

DRAX'S INDEPENDENT ADVISORY BOARD - H2 2022 update

In the second half of 2022, Drax's Independent Advisory Board of scientists, academics, and experts across the forestry and sustainability sectors, advised on Drax's sustainability agenda, plans for BECCS, and recent stakeholder concerns. This included meetings in September, October and December.

At the interim meeting in September, the IAB approved the updated Terms of Reference (<u>HY2022 report</u>) and held discussions on both Drax's stakeholder engagement and sentiment as well as the 'BECCS done well' project and report led by Jonathon Porritt (<u>'BECCS Done Well' report</u>).

As an output of these discussions, the IAB made the following recommendations:

- 1. Drax should reflect its social impact 'People Positive' in the Terms of Reference alongside 'Nature Positive' and 'Climate Positive' and discuss it at meetings.
- 2. Drax should clarify how it positions itself within the forestry sector understanding the full impact of Drax's operations within the forestry sector will enable the business to promote best practice.

In response, Drax agreed to take these recommendations on board by updating the Terms of Reference and clarifying its position within the forestry sector. Drax will share the outcome of these resolutions with the IAB in 2023.

In October, the IAB met to discuss the BBC Panorama broadcast about Drax's operations in British Columbia, Canada. Drax presented the allegations made in the documentary and its response in detail. The IAB suggested that Drax clarify its procedure for sourcing materials and create a lexicon explaining local forestry terms by geography and provide further specific detail relating to some of the allegations. Drax agreed with these recommendations, and they are being implemented.

In November, the IAB met virtually for two three-hour sessions. These sessions comprised of several presentations and feedback from the board. First, Drax's Senior Scientific Officer presented a new science tracker which will keep track of research and act as an evidence base for the business. Following that, the VP of Sustainability for Drax in North America shared plans for an enhanced research programme to further strengthen Drax's science base in the regions we operate. Finally, The Earthworm Foundation shared developments on their Healthy Forest Landscapes programme, and the Drax UK BECCS team and Director of International Affairs presented more on the business's plans for BECCS in the UK and abroad.

In response to these presentations, the IAB made the following recommendations:

- 1. In presenting its narrative, Drax should: 1) avoid using the word "waste", 2) ensure the narrative is region specific and includes counterfactuals 3) employ more methodologies, such as statistical models (e.g., using large datasets).
- 2. Drax should reassess its criteria for determining carbon neutrality. For example, Drax should move away from saying "carbon stocks are increasing/stable" and stating biomass is carbon neutral. Drax needs to understand what alternative criteria there might be for carbon neutrality and how it can be measured cost effectively.
- 3. Drax's Senior Scientific Officer should develop the evidence base/science tracker as quickly as possible.

Drax agreed to take these recommendations onboard by incorporating them into plans going forward. Drax will present an update to the IAB in the first half of 2023.