



NEPCon Evaluation of Drax Power Ltd. Compliance with the SBP Framework: Public Summary Report

Fourth Surveillance Audit

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The promise of good biomass



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 otarabus@nepcon.org, +420 606 730 382

Current report completion date: 11/Sep/2020

Report authors: : Ondrej Tarabus

Name of the Company: Drax Power Ltd, Selby, North Yorkshire, YO8 8PH, United Kingdom

Company contact for SBP: Michael Goldsworthy, Sustainability officer, 07522 235 163, Michael Goldsworthy <Michael.Goldsworthy@drax.com>

Certified Supply Base: N/A Trader

SBP Certificate Code: SBP-01-43

Date of certificate issue: 10/Oct/2016

Date of certificate expiry: 09/Oct/2021

This report relates to the Fourth Surveillance Audit

2 Scope of the evaluation and SBP certificate

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, Belarus, Brazil and Baltic countries. The organization holds FSC and PEFC certificates with transfer system implemented (for this evaluation FSC CoC system was used). The point of purchase varies and can be either FOB or CIF at different ports in the world.

The scope of the evaluation includes all material procured as well as further trade. When the material is purchased it can be re-sell at the same port, delivered directly to the client by vessel or consumed by their own energy plant. The material can potentially be sold to different customers in Europe and therefore the point of sale is very variable. The material is mostly delivered to ports in Europe, but it can be also sold at the same port where the material was purchased.

Description of the scope: Procurement of wood pellets for the generation of electricity and heat, further sales and transportation to Europe.

The scope of the certificate does not include Supply Base Evaluation.

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 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

5 Description of Company, Supply Base and Forest Management

5.1 Description of 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, Belorussia or Brazil. 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.

5.2 Description of Company's Supply Base

N/A

5.3 Detailed description of Supply Base

N/A

5.4 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.

6 Evaluation process

6.1 Timing of evaluation activities

The audit was carried out on 5th August 2020. One day was needed for the onsite audit.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Remote, MS Teams	OT, EC	5/08/2020 09.00-09.15
Interview with the SBP and CoC responsible person; review of procedures, Outsourcing and any open NCR(s) if applicable	Remote, MS Teams	OT, EC	09:15-10.30
Interview with Purchasing department representative (material sourcing and reception, purchasing documents)	Remote, MS Teams	OT, EC	10:30-12:00
Break			12:00-12:45
Interviews with the responsible staff members for different sections of the SBP and CoC control system (storage, shipping, labeling, DTS balances)	Remote, MS Teams	OT, EC	12:45 -15:15
Review of the summary volume figures, Energy data collection and calculation, management of SBP batches and sustainability characteristics	Remote, MS Teams	OT, EC	15:15 – 16:00
Review of the use of trademarks	Remote, MS Teams	OT, EC	16:00 - 16:30
Internal team meeting	Remote, MS Teams	OT, EC	16:30 – 16:45

Closing meeting	Remote, MS Teams	OT, EC	16:45
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OT – Ondřej Tarabus, EC – Elisa Coplo

6.2 Description of evaluation activities

The audit was conducted remotely as Drax workers are not yet back in the office and the travel restrictions does not allow the auditor to visit the organization personally. This approach is in line with COVID-19 instruction but might be done remotely even without this instruction as the scope is trader without physical possession. The audit started with an opening meeting attended by Laura Craggs.

Lead 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 auditors went through all applicable requirements of the standard covering management system, CoC, recordkeeping requirements. 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.

Auditor(s), roles	Qualifications
Ondrej Tarabus, Lead auditor for SBP, FSC and PEFC, evaluation against all applicable requirements	Czech citizen, graduated in University of Life Sciences Prague, The Faculty of Forestry. He has participated in several FSC assessments in Czech Republic, Slovakia, Italy, Germany, Vietnam, Egypt, Spain, Romania, Bosnia and Herzegovina, Austria, etc. and FSC FM audits in Czech Republic and Lithuania. Ondřej Tarabus successfully completed SBP training course and he has practical experience with carbon footprint certification as well as biofuels certification.
Elisa Colpo Auditor in training	Elisa has worked as Certification Services Co-ordinator for NEPCon in the UK, Ireland and Italy since May 2011. Elisa holds an MSc in Business Strategy and the Environment and a Degree in Natural Science, and she has a professional background of several years in the landscape and construction industries. Elisa has been trained as a Lead Auditor for Chain of Custody and has years of experience auditing companies in UK, Ireland and Italy; since 2015, she is NEPCon UK Regional Manager.

6.3 Process for consultation with stakeholders

N/A

7 Results

7.1 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: The responsible personnel is changing quite frequently.

7.2 Rigour of Supply Base Evaluation

N/A

7.3 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.

7.4 Competency of involved personnel

The main responsible person in the company is the Sustainability Officer – Michael Goldsworthy who could not be present at the audit due to health issue. Michael is responsible for energy data collection, the Shipping Logistics team for verification of the correctness of claims and inputting data into the system and the Commercial Services team for processing sales documentation. During the audit Michael was replaced by his colleagues (Laura O'Brien - Head of Biomass Sustainability Compliance, Mark McConnell – Trader, Ann Beverley and Paula Joyner - operational support, Elliot Day – Logistics, Sarah Young - Shipping Manager. All interviewed personnel provided good understanding of the requirements in relation to SBP certification.

7.5 Stakeholder feedback

N/A

7.6 Preconditions

N/A

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

9 Review of Company's mitigation measures

N/A

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.

10.1 Open Non-Conformity Reports (NCRs)

N/A

10.2 Closed Non-Conformity Reports (NCRs)

NCR number: 39261 NCR 01/19	NC grading:	Major <input type="checkbox"/>	Minor <input checked="" type="checkbox"/>
Standard & Requirement:	Standard #4 V1.0 - Chain of Custody - 5.2.6		
Description of Non-conformance:			
There were identified several cases where the number of certificate and SBP claim was received through DTS several months after the material was shipped and the invoice was issued. This might be potentially a problem, in case the material would be sold to other entity as certified (based on contract) but after the claim would be received in the DTS, it would turn out that the material was actually not certified (or controlled only). Additionally, the responsible person does not check the invoice number, invoice date or the tonnage in the DTS to compare it with the actual invoice.			
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.		
NCR conformance deadline:	By next audit, but not later than 12 months after report finalisation date		
Client evidence:	The organization has implemented additional verification level for the material received where the back office and logistics is in direct contact with sustainability department and in case the material received would not be transferred in DTS, it would not be accepted until the SBP claim is received.		

Evaluation of Evidence:	The auditor conducted interview with responsible workers and checked all transaction dates for material received in the audit period. The evaluation revealed that there are not cases where the material would be received without DTS transation recorded in the system.
NCR Status:	Closed
Comments (optional):	

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:	11/Sep/2020
Other comments:	<i>Click or tap here to enter text.</i>