



DRAX GROUP POLICY

Biomass Sourcing Policy

Published: March 2025

Version: 1.1

POSITIVE ACTION

Table of Contents

Introduction	2
Policy purpose	2
Applicability	2
Who to contact for help?	2
How to speak up.....	2
Document summary details	3
Biomass Sourcing Policy	4
Policy Statement	4
Policy Governance and Implementation	5
Partnerships	6
Certification Standards.....	7
Core Principles.....	8

Introduction

Policy purpose

This policy outlines Drax’s approach to sourcing biomass responsibly, so that all biomass we source delivers positive outcomes for climate, nature and people.

Applicability

This policy applies to full-time, part-time, permanent, or fixed-term colleagues that are employed by an entity in the Drax Group (“Drax”), which are paid through any Drax payroll, and to workers who carry out services for Drax, but are not employed directly by Drax, including those working at Drax via an agency or on a contractor basis. This policy applies to all such colleagues and workers irrespective of the country in which they are based.

Any reference to a formal Drax process (e.g., disciplinary) outlined in this policy applies to colleagues paid through a Drax payroll only.

Who to contact for help?

If you have any comments or questions about this policy, please contact:

Name: Sustainability Team

Email: sustainabilityteam@drax.com

How to speak up

If you become aware of any circumstances which you believe contravene this policy or may risk contravening it, refer to the [‘How to report concerns’](#) section of the Group Business Ethics Sharepoint Site.

Anyone who raises a concern in good faith will not face retaliation because of their actions, even if they turn out to be mistaken. However, failure to report may mean that you are at risk of Drax taking action against you.

When raising a concern via our confidential SpeakUp hotline, you may choose to either include your identity or remain anonymous (see Speak Up (Whistleblowing) policy for further information).

Document summary details

Document/Policy number	1.0
Version number	1.1
Date adopted	March 2025
Document owner	Sustainability Team
Document sponsor	Chief Sustainability Officer
Approved	March 2025

For the full production history and approvals history, see below.

Version History

Version	Date	Detail	Author
1.0	March 2025	Biomass Sourcing Policy	Sustainability Team
1.1	April 2025	Minor text and hyperlink updates	

Approvals History

Version	Approved Date	Approver	Changes since last approved version
1.0	March 2025	Sustainability Council	

Biomass Sourcing Policy

Policy Statement

This policy outlines Drax’s global approach to sourcing biomass responsibly. It is evidenced that, when sourced sustainably, biomass can help make a positive contribution to achieving net zero, providing a source of renewable dispatchable power and carbon removals, which will both be needed in the fight against climate change¹.

Drax therefore recognises its responsibility to be a leader in sourcing biomass sustainably to deliver climate, nature and people positive outcomes across the supply chain.

This policy governs **all** the biomass we handle including:

- All the feedstock Drax purchases to produce our own pellets
- All third-party supplies of biomass to Drax
- All biomass Drax sells to customers
- All biomass used or sourced by Elimini

Central to our approach, is that biomass sourcing delivers against three core principles: to enable climate, nature and people positive outcomes. Underpinning these principles, is our commitment to compliance and robust traceability whilst conducting open stakeholder engagement. This approach builds on requirements defined in legislation and utilises robust independent third-party certification standards to provide assurance that biomass is sourced responsibly.

This means Drax will only source woody biomass from well-managed, sustainable forests including sawmill residues, low-grade roundwood and forest residues where these promote forest health or reduce the risk of fire or disease. Drax will also utilise alternative feedstocks such as agricultural residues

¹ <https://doi.org/10.1111/gcbb.12844>
<https://www.iea.org/energy-system/renewables/bioenergy>
https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf



or energy crops where these can support the circular economy and provide benefits for the climate, ecosystem, and communities.

Drax commits to developing systems to monitor and report on the impacts of our sourcing, including deploying programmes such as our Catchment Area Analysis² (CAA) across our sourcing regions.

Over time we will work so that 100% of our sourcing meets this policy and where expectations of this policy are not met, remedial action is taken. This means that where remedial action is required, Drax will develop a timebound action plan to resolve issues and align suppliers to this policy. Where this is not possible, Drax commits to review and/or terminate a contract with a supplier.

Policy Governance and Implementation

This policy forms part of our overarching approach to Sustainability as a whole and should be read in conjunction with other relevant policies and Drax's Sustainability Framework. This includes our Supplier Code of Conduct³ which commits to Drax working with suppliers whose standards are consistent with our own.

² <https://www.drax.com/sustainability/biomass-sourcing/catchment-area-analyses/>

³ <https://www.drax.com/Supplier-Code-of-Conduct>

In addition, this policy outlines the core objectives of Drax's global approach to sourcing biomass responsibly. Drax recognises that biomass sources and forests vary significantly depending on location and regional context, however fundamentally this policy applies to all biomass Drax sources. To support this policy's implementation, each business unit within Drax associated with biomass sourcing has developed its own implementation plan so that this policy is applied to each business unit's operating and sourcing context.

The science, best practices and regulations relating to biomass are continuing to evolve and therefore we will work with our Independent Advisory Board (IAB) to continuously improve our sourcing practices and this Biomass Sourcing Policy will be formally reviewed on an annual basis.

Partnerships

Partnerships: Drax recognises its responsibility to be a leader in the responsible sourcing of biomass and its duty to drive up standards and improve sustainability outcomes across the biomass industry and crucially for climate, people and nature.

To support this objective Drax will work with partners across the biomass industry to advocate for higher standards and improve sustainability outcomes for climate, people and nature.





Certification Standards

Certification Standards: Robust independent third-party certification standards are fundamental to sourcing biomass responsibly. Drax commits to using leading sustainability standards that recognise multi-stakeholder perspectives, can be independently verified and enable transparency across the supply chain.

Drax believes that robust third-party independent certification standards are central to ensuring biomass is sourced responsibly and are therefore integral to this policy's implementation.

Drax recognises that such schemes will vary across feedstock types therefore we are committed to using third party standards which cover the whole spectrum of sustainability considerations. Therefore, as a principle Drax commits to using third party certification schemes which recognise multi-stakeholder perspectives, are accredited and can be used to independently verify biomass sourcing. Such schemes provide a level of rigor and assurance that biomass is responsibly sourced and crucially enable traceability and transparency to track biomass across the supply chain.

Therefore to support this objective, Drax commits to:

- Sourcing all biomass with certification to internationally recognised sustainability certification scheme(s) or by exception subject to an independent third-party audit.⁴

⁴ Drax reserves the contractual right to independently audit suppliers as part of its programme of checks and balances

Core Principles



Climate positive: At Drax, we commit to monitoring forest dynamics across our sourcing regions, in addition to deploying critical carbon capture technology globally, all whilst delivering carbon reductions throughout our supply chain.

To support this objective, Drax commits to:

- Sourcing biomass which delivers net lifecycle greenhouse gas emissions (GHG) savings compared to realistic counterfactuals
- Quantifying and monitoring forest carbon stocks in the sourcing region over time
- Sourcing biomass from sourcing regions where forest carbon stocks are stable or increasing or if carbon stocks are declining this is due to natural disturbances and biomass sourcing is not a cause of carbon stock decline
- Sourcing biomass which does not lead to deforestation, degradation or conversion of the forest resource
- Sourcing biomass which does not negatively affect forests' long-term ability to store and sequester carbon
- Sourcing biomass which does not adversely impact the climate due to land use change
- Sourcing biomass which avoids undue distortion and displacement of fibre from long-lived solid wood product markets





NATURE POSITIVE

Nature positive: At Drax, we are committed to working in ways that respect, protect and where possible add benefits to the natural environment.

To support this objective, Drax commits to:

- Sourcing biomass which does not degrade forests or ecosystems with identified high biodiversity or conservation value
- Not sourcing biomass from areas designated as high conservation value, unless a competent authority has identified a need for harvesting or other intervention for nature protection purposes
- Sourcing biomass which avoids direct sourcing from designated areas of old growth (and primary forest⁵) as defined by the relevant competent authority
- Sourcing biomass which maintains or enhances ecosystem productivity, functions and services
- Sourcing biomass which maintains or enhances soil and water quality
- Using local partnerships to improve and restore nature

⁵ For information on Drax's approach to sourcing in British Columbia please see: <https://www.drax.com/information-on-our-canadian-sourcing/>



People positive: At Drax, we care about being a socially responsible business. By making a positive contribution to the communities in which we operate, and by supporting good causes, our intention is to play a part in helping to shape a better future for people living in areas which have a connection with one of our businesses.

To support this objective, Drax commits to:

- Respecting human rights through all levels of our supply chains, including safeguarding the labour rights of workers and not engaging in any form of discrimination, nor compulsory labour or child labour
- Being a Responsible Business Partner and Neighbour in the supply chains and communities in which we operate and biomass sourcing contributes to local prosperity
- Following our Indigenous Peoples Policy which includes the concept of Free and Prior Informed Consent (FPIC)

Principles are supported by:

Compliant, Traceable and Transparent

Compliant, Traceable and Transparent: Drax recognizes sustainable sourcing goes beyond legal compliance and that traceability and transparency within the supply chain is core to sourcing biomass responsibly.

Therefore, as a minimum, Drax commits to:

- All biomass sourcing complies with all applicable local and national legislation
- All biomass sourcing is traceable across the supply chain so that we comply with our sourcing policy and can extend this confidence to our customers
- Sourcing areas will be mapped and sustainability related risks to sourcing biomass from those areas will be known and mitigated

Stakeholder Engagement

Indigenous Peoples and Stakeholder Engagement: Drax recognises the importance of conducting meaningful and open stakeholder engagement. We will actively work with our suppliers, customers, communities, Indigenous Peoples, and stakeholders in the regions in which we operate to advocate for use of sustainable biomass for bioenergy and encourage a continuous improvement approach towards social, economic and environmental use of biomass.

To support this objective, Drax commits to:

- Working with governments, suppliers, as well as local, national and international stakeholders to better understand the impacts of biomass demand and develop future actions and interventions to improve performance

