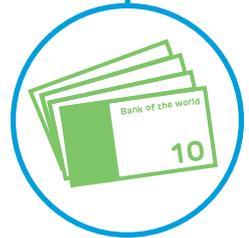


Doing the right thing



Conducting our business

Doing the right thing



Foreword

by Will Gardiner, Group Chief Executive

At Drax, we are committed to conducting business with honesty, integrity and in accordance with all relevant laws and regulations. We have an unwavering commitment to doing the right thing and strive for best practice in our engagement with colleagues, customers, partners and other stakeholders.

We are also proud to be part of the UN Global Compact, a voluntary corporate sustainability initiative that encourages businesses worldwide to adopt sustainable and socially responsible practices.

This booklet sets out to inform you of how we make sure we are 'doing the right thing' and the expected standards of conduct when working on behalf of Drax.

Along with our other compliance frameworks, the following principles aim to ensure we meet both our own internal standards and our regulatory obligations. We expect the same standards from those with whom we do business, whether in the United Kingdom, the United States or beyond.

In recent years, our industry has seen increased levels of regulation. So it is important that you are familiar with the content of this document and contact a Group Business Ethics colleague or email Speak.Up@drax.com if you have any questions or concerns.

Each one of us is a representative of Drax – what we do and how we do it sends a powerful message. If you ever have any concerns that something may not be consistent with our principles, then please speak up. We all have a duty to maintain our high standards of behaviour.

Will Gardiner
Group Chief Executive



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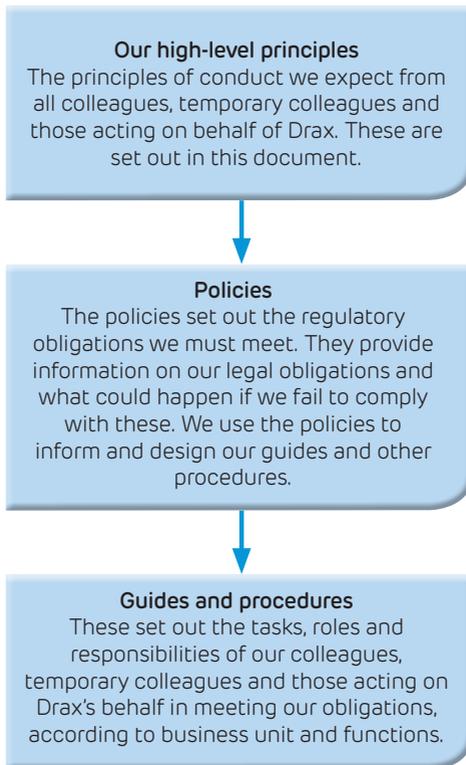
What is our compliance framework?

Our compliance framework is a set of documents that describe how we conduct our business ethically and responsibly.

It contains the principles, policies, guides and other procedures we use to ensure we are able to meet our own internal standards and those needed to meet our legal and regulatory obligations.

Following our framework is part of your contractual terms. Therefore, it is very important that you understand which elements apply to your role.

If you have any questions, please speak to your line manager or a Group Business Ethics colleague or email Speak.Up@drax.com



Applying our framework and what it means in practice

Drax operates in accordance with applicable laws and regulations. The framework applies to all colleagues, temporary colleagues and those working for or on behalf of Drax (associated persons).

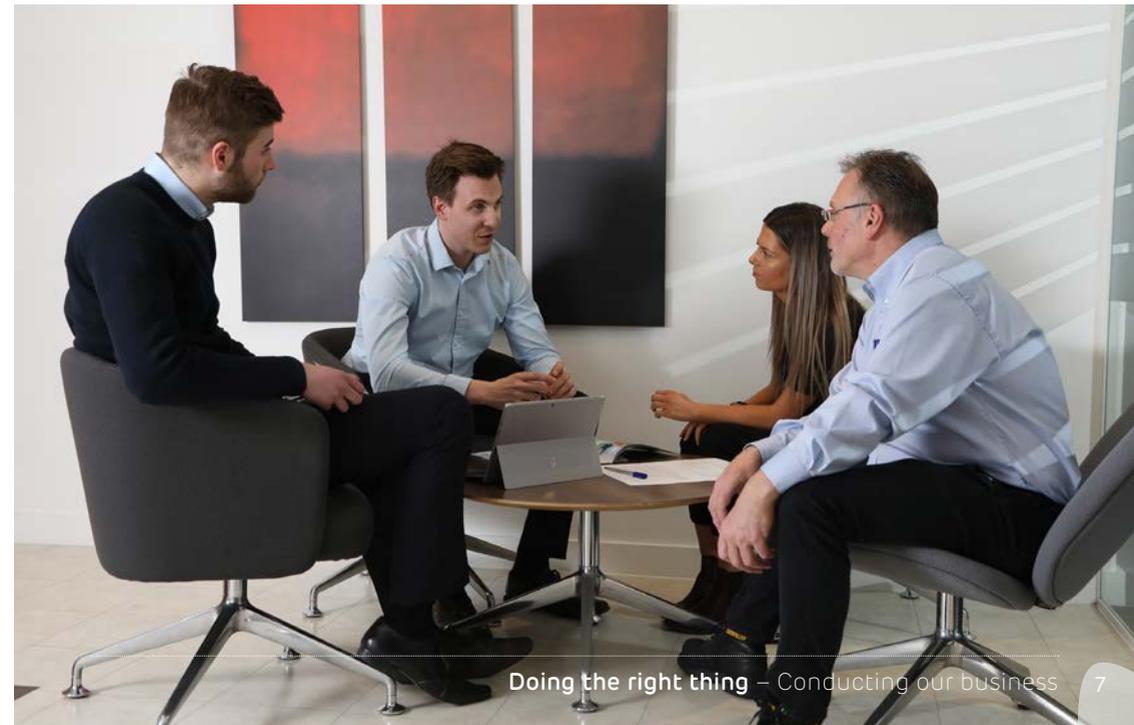
Managers are responsible for providing their teams with leadership and support on our compliance requirements and how to apply them in practice. Senior managers are also responsible for providing assurance on these matters to the Executive Committee and Drax's Board of Directors.

We are also committed to working only with third parties whose standards are consistent with our own. This includes suppliers, partners, agents, intermediaries,

contractors and consultants. We assess this as part of our due-diligence processes.

The consequences of not complying can be very serious. We could face significant sanctions including fines and potentially, criminal liability, as a company or individually. We could also be subject to significant reputational damage and claims from impacted third parties.

Drax has a zero tolerance to the failure to comply with our principles and policies. Colleagues who fail to comply should expect to face disciplinary proceedings which include the possibility of dismissal. Contractors or other relevant third parties who fail to comply could face contract termination.





Bribery and corruption

Our principle

We prohibit bribery and corruption in all its forms. This applies to all Drax colleagues, temporary colleagues, and our 'associated persons' wherever they are in the world.

Bribery is the offering, giving, soliciting or accepting something of value as a reward for something illegal, unethical or a breach of trust.

Bribes can include, but are not limited to, cash, gifts, hospitality, in-kind help, charitable donations or employing of relatives.

They are usually, but not always, used to obtain or retain an unfair business advantage.

Bribes are against the law and against our principles, regardless of local customs.

Corruption is the abuse of entrusted power for private gain. It can involve bribery, extortion, deception, fraud, collusion and money laundering.

Facilitation payments

Our principle

We do not allow any taking, offering, providing, or promising of unlawful 'facilitation payments', regardless of the value of the payment.

A facilitation payment is a type of bribe - unofficial payments that are either demanded, offered or made usually to speed up a process or action - for example, the issuing of permits or licences. They are often referred to as 'bungs', 'backhanders' or 'grease payments'.

Such payments, even when small in value, are illegal and are strictly prohibited.

Even if paid by an 'associated person', Drax could be found liable for an unlawful facilitation payment.



Business gifts and hospitality

Our principle

We strictly prohibit the giving of gifts or hospitality with the intention of influencing a business decision, judgement or outcome. Gifts and hospitality will only be accepted in the interests of maintaining genuine business relationships.

Business gifts and hospitality should only be offered and accepted in line with Drax's gifts and hospitality procedure. The recording of gifts or hospitality should be completed according to local process.

Gifts and hospitality offered between Drax and others are categorised as follows:

Usually acceptable and can be self-approved	May be acceptable with prior approval	Never acceptable
<ul style="list-style-type: none"> Modest occasional meals at a moderately priced restaurant with someone with whom we do business – these do not need to be recorded Non-cash or non-cash equivalent gifts up to the value of £50, or equivalent in other currencies – these should be recorded, unless they are of minimal value, i.e. a branded diary, calendar, pen etc. 	<ul style="list-style-type: none"> Non-cash or non-cash equivalent gifts with a value greater than £50, or equivalent in other currencies – these need to be recorded Any special events such as attending sports, theatre or cultural events unconnected to a business event – these need to be recorded Any invitation that is extended to a spouse, family member or friend – these need to be recorded Any invitation where another party pays for your travel or overnight accommodation – these need to be recorded 	<ul style="list-style-type: none"> Any gift of cash or cash equivalent i.e. vouchers Attending an event where the company or person (or a suitable substitute) making the invitation does not intend to be present, unless you are comfortable that the ticket is not being offered as an inducement and its value is below the self-approval limit for gifts Attending an event for which there is no business purpose Anything which would be illegal Any gift or hospitality from someone involved in a tender, competitive bid or contract negotiation process Any hospitality that is indecent or does not comply with Drax's values Any gift you pay for personally or receive at your home address

Note: Recordable hospitality is subject to acceptance thresholds. Refer to the gifts and hospitality guide for more information.

Hosting of politicians and government officials

Our principle

The Executive Committee (or their delegate) must pre-approve any offer of travel, accommodation or other hospitality to politicians and government officials.

Both the UK Bribery Act and the US Foreign Corrupt Practices Act include specific offences relating to the bribery of public officials. Situations which involve providing accommodation or other hospitality to politicians and government officials must be approached with caution and always be pre-approved by the Executive Committee (or their delegate).

US-based employees must ensure compliance with all relevant Federal, State and local ethics laws before such hospitality is extended to a public official. Any such hospitality must also be appropriately reported in compliance with relevant Federal, State and local disclosure laws.

A 'government official' is any officer, director or employee of a local or national government, any public international organisation or any department or agency thereof, or any person acting in an official capacity for such government or organisation. This includes any employee of a state-owned, controlled or operated enterprise.

The term 'government official' also includes any representative of a foreign political party, any political party official or candidate for political office.



Political lobbying

Our principle

We seek a positive and constructive relationship with regulators, policy makers and politicians. We do not conduct dealings in ways that are illegal, unethical or contrary to professional practice.

Anyone representing Drax must always be truthful and honest in dealings with policy makers, politicians, regulators and government and make representations in a fair and balanced way. With so much of our work in the public eye, it is only natural that we will come into contact with politicians and government officials. While it is

important for us to build and develop good relationships, it is even more important that we manage them appropriately.

If, in your work for Drax, you find yourself in a situation where you are working with a public official, you must follow the Group Political Engagement policy and ensure the Corporate Affairs team is informed.



Suppliers, partners, agents, intermediaries, contractors and consultants

Our principle

We only work with third parties that we believe to be reputable and whose standards are consistent with our policies and principles.

Before engaging with third parties, we conduct due diligence. We select third parties whose values and commitment to ethical business match our own. This means you must not contract with a third-party entity or individual until Drax has received sufficient details about the

identity, background and reputation of the third party or person.

Due diligence checks should be carried out by your local due-diligence practitioner as appropriate.

Modern slavery

Our principle

We respect human rights and are committed to conducting business with honesty, integrity and respect. We have a zero tolerance of modern slavery in all its different forms. That means we will work to identify any risk of modern slavery in our own business and supply chains and, if identified, we will work to eliminate it.

We apply appropriate checks to ensure no form of modern slavery is employed by Drax or any of our third parties.

Our work to reduce the risk of modern slavery in our business and supply chains is reported in an annual statement available at www.drax.com.



Doing the right thing

Conflicts of interest

We avoid situations in which our personal interests or actions could conflict with, or appear to conflict with, Drax's best interests.

Conflicts of interest can arise when a person's own interests interfere or may be inconsistent with either the fair and proper performance of that person's role in Drax or with the wider interests of Drax.

We have a duty to avoid financial, commercial or other relationships which could give rise to a conflict of interest.

Such interests might include but are not limited to:

- Having a financial interest (e.g. a shareholding) in a company with which Drax has a commercial relationship

- Acting as a director or employee for another business with which Drax has a commercial relationship
- Being a member of an organisation that is inconsistent with the lawful activities of Drax

Conflicts of interest should be declared to line managers and Group Business Ethics. Board members should declare their conflicts to the Group Company Secretary.

Compliant trading and share dealing

Our principle

We do not misuse inside information and we trade in compliance with applicable law.

Inside information

Some information relating to companies, including Drax, can be particularly sensitive. If the information has not been made public, is precise and would normally be used by a third party in deciding whether to invest in a company or to enter into a commodity contract with a company, then it could be regarded as 'inside information'. Inside information has a specific status and treatment under the law, and must be managed properly.

Any information which you believe to be inside information should be reported immediately to the Group Company Secretary.

Our policies and procedures give further detail on how inside information is managed within Drax and how and when we make inside information available to the market. The procedures are designed to prevent inside information being used improperly in both personal decisions to invest and decisions made on behalf of Drax.

Colleagues with access to inside information, or confidential information which may later become inside information, will be placed on a dedicated list and will be sent a reminder of the sanctions for any insider dealing or unlawful disclosure of inside information.

Trading activity

Our policies and procedures support our principle to trade in compliance with all elements of applicable law. This helps to guide and safeguard Drax and individuals involved in making trading decisions from the severe penalties and sanctions associated with any failure to comply.

Dealing in Drax shares

Drax has a Group-wide Dealing Policy and a Dealing Code which imposes restrictions on dealings in Drax securities.

If the Code applies to you and you wish to deal in Drax shares, you will need to seek prior approval. All requests for clearance should be sent to the Group Company Secretary, who will guide you through the process.



Market abuse

Our principle

We prohibit any action or inaction which could be deemed as market abuse.

The market abuse regime comprises the Market Abuse Regulation and the Regulation on Energy Market Integrity and Transparency. The regime is designed to prevent misconduct and unlawful behaviour in the financial and energy markets. Market abuse includes market manipulation, insider dealing and unlawful disclosure of inside information.

The regime applies to financial and energy contracts traded in specified markets,

whether the behaviour takes place within or externally to those markets. Detailed training is provided to those who trade in these markets on behalf of Drax.

We promote the development of transparent and effective markets, which our business relies on to grow and prosper. Any form of market abuse, including attempting to carry out market abuse or encouraging others to do so, is illegal.

Fraud, deception and dishonesty

Our principle

We will not defraud or deceive anyone or act dishonestly. We will protect Drax against fraud.

Fraud always involves deception and dishonesty. Fraud is when you deliberately try to deceive someone, act dishonestly or abuse your position to gain any kind of material advantage, or use or involve anyone else to do so.

Fraud is usually carried out for profit, or to obtain money, property or services unjustly. It is a criminal offence in most countries.

Fraud can include:

- 'False representation'- if a representation is false, untrue or misleading and the person making it knows that this is, or might be, the case;
- 'Fraud by failing to disclose information'- failure to make information known where there is a legal duty to disclose it; and
- 'Fraud by abuse of position'- where a person is in a position in which they are expected to safeguard or not act against the financial interests of another person (i.e. Drax).

Others may try to defraud Drax. Be vigilant.

Tax evasion

Our principle

We will not evade tax or enable others to do so.

Tax evasion is a type of fraud which involves the illegal non-payment or underpayment of taxes that are owed by law to HMRC or other international revenues. Drax does not tolerate tax fraud within its business or by its third parties.

We will never knowingly be complicit in facilitating a third party to evade taxes. Our due diligence and payment procedures are designed to ensure we comply with tax laws.



Money laundering

Our principle

We will never knowingly be complicit in laundering money and will report any suspicion of money laundering or other serious organised crime to the appropriate authorities.

Money laundering is a process used for transferring cash generated by organised crime into the financial system and the legitimate economy. It is used to disguise the origins of illegal cash by turning it into an investment in a legitimate financial instrument or business.

Although Drax is not directly subject to the Money Laundering Regulations, we still support the principles of the regulation and this is reflected within our procedures.

Our Group Company Secretary is our Money Laundering Reporting Officer (MLRO) and any concerns or suspicions should be reported to the MLRO or a Group Business Ethics colleague.

Data privacy and protection

Our principle

We respect individual privacy rights and act responsibly when gathering, processing and sharing personal data about our colleagues, customers, suppliers and other parties we may deal with.

We comply with the requirements of data protection law. We put in place suitable policies, processes and systems to safeguard the privacy of data as if it were our own and ensure that any third parties who are processing that data on our behalf do the same.

Personal data means any information about an identified or identifiable person ('data subject'). This includes information such as a name, number, location, online identifier or which is specific to someone's physical, physiological, genetic, mental, economic, cultural or social identity.

We take extra care when processing certain 'special' types of data such as data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, genetic or biometric data, data concerning health or a person's sexual life or orientation.



Open and fair competition

Our principle

We will not enter into anti-competitive agreements or abuse our market position.

Competition laws prohibit anti-competitive agreements, particularly between companies that operate in the same sector, and the abuse of dominant market positions.

The laws apply to many different areas, including:

- Sharing confidential information with competing companies
- Taking actions that could lead competitors to co-ordinate prices, costs and strategies

- Agreeing not to compete i.e. customer sharing

Failure to comply with competition laws can expose Drax to the risk of substantial fines, damages and other penalties. It may also expose individual colleagues to criminal prosecution.

Every document you write may be read by competition authorities if they decide to investigate. Always be professional in your writing style.

Speak Up (Whistleblowing)

Our principle

We will treat all issues raised seriously and will follow them up conscientiously, discreetly and without bias. Where necessary we will carry out an investigation and where appropriate we will report the matter to the relevant authorities.

How to speak up

If you are concerned about any ethical conduct or behaviour, such as breaches of our policies or applicable laws and regulations, then please speak up. You can raise any issue internally with various designated colleagues such as your immediate management or a Group Business Ethics colleague.

External service

We appreciate there may be occasions when colleagues feel unable to raise concerns internally or a third party may wish to highlight an external concern to us.

To facilitate this, Drax has appointed Safecall, who operate a confidential and independent telephone hotline and web reporting service. Through this facility, you have the option to remain completely anonymous, should you wish to do so.

The hotline numbers are:

UK: 0800 915 1571

US: 1 866 901 3295

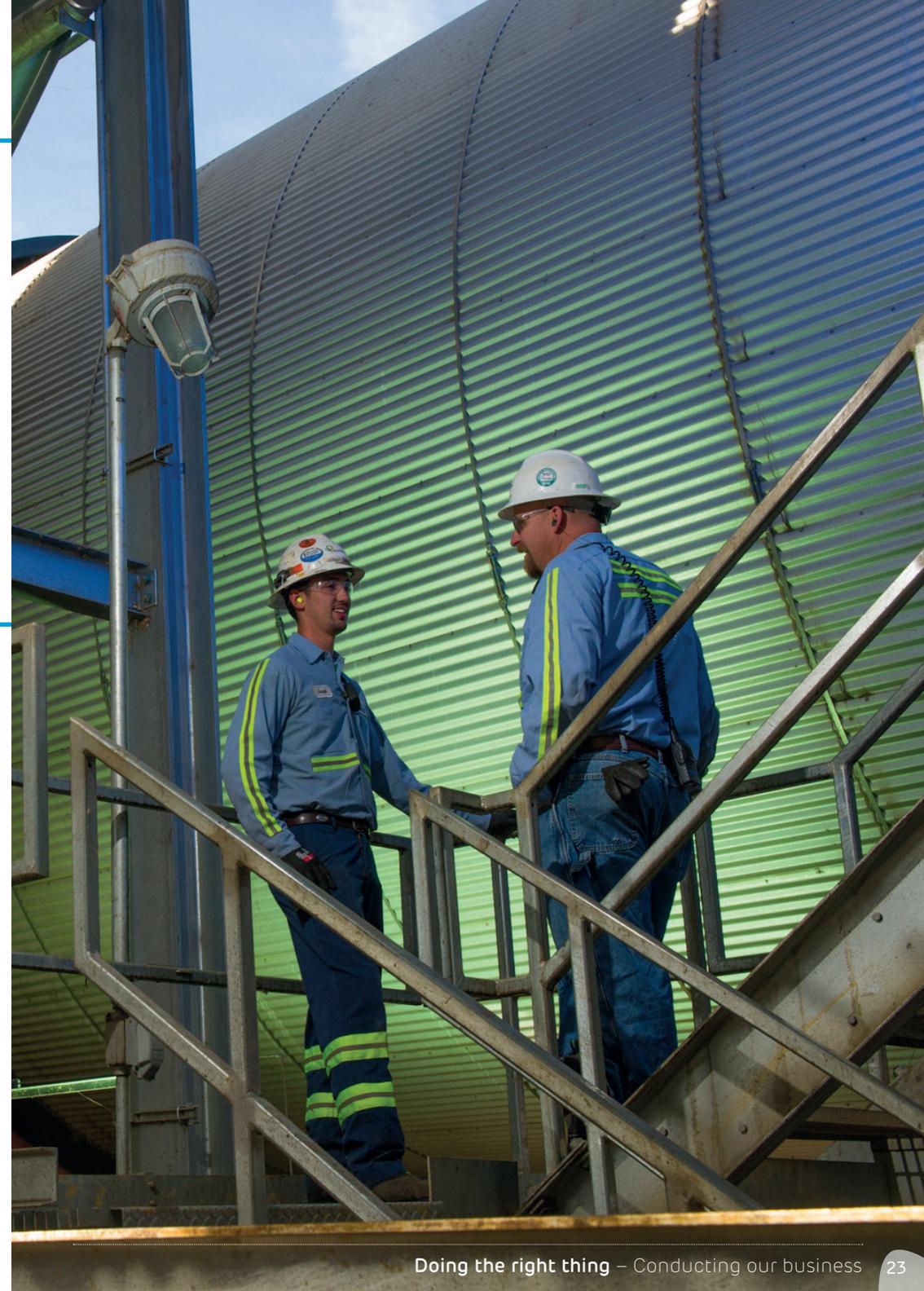
Other international numbers can be found at:

www.safecall.co.uk/freephone

The web reporting address is:

www.safecall.co.uk/report

Anyone who expresses genuine concern will not be exposed to any sanction or retaliation by Drax because of their action.





If you have any questions in relation to our compliance framework, please contact a Group Business Ethics colleague or email Speak.Up@drax.com

To find a Group Business Ethics colleague, visit the 'Meet the team' section on the Group Business Ethics pages of the Drax intranet.