

Urenco Group

2021 Modern Slavery Transparency Statement

Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for the financial year ending 31st December 2021 for Urenco Limited and the following UK subsidiaries 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.

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 low carbon electricity generation for consumers around the world. In the uranium fuel cycle there are miners of uranium ore; processors who treat this 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 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

¹ Urenco 2020 Sustainability Report: <https://www.urencoco.com/cdn/uploads/supporting-files/SR-2020.pdf>

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

Risk management and mitigation is a key area of focus for us. 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.

Non-nuclear supply chain risks

Through the adoption of a risk-based approach model, we have focused on modern slavery risks within our nuclear fuel cycle, as this is where there could be heightened risks. However, through our commitment to address modern slavery risk throughout our organisation and supply chain we shall expand the modern slavery and human rights risk identification and mitigation to other areas of our organisation and supply chain. These other areas shall cover all areas of procured goods and services for Urenco.

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 suppliers to abide by and demonstrates our commitment to upholding human rights in all areas of our business.

Employees and suppliers are required to report any suspected human rights or modern slavery violations that may present in our operations or those within our supply chain.

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.

Whistleblowing

In order to ensure employees, 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 whistleblowing/speak-up programme.

During 2021, 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 whistleblowing 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.

During 2022, our Whistleblowing Policy will be updated to provide greater clarity in respect of how complaints are handled and how subsequent investigations are conducted at local sites. Group-wide training will also be provided to all Group staff to enhance their awareness.

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. It also annually reviews and recommends to the Board for its approval the Modern Slavery Transparency 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.

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 and Procurement will continue to further collaborate to ensure the successful roll out of the assurance programme.

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 2021, 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 will be deployed to all relevant staff 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 staff 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.

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.

During 2022, we will focus on the following:

Control Framework Refresh

- Review and update of the following policies:
 - Code of Conduct
 - Whistleblowing Policy
 - Publishing a separate Supplier Code of Conduct
- Review of the whistleblowing reporting mechanism in order to ensure that we continue to create a culture where staff feel empowered to speak up and raise concerns.
- Develop and deploy mandatory online modern slavery training for relevant staff to enhance their awareness of the risks that could be present within our operations and supply chain.
- Continue to develop and enhance the supplier assurance due diligence framework in respect of addressing human rights and modern slavery risks.

Understanding and acting on modern slavery risks

- Enhance the due diligence framework in respect of the nuclear fuel supply chain suppliers.
- Performance of risk assessments within our operations and our supply chain for non-nuclear fuel supply chain suppliers.
- Engagement with external bodies to assist with the development and analysis of risk management processes.

This statement constitutes the transparency statement for Urenco Limited and each of the companies listed in Appendix 1 under section 54 of 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

8 July 2022

Appendix 1

Urenco Limited Reporting Entities

This statement is made on behalf of Urenco Limited and the following subsidiaries:

Entity	Nature of business
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