Risk assessment report

Risk Assessment

of Controlled Wood (FSC-STD-40-005 (3.1))

Enterprise

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Controlled Wood Code: INS-CW-100038
Date of Risk Assessment: 10.4.2018
Date of Approval by Inspecta: 14.10.2018

Country: Finland
Areas: Southern Finland, Central Finland

Certification Body: Inspecta Sertifiointi
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Figure 5. Risk assessment and related steps (apply for each of the five controlled wood categories).

In case of the CNRA, it shall be used when all five controlled wood categories have been approved. Organizations may use available approved risk assessment for single controlled wood categories of a CNRA, before the CNRA for all five categories is approved.

The diagram applies separately for parts of the supply area covered by various FSC risk assessment and unassessed areas.
1 General provisions

1.1 The organization may conduct the following risk assessments for unassessed areas (Figure 5):

a) Company risk assessment – according to Section 3 below, and only where an FSC risk assessment for all five controlled wood categories is scheduled, as of the publication date of this standard, to be approved before 31 December 2017. A company risk assessment shall not be used after 31 December 2017, subject to 3.2 of this standard; or

b) Extended company risk assessment – according to Section 2 below, irrespective of whether or not an FSC risk assessment is scheduled.

1.2 For co-products, an organization located within the European Union is allowed to classify another country in the European Union as low risk in its own risk assessment for controlled wood category 1 if the following are met:

a) The round wood from which the by-products originate has been harvested in the European Union;

b) The co-products are produced and supplied by a supplier located in the European Union;

c) The supplier of the co-products provides all necessary information as required by the EUTR and Section 2 of this standard; and

d) The organization sourcing co-products and applying this requirement agrees in writing to participate in the FSC Fiber Testing program. Agreements shall be sent to the FSC Quality Assurance Unit. Annex F may be used in the implementation of this requirement.

1.3 The organization may outsource its risk assessment to external bodies that have expertise relevant to the controlled wood categories to be assessed, excluding the certification body. For an extended company risk assessment, the minimum qualifications of experts are contained in Annex C.

1.4 The organization shall provide its risk assessment to the certification body.

1.5 The organization shall review its risk assessment at least annually to verify the continued correctness and relevance of risk designations, and shall revise it when necessary.

1.5.1 A review and revision shall be conducted before the annual surveillance by the certification body.

NOTE: Joint extended company risk assessments (see 2.2) shall be reviewed at least annually.

1.5.2 The organizations shall review its risk assessment and revise it when significant changes to the risk in unassessed areas become evident (e.g. changes in law, or breakdown in rule of law through civil unrest, availability of FSC risk assessment under development).

1.5.3 If an FSC certified management units located in a low risk area that lose their certified status due to suspension, the organization shall immediately cease using material from those management units as controlled material or selling it with the FSC Controlled Wood claim upon receiving notice of the suspension.

1.5.4 The organization may resume using material as controlled material or sell it with the FSC Controlled Wood claim after the suspension has been lifted or after the organization has completed a risk assessment of the suspended management unit according to Annex A, and has confirmed that material is in conformity with the requirements of this standard, confirmed through the DDS.

2 Extended company risk assessment

2.1 An extended company risk assessment shall be conducted according to the risk assessment requirements in FSC-PRO-60-002a FSC National Risk Assessment Framework. The organization shall consider:

a) All sources of information provided and/or described in FSC-PRO-60-002a where relevant to the area under assessment. Where the organization has access to country/region specific sources they shall be used;

b) Available FSC risk assessments under development; and

c) Any information relevant for its supply area(s) that is received from stakeholders. The extended risk assessment shall summarize such information and explain how it has been taken into account.

1 As provided on the FSC website http://ic.fsc.org/centralized-national-risk-assessment.700.htm.
NOTE: The use of the template provided in Annex G to present the results of the extended risk assessment is recommended.

2.2 The organization may perform an extended risk assessment jointly with one or more organizations that are sourcing from the same unassessed area. In this case the following apply:
   a) The extended risk assessment shall provide risk designations for the supply areas of all organizations that use it;
   b) The extended risk assessment shall provide the names and contact details of all organizations that use it;
   c) The organizations that use the extended risk assessment shall appoint a person responsible for conformity with the requirements of this standard, as well as distribution of the extended risk assessment to stakeholders, the organizations that use it, and the certification bodies evaluating them.

3 Company risk assessment
3.1 The organization shall designate the risk of unassessed areas as either low or unspecified according to the requirements of this section and for each risk assessment indicator.
3.2 The organization shall consider unassessed areas as unspecified, until low risk can be determined in line with the requirements of this Section.
3.3 The company risk assessment shall begin at the broadest relevant scale (relevant to its supply area), which shall be decreased if conditions are not sufficiently homogeneous to confirm a low risk designation for the whole area.
   a) For controlled wood categories 1, 2, 4 and 5, the national level shall be the broadest level used;
   b) For controlled wood category 3, the risk assessment shall consider the presence of any of the listed ecoregions of HCVs (e.g. Biodiversity Hotspots, Global 200 Ecoregion, Frontier Forest, Intact forest landscapes).
NOTE: Risk assessments may be confined to a certain clearly defined scope within the supply area, such as forest type (e.g. plantations) or scale (e.g. small or low-intensity managed forests). In this case, the confined scope must be clearly reflected in the risk assessment.
3.4 The organization shall include at least the following sources of information in the risk assessment:
   a) Risk designations provided on the FSC Global Forest Registry as a base for the risk assessment. The organization may further verify risk designations for its supply area, according to the requirements of this Section;
   b) Known and available sources of information in addition to those provided in this Section;
   c) Any information provided by the relevant FSC network partner or regional office.
### Controlled wood category 1 – Illegally harvested wood

3.5 General requirements for risk assessment:

a) An area shall be considered unspecified risk when illegal harvesting is a threat to the forest, people or communities. Minor infractions and issues such as minor geographical deviations from the allotted area of harvesting, late filing of paperwork or small infractions related to transport should not result in a designation of unspecified risk.

b) The evaluation of risk for illegal harvesting shall include consideration of at least the following:
- The perceived level of corruption related to forest activities;
- The degree of transparency about information that is likely to reveal or reduce illegal harvesting if made public;
- The degree to which key data and documents relevant to illegal harvesting exist and are of satisfactory quality; and
- Independent reports about illegal harvesting.

<table>
<thead>
<tr>
<th>Requirements related to illegally harvested wood</th>
<th>Examples of sources of information</th>
<th>Evaluation, comment</th>
<th>Risk level (low or specified)</th>
</tr>
</thead>
</table>
| 1. The supply area may be considered low risk in relation to illegal harvesting when all the following indicators related to forest governance are met. | Online database of Finnish legislation: [http://www.finlex.fi/en/](http://www.finlex.fi/en/)  
CENTRALIZED NATIONAL RISK ASSESSMENT FOR FINLAND  
2015  
Category 1 all low risk | Low |

1.1 Land tenure and management rights.

- The Code of Real Estate includes regulations on land tenure and management rights. The Cadastral register covers 100% of Finnish forest estates and includes information on forest ownership. (Public access rights, or so-called ‘everyman’s rights’, refer to the right of everyone in Finland to enjoy outdoor pursuits regardless of who owns or occupies an area.)  
Due to old estate boundary markings and harvesting in low visibility, harvesting activities may, by mistake, extend outside the boundaries of the relevant forest property. Such incidents occur occasionally, but...

| Risk level (low or specified) |
Value added tax:
http://www.vero.fi/en-US/Precise_information/Value_added_tax

Transparency International:
http://www.transparency.org/cpi2013/results

1.2 Concession licenses

| NA | NA | Low |

1.3 Management and harvesting planning


| There are no legal requirements for forest owners or holders of a contractual right to harvest to make or keep current any forest management plans nor to monitor the relevant forest land. The National Forest Inventories prepared by the Finnish Forest Research Institute (Metla) provide information on the current state of Finland's forests, and national and regional trend forecasts for forest resources are derived from them. The forecasts, calculated using MELA software, are based on assessments of the current state of forests and on alternative scenarios on how forest resources, increments of stock growth and potential for wood production may develop, given various options in the management of forests and their protection programmes. Alternative trends in national forest resources have been calculated, for instance, for the National Forest Programme and for Regional Forest Programmes. Finland's hundreds of thousands of forest-owners can seek personal advice on how to manage their forests from local forestry associations, the Finnish Forestry centre, forestry service providers and forest industry companies. Such advice can include practical recommendations concerning forest management methods, how to sell timber, how to plan for future income obtainable from growing forests, and opportunities related to the protection of valuable forest habitats or landscapes. This, | Low |
| 1.4 Harvesting permits | http://www.metla.fi/julkaisut/metsatilastollinenvk/tilastovsk-sisalto.htm  Statistics on all Forest use declarations in Finland in 2013 http://www.metsakeskus.fi/sites/default/files/smk-karttakuvaaja-hakkut.pdf  Description of how forest use declarations are handled by the Finnish Forest Centre http://www.mmm.fi/attachments/metsat/kv/5zAAlm5Z5/LITE_7_Metsankayttoilmoituksen_tarkastusmenetely_metsakeskuksissa.pdf  Field inspection instructions of the Finnish Forest Centre for 2014 http://www.metsakeskus.fi/sites/default/files/suomen-metsakeskuksen-maastotarkastusohje-2014-lopullinen.pdf  The Ministry of Agriculture and Forestry, Inspection and audit activities 2014 http://www.finlex.fi/data/normit/41581-14002fi.pdf  The land user or other authorized actor shall deliver a “forest use declaration” to the Finnish Forest Centre a minimum of 10 days before harvesting takes place. The following types of felling operations are exempted from the forest use declaration requirement: felling for household use; felling according to an approved felling and regeneration plan in a timberline forest area; felling of small-sized tree stands as decided in more detail by the ministry competent in forestry matters; felling for a road, ditch, water pipe, power line or similar purpose. The Forest Centre may approve the forest declaration, or may make changes to the harvesting plan, or set a prohibition on measures on the site, if necessary. A certain part of forest declarations is controlled by the authorities on site. The controlled sites are selected by sampling; the Ministry of Agriculture and Forestry decides each year what percent-age are to be controlled on-site. Transparency International ranks Finland as number 3/177 in the world in their latest report, 2017. Finland’s CPI (Corruption Perception Index) is 85, which is above FSC’s threshold for low risk, which is 50. Negligence to submit the forest use declaration or violations of restrictions/prohibitions set by the authorities do not happen often and are thus not considered a problem in Finland. | Low |
| 1.5 Payment of royalties and harvesting fees | N/A. No legislation requiring specific fees to be paid to authorities based on harvesting of forests or trading of forest products. | N/A | Low |
| 1.6 Value added taxes and other sales taxes | Finnish Tax Administration guidelines for the VAT - http://www.vero.fi/en- US/Precise_information/Value_added_tax  Forest owners are, in general, subject to VAT registration, and VAT is thus included in the sale price of timber. Small forest owners with annual sales of less than €8,500 are not required to be VAT registered. The VAT amount is stated on invoices/receipts for timber sales. The forest owner declares the VAT in the periodical tax declaration which is normally made once a year. | Low |
| 1.7 Income and profit taxes | Finland ranks 3/177 in Transparency International’s latest Corruption Perception Index report. Tax violations in the forestry sector are not considered a problem in Finland. | Low |


Special importance referred to in the Forest Act) had been preserved in logging operations in private forests. On 1% of the area containing valuable habitats, no preservation measures had been taken at all. However, the supervising authorities (the Forestry Centre and ELY-Centre (Centre for Economic Development, Transport and the Environment)) and the Finnish Nature Conservation Act have been criticized by ENGOs for not being strict enough in ensuring that forestry operations do not destroy or degrade habitats of flying squirrels in accordance with the EU Habitat Directive. This debate has been going on for several years and was brought to the EU Commission in 2013 for further clarification, though no decision has yet been issued. The Forestry Centre is required to forward all forest use declarations that affect known protected species to the regional ELY-Centres, which in turn decides what measures are allowed on the area concerned in relation to national legislation. Even though this matter is hotly debated, it must be concluded that in general forest owners are in compliance with national legislation. Whether the national legislation meets the requirements of the EU directive will have to be decided at EU level, and cannot be fully evaluated here. Annually, relatively few cases of illegal logging within SL-sites (FIN: luonnonsuojelualueet: areas reserved for conservation; all operations are forbidden which could jeopardize the area’s conservation value) have been resolved in court. A statement from three out of 15 Regional Centres for Economic Development, Transport and the Environment (ELY Centres), under a consultation on PEFC criteria revision in April 2014 stated, that very few cases result in an investigation by the police, even though several cases do occur. According to interviews with other ELY-centres, the logging has often been found to have taken place due to a lack of knowledge on the parts of both forest owner and local authority, and, in the specific cases they had been involved in, it was found that no police investigation was needed, as the cases were followed up on internally and occurred rarely. Based on these conflicting statements, there seems to be disagreement between the different regional ELYcentres on whether illegal actions within SL-sites
are an issue. However, only about 0.10% of all Forest Declarations target SL-areas and thus the scale must be considered low. The lack of inventorying of Natura 2000 areas has been brought up by ENGOs as well, in connection with the risk of unknowingly destroying important habitats. This is claimed to be an issue in private forests especially. Natura 2000 areas shall be protected whether mapped or not. However, according to the forest authorities these areas are well mapped and can be found on the joint webpage of Finland's environmental administration: http://www.ymparisto.fi/fi-FI/Luonto/Suojelualueet/Natura_2000_alueet?f=KaaakoisSuomen_ELYkeskus. Here Natura 2000 areas are mapped and their most important natural values are estimated. These areas are examined well, but every different habitat within them is not mapped. The forest owners who will need to protect each Natura 2000 habitat even if unmapped have been informed of this.

The public Metsään.fi web-service is designed to allow forest owners to view the public forest inventory data on their forests. This service will soon include Natura 2000 areas as well: http://www.metsaan.fi/

Thus, the inventoried Natura 2000 areas are well mapped and possible to find publicly. There seem to be good intentions from the Finnish forest authorities, but great criticism from the environmental sector persists of the lack of mapping of some Natura 2000 habitats. The presented statistics, together with the low number of cases brought forward for prosecution, indicates that the laws against destruction or degradation of known protected sites and species are, as a whole, complied with in Finland. While there might be some Natura2000 not mapped in Finland the risk of destroying Natura2000 is considered low in relation to the legislative requirements in Finland. However, further investigation on Natura2000 at regional level is recommended under category 3, HCV.

<p>| 1.10 Environmental requirements | Finnish Forest Association: <a href="http://www.forest.fi">http://www.forest.fi</a> Liito-oravan Pteromys volans Suomen kannan koon arviointi : <a href="http://www.ymparisto.fi/download/noname/%7B962D9F0D-1B25-414C-8D27-9198CC4DA659%7D/57383">http://www.ymparisto.fi/download/noname/%7B962D9F0D-1B25-414C-8D27-9198CC4DA659%7D/57383</a> Liito-oravan | According to statistics from the Forestry Centre for 2013, 723 sites, representing approximately 2,200 ha, were checked after harvesting activities. The results of this monitoring show that the forestry | Low |</p>
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<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Source</th>
<th>Note</th>
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<tbody>
<tr>
<td>1.11</td>
<td>Health and safety</td>
<td>[link](<a href="http://tyosuojelujulkaisut.wshop.fi/fi/">http://tyosuojelujulkaisut.wshop.fi/fi/</a> Occupational safety and health administration) <a href="http://www.tyosuojelu.fi/fi/workingfinland/">link</a></td>
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<td></td>
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<td>The information guide of health care for the entrepreneurs working in the forest sector</td>
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<td><a href="http://www.ttl.fi/partner/metsahyvinvointi/tapahtumat_ja_tilaisuudet/Documents/Mets%C3%A4alan%20ty%C3%B6terveys%20opas.pdf">link</a> (In Finnish only)</td>
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<td></td>
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<td>The Regional State Administrative Agency (AVI) is responsible for regional supervision and direction of occupational safety and health. Available statistics from AVI and the Occupational Safety and Health Administration indicate that compliance with health and safety regulations in forestry operations is not a problem in Finland.</td>
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<td>1.12</td>
<td>Legal employment</td>
<td><a href="http://www.tem.fi/ajankohtaista/vireilla/strategiset_ohjelmat_ja_karkihankkeet/harmaan_talouden_torjunta">link</a></td>
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<td></td>
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<td>The Ministry of Employment and the Economy (ongoing projects, the prevention of the black economy)</td>
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<td></td>
<td></td>
<td><a href="http://www.tyosuojelu.fi/fi/matters">link</a> <a href="http://www.tyosuojelu.fi/fi/contract">link</a></td>
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<td>Compliance with employment-related legislation is not considered a problem for domestic workers. The use of foreign workers in forestry operations is slowly growing for silviculture work such as planting and pre-commercial thinning. Authorities, forestry companies (the clients) and unions are monitoring the employment of foreign workers to ensure that employment practices and work operations are in accordance with applicable legislation and agreements. There is nothing indicating that systematic or large scale violations of employment related legislation in the forestry operations occur in Finland.</td>
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<tr>
<td>1.13</td>
<td>Customary rights</td>
<td><a href="http://www.metla.fi/metinfo/tilasto/julkaisut/vsk/2013/vsk13_06.pdf">link</a> <a href="http://www.metsa.fi/sivustot/metsa/fi/Metsatalous/pohjoissuomenenityiskysymykset/paliskuntainyhdistyksensopimus/Documents/paliskuntien_mets%C3%A4hallitus_yhteisty%C3%B6sopimus_.pdf">link</a> [link](<a href="http://www.samediggi.fi/index.php?option=com_content&amp;task=b">http://www.samediggi.fi/index.php?option=com_content&amp;task=b</a> logcategory&amp;id=235&amp;Itemid=371)</td>
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<td></td>
<td></td>
<td>The livelihoods of The Sámi people</td>
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<td>The Sámi people's rights to use private and stateowned land when practicing reindeer husbandry, hunting, and fishing are based on prescriptions from time immemorial and defined in the legislation. There have been conflicts in the past concerning forestry practices in the Sámi area. These conflicts have been to do with regulations providing safety for practicing reindeer herding. All of these cases have been resolved in a peaceful manner through negotiations between the concerned parties. The so-called Everyman's Rights entitle everyone to access private and public lands, to temporarily camp on such lands, and to collect wild berries and wild mushrooms. Violation of customary</td>
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<td>Section</td>
<td>Text</td>
<td>URLs</td>
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<td>1.15 Indigenous peoples rights</td>
<td>The legislation assigns the indigenous people their traditional right to reindeer herding and also gives them rights to hunt and fish, as well as to collect firewood under certain conditions. When planning measures concerning state land will have a substantial effect on the practice of reindeer herding, the Metsähallitus (the manager of state owned forests) must consult the representatives of the concerned reindeer herding co-operative. There have been conflicts in the past concerning forestry practices in the Sámi area but all of these cases have been resolved in a peaceful manner through negotiations between the Metsähallitus and other concerned parties. There are currently no indications that the obligation to consult with concerned Sámi people is violated to any significant extent.</td>
<td><a href="http://www.metla.fi/metinfo/tilasto/julkaisut/vsk/2013/vsk13_06.pdf">http://www.metla.fi/metinfo/tilasto/julkaisut/vsk/2013/vsk13_06.pdf</a> The Agreement between Reindeer Herders' Association and Metsähallitus <a href="http://www.metsa.fi/sivustot/metsa/fi/metsatalous/pohjoissuomenerityiskysymykset/paliskuntainyhdistyksensopimus/Sivut/default.aspx">http://www.metsa.fi/sivustot/metsa/fi/metsatalous/pohjoissuomenerityiskysymykset/paliskuntainyhdistyksensopimus/Sivut/default.aspx</a> <a href="http://www.metsa.fi/sivustot/metsa/fi/Metsatalous/pohjoissuomenerityiskysymykset/paliskuntainyhdistyksensopimus/Documents/paliskuntien_mets%C3%A4hallitus_yhteisty%C3%B6sopimus">http://www.metsa.fi/sivustot/metsa/fi/Metsatalous/pohjoissuomenerityiskysymykset/paliskuntainyhdistyksensopimus/Documents/paliskuntien_mets%C3%A4hallitus_yhteisty%C3%B6sopimus</a></td>
<td>Low</td>
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<tr>
<td>1.16 Classification of species, quantities, qualities</td>
<td>After logging, a forest owner will get a report of the volume of the harvested timber. The report contains various kinds of information, like timber volumes per harvested tree species. Taxes are paid on the total value of the harvested timber. The main principle of the Finnish taxation system is that tax is paid on earned income and capital income, such as that gained from selling logged timber. The Timber Measurement Act regulates the classification of species, quantities and qualities. The purpose of the Timber measurement Act is to secure equipment performance and reliability of the measurement results for unprocessed timber. The Act defines: - what must be agreed about the measurement - when and how the measurement is made - who makes the measurement - the way in which measurement reliability is ensured.</td>
<td><a href="http://www.metsateho.fi/files/metsateho/mittaus/start.html">http://www.metsateho.fi/files/metsateho/mittaus/start.html</a> Guidelines on the measurement of wood energy <a href="http://www.metla.fi/metinfo/tietopaketit/mittaus/energianpuun-mittausopas-30062014.pdf">http://www.metla.fi/metinfo/tietopaketit/mittaus/energianpuun-mittausopas-30062014.pdf</a> Info: timber measurement legislation in Finland <a href="http://www.metla.fi/metinfo/tietopaketit/mittaus/mittauslait.htm">http://www.metla.fi/metinfo/tietopaketit/mittaus/mittauslait.htm</a></td>
<td>Low</td>
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<tr>
<td>1.17 Trade and transport</td>
<td>Statistics: Wood harvesting and transport <a href="http://www.metla.fi/metinfo/tilasto/julkaisut/vsk/2011/vsk11_05">http://www.metla.fi/metinfo/tilasto/julkaisut/vsk/2011/vsk11_05</a></td>
<td>Under the Sale of Goods Act the seller and the buyer's responsibilities in &quot;movable&quot; property trade are regulated, such as the responsibility for risk and the supply of the good. The law on commercial goods transport on the road regulates the authorization and revocation of authorization for transporting the goods. However, there is no legislation specifically regulating the transport of wood.</td>
<td>Low</td>
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| 1.18 Offshore trading and transfer pricing | Transfer pricing [http://www.vero.fi/fi-FI/Yritys_ja_yhteisoasiakkaat/Kansainvalinen_toiminta/Mita_on_siirtohinnoittelu](http://www.vero.fi/fi-FI/Yritys_ja_yhteisoasiakkaat/Kansainvalinen_toiminta/Mita_on_siirtohinnoittelu) | Finland has had legislation on transfer pricing in place since 2007. Since January 2012 all transfer pricing issues have been centralised to the Large Taxpayer's Office and are one of the key areas covered by tax audits. Finland is a member of the OECD and has signed 48 Tax Information Exchange Agreements (TIEAs). It is estimated that the centralised transfer pricing project will increase the number of tax audits. Moreover, the tax administration has stated that monitoring of transfer pricing will be primarily done through tax audits instead of through the standard annual assessment. Documentation and description of the company and system used are strictly required. The documentation should be delivered within 60 days of request from the authorities. No contemporaneous documentation during the tax year is required, but transfer prices during the tax year should be monitored as it is not possible to amend the taxable income downward on a tax return in Finland. Adjustments to bring pricing in line with the arm's-length principle can be applied within the year. Small and medium-sized enterprises are not required to prepare transfer pricing documentation. The definition of small and medium-sized enterprises follows European Commission recommendation 2003/361/EC (turnover of no more than EUR 50 million or balance sheet of no more than EUR 43 million and less than 250 employees). | Low |
Guidelines on documentation of transfer pricing exist and the OECD Guidelines on transfer pricing are also used, but are not legally binding. Transfer pricing audits can be conducted as a single audit, or as part of a general tax audit. As a general rule the authorities aim to audit the largest companies at least every five years, and companies are often selected based on their line of business or specific tax risk criteria as developed by the tax authorities. However, the tax authorities do not disclose information concerning their tax risk analysis process. Generally, Finnish companies are very aware of the documentation requirements and of the attention they receive both from media and politicians. Legislation on transfer pricing in well implemented and there are no indications of violations of offshore trading- and transfer pricing-related laws concerning forestry products in Finland. Thus the risk is considered low.

Wood packaging import inspection (Finnish Food Safety Authority Evira) [http://www.tulli.fi/fi/suomen_tulli/julkaisut_ja_esitteet/valvonta/eutr/19706](http://www.tulli.fi/fi/suomen_tulli/julkaisut_ja_esitteet/valvonta/eutr/19706)  
The Finnish Customs is responsible for protecting society from potential health and safety threats as well as from smuggling and financial crime. In its oversight of forestry products the Finnish Customs cooperates with the police, the Mavi and the Finnish Food Safety Authority, Evira. A company which markets the wood of conifers (Coniferales), or Platanus or Castanea to the EU, must register in Evira’s plant protection register: [http://www.evira.fi/portal/fi/kasvit/viljely+ja+tuotanto/kasvitaudit+j+ja+tuholaiset/valvonta/kasvinsuojelu+-j+ja+taimiaistorekisteri](http://www.evira.fi/portal/fi/kasvit/viljely+ja+tuotanto/kasvitaudit+j+ja+tuholaiset/valvonta/kasvinsuojelu+-j+ja+taimiaistorekisteri)  
The plant health requirements of the recipient must be taken into account when exporting timber outside the EU. The requirements vary from import country to import country. The exporter must identify the requirements in good time prior to export. Normally, the requirement is a plant health certificate. [http://www.evira.fi/portal/fi/kasvit/tuonti+ja+vienti/puutavara/vienti+eu+n+ulkopuolelle/](http://www.evira.fi/portal/fi/kasvit/tuonti+ja+vienti/puutavara/vienti+eu+n+ulkopuolelle/) | Low |

| 1.20 CITES | CITES Checklist: [http://checklist.cites.org/#/en](http://checklist.cites.org/#/en)  
CITES (Finlands’s environmental administration) [http://www.ymparisto.fi/cites](http://www.ymparisto.fi/cites)  
CITES legislation (Finlands’s environmental administration) [http://www.ymparisto.fi/cites](http://www.ymparisto.fi/cites)  
International Trade in Endangered Species of Wild Fauna and Flora The trade, import, export, re-export and transit, as well as their trade, providing for sale, possession for commercial purposes, public | Low |

DDS In Finland

DDS in contracts between wood buyer and forest owner

WWF Government Indicator 2014: [http://barometer.wwf.org.uk/what_we_do/government_barometer/scores_by_country/country_scores.cfm?country=Finland](http://barometer.wwf.org.uk/what_we_do/government_barometer/scores_by_country/country_scores.cfm?country=Finland)

Finnish Forest Centre
[http://www.metsakeskus.fi/eun-puutavara-asetus#.VJE9yclbUWc](http://www.metsakeskus.fi/eun-puutavara-asetus#.VJE9yclbUWc)

Forest Declaration:
[http://www.metsakeskus.fi/sites/default/files/doc/metsankayttoilmoitus.pdf](http://www.metsakeskus.fi/sites/default/files/doc/metsankayttoilmoitus.pdf) | MAVI (the Agency for Rural Affairs) is the competent authority and is responsible for monitoring the EUTR and the requirement of Due Diligence is implemented in Finland. MAVI has the right to issue conditions and fines if companies do not implement a due diligence system that complies with the requirements. MAVI cooperates with the Finnish Forest Centre.

The legislative framework is in place and Finland has received a high score in implementing the Due Diligence system to date in the WWF Government Barometer on timber legality. The requirement for DDS at the forest level is considered by MAVI to be covered by providing a forest use declaration, already required under the current legislation, to the Finnish Forest Centre.

The main purpose of the form is to inform the authority of:
- What harvesting is planned to be conducted (logging methods in the different parts of the treatment area)
- Who is the forest owner and who is the logging right holder
- Notices if there are other objects known protected by law

The purpose is to have the authority to verify that the planned treatment is legal. The authority shall be given the opportunity to give a statement about the planned harvesting.

The forest use declaration, together with a contract of wood delivery required by the Timber Measurement Act, is to be considered a due diligence system. | Low |
The Forest Use Declaration, which is defined by the Finnish Competent Authority as a DDS, is legally required to submit and to have approved prior to harvesting (See also 1.4). The requirement is considered well implemented and the risk is thus considered low.

### Recommended control measures

N/A

### Controlled wood category 2 – Wood harvested in violation of traditional and human rights

**NOTE:** Traditional rights may include rights which result from a long series of habitual or customary actions, constantly repeated, which have, by such repetition and by uninterrupted acquiescence, acquired the force of a law within a geographical or sociological unit. An example of a traditional right related to forests is access by local communities to forest areas to visit sacred and ritual sites.

<table>
<thead>
<tr>
<th>Requirements related to wood harvested in violation of traditional or civil rights</th>
<th>Examples of sources of information</th>
<th>Evaluation, comments by company</th>
<th>Risk level (low or specified)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. The supply area may be considered low risk in relation to the violation of traditional and human rights when all the following indicators are met:</td>
<td>The final report of the expert panel on illegal exploitation of natural resources and other forms of wealth in Democratic Republic of Congo, 2002, Annexes I and III (S/2002/1146) <a href="https://www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf">www.naturalresources.org/minerals/CD/docs/other/N0262179.pdf</a></td>
<td>EE. FSC-CNRA-FIN V1-0 CENTRALIZED NATIONAL RISK ASSESSMENT FOR FINLAND 2015 Category 2 low risk</td>
<td>Low</td>
</tr>
<tr>
<td>2.1 The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.</td>
<td>There is no UN Security Council ban on timber exports from Finland. Finland is not covered by any other international ban on timber</td>
<td>No domestic ‘armed conflicts’ reported. No information found on Finland as a source of conflict timber. The country is not designated a source of conflict timber (wood</td>
<td>Low</td>
</tr>
</tbody>
</table>

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2 The sources of information are only included as examples. The content of these sources has not been assessed by FSC and companies also should feel free to use other sources of information.
<table>
<thead>
<tr>
<th>The country or supply area is not designated a source of conflict timber (e.g. USAID Type 1 conflict timber).</th>
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<td>2.2 Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.</td>
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FSC network partners and regional offices (contacts: ic.fsc.org)
- Indigenous Peoples’ organizations
- Local community associations
- National Sources (e.g. records of land claims negotiation concluded or in progress, summaries of court decisions)
http://ec.europa.eu/social/BlobServlet?docId=8320&langId=en
http://www.nationalparks.fi/hikinginfinland/rightsandregulations

Sápmi is the Sámi people’s own name for their traditional living territory. The Sámi people are the indigenous people of the northern part of the Scandinavian Peninsula and large parts of the Kola Peninsula. The Sámi people therefore live in the four countries of Sweden, Norway, Finland and Russia. On the Finnish side of Sápmi, there is around 8,000. This is approx. 0.16% of the Finnish total population of around 5 million.
- Finland (and Norway and Sweden) pays a high level of attention to indigenous issues, relative to other countries. In many respects, initiatives related to the Sami people in the Nordic countries set important examples for securing the rights of indigenous peoples.
- The Constitution of Finland recognizes the Sami as an indigenous people (section 17) and recognizes their right to cultural autonomy within their homeland, noting that “in their native region, the Sami have linguistic and cultural self-government.” (Art. 121)
- The Sami Parliament Act of 1995 defines the Sami homeland as “the areas of the municipalities of Enontekiö, Inari and Utsjoki, as well as the area of the reindeer owners’ association of Lapland in Sodankylä.” The Sami Parliament Act establishes the Finnish Sami Parliament, replacing the previous Sami Parliament that had operated from 1972-1995, which was the first elected Sami body within any of the Nordic countries. The 21 members and four vice-members of the Sami Parliament are chosen by the Sami through elections every four years.
- Scientific studies suggest that the logging dramatically decreases amounts ground lichen for 80 years in logged areas. Industrial logging started in the Sámi home region in the 60's with massive areas per year. This amount of logging was reduced since those years.
- Between 2009 and 2014 all Sami collectives signed agreements with the one forest company that manages the forests in the Sami homeland, Metsähallitus and cooperatives. The reindeer herders consider the treaties with Metsähallitus as good compromizes: the best grazing areas are saved and less important areas are used by forestry. The cumulative harm per year is decreased a lot through these agreements.

| 2.3 The rights of Indigenous and Traditional Peoples are upheld. | The Sami homeland region is mostly or totally outside of the company’s sourcing area and no wood from state forest. Some wood private forest owners might be even Sami themselves. The Sámi people is considered as indigenous people in Finland. Their rights have been secured in several laws e.g. the Constitution, the Sámi Parliament Act, the Act on the Finnish Forest and Park Service and the Act on Reindeer Husbandry. The Sámi Parliament is the supreme political body of the Sámi in Finland. The Sámi Parliament represents the Sámi in national and international connections, and it attends to the issues concerning Sámi language, culture, and their position as an indigenous people. The Sámi Parliament can make initiatives, proposals and statements to the authorities. The Sámi Parliament Act also states that the... | Low |

3 A process in which there are functioning means of recourse and/or there are not overwhelming structural imbalances or inherent unfairness. Examples of processes include land claims negotiations, judicial procedures and treaty negotiations.

4 Indigenous Peoples, workers, communities and government within the supply area accept and endorse the structure for addressing and resolving these issues; and communities and/or Indigenous Peoples have recognized power to mitigate any threats of harvesting through legal systems or other authority.
agreements. The reindeer herders association states that nature is not that predictable and that the situation can change in the future, but for the time being, not-FSC certified forestry in the Sámi home region is "low risk" if Metsähallitus respects the treaties they have agreed. The possible risk here comes from the potential re-structuring of Metsähallitus.

- ‘No unsettled issues have occurred since’ the agreements have been signed.
- This line of assessment and argumentation is supported by the draft FSC Finland NRA report.
- It remains a fact that ‘no effective legislation’ exists that protects the Sámi reindeer herding and its grazing areas.
- There is a cumulative effect of the activities of the different sector and actors, such as mining and predators, on the Sámi reindeer herding but the contribution of the forestry sector is assessed to be limited.

Authorities have an obligation to negotiate with the Sámi Parliament for all important measures that concern the Sámi people. These include for example the use of state land and conservation areas. Between 2009 and 2014 all Sami collectives signed agreements with Metsähallitus, the forest company that manages the forests in the Sámi homeland. The reindeer herders consider the treaties with Metsähallitus as good compromises: the best grazing areas are saved and less important areas are used for forestry. The cumulative harm per year is decreased a lot through these agreements. The reindeer herders association states that for the time being, non-FSC certified forestry in the Sámi home region is "low risk" if Metsähallitus respects the treaties they have agreed. ‘No unsettled issues have occurred since’ the agreements have been signed.

**Recommended control measures**

N/A
Controlled wood category 3 – Wood harvested from forest in which high conservation values are threatened by management activities

NOTE 1: Threat in the context of this standard means having an uncertain chance of continued survival or presence of HCVs at the ecoregion level. This standard requires the identification of threats to HCVs caused by forest management activities.

NOTE 2: There is no difference in the definition of HCVs and their different categories between the FSC Principles and Criteria (FSC-STD-01-001) and this standard.

The difference relates to the objectives of both standards. While the FSC Principles and Criteria require the maintenance and enhancement of HCVs at the management unit level, this standard requires the organization to avoid timber from forests where HCVs are being threatened at the ecoregional level.

3.8 General requirements for risk assessment:

a) HCVs that provide basic services of nature in critical situations and those that are fundamental to meeting basic needs of local communities can be considered low risk, if indicators 2.4, and 3.1 and/or 3.2 are met. That is, there are recognizable and equitable processes in place to resolve conflicts of substantial magnitude pertaining to traditional rights including use rights, cultural interests or traditional cultural identity in the supply area concerned.

3.9 Risk assessment indicators:

<table>
<thead>
<tr>
<th>Requirements related to wood harvested from forest in which high conservation values are threatened by management activities</th>
<th>Examples of sources of information</th>
<th>Evaluation, comments by company</th>
<th>Risk level (low or specified)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. The supply area may be considered low risk in relation to threat to HCVs if: a) Indicator 3.1 is met; or b) Indicator 3.2 eliminates (or greatly mitigates) the threat posed to the supply area by non-conformity with a) 3.1.</td>
<td>FSC documentation on HCVs (ic.fsc.org) - Ecoregion definition and information (<a href="http://www.worldwildlife.org/biomes">www.worldwildlife.org/biomes</a>) - Regions identified by Conservation International as a Biodiversity Hotspot, or ecosystems and communities that are explicitly identified by Conservation International as a key component of a Biodiversity Hotspot - Forest, woodland, or mangrove ecoregions identified by World Wildlife Fund as a Global 200 Ecoregion and assessed by WWF as having a conservation status of</td>
<td>There are no ecoregionally significant HCVs in the supply area. There are no Biodiversity Hotspots in Finland. Of the Global200 Eco-regions there is tundra in the northernmost part of Finland. However, there is no commercial logging of timber in this area which is located above the tree line. There are also some small areas of Frontier Forests and intact Forests in the north of the country where also the majority of country's conservation areas are located. Main part of the Frontier and Intact Forests are</td>
<td>Low</td>
</tr>
</tbody>
</table>
organization shall assess how forest management activities relate to these HCVs at the supply area level. For the risk assessment of this category the identification of ecoregionally significant HCVs is required, which in practical terms implies that locally relevant values are not in the focus of this step of the risk assessment. Threatened ecoregions can be identified through the supporting information that references, but is not limited to e.g. Biodiversity Hotspots, Global 200 Ecoregion, Frontier Forest, Intact forest landscapes.

Regarding Intact Forest Landscape, firefighting or fire prevention for the protection of public safety is not considered an economic activity of minimal disturbance. Fire control in the context of forest management activities is not considered to be an economic activity of minimal disturbance. Low risk for this indicator may be demonstrated as follows:

a) Material does not originate from any of the mapped areas of HCVs (as listed in 3.1), or
b) There are no ecoregionally significant HCVs in the supply area according to independent

<p>| Endangered or critical. If the Global 200 Ecoregion comprises more than a single terrestrial ecoregion, an ecoregion within the Global 200 Ecoregion can be considered low risk if the sub-ecoregion has a Conservation Status other than ‘critical’ or ‘endangered’ (<a href="http://www.worldwildlife.org/science/wildfinder">www.worldwildlife.org/science/wildfinder</a>) Regions identified by the World Conservation Union (IUCN) as a Centre of Plant Diversity - Regions identified by Conservation International as a High Biodiversity Wilderness Area that contain contiguous forest ecosystems greater than 500 km² - Regions identified by the World Resources Institute as a Frontier Forest - Intact Forests Landscapes, as identified by Greenpeace (<a href="http://www.intactforests.org">www.intactforests.org</a>) | inside these official conservation areas. The government continuously monitors new areas for conservation. All Frontier forests and Intact forest landscapes are far away from the company’s sourcing area |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 A strong system of protection (effective protected areas and legislation) is in place that ensures survival of the HCVs in the ecoregion. Low risk for this indicator shall be demonstrated as follows: a) A strong system of protection of HCVs is in place. The definition of strong shall be based on the effectiveness of law enforcement in the country. This can be demonstrated through a high rating (≥ 75%) in the World Bank 'rule of law' index (<a href="http://www.govindicators.org">www.govindicators.org</a>), and b) Significant support by relevant national/regional stakeholders from the assessed supply area, or c) The forest manager has agreed to an approach of HCV protection at the supply unit level with national/regional environmental stakeholders relevant for the assessed supply area. c) Indicator 3.2 cannot be met if there is substantial objection from relevant national or regional stakeholders against a low risk designation for the HCV category.</td>
<td>FSC network partners and regional offices (contacts: ic.fsc.org) - Signatory to the Convention on Biological Diversity and demonstrable progress towards completing a network of protected areas, such as an overall positive analysis of the latest country thematic report on Forest Ecosystems (<a href="http://www.cbd.int">www.cbd.int</a>)</td>
<td>There are several laws (Forest Act, Nature Conservation Act, Act on Wilderness Reserves) safeguarding forest biodiversity in Finland. Furthermore Finland's most valuable nature sites have been secured through various protection programmes (Natura 2000, Protection programme for old growth forests. Bog protection programme, Grove protection programme). The biodiversity programme METSO has introduced new voluntary means of conservation and promoted biodiversity research. 3.2 % of the forest land in Finland is strictly protected. 9.7 % is protected or has felling restrictions</td>
</tr>
</tbody>
</table>
Controlled wood category 4 – Wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses

NOTE: The intent of the risk assessment for this category is to reveal risk in regions where there is a significant occurrence of deforestation of natural forests. The organization is encouraged to seek for guidance from FSC network partners and regional offices on the interpretation of ‘significant rate of loss’ for forests in their countries and regions.

<table>
<thead>
<tr>
<th>Requirements related to wood harvested from areas being converted from forests and other wooded ecosystems to plantations or non-forest uses</th>
<th>Examples of sources of information</th>
<th>Evaluation, comments by company</th>
<th>Risk level (low or specified)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. The supply area may be considered low risk in relation to forest conversion of forest to plantations or non-forest uses when the following indicator is present: NOTE: the change from plantations to other land uses is not considered forest conversion.</td>
<td></td>
<td></td>
<td>Low</td>
</tr>
</tbody>
</table>
4.1 There is no net loss or no significant rate of loss (> 0.5% per year) of natural forests and other naturally wooded ecosystems such as savannahs taking place in the eco-region in question.

According to FAO’s report on the state of world’s forests (2011) forest area in Finland is 22,16 million hectares and the average annual net loss between 2000 and 2010 has been 30 000 hectares, which is about 0.1 %. According to FAO’s Global Forest Resources Assessment there are no forest plantations in Finland and therefore no conversion of forest to plantations. According the reporting related to greenhouse gases under UNFCCC Kyoto protocol, the forest land conversion has been 18 200 hectares between the years 2000 and 2010, which is less than 0.1 %. Finland is a land covered by forests and the small net loss of forest is due to the conversion of forests to building sites and roads. At the same time the total volume of wood in the Finnish forests grows annually.

Controlled wood category 5 – Wood from forests in which genetically modified trees are planted

<table>
<thead>
<tr>
<th>Requirements related to wood from forests in which genetically modified trees are planted</th>
<th>Examples of sources of information(^5)</th>
<th>Evaluation, comments by company</th>
<th>Risk level (low or specified)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. The supply area may be considered low risk in Evira (Finnish Food and Safety Authority - the FSC-CNRA-FIN V1-0</td>
<td>Low</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^5\) Sources of information include but are not restricted to those outlined below
relation to wood from genetically modified trees when one of the following indicators is met:

- a) There is no commercial use of genetically modified trees of the species being sourced; or
- b) Licenses are required for commercial use of genetically modified trees and there are no licenses for commercial use of the species being sourced; or
- c) It is forbidden to use genetically modified trees commercially in the country concerned.

competent authority in Finland regarding to marketing of GMOs and forest reproductive material
http://www.evira.fi/portal/ifi/tietoa+evirasta/asiakonaisuudet/muuntogeenniset+tuotteet+/kenttako keet/

| 1. Is there any legislation covering GMO (trees)?                          | No. but the use of GMO is regulated by law. |
| 2. Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)? | No. but the use of GMO is regulated by law. |
| 3. Is there evidence of unauthorized use of GM trees?                     | No. There are no known commercial use nor any scientific research aiming for commercial use of genetically modified trees in Finland |
| 4. Is there any commercial use of GM trees in the country or region?      | No. There are no known commercial use nor any scientific research aiming for commercial use of genetically modified trees in Finland |
| 5. Are there any trials of GM trees in the country or region?              | No. There are no known scientific research aiming for commercial use of genetically modified trees in Finland |
| 7. Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?) | No |
| 8. What GM 'species' are used?                                           | N/A |
| 9. Can it be clearly determined in which MUs the GM trees are used?      | N/A |
Recommended control measures
N/A