. The Agenda is politically binding on the UN Member States while it is applied in years 2016-2030. In Finland the Agenda 2030 is implemented through legislative and policy measures of the Government together with the various international and national agreements and strategies that are binding on Finland. Nevertheless, the Agenda 2030 is binding for the UN Member States, form the private sector point of view the

SDG's themselves are nonbinding and there are few substantial guidelines for reporting of efforts that contribute to achieving the SDGs. For an individual company, setting targets against the SDG's is voluntary and many of the indicators are equivalent to those that are represented in different reporting standards. For example, ESG Reporting Guide serves connection table to SDG's and other reporting frameworks. (Valtioneuvoston kanslia, 2019.)

3 METHODOLOGY

This thesis is a qualitative case study by its design. Moreover, the research approach is abductive, meaning that the theory represented in the study builds comprehension for the empirical research and the data collected from the case company completes the theoretical understanding of the phenomenon under study. The data used in the research is from secondary data sources. The data analysis method was a content analysis. As an employee of the case company, the author of this study had the access to the relevant data concerning the case company, bearing in mind that the business sensitive data was not to be disclosed to the public.

3.1 Dataset

The dataset is internal secondary data consisting of the documentation of the management system for example the process and management descriptions, management reviews and meeting minutes. The documented information was complimented with interviews with the responsible managers and operative directors. 25 people in total were interviewed, mostly from Atria Finland business area but also people representing Atria Sweden, Atria Russia and Atria Group.

To answer the first research question *“How is the materiality of the CSR topics identified and prioritized in the case company?”* the documentation of the materiality analysis that was conducted in 2018 was studied. The documentation consisted of process descriptions, strategy work reports, interview reports and materiality assessment data.

To answer the second research question *“How are the material topics integrated into the case company’s business strategy and processes? What are the practical tools for the integration?”* Atria’s management system with its process descriptions as well as the documentation of the company’s CSR strategy work were studied. Atria’s responsibility report 2018 also served information on the practicalities related to implementation of the CSR themes.

3.2 Data collection

The data collection for the study took place Q3/2018. Atria's processes were described in the management system that was documented in the company's internal SharePoint-system called Arena. The process descriptions included the information of process owners, management procedures, the internal and external stakeholders that the process had, and the most significant operative risks and opportunities that the process managed.

The documented information was complimented with interviews with the managers and operative directors responsible of Atria's key process and/or supporting functions. The frame of the interview is presented in Appendix 1. The head of Atria Finland's quality organization, who has been responsible for the materiality analysis and CSR reporting, was also interviewed to gain background information on how the company had defined its material topics in the past.

3.3 Data analysis

After collecting the data, the information was summarized, grouped and analysed against the introduced theoretical frame of reference to discuss the objectives of the study.

To answer to the first research question, the process steps of the case company's materiality analysis were described in the study (chapter 4.1). The descriptive part of the study required summarizing and combining the key points in the management system documentation, content obtained through the interviews and the public CSR report. In the study conclusions (chapter 5.1) the described case company's materiality process was analysed against the theoretical remarks on CSR dimensions and themes, on stakeholder involvement and on materiality of CSR themes introduced earlier in chapters 2.2 and 2.3.2.

The analysis of the case company's CSR implementations contained the descriptions of prevailing strategy, management model and practical implementations and their connection to the theoretical frame introduced in chapter 2. The prevailing strategy's connection to the different stages of CSR value creating (Juutinen, 2016) was analysed as well as the

identified CSR themes' connection to the strategy by comparing the public communications of the company's strategy and CSR issues. The case company's management description and the public communications were compared UN Global Compact Management Model (2010) to assess the management model's maturity. The value creating potential of each CSR theme was assessed by comparing them against the Winston's (2014) model. The practical implementations of the CSR issues were mostly identified in the public communications and verified with the management system documentation.

4 THE CASE COMPANY'S APPROACH TO CSR

The empirical study consists of two parts. The first part describes how Atria Plc's materiality analysis was carried through and represents the main results of the analysis. The second part describes Atria's 2018 managing model for CSR and the connections to the 2017-2019 strategy and operations.

4.1 The description of Atria Plc's materiality analysis

Atria Plc's materiality analysis has been a part of the company's corporate responsibility reporting process. The first responsibility report was published in 2010 from the 2009 figures. The reporting framework has been GRI from the beginning. GRI had been chosen because it was an international frame of reference providing comparability to the indicators reported. Since the company already had a long history in measuring different responsibility indicators even before the first report, the data for many of the GRI indicators was easy to collect and report. Also, at the time there were hardly any external pressure for reporting CSR issues. Therefore, the reporting content to begin with included mostly the easy access disclosures. This does not mean that materiality was not analyzed at all for the reporting. The company had had certified management system in place since 90's following the standards ISO 9001, ISO 14 001 and ISO 22 000. The management standards steer the company to measure and track its material issues. Consequently, Atria identified their strength in their values and the company culture already quite responsible without labelling the operations and management procedures "responsible". Later the content of the report and the materiality of the reported issues have been reviewed annually by the Safe Atria Quality management team. The members of the team have changed over the years, but the concept has been that the team consist of representatives from all Atria's business areas and their core processes in order to have the necessary view of the business and different stakeholders as well as to ensure the needed execution power.

Since Atria Finland has been the most significant business area in terms of turnover and EBIT, the focus in the report along with the materiality analysis has mostly been in Atria

Finland. Stakeholder surveys have been the most formal means in the past years to gain information on the stakeholders' expectations towards Atria's CSR work.

More formal materiality analysis was conducted in 2018 as part of the CSR strategy work discussed in the introduction. The analysis followed the steps represented in figure 7. The process steps are described in detail in the following chapters.



Figure 7. Atria Plc materiality analysis process (Atria 2019c).

4.1.1 Atria's key processes and stakeholders

Atria's key processes had been identified in the business areas' management system descriptions. As part of the core processes' and supporting functions' details, the process owners had been responsible of identifying the stakeholders that the specific process needs to address as well as implementing the stakeholder involvement in their processes.

As an example, the key processes and their operative processes in Atria Finland in 2018 were:

- Brand management, with marketing and market insight;
- Portfolio management, with category management and R&D;
- Customer management, with retail and food service sales;
- Industrial management, with all the production units;
- Supply chain management, with production steering, primary production, procurement and logistics.

Some of the processes and support functions had also integrations to Atria Group's other business areas to share knowledge and benefit from common resources. For example, the

managing models for quality, food safety, CSR, environment and energy efficiency were harmonized in Atria's business areas. Also, market insight, product and process development had integrated processes in Atria Group.

Atria's stakeholders were identified as the same in all the business areas except Atria Russia that did not have primary production at all. Financial and legal issues were managed through Atria Group taking the owners, investors and financiers as stakeholders into account. As an example of the stakeholder management integration in Atria, Atria Finland's processes' and supporting functions' connection to stakeholder involvement is represented in Appendix 2. Atria's identified stakeholders were:

- Customers, including export customers
- Consumers
- Personnel
- Producers
- Shareholders, investors
- Financiers
- Authorities
- Subcontractors, material and raw material providers and other partners
- Opinion leaders and media
- Local communities and educational institutes
- Research

4.1.2 CSR themes from Atria's business perspective

As part of the CSR strategy work, Atria's approximately 20 key positions in the top management and experts in Atria Group had been chosen for an interview by an external consultant. The interview questions had been given beforehand to the interviewees. They had been asked to consider the five most significant corporate responsibility themes to Atria and asked the following with several sub questions (that are not permitted to publish):

- 1) Please describe Atria's Corporate Responsibility as it relates to company strategy and your work.
- 2) Please describe Atria's most important stakeholder groups.
- 3) Please describe the most important risks and opportunities related to Atria's Corporate Responsibility.

To guide the interviewees, the consultant had provided them with description of agriculture and food value chain as well as a list of typical CSR themes in the food business divided into categories of corporate responsibility management, economic dimension, environmental dimension, social dimension and other.

The results of the interviews then served as a base for the internal workshops that followed. The aim of the workshops was to form a new CSR strategy with a roadmap for the next three years. The most significant CSR themes that had been identified in the interviews were also used as a reference when the stakeholder expectations were assessed.

As the result of the interviews the identified most significant CSR themes with no special order were as listed below:

- Animal welfare
- Packaging development
- Product transparency and traceability
- Resource efficiency
- Product safety and quality
- Food waste
- Economic performance
- Safety
- R&D
- Climate change
- Supply chain management
- Healthy food
- Responsible business practices
- Communications and marketing
- Compliance
- CG and sustainability management
- Stakeholder management
- Operational efficiency
- Talent attraction
- Employee well-being and development
- Human rights
- Job creation.

4.1.3 Stakeholders' expectations

The process owners and the directors responsible for the supporting functions were interviewed in order to evaluate the level of stakeholder involvement in their processes as well as to estimate the stakeholder expectations in the CSR themes identified significant for Atria. One aim of the interview was to evaluate whether the dialogue that was already part of Atria's processes was enough to form a reliable understanding of the stakeholder expectations towards Atria.

The process owners were asked to identify the stakeholder groups that were the most important for their process' success as well as to describe the dialogue that they're having with these stakeholder groups. The stakeholder involvement for each stakeholder group was then rated in three-step scale:

- I. **High** - business partnership. Regular strategic meetings with set agenda including common targets, business environment analysis etc.
- II. **Medium** - the interests and expectations of the stakeholder group are regularly investigated e.g. through large data or surveys or they're communicated through standards or legislation.
- III. **Low** - rare, irregular personal contacts, no long-term target-oriented interaction. The expectations of the stakeholder have been identified as expert evaluation.

Also, the stakeholder's influence over Atria was estimated in the interviews and rated in four-step scale:

- I. **High** - it is impossible to conduct business without the consent of the stakeholder group. Strategically vital stakeholder.
- II. **Medium high** - Nonconformity will lead to higher production costs or sanctions if the stakeholder's expectations are not met. Or strategically beneficial stakeholder.
- III. **Medium low** - Indirect or long term (over strategy period) benefits and good will achievable.
- IV. **Low** - the stakeholder does not have direct power to influence Atria's business objectives.

The CSR themes identified in the previous step of the process was grouped into categories: sustainable primary production, product responsibility, social responsibility, environmental responsibility, economic responsibility and corporate governance and sustainability management. Each stakeholder group's expectations in each theme was evaluated by the processes and/or functions that were involved in the interaction with the stakeholder group. The expectations were categorized in four-step scale:

- I. **High** – The stakeholder expects forerunner actions from Atria's behalf.
- II. **Medium high** – The stakeholder expects Atria to perform as industry's defined best practises and report the results.
- III. **Medium low** – The stakeholder expects Atria to conform to applicable legislation.
- IV. **Low** – The stakeholder does not expect or require actions from Atria's behalf.

An example of the grouping of the CSR themes and evaluation of the themes is represented in Appendix 3.

4.1.4 Reporting the material corporate responsibility themes

Summaries of the interview results for each business area were collected and the stakeholder expectations in similar sub themes were combined to correspond to the reporting themes. The stakeholder ratings were transformed into numeric values in order to calculate weighted averages to indicate the themes' materiality to Atria with stakeholders' perspective taken into account. For the reporting, an indicator of the stakeholders' expectations was introduced as illustrated in figure 8. The black indicator on the meter shows the average, weighted according to the influence of the stakeholders of all business areas. The white indicator on the meter shows the average, weighted according to most strategic stakeholders of all business areas. Furthermore, the averages were weighted according to the influence of each stakeholder as defined in the interviews and the net sales of each business area.



Figure 8. Atria's stakeholder expectations indicator in the reporting themes (Atria, 2019c).

In the Atria's responsibility report 2018, stakeholders and their expectations towards one another as well as a description of the stakeholder interaction is represented as in appendix 4. In the report, the stakeholder interaction and their influence over Atria are combined into three-step level of dialogue according to the strategic importance of the stakeholder 1) monitored stakeholders, that do not have direct influence on Atria's business; 2) important stakeholders, that have influence on Atria's business, but the dialogue is restricted by legal or practical limitations; 3) partners, with whom Atria conducts regular and systematic dialogue to gain shared business value. The stakeholder expectations in terms of the business areas of Denmark and Estonia were considered to be so different from one another that Denmark's stakeholder expectations were best described by the values of Atria Sweden and Estonia's stakeholder expectations were best described by the values of Atria Russia.

4.2 CSR implementation in Atria Plc

As discussed previously Atria has already had a ten-year history in reporting CSR and even longer history on systematic management of food safety, quality and environmental

issues. Also, CSR is part of Atria's Healthy Growth strategy, where Atria seeks sustainable business success by implementing the strategy in three themes as illustrated in figure 9.

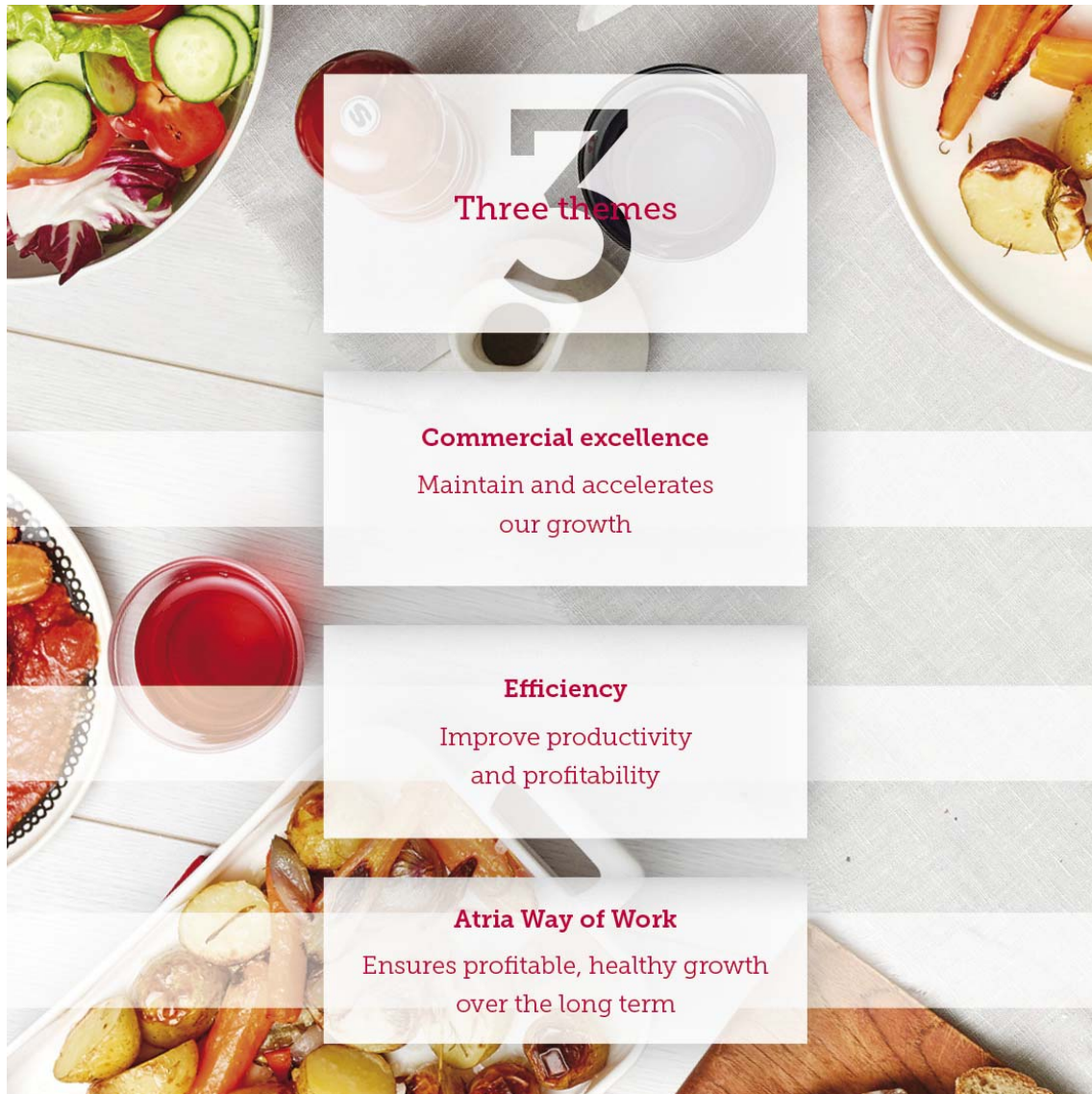


Figure 9. Atria's Healthy Growth strategy (Atria, 2019d).

The first strategy theme, commercial excellence, aims to maintain and accelerate growth through commercial success. By showing leadership in the CSR issues that are company's strengths and by being the leader of industry's development Atria answers the key *stakeholders'* expectations and provides solutions to the market. Examples of such CSR themes are product safety and quality, animal welfare, antibiotic free-products, family farm-concept and sustainable packaging solutions.

The second strategy theme, efficiency, aims to improve productivity and profitability. CSR shows in efficiency theme as obtaining market acceptance through developing the business sustainably and reflecting the interests of the stakeholders as well as maintaining competitiveness through internally driven CSR issues. Examples of such CSR themes are profitability of primary production, animal feed issues, employee wellbeing and safety, talent management, resource efficiency, climate change and supply chain management.

The third strategy theme, Atria Way of Work focuses on the company culture as shared practices and values are seen as a means to ensure profitable, healthy growth over the long term. The connection to CSR in this strategy theme comes from conducting the business in legal and ethical manner to obtain the right to exist, including the internally legitimated issues and continual improvement of them. Examples of such CSR themes are community involvement and development, labour practises, human rights, business continuity management, responsible business practises and compliance.

4.2.1 Management model

In 2018 Atria's corporate responsibility was managed at two levels. Group-level activities included determining shared corporate responsibility principles and company policies, as well as designing joint development programmes for all business areas. Atria's annual corporate responsibility reporting was also implemented at Group-level. Director Merja Leino had Group-level responsibility for quality and corporate responsibility issues.

The promotion of responsibility according to the set principles and policies were part of everyday operational management across Atria's business areas. Steering groups in the business areas had been responsible of analysing the expectations their key stakeholders have for Atria's responsibility and initiate development programmes. For example, in Finland corporate responsibility management was organised under the Safe Atria Quality function. The team was chaired by Quality Director Seija Pihlajaviita. She had overseen the company's product safety and quality as well as of the implementation and development of the Atria's corporate responsibility programme.

In table 2 Atria's CSR management model's is assessed against the global compact sustainability management model introduced earlier in chapter 2.4.1 in figure 6.

Table 2. Atria CSR management status 2018 assessed against the phases adapted from UN Global Compact Management Model (UN Global Compact, 2010).

UNGC management phase	Atria's CSR management status 2018
1 COMMITMENT	
Leadership commitment to mainstream the international CSR principles into strategies and operations and to take actions and partnerships in support of these goals.	The formal commitment from the top management had been established and the connection to the international CSR principles included into the Atria Code of Conduct and its supporting policies (Atria, 2019e).
2 ASSESS	
Assess risks, opportunities and impacts across the CSR issue areas.	<p>Materiality analysis for the issues to be reported had been done (Atria, 2019c).</p> <p>The risk management process was harmonized in Atria Group in terms of financial risks (Atria, 2019f).</p> <p>The implementation of CSR issues in BA specific risk analysis needs attention.</p>
3 DEFINE	
Define goals, strategies and policies.	<p>Atria Code of Conduct and Core policies had been defined (Atria, 2019e).</p> <p>CSR issues had mostly been implemented into the company strategy (Atria, 2019d).</p> <p>Long-term vision and goals unestablished in terms of sustainability.</p>
4 IMPLEMENT	
Implement strategies and policies across the company and across the company's value chain.	<p>According to Atria's annual report, the strategy and policy implementation across the company had been done (Atria, 2019c,g).</p> <p>Atria's responsibility report 2018 explains the principles of implementing the strategies and policies across the company's value chain (Atria, 2019c). However, the CSR implementation actions were not verified in this study.</p>
5 MEASURE	
Measure and monitor impacts and progress towards goals.	<p>Atria's annual financial and responsibility reporting from the reviewed past 3 years verifies the progress towards the set goals (Atria, 2019c,g).</p> <p>As mentioned earlier, the long-term vision and goals were unestablished in terms of sustainability, consequently the effectiveness of the performed measures and their impact on sustainability were not systematically assessed by the company.</p>
6 COMMUNICATE	
Communicate progress and strategies and engage with stakeholders for continuous improvement.	<p>Progress and strategies were communicated through annual reporting and website (Atria, 2019c,g).</p> <p>Single projects and achievements in different aspects of sustainability were actively communicated but without unified long-term perspective or connection to Atria's strategy or CSR goals (Atria, 2019h).</p> <p>Stakeholder engagement for continuous improvement was ongoing as described in chapter 4.1.</p>

4.2.2 Value creation of Atria's CSR themes

As part the work done for updating Atria CSR strategy, the value creation potential of the different CSR themes was assessed. Table 3a and 3b represent the value creation potential of Atria's identified CSR dimensions and their individual themes as they are assessed against the Winston's (2014) model introduced previously in table 1.

Table 3a. Value creation potential of Atria's CSR themes.

CSR value creator	Sustainable primary production						Product responsibility			Social responsibility		
	Animal welfare	Product traceability	Animal feed issues	Circulation economy	Use of land and water	Food security	Product safety	R&D	Healthy food	Safety at work	Employee development	Talent attraction
Value creating factor: Turnover												
• New products		x						x				
• Increased sales								x				
• Higher price	x							x				
Value creating factor: Brand												
• Distinctive products	x	x	x					x				
• Customer loyalty	x						x					
• Employee availability										x	x	x
Value creating factor: Costs												
• Ecoefficiency	x			x								
• Capital efficiency												
• Insurance costs	x						x			x		
Value creating factor: Risks												
• Supply chain reliability	x	x	x			x	x					
• Less variation in price changes												
• Business continuity and flexibility	x											
Combination of the factors												
• Business model innovations	x	x	x	x				x	x			
• "Licence to operate"	x		x	x	x	x	x		x	x		
• Forerunner advantage	x	x	x	x				x				

Table 3b. Value creation potential of Atria's CSR themes.

CSR value creator	Environmental responsibility				Economic responsibility			Governance and CSR management			
	Packaging	Resource efficiency	Food waste	Climate change	Economic performance	Business continuity	Affordable food	Supply chain management	Responsible business practises	Communications	Compliance
Value creating factor: Turnover											
• New products	x										
• Increased sales											
• Higher price	x										
Value creating factor: Brand											
• Distinctive products	x									x	
• Customer loyalty				x					x	x	
• Employee availability					x				x	x	
Value creating factor: Costs											
• Ecoefficiency	x	x	x	x			x	x			
• Capital efficiency				x	x						
• Insurance costs					x				x		x
Value creating factor: Risks											
• Supply chain reliability								x	x		
• Less variation in price changes						x		x			
• Business continuity and flexibility						x		x	x		
Combination of the factors											
• Business model innovations				x							
• "Licence to operate"	x	x	x	x			x	x	x	x	x
• Forerunner advantage	x			x						x	

4.2.3 Practical implementations

The connection between Atria's identified CSR dimensions and their individual themes to the company's strategy and moreover to the practical business implementations are collected and summarized in the table 4a and 4b. The CSR themes' connection to Atria's Healthy Growth Strategy has been explained in the beginning of this chapter 4.2. Most of the identified practical implementations were mentioned in Atria's responsibility report 2018.

Table 4a. Practical implementation tools for Atria's CSR Themes (Atria, 2019c).

Atria's identified CSR Theme	Connection to Atria's Healthy Growth Strategy			Practical implementation tools at Atria
	Commercial excellence	Efficiency	Atria Way of Work	
Dimension: SUSTAINABLE PRIMARY PRODUCTION				
Animal welfare	x	x	x	Production guides, production contracts and the quality requirements in the purchase and sales terms of the animals. Follow-up reporting in the national health and welfare registers.
Product transparency and traceability	x	x		Traceability information of the animals in the national health and welfare registers, information of the factory processes in the the food safety management systems. Transparency through introduction of Atria Family farms and other production details that are available in Atria's website.
Animal feed issues: Soy, GMO		x		Production contracts. Supplier contracts with the raw material suppliers of the feed factory.
Circulation economy		x		Participation in interdisciplinary research and development projects that are usually induced with political funding.
Use of land and water resources		x		Environmental permits.
Food security, availability			x	Corporate Governance.
Dimension: PRODUCT RESPONSIBILITY				
Product safety and quality		x		Food safety management systems including HACCP risk assessment.
R&D	x			Investments in R&D resources.
Healthy food	x			National and international nutritional recommendations. Nutritional criteria steering the product development of different product categories eg. amount of salt, fatty acids etc. The product information provided to the consumers eg. in packages, social media and website.
Dimension: SOCIAL RESPONSIBILITY				
Safety at work		x	x	Occupational health and safety management systems including systematic safety hazards assessment. Safety principles.
Employee well-being and development			x	Mapping of the existing and needed competence through personal evaluation discussions and personnel surveys. Training plans and execution. Investing in leadership eg. Atria Way of Leading-trainings.
Talent attraction and job creation			x	Employer branding, building an attractive employer image.

Table 4b. Practical implementation tools for Atria's CSR Themes.

Atria's identified CSR Theme	Connection to Atria's Healthy Growth Strategy			Practical implementation tools at Atria
	Commercial excellence	Efficiency	Atria Way of Work	
Dimension: ENVIRONMENTAL RESPONSIBILITY				
Packaging	x	x		Packaging development guidelines that aim to reduce the total waste. Testing the consumer acceptance of new packaging concepts.
Resource efficiency		x		Environmental management system including the monitoring and continual development of the exploitation of natural resources such as raw materials, water and energy as well as the minimisation of all types of waste. National Materials Efficiency Agreement in Finland.
Food waste		x		Packaging development guidelines that aim to reduce the total waste.
Climate change	x	x	x	ISO 50 001 certified energy management systems. Energy Efficiency Agreement in Finland. Participating in research and development projects in primary production for more sustainable farming practises.
Dimension: ECONOMIC RESPONSIBILITY				
Economic performance		x		For-profit business targets and management according to them.
Business continuity management			x	Corporate risk management system.
Affordable food		x		For-profit business targets and management according to them.
Dimension: CORPORATE GOVERNANCE AND SUSTAINABILITY MANAGEMENT				
Supply chain management	x	x	x	Supplier contracts, sourcing policy and procedures supporting the implementation of the CSR issues across the value chain.
Responsible business practises			x	Published Atria Code of Conduct and its supporting policies that are in line with the international conventions and recommendations.
Communications and marketing	x			The value created by the aforementioned CSR themes come to life through communications. Communication and marketing plans and execution for CSR.
Compliance			x	Whistle-blow channel.

5 DISCUSSION AND CONCLUSIONS

5.1 Answering the research questions

The chapter 4.1 answered the first research question RQ1: *"How is the materiality of the CSR topics identified and prioritized in the case company?"* by describing profoundly the materiality analysis process of the case company consisting of the phases:

1. Identifying Atria's key processes and stakeholders;
2. Identifying CSR themes from Atria's business perspective;
3. Analysing the stakeholders' expectations;
4. Prioritising and making conclusions.

The description of the first process phase gave an overview of the comprehensive inclusion of the case company's organisation to the stakeholder dialogue and implementation of CSR activities. According to the empirical findings the stakeholders' role in Atria's business was identified extending to all of those who define the company's operational environment as Chandler (2017) suggests. Moreover, the stakeholder involvement was arranged accordingly adapting the Pohl & Tolhurst (2010) separation of the stakeholder dialogue according to the level of stakeholders' participation in it.

The CSR themes' identification in the case company was mainly based on the international frameworks' conception on sustainability topics. For example, all the topics identified material for the meat industry sector in SASB Materiality Map (2018) were also identified as material in the case company. In the CSR reports the company provided a comparison table of the reported content to the GRI standard disclosures. However, the grouping of the themes under the dimensions were the company's own view and did not strictly follow any framework. Neither did the materiality analysis, including the prioritising the themes, as a process follow any specific framework, but for instance it applied the Materiality principle defined in GRI standards, GRI 101: Foundation 2016 (GRI, 2018). Another positive remark of the process itself was that along with the analysing the stakeholder expectations, the specific process step also assessed the validity of the information the organization have for its stakeholder expectations.

The chapter 4.2 continued the discussion started in chapter 4.1 and answered the second research question RQ2: *“How are the material topics integrated into the case company’s business strategy and processes? What are the practical tools for the integration?”* The study showed that there were a wide range of practical implementations for the identified material themes in place in the case company. Having the long history in integrating the CSR themes into the company’s values, policies, strategies, business practices and daily processes, the identification of the implementing tools of CSR was both challenging but rewarding. For example, in the case company the procedures like supplier contracts or applying risk management policy were considered business as usual rather than a CSR implementation. As also the materiality analysis showed, the expectations, especially of the internal stakeholders, towards the ethical standard of operations were relatively high in the case company.

5.2 Limitations of the study

The CSR management was organized in the case company both in Atria Group level as well as in the business areas. The material available for this study consisted mostly of Atria Group’s and Atria Finland’s business area. This is because of two factors: the company’s management system descriptions are documented in local languages. The CSR Group activities are managed in English and it has representation from each country.

As a qualitative case study, with wide range of confidential company information available restricted to a certain time frame, the repeatability of the study as such is not possible and the results represent only the situation in the case company on that specific time frame. Also, since the author of the study is employed by the case company, the objectivity of the research may be questioned. Despite the limitations, the study serves the information to the case company but also as some sort of example how to view any company’s CSR activities’ maturity if the access to the company’s internal documentation is possible.

5.3 Suggestions for further development and research

The value creating potential of CSR themes is important to identify in the company, at least in the phase where CSR themes need to be internally legitimated since it serves concrete depth and content to the materiality analysis process. In the case company the value creating potential of the themes were evaluated in the process step 2: Identifying CSR themes from Atria's business perspective. Since this phase of the process was carried out in co-operation with the consultant company, how the significance of the CSR themes was assessed was left open in this thesis. However, as many times discussed in this thesis, CSR is a multidimensional concept, therefore in the future a systematic process-built way to assess the themes' value creation potential for the company would be useful to ensure that nothing important is left out and to open the opportunity for new innovations.

Another further development area that was found in the analysis of the case company's prevailing CSR management model was developing the case company's long-term commitment and targets in CSR issues and communicating them more clearly as part of the company's strategy.

When it comes to the reporting of the CSR issues, there are different rankings for companies' performance in CSR e.g. Dow Jones Sustainability Index, FTSE4Good Index, GreenBiz, Sb-Index, Care2, Greenpeace, etc. (Pellinen 2017). Nevertheless, research can be found on corporate stock appreciation versus performance in different CSR rankings, more recent research would give the companies insight to allocate enough resources to develop their reporting.

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APPENDIX 1. Interview questions of the materiality analysis

1. Identify the stakeholders that are important for the process/organisation of your responsibility.
2. Identify the means of interaction. What kind of stakeholder dialogue/interaction is necessary for the success of your processes' goals?
3. What is your view as Atria's representative of your process'/organisation's stakeholder expectations and how are these expectations reflected in your process/organisation operative implementations?
4. What is your perception of the current level of stakeholder interaction? Is it enough to form sufficient understanding of our stakeholders' expectations towards Atria?

APPENDIX 3. An example of the grouping and evaluation of the CSR themes

Dimension	Theme	Stakeholders' expectations towards Atria
Sustainable primary production	Animal welfare	
	Product transparency and traceability	
	Animal feed issues: Soy, GMO	
	Circulation economy	
	Use of land and water resources	
	Food security, availability, affordability	
Product responsibility	Product safety and quality	
	R&D	
	Healthy food	
Social responsibility	Safety at work	
	Employee well-being and development	
	Talent attraction and job creation	
Environmental responsibility	Packaging	
	Resource efficiency	
	Food waste	
	Climate change	
Economic responsibility	Economic performance	
	Business continuity management	
	Affordable food	
Corporate governance and sustainability management	Supply chain management	
	Responsible business practises	
	Communications and marketing	
	Compliance	

APPENDIX 4. Atria's stakeholder interaction and expectations

Stakeholder	Stakeholder's expectations	Atria's expectations	Level of dialogue	Interaction in 2018
Customers, including export customers	<ul style="list-style-type: none"> competitive prices safety and quality customer-oriented service reliability in deliveries and in other activities 	<ul style="list-style-type: none"> common operating models implementation of the agreed actions forecasts 	***	<ul style="list-style-type: none"> business negotiations audits customer magazine newsletter visits
Consumers	<ul style="list-style-type: none"> products for consumer needs affordable prices safety and quality 	<ul style="list-style-type: none"> selecting Atria's products confidence in and willingness to pay for the Atria brand 	**	<ul style="list-style-type: none"> social media consumer research, consumer services marketing communications product launches and campaigns online services
Personnel	<ul style="list-style-type: none"> pay continuity of employment social security benefits comfortable and safe working conditions 	<ul style="list-style-type: none"> work contribution innovation 	***	<ul style="list-style-type: none"> supervisory work cooperation negotiations Intranet personnel magazine newsletter personal evaluation discussions personnel surveys training seminars and events units' own communication channels social media
Producers	<ul style="list-style-type: none"> reliable and long-term business partner expert advice competitive producer prices 	<ul style="list-style-type: none"> commitment raw material that meets the quality criteria reliable and long-term cooperation 	***	<ul style="list-style-type: none"> producer services producer events working groups for the development of primary production key account manager for each farm, visits to farms producer magazines seminars and other events online services social media newsletter
Shareholders, investors	<ul style="list-style-type: none"> return on investment continuation of business operations 	<ul style="list-style-type: none"> carrying the risk in the form of capital 	***	<ul style="list-style-type: none"> Board and Supervisory Board work Capital Markets Day press and stock exchange releases mass communication annual report online services mass communication
Financiers	<ul style="list-style-type: none"> solvency reliability 	<ul style="list-style-type: none"> availability of financing on competitive terms 	**	<ul style="list-style-type: none"> financing negotiations annual report press and stock exchange releases
Authorities	<ul style="list-style-type: none"> fulfilment of statutory obligations tax incomes employment 	<ul style="list-style-type: none"> legislation public services such as hygiene monitoring and financing international competitiveness 	**	<ul style="list-style-type: none"> interaction related to supervisory measures (review of results) and cooperation in expert forums authority cooperation annual report press and stock exchange releases seminars and events mass communication stakeholder survey
Subcontractors, material providers and other partners	<ul style="list-style-type: none"> reliable payment of invoices long-term customer relationship predictability and growing demand 	<ul style="list-style-type: none"> delivery of factors of production such as raw materials, services and finished products of the agreed quality and in accordance with the agreed delivery terms 	***	<ul style="list-style-type: none"> business negotiations audits marketing communications annual report online services media cooperation social media stakeholder surveys product launches, campaigns seminars and events research and development project
Opinion leaders and media	<ul style="list-style-type: none"> transparency industry expertise 	<ul style="list-style-type: none"> influencing general opinion 	**	<ul style="list-style-type: none"> media cooperation marketing communications press and stock exchange releases newsletter social media annual report customer magazines
Local communities and educational institutes	<ul style="list-style-type: none"> employment cooperation taking care of the environment trainee positions 	<ul style="list-style-type: none"> skilled and motivated potential employees public services such as training infra technology 	*	<ul style="list-style-type: none"> visits cooperation online services seminars and meetings social media trainee positions and thesis positions research and development projects mass media
Research	<ul style="list-style-type: none"> partner research needs industry expertise 	<ul style="list-style-type: none"> reliable partner specialist research quality 	*	<ul style="list-style-type: none"> seminars and meetings visits research and development projects

*** Strategic partner Regular and systematic dialogue.

** Strategically important stakeholder The stakeholder's expectations are charted regularly and systematically with the help of public and/or purchased research data, or the stakeholder's expectations are communicated through legislation or standards.

* A strategically monitored stakeholder The stakeholder does not have a direct influence on Atria's business, and the dialogue is project-natured and based on needs.