

Corporate Responsibility for Individual, Cultural and Biodiversity

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Abstract

Purpose – This paper shows how corporate responsibility (CR) could be utilized to manage and develop individual, cultural and biodiversity and turn them into business strategies.

Design/methodology/approach – Case studies of two multinational forest companies are used to demonstrate present and possible corporate values, words and actions of diversity.

Findings – Forest companies tend to react on external pressure in diversity issues. They often take a confrontational or minimum legal compliance approach. Biodiversity, cultural diversity and individual diversity form an intertwined hot topic all over the world. For future prospects, forest companies should take initiative in diversity enhancement and become entrepreneurial, particularly as pulp and paper production is a declining industry and new business visions are needed. In cooperation with indigenous peoples, environmental organizations, governments and other stakeholders forest companies could (a) replace monocultural tree plantations with multicultural forest gardens, which provide many ecosystem services, natural products, and employment, and (b) participate in large-scale forest leasing for conservation. Multinational forest companies could also make better use of their diverse individual and cultural resources.

Originality/value – This is the first attempt to build a CR/diversity framework by studying different kinds of diversity issues through CR and by analyzing corporate values, words and actions. Integrating diversity into CR helps companies to turn it into a business strategy.

Keywords Corporate responsibility, Individual diversity, Cultural diversity, Biodiversity

Diversity

Example 1: Almost one-fifth of wood imported into the European Union in 2006 came from illegal or suspected illegal sources, mostly from Russia, Indonesia and China. The biggest illegal wood imports were from Russia to Finland where some of the world's largest pulp and paper companies operate. Illegal logging contributes heavily to the destruction of biodiversity and the impoverishment of millions of indigenous people who depend on forests for food and income (Hirschberger, 2008).

Example 2: The use of palm trees for fuel means massive monoculture tree plantations. Such industrial forestry monocultures already exist in Chile, Uruguay and Brazil, for timber and paper pulp from eucalyptus. Tree plantations are opposed by non-governmental organizations (NGOs) and indigenous peoples due to the destruction of rainforest biodiversity, rural livelihoods and food production opportunities (WRM, 2008b).

Our present world is ruled by neoclassical market economy, which exploits nature, cultures and individuals everywhere to maximize short-term financial profits and economic growth. Thus corporations play the leading role in the rapid decline of biodiversity, cultural diversity and individual diversity. On the other hand, because of their immense power and influence, corporations could play a leading role in the revival of biodiversity, cultural diversity and individual diversity. If corporations decided to focus on long-term survival goals, they would find the enrichment of diversity as one of the best ways to ensure continuation of their business in the future because, as diversity enhances the wellbeing of humans and nature, it secures abundant varied, fresh and creative human and natural resources for years to come. Corporate responsibility (CR) could be used as a tool to manage diversity.

Biodiversity is often called our natural heritage. The Convention on Biological Diversity at the Rio Earth Summit (United Nations, 1992a) defined biodiversity as "the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems". Thus biodiversity has three levels: intra-species,

inter-species and species-holistic diversity. Protecting biodiversity is essential for preserving life on the earth and helps species and ecosystems to adapt to climate change. Some companies acknowledge the impact of their operations on biodiversity and have included biodiversity promotion goals in their policies. Few companies have signed declarations for biodiversity enhancement.

Cultural diversity and individual diversity focus on diversity within one species, humans. *Cultural diversity* issues were first recognized as a means to sustainability ends in Principle 22 of the Rio Declaration on Environment and Development in 1992:

"Indigenous people and their communities and other local communities have a vital role in environmental management and development because of their knowledge and traditional practices. States should recognize and duly support their identity, culture and interests and enable their effective participation in the achievement of sustainable development" (United Nations 1992b).

UNESCO's (2001) Universal Declaration on Cultural Diversity argues that cultural diversity is as necessary for humankind as biodiversity is for nature because it is the common heritage of humanity. Culture is the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and it encompasses lifestyles, ways of living together, value systems, traditions, beliefs, art and literature (UNESCO, 2001). Cultural diversity means variability among these cultural aspects. Multinational companies have been imposing their own culture on their international business dealings and their monocultural products and services on other cultures for decades. Recently they have started to recognize the opportunities inherent in the diversity of cultures and begun to take advantage of them (Mohamed, 2007). Multinationals have also experienced cultural diversity problems among their workforce between and within their units in different parts of the world and drafted policies and strategies to solve them through organizational culture (Cox, 1993, 2002; Cox and Blake, 1999). Indigenous peoples are now empowered by the 2007 UN Declaration of the Rights of Indigenous Peoples (United Nations, 2008) to demand their rights also from companies that have robbed their rights, exploited them and destroyed their cultures.

Individual diversity relates to gender, sexual orientation, age, disability, ethnicity, religion, capabilities, personality, identity and education (Cassel, 2001; Cornelius *et al.*, 2001; Kirton and Greene, 2005). With increasing employee mobility many companies have realized that diversity in the workplace is a challenge: it may cause problems but may also become a source of creativity through which the skills of employees turn into business advantage (Davidson and Fielden, 2003; Konrad *et al.*, 2006; Thomas, 1999; Thompson and Gooler, 1996). That is why workplace diversity has become a business instrument for corporations.

Individual, cultural and biodiversity are currently managed by different specialists in corporations: workplace individual diversity belongs to human resource management, cultural diversity to international management and biodiversity to sustainability management. Their directions, goals and means are separate and sometimes conflicting. In order that a company could have coherent and ethical diversity management, individual, cultural and biodiversity should be integrated into corporate responsibility (CR).

CR: values, words and actions for diversity

Corporate values for diversity

During the past few years, corporate values have begun to observe diversity questions. Individual diversity issues relating to age, gender, sexual orientation, disability and ethnicity are often acknowledged as equality goals, but broader individual diversity in relation to capabilities, personality, identity, education and religion are less frequently appearing corporate values.

Cultural diversity has long been a dilemma for multinationals, but has recently been in the limelight because of the increasing number of companies transferring their production abroad. Cultural diversity tends to be used as an excuse for applying different ethical standards in different countries, although genuine cultural diversity supports the identity, culture and

interests of indigenous peoples and local communities without compromising their human, labour, cultural and environmental rights.

Biodiversity seems to an issue that only some industrial companies with malignant ecological impacts pay attention to. Yet all companies, irrespective of their line of business, could commit themselves to protecting and advancing biodiversity within species, between species and of terrestrial and aquatic ecosystems.

Corporate words for diversity

Companies are making efforts to communicate their ethical stands on individual, cultural and biodiversity in their visions, mission statements, corporate policies, and in describing their cases of hands on corporate procedures. In some cases the ethical grounds for communication seem well rooted in the actual conduct, but in other cases it appears that all the fancy words are pure "whitewash" or "greenwash", a wish to be politically correct and gain respect without deserving it. Research on corporate external communication reveals channels, forms and strategies of gaining recognition, but little research is focused on the internal process of grounding ethical stands in corporate procedures and personal stands among staff.

Corporate actions for diversity

The reality of corporate actions concerning the issues of individual, cultural and biodiversity may be quite different from companies' values and words. There are many reasons for this: some companies do not know how to put their values into practice; others are still in the learning process during which corporate reality tries to catch up with corporate rhetoric; and some companies use values and words as a responsible front or disguise for their irresponsible actions. Carrying out corporate actions that safeguard and increase individual, cultural and biodiversity requires knowledge, creativity and systematic approaches on which research can give good advice.

Actions implementing individual, cultural and/or biodiversity may contribute to changing corporate values and words. Exploring the interdependence and mutual dynamic interactions between values, words, and actions is a crucial research theme.

Aims and methods of research

The purpose of this paper is to find answers to managing and developing diversity from corporate responsibility (CR). Corporate responsibility strives to integrate corporate economic, socio-cultural and ecological responsibilities (Marrewijk, 2003). Hence corporate social responsibilities should take account of individual diversity, corporate cultural responsibilities cultural diversity and corporate ecological responsibilities biodiversity. In CR corporate values, words and actions should be consistent (Ketola, 2008). It is argued here that CR enhances individual, cultural and biodiversity. This paper examines all of the following aspects of CR and their combinations (See Table I):

Levels of CR: Levels of Diversity:	Responsible corporate values	Responsible corporate words	Responsible corporate actions
Individual diversity	Corporate values respecting individual diversity.	Corporate words promoting individual diversity.	Corporate actions implementing individual diversity.
Cultural diversity	Corporate values respecting cultural diversity.	Corporate words promoting cultural diversity.	Corporate actions implementing cultural diversity.
Biodiversity	Corporate values respecting biodiversity.	Corporate words promoting biodiversity.	Corporate actions implementing biodiversity.

Table I. Integration of levels of CR and diversity.

Case studies of the two largest European forest companies by turnover, Stora Enso and UPM, will be used in this paper to demonstrate corporate values, words and actions in individual, cultural and biodiversity and to evaluate their development and integration potential. Forest companies are directly and heavily involved in individual, cultural and biodiversity issues all over the world through their operations. They have great potential for substantial negative and positive impacts on diversity.

Both case companies have their headquarters in Helsinki, Finland but operate globally. This is how they introduce themselves on their web pages:

Stora Enso's sales totalled EUR 13.4 billion in 2007. The Group has some 38,000 employees in more than 40 countries on five continents; and an annual production capacity of 13.1 million tonnes of paper and board and 7.5 million cubic metres of sawn wood products, including 3.2 million cubic metres of value-added products. Stora Enso's shares are listed in Helsinki and Stockholm.

UPM has production in 14 countries and employs about 26,000 people. The company's sales in 2007 exceeded EUR 10 billion. The group's key mills are located in Finland, Germany, France, the UK, Austria, the United States and China. UPM's shares are listed on the OMX Nordic Exchange Helsinki, and the company has an ADR program on the OTC market in the United States.

At the moment the corporate responsibility of Stora Enso and UPM tends to be reactive. If a corporate irresponsible action pattern becomes too blatant, it will be criticized severely, first by non-governmental organizations (NGOs), and gradually by other stakeholders. This forces the corporation to communicate its intentions to stop the irresponsible action pattern and replace it with a responsible action pattern. If the corporation assesses that the issue is likely to prevail in the future, it will draft a policy and, perhaps, even a programme with goals and targets to tackle it. If the issue becomes crucial for the future survival and prosperity of the corporation, it will include it in its corporate values. Because of this currently typical order of events, the diversity issues will be studied from actions through words to values.

Stora Enso and UPM have recently been forced to react on many high-profile biodiversity problems and spent a great deal of time and energy in trying to solve them. Some cultural diversity problems have become evident during these biodiversity issues but the companies have not given much thought to them otherwise, apart from supporting basic human rights. Individual diversity issues have remained in the background, as Stora Enso and UPM are more technology- and task-oriented than people-oriented companies. Hence the order of analysis in this paper is: biodiversity, cultural diversity and individual diversity issues.

Biodiversity: matching corporate values, words and actions

During the past few years the environmentally malignant operations of forest companies, and particularly those of Stora Enso and UPM, have been challenged first by NGOs and local people, and then by authorities. Although many forest companies based in North America, South America and Asia have worse environmental records than these Finnish companies, societies are gradually waking up to demand corporate responsibility from companies based in European countries. It is not only the active environmental groups in Europe and the increasingly stringent European Union legislation that makes people expect Finnish forest companies to take a CR leadership role, but also the concern among both First and Third world citizens for the destruction of their natural resources, livelihood and living environment that has inspired widespread protests and legal action against Stora Enso and UPM. Only citizens and authorities in undemocratic Second World countries, such as Russia and China, have not challenged their environmental behaviour. One of the hot environmental debates has been centred around biodiversity.

For forest companies biodiversity issues include:

- conserving native species and threatened species;
- preventing the invasion of foreign species;
- preserving natural forest ecosystems and their ecosystem processes;
- protecting water ecosystems from the impacts of forest operations;

- maintaining the mosaic forest structure with different tree ages, species, structures and other characteristics;
- preserving productivity and structure of soils; conserving key habitats;
- protecting deadwood for the survival of many species such as insects and birds.

So far the most controversial biodiversity issues for Stora Enso and UPM have been (a) the origin of their wood from primeval forests, uncertified sources and illegal sources; (b) the undemanding and irresponsible forest management certification systems of their own forests; and (c) their huge monocultural eucalyptus tree plantations in South America and Asia. Tables II and III detail the ways in which these two companies are destroying biodiversity and trying to act more responsibly with biodiversity enhancement plans and actions.

STORA ENSO	Destroying biodiversity	Enhancing biodiversity
Actions:	<p>Was discovered by Greenpeace in summer 2006 to have imported illegally logged wood from Russia.</p> <p>In September 2006 Greenpeace blockaded a pulp shipment in Quebec, Canada, that was being supplied by SFK Pulp to Stora Enso, accusing SFK Pulp of supporting destructive logging practices in Canada's boreal forests, and asking SFK Pulp to only accept FSC-certified wood. SFK Pulp received its wood raw material from Abitibi-Consolidated, who were also accused by Greenpeace of unsustainable logging.</p> <p>39% of wood used in Stora Enso mills was originated from non-certified forests in 2007.</p> <p>Owns huge monocultural eucalyptus tree plantations in Brazil through its subsidiary, Veracel Celulose (96,000 ha), in Uruguay (10,000 ha) and China (47,000 ha). Plans to plant eucalyptus on another 165,000 hectares of purchased old rainforest land in Brazil, another 47,000 ha in Uruguay and 44,000 ha in China.</p> <p>In the management of its tree plantations in Uruguay and China does not use any forest management certifications.</p>	<p>Set up wood traceability systems at the end of 2006: chains of custody, which are either FSC- or PEFC-certified.</p> <p>61% of wood used in Stora Enso mills was originated from certified forests in 2007.</p> <p>In June 2008 was ordered by Brazilian federal court to replant, with native trees, all its 96,000 hectares of eucalyptus plantations in Brazil - but will appeal (WRM, 2008a).</p> <p>In the management of its tree plantations in Brazil and Russia uses the independent international Forest Stewardship Council's (FSC) certification system, which does not allow the cutting of protection-wise valuable forests such as primeval forests.</p>
Words:	<p>After accusations by Greenpeace in summer 2006, categorically denied having imported illegally logged wood from Russia despite convincing evidence.</p>	<p>In December 2006 published a Sustainability Policy with an added statement: "We verify the origin of wood and fibre, only procure them from legal and acceptable sources..."</p>
Values:	<p>No biodiversity issues included in corporate values.</p>	

Table II. Stora Enso: corporate actions, words and values destroying and enhancing biodiversity.

UPM	Destroying biodiversity	Enhancing biodiversity
Actions:	<p>Was discovered by Greenpeace in summer 2006 to have imported illegally logged wood from Russia.</p> <p>29 % of wood used in UPM mills was originated from non-certified forests in 2007.</p> <p>In the management of its forests in Finland uses the Finnish Forest Certification System (FFCS) which was created by the forest companies themselves and belongs to the Pan European Forest Certification Scheme (PEFC) and allows the cutting of protectionwise valuable forests such as primeval forests.</p> <p>In the management of its forests in the UK uses UK Woodland Assurance Standard (UKWAS), which belongs to the Pan European Forest Certification Scheme (PEFC) and allows the cutting of protectionwise valuable forests such as primeval forests.</p> <p>In the management of its forests in Canada and the US uses Sustainable Forestry Initiative (SFI), which was created by the American Forest and Paper Association and which fails to protect old growth, endangered forests, endangered species, water quality, fish and wildlife habitat, and natural forest characteristics necessary for ecosystem function.</p> <p>Owns huge monocultural eucalyptus tree plantations in Uruguay through its joint venture subsidiary, Metsä-Botnia, and in Indonesia through a partnership with Indonesian company APRIL.</p> <p>Does not implement its corporate global biodiversity program for its leased forests in Russia, Finland, the UK and Canada.</p>	<p>Set up wood traceability systems at the end of 2006: chains of custody, which are either FSC- or PEFC-certified.</p> <p>71 % of wood used in UPM mills was originated from certified forests in 2007.</p> <p>In the management of its forests in Russia uses the independent international Forest Stewardship Council's (FSC) certification system, which does not allow the cutting of protectionwise valuable forests such as primeval forests.</p> <p>Implements its new corporate global biodiversity program for its own forests in Finland, the UK, Canada and the US during 2007-2011.</p>
Words:	<p>After criticism from Greenpeace, claimed to <i>aim</i> at importing legally logged wood from Russia.</p>	<p>Signed the Leadership Declaration of "Business and Biodiversity Initiative" launched at the UN Convention on Biological Diversity in May 2008.</p>
Values:	<p>No biodiversity issues included in corporate values.</p>	

Table III. UPM: corporate actions, words and values destroying and enhancing biodiversity.

Stora Enso has not initiated any biodiversity schemes and tends only to react to external pressure. UPM is nowadays more active in biodiversity issues. Although UPM has not upgraded biodiversity or any other ecological sustainability issues to its corporate values either, it wants to show its commitment to biodiversity – and to its slogan We Lead – We Learn. In May 2008 UPM signed a Leadership Declaration as part of a Business and Biodiversity Initiative launched at the United Nation's Convention on Biological Diversity. UPM supports the UN CBD's aim of integrating the business sector to enhance biodiversity.

In 2007 UPM developed a five-year global biodiversity program for its own forests in four countries: Finland, the UK, Canada and the US - but not for its leased forests. The program aims to maintain and increase biodiversity in forests and to promote best practices in sustainable forestry. The program identifies six key elements important for forest biodiversity: native tree species, deadwood, valuable habitats, forest structure, water resources and natural forests. UPM has set global targets for each key element that will be implemented through country level targets and local action plans: maintain and increase proportion of native tree species and their natural composition; manage deadwood quality and quantity to enhance biodiversity; protect valuable habitats and manage them for their biodiversity value; manage variation in forest structure at landscape and stand level; maintain open water bodies and wetlands; implement plan for remnants of natural forests.

Stora Enso should follow UPM's example: develop a global diversity plan and sign the CBD's Leadership Declaration of the Business and Biodiversity Initiative. The companies could make use of studies on the assessment of the biodiversity of forest ecosystems (e.g. Spanos and Feest, 2007).

Both companies should re-evaluate their corporate values and include enhancement of biodiversity as one of their core values. This would help them to draft and implement diversity plans which lead to real action and have a lasting impact locally, regionally and globally. Biodiversity contributes significantly to the alleviation of climate change. Forest companies who join societies' efforts to mitigate climate change and promote biodiversity are already now favoured by many stakeholders and will secure their continued existence in the future.

In addition to biodiversity, forest companies will probably be held more responsible for cultural diversity in the future than before.

Cultural diversity: matching corporate values, words and actions

Forest companies have been let off lightly in cultural diversity issues. Global forest companies have been influencing cultures all over the world for decades. Because of their line of business forest companies have had a heavy impact on the lives of indigenous peoples living in and off forests. Under these circumstances biodiversity and cultural diversity issues are intertwined. Only during the last few years the desolate fate of indigenous peoples has been officially acknowledged and laws to protect their cultural heritage have been passed. The 2007 UN Declaration of the Rights of Indigenous Peoples gives indigenous peoples more power to protect their culture. The rights of indigenous peoples are nowadays strongly supported by environmental organizations – and it has been the close cooperation between indigenous peoples and environmental organizations that has yielded the best results that protect both cultural and biodiversity. Forest companies are now confronted by alliances of environmental organizations and indigenous peoples, which have become a powerful opponent to forest industry.

Nevertheless, forest companies tend to acknowledge only the UN Universal Declaration of Human Rights as their guideline. UNESCO Declaration on Cultural Diversity and UN Declaration of the Rights of Indigenous Peoples have so far been ignored by forest companies even in their promotional communication. Forest companies seem to consider the interest of indigenous peoples contrary to their own interests. Tables III and IV introduce recent cultural diversity issues faced by Stora Enso and UPM and their reactions to them.

STORA ENSO	Destroying cultural diversity	Enhancing cultural diversity
Actions:	<p>Huge tree plantations in Brazil, Uruguay and China have destroyed the livelihoods of indigenous people. Plans to double the hectare of plantations in Brazil, Uruguay and China by turning the land already purchased into eucalyptus fields will do the same.</p> <p>Land use conflict in Upper Lapland, Finland, continued in 2007: logging for Stora Enso and UPM's subsidiary Metsä-Botnia in the 90,000 ha forest owned by Finnish State endangers reindeer herding by indigenous Sámi people who demand land-use and ownership rights.</p>	<p>In 2007 Forests Dialogue in Brazil between environmental organizations and forest companies: common vision for protecting biodiversity in the last remnants of natural Mata Atlântica rainforest. Plans to address tree farming and land use planning, and sustainable tree farming programmes that would create social and economic benefits for participating farmers.</p> <p>Stora Enso resigned from the dispute in 2007 by refusing wood from disputed areas. Some individual stakeholders at the stakeholder meeting in December 2006 pressured the company to do so.</p>
Words:		<p>"We support the UN's Universal Declaration of Human Rights." (Social Responsibility Principles 2007)</p> <p>"...respect for the cultures, customs and values of individuals and groups in countries where we operate." (Environmental and Social Responsibility Policy 2006)</p>
Values:	No cultural diversity issues included in corporate values.	

Table IV. Stora Enso: corporate actions, words and values destroying and enhancing cultural diversity.

UPM	Destroying cultural diversity	Enhancing cultural diversity
Actions:	<p>The forest management certification system, Sustainable Forestry Initiative, used in the US and Canada, fails to protect communities and indigenous peoples' rights.</p> <p>Land use conflict in Upper Lapland, Finland, continued in 2007: logging for Stora Enso and UPM's subsidiary Metsä-Botnia in the 90,000 ha forest owned by Finnish State endangers reindeer herding by indigenous Sámi people who demand land-use and ownership rights.</p>	
Words:		"...respects the universal human rights as defined by the United Nations' Universal Declaration of Human Rights in its own operations and promotes their implementation in its sphere of influence. (Code of Conduct 2006).
Values:	No cultural diversity issues included in corporate values.	

Table V. UPM: corporate actions, words and values destroying and enhancing cultural diversity.

Individual diversity: matching corporate values, words and actions

Forest companies tend to approach individual diversity from the legal compliance point of view: their policies prohibit discrimination of individuals on the grounds of race, age, nationality, gender, sexual orientation, etc. They do not take initiative in enhancing individual diversity within the company or in society at large, but content themselves to react on external societal requirements. However, stating prohibition of discrimination in a corporate policy means that it applies to the company's employees also in countries that do not have anti-discrimination laws. The companies make the most stringent laws of their sphere of operations to apply globally. Tables VI and VII detail individual diversity issues handled by Stora Enso and UPM. The only individual diversity issue that these Finnish-based forest companies emphasize is gender equality – due to the fact that Finland is one of the pioneers in gender equality promotion. Nonetheless, 4/5 of the employees of these two companies are male.

STORA ENSO	Destroying individual diversity	Enhancing individual diversity
Actions:	79% of employees are male. No actions to enhance individual diversity in issues of age, sexual orientation, disability, ethnicity, religion, capabilities, personality, identity or education.	Tries to increase the number of female employees (2006: 18%, 2007: 21%). In 2007 trained female candidates for management vacancies and established a pilot mentoring programme for Women in Stora Enso (WISE) network.
Words:		"We recognize diversity as a strength. Discrimination against any employee in respect of race, ethnic background, gender, disability, sexual orientation, religion, political opinion, maternity, social origin or similar characteristic is prohibited." (Social Responsibility Principles 2007)
Values:	No individual diversity issues included in corporate values.	Emphasis on people (4th of the 6 values).

Table VI. Stora Enso: corporate actions, words and values destroying and enhancing individual diversity.

UPM	Destroying individual diversity	Enhancing individual diversity
Actions:	About 80% of employees are male. No actions to enhance individual diversity in issues of age, sexual orientation, disability, ethnicity, religion, capabilities, personality, identity or education.	Tries to increase the number of female employees.
Words:		"UPM is committed to treating all employees fairly, impartially and equally. UPM is committed to equality of opportunity in all its employment practices, policies and rules." (Code of Conduct 2006) "...respects the universal human rights: ...freedom from any discrimination based on race, age, nationality, gender or sexual orientation." (Code of Conduct 2006)
Values:	No individual diversity issues included in corporate values.	Openness, trust and initiative; respect for individual.

Table VII. UPM: corporate actions, words and values destroying and enhancing individual diversity.

Matching individual, cultural and biodiversity

Biodiversity encompasses variation within species, between species and of ecosystems. Cultural and individual diversity, as known in contemporary definitions, focus on variation within one species, humans. They could, however, refer to variation within any species of fauna and flora. Although anthropocentric researchers like Litvin (1997) warn against making too close parallels between individual and biodiversity, the fact is that humans are one animal species on the Earth and dependent on its ecosystems. Diversity in gender, sexual orientation, age, disability, ethnicity, religion, capabilities, personality, identity and education of individuals is richness for any species and safeguards species survival and adaptation under changing circumstances because it means increased variation in genes, skills, creativity, problem-solving and understanding. Cultural diversity has the same effect: variations in spiritual, material, intellectual and emotional features of social groups and societies allow many different ways of living and learning from other cultures for any species.

Biodiversity covers variation of life on the Earth as a whole, cultural diversity between societies and individual diversity between individual beings. Consequently, individual diversity is a subsystem of cultural diversity and cultural diversity is a subsystem of biodiversity as Figure 1 illustrates.

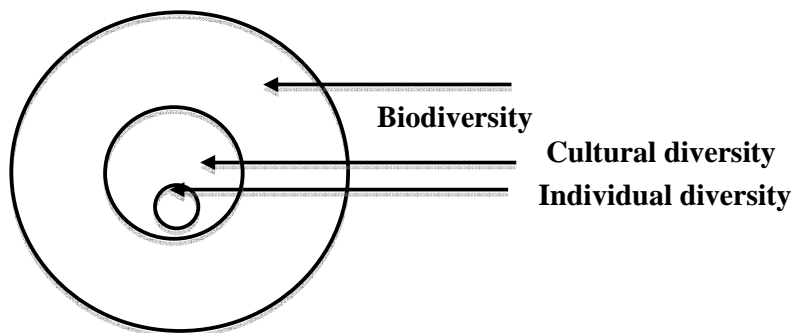


Figure 1. Subsystems: individual diversity is the subsystem of cultural diversity, which is the subsystem of biodiversity.

Companies could integrate their biodiversity, cultural diversity and individual diversity management into corporate responsibility (CR). They could take initiative by first including diversity in their corporate values, then drafting a diversity policy to give guidance on how to turn these diversity values into action and finally implement detailed diversity plans with goals and targets to make diversity real through concrete actions. Table VIII gives a framework that forest companies can use to plan their diversity management.

Levels of CR: Levels of Diversity:	Responsible corporate values	Responsible corporate words	Responsible corporate actions
Biodiversity	We protect, enhance and prioritize biodiversity.	Diversity policy: (a) Biodiversity: We promise to...	-Biodiversity goals 2008-12; -Biodiversity targets for each goal for each year.
Cultural diversity	We protect, enhance and prioritize cultural diversity.	Diversity policy: (b) Cultural diversity: We promise to...	-Cultural diversity goals 2008-12 -Cultural diversity targets for each goal for each year.
Individual diversity	We protect, enhance and prioritize individual diversity.	Diversity policy: (c) Individual diversity: We promise to...	-Individual diversity goals 2008-12 -Individual diversity targets for each goal for each year.

Table VIII. Corporate responsibility (CR) for diversity framework.

Conclusions and recommendations

Forest companies like Stora Enso and UPM have so far been mostly reacting on diversity pressures from powerful stakeholders. In cultural and biodiversity issues this has created confrontational situations in which these forest companies have seen some stakeholders as enemies. In individual diversity issue these forest companies have been taking a passively benign role and complied with laws. However, UPM launching a global biodiversity program in 2007 and signing CBD's Leadership Declaration of the Business and Biodiversity Initiative in 2008 are signs of a new, positive and active approach to biodiversity. Since companies are made of their stakeholders and form networks of mutual cooperation, it is vital for them to see also those stakeholders who advocate diversity and other CR issues as friends, not enemies. All stakeholders have knowledge, expertise and innovative capacities that companies can learn from in cooperation with them.

Forest companies need to see diversity as a business opportunity rather than a threat to their business. Instead of reacting on external diversity pressures they should take initiative: be, not just proactive, but entrepreneurial, and even creative. Diversity and other CR issues open up huge business visions.

The status of corporate responsibility (CR) in relation to the business strategies of Stora Enso and UPM has followed the pattern illustrated in Figures 2-5 (see Ketola, 2007). When these companies began their corporate responsibility schemes at the end of the 1990s, their CR strategies were at stage I: separate from the business strategies and often conflicting them (see Figure 2) – which resulted in business strategy priorities overtaking CR strategy priorities. Individual, cultural and biodiversity issues are often still at this stage: they are separate and contradictory to business strategies and overwhelmed by them.

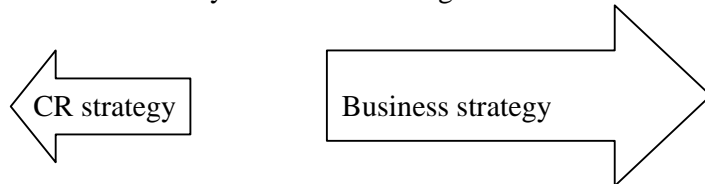


Figure 2. Stage I: business strategy and corporate responsibility strategy are separate, and often contradictory.

Since the CR issues of forest companies have developed further to stages II and III, it would be in the interests of diversity issues to be included in CR issues. At stage II CR strategies and business strategies are coordinated so that they do not conflict each other (see Figure 3). Both Stora Enso and UPM have reached stage II. If they integrated diversity issues into CR issues, their individual, cultural and biodiversity could develop from stage I to stage II, too. Stage II would allow the drafting and implementation of diversity action plans with goals and targets, but would keep the goals and targets modest so that they would not be contradictory to business strategies, which give them the direction and guidelines.

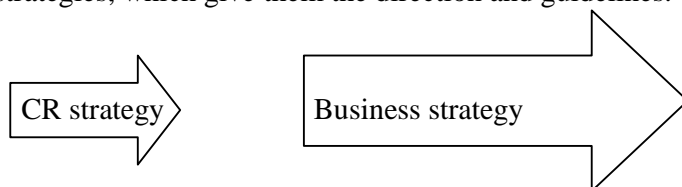


Figure 3. Stage II: business strategy and responsibility strategy are separated but coordinated.

Stora Enso and UPM have thought and talked about integrating their CR strategies into business strategies (see Figure 4). The CEO of Stora Enso said in the Corporate Responsibility Report 2005: "The ultimate challenge for reaching our corporate responsibility goals is how well we can incorporate corporate responsibility in the Group strategy". According to UPM's Environmental and Social Responsibility Report 2007: "the goal of UPM's business strategy is to be the best and most attractive company in the industry. UPM

considers responsible business practices to be essential for ensuring competitive performance and profitability. It recognizes the wellbeing of people and society to be the true goal of sustainable economic growth. A responsible company is seen as a preferred business partner, employer and investment. UPM emphasizes the integration of economic, social and ecological goals in its business activities."

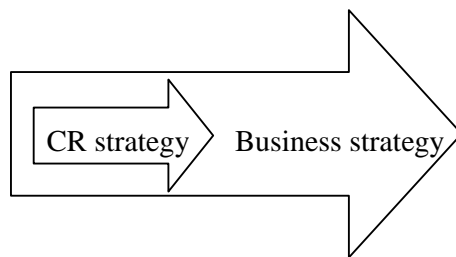


Figure 4. Stage III: responsibility strategy is integrated into business strategy.

These discourses by Stora Enso and UPM are still just words. In practice their corporate responsibility issues are very different from their business strategy issues. And as the Tables II-VII of this paper have illustrated, in reality profit maximization and growth goals overtake diversity goals unless the most influential stakeholders, such as shareholders and courts force them to take account of diversity.

Rhee and Lee (2003) have demonstrated that there is a huge gap between corporate rhetoric and reality. Corporate responsibility rhetoric changes faster than the corresponding reality. In the learning process reality tries to catch up with the rhetoric but since also rhetoric makes constant progress, the gap remains. Yet the rhetoric of Stora Enso and UPM clearly shows that gradual progress towards stage III is made. CR issues, and diversity issues among them, are hot topics which are worth placing in the centre of business strategies. Wise companies start looking for business opportunities from diversity and other CR issues and are beginning to move to stage IV (see Figure 5).

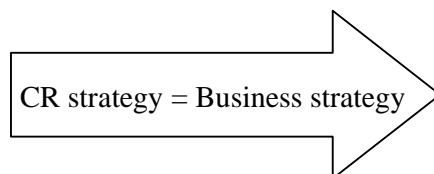


Figure 5. Stage IV: responsibility strategy is turned into business strategy.

Forest companies like Stora Enso and UPM are lagging behind, but since pulp and paper production is a declining and gradually dying line of business, it would be in their interests to start studying the business opportunities lying in biodiversity, cultural diversity and individual diversity. In the long run forest companies could make diversity their business!

Biofuel production from forestry waste may not be a good idea, though. The remnants from logging are not really waste, and should not be collected from forests for biofuel production. Tree stumps and branches should be left in the forests because they are necessary for biodiversity: many plants, insects, birds, other animals and local people depend on them, and stumps become stools for new growth. And as pulp and paper production decreases there will be less waste from these processes to use for biofuel. But there are many other business opportunities in forests.

Forest companies could start establishing multicultural forest gardens instead of monocultural tree plantations. Forest gardens are sources of a wide variety of products from trees and other plants to natural remedies. If forest gardens are managed sustainably, they will bring good but not excessive income, maintain biodiversity and help to combat climate change. This kind of biodiversity business plans should be integrated into cultural diversity innovations by cooperating with indigenous peoples in the establishment and management of forest gardens. Local tribes have in-depth knowledge of their ecosystem services passed on

from one generation to another. For instance, instead of appealing against the Brazilian federal court's order to replant, with native trees, all its eucalyptus plantations, Stora Enso should, with local people, turn these 96,000 hectares of monocultural fields into forest gardens.

An example of forest gardens tended by indigenous peoples can be found in West Kalimantan, Indonesia, where intensive clearing and burning of woodland and commercial logging by large forest companies have destroyed primeval forests for decades (Marjokorpi, 2006). There, forest gardens grown by local Dayak tribes maintain tree species that correspond to the original rainforest species in their ecological and functional characteristics. The total area of these forest gardens is still too small to maintain vital plant and animal species but even a small expansion of these areas increases their protective value. The new income sources from these forest gardens improve the livelihood of villages and further the restoration and biodiversity of the forests.

Indigenous peoples can manage small forest gardens, but if the gardens are very large, thousands of hectares, forest companies could act as guardians or employers. Forest companies must respect the land rights of indigenous peoples. Land rights and work opportunities enable local people to act ecologically sustainably and appreciate their indigenous culture. Large forest gardens employ many more people than mechanized eucalyptus plants. Tending forest gardens and collecting the harvests are handwork. Forest gardens also employ indirectly: e.g. sustainable small-scale logging provides timber for local carpenters to work on; and vegetables, herbs, fruit, berries, mushrooms and honey give ingredients for local food production.

Forest companies may find a niche also in forest leasing for conservation in cooperation with environmental organizations, governments and local people. For example, in Cameroon there is a 830,000 hectare natural rainforest for lease for conservation in the area of Ngoyla-Mintom between three nature parks by an environmental organization Conservation International, Cameroon Department of Forestry and local Baka tribe clans.

Furthermore, forest companies may not have fully realized how huge variety of cultures and individuals they have at hand because of their global and multilayer nature of networking. Cooperation with this endless pool of cultural and human ingenuity can achieve anything.

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