



To: NAACP Mississippi State Conference
Charles Taylor, Executive Director
1072 W. Lynch Street, Suite 10
Jackson, MS 39203

April 12, 2024

Via Email: ctaylor@naacpms.org

Dear Mr. Taylor,

Thank you for your letter and questions regarding Drax's operations in Mississippi. The health and safety of our employees and the communities we operate in is our top priority. It's also essential for us to maintain transparent communication with interested parties like the NAACP, along with the people of Gloster, regulatory bodies, and government representatives. We welcome the opportunity to provide more information about how we manage air emissions, positively impact the community and our commitment to promoting diversity, equity, and inclusion.

Air Emissions

As you note in your letter, we did receive a fine related to air emissions from the Mississippi Department of Environmental Quality (MDEQ). When our pellet plants were first constructed, emissions capture technology was attached to the dryer where we, and our regulators, believed the bulk of emissions were generated. Through regular emissions testing and reporting to MDEQ, we discovered that there were emissions over permit limits in other areas of the operation. These additional emissions were not included in our original permit structure because the newness of the industry meant they were simply unknown. Once discovered, we self-reported this issue to MDEQ, which resulted in the fine.

To address the issue, we have since invested more than \$15 million in the Gloster plant and installed the best available control technology that effectively captures and eliminates pollutants. Additionally, we are also in the process of revising our air permit with MDEQ, which requires ongoing communication with the agency, as well as regular emissions testing and reporting of our air emissions. Once the permit is approved and issued, this testing and reporting will continue on a regular basis.

Community Impact and Engagement

When it comes to communicating with the community, Drax has conducted multiple listening sessions with community members to understand their concerns, and we have prioritized continuous interaction with residents near the facility. Our goal is to maintain this dialogue on a regular basis. Additionally, we're working to establish a community advisory panel and an official complaint process to respond to any concerns about our facility from the community.

Furthermore, via the Drax Community Fund, we have committed \$130,000 towards the creation of a walking track in the Gloster area, committed to fund the installation of air conditioning systems at the National Guard Armory Building, organized a turkey distribution event for 200 households in Amite County during the 2023 holiday season, sponsored STEM-focused programs for children, and provided financial assistance to local groups following natural disasters. We have set aside extra funds for future initiatives in Gloster and remain in collaboration with the community to identify additional opportunities for impactful partnerships that will benefit all of Gloster. In addition, through the Drax Foundation we



provided more than \$150,000 in grant funding in 2023 in Amite County and surrounding areas to support STEM education within underserved communities.

Most importantly, basing our operations in Gloster is a major source of economic growth and employment in southern Mississippi. The Gloster site is a source of pride for us, as it provides employment for 70 members of the local workforce. Of these, 48% are from Amite County, 17% from Pike County, 8% from Wilkinson County, with the remainder spread across Lincoln, Walthall, Franklin, Claiborne, Lawrence, and Marion Counties. Drax's operations contribute in excess of \$57 million annually to the GDP of Amite County, which translates to an estimated \$158 million yearly economic impact in Mississippi. Our presence in Gloster has recently drawn a new sawmill business to the area, promising an additional 130 jobs and a significant influx of investment to the local economy.

Our operations in Gloster sit at the site of a former Georgia Pacific paper plant that closed in the early 2000s, which meant not only loss of jobs and economic impact in the region, but also loss of markets for landowners to sell their forest material into. Markets support sustainable management of forests, which ensures that those forests remain healthy and productive, and prevents the spread of disease and wildfire. Forestry is a \$15 billion industry in Mississippi and supports 62,000 jobs. It is a key piece of the state's economy, and we are proud of our contributions to this important sector.

Diversity, Equity & Inclusion

With regards to your question about diversity at Drax, and while close to 40% of our workforce at the Gloster facility are African-American, Drax's Board and executive management continue to recognize that we need to do more to support people from diverse backgrounds. In March 2023, the Parker Review published a new target for FTSE 350 companies which seeks disclosure on the target percentage of senior management positions to be occupied by ethnic minority executives by 2027. We fully support the Parker Review's ambitions, and we are currently preparing an ethnicity objective appropriate for the succession pipeline of an internationally growing business.

We also continue to expand our diversity related activities, rolling out our Diversity, Equity and Inclusion (DEI) action plans, embedding DEI into our recruitment, talent and retention processes. We have also rolled out DEI workshops across North America and have provided additional learning for all colleagues to understand more about DEI. We are continuing to build our Colleague Resource Groups ("CRGs") to give members of all communities an opportunity to communicate in a safe place. We are also evolving our recruitment strategies to attract candidates from under-represented groups.

Again, I'd like to express my sincere gratitude for contacting us with your inquiries. We would be pleased to have you come to our Gloster pellet plant to take a guided tour, get acquainted with our team, observe the beneficial effects our activities are contributing to the town, and talk more about how we can collaborate to enhance our service to the Gloster community.

Sincerely,

Matt White
Executive Vice President, North America Operations
Drax Group