



Delivering for a **net zero** world

Annual report and accounts 2021



Chairman's foreword

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Pictured: Stephen Billingham at the Richie Lecture, Science Museum, London, UK, December 2021

Urenco has continued its strong performance, with notable achievements despite the ongoing disruption caused by COVID-19 and challenges in the enrichment market. We continued to hit our sales targets, achieving levels that support reinvestment in capacity. We also focused on developing positive relationships with a wide variety of stakeholders to enable us to play our role in making a contribution to individual countries' net zero goals. This is all thanks to the skills and enthusiasm of our employees and the strength of our business partnerships. On behalf of the Board I thank everyone for their contributions in 2021.

Our people

During this pandemic, we have had detailed measures in place to ensure the safety and wellbeing of our employees, communities and key stakeholders, and to keep our plants operating. There was no interruption to our operations. The pandemic is likely to remain a challenge for some time and we will continue to ensure that our operations, and the health and safety of our employees, are maintained to the highest standards.

COVID-19 has not stopped us from continuing to develop and progress our culture programme, started in 2020 (page 12). During the year, we were also pleased to continue to support interns, graduates and apprentices joining the nuclear industry (page 15).

We also said farewell to long-serving Board member Richard Nourse, who had been on the Urenco Board since 2009. On behalf of the Board, I would like to record our thanks to Richard for his extensive contribution to Urenco over the last 12 years. We welcomed Michael Harrison as a new UK appointed non-executive director, who brings a wealth of experience across sectors and an understanding of businesses that operate at the public/private sector interface (page 45).

Global enrichment market

Nuclear remains the second largest source of low carbon energy used today. It does and should continue to play an important role in the energy transition. Achieving sustainable energy and meeting ambitious climate targets will be much harder without existing nuclear power and investment in new nuclear.

We are confident of the long term prospects of nuclear energy, with a significant pipeline of new reactors planned worldwide.

We are expecting to see new and different types of nuclear technologies come to market, and we are prepared to play our part in ensuring that enriched uranium is available as an essential source of fuel.

We have security in our core business through the long term visibility of our order book. The market price for enrichment has increased further in 2021 with spot prices at \$56 per SWU at the end of 2021 from August 2018's low point of \$34 per SWU (page 26).

This is encouraging and will help toward facilitating the reinvestment in existing enrichment facilities, while also supporting the responsible management of depleted uranium and the eventual dismantling and decommissioning of our plants.

Political environment

It is important to have Government policies which recognise the benefits of low carbon technologies. We are working hard to help ensure the nuclear industry's voice is heard and demonstrate its complementary role to renewables and other low carbon energy sources.

We welcomed the UK Government making a number of recent interventions which show that nuclear power has a key role to play in the UK's energy transition and commitment to reach net zero by 2050. This includes the Government providing up to £1.7 billion of new direct funding to enable a final investment decision on a large-scale nuclear project in the UK (page 26).

It has also been encouraging to see, in the USA, the Biden Administration supporting the use of nuclear power to meet energy needs and achieve emissions reduction goals, allowing the continued operation of the existing nuclear fleet (the largest in the world), and the development and deployment of advanced nuclear reactors and advanced fuels (page 26).

In the Netherlands, we were pleased to see an announcement that the new Government's coalition agreement contained a strong push for using zero carbon energy, with a decision to extend the life of the nuclear power station in Borssele and construct two new stations.

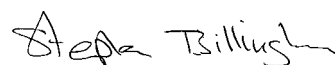
There were positive announcements around nuclear power in many other countries in 2021, including at the COP26 climate change conference in Glasgow (page 23).

In Germany, where the phase-out of nuclear power generation continues under the new Government, we are confident that we can continue to demonstrate the long term positive contribution our enrichment plant there makes, particularly in relation to the retention of skills and advanced technology.

Our positioning

We continue to believe it is a key strength of our business to operate four enrichment facilities in four countries. Our diversity and security of supply allow us to provide both certainty and flexibility and meet the evolving demands of our customers and industry.

Further to this, we are confident that nuclear and our enrichment business have a vital part to play in ensuring reliable and consistent power in a world that needs low carbon energy to meet climate change targets.



Stephen Billingham CBE

Chairman