



Liisa Rohweder  
CEO , WWF Finland  
Chairman of the WWF Arctic Programme

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### “Measures for ensuring corporate environmental responsibility in the Arctic”

- Global biodiversity is declining at an alarming rate, putting the survival of other species and our own future at risk. We’d need 1.5 planet Earths to sustain our global needs.
- Climate change has major impact on biodiversity. It poses a global, fundamental threat to the places, species and people in the local communities.
- In the Arctic, even small changes in average temperatures can have a significant effect upon ecosystems threatening unique species, habitats and local communities.
- For that reason, a sustainable economy is of extreme importance for the environment and livelihoods of the Arctic communities.
- Cooperation and dialogue among the Arctic states, industry and civil society organizations are central for sustainable economy growth, and if done properly, they can pave the way for sustainable business.
- We sit here on the coast of one of the fastest changing parts of the world – this part of the Russian coast, and the area to the west of here in the Norwegian Arctic, is seeing the greatest decrease in ice of anywhere in the Arctic.
- This has its positive aspects, the Northern sea route opens new opportunities for the people of the Arctic coast and beyond.
- It decreases the shipping time, and so the energy consumed, in moving goods between Europe and Asia in the future.
- But the positive aspects of opening up the Arctic for development must be balanced with caution.



- As in the rest of the world, finite resources such as oil and gas, gold and nickel, can only stretch so far in providing ongoing prosperity, eventually, they run out.
- The challenge is that in any development, the development itself does not destroy the natural riches of a region, riches that should continue for generations, and sustain the children of our children.
- So what does that mean for development, for how business should behave?
- For business sector, a clear paradigm shift is needed: businesses have to integrate economic, social and environmental responsibility in a balanced way in their actions. And company leaders must take environmental responsibility seriously.
- We appreciate the efforts of individual businesses to take an initiative to decrease their environmental impact.
- For instance, Norwegian shipping line Hurtigruten has volunteered not to use Heavy fuel oils and is pushing to have a ban on this fuel across the Arctic. Hurtigruten's CEO says "An accident involving a mega ship and spill of heavy fuel oil in the Arctic would represent an environmental disaster. The Arctic deserves sustainable growth and innovation, and the industry needs to move first."
- Fishing industry currently brings much sustainable wealth to Arctic communities.
- An agreement on fishing in the Central Arctic Ocean has just been negotiated. It takes a precautionary approach to fishing in the central Arctic Ocean.
- Although this was a state-sponsored effort, it grew from the decision of a fisheries management body in Alaska, that includes fishermen, that decided to enact a similar measure in American Arctic waters.
- Technology industries can contribute to future sustainable solutions. Many Arctic off-grid communities are fully dependent on fossil fuels for heating and electricity. Black carbon, emission from fossil fuels, darkens ice in the Arctic, accelerating global warming and speeding the melting of the ice. A gradual shift to renewable energy with the help of cleantech solutions, such as cleansing of emissions, can offer great opportunities for business.



- These are examples of how businesses can take the initiative themselves to be more sustainable.
- But there is a limit to what individual businesses can do. Competition can frustrate even the best business owners, forcing them into a choice between bankruptcy, or actions they know are unsustainable, and damage the environment.
- This is where governments must help businesses to make the right choices. The recently enacted Polar Code for Arctic shipping is an example of governments coming together to help shippers make the right choices. The code still needs to go further, to include a phase out of heavy fuel oils as shipping, and to include smaller vessels, but it has already made a start on reducing the environmental risk from Arctic shipping.
- Another place where government can help industry to make the right choices is by encouraging the development of a decision-making framework that recognizes not just short term profits, but also long-term natural values.
- This natural values approach, that WWF together with UNEP and the Arctic Council has scoped for the Arctic, does not exclude development, but gives it a place alongside long-term environmental, social, and cultural values.
- This can have the effect of encouraging investments, because a development following a plan based on the clear expression of natural values has fewer obstacles in its way.
- To sum up, we at WWF have a vision of the Arctic that is a biodiverse and resilient region with viable populations of species in healthy ecosystems which support the well-being of Arctic peoples. To achieve that, we need:
  - Cooperation and dialogue among the Arctic states, industry and civil society organizations
  - A paradigm shift for business sector to integrate economic, social and environmental responsibility in their actions.
  - Governments to step in to create a fair business environment for all.