

DRAX GROUP POLICY

Climate Policy

Published: 18/03/2026

Version: 3.0

Relates to: Drax Climate Transition Plan

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Introduction

Policy purpose

The purpose of the policy is to broadly outline Drax's commitment to reducing the impact of its operations on climate change via our portfolio of decarbonisation projects. The policy is designed to complement the Drax [Climate Transition Plan](#) and the Climate Pillar of our [Sustainability Framework](#), which together provide a far more detailed overview of our climate ambition at Drax. We have chosen to retain a formal Climate Policy to provide colleagues with a contact/escalation point, should they wish to discuss any aspect of our climate targets, decarbonisation projects or general approach. This document is not intended to replace either the transition plan or the sustainability framework content.

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: Simon Graham

Email: simon.graham@drax.com

Phone: 07701 342243

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

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Document owner	Head of Climate and Nature
Document sponsor	Group Sustainability Director
Approved	Sustainability Council 3 rd March 2026

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

Version History

Version	Date	Detail	Author
V2.0 – this version	26/02/2026	Update to the previous policy given our recently validated SBTi Net Zero target	Head of Climate and Nature

Approvals History

Version	Approved Date	Approver	Changes since last approved version
V2.0	03/03/2026	Sustainability Council Meeting	Complete re-write

V3.0	18/03/2026	Group Sustainability Director	Minor edits in response to Group Compliance Committee review
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Drax Climate Policy

Policy statement

Tackling climate change is at the heart of our purpose: to enable a zero carbon, lower cost energy future. Over the last decade, we've transformed our operations from being one of the largest coal-fired power generators in western Europe to becoming the UK's largest single-site renewable electricity generator. We recognise the scale of the challenge that climate change represents and the pivotal role that businesses must play in tackling it. This policy outlines how Drax integrates the effective management of our climate impacts into everyday decision-making and the delivery of our business strategy.

Our Governance Framework¹ supports effective decision-making and the delivery of our corporate strategy. A core component of this framework is the impact of our operations and business model on climate change. That's why we announced our set of validated [Near Term SBTi targets](#) in 2023, and in 2026, our ambition to achieve **Net-Zero by 2040**. Furthermore, we're ensuring that our climate commitments are turned into action through the publication of our [Climate Transition Plan](#). Our Climate Transition Plan incorporates all aspects of our climate strategy including our Science Based Targets, climate risks and opportunities; the role we play in supporting the UK Net-Zero transition; and our capital allocation to manage climate investments.

Our CEO ensures that Drax effectively implements its Corporate Strategy, and reports quarterly to the Board on Environment, Social and Governance (ESG) performance. These reports include a section from our Chief Sustainability Officer to update the Board on climate-related matters and the company's progress towards our 2040 Net-Zero ambition. In addition, the Chief Sustainability Officer reports on the progress of the climate plan at least quarterly to the Executive Committee, and at least annually to the Board. **Drax employees are expected to support the achievement of our Climate Transition Plan and comply with the requirements included within it**

We report externally on climate-related matters within our annual report and accounts, TCFD, our Climate Transition Plan, and measure performance within our corporate scorecard. We use this scorecard to assess executive performance and remuneration.

Definitions

- **Sustainability Framework** - sets out how we're taking action to help decarbonise society, to protect and enhance nature, and to support the people who work with and alongside us. This is our roadmap to ensure we're getting to meaningful milestones, whilst demonstrating transparency in our plans, processes and operations.

¹ See the Drax Climate Transition Plan, Annual Report and Accounts for more detail on our climate governance framework.

- **Climate Transition Plan** – our strategic roadmap that outlines how Drax will align its business model, operations, and assets with a low-carbon economy and meet specific greenhouse gas (GHG) reduction targets.
- **Science Based Targets initiative (SBTi)**: A global corporate climate action organisation—a partnership between CDP, the UN Global Compact, WRI, and WWF—that develops standards and validates company emission reduction targets
- **Science Based Targets**: Greenhouse gas reduction goals that are considered "science-based" if they align with the latest climate science necessary to meet the Paris Agreement goals—specifically limiting global warming to 1.5°C above pre-industrial levels.
- **Climate Risk Register**: A management tool used to identify, document, and score specific climate-related risks (both physical and transitional) based on their likelihood and potential impact on an organisation.

The cost of getting it wrong

Everyone in Drax is aware of the likely future impact of leaving climate change unchecked on civil society and the global biosphere. Whilst no single employee is responsible for mitigating the impact of our operations on the climate, *all* employees should feel able to contribute ideas, projects or data towards our efforts to reduce our emissions footprint and mitigate our impact. The cost of getting it wrong here would therefore manifest as a failure of our governance processes to allow for novel decarbonisation projects or related initiatives to be presented for consideration at the Decarbonisation Work Group, Sustainability Council or the Drax Executive Committee.

Key areas of risk

The Board is responsible for determining risk appetite and ensuring the effectiveness of risk management and internal controls across the company. Our company-wide approach to risk management, defined by the Group Risk Management Policy, encompasses the assessment and management of climate-related risks. We therefore assess climate change as a principal risk category. The Chief Sustainability Officer, a member of the Executive Committee, owns the Climate Change Principal Risk. We make and present an analysis of all principal risk categories, including Climate Change, to the Executive Committee twice a year. We further disclose key climate risks and mitigations in our [annual report and accounts](#).