



Sustainability report 2017



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Introduction

URENCO is an international supplier of enrichment services and fuel cycle products for the civil nuclear industry, serving utility customers worldwide who provide low carbon electricity through nuclear generation.

At URENCO, sustainability informs the long term strategy of our business. It is inherent in our role as a key player in the global civil nuclear fuel cycle, which supports the production of clean and reliable energy and the transition to a low carbon economy.

Operating in a heavily regulated industry, URENCO takes a long term view of its operations. We are firmly committed to providing a reliable, responsive, high quality service and stable partnerships to our customers.



Miriam Maes
Chair of Board
Sustainability
Committee

Balancing our long term strategic and commercial goals with the interests of society and the environment is of great importance to URENCO.

This year, we prepared our Sustainability Report in line with the new Global Reporting Initiative (GRI) Standards, demonstrating our commitment to best practice and continual improvement. We also made progress in the way we collect and scrutinise our sustainability data, improving the efficiency and robustness of our reporting process.

Our sustainability programme is built around six key areas of focus, which ensures we report on the most relevant topics to our business and those of specific interest to our stakeholders.

As Chair of the Sustainability Committee, I am pleased with the progress we have made in embedding sustainable practices into day to day operations, and in using the principles of GRI and the UN Sustainable Development Goals to guide our overall strategic direction.

Overview

Chief Executive Officer's review

URENCO is committed to optimising and enhancing its business to ensure long term success and sustainability. By operating efficiently, pursuing growth opportunities and expanding our capabilities, we will build on our position as a long term partner to the nuclear industry.



Dr Thomas Haerberle
Chief Executive Officer

Strategic approach

In 2017, we made strong progress towards achieving our strategic objectives to ensure the future sustainability of our business. Throughout the year, we undertook several major cost reduction initiatives, including reducing capital expenditure, optimising operations, and realigning and simplifying our organisation. During this process, we have been consulting with our employees, trade unions and workers' councils.

As a result, we are on track to achieve our target of €300 million in cumulative cash savings across operational costs and capital expenditure by the end of 2019. We also have future growth opportunities in enrichment and uranium sales, we are investigating several possible ventures and we are continuing our investment in non enrichment activities.

This will serve us well in meeting the evolving needs of our industry and changes in the political landscape to remain a supplier of choice to our global customers and as a long term partner to the nuclear industry.

Further details can be found in URENCO's Annual Report.

 <https://urencocom/investors/our-financial-results/>

Sustainability at URENCO

At URENCO, we are committed to the long term sustainability of our organisation, supporting the communities in which we operate and minimising the impact of our operations on the environment. We are the only organisation in the world to operate enrichment facilities in four countries, providing our customers with a diversity of supply.

The provision of enrichment services enables our customers to produce a continuous and secure supply of low carbon electricity through nuclear power generation. Nuclear energy currently avoids approximately 2.5 billion metric tonnes of CO₂ from being emitted into the atmosphere each year.¹

Inspiring future scientists and engineers

We continue to nurture the next generation of scientists and engineers to ensure the long term sustainability of our industry. We provide workshops and digital resources as part of our global Richie education programme alongside our partnership with the Science Museum in London. We are the Major Sponsor of their interactive gallery 'Wonderlab: The Statoil Gallery' which, since it opened in 2016, has welcomed more than 500,000 visitors.

Outlook for the nuclear industry

The world will need more energy in the future, especially electricity generated from low carbon sources.² Electricity demand is increasing twice as fast as overall energy use³ and could increase by as much as 60% by 2040.⁴ Nuclear power will also play an important role in meeting the Paris Agreement's goal of limiting global temperature rises to 1.5°C by 2050.

URENCO, as a long term partner to the nuclear industry, is well placed to serve this future need.

Sustainability priorities for 2018

We remain focused on reducing the impact of our operations on the environment. Our Board retains a clear view of our non financial key performance indicators (KPIs), which will continue to guide and strengthen our performance in our six sustainability focus areas.

We will also continue to utilise our sustainability Sponsors and Champions to deliver on our core sustainability programmes and activities.

Diversity and Inclusion has been a key area of focus in 2017 and we will continue to make progress in this area in 2018. Through our Diversity and Inclusion Action Plan, we aim to develop a more inclusive culture and encourage an increased diversity of employees into the nuclear sector. For more information see page 19.

We will continue to support and develop our committed workforce using feedback from our recent employee survey. We achieved an impressive response rate of more than 80% and the majority of our employees consider their work to be meaningful, feel connected with URENCO and find fulfilment in their work.

My thanks are extended to our employees for their contribution to the ongoing success of our organisation.

We will also focus on maintaining the positive opinion held by our stakeholders in the reputation review conducted in 2017. In this review, which you can read more about on page 7, we evaluated our stakeholders' needs and perceptions of URENCO. Overall, 95% of our stakeholders who responded have a 'very good' or 'good' opinion of URENCO and our business operations, and we will be using their views to shape future materiality assessments and business activities.

Looking ahead, the core markets and geopolitical landscape are challenging, but we believe our strategy will ensure long term sustainability so we remain a key partner to our customers and the wider nuclear industry.

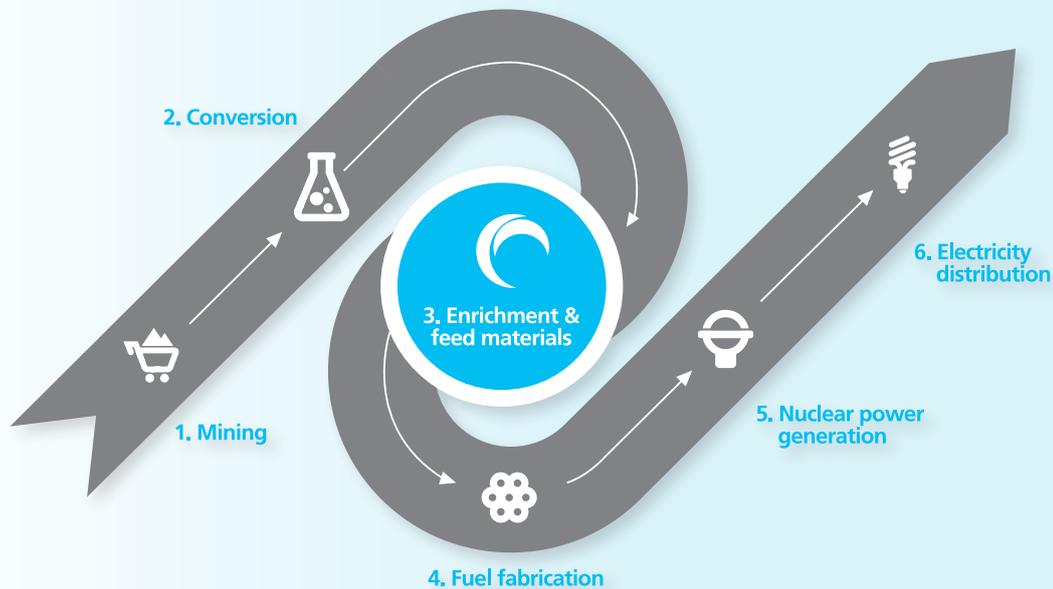
Dr Thomas Haerberle
Chief Executive Officer

¹ Nuclear Energy Institute: <https://www.nei.org/Knowledge-Center/Nuclear-Statistics/Environment-Emissions-Prevented>

² <http://www.world-nuclear.org/information-library/current-and-future-generation/world-energy-needs-and-nuclear-power.aspx>

³ <http://www.world-nuclear.org/information-library/current-and-future-generation/world-energy-needs-and-nuclear-power.aspx>

⁴ World Energy Outlook 2017, IEA World Energy Outlook 2017, IEA, p 229: <https://www.iea.org/weo2017/>



URENCO is an international supplier of enrichment services and fuel cycle products for the civil nuclear industry, serving utility customers worldwide who provide low carbon electricity through nuclear generation.

- Globally we work with organisations across the nuclear fuel cycle, including converters and fuel fabricators.
- We have four uranium enrichment facilities: Almelo in the Netherlands; Capenhurst in the UK; Eunice, New Mexico in the USA and Gronau in Germany.
- We have played an important role in the world’s nuclear energy industry for 45 years.
- The number and location of our customers is shown on pages 10-11 of our 2017 Annual Report.

<https://urencocom/about-us/business-activity/nuclear-fuel-supply-chain/>

Managing risk and sustainability in the supply chain

We adhere to International Atomic Energy Agency (IAEA) guidelines and all other national and international regulations regarding the transportation of fissile material. We also adhere to strict regulatory requirements in all aspects of our own logistics procedures. Beyond that, we actively contribute to the development of the regulatory framework by attending IAEA workshops.

We continue to work with the UK Government to try to ensure that the UK’s withdrawal from the European Union and Euratom⁵ treaty is handled in a manner that delivers minimum disruption to our business and customers.

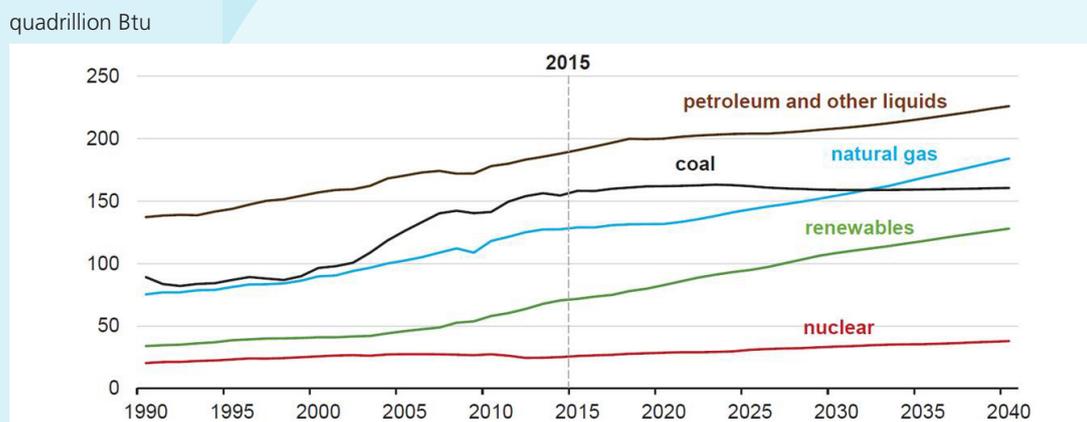
The essential role of nuclear power in a balanced energy mix

We believe that a balanced energy mix is required to provide the world with a reliable and consistent supply of electricity. Some energy sources are most suited to cover gaps in electricity generation as soon as they are needed, while others, such as nuclear energy, provide a constant supply of electricity, which minimises the risk of power outages at peak times.

Figure 1 demonstrates the world electricity consumption by source from the various energy providers.

Figure 1

World energy consumption by energy source



[https://www.eia.gov/outlooks/ieo/pdf/0484\(2017\).pdf](https://www.eia.gov/outlooks/ieo/pdf/0484(2017).pdf)

⁵ The European Atomic Energy Community was created in 1957 to further European integration and tackle energy shortages through the peaceful use of nuclear power. http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI%282017%29608665

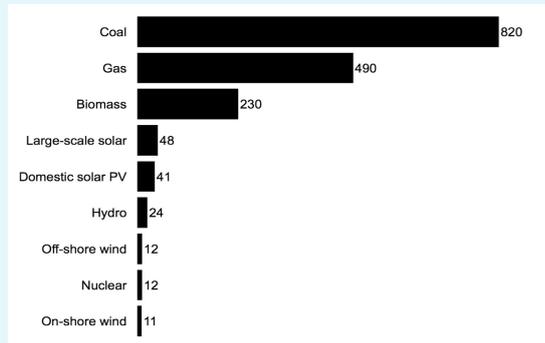
Our role in the nuclear supply chain

We believe that nuclear energy plays an important role in helping the world to lower greenhouse gas emissions and combat climate change.

Figure 2 demonstrates the life cycle emissions from different energy sources, indicating that nuclear is one of the lowest.

Figure 2

Life cycle emissions from electricity generation, gCO₂/KWh

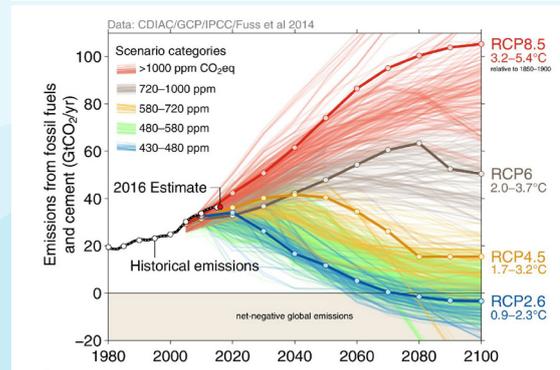


Source: Intergovernmental Panel on Climate Change Life Cycle Assessment 2011. Updated 2014. <http://energyforhumanity.org/en/briefings/carbon-emissions/lifecycle-carbon-emissions-of-electricity-generation-sources/>

Figure 3 shows the various scenarios that may occur over the next decade if (globally) we decrease our carbon emissions, or continue down the same path. As a primary source of low carbon energy, nuclear power is well placed to help ensure the world keeps global warming below 1.5°C.

Figure 3

Observed emissions and emissions scenarios



Source: Fuss et al 2014; CDIAC; IIASA AR5 Scenario Database; Global Carbon Budget 2016



URENCO's stakeholder engagement process can be found here:

<https://urencosustainability.com/stakeholder-engagement/>

Reputation review In 2017, we conducted an organisation wide reputation review with global stakeholders, via a third party. This review encompassed a broad range of stakeholders from the four countries in which we operate. It evaluated these stakeholders' needs and their perceptions of URENCO and the issues that are most relevant to our business.

Overall:

- More than **95%** of respondents had a 'good' to 'very good' opinion of URENCO and its business operations.
- **80%** of respondents thought our brand was 'very important' or 'important'.
- More than **88%** rated the quality of URENCO's communications 7/10 or higher overall.
- More than **50%** of stakeholders believed in the Richie education programme's mission to nurture the next generation of scientists and engineers.

We will use the outputs from this process to inform our business activities in the future, as well as the materiality assessment we aim to conduct in 2018.

Recording stakeholder dialogue

Stakeholder group	Type of engagement	Example topics raised by individual stakeholders	Achievements in 2017
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"> • 100% customer delivery record • Regular customer engagement
Employees	<ul style="list-style-type: none"> • HUB App and Intranet • Employee briefings/All Hands meetings/work councils • Employee gatherings and events • CEO blog 	<ul style="list-style-type: none"> • Strategy questions 	<ul style="list-style-type: none"> • 40% of employees volunteered in local community • Employee Survey - see page 18 • Creation of internal news app
Government/politicians/regulators	<ul style="list-style-type: none"> • One to one meetings • Enrichment facility visits 	<ul style="list-style-type: none"> • Investment in local areas • Regulatory compliance • Brexit 	<ul style="list-style-type: none"> • Site visits • Regular political and regulatory meetings • Brexit Working Group
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 	<ul style="list-style-type: none"> • One to one meetings • Full Year Results presentation held at URENCO's Head Office
Local communities/school children/graduates/apprentices	<ul style="list-style-type: none"> • Local liaison 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 council and liaison meetings • Site tours • More than 57,000 students participated in the Richie programme globally
Media/social media	<ul style="list-style-type: none"> • Tours of enrichment facilities • Press and news releases 	<ul style="list-style-type: none"> • Financial results • Potential sale of URENCO 	<ul style="list-style-type: none"> • Local press and radio interviews • Press/news releases issued on website
NGOs	<ul style="list-style-type: none"> • We are members of a number of industry associations (see page 30) 	<ul style="list-style-type: none"> • Political landscape • Public education • Innovation, technology and R&D • Opportunities in new markets 	<ul style="list-style-type: none"> • Sponsored and exhibited at industry events



Our non-financial KPIs for 2017 are as follows:

Focus area	Description	Target	2017 Performance
Health & Safety, Safeguards and Security	Lost Time Injury Rate	<0.19 stretch target: <0.12	0.11
	Specific water consumption*	Improvement vs best performing year since 2014 benchmark	-0.5%
Environmental impact	Specific electricity consumption*	Improvement vs. best performing year since 2014 benchmark	-4%
	% Recycled conventional material	Year on year comparison	+28%
Supplier of choice	Missed deliveries	0	0
	Customer complaints	0	1
Employee engagement	% Employees who are 'Engaged and/or Committed	>80%	78%
Community engagement	Science Education (through Richie educational programme)	Physical Workshops: 10,000 reach	9,675
		Digital Downloads: 40,000 reach	48,307

- On Target
- In line with target
- Over target

* Only enrichment facilities; other contributions negligible



URENCO's six core focus areas are described here:

<https://urengo.com/sustainability/focus-areas>



GRI Standards

In 2017, URENCO transitioned to the Global Reporting Initiative (GRI) Standards, one of the leading sustainability reporting frameworks worldwide, having previously reported to the GRI G4 Guidelines. This year's Sustainability report is prepared in accordance with the GRI Standard: Core Option. For more information on our engagement with GRI Standards, please see the 'About this report' section on page 25.

Materiality

As with the G4 Guidelines, the main focus of the GRI Standards is 'materiality', which means those topics that are most relevant to our stakeholders and have the biggest impact on our operations.

Please see:

<https://urengo.com/sustainability/material-areas/priority-areas/>

for an overview of URENCO's key material areas.

Principal risks and uncertainties

More information on our principal risks and our Risk Management Framework can be found in our Annual Report 2017 on pages 12-16.

Focus Areas

Materiality and Risk



Focus Area 1: Health and safety, safeguards and security



Health and safety, safeguards and security are critical to the long term wellbeing of our people, our wider stakeholders, and our business as a whole. To ensure we deliver on our commitments, we aim for continuous improvement in our policies, processes and performance in this focus area.

Focus area highlights in 2017:

- Organisation wide survey on employee perception of safety;
- Safety performance improved with lost time incidents and medical treatment injuries reducing to three of each (five of each in 2016);
- Regular exchange with national governments and cyber security centres.

Health

The health of our employees and contractors is a priority to us and we have developed a range of measures to help keep our people fit and well. These include flexible working arrangements to minimise workplace stress, subsidised gym membership, cycle to work schemes and health checks at a number of sites. We also provide quarterly health challenges, sports, healthy eating activities and general health incentive schemes.

Safety (priority topic)

Safety is our number one priority. Our safety performance in 2017 was one of our best years on record. There remain some opportunities to improve the safety culture. Initiatives in this respect are planned for 2018.

Management approach

Safety at URENCO is overseen by our Chief Operating Officer as well as the URENCO UK Managing Director in his capacity as Safety Sponsor. Health and safety meetings are held regularly throughout the year at each enrichment facility and our Health and Safety Working Group meets once a quarter to coordinate the delivery of key initiatives.

On a day to day basis, accountability is held locally. Each enrichment facility has a Compliance Manager supported by a Health and Safety (H&S) team, which in turn works with our Group Health and Safety Manager to share learnings across all areas of the business and where appropriate, adopt common operating practices.

As part of our commitment to continuous improvement, H&S issues and developments are reported at each meeting of the Sustainability Committee. The URENCO Board and Executive Committee evaluate our overall approach to safety and improving safety performance across all areas of the business.

Our ZERO HARM campaign is a core part of our safety culture and covers all aspects of safety. Launched in 2014, it has enabled us to further develop safety behaviours and values across the organisation. In 2017, we continued our 'Let's Get Personal' ZERO HARM theme which is designed to encourage employees to take responsibility for their personal safety at work.

Additionally in 2017, we conducted an organisation wide survey of our employees' and contractors perception of safety, for the first time. There was a high response rate of more than 80%. The majority of employees and contractors believe URENCO has strong safety values and understand the link between high levels of safety and good business performance.

Following the survey results, our URENCO Health and Safety Working Group have defined relevant ZERO HARM initiatives and general safety activities for 2018.

Contractor management and assessment

Following site by site contractor analysis conducted in 2016, in 2017 we saw local improvements in the way our contractors are supervised and challenge unsafe behaviours. Our priority now is to build our contractor management working model into an official URENCO standard to ensure we continue to make progress in this area.

Focus Areas

Materiality and Risk

Lost time incidents 2015-2017



KPI for health and safety:

- **Target:**

LTI rate <0.19

- **Actual:**

0.11



Radiological safety

The centrifugal process involves separating the lighter isotope of uranium, U_{235} , from the heavier isotope, U_{238} . Enriching uranium does not involve changing its chemical characteristics and no additional radiation is created during the process. The operational hazards associated with our facilities are more similar to those of a chemical facility than a nuclear facility. In the UK, Public Health England has calculated that, on average, people are exposed to about 2.7 millisieverts (mSv) of radiation a year from naturally occurring sources in homes and workplaces and medical exposures, including X-rays.⁶

Many people who visit our sites for the first time are surprised at how low the levels of radiation involved in uranium enrichment actually are. Across all our enrichment facilities, radiation protection teams monitor and manage radiological safety to ensure that exposure levels are kept to an absolute minimum. For radiation dose rate, see page 27.

As part of our commitment to radiological safety, in 2017 we continued to comply with all relevant industry and regulatory standards. Through our Radiation Protection Working Group, we maintained our efforts to share expert radiological safety knowledge across our sites.

Regulatory requirements – Safeguards (monitor topic)

Our dedicated safeguards culture ensures that our work is carried out safely and within specific, internationally approved standards as governed by law. Enrichment technology is one of the most proliferation⁷ sensitive areas in the nuclear fuel cycle and requires an effective safeguards regime to ensure the appropriate use of our technology remains in line with the treaties that govern us.

Management approach

Safeguards is overseen by our Chief Operating Officer, who keeps our Executive team fully informed of all activities in this area. At site level, our Safeguards Managers report to site Compliance

Managers and the Global Process Owner for Safeguards. We have many years' experience in the development and implementation of safeguards regimes at our enrichment facilities.

By engaging with key international safeguarding bodies, such as the IAEA, Euratom, European Safeguards Research and Development Association (ESARDA) and the Institute of Nuclear Materials Management (INMM), and by adhering to the stringent safeguard standards, we ensure that our approach is in line with industry requirements.

In 2017, we maintained our good working relationship with the authorities and participated in discussions with the safeguard inspectorates. In Germany, our safeguards team met with IAEA officials and toured our URENCO Deutschland site. The team provided information and advice on the particularities of enrichment plants in the context of satellite imaging, with a view to supporting the work of the IAEA Satellite Imagery Centre.

We also supported a qualification process for the new UF_6 safeguard sample bottles, demonstrating to the inspectorate that our materials are enriched in line with our declared enrichment standards and processes. In addition, we provided consultation to the IAEA on increasing the efficiency and effectiveness of inspection regimes to ensure ongoing compliance with international agreements.

During the year, we engaged with industry associations and participated in relevant discussions, particularly regarding the Euratom framework and community.

Regulatory requirements – Security (monitor topic)

The security of our sites and operations is paramount in order to protect our physical assets, personnel, IT systems and infrastructure. Such measures include rigorous screening processes and stringent on-site security precautions, as well as controls to address information security requirements in both IT and operational technology. We comply with all relevant industry and regulatory standards and maintain a number of security certifications for people, processes and technology.

In 2017, we increased our focus on the threat posed by cyberattacks and phishing scams. For an organisation like URENCO, cybercrime can lead to loss of sensitive data and commercial information, IP infringement and reputational damage.

Management approach

In response to this risk, in 2017, we enhanced our cybersecurity governance and defined new roles and responsibilities within the organisation. Our Chief Information Security Officer (CISO) now reports to our Chief Operating Officer.

During the year, we integrated our IT and information security operations. This means our security and IT personnel now work hand in hand to enable more efficient and effective emergency response.

To improve our defensive capabilities and preparedness, we regularly exchange information with national governments and cyber security centres. In 2017 we attended security forums and engaged with intelligence agencies to enhance our knowledge in this area.

The majority of our European facilities are certified to ISO 27001.⁸

⁶ Public Health England, March 2011, www.gov.uk/government/publications/ionising-radiation-dose-comparisons/ionising-radiation-dose-comparisons

⁷ Proliferation within the context of the nuclear industry, is the prevention of misappropriation of uranic material.

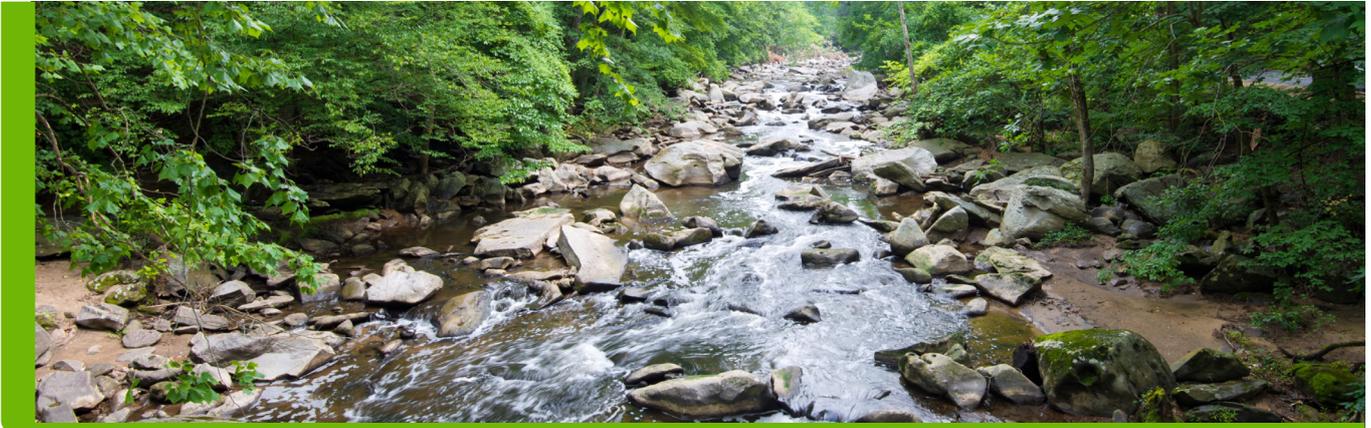
⁸ ISO 27001 is the international standard that describes best practice for an information security management system. <https://www.itgovernance.co.uk/iso27001>

Focus Areas

Materiality and Risk



Focus area 2: Environmental impact



As a business, we are committed to minimising our environmental impact. We continue to achieve greater efficiencies in all areas of our operations and day to day activities. To help reduce our impact on the environment, we undertake a broad range of measures focused on energy efficiency, emissions, waste and water usage.

Focus area highlights in 2017:

- Best performance in specific water (-0.5%) and electricity usage (-4%) since 2014 (benchmark year);
- Completion of the TC21 centrifuge energy efficiency rollout in the USA;
- URENCO Netherlands received an 'outstanding' score on the design certificate of its new Logistics, Materials Handling and Administration building from BREEAM.⁹

Energy savings and natural resources (monitor topic)

Management approach

In the area of energy efficiency and optimisation, we have an organisation wide Energy Savings Group (ESG) that drives action, accountability and engagement. The ESG convenes meetings to share learnings and propose initiatives to minimise energy usage.

In 2017, we improved specific water and electricity usage to deliver the best performance in these areas since URENCO started benchmarking in 2014.

A core pillar of URENCO's strategy is the drive towards cost reduction through improved operational efficiencies, and in 2017 we continued our tight focus on energy savings across the organisation. This resulted in a reduction in specific electricity consumption by around 4% compared to 2016, repeating the same magnitude of improvement for the second year running.

These achievements were driven by the completion of a centrifuge energy efficiency rollout in the USA, which delivered a 2% reduction in site specific electricity consumption in 2017, and by the withdrawal from service of an older centrifuge unit at our UK facility.

Emissions (priority topic)

The emissions generated by nuclear energy are inherently low, particularly in terms of CO₂ emissions. According to the International Energy Agency's forecast in its Sustainable Development Scenario, power generation by 2040 will be all but decarbonised, with nuclear power accounting for 15%.¹⁰

During 2017, we removed specific gas consumption from our sustainability KPIs for energy savings and natural resources. We did this as we concluded that gas made a negligible contribution to our total emissions tonnage. We also believe that by reducing the number of KPIs in a single focus area we can add clarity to the reporting process.

KPI for energy savings and natural resources

Specific electricity consumption

- **Target:**
Improvement vs best performing year since 2014 benchmark
- **Actual:**
-4%



Best performance since benchmarking in 2014.

⁹ The Building Research Establishment Environmental Assessment Method (BREEAM) is the world's leading sustainability assessment method for masterplanning projects, infrastructure and buildings. www.breeam.com

¹⁰ World Energy Outlook 2017, International Energy Agency, p.29, http://www.iea.org/bookshop/750-World_Energy_Outlook_2017

Focus Areas

Materiality and Risk

Total direct energy emissions



Direct energy emissions increased in 2017, due to increased levels of chemicals used in operational processes.

Total indirect energy emissions



Total CO₂e emissions



CO₂e emissions reduced in 2017, which was driven by the decrease in electricity consumption. Additionally, we saw improvements to the CO₂e conversion factors, used to calculate the above, due to the business utilising more low carbon energy suppliers, particularly in the UK.

Environmental certification

All of our European enrichment facilities are certified to ISO 14001. In Germany, our facility is also EMAS¹¹ validated.

Water

Management approach

Water usage is considered material for our business and it is a necessary resource frequently utilised during the enrichment process for cooling. Compliance Managers monitor water usage at each of our four enrichment facilities to help minimise our environmental impact and ensure we are fully compliant with environmental legislation. Any peaks in usage are analysed and a root cause is established to ensure the management approach remains effective.

Most of URENCO's water consumption is directly linked to cooling tower operation. At the end of 2017 we initiated a study to share best practice across the organisation to ensure water tower optimisation to further reduce water consumption in 2018.

KPI for water

Specific water consumption

- **Target:** Improvement vs best performing year in preceding two years
- **Actual:** -0.5%



Specific water consumption reduced in 2017. This was due to improvements in the cooling water process, for example the way filters are cleared in the cooling towers. We also used less water due to development works coming to an end at our US facility.

¹¹ The EU Eco-Management and Audit Scheme (EMAS) is a premium management instrument developed by the European Commission for companies and other organisations to evaluate, report, and improve their environmental performance.

Focus Areas

Materiality and Risk

Total water usage



Total water discharge



Waste (monitor topic)

Management approach

Waste is a material area for our business due to construction and regular maintenance works taking place at our facilities. This leads to the production of non hazardous/hazardous waste, a high proportion of which is recycled or reused.

Waste is monitored as part of our non financial KPIs and is reported regularly to the Sustainability Committee, ensuring we minimise our environmental impact and comply fully with environmental legislation.

To ensure we accurately monitor waste levels, we report conventional waste (hazardous and non hazardous), as per the GRI definition. We also report low radioactive material requiring off site disposal, which is not covered by the GRI Standards.

We remain committed to responsible uranium stewardship, and we have subsidiaries dedicated to overseeing our work in this field. These include URENCO ChemPlants Limited, which is responsible for the construction and operation of the TMF in the UK; and URENCO Nuclear Stewardship. In 2017, URENCO generated less than 5,200m³ of low radioactive material for off site disposal.

Sustainability KPI for waste

% of recycled conventional material

- **Target:** Year / year comparison
- **Actual:** +28%



The percentage of conventional material recycled was above target as significant amounts of waste (soil etc.) at our Tails Management Facility (TMF) and ground work excavation at our UK facility was recycled.

Total hazardous waste



Total non hazardous waste



Hazardous and non hazardous waste has reduced as a result of reduced construction and refurbishment works taking place in the year.

Focus Areas

Materiality and Risk

Tails management at URENCO

During the uranium enrichment process, depleted uranium hexafluoride (UF_6), or 'tails', are made as a by product. The (by product) contains 20% to 30% of the natural U_{235} concentration and therefore has the potential for re-enrichment in the future. We currently store UF_6 in internationally approved transport cylinders, pending future re-enrichment or deconversion to a form suitable for long term storage.

Tails Management Facility (TMF)

Currently under construction at URENCO's site in Capenhurst, UK, the TMF will manage the deconversion of tails to stable uranium oxide (U_3O_8). It will consist of a number of associated storage, maintenance and residue processing facilities to support URENCO's long term strategy for the management of tails.

In 2017, the TMF experienced construction delays, and commissioning is now anticipated in late 2018. Once complete, it will play a key role in URENCO's commitment to responsible uranium stewardship.

URENCO Nuclear Stewardship

In 2017, we further enhanced our capabilities in responsible uranium stewardship. We rebranded Capenhurst Nuclear Services (CNS) to URENCO Nuclear Stewardship. This business is responsible for the management of uranic materials, decommissioning and recycling. A UK based, wholly owned URENCO subsidiary, URENCO Nuclear Stewardship has significant experience in the field of uranic stewardship, management and storage.



Since 2012, URENCO Nuclear Stewardship has been providing a dedicated service to the Nuclear Decommissioning Authority (NDA) for the responsible management of uranic materials and remediation work on its behalf. Under this contract, it manages the bulk of the NDA's uranic inventory.

In November, URENCO Nuclear Stewardship signed a contract with the UK's Ministry of Defence to store the reactor pressure vessels removed from 27 defuelled nuclear submarines once they have left the Royal Navy's service.

URENCO Nuclear Stewardship is also currently undertaking a project to design and construct a new Legacy Cylinder Facility (LCF). The LCF will carry out the transfer of nuclear materials from current 'legacy cylinders' into suitable, up to date vessels. Nuclear materials will be filtered to remove impurities and the 'legacy cylinders' will be fully cleaned and readied for disposal.

Focus Areas

Materiality and Risk



Focus Area 3: Supplier of choice



We have always prided ourselves on the strength of our customer relationships and the quality, flexibility and reliability of our enrichment services. Our global reach and diversity of supply means we are well placed to meet the needs of our customers around the world.

Focus area highlights in 2017:

- We met 100% of our customer delivery commitments again this year;
- Strong financial results, underpinned by our long established contract order book;
- U-Battery sign Memorandum of Understanding with Bruce Power in Canada.

Customer engagement and satisfaction

Our ability to respond to customers' requirements is essential to the long term success of our business. We work in close partnership with our customers and consult them regularly on our service and performance so we can continue to meet their needs now and in the future.

KPI for supplier of choice

Customer complaints

- Target:
0
- Actual:
1



The above relates to a customer invoicing issue, which was immediately resolved.

Economic performance (priority topic)

Management approach

A sustainable organisation needs to be economically stable and commercially successful. Each year, we set out the organisation's financial goals in our annual business planning process and we present our financial strategy to employees at All Hands presentations led by our Chief Executive Officer and Chief Financial Officer. Our Board carries ultimate responsibility for the economic performance of the company.

In 2017, URENCO delivered a safe operational performance and strong financial results, underpinned by our long established contract order book. In 2017 revenue rose by 1.8% to €1,926.9 million while EBITDA increased 6.8% to €1,249.5 million reflecting increased sales and lower operating and administrative expenses. For more information on our economic performance, see pages 20-25 of our Annual Report 2017.

In each of the four countries in which we operate, we support local economies through employment of local people, indirectly contributing economic benefit to communities. In addition, through a range of sponsorship and donation activities we provide practical and financial support.

Focus Areas

Materiality and Risk

Transport (priority topic)

Management approach

The success of our business depends upon the safe and reliable transportation of nuclear materials. Our ability to deliver products to customers from our four enrichment facilities is vital to our 100% customer delivery record, i.e. no missed deliveries.

We are rigorous in our efforts to ensure total transport reliability and over the years we have developed robust relationships with third party logistics suppliers. From all of our facilities we deliver products via intermodal transportation, utilising road and sea. Responsibility for the transportation of our uranic materials lies with URENCO's Commercial department and supply chain partners.

We set standards to guide the safe behaviour of our transportation partners. Through these standards we minimise the risk of an accident or the misappropriation of sensitive materials, whilst at all times complying with transport regulations. We also only place contracts with approved companies and ensure we perform regular contract and performance monitoring audits.

In 2017, our Commercial team continued to visit port authorities in North America and Europe to provide education and awareness on the shipment of uranic materials with a view to ensuring that our products continue to move smoothly through key port facilities. We also worked with the World Nuclear Association and World Nuclear Transport Institute to develop a more formalised industry approach to insurance markets and shipping lines in order to increase flexible delivery and supply options.

KPI for supplier of choice

Missed deliveries

• Target:	0
• Actual:	0



Innovation, technology and R&D (monitor topic)

Management approach

One of the key pillars of the URENCO strategy is to leverage our technological capabilities to serve the nuclear industry more broadly.

Our executive management team continually assesses market developments and consults with customers and other stakeholders in order to align our R&D programmes with current need and future opportunities.

Our Stable Isotopes business is a key example of our work in this area. Based at our Dutch facility, Stable Isotopes provides services of social and environmental value. Each year, more than one million patient treatments are performed using radioactive sources from Stable Isotopes enriched materials. New applications for enriched Stable Isotopes continue to be developed and Stable Isotopes is actively engaged in discussions with customers on how to support this growing demand. It has the ambition to expand its product portfolio in the next few years.

Additionally, in 2017 we progressed our work as part of the U-Battery consortium of partners. U-Battery is a micro nuclear reactor with global market potential which will be able to produce local power and heat for a range of energy needs. During the year, U-Battery signed a Memorandum of Cooperation in the field of high temperature gas reactor technology with the Japan Atomic Energy Agency. It also signed a Memorandum of Understanding with Bruce Power in Canada, which includes the potential deployment of reactors across Canada and support for U-Battery during licensing.

A new development for 2017 was the creation of URENCO Group Projects. This new function is designed to strengthen our capital project capabilities and support future work in R&D, innovation and new business.

Opportunities in new markets (monitor topic)

We are committed to identifying opportunities in new markets as part of our efforts to ensure the future success and sustainability of URENCO. We want to remain a secure, long term partner to our customers and we closely monitor technological and geographical areas of future growth potential, including Asia, Eastern Europe and the Middle East.

Management approach

Our management approach to new market opportunities includes focusing on uranium enrichment as the core of our business.

We have the knowledge, flexibility and skills to support the next generation of nuclear reactors. This area is overseen by our Chief Commercial Officer and Executive Director of New Business. See pages 10-11 of our Annual Report 2017 for more information on emerging nuclear markets.

Focus Areas

Materiality and Risk



Focus Area 4: Employee Engagement



URENCO's internal news app

Having a capable and engaged workforce is a vital part of our sustainability programme. Our aim is to recruit and retain talented people who can help us deliver outstanding customer service and achieve long term commercial success.

Focus area highlights in 2017:

- 78% of employees are committed and engaged;¹²
- The majority of employees consider their work to be meaningful, feel connected with URENCO and find fulfilment in their work;¹³
- Creation of internal URENCO news app to enhance employee engagement;
- Creation of Diversity and Inclusion Action Plan with Executive Sponsorship.

Employee engagement (monitor topic)

Management approach

Employee engagement is overseen by our Chief Human Resources Officer, who is supported by Human Resources (HR) teams across the organisation.

We closely monitor employee satisfaction through a company wide employee survey which takes place every two years and we proactively respond to the survey findings.

In 2017, our employee survey showed positive results and in order to better comprehend the results and facilitate appropriate action planning, delivery, measurement and updates, we created an Employee Engagement Steering Committee. In collaboration with champions from across the business, the steering committee helped to guide interpretation of the survey results and has developed a 2018 action plan.

In 2017, much of our employee engagement work centred on creating a 'one company' ethos in support of our strategy. Focusing on a centralised, organisation wide approach, we reinforced global functions, furthered efforts to work more collaboratively and promoted shared and efficient ways of working.

As part of these efforts, in 2017, we created an internal news app that employees can download to their mobile phones. Via the app, employees can access the latest URENCO news and information inside or outside the workplace. The app provides content in all relevant languages, and supports our transparency across the organisation.

In November 2017, the app was shortlisted in the technology category of the PRCA UK National Awards.

KPI for Employee engagement

% employees who are 'engaged/and or committed'¹⁴

- **Target:**
>80%
- **Actual:**
78%



The above was captured in URENCO's employee survey 2017. Our actual score was just short of our target, which was set particularly high. However, we're pleased to be above the global benchmark of 73%.

¹² URENCO employee survey 2017

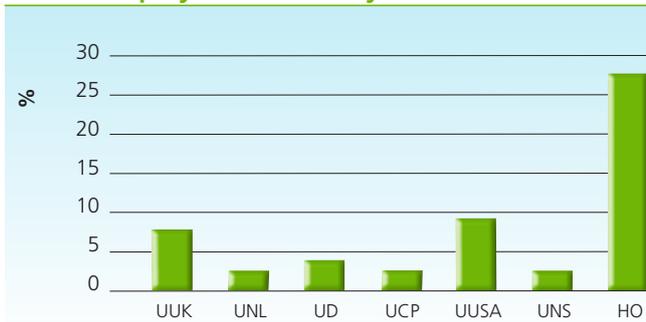
¹³ URENCO employee survey 2017

¹⁴ Engaged employees are passionate about the work they do. They feel energised by their work and they enjoy making a contribution by doing their job. They are devoted to improving their work and themselves. Committed employees are passionate about the organisation. They feel that they fit in with the organisation and its objectives and are keen to contribute to its improvement.

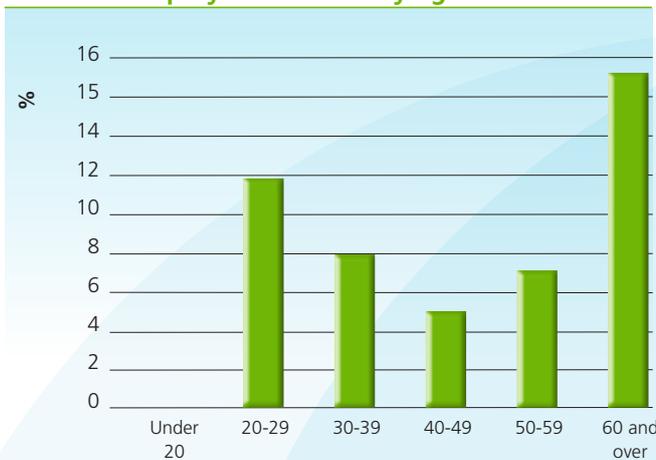
Focus Areas

Materiality and Risk

Employee turnover by location 2017



Employee turnover by age 2017



Employees by age and gender 2017



Workforce skills gap (monitor topic)

Management approach

Our HR function works in partnership with line management to assess our workforce capabilities against operational requirements. We want to ensure we have the capabilities to sustain our business over the long term, and address any skills gaps that could potentially exist in the future. In this respect, we run apprenticeship schemes, graduate programmes, performance management and training.

During the year, we held a number of events and site visits to engage graduates and apprentices. These included site tours at all of our facilities and lectures at universities in the USA and the Netherlands.

We plan to deliver an organisation wide 360° feedback process and performance management review in 2018. This is in line with our new global approach to learning and development, performance management and succession planning.

In 2017, 100% of our employees participated in an annual performance appraisal, during which their performance was reviewed.

Human rights

We are fully committed to upholding human rights in all areas of our business. We treat any discrimination incident seriously, and we have developed comprehensive complaints and grievance procedures, in line with the UN Guiding Principles, for all employees.

Code of Conduct

In support of our focus on culture and governance, in November 2017 we launched an organisation wide Code of Conduct. The Code sets out a series of non negotiable behaviours designed to ensure we maintain the highest ethical standards of professionalism, integrity and accountability.

Anti-bribery and corruption

URENCO adopts a zero tolerance approach to bribery and corruption, and all employees are required to adhere to stringent anti-bribery and corruption policies and procedures. We conduct regular communications and awareness campaigns on these issues, as well as online training. All employees are made aware of our focus and commitments in these areas.

Diversity and Inclusion (monitor topic)

Management approach

We remain committed to creating a diverse workforce and attracting a broad range of talent into the business. Through a range of programmes, initiatives and training, for example our Women's Network, we encourage diversity and inclusion.

In 2017, to enhance our efforts in this area we nominated an Executive Sponsor for Diversity and Inclusion. We also demonstrated our commitment in this area by publishing a Diversity and Inclusion policy statement, which is available on our corporate website:

<https://urengo.com/people-and-careers/diversity-inclusion-policy-statement/>

The Executive Committee and Senior Leadership Team have agreed that Diversity and Inclusion is a high priority. Leadership training has taken place on unconscious bias¹⁵, inclusive behaviours and respectful workplace practices. Plans are in place to provide training and awareness across all employee groups.

URENCO has been collating the required information to meet UK Government gender pay gap reporting legislation, which is mandatory to publish as of 2018 for UK organisations with 250 employees or more. We published the findings on our website in March 2018.

<https://urengo.com/people-and-careers/gender-pay-gap-report/>

¹⁵ Implicit or unconscious bias happens by our brains making incredibly quick judgements and assessments of people and situations without us realising. Our biases are influenced by our background, cultural environment and personal experiences.

Focus Areas

Materiality and Risk



Focus Area 5: Community engagement



URENCO USA employees

Ensuring local communities are supported and engaged is a core part of our sustainability approach. As a good corporate citizen, URENCO provides regular transparent communications and dialogue with community stakeholders.

Focus area highlights in 2017:

- More than 95% of stakeholders have a 'good' to 'very good' opinion of URENCO;¹⁶
- 40% of employees have volunteered in local community initiatives;
- More than 57,000 young people have been reached by the Richie education programme;
- URENCO sponsored Wonderlab: The Statoil Gallery which has received more than 500,000 visitors since opening in October 2016.

Investment in local areas (monitor topic)

Management approach

URENCO has a long history of investment in and support for local sustainable initiatives in the areas where we operate. This support has taken the form of both practical and financial support which includes a programme of employee volunteering to support residents' groups, schools and charities. We also carry out fundraising via sponsored sporting events and community projects. Our work in this area supports our aim to be considered a valuable member of the local community. The Communications & PR Team at each of our facilities is responsible for the management of our community activities, overseen by our Director of Corporate Communications, PR and Sustainability.

Our donations and sponsorship policy guides the cross team Donations Committee at each facility, who select the local charities and projects to benefit from URENCO's support. With tighter budgetary constraints than in previous years, in 2017 we prioritised targeted practical support through engagement and volunteering. We also focused on those areas where we can make the biggest difference, for example, the advancement of education, health and environmental protection.

Volunteering

URENCO's volunteering policy aims to strengthen relationships with local communities and enhance employees' teamwork and leadership skills.

In 2017, our employees from across the organisation continued to take advantage of the policy, which allows each employee to dedicate eight hours per year to volunteer in their local community.

During the year, 40% of URENCO employees took part in local volunteering initiatives.

Public education (priority topic)

Management approach

URENCO is committed to increasing public understanding of the nuclear industry and communicating the important role nuclear plays in supplying reliable and clean energy.

Our work in this area is overseen by our Director of Corporate Communications, PR and Sustainability, who helps to coordinate partnerships with industry peers for the provision of public education programmes.

In 2017, we hosted more than 5,000 visitors at our enrichment facilities. At our facility in the Netherlands we welcomed a group of students from the University of Twente, providing guided tours of our Stable Isotopes and SP5 facility. In the USA, employees held site tours for visitors from the University Texas El Paso and Carlsbad American Nuclear Society, as well as a number of utility customers.

Additionally in the USA, we took part in Nuclear Science Week in the Idaho Falls region. During the week, URENCO ran a Discovery Day designed to engage 11 to 14 year-old students with STEM and science subjects, including nanotechnology, coding, electricity and magnetism.

In total, Nuclear Science Week reached more than 2,000 young people, and included a strong focus on nuclear energy as an essential low-carbon energy source to mitigate against climate change.

¹⁶ URENCO Reputation Review 2017 - see page 7

¹⁷ The CREST awards scheme is the British Science Association's flagship programme for young people. It is the only nationally recognised accreditation scheme for STEM project work (science, technology, engineering and mathematics) subjects, providing science enrichment activities to inspire and engage 5 to 19 year olds.

www.crestawards.org/about-crest-awards/

Focus Areas

Materiality and Risk

In the UK, we continued to engage with the public at council meetings and town hall events, such as the Local Liaison Committee. Meanwhile our CEO and key representatives from across the organisation presented URENCO at selected nuclear conferences and seminars.

As we do each year for those who cannot visit our sites in person, we provide virtual site tours via our corporate website at:

 www.urenco.com/about-us/virtual-tour

Science education (priority topic)

One of our long standing sustainability commitments and key material topics is the promotion of science education, and nurturing the next generation of scientists and engineers, through our Richie education programme. Since 2007, URENCO's Richie programme has been inspiring schoolchildren up to the age of 16 to engage with STEM subjects. Richie, an animated character formed from uranium atoms, is the figurehead of our programme.

URENCO's global programme supports educators, school initiatives and partnerships with universities and other institutions. In this way, we reach schoolchildren and students ranging from seven years old to undergraduate age. Our efforts are also designed to create a pipeline of skills and talent within our industry.

Management approach

These programmes are overseen by our Director of Corporate Communications, PR and Sustainability with delivery at a local level by the local Communications Managers.

Originally the programme was targeted at young people close to the facilities where we operate. Since launching our digital CREST resource in 2015, we have increased our reach and overall impact. For this reason, in 2017 we added an additional digital KPI.

KPI for science education

Science education through the Richie programme

- **Target:**
10,000 students reached through physical school workshops
- **Actual:**
9,675 
- **Target:**
40,000 students reached through digital resources
- **Actual:**
48,307 

The target for number of physical engagements was narrowly missed, due to reduced resource and budget. Alternative and complementary digital resources were developed which has proven to be more successful than anticipated. Targets for digital reach were exceeded by more than 18%.

To maximise the success achieved in 2017 of our digital educational resource, plans are in place to expand the CREST awards scheme¹⁷ on an international basis. A pilot scheme is planned to be delivered in the Netherlands in 2018.

Science Museum partnership

Our major science education project for the past two years has been our sponsorship of the Science Museum's interactive gallery, which opened in 2016. Wonderlab: The Statoil Gallery features specially commissioned artworks, demonstrations and immersive experiences that show visitors how science and mathematics have shaped our lives.

Since the gallery opened in 2016, it has welcomed more than 500,000 visitors. On average, each visitor spends 100 minutes in the gallery, which is more than six times the average time spent in other galleries. This suggests that people are very much engaging with the demonstrations and exhibits.

We also hosted our fourth consecutive annual Richie Lecture inside the Wonderlab gallery. More than 120 schoolchildren attended the Lecture, which focused on the UK's energy mix and the important role of scientists and engineers as the industry changes and the demand for electricity increases.

 <https://beta.sciencemuseum.org.uk/wonderlab/>

Political landscape (priority topic)

Management approach

In the countries where we operate, the political landscape greatly influences our industry. We regularly 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 most to our business.

The political landscape is overseen by our Executive Director, Strategic and Government Affairs. With representatives worldwide, we influence negotiations in key issues such as nuclear new build, Brexit, and maintaining URENCO's prominent voice and visibility in the industry.

Our working group continues to monitor developments emerging from ongoing negotiations and will ensure we have a suitable level of preparedness in order to mitigate specific risks and maximise potential opportunities that emerge from the Brexit process. The URENCO Board is regularly updated on the Brexit activities.

Noise (monitor topic)

We are committed to operating our facilities with minimum adverse operational impact on our local communities. Our reputation as a good corporate citizen depends upon our ability to manage and mitigate disturbances such as noise.

If a local resident raises an issue or concern, one of our Shift Managers will attempt to resolve the issue swiftly and effectively. The incident will also be reported to senior management to ensure appropriate action is taken. All events are then recorded in a stakeholder log for which our Director of Corporate Communications, PR and Sustainability is ultimately accountable. In 2017, we completed the installation of four remote noise monitoring stations at our Capenhurst site in the UK. These stations feed into an accessible web server and enable us to continuously monitor our site noise emissions. Three of the units are located at the site perimeter and one in the local village, which means we can monitor actual residential impact. We can now interrogate this system and verify what our noise output is at any given time or date. This enables us to respond to complaints with confidence and be proactive in our compliance with environmental permit obligations. Further advantages include our ability to assess the noise impact of our tenant operations as their construction and commissioning activities take place.

Focus Areas

Materiality and Risk



Focus Area 6: Asset integrity



Asset integrity is about protecting our investments. To ensure that our plant systems continue to function reliably and effectively, they need to be closely monitored and rigorously maintained. Through ongoing commitment to asset integrity, we aim to have the right tools and processes in place to safeguard our investments.

Focus area highlights in 2017:

- Power loss tests confirmed overall resilience of our enrichment facilities during interruptions caused by storms and grid fluctuations;
- New 5S¹⁸ housekeeping standard for site audits.

Asset Integrity (priority topic)

Management approach

Asset Integrity is a vital consideration in the design phase of all our enrichment facilities, and is an area in which we continue to drive improvements through new systems and standards. In particular, URENCO has focused on enhancing collaboration and information sharing in asset management. Our Chief Operating Officer oversees this area.

In 2017, our sites reacted well to power loss events and interruptions caused by storms and grid fluctuations. To support our work in this area, we carried out power loss tests across our fleet, which confirmed our overall resilience.

We also continued to see the benefits of our ongoing investment in asset protection systems particularly at our UK facility, which withstood impacts and fluctuations well and demonstrated major improvements in plant reaction.

We progressed with the implementation of our enhanced alarm management evaluation programme to help us maintain system continuity and conducted a series of plant availability tests. We also worked on improving the data collection, visualisation and analysis around our internal KPI. This KPI enables us to increase awareness of protecting system availability.

5S is an important foundation in asset management and through our new 5S housekeeping standard, we coordinate regular meetings with our operational and technical heads at each of URENCO's sites.

During these meetings, participants carried out rigorous site audits in their respective areas of expertise, using a standardised scoring methodology. Once collated and analysed, these scores will help to drive site housekeeping improvements across the organisation by improving the cultural and behavioural aspects of human performance. In this way, we strive to meet and maintain the highest industry standards in asset integrity.

¹⁸ 5S enables an organisation to evaluate its workplace organisation capability and visual management standards. <https://uk.kaizen.com/knowledge-center/what-is-5s.html>

Our Contribution to the United Nations Sustainable Development Goals



The Sustainable Development Goals (SDGs) are a universal set of goals to end poverty, protect the environment, and ensure prosperity for all as part of the global sustainable development agenda. Adopted by United Nations (UN) member states in September 2015, the SDGs will shape government, business and civil society priorities to 2030.

There are 17 SDGs, each supported by specific targets to be achieved over 15 years, which relate to economic development, social development and inclusion, and environmental sustainability.

As a responsible business, URENCO has analysed the SDGs and assessed where our operations have the potential to positively impact the 17 goals. In the areas where we make the biggest impact, we have included a synopsis of how our business aligns to each specific goal.

SDG 3: Good health and well-being

Safety is our number one priority. We continue to reinforce a culture of ZERO HARM, our objective is to consistently reduce the number of incidents that occur on our sites.

SDG 4: Quality education

Each year, we carry out a range of initiatives designed to promote science education. Through our Richie education programme, we engage and inspire young people about Science, Technology, Engineering and Maths (STEM) subjects, with a view to creating the energy leaders of the future.

SDG 5: Gender equality

In 2017, we launched a programme to support improved diversity and inclusion, including a formal diversity policy.

SDG 7: Affordable and clean energy

Our role in the nuclear fuel cycle facilitates the production of reliable, low carbon electricity. Flexible and modular nuclear technology (U-Battery - see page 17) will also enable the supply of off grid power to remote communities and isolated locations.

SDG 8: Decent work and economic growth

URENCO provides practical and financial support to local communities. We also generate employment opportunities and economic growth in the local communities in which we operate.

SDG 9: Industry, innovation and infrastructure

We support the research and development of new and innovative technologies, through our URENCO Technology Centre, our Dutch based business unit Stable Isotopes, and our involvement in the U-Battery consortium (see page 17).

SDG 11: Sustainable cities and communities

Through our integral role in the production of nuclear power, we are indirectly supporting cities and communities to reduce their CO₂ emissions and engage meaningfully with sustainable development.

SDG 12: Responsible consumption and production

As a responsible business we undertake a range of initiatives to help reduce our impact on the environment. We closely monitor our resource consumption, focusing on energy efficiency, emissions, waste and water usage.

SDG 13: Climate action

Nuclear energy currently avoids approximately 2.5 billion metric tonnes of CO₂ from being emitted into the atmosphere each year.¹⁹ Given its role as a secure power supply, it will play an important role in helping to combat climate change and limit global temperature rises to 1.5°C by 2050, as agreed at COP21 in Paris in 2015.

SDG 16: Peace and justice – strong institutions

We are fully compliant with all the laws and regulations governing the nuclear industry. Through our commitment to the Treaties that govern us, we promote the peaceful application of civil nuclear power.

<https://urengo.com/about-us/history/treaty-of-almelo/>

¹⁹ Nuclear Energy Institute: <https://www.nei.org/Knowledge-Center/Nuclear-Statistics/Environment-Emissions-Prevented>



We take a rigorous approach to managing sustainability at URENCO, ensuring robust governance in order to meet our legal obligations and fulfil the high levels of social and environmental performance we expect of ourselves.

Accountability and rigour

In recent years we have made continuous progress in the way we manage sustainability at URENCO. Each quarter, sustainability data is collected and interrogated. The Managing Directors of each enrichment facility are accountable for the sustainability performance of their sites, with additional accountability assigned to a focus area Sponsor. Each Sponsor is responsible for defining the policy that guides our business activities within their specific sustainability focus area, as part of our wider sustainability strategy.

In 2017, we continued to improve our sustainability data collection and analysis. Through enhanced data efficiency and robustness, we aim to streamline the way we review and report on progress.

The Sustainability Committee

To augment and support our management of sustainability, in 2013 we established a Sustainability Committee. The Committee's meetings, which take place three times a year at different URENCO sites, are attended by senior management from across the organisation. This approach ensures that sustainability is incorporated into all operational and strategic decision making and embedded across the organisation. The Chair of the Sustainability Committee, Miriam Maes, is also a Non Executive Director and Member of our Audit Committee and her Board level involvement demonstrates the depth of our commitment in this area.

In 2017, we further enhanced the sharing of information and decision making at URENCO through the creation of our Senior Leadership Forum and Executive Committee. These bodies bring various senior leadership functions together to help improve the quality of our decision making. They will provide additional high level support to the work of the Sustainability Committee and help to drive our performance in this area.

Supporting our sustainability endeavours

The overall responsibility for sustainability lies with our Director of Corporate Communications, PR and Sustainability. This reinforces our organisation wide approach to the management of sustainability.

In 2015 we established a Sustainability Programme Team which oversees the delivery of all sustainability initiatives at URENCO. The Sustainability Programme Team supports the Sustainability Committee's activities and meets regularly to ensure sustainability is being well managed across the organisation. In 2015, we developed our Sustainability Champions who, under the guidance of the Sustainability Sponsors of each focus area, helped us set sustainability key performance indicators (KPIs) for the first time. The collection, interrogation and sharing of sustainability data enables us to track our progress against our KPIs, deliver improvements each year and set additional targets for the future.

In 2017, URENCO Board members met with Sustainability Champions from across the organisation to discuss and review our core sustainability programmes. This level of on the ground engagement from our Board signals the extent of their interest in and support for sustainability.

Working with our regulators

In each of the countries where we operate, we work closely with the regulators and report to them on an ongoing basis. Government authorities regulate and approve the design and operating principles of our facilities to ensure safety and security. They also monitor and inspect them to check compliance with all relevant legislation.

Informing and involving employees

In order to provide regular updates on developments within the organisation, URENCO's CEO, CFO and the Managing Directors of all enrichment facilities communicate regularly with our employees. In addition, the CEO is invited to an annual forum of employee-nominated representatives from across the organisation who are brought together to discuss business matters. Any issues raised are accounted for in our stakeholder log, a summary of which is shown on page 7.

Reporting on our financial performance

Our 2017 Annual Report and Accounts provides an overview of URENCO's business, economic and operational performance and market presence.



<https://urencocom/investors/our-financial-results/>



Each year, we follow best practice in sustainability disclosure to give our stakeholders a detailed and transparent view of our sustainability performance. In 2017, we adopted the very latest reporting parameters and guidelines.

Reporting period and cycle

This report covers URENCO's corporate sustainability activities during 2017. All data relates to the calendar year 2017, unless stated otherwise. Where we have used data outside 2017, it is to provide broader context for the activities or achievements being described. Our most recent Sustainability Report was published in March 2018, relating to the 2017 calendar year.

GRI reporting guidelines and principles

This year's Sustainability Report is prepared in accordance with the GRI Standards at a core level. Our GRI checklist is printed at the end of this report.

Having reported to the GRI G4 Guidelines for the past three editions of our Sustainability report, in 2017 we adopted the GRI Standards, the latest reporting protocols within the GRI framework.

The GRI Standards include all the main concepts and disclosures of the G4 Guidelines, and are similarly focused on the ten core principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness.

The changes involved in the shift from G4 to Standards are mainly concerned with structure, format and terminology. Instead of 'aspects', under GRI Standards we now talk about 'topics', and refer to 'disclosures' rather than 'indicators'. The new Standards also require more detailed analysis of a company's management approach (GRI 103) in each area.

Our adoption of the GRI Standards this year demonstrates our alignment with best practice in sustainability reporting, and our commitment to open and transparent communication around URENCO's performance.

UN Global Compact

Our policies incorporate the practices and standards from URENCO's Code of Conduct as well as the principles of the United Nations' Global Compact. Global Compact is the world's largest corporate sustainability initiative to align companies' strategies and operations with universal principles on human rights, labour, environment and anti corruption, and take actions that advance societal goals.

Defining report content

In line with GRI guidelines, in 2015 we undertook a materiality assessment, which we revisited in 2017, of key issues that are important to our stakeholders and may impact business performance. This includes an assessment of the focus areas' boundaries in terms of whether they affect URENCO itself (internal) or organisations/stakeholders separate from our company such as local communities or third parties (external). Our materiality analysis also involved establishing thresholds to help us ascertain which material issues are a priority (priority topics), and which need to be monitored (monitor topics).

Data is provided by URENCO's facilities, compiled by Group Audit and externally assured. A sustainability working group, consisting of a cross section of managers from key functions, is involved in the writing of the report. The report content has Board-level approval by members of the Sustainability Committee.

Measuring data, setting KPIs and carrying out internal audits

This report includes technical data that we have collated across URENCO using relevant regulatory guidelines.

In our operations we adhere to industry regulatory requirements in each country and uphold strict international safeguards, security and non proliferation agreements. The URENCO operating environment is audited, ensuring a high degree of data accuracy. We also carry out internal audits on technical data and adhere to GRI principles within this report.

Data for sustainability KPIs is gathered throughout the year and submitted quarterly. The Group Audit function is responsible for all data gathering and reports progress against targets internally to the Sustainability Committee.

GRI performance

Performance data 2017

GRI Standards indicator	Description	2015	2016	2017	Unit	Change 2016-2017	
GRI 102-7 Scale of the organisation	Total employees	1,444	1,587	1,513	Employees	-5%	
	Total number of operations	4	4	4	Operating Sites	0%	
	Net revenue	See Annual Report 2017 Page 2					
	Quantity of products or services produced	See Annual Report 2017 Page 2 (global capacity)					
GRI 102-8 Organisational profile	Total employees by employment contract	Permanent	1,412	1,551	1,477	Employees	-5%
		Temporary	32	36	36	Employees	0%
		Total	1,444	1,587	1,513	Employees	-5%
	Total permanent employees by employment type	Full-time	1,343	1,466	1,391	Employees	-5%
		Part-time	69	85	86	Employees	1%
		Total	1,412	1,551	1,477	Employees	-5%
	Total workforce by employees and supervisors by gender	Managers – male	219	250	234	Employees	-6%
		Managers – female	31	46	37	Employees	-20%
		Non-managers – male	924	1,006	966	Employees	-4%
		Non-managers – female	270	285	276	Employees	-3%
		Total	1,444	1,587	1,513	Employees	-5%
	Total workforce by region and gender	Europe male	925	1,060	1,026	Employees	-3%
		Europe female	225	267	261	Employees	-2%
		America male	218	196	174	Employees	-11%
		America female	76	64	52	Employees	-19%
Rest of world		0	0	0	Employees	-	
Total		1,444	1,587	1,513	Employees	-5%	
% of employees covered by collective bargaining		40%	47%	48%	%	1%	
GRI EN302-1: Energy consumption within the organisation	Natural gas	17,453,588	20,285,324	19,887,228	kWh	-2%	
	Diesel *	4,246,704	6,323,050	1,919,465	kWh	-70%	
	Petrol	463,441	443,721	439,625	kWh	-1%	
	Fuel oil	452,335	1,039,566	1,120,812	kWh	8%	
	Total direct energy consumption	22,616,067	28,091,662	23,367,130	kWh	-17%	
	Total indirect energy consumption	628,301,925	618,576,558	594,359,888	kWh	-4%	
	Total energy consumption	650,917,992	646,668,220	617,727,018	kWh	-4%	
	% of Total energy from renewables		16%	16%	18%	%	2%
	% of Total energy from non-renewables		84%	84%	82%	%	-2%
GRI 303-1: Water usage	Total mains m ³ /year	323,895	401,948	316,333	m ³	-21%	
	Total other m ³ /year	265,598	284,671	292,614	m ³	3%	
	Total m ³ /year	589,493	686,619	608,947	m ³	-11%	

* Diesel consumption reduced by 70% in 2017 due to construction works coming to an end at our Tails Management Facility. As a result, less diesel powered vehicles were used, such as mobile elevated work platforms.

GRI performance

Performance data 2017

GRI Standards indicator	Description	2015	2016	2017	Unit	Change 2016-2017
GRI 305-1: Direct (Scope 1) GHG emissions	Direct emissions: from chemicals used for operational processes	8,963	4,610	10,181	Tonnes CO ₂ e	121%
	Direct emissions: from fuels	4,258	5,673	4,536	Tonnes CO ₂ e	-20%
	Total direct emissions	13,222	10,283	14,717	Tonnes CO ₂ e	43%
GRI 305-2 Energy indirect (scope 2) GHG emissions	Indirect emissions	285,810	282,293	257,323	Tonnes CO ₂ e	-9%
	Total CO ₂ e emissions	299,032	292,576	272,040	Tonnes CO ₂ e	-7%
Transport (formerly reported under G4-EN30)	Total CO ₂ e generated through the transportation of UF ₆ material (feed, tails, product)	3,682	4,220	3,775	Tonnes CO ₂ e	-11%
GRI 306-1: Water discharge by quality and destination	Total m ³ : treatment method - to sewer	96,216	98,072	95,610	m ³	-3%
	Total m ³ : treatment method - to water courses	95,509	48,025	34,938	m ³	-27%
	Total m ³	191,725	146,097	130,548	m ³	-11%
GRI 306-2: Waste by type and disposal method	Hazardous – composting	0	0	0	Tonnes	-
	Hazardous – reuse	0	1	0	Tonnes	-
	Hazardous – recycled	47	49	37	Tonnes	-25%
	Hazardous – recovery	1	17	14	Tonnes	-18%
	Hazardous – incineration	7	5	2	Tonnes	-67%
	Hazardous – landfill	14	63	3	Tonnes	-95%
	Total hazardous waste	69	135	55	Tonnes	-59%
	Non-hazardous – composting	30	35	71	Tonnes	101%
	Non-hazardous – reuse	4,025	3,979	2	Tonnes	-100%
	Non-hazardous – recycled	1,659	3,827	9,126	Tonnes	138%
	Non-hazardous – recovery	2,818	1,123	152	Tonnes	-86%
	Non-hazardous – incineration	200	308	192	Tonnes	-38%
	Non-hazardous – landfill	936	1,310	311	Tonnes	-76%
Total non-hazardous waste	9,668	10,583	9,855	Tonnes	-7%	
Nuclear material for disposal:	Volume of nuclear material for disposal	576.83	1,549.64	5,196.28	m ³	-
Radiation dose: legal limit: Europe 20mSv / UUSA 50mSv	Average dose for employees	0.17	0.23		mSv	-
	Maximum dose for employees	3.36	2.92		mSv	-
	Average dose for external companies workers	0.13	0.20		mSv	-
	Maximum dose for external companies workers	6.61	3.81		mSv	-

GRI performance

Performance data 2017

GRI Standard indicator	Description		2015	2016	2017	Unit
GRI 401-1: New employee hires and employee turnover	Employee turnover by location	UUK	7.1	4.5	7.9	%
		UNL	4.5	2.5	1.8	%
		UD	2.4	2.0	3.8	%
		UCP	6.7	4.1	2.1	%
		UUSA	30.6	5.0	9.3	%
		UNS		3.4	2.4	%
		HO	9.9	10.5	26.9	%
	Employee turnover by age	Under 20	0.0	0.0	0.0	%
		20-29	11.7	6.7	12.0	%
		30-39	6.0	4.7	8.1	%
		40-49	3.9	4.1	4.6	%
		50-59	12.3	1.7	6.8	%
		60 and over	58.0	11.5	14.5	%
2017 lost days						
GRI 403-2: Occupational health and safety	Employee and contractor LTIs by location	UUK	1	2	1	119
		UNL	0	1	0	0
		UD	0	0	1	49
		UCP	2	1	0	0
		UUSA	3	0	1	47
		UNS		1	0	0
		HO	0	0	0	0
		Total	6	5	3	215
		2017 LTI rate	0.11	2017 lost day rate		8.01
	Absentee rate	UUK	1.7%	1.4%	2.2%	%
		UNL	3.0%	2.4%	3.0%	%
		UD	2.0%	4.0%	4.0%	%
		UCP	2.6%	1.3%	0.8%	%
		UUSA	0.0%	0.0%	0.0%	%
		UNS		2.4%	2.6%	%
		HO	1.9%	2.9%	2.2%	%
		Total Group inc. UUSA	2.0%	2.6%	2.9%	%
		Total Group ex. UUSA	2.6%	2.6%	2.9%	%

Note: UUSA data is separated due to the fact annual leave is structured differently to the rest of Europe, as the first five days' absence is incorporated into annual 'paid time off'

GRI performance

Performance data 2017

GRI Standards indicator	Description	2015	2016	2017	Unit	
GRI 404-3: % Employees receiving regular performance and career development reviews	% Employees receiving regular performance and career development reviews	100	100	100	%	
GRI 405-1: Diversity of governance bodies and employees	Male	Under 20	0.6	0.6	0.7	%
		20-29	8.4	9.1	8.3	%
		30-39	21.1	20.4	19.7	%
		40-49	22.6	21.7	21.9	%
		50-59	21.2	21.9	22.3	%
		60 and over	5.2	5.4	6.5	%
	Female	Under 20	0.0	0.0	0.1	%
		20-29	2.8	3.2	2.7	%
		30-39	6.8	6.5	6.5	%
		40-49	5.6	5.9	5.6	%
		50-59	4.7	4.7	5.0	%
		60 and over	0.9	0.6	0.8	%
		Total	100	100	100	%

GRI Standards indicator	Location	2015			2016			2017*		
		Minimum URENCO rate (€/hour)	Minimum country rate (€/hour)	URENCO min ratio to country min	Minimum URENCO rate (€/hour)	Minimum country rate (€/hour)	URENCO min ratio to country min	Minimum URENCO rate (€/hour)	Minimum country rate (€/hour)	URENCO min ratio to country min
GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage	UUK	18.75	7.21	2.60	9.80	8.39	1.17	9.85	8.27	1.19
	UD	15.82	8.50	1.86	16.29	8.50	1.92	16.67	8.84	1.89
	UNL	11.96	8.63	1.39	12.43	8.93	1.39	12.67	9.00	1.41
	UCP	21.56	7.21	2.99	18.84	8.39	2.25	22.00	10.00	2.20
	UUSA	16.69	6.89	2.42	21.03	7.10	2.96	16.45	5.06	3.25
	UNS				16.56	9.09	1.82	13.63	8.80	1.55
	HO	12.71	7.21	1.76	10.88	6.47	1.68	15.14	8.27	1.83

* Bank of England rates at 31 December 2017

£:€ 1.1728

\$:€ 0.838635

GRI performance

Performance data 2017

Membership	Hold position on the governance body	Participate in projects or committees	Provide substantive funding beyond routine membership dues	View membership as strategic
European Nuclear Society	✓			✓
European Safeguards Research & Development Association		✓		✓
FORATOM				✓
Nuclear Industry Association	✓			✓
NucNet	✓			✓
World Nuclear Association	✓			✓
World Nuclear Fuel Market	✓			✓
World Nuclear Transport Institute	✓	✓		✓
World Institute for Nuclear Security	✓			✓
German Atomic Forum	✓			✓
German Nuclear Society	✓	✓		✓
WKK German Nuclear Front End Institute	✓	✓		✓



Further information

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