

Sustainability Concept for Peat Estonia

Principles of responsible peat production

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PREFACE

In spring 2019 Vapo Group set up a project to develop a concept for the sustainability of the peat it produces in Finland. At the beginning of 2020 was decided that the sustainability concept should be established also in other countries to cover all Vapo Group's peat production areas. This document describes the practices in Estonia, under Tootsi Turvas AS company (owned by Vapo Oy). The Sustainability concept for peat aims to describe the sustainability of peat as a raw material and summarizes the legislative and operative background of the peat production. The Concept has its basis on Vapo Group's management system, and it strives for transparency in the peat raw material production and in the life cycle of the peat production area. The Concept is intended to facilitate sales and marketing especially of horticultural peat and peat-based high value-added products.

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The development of this Concept has been steered by Urmas Reintam, Matti Puuronen from Tootsi Turvas AS. The finished Concept was approved by Vapo Group's Sustainability steering group chaired by Petri Järvinen. Final approval for publication was given by Vapo Group's Management team.

SUMMARY

Peat is a unique organic wetland biomass formed as a result of natural processes in peatland ecosystems. Utilization of peat has significant positive effects on fulfilling people's basic needs and in creating well-being. For instance, peat promotes healthy local food production and peat-based high value-added products purify habitats and enhance access to clean drinking water. The Sustainability Concept for Peat describes the legislative and operational background of responsibly produced peat by Tootsi Turvas AS (owned by Vapo Oy) in Estonia.

The operative peat production in most of Vapo Group companies are managed according to a certified management system including ISO 14001 environmental management system and ISO 9001 quality management system. Although Tootsi Turvas AS in Estonia does not hold these certificates, environmental and quality practices are managed, guided and controlled on Vapo Group level, harmonized across operative countries.

Tootsi Turvas AS operates according to EU and local Estonian legislation, supported by RHP (Regeling Handels Potgronden)⁵ and RPP (Responsibly Produced Peat)⁴ certificates. The RHP quality mark gives a thorough quality judgement on the certified substrates and the RPP Principles and Criteria ensure responsible peatland management during and after peat production. Both certificates require regular third-party audits.

Peat production is strictly regulated by environmental legislation in Estonia. All Tootsi Turvas AS peat production areas in Estonia are operated under environmental permits issued by the Estonian Environmental Board. Also, guidelines published by the Estonian Ministry of the Environment are followed.

The key purpose of the environmental permit requirements is to prevent spoiling of nature and water sources, reduce negative impacts on the environment and support biodiversity and sustainable use of natural resources. The permit includes regulations of the extent of peat production, how the production should progress and guidelines of after-use (bog restoration, afforestation etc.). Tootsi Turvas AS constructs all its peat production areas using BAT, Best Available Techniques in order to meet the local environmental permit requirements and aims to minimize the environmental impacts and risks in all its operations.

The production area preparation and peat production operations are performed by contractors who follow the provisions of the environmental permits and Vapo Group's Supplier Code of Conduct. Tootsi Turvas AS organizes safety and environmental training for all of its own workers and main contractors. Regular monitoring and self-control by Tootsi Turvas AS, Vapo Group and inspections by the Authority ensure that the permit requirements are fulfilled and reported.

In Estonia peat production typically lasts 40-70 years in an area. After production, areas are suitable for many types of next land-use. The most common forms of next land-use in Estonia are afforestation, wetland creation or re-wetting. Tootsi Turvas AS starts to prepare the areas to the next land-use within 5 years before the planned end of production. Then the area quickly returns into a carbon accumulating ecosystem as the forest starts to grow after afforestation, or new peat begins to form on re-wetted area. Next land-use also increases biodiversity in the area.

Tootsi Turvas AS aims for transparency and openness in all its activities. Stakeholders are invited to discuss about the planned production during Environmental Impact Assessment so that the concerns of stakeholders are taken into account during environmental permit issuing process. During peat production, annual open-door events and student visits are organized to peat production areas.

Vapo Group reports its economic, environmental and social impacts in an annual corporate responsibility report which is based on the Global Reporting Initiative (GRI) framework.

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1 OVERVIEW OF THE SUSTAINABILITY CONCEPT FOR PEAT, ESTONIA

1.1 Purpose and scope

Peat is unique organic wetland biomass that is formed all the time as vegetation decomposes in boreal peatland ecosystems. Peat is multifunctional raw material and has multipurpose uses to promote sustainable everyday living and create well-being on people's life. Peat promotes healthy local food production and peat-based high value-added products for instance purify habitats and enhance access to clean drinking water. Purpose of this Concept is to prove the sustainability of Estonian peat used for instance in growing media, animal bedding and peat-based high value-added products.

This Concept describes the legislative and operational background of responsibly produced peat by Tootsi Turvas AS, part of Vapo Group. Scope of this Concept is the all peat produced in Estonia by Tootsi Turvas AS. Principles and practices to produce peat are presented in sections that are divided into administrative issues and environmental and social responsibility. The operational framework is based on the current legislation, good practice and Vapo Group's management system.

1.2 Sustainability in Vapo Group and Tootsi Turvas AS

Guided by the sustainable development goals of the United Nations for 2030, we want sustainability to be present in our all activities. The sustainability is in the core of Vapo Group's strategy and purpose "Sustainable Everyday Living".¹ Our sustainability aim is to make Vapo Group a net positive company by considering the impact of our operations, products and services on environment, health, society and knowledge.

Responsibility is the foundation for Vapo Group's operations.² Vapo Group aims to respond to future needs by creating solutions for sustainable everyday living. We use natural raw materials to produce growing media, animal bedding materials and new peat-based innovations that promote sustainable development. We also provide peat for local heat production.

Vapo Group's big sustainability objectives, including environment strategy targets, have been approved by Vapo Group's Board of Directors in June 2019. The long-term goals were determined in detail in the beginning of 2020. Our sustainability objectives focus on two areas:

- a) We take care of the environment and
- b) We take care of the wellbeing of our employees.

Sustainability implementation annual plans are approved and followed up by top management, and progress is reported to Vapo Group Board of Directors.



Figure 1. Vapo Group big sustainability objectives and long-term goals.

Sustainability Concept for Peat is a part of Vapo Group Sustainability implementation and is supported by other responsibility certificates which are awarded to Vapo Group. These certificates together with this Sustainability Concept for Peat form the Vapo Group Sustainability Umbrella which has its basis on environmental and quality management standards. Product or business specific certificates and Sustainability Concept for Peat complement responsible businesses with requirements specific to each certificate or concept.

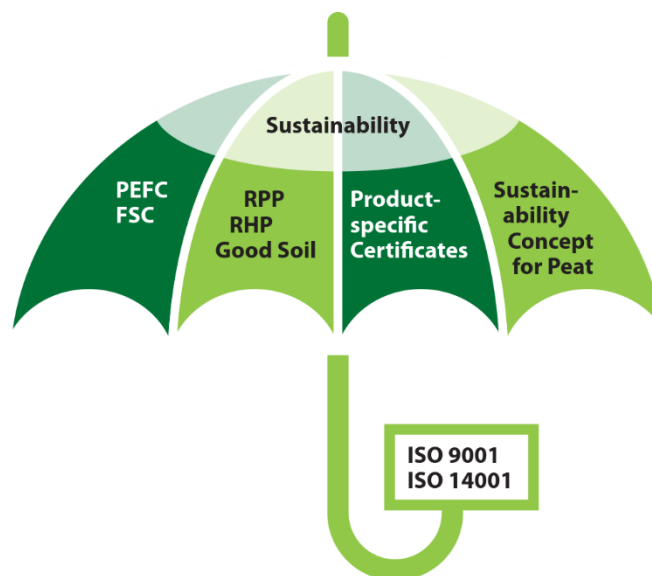


Figure 2. Vapo Group's Sustainability Umbrella

Product or business specific responsibility certificates promote ecologically, socially and financially sustainable businesses and raw material production. For instance, in Vapo Group wood fuel businesses FSC certificates are applied. **FSC**³ (Forest Stewardship Council) certificate is also

international forest certification to promote responsible forest management by setting standards on forest products.

In addition to this Sustainability Concept for Peat, there are other certified systems for peat. **RPP** (Responsibly produced peat)⁴ certificate is applied for horticultural peat and it ensures that the peat used as a constituent for growing media is from responsible resources. **RHP** (*Regeling Handels Potgronden*)⁵ and **Good Soil**³² are quality marks for peat-based substrates and growing media. With the quality mark, customers and professionals can trust the substrate is of good quality and safe.

Other suitable product specific certificates will be applied when applicable and this Sustainability Concept supports other certificates. In addition to responsibility certificates, Vapo Group follows the Strategy for Responsible Peatland Management published by International Peatland Society.⁶

Vapo Group's environment strategy for 2019-2022 is based on Vapo Group strategy¹ and considers megatrends, development in legislation and expectations of our customers and other stakeholders.⁷ Four environment strategy targets are:

1. Aiming towards a carbon neutral society
2. Supporting biodiversity and using natural resources sustainably
3. Minimizing harmful impacts to water sources and enhancing water-use efficiency
4. Boosting circular economy by increased material efficiency, efficient recycling and utilizing recycled materials

Environment strategy targets have objectives and indicators for 2019-2022, some even until 2025. Objectives and indicators are continuously planned, and progress monitored in detail.

For the first strategic target, we have set ambitious targets to halve the CO₂ emissions in our own operations. As a big part of the sustainability program, calculating carbon footprint of raw materials and products are part of the actions towards carbon neutral society.

Second strategic target covers the launch of this Sustainability Concept for Peat in Finland, Sweden and Estonia and **RPP** responsibly produced peat certificate applications for horticultural peat. Other objectives are active and relevant next land-use of the peat production areas and producing peat only in already altered peatlands as well as enhancing biodiversity in peat production areas.

Third strategic target means that we minimize the negative impacts both to watercourses and important drinking water sources by using effective water treatment systems and increasing water use efficiency in all our operations and products. We also aim to minimize water impacts to surrounding nature. Furthermore, we develop peat-based, high value-added products such as activated carbon to be used to clean harmful substances from gases and liquids.

Fourth strategic target considers the development of circular economy, focusing in reducing waste mainly through plastic reuse and recycling solutions as well as utilizing ash as a fertilizer of soil in afforestation of peat production areas.

Along with these strategic targets, we will calculate the net impacts of our businesses, aiming to make us a net positive company.

2 GOVERNANCE AND LEGALITY

2.1 Company

Vapo Group is an international company with a strategy of satisfying people's basic needs. Our business operations promote professional growing and home gardening, the construction of attractive and pleasant living environments and the well-being of animals. We provide our corporate and consumer customers local fuels and develop products for air and water purification.⁸

Vapo Group consist of 10 companies operating in 5 countries, Vapo Oy being the main legal company. Vapo Oy is owned by the Finnish State (50,1 %) and Suomen Energiavarat Oy (49,9 %), and Tootsi Turvas AS is owned by Vapo Oy. Vapo Oy (Finland), Tootsi Turvas AS (Estonia) and Neova AB (Sweden) are the companies that manage the peat production operations. Vapo Oy has been producing peat in Finland since the 1940s and Tootsi Turvas AS started producing peat and peat products at Jõõpre turbatööstus since 1919. Read more about Vapo Oy Corporate Governance on **Corporate Governance Statement**.⁹

Vapo Group's operations consist of the **Energy** division, **Grow & Care** division, **New Businesses** division, **Supply Chain Management** function and **Group Services** function. The Energy division specializes in the supply of local fuels, including production of biofuels. The Grow & Care division specializes in growing media, recycling, the wholesale of peat raw material and the production and sale of bedding peat. The Supply Chain Management function is responsible for the peat supply, peat production, logistics, shared procurement and the management of operational excellence and sustainability (including environmental, quality and occupational safety) for each of the Group's divisions and functions. The Group Services function consists of HR, Finance & Business Control, ICT, Communications & Public Relations and Legal Services & Internal Audit for the entire Group.

Vapo Group's New Business division develops novel solutions based on refining peat and other natural materials into entirely new high value-added products. The new high value-added businesses are based on peat utilization for activated carbon and other products to purify contaminated environments and to create well-being of the people and the nature.

2.2 Governance

Vapo Group's governance bodies

The highest decision-making power in Vapo Group is exercised by the shareholders at the General Meeting. The management of the Group is the responsibility of the Board of Directors appointed by the General Meeting and the CEO appointed by the Board of Directors. The work of the Board of Directors and the CEO is supervised by the Supervisory Board appointed by the General Meeting. The Group Management Team and other senior management assist the CEO in his duties. The Board of Directors decides on the Group's governance systems and ensures that the company observes good corporate governance.

Subsidiaries

The operational management of Vapo Group's divisions and functions is the responsibility of the director of each division and function. The directors report to Vapo Oy's CEO. The management of subsidiaries also takes place through Vapo Group's divisions and business functions.

Tootsi Turvas AS is owned by Vapo Oy. It is registered in Estonia and must comply with national law.

Code of Conduct

The Vapo Group Board of Directors has approved the **Code of Conduct**¹⁰ which purpose is to guide us all in making the correct everyday decisions expected from a good corporate citizen and it sets out the minimum standards required in all our operations. The Code of Conduct concerns every individual who is employed by Vapo Group or other companies which are part of Vapo Group. Ethical behavior is the basis for our everyday way of working, taking into account not only national and international laws and regulations but also the expectations of customers, our own personnel and other stakeholders as well as the Vapo Group values. We promote fair business practices and expect the same from our business partners, contractors, subcontractors, suppliers, sub-suppliers, distributors and any other co-operation partners.

The Code of Conduct contains guidelines for responsibility and compliance with laws and regulations, integrity, human and labor rights, safety, environmental impacts and transparency.

For example, we recognize the environmental impact of our operations and aim to minimize the adverse effects of our operations on air, water, land, soil and biodiversity. We ensure that our employees have appropriate know-how and experience in relation to environmental issues, as well as resources to enable them effectively to meet their responsibilities. We proactively work to prevent environmental emergencies.

We respect and observe international human and labor rights, including the UN Universal Declaration on Human Rights and the Fundamental Conventions of the International Labor Organization. We commit to fair and equal treatment of our personnel and shall not tolerate discrimination on the basis of race, national or ethnic origin, citizenship, skin color, language, gender, age, family conditions, sexual orientation, health, religion, social opinions, political or professional activism, or any other comparable reason. We shall not tolerate any kind of harassment or bullying at work and we do not allow forced or child labor in our operations or by any of our Partners.

All our suppliers shall be treated equally, and we promote fair and open tendering processes. In addition to pure economic and quality criteria, we consider aspects including environmental and safety matters when deciding on suppliers. All our suppliers shall adhere to the Vapo Group Supplier Code of Conduct.

*Supplier Code of Conduct*¹¹

The purpose of the Supplier Code of Conduct is to guide Vapo Group's suppliers to comply with principles outlined in Vapo Group's Code of Conduct and Corporate Responsibility policy. The Supplier Code of Conduct concerns all Vapo Group's suppliers and their employees, subsidiaries and ventures controlled by these suppliers. This Supplier Code of Conduct cannot be circumvented by using subcontractors or other partners.

Vapo Group encourages suppliers to develop their own corporate responsibility and compliance programs. It is important for Vapo Group to build and develop its business sustainably in the long-term and we require that also from our suppliers. Ethical behavior is the basis for our everyday way of working, taking into account not only national and international laws and regulations but also the expectations of customers and other stakeholders.

Vapo Group Corporate Responsibility policy

Vapo Group Corporate Responsibility policy² describes the operating rules in health & safety, environment and quality matters which to follow in all our operations. The policy is approved by the Vapo Group's Board of Directors.

The main principles of the policy, to which the management and the whole personnel are committed, are:

- Health and safety is our first priority.
- We favor sustainable solutions in our product development.
- We minimize the harmful environmental impacts of our operations.
- Our products correspond to quality specifications agreed together with our customers.
- We are committed to constantly improving our operations.

2.3 Management system

Most of Vapo Group legal companies have ISO certified management system including ISO 14001 environmental management system and ISO 9001 quality management system. Although Tootsi Turvas AS in Estonia does not hold these certificates, environmental and quality practices are managed, guided and controlled on Vapo Group level, harmonized across operative countries.

Management system is a compilation of agreed governance, policies, operating procedures and instructions. It supports the management of the company and helps us achieve our goals and objectives. We are committed to continually improve our operations, reduce environmental impacts and improve the safety and well-being of our employees. In the management system, environmental responsibilities and competencies are determined to manage environmental issues responsibly.



Figure 3. Vapo Group management system hierarchy

Vapo Group level management system has a clear hierarchy and is formed in levels. It is documented in IMS tool, where our Group level governance and shared policies, operational processes and instructions are described.

The first level defines our Corporate Governance, Code of Conduct, Policies and Principles. Corporate governance defines how our company is governed as well as the interaction between our company's managerial bodies, its owners and other stakeholders. Policies are formalized mandatory statements, rules and regulations. Principles describe how we operate under specific focus area, and following principles is also mandatory.

The second level defines our Corporate Strategy Objectives and Goals, supported by Business and Function specific strategies. Strategy execution is done through Must Wins programs which have a long-term focus (3-5 years). Annual plans define our targets and priority actions in short-term focus (1 year). Performance management is done monthly by means of operative reporting, continuous improvement cycle and personnel performance management.

The third level defines our Organizational Structure and Business Governance, which describe how we are organized and what our decision-making process is including meeting structure and approval grids. Business Process model describes how we run our businesses.

These three levels are the basis of for a certified management system which helps us to continuously improve and to direct our activities to meet customer and regulatory requirements.

2.4 National legislation of peat production in Estonia

In Estonia, peat production is strictly regulated and subjected to environmental permitting. The environmental permits contain regulation on reduction of environmental impacts and monitoring of the impacts. Peat production can be located only on already altered, drained peatlands. These guidelines will prevent the loss of biodiversity and habitats, reduce negative impacts on waterways and nature and mitigate harm to humans.¹²

Environmental permit process

All Vapo Group production areas in Estonia are operating under environmental permits issued by the Estonian Environmental Board.

Environmental permit process in Estonia starts with submitting environmental permit application for mining and water usage to Environmental Board. From 2020 spring legislation was changed and there is one environmental permit that covers all environmental activities. In our case mining and water use.

Application could be submitted only for sites listed in an area or mineral deposit which has been entered in the list of peat areas disturbed by extraction and abandoned or the list of peat areas suitable for extraction¹². Applications, meeting all the necessary requirements, are processed by Environmental Board and Environmental Board also issues permit for peat extraction and water usage based on submitted application. If environmental permit application does not meet the essential requirements in legislation, the application is returned to the applier without consideration. If there are some minor shortcomings, then Environmental Board asks for additional information or requires changes.

According to Estonian Environmental Impact Assessment (EIA) and Environmental Management System (EMS) Act¹⁶ the EIA is mandatory if surface mining is planned on more than 25 hectares, underground mining or mechanized peat extraction. All extraction areas, where Tootsi Turvas AS operates are bigger than 25 hectares and there has been EIA procedures before issuing environmental permit for mining and water usage. Due to legislation changes in the beginning of 2020 EIA was also necessary separately for only water permit, but usually are both environmental permits covered by the same EIA process. Some areas, where mining is not started yet, are covered only with mining permit and water permit will be added when production starts. The environmental permit is issued for a maximum of 30 years.

Key regulations

Peat production is strictly regulated by environmental legislation in Estonia. The most essential regulations are Earth's Crust Act¹³, General Part of the Environmental Code Act¹⁴ and Water Act¹⁵. All the requested activities for which the holding of an environmental permit is required must be indicated in the application for an environmental permit. The application for an environmental permit is submitted jointly regarding activities to be carried out at a single installation or location. Detailed requirements for applications of an environmental permit, the application form and the application form for the amendment of an environmental permit will be established by a regulation of the minister responsible for the field.

Environmental protection regulations

The purpose of Earth's Crust Act, General Part of the Environmental Code Act and Water Act is to prevent spoiling of nature, reduce negative impacts and to ensure environment is considered in decision making. General Part of the Environmental Code Act defines the course of permitting process in Estonia, the information that must be provided by the applicant for the permitting authority, and the content of the permit decision. The permit includes regulations of the extend and how peat production must be arranged, what kind of structures must be built in the area, how the drainage water must be treated, how effective the purification process must be/and or how pure the water must be when leaving the area, how often the structures must be cleaned, is there any limitations based on noise or dust impacts, how the monitoring is arranged. Also, to ensure the reduction of environmental nuisances to the maximum extent possible in order to protect the environment, human health, well-being, property and cultural heritage, the preservation and protection of natural diversity, the prevention of damage to the environment and the remedying of damage caused to the environment.

The purpose of this Act is to ensure sustainable and economically efficient use of the earth's crust and to reduce environmental nuisances arising thereby to the greatest extent possible. Earth Crust Act defines where peat production area can be sited: nationally or regionally significant natural values, as peat, shall not be at risk of deterioration. Peat production should be carried out in an area or mineral deposit which has been entered in the list of peat areas disturbed by extraction and abandoned or the list of peat areas suitable for extraction. It also obligates operator to use best available techniques (BAT) in order to meet the local environmental permit requirements and best environmental practices (BEP). Most importantly, operator must be aware of the impacts of its actions on the environment.

General Part of the Environmental Code Act also protects some animal species, nesting trees and plants, and some species are protected as threatened, or under strict protection if at risk of extinction. Destructing or deteriorating the breeding sites or resting sites of species that are under strict protection or in the Habitats Directive Annex IV(a) is prohibited. Before peat production, natural values of the area must be censused properly, and the results are added to permit application. Usually, the application includes censuses of protected and threatened habitats, Forest Act habitats, Water Act habitats, threatened plant and bird species, The Birds Directive Annex 1 species, species of international responsibility, habitats directive Annex IV(a) species and depending on the site properties, some other specific species groups censuses could be included. All in all, the risks of peat production to nature are always assessed beforehand and the production sites are not located in areas of great conservation value of species or habitats.

In Estonia Environmental Impact Assessment and Environmental Management System Act¹⁶ concerns production areas 25 hectare large or more. Environmental impact assessment (EIA) compares the impacts of alternative production plans to situation with no production. Alternative plans can consider different surface areas, water treatment methods, storage areas or transportation routes. The purpose is to find best option taking into account all environmental aspects before environmental permit is granted. The process gives general public and stakeholders a possibility to comment different options and it ceases when the coordinating authority, gives its statement on the assessment reports adequacy based on public opinions and statements from the other authorities. The statement must be considered in environmental permit decision if the operator decides to apply for one.

Nature conservation regulations

General Part of the Environmental Code Act and Earth Crust Act also support biodiversity, conserve natures' scenic values and beauty and sustainable use of natural resources amongst other values. Environmental permit can't be granted, if the project threatens the favorable conservation status of species or habitats. It prevents the founding of peat production areas to areas that are protected in the act. In Estonia it is not possible to get mining permit on areas that are not listed as an area¹² or mineral deposit which has been entered in the list of peat areas disturbed by extraction and abandoned or the list of peat areas suitable for extraction.

Water protection regulations

Peat extraction environmental permit contains also water usages regulations according to Water Act. Permit for the special use of water is compulsory if water is discharged into a recipient for the extraction of mineral resources (Water Act § 8 (2) 13), this applies also for peat extraction. According to Environmental Impact Assessment and Environmental Management System Act § 6 (1) 31 EIA is compulsory in case of construction of a new draining system in forest land or wetland with a total area of more than 100 hectares. Environmental Impact Assessment and Environmental Management System Act § 6 (2) states also that preliminary estimate for EIA must be conducted if permit for the special use of water is applied.

Because peat production is highly regulated by national legislation, most of the water protection actions presented in the plans are already in use in peat production areas.

Regulations concerning properties and land use

In Estonia, peat is government owned natural resource. Peat production areas are mainly located on government owned land. The Land Board¹⁷ and State Forest Management Centre¹⁸ are state-owned agencies dealing with state land management. Tootsi Turvas AS have concluded land lease agreements with these institutions. Land lease agreements are valid until the expiration of the environmental permit and can be extended after the extension of the environmental permit.

In addition to the information described previously, according to Earth's Crust Act, a letter of explanation to the application for an extraction permit must be presented, which includes also purpose of further use of the land disturbed by extraction, it's technical and biological reclamation, formation of water regime of the land to be reclaimed and the expected cost of the reclamation works.

The Land Board and State Forest Management Centre controls the impacts of peat production from a landowner point-of-view. It forbids the use of property in any way that causes unreasonable harm to the neighboring property owner. In terms of peat production, this sets limits to impacts caused by effluents, noise, dirt, or dust.

The Land Board steers land use via regional planning. Regional plans must point out areas suitable for peat production. The act also decrees national land use guidelines. These guidelines exceed regional boundaries and may concern for example nationally significant impact on ecological sustainability or environmental hazards.

Programs, resolutions, strategies

Soft law

In addition to legislation, there are several guidance's in Estonia, like *General principles of Earth's crust policy until 2050*¹⁹, *National development plan of the energy sector until 2030*²⁰, *General Principles of Climate Policy*²¹, *Resolution of the Riigikogu General Principles of Climate Policy until 2050*²².

General principles of Earth's crust policy until 2050

The use of Earth's crust is, on the one hand, the basis for many branches of economic activity, but on the other hand, it is often accompanied by a significant environmental disruption.

The development document regarding the general principles of Earth's crust policy in Estonia provides a long-term vision and direction for managing the field, and it addresses the full potential of Earth's crust, including:

- 1) mineral resources;
- 2) the Earth's crust as base;
- 3) the Earth's crust as a construction environment;
- 4) groundwater;
- 5) geothermal energy.

Estonia's long-term goal in the field of the earth's crust is to ensure the science-based, environmentally sound management and use of the earth's crust resources aimed at economic growth and resource efficiency. At the same time, it is important to reduce dependence on non-renewable resources.

*National development plan of the energy sector until 2030*³⁰

Some national programs have an impact on peat production in Estonia. The National Energy and Climate Strategy (ENMAK 2030³⁰) outlines the actions that must be taken to be able to achieve the government and EU targets for 2030 in the reduction of greenhouse gas emission. Thus, it also affects the future of using peat to energy production.

The maximum annual use rate of peat in Estonia is 2.65 million tons (including peat substrate). The average level of peat use in the energy sector in the past ten years has been slightly above 0.3m tons per year, which corresponds to 30% of total extracted peat (approximately 1million tons). It should be remembered in this context that any plans for wider utilization of peat in the energy sector cannot include drainage of new bogs, which have not been exploited before, because peat is a non-renewable natural resource.

Considering the significant energy potential, local origin, good availability and low price of peat compared to other energy carriers, improved opportunities are needed to facilitate utilization of peat-based equipment in a similar manner to other local fuels. Any incentives for investment in affordable local fuels, which will be included in district heating regulations, should further strengthen the position of peat as a local, and relatively affordable, source of primary energy.

Meanwhile the targets have been changed and using peat for energy is decreased.

General Principles of Climate Policy

The Government and Parliament of Estonia have approved a strategy for moving towards long-term emission reduction target which is set to reduce the emission of GHG by 80% by 2050 in comparison with the emission levels of 1990. The Parliament of Estonia adopted Estonian low carbon strategy, officially named “General Principles of Climate Policy until 2050” (GPCP2050) on April 2017.

Principles and guidelines in the GPCP2050 must be taken into account when renewing and implementing the cross-sectoral and sectoral strategies and national development plans.

Resolution of the Riigikogu General Principles of Climate Policy until 2050

The vision and national target of climate policy:

- In 2050, Estonia will be a competitive economy with low carbon dioxide emissions. The preparedness and capacity of the state to minimize the negative effects and maximize the positive effects of climate change has been ensured.
- The transition to a low-carbon economy and society is developing into a global trend with one indicator being the reduction of greenhouse gas emissions. The long-term target of Estonia is to reduce the emission of greenhouse gases by 2050 by 80% in comparison with the emission levels of 1990. As the country moves towards this target, emissions will be reduced by about 70% by 2030 and by 72% by 2040 in comparison with the 1990 emission levels.
- The carbon stock in the peat layer of mires will be preserved or increased. Further drainage of mires will be avoided, and near-natural water regimes will be restored in drained peat lands, if possible, or the further degradation of such areas will be avoided.

2.5 External and internal inspections and audits

2.5.1 Inspections of Estonian supervisory authority

Estonian Environmental Board supervises that the operator (= peat producer) acts in compliance with the environmental permits. Also, the supervisory authority (Environmental Inspection) performs inspections to peat production areas. The inspections are arranged together with the operator and the interval of these inspections depend on the risk classification of the authority and sometimes on a request of concerned citizens. Usually, peat production areas are inspected once every three to five years. The operator and authority go through the permit, last inspections' memo, notifications and complaints from the public, usage monitoring notes on logbook, disturbance notices and other monitoring results. After the necessary documents are inspected, the operator and authority inspect the structures of the production area. The authority prepares a memo of the inspections' results and gives orders if there are any needs for improvement.

The authority picks every year some production areas to perform additional water monitoring. It can also conduct inspection if there's complaints about the actions in or near peat production area, or there is a reason to believe that the operator does not act in compliance with the environmental permit.

2.5.2 Audit of the ISO standard

Although Tootsi Turvas AS does not hold ISO certificates, environmental and quality practices are managed, guided and controlled on Vapo Group level, harmonized across operative countries.

2.5.3 Audits specific to peat production areas

Tootsi Turvas AS peat extraction areas have RHP certificates⁵ (quality standards and requirements for trade substrates) and RPP (Responsibly Produced Peat⁴) certificates, which are awarded to a specific peat bog area. RHP (Regeling Handels Potgronden) quality mark gives a thorough quality judgement on the certified substrates and the RPP principles and criteria ensure responsible peat-land management during and after peat production.

Tootsi Turvas AS follows all local and EU requirements and laws that are eligible for peat production. RPP requirements are stricter than local legislation and require additional environmental monitoring.

Both RHP and RPP require regular third-party audits.

2.5.4 Deviations and corrective actions

For all identified deviations and observations during the audits we will make needed corrective actions and report them to the auditor. Corrective actions are decided by the business units and are documented. Corrective actions will be done at all locations, not just in that site where it was found. Deviations and observations are reported to management. The most significant observations are reported to Vapo Group's Management Team and the Audit Committee.²³ Our efficient process of handling deviations and observations is part of our continuous improvement process.

3 ENVIRONMENTAL RESPONSIBILITY

3.1 Estonian peatlands

According to publication "Status and Protection of Estonian bogs"²⁴, Estonian bogs carry important nature conservation values. The aim of the sustainable use of bogs is to preserve their ecological, social and economic functions now and in the future. Peatlands and their associated environmental and social values depend on the level of treatment (governmental, regional, local) therefore, the use and management of such values must consider specific economic, cultural and ecological characteristics.

In Estonia, the main land uses are forestry and agriculture. Forestry covers (includes also some marshy areas) 2 197 400 hectares (50,3%) and agriculture 1 380 500 hectares (31,6%) of Estonian territory²⁹. At the same time, wetlands (mires, marshy areas, floodplains) cover a total of 25-30% of Estonian territory. That includes also some previously mentioned forest and agricultural land. Peat extraction takes place in many bogs, coastal and floodplain wetlands are significantly affected in some areas by agriculture and settlement expansion. Hence the urgent need for a strategy for the intelligent management and protection of wetlands.

According to Estonian Nature Foundation publication²⁵ at 1950 there was 1 033 800 hectares of wetland and in 1990 was the area approximately 310 000 hectares. According to Tallinn Technical University studies²⁶ the information is little different. As in Estonia peat resources are taken into account if the thickness of the peat layer is 90+ cm (Earth Crust Act¹²). It doesn't matter if that area is in bog or forest. Due to that there are 9836 peat and/or wetland areas which cover 1,2 million hectares of Estonian territory, that is 22,5% of the land area. There are currently about 271,300 hectares (~22%) of pristine bogs in Estonia and 810 964 hectares are covered by peat areas where peat layer is 90+ cm. From that about 358 923 hectares³¹ (~30%) are active peat resources (not under protection or unsuitable for production in other reasons) and according to survey from 2011, mining was permitted on 20 281 hectares²⁶ and 9 800 hectares are abandoned mining areas. Rest of active peat resources are not been used in various reasons.

There are many more studies, that came to different conclusion (about peat amounts and ha) due to different methodology.

At the moment, Tootsi Turvas AS (including Kekkilä-BVB Eesti mining permits), is the biggest peat producer in Estonia. There are 33 peat producers registered in Estonian Peat Association, but there are also other smaller producers who are not part of that association.

3.2 Production area selection

The application for peat extraction permit must compile with requirements from Earth's Crust Act and General Part of the Environmental Code Act. Also according to Earth's Crust Act (§ 45) permit for peat extraction could be only for sites listed in an area or mineral deposit which has been entered in the list of peat areas disturbed by extraction and abandoned or the list of peat areas suitable for extraction. If the application for peat extraction permit does not meet those requirements it is returned to the submitter without further consideration¹². Applications meeting all the necessary requirements are processed by Environmental Board and if no problems occur, this organization also issues permit for peat extraction based on submitted application. If application for peat extraction permit does not meet the requirements in legislation, the application is returned to the applier for additional information or, if shortcomings are significant, returned without consideration.

3.3 Restoration of mires in Estonia and Vapo Group

Estonian bogs carry important nature conservation values. The sustainable use of bogs aims to preserve their ecological, social and economic functions now and in the future. Approximately 80 peat areas have been abandoned in Estonia, with a total area of approx. 9 800 hectares.

In order to accelerate the regeneration of vegetation and reduce CO₂ emissions from depleted areas, remediation of derelict areas has begun. Abandoned bogs are again valued by transforming them into water bodies, creating conditions for peat restoration, agriculture, silviculture, etc.

With the support of the Environmental Investment Center, projects have been completed for the rehabilitation of the abandoned peat area of Adraku in Ida-Virumaa and for the rehabilitation of the Alu peat area in Pärnu County²⁷ (not Tootsi Turvas AS operated areas). Tootsi Turvas AS also owns some extraction areas, for example Lavassaare, Ulila and Pööravere were part of areas have already been turned to wetlands and returned to government.

All environmental permits issued for mining and water usage have many additional conditions and one of them describes how that area should be restored after mining ends. Restoration project and different actions should be agreed with local municipality, Environmental Board and other stakeholders. Restoration work is carried out by mining permit holder. Mining permit holder can form environmental protection provisions/fund, so that mining permit issuer sees that permit holder has enough finances to restore the area or apply mitigation measures during production if necessary. At Tootsi Turvas AS the collection of money into restoration fund takes place according to the tons of peat produced. The volume of the fund increases with the amount of peat produced. Those abandoned peat production areas that do not have an owner must be restored by government with help from EU.

3.4 Production area preparation

Planning and preparation of peat production area is guided by the Estonian environmental guidelines for peat production and the environmental permit regulation as mentioned in section 2.4. Peat production areas water treatment²⁸. planning for drainage water is based on *Best available techniques (BAT) in order to meet the local environmental permits*.

When planning a new peat production area, the water treatment system will be planned into an area whereas many nutrients, humus and suspended solids as possible are removed from the drainage waters from the production area. In Estonia is most commonly used sedimentation basins. Areas where peat production has been going on for longer periods it is also used overland flow areas where water flows over old, already depleted peat production area. Further environmental protection is handled with buffer zones. Stockpile areas are planned closer to exit routes and not close to water treatment system nor outfall ditches. Buffer zones to prevent peat dust spreading are left on the area to minimize the impacts on the surrounding area. The illustration below describes all the water treatment²⁸ structures, buffer zones and fire prevention basins in a peat production area.

Ulila extraction area water treatment system (wetland / overflow area)



Preparation of mining area begins with the preparation of a detailed mining project. Mining project must be coordinated with different authorities (local municipality, fire department, Environmental board, road administration e.g.). Preparation of peat production area construction begins with the construction of preliminary roads. After that, the area will be cleaned from forest, if it is necessary. After that, the water treatment systems will be built, sometimes parallel with deforestation. When the area is dry enough, main roads will be built. Also, a safety plan is prepared for the site and submitted to the rescue authorities. The best available water treatment system, in order to meet the local environmental permits, is generally allowed to stabilize for two to three years before the peat production can start. If necessary, additional ponds and dams will be built to prevent solids and nutrients entering the downstream watercourse.

Further production area preparation begins once the water treatment structures have been completed. In the beginning of the preparation, a waste collection place will be established in the base area where waste from the preparation, i.e. municipal solid waste, solid oil waste and waste oil will be placed and sorted. Finally, the area will be ditched for production.

Preparation contracting is tendered. Contractors must also register contract and employee information to the tax authority. Vapo Group's Code of Conduct is also reviewed with each contractor which the contractor must follow when dealing with Vapo Group. When the production area preparation begins, a risk assessment is carried out with the contractor to identify potential safety risks and how to be prepared for them.

3.5 Peat production

Contracting

The operative peat production is performed by Tootsi Turvas AS contractors. All contractors will adhere to Vapo Group's Supplier Code of Conduct. Contract with subcontractors includes Vapo Group's working instructions on peat production areas and plans on fire safety, environmental protection, use and maintenance of machines and occupational safety.

The contractor's liabilities are checked before signing the contract via Kreditiinfo²⁹. The payment of labor and corporate taxes is checked annually also via Kreditiinfo webpage. Contractors and their employees are obligated to take part in environmental and safety trainings mandated by Vapo Group and/or Tootsi Turvas AS.

A crucial part in ensuring the competence of peat production workers are the obligatory trainings held yearly by Tootsi Turvas AS before production season. Training consists of:

- Vapo Group information and operational model
- Vapo Group Code of Conduct / Vapo Group Supplier Code of Conduct
- Environmental protection and responsibility
- Production and product quality
- Fire safety
- Occupational safety

Peat production

After the peat bog preparation is complete and before peat production begins, a permit regulation meeting will be held, in which the regulations dictated on the environmental permit are reviewed by Tootsi Turvas AS employees and the contractor. These regulations and the needed corrective actions are described in meeting memo.

Tootsi Turvas AS and the contractor hold at least two production area meetings together during each production season in which all aspects of the contract are gone through. And once per week (Monday) there are production meetings with every contractor to give an overview of the activities during the past week and then the plans for the running week.

A fire and safety plans are prepared for each individual peat production area. In there the information about appropriate contact personnel and safety information, e.g. production area map and firefighting equipment are kept and updated. Fire and safety plans are distributed to each region's fire authorities and kept at the entrance of every production area. Tootsi Turvas AS also has a plan for major fire risk situations and possible fires. These are also updated at least yearly and distributed to personnel and contractors.

Work safety, quality, environmental and success observations related to peat production and other operations can be made by our own personnel in all countries where Vapo Group operates and Vapo Group's subcontractors, through observation application which works on tablets and mobile phones on a browser. These observations are handled/processed by responsible Vapo Group personnel on each production area. The rigorous handling of the observations has improved the safety level on peat production areas and the number of accidents has considerably reduced. Our goal is zero accidents.

3.6 Environmental care during peat production

Vapo Group's environmental manager in Estonia is responsible for managing environmental issues in cooperation with other employees and environmental stakeholders. Environmental manager monitors that environmental permit requirements are fulfilled, implemented and reported with agreed guidelines.

Environmental manager's and specialist's responsibilities:

- Environmental monitoring, follow-up and reporting of results
- Communicating environmental permit decisions (permit regulation meeting)
- Managing and maintaining permit information
- Applying environmental permits in Estonia
- Actively following up and contributing to the development of local environmental regulations and communicating progress and implications to local organization
- Responsibility for maintaining the necessary information systems
- Informing the staff on environmental issues
- Stakeholder co-operation and communication
- Coordinating environmental programs with operative teams

Environmental risk prevention in Estonia

Environmental risks are pointed out in Environmental Impact Assessment process and every time environmental permit application is submitted. Risks have been assessed and mitigation measures are worked out where it is necessary.

Instructions for peat production include:

- Instructions for controlling and supervising the production
- Safety e-learning for our own people
- Safety instructions for peat production, e.g.:
 - Peat production area safety guide
 - Guide to fire safety on peat production areas
- Communication and action in case of fire

Environmental guidelines for peat production include, e.g.:

- Environmental e-learning for our own people
- On-site storage of fuel liquids

3.7 Internal inspections

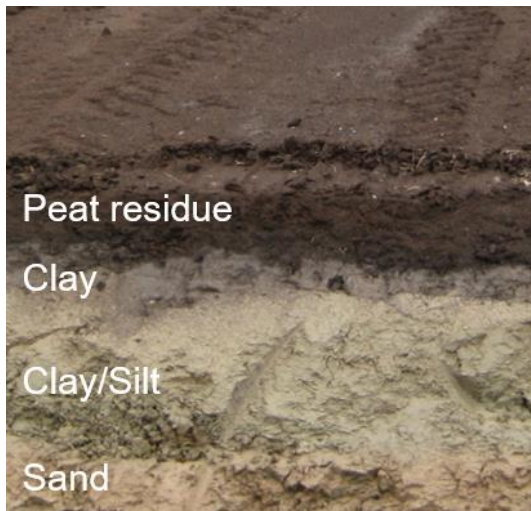
Internal inspections and self-control on the environmental protection structures demanded by environmental permit regulations are continuously conducted on peat production areas. During the production season (roughly from May to September) contractors have an obligation to continuously monitor the condition and operation of the environmental protection structures.

The upkeep and further development of environmental protection structures are continuously planned and monitored by Tootsi Turvas AS and subcontractors.

People can report observations via online reporting system Nappi/Nööp/Obs where responsible person is identified and result is controlled. Via those systems it is possible to choose what kind of observation is made, safety, environmental, quality or success related and observation can also be something positive for sharing best practices to others. In Estonia Nööp/Nappi is used.

3.8 Next land-use after peat production

Peat production typically lasts 40-70 years in an area in Estonia. On the areas released from peat production typically remains a few tens of centimeters peat on the top of mineral soil (picture 1). The thickness of residual peat is important for the subsequent vegetation formation. Too thick layer of peat hinders tree growth and too thin is a risk of erosion of mineral soil. The optimum peat layer is over 10 cm but less than 50 cm.



Picture 1. Cross sectional view of peat residue and mineral soil beneath it after peat production.

After production, peat production areas are suited for many types of next land-use.²⁴ The decision of the type of next land-use is agreed during mining permit process by Environmental Board, local municipality and local people. Tootsi Turvas AS makes recommendations for the most suitable next land-use form to quickly restore the cut-away area and make it a carbon sink, wetland, restoration of bog or reforestation.

The most common forms of next land-use in Estonia are afforestation and wetland creation or restoration (paludification) (pictures a-c). Next land-use should be started as quickly as possible after the production ends. Tootsi Turvas AS is committed to return area quickly into a carbon accumulating ecosystem as the forest start to grow or the area is re-wetted and new peat begins to form as a result of the decomposition process.



a) Lavassaare bog



b) Ulila bog



c) Lavassaare bog

Pictures a-c: next land-use of cut-away peatlands. A) afforested area, b) constructed wetland and c) paludification.

The drainage method used during the peat production determines the next land-use form. Gravimetrically drained production areas can generally be used as arable land or for forestry. Afforestation creates new carbon sinks and compared to area's initial stage, the biodiversity can be increased. Forest management is the most effective way to sequester carbon quickly after production.

Areas that are naturally permanently under water, will be created wetlands or left re-wetted (paludification). Once the peat has been removed, active mire regeneration returns the areas to peat forming ecosystems. In long-term, these can significantly increase regional biodiversity compared to the situation which prevailed in the area before peat production. With natural succession, wetland vegetation begins to spread to the re-wetted area. Over time, decaying vegetation begins to accumulate new peat and to increase permanent carbon storage.

Creating wetlands is also valuable ecological restoration and management. Properly established wetland sanctuaries are rich habitats, where many birds and other fauna find suitable living environments. Wetlands can be important locally or even regionally for bird watching or hunting. Wetlands can also be used in the purification of run-off water from other land use reducing the nutrient and suspended solid load to watercourses.

4 SOCIAL RESPONSIBILITY

4.1 Stakeholder communication

4.1.1 Stakeholder communication before permitting

In the process of admitting an environmental permit in Estonia, stakeholders are given an opportunity to give their opinion about the application. According to Environmental Impact Assessment (EIA) and Environmental Management System Act the Environmental Impact Assessment is mandatory if surface mining of more than 25 hectares, underground mining or mechanized peat extraction. During EIA there are at least 2 open discussions. One is during EIA program discussion and second one before EIA report is approved by authorities. Sometimes, if situation at the area is more complicated, there are more meetings with stakeholders to discuss the subject. During those discussions local people and authorities have the opportunity to speak up their mind and suggest some additional survey's or studies.

4.1.2 Hearing on permitting process

It is vital for us to engage in cooperation with our stakeholders. Dialogue, feedback and good cooperation are the key methods for promoting mutual understanding between stakeholders and Tootsi Turvas AS. During EIA process stakeholders can express their concerns and opinions, ask questions and get information on the application. Based on the information obtained in hearing process, Tootsi Turvas can modify the plan and application so that stakeholders concerns are taken into account, if possible. After EIA is approved and environmental permit application process continues, the negotiations and meetings with stakeholders also continue until the end of permitting process.

4.2 Corporate Responsibility report

Vapo Group's Corporate Responsibility report is based on the Global Reporting Initiative framework. In reporting on the economic, environmental and social impacts of its operations, Vapo Group applies the GRI Standards Core scope and the Electric Utilities Sector Supplement. The reporting is based on a materiality analysis that is used to determine the views of Vapo Group's stakeholders and the company itself regarding the most material corporate responsibility topics related to our operations.

5 FINANCIAL RESPONSIBILITY

Profitable business and long-term development of competitiveness are the basis of financial responsibility. Sustainable economic activity also creates added value for stakeholders. Vapo Group pays all its statutory taxes to the country in which it operates. In recent years, Vapo Group has invested significantly in improving profitability and developing new businesses. For instance, in 2019 the total investments were 78,1 million euros. The biggest investment was the start of construction of an activated carbon plant in Finland. The company expects its net sales to grow and profitability to remain almost at the same level. The new businesses will significantly increase the company's investment efforts in the ongoing year as new production capacity is built.

Vapo Group companies in Estonia, Tootsi Turvas AS and Kekkilä-BVB Eesti OÜ are major employers in the rural areas. The business is by nature very local. Tootsi Turvas AS and Kekkilä-BVB Eesti OÜ and its contractors operate in four counties in Estonia and have about 51 employees plus additional 150 people via subcontractors.

Also, the local effects as a taxpayer and purchaser of goods and services are important. In the financial year 5-12/2019 (1.5.2019-31.12.2019) Vapo Group's turnover (including all its legal companies) was 297.7 million euros. In Estonia, the direct taxes payable were 0,5 million euros and the indirect taxes 1,0 million euros.

6 VERIFICATION OF THE SUSTAINABILITY CONCEPT FOR PEAT

The Concept is based on Vapo Group's policies and practices. Most of Vapo Group legal companies have ISO certified management system including ISO 14001 environmental management system and ISO 9001 quality management system. Although Tootsi Turvas AS in Estonia does not hold these certificates, environmental and quality practices are managed, guided and controlled on Vapo Group level, harmonized across operative countries.

In Estonia, peat production is subjected to environmental permits and directed and supervised by Authorities. Also, Tootsi Turvas AS peat extraction areas have RHP certificates⁵ (quality standards and requirements for trade substrates) and RPP (Responsibly Produced Peat⁴) certificates, which are awarded to a specific peat bog area. Both RHP and RPP require regular third-party audits.

GLOSSARY OF TERMS

1. **Afforestation.** Afforestation means establishing a forest in an area where no forest has been grown, such as former peat production area. Afforestation is usually done by planting seedlings or sowing seeds.
2. **Audit.** Systematic and documented process for obtaining audit evidence and evaluating it objectively to determine the extent to which the audit criteria are fulfilled.
3. **Buffer zone.** A protection zone is a strip of physical land area adjacent to peat production area, which is typically vegetated or preserved to reduce the environmental impact of the peat production operations on neighboring areas.
4. **Biodiversity.** The variability among living organisms on Earth. Biodiversity is typically a measure of variation at the genetic, species and ecosystem level.
5. **Biomass.** Biomass is organic material that comes from plant materials and it is renewable source of energy or material.
6. **Best available technique.** Best available technique is a technology approved by regulators for meeting regulations for peat production's water treatment. It is defined on a case-by-case according to the characteristics of each production area and receiving waterbody.
7. **Carbon sequestration.** The biochemical process in which atmospheric carbon dioxide is taken up by living organisms through photosynthesis and stored as carbon in biomass such as wood, peat and soil.
8. **Circular economy.** An economic system aimed at eliminating waste and the continual use of resources such as peat.
9. **Code of Conduct.** A set of rules outlining the norms, rules and responsibilities of an individual. A company code of conduct is a code of conduct commonly written for employees of a company, which protects the business and informs the employees of the company's expectations.
10. **Conservation.** The act of conserving and preserving the nature in order to protect it so that it is not overexploited.
11. **Growing media.** A substance through which plant roots grow and extract water and nutrients. It is material other than soil in the ground, e.g. peat.
12. **Cut-away area.** A peatland, where peat has been produced/removed. The land base area that is object of the next land-use.
13. **Drainage water.** Natural water discharged from the production area into the water bodies. It is created as a result of precipitation and reduction in a mire water reserve.
14. **Ecosystem.** A biological community of organisms interacting in a physical environment within a defined geographic area (e.g. mire, lake, forest). Organism means plants, animals and micro-organisms.

- 15. Environmental permit.** According to Finland's environmental protection legislation, environmental permit is needed for all activities involving the risk of pollution of the air and water or contaminating the soil. Application must be made to the relevant authority as defined in the Environmental Protection Act and Degree.
- 16. Greenhouse gas.** GHG, is gas that absorbs and emits radiant energy causing greenhouse effect and contributes to climate change. Primary GHGs include water vapor, carbon dioxide, methane, nitrous oxide and ozone.
- 17. Habitat.** The type of natural environment in which a particular species of organisms' lives.
- 18. High value-added product.** A product with substantially higher added value compared to traditional usage of raw material. In the value chain, the raw material is processed with different methods towards higher-value products.
- 19. Management system.** A set of policies, processes and procedures used by an organization to ensure that it can fulfill the tasks required. For example, an environmental management system enables the organization to improve its environmental performance.
- 20. Mire.** A term for all kind of wetland types (fens, bogs, wetlands) which is actively forming peat. Forms of incomplete decomposition of organic matter due to water-logging and subsequent anoxia.
- 21. Next land-use.** After the peat production is completed, the area will be transferred to next land-use. Next land-uses are afforestation, cultivation, paludification and different types of wetlands. The choice depends on the suitability of the area and the owner's will. Combinations of several forms can be applied in one area.
- 22. Overland flow field.** A pristine or unditched restricted peatland where runoff water is purified as it flows through the upper layers of the peat layer. The field holds suspended solids, nitrogen, phosphorus and iron.
- 23. Paludification.** Process in which peatlands in boreal zone are formed on previously drier area caused by the rising of the water table.
- 24. Peat.** Organic soil material formed by incomplete decomposition of mire and peatland vegetation, which is deposited at its formation place. Geologically classified as peat is a material that has dry matter content of at least 75 % organic matter. Where the water level is stable near the peat surface, the remains of dead plants and mosses do not fully decompose due to the absence of oxygen and therefore a layer of organic material accumulates over time where litter deposition exceeds anaerobic decomposition.
- 25. Peatland.** A peatland is an area dominated by moss species like *Sphagnum* with a naturally accumulated peat layer at the surface. According to different definitions, this layer needs to be at least 30 cm thick for a soil to be classified as a peat even if it has been completely drained.
- 26. Responsibility.** In Businesses, business responsibility be a process through which companies choose to take responsibility for their actions and encourage positive impacts through their activities on the environment, consumers, employees, shareholders, communities and all other members of the public who may also be considered as stakeholders.

- 27. Responsibly produced peat, RPP.** A certificate for horticultural peat which meet all responsibility requirements defined in the RPP scheme.
- 28. Restoration.** The process in which ecosystem returns to its original stage.
- 29. Sustainability.** Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. Sustainability is composed of three aspects: environmental, social and economic.
- 30. Sustainable development goals.** Adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030. Sustainable development goals are the blueprint to achieve a better and more sustainable future for all.
- 31. Stakeholder.** Any person, organization, company or other party interested in or concerned with peat production and the handling and use of peat-based products.
- 32. Surface water.** Rivers, lakes, ponds, streams, wetlands and other water collected at the ground surface.
- 33. Wetland.** Seasonally or permanently water-logged area that can be constructed on a cut-away production area as the next land-use or as a water treatment system for peat production. The wetland can be partly constructed as an open water surface or it can be planted with suitable seeds. Vegetation spreads also naturally to the area.
- 34. Water body.** Naturally existing bodies of water, such as lakes, rivers, streams and wetlands.
- 35. Water source.** A water resource that is useful, or potentially useful, to society. Usually means freshwater like groundwater, rivers, lakes and reservoirs.

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