

2022 Modern Slavery Statement

drax

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Introduction and statement approval

At Drax, we strive to do the right thing, seeking to make a positive contribution to society as we also work toward achieving our purpose of enabling a zero carbon, lower cost energy future. Our business strategy is supported by three pillars of being People Positive, Nature Positive and Climate Positive.

Our People Positive strategy sets out how we seek to meet our People Positive commitments. You can read more about the strategy in the 'Our People' section of this Statement and in our Annual Report.

In conjunction with our People Positive strategy, our respect for human rights forms part of our Values (see page 5) and our Group Policy Framework. We believe that everyone at Drax should be paid fairly, work freely, and have good working conditions.

We have established a Supply Chain Human Rights ('SCHR') programme focused on identifying the risk of human rights abuses within our supply chain. This programme considers modern slavery as well as attentiveness to the potential for wider abuses and welfare matters.

In this, our seventh Modern Slavery Statement, we outline the SCHR programme progress we have made in 2022, and our focus for 2023. We are making this Statement for the financial year ended December 2022 in accordance with the requirements of section 54, part 6, of the Modern Slavery Act 2015. This Statement applies to all companies within Drax Group ('Drax') that are required to publish a Statement, as listed in the 'Statement Scope' section.

The Board has reviewed, approved, and adopted this statement. I signed it on behalf of the Board of Directors of Drax Group plc, following its approval on 21 February 2023.

Dwight Daniel Willard Gardiner (known as Will Gardiner) CEO, Drax Group plc

Our progress

In 2022, we committed to moving forward on several deliverables and a summary of our progress is provided in the table below and overleaf.

Section	What we said we'd do in 2022:	What we did:	
Governance	Continue our plan to carry out annual reviews of the Drax Code of Conduct ('Drax Code') and Supplier Code of Conduct ('Supplier Code'). Ensure any amendments are subject to Ethics and Business Conduct Committee (EBCC) approval.	The EBCC reviewed and approved the Drax Code and Supplier Code, and we republished them in September and October 2022 respectively.	
	Continue to report to the EBCC on the activity of the Supply Chain Human Rights Working Group (SCHR WG).	Quarterly reporting to the EBCC on the activities of the SCHR WG continued throughout 2022.	
	Explore upstream, post-contract diligence and supplier	The EBCC approved our updated approach to customer due diligence in its Q3 2022 meeting.	
	compliance support in higher risk jurisdictions.	As a test case for our proposed Force for Good activities, we've been working closely with a Vietnamese supplier to strengthen standards. This included the development of an agreed workplan, regular check ins and completion (by a third party) of a Sustainability and Social Audit in June 2022. It also included a follow up visit from our Sustainability and Business Ethics teams in November 2022, and sharing of procedural documents and training materials. Engagement with the supplier is ongoing.	
Risk Assessment	Implement additional tools to strengthen the risk assessment process, as deemed appropriate by the EBCC.	In July 2022, the EBCC approved a new, consolidated country risk rating against which supplier risk is assessed. At the Q3 2022 meeting, the EBCC approved a mandatory requirement for Environmental and Social Impact Assessments in relation to assessing the acquisition of assets or businesses.	
Due Diligence	Carry out a supplier assurance audit of our Vietnamese supply chain.	Following a third-party completed the audit (in June 2022) our Sustainability and Business Ethics teams did a follow up visit to Vietnam in November 2022. A workplan to address suggested improvements is in place and is being progressed through regular check ins (via Teams). Further site visits across the Drax supply chain are planned for 2023.	
	Reflect the Social Responsibility Alliance's 'Slavery and Trafficking Risk Template' (STRT) in our own due diligence questions (where we've identified gaps).	The STRT review was completed in September 2022 and questions added to the Drax Ethical Due Diligence questionnaire, as necessary. The questionnaire is deployed to new third parties, as applicab (with refresh requirements for higher risk third parties).	
	Implement across Drax a more coordinated and holistic Environmental, Social and Governance (ESG) approach to due diligence and audit.	We have started work on improving the robustness of our supplier onboarding approach. This include ensuring that our teams which are contributing to the process have clear responsibilities.	
	Complete the project to provide a geographical representation of our supply chains.	Work continues in providing a graphical representation of our supply chains, with further activity planned to make these publicly available.	

Policies and procedures	Continue with our annual review cycle of the Codes of Conduct and the Human Rights policy.	See above, regarding our Codes of Conduct. In addition, we reviewed, enhanced, approved and republished our Human Rights policy in 2022; it continues to be available externally on drax.com .	
	Implement an enduring due diligence process for Northern Operations' (formerly Pinnacle) customers, as well as First Nations, Joint Ventures (JVs), and suppliers.	At its Q3 2022 meeting, the EBCC approved an ethical due diligence process for our Northern Operations' customers and First Nations groups. The proposal for JVs was presented and approved at the Q4 2022 meeting (in January 2023).	
Employment practices	Identify other Drax UK suppliers that may pay below the real Living Wage and agree milestones for when they can put it in place.	In 2022, we identified those in-scope Drax UK suppliers who pay below the real Living Wage and are in the process of agreeing milestones with them to complete the accreditation process.	
Supplier Contracts	Finalise the implementation of our Supplier Code for new agreements with third parties, or at the point of renewal/ extension for existing agreements.	We continued to integrate the Supplier Code into relevant new agreements and at the point of renewal/extension for existing agreements with third parties.	
	Consider adding further detail about our non-fuel procurement activities to the Responsible Sourcing section of our website.	Our Procurement team implemented a new Global Procurement policy during Q4 2022. Over the course of 2023, the team will work towards implementing a Supplier Management Framework to support the policy (including Responsible Sourcing content for the website).	
	Implement the new standard business ethics clauses (incorporating the Supplier Code) into our Northern Operations' procurement practices.	We have developed Standard Business Ethics clauses for Northern Operations (in Canada - Former Pinnacle) and are incorporating them into relevant contracts.	
Training	Arrange a launch day in relation to our collaboration with AW Jenkinson, to further increase awareness of the UK's Modern Slavery and Exploitation helpline.	The launch day went ahead in March 2022. Representatives from Drax, AW Jenkinson, Associated British Ports, Unseen UK, and the Humber Modern Slavery Partnership (see 'Our awareness and training' section below) all attended.	
	Consider additional, tailored training for our 'at higher risk' teams.	We furthered our association with Unseen UK by committing to ensure those in our teams working in sectors, territories or with potential third parties each of which could be deemed 'at higher risk' use its eLearning material to increase awareness amongst our colleagues of modern slavery indicators. Amendments are being made to the module ahead of deployment in Q1 2023.	
	Issue further awareness-raising articles to existing colleagues and Non-Permanent Workers ('NPWs') .	We shared various communications with colleagues during 2022 relating to modern slavery and supply chain wellbeing issues. These included targeted communications regarding the aforementioned UK Modern Slavery and Exploitation helpline launch day, Anti-Slavery Day, and a Mission to Seafarers initiative.	
Speak up culture	Continue our Speak Up awareness-raising campaign.	During 2022, we continued to raise awareness of our Speak Up programme via various internal communications and training, re-published and promoted our updated 'Speak Up Guidance for Managers' in October.	
Working together	Continue our work with both the UN Global Compact and Unseen UK.	We have continued our participation in the UN Global Compact's Modern Slavery Working Group over the course of 2022, feeding back key information to the Drax Supply Chain Human Rights Working Group. In addition, we participated in the Utilities Against Slavery Steering and Working Groups.	
	Explore other potential partnerships, including the Humber Modern Slavery Partnership (HMSP), and add associated services to our toolkit, as required.	We have continued to provide financial support to the UK's Modern Slavery and Exploitation Helpline (operated by Unseen UK). We presented our SCHR programme structure to the HMSP in Q1 2022 and HMSP representatives attended the launch day relating to our collaboration with AW Jenkinson. Additionally, in Q4 2022, we commenced working with The Mission to Seafarers (see 'Our awareness and training' section for further details).	

Our business



The material we use to make pellets includes sawmill and forest residuals, and low grade roundwood, material of a lower grade which is unsuitable for use in a sawmill. They provide a sustainable, low carbon fuel source that can be safely and efficiently delivered through our global supply chain.

The forests we source our biomass from are managed in accordance with standards designed to support the health and growth of these forests over the long term. Based in the US south and in Western Canada, we have 17 operational and development sites with nameplate capacity of around 5Mt once expansions are complete.

We have US\$4.1bn of long-term contracted sales to third parties across Asia and Europe. Our Generation business also uses pellets sourced from our Pellet Production sites to make flexible, renewable electricity for the UK.



Generation

Our portfolio of flexible, low-carbon and renewable UK power assets – biomass, hydro, and pumped storage generation – provides renewable, dispatchable power and system support services to the electricity grid.

Our dispatchable power has a vital role to play in enabling the transition to more renewable energy and a more flexible energy system: generating renewable electricity when the sun doesn't shine and the wind doesn't blow.

We are the UK's largest source of renewable power by output, and Drax Power Station is the UK's largest single source of renewable electricity by output. Our portfolio provides long-term earnings stability and opportunities to optimise returns from the transition to a low-carbon economy.

We are developing options for BECCS at Drax Power Station in the UK and exploring options for global BECCS.



Customers

Our Customers business is principally focused on renewable electricity sales to industrial and corporate customers in the UK.

The business also offers non-generation system support and energy management services, such as the provision of decarbonization services, including vehicle fleet electrification. It also provides a route to market for many smaller embedded renewable generators.

Our purpose:

To enable a zero carbon, lower cost energy future

Our ambition:

To be carbon negative by 2030

Our strategic aims:

To be a global leader in carbon removals

To be a global leader in sustainable biomass

To be a UK leader in dispatchable, renewable power

Our values:

We care about what matters

We're a can-do kind of place

We see things differently

We listen carefully

We do what we say we'll do



2 Our locations

Canada



USA



17 operational and development sites, with nameplate capacity of around 5Mt once expansions are complete.

Four deep water ports, accessing Asian and European markets.

- Ports
- Developments
- Operational Plants



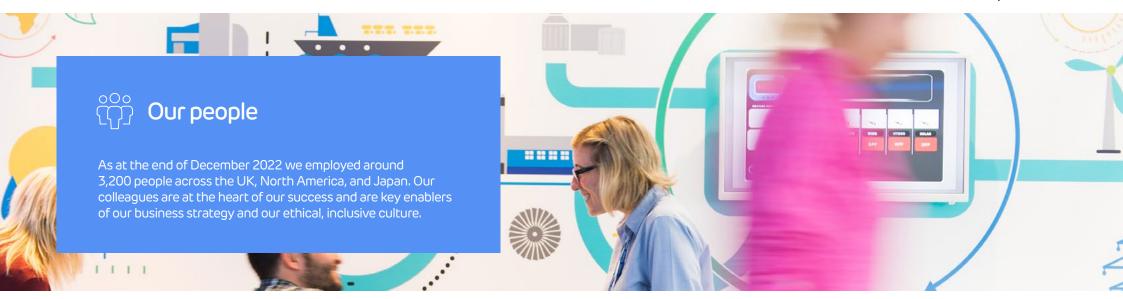


Flexible, renewable power generation

- biomass, hydro and pumped storage
- and supply to British industry.

Development of carbon removals technology - BECCS.

- Pumped storage generationBiomass generation
- Hydro generation
- Biomass from waste
- B2B renewables supply and services
- Corporate offices





People Positive strategy

People Positive: We aim to be a responsible business partner and neighbour in the supply chains and communities in which we operate, conducting our business with honesty, integrity and respect. We seek to engage stakeholders proactively and focus on delivering positive impacts regarding health, safety, the environment and human rights for the workers and communities linked to our operations.

Our People Positive strategy encompasses a wide range of the various aspects of a colleague's experience at Drax, including the systems we use, our policies, our values, and our culture. There are more details about this strategy in our 2022 Annual Report, available at drax.com.

In 2022, we recognised the impact upon our colleagues' wellbeing of the cost of living. To help provide additional support, we introduced a new financial wellbeing partner, Nudge, offering personalised, online financial wellbeing hints and tips. In addition, we worked with Nudge to provide seminars, including how to better manage the effects of the cost of living and we brought forward the annual pay review date to 1 January (from 1 April) to help colleagues. We also continued to

educate and raise awareness of the non-financial wellbeing support that's on offer through our benefits providers and learning resources. And in the UK, we increased the number of qualified Mental Health First Aiders at our sites.

Work also began to create effective and efficient frameworks, policies and working practices that ensure simplicity, autonomy and ownership of people matters across the Group. Our People teams have worked collaboratively on projects with internal specialists (e.g. from IT and data science) to provide a better colleague experience on key interactions. These include the introduction of new benefits and the renewal of existing benefits.

We have reviewed many of the significant People policies to ensure they met the up-to-date needs of our business and colleagues. We also introduced and built upon new, inclusive family-friendly policies (e.g. time off for dependents) and a Group Bereavement policy.

Our Resourcing strategy underpins our plans for growth, working with colleagues across the Group to assess and plan for the near to long term. This has included new advertising and engagement strategies to attract, retain and develop diverse talent pools that reflect the demographics of the areas in which we operate. It's also included our Strategic Workforce Plan (focused on future workforce planning) that will enable us to grow internationally and adapt to business changes.

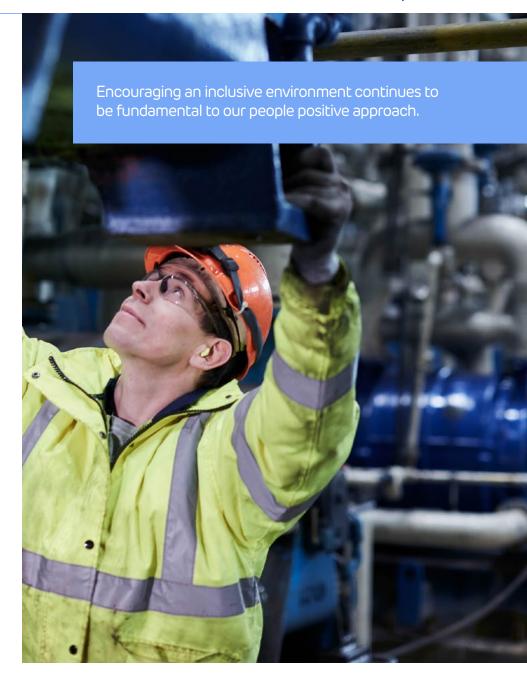
To ensure we provide a safe and healthy workplace for our colleagues, each management team regularly reviews local health, safety and environmental (HSE) performance. The Group HSE Committee undertakes a Group HSE performance review each quarter. The Executive Committee reviews these findings and the CEO also reports on progress at each Board meeting. Additionally, Drax Leadership Team monthly meetings commence with a 'safety standout' where key safety messages are shared.

During 2022, we completed the Group-wide roll-out of a new HSE and Quality IT reporting platform. This single system allows more data analysis of incidents, corrective actions, hazard management, risk management and behavioural observations. In 2023, we will develop dashboards to assess trends to inform areas for action.

We continued to undertake reviews of our reward strategies in each market, with the aim that our people are appropriately incentivised, rewarded and recognised for their contribution. Such strategies are part of enabling us to create a high performing and inclusive culture. Encouraging an inclusive environment continues to be fundamental to our people positive approach.

Our current values continue to provide the framework for our people behaving and acting with integrity. However, recognising our ambitious growth strategy and the enhanced focus on colleague experience, we have started work to review those values, as part of a wider project to build our employee value proposition (EVP). Our EVP will contribute to developing our culture, values and colleague experience framework, to create an environment where we recognise the importance of colleague wellbeing and enable everyone to contribute in achieving our Group's strategy.

Metric	Result
Average age of our employees	39.61
% of workforce overseas	26.76
% of workforce in UK	73.24
% of workforce who are female	31.89
% of employees who participated in the 2022 My Voice survey who would recommend Drax as a 'good place to work'	86





Our recruitment processes

Although the risk of modern slavery taking place within our business is much lower than we believe is the case in our supply chain, we have steps in our recruitment procedures designed to address such risks, including:

- Carrying out "right to work" checks and ensuring that the agencies we use to supply non-permanent workers carry out equivalent checks
- Completing pre-employment checks to verify the identity of prospective colleagues and to ensure they're over 16 years of age
- Completing disclosure and barring service checks for specific roles to enable us to make safer recruitment decisions
- Making sure that an employment contract is in place before an individual starts employment in the Group
- Paying all our UK-based colleagues at least the real Living Wage and reviewing this in Q1 every year to ensure any rate changes are captured
- Providing information about our Speak Up (whistleblowing) policy, reporting channels and external service

We have various assurance processes in place to check that these steps are effectively applied.



We respect our colleagues' rights in areas such as freedom of association and collective bargaining. Approximately 14% of the Drax UK workforce is covered by a collective bargaining agreement. In Canada, 7.5% of the workforce is covered by collective bargaining. There are My Voice Forums enabling a two-way dialogue between members of the Board of directors, the senior leadership team and colleagues. We maintain healthy relationships with our trade union partners and attend bi-monthly meetings to discuss potential issues that may affect members. We also undertake annual negotiations on pay.

We communicate with colleagues, both formally and informally. We use a combination of media including emails, our intranet, a quarterly newsletter, and open forum meetings involving members of the senior leadership team. Each week, the CEO takes questions from across Drax on a wide range of topics and we share his responses with all colleagues. We invite colleagues to complete a 'My Voice' engagement survey then share the results and progress any actions arising. The most recent was undertaken in September 2022 and the results shared with employees in December 2022.

Our Supply Chain Human Rights programme





Our governance

Our Supply Chain Human Rights Working Group (SCHR WG) is responsible for the development of our SCHR programme. It provides a quarterly report on its activity to our Ethics and Business Conduct Committee (EBCC), which oversees the programme and is a subcommittee of our Executive Committee. The SCHR WG includes representation from the teams across Drax deemed 'at higher risk' of encountering modern slavery due to the nature of their engagement with current and potential partners in our supply chain.

The EBCC:

- Is responsible for making sure that Drax takes appropriate steps to investigate and remediate the risk of modern slavery, both within our own business and our supply chain
- Has approved a protocol and remediation plan, that we must follow if we discover modern slavery in our business or supply chain

An annual report on EBCC activity and decisions is submitted to our Audit Committee, which comprises non-executive directors. In 2022, no instances of modern slavery were identified for escalation to EBCC but work continues to ensure we understand the potential risks.

We also recognise the risk of modern slavery in our supply chains may increase as our operations enter new territories. So, we are developing policies and practices and raising awareness that reflects UK standards and is informed by good practice. This seeks to ensure we identify the potential for modern slavery promptly and establish the tools and governance structures required for determining the appropriate remedial action.



Our policies and procedures

Our Group Policy Framework sets out our high-level principles (in our Codes), our mandatory and standardisation policies and supporting procedures/guidance. We summarise below the documents that link to our SCHR programme, some of which are publicly available via drax.com.

Policy	Summary	How it links to modern slavery	
Code of Conduct	This Code applies to all employees, non-permanent workers and anyone working on behalf of Drax. It sets out our high-level principles and the expected standards of behaviour in relation to various topics, including modern slavery. It was most recently reviewed in 2022.	Our Code of Conduct has multiple sections, including those covering: Dignity at Work; Diversity, Equity and Inclusion; Anti-corruption and Human Rights. It sets out the Drax zero tolerance approach to corruption, as well as detailing our various Speak Up reporting channels and approach to non-retaliation.	
Supplier Code	This Code sets out the standards we expect of our suppliers and any subcontractors they use in relation to supporting Drax activities. It forms part of relevant supply contracts, with provisions for termination if there's a serious breach. It was subject to review in 2022, with amendments including updated Speak Up contact details and further information on the real Living Wage.	This Code mandates that suppliers must: not breach any internationally-proclaimed human rights; not engage underage workers or any workers subject to any form of modern slavery; comply with all applicable laws in relation to working hours and remuneration; and provide a safe and healthy working environment. It also encourages our UK suppliers to pay the real Living Wage and provides details of our Speak Up service.	
<u>Human Rights</u>	This policy sets out the human rights standards Drax abides by, and the prevention and remediation approach we adopt.	The policy covers multiple areas including: Safe and healthy workplace; Dignity at Work; working hours; wages and benefits (fair pay); Diversity, Equity and Inclusion; Collective Bargaining and Freedom of Association; forced labour and human trafficking; and child labour.	
Responsible Sourcing	Our Responsible Sourcing policy includes a commitment to supporting people and communities. In 2022, we commenced a review of the policy and will publish an update in 2023.	As part of our Responsible Sourcing commitment we:	
		 Promote respect for human rights including safeguarding the labour rights of workers, and not engaging in any form of discrimination, compulsory labour or child labour. (i.e. via our due diligence processes, direct supplier engagement, our Supplier Code, contractual clauses etc). 	
		 Verify that appropriate safeguards are in place to protect health and safety in forests and pellet mills (i.e. through our due diligence processes). 	
		• Use certification schemes/chain of custody processes that aim to deliver traceability on both the origin of our biomass and the associated supply chain.	

Procurement	This policy aims to standardise our approach and set out clear principles, controls, and procedures relating to procuring and/ or contracting with third parties. All Drax Business Units and functions must comply with the policy, which also outlines the role of Procurement and the engagement with suppliers on behalf of Drax globally.	Our new Global Procurement Policy was issued in Q4 2022. During 2023, the team will focus on training and processes to support the Policy.	
Safety, Health and Wellbeing			
Dignity at Work	Our Group-wide Dignity at Work policy ensures all colleagues understand the standards we expect when it comes to respecting one another.	The policy outlines expected standards of behaviour, and those which are not tolerated, including harassment and victimisation. It also helps colleagues understand what steps they can take if they experience such behaviour.	
Diversity, Equity, and Inclusion	Our Group-wide DE&I policy ensures all colleagues understand that we do not tolerate any form of discrimination, bullying or harassment based on identity or background.	· · ·	
Disciplinary	Our disciplinary policy sets out the standard of conduct we expect from our colleagues with the aim of achieving consistency in process and approach when dealing with disciplinary issues. This policy is clear on the standards of conduct expected and the steps that Drax will a colleague fails to follow the policy.		
Family Friendly	Our UK wide Family Friendly policies set out what we do to support colleagues who are just starting a family, and those already with a family, and in need of support (e.g. dependent leave).	The policies enhance the statutory pay offering and mirror the offering for shared parental leave to the enhancements offered for maternity and adoption leave. This ensures all UK colleagues have equality when it comes to family friendly leave.	
Speak Up (whistleblowing)	Our Speak Up (whistleblowing) policy – and wider programme – provides a mechanism for all colleagues, and other people associated with Drax, to raise concerns while ensuring protection from victimisation or retaliation.	The programme ensures that our colleagues, suppliers, communities and others have a means of reporting genuine concerns (including in relation to modern slavery) regarding our own business and our supply chain.	



Our due diligence

Country approval

Global rights indices (amongst other indices, such as the Corruption Perception Index) continue to contribute to our country risk assessment process. The EBCC must assess higher risk countries before Drax can conduct business there, and can consider blanket country approvals or specific contract approvals, or refer to the Executive Committee, where considered appropriate. Such considerations depend on the combined commercial interest in that country and the level of risk identified with it and/or the associated supply chain.

Supplier approval

Proportionate due diligence checks are carried out on suppliers and, where appropriate, their associated persons and supply chain. Should we identify concerns during the process, we may obtain enhanced due diligence from a specialist service provider before escalation to the EBCC. The EBCC (or Executive Committee) will then decide whether to appoint the supplier or not.

Mergers and acquisitions

In 2022, we reviewed and updated our ethical due diligence approach to ensure its suitability for merger and acquisition activity. The EBCC approved this revision at its Q3 2022 meeting. Our approach to joint venture due diligence was developed in Q4 2022 and was considered at the EBCC's meeting held in January 2023. Human rights risks are a key focus of any related exercise, and we assess potential targets against our legal requirements and ethical standards.

Due diligence system

We have established an ethical due diligence platform for all our business units to carry out due diligence. We use the platform to perform initial due diligence and monitor relevant suppliers (escalating red flags to the EBCC as necessary). Our Ethical Due Diligence questionnaire has been benchmarked against the Social Responsibility Alliance's Slavery and Trafficking Risk Template and incorporates appropriate content. Via the questionnaire, we collect supply chain risk intelligence, allowing us to ask for further information when one or more elements are considered of higher risk,

Modern slavery instances

In 2022, our due diligence processes did not identify instances of modern slavery in our supply chain.



Our risk assessment

Due to the controls and practices we've adopted, we believe the risk of modern slavery in our own business is very low. However, given the increasing variety and complexity of the third parties with which we engage and jurisdictions in which we work¹, the risk of modern slavery is higher in our supply chain. This may further increase as we continue to expand the business into new territories.

Global rights indices also contribute to the risk assessment of potential suppliers. Where higher risks are identified during our due diligence process, we escalate and pursue enquiries more directly.

Force for Good

In 2022, we established a working 'Force for Good' group. The group's purpose is to develop long-term, managed commercial relationships that incentivise the development of supply chains to align with our principles at source, and in our use of acceptable biomass. Force for Good activities will ensure participation and a net positive impact across the communities neighbouring such supply chains.

The 'Force for Good' group has been working with an existing biomass supply chain in Vietnam to inform the development of a management framework to support the concept.



¹ We have around 7,000 suppliers across our procurement activities and engage with many different industries including forestry, manufacturing, freight and logistics, engineering, construction, IT, and site services.

2022 Modern Slavery Statement

Other European

Fuel procurement

The adjacent graphic provides statistics on our fuel procurement, by percentage of volume and geography, in 2022. Of those countries listed, we consider Russia (included in the 'Other European' percentage), Belarus, Vietnam, and Brazil to be of higher risk.

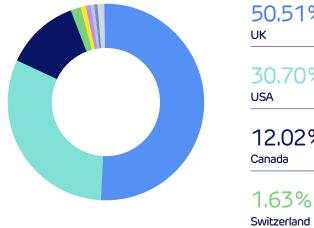
It should be noted that the Russian and Belarussian material was procured before the start of the Russia-Ukraine conflict. We took a decision in the early phase of the conflict to cease procurement activity in Russia and Belarus.

We carried out additional due diligence on our Vietnamese and Brazilian supply chains in 2022.

Drax biomass feedstock mix by country of origin 2022 (Jan-Dec)



Top 10 tier 1 countries of origin based on spend % of 2022 non-fuel supply spend by country





Japan

0.62%

Sweden

Non-fuel procurement

The adjacent graphic provides statistics on the country of origin of our non-fuel procurement activities, by percentage of spend on our tier 1 supply. It shows that 100% of our spend is with tier 1 suppliers based in countries that we consider are lower risk for modern slavery.

During 2022, our Procurement team continued - as part of its supplier relationship management regime - to map our non-fuel supply chain. We identified four areas of spend as 'higher risk' for modern slavery: smart meters; electric vehicle charging; workwear (including personal protective equipment); and construction commodities. For these areas, we are developing increased scrutiny of the supply chains of the suppliers with whom we have contracted. Throughout 2023, we'll refresh our Supplier Management Framework, enabling us to get to know key suppliers better.

In the meantime, our intention is to continue carrying out risk based due diligence on all suppliers prior to contracting, including compliance with our Supplier Code (or equivalent). We also endeavour to include contractual obligations with suppliers, requesting they comply with our standard and cascade it to their subcontractors. Where necessary, we'll expect to employ the services of specialist audit firms to provide additional detail where needed.



Our awareness and training

In 2022, we integrated Northern Operations' colleagues (in Canada - former Pinnacle) into our Group Documentation Framework. This included (but was not limited to) mandatory reading of the Code of Conduct and our Anti-bribery and Corruption policy. We also summarised our Human Rights policy (along with other policies related to business ethics) in a 'Keeping Ethics in Mind' document. Our Speak Up (whistleblowing) policy had been deployed in 2021.





We deployed our second Code of Conduct refresher eLearning module to other colleagues, including modern slavery content. And we marked Anti-Slavery Day (18 October) with a communication encouraging colleagues to do something to:

- Raise their own awareness
- Raise the awareness of others
- Support an organisation working on this important issue

The article provided links to Unseen UK's website and collateral produced by Slave Free Alliance.



We explained our involvement in a Mission to Seafarers initiative. We provided financial and volunteer support to prepare and deliver Christmas packages to seafarers in dock at Immingham Port. Our aim was to raise the profile of the wellbeing challenges faced by these essential workers in our supply chain.



Photo credit: mulhollandmedia.co.uk

We held a launch day for an awareness raising campaign in collaboration with one of our logistics partners, AW Jenkinson. In addition to providing financial support to the UK's Modern Slavery & Exploitation Helpline, AW Jenkinson displays the helpline details on the back of several vehicles it uses. The aim for Drax is to help raise general awareness of the helpline and connect with anyone who may need to use it. During the launch day, AW Jenkinson's drivers were provided with information to help them spot modern slavery red flags.



Colleagues across the Group wore orange on 30 September 2022, the National Day of Truth and Reconciliation in Canada. This is a day of reflection on the impact of the residential school system: to honour survivors, their families, and communities, and to remember the children who never came home.



Our 'Speak up' culture

We encourage all those connected with Drax to challenge potentially unethical behaviour and we promote a speak up culture. Within Drax, individuals can raise concerns directly via their line management, the Group Business Ethics team, or Company Secretary (the Whistleblowing Officer for Drax). Alternatively, an independently operated and confidential Speak Up helpline and web portal are available (in multiple languages). Third parties to Drax can also raise their concerns via the Group Business Ethics team, Whistleblowing Officer, or external Speak Up service. Details on how to do this are set out in our Supplier Code,

The external reporting service enables reporters to anonymously – should they wish – raise concerns relating to Drax. The service forwards any issues raised to the Group Business Ethics team and/or the Whistleblowing Officer (in accordance with the reporter's anonymity preference) and the recipient(s) will acknowledge, assess, and investigate as appropriate. The Group Business Ethics team/Whistleblowing Officer will report concerns raised, the status of any investigation and any recommended remediation measures. Such reports go to the EBCC, the Board, the Audit Committee and, where appropriate, the relevant authorities.

It is against our values to punish (or otherwise retaliate against) anyone raising a matter under our Speak Up Policy.

No concerns relating to modern slavery were raised through our reporting channels in 2022.





We participate in several working groups designed to bring about positive change on a larger scale. We also collaborate with other organisations and bodies to promote the awareness of modern slavery and other supply chain human rights issues.

Organisation	Summary of activity
Sustainable Biomass Program	In 2013, Drax co-founded – with six other energy companies – the Sustainable Biomass Program (SBP). The SBP is a certification system for woody biomass (mostly in the form of wood pellets and wood chips) used in industrial, large-scale production of biomass for electricity generation. The SBP proactively encourages the adoption of standards and due diligence processes, which include the promotion of human rights. For suppliers to be approved under the certification scheme, they must satisfy multiple requirements, including those aligned with modern slavery due diligence. Further information on this programme is available on the SBP website.
UN Global Compact	Since 2018, we have been a participant in the United Nations Global Compact (UNGC), a voluntary corporate sustainability initiative that encourages businesses worldwide to adopt sustainable and socially responsible practices. There's further information about the UNGC on its website. Our Annual Report forms our yearly 'communication on progress', set against the UNGC's Ten Principles on human rights, labour, environment, and anti-corruption, and on actions to support the Sustainable Development Goals. As a member of the UNGC Modern Slavery Working Group, we are able to collaborate with peers, developing and enhancing our approach to addressing the risks of modern slavery.
Unseen UK	Unseen UK is a charity providing independent support for survivors of trafficking and modern slavery; it runs the UK Modern Slavery and Exploitation Helpline . It provides free, independent, information and advice 24/7 to potential victims, businesses, the public and statutory agencies. In 2022, we continued to provide financial support for the operation of the helpline and furthered our association with Unseen UK. A key commitment was to use its eLearning material to increase the awareness of modern slavery across our 'at higher risk' teams. Amendments are being made to the module ahead of deployment in Q1 2023.
Slave Free Alliance	We are members of the 'Utilities Against Slavery' steering and working groups. These forums enable utility service providers to discuss areas of mutual concern and share ideas on ways to combat modern slavery. The purpose of the working group, which meets 6-weekly, is to raise awareness and prevent the exploitation of workers and the community, to share best practice amongst members and to collaborate and produce a coordinated response to reducing risks in supply chains.
	In 2023, we intend to engage Slave Free Alliance (an international social enterprise, owned by global anti-slavery charity Hope for Justice) to carry out a gap analysis of our SCHR programme.
The Mission to Seafarers In November 2022, the Mission to Seafarers attended our SCHR WG to inform members (and colleagues from our UK based team) about its important work. We are keen to grow our association and, in December 2022, we brought together three of o to provide financial and volunteer to support the Mission. This involved the packing and delivery of Christmas parcels to seafa at Immingham Port (in the UK). We want to do more for the wellbeing of these essential workers in our supply chain and are so volunteer opportunities to extend these types of activities to our non-UK operations in 2023.	
Wider stakeholder engagement	Like many international businesses, our global activities affect a diverse group of stakeholders.
	We maintain a detailed map of internal and external stakeholders. This enables us to assess how the stakeholder landscape is developing, and to recognise and respond to the expectations of a wide range of them, This ensures we consider their interests in our decision-making.
Modern slavery registries	In 2022, we published our statement on the government's new registry.



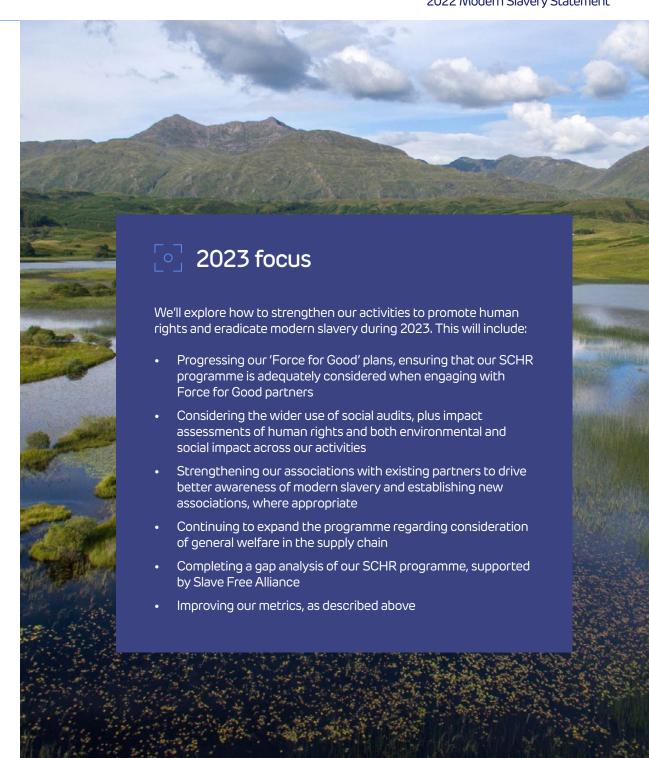
Measuring our effectiveness

Reporting in 2021 was largely qualitative, and there are updates below on the KPI metrics we reported.

Metric	2021	2022
Provide proportionate levels of training to colleagues, including: New starters Senior management Teams considered 'at higher risk' of encountering modern slavery	 Deployed Drax Code of Conduct (including embedded video on modern slavery) as a mandatory read to 100% of new starters Deployed 'Business Ethics for Senior Leaders' training (including dedicated section on modern slavery) to full senior leadership team across Drax with completion by 268 people Two half-day workshops on Ethical Trade (provided by an Ethical Trading Initiative-affiliated trainer) to our Business Ethics and Biomass Sustainability Compliance teams in December 2021 	 Deployed Drax Code of Conduct (including embedded video on modern slavery) as a mandatory read to all Northern Operations' colleagues as part of integration activities Deployed Drax Code of Conduct to all new starters in UK and Southern Operations (US) Commenced work to refresh 'Business Ethics for Senior Leaders' training materials, to be deployed in 2023 Engaged Unseen UK to provide training to 'at higher risk teams' in Q1 2023
Collaborate with others to promote awareness of modern slavery	 Continued engagement with UN Global Compact and Slave Free Alliance Commenced a dialogue with Unseen UK and made a corporate donation to support the continued operation of the UK's Modern Slavery and Exploitation Helpline Started working with a logistics partner to promote awareness of the helpline in 2022 Commenced a dialogue with the Humber Modern Slavery Partnership, to explore collaboration opportunities in 2022 	 Continued engagement with UN Global Compact and Slave Free Alliance, subscribing to the Utilities Against Slavery group (facilitated by the Slave Free Alliance) Maintained engagement with Unseen UK and continued to support the operation of the UK's Modern Slavery and Exploitation Helpline The Humber Modern Slavery Partnership was part of a collaboration in 2022 to publicise the UK's Modern Slavery and Exploitation Helpline
Strengthen supply chain auditing and verification processes	 Continued engagement with the Sustainable Biomass Program Benchmarked Drax processes against the Social Responsibility Alliance's Slavery and Trafficking Risk template Engaged third-party expert to conduct detailed due diligence on a new Vietnamese supply chain and agreed a workplan that will be the focus of a supplier assurance audit in 2022 Researched various supplier assurance ('social') audit models and provided Ethical Trade training to relevant teams Formed an internal Certification and Verification Working Group to progress a holistic, ESG-based approach to supply chain due diligence and auditing 	 Maintained engagement with the Sustainable Biomass Program Implemented changes to the due diligence questionnaire, reflecting the findings of the Social Responsibility Alliance's Slavery and Trafficking Risk template benchmarking exercise Third-party expert appointed to conduct an onthe-ground Sustainability and Social audit (based on Ethical Trading Initiative Base Code) in Vietnam with a follow up visit from our Sustainability and Business Ethics teams The Certification and Verification Working Group remit has been included in the Force for Good workstream
Undertake investigations into reports of modern slavery and take remedial actions	 Engaged directly with suppliers in relation to potential exposure to Uyghur labour Identified remediation of any potential red flags during the ethical due diligence process 	No reports of modern slavery concerns were raised
Maintain up to date due diligence information on supply chains that are high risk for modern slavery	Complete for 2021	Work commenced to refresh due diligence information on relevant supply chains

Having identified an opportunity to increase numericalbased reporting, it will form part of the 2023 workplan. Additional metrics under consideration for 2023 reporting include:

- Time elapsed since completion of latest risk assessment
- Number of potential modern slavery issues identified and investigated
- Modern slavery related investigations outstanding
- Completion of Code of Conduct refresher training
- % higher risk fuel supply chains fully mapped
- % higher risk fuel supply chains subject to onboarding or refreshed due diligence
- % higher risk non-fuel supply chains fully mapped
- % higher risk non-fuel supply chains subject to onboarding or refreshed due diligence
- % fuel suppliers signed up to supplier code or agreed alternative
- % non-fuel suppliers signed up to supplier code or agreed alternative



Statement Scope

This statement applies to Drax Group plc and the following subsidiaries:

- Drax Biomass Inc
- Alabama Pellet LLC
- Morehouse Bioenergy LLC
- LaSalle Bioenergy LLC
- Pinnacle Renewable Energy Inc
- Lavington Pellet LP
- Drax Power Limited
- Drax River Hydro Limited
- Drax Pumped Storage Limited
- Opus Energy Limited
- Opus Energy (Corporate) Limited
- Opus Gas Supply Limited
- Opus Energy Renewables Limited
- Drax Energy Solutions Limited

See our website (drax.com) for general information, and to see our earlier modern slavery statements.

- in /company/drax-group

www.drax.com