



Preferred by Nature OÜ Evaluation of Drax Power Limited Compliance with the SBP Framework: Public Summary Report

Third Surveillance Audit

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The promise of good biomass



Completed in accordance with the CB Public Summary Report Template Version 1.8

*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

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Pilar Gorria Serrano
Primary CB contact email:	pgorria@preferredbynature.org
Audit team leader:	Mikhail Rai
Audit team members:	Mikhail Rai
Name of the Company:	Drax Power Limited
Company legal address:	New Rd, Drax, Selby, YO8 8PH North Yorkshire, United Kingdom
Company contact for SBP:	Claire Sedgwick
Company contact email:	Claire.Sedgwick@drax.com
Company website:	www.drax.com
Installation date:	01 Jan 2004 (production of heat, cooling or electricity from biomass has started)
SBP Certificate Code:	SBP-01-43
Date of certificate issue:	10 Oct 2021
Date of certificate expiry:	09 Oct 2026
Audit closing meeting date:	24 Jun 2024
Audit cycle:	Third Surveillance Audit

2 Scope of the evaluation and SBP certificate

Scope Item	Check all that apply to the Certificate Scope	Change in scope (N/A for Assessments)
Primary Activity:	Trader	☐
Approved Standards:	SBP Standard 4: Chain of Custody; SBP Standard 5: Collection and Communication of Data Instruction; Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5; Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII. v1.1	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes REDII scheme	Yes	☐
Includes REDII SBE	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

Feedstock types:		☐
Feedstock origin (countries):		☐
SBP-endorsed Regional Risk Assessments used: Public link: https://sbp-cert.org/documents/standards-documents/risk-assessments/	Not applicable	☐
Chain of custody system implemented:	PEFC, FSC: NC-COC-026275, PBN-PEFC-COC-026275	☐
	Transfer	☐

2.1 Description of the company

Drax Power Ltd is an energy producer from the UK with both the office and the power plant located in the same place at Selby. Drax Power is procuring wood pellets from USA, Canada, Portugal, Baltic countries, Brazil and other countries. The Organization holds FSC and PEFC certificates with transfer system implemented. The point of purchase varies and can be either FOB or CIF at different ports in the world. Since January 2024 the Organization's certificate scope covers REDII sustainability criteria.

2.2 Detailed description of the Chain of Custody system

The Organization has implemented the FSC and PEFC transfer system for biomass (wood pellets only) in the scope of the certificate. The process covers trade of biomass without physical possession. The material from different suppliers can be mixed on one ship once it's loaded. However, in such cases individual batches with different claims would remain the same on input and output by using mass balance approach to distinguish between different materials (in order to follow the GHG, profiling and batch specific characteristics of the material). Each purchased material is recorded in the internal system. These records include the certification status of the material and the sales documents always contain the same type and quantity of material as purchased. The SBP and REDII claims are communicated through DTS. Furthermore, the Organization is storing material in different ports and may trade it with physical possession. Should it be the case, physical segregation procedures will be implemented. In case the material would be uncertified it would not be received, and non-conforming product procedure would be followed.

3 Specific objective

The specific objective of this evaluation was to confirm that the Organization's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

The scope of the evaluation covered:

- Review of the Biomass Trader's management procedures
- Review of FSC and PEFC system control points, analysis of the existing FSC and PEFC CoC system
- Interviews with responsible staff
- Review of the records and calculations
- GHG data collection analysis
- DTS records and sales
- REDII transaction

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
4. Other	N/A	
3. Report writing	Mikhail Rai	5.0
1. Preparation	Mikhail Rai	2.5
2. On-site (excl. travel time)	Mikhail Rai	4.0

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Opening meeting</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/09:00
<i>Review of procedures, management system, interviews</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/09:30
<i>CoC CCP, DDS implementation</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/10:00
<i>Business integrity</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/11:00

<i>Purchase and sales, DTS transaction, REDII</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/12:00
<i>Closing meeting</i>	Remote via Teams	Mikhail Rai	24 Jun 2024/12:45

Auditor qualification		
Auditor name	Role	Qualification
Mikhail Rai	Audit team leader	Preferred by Nature international auditor and a technical lead specializing in SBP and SURE certification schemes, with expertise in biomass certification and quality review. Mikhail holds BSc in Forestry. He has experience with more than 200 evaluations against various schemes (FSC, PEFC, FSC, SURE, LegalSource, ISO) worldwide.

4.2 Description of evaluation activities

The audit was conducted remotely as Drax is a biomass trader and SBP scope as trader with STD 4 and 5 allows remote type of verification.

All SBP related documentation connected to the SBP as well as the FSC and PEFC CoC systems of the Organization, including the Procedures, volume summaries, transaction records and sample documents had been provided by the Organization prior to the audit and during it.

Main activities were conducted on June 24, 2024 alongside FSC and PEFC CoC audits, and were focused on the management system evaluation: division of the responsibilities, record keeping, input material classification (reception and registration), analysis of the existing FSC and PEFC systems and CoC control points as well as sustainability data availability, mass balance system.

The audit started with an opening meeting attended by the Organization's management and responsible staff. During the opening meeting, the audit team was introduced, information about the audit plan, methodology, auditor's qualification, confidentiality issues, and assessment methodology was provided, and the certification scope was clarified. CB's accreditation related issues were explained as well.

After that during interviews and documentation review all applicable requirements of the SBP standards 4, 5, Instruction Document 5E and REDII covering input clarification, an existing chain of custody system,

CoC Critical Control Points (biomass acceptance, inputs identification and claims, control system, and sales), management system, recordkeeping/mass balance requirements were evaluated. During the process, the overall responsible person for the SBP system and other staff were interviewed. At the end of the assessment, findings were summarized, and preliminary assessment conclusions based on the use of 3 angle evaluation method were provided to the Trader's management and responsible staff. A good performance was found, and a positive certification decision was concluded at the closing meeting.

4.3 Sampling methodology

When preparing to the audit and during on-site work a sampling has been implemented, based on the following criteria: full review of procedures; full review of training records; sample review of information related to suppliers. For evaluation of DTS, input and output trade and transport documentation, and the correctness of claims a sampling of different kinds of documents for the reporting period is implemented (e.g. waybills, invoices, bills of landing, etc.). Sampling was based on a risk approach, taking into account the following: - Changes in a management system; - Standards requirements update; - Staff changes; - Market development; - Periods with most and less activities; etc. Interviews with staff, are mandatorily conducted during every audit. The focus is a key staff responsible for the management of processes at a particular department or site.

4.4 CB stakeholder engagement

Not applicable.

4.5 Stakeholder feedback

Not applicable.

5 Results

5.1 Main strengths and weaknesses

Strengths: The internal system is well organized, high quality supplier evaluation prior its acceptance, double evaluation of each delivery in terms of sustainability claims.

Weaknesses: No weaknesses identified

5.2 Rigour of Supply Base Evaluation

Not applicable.

5.3 Collection and communication of data

The Organization has previous experience with compilation of GHG and therefore all processes were already in place and the previous experience was materialized. The responsible persons have a good overview about the energy data of the supplies and the system for recording this data is well managed. The Organization uses PBId's declared by suppliers and completes SREGs (if required) to communicate further energy and carbon data to customers.

The Organization demonstrated the approaches to be implemented after the scope extension to transfer sustainability data with respect to ID5E and REDII bridging document.

5.4 Competency of involved personnel

The persons with overall responsibility and authority for compliance with all applicable certification requirements are the Head of Industry Frameworks and Supply Chain Compliance, and Compliance Managers. Responsibilities are also shared among other staff teams: the Supply Chain Compliance, the Business Ethics, Logistics and Operational Support. During the interview all the personnel provided good knowledge and performance of the requirements in relation to certification.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

Not applicable.

6.2 Specified risk indicators and mitigation measures

Country:

N/A

Indicator:

N/A

Specific risk description:

N/A

Mitigation measure:

N/A

7 Non-conformities and observations

NC number NC-004714 (NCR 01/21)	NC Grading: Minor
Standard:	SBP Standard 4: Chain of Custody
Requirement:	IN 4B; 1.3 The SBP trademarks shall not be used in a way that could cause confusion, misinterpretation or loss of credibility to the SBP. SBP reserves the right to suspend or terminate permission to use the SBP trademarks if the organisation is failing to comply with the SBP trademark requirements as set out in this document. The interpretation of these rules is at the sole discretion of SBP. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The Organization has included sufficient procedures for SBP trademark use in its DCS. A recent use for a Half a year report published on the website was correctly submitted for approval by the CoC manager, however the auditor noticed how the related presentation at https://www.drax.com/wp-content/uploads/2021/07/Drax-2021-HYR-Analyst-Presentation.pdf had not been submitted for approval. An internal investigation revealed how the presentation was put together by a temporary new Head of digital, who only joined the company last month, and was yet to receive chain of custody training. It emerged how on the temporary worker checklists and induction, the HR team had unintentionally omitted to include the Chain of Custody training as part of the mandatory criteria for temporary workers. This was rectified immediately. It was confirmed how all starter induction information and any other onboarding checklists that go to hiring managers now include the following: "Book Chain of Custody Training via [email]" (blanked due to request of the client).	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Training procedures Training records Training materials Trademark uses
Findings for Evaluation of Evidence:	During the audit it was verified how the procedure of training is implemented for all staff (permanent and temporary), training materials about FSC, PEFC and SBP were reviewed and discussed with the team. Trademark uses and approvals during the reporting period were also verified. In case of SBP, approval email from SBP was presented. Auditor considers that the corrective action is effective and the NCR can be closed
NC Status:	Closed

NC number NC-004713 (01/24)	NC Grading: Minor
Standard:	SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0
Requirement:	8.1.1 The organisation shall establish and document its commitment to implement and maintain the mass balance requirements. The commitment of the organisation shall be made available to its personnel, suppliers, clients and other stakeholders. N/A N/A N/A
Description of Non-conformance and Related Evidence:	
The commitment to implement and maintain the mass balance requirement is not documented and not available to interested parties.	
Timeline for Conformance:	By the next surveillance audit, but no later than 12 months from report finalisation date
Evidence Provided by Company to close NC:	Updated Procedure; Training records; Comments of responsible staff.
Findings for Evaluation of Evidence:	The Organization acknowledged that the NCR occurred due to incorrect interpretation of the requirement. The Organization updated the Procedure where the commitment is now reflected (please see Exhibit 1). The commitment is presented to staff during trainings. The Procedure can be made available to external interested parties when requested. Actions taken by the Organization are sufficient to close the NCR.
NC Status:	Closed

8 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):	Pilar Gorría Serrano
Date of decision:	14 Aug 2024
Other comments:	N/A