

# SBP

Sustainable Biomass Partnership

## NEPCoN Evaluation of Drax Power Limited Compliance with the SBP Framework: Public Summary Report

[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)



## Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see  
[www.sustainablebiomasspartnership.org](http://www.sustainablebiomasspartnership.org)*

### *Document history*

*Version 1.0: published 26 March 2015*

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# 1 Overview

CB Name and contact: NEPCon OÜ, Filosoofi 31, 50108 Tartu, Estonia

Primary contact for SBP: Ondrej Tarabus [ot@nepcon.net](mailto:ot@nepcon.net), +420 606 730 382

Report completion date: 18/Aug/2016

Report authors: Ondřej Tarabus

Certificate Holder: Drax Power Ltd, Selby, North Yorkshire, YO8 8PH, United Kingdom,

Producer contact for SBP: James Hubbard

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

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 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 and Baltic 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.

The scope of the evaluation includes all material procured as well as further trade. When the material is purchased it can be either delivered directly to the client by vessel or delivered to storage facilities in Tyne and then sold to the client. In Tyne harbour, physical separation of material is implemented. 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.

Scope Item	Check all that apply to the Certificate Scope				Change in Scope (N/A for Assessments)
<b>Approved Standards:</b>	SBP Standard #4 V1.0; SBP Standard #5 V1.0 <a href="http://www.sustainablebiomasspartnership.org/documents">http://www.sustainablebiomasspartnership.org/documents</a>				<input type="checkbox"/>
<b>Primary Activity:</b>	Trader with physical possession				<input type="checkbox"/>
<b>Input Material Categories:</b>	<input type="checkbox"/> SBP-Compliant Primary Feedstock	<input type="checkbox"/> SBP-Compliant Secondary Feedstock			<input type="checkbox"/>
	<input type="checkbox"/> Controlled Feedstock	<input type="checkbox"/> SBP non-Compliant Feedstock			
	<input type="checkbox"/> SBP-Compliant Tertiary biomass	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
	<input type="checkbox"/> SBP-approved Recycled Claim	<input type="checkbox"/> Post-consumer Tertiary Feedstock			
<b>Chain of custody system implemented:</b>	<input checked="" type="checkbox"/> FSC	<input checked="" type="checkbox"/> PEFC	<input type="checkbox"/> SFI	<input type="checkbox"/> GGL	<input type="checkbox"/>
	<input checked="" type="checkbox"/> Transfer	<input type="checkbox"/> Percentage		<input type="checkbox"/> Credit	<input type="checkbox"/>

<b>Points of sales</b>	<input type="checkbox"/> Harbour (including own handling of material)	<input checked="" type="checkbox"/> Harbour (e.g. FOB incoterms) legal owner is not responsible for handling of material at the harbour	<input type="checkbox"/> Other point of sale (e.g. gate of the BP, boarder, railway station etc.)	<input type="checkbox"/>
	-	- Different harbours all over the world	-	
<b>Provide name of all points of sales</b>	-	-	-	
<b>Use of SBP claim:</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	<input type="checkbox"/>
<b>SBE Verification Program:</b>	<input type="checkbox"/> Low risk sources only	<input type="checkbox"/> Sources with unspecified/ specified risk		<input type="checkbox"/>
	New districts approved for SBP-Compliant inputs:			
<b>Sub-scopes</b>				<input type="checkbox"/>
Specify SBP Product Groups added or removed:				
Comments:				

### 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 system control points, analysis of the existing FSC CoC system;
- Interviews with responsible staff;
- Review of the records and calculations; and
- GHG data collection analysis.

## 4 SBP Standards utilised

### 4.1 SBP Standards utilised

*List each SBP Standard used. Include full name, version number and publication date. Provide a link to the website address where each document can be accessed or requested.*

Chain of Custody, SBP Standard 4, Version 1.0, March 2015

Collection and Communication of Data, SBP Standard 5, Version 1.0, March 2015

Instruction document 5A Collection and Communication of Data version 1.0. March 2015

<http://www.sustainablebiomasspartnership.org/documents>



## 5 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 as well as storage of the material in Tyne harbour where physical separation is applied. The material from different suppliers is stored in the same warehouse but in separated piles and therefore is physically separated (due to the traceability reasons). The material from different suppliers can be mixed on one ship once is loaded. However, in such case 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 Liverpool, Hull and Immingham. Material from these storage facilities is not traded but only used in their own production. 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 and SBP claim is mentioned on the sales invoices. 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 assessment was carried out on 4th and 5th August 2016. Two days were needed for the onsite audit and additional half day for the documentation review after the audit.

Activity	Location	Auditor(s)	Date/time
Opening meeting*	Office,	OT, DVB	04/08/2016 09.00-09.30
Interview with the SBP and CoC responsible person; review of procedures and any open NCR(s) if applicable	Office,	OT, DVB	09:30-11.30
Interview with Purchasing department representative (material sourcing and reception, purchasing documents)	Purchasing department	OT, DVB	11:30-12:30
Break			12:30-13:00
Interviews with the responsible staff members for different sections of the SBP and CoC control system (storage, shipping, labelling, sales documents)	Sales department, logistic department	OT, DVB	13:00-15:00
Review of the summary volume figures,	CoC responsible person	DVB	15:00 – 16:00
Internal team meeting		OT, DVB	16:00-16:30
Presentation of the results of the first day of assessment	Office,	OT, DVB	16:30-17:00
Opening meeting	Office,	OT, DVB	05/08/2016 09:00-09:15

Energy data collection and calculation, management of SBP batches and sustainability characteristics	Office,	OT, DVB	9:15 – 11:00
Physical separation of material	Storage facilities in Tyne	OT, DVB	13:30-15:00
Closing meeting*	Office,	OT, DVB	16:30 – 17:00

OT – Ondřej Tarabus, DVB – Debora van Boven

## 6.2 Description of evaluation activities

Auditor team was welcomed in Drax Power head office in Selby and audit started with an opening meeting attended by James Hubbard, Rebecca Heaton, Rachel Grima and Simon Jeffreys.

Lead auditor introduced the audit team, provided information about audit plan, methodology and aim of the assessment. CB’s approval related issues and confidentiality issues were covered as well.

After that auditor 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 overall responsible person for SBP system and other responsible staff having key responsibilities within the system was interviewed.

The second day of the audit the emission and energy data were evaluated and the sustainability department was interviewed. After that, the storage facilities in Tyne were visited with focus on evaluation of physical separation of the certified material.

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

Composition of audit team:

Auditor(s), roles	Qualifications
Ondrej Tarabus, Lead auditor for SBP, 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.
Debora van Boven Trainee auditor for SBP Lead auditor for FSC and PEFC	Debora holds an MSc in Tropical Forestry from Wageningen University and Research Centre, the Netherlands. She has participated in various lead auditor courses for FSC, PEFC, LegalSource and SAN and she has been conducting audits since 2008. In 2015 she passed the SBP Lead Auditor Exam.

## 7 Results

### 7.1 Compilation of data on Greenhouse Gas emissions

Drax Power has previous experience with compilation of GHG and therefore all processes were already in place. Due to the fact that the local regulator does not require to account for the emissions connected with storage and handling of the material in the storage facilities these were not taken into account – see non-conformity section of the report.

### 7.2 Competency of involved personnel

The main responsible person in the company is the Biomass Sustainability Assurance Manager – James Hubbard supported by other colleagues from the sustainability department. Rachel Grima is responsible for energy data collection, Sarah Young for reception of the material in the system and Sarah Hardy for verification of the correctness of claims. All interviewed personnel provided good understanding of the requirements in relation to SBP certification.

### 7.3 Preconditions

No open preconditions

## 8 Non-conformities and observations

### 8.1 Open Non-Conformity Reports (NCRs)

<b>NCR number:</b> 11576 NCR 03/16	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #4 V1.0 - Chain of Custody - 6.2.1		
<b>Description of Non-conformance:</b>			
<p>In case new version of SBP Standard No. 5 would be issued the organization would be aware about it due to the fact that is participating on development of SBP system and would also be informed by the CB.</p> <p>The SBP responsible person claims that in case the material would be purchased at the moment when new version of SBP Standard No. 5 would be issued, they would ask the supplier to send updated energy and carbon data. In case the material is not purchased yet it is a responsibility of the supplier to provide updated data. However, the process is not described in the SBP procedure.</p>			
<b>Corrective action request:</b>	<p>Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.</p> <p>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.</p>		
<b>NCR conformance deadline:</b>	12 months from report finalization (10/08/2016)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
<b>Comments (optional):</b>			
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<b>NCR number:</b> 11579 <b>NCR 05/16</b>	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Instruction Document 5A - Collection and Communication of Data - 5.2.1		
<b>Description of Non-conformance:</b>			
The organization is operating the storage facilities in Tyne. The information about the consumption of diesel and electricity during the storage and handling of the material was not provided. Considering the small amount of energy compared to the total energy this is considered as minor non-conformity.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months from report finalization (10/08/2016)		
<b>Client evidence:</b>			
<b>Evaluation of Evidence:</b>			
<b>NCR Status:</b>	<b>Open</b>		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

## 8.2 Closed Non-Conformity Reports (NCRs)

<b>NCR number:</b> 11573 NCR 01/16	<b>NC grading:</b>	<b>Major</b> <input checked="" type="checkbox"/>	<b>Minor</b> <input type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #4 V1.0 - Chain of Custody - 5.3.2		
<b>Description of Non-conformance:</b>			
The system for calculation of the proportions of biomass outputs is in place. The sustainability department is responsible for this. However, the SBP procedure does not clearly specify what the sustainability characteristics are, the system does not contain GHG and profiling information code and therefore this would not be checked on the reception nor it is provided to the customer.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	Precondition for issuance of the certificate		
<b>Client evidence:</b>	The organization has provided just after the on-site audit a set of documents including updated CoC procedure, CoC instruction document, print-screens from the internal database and excel sheets where the purchases and sales will be recorded.		
<b>Evaluation of Evidence:</b>	The auditor reviewed the set of documents including updated CoC procedure, CoC instruction document, print-screens from the internal database and excel sheets where the purchases and sales will be recorded and these revealed that the system was updated at sufficient level in order to allow the organization to provide the correct claims and other relevant documentation.		
<b>NCR Status:</b>	<b>Closed</b>		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>NCR number:</b> 11575 NCR 02/16	<b>NC grading:</b>	<b>Major</b> <input type="checkbox"/>	<b>Minor</b> <input checked="" type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #4 V1.0 - Chain of Custody - 6.1.3		
<b>Description of Non-conformance:</b>			
Based on the interview with the SBP responsible person the organization does support the customers in applying their EUTR due diligence if requested. However, it is not stated in the procedure.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	12 months from report finalization (10/08/2016)		
<b>Client evidence:</b>	Updated CoC procedure - point 10.		
<b>Evaluation of Evidence:</b>	The auditor has reviewed updated SBP procedure and the point of this procedure provided assurance that customers will be supported in their DDS.		
<b>NCR Status:</b>	<b>Closed</b>		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<b>NCR number:</b> 11577 NCR 04/16	<b>NC grading:</b>	<b>Major</b> <input checked="" type="checkbox"/>	<b>Minor</b> <input type="checkbox"/>
<b>Standard &amp; Requirement:</b>	Standard #4 V1.0 - Chain of Custody - 4B - 1.2		
<b>Description of Non-conformance:</b>			
The Trade Mark Licence Agreement was not signed at time of the assessment.			
<b>Corrective action request:</b>	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.		
<b>NCR conformance deadline:</b>	Precondition for issuance of the certificate		
<b>Client evidence:</b>	The organization has provided signed TLMA.		
<b>Evaluation of Evidence:</b>	Signed TLMA was reviewed.		
<b>NCR Status:</b>	<b>Closed</b>		
Is the non-conformity likely to impact upon the integrity of the affected SBP-certified products and the credibility of the SBP trademarks?			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>



### 8.3 Observations

<b>OBS number: 11578</b> <b>OBS 01/16</b>	<b>Standard &amp; Requirement:</b>	Instruction Document 5A - Collection and Communication of Data - 2.2.1
<b>Description of findings leading to observation:</b>	Drax may only be responsible for transport of the biomass and in that case will use actual data where available, otherwise default data, for each cargo. No other energy is connected with the material during the ownership of Drax. Therefore, no reporting period is specified.  However, in case the material would be traded through storage facilities in Tyne, the reporting period would need to be specified.	
<b>Observation:</b>		

## 9 Certification decision

<b>Based on Organisation's conformance with SBP requirements, the auditor makes the following recommendation:</b>	
<input checked="" type="checkbox"/>	Certification approved: Upon acceptance of NCR(s) issued above
<input type="checkbox"/>	Certification not approved:
<b>Based on auditor's recommendation and NEPCon quality review following certification decision is taken:</b>	
<b>NEPCon certification decision:</b> The Biomass trader has been certified by NEPCon as meeting the requirements of the specified SBP Standard, the certificate can be issued immediately after SBP technical committee will approve the report. The expiration of the certificate will be then 5 years.	
<b>Certification decision by: Olesja Puiso</b>	
Date of decision: <b>18th August 2016</b>	

## 10 Surveillance updates

Not applicable.

## 11 Evaluation details

Primary Responsible Person: (Responsible for control system at site(s))	James Hubbard - SBP responsible person
Auditor(s):	Ondrej Tarabus, Lead auditor Debora van Boven, Trainee auditor
People Interviewed, Titles:	James Hubbard - SBP responsible person Dr. Rebecca Heaton - Head of Sustainability & Policy Laura Craggs – Biomass Sustainability manager Rachel Grima - Sustainability analyst Simon Jeffreys - Consultant support Sarah Young – International Logistics Officer Sarah Hardy – Back office assistant Nicola Garrett – Senior compliance officer David McCallum – General counsel Laura Simpson – HR Business Partner
Brief Overview of Audit Process for this Location:	See audit plan.
Comments:	N/A