

Section 172 (1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires directors to have regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the matters set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made. Those factors for example include our relationship with the Nuclear Decommissioning Authority. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision making, we aim to make sure that our decisions are consistent and predictable.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. As a part of those meetings the directors receive information in a range of different formats to ensure that they have regard to section 172 matters when making relevant decisions.

The Company's key stakeholders are its workforce, customers such as the Nuclear Decommissioning Authority and the Ministry of Defence, suppliers, the local communities in which it operates as well as regulators including the Office of Nuclear Regulation. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the directors when making relevant decisions.

The size and spread of both the Company's stakeholders and the Urenco Group means that generally our stakeholder engagement takes place at an operational and group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on the some of the engagement that takes place with the Group's stakeholders so as to encourage the directors to understand the issues to which they must have regard please see page 28 of the Urenco Group's 2019 Annual Report.

We set out below some examples of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duty and the effect of that on decisions taken by us:

Directors' Report (continued)

In March 2019, the Urenco Nuclear Stewardship Board discussed the views of the regulator with regard to the management of legacy cylinders and how through engagement of the regulator and explanation of the current programme of work ongoing in conjunction with support from the NDA, the regulator was comfortable with the information received. This demonstrates the Directors' appetite to foster the company's business relationships with suppliers, customers and others.

During June 2019, the Urenco Nuclear Stewardship Board discussed an upcoming decommissioning project for which the planning process was due to commence. During this discussion a range of factors were considered including impact on the workforce and the opinions of the regulator. This demonstrates the Directors' commitment to considering the interests of employees as well as other stakeholders such as the regulator.

The Directors' Report has been approved for issue by the Directors on 6 May 2020.

D J Nelligan



Director

Date: 6 May 2020