

Introduction

Urenco is proud of its history as a leading nuclear services technology company for nearly 50 years. We provide safe and reliable uranium enrichment services and fuel cycle products for power generation within a framework of high environmental, social responsibility and corporate governance standards.

Sustainability is integral to Urenco's business and forms an essential part of our corporate culture. We support the production of nuclear energy to facilitate the transition to a low carbon economy.

To guide sustainability at Urenco we have six key focus areas: Health and safety, safeguards and security; Environmental impact; Supplier of choice; Employee engagement; Community engagement and Asset integrity.

Urenco reports in accordance with the Global Reporting Initiative's (GRI's) Standards, one of the leading sustainability reporting frameworks worldwide. We also align to the United Nation's Sustainable Development Goals (SDGs) and Global Compact.

We remain committed to updating our stakeholders on our key areas of focus and reporting against our non-financial key performance indicators in a transparent manner. Our new corporate website has a dedicated sustainability section, which can be accessed from the homepage:

www.urencocom/sustainability



Miriam Maes
Chair of Board
Sustainability
Committee

For Urenco, our sustainability programme supports the delivery of a successful long-term future by ensuring we continue to invest in our people, environment, communities, technology, products and services.

Our stakeholders rightly take a keen interest not only in our financial results, but increasingly in the way in which we conduct our business from an environmental, social and governance perspective.

We continue to focus on improving our Environmental, Social and Governance (ESG) score and have a number of initiatives in place to continue our good track record of managing ESG related risks and opportunities and to maintain our BBB¹ rating.

In this respect we are pleased to report a reduction in CO₂e emissions, conventional waste and water usage.

A key area of focus for Urenco is the transition towards a more inclusive culture. In this respect, our Diversity & Inclusion (D&I) programme continues to be of high importance as we believe that in promoting and supporting inclusiveness, and making the most of diversity, will contribute to the results of our business. In 2018, we provided D&I awareness training for Senior Leaders and our target is to complete this training with at least 80% of employees across the organisation by the end of 2020. For the first time, we also included D&I objectives in the long-term incentive plans of our Senior Managers.

I have been extremely impressed by the organisation's alignment to the SDGs and the progress made in embedding sustainability into day-to-day operations. You can read more about this on page 28.

I look forward with great pleasure to continuing to chair Urenco's sustainability programme.

¹ Urenco's 2017 ESG score from MSCI. This score is based on publicly available information and benchmarked against organisations in similar industries.

Chief Executive Officer's review

As Urenco's new Chief Executive Officer, having joined the business in May 2019, I am pleased that the company takes its responsibility in sustainability seriously and that it is a core value.

I have been impressed by our strong safety performance, with no employee or contractor work-related lost time injuries (LTIs) in 2018, the leading technology that Urenco operates, our innovation and the skills of our employees, all of which are key to ensuring our long-term sustainability.

The experience I gained from the energy transmission industry has further supported my belief that to combat climate change, the world needs a balanced energy mix and must utilise low carbon technologies wherever possible.

In October 2018, the United Nations (UN) International Panel on Climate Change predicted severe effects of climate change by 2030 and identified nuclear as one of the energy technologies necessary to hold global warming to 1.5 degrees Celsius².

It is clear that if global energy demand grows by more than a quarter to 2040³, and we want to take tangible action to prevent climate change, nuclear energy will need to play a decisive role. As a leader in the nuclear fuel supply chain, Urenco will make a significant contribution.



Boris Schucht Chief Executive Officer

Strategy

I believe the sustainable development of our organisation is of high importance. In this respect we will further develop our roadmap to evolve our sustainability journey and make appropriate improvements to key environmental, social and governance areas.

We have refreshed our organisational brand and values to reflect the future direction of the organisation and help us as we continue to drive towards being a safe, innovative, performance-led and sustainable business. Read more about the brand refresh on page 11.

We are signing new contracts to maintain our global customer base and seek to continue to raise our profile in existing and emerging markets. In 2019 we will be opening a marketing office in Asia, to be close to our customer base in the region.

Stable Isotopes is an area of growth. We are confident that our recent investment in increased capacity will serve the market well and deliver solid returns.

We are continuing to explore several possible new business ventures, including developing our capabilities in nuclear stewardship.

Through our Enrichment Technology Company, we are applying our knowledge of advanced materials to products for the decarbonisation of the transport sector.

We are also working towards providing support to our customers to fuel all nuclear new builds, including the next generation of reactors.

Find more information on the strategy in Urenco's 2018 Annual Report on page 8.

² Source: NEI <https://www.nei.org/CorporateSite/media/filefolder/resources/fact-sheets/nei-clean-energy-020519.pdf>

³ Source: IEA World Energy Outlook 2018 p.23

Sustainability priorities for 2019

Safety and security remain a key priority across all areas of our business. Our culture in this respect is one of growing maturity and enables proactive early detection and continuous improvements. During 2018 safety and security incidents were reviewed and positive actions were taken to improve process and procedures.

We will be progressing our work to increase the diversity of our organisation and enhance the inclusivity of our culture. This includes empowering our valued employees to make more decisions, demonstrate their leadership and drive positive change across our business.

Recognising employee contribution is of huge importance and in 2019 we will be implementing the next stage of our new 'Celebrating U' initiative with global employee awards. We will also be taking further action in relation to our biennial employee survey. This year, our employee 'pulse' survey showed a 7.4% increase in our 'engaged and committed' score, with clear support shown for our strategy. Our employees said they feel listened to, that their opinions matter and that they have the right tools for their job.

In addition, our focus in 2019 will be on embedding and demonstrating the refreshed values throughout the organisation by providing a series of case studies explaining what the values mean to our employees. They will also be incorporated into an organisation-wide performance management system.

Commissioning has commenced at our Tails Management Facility (TMF) in the UK and operations are planned to start in 2019.

This responsible management of the by-product of our enrichment services, tails, is crucial to our commitment to uranium stewardship and sustainability. We are proud of the fact that during the construction of the TMF we achieved 6.7 million hours of safe working. The TMF was one of the safest construction sites in the UK.

Our site sustainability champions, who provide the data and run initiatives in their respective focus areas are vital to the success of the sustainability programme.

In 2019, we will promote further collaboration between these individuals by hosting our second sustainability seminar, which provides an opportunity for champions to meet and discuss best practice in data collation, performance against non-financial KPIs and energy savings initiatives that will continue to drive efficiencies and cost savings across the business. The first seminar, held in 2018, was a great success and I am looking forward to this annual event continuing. More information on the seminar can be found on page 16.

Urenco has the benefit of a strong financial position, which along with the longevity of our order book, supports the delivery of our strategic objectives.

In 2018, Urenco embarked on a project to evolve its vision, mission, values and visual identity to reflect the future business needs of the organisation and support the delivery of our strategic goals.

We developed our evolved brand to help address pressures in the enrichment market and geopolitical challenges, incorporating feedback from our employees, from a series of focus groups, and key external stakeholders. It reflects the broader range of services we are offering the nuclear industry and the development of our organisational culture to support our long-term sustainability.

Our Executive team determined the vision and mission and informed the values. We followed industry best practice in terms of the process that commenced with our purpose – the reason for our being. Our vision is what we aspire to be, and the mission is how we will achieve our vision. The tagline is to succinctly focus minds.

Our values are key. They drive the behaviours that we demonstrate during our day-to-day activities and ultimately determine the culture of our organisation. The update will support our ongoing success and the retention and recruitment of the right calibre of employee.

To find out more visit:

 <https://urencocom/about/brand-identity>

Our values



Safety

We are proud of keeping our people, the community and the environment safe and secure from harm and maintaining the reputation of our industry, products and services.



Integrity

We are honest, fair and respectful in how we conduct our business.



Leadership

We entrust our people to develop and support our leading role in the industry by being accountable, inclusive, collaborative and effective communicators.



Innovation

We have the energy, expertise and flexibility needed to help our customers and our business succeed over the long term.



Sustainability

We support the delivery of a successful long-term future by continuing to invest in our people, communities, technology and services and return value for our shareholders.

urencocom

Our Purpose

To be viewed as a respected, resilient and trusted supplier, believing that nuclear power is an essential part of the energy mix toward a more sustainable future. Through the use of our technology and expertise, we have a duty to help ensure everyone has the energy to succeed.

Our Vision

To be a trusted leader in meeting the world's demand for sustainable energy.

Our Mission

Through the expertise of our people, our technology and our portfolio of products and services, we play an essential role in delivering the energy to succeed.

Our Tagline

The Energy to Succeed

Our Values

Safety | Integrity | Leadership | Innovation | Sustainability