DRAX GROUP PROCEDURE

Environment, Social and Governance (ESG) Sustainability Basis of Reporting

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drax

Introduction and scope

This Basis of Preparation document outlines the methodology, scope, and underlying assumptions used in the collection, calculation, and reporting of selected Environmental, Social, and Governance (ESG) metrics disclosed by Drax Group plc.

Its purpose is to provide transparency and clarity regarding how these metrics are defined, measured, and assured, enabling stakeholders to interpret the data consistently and accurately.

The ESG metrics included in this document are those that are subject to external assurance. The external assurance is obtained on a voluntary basis and reflects our commitment to responsible business practices and continuous improvement in areas that materially impact our operations, communities, and environment.

This document should be read in conjunction with our broader ESG disclosures, including our Annual Report and ESG Performance Report. It is intended to support the integrity and comparability of our ESG data, and to facilitate informed decision-making by investors, customers, employees, and other stakeholders.

The ESG metrics that are covered by this document are:

Carbon Emissions
Group Total Scope 1
Group Total Scope 2 (location -based)
Group Total Scope 2 (market -based)
Group Total Scope 3
Proportion of Group emissions within the UK
Generation emissions per GWh of electricity generation
Group emissions per GWh of electricity generation
Group total energy consumption

Health, Safety and Environment (HSE)
Total Recordable Incident Rate (TRIR)
Near Miss and Hazard Identification Rate (NMHIR)

Biomass
Total volume of fibre consumed at Drax Power Station
Proportion of woody biomass consumed at Drax Power Station with SBP Compliance claim
Average biomass supply chain GHG emissions

Process of collection & validation

While each category of ESG data is subject to its own defined collation and submission processes —reflecting the unique characteristics, sources, and operational contexts of the respective metrics—a group-level process is in place to ensure consistency and integrity across disclosures.

This overarching process governs the consolidation, review, and validation of ESG data at the corporate level prior to finalisation. This process is centred around the ESG Databook.

The ESG Databook is the repository, of the majority of ESG metrics collated by the Company and contains financial and non-financial data relating to the environmental, social and governance matters of Drax Group.
The raw data used in the ESG Databook is collected from primary sources by Data Owners (employees of Drax, with the relevant expertise, who are responsible for different categories of metrics within the ESG Databook).

The Data Owners are responsible for calculating, inputting and verifying the figures for their data categories in the ESG Databook. As well as providing the specific figures, the Data Owners must also provide details of the origin or source that contains the underlying detail of the figures. Each Data Owner is accountable for ensuring that the data for the metrics assigned to them is correct, including putting in place appropriate controls to ensure the accuracy of that data, although there may be overlap with other processes.

Once the Data Owner has inputted to the ESG Databook or provided the data to the ESG team for input, the entries are confirmed by the Data Reviewer. Following this, final sign off is obtained by an appropriate member of the Executive Committee.

In respect of the categories of data in scope of this document, specific collation and submission processes take place prior to the overarching process set out above. These include:

Carbon Emissions
The ESG metrics, set out on page 3 of this document under the Carbon Emissions heading, are collected, analysed and generated using Microsoft Sustainability Manager (“MSM”) software. Carbon emissions calculations are extremely complex and the Climate team, which reports to the Chief Corporate Affairs and Sustainability Officer, is responsible for this process.

MSM allows Drax to track Scope 1, 2 and 3 emissions regularly throughout a calendar year and employs a separate system called Rossum AI, which sources and processes meter readings, financial invoices and reports from various DG IT systems which are incorporated into MSM.

The MSM system will use available data for each metric based on meter readings, invoices and reports. Data is ingested into MSM through some automated processes with invoice scanning, and some manual data entries and spreadsheets which are uploaded into the MSM system. All data has an appropriate sign off process, whether automated or manual, with technical reviewers assigned for each data point. The data is compiled annually by the Data Owner and submitted into the ESG Databook for review by the Data Reviewer. Where data is not available at the time of reporting, Drax’s programming of MSM allows it to “fill the gap”, using the average of year-to-date values to project to the end of the current reporting period.

Biomass

The ESG metrics, set out on page 3 of this document under the Biomass heading, are collated using a questionnaire (in spreadsheet form), which is sent to each of our biomass pellet producers seeking information on that producer's woody biomass.

The data provided by each producer is signed off by the relevant local Drax biomass production sustainability team as well as the UK-based sustainability team in charge of responsible sourcing. The Profiling Data is then collated and reviewed by the Drax Compliance team before submission into the ESG Databook for review by the Data Reviewer.

HSE

The ESG metrics, set out on page 3 of this document under the HSE heading are the responsibility of the Drax Group HSE team who collate the data and reporting performance against KPI targets on the total number of recordable injuries, near misses and hazards entered into the Evotix reporting system. This is done both monthly and as part of the half yearly and year end reporting process. Data is collected in the form of raw numbers, collated in an Excel spreadsheet, and converted into rates using a PowerBi dashboard.

These two metrics are considered in further detail on pages 29 and 30.

Appendices

Appendix 1 – Basis of Reporting

Energy & Industry Organisational Boundary

Drax aims to include all emissions from business activities linked to the Drax Group. A list of all the company's direct and indirect related undertakings can be found in the financial statements in the Annual Report and Accounts 2025.

Company/ Business unit	**Description**
Generation	Drax's generation portfolio provides dispatchable renewable power, flexible power, and system support services to the electricity grid. Our generation business also uses pellets sourced from our pellet production facilities with additional pellets sourced from around the globe. The generation sites include: • Drax Power Limited: The biomass power station and the offices on site. • Drax Pumped Storage Limited (Cruachan Power Station including the visitor centre) • Drax River Hydro Limited (Lanark and Galloway dams and stations) • OCGT facilities (Hirwaun, Millbrook and Progress).
Pellet making	Based in the US South and in Western Canada, we have 17 operational and development pellet mills with nameplate capacity of around 5Mt once expansions are complete. They provide a sustainable, low carbon fuel source that can be safely and efficiently delivered through our global supply chain. All plants are included into the boundary as they fall in the operational control of Drax Group. In addition, the ports of Baton Rouge, USA and Westview Terminals, Canada are included.
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 decarbonisation services, including vehicle fleet electrification. It also provides a route to market for many smaller embedded renewable generators. The Customers business sits within the Drax Energy Solutions Limited entity.
Non-Generation	All emission sources that are not classified as Generation are included. This includes "Pellet making" and "Customers" in the sections above; Elimini (currently represented as the Houston office), BMM Energy Solutions Limited, Daldowie Fuel Plant and other supporting offices (Tokyo, London, Glasgow, Prince George, Vancouver and Monroe).
Exclusions	There are currently no exclusions known.

Greenhouse Gas Emissions Reporting Criteria

Unless stated otherwise, Drax's carbon accounting methodology follows the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard, and SBTi Corporate Standard guidance. The GHG emissions are classified in the following categories:

- **Direct GHG emissions (scope 1):** GHG emissions from sources that are owned or controlled by the company.
- **Indirect GHG emissions (scope 2):** GHG emissions from the generation of purchased electricity, heat and steam consumed by the company.
- **Indirect GHG emissions (scope 3):** GHG emissions that occur as a consequence of the activities of the company, but occur from sources not owned or controlled by the company.
- **Out of scope:** Biogenic CO_2 emissions from sources owned or controlled by the company.

Greenhouse gas emissions conversion factors are published for users (such as Drax Group) to report emissions in terms of carbon dioxide equivalence (CO_2e). However, some databases (such as the National inventory report and EPA Emission Factors Hub) report emissions non-CO_2 GHGs (CH_4, N_2O, SF_6, PFCs, HFCs, NF_3) without converting to CO_2e. In those instances, Drax will use the AR5 published IPCC global warming potentials for a 100-year period without climate carbon feedbacks and not include indirect impacts from water vapour, NOx, albedo or contrails.

Where externally published emissions factors are used, the first preference will be factors issued by the Government of the location of the assets. Where suitable emissions factors do not exist, if required, other reputable representative external sources will be used as a proxy. Drax recognises that biomass should not automatically be assumed as 'carbon neutral' and that biomass may have beneficial or damaging impacts on the climate depending on how it is sourced and where it is sourced from. In particular, we acknowledge and support the carbon accounting approaches for biomass laid out in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories , which recognises that the most appropriate means to evaluate the climate impact of carbon flows in the biogenic carbon cycle, including land use and biogenic products, is through assessment of carbon stock changes in the agriculture, forestry and other land use (AFOLU) sector. This guidance further requires that to avoid double counting of emissions, biogenic CO_2 is 'zero-rated' at the point of release, whether this be due to combustion or respiration. Our biomass sourcing policy states that we source only from "regions where forest carbon stocks are stable or increasing" to ensure our methodology meets these statements. In supporting these accounting conventions, we appreciate the implications of the guidance: that the climate benefit of bioenergy and BECCS can only be fully determined when considering the impact of sourcing on land sector carbon stocks. The 2025 inventory was developed prior to the release of the GHG Protocol Land Sector and Removals Guidance, and it is noted that the Box 1.1 of the guidance states Version 1.0 "does not apply to forestry, as it does not provide comprehensive requirements for companies that own or control forest land or are in forest product value chains". As such, the guidance has not been incorporated into the current methodology, however will be considered for future reporting where appropriate.

In accordance, Drax only sources biomass from 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. By doing so, we can demonstrate that atmospheric removals in the land sector related to the biomass we use are at least as great as the amount of carbon released through combustion.

Full year results

The MSM system is used for GHG and ESG reporting. It will use available data for each metric based on meter readings, invoices and reports for reporting. In MSM for reporting Scope 3 emissions associated with upstream transportation and distribution actual data is used where available. In contrast to the reporting to the Regulators under compliance schemes where a conservative approach is used when calculating GHG emissions particularly in terms of the route to site applying worst case scenario across enTrader. Where data is not available at the time of reporting, Drax's programming of MSM allows it to "fill the gap", using the average of year to date values to project to the end of the current reporting period.

Scope 1 and 2

Relevant KPI: Group total Scope 1 and Group total Scope 2

Drax includes greenhouse gas emissions under Scope 1 and 2 based on a criterion of operational control. Therefore, some pellet mills (eg: Houston, Lavington, Northern pellets, Smithers) are accounted for under Scope 1 and 2 despite Drax not having full ownership of the facility. Similarly, leased locations that are wholly operated by Drax and for which Drax have control of the utility suppliers, energy consumption, maintenance and business operations are included in Scope 1 and 2 (eg: Drax Energy Solutions). Those that do not meet those criteria are added to Scope 3.

Scope 1 emissions from fuel combustion and Scope 2 electricity consumption are calculated using the government emissions factors for each location. Exceptions are made if the site managers have more precise, direct measurements that are more representative of emissions. Eg: Drax Power Station has installed air pollution controls and system to limit the N_2O and CH_4 emissions from the stack.

Table 1: Scope 1 emission sources

Sources of Scope 1 emissions	Emissions data collection, calculation methodology and uncertainty	Data collection unit	Conversion factors and uncertainty
UK	**UKETS CO_2 sources (Drax Power Station)** Heavy Fuel Oil, Pulverised fuel ash, Light fuel oil, Liquified Petroleum Gases, Natural gas, Biogenic CO_2 emissions. Emissions subject to an Emissions Trading Scheme (ETS) are required to demonstrate quantitative uncertainty within a tight error band (major fuels to +-/1.5%). All fuel usage is recorded using calibrated meters to meet the standards. **Other (non UKETS) sources** Petrol (Average biofuel blend), Diesel (Average biofuel blend), Natural gas (average biofuel blend), Petrol, Fuel Oil, Biomass wood pellet CH_4 and N_2O(CO_2 reported out of scope), SF_6 leakage from switch gear.	Tonnes, KWh Tonnes, Litres, Miles	**Drax ETS Data (CO_2)>** Pulverised fuel ash Natural Gas Heavy Fuel Oil Biogenic CO_2 emissions **JEP Pollution Inventory Methodology>** N_2O (biomass/biomass FGD) **All other Factors: DESNZ>** UK Government conversion factors
Canada	Diesel (Light fuel oil), Natural gas, Motor Gasoline and Propane consumption are invoiced by each supplier and aggregated for reporting. The tonnes of biomass used by dryers is based on a calculation of Oven dried tonnes (ODT) needed to run the furnace. Then it is adjusted based on the moisture content of the biomass at arrival.	Litres, GJ, Tonnes	**Canadian Government>** National inventory report EN_Annex6_Emission_Factors_Tables.xlsx

	Time-chartered ships Drax currently have a few time-chartered vessels under long-term lease, and thereby our operational control, delivering pellets from Canada to Asia. Since the contract was under the "Pinnacle" this is included as emissions under "Canada". After each voyage, a fuel consumption report is shared with the total marine fuel oil and diesel fuel oil used. All journeys are included based on the date of arrival. The consumption is a good representation of fuel consumption during sea passages, however in port fuel usage or some short passages between ports may be excluded.		
USA	Diesel, Natural gas, Motor Gasoline and Propane consumption are invoiced by each supplier and aggregated into a excel database for reporting. Biomass consumption at the pellet mills (hogfuel) are paid and recorded by the finance team through the deliveries "at gate". Hogfuel consumed is calculated based on the difference between the starting inventory, purchased hogfuel and the closing inventory.	Litres, m^3 (gas) Tonnes	**US EPA>** EPA Emission Factors Hub

Table 2: Scope 2 emission sources

Sources of Scope 2 emissions	Emissions data collection, calculation methodology and uncertainty	Data collection unit	Conversion factors and uncertainty
UK	All electricity consumption in the UK is metered and collected to an excel sheet for reporting. **Location-based:** A scope 2 location-based emissions figure will be reported in the Annual Report and Accounts, based on reliable local grid emissions factors. As a UK generator, Drax Group owns and generates electricity to deliver to the grid. Following the GHG Protocol's section 5.6 and Table 6.1, Drax will not report scope 2 emissions (location and market-based) if certificates are not generated/ sold or if Drax's REGOs are retained for other locations on the GB Grid. **Market-based:** Following the GHG Protocol, under a market-based approach, is recommended to use a "residual mix" factor for the electricity consumed without green credentials (eg:REGO). Drax uses the AIB as the reputable source for CO_2 emissions for the UK. However this only applies to CO_2 emissions, not non-CO_2. Regarding non-CO_2 emissions, Drax has not been able to identify an authoritative and reliable source to use for each	MWh	UK Government conversion factors **UK electricity > Electricity UK** Electricity Generated Drax has opted not to use "regional" emissions factors available on National Grid ESO for the UK. However, it is still being investigated as a possible source of data. AIB Residual Mixes **UK Market Residual:** CO_2/kgCO_2e: Table 1 > GB > CO_2 UK Government conversion factors **UK Market Residual: __** CH_4/kgCO_2e, N_2O/kgCO_2e UK Government conversion factors **UK electricity >** Electricity UK (kgCH_4 , kgN_2O)

	generation type. However, as a biomass generator, we are aware that only CO_2 is considered neutral and CH_4 and N_2O emissions could be reported. Therefore, we have decided to use the N_2O and CH_4 equivalent from the UK "Electricity generated" values for all imported electricity, whether it is supported by REGOs or not. For electricity supported by a REGO, the CO_2 will be reported as zero, as per the fuel mix disclosure / DUKES table 5.14 for "renewables". If all REGOs are from a portfolio of wind/solar/hydro only, then CH_4 and N_2O emissions can be reported as zero. **Cruachan** Drax report their electricity emissions from Cruachan PSH based on a "Net consumed energy" approach as advised by the World Resource Institute (WRI). **Drax Power Station** Drax power station has multiple metered points to measure the gross generation of electricity, electricity consumption of unit power (pumps and mills for generation) and imported electricity for ancillary equipment (including general non-united usage such as lighting, offices, biomass supply systems). Drax considers the imported electricity as its Scope 2.		Net consumed electricity = [Imported electricity] – [electricity exported] The net consumed electricity is applied to both location-based and market-based approach. Drax will follow the recommendation as advised by WRI, but will continue to investigate potential "advanced grid studies" to report alongside the reported scope 2
Canada	Electricity is metered for each location and is invoiced by the provider, and where the invoice is not provided an	MWh	National inventory report - EN_Annex13_Electricity_Intensity.xlsx

	appropriate proxy is used. The consumption total from each invoice is added is stored in an excel sheet for reporting. Businesses in Canada are not able to choose electricity providers, therefore the market-based approach is the same as the location-based calculation.		
USA	Electricity is metered for each location and is invoiced by the provider. The consumption total from each invoice is added is stored in an excel sheet for reporting. Similar to Canada, US companies cannot choose suppliers. The market-based emission factor uses the grid average as the location-based method.	MWh	EPA Emission Factors Hub

Scope 3

Relevant KPI: Group total Scope 3

Drax reports against scope 3 emissions as defined by the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard and uses the same standard against which to report. Drax reports all categories where emissions are relevant to Drax's operations.

The 'Biomass Carbon Calculator' is a greenhouse gas lifecycle emission tool developed by Drax that allows accurate calculation of wood pellet supply chain GHG emissions in accordance with UK and EU regulations. The Calculator meets the needs of stakeholders and regulators; and has since been independently verified against the methodologies laid out in the UK Renewables Obligation and Annex VI of the EU Renewable Energy Directive recast. Drax relies on the calculator to report scope 3 emissions for biomass pellet supply chains and meets the standards from the GHG Protocol. A comprehensive guide for all the emission factors and references can be found in the user guide.

A selection of the main references are listed in **Error! Reference source not found.** below.

Table 3: Scope 3 emission sources

Category of Scope 3 emissions	Emissions data collection, calculation methodology and uncertainty	Data collection unit	Conversion factors and uncertainty
1. Purchased goods and services	**Opex:** Operational Opex is used to estimate the emissions from purchased goods and services that do not have a carbon lifecycle analysis available. Opex is measured and captured by Drax's Financial Management Platform. The total Opex spend (excluding bad debt) is collected by account, categorised into sectors using internal allocations on our trial balance, and emissions factors applied. An updated emission factor set has also triggered a re-baseline. **Upstream processing emissions of sold Drax pellets** All Drax pellets sold to third parties are weighed during each shipment through the "draught surveys" when a vessel is loaded. These are captured and recorded into Drax's database. Draught surveys can vary from port to port depending on their instruments. "Processing at origin" emissions from all Drax pellets sold to third parties are estimated using the Biomass Carbon Calculator. 3rd party pellets sold are weighed and recorded in the same method as Drax pellets, at the power. The emissions from processing at origin, pelleting and transport to local are also estimated using the Biomass Carbon Calculator.	£ KWh Tonnes	Spend-based emissions factors from the TASA database have been used to calculate industry sector emissions. The emission factors are adjusted to account for inflation from 2019 to 2024, using the rates within Drax's internal financial system. Drax Biomass Carbon Calculator In the absence of emissions data, the average of Canadian biomass producer's GHG profile will be used.
2. Capital goods	**Capex cost** Operational Capex is used to estimate the emissions from capital goods that do not have a carbon lifecycle analysis available. Capex is measured and captured by Drax's Financial Management Platform. The total Capex spend (excluding bad debt) is collected by account, categorised into sectors using internal allocations on our trial balance, and emissions factors applied.	£	Spend-based emissions factors from the TASA database have been used to calculate industry sector emissions. The emission factors are adjusted to account for inflation from 2019 to 2024, using the rates within Drax's internal financial system.

3. Fuel-and-energy-related activities (not included in Scope 1 or 2)	**Biomass to Drax Power Station:** Drax measures its biomass supply chain emissions based on the amount of known biomass transported in each step of the supply chain. For Drax produced pellets, the total distance and tonnes of feedstock delivered to a pellet mill is recorded and converted to a CO_2 equivalent total for its upstream emissions. The tonnes of pellets delivered to the maritime port is tracked and proportionally allocated based on the annual percentage between pellets sold for Drax power station in the UK and traded to other customers. For 3rd party pellets (non-Drax produced pellets), the GHG emissions from forest to Drax supply chain are calculated using the Drax Biomass Carbon Calculator aligned to Ofgem reporting requirements based on the bill of lading of pellets. This includes emissions from processing, feedstock transport, pelleting, pellet transport (Rail, shipping or trucks). Once arrived in the UK, the last part of the pellet transportation in the UK to bring pellets from the UK ports to Drax Power Station are weighed and recorded for each delivery and measured through Drax's "First in First out" (FIFO) model. This is an agreed and validated method with the regulators which assigns which shipments (and therefore, which biomass producer's pellets) are consumed each month. For the annual report, the December data from the FIFO model is provisional as the official Ofgem/LCCC submissions are completed one month later. The total tonnes quantity consumed in the provisional report are over 95% accurate, but will differ slightly in the interpretation of the origin of the pellets. For the official submission to the regulators, this is corrected. For annual carbon emissions reported under ESG, the impact is considered not material. "Fuel in use" is removed from the calculation as this is already accounted for in Scope 1 emissions as the CH_4 and N_2O release from combustion. **Well-to-tank ("WTT") emissions from Scope 1&2 energy**	Tonnes, km	Drax Biomass Carbon Calculator The GHG Protocol calculate the scope 3 emissions from cradle-to-gate (even for waste or co-products). However, Drax reports biomass supply chain emissions following the REDII methodology for environmental reporting for UK subsidy. The methodology states that for residues, the accounting only starts from the point at which the residues become available for use. Therefore the Drax biomass carbon calculator does not consider processing/sawmill residues' emissions at the forest level, or transport from forest to sawmill as part of the inclusion boundary. Only emissions the emissions from the transportation of sawmill residues to pellet plant onwards. UK Government Conversion Factors WTT and T&D factors USA EGrid Loss % National inventory report - UK Fuel mix disclosure **3. Environmental impact> Renewables** Regarding non-CO_2 emissions, Drax has not been able to identify an authoritative and reliable source to use for each generation type.

	For stationary and mobile energy consumption in Scope 1&2, a well-to-tank (WTT) emission factor is added. The primary source used is the WTT figures published in the UK Government emission factors for the UK. We recognise that WTT emissions may be different for other countries, and may have different sourcing regions for the above, however Drax takes a conservative approach and includes supply chain emissions for all fuels use globally to rather than ignoring these emissions. An exception is made pulverised fuel ash, which is a by-product the current process and the emissions were already accounted for in the combustion of the primary fuel. **Electricity indirect emissions** Transmission and distribution losses from electricity consumed are added to each country Drax is located. The total MWh used is metered and invoiced by the provider. For the UK, Drax uses the UK Government conversion factors transmission and distribution losses (T&D- UK electricity). For the USA, eGrid (EPA) published the loss rate annually and these are applied to the current factor (Generation output emissions rate/ (1-loss%). For Canada, the National Inventory Report publishes the Generation and Consumption intensity under Annex 13. The difference between the two are the scope 3 emissions from the T&D. Under a market-based approach, the same scope 3 T&D emission factor is used as the location-based approach. **Sold electricity from other generators (PPAs)** This category includes electricity power sales from generators. Drax Energy Solutions (DES) provide the fuel mix disclosure of its PPA contracts and the breakdown of the generation type: • Renewable: Generators produce electricity through solar, wind and hydro. We apply the CO_2 emission factors from the UK Fuel mix disclosure / (DUKES table 5.14). • Bioenergy: Including Anaerobic digestion and biomass combustion. CO_2 emissions are zero rated. However, energy from biomass may have non-CO_2 emissions. Anaerobic digestion would have CH_4 release but no N_2O; biomass combustion has CH_4 and N_2O	Tonnes Litres Miles MWh MWh	

	emissions. Therefore, we have decided to use the N_2O and CH_4 equivalent from the UK "Electricity generated" values for the whole portfolio of sold electricity, similar to our Scope 2 methodology. • Other (gas): Remaining contracts are a mixture of CHP (gas) and renewables. However, in the absence of further data visible to the carbon accounting team, the total generation is considered as conventional gas generation. The T&D losses are also applied using the T&D losses found in the UK Government conversion factors methodology (Table 7).		
4. Upstream transportation and distribution	**Feedstock transport of Drax pellets sold to third party** All emissions from feedstock transport that are destined to be sold to third party once pelletised are included in this group. Calculated using the Drax Biomass Carbon Calculator aligned to Ofgem reporting requirements and assigned as required for scope 3. The tonnages are recorded at vessel loading (see Category 1: Upstream processing emissions of sold Drax pellets) **Other sold products** Data for the upstream supply of sludge to Daldowie pellet plant were provided directly from the supplier, Scottish Water, based on 2019. This value will be assumed still relevant until a significant operational change occurs.	Tonnes N/A	Drax Biomass Carbon Calculator
5. Waste generated in operations	For UK sites, waste data is compiled annually from the waste vendors. Waste is categorised by European Waste Code and their disposal method (Recycled, Reused, Other recovery methods, Incinerated without energy recovery, Landfill or Other disposal method). A best fit emission factor is allocated from the listed UK Government conversion factors for waste disposal and water treatment. USA pellet mills record the annual tonnes of scrap metal, used oil and other general waste from each location. These are identified through a written description of the waste provided by the facilities managers and then an emission factor from the UK government conversion factors is attached.	Tonnes	UK Government Conversion Factors

6. Business travel	Drax uses a 3rd party software (Gray Dawes) to book business travel. The report provides an annual report with a calculated tCO_2e for the journeys booked through the system. The methodology provided by Gray Dawes uses the UK government factors for rail and air depending on the fare class and destination, as well as for hotel stays and taxis. Internal expense claims systems are used for the collation of mileage travelled by employees in their own cars on business, the emissions factor for an average car from UK Government conversion factors is used to calculate emissions from the mileage. Data on hire cars mileage are multiplied by the relevant emissions factor using the UK Government conversion factors. For hire car contracts where the same data are not available a calculated miles per day are applied to other records.	$kgCO_2e$ Miles	**Gray Dawes travel report** UK Government Conversion Factors
7. Employee commuting	**Employee commuting** UK Emissions from commuting are calculated based on the number of staff employed for each site at the end of the reporting period. The distance is calculated "as the crow flies" from their postcodes to the office multiplied by 1.417 to estimate the driving distance. For USA and Canada employees, average UK staff emissions is used as a proxy. The number of working days per year is estimated based on the website "Working days"	Postcodes, registered office and office attendance.	UK Government Conversion Factors

8. Upstream leased assets	The three offices accounted under this group is the London office (UK), Monroe and Houston offices (USA) and the Tokyo (Japan) office. These offices are outside of Drax's operational control and Drax does not receive energy invoices. As such appropriate regional energy proxies are used.	MWh FTE hours in office	UK Government Conversion Factors EPA Emission Factors Hub USA EGrid Loss %
9. Downstream transportation and distribution	**Pellets** Downstream transportation from Pellet Production business to 3rd party users, mainly in Asia. Drax tracks the total tonnes of pellets sold including the port of disport of the pellets. The average distance is measured and multiplied by the distance-based emission factor from the Drax Biomass Carbon Calculator. We have included some additional land transport at the country of disport (equivalent to 190km rail). The tonnages are recorded at vessel loading (see Category 1: Upstream processing emissions of sold Drax pellets) **Other sold products** The emissions from the transport of pellets leaving Daldowie UK is the distance to its main customer, 379km away. Transport emissions of concrete (made from ash) to customers is based on the Mineral Products Association, Fact sheet 18 (2019).	Tonnes Tonnes	Drax Biomass Carbon Calculator UK Government Conversion Factors

10. Processing of sold products	Sold ash emissions are be based on emissions intensities from "Mineral Products Association: Sustainable Development, Report 2020" with quantities measured by Drax for sold ash. All processing is assumed to take place in the year the ash is measured for sale.	Tonnes	Mineral Products Association Processing of ash sales - EN13055 Processing of ash sales - EN450
11. Use of sold products	**Other sold products** Daldowie sells its biomass pellets to the local market. The CH_4 and N_2O from combustion are accounted into our inventory. **Drax pellets and 3rd party pellets sold to third parties** The CH_4 and N_2O emissions from all traded pellets (excluding Daldowie above) are accounted for using the Drax Biomass Carbon Calculator. The tonnages are recorded at vessel loading (see Category 1: Upstream processing emissions of sold Drax pellets)	Tonnes Tonnes	UK Government Conversion Factors No emission factor is given for sludge pellets, therefore the emissions for wood pellets is used. Drax Biomass Carbon Calculator
12. End of life treatment of sold products	This category is not applicable to Drax as the product sold is energy (gas, pellets, energy). Therefore, Drax interprets the use of those products (Category 11) as the end emissions of those products.	N/A	N/A
13. Downstream leased assets	**Golf course emissions** Drax leases some land for the Drax Golf Club which uses electricity for its facilities and activities linked with mowing, irrigation, insecticides, herbicides, fungicides, fertiliser, aeration.	Hectares	Science direct All components (playing and non-playing zones), Parkland emissions
14. Franchises	Drax Group does not operate any franchises.	N/A	N/A
15. Investments	Drax Group does not have any assets under management.	N/A	N/A

Other (upstream)	This category is not applicable to Drax.	N/A	N/A
Other (downstream)	This category is not applicable to Drax.	N/A	N/A

Biogenic CO_2 Emissions

Drax reports biogenic emissions from CO_2 alongside our inventory and in ESG metrics such as CDP. Only direct biomass combustion is included.

Table 4: Biogenic Emissions

Out of scope emissions	Emissions data collection, calculation methodology and uncertainty	Data collection unit	Conversion factors and uncertainty
Pellet Combustion	Drax Power Station records the total tonnes of pellets consumed during generation. This is recorded into its systems and multiplied by the CO_2 release measured during sampling to meet the ETS requirements. Sold pellets emissions are also calculated and reported assuming combustion both from North American pellet mills as well as from Daldowie.	tCO_2 Tonnes	UK Government Conversion Factors
Hogfuel Combustion	Drax's Canadian pellet mills use biomass in their boilers to dry feedstock. The tonnes are recorded through deliveries. The CO_2 emissions are reported as biogenic. Drax's USA pellet mills use hogfuel in their boilers to dry feedstock. The tonnes are recorded through deliveries and estimates based on on-site debarking procedures. Emissions reporting matches Canada.	Tonnes	National inventory report EPA Emission Factors Hub
Hydrotreated Vegetable Oil (HVO).	Drax utilised HVO in UK rail freight, with the tonnes of fuel being recorded through delivery. The CO_2 emissions are reported as biogenic.	Tonnes	UK Government Conversion Factors

Rebaselines and Restatements

Drax uses 2020 as its baseline year and set a science-based target to align with a 1.5°C warming scenario. Drax's recalculation policy treats "significant changes" into two categories: Errors and non-errors. Errors constitute updates required to be made to account for a historic misreporting. Non-errors are changes such as: structural changes; divestment and investment; outsourcing or insourcing of significant emissions or changes in methodology. For both errors and non-errors, if the impact exceed to more than 5% in any of our SBTi targets Scope 1, 2 or Scope 3, then a restatement will be made for the affected reporting year in the next reporting cycle for all historic years. The impacts of the rebaseline and restatements are presented in

Table 5: Rebaseline and Restatements

Emissions Source	Rebaseline and restatement methodology and reasoning
Opus Energy Gas Accounts	Drax has sold off all gas books associated with Opus Energy. The final gas book was removed from Drax's accounts in April 2025, and these emissions have been re-baselined out of the GHG footprint, with the proportion of sold accounts removed from historic footprints.
Opex and Capex Spend	Drax have updated their spend based calculation methodology to use a new more up to date emission factor set. This replaces the Route2 factors previously used with TASA factors, enabling a more detailed regional and sectoral split of data. The historical emissions have been rebaselined to match the updated approach.
Pinnacle Historic Emissions	Drax have updated the emissions associated with the Canadian pellets business which was acquired in 2021. Estimates had previously been used to calculate emissions, however improvements were made to the calculation methodology using primary data. These updates impacted the footprints for the years 2020 and 2021.
Reallocation of Emissions	Drax have reviewed the reported Downstream Transportation and Distribution emissions, and have determined the emissions to be more suitably reported under Upstream Transportation and Distribution and as such have been reallocated. No change in the absolute emissions values have occurred as a result.
Error Fixing	Drax noted an error in the allocation of emissions for feedstock transportation. The emissions have been updated with the corrected data. This impacts the 2024 reported emissions only. Further fixes include updates to Scope 3 emissions factors for electricity to account for the full value chain impacts, which has impacted all previous reported years.

Table 6: Rebaseline and Restatement Figures

Scope	**2020**	**2021**	**2022**	**2023**	**2024**
Scope 1 ($ktCO_2e$)	- 2	15	0	0	0
Scope 2 location-based ($ktCO_2e$)	- 0.3	11	0	0	0
Scope 3 ($ktCO_2e$)	- 449	- 448	- 662	- 978	- 1,059

Other relevant KPIs

- *Proportion of Group emissions in the UK*

This KPI metric is reported as the percentage (%) of Scope 1 and Scope 2 (Location-based) reported by UK sites against the total Scope 1 and 2 (location-based) for the Drax Group. All sources of emissions for GHG accounting are assigned to a site based on its physical address and therefore, by country.

- *Generation emissions per GWh of electricity generation*

The KPI is reported in tCO_2e/GWh. This KPI is also one of the SBTi targets (reported in $kgCO_2e/MWh$). Generation sites are defined in the organisational boundary.

The emissions for the KPI uses the sum of Scope 1 and 2 (location-based) from generation assets, as defined on page 6, as the numerator. Electricity generated is defined by the total electricity supplied to the grid by the generation assets. With a primary focus on the generation assets, solar PV generation placed on the roof of the offices are not included for this KPI. This would also apply to the Cruachan visitor centre and Drax Power Station on-site offices. Power output is recorded by station meters on a half hourly basis and consolidated into monthly reports. For annual reporting, the monthly reports are aggregated to report the final figure. The generation is recorded in MWh.

- *Group emissions per GWh of electricity generation*

Group emissions is defined as all Scope 1 and Scope 2 (location-based) emissions from all business units. The remaining methodology and process is the same as “Generation emissions per GWh of electricity generation”

- *Group total energy consumption*

As required by the Streamlined Energy and Carbon Reporting (SECR) requirements covered in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, Drax reports all group energy consumption in GWh.

All fuel and electricity consumed under Scope 1 and Scope 2 are converted to energy. In most cases, the sources listed under the “Greenhouse Gas Emissions Reporting Criteria “ include a conversion to the net calorific value (NCV) / Lower Heating Value (LHV).

UK and Canadian NCV are taken from the UK Government factors of the reporting year. In the instance where NCV is not available, another source may be used, or a conversion may be necessary. For example, USA fuels conversions from HHV / (GCV) to NCV are estimated based on Engineering Toolbox methodology and DEFRA factors.

There is no materiality threshold applied to the energy reporting, and in the result of a later discovery of errors or omissions, a restatement will be made should that error be more than 10%.

Biomass

Relevant KPI: Total volume of fibre consumed at Drax Power Station

This is the total tonnage of all the burnt biomass reported to OFGEM (Units 2-4) and to LCCC (Unit 1) within the calendar year.

Relevant KPI: Proportion of woody biomass consumed at Drax Power Station with SBP Compliance claim

This is the ratio of all the burnt biomass received with the SBP compliant claim to the total burnt tonnage reported to OFGEM (Units 2-4) and to LCCC (Unit 1) within the calendar year.

Relevant KPI: Average biomass supply chain GHG emissions

This is the weighted average of all GHG emissions for all the burnt biomass reported to OFGEM (Units 2-4) and to LCCC (Unit 1) within the calendar year.

Health and Safety

Drax has a requirement to report HSE incidents, near misses and hazard identifications that occur across all business units and functions in the Evotix reporting system. Our aim is to provide HSE performance reporting data that is accurate and thorough and not materially misstated.

The Drax Group HSE team has the responsibility for collating data and reporting performance against KPI targets on the total number of recordable injuries, near misses and hazards entered into the Evotix reporting system: both monthly and as part of the half yearly and year end reporting process. Data is collected in the form of raw numbers, collated in an Excel spreadsheet, and converted into rates using a PowerBi dashboard.

Alignment with Occupational Health and Safety Administration (OSHA) reporting requirements and creating a more accurate reporting picture based on the hours worked globally. This has been introduced in 2025 as result of consultation with the HSE Business Unit Leads and the HSE Group Director.

Relevant KPI: Total Recordable Injury Rate Recordable Incidents ÷ (Contractor Hours + Employee Hours) x 100,000 = Total Recordable Injury Rate (TRIR)

Drax uses a combination of Employee hours (provided by our HR/People Group Reporting) and Contractor hours that are provided by our business units globally to calculate the TRIR for Drax.

The TRIR reporting period includes the data collected over a calendar year and is therefore calculated between the 1st January and 31st December. Recordable injuries include those sustained by Drax employees, contractors or others as impacted by Drax activities. Hours worked are calculated on availability to work a standard working shift for employees which includes paid overtime but not sick pay and holiday hours and all hours worked for contractors, which does not include sick pay and holiday hours.

Contractor hours are calculated by each business area and sent to Group HSE for collation. We use a range of methods to track the hours, for example ‘clock-in clock-out’ system that uses a system-generated report as well as invoices. Where the data source is defined as being level 1 or level 2, it may include overtime hours. In the absence of a contract providing a breakdown of hours, a standard time is applied per activity based on the understanding and estimation of an activity.

Employee hours are captured from our HR/People Group level team and provided to the Group HSE team for reporting. Employee Hours worked are over a standard shift and include paid overtime hours, which is a change from the previous year. Holiday and sickness absence are excluded.

Recordable injuries are classified in line with the Occupational Health and Safety Administration (OSHA) definition, of any work-related fatality, injury or illness that results in loss of consciousness, days away from work, restricted work, transfer to another job or requiring medical treatment beyond first aid. The TRIR rate comprises of the total number of recordable injuries divisible by the total hours worked (Contractor and Employee) multiplied by 100,000.

Evotix is the Health, Safety and Environment Management system, used by Drax to record health and safety events that are used in performance reporting. Drax business units and functions are both responsible and accountable for the correct entry of health and safety events in the Evotix system, which includes selection of the correct event type and/or classification. Drax business units and functions are also accountable and responsible for the submission of contractor hours worked data to Group HSE. The HR/People function is accountable and responsible for providing employee hours worked data to Group HSE.

Relevant KPI: Group Near Miss and Hazards Identification Rate (Hazards + Near Misses) ÷ (Contractor Hours + Employee Hours) x 100,000 = Near Miss Hazard Identification Rate.

The NMHI rate comprises the total number of near misses and hazard identifications reported per every 100,000 hours worked. A near miss is defined as an event that did not result in harm but had the potential to do so (i.e. where something did occur but there was no injury, illness, damage, or environmental impact caused). A hazard is defined as an act or condition with the potential to cause harm to people, the environment, or assets (i.e. something could have occurred).

The NMHI reporting period includes the data collected over a calendar year and is calculated between the 1st January and 31st December. Near misses and hazards include those that have occurred at a Drax owned site or Drax managed activity. Hours worked are calculated on availability to work a standard working shift for employees which includes paid overtime but not sick pay and holiday hours and all hours worked for contractors, which does not include sick pay and holiday hours.

It's essential that hazardous acts and conditions are reported so that findings can be used to prevent those acts and conditions from being repeated or escalating to a more severe outcome. As such, hazard reporting is encouraged across the business and integrated into the Drax safety culture. As hazards can be seen and reported by all Drax colleagues, it accepted that there exists the potential for the same or similar hazards to be reported by more than one person at different times.

The method of collation and calculation of employee and contractor hours in order to ascertain the NMHI rate is performed in the same manner as that used to calculate the TRIR described above.

Evotix is the Health, Safety and Environment Management system, used by Drax to record HSE events that are used in performance reporting. Drax business units and functions are both responsible and accountable for the correct entry of HSE events in the Evotix system, which includes selection of the correct event type and/or classification. Drax business units and functions are also accountable and responsible for the submission of contractor hours worked data to Group HSE. The HR/People function is accountable and responsible for providing employee hours worked data to Group HSE.