

STATEMENT OF GOVERNANCE ARRANGEMENTS AND SECTION 172 STATEMENT

Companies Act, Section 172 statement

The Directors have a duty to promote the success of the Company, having regard to a range of matters and stakeholders. The Board is responsible for ensuring effective engagement with stakeholders: it recognises that decisions taken today can have an impact on stakeholders, as well as shape longer-term business performance. Appropriate consideration enables the Company to realise positive outcomes for the climate, nature and people, and deliver sustainable value creation.

Examples of how the Board have had regard to the matters set out in Section 172 are set out below. Comprehensive details in respect of stakeholders identified across the Drax Group plc group (the “Group”), how we engage with them and have regard to their interests can be found on pages 60 to 66 of the Drax Group plc Annual report and accounts 2025.

The likely consequences of any decision in the long term

Our purpose is to enable a zero carbon, lower cost energy future. With multi-year time horizons for many of our strategic and investment decisions, we recognise that these decisions can have an impact far beyond our business and well into the future. Our decisions support the Group’s long-term strategy: to create value by investing in the UK energy transition.

The interests of the Company’s workforce

Our My Voice Forums play an important role in facilitating engagement between the Board and employees. Colleagues are able to speak openly and candidly, share sentiments, and ask direct questions of the Drax Chair and CEO. Topics discussed in 2025 included the impact of organisational design and strategic decisions linked to the transformation of the business. The Company also undertook quarterly colleague engagement surveys which provided the Board with a picture of how colleagues feel about the Company and how well we were doing at living our values.

The Company also maintains regular dialogue with the workforce through weekly updates and communications about the Group’s strategy, plans and performance. These include updates on progress against the Group-wide scorecard, which includes KPIs in relation to financial, strategic, safety, compliance and sustainability performance. Annual bonuses for colleagues are linked to the scorecard performance, ensuring that employee reward and Group performance are aligned. We also actively encourage participation from UK colleagues in the all-employee Sharesave scheme, offering the maximum discount of 20% and waiving any length of service requirements.

The need to foster the Company’s business relationships

Suppliers

Our relationships with suppliers are governed by contracts that require compliance with relevant regulatory and legal obligations including anti-bribery, corruption and modern slavery rules. We also expect suppliers to adhere to our supplier code of conduct. We are committed to the fair payment and treatment of its suppliers, to improve payment performance and maintain positive supplier relationships.

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Regulators and network operators

Engagement with regulators and industry bodies helps us to understand their expectations, enables us to promote best practice and ensure we align our compliance programmes to meet the latest guidance and regulations.

The impact of the Company's operations on the community and the environment

Tackling climate change is an important part of our purpose, and our strategic objectives are aligned to global renewable energy and decarbonisation agendas. Our Group ambition is to reach net zero across our value chain by 2040. For more information see pages 25 to 26 in the Drax Group plc Annual report and accounts 2025.

Engagement with the communities in which we operate is integral to how we build constructive relationships, understand local perspectives, and identify opportunities to contribute positively to local economic and social outcomes. We engage regularly with communities through supporting local initiatives and holding focus groups to understand different priorities and concerns. To read more about our positive social impact across the Group, see page 65 of the Drax Group plc Annual report and accounts 2025.

We are committed to being a good neighbour in the communities where we operate. We achieve this by combining active community engagement with corporate giving. Throughout 2025, the Drax Foundation has continued to provide grant funding for non-profit organisations that share our commitment to improving equitable access to STEM education, supporting community green spaces, and addressing fuel poverty.

The desirability of the Company maintaining a reputation for high standards of business conduct

We are committed to conducting business ethically, responsibly, and in compliance with all relevant laws and regulations. We do not tolerate bribery, corruption, human rights abuses, or any other unethical conduct and take positive steps to prevent this. For more information, see page 29 of the Drax Group plc Annual report and accounts 2025.

The need to act fairly as between members of the Company

Our ultimate parent company is Drax Group plc and therefore we act in the best interests of our immediate and ultimate parent companies and, in doing so, in the best interest of the investors and shareholders of the Group. This ensures that the interests of all relevant stakeholders, and the need to act fairly between members of the Company, are considered during decision-making.

This statement was approved by the Board on [DATE] as part of the Company's 2025 Annual report and accounts.