



10th December 2020

via email

Sir John Beddington
Chair, Drax Independent Advisory Board on Sustainable Biomass

Dear John,

Thank you for your letter of the 3rd August, setting out the findings and recommendations from the meeting on May 29th, 2020 of Drax's Independent Advisory Board (IAB) on Sustainable Biomass.

Once again, I want to thank you for your and your fellow board members' work, which is invaluable in supporting Drax's purpose and ambition. I am excited by the prospect of scaling up biomass with CCS (BECCS) and the benefits that could bring for the UK's economy and the environment.

But it is right that we can only do this if we clearly demonstrate that biomass makes a positive contribution to our climate, the environment, and communities in which we operate.

I am determined that this is at the heart of our values as a company and the IAB has an integral role in helping us stay true to these values as we look to grow.

I welcome your scrutiny and will take each of the important points you raise in turn.

I am pleased to hear you were impressed by the rigour of the analysis commissioned for Drax.

I was particularly glad that you noted the stringent sustainability constraints we used in this work. We were clear at the outset that these studies needed to be done with the utmost sustainability constraints even if this created additional challenges for us. This analysis is a vital building block in the case for BECCS and we must therefore be certain it is sufficiently robust.

On the issue you raise about future impacts of climate change on biomass growth, I agree that there is a need for further, more rigorous work on this vitally important issue.

To that end, we plan in 2021 to look in more detail at the physical impacts of climate change across our operations, and in particular focus on our biomass supply chains. We are also in the process of updating our climate change risk register, which takes a detailed look at climate change impacts more broadly across Drax Group.

This will bring greater rigour to all our business units, including Drax Biomass, and ensure all colleagues remain resolutely focussed on our climate impacts. This risk register also forms part of the wider climate change reporting under the Task Force on Climate-related Financial Disclosures (TCFD).



We agree there is a need continue to regularly review the sustainability criteria which underpins BECCS sourcing choices, taking into consideration ongoing studies to ensure our criteria are robust. With your support, we will continue to ensure this remains part of our ongoing processes.

As you suggest, the analysis we commissioned provides a good starting point from which we can address many of the legitimate questions that stakeholders have as we develop BECCS.

Ensuring this study is translated into policy as the project moves forward is an important priority. We are determined to work closely with Government, regulators, and non-governmental organisations to address any concerns.

My colleagues and I look forward to extensive engagement with all interested stakeholders in the coming months which we will approach in a spirit of openness and transparency. I am grateful for your offer of support in scrutinising any policy options that may emerge.

On the issues you identify as we develop a commercial BECCS project at our plant in Selby, work on (a) and (b) on the impact for our local community and sourcing are well underway. On points (c) and (d), I know you are revisiting the important topic of international reporting and ensuring feedstocks do not cause carbon debt at the next meeting in December.

I welcome your input on these and my colleagues, particularly those in the alternative fuels team, will continue to work closely with you.

I also welcome the commissioning of an independent literature review to examine the evidence of impacts on forest biodiversity from harvesting for biomass and await the findings with interest.

Thank you again for the thorough approach you and your colleagues are taking to this important work. As I have said before, as the world's largest biomass consumer, it is essential we set a world leading example and your expertise and scrutiny is integral in enabling us to continue to do that.

My colleagues and I look forward to continuing to work closely and constructively with you going forward, including at the next meeting in December.

Yours,

A handwritten signature in black ink, appearing to read 'Will Gardiner', is positioned above the typed name.

Will Gardiner
Group Chief Executive
DRAX GROUP plc.