

SECTION 172 STATEMENT

Opus Gas Supply Limited

Companies Act, Section 172 statement

The Directors have a duty to promote the success of the Company, having regard to a range of matters and stakeholders. The Board is responsible for ensuring effective engagement with stakeholders and recognises that decisions taken today will shape both the longer-term performance of the business and its impact on our various stakeholders. This consideration enables the Company to have a positive impact on the environment, our communities and wider society, delivering sustainable value creation.

Examples of how the Board have had regard to the matters set out in Section 172 are set out below.

Comprehensive details in respect of stakeholders identified across the Drax Group (“Group”), and how we engage with them and have regard to their interests, can be found from page 34 in the 2021 Drax Group plc Annual report and accounts.

The likely consequences of any decision in the long term

Our purpose is to enable a zero carbon, lower cost energy future. With multi-year time horizons for many of our strategic decisions, we recognise that those decisions can have an impact far beyond our business and into the future. We see an important role in supporting the decarbonisation of British businesses through the supply of renewable energy and carbon offset certificates, which we believe could evolve in the future to the provision of negative emissions.

The interests of the Company’s employees

Engaging with the workforce enables colleagues to be better informed and able to contribute to the delivery of our purpose and strategy, whilst creating a safe and engaging culture and environment where they can feel valued, respected and heard. We want all colleagues to feel they can grow, through being enabled to realise their goals, and make a meaningful contribution to our strategy, purpose and communities, whilst building resilience that equips them to respond to the change that is a feature of the Group’s activities.

We maintain regular dialogue with our workforce through our Customers employee engagement (“My Voice”) forum, colleague briefings, weekly updates and Q&A from our CEO and our pulse and annual engagement surveys.

Our colleague My Voice Forums continue to be a key part of our listening strategy. The forums consistently provide us with a view of colleague sentiment and key topics that are on colleagues’ minds. Following feedback from both the My Voice forums and other colleague interactions more broadly, during 2021 we reviewed our UK family friendly policies in line with our diversity and inclusion agenda; and successfully ran a pilot Mental Health First Aider programme which we are rolling out across the business. Another key focus area that was highlighted was career and development opportunities. In response, we delivered a range of interactive e-learning sessions designed to support career development – including how to have career conversations and make a career plan.

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We carefully consider the impact of decisions on colleagues and where transformation required consultation with colleagues about the closure of offices, or redundancy of their roles, we implemented robust engagement plans. These include the election of colleague representatives where appropriate, individual consultations, and defined communication plans with regular updates to keep colleagues informed.

Our dialogue with colleagues also includes communication about the Group's strategy, plans and performance. During 2021, 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 colleagues are linked to the scorecard performance, ensuring that employee reward and Group performance are aligned. We actively encourage participation in the Group-wide all-employee Sharesave scheme, offering the maximum discount of 20% and waiving any length of service requirements.

The need to foster the Company's business relationships with suppliers, customers and others

Customers

Engagement allows us to build strong relationships with our customers, so we have a better understanding of their needs to improve customer service, develop relevant products and keep them informed. We engage with our customers through channels such as social media, our website, by phone and through our complaints procedure.

During the unprecedented rise in energy prices, we had regular communications with our customers and Third-Party Intermediaries to ensure they were informed of what was happening and understood the likely impacts on their costs. We also communicated with all out-of-contract customers advising them how they should respond to switch from higher tariffs and explained how to contact us to avoid debt.

Suppliers

Our Procurement, Business Ethics, and Sustainability functions engage directly with suppliers around key issues. This is to ensure our ethics, values, Supplier Code and Responsible Sourcing policy are effectively incorporated into and upheld throughout our supply chains. We seek the views of suppliers and contractors to collaborate on improvements in standards and meeting our (and their) obligations under law and regulations in keeping with our values.

Regulators

Engagement with Ofgem, BEIS, environmental agencies and the ICO enables us to promote best practice and ensure we remain compliant with the latest guidance. We've continued to work with regulators and UK Government in response to Covid-19 to protect our customers and colleagues, and options to mitigate the impact of rising wholesale energy costs and supplier failures on consumer bills.

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The impact of the Company's operations on the community and the environment

Tackling climate change is at the heart of our purpose, and our strategic objectives are aligned to global renewable energy and decarbonisation agendas. For more information, see page 49 of the 2021 Drax Group Annual report and accounts.

Opus is an active participant in the communities in which it operates. Strong community relationships and effective engagement strengthen our ability to operate effectively in those regions. We engage regularly with communities through supporting local initiatives and holding drop-in sessions. To read more about our positive social impact across the Group, see pages 38, 40 and 56 in the 2021 Drax Group Annual report and accounts.

The desirability of the Company maintaining a reputation for high standards of business conduct

At Opus, 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, human rights abuse, or other unethical business conduct.

Our business ethics compliance framework identifies the behaviours expected from colleagues on a broad range of topics. In 2021, we deployed annual refresher eLearning across the Group which included data protection and ethics. For more details on how the business ethics programme is managed, see pages 61 to 63 of the 2021 Drax Group Annual report and accounts.

The need to act fairly as between members of the Company

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 Group. This ensures that the interests of all relevant stakeholders, and the need to act fairly between members of the Company, are considered during decision-making.

Engagement with shareholders allows us to understand the concerns and priorities of current and prospective investors. We can then take these into account in our decision making in areas such as ESG; executive pay; dividend and longer-term capital allocation policy; as well as strategy.

This statement was approved by the Board on 11 May 2022 as part of the Company's 2021 Annual Report and Accounts.