



05 May 2021

Sir John Beddington

Chair, Drax Independent Advisory Board on Sustainable Biomass

Dear John,

Thank you for your letter of 16th February, outlining Drax's Independent Advisory Board's (IAB) findings and recommendations from your last four meetings – in September, November, December and February. Thank you for the continued work of the board, and for the advice and recommendations that you present after each meeting – which we highly value.

I am very pleased to hear your recommendations and welcome your scrutiny on the climate impacts of Drax's policy, Drax's impact on biodiversity in South East US forests, the complexities of carbon accounting, and lastly the new Healthy Forest Landscapes (HFL) programme.

We agree that Drax's impact on biodiversity in areas we source from is a topic that needs continued attention and further study. The commissioned study by Pilio was a great start to understanding our impact on biodiversity in areas we source from in the South East US, demonstrating that our impact is neutral to positive. However, I agree that more studies are needed in all our geographies as well as studies on the impact of the removal of course woody debris. We will keep this topic central to our assessment work on the ground in our forests in various locations.

I am pleased that we were able to listen to Ecometrica's carbon accounting review in December and have a discussion with you on this complex topic, and that our colleagues working in this area were able to present on our ongoing understanding and documentation of carbon flows that affect our sourcing areas. We are glad to hear that your view is that we employ best practice at Drax. We also recognise that clearer messaging surrounding carbon accounting, and better communicating the complexity surrounding it is needed.

We also very much value your insight on our new HFL programme – your views on how to improve the data, and how to best present and effectively communicate the data to our wide and varied audience.

We are committed to ensuring sustainable operations in our forests, and to ensuring that our operations have a positive impact on the environment, biodiversity, and the communities in which we operate. We also believe it is very important to demonstrate, with data from the ground, how trends in forest carbon and forest cover are evolving in relation to our continued management of these forests – something which we believe the HFL programme can demonstrate. We take onboard your recommendations – to improve communication of each HFL metric, and to look more deeply into the Canadian forests and assess our impact there.

I am very glad I could attend the last meeting on 9th of February to speak to you and your colleagues specifically about our proposed acquisition of Pinnacle Renewable Energy in Canada, which is transformational for our business and operations. Thank you for your questions. We are very keen to hear your input and views on the acquisition and our future operations in Canada. We are aware that the forests of Alberta and British Columbia present a different landscape compared to our other sourcing areas, including complexities that will be new to us as owners of pellet mills in these areas. I would therefore welcome the IAB's advice on how we can best achieve good outcomes in these sourcing areas, including practical sourcing recommendations you may believe appropriate.



I would welcome a deeper conversation about our proposed acquisition and expanded operations in the forests of Alberta and British Columbia at our next meeting in May.

As ever, I thank you for your and your colleagues' work on the IAB – in your scrutiny of, recommendations, and advice to us on our practices and operations – to make sure that we benefit the environment and contribute to climate change mitigation efforts to the highest possible standard and ability.

My colleagues and I look forward to continuing our close and constructive collaboration with you in our remaining five meetings this year.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Will Gardiner".

Will Gardiner

Group Chief Executive