

Will Gardiner  
CEO  
Drax Group  
Drax Power Station  
Selby  
North Yorkshire  
YO8 8PH

29 April 2021

Dear Will,

### **Findings and Recommendations from recent meetings of the Drax Independent Advisory Board**

Thank you for coming to talk to the IAB at our recent meeting on February 9<sup>th</sup>. We were interested to hear about the proposed acquisition of Pinnacle Renewable Energy in Canada and the opportunity for Drax to expand its sourcing of sustainable biomass. It is positive to hear that Drax is committed to ensuring best practice in health and safety and sustainability across the Group and intends to invest accordingly to deliver this outcome. We note your awareness that the forests of British Columbia and Alberta present a different landscape for Drax and we look forward to supporting you as you take ownership of Pinnacle to ensure that Drax's supply chain reflects the highest possible standards in sustainable biomass and delivers positive outcomes for the climate, environment and communities.

Since I last wrote in August 2020, we have held four meetings of the IAB. The theme of these meetings has been to understand how Drax is evidencing that it is meeting its 'Responsible Sourcing Policy', and also test if aspects of the responsible sourcing policy are stringent enough.

In September we discussed Drax's work to demonstrate the forest carbon aspects of the policy through the catchment area analyses that have already been carried out in most of the areas where Drax sources its fibre. We were impressed by the breadth of data collected. To further improve the analysis so it can more closely demonstrate causality between bioenergy use and changes in forest dynamics we recommend Drax:

1. Explore using statistical approaches to data analysis
2. Seek further independent review of the reports

In November and December, we held two meetings (in lieu of one face-to-face meeting which had been planned pre-Covid). We considered two independent reports commissioned by the IAB – the first to provide more detail on the impacts of biomass removals on biodiversity in the southeast US and the second to help the IAB understand how global carbon accounting works in the bioenergy sector.

We commissioned a biodiversity literature review from Pilio – a consultancy spin-off from Oxford University. Lord John Krebs FRS, Professor Virginia Dale and I oversaw the work from an IAB perspective alongside Professor Yadvinder Malhi FRS from Oxford University. Pilio's literature review concluded that the impact of thinning on forest biodiversity in the SE US was neutral to positive.

We were content with the rigour and quality of the review and the conclusion that there is strong evidence for the positive impact of forest thinning on biodiversity. The review highlighted that more research needs to be done to understand the impact of removal of coarse woody debris, as there was not sufficient evidence to draw conclusions. Our key recommendations for Drax are:

1. Collaborate with forestry research community and other bioenergy companies to address evidence gaps.
2. Repeat this type of review in other geographic regions around the world where Drax sources biomass feedstock.
3. Engage with the Science-based Targets for Nature framework development.

In December we discussed carbon accounting, based on a review carried out by consulting company Ecometrica. The report set out the principles of carbon accounting in the bioenergy sector. It is clear that the area of carbon accounting is complex and technical and there are no simple conclusions such as 'biomass is always bad' or 'biomass is good' for greenhouse gas mitigation. This review helped inform discussion as we seek to advise Drax on the latest science and best practice.

In addition to Drax continuing to deepen its understanding and documentation of carbon flows in all geographies, it also faces an ongoing challenge of communication of this complex topic. It is not easy to respond to an ideological argument with a technical one. The IAB is ready to help Drax think through how to communicate this data and research for external audiences.

In February we followed up on questions raised in previous meetings in November and December regarding biodiversity and forest carbon, with a presentation of Drax's Healthy Forest Landscapes (HFL) programme which seeks to quantify biodiversity and carbon impacts on forests. We note that the approach that Drax is leading on is now being adopted by other large users of the forest resource, via the Earthworm Foundation. Developing the HFL tool is an admirable approach to trying to better understand the health of the forests that Drax sources from, however, the tool and what it can communicate needs further development. We urge the Drax team to revisit and improve the methodology used for each metric, especially biodiversity and social wellbeing. We will discuss in more detail how to improve the assessment of each metric in a future IAB meeting.

Demonstrating biomass sustainability, the impact on biodiversity, understanding carbon accounting, and the HFL tool are key topics that are important to keep discussing and exploring in more detail. The IAB are very pleased with Drax personnel, who have all been enormously cooperative and receptive of our feedback. I look forward to working with you and your teams further and to hearing your views on the above.

Yours sincerely,



**Professor Sir John Beddington**

Chair of the Independent Advisory Board