

Urenco Group

2022 Modern Slavery and Human Trafficking Statement

Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes the modern slavery and human trafficking statement for the financial year ending 31 December 2022 for Urenco Limited, covering all business regions, operating companies and business units throughout the world, including the UK reporting entities listed in Appendix 1 (“Group” “Urenco” “We”).

We are fully committed to tackling modern slavery and human trafficking and we adopt a zero tolerance approach to modern slavery.

As an organisation we seek to implement the UN Guiding Principles on Business and Human Rights and respect the International Bill of Human Rights and the International Labour Organization (ILO) Fundamental Principles and Rights at Work. We have continued to further develop our commitments to addressing modern slavery risks through engagement with stakeholders and suppliers. Our approach to ethical conduct and strong governance frameworks is taken from our Sustainability Strategy.¹

This statement sets out our approach to modern slavery, the steps we have taken and those we will be taking during the next financial year.

Group Structure & Business

Who we are

Urenco Limited was founded in 1971 following the signing of the Treaty of Almelo by the Dutch, German and UK governments in 1970. The company is incorporated as a limited company in the UK and is one-third owned by the UK Government, one-third by the Dutch Government, and one-third is split equally between RWE and E.ON, two German utilities. The company has no minority shareholders. The Treaty of Almelo establishes robust safeguards to protect our technology from misuse and proliferation.

As Urenco has grown, this international framework has been extended through treaties with the USA and France. A Joint Committee, comprising representatives from all three governments, oversees adherence to these principles, but does not engage in the company’s day-to-day operations.

We are the only commercial enrichment company operating four facilities in four different countries – in the UK, Germany, the Netherlands and the USA.

What we do

We provide enrichment services and fuel cycle products for the civil nuclear industry, facilitating carbon free electricity generation for consumers around the world. In the uranium fuel cycle there are miners of uranium ore; processors who treat the ore to extract uranium oxide; converters who change uranium oxide into uranium hexafluoride; enrichers, such as Urenco, who increase the proportion of the Uranium-235 isotope; fuel fabricators who turn enriched uranium into fuel rods; and utility companies who use fuel rods in nuclear reactors to generate electricity.

Urenco’s role is to spin the uranium hexafluoride in centrifuges to separate out the heavier and lighter isotopes. The uranium hexafluoride with the higher proportion of the Uranium-235 isotope (enriched uranium) is sent to make fuel rods.

The uranium hexafluoride with the lower proportion of the Uranium-235 isotope (depleted uranium, known as ‘tails’) is stored on site. Our Tails Management Facility is dedicated to the responsible and sustainable management of nuclear materials, and deconverts the tails back to uranium oxide for

¹ [annual report and accounts 2022: https://www.urencoco.com/cdn/uploads/supporting-files/Urenco_AR2022.pdf](https://www.urencoco.com/cdn/uploads/supporting-files/Urenco_AR2022.pdf)

long term storage for future enrichment or final disposal.

We also employ our centrifuge technology to produce stable isotopes for medical, industrial and research applications. Each year, approximately two million patient treatments are performed using medical radioisotopes produced from our enriched stable isotopes products.

Supply chains

As our organisation operates within the nuclear fuel supply chain we operate in a highly regulated industry and our operations are governed by national and international standards.

Our supply chains are split into two areas: nuclear fuel cycle and non-nuclear fuel cycle.

Nuclear fuel cycle

- The supply of uranium hexafluoride "feed" material from our customers (usually through third-party suppliers with whom our customers have contracted for the provision of feed material and who deliver it to our enrichment sites).
- Sourcing relatively small quantities of uranium ore directly from the producer, the majority of which is mined in Australia, Canada and Kazakhstan.

Non-nuclear fuel cycle

- Procuring of materials, goods and services, including the supply of personnel, to support the operation of our business and delivery of projects.

Risk Assessment

Across all of our areas, we continue to develop a range of measures to help identify, manage and mitigate potential risks and threats that could impact our business and supply chain, including those risks arising from modern slavery and broader human rights issues.

Nuclear fuel supply chain risks

We recognise that certain aspects within our nuclear fuel supply chain may pose a higher modern slavery risk, for example, where we directly purchase uranium from third parties (including mining companies or brokers). The modern slavery risks could include labour rights, and the use of child labour and exploitation.

It is our policy that we do not accept uranium from physical sources where the producer or supplier is known to operate in a manner that compromises either our compliance with the Modern Slavery Act 2015, or our core values and principles as an organisation. We verify this by maintaining a mining and conversion origin tracking system within our Enterprise Resource Planning system and cross referencing those origins against various indicies to assess potential risks including but not limited to human rights and modern slavery (further details provided in the due diligence section below).

In 2023, we will be conducting assessments based on open source data to identify if there are modern slavery risks within our tier 1 mining supply base. Given the challenges we face within the nuclear fuel cycle, particularly in respect of indirect suppliers, we believe this is the most effective use of resource in the near term. Our approach and response to modern slavery risks within our nuclear fuel supply chain will expand and evolve over time.

Non-nuclear supply chain risks

Through our commitment to address modern slavery risk throughout our organisation and supply chain we have expanded the modern slavery and human rights risk identification and mitigation to other areas of our organisation and supply chain. These cover all areas of procured goods and services and through using a third party risk assessment tool we have risk assessed our non-nuclear supply base² providing

² Supply Base = 1,750+ suppliers, across 160+ industries, over 16 countries. % figures taken from the risk assessment tool covering the Urenco non-nuclear supply chain

the below labour, human rights and ethics associated modern slavery risk assessment:

Labour and Human Rights	Risk Category	% Suppliers	% Suppliers	Risk Category	Ethics
	Very High	0% (zero)	0% (zero)	Very High	
	High	0% (zero)	0% (zero)	High	
	Medium High	4%	7%	Medium High	
	Medium Low	52%	48%	Medium Low	
	Low	26%	34%	Low	
	Very Low	19%	11%	Very Low	

Human rights gap analysis

In 2022, we engaged a human rights specialist to undertake a gap analysis to identify best practice and areas of continuous improvement, such as policies, procedures and supply chain engagement. We will engage, track and collaboratively monitor our suppliers in their social/human rights performance.

In 2023, we will continue to focus on this important subject and further bolster our human rights due diligence processes. We remain committed to the UN Guiding Principles on Business and Human Rights and these are important themes within our Code of Conduct and Supplier Code of Ethics & Conduct documents.

Policies and Governance

Code of Conduct

The Urenco Code of Conduct ('the Code'), sets out our core values. The Code, also sets out a series of non-negotiable behaviours for our employees and contractors to abide by and demonstrates our commitment to upholding human rights in all areas of our business.

We have updated the Code and introduced a Supplier Code of Ethics and Conduct³ (Supplier Code). We require suppliers to share our commitment to respect, promote and protect human rights and to comply with all internationally recognised human rights, as set out in the Universal Declaration of Human Rights. The Supplier Code outlines the manner in which we expect our suppliers and contractors to conduct business including but not limited to the following:

- no use of slavery and human trafficking
- no use of child labour
- provision of equal opportunities
- compliance with all applicable laws and regulations
- continuous improvement and remediation.

On an annual basis we issue a Code of Conduct Compliance Statement, whereby we ask our senior managers to attest their compliance with the Code and to inform us of any suspected or actual breaches of the Code.

Speak-Out (formerly called Whistleblowing)

In order to ensure employees, contractors, customers and suppliers feel enabled, encouraged and supported to inform Urenco of behaviours that are not in line with our corporate values, we operate a Speak-Out programme.

³ https://www.urencoco.com/cdn/uploads/supporting-files/Urenco_Supplier_Code_of_Ethics_Conduct.pdf

The Speak-Out Policy was updated to provide greater clarity in respect of how complaints are handled and how subsequent investigations are conducted. Group-wide training will be provided to all Group employees and contractors to enhance their awareness.

During 2022, no instances relating to allegations of suspected or actual breaches of Urenco's policies and procedures relating to the Modern Slavery Act 2015 were reported via the Speak-Out facility or via other reporting channels. Whilst we view this positively, we understand that we must continuously increase awareness and understanding of modern slavery within the organisation to ensure that these risks can be identified by both complainants and those investigating suspected reports.

Sustainability Committee

The Sustainability Committee carries out annual reviews of the Group's implementation of policies on: health and safety; asset integrity; social performance (including community relations, social investment, political contexts and charitable donations); environment and ethical conduct and reports to the Board on the results of these reviews. The Committee also annually reviews and recommends to the Board, for its approval, the modern slavery and human trafficking statement.

Due Diligence

Customer and Supplier Due Diligence

Customer and supplier due diligence is performed by our Corporate Compliance function, in collaboration with various departments, including but not limited to Commercial, Procurement and Risk. The process is designed to identify various risks that our organisation could be exposed to, such as human rights, modern slavery, bribery, corruption, and trade sanctions. We also adopt proactive measures through monitoring news feeds in real time, judicial decisions and other reporting mechanisms to highlight any new information that could impact our risk assessment of a customer or supplier. This ensures that we can act swiftly to address any type of conduct or behaviour that could create modern slavery or human rights violations.

The due diligence performed is primarily based on publicly available information. If any actual or potential risks are highlighted through the process, we request information directly from our customers/suppliers on the risk(s) identified as well as performing enhanced due diligence, undertaken by external subject matter experts.

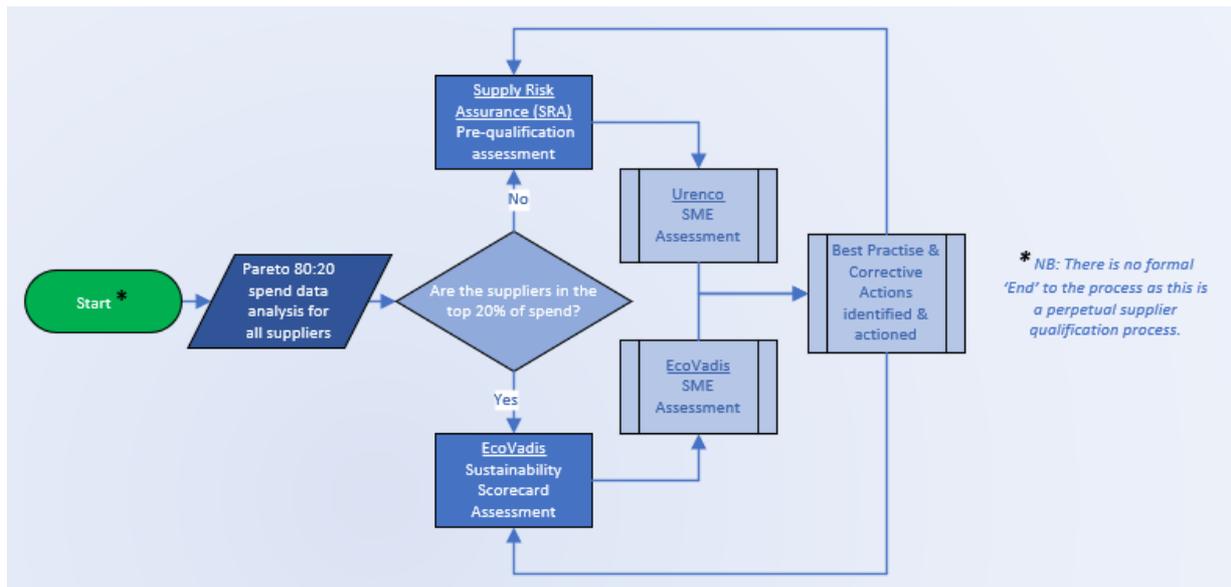
The human rights gap analysis highlighted areas for further improvement, and various updates will be made to existing policies and controls to create an effective, responsive and robust due diligence process.

Supplier Assurance Programme

One of the enabling initiatives that was approved as part of our strategy is a Supplier Assurance Programme which aims to create an enduring supplier risk management capability that provides comprehensive, real-time actions to improve the safety, quality, and sustainability performance of our supply chain. Throughout 2022, Corporate Compliance, Procurement and other key stakeholder groups continued to further collaborate and develop the Supplier Assurance Programme. Implementation of the Programme commenced in 2022 to ascertain sustainability scorecard assessments⁴ for the top 20% high spend suppliers.

The process flow below illustrates how suppliers are segmented for proportionate assurance assessment.

⁴ Sustainability Scorecard assessments cover 21 key areas across Environmental, Social and Governance (ESG) criteria.



This programme will be further enhanced throughout 2023 through the implementation of the Supply Risk Assurance project, supported by Sustainability Scorecard assessments which will provide a continuing requalification and corrective action process of all our suppliers based on their risk profile and shall incorporate specific human rights, ethics, anti-bribery & corruption and modern slavery assessments.

Nuclear Fuel Cycle Audit Programme

We have a long working partnership with our nuclear fuel cycle suppliers. Supplier audits are performed prior to proceeding with a new contract and throughout the contractual term. We also reserve the right to perform audits outside of the prescribed audit cycle where risks have been identified through due diligence or the supplier assurance programme. The audits conduct a comprehensive review of risks including social, governance, environment and safety.

Prior to the audit, suppliers are required to complete an ethical trading questionnaire, which includes questions regarding modern slavery and human rights. These questionnaires help us to understand if the suppliers have policies and processes in place to address modern slavery risks in their organisation and also their supply chain.

As an organisation committed to eliminating modern slavery risks within our supply chain, we ensure that our suppliers audit their own supply chain and demonstrate compliance by providing completed audit reports together with evidence of any remedial action performed.

During 2022, the nuclear fuel cycle audits which were performed by us or those performed by our suppliers in respect of their supply chain did not identify any modern slavery or human rights findings.

Training

Our online modern slavery training is primarily aimed at employees that work in roles such as procurement, human resources, compliance and operational roles. The training covers: what modern slavery is, modern slavery risk indicators, labour practices associated with abuse of workers' vulnerabilities, how to identify warning signs and how to address the risks.

We will continue to develop our training capabilities in order to effectively manage the risks posed to our business.

Modern slavery training was deployed to all relevant employees and contractors in 2022.

Measuring Effectiveness

Tracking our performance

In keeping with our core value of Integrity, we understand the importance of promoting good practice in relation to the prevention of modern slavery and human trafficking, both internally and working with our nuclear fuel cycle partners. In order to assess the effectiveness of the measures that we have adopted, we will continue to review and report to the Urenco Board, Sustainability Committee and the Audit Committee, the following key performance indicators, namely:

- Number of employees and contractors trained and informed of their obligations under the Modern Slavery Act 2015.
- Any suspected or actual regulatory and enforcement action, linked to modern slavery and human trafficking, identified through our due diligence processes.
- Whistleblowing reports, and the nature of disclosures and the output of investigations.
- Internal audit and assurance activities, focusing on high risk areas.

We have made progress on the areas that we set out in our 2021 modern slavery statement as outlined in the table below.

	Focus area	Status	Progress
Control Framework Refresh	Review and update of the following policies: <ul style="list-style-type: none"> - Code of Conduct - Whistleblowing Policy (Speak-Out) - Publishing a separate Supplier Code of Conduct. 	Achieved	Code of Conduct updated and approved by the Urenco Board. Supplier Code of Ethics and Conduct created. Speak-Out Policy updated. All updated Codes and policies to be deployed to employees, contractors and suppliers commencing Q1 2023, together with associated training and communications.
	Review of the whistleblowing reporting mechanism in order to ensure that we continue to create a culture where employees and contractors feel empowered to speak up and raise concerns.	Achieved	Review performed, which resulted in additional reporting mechanisms created.
	Develop and deploy mandatory online modern slavery training for relevant employees and contractors to enhance their awareness of the risks that could be present within our operations and supply chain.	Achieved	Training deployed to all relevant employees and contractors.
	Continue to develop and enhance the supplier assurance due diligence framework in respect of addressing human rights and modern slavery risks.	Progress made	Gap analysis performed. Further work to be performed in this area through engagement with the human rights specialist to implement the recommended actions.
Understanding & acting on	Enhance the due diligence framework in respect of the nuclear fuel supply chain suppliers.	Progress made	
	Performance of risk assessments within our operations and our supply chain for non-nuclear	Progress made	We have risk assessed our non-nuclear supply base.

	fuel supply chain suppliers.		Additional risk assessments to be performed in respect of our operations and supply chain (nuclear and non-nuclear).
	Engagement with external bodies to assist with the development and analysis of risk management processes.	Achieved	Engaged with human rights consultants and third party vendors. The engagement will continue into 2023 and beyond.

Looking Ahead

We recognise that managing and addressing modern slavery risk in our operations and our supply chain requires long-term planning and commitment. We expect the way in which we manage modern slavery risks to continue to evolve as we learn from the risk assessments and reviews performed and will continue to update and adapt our policies and processes accordingly. We appreciate that we cannot address all of these risks alone and we will look to engage with industry specialists as well as industry bodies to work collaboratively, in order to address the risks identified.

We continue to make progress and remain committed to identifying and addressing modern slavery risks that could be present in our operations or those within our supplier chain. Our objectives for 2023 and beyond include, but are not limited to, the following:

2023 Focus Areas

Control Framework Refresh

- Implementing the actions from the human rights gap analysis assessment to create robust due diligence processes and governance structures.
- Updating baseline KPIs for reporting purposes.

Understanding & acting on modern slavery risks

- Performance of risk assessments within our operations and our supply chain (nuclear and non-nuclear).

This statement constitutes the modern slavery and human trafficking statement for Urenco Limited and each of the companies listed in Appendix 1 in compliance with the UK Modern Slavery Act 2015, and has been approved by the Board of Directors of Urenco Limited.

Signed by:



Boris Schucht, Chief Executive Officer

6 July 2023

Appendix 1

Urenco Limited Reporting Entities

This statement is made on behalf of:

Entity	Nature of business
Urenco Limited	Holding / central services
Urenco ChemPlants Limited	Deconversion
Urenco Enrichment Company Limited	Holding / central services
Urenco Finance UK Limited	Dormant
Urenco Nuclear Stewardship Limited	Uranium Handling Services
Urenco UK Limited	Enrichment Services
U-Battery Limited	Holding