

Haven Power Limited

Companies Act, Section 172 statement

Understanding the needs of our stakeholders is essential to our long-term success. We recognise that to achieve our purpose we need to listen to, and work with, a diverse range of interested parties. The Company, and the Drax Group plc group of companies, has a wide range of stakeholders and takes care to ensure that there is an effective strategy to identify and engage with stakeholders.

The Board takes care to develop a strategy that will create long-term value for the Company and for its stakeholders. In supporting the Board's duty to promote the success of the Company, management discussions include information on stakeholders likely to be affected by items under discussion and the potential impact on them. There are formal and robust processes in place to ensure the data provided to management is reliable.

A comprehensive list of stakeholders identified across the Drax Group, and how we engage with them and have regard to their interests, can be found from page 24 in the 2019 Drax Group plc Annual report and accounts. Examples of some of the Company's key stakeholders include:

Workforce

Engaging with the workforce is important as we want to create an engaging environment where our employees can thrive. We maintain regular dialogue with our workforce through our Customers' Workforce Engagement ("My Voice") Forums and annual engagement survey, and weekly updates and Q&A from the Drax Group CEO.

The Customers My Voice forums are made up of members nominated by colleagues from the Customers business unit and meet quarterly to discuss matters raised by colleagues, by the Board and by the Drax Group plc Board. The Managing Director of Customers attended meetings that took place in 2019. The Customers' My Voice Forum Chairs also met quarterly with the Drax Group CEO and Chair to further discuss topics raised at the Customers' forums. Matters discussed during 2019 include how effectively communication filters down from senior leadership to the wider business; living our values; and wellbeing, including a greater focus on mental wellbeing. In response to employee feedback, plans have been developed to address wellbeing across the Drax Group, including mental wellbeing, which were shared with the My Voice forums to seek their input before rolling out a wellbeing programme in 2020.

Our dialogue with employees includes regular communication about the Company's, and the Drax Group's, strategy, plans and performance. During 2019, communications included updates about progress against the Group-wide scorecard, which includes KPIs in relation to financial, strategic, safety and sustainability performance. Annual bonuses for employees are linked to the scorecard performance, ensuring that employee reward and Group performance are aligned. We actively encourage employee participation in the Group-wide All-Employee Sharesave scheme, offering the maximum discount of 20% and waiving any length of service requirements. During 2019, nearly half of all UK employees across the Drax Group participated in a Drax Sharesave scheme.

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Customers

Engagement with customers and brokers allows us to better understand our customer's needs and how we can deliver continuous improvement in customer service. We engage with our customers through channels such as social media, our website, by phone and through our complaints procedure.

Strategic suppliers

There are suppliers who deliver goods and services that are essential to the long-term strategic success of the Company. Strong relationships with suppliers and contractors allow us to promote high standards and ensure realistic expectations on project delivery. Collaboration with strategic partners ensures that metering equipment is maintained so we can accurately bill customers and provide payment plans to those who are struggling to pay their bills.

Our relationships with smaller suppliers are also important. Understanding their needs informs our prompt payment policy. Engagement also allows us to set out our expected high standards of conduct.

Regulators

We regularly engage with Ofgem, BEIS and other statutory bodies, which helps us to understand and be prepared for upcoming policy developments and industry change, and also gain insights from them regarding best practice.

Shareholders

Our ultimate parent company is Drax Group plc and therefore we act in the best interests of our immediate and ultimate parent companies, and in doing so, in the best interest of the investors and shareholders of the Drax Group. Drax Group plc engages with its shareholders and investors through a wide range of channels, including our website, AGM, full year and half year results, a Capital Markets Day, an ongoing programme of investor relations meetings and engagement by the Chair of the Remuneration Committee. This engagement allows the Board to understand their concerns and priorities and take these into account in decision making.

Community and the environment

Our purpose is to enable a zero carbon, lower cost energy future, and we seek to achieve a positive long-term economic, social and environmental impact. We support the UN's Sustainable Development Goals and we're proud to supply renewable energy in the global energy mix.

We regularly engage with the local community by supporting local initiatives and hosting drop-in sessions to help understand the needs of the local community and the impact that our business has on them. To read more about our positive social impact across the Drax Group, see pages 45 to 48 the 2019 Drax Group Annual report and accounts.

Standards of business conduct

We are committed to conducting business ethically, with honesty and integrity, and in compliance with all relevant laws and regulations. We do not tolerate any form of bribery, corruption or other unethical business conduct.

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Our compliance framework is set out in the Drax ethics handbook, *Doing the right thing*. The handbook identifies the behaviours expected from our employees and contractors on topics including human rights, ethical business conduct and integrity. Our policies and procedures provide further guidance and instruction, in line with best industry practice. These include our Corporate Crime policy and Gifts and Hospitality, Conflicts of Interest and Due Diligence procedures.