

A blurred, blue-tinted photograph of an office interior. Several people in business attire are walking across a balcony or walkway, their figures out of focus to convey a sense of motion and activity. The background shows office desks and windows.

drax

# Modern Slavery Statement 2021

Drax Group plc





Photo: Galloway Hydro scheme. Scotland

## Introduction

### We believe in doing the right thing

In this, our sixth Modern Slavery Statement ("Statement"), we outline the progress we've made in 2021 and our planned improvements for 2022.

We're making this Statement for the financial year ended December 2021 and according to the requirements of section 54, part 6, of the Modern Slavery Act 2015.

This Statement applies to all companies within Drax Group ("Drax") that are required to publish a Statement, as listed in the 'Statement Approval' section.

Please note that we acquired Pinnacle Renewable Energy Inc. ('Pinnacle') in 2021. We've detailed in this Statement the actions we've taken to date to integrate Pinnacle into our Supply Chain Human Rights programme. We'll also include information related to the enlarged business in the risk assessment graphics from 2022 onwards.





# Organisational structure

Drax is the second largest sustainable biomass producer globally, and the UK's largest source of renewable power by output. We are progressing options for bioenergy with carbon capture and storage (BECCS)

## Our integrated flexible and renewable value chain



### Pellet Production

Our pellets are manufactured from forestry and agricultural by-products and residues. They provide a sustainable, low carbon fuel source that can be safely and efficiently delivered through our global supply chain. The pellets are produced to best practice sustainability standards. Based in the US south and in Western Canada, we have 17 operational and development sites with nameplate capacity of around 5Mt once expansions are complete.

We have US\$4.5bn of long-term contracted sales to third parties across Asia and Europe. Our Generation business also uses these pellets to make flexible, renewable electricity for the UK.

### Generation

Our portfolio of flexible, low-carbon and renewable UK power assets – biomass, hydro and pumped storage generation – provides renewable, dispatchable power and system support services to the electricity grid.

We are the UK's largest source of renewable power by output, and Drax Power Station is the UK's largest single source of renewable electricity by output. Our portfolio provides long-term earnings stability and opportunities to optimise returns from the transition to a low-carbon economy.

We are developing options for BECCS at Drax Power Station and exploring options for international new-build BECCS.

### Customers

Our Customers business is principally focused on renewable electricity sales to industrial and corporate customers.

The business also offers non-generation system support and energy management services, in addition to providing a route to market for many smaller embedded renewable generators.

Employees

**616**

Adjusted EBITDA

**£86m**

(2020: £52m)

Pellets produced

**3.1Mt**

(2020: 1.5mt)

Production cost

**\$143/t**

(2020: \$153/t)

Employees

**692**

Adjusted EBITDA<sup>(1)</sup>

**£372m**

(2020: £446m)

<sup>(1)</sup> Includes £20m from discontinued operations

% renewable

**93.8%**

(2020: 77%)

Percentage of total UK renewable electricity generated

**12%**

(2020: 11%)

Employees

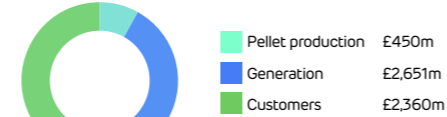
**835**

Adjusted EBITDA

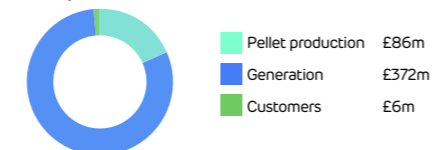
**£6m**

(2020: (£39)m)

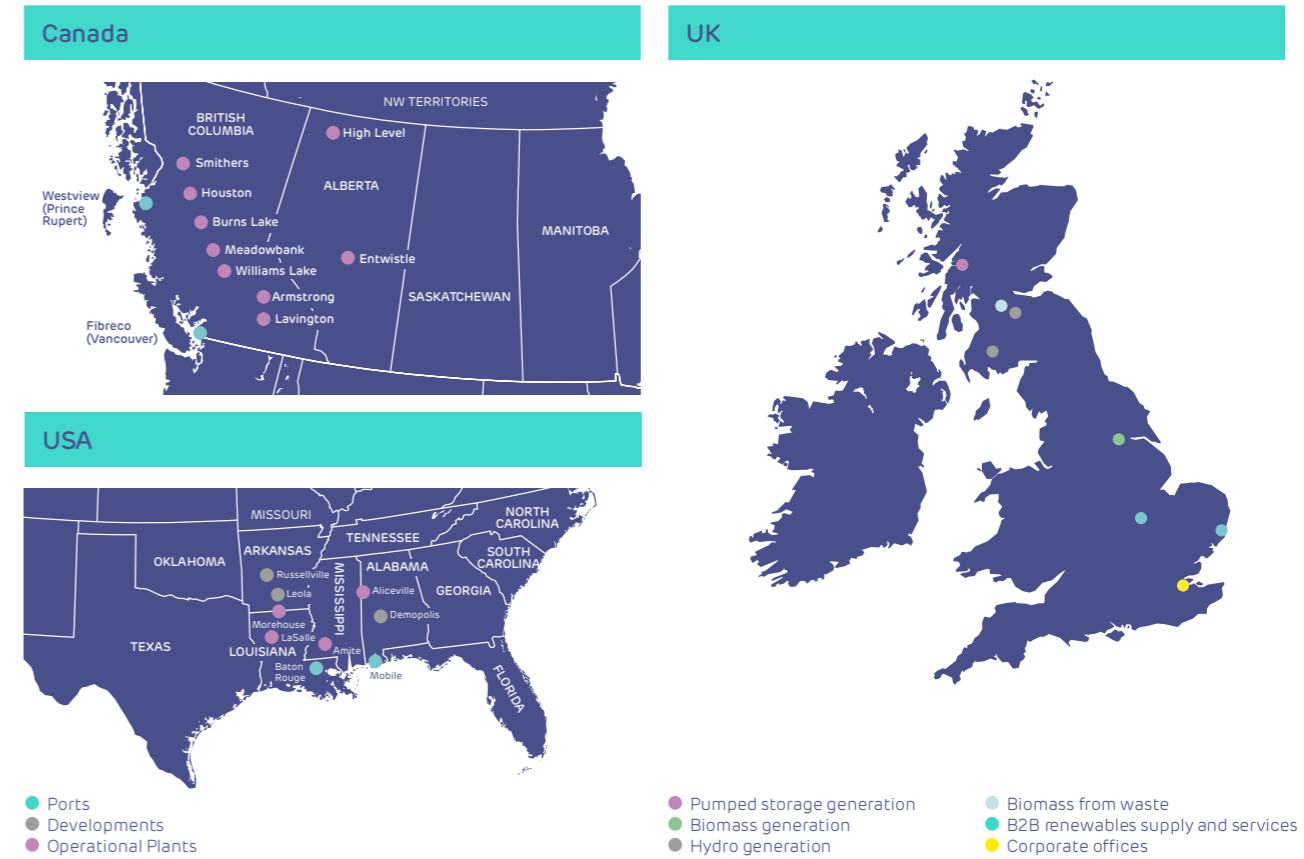
Revenue



Group EBITDA



## Where we operate



- 17 operational and development sites, with nameplate capacity of around 5Mt once expansions are complete
- Four deep water ports, accessing Asian and European markets
- Best practice sustainability standards for pellet production
- Flexible, renewable power generation – biomass, hydro and pumped storage – and supply to British industry
- Development of negative emissions technology - BECCS

## Drax completes acquisition of Pinnacle Renewable Energy Inc.

The acquisition positions Drax as the world's leading sustainable biomass generation and supply business. It transforms Drax into a truly international business, trading bioenergy from the North American continent to Europe and Asia, and positions the enlarged Group to take advantage of global growth opportunities, with the market for biomass pellets for renewable generation in Europe and Asia expected to grow significantly.



Photo: High Level plant in early construction

# Our supply chain human rights programme





## Governance

Our **Modern Slavery Working Group (MSWG)** is responsible for the development and delivery of our Supply Chain Human Rights programme. It reports quarterly on its activity to our Ethics and Business Conduct Committee (**EBCC**).

Our **EBCC**, a sub-committee of our Executive Committee, oversees the programme. It provides an annual report on its decisions and activity to our **Audit Committee**, which comprises executive and non-executive directors.



“The MSWG continued its work to deliver Drax’s ongoing improvement programme, as reported throughout this statement”

### The EBCC:

- Is responsible for making sure that Drax takes appropriate steps to investigate and remediate the risk of modern slavery, both within our own business and our supply chains
- Has approved a protocol and remediation plan, based on guidance from the Home Office, that we must follow if we discover modern slavery in our business or supply chains

No cases of modern slavery have been escalated to the EBCC to date. We continue to work with our colleagues and suppliers to raise awareness and promote transparency in our supply chains.

### Progress in 2021:

- The Drax Code of Conduct ([‘Drax Code’](#)) and Supplier Code of Conduct ([‘Supplier Code’](#)) were subject to their first annual review and were approved by the EBCC in October 2021
  - No significant changes were made to our Drax Code or Supplier Code. The main changes (to the Drax Code) related to integrating Pinnacle into our Group.
- The MSWG continued its work to deliver an ongoing improvement programme for Drax, as reported throughout this statement
- An existing EBCC member took on the responsibility to escalate any modern slavery issues relating to Pinnacle to the EBCC



## Risk assessment

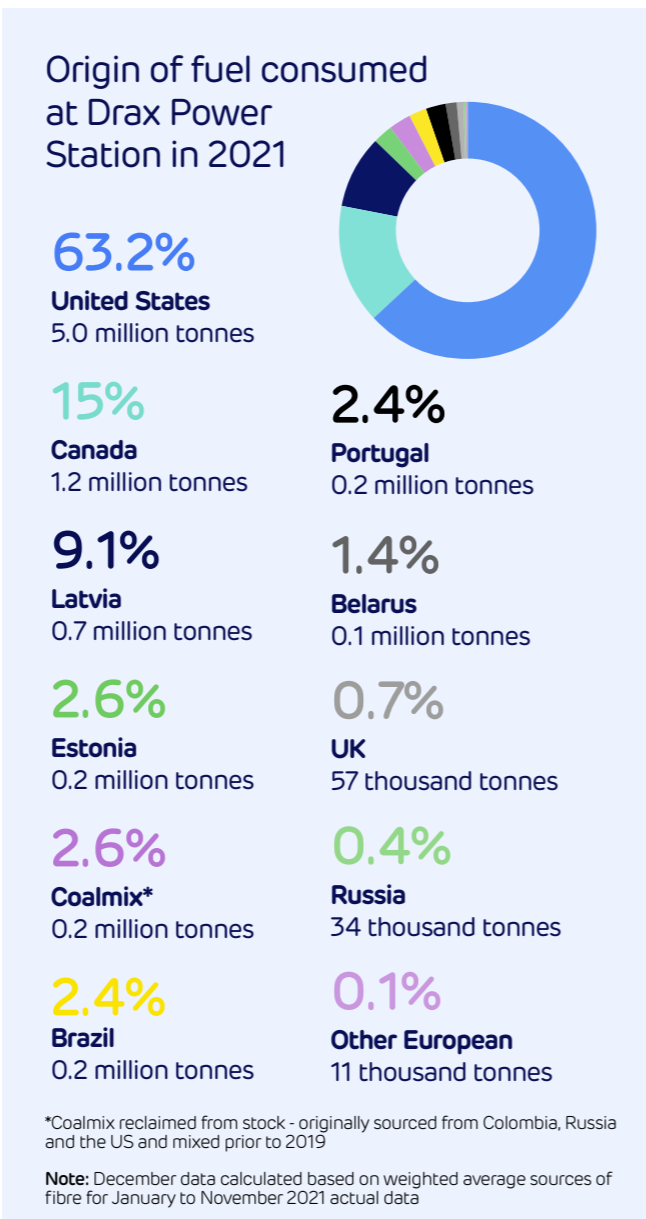
We're committed to identifying and addressing modern slavery that could be connected to both our business and supply chain.

Due to the controls and practices we've adopted (as described in the 'Employment Practices' section, on page 16), we believe the risk of modern slavery in our own business is very low. However, given the increasing variety and complexity of the third parties we engage with and jurisdictions they're in<sup>1</sup>, the risk of modern slavery is higher in our supply chain.

The Global Slavery Index, which is incorporated into our due diligence platform, continues to contribute to the risk assessment of potential suppliers. Where we identify higher risks during our due diligence process, we escalate and pursue enquiries more directly. In 2021, we engaged with a third-party expert to assess and verify our existing risk assessment approach and will incorporate their recommendations, as appropriate, over the course of 2022.

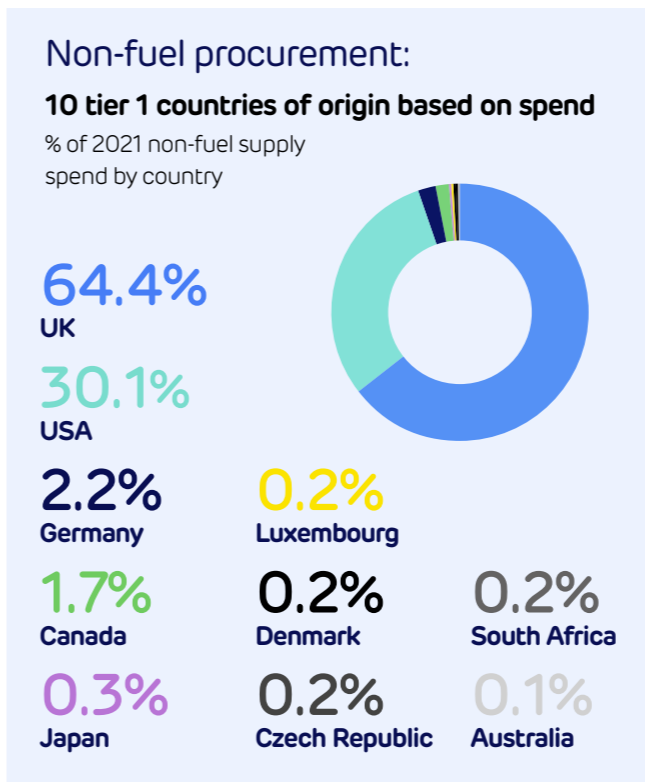
### Origin of fuel consumed at Drax Power Station in 2021

The following graphic provides detail on the origin of the fuels (by percentage) consumed at Drax Power Station in 2021, to meet our contractual commitments including our capacity market commitments. Of those countries listed, we consider Latvia, Estonia, Russia, and Belarus (tier 2) to be higher risk for modern slavery and carried out additional due diligence on these supply chains.



### Non-fuel procurement in the UK and US:

The following graphic provides statistics on our top 10 non-fuel procurement activity, by percentage of spend and geography, on our Tier 1 supply. It shows more than 99% of our spend is with Tier 1 suppliers based in countries that are lower risk for modern slavery. The graphic will include information related to the enlarged business (including Pinnacle) from our 2022 report onwards.



During 2021, our Procurement team, as part of their supplier relationship management regime, has continued to map our non-fuel supply chain. We've identified four areas of spend as 'higher risk': smart meters, electric vehicle charging, workwear (including personal protective equipment) and construction commodities.

For these areas, we will progressively ensure that we more rigorously investigate the supply chains of our Tier 1 suppliers and continue to work more closely with the suppliers of these items, managing the relationships accordingly.

In the meantime, our policy is to carry out risk-based due diligence on all suppliers before entering a contract with them. We also endeavour to include obligations within our supplier agreements for them to cascade our standards to sub-contractors.

We've also started to introduce our Supplier Code into our onboarding and contracting processes. Where necessary, we'll employ the services of specialist audit firms to provide additional detail.

### Progress in 2021:

- Completed an annual risk assessment of our Supply Chain Human Rights programme, in line with Home Office guidance, and reported to the EBCC
- Updated the Group-wide modern slavery risk register, which was – like the risk assessment – subject to review by the EBCC
- Issued modern slavery questions to appropriate suppliers and assessed responses, following up as required
- Progressed work to map the supply chain of our higher risk categories of non-fuel spend
- Continued to use our third-party system to enrich our risk assessment process
- Researched additional tools that could further strengthen our risk assessment process
- Progressed the implementation of our Supplier Code into our onboarding and contracting processes for new procurement agreements (at the point of renewal for existing agreements), moving to 'business as usual' across many departments
- Our Legal team reviewed and updated our contractual clauses relating to ethical topics, including modern slavery, for use in our UK and US procurement agreements
  - We used these new clauses as a basis for developing similar clauses for use by Pinnacle
- Further strengthened our Country Risk Assessment process by engaging a third-party expert to provide feedback on our existing systems, controls, and workflows

<sup>1</sup> We have over 5,000 suppliers across our procurement activities and engage with many different industries, including forestry, manufacturing, freight and logistics, engineering, construction, IT, and site services.

**Note:** In light of the situation in Ukraine (March 2022), we ceased the supply of the small percentage of biomass we use from Russia and Belarus.

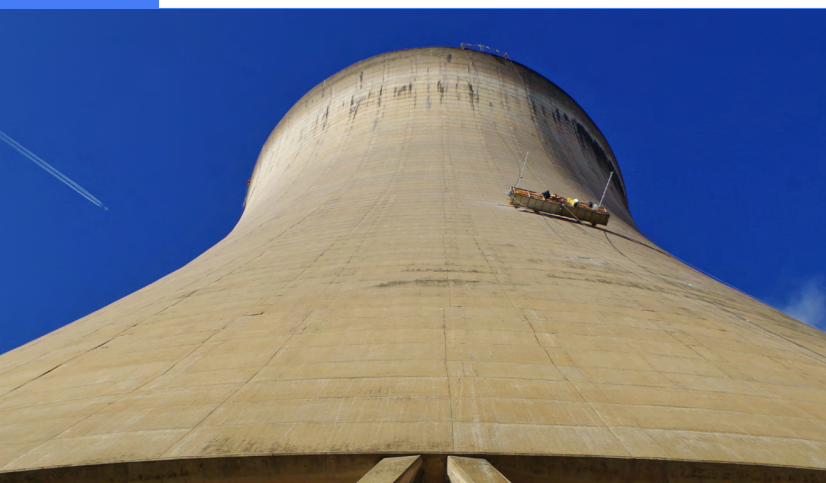


Photo: Cooling tower at Drax Power Station



## Due diligence

We're committed to conducting business with honesty and integrity, and in accordance with applicable laws and regulations.

### Country approval

The EBCC must approve higher risk countries before Drax can conduct business there. The EBCC can consider blanket country-wide or regional approvals, or specific contract approvals, depending on the consolidated commercial interest in that country and the level of risk identified with it and/or the associated supply chain.

### Supplier approval

We carry out proportionate due diligence checks on suppliers and, where appropriate, their associated persons and supply chain. Should we identify concerns during the process, we may obtain enhanced due diligence from a specialist service provider before escalation to the EBCC.



Photo: Cruachan Dam, Cruachan Hydro Power Station

Photo: Cruachan Visitors Centre

The EBCC (or Executive Committee) will then decide whether to appoint the supplier or not.

### Due diligence system

All our business units, both in the UK and North America, use the same due diligence platform to perform initial due diligence and to continually monitor suppliers. We escalate to the EBCC as necessary.

### Modern slavery instances

In 2021, our due diligence processes identified no confirmed instances of modern slavery.

### Progress in 2021:

- As part of our acquisition of Pinnacle we:
  - Completed pre-acquisition due diligence on key vendor relationships
  - Completed detailed due diligence on a Vietnamese supply chain, including direct engagement with the supplier. A third-party expert verified the due diligence and we've developed a workplan with the supplier that will form part of a supply chain visit in 2022 (Covid-19 permitting)
  - We also researched 'in-country' Non-Governmental Organisations (NGOs) and other partners to support Drax should an issue occur that requires us to put a remediation plan into action
  - Reviewed the requirements of the Canada 'Integrity Declaration on Doing Business with Xinjiang Entities' and sought declarations from relevant suppliers
  - Reviewed the requirements of the impending Canadian Modern Slavery Act, to position ourselves for compliance
  - Engaged with internal experts regarding an appropriate approach to due diligence for our
- inherited relationships with customers, First Nations, and joint ventures
- Developed and contracted new fuel sources more directly from suppliers, supported by enhanced investigation and diligence from a specialist due diligence service provider
- Engaged directly with our suppliers that provide IT supplies from companies referenced in a report on Uyghur labour, to provide a briefing note for the EBCC
  - Having reviewed the evidence to date, we cannot completely rule out any sub-tier links between the implicated manufacturing facilities and products used at Drax – although, the findings indicate there are no direct links to the facilities involved and no products used by Drax are affected
- Engaged with the Social Responsibility Alliance (SRA), to gain a better understanding of its Slavery and Trafficking Risk Template and carried out a gap analysis versus our own questionnaire
- Engaged with UN Global Compact peers to benchmark our due diligence process in higher risk jurisdictions and sought to explore opportunities to collaborate and share contacts
- Continued to operate our due diligence processes throughout the Covid-19 pandemic to ensure we could investigate any employment practices of concern emerging because of Covid-19
- Explored additional due diligence tools/systems that may enhance our due diligence toolkit from a human rights perspective
- Commenced the implementation of the recommendations identified as part of the 2020 Due Diligence review (referenced in the statement we published last year)
- Commenced a project to provide a geographical representation of our supply chains



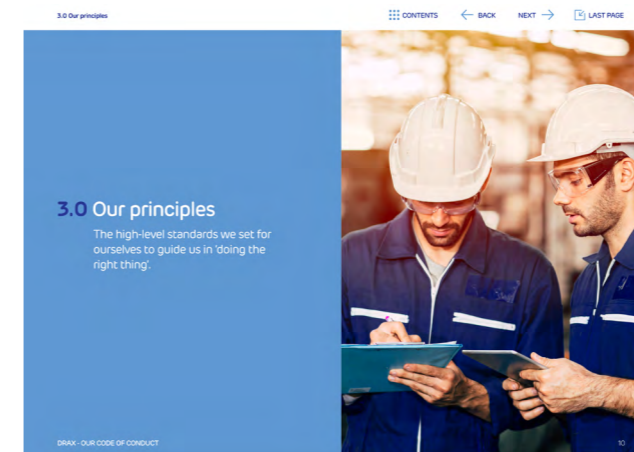


## Policies and procedures

We expect colleagues to work with our values in mind and to follow our documentation framework, which includes our codes, policies and procedures.

In Q3 2021, our Drax Code and Supplier Code were subject to annual review, approved (by the EBCC) and re-published. Our 2021 updates mainly related to integrating Pinnacle into our group. We provide online access to both documents at [www.drax.com](http://www.drax.com) and, using updated standard 'business ethics' clauses, incorporate them by reference into relevant agreements with third parties, as appropriate. These mandatory, principles-based documents form part of our Business Ethics Documentation Framework. They set out the values and behaviours we expect from our people and those with whom we conduct business.

The Drax Code is supplemented by policies, procedures, and guidance that provide further information on the obligations applicable to Drax and how we ensure compliance with them. Modern slavery is specifically covered by our Human Rights policy, which was also made publicly available in 2021. In addition to those documents in the public domain, our written materials are all readily available to colleagues and non-permanent workers (resources not employed by Drax, engaged to provide a service or to fulfil a specific requirement) via our Group intranet.



These mandatory, principles-based documents form part of our Business Ethics Documentation Framework. They set out the values and behaviours we expect from our people and from those with whom we conduct business.

Should circumstances arise which suggest that a worker or non-permanent worker may have failed to meet the standards expected by the business, Drax commits to fully investigate the matter, in line with the relevant terms of employment and disciplinary procedures or non-permanent worker agreements.

### Progress in 2021:

- Completed the annual review of our Drax Code and Supplier Code – with main updates (to the Drax Code) relating to the integration of Pinnacle into our group of companies
- Progressed the implementation of our Supplier Code (for new agreements, or at the point of renewal for existing agreements, with many departments moving to 'business as usual')
- Continued a Group Policy Project to ensure our mandatory policies are up to date and published on a single platform – adding Pinnacle to the remit of the project
- Reviewed, updated, and made public our Human Rights policy
- Reviewed our Sustainability policy (which will be expanded to cover non-woody biomass procurement in 2022)

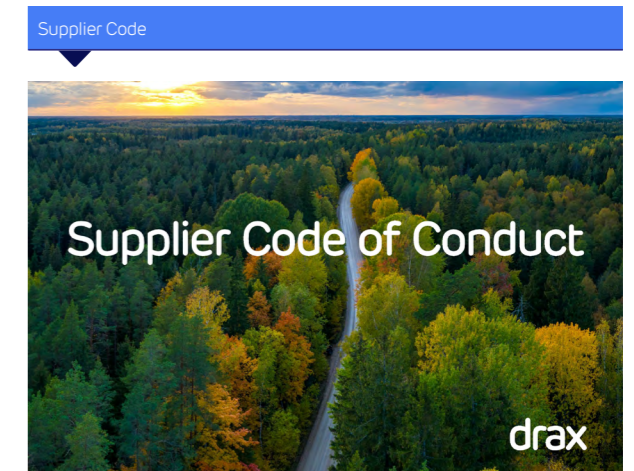
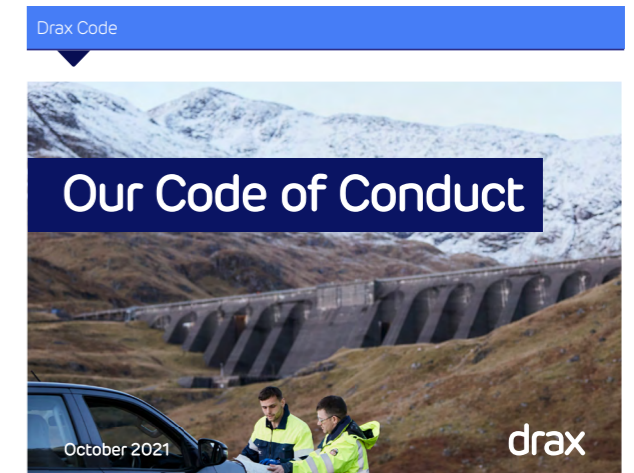






Photo: Drax Power Station, Selby



## Employment practices

**We do not tolerate any form of human trafficking, forced or bonded labour or the exploitation of children or vulnerable persons in our own business or our supply chains. We're committed to tackling this crime.**

We strive to be an inclusive workplace and value diversity, with policies and practices in place to encourage this.

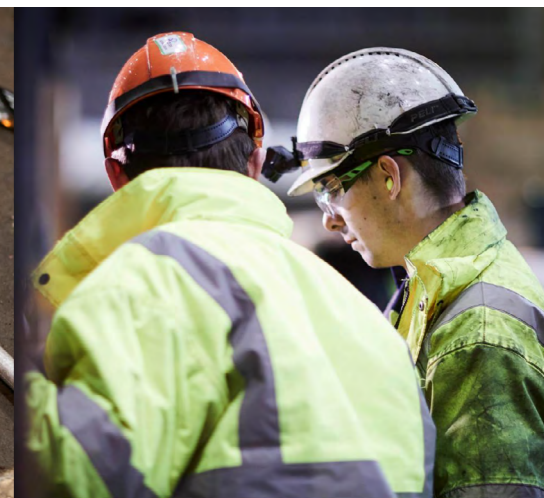
Our HR strategy centres around valuing people and focusing on talent, raising business performance, building capability through our people, and developing a high performing organisation. Our colleagues are at the heart of our success and are key enablers of our business strategy and our ethical, inclusive culture.

A safe and healthy workplace is paramount to our business and so our colleagues benefit from a range of policies that support them. These include policies designed to enable wellbeing and to accommodate different work and lifestyle preferences. We also have policies that encourage colleagues to raise grievances or concerns, to Speak Up, and to support a diverse, inclusive, and ethical workplace.

Drax is committed to maintaining high standards in its employment practices. A high proportion of our colleagues are on permanent contracts.

Although the risk of modern slavery taking place within our business is much lower than through our supply chain, our recruitment procedures nevertheless incorporate several steps designed to eliminate such risks. These include:

- Carrying out "right to work" checks and ensuring that the agencies we use to supply non-permanent workers carry out equivalent checks
- Carrying out pre-employment checks to verify the identity of prospective colleagues and to ensure they are over 16 years of age
- Completing disclosure and barring service checks for specific roles to enable us to make safer recruitment decisions
- Making sure that an employment contract is in place before the commencement of employment at Drax
- Paying all our UK-based colleagues at least the real Living Wage
- Ensuring our new colleagues read and attest to our Code of Conduct
- Providing information about our Speak Up (whistleblowing) policy, reporting channels and external service





We communicate with colleagues both formally and informally, including through emails, our intranet, a quarterly newsletter, and open forum meetings involving members of the senior leadership team.



We respect our colleagues' rights in areas such as freedom of association and collective bargaining. Approximately 18% of the Drax workforce is covered by a collective bargaining agreement. In Canada, 5.4% of the workforce is covered by collective bargaining. Employee Forums are in place for those not covered by a collective bargaining agreement, enabling a two-way dialogue between the senior leadership team and colleagues. We maintain active relationships with our trade union partners and attend bi-monthly meetings to discuss potential issues that may affect members. We also undertake annual negotiations on pay.

We communicate with colleagues both formally and informally, including through emails, our intranet, a quarterly newsletter, and open forum meetings involving members of the senior leadership team. Each week, the CEO takes questions from across Drax on a wide range of topics and we share his responses with all colleagues. Each year, we invite all colleagues to complete a 'My Voice' engagement survey, share the results and take actions based upon them.

#### Progress in 2021:

- Reviewed our Group policies on 'Dignity at Work' and 'Diversity and Inclusion'
- Reviewed our UK 'Formal Flexible Working' policy and 'Informal Flexible Working Guidelines'
- Introduced modernised 'Family Friendly' policies in the UK
- Continued to ensure that all colleagues directly employed by Drax in the UK are paid at least the real Living Wage and ensured that Pontoon, our leading provider of non-permanent workers, also paid at least the real Living Wage
- 'Diversity, Equity, and Inclusion' strategy reviewed and updated to incorporate the views of colleagues from our 'My Voice' engagement survey. In 2021, we captured an inclusion index for the first time in the survey, scoring six points ahead of the Energy and Utilities norm







## Supplier contracts

In October 2020, our Board approved a new Supplier Code. This was subject to annual review in Q3 2021, with no necessary changes being identified.

The Supplier Code has been well-received by our suppliers to date. It expects them to ensure that their own suppliers operate in line with the standards set out in the Code (where involved in activities on behalf of Drax). It also provides the details of the Speak Up service that Drax has for use by colleagues, non-permanent workers, and suppliers alike. Suppliers therefore have an anonymous route to report modern slavery or other concerns about the Drax supply chain (accessible in multiple languages).

### Progress in 2021:

- Identified areas of spend that may be at high risk of modern slavery in their supply chains and established a procedure to continue to identify such areas
- Developed standard business ethics clauses (including in relation to modern slavery) to be used consistently across all our agreements
- Progressed the implementation of our Supplier Code and standard business ethics clauses for new agreements or at the point of renewal for existing agreements (with many departments moving to 'business as usual')
- Commenced the development of a Supplier Code procedure that will guide colleagues if our Supplier Code or ethical clauses are challenged or rejected





## Telltale signs of modern slavery...

Not having their passports  
Having no employment contract  
Working long hours without time off

Screenshot of human rights embedded video from the Drax Code



## Awareness and training

In 2021, we provided Business Ethics training (including a dedicated section on modern slavery) to our senior leadership team, and deployed our first Code of Conduct refresher eLearning module to existing colleagues\*.

The latter aimed to remind colleagues of the principles set out in the Drax Code, our approach to ethical decision making, how to Speak Up and our zero tolerance approach to retaliation. We also issued several modern slavery related articles via our intranet.

We marked Anti-Slavery Day (18 October) with a communication encouraging colleagues to do something to:

- Raise their own awareness
- Raise the awareness of others
- Support an organisation working on this important issue

The article provided useful links to Unseen UK's website and collateral produced by Slave Free Alliance.

We continued to issue the Drax Code to all new starters (including relevant non-permanent workers). This includes an embedded video specifically about modern slavery and the telltale signs.

\*Excluding Pinnacle colleagues who will receive the Code/training in 2022

We arranged a dedicated 'Ethical Trade' training session for our teams considered 'at higher risk' of encountering modern slavery. An Ethical Trading Initiative affiliated trainer delivered the training.

We progressed an awareness raising campaign in collaboration with one of our logistics partners, AW Jenkinson. In addition to providing financial support to the UK's Modern Slavery and Exploitation Helpline, we plan to promote the helpline on the back panel of six new vehicles ordered by AW Jenkinson for Drax deliveries (see images). We hope this will help raise awareness of the helpline and connect someone who may need to use it. We're also planning a launch day to further raise awareness, and support the provision of training to AW Jenkinson's drivers on how to spot modern slavery red flags.



Photo credit: mulhollandmedia.co.uk



Photo credit: mulhollandmedia.co.uk





## “Speak up” culture

### We encourage all those connected with Drax to challenge unethical behaviour and promote a speak up culture.

Within Drax, individuals can raise concerns directly via their line management, the Group Business Ethics team, or the Company Secretary (the Whistleblowing Officer for Drax). Alternatively, an independently-operated and confidential Speak Up helpline and web portal are available (in multiple languages).

Third parties to Drax can also raise their concerns via the Group Business Ethics team, Whistleblowing Officer, or external Speak Up service. Details on how to do this are set out in our [Supplier Code](#).

The external service enables reporters to anonymously raise concerns relating to Drax. The service forwards any issues raised to the Group Business Ethics team and/or the Whistleblowing Officer (in accordance with the reporter's anonymity preference). The recipient will acknowledge, assess, and investigate as appropriate. The Group Business Ethics team/ Whistleblowing Officer reports any concerns raised, the status of any investigation and any recommended remediation measures to the

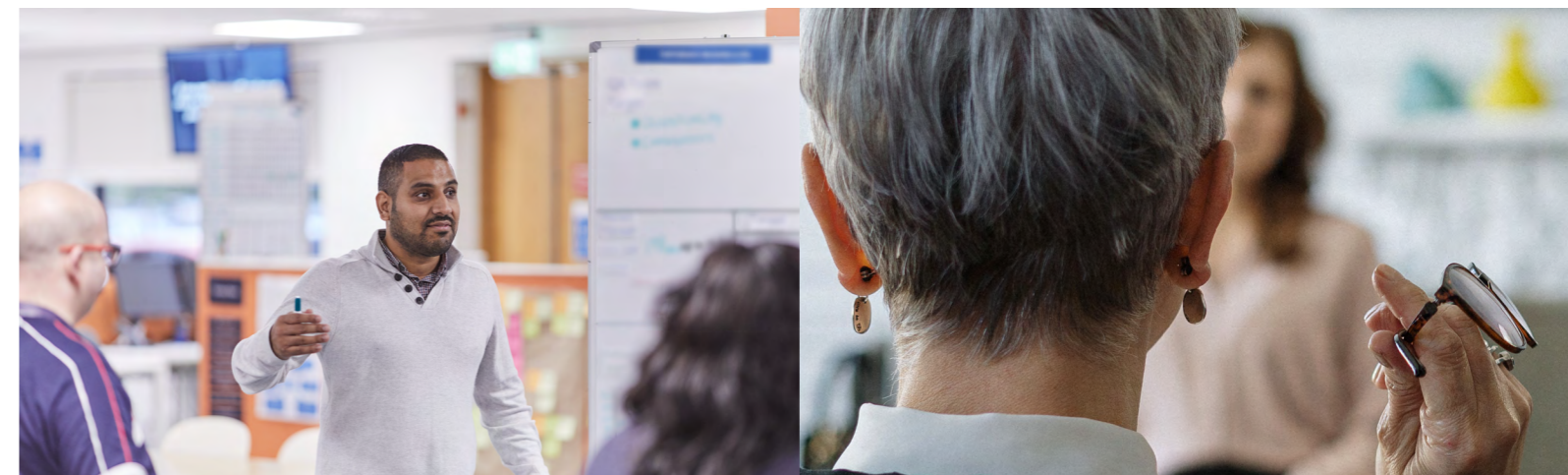
EBCC, the Board, the Audit Committee and, where appropriate, the relevant authorities.

No concerns relating to modern slavery were raised through our reporting processes in 2021.

#### Progress in 2021:

- Strengthened our Speak Up programme by:
  - Updating our Speak Up (whistleblowing) policy to incorporate our new Pinnacle colleagues
  - Deploying our Speak Up programme to our new Pinnacle colleagues, within a communication plan that includes reminders
  - Scheduling reminders to colleagues in the UK and US on what Speak Up is (and is not), how to make a report, and how managers should handle a report
  - Continuing to report directly to the Board on Speak Up matters

- Focusing a significant proportion of our 2021 Code of Conduct refresher eLearning module on Speak Up and non-retaliation
- Progressing a standardised approach to our investigation processes for Speak Up concerns
- Engaging external experts to support Speak Up investigations, as appropriate
- Benchmarking our Speak Up programme against the new EU Whistleblowing Directive and third-party benchmarking reports
- We strive for continuous improvement in our Speak Up arrangements. This includes progressing feedback from internal auditors, who most recently reviewed our Speak Up programme in 2021
- In the 2021 ‘My Voice’ engagement survey, 86% of colleagues stated that they felt comfortable speaking up and/or to raise concerns within Drax, which is a 4% improvement on the prior year's survey








## Working together

We seek to work in partnership with others to strengthen our learning and approach.

### Sustainable Biomass Program (SBP)

In 2013, Drax co-founded the Sustainable Biomass Program (SBP) with six other energy companies. SBP is an independent certification system designed for woody biomass, mostly in the form of wood pellets and wood chips, used in industrial, large-scale energy production. SBP proactively encourages the adoption of standards and due diligence processes that include the promotion of human rights. For suppliers to be approved under the certification scheme, they must satisfy multiple requirements, including those relating to modern slavery due diligence. Further information on the Sustainable Biomass Program can be found on the SBP [website](#).

### UN Global Compact

Since 2018, we've participated in the United Nations Global Compact (UNGC) – a voluntary corporate sustainability initiative that encourages businesses worldwide to adopt sustainable and socially responsible practices. Further information on the UNGC can be found on its [website](#). Our Annual Report for the financial year end 2021 forms our annual 'communication on progress'. We report our progress against the Ten Principles (on human rights, labour, environment, and anti-corruption) and on actions to support the Sustainable Development Goals. We're a member of the UNGC Modern Slavery Working Group. Our involvement enables us to collaborate with peers as we continually develop and enhance our approach to addressing the risks of modern slavery.

### Unseen UK

Unseen UK is a charity providing independent support for survivors of trafficking and modern slavery and runs the [UK Modern Slavery and Exploitation Helpline](#). During 2021, we engaged with the charity on the development of a modern slavery awareness-raising initiative. We made a corporate donation to support the operation of the helpline, which provides free, independent, 24/7 information and advice to potential victims, businesses, the public and statutory agencies.

### Progress in 2021:

- Participated in UNGC Modern Slavery Working Group meetings
- Participated in UNGC peer Modern Slavery Statement review
- Attended Slave Free Alliance Utilities Working Group meetings, to better understand how its activities might improve supply chain human rights programme
- Engaged with Traffik Analysis Hub to better understand its offering and how it might compliment our risk assessment toolkit
- Provided financial support to Unseen UK
- Commenced a dialogue with the Humber Modern Slavery Partnership

### Stakeholder engagement

Like many businesses, we have a diverse group of stakeholders who are affected by our global activities.

We maintain a detailed map of internal and external stakeholders, the concerns they've raised, and the date of the last meeting. This enables us to assess how the stakeholder landscape is developing, and to recognise and respond to the expectations of a wide range of stakeholders, ensuring we consider their interests in our decision-making.

### Modern Slavery registries

In 2021, we published our statement on the Government's new [registry](#).

Who are our stakeholders?

-  Workforce
-  Shareholders and investors
-  Communities and local authorities
-  Customers
-  Government and political bodies
-  Non-governmental organisations (NGOs)
-  Regulator and network operators
-  Schools and colleges
-  Suppliers and contractors
-  Think tanks and academics
-  Trade and industry associations





## KPIs and looking ahead

We're committed to continual improvement and strengthening our Supply Chain Human Rights programme.

### Key Performance Indicators (KPIs)

We have internal modern slavery KPIs that measure the effectiveness of our programme. We consult the EBCC on progress and performance.

2021 KPI	Progress
<p><b>Provide proportionate levels of training to colleagues, including:</b></p> <ul style="list-style-type: none"> <li>- New starters</li> <li>- Senior management</li> <li>- Teams considered 'at higher risk' of encountering modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>• Deployed Drax Code of Conduct (including embedded video on modern slavery) as a mandatory read to 100% of new starters</li> <li>• Deployed 'Business Ethics for Senior Leaders' training (including dedicated section on modern slavery) to full senior leadership team (268 people) across Drax with 100% completion</li> <li>• Two half-day workshops on Ethical Trade provided by an Ethical Trading Initiative affiliated trainer to our Business Ethics and Biomass Sustainability Compliance teams in December 2021</li> </ul>
<p><b>Collaborate with others to promote awareness of modern slavery</b></p>	<ul style="list-style-type: none"> <li>• Continued engagement with UN Global Compact and Slave Free Alliance</li> <li>• Commenced a dialogue with Unseen UK and made a corporate donation to support the continued operation of the UK's Modern Slavery and Exploitation Helpline</li> <li>• Started working with a logistics partner to promote awareness of the helpline in 2022</li> <li>• Commenced a dialogue with the Humber Modern Slavery Partnership, to explore collaboration opportunities in 2022</li> </ul>

<p><b>Upskill high-risk suppliers</b></p>	<ul style="list-style-type: none"> <li>• Following detailed ethical due diligence, we developed and agreed a workplan with a new Vietnamese supplier (to form the focus of a supplier assurance audit in 2022)</li> <li>• Progressed Supplier Code deployment in 2021, with many departments moving to 'business as usual'</li> <li>• Developed standard Business Ethics clauses (including modern slavery related) with external counsel</li> <li>• Engaged directly with suppliers, where appropriate, during the ethical due diligence process</li> </ul>
<p><b>Strengthen supply chain auditing and verification processes</b></p>	<ul style="list-style-type: none"> <li>• Continued engagement with Sustainable Biomass Program</li> <li>• Benchmarked Drax process against the Social Responsibility Alliance's Slavery and Trafficking Risk template</li> <li>• Engaged third-party expert to conduct detailed due diligence on new Vietnamese supply chain, agreed workplan that will be focus of a supplier assurance audit in 2022 (Covid-19 permitting)</li> <li>• Researched various supplier assurance ('social') audit models and provided Ethical Trade training to relevant teams</li> <li>• Formed an internal Certification and Verification Working Group to progress a holistic, ESG-based approach to supply chain due diligence and auditing</li> </ul>
<p><b>Undertake investigations into reports of modern slavery and take remedial actions</b></p>	<ul style="list-style-type: none"> <li>• Engaged directly with suppliers in relation to potential exposure to Uyghur labour</li> <li>• Identified remediation of any potential red flags during the ethical due diligence process</li> </ul>
<p><b>Maintain up to date due diligence information on supply chains that are high risk for modern slavery</b></p>	<ul style="list-style-type: none"> <li>• Complete for 2021</li> </ul>



## Planned initiatives for 2022

In 2022, we'll explore how to strengthen our activities to promote human rights and help eliminate modern slavery. This will include:

Programme element	Initiatives
<b>Governance</b>	<ul style="list-style-type: none"> <li>Continue our plan to carry out annual reviews of the Drax Code and Supplier Code, ensuring any amendments are subject to EBCC approval</li> <li>Continue to report on the activity of the Modern Slavery Working Group (MSWG) to the EBCC</li> <li>Explore upstream post-contract diligence and supplier compliance support in higher risk jurisdictions</li> </ul>
<b>Risk assessment</b>	<ul style="list-style-type: none"> <li>Implement additional tools to strengthen the risk assessment process, as deemed appropriate by the EBCC</li> </ul>
<b>Due diligence</b>	<ul style="list-style-type: none"> <li>Carry out a supplier assurance audit of our new Vietnamese supply chain</li> <li>Reflect the SRA's Slavery and Trafficking Risk Template in our own due diligence questions (where gaps have been identified)</li> <li>Complete the project to provide a geographical representation of our supply chains</li> <li>Implement a more coordinated/holistic 'Environmental, Social and Governance' approach to due diligence and audit across Drax</li> </ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"> <li>Continue with our annual review cycle of the Codes of Conduct and Human Rights policy</li> <li>Implement an enduring due diligence process for Pinnacle customers, First Nations, joint ventures, and suppliers</li> </ul>

Programme element	Initiatives
<b>Employment practices</b>	<ul style="list-style-type: none"> <li>Identify other Drax suppliers that may pay below the real Living Wage and agree milestones with each for when the real Living Wage can be put in place</li> </ul>
<b>Supplier contracts</b>	<ul style="list-style-type: none"> <li>Finalise the implementation of our Supplier Code for new agreements or at the point of renewal/extension for existing agreements</li> <li>Consider adding further detail on our non-fuel procurement activities to the Responsible Sourcing section of our website</li> <li>Implement the new standard business ethics clauses (incorporating the Supplier Code) into Pinnacle procurement practices</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>Arrange a launch day in relation to our collaboration with AW Jenkinson to further increase awareness of the UK's Modern Slavery and Exploitation helpline</li> <li>Consider further tailored training for our 'at higher risk' teams</li> <li>Issue further awareness-raising articles to existing colleagues and non-permanent workers</li> </ul>
<b>Speak Up culture</b>	<ul style="list-style-type: none"> <li>Continue our Speak Up awareness-raising campaign</li> </ul>
<b>Working together</b>	<ul style="list-style-type: none"> <li>Continue our work with both the UN Global Compact and Unseen UK</li> <li>Explore other potential partnerships, including the Humber Modern Slavery Partnership, and add associated services to our toolkit, as required</li> </ul>



# Statement approval

The Board of Directors of Drax Group plc has approved this statement for our financial year ended 31 December 2021. This statement has been completed in accordance with the requirements of section 54, part 6 of the Modern Slavery Act 2015. It applies to all companies within the Drax Group that are required to have a Modern Slavery Statement, comprising:

- Drax Energy Solutions Limited (formerly Haven Power Limited)
- Drax Generation Enterprise Limited\*
- Drax Power Limited
- Opus Energy (Corporate) Limited
- Opus Energy Limited
- Opus Energy Renewables Limited
- Opus Gas Supply Limited

This statement was signed by:

**Dwight Daniel Willard Gardiner**

(known as Will Gardiner)  
Chief Executive Officer Drax Group plc

on 22 February 2022

\* For the period to 31 January 2021 only, at which point the entity was sold.



For further information on Drax and our [earlier modern slavery statements](#), please see our websites:

[drax.com](https://www.drax.com)

[energy.drax.com](https://www.energy.drax.com)

[opusenergy.com](https://www.opusenergy.com)

[visitcruachan.co.uk](https://www.visitcruachan.co.uk)

**drax**