



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

Second 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

Version 1.0: published 26 March 2015

Version 1.1: published 30 January 2018

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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:	Mikhail Rai
Audit team members:	Pilar Gorria Serrano
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:	14 Jul 2023
Audit cycle:	Second 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	☐
Includes Supply Base Evaluation (SBE):	No	☐
Includes REDII scheme	No	☐
Includes REDII 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:	PEFC, FSC: NC-COC-026275, PBN-PEFC-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. During 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
- DTS records and sales

4 Evaluation process

4.1 Timing of evaluation activities

Audit Level of Effort (LoE)		
Activity	Auditors	Auditor hours
1. Preparation	Mikhail Rai	4,0
2. On-site (excl. travel time)	Mikhail Rai	6,0
3. Report writing	Mikhail Rai	5,0
4. Other	Pilar Gorria Serrano	6,0

Audit Schedule			
Activity	Location	Auditor name	Date/time
<i>Review of procedures and documents</i>	Desk. Preferred by Nature office	Mikhail Rai	13 Jul 2023/13:00
<i>Opening meeting</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/08:30
<i>Purchasing department, CoC critical control points</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/09:00

<i>DDS, legality and internal audits</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/09:30
<i>DTS</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/10:30
<i>Trademark</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/11:30
<i>Evaluation of management system and procedures</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/13:00
<i>Closing meeting</i>	Remote via Teams	Mikhail Rai	14 Jul 2023/14:00

Auditor qualification		
Auditor name	Role	Qualification
Mikhail Rai	Audit team leader	Preferred by Nature lead auditor for FSC, PEFC, SBP, and LegalSource certification schemes. Expert on timber legality, supply chains and trademarks. Mikhail holds BSc in Forestry. He successfully completed NEPCon FSC forest management and chain of custody lead auditor training courses in 2017, LegalSource and Controlled Wood training in 2018. SBP auditor training in 2019. In 2022, he attended a course on the ISO 45001:2018 standard "Development, implementation and internal audit of the occupational health and safety". Previous experience with more than 150 audits in different schemes worldwide.
Pilar Gorria Serrano	Witness 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.
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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 Trader, including the Procedures, volume summaries, transaction records and sample documents had been provided by the Trader prior to the audit and was evaluated on July 13, 2023.

Main activities were conducted on July 14, 2023 alongside FSC and PEFC CoC reassessments, and was focused on 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 Trader's management and responsible staff. During the opening meeting, the audit team was introduced, information about the audit plan, methodology, auditors 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 No 4, 5 and Instruction Document 5E 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.

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4.3 Sampling methodology

When preparing to the assessment 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: o Changes in a management system; o Standards requirements update; o Staff changes; o Market development; o 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

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

The Trader 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 Trader uses PBId's declared by suppliers and completes SREGs (if required) to communicate further energy and carbon data to customers.

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

N/A

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-003424 (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 [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

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):	Ondrej Tarabus
Date of decision:	16 Aug 2023
Other comments:	N/A