



Dear Dogwood Alliance,

Thank you for your letter outlining your concerns about the potential impacts of our operations and suggestions on pathways to improve our organisation. Through open, constructive and respectful dialogue we remain committed to working with a wide range of stakeholders to contribute to a better quality of life in our communities. We constantly strive to improve our operations and make a positive environmental, social and economic contribution to the communities in which we operate. We have already taken steps to address some of your concerns, including:

1. We have commissioned an independent air emissions report, for our Gloster facility. The results show that there are no adverse effects to human health from the facility and determined that no modelled pollutant from the facility exceeded the acceptable ambient concentration.
2. By the end of 2024, we will have invested more than \$180 million in improving and enhancing our pellet plants across North America since 2022.
3. Based on community feedback, we have modified some operations, for example by curtailing our operations at night and improving our dust collection.
4. We have hosted community meetings in Gloster to allow us to identify specific community needs and address any additional concerns. We plan to continue hosting regular community meetings throughout our operations.
5. We have established expanded community outreach and giving programs with higher funding levels to support causes and programs that positively impact local communities. In 2023 we donated around \$1.5 million to our North American communities, over and above our economic impact in those areas.
6. We have created a \$250K Community Fund to support local projects and programs in Gloster, which will be allocated to local and priority issues within the community. We are also creating a community advisory panel in Gloster made up of community leaders and citizens to help inform our investments in the region, including identify the Community Fund's priority issues and projects.

We have made progress, but we recognise there is more to do. To address some of your additional concerns, we will:

1. Continue to strive to meet regulatory compliance at our plants. At a minimum, we will seek to ensure 100% compliance with our permits. Where we have previously failed in this regard, we will fix this.
2. Invest more in measures across all our plants to achieve further improvements in our environmental performance, including exploring options to install additional technology and barriers to minimise disruption.
3. Enhance direct contact with our communities by hiring additional personnel who will live in our local U.S. communities acting as a liaison between our communities and our operations.
4. Create new policies that will follow U.S. government best practices to establish community participation opportunities and benefits plans for our areas of operation. We will continue to work with our communities to ensure their members are helping to define the best use of our programs and resources.
5. Explore opportunities to partner with academic institutions or other third-parties to report on the benefits and impacts of our operations, so that transparent and independent information is available to the public.
6. Continue with the implementation of our partnership with the Federation of Southern Cooperatives to help minority and underserved landowners in the U.S. South with greater access to the biomass market.

We remain open to working with potential partners in the region to improve community services beyond the scope and expertise of our business, such as health. We encourage the community to submit applications for related requests, including for air purifiers and filters, to the Drax Foundation and Community Fund.

Delivering positive outcomes for the climate, nature, and people is central to everything we do. We firmly believe that bioenergy has a unique role to play supporting decarbonisation and enabling a just energy transition globally. Drax's operations create hundreds of permanent direct jobs in mostly rural communities and support



thousands more across the value chain. Our sourcing and evidence-led approach gives a clear picture of forest health in the U.S. South and allows us to ensure that the forests we source from are replanted, continue to store carbon and remain biodiverse and healthy.

As we continue our work to meet our ambition of delivering biomass of the highest standards and deploy BECCS to support the world in the fight to tackle climate change, we look forward to working collaboratively with your organisation and our communities. I would welcome the opportunity to meet in due course.

A handwritten signature in black ink, which appears to read "Miguel Veiga-Pestana". The signature is fluid and cursive, written over a light grey rectangular background.

Miguel Veiga-Pestana
Chief Sustainability Officer
Drax Group