






Centralized National Risk Assessment for Denmark

FSC-CNRA-DK V1-0 EN

Title:	Centralized National Risk Assessment for Denmark
Document reference code:	FSC-CNRA-DK V1-0 EN DRAFT
Approval body:	FSC International Center: Policy and Standards Unit
Date of approval:	XX MONTH 201X
Contact for comments:	FSC International Center - Policy and Standards Unit - Charles-de-Gaulle-Str. 5 53113 Bonn, Germany
	 +49-(0)228-36766-0  +49-(0)228-36766-30  policy.standards@fsc.org
<p>© 2016 Forest Stewardship Council, A.C. All rights reserved.</p> <p>No part of this work covered by the publisher's copyright may be reproduced or copied in any form or by any means (graphic, electronic or mechanical, including photocopying, recording, recording taping, or information retrieval systems) without the written permission of the publisher.</p> <p>Printed copies of this document are for reference only. Please refer to the electronic copy on the FSC website (ic.fsc.org) to ensure you are referring to the latest version.</p>	

The Forest Stewardship Council® (FSC) is an independent, not for profit, non-government organization established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations.

Contents

Risk assessments that have been finalized for Denmark.....	4
Risk designations in finalized risk assessments for Denmark	5
Risk assessments	6
Controlled wood category 1: Illegally harvested wood	6
Overview	6
Sources of legal timber in Denmark.....	7
Risk assessment	7
Recommended control measures	38
Controlled wood category 2: Wood harvested in violation of traditional and human rights	39
Risk assessment	39
Recommended control measures	39
Detailed analysis	39
Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities	40
Overview	40
Experts consulted.....	41
Risk assessment	42
Recommended control measures	51
Information Sources	52
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	55
Risk assessment	55
Recommended control measures	56
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	57
Risk assessment	57
Recommended control measures	59

Risk assessments that have been finalized for Denmark

Controlled Wood categories		Risk assessment completed?
1	Illegally harvested wood	YES
2	Wood harvested in violation of traditional and human rights	NO
3	Wood from forests where high conservation values are threatened by management activities	YES
4	Wood from forests being converted to plantations or non-forest use	YES
5	Wood from forests in which genetically modified trees are planted	YES

Risk designations in finalized risk assessments for Denmark

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Low risk
1.2	N/A
1.3	Low risk
1.4	N/A
1.5	N/A
1.6	Low risk
1.7	Low risk
1.8	Low risk
1.9	Low risk
1.10	Low risk
1.11	Low risk
1.12	Low risk
1.13	Low risk
1.14	N/A
1.15	N/A
1.16	Low risk
1.17	Low risk
1.18	Low risk
1.19	Low risk
1.20	N/A
1.21	Low risk
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	
2.2	
2.3	
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	N/A
3.1	Specified risk
3.2	N/A
3.3	Specified risk
3.4	Low risk
3.5	Low risk
3.6	Low risk
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	
4.1	Undesignated
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Low risk

Risk assessments

Controlled wood category 1: Illegally harvested wood

Overview

Denmark has about 615,000 ha of forest (2013 data). This is equivalent to 12–13% of the total area of Denmark. About 72% of the Danish forest area is forest reserves (fredskov), where the owner is required to continue forest management activities. Forest reserves are covered by the Forest Act. All public forest is classified as forest reserve. A forest reserve can be rescinded if this is requested by the relevant municipality. If a forest reserve is rescinded by the Minister of the Environment and Food, then another area of the same size shall be established as a forest reserve or planted. In some cases, new forest does not need to be planted; for example when the rescinded forest reserve is in a municipal area. Forests are used for timber production, but nature and recreational values are also important.

Forests in Denmark are divided into private forests (70%), and State and other owners (30%). State-owned forests include municipal forests. With regards to ownership, some Danish forests are classified as 'majoratsskov', which means that the ownership cannot change. Christmas trees are treated under the agricultural legislation; however tax on production of Christmas trees is regulated in the Forest Act, article 30-31.

Forests classified as Natura 2000 forests (13% of the Danish forest area) require a harvest permit. Application for permits is made to the Danish Nature Agency, who then decides whether permission can be granted; with the decision taken on the proviso that the natural condition of the forest will not deteriorate. For other types of forest harvest, permits are not required by law.

Danish forestry is primarily regulated through the Forest Act. The elements of the forest that are not forest reserve and thus not covered by the Forest Act are covered by the Nature Protection Act. Denmark has a total harvest of 4.3 million cubic meters per year (<http://naturstyrelsen.dk/naturbeskyttelse/skovbrug/>). The Forest Act does not include many measures relating to forest techniques, e.g. harvesting, planting or thinning.

The Danish Nature Agency under the Ministry of the Environment and Food is responsible for monitoring of Danish forests. A forest inventory was carried out in 2013 and, prior to that, in 2000 and 1990. This inventory describes statistical data for forest resources, forest health, biodiversity, and demography of the forestry.

Sources of legal timber in Denmark

Forest classification type	Permit/license type	Main license requirements (forest management plan, harvest plan or similar?)	Clarification
Forest reserve	N/A	N/A	Management plans are not required for Danish forests outside Natura 2000 areas.
Natura 2000	Permit needed	application to the Danish Nature Agency, who makes the decision	The permit will be provided by the Danish Nature Agency.

Risk assessment

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
Legal rights to harvest			
1.1 Land tenure and management rights	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • (VAT Act (Momsloven) - LBK nr 106 af 23/01/2013 - Article 1, 2, 3, 47 • Land Registration Law (Tinglysningsloven) - LBK nr 1075 af 30/09/2014 - Article 1-42b and 49b -66 	<p>Government sources</p> <p>www.https://www.retsinformation.dk/ https://datacvr.virk.dk/data/ https://indberet.virk.dk/myndigheder/stat/SKAT/Forespoerg_paa_danske_momsnumre</p> <p>Non-Government sources</p> <p>Personal communication with Danish Forest Association</p>	<p>Overview of Legal Requirements</p> <p>Land tenure rights are regulated by the Land Registration Law, with land ownership registered in the Land Book. According to the Land Registration Law, rights to real estate must be registered in the Land Book to ensure valid agreements on property and in cases of prosecution. When a document for land registration is to be registered, it shall include information on land registry number and address, personal identification number and company registration number. Apart from the registry in the Land Book, a legal contract of ownership shall also be signed. Customary rights and legal methods to obtain rights are equally regulated by the Land Registration Law. The Land Book is an online registry that is publicly available: https://www.tinglysning.dk/tinglysning/welcome.xhtml</p> <p>According to the Danish Forest Association, Denmark is one of the most highly organised countries in the context of spatial mapping, especially the forest area. Ownership is very clear, and there are very few areas without clearly defined ownership. The Danish Forest Association does not know of any risks related to ownership. The State's right to obtain land tenure is regulated through the Expropriation Law.</p> <p>All legally registered companies are registered in the CVR register from which information on type of business, size, address etc. is publicly available. The CVR number can be verified at Virk: https://datacvr.virk.dk/data/. A legal business agreement is also a requirement.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=142900</p> <ul style="list-style-type: none"> • Agreement Act (Aftaleloven) - LBK nr 781 af 26/08/1996 <p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=82218</p> <ul style="list-style-type: none"> • Business Tax Law (Virksomhedsskatteloven) - LBK nr 1114 af 18/09/2013 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=158215</p> <ul style="list-style-type: none"> • Det Centrale Virksomhedsregister (The Central Business Register) <p>https://datacvr.virk.dk/data/</p> <ul style="list-style-type: none"> • Bekendtgørelse af lov om fremgangsmåden ved ekspropriation vedrørende fast ejendom 		<p>Description of Risk</p> <p>Land rights are clearly established in Denmark and business and tax registration are clear and transparent through public databases. Furthermore, laws in Denmark are very well enforced. In the Corruption Perceptions Index (https://www.transparency.org/cpi2014/results), Denmark was ranked first for the years 2014, 2013 and 2012; that is, for these years, Denmark was considered the least corrupt country in the world.</p> <p>Within the Worldwide Governance Indicators index, Denmark scores close to 100% for Rule of Law and Control of Corruption. This indicates that there is very low risk that legislation on ownership and legal registration of businesses is not enforced.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as Low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=121921</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Taxation • Ministry of Justice <p>Legally required documents or records</p> <ul style="list-style-type: none"> • Registry in the Land Book • Contract of ownership • legal business agreement 		
1.2 Concession licenses	<p>Applicable laws and regulations</p> <p>N/A</p> <p>Legal Authority</p> <p>N/A</p> <p>Legally required documents or records</p>	N/A	N/A

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	N/A		
1.3 Management and harvesting planning	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Forest Act (Skovloven) - LBK nr 678 af 14/06/2013 <p>https://www.retsinformation.dk/forms/R0710.aspx?id=143280</p> <ul style="list-style-type: none"> • Museum Act (Museumsloven) - LBK nr 358 af 08/04/2014 - Article 1-2, 8, 23-31, 38-40a, 41-45 <p>www.retsinformation.dk/forms/R0710.aspx?id=162504</p> <ul style="list-style-type: none"> • Nature Protection Act (Naturbeskyttelsesloven) - LBK nr 1578 af 08/12/2015 <p>https://www.retsinformation.dk/forms/r0710.aspx?id=155609</p>	<p>Government sources</p> <p>www.https://www.retsinformation.dk/</p> <p>Non-Government sources</p> <p>Personal communication with Danish Forest Association, Denmark's Society for Nature Conservation and Danish Nature Agency</p>	<p>Overview of Legal Requirements</p> <p>Natura 2000 forest plans are regulated through Article 4 of the Forest Act. The Forest Act requires that forest plans for these areas shall be developed by the Minister for the Environment and Food. As the basis for the forest plan, the Minister for the Environment and Food shall register and map the location and conservation status of all relevant species in the area. This forest plan is not to be confused with a forest management plan.</p> <p>Private forest owners are not required to develop a forest management plan. However, private forest managers can apply for subsidies if performing specific environmental actions, in which case they are required to have a forest management plan. The forest management plan does then need to be approved by the forest administration to obtain the subsidy (Forest Act, Articles 3-6).</p> <p>All State-owned forests have a forest management plan. 'Fredskov' is a Danish concept relating to forest reserves; and forests can be designated a forest reserve by the Minister of the Environment or by registration in the Land Book. Ninety per cent of all Danish forests are classified as 'fredskov' (see http://www.dn.dk/Default.aspx?ID=8740).</p> <p>The Museum Act provides legal requirements for protection of cultural and natural heritage through the planning and preparation of earthworks, including archaeological and natural history assessments. Risk assessments are important in forest management as many natural heritage values occur in Danish forests. In forests in Denmark, there are more and better-preserved ancient monuments and burial mounds than in cleared land, where they have been removed to give way to agriculture. The Nature Protection Act requires that there shall be a 100 meter zone around each monument. Within this zone various obligations must be met, for example, fences for forestry use cannot occur, and logging residues cannot be left. According to the Danish Forest Association, there have been a few cases of logging residues left within this zone, and one case where a forest owner dug a foxhole in a burial mound. However, these are considered exceptional and it is not the general picture that the Museum Act is being violated inside the forests.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Environment and Food • Ministry of Culture <p>Legally required documents or records</p> <p>N/A</p>		<p>According to the Forest Act, the Minister for the Environment and Food shall monitor the state of the forests and development of the forest industry. The Danish Nature Agency carries out monitoring of businesses considered to have a high risk of offending against the law. This means that the Agency mainly visits forest owners, where there is a known case of offending. The Minister shall also ensure that statistical data are collected on a regular basis and that reports are developed about the state of Danish forests. The Minister can determine requirements as to how monitoring and data collection are carried out (Forest Act, Articles 35-36). These tasks are carried out under the auspices of Forest & Landscape, a centre of the Department of Earth Science and Nature Management and the Department of Food and Resource Economics.</p> <p>The purposes of forest monitoring are to: follow changes in forest growth and condition and relate them to human as well as natural influences; monitor forest resources and forest production; provide the knowledge base for operational as well as natural and environmental strategic decisions; provide national and international reports. For the latest results of forest monitoring, refer http://ign.ku.dk/samarbejde-raadgivning/myndighedsbetjening/skovovervaagning</p> <p>Description of Risk</p> <p>Forest management plans are not a requirement for Danish forests. Forest monitoring is only for statistical purposes; conformance with the law is not monitored. According to both Danish Nature Agency and Denmark's Society for Nature Conservation, the Danish Nature Agency only monitors companies involved with import of timber, but not forest management units. This represents a risk. However, it is confirmed by Danish Nature Agency, Denmark's Society for Nature Conservation and Danish Forest Association, that Danish forest managers in general have a very high level of legal compliance. This is explained by the fact that Danish forests are generally visible to visitors and neighbours, so it is difficult for the forest owners to carry out illegal activities without these being observed.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			Risk Conclusion Based on the available information, the risk for this category has been assessed as Low.
1.4 Harvesting permits	<p>Applicable laws and regulations</p> <p>N/A. No harvesting permits are required in Denmark.</p> <p>Legal Authority</p> <p>N/A</p> <p>Legally required documents or records</p> <p>N/A</p>	N/A	N/A
Taxes and fees			
1.5 Payment of royalties and harvesting fees	<p>Applicable laws and regulations</p> <p>N/A. In Denmark there are no royalties and harvesting fees required in relation to harvest.</p>	N/A	N/A

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <p>N/A</p> <p>Legally required documents or records</p> <p>N/A</p>		
1.6 Value added taxes and other sales taxes	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Law of VAT (Momsloven) - LBK nr 106 af 23/01/2013 - Article 11, 70, 81 <p>www.retsinformation.dk/forms/R0710.aspx?id=145054</p> <ul style="list-style-type: none"> • Tax Collection Act (Optrævningsloven) - LBK nr 569 af 28/05/2014 <p>www.retsinformation.dk/forms/R0710.aspx?id=163005</p> <ul style="list-style-type: none"> • Corporation Tax Act (Selskabsskatteloven) - 	<p>Government sources</p> <p>Personal communication with Danish Nature Agency</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>VAT of 25% shall be paid in accordance with the Tax Collection Act and the VAT Law. Sales tax shall be paid on a monthly basis; and is administered by the Ministry of Taxation and applies to persons who conduct an independent business.</p> <p>Description of Risk</p> <p>The Danish Nature Agency confirms that some illegalities occur associated with firewood sold directly from the forest management unit. However, as this firewood does not end up on the commercial market, and since it represents a very limited volume, this does not represent a high risk.</p> <p>Denmark scores high against World Bank Worldwide Governance Indicators. On a scale of -2.5 to +2.5, Denmark receives a score of 1.72 (2014) for Regulatory Quality, 2.09 for Rule of Law and 2.26 for Control of Corruption. Regulation of sales tax and VAT is considered well-enforced in Denmark.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>LBK nr 680 af 20/05/2015</p> <p>www.retsinformation.dk/Forms/R0710.aspx?id=169477</p> <ul style="list-style-type: none"> • Business Tax Law (Virksomhedsskatteloven) - LBK nr 1114 af 18/09/2013 <p>www.retsinformation.dk/forms/R0710.aspx?id=158215</p> <p>www.retsinformation.dk/Forms/R0710.aspx?id=145909</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • <i>Ministry of Taxation</i> <p>Legally required documents or records</p> <p>N/A</p>		

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.7 Income and profit taxes	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Law of VAT (Momsloven) (LBK nr 106 af 23/01/2013) - Article 1,2,3 <p>www.retsinformation.dk/forms/R0710.aspx?id=145054</p> <ul style="list-style-type: none"> • Tax Collection Act (Opkrævningsloven) LBK nr 569 af 28/05/2014 <p>www.retsinformation.dk/forms/R0710.aspx?id=163005</p> <ul style="list-style-type: none"> • Corporation Tax Act (Selskabsskatteloven) LBK nr 680 af 20/05/2015 <p>www.retsinformation.dk/Forms/R0710.aspx?id=169477</p>	<p>Government sources</p> <p>SKAT: http://www.skat.dk/SKAT.aspx?oID=2047189</p> <p>Non-Government sources</p> <p>Skovdyrkerne (2008): http://www.skovdyrkerne.dk/omos/nyheder/nyhed/artikel/skov-og-skat/</p>	<p>Overview of Legal Requirements</p> <p>Income tax for companies is calculated from income and - when companies are legally registered - paid automatically through bank accounts. Tax regulations also include penalties and provisions for sanctions.</p> <p>Income tax has to be paid based on the value of the sold timber. Costs incurred in relation to the forest operation can be deducted from income tax (see http://www.skat.dk/SKAT.aspx?oID=2047189).</p> <p>Tax deductions allowed in forestry are described in tax Assessment Act article (Ligningsloven) 8K. The Tax Assessment Act gives requirements on how income tax to the state is calculated.</p> <p>Tax authorities require that there is a correlation between the income covered by the tax regulation and the expenses being claimed as a tax deduction; thus only expenses that can be deducted are those that are used to gain, ensure and maintain income.</p> <p>Costs associated with planting of forest reserves, Christmas trees, and greenery and fruit trees can be deducted by up to 20% annually. It is a condition of deduction that, for the area planted as a forest reserve, duty is imposed through the provisions of the Forest Act, and that the forest reserve obligation is recorded in the Land Book and cadastral map. Costs of reforestation can be deducted immediately.</p> <p>Expenditure incurred for the construction of shelterbelts and additional hardwood shelter plantings is fully deductible from taxable income in the income year in which the expense is incurred.</p> <p>The purchase of forest machinery and equipment and real estate in relation to forestry activity can be deducted or amortized only under the provisions of the Tax Assessment Act relating to tax depreciation.</p> <p>Description of Risk</p> <p>According to the Danish Forest Association, some small-scale forest owners do not register all firewood sales and thus do not pay the required tax. However, this is a very limited volume of wood that does not enter the commercial timber chain.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>•Virksomhedsskatteloven (Law on Business Tax) - LBK nr 1114 af 18/09/2013</p> <p>www.retsinformation.dk/forms/R0710.aspx?id=158215</p> <p>• Personskatteloven (Personal Tax Act) - LBK nr 382 af 08/04/2013</p> <p>www.retsinformation.dk/Forms/R0710.aspx?id=145909</p> <p>• Bekendtgørelse af lov om påligningen af indkomstskat til staten (ligningsloven)1) - LBK nr 1081 af 07/09/2015, article 8, K.</p> <p>https://www.retsinformation.dk/forms/r0710.aspx?id=173414</p>		<p>Denmark scores high against World Bank Worldwide Governance Indicators. On a scale of -2.5 to +2.5, Denmark receives a score of 1.72 (2014) for Regulatory Quality, 2.09 for Rule of Law and 2.26 for Control of Corruption. Regulation of sales tax and VAT is considered well-enforced in Denmark.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Taxation <p>Legally required documents or records</p> <p>N/A</p>		
Timber harvesting activities			
1.8 Timber harvesting regulations	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Forest Act (Skovloven) - LBK nr 678 af 14/06/2013 <p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=143280</p> <ul style="list-style-type: none"> • Water Course Act (Vandløbsloven) - LBK nr 1579 af 08/12/2015 	<p>Government sources</p> <p>Personal communication with Danish Forest Association and Danish Nature Agency</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>Specific requirements for forest activities within forest reserves are stipulated in the Forest Act, Article 8, which states that the area shall have a continuous forest cover. Harvest (except for thinning) shall not take place before the forest, or any tree, has reached the age of harvest maturity. No more than ten years after harvest or thinning, the area shall again be forested. Animal husbandry is prohibited in forest reserves. About 90% of Danish forests are forest reserves. The Forest Act further sets legal specifications on how the non-protected forest reserves shall be managed. This includes the following:</p> <p>Coppice and grazing forest can together comprise up to 10 percent of the forest area. If animals are kept in the forest with the purpose of grazing, the fencing of these animals shall not limit public access and stay. Areas where Christmas trees and greenery are grown must not comprise more than 10% of the area. It is prohibited to construct buildings, set up facilities, implement landscape change or leave waste. However, sheds not more than 10 square meters and construction or landscape changes necessary for forest management are exempt. Contiguous forest reserve land cannot be developed or diminished by land transfer. Drainage systems and bridges are covered in the Water Course Act. Denmark has a relatively limited area of commercial forest, which is the reason that detailed legal requirements for harvest activities are not present in the Forest Act.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> Ministry of the Environment and Food <p>Legally required documents or records</p> <p>N/A</p>		<p>Description of Risk</p> <p>According to the Danish Forest Association and Danish Nature Agency, there is about one case per year where a forest owner cuts Ash trees within a Natura 2000 area without first obtaining a permit. Permits are always granted, however, when applied for, and it is only one case per year, so this does not represent a significant risk. Other risks related to forest management techniques are trees felled before harvest maturity, but this is rarely seen according to both the Danish Nature Agency and Danish Forest Association. Instances are known of nest trees being felled, for which court cases occur According to the Danish Nature Agency, however, there is not more than one case per year meaning that this is not a significant risk.</p> <p>The requirements for actual forest management are limited in non-protected forest reserves in Denmark. Furthermore, a large proportion of Danish forests are not managed for timber harvest but for environmental, biodiversity or recreational values. Therefore violation of the legislation relating to timber harvesting does not present a significant risk.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>
1.9 Protected sites and species	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Nature Protection Act (Naturbeskyttelsesloven) - LBK nr 951 af 03/07/2013 - especially Article 17, Article 19 <p>www.retsinformation.dk/forms/R0710.aspx?id=1</p>	<p>Government sources</p> <p>Management plan for bats: http://naturstyrelsen.dk/media/nst/66810/FLAGERMUS_forvaltningsplan_2013_WEB.pdf</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>For areas covered by Natura 2000, the following management activities are not allowed without permission from the Minister: clear felling of hardwood forest, planting of deciduous forest, promotion of conifers in broadleaf forest, establishment of intensive production of greenery such as Christmas trees, use of auxiliary substances (fertilizers and pesticides), construction of industry facilities, or changes to drainage conditions (Forest Act, Article 17). In 2012 the Danish Nature Agency adopted a series of action plans for implementation of Natura 2000. Article 19 of the Forest Act regulates international nature protection, including Natura 2000 areas.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>55609</p> <ul style="list-style-type: none"> • Forest Act (Skovloven) - LBK nr 678 af 14/06/2013 - Article 14-28 <p>https://www.retsinformation.dk/forms/R0710.aspx?id=143280</p> <ul style="list-style-type: none"> • Species conservation notice: noticewww.retsinformation.dk/forms/R0710.aspx?id=12563 • Hunting and Game Management Act (Jagt- og Vildtforvaltningsloven) - LBK nr 735 af 14/06/2013 <p>www.retsinformation.dk/forms/r0710.aspx?id=143627</p> <ul style="list-style-type: none"> • The Order on Designation and Management of 		<p>The Species Conservation Notice 4 lists protected reptiles, amphibians, fish, invertebrates and plants in Denmark. The forest manager is obliged to be aware of which protected animals and plants are found in his forest and to make sure that the prescribed care is taken. This is especially relevant for birds nesting in the trees and for woodpeckers and bats. The Forest Act describes all requirements for the protected species.</p> <p>Description of Risk</p> <p>In the past, there have been issues with registration of particularly valuable natural assets, which according to the Forest Act should be mapped. However, the mapping of such assets has only recently started and should be completed by 2019. This is therefore no longer considered to represent a risk of legal violation.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>International Nature Protection Areas and Protection of Certain Species (Bekendtgørelse om udpegning og administration af internationale naturbeskyttelsesområder samt beskyttelse af visse arter) - BEK nr 1828 af 16/12/2015</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of the Environment and Food <p>Legally required documents or records</p> <p>N/A</p>		
1.10 Environmental requirements	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Forest Act (Skovloven) - LBK nr 678 af 14/06/2013 	<p>Government sources</p> <p>www.https://www.retsinformation.dk/</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>The Forest Act: The law aims to preserve and protect Denmark's forests and increase the forest area. The law also aims to promote sustainable management of the country's forests. Management and administration of the forests should promote resilient forests, ensure forest production, conserve and enhance forest biodiversity</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=143280</p> <ul style="list-style-type: none"> • Environmental protection Act (Miljøbeskyttelsesloven) - LBK nr 879 af 26/06/2010 <p>www.retsinformation.dk/forms/R0710.aspx?id=132218</p> <ul style="list-style-type: none"> • EIA Notice (VVM-bekendtgørelsen) - BEK nr 1184 af 06/11/2014 <p>www.retsinformation.dk/forms/R0710.aspx?id=165403</p> <ul style="list-style-type: none"> • Environmental Damage Act (Miljøskadeloven) - LBK nr 916 af 03/07/2015 <p>https://www.retsinformat ion.dk/forms/R0710.aspx</p>		<p>and ensure that landscapes, natural history, cultural history, environmental protection and outdoor recreation can be accommodated.</p> <p>The Environmental Protection Act sets requirements for protection of nature and the environment, so that society can develop on a sustainable basis while respecting human quality of life and protecting animal and plant life.</p> <p>The Environmental Impact Assessment (EIA) notice requires assessments, under the Planning Act, of the impact of certain public and private installations on the environment.</p> <p>The Environmental Damage Act aims to ensure that the person responsible for environmental damage or an imminent threat of environmental damage prevents and alleviates the damage or danger and bears all costs thereof.</p> <p>The Ochre Act sets up legal requirements for digging of trenches, which is also relevant to forestry in Denmark.</p> <p>The objective of the Planning Act is to ensure that planning takes into account society's interests in land use and contributes to protecting Denmark's nature and environment, so that society can develop on a sustainable basis respecting human quality of life and protecting animal and plant life.</p> <p>The Water Course Act regulates all watercourses in Denmark, including ditches, canals, pipelines and drainage systems as well as lakes, ponds and other similar inland waters.</p> <p>Description of Risk</p> <p>In some cases, buildings are constructed for forestry use; but in reality they are used more (e.g.) for hunting shelters or events. According to the Forest Act, only shelters smaller than 10 square meters can be built in forest reserves. The Danish Nature Agency takes aerial photos to control the size of the buildings and this does not represent an important risk. According to the Forest Act (Article 28), open areas of less than 0.25 ha must not be destroyed and shall be maintained; however this requirement is very poorly enforced. However, as the areas are very limited it does not represent any important risk in Danish forestry.</p> <p>The use of chemicals is limited to Christmas tree production (an enterprise that can cover up to 10% of a forest reserve). According to Denmark's Society for Nature</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>x?id=173182</p> <ul style="list-style-type: none"> • Ochre Act (Okkerloven) - LBK nr 934 af 24/09/2009 <p>www.retsinformation.dk/forms/R0710.aspx?id=127107</p> <ul style="list-style-type: none"> • Planning Act (Planloven) - LBK nr 587 af 27/05/2013: Article 1-4, 10a-38, 51-70 <p>https://www.retsinformation.dk/forms/r0710.aspx?id=144425</p> <ul style="list-style-type: none"> • Water Course Act (Vandløbsloven) - https://www.retsinformation.dk/forms/r0710.aspx?id=145855 		<p>Conservation, there are some problems with the use of chemicals within the Christmas tree industry, where prohibited chemicals might be used and legal amounts exceeded. However, most Christmas tree production takes place on agricultural land, and not in the small plots in the forest reserves. Therefore the use of chemicals within the Christmas tree industry does not represent an important risk within the forest industry.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> Ministry of the Environment and Food <p>Legally required documents or records</p> <p>N/A</p>		
1.11 Health and safety	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Working Environment Act (Arbejdsmiljøloven) - LBK nr 1072 af 07/09/2010 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=133159</p> <p>Legal Authority</p> <ul style="list-style-type: none"> Ministry of Employment Labour Inspectorate 	<p>Government sources</p> <p>Non-Government sources</p> <p>The National Research Centre for the Working Environment (2014), http://www.arbejdsmiljoforskning.dk/da/arbejdsmiljoedata/arbejdsmiljoe-og-helbred-20/resume</p> <p>file:///C:/Users/Ditte%20Steffensen/Downloads/arbejdsulykker-aarsopgorelse-2013%20pdf.pdf</p> <p>Personal communication with Anne Marie Hagelskjær Smit from Gls-arbejsgiver.dk</p>	<p>Overview of Legal Requirements</p> <p>The Work Environment Act aims to create a safe and healthy work environment at all times in accordance with society's technical and social development. The Act is the basis for companies to resolve health and safety issues with guidance from social organizations and guidance and control by the Labour Inspectorate. The employer has to ensure that working conditions are acceptable according to health and safety, and has to develop a written assessment of the health and safety of the working environment (in Danish; arbejdsmarkedspladsvurdering, APV). The type of work and the size of organization must be considered, and the APV shall be revised either when organizational changes occur or every third year. The APV shall be accessible for management, employees and the supervision authorities.</p> <p>Description of Risk</p> <p>According to statistics from the Labour Inspectorate, forestry work – together with agriculture –has a high risk of work-related accidents, but lower than (e.g.) construction, slaughterhouse, water, or sewer work (Arbejdstilsynet 2013). Companies are required to make an evaluation of their work place, but both companies and individual entrepreneurs are subject to health and safety legislation, and can be controlled by the Labour Inspectorate.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <p>N/A</p>		<p>An assessment of work environments for a variety of industries was carried out in Denmark 2014. The forestry industry was placed in a joint category with agriculture and fisheries; and as a whole performed better than the mean when responding to the statements the management always encourages safety at work and [Management provides] guidance and instruction for safe execution, which indicates sufficient enforcement of the Work Environment Act. In the same assessment, respondents indicated that minor accidents are an accepted part of the work, with the percentage of work-related accidents also higher than the mean of all other categories. However, no evidence was found that the law was not enforced (National Research Centre for the Working Environment 2014). The study on the working environment showed no issues of violation of health and safety legislation. In general there is a relatively extended focus on the work environment and safety in Denmark. The employer is required by the Work Environment Act to correctly instruct the workers on the use of (e.g.) machinery. According to the Danish Forest Association there may be cases where this obligation is not respected. However, in general, according to both the Danish Forest Association and the Danish Nature Agency, accidents occurring in Danish forestry are not related to violation of the law. In general the risk is also low because employees in Denmark are aware of their rights and of the legislation related to health and safety.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>
1.12 Legal employment	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Working Environment Act (Arbejds miljøloven) - LBK nr 1072 af 07/09/2010 	<p>Non-Government sources</p> <p>The Danish model, webpage http://www.danskemodel.dk/overenskomst/arbejdspladser-uden-overenskomst</p> <p>Personal communication with Danish Forest Association</p>	<p>Overview of Legal Requirements</p> <p>The Work Environment Act aims to create a safe and healthy work environment at all times in accordance with society's technical and social development. The Act is the basis for companies to resolve health and safety issues with guidance from social organizations and guidance and control by the Labour Inspectorate. The Act relating to equal treatment of men and women ensures equal treatment of men and women in the occupational schemes and covers the working population, including self-employed, workers who are temporarily out of work due to illness,</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=133159</p> <ul style="list-style-type: none"> • Act on equal treatment of men and women in occupational social security schemes (Bekendtgørelse af lov om ligebehandling af mænd og kvinder inden for de erhvervstilknyttede sikringsordninger) - LBK nr 950 af 14/08/2015 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=168655</p> <ul style="list-style-type: none"> • Holidays Act (Ferielov) - LBK nr 202 af 22/02/2013 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=145329</p> <ul style="list-style-type: none"> • Law on Labour and Industrial Arbitration (Lov om arbejdsret og 		<p>maternity, accident or involuntary unemployment and persons seeking employment, and retired and disabled workers. The law is also applicable in relation to insurance and related financial services.</p> <p>According to the Holiday Act, holidays and payments for employees are regulated. An employee is entitled to holiday pay or salary during holidays.</p> <p>In Denmark there are strict rules as to types of work and working hours for youth, with dangerous work not allowed for children aged 15 years or younger.</p> <p>There is no minimum wage in Denmark.</p> <p>Description of Risk</p> <p>In Denmark there is relatively high enforcement of work environment regulation, for safety, minimum age of work, and hazardous work. Most employees in Denmark are covered by a collective agreement. Companies covered by a collective agreement shall follow the law.</p> <p>Danish forests are permitted to cover an area up to 10% with Christmas trees. Within the Christmas tree industry, there are – according to Denmark's Society for Nature Conservation – problems with illegal employment of staff from Eastern Europe. However in forests with requirements for long-term management, this is not reported to be an issue. As Christmas trees will not be sold and used in further wood processing, the risk is not considered relevant in relation to this risk assessment.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>faglige voldgiftsretter) - LOV nr 106 af 26/02/2008</p> <p>https://www.retsinformation.dk/forms/r0710.aspx?id=115370</p> <ul style="list-style-type: none"> • Salaried Employees Act (Funktionærloven) - LBK nr 81 af 03/02/2009 <p>https://www.retsinformation.dk/forms/r0710.aspx?id=123029</p> <ul style="list-style-type: none"> • Notice of ILO Convention (Bekendtgørelse af ILO-konvention nr. 151) - BKI nr 58 af 02/06/1982 <p>https://www.retsinformation.dk/Forms/R0710.aspx?id=84794</p> <ul style="list-style-type: none"> • Act on posting of employees, etc. (Bekendtgørelse af lov om udstationering af 		

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>lønmotagere m.v.) - LBK nr 342 af 03/04/2014</p> <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=161810</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Employment • Ministry of Business and Growth • Ministry of Foreign Affairs <p>Legally required documents or records</p> <p>N/A</p>		
Third parties' rights			
1.13 Customary rights	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Nature Protection Act (Naturbeskyttelsesloven 	<p>Government sources</p> <p>http://naturstyrelsen.dk/naturoplevelser/regler-i-naturen/hvad-maa-jeg-samle/i-skoven/</p>	<p>Overview of Legal Requirements</p> <p>According to the Nature Protection Act, article 23 the public have the right to access both public and private forest by foot, bicycle and horseback (except areas used by the military). In public forests, access is permitted to the entire forest area, while the</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>) - LBK nr 951 af 03/07/2013: article 23, Access to forests</p> <p>www.retsinformation.dk/forms/R0710.aspx?id=155609</p> <ul style="list-style-type: none"> • Notice of public access to move and stay in the wild (Bekendtgørelse om offentlighedens adgang til at færdes og opholde sig i naturen) - BEK nr 1317 af 21/12/2011, article 28 <p>https://www.retsinformation.dk/Forms/R0710.aspx?id=139348</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Environment and Food 	<p>http://naturstyrelsen.dk/media/nst/Attachments/naturen_maa_gerne.pdf</p> <p>Personal communication with Danish Nature Agency</p> <p>Non-Government sources Friluftsrådet (2014) Gener i naturen. Danskernes brug af naturen og omfanget af generende oplevelser i mødet med andre brugere. Asbjørn Jensen. September 2014. http://www.friluftsradet.dk/media/974418/rapport_danskernes_brug_af_naturen.pdf</p>	<p>public has a right to private forests only by roads or trails from 6am until sunset. Fencing out or restricting public access is not permitted. A private forest owner is able to restrict access by bicycles and horseback riding, even though such restriction in certain cases can be overruled by the municipality.</p> <p>Gathering of mushrooms, berries and mosses in all forests for private use is permitted, but only in limited amounts (BEK nr 1317 af 21/12/2011, §28). In private forests, however, only what can be reached from the roads or trails may be collected. It is permitted to cut branches from deciduous trees above 10 meters, while branches may be collected from both deciduous and coniferous trees that are dead. Firewood can be collected only with a license, which can be obtained at the Danish Nature Agency.</p> <p>Description of Risk</p> <p>There are a few cases of conflict occurring between private forest owners and people accessing the forests (personal communication); for example, a private forest owner not wanting to allow access to their private land. Such cases are being reported to and dealt with by the community. Often these cases are resolved after the legislation and requirements are clarified with the forest owners or the public users of the forests. The cases are rarely brought to court. According to a 2014 report from the Outdoor Council, 25% of Danes have to some degree been 'bothered' when they are in a natural setting, but primarily this relates to other users, dogs or the presence of garbage. There are no indications of systemic conflicts with forest owners; with the same report stating that 97% are happy with their visit to the forests and mainly use the forest for recreational purposes.</p> <p>Risk Conclusion</p> <p>Based on the low scale of identified problems, the risk is considered low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <p>N/A</p>		
1.14 Free prior and informed consent	<p>Applicable laws and regulations</p> <p>N/A</p> <p>Legal Authority</p> <p>N/A</p> <p>Legally required documents or records</p> <p>N/A</p>	N/A	N/A
1.15 Indigenous peoples rights	<p>Applicable laws and regulations</p> <p>N/A. As this assessment relates only to Denmark (without Greenland and Faeroe Islands), it is not relevant to Indigenous people.</p>	N/A	N/A

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <p>N/A</p> <p>Legally required documents or records</p> <p>N/A</p>		
Trade and transport			
<p>1.16 Classification of species, quantities, qualities</p>	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Act on classification of wood sold under certain conditions (Lov om sortering af råtræ der forhandles under visse betegnelser) - LOV nr 535 af 13/12/1972 <p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=79824</p> <p>Legal Authority</p> <ul style="list-style-type: none"> Ministry of the Environment and Food 	<p>Government sources</p> <p>Non-Government sources Classification of wood: http://byggewiki.dk/Konstruktionstr%C3%A6</p>	<p>Overview of Legal Requirements</p> <p>The Act on Classification of Wood Sold under certain Conditions regulates classification of harvested material. The regulation provides material classifications and quality category names. The Act specifies requirements for measuring, and sorting by dimension and quality. Trees must be sorted by species and usual product type (e.g. plank logs, sleeper logs, full-length timber, impregnation masts, piles, box wood, chip wood etc.). All wood classified under this Act shall be marked with A/EØF, B/EØF or C/EØF, etc., indicating the quality. These designations show that the wood has been classified according to the law.</p> <p>Description of Risk</p> <p>Trade in Danish-produced wood material is well-regulated and – according to both Danish Nature Agency and Danish Forest Association – there is no known corruption associated with this requirement.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <p>N/A</p>		
1.17 Trade and transport	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> The Act of freight agreements for international road transport (Lov om fragtaftaler ved international vejtransport) - LBK nr 1122 af 18/09/2015 CMR law <p>https://www.retsinformat ion.dk/forms/R0710.aspx?id=172937</p> <ul style="list-style-type: none"> Act on registration of vehicles (Lov om registrering af køretøjer) - LBK nr 16 af 09/01/201 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=1449913</p>	<p>Government sources</p> <p>The Police: https://www.politi.dk/da/borgerservice/Fardsel/tunge_koeretoer/om_omraad et/</p> <p>Non-Government sources</p> <p>ATI (2015): http://atl.di.dk/Pages/Forside.aspx</p>	<p>Overview of Legal Requirements</p> <p>The Act of Freight Agreements for International Road Transport (the CMR Act) sets requirements for transport of goods between countries. The driver needs to carry a freight bill including information relating to the freight. The CMR Act provides detailed requirements for the type of information that the freight bill shall include. According to the Road Traffic Law, goods shall be placed in such a way that the driver has a clear view and sufficient opportunity to manoeuvre the vehicle. Goods must be positioned so that the mandatory lighting and licence plate are not hidden; and they cannot endanger people or cause damage to property. Goods should also not be able to drag or fall on the road (causing dust or similar issues), impede traffic flow or cause unnecessary noise (Article 82). The Minister of Transport sets provisions on maximum vehicle and wagon train widths, lengths and heights (loaded and unloaded), including driving with particularly wide, long or tall vehicles or vehicle combinations (Article 84). The Minister of Transport and the Minister of Justice can set detailed requirements for transport of goods. The requirements are described in the Order on Driving and Rest Periods in Road Transport; however forestry-related transport within a radius of 100 km is exempt. For transport of wood in Denmark for distances greater than 100 km, the following requirements are valid according to the above Order: Daily time of driving must not exceed nine hours, weekly driving time must not exceed 56 hours, and the driver should have a break from driving every 4.5 hours.</p> <p>Description of Risk</p> <p>The main countries to which Denmark exports are also covered by the CMR Act. This makes risk of illegalities very low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Road Traffic Act (Færdselsloven) - LBK nr 1386 af 11/12/2013 • Order on Driving and Rest Periods in Road Transport (Bekendtgørelse om køre- og hviletidsbestemmelserne i vejtransport): <p data-bbox="300 655 593 746">https://www.retsinformat ion.dk/Forms/R0710.aspx?id=2606</p> <p data-bbox="300 842 499 874">Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Justice • Ministry of Taxation <p data-bbox="300 1098 584 1153">Legally required documents or records</p> <ul style="list-style-type: none"> • Freight bill • Drivers licence 		<p data-bbox="1106 256 1301 280">Risk Conclusion</p> <p data-bbox="1106 320 2085 376">Based on the available information, the risk for this category has been assessed as Low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
1.18 Offshore trading and transfer pricing	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Tax Assessment Act (Ligningsloven), Article 2 - LBK nr 1081 af 07/09/2015 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=173414</p> <ul style="list-style-type: none"> • Tax Control Act (Skattekontrolloven), Article 3B. - LBK nr 1264 af 31/10/2013 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=152434</p> <ul style="list-style-type: none"> • Regulation no. 42 of January 24, 2006 on Transfer Pricing Documentation (Bekendtgørelse om dokumentation af prisfastsættelsen af kontrollerede 	<p>Non-Government sources</p> <p>Deloitte (2015): Global Transfer Pricing Country Guide. Link: https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-transfer-pricing-country-guide-2015.pdf</p> <p>PWC (2015): International Transfer Pricing 2015/16 p. 375-388. Link: http://www.pwc.com/gx/en/international-transfer-pricing/assets/itp-2015-2016-final.pdf</p>	<p>Overview of Legal Requirements</p> <p>Danish legislation builds on the 2010 OECD transfer pricing guidelines, applying the 'arm's length' principle for a given transaction. The legislation regulates both domestic and cross-border, inter-company transactions. Statutory financial results of Danish companies are publicly available in a Danish database (see www.Virk.dk).</p> <p>Each year, companies must disclose details of all transactions (no later than the income tax return filing date) or 60 days after being requested by the authorities. Documentation requirements are stipulated in Reg. No. 42. Penalties are in place. Following the failure to submit transfer pricing documentation, a 250,000 DKK fine can be issued (approx. EURO 35,000).</p> <p>Description of Risk</p> <p>Transfer pricing is a high priority for the Danish tax authorities, and an increasing number of transfer pricing issues have been detected over the past couple of years. In 2014, 76 transfer pricing adjustments were issued, nine more than in 2012 and 44 more than 2009. An amount of 40 billion DKK was issued as transfer pricing adjustments over the last two years (PWC 2015). Transfer pricing rarely ends up in litigation and only five significant legal cases have been brought to court since the 1980s, with none of these being in relation to Danish forestry. Where relevant, transfer pricing audits are conducted during regular tax audits. If a Danish company is part of a multinational group, the tax authorities generally always issue a request for transfer pricing documentation. Denmark has entered into 53 Tax Information Exchange Agreements (TIEAs) with several of the known tax havens (http://www.eoi-tax.org/jurisdictions/DK#agreements).</p> <p>No issues have been identified in relation to transfer pricing in Danish forestry.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>transaktioner) - BEK nr 42 af 24/01/2006</p> <p>https://www.retsinformat ion.dk/Forms/R0710.aspx?id=17190</p> <ul style="list-style-type: none"> • Corporation Tax Act (Selskabsskatteloven), section 11. - LBK nr 680 af 20/05/2015 <p>https://www.retsinformat ion.dk/forms/r0710.aspx?id=169477</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Taxation • Ministry of Business and Growth 		<p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <p>Annual reporting on transfer pricing (not public)</p>		
1.19 Custom regulations	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Customs Act (Toldloven) - LBK nr 867 af 13/09/2005 <p>https://www.retsinformation.dk/forms/r0710.aspx?id=16986</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • <i>Ministry of Taxation</i> <p>Legally required documents or records</p> <p>N/A</p>	<p>Government sources</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>Toldloven (Customs Act) sets general requirements for goods exported as well as imported. EU disclosure requirements are also included in this Act. According to the Customs Act, customs and tax authorities charge or refund the duties and taxes relating to goods exported from the Danish customs territory for export from the EU customs territory, as well as providing appropriate monitoring and controls. The Minister of Taxation can specify rules for implementing the tariff provisions of the intergovernmental agreements on international transport of goods and the rules on the transport and storage of unpaid goods. For what regards control, the Customs and Tax Administration, can in order to detect and control goods without a court order move freely anywhere along the coasts, ports, airports, landing sites, in transport centers, in trains, on railway and on roads where there is public access. The authorities can inspect goods in postal items in warehouses, in containers, vehicles and other temporary or permanent sites, which can be used for storage of goods, etc. (Article 15). Drivers of vehicles shall, before departure from the Danish customs territory to a third country, report to the Customs and Tax Administration. Captains of ships arriving in a Danish port from elsewhere in the EU customs territory (or leaving the Danish customs territories for departure to somewhere else in the EU customs territory) must also – if the ship is carrying goods for which has not been paid duties or charges – report to customs and tax administration (Article 18). Customs and tax authorities may collect the relevant details of exporters, manufacturers, traders and other business organizations to meet EU reporting obligations. The reporting must contain information on currency, health, safety, veterinary, and plant pathological conditions (Article 27).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Description of Risk</p> <p>Denmark mainly exports wood to countries ranking relatively high on the Corruption Perceptions Index (http://www.transparency.org/cpi2014/results): Germany (12), Sweden (4), Great Britain (14), Norway (5) and Belgium (15) (http://www.wood-supply.dk/article/view/119588/voldsom_vaekst_i_eksport_af_traevarer#.Vh644vmqqk). This indicates that risks associated with exports are limited. Furthermore, tax required through the Customs Act is applicable only to goods exported outside the EU, which is less relevant to the export of Danish wood.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>
1.20 CITES	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> The Washington Convention/CITES (Washingtonkonventionen/CITES) - LBK nr 951 af 03/07/2013 <p>https://www.retsinformat ion.dk/Forms/R0710.aspx?id=12548</p>	<ul style="list-style-type: none"> CITES species check list: http://checklist.cites.org/#/en 	<p>N/A There are no tree species classified as CITES species in Denmark.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <p>Ministry of Food and Environment</p> <p>Legally required documents or records</p> <p>N/A</p>		
Diligence/due care procedures			
<p>1.21 Legislation requiring due diligence/due care procedures</p>	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • EUTR Law (EUTR loven) - LOV nr 1225 af 18/12/2012 <p>https://www.retsinformation.dk/forms/r0710.aspx?id=144423</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Ministry of Food and Environment 	<p>Government sources</p> <p>http://eutr.dk/</p> <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>The Bekendtgørelse om handel med træ og træprodukter med henblik på bekæmpelse af handel med ulovligt fældet træ (Executive Order on Trade in Wood and Wood Products to Combat the Trade in Illegally Harvested Timber) establishes the regulation required to support the EUTR. The Danish Nature Agency is appointed to administer the enforcement. The regulation describes administrative decisions and penalty provisions. The legislation requires that all companies who are placing wood on the market: shall have a due diligence system in place; do not trade in illegally harvested wood: and shall be able to identify the companies' one step up and one step down the market chain.</p> <p>Description of Risk</p> <p>The Executive Order on Trade in Wood and Wood Products to Combat the Trade in Illegally Harvested Timber establishes the regulation required to support the EUTR. The Danish Nature Agency, which is appointed as the Competent Authority, has employed two staff to deliver the necessary control of Danish companies within the forestry sector. This could potentially represent a risk as it might not be possible for the two staff to reach all companies within a given timeframe. There are still</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <p>N/A</p>		<p>companies without a due diligence system in place in Denmark, but according to the Danish Nature Agency, Danish Forest Association and Denmark's Society for Nature Conservation, forestry in Denmark is generally low-risk as the laws are well-applied and enforced. Therefore the absence of a due diligence system does not represent a significant risk that laws are being violated.</p> <p>Risk Conclusion</p> <p>Based on the available information, the risk for this category has been assessed as low.</p>

Recommended control measures

N/A

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

Risk assessment

Indicator	Sources of Information	Functional scale	Risk designation and determination
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.	See Detailed analysis below.		
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	See Detailed analysis below.		
2.3. The rights of Indigenous and Traditional Peoples are upheld.	See Detailed analysis below.		

Recommended control measures

Indicator	Recommended control measures
2.1	
2.2	
2.3	

Detailed analysis

Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

Overview

Denmark's terrestrial environment is divided between two EU biogeographical regions by means of a north-south divide through the middle of the Jutland Peninsula: 1) the Atlantic region, covering the western part of Jutland and 2) the Continental region covering the eastern part of Jutland and Denmark's islands.

In the early 1800s, the forest cover in Denmark is estimated to have been as low as 3-4% of the total land area. Deforestation was caused by logging for timber and firewood and to create animal grazing areas. Denmark's first forest legislation came into force in 1805. Its main objective – as well as the objectives of subsequent Danish forest legislation – has been to maintain the forested area and to protect the existing forest from overexploitation, premature felling and grazing by farm animals. In the mid-nineteenth Century, intensive forest management became widespread and large afforestation projects were carried out. Today approximately 14% (615,000 hectares) of Denmark's land area is covered by various types of forest.

According to the Danish National Forest Inventory (conducted by the Danish Nature Agency), 41% of Denmark's forest area is dominated by deciduous trees, 39% by coniferous tree species, 11% by mixed coniferous and deciduous tree species, 5% is Christmas tree plantation (located within all the above forest types) and 4% of the area is unstocked, e.g. log loading and landing yards, fire prevention areas etc. Furthermore, 67% of the Danish forest area is covered with even-aged, planted stands; with 9% being even-aged stands from natural regeneration and 6% being uneven-aged natural forest. The latter represent pocket of forest that would be closest to what is considered natural forest stands, having retained or regained natural forest characteristics. These pockets can be found in forests under both private and public ownership and are predominantly located in the Continental region (eastern Jutland and the islands). The locations of these natural forest stands are generally well-known, but some may still be unidentified.

Of Denmark's 615,000 hectares of forest, 440,000 hectares are managed as forest reserves (called 'fredskov' in Danish), governed under the Danish Forest Act 2004. The Forest Act permits forest management activities within these areas; however, Article 8 (see Category 1 for more details) requires that the managed area shall maintain continuous forest cover, that a maximum of 10% of the forest area can be used for short-rotation Christmas trees or greenery production (e.g. cuttings, typically from *Abies procera*), and another maximum of 10% of the area can be used for coppicing or for animal forest grazing. The Forest Act also protects streams and wetlands in forests that are not covered by the Nature Protection Act nor managed by the Ministry of the Environment and Food or local authorities. The Act stipulates that lakes, bogs, heaths, species-rich grasslands, coastal grasslands and swamps located in 'fredskov' forest reserves may not be planted or cultivated, drained or in any way modified. It is also important to note that the Forest Act does not include many measures relating to forestry techniques, e.g. harvesting, planting or thinning (also see Category 1).

There are 79,000 hectares of forests designated as Natura 2000 areas (13% of the Danish forest area), which have some overlap with the 74,900 hectares of forests and other natural areas designated under the EU Habitats Directive, 51,500 hectares under the EU Birds Directive and 13,900 hectares as Ramsar sites. A harvest permit must be obtained from the Danish Nature Agency to conduct any timber harvesting activities within Natura 2000 forests; permits are given with the proviso that the natural condition of the forest will not deteriorate – and issuing permits is more an exception than common practice.

In relation to HCV Categories 1 and 3, it is worth noting that although the Forest Act Article 25 sets provisions for registering especially valuable forests i.e., valuable in terms of their biodiversity and conservation value, and requires that appropriate conservation management activities occur in these areas, these forests have not yet been registered by the Danish Nature Agency. Danish forest biodiversity and conservation values have been surveyed by the Department of Geosciences and Natural Resource Management at Copenhagen University using a sampling methodology. Therefore, not all forest management areas have been systematically surveyed, particularly small privately owned forest areas. Through this sampling program, biodiversity and conservation values of the sampled forests have been documented under the Danish National Forest Inventory (NFI) hosted by the Danish Nature Agency. The task of systematically surveying 'especially valuable forests' will be carried out by the Danish Nature Agency in the years 2016-2019.

Forest ownership in Denmark is divided as private forests owners, 70%, State and Municipal owners, 24%, trust funds or foundations, 4%, and unknown owners, 2%.

Biodiversity in Danish forests

Given the historical context, most Danish forests have been exposed to some level of forest management activities, varying from low impact to very intensive forestry. Today, most of Denmark's forests are semi-natural ecosystems composed of either native or exotic tree species, interspersed with a few small pockets of (recovered or remnant)

natural forest stands. Although the forest area has increased over the last two centuries – from 3-4% to more than 14% – the natural values of the pre-1800 forest stands have decreased significantly. This is due to intensive forest management practices aiming to manage even-aged, single-tree species stands. Examples of some the detrimental effects of intensive forest management practices include modification of natural hydrology (depletion or drainage), extensive soil cultivation, eutrophication, removal of mature and over-mature trees and deadwood, replacement of semi-natural or natural forest stands with exotic species, coppicing and animal grazing.

Since the mid-1990s, forestry practices in Denmark, especially in State- and Municipal-owned forests, have shifted from traditional, production-oriented forest management towards management regimes with a wider set of goals for conservation, biodiversity, recreation – as well as addressing other social needs such as preserving cultural heritage sites.

Approximately 32,000 species of animals, plants and fungi are found in Denmark and, during the period 2003-2010, over 1,500 were assessed as being in danger of extinction from the Danish countryside. These species are listed in the National Red List of endangered, vulnerable or rare species. The main processes threatening species survival in Denmark are habitat degradation and fragmentation. Forests in Denmark hold the highest proportion of Red List species compared to other Danish habitat types.

Denmark ratified the Convention on Biological Diversity in 1994. Today more than 11% of Denmark's terrestrial area is protected, with one-third classified as IUCN Categories I and II; of which a large proportion is protected under the Nature Protection Act and the Natura 2000 EU Habitats Directive. These areas have been designated specifically to protect species, landscapes, cultural heritage and/or for scientific research and/or education purposes – and cover approximately 5% of the country's terrestrial area. Furthermore, areas enjoying protection under the Forest Act, Natura 2000 and/or the Nature Protection Act are also mapped with details available online via the Danish Nature Agency's digital nature map. Lastly, Nature Protection Act Article 3 also protects key ecosystems/habitats such as bogs, swamps, meadows and Forest Articles 26 – 27 protects key habitats such as oak-bushes, forest edges and heaths. Biodiversity data is updated regularly by the Danish Nature Agency and, as mentioned above, the Agency will be completing the survey of 'especially valuable forests' in the period 2016-2019.

Danish forests house numerous legally protected archaeological, heritage and cultural sites of national importance including one forest area in North Zealand which is listed as UNESCO World Heritage due to its historical significance.

Experts consulted

	Name	Organization	Area of expertise (category/sub-category)
1.	Jakob Ryding	Forests of the World	Forest Ecology / Policy
2.	Tanja Olsen	Forest Owners Association	Forest management and certification
3.	Hans M. Hedegaard	Forest Owners Association	Forest management and policy
4.	Nora Skjernaa Hansen	Danish Nature Conservancy Trust	Forest Ecology / Policy
5.	Peter Friis Møller	GEUS/Skov- og Naturrådgivning	Forest Ecology
6.	Flemming Rune		Forest Biology and Ecology
7.	Niels Bølling	Danish Nature Agency	Forest Legality and Law enforcement
8.	Mads Brinck Lilleund	Danish Nature Agency	Forest Legality and Law enforcement

Risk assessment

Indicator	Sources of Information	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
3.0	N/A	<p>Danish forests have been surveyed by the Department of Geosciences and Natural Resource Management at Copenhagen University by means of a sampling methodology and documented under the Danish National Forest Inventory (NFI) hosted by the Danish Nature Agency.</p> <p>As Danish forests have been well-researched and significant conservation values have been identified, it can be concluded, based on consultations with experts, that there are no major knowledge/ data gaps in relation to important HCV areas.</p> <p>All forest areas that are critical to conservation are designated as protected areas at national or EU level (Natura 2000), but further identification of 'especially valuable forests' is a goal of the most recent Danish Forest Act (Article 25). The plans for this project were initiated in early 2016, with the work by the Danish Nature Agency expected to be concluded in 2019. It is possible that this project will identify in small forests that were previously under moderate forest management – key habitats with biodiversity values, e.g. species richness or support of a single, important, rare, threatened or endangered species.</p> <p>For the current assessment, HCVs as identified in the FSC Danish HCV guidance are follows:</p> <p>HCV 1 –</p> <ul style="list-style-type: none"> • Habitats / breeding /resting places for conservation-reliant and red-listed plant and animal species • Conservation-reliant species listed within the Habitats Directive Annex II, IV and V and the Birds Directive Annex I and also documented on the Danish Nature Agency's website. • Endangered and rare species on the Danish Red List <p>HCV 2 – large woodland territories: N/A – as according to FSC's HCV 2 definition, Denmark does not contain these types of forests.</p>	N/A	Low risk

		<p>HCV 3:</p> <ul style="list-style-type: none"> • The N2000 nature types/habitat types, which form the basis for appointing the Natura 2000 areas. • Protected areas/habitats conserved under the Nature Conservation Act Article 3 and the Forest Act Articles 25-2 such as: Protected lakes, streams, moors, marshes, salt marshes, fresh meadows and grasslands, Oak forests and deciduous forests and shrubs edges. • Key biotopes as defined in the Danish HCV-guidance. (See 'katalog 24'). <p>HCV 4 –Areas of drinking water interests (OD areas), special drinking water interests (OSD areas) and specifically areas designated as near-well protected areas (Boringsnære Beskyttelsesområder – BNBO).</p> <p>HCV 5 – Forest sites and resources are not fundamental for meeting the basic necessities for communities in Denmark. Forests protected by the Forest Act, also provides a basic protection of local communities' needs. Therefore it is concluded this category is not applicable in the Danish context.</p> <p>HCV 6 – Areas with significant national cultural and historical values, including ancient burial mounds and other archaeological sites, but also early industrial sites and other significant cultural sites.</p> <p>A key challenge is that a clear definition of HCVs in the Danish forest context, supported by researchers and key stakeholders, is not in place. There is consensus – based on expert consultation carried out during this assessment – that all major HCV areas are identified; but due to the history and intensity of forest management in Denmark, even small forest areas (stands/ compartments or smaller sites) act as key biotopes and are important for the recovery of Red List species and maintaining biodiversity in Denmark's forests. Furthermore, one consulted key forest ecology expert (Peter Friis Møller) and two consulted environmental Non-Governmental Organizations (NGOs) (the Forests of the World and the Danish Nature Protection Society) contend that – for</p>		
--	--	---	--	--

		<p>the most part – smaller, privately held forest estates in Denmark have undertaken very limited forest management activities and therefore may support, at least locally, significant concentrations of species and/or qualify as a WKH. These experts also claim that the smaller private forest owners may not be aware of HCVs within their forests, and that these potential natural values may be under threat by forest management activities due to lack of knowledge and awareness of the presence of HCVs.</p> <p>All State-owned forest enterprises are FSC- and PEFC-certified. An analysis of publicly available certification report summaries showed that there are no or only very minor issues related to HCVs in State forests (70).</p>		
3.1 HCV 1	1, 3, 11, 12, 13, 14, 15, 16, 18, 20, 21, 26, 27, 29, 31, 32; 36, 37, 38, 39, 40, 41, 42	<ul style="list-style-type: none"> • Habitats / breeding /resting places for conservation-reliant and red-listed plant and animal species • Conservation-reliant species listed within the Habitats Directive Annex II, IV and V and the Birds Directive Annex I and also documented on the Danish Nature Agency's website. • Endangered and rare species on the Danish Red List. <p>There are no significant concentrations of endemic species within forest ecosystems in Denmark; and nationally significant temporal use areas (key sites for migrating birds, as indicated by recognised Important Bird Areas) largely consist of non-forest areas. Thus, this risk assessment focuses on areas of significance for RTE species dependent on forest habitats and ecosystems.</p> <p>Using a precautionary approach, Danish forests do contain areas that are at least nationally significant due to their biodiversity values. Many species are dependent on forests for survival, and the forests with the following characteristics have particular potential for high biodiversity:</p> <ul style="list-style-type: none"> *Old and dying trees of native species *High volumes of deadwood (including snags and coarse woody debris) *Forests dominated by natural forest dynamics *Natural regeneration *Areas with high soil moisture/ natural hydrology levels <p>The Danish Forest Act Article 15 stipulates that the Ministry of the Environment and Food is responsible for mapping the</p>	Privately owned forests without a green management plan; Other material sources	Privately owned forests without a green management plan – specified risk; Other material sources – low risk

		<p>location and designating the conservation status of habitat types and species in Denmark according to the definitions listed in the EU Habitats Directive Annexes I and II, and in Annex I of the EU Birds Directive. The Ministry of the Environment and Food is also responsible for establishing national objectives and the means for achieving them to ensure a positive trend associated with Denmark's nature conservation and biodiversity status.</p> <p>Most identified important conservation forest areas are designated as protected areas under national legislation. However, further identification of 'especially valuable forests' through a systematic approach, a goal described in the most recent Danish Forest Act Article 25, will be initiated by the Danish Nature Agency in early 2016 and is expected to be concluded by 2019. The goal is to systematically identify and map these 'especially valuable forests' both within and outside existing Natura 2000 areas, and in both publicly and privately managed forests. The Forest Act Article 25 also identifies provisions for the Ministry of the Environment and Food to enter into agreements with the forest owners about forest management in the identified areas of 'especially valuable forests', so that forest management will support and improve biological diversity conservation.</p> <p>It is important to note that a new scientific method for creating a High Nature Value (HNV) map of potential areas containing high nature values has recently been published, but at the time of writing this report (January 2016), the digital map was not yet online. A preliminary informal evaluation shows that the areas for which there is the strongest indication of high biodiversity scores are predominantly located in existing Natura 2000 areas.</p> <p>Woodland key habitats for Red List species in Danish forests are potentially threatened by forest management practices such as removal or destruction of habitat in forest reserves. To a lesser degree, habitat fragmentation also poses a threat to Red List species dependent on forest areas for survival. The use of exotic tree species is widespread in Danish forestry.</p>		
--	--	---	--	--

		<p>The legislative framework that is generally well-respected in Denmark offers protection to some, but not all, woodland key habitats, e.g. while wetland habitats in and around forests are protected by the Nature Protection Act Article 3, there is no specific protection for recovered natural forest stands nor stands dominated by old (over-mature) trees – despite the fact that these ecosystems are biodiverse and often contain important habitat features.</p> <p>The Forest Act Article 15 stipulates that the Ministry of the Environment and Food shall map the location and conservation status of habitat types and species listed in accordance with the EU Habitats Directive Annexes I and II and Annex I of the EU Birds Directive. The Ministry is also responsible for establishing management objectives necessary to ensure or regain a positive nature conservation and biodiversity status for Denmark; and must also provide the necessary support to reach these objectives.</p> <p>The Forest Act Article 25 provides an opportunity for the Ministry of the Environment and Food to register other ‘especially valuable forests’ that are not covered by the mapping under Article 15. Note it is presumed forest owners will enter into agreements with the Ministry to ensure that future forest management will support and promote biological conservation. The survey of ‘especially valuable forest’ will take place from 2016–2019.</p> <p>There are limited economic incentives for removal and destruction of recovered or remnant natural forest stands or stands dominated by over-mature trees. Moreover, due to their relative rarity, these stands (when known) generally enjoy the protection of forest owners.</p> <p>For all forests under regular or periodic qualified forest management, it can be assumed that the necessary information is available, with regards to stand age and potential ‘near-natural’ status, to identify key biotopes. Many forest estates, whether publicly or privately owned, have also implemented a green management plan, which will include a survey of key biotopes. Thus, forest reserves with HCV 1 values covered by a green management plan are classified as at Low Risk of being threatened by management activities.</p>		
--	--	---	--	--

		However, since no comprehensive national survey of HCVs has been undertaken for all Danish forests, it is not unlikely that woodland key habitats are present in small, privately held forest estates, but not yet known by the owner. The risk of the forest owner initiating a forest operation in stands where HCVs are present and their forest management activities threatening HCV 1 through habitat removal, fragmentation and/or the encroachment of invasive species can therefore not be ruled out. We therefore classify privately owned forests without a green management plan as at Specified Risk of being potentially threatened by forest management activities.		
3.2 HCV 2	1, 34, 35	HCV 2 are not present in the area under assessment. There are no forest ecosystems under forest management in Denmark that meet the definition for large, landscape-level ecosystems or ecosystem mosaics that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance therefore this category is not applicable for Denmark.	N/A	N/A
3.3 HCV 3	1, 2, 3, 4, 5, 18, 19, 20, 21, 22, 23, 25, 31, 32	<p>Natura 2000</p> <p>Denmark has designated 252 Natura 2000 sites. Natura 2000 sites include the Habitats and Birds Directive, and subsequently the majority of WKH, and Ramsar sites. These sites are assigned to protect selected species and habitats. One can determine if a forest management area overlaps a Natura 2000 area through checking the 'Natura 2000' by The Digital Nature Maps (see. FSC Denmark's HCV Guidance Annex 1) under 'Existing natural and protected area'</p> <p>Protected areas and habitats:</p> <ul style="list-style-type: none"> • Protected lakes, streams, moors, marshes, salt marshes, fresh meadows and grasslands conserved under the Nature Conservation Act Article 3. • Oak forests are preserved under Forest Act Article 26. • Deciduous forests and shrubs edges areas are conserved under Forest Act Article 27. • Registered especially valuable forests under Forest Act Article 25. 	Privately owned forests without a green management plan; Other material sources	Privately owned forests without a green management plan – specified risk; Other material sources – low risk

		<p>Key biotopes Many, but not all, key biotopes will be Natura 2000 habitat types and/or protected or registered areas and habitats. The Danish Agency 2016-2019 survey will identify all key biotopes in Denmark.</p> <p>When forest management areas overlap with Natura 2000 areas the forest operation must have a Forest Action plan describing how habitat and species will be protected. According to the Forest Act Article 17 before any 'accepted' operational activities to take place in Natura 2000 areas the forest manager must notify and seek permission from the Danish Nature Agency.</p> <p>Moreover, the status and development in the Natura 2000 areas is monitored under the NOVANA program, which is the national program for monitoring of nature and aquatic environments. Overall the monitoring program – as well as and cross referencing to consultations with key forest and conservation experts – indicates there is a sufficient level of protection for the Natura 2000 HCV 3-related values. Protected habitats are generally respected according to the relevant articles listed above.</p> <p>Lastly, significant number of forest estates, whether publicly or privately owned, have also implemented a green management plan, which will include a survey of key biotopes. This assumes that once the forest manager has identified HCVs he/she will adapt forest management plans to ensure the HCVs are not being threatened by management activities. Thus, forest reserves with HCV 3 values covered by a green management plan are classified as at Low Risk of being threatened by management activities.</p> <p>However, since no comprehensive national survey of HCVs has been undertaken for all Danish forests, it is likely that key biotopes are present in small, privately held forest estates, but not yet known by the owner. The risk of the forest owner initiating a forest operation in stands where HCVs are present can therefore not be ruled out and as the overview explains there still is not sufficient protection of HCVs in Denmark so HCV 3 forests can be threatened by forest management activities through habitat removal and/or habitat fragmentation</p>		
--	--	--	--	--

		and/or other habitat degrading features such as the encroachment of invasive species. We therefore classify privately owned forest reserves without a green management plan as at Specified Risk of being potentially threatened by forest management activities.		
3.4 HCV 4	41, 42, 43	<p>In Denmark, the only critical ecosystem service provided by forests occurs within areas of drinking water interest (OD areas) or areas of special drinking water interests (OSD areas), and specifically areas designated as near-well protected areas (Boringsnære Beskyttelsesområder – BNBO). ODs and OSDs make up 87% of the Danish land area. The quality of groundwater within OSDs is monitored by GEUS, Geological Survey for Denmark. Some BNBOs are mapped (see FSC HCV guidance) and they are designated by the municipal authorities, which can also prohibit pollution within the BNBO after the Environmental Protection Act Article 24.</p> <p>HCV 4 are not threatened by forest management activities in Denmark, as drinking water interests are well protected by the Environmental Protection Act, the Water Sector Act and the Water Utilities Act. The Municipalities are the competent authorities in relation to drinking water interests, and the Danish Nature Agency under the Ministry of the Environment and Food monitors drinking water interests at a national level.</p> <p>There is no evidence of forest management threats to water quality, and in fact afforestation projects are sometimes deployed with an aim to improve water quality in the area. The rates of use of pesticides and fertilizers in forestry are much lower compared to volumes used in the agricultural sector. The average annual application of pesticides (active ingredient) is 2.1 kg/ha for the agricultural sector and 0.05 kg/ha for the forestry sector; however, this does not include the annual pesticide application for Christmas trees and greenery production. Observations suggest that there is no well-known, documented evidence that Christmas tree and greenery production activities within forest reserves are threatening water quality. Additionally, leaching of nitrate from forest areas is typically in the range of 0-10 kg N/year for forests, and</p>	N/A	Low risk.

		<p>typically in the range of 30-120 kg N/year for agricultural land. Again, based on observations, there is no well-known documented evidence that nitrate leaching is threatening water quality.</p> <p>There is no threat by forest management activities to Denmark's special drinking water interest areas as they are well protected by the Environmental Protection Act, the Water Sector Act and the Water Utilities Act monitored by the Danish Nature Agency under the Ministry of the Environment and Food. For HCV 4, all of Denmark is considered Low Risk.</p>		
3.5 HCV 5	1	<p>Forest sites and resources are not fundamental for meeting the basic necessities for communities in Denmark. Forests protected by the Forest Act, also provides a basic protection of local communities' needs. Therefore it is concluded this category is not applicable in the Danish context.</p>	N/A	N/A
3.6 HCV 6	61, 4	<p>There are almost 33,000 registered cultural heritage sites and features in Denmark, with some of these sites found in forest reserves.</p> <p>These sites are considered by the Ministry of Culture as irreplaceable and they are strictly protected. Cultural heritage sites can be ancient graves and burial mounds, but may also include relicts of early settlements, fortifications, old bridges and roads, stone walls, etc.</p> <p>There are also areas with landscapes of national cultural significance. Examples of these include early industrial areas with dams, mill ponds etc.</p> <p>The 'Parforce' hunting grounds landscape of Grib Skov forest in North Zealand is listed as a UNESCO World Heritage site. This hunting landscape was created in the 1680s after a decree from King Christian the Fifth. The hunting landscape is included as a UNESCO World Heritage site due to its being a well-preserved example of a Baroque forested landscape.</p> <p>Archaeological and historical values are protected by the Museum Act, Article 8a under the Ministry of Culture.</p>	N/A	Low risk.

		<p>HCV 6 are generally not threatened by forest management activities in Denmark, although there have been occasional cases in recent years of damage or disturbance to historical or archaeological sites or features.</p> <p>All cultural values and features of significance have been registered with the Agency for Culture and Palaces under the Ministry of Culture; and databases, interactive maps and GIS information are publicly available on the Agency's website.</p> <p>There are no economic incentives that would lead to, and no well-known cases of, forest managers causing damage or disturbing sites or features of national cultural significance.</p> <p>The UNESCO World Heritage-listed 'Parforce' hunting landscape is contained within the Danish State Forest unit in North Zealand, and the Danish Nature Agency has maintained this landscape for more than 300 years. (Note this site became UNESCO site after the publication of the FSC Danish HCV Guidance and the guidance once updated will include reference to this site).</p> <p>Cultural heritage sites are well-documented and protected in Denmark under the Ministry of Culture and associated agencies. These sites are not frequently threatened by forest management activities in Denmark; therefore the risk specification for HCV 6 values is consider Low Risk.</p>		
--	--	--	--	--

Recommended control measures

Indicator	Recommended control measures
3.1	<p>The recommended control measure is that the forest owner provides documentation verifying that they have completed a green management plan, demonstrating that any HCVs present in the forest management unit have been identified, and that sufficient measures have been taken to ensure that any identified HCV is not threatened by forest management activities.</p> <p>Or</p> <p>For small forest estates, this objective can also be achieved on an operational level through a survey of key biotopes and provision of sufficient protection for the HCVs before any operation such as a felling or thinning.</p>
3.3	<p>The recommended control measure is that the forest owner provides documentation verifying that they have completed a green management plan, demonstrating that any HCVs present in the forest management unit have been identified, and that sufficient measures have been taken to ensure that any identified HCV is not threatened by forest management activities.</p>

Or
For small forest estates, this objective can also be achieved on an operational level through a survey of key biotopes and provision of sufficient protection for the HCVs before any operation such as a felling or thinning.

Information Sources

No	Source of information	Relevant HCV category and indicator
1	HCV Guidance 'HCV-vejledningen'. For use in FSC certification of forests in addition to the FSC forest management standard. Updated December 2015. FSC Denmark.: https://dk.fsc.org/preview.vejledning-til-identifikation-og-operationel-hndtering-af-hje-bevaringsvaerdier-hcver-i-danmark.a-1280.pdf	HCV 1, 3, 4 and 6
2	http://www.naturstyrelsen.dk/Naturbeskyttelse/Natura2000/Handleplaner/	HCV 3
3	Green management plans. http://naturstyrelsen.dk/naturbeskyttelse/skovbrug/privat-skovdrift/tilskud-til-private-skove/groen-driftsplan/	HCV 1 and 3
4	Procedure for Natura 2000 management exemptions. http://www.naturstyrelsen.dk/Naturbeskyttelse/Natura2000/Handleplaner/	HCV 3
5	http://naturstyrelsen.dk/media/nst/67042/Noeglebiotoper_Screen.pdf	HCV 3
6	Biologisk mangfoldighed i Danmark - Status og Strategi http://www2.sns.dk/udgivelser/2003/mangfoldighed/	HCV 1
7	Standard for FSC Certificering i Danmark_korrektur 2011	HCV 1, HCV 3
8	Skovloven	HCV 1
9	IUCN Red List: Redlist species in Danish forest (LC excluded): http://www.iucnredlist.org/search/saved?id=67079	HCV 1
10	Vejledning om Skovloven §25: http://naturstyrelsen.dk/media/164667/vejledning-om-skovlovens-25-senest-aendret-d-18-august-2015.pdf	HCV 1
11	The Danish Redlist / Den danske rødliste / Fagdatacenter for Biodiversitet og Terrestrisk Natur (B-FDC). - Danmarks Miljøundersøgelser, [2004] http://redlist.dmu.dk	HCV 1
12	the Danish Redlist 1997, printable pdf: http://www.sns.dk/1pdf/rodlis.pdf	HCV1
13	Manual for redlisting animal and plant species in Denmark http://www.dmu.dk/1_viden/2_Publikationer/3_tekanvisning/rapporter/TA20.pdf	HCV 1

14	List of Natura 2000 areas in Denmark http://naturstyrelsen.dk/media/nst/68127/Natura2000%20nr.pdf	HCV 1, HCV3
15	Danske naturtyper i det europæiske NATURA 2000 netværk http://www.sns.dk/udgivelser/2001/87-7279-400-3/helepubl.pdf	HCV 1, HCV3
16	Fourth Country Report to CBD, Denmark, Januar 2010 https://www.cbd.int/doc/world/dk/dk-nr-04-en.pdf	HCV 1,
17	Oversigt over Habitatområdernes udpegningsgrundlag 31/12 2012 http://naturstyrelsen.dk/media/nst/Attachments/HabitatUdpgr201231Dec.pdf	HCV 3
18	Ændringer i Habitatområdernes udpegningsgrundlag som følge af offentlig høring 25. juni - 20. august 2012.	HCV 1
19	Oversigt over Fuglebeskyttelsesområdernes udpegningsgrundlag 31/12 2012	HCV 1
20	Ændringer i Fuglebeskyttelsesområdernes udpegningsgrundlag som følge af offentlig høring 25/6 - 20/8 2012.	HCV 1
21	NOVANA Program webiste: http://naturstyrelsen.dk/vandmiljoe/overvaagning-af-vand-og-natur/novana-program/	HCV 3
22	Online maps of Natura 2000 areas in Denmark: http://miljoegis.mim.dk/cbkort?selectorgroups=themecontainer%20Natura2000%20fredning&mapext=277608%206024994.2%201064040%206422715.8&layers=theme-gst-dtkskaerm_daempet%20ef_fugle_bes_omr%20ramsar_omr%20ef_habitat_omr%20theme-pg-natura_2000_omraader&mapheight=969&mapwidth=1925&profile=miljoegis-natura2000	HCV 1
23	Online map of Protected areas, example: http://miljoegis.mim.dk/spatialmap?selectorgroups=themecontainer%20Natura2000%20fredning&mapext=529601.6%206207816.6%20578779.2%206228475.8&layers=theme-gst-dtkskaerm_daempet%20fredede_omr&mapheight=808&mapwidth=1925&profile=miljoegis-natura2000&ignorefavorite=true	HCV 1
24	PFM Proposed tool for assessment of HNV. Extract for presentation from the Network for Forest Act §25.	HCV 1
25	Own elaboration: Comparison of HNV map hotspot with existing Natura 2000 areas.	HCV 1
26	Biodiversitetskort for Danmark. Ejrnæs et al 2014	HCV 3
27	The development of a High Nature Value map for forests in Denmark: Udvikling af et High Nature Value - HNV-Skovkort for Danmark. Johannsen et al 2015	HCV 3
28	National Forest Inventory - Skove og Plantager 2013: http://ign.ku.dk/samarbejde-raadgivning/myndighedsbetjening/skovovervaagning/skove-og-plantager-2013.pdf	HCV 3
29	Greenpeace Intact Natural Forest Landscapes http://www.intactforests.org/world.webmap.html	HCV 3
30	Skovrejsning og Grundvand http://www2.sns.dk/udgivelser/2003/skovrejsning_grundvand/helepubl.pdf	HCV 4
31	Map of Areas of Special interest for Drinkingwater supplies	HCV 4
32	Map of Areas of Special interest for Drinkingwater supplies	HCV 4

33	Museumsloven. Danish Museum act. https://www.retsinformation.dk/forms/R0710.aspx?id=162504	HCV 6
34	Example map from Danmarks Miljøportal http://areainformation.miljoportal.dk/distribution	HCV 6
35	Example map from Danmarks Miljøportal http://areainformation.miljoportal.dk/distribution	HCV 6
36	Article from Agency for Culture and Palaces website: Denmark suggest the Parforce hunting landscape of the North Zealand forests as UNESCO World Heritage Site. http://slks.dk/verdensarv/parforcejagtlandskabet-i-nordsjaelland/ as last seen on 19 Jan 2016.	HCV 6
37	http://ec.europa.eu/environment/nature/legislation/birdsdirective/index_en.htm	
38	http://www.eea.europa.eu/data-and-maps/figures/map-of-distribution-of-ramsar-sites-within-the-eea-member-countries-open-circles-indicating-sites-designated-to-protect-threatened-species-green as last seen on 19 Jan 2016.	
39	http://www.eea.europa.eu/data-and-maps/figures/map-of-distribution-of-ramsar-sites-within-the-eea-member-countries-open-circles-indicating-sites-designated-to-protect-threatened-species-green as last seen on 19 Jan 2016.	
40	http://miljoegis.mim.dk/cbkort?profile=miljoegis_naturplaner2011 as last seen on 19 Jan 2016.	
41	http://whc.unesco.org/en/list/1469 as last seen on 19 Jan 2016.	
42	http://info.fsc.org/certificate.php	
43	https://www.cbd.int/countries/profile/default.shtml?country=dk as last seen on 19 Jan 2016	
44	http://naturstyrelsen.dk/naturbeskyttelse/skovbrug/privat-skovdrift/tilskud-til-private-skove/groen-driftsplan/	
45	Danish Nature Policy Our Shared Nature. October 2014. Danish Ministry of the Environment, Danish Nature Agency. Electronic publication 978-87-92256-98- nst.dk/naturplandk.	

Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

Risk assessment

Indicator	Source of information	Functional scale	Risk designation and determination
4.1	<p>Legislation</p> <p>Bekendtgørelse om erstatningsskov (Order for compensation forest): BEK nr 1185 af 07/12/2011; https://www.retsinformation.dk/Forms/R0710.aspx?id=129849</p> <p>Skovloven (Forest Act) LBK nr 678 af 14/06/2013, art. 6, 8, 10, 11, 12, 37, 38 https://www.retsinformation.dk/forms/R0710.aspx?id=143280</p>	-	<p>Assessment based on legality</p> <p>Content of the law:</p> <p>The Forest Act specifies that a forest reserve must be kept as a forested area, and conversion of a forest reserve can happen only under special circumstances. Conversion can be effected by lifting the forest reserve classification, but under such circumstances a compensation forest should be established within a given timeframe. The establishment of compensation forest is regulated under the Order of Compensation Forest.</p> <p>If the converted area is 0.5 ha or below, no compensation forest is required. In areas close to cities, no compensation forest is required on areas of 0.1 ha or below. If the requirement is found to be manifestly unreasonable, compensation forest shall not be established.</p> <p>The area of compensation forest is calculated based on the converted area. If damage is done on adjacent areas, the area for calculation can be expanded to cover these areas as well.</p> <p>The size of the area can be calculated based on:</p> <ul style="list-style-type: none"> 110% of the calculation area for areas without woodland or without special forest legality potential; 150% of the calculation area for areas managed as ordinary forest; 200% of the calculation area for forest near cities, and for areas with high forest recreational or biodiversity values including forest edges. <p>For infrastructural projects the compensation area is calculated as 200% of the forest area. The Danish Nature Agency can set up requirements as to the location of the compensation forest, as well as the forest type. Compensation forest can also be established gradually.</p> <p>A security (in the form of a bank guarantee or similar) shall be provided in relation to the establishment of compensation forest; and shall be able to cover the expenses associated with establishing the compensation forest.</p> <p>Compensation forest can also be in the form of forested areas not included in the forest reserve.</p>

			<p>Is the law enforced?</p> <p>Denmark has a high Corruption Perceptions Index (CPI) and a high score on the World Bank Worldwide Governance Indicators. Forest control activities are carried out only if violations in the forest have been reported by stakeholders. Because Denmark is densely populated, there is low risk of illegal conversion not being detected. The legislation and requirement of compensation forest is considered well implemented.</p> <p>Is it possible to conclude that the spatial threshold (0.02% or 5000 ha) is met?</p> <p>Legislation exists only for forest reserves, and – for the forested areas in Denmark that are not classified as forest reserves – no approval or requirement of compensation forest is requested.</p> <p>The conversion of forest reserves is strictly regulated. However, the legislation does not ensure compensation for conversion of forest areas outside the forest reserve. It is estimated that 28% of the forest area is not classified as forest reserve, and can thus be freely converted.</p> <p>Thus, the legislation is not able to prohibit conversion to the outcome of the indicator.</p> <p>Risk conclusion: Undesignated</p>
--	--	--	---

Recommended control measures

N/A

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

Risk assessment

Indicator	Sources of information	Functional scale	Risk designation and determination
5.1	<p>Ministry of Environment and Food (Research with GMO): http://mst.dk/virksomhed-myndighed/genteknologi/forskning-med-gmo/</p> <p>Ministry of Environment and Food (GMO Trial Release): http://mst.dk/virksomhed-myndighed/genteknologi/forsoegsudsatning-med-gmo/register-over-forsoegsudsatninger/godkendte-forsoegsudsatninger-i-danmark/</p> <p>EU Commission webpage; Deliberate Release of GMO in Denmark: http://gmoinfo.jrc.ec.europa.eu/overview/DK.asp</p> <p>EU Register on Authorized GMO: http://ec.europa.eu/food/dyna/gm_register/index_en.cfm</p> <p>http://naturerhverv.dk/tvaergaende/gmo/dyrkning/kontrol/#c38123</p>	-	Low risk

	GMO Context Question	Answer	Sources of Information (list sources if different types of information, such as reports, laws, regulations, articles, web pages news articles etc.).
1	Is there any legislation covering GMO (trees)?	<p>Act on Environment and Genetic Engineering. LBK nr 840 af 03/07/2015; https://www.retsinformation.dk/forms/r0710.aspx?id=173167</p> <p>Order on approval of production using genetically modified plants and animals. BEK nr 35 af 19/01/2012; https://www.retsinformation.dk/Forms/R0710.aspx?id=138273</p> <p>Order on fee for case management and supervision under the Act on Environment and Genetic Engineering. BEK nr 38 af 19/01/2012; https://www.retsinformation.dk/Forms/R0710.aspx?id=139102</p> <p>EU Directive EU Directive on the deliberate release into the environment of genetically modified organisms and repealing Council Directive 90/220/EEC</p>	
2	Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	No	
3	Is there evidence of unauthorized use of GM trees?	No	
4	Is there any commercial use of GM trees in the country or region?	No	
5	Are there any trials of GM trees in the country or region?	No	
6	Are licenses required for commercial use of GM trees?	Yes	
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