DRAX GROUP POLICY

Nature Policy

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Introduction

Policy purpose

The purpose of Drax Group plc's ("Drax's") Nature Policy is to outline the company's approach to contributing to Nature Positive, which the Nature Positive Initiative and the International Union for the Conservation of Nature refer to as halting and reversing nature loss by 2030 on a 2020 baseline and achieving full recovery by 2050[1].

This Policy informs the implementation of Drax's nature-related targets outlined in the Drax Sustainability Framework. This Policy aligns with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) and the 2022 Kunming-Montreal Global Biodiversity Framework targets and supports the achievement of the United Nations Sustainable Development Goals (SDGs).

This policy forms part of our overarching approach to Sustainability as a whole and should be read in conjunction with other relevant policies and Drax's Sustainability Framework. This includes our Environment Policy, Biomass Sourcing Policy and Supplier Code of Conduct which commits to Drax working with suppliers whose standards are consistent with our own.

Applicability

This policy applies to full-time, part-time, permanent, or fixed-term colleagues that are employed by an entity in the Drax Group ("Drax"), which are paid through any Drax payroll, and to workers who carry out services for Drax, but are not employed directly by Drax, including those working at Drax via an agency or on a contractor basis. This policy applies to all such colleagues and workers irrespective of the country in which they are based.

Any reference to a formal Drax process (e.g., disciplinary) outlined in this policy applies to colleagues paid through a Drax payroll only.

Who to contact for help?

If you have any comments or questions about this policy, please contact:

Email: businessethics@drax.com

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[1] See: https://engage.iucn.org/discussion/iucn-consultation-measuring-nature-positive-setting-and-implementing-verified-robust; https://www.naturepositive.org/

How to speak up

If you become aware of any circumstances which you believe contravene this policy or may risk contravening it, refer to the 'How to report concerns' section of the Group Business Ethics Sharepoint Site.

Anyone who raises a concern in good faith will not face retaliation because of their actions, even if they turn out to be mistaken. However, failure to report may mean that you are at risk of Drax taking action against you.

When raising a concern via our confidential SpeakUp hotline, you may choose to either include your identity or remain anonymous (see Speak Up (Whistleblowing) policy for further information).

Document summary details

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Document owner	Claire Esbenshade
Document sponsor	Miguel Veiga-Pestana
Approved	Group Sustainability Council

For the full production history and approvals history, see below.

Version History

Version	Date	Detail	Author
V1.00	11 September, 2025	First version of policy	Claire Esbenshade

Approvals History

Version	Approved Date	Approver	Changes since last approved version
V1.00	11 September, 2025	Group Sustainability Council	n/a – first version

Nature Policy

Policy statement

The Policy informs the implementation of Drax's nature-related targets outlined in the Drax Sustainability Framework.

Commitments:

Drax's Sustainability Framework commitments for nature are:
1. To mitigate harm and promote circular resource use across our operations by the end of 2030.
2. To deliver biodiversity enhancements across all our sites[2] by the end of 2030.
3. To support biodiversity and ecosystem resilience in our value chain, contributing to measurable restoration and conservation outcomes by the end of 2030.

Implementation:

The following actions support the implementation of Drax's nature commitments:

- **Apply the Mitigation Hierarchy** – follow environmental regulations as outlined in the Drax Environment Policy and apply the principles of the mitigation hierarchy (avoid, minimise, restore, and compensate as a last resort) across Drax operations in line with the Science Based Targets Network (SBTN) "AR3T" action framework (see Figure 1 in Appendix 1).

- **Commit to Being Deforestation, Degradation and Conversion Free** – commit to being deforestation, degradation and conversion* free by taking actions in collaboration with our suppliers and other partners and to develop our evidencing using leading technology and reporting on progress (*We refer to definitions from the United Nations Food and Agriculture Organisation and applicable legislation)

- **Engage External Stakeholders –** seek to engage with Indigenous people, local communities and suppliers where we operate to support local priorities and initiatives for nature protection and enhancement where possible. Seek to work with stakeholders, suppliers, the wider biomass, energy, business, and academic communities, with the aim of developing best practices in protecting and enhancing nature.

- **Complete Nature Assessments & Create Nature Positive Action Plans –** complete Nature Assessments to serve as the baseline for creating Nature Positive Action Plans to deliver

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[2] Sites refers to operational sites, defined as those where Drax has operational or financial control.

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biodiversity enhancements at or related to all owned sites and for priority biomass sourcing regions.

Nature Assessments follow our four-box approach (see Figure 2 in Appendix 1), meaning for all owned sites and priority biomass sourcing regions, we complete an assessment and analysis to understand:
- the state of the biomes we interact with;
- the location of any site of biodiversity high-importance in the vicinity of our operations;
- our nature related risks and dependences in each location;
- and the opportunities we have to protect and enhance nature.

Nature Positive Action Plans outline the specific nature-related actions to be undertaken at all owned sites and priority biomass sourcing regions and are reviewed on an annual basis.

- **Apply Third-Party Certification for biomass –** source all biomass with certification to internationally recognised sustainability certification scheme(s) or by exception subject to an independent third-party audit as outlined in the Drax Biomass Sourcing Policy to promote nature positive outcomes. To help source our biomass responsibly, Drax uses several different forest certification programmes, including for example, the Sustainable Biomass Program (SBP), the Sustainable Forestry Initiative (SFI), the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

- **Promote Awareness and Provide Training** – promote nature and biodiversity awareness and training for employees in relevant roles across the Drax Group, as well subcontractors and/or suppliers where applicable.

- **Contribute to Global Nature Discourse –** participate voluntarily in multi-stakeholder initiatives, roundtables, and research programmes of interest that promote best practices for nature conservation. We embrace the 2022 Kunming-Montreal Global Biodiversity Framework and its targets for the conservation and sustainable use of nature.

Governance:

The Nature Policy is a Group policy, ultimately governed by the Drax Group plc Board. It is reviewed annually by the Nature Expert Hub, which recommends any changes to the Sustainability Council. The Sustainability Council then approves the Nature Policy.

To provide transparent progress on its Nature-Positive activities, Drax publishes external updates on its nature-related dependencies, impacts, risks and opportunities, and progress in its Annual Report.

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Definitions

Deforestation-free: Commodities or products or supply chains that do not cause or contribute to deforestation or forest degradation in their country of origin. [Reference: Food and Agriculture Organisation definition, Home | Food and Agriculture Organization of the United Nations]

Food and Agriculture Organisation: The Food and Agriculture Organization (FAO) is a specialized agency of the United Nations that leads international efforts to defeat hunger. [Reference: Home | Food and Agriculture Organization of the United Nations]

Forest Conversion: The change of a forest to another land use or a profound change in a natural ecosystem's species composition, structure, or function. [Reference: Food and Agriculture Organisation definition, Home | Food and Agriculture Organization of the United Nations]

Forest Degradation: Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services. [Reference: Accountability Framework Initiative, Home - Accountability Framework definition, quoted by Food and Agriculture Organisation, Home | Food and Agriculture Organization of the United Nations]

Forest Stewardship Council (FSC): An international non-profit organisation that promotes responsible forest management via its timber certification. [Reference: About us | fsc.org].

International Union for Conservation of Nature (IUCN): A global network of government and civil society organisations dedicated to conserving nature and the sustainable use of resources. [Reference: IUCN]

Kunming-Montreal Global Biodiversity Framework: Signed at COP15 in 2022, this framework sets out a pathway to the goal of living in harmony with nature by 2050, including 4 goals for 2050 and 23 ambitious targets for 2030. [Reference: Kunming-Montreal Global Biodiversity Framework]

Nature Assessment: An analysis carried out by Drax to help understand the state of the biomes we interact with, the location of any high importance site in the vicinity of our operations, our potential impacts, risks and dependences in each location, and the opportunities we have to protect and enhance nature.

Nature Expert Hub: The governing subject matter expert hub for the Drax Nature Policy. Oversees prioritisation of group nature-related projects and monitors implementation progress. Promotes alignment across all business functions.

Nature Positive: Halting and reversing nature loss by 2030 on a 2020 baseline, and achieving full recovery by 2050. [Reference: Nature Positive Initiative (NPI) definition What is Nature Positive?, quoted by IUCN IUCN]

Nature Positive Action Plan: Prepared by Drax and informed by our Nature Assessments, these outline specific nature-related actions to be undertaken for all of Drax's owned sites and priority biomass sourcing regions.

Nature Positive Initiative: A multistakeholder initiative to develop alignment on the use of the term nature positive, and to support global nature positive outcomes [Reference: What is Nature Positive?].

Programme for the Endorsement of Forest Certification (PEFC): A global alliance of national forest certification systems [Reference: PEFC - Programme for the Endorsement of Forest Certification].

Science Based Targets Network (SBTN): The Science Based Targets Network is a civil-society and science-led initiative developing science-based targets for nature both for companies and cities to address environmental impacts across biodiversity, land, freshwater and ocean, in addition to climate [Reference: Science Based Targets Network].

Sustainability Council: Chaired by the Chief Sustainability Officer, undertakes the review of sustainability-related progress, issues and developments for reporting to the Drax Executive Committee and Drax Group plc Board.
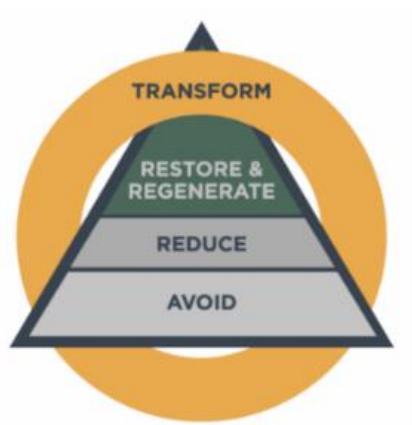
Sustainable Forestry Initiative (SFI): A sustainable forestry certification scheme with a focus on the USA and Canada. [Reference: Home - forests.org]

Taskforce on Nature-related Financial Disclosures (TNFD): A market-led, science-based and government-supported global initiative that provides recommendations and guidance to organisations on a risk management and disclosure framework to act on evolving nature-related dependencies, impacts, risks and opportunities. [Reference: The Taskforce on Nature-related Financial Disclosures]

Key areas of risk

The areas we operate in and source biomass from may be located in or near sensitive areas for biodiversity, or with unique natural features. It is important to apply a site-specific local lens to assessing nature related dependencies, impacts, risks and opportunities as outlined in the Nature Assessment approach in this Policy.

Appendix 1

"The AR3T framework was developed on the basis of the mitigation hierarchy, set out in the International Finance Corporation's Performance Standard 6.

- Avoid and Reduce pressures on nature loss

- Restore and Regenerate so that nature can recover

- Transform underlying systems in which companies are embedded"

Figure 1. SBTN Action Framework (AR3T) (Source: SBTN: Act – Science Based Targets Network)

Figure 2. Drax Nature Assessment Four-Box Approach

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