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

First Surveillance Audit

www.sbp-cert.org

The promise of good biomass

Completed in accordance with the CB Public Summary Report Template Version 1.5

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

Document history

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

Version 1.2: published 4 April 2018

Version 1.3: published 10 May 2018

Version 1.4: published 16 August 2018

Version 1.5: published 22 October 2020

Table of Contents

1 Overview

Certification Body (CB) Name:	Preferred by Nature OÜ
Primary CB contact for SBP:	Ondrej Tarabus
Primary CB contact email:	otarabus@preferredbynature.org
Audit team leader:	Pilar Gorria Serrano
Audit team members:	N/A
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
SBP Certificate Code:	SBP-01-43
Date of certificate issue:	10 Oct 2021
Date of certificate expiry:	09 Oct 2026
Audit closing meeting date:	23 Aug 2022
Audit cycle:	First 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	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes communication of Dynamic Batch Sustainability Data (DBSD)	Yes	☐
Includes Group Scheme	No	☐
Products	Pellets	☐

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

2.1 Description of the company

Drax Power Ltd is an energy producer from 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.

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 with biomass. 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 to distinguish between different materials (in order to follow the GHG, profiling and batch specific characteristics of the material). Furthermore, the organization is storing material in Tyne, Liverpool, Hull and Immingham. Material from these storage facilities is not traded, but used for generation only. In all cases material received is always at least EUTR compliant biomass. In case the material would be uncertified it would not be received, and non-conforming product procedure would be followed. 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 FSC is mentioned on the sales invoices and SBP claim in the DTS. The sustainability characteristics for each batch are mentioned in an annex to the invoice which always contains the number of the invoice as well. Durign the reporting period CH didn't issue any FSC claim.

3 Specific objective

The specific objective of this evaluation was to confirm that the Biomass Trader'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;

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	***Auditors***	**Auditor hours**
1. Preparation	Pilar Gorría	5,0
2. On-site (excl. travel time)	Pilar Gorría	6,0
3. Report writing	Pilar Gorría	5,0
4. Other	N/A	N/A

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	remote	PGS	23 Aug 2022/09:30
Evaluation of management system and CoC procedures	remote	PGS	23 Aug 2022/10:00
Purchasing depatment	remote	PGS	23 Aug 2022/12:00
Sales	remote	PGS	23 Aug 2022/14:00

Energy data adn DTS	remote	PGS	23 Aug 2022/15:00
Closing meeting	remote	PGS	23 Aug 2022/16:00

Auditor qualification		
Auditor name	**Role**	**Qualification**
Pilar Gorría	Lead auditor	Forest engineer (Pplitecnic Univ. Of Madrid). Has successfully completed SBP training course and the NEPCon Lead auditor training for FSC/PEFC CoC and FM certification. Has experience from forest certification (FSC / PEFC FM), traceability (FSC / PEFC CoC) and biomass certification (SBP - Sustainable Biomass Program) for more than 10 years.

4.2 Description of evaluation activities

The audit was conducted remotely as Drax workers are not yet back in the office and SBP scope as trader with STD 4 and 5 allows the auditor to conduct the audit remotely. The audit started with an opening meeting attended by Michael Goldsworthy and Kate Rozanska.

Lead auditor introduced herself, 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 SBP auditor went through all applicable requirements of the standard covering management system, recordkeeping requirements focussing on the COC critical control points (supplier evaluation, group of products and claims, purcchase and sales implementation). Later on the purchasing and sales offices were audited. During the process the overall responsible person for SBP system and other responsible staff having key responsibilities within the system were interviewed.

The second part of the audit focused mostly on energy data collection and SREGs issued to the customers. Existing trades were evaluated in the DTS as well as in the organizations accounting system.

During the closing meeting auditor explained the results of the audit and further actions were discussed.

Random sampling was used when checking the delivery documentation.

4.4 CB stakeholder engagement

N/A

4.5 Stakeholder feedback

N/A

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

N/A

5.3 Collection and communication of data

Drax Power has previous experience with compilation of GHG and therefore all processes were already in place and the previous experience was materialized. The responsible person has a good overview about the energy data of the supplies and the system for recording this data is well managed.

5.4 Competency of involved personnel

The main responsible person in the company is the Sustainability Officer – Michael Goldsworthy. Michael and Katie Rozanska (Compliance manager) shown a very good understanding of the SBP requirements. Michael is responsible for biomass sustainability in general, while Kevin Than is responsible for for verification of the correctness of claims and inputting data into the system as well as the energy data. Mark Gibbons is responsible for logistics, Beth Clifford is responsible for procurements. During the interview all the personnel provided good understanding of the requirements in relation to SBP certification.

6 Review of company's risk assessments

6.1 Overview of company's risk assessments and mitigation measures

N/A

6.2 Specified risk indicators and mitigation measures

Country/Area	Indicator	Specified risk description	Mitigation measure
N/A	N/A	N/A	N/A

7 Non-conformities and observations

NC number NC-001631 (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.
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 sustainabilityteam@drax.com”.	
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 disscussed 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

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):	Olesja Puiso
Date of decision:	17 Oct 2022
Other comments:	N/A