

CSR in the Arctic – way forward

Background

In the Senior Arctic Officials (SAO) Report to Ministers, Nuuk, Greenland 2011, it was recommended that Ministers: *”Take note of the incoming Swedish Chairmanship’s intention to propose [...] how business can contribute to sustainable development in the Arctic”* (p. 28). The Swedish Chairmanship of the Arctic Council has, as a result, identified Corporate Social Responsibility (CSR) as a priority for its work in the Sustainable Development Working Group (SDWG).

A first workshop on *CSR in the Arctic* was held in Stockholm, 26-27 January 2012, see separate report.

One of the main points raised at this workshop was that the existing frameworks and guidelines on CSR: the OECD guidelines, the UN Global Compact and in the reporting standard from the Global Reporting Initiative, are good and sufficient tools that merit to be further highlighted, followed and respected by operators in the Arctic.

In modelling different options for the next steps, Sweden has come to the conclusion that it is a question of communication and implementation of already agreed guidelines, rather than setting up a new and specific framework for *CSR in the Arctic*.

With this in mind and looking forward, Sweden has proposed the following points at the SDWG meeting in Reykjavik, 18-19 September, and was supported by the SAOs at their meeting in Haparanda 14-15 November.

Proposal:

- The overall idea is that the SDWG will be in charge and develop an information tool on *CSR in the Arctic*. Since it is about communication, this work could be seen as a part of the SDWG communication strategy.
- A workshop with representatives from all Arctic states, Permanent Participants and working groups will take place in Stockholm, 28-29 November.
- The workshop will discuss and develop a draft information tool on *CSR in the Arctic* for the Arctic Council and SDWG web, doing so in close co-operation with the Arctic Council Secretariat.
- The draft work shall be presented to the SDWG and finally to SAO’s, before being published on the web. If endorsed, publication of this information tool will be done no later than 15 May, 2013.
- *CSR in the Arctic* shall thereafter continue to be an integral part of the work of the SWDG, the web shall be monitored and updated by the SDWG.

Proposed new segment of SDWG website

Corporate Social Responsibility

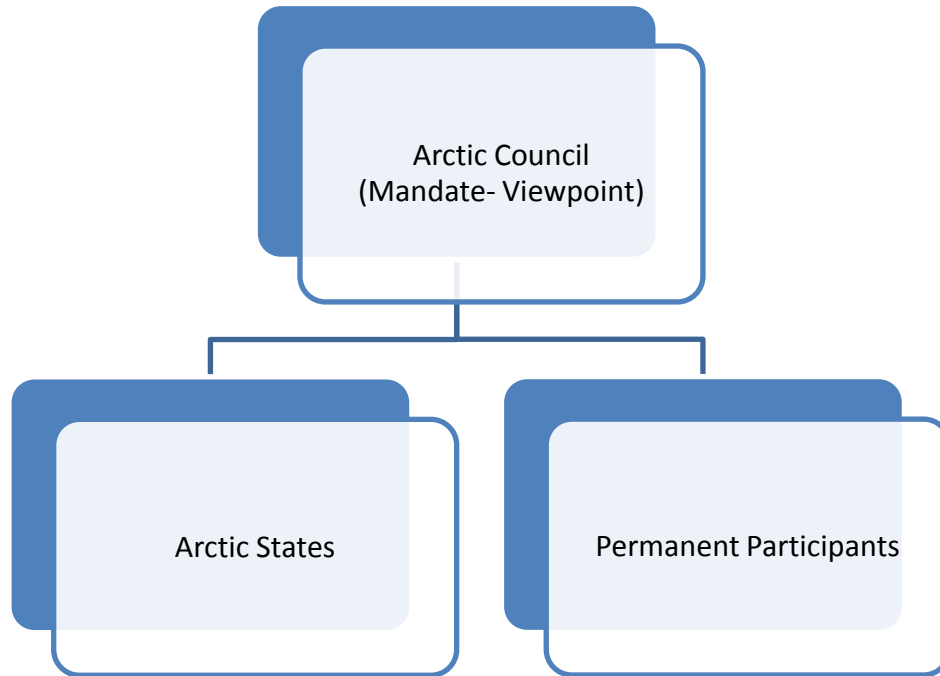
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Corporate Social Responsibility in the Arctic – is a platform for CSR at the Arctic Council. The aim is to highlight what CSR is for the Arctic region and provide information on how companies and individuals could both contribute to and increase the awareness of what Corporate Social Responsibility means in the Arctic context.

The *CSR in the Arctic* portal will provide relevant information and links to inform Arctic stakeholders about CSR. The aim of the Arctic Council is that companies and individuals will use these tools to support sustainable development for the Arctic.

The Arctic region is the home of approximately 4 million people. A sustainable economic growth is important both for the environment and livelihood of Arctic residents.

The Arctic region is unique with its extreme climate and sensitive nature. At the same time it is rich in natural resources such as flora, fauna, energy and mineral deposits. The melting ice is also providing new opportunities for transport and logistics. If the Arctic is to be developed in a sustainable manner, it must attract responsible companies that will play a key role in the economic development of the region and beyond. Sustainable economic growth would stimulate job creation, increase the use of environmental efficient technologies and provide innovative solutions for social affairs, culture and tourism in the region. Cooperation and dialogue among the Arctic states, industry and civil society organizations are at the heart of this process, and if done properly, it could pave the way for a unique approach in conducting sustainable business in the Arctic. Responsible business practice implies respect for human rights, labour- and environmental standards (including climate and biodiversity) and anti-corruption.



The Arctic Council is the main forum for governmental cooperation in the Arctic region. Four out of its six working groups in the Arctic Council are mandated to deal with climate and environmental challenges. The Sustainable Development Working Group (SDWG), is the only one mandated to deal with the human dimension in the Arctic. One of the main drivers in recent years in the Arctic has been the new business opportunities caused by climate change. Despite a huge interest from businesses, there is no common dialogue forum between businesses and the Arctic Council.

In the Senior Arctic Officials (SAO) Report to Ministers, Nuuk, Greenland 2011, it was recommended that Ministers: *“Take note of the incoming Swedish Chairmanship’s intention to propose [...] how business can contribute to sustainable development in the Arctic”* (p. 28). The Swedish Chairmanship of the Arctic Council has, as a result, identified Corporate Social Responsibility (CSR) as a priority for its work in the Sustainable Development Working Group (SDWG).

What is Corporate Social Responsibility in the Arctic?

It is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

It is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the preservation of the environment for future generations.

It is a concept in which companies decide voluntarily to contribute to a better society and a cleaner environment. This is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.

Frequently Asked Questions

- The Arctic Viewpoint

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**Corporate Social Responsibility in the Arctic
Responsible Business Conduct**

Proposed Arctic Council Statement:

"The Arctic Council urges companies operating in the Arctic to adopt and follow the OECD guidelines for multinational enterprises and to subscribe to the ten principles in the UN Global compact, for the respect of human rights, labor conditions, the environment and anti-corruption. The Arctic Council also encourages companies operating in the Arctic to follow the Global Reporting Initiative's reporting standards."

The Arctic Council supports the existing frameworks and guidelines on CSR: the OECD guidelines, the UN Global Compact and in the reporting standard from the Global Reporting Initiative, are good and sufficient tools that merit to be further highlighted, followed and respected by operators in the Arctic.

The agreed approach was one of communication and implementation of already agreed guidelines, rather than setting up a new and specific framework for *CSR in the Arctic*. This body of work is represented by such organizations as:

- [OECD Guidelines for multinational enterprises](#)
- [UN Global Compact](#)
- [UN Declaration of Indigenous Peoples Rights \(ILO Convention # 169\)](#)
- [CSR Compass \(Nordic Council of Ministers\) for Small and Medium Enterprises](#)

Text in Blue are to be links to the specific organization's website.

The Arctic Council encourages all businesses operating or contemplating operations in the Arctic to subscribe to the Global Reporting Initiative.

The Global Reporting initiative (GRI) is a multi-stakeholder, network-based organization. Its Secretariat is headquartered in Amsterdam, the Netherlands.

GRI has pioneered and developed a comprehensive **Sustainability Reporting Framework** that is widely used around the world. The Framework enables all organizations to measure and report their economic, environmental, social and governance performance – the four key areas of sustainability.

The Secretariat acts as a hub, coordinating the activity of GRI's many network partners. GRI has **Focal Points** – regional offices – in Australia, Brazil, China, India and the USA. Its global network includes more than 600 **Organizational Stakeholders** – core supporters – and some 30,000 people representing different sectors and constituencies.

The Reporting Framework – which includes the **Reporting Guidelines, Sector Guidelines** and **other resources** - enables greater organizational transparency about economic, environmental, social and governance performance. This transparency and accountability builds stakeholders' trust in organizations, and can lead to many other benefits. Thousands of organizations, of all sizes and sectors, use GRI's Framework in order to understand and communicate their sustainability performance.

GRI also enjoys **strategic partnerships** with the **United Nations Environment Programme**, the **UN Global Compact**, the **Organisation for Economic Co-operation and Development**, **International Organization for Standardization** and many others.

GRI's Guidelines are developed with the expertise of the people in its network. International working groups, stakeholder engagement, and due process – including Public Comment Periods – help make the Guidelines suitable and credible for all organizations.