

## Urenco Group

### 2023 Modern Slavery and Human Trafficking Statement

#### Introduction

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes the modern slavery and human trafficking statement for the financial year ending 31st December 2023 for Urenco Limited and the UK subsidiaries listed in Appendix 1 (“Group” “Urenco” “We”).

We are fully committed to tackling modern slavery and human trafficking and we adopt a zero tolerance approach to modern slavery.

As an organisation we commit to uphold the UN Guiding Principles on Business and Human Rights and respect the International Bill of Human Rights and the International Labour Organization (ILO) Fundamental Principles and Rights at Work. We have continued to further develop our commitments to addressing modern slavery risks through engagement with stakeholders and suppliers. Our approach to ethical conduct and strong governance frameworks is taken from our Sustainability Strategy.<sup>1</sup>

This statement sets out our approach to modern slavery, the steps we have taken and those we will be taking during the next financial year.

#### Group Structure & Business

##### Who we are

Urenco Limited was founded in 1971 following the signing of the Treaty of Almelo by the Dutch, German and UK governments in 1970. The company is incorporated as a limited company in the UK and is one-third owned by the UK Government, one-third by the Dutch Government, and one-third is split equally between RWE and E.ON, two German utilities. The company has no minority shareholders. The Treaty of Almelo establishes robust safeguards to protect our technology from misuse and proliferation.

As Urenco has grown, this international framework has been extended through treaties with the USA and France. A Joint Committee, comprising representatives from all three governments, oversees adherence to these principles, but does not engage in the company’s day-to-day operations.

We are the only commercial enrichment company operating four facilities in four different countries – in the UK, Germany, the Netherlands and the USA.

##### What we do

We provide enrichment services and fuel cycle products for the civil nuclear industry, facilitating carbon free electricity generation for consumers around the world. In the uranium fuel cycle there are miners of uranium ore; processors who treat the ore to extract uranium oxide; converters who change uranium oxide into uranium hexafluoride; enrichers, such as Urenco, who increase the proportion of the Uranium-235 isotope; fuel fabricators who turn enriched uranium into fuel rods; and utility companies who use fuel rods in nuclear reactors to generate electricity.

Urenco’s role is to spin the uranium hexafluoride in centrifuges to separate out the heavier and lighter isotopes. The uranium hexafluoride with the higher proportion of the Uranium-235 isotope (enriched uranium) is sent to make fuel rods.

The uranium hexafluoride with the lower proportion of the Uranium-235 isotope (depleted uranium, known as ‘tails’) is stored on site. Our Tails Management Facility is dedicated to the responsible and sustainable management of nuclear materials, and deconverts the tails back to uranium oxide

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<sup>1</sup> <https://www.urencoco.com/investors/annual-report>

for long term storage for future enrichment or final disposal.

We also employ our centrifuge technology to produce stable isotopes for medical, industrial and research applications. Each year, approximately two million patient treatments are performed using medical radioisotopes produced from our enriched stable isotopes products.

### Supply chains

As our organisation operates within the nuclear fuel supply chain we operate in a highly regulated industry and our operations are governed by national and international standards.

Our supply chains are split into two areas; nuclear fuel cycle and non-nuclear fuel cycle.

#### Nuclear fuel cycle

- The supply of uranium hexafluoride "feed" material from our customers (usually through third-party suppliers with whom our customers have contracted for the provision of feed material and who deliver it to our enrichment sites).
- Sourcing some quantities of uranium ore directly from the producer for resale, the majority of which is mined in Australia, Canada and Kazakhstan.

#### Non-nuclear fuel cycle

- Procuring of materials, goods and services, including the supply of personnel, to support the operation of our business and delivery of projects.

### Risk Assessment

During 2023, an external human rights specialist conducted a desk-based human rights inherent risk assessment in respect of our tier 1 suppliers (see table below). The inherent risk factors that were considered, included country risk which encompassed labour rights and activity risk which evaluated labour intensity, base skill workforce as well as community impact.

Inherent Rating	% Tier 1 Suppliers
Very High	0.4
High	0.7
Medium	26
Low	59
Very Low	14

We continue to recognise that certain aspects within our nuclear fuel supply chain may pose a higher modern slavery risk, for example, where we directly purchase uranium from third parties (including mining companies or brokers). The potential modern slavery risks could include, labour rights, and the use of child labour and exploitation.

In order to identify and evaluate modern slavery risks within our nuclear and non-nuclear fuel supply chains, the inherent risk assessment data has been uploaded into the EcoVadis IQ tool to enable risk and opportunity mapping across the Urenco nuclear and non-nuclear fuel supply base. Further assessments, such as enhanced due diligence will be performed on suppliers classified as high and very high risk.

It is our policy that we do not accept uranium from physical sources where the producer or supplier is known to operate in a manner that compromises either our compliance with the Modern Slavery Act 2015, or our core values and principles as an organisation. We verify this by maintaining a mining and conversion origin tracking system within our Enterprise Resource Planning system and cross referencing those origins against our inherent risk assessment data to identify potential risks including, but not limited to, human rights and modern slavery (further details provided in the due diligence section below).

### Human rights maturity assessment

Building upon the output of the gap analysis conducted in 2022, we engaged a third party consultancy firm to undertake a maturity assessment to identify best practice and areas of continuous improvement, such as policies, procedures and supply chain engagement. We have continued to engage, track and collaboratively monitor our suppliers in their social sustainability and human rights programmes and performance.

In 2024, we will continue to focus on this important subject and further bolster our human rights due diligence processes. We remain committed to the UN Guiding Principles on Business and Human Rights and these are important themes within our Code of Conduct and Supplier Code of Ethics & Conduct documents. We will continually evolve these codes, as our understanding and work programmes continue to mature.

### Sustainability materiality assessment<sup>2</sup>

During the summer of 2023, we engaged with more than 650 individual stakeholders including customers, industry experts, suppliers, employees and representatives from the communities in which we are based. Through surveys and interviews, the stakeholders provided their view on the relative importance to Urenco of various sustainability topics, such as human rights and sustainable procurement, as demonstrated through the materiality matrix below.



As highlighted above, human rights and sustainable procurement were identified as an increasingly significant issue. We will continue to maintain and develop various work programmes and initiatives in order to identify and manage these issues accordingly.

## **Policies and Governance**

### Code of Conduct

The Urenco Code of Conduct ('the Code'), sets out our core values. The Code, also sets out a series of non-negotiable behaviours for our employees to abide by and demonstrates our commitment to upholding human rights in all areas of our business. On an annual basis we issue a Code of Conduct Compliance Statement, whereby we ask our senior managers to attest their compliance with the Code and to inform us of any suspected or actual breaches of the Code.

<sup>2</sup> [https://www.urencocom/cdn/uploads/supporting-files/Materiality\\_Analysis.pdf](https://www.urencocom/cdn/uploads/supporting-files/Materiality_Analysis.pdf)

The Supplier Code of Ethics and Conduct<sup>3</sup> (Supplier Code) requires suppliers to share our commitment to respect, promote and protect human rights and to comply with all internationally recognised human rights, as set out in the Universal Declaration of Human Rights. The Supplier Code outlines the manner in which we expect our suppliers and contractors to conduct business including but not limited to the following:

- No use of slavery and human trafficking
- No use of child labour
- Provision of equal opportunities
- Compliance with all applicable laws and regulations
- Continuous improvement and remediation

Suppliers are required to confirm acceptance and compliance with our Supplier Code during the supplier pre-qualification and contracting process.

#### Speak-Out (formerly called Whistleblowing)

In order to ensure employees, customers and suppliers feel enabled, encouraged and supported to inform Urenco of behaviours that are not in line with our corporate values, we operate a Speak-Out programme.

The Speak-Out Procedure was updated to provide greater clarity in respect of how complaints are handled and how subsequent investigations are conducted. Annual group-wide training is provided to all Group staff to enhance their awareness.

During 2023, there were no instances relating to allegations of suspected or actual breaches of Urenco's policies and procedures relating to the Modern Slavery Act 2015 reported via the Speak-Out facility or via other reporting channels. Whilst we view this positively, we understand that we must continuously increase awareness and understanding of modern slavery within the organisation to ensure that these risks can be identified by both complainants and those investigating suspected reports.

#### Sustainability Committee

The Sustainability Committee carries out annual reviews of the Group's implementation of policies on: health and safety; asset integrity; social performance (including community relations, social impact, political contexts and charitable donations); environment and ethical conduct and reports to the Board on the results of these reviews. The Committee also annually reviews and recommends to the Board, for its approval, the Modern Slavery and Human Trafficking Statement.

## **Due Diligence**

#### Customer and Supplier Due Diligence

Customer and supplier due diligence is performed by our Corporate Compliance function, in collaboration with various departments, including but not limited to Commercial, Procurement and Risk. The process is designed to identify various risks that our organisation could be exposed to, such as human rights, modern slavery, bribery, corruption, and trade sanctions. We also adopt proactive measures through monitoring news feeds in real time, judicial decisions and other reporting mechanisms to highlight any new information that could impact our risk assessment of a customer or supplier. This ensures that we can act swiftly to address any type of conduct or behaviour that could create modern slavery or human rights violations.

The due diligence performed is primarily based on publicly available information. If any actual or potential risks are highlighted through the process, we request information directly from our customers/suppliers on the risk(s) identified as well as performing enhanced due diligence,

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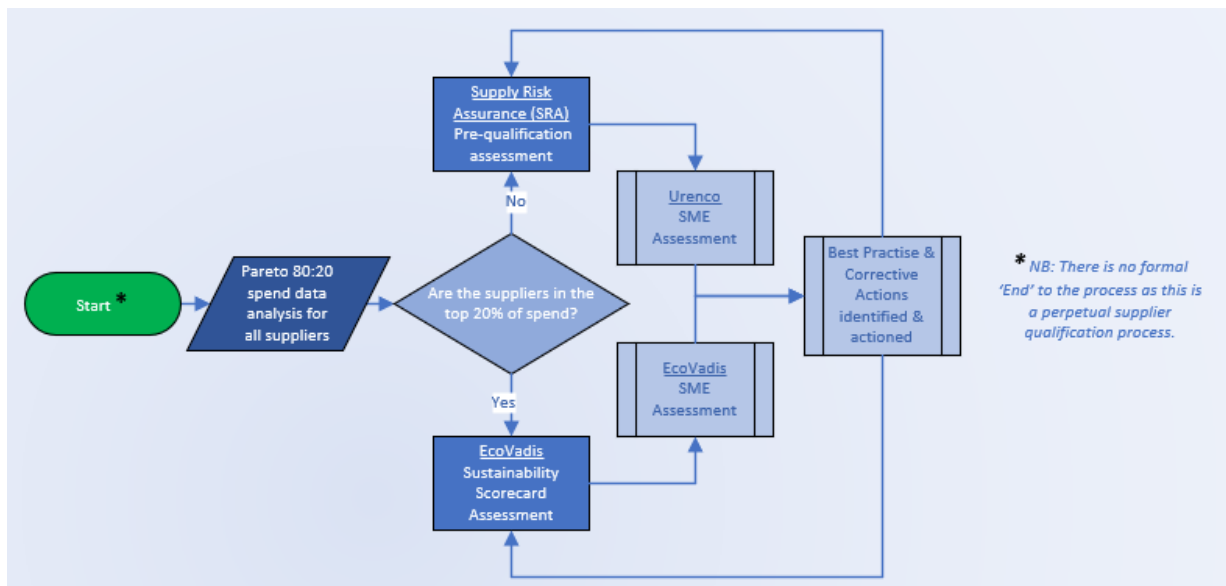
<sup>3</sup> [https://www.urencoco.com/cdn/uploads/supporting-files/Urenco\\_Supplier\\_Code\\_of\\_Ethics\\_Conduct.pdf](https://www.urencoco.com/cdn/uploads/supporting-files/Urenco_Supplier_Code_of_Ethics_Conduct.pdf)

undertaken by external subject matter experts.

Where modern slavery risk could be present due to the nature of engagement with a supplier, as part of the due diligence and contract review requirements, we endeavor to ensure anti-modern slavery and human rights clauses are included within applicable contracts. During 2024, we will continue to review this area, to ensure a consistent approach is adopted across the group. In addition, we will continue to further develop our due diligence framework to focus on enhanced due diligence of high and very high risk suppliers from a human rights perspective.

### Supplier Risk Assurance (SRA) Programme

One of the enabling initiatives that was approved as part of our strategy is a Supplier Risk Assurance (SRA) Programme which aims to create an enduring supplier risk management capability that provides comprehensive, real-time actions to improve the safety, quality, and sustainability performance of our supply chain. Implementation of the Programme commenced in 2022 to ascertain sustainability scorecard assessments<sup>4</sup> for the top 20% high spend suppliers. The process flow below illustrates how suppliers are segmented for proportionate assurance assessment.



This programme was further enhanced throughout 2023 through the implementation of the SRA software platform, supported by supplier Sustainability Scorecard assessments which provide a continuing requalification and corrective action process of our suppliers based on their risk profile and shall incorporate specific human rights, ethics, anti-bribery & corruption and modern slavery assessments. A target has been set to achieve 80% SRA coverage of the non-nuclear fuel cycle supplier spend by the end of the 2024 as Urenco continually improves supplier sustainability data management through industry leading data technology management.

### Nuclear Fuel Cycle Audit Programme

We have a long working partnership with our nuclear fuel cycle suppliers. Supplier audits are performed prior to proceeding with a new contract and throughout the contractual term. We also reserve the right to perform audits outside of the prescribed audit cycle where risks have been identified through due diligence or the supplier assurance programme. The audits conduct a comprehensive review of risks including social, governance, environment and safety. Prior to the audit, suppliers are required to complete an ethical trading questionnaire, which

<sup>4</sup> Sustainability Scorecard assessments cover 21 key areas across Environmental, Social and Governance (ESG) criteria and are independently assessed through EcoVadis.

includes questions regarding modern slavery and human rights. These questionnaires help us to understand if the suppliers have policies and processes in place to address modern slavery risks in their organisation and also their supply chain.

As an organisation committed to eliminating modern slavery risks within our supply chain, we ensure that our suppliers audit their own supply chain and demonstrate compliance by providing completed audit reports together with evidence of any remedial action performed.

During 2023, the nuclear fuel cycle audits which were performed by us or those performed by our suppliers in respect of their supply chain did not identify any modern slavery or human rights findings.

## **Training**

Annual refresher Code of Conduct and Speak-Out (whistleblowing) training is provided to all staff.

Our online modern slavery training is primarily aimed at employees that work in roles such as procurement, human resources, compliance and operational roles. The training covers: what modern slavery is, modern slavery risk indicators, labour practices associated with abuse of workers vulnerabilities, how to identify warning signs and how to address the risks. Relevant staff receive regular refresher training.

## **Measuring Effectiveness**

### Tracking our performance

In keeping with our core value of Integrity, we understand the importance of promoting good practice in relation to the prevention of modern slavery and human trafficking, both internally and working with our nuclear fuel cycle partners. In order to assess the effectiveness of the measures that we have adopted, we will continue to review and report to the Urenco Board, Sustainability Committee and the Audit Committee, the following key performance indicators, namely:

- Number of staff trained and informed of their obligations under the Modern Slavery Act 2015.
- Any suspected or actual regulatory and enforcement action, linked to modern slavery and human trafficking, identified through our due diligence processes.
- Speak-Out reports, and the nature of disclosures and the output of investigations.
- Internal audit and assurance activities, focusing on high risk areas.

## **Looking Ahead**

We recognise that managing and addressing modern slavery risk in our operations and our supply chain requires long-term planning and commitment. We expect the way in which we manage modern slavery risks to continue to evolve as we learn from the risk assessments and reviews performed and will continue to update and adapt our policies and processes accordingly. We appreciate that we cannot address all of these risks alone and we will look to engage with industry specialists as well as industry bodies to work collaboratively, in order to address the risks identified.

We have made progress on the areas that we set out in our 2022 modern slavery statement as outlined in the table below.

	Focus Area	Progress
Control Framework Refresh	Implementing the actions from the human rights gap analysis assessment to create robust due diligence processes and governance structures.	<p>Various actions were implemented in light of the gap analysis.</p> <p>A further maturity assessment was performed in 2023, identifying a phased approach to build our maturity.</p>
Understanding & acting on modern slavery risks	Updating baseline KPIs for reporting purposes.	<p>During 2023 we elected to focus on conducting the inherent risk and maturity assessments.</p> <p>The output of the assessments will enable us to generate and create more meaningful data which in turn will result in the production of effective baseline KPIs.</p>
	Performance of risk assessments within our operations and our supply chain for non-nuclear fuel supply chain suppliers.	Inherent risk assessments have been performed in respect of all tier 1 suppliers

We continue to make progress and remain committed to identifying and addressing modern slavery risks that could be present in our operations or those within our supplier chain. Our objectives for 2024 and beyond include but are not limited to the following:

2024 Focus Areas

Control Framework Refresh

- Updating baseline KPIs for reporting purposes, acknowledging the links to corporate sustainability reporting requirements, including the EU Corporate Sustainability Reporting Directive.
- Develop a dedicated human rights policy, which is aligned to the United Nations Guiding Principles on Business and Human Rights.

Understanding & acting on modern slavery risks

- Undertake an assessment of our salient human rights risks.
- Leveraging the tier 1 supplier risk assessment, follow-up work to be performed on suppliers classified as very high and high risk.
- Global human rights training to be created which describes Urenco’s commitment and approach as well as Urenco’s governance and reporting channels.

This statement constitutes the transparency statement for Urenco Limited and each of the companies listed in Appendix 1 under section 54 of the UK Modern Slavery Act 2015, and has been approved by the Board of Directors of Urenco Limited on 11 July 2024.

Signed by:



Boris Schucht, Chief Executive Officer



## Appendix 1

### Urenco Limited Reporting Entities

This statement is made on behalf of Urenco Limited and the following subsidiaries:

<b>Entity</b>	<b>Nature of business</b>
Urenco ChemPlants Limited	Deconversion
Urenco Enrichment Company Limited	Holding / central services
Urenco Finance UK Limited	Dormant
Urenco Nuclear Stewardship Limited	Uranium Handling Services
Urenco UK Limited	Enrichment Services