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

Scope Change 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:	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: (production of heat, cooling or electricity from biomass has started)	01 Jan 2004
SBP Certificate Code:	SBP-01-43
Date of certificate issue:	10 Oct 2021
Date of certificate expiry:	09 Oct 2026
Audit closing meeting date:	30 Jan 2024
Audit cycle:	Scope Change 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; SBP Framework Instruction Document REDII: Bridging requirements of the SBP scheme for meeting REDII v1.0	☐
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 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 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 different ports and trade it with physical possession. 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 assess Drax Power Limited meets the REDII Bridging Document V1.1 requirements for the scope of the trader with physical possession.

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	2.0
1. Preparation	Mikhail Rai	0.5
2. On-site (excl. travel time)	Mikhail Rai	2.0

Audit Schedule			
Activity	**Location**	**Auditor name**	**Date/time**
Opening meeting	Remote via Teams	Mikhail Rai	30 Jan 2024/09:30
Interview with the responsible person	Remote via Teams	Mikhail Rai	30 Jan 2024/09:45
Procedures review	Remote via Teams	Mikhail Rai	30 Jan 2024/10:30
Closing meeting	Remote via Teams	Mikhail Rai	30 Jan 2024/11:15

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.

4.2 Description of evaluation activities

The scope extension audit was conducted remotely as Drax is a biomass trader without physical possession (as allowed in https://sbpcert.wpenginepowered.com/wp-content/uploads/2024/02/SBP-Standards-v1.0-Normative-Interpretations-5-February-24.pdf)

Main activities took place on January 30, 2024, and was focused on management system changes and preparedness with regard to REDII requirements to be included in the scope. All documentation related to the updates in the management system was provided by the BP prior to the audit and during it.

The audit started with an opening meeting attended by the Organization's 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-REDII Bridging Document traceability, management system changes, recordkeeping/mass balance requirements were evaluated.

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 Organization's responsible staff.

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4.3 Sampling methodology

The Organisation's primary activity is a trader of biomass with SBP claims without physical possession. Considering this the sampling was limited to the review of updated procedures, evaluation of the updated logs and database records applicable to the physical segregation method. As the system is at the stage of implementation and development and upcoming training is expected, the certification responsible staff only was interviewed.

4.4 CB stakeholder engagement

Not applicable.

4.5 Stakeholder feedback

Not applicable.

5 Results

5.1 Main strengths and weaknesses

Concerning the REDII implementation the system is set up and the Organisation's responsible staff is well aware of the requirements.

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-004088 (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 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

NC number NC-004318 (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:	N/A
Findings for Evaluation of Evidence:	N/A
NC Status:	Open

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
Date of decision:	18 Mar 2024
Other comments:	N/A