



NEPCon Evaluation of Hjaltelin ApS Compliance with the SBP Framework: Public Summary Report

Main (Initial) Audit

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Completed in accordance with the CB Public Summary Report Template Version 1.4

For further information on the SBP Framework and to view the full set of documentation see www.sbp-cert.org

Document history

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1 Overview

CB Name and contact:	NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia
Primary contact for SBP:	Ondrej Tarabus ot@nepcon.org, +34 605 638 383
Current report completion date:	27/Oct/2020
Report authors:	Christian Rahbek, crahbek@nepcon.org, +45 5059 7624
Name of the Company:	Hjaltelin ApS, Caspar Müllers Gade 326000 Kolding, Denmark
Company contact for SBP:	Jens Aaen Albrechtsen, jens@hjaltelin.dk, +45 31501860
Certified Supply Base:	N/A - Trader only
SBP Certificate Code:	SBP-08-21
Date of certificate issue:	28/Oct/2020
Date of certificate expiry:	27/Oct/2025

This report relates to the Main (Initial) Audit

2 Scope of the evaluation and SBP certificate

The SBP certification scope contain trading activities only. Hjaltelin ApS is trading wood pellets.

The purchase are made under the INCOTERM FOB/FOT and sales are also FOB/FOT or CIF/FCA at customer's facilities; there is no physical ownership or handling at Hjaltelin ApS facilities. The organization has established procedures for calculation and communication of GHG profile due to transport for pellets under Hjaltelin ApS ownership by means of filling in the SREG document.

Scope description: The SBP certificate scope covers purchase and sales of wood pellets, either back-to-back or with transport by ship or truck. The scope of the certificate does not include Supply Base Evaluation

3 Specific objective

The specific objective of this surveillance audit was to confirm that the Biomass Trader's management system is being implemented in accordance with SBP standard requirements applicable to traders, including maintaining conformance with SBP CoC and FSC CoC requirements.

This report documents the Main assessment audit.

The organization holds a valid FSC certificate with a transfer systems implemented. The point of purchase varies, and can be FOB/FOT, and sales are made CIF/FCA at harbour or at customer's facilities.

The scope of the evaluation covered:

- Review of the organization's documented procedures;
- Review of the logistics processes,
- Review of FSC system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records on-site.

4 SBP Standards utilised

4.1 SBP Standards utilised

Please select all SBP Standards used during this evaluation. All Standards can be accessed and downloaded from <https://sbp-cert.org/documents/standards-documents/standards>

- SBP Framework Standard 1: Feedstock Compliance Standard (Version 1.0, 26 March 2015)
- SBP Framework Standard 2: Verification of SBP-compliant Feedstock (Version 1.0, 26 March 2015)
- SBP Framework Standard 4: Chain of Custody (Version 1.0, 26 March 2015)
- SBP Framework Standard 5: Collection and Communication of Data (Version 1.0, 26 March 2015)

4.2 SBP-endorsed Regional Risk Assessment

N/A - Trader only

5 Description of Company, Supply Base and Forest Management

5.1 Description of Company

Hjaltelin ApS is a family-owned trading company, established by Merethe and Ole Hjaltelin in 1996. The organization has 8 employees at office and storage facilities. The organization's activities include sourcing, reception and handling (not for SBP biomass) and sales and logistics of the traded biomass.

5.2 Description of Company's Supply Base

Not applicable – Trader Only

5.3 Detailed description of Supply Base

Not applicable – Trader Only

5.4 Chain of Custody system

The organization holds a valid FSC certificate with a transfer systems implemented. The point of purchase varies, and can be FOB/FOR, and sales are made FOB/FOT in the same location or CIF/FCA at harbour or at customer's facilities. There is no physical ownership of SBP biomass at any point; all trades are made on a strict back-to-back basis, including the ship-based logistics of the traded biomass.

6 Evaluation process

6.1 Timing of evaluation activities

The annual audit was carried out on Thursday, September 17, 2020. One half day was needed for the onsite audit and additional half day for the documentation review. The audit was carried out on-site concurrently with the annual FSC audit.

September 17, 2020, Hjaltelin ApS, Kolding, Denmark:

9.00 – 9.30

Opening meeting, presentation of participants and audit agenda (Participants: All key personnel, including a management representative)

9.30 – 11.00

1. Evaluation of documented procedures for SBP and FSC CoC system, including:
 - a. Supplier records, risk assessments
 - b. SBP and FSC PGS
 - c. Supplier documentation
 - d. Annual volume summaries
 - e. Sales documents
 - f. Any SBP and FSC Trademark usage

11.00 – 12.00 Audit of purchase and sales functions

Review of purchase and sales documents, and review with staff responsible for supplier validation, purchase and sales execution

11.30 – 12.00 Visit to storage facilities (FSC only)

12.00 – 12.30 Review of FSC / SBP (intended) logo usage

12:30 – 13:00 Auditor own time

13.00 – 13.30 Closing meeting* (Preliminary)

6.2 Description of evaluation activities

Auditor was welcomed in the Hjaltelin ApS office in Kolding, Denmark. Audit started with an opening meeting attended by Merethe Hjaltelin and Jens Aaen Albrechtsen.

Auditor introduced the audit team, provided information about audit plan, methodology and aim of the audit. CB's approval related issues and confidentiality issues were covered as well.

After that auditor went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements and verification of SBP compliant biomass. Later, the purchasing and logistics

functions were audited. During the process overall responsible person for SBP system and staff having key responsibilities within the system was interviewed.

Analysis of CCPs: The scope and current activities related to the trade of SBP biomass as defined in the scope of the certificate is quite simple as all trades are done back to back with no physical possession. As all SBP claims are carried forward in the DTS directly from the supplier to the customer, the only critical control points related to the document checks, and the risks related to these are largely countered by the implementation of the DTS.

During the closing meeting auditor explained the results of the audit to Managing Director Ole Hjaltelin, Merethe Hjaltelin and SBP-responsible Jens Aaen Albrechtsen and further actions were discussed.

Impartiality commitment: NEPCon commits to using impartial auditors and our clients are encouraged to inform NEPCon management if violations of this are noted. Please see our Impartiality Policy here: <http://www.nepcon.org/impartiality-policy>

The composition of the audit team:

Name	Qualifications	Role/focus during audit
Christian Rahbek	M.Sc. (Forestry) from the University of Copenhagen. Has passed NEPCon Lead Auditor Training for FSC and PEFC FM and CoC certification. Experience from more than 10 years of SBP, FSC and PEFC FM and CoC audits in Denmark and abroad.	Lead Auditor (SBP) Auditor (FSC) Auditor (PEFC)

6.3 Process for consultation with stakeholders

Not applicable - Trader only

7 Results

7.1 Main strengths and weaknesses

The main strengths of the organization lie with the relatively simple activities relating to SBP-compliant biomass. The staff carrying the main responsibilities for the SBP CoC system and biomass sustainability characteristics showed good competence and dedication to implementing and maintaining the system during the audit. No specific weaknesses of the organization's SBP certification has been identified.

7.2 Rigour of Supply Base Evaluation

Not applicable - Trader only

7.3 Collection and Communication of Data

Hjaltelin ApS is not responsible for compilation of GHG data in cases for any GHG emissions when the point of purchase is the same as the point of sale. There could potentially be sales orders where the material is transported under the ownership of the organization. In these situations, the organization is responsible for collecting and reporting the GHG data for the transport in a SREG document in accordance with Instruction Docuemtn 5E.

During the onsite audit the interviewed person provided good knowledge about how the energy and emission data shall be collected and calculated and passed on to customers. In the event of transport of wood pellets under Hjaltelin ownership, the company has defined procedures for filling in the SREG document and passing this on to the client.

7.4 Competency of involved personnel

The overall responsible person in the company is Managing Director Ole Hjaltelin, and he is supported by Mr. SBP-responsible Jens Aaen Albrechtsen and both showed good understanding of the requirements in relation to SBP certification and of the already implemented FSC CoC system. Other interviewed staff showed good competence, good awareness of standard requirements and own responsibilities.

7.5 Stakeholder feedback

There has been no stakeholder consultation process conducted in connection with this audit, and neither the CH nor the CB has received any comments or complaints pertaining any element of the existing FSC CoC system.

7.6 Preconditions

Not applicable.

8 Review of Company's Risk Assessments

Describe how the Certification Body assessed risk for the Indicators. Summarise the CB's final risk ratings in Table 1, together with the Company's final risk ratings. Default for each indicator is 'Low', click on the rating to change. Note: this summary should show the risk ratings before AND after the SVP has been performed and after any mitigation measures have been implemented.

N/A - Trader only

9 Review of Company's mitigation measures

N/A - Trader only

10 Non-conformities and observations

Identify all non-conformities and observations raised/closed during the evaluation (a tabular format below may be used here). Please use as many copies of the table as needed. For each, give details to include at least the following:

- applicable requirement(s)
- grading of the non-conformity (major or minor) or observation with supporting rationale
- timeframe for resolution of the non-conformity
- a statement as to whether the non-conformity is likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks.

NC number 01/20	NC Grading: Observation
Standard & Requirement:	7.2 The legal owner shall determine and implement effective arrangements against corruption, proportionate to the nature and the scale of organisation. (6.3.2)
Description of Non-conformance and Related Evidence:	
Findings: The organization is based in Denmark, which is a country with one of the lowest corruption perception index (CPI). The nature and scale of the organization oputs the organization at a very low risk of corruption. However, the requirement and measures are not covered by the procedures of the Organisation..	
Timeline for Conformance:	Other
Evidence Provided by Company to close NC:	PENDING
Findings for Evaluation of Evidence:	PENDING
NC Status:	Open

11 Certification decision

Based on the auditor's recommendation and the Certification Body's quality review, the following certification decision is taken:

Certification decision:	Certification approved
Certification decision by (name of the person):	Olesja Puiso
Date of decision:	27/Oct/2020
Other comments:	<i>Click or tap here to enter text.</i>