



Annual report and accounts **2019**



SUSTAINABILITY

Our sustainability programme is at the core of Ureco's business.



Jayne Hallett
Director, Corporate Communications,
PR & Sustainability

Under our sustainability programme, we take into account how we operate, the impact we have and the decisions we make. According to McKinsey 'two thirds of businesses now consider a sustainability strategy necessary to be competitive today'.¹

We continue to make good progress in sustainability thanks to the dedication and commitment of our organisation-wide champions. For 14 years we have published a Sustainability Report and our programme is overseen and advanced by the Board Sustainability Committee (page 54).

In devising our programme we have aligned ourselves with the universal United Nations Sustainable Development Goals (SDGs), which are a blueprint to achieving a better and more sustainable future for all. A synopsis of how our business contributes to each goal can be found on our website.²

¹ <https://www.mckinsey.com/business-functions/sustainability/our-insights/the-business-of-sustainability-mckinsey-global-survey-results>

² <https://ureco.com/cdn/uploads/supporting-files/sdg.pdf>



CASE STUDY

Promoting a sustainable energy mix in the Netherlands

We believe the future energy mix needs a variety of low carbon options, including nuclear and renewables. Solar panels have been installed at our Dutch site as part of our ongoing commitment to carbon-free electricity generation.

The next phase of the project will involve the installation of 8,300 panels on the roof of one building.

Our Group sustainability champions focused on six core sustainability areas:

- Health and safety, safeguards and security – page 15;
- Environmental impact – page 20;
- Supplier of choice – page 16;
- Employee engagement/organisational health – pages 12 and 21;
- Stakeholder and Community engagement – pages 22 and 24; and
- Asset integrity and health – page 15.

In 2019, we held our second internal sustainability seminar at our UK site. This was an opportunity for the sustainability champions to network and discuss the key sustainability issues currently being faced by Ureco and initiatives that will continue to drive the business. The seminar will continue to run on an annual basis.



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Climate change

By furthering the decarbonisation of the electricity supply, our product supports progress towards a low carbon economy. We also take responsibility for our own carbon emissions. In 2019 our total emissions were 220,855 tonnes CO₂-equivalent (24.31 tonnes CO₂e/tSW). This is a 5% reduction in emissions across the organisation compared to 2018.

Consumption of purchased electricity accounts for more than 95% of our total carbon emissions. Our electricity consumption across all four sites was reduced in 2019 (596 GWh, 2018, 588 GWh, 2019), mostly due to normal capacity decline and a decreased cooling demand resulting from milder conditions at our European sites.

Upgrades to the TC12 centrifuges in one unit in the Netherlands at the end of 2019 are expected to save around 1100MWh/year. We will install this upgrade in the remaining units in the Netherlands, as well as at our German and UK sites, in 2020. Pressure optimisation of the TC21 cascades in Germany was implemented at the end of 2019, and is expected to save approximately 450MWh/year.

We have projects to reduce the electricity demand of our lighting by increasing the use of LED bulbs and introducing sensors and timers.

We have started a project with Chester University to explore the potential for heat recovery at our Capenhurst site.

In 2020 we aim to reduce electricity use through efficiency measures, and will explore the options for setting a longer-term carbon reduction target. We are evolving our energy and carbon data systems and reporting in accordance with the requirements of the new Streamlined Energy and Carbon Reporting (SECR) UK legislation, and look forward to publishing our first set of results in line with this next year.



CASE STUDY

Urenco UK goes electric

November saw Urenco UK make a sustainable switch by reducing the size of its van fleet and choosing fully electric vehicles (EVs).

Previously, the Capenhurst site had 25 diesel vans supporting its business operations. The fleet has been reduced to 22, 16 of which are now EVs. The remaining diesel vehicles will be phased out in the near future.

Our German and Dutch sites also use electric vehicles by providing charging stations on site and there are plans to increase their use across the organisation.



Nuclear materials management

Responsible uranium stewardship is a vital part of the nuclear industry's licence to operate and an important element of our commitment to sustainability. We have expertise in responsible nuclear stewardship through our two UK subsidiaries, Urenco ChemPlants and Urenco Nuclear Stewardship. We have invested more than €1 billion in a state-of-the-art facility to manage the depleted uranium hexafluoride (UF_6) or 'tails' produced by our core enrichment services. By converting this material to stable uranium oxide (U_3O_8), we support its long-term safe storage pending reuse or final disposal. Further information is set out on page 26.

Water

In 2019 we reduced water usage across the Group by 4% compared to 2018. We mainly use water for cooling, and the volume used is largely dependent on the weather. In the future, we will be focusing on water management for all sites in water stressed regions, for example our US facility in New Mexico.

Diversity and inclusion

Diversity and inclusion (D&I) is a high priority for Urenco. We want to create a workforce that reflects the societies in which we operate.

We believe that promoting and supporting inclusiveness and making the most of diversity is good business, creates a safer workplace, enhances decision making, improves performance and most importantly is the right thing to do.

Progress is being made with the implementation of specific D&I targets, based on external best practice and peer company feedback. Our D&I Steering Committee has developed a set of objectives to support the successful delivery of the organisational key performance indicators.

We have set enhanced goals for recruitment, succession planning and training. We have already achieved our goal to train at least 80% of employees across the organisation, with 93% of employees completing D&I awareness training. Currently 17% of our senior managers are female and we have a target of increasing this to 20% by the end of 2021.

This year, Urenco has worked with EW Group – a leader on equality, diversity and inclusion – to run a series of focus groups and one-to-one interviews with select individuals from across the business to gather intelligence on what D&I means to our employees. As a result, we created 'Including U' – a global diversity and inclusion programme. It has included rolling out the aforementioned training and encouraging employees organisation-wide to become Including U Champions. They will identify, develop and implement a range of initiatives to support Urenco's D&I efforts.

A D&I policy statement has been published on the corporate website and our Long Term Incentive Programme (LTIP) contains targets linked to D&I (page 58).



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Stakeholder engagement

Urenco’s stakeholder policy outlines our approach to stakeholder engagement. We conduct mapping on a regular basis to ensure that the list of stakeholders with whom we engage is up to date. We log interactions with these individuals in a global stakeholder log so that any areas of particular interest or concern that may arise over the course of the year can be managed and mitigated.

The nuclear industry is greatly influenced by the political landscape and national policy. We review potential changes in policy and consult with relevant national stakeholders to ensure our decisions are informed and reflect the interests of those who matter to our business. Our Government Affairs team continues to monitor and engage with key political issues such as nuclear new build and the UK’s withdrawal from the European Union and Euratom.

Integral to our sustainability approach is our engagement with local communities in which we operate. This ensures that local communities understand our business and support our social licence to operate.



We are also committed to increasing public understanding of the key role that nuclear power plays within a balanced energy mix. We host more than 2,500 visitors across our facilities each year including customers, community groups, government and industry. We also engage at regular council, local liaison and elected representative meetings.

We continue to channel our practical support through our volunteering policy, which provides all employees with eight hours per year to offer a service in their local community. The policy helps to strengthen relationships with local communities, allows employees to develop skills in areas such as teamwork and leadership, demonstrates a commitment to our core values and enhances our position as a good corporate citizen. In 2019 more than 2,800 employee hours were spent volunteering in local communities.

The first publication of our quarterly global stakeholder newsletter was issued in June 2019.

Our second reputation review was conducted in September 2019. The key findings were consistent with those in 2017 review, as follows:

- 100% believe Urenco is a sustainable, long-term partner for the nuclear industry.
- 100% said Urenco’s Richie education programme is worthwhile in making a valuable contribution to the education of young people and communities.
- 93% said they have a ‘very good’ or ‘good’ opinion of Urenco and its business operations.
- 83% rated the quality of Urenco’s communications as seven out of 10 or higher.
- 80% agree that Urenco lives up to its values of Safety, Integrity, Leadership, Innovation and Sustainability.

Stakeholders were also asked to describe Urenco’s brand in three words. The top three words used were ‘professional’, ‘safe’ and ‘reliable’, followed by ‘sustainable’, ‘trusted’ and ‘innovative’.

Tails Management Facility
official opening
Capenhurst, UK

Key stakeholder engagements in 2019

Stakeholder group	Type of engagement	Example topics raised	Achievements in 2019
Customers/suppliers	<ul style="list-style-type: none"> Regular contact (including visits to Urenco's sites) Press/news releases Social media 	<ul style="list-style-type: none"> Environmental data Customer deliveries 	<ul style="list-style-type: none"> Environmental data Customer deliveries
Employees	<ul style="list-style-type: none"> HUB App and Intranet Employee briefings/all-hands meetings/work councils Surveys 	<ul style="list-style-type: none"> Brand refresh Culture and strategy Safety Pension scheme 	<ul style="list-style-type: none"> More than 2,800 employee hours spent participating in a volunteering initiative Culture survey achieved a 83% response rate and 81% of employees agree that Urenco has the capability and knowledge to achieve its goals High number of employees participating in safety days
Pensioners	<ul style="list-style-type: none"> Meetings Pension bulletin Letters 	<ul style="list-style-type: none"> Information on investments Administrative changes Tax implications 	<ul style="list-style-type: none"> Meetings well attended Regular bulletins issued Prompt responses to all queries
Government/politicians/regulators	<ul style="list-style-type: none"> Regular contact (including visits to Urenco's sites) One-to-one meetings 	<ul style="list-style-type: none"> UK withdrawal from European Union and Euratom Nuclear fuel-cycle and uranium mining in the US Sanctions UK Nuclear Sector Deal 	<ul style="list-style-type: none"> Frequent site visits Regular political and regulatory meetings and involvement in working groups
Investors/shareholders/banks/rating agencies	<ul style="list-style-type: none"> Investor roadshows Shareholder working groups 	<ul style="list-style-type: none"> Market conditions Economic performance ESG ratings Decommissioning funds 	<ul style="list-style-type: none"> Regular one-to-one meetings Full year results presentation
Local communities/school children/apprentices/graduates	<ul style="list-style-type: none"> Local liaison and dialogue Practical and financial support Richie education programme 	<ul style="list-style-type: none"> Science education Sponsorships and donations Urenco's involvement in the nuclear industry 	<ul style="list-style-type: none"> Regular meetings with councils, local liaison committees and elected representatives Frequent site tours More than 80,000 students participated in the Richie programme globally
Media/social media	<ul style="list-style-type: none"> Tours of enrichment facilities News releases 	<ul style="list-style-type: none"> Financial results Nuclear stewardship High assay, low enriched uranium (HALEU) capabilities 	<ul style="list-style-type: none"> Several news releases per month Press interviews to highlight pertinent topics and key industry updates Weekly social media posts
Non-governmental organisations	<ul style="list-style-type: none"> Membership of industry associations 	<ul style="list-style-type: none"> Political landscape Public education Innovation and technology Opportunities in new markets 	<ul style="list-style-type: none"> Sponsored and exhibited at all leading industry events



Richie education programme

A key area of our community outreach is our Richie education programme, which aims to nurture an interest in science, technology, engineering and maths (STEM) by providing specific support to schools, colleges and universities.

Our focus on education enables us to engage with key stakeholder audiences/influencers that can be difficult to access, i.e. teachers, carers and next generations and create a greater understanding of nuclear energy.

The programme provides a practical and theoretical learning platform for local schools. This is achieved through the delivery of a series of science workshops to children of primary school age, primarily at locations local to Urenco's operational facilities and head office.

Since 2015, we expanded our reach into secondary schools through a partnership with the British Science Association (BSA), enabling us to launch Urenco's own 'CREST' digital resource. As a result of its success in the UK, we are supporting the BSA with their international expansion.

Our CREST resource was completely rolled out to the Netherlands in 2019. Further expansion of the resource is planned to take place in Germany and the USA in 2020.

In 2019, Urenco reached around 75,000 students with its digital resources and more than 8,000 with physical school workshops.

We continue to partner with key institutions, including the Science Museum in London, in order to raise awareness of the Richie education programme and expand our network of students, teachers and parents. In 2019 we continued to be a major sponsor of 'Wonderlab: The Equinor Gallery' in London's Science Museum and hosted our sixth annual Richie Lecture inside the show space of the gallery to more than 100 students. A video of the lecture is available on our website here: www.urengo.com/sustainability/material-areas/richie-education-programme



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Students at Richie Lecture
Wonderlab: The Equinor Gallery
Science Museum

Ethical conduct

As a responsible business, Urenco is committed to upholding the highest ethical standards of professionalism, integrity and accountability.

Urenco's global Code of Conduct sets out a series of non-negotiable behaviours designed to ensure we protect the long-term interests of our business and the people who depend on us, including our employees, customers, suppliers, shareholders and communities.

Urenco is committed to having a culture whereby employees feel empowered to raise and openly discuss concerns about anything that does not conform to our Code of Conduct or any of Urenco's values. Managers are responsible for ensuring that concerns raised are taken seriously, are addressed promptly and any information given is treated in confidence.

Urenco has a whistle blowing mechanism in place for any employee who feels unable to raise concerns directly or does not believe that management has appropriately dealt with their complaint. This can be raised anonymously if preferred.

The organisation's whistle blowing mechanism can be accessed via an alert line. This is a free to call and confidential service to enable employees to report any concerns to an external and completely independent organisation.

These facilities are also available to customers or suppliers who may feel that they have witnessed any unethical or inappropriate behaviour by Urenco or any third party operating on its behalf.

Our Anti-Bribery and Corruption policy ensures our employees are aware of our zero-tolerance approach to bribery and corruption. We are committed to acting with integrity in all our business dealings and relationships wherever we operate and have similar expectations for our suppliers and customers.

Urenco is also committed to protecting the privacy and confidentiality of our people. This means that we all have a responsibility to keep personal data secure and observe the privacy of individuals.

In May 2018, Urenco and other businesses in Europe were subject to a new EU law on data protection – the General Data Protection Regulation (GDPR). This imposed stricter obligations on us as an organisation in relation to how we use the personal data which we control and hold. Privacy policies have been put in place to ensure Urenco adheres to the new legislation. Online GDPR training has been rolled out and completed for select employees in Urenco's UK, Dutch and German sites.



CASE STUDY

Giving back to US communities through the 9/11 day of service

In September, employees at our US site, UUSA, honoured those who were impacted by the events of September 11 2001, by working on home and community improvement projects.

During the 9/11 Day of Service, volunteers assisted senior citizens with repairs needed to improve their quality of living and also enhanced public spaces.

What started as a minor project in 2008 by a handful of employees, has evolved into an annual community service event with more than 200 volunteers participating. In total, more than 170 homes have been improved since the inception of this project.