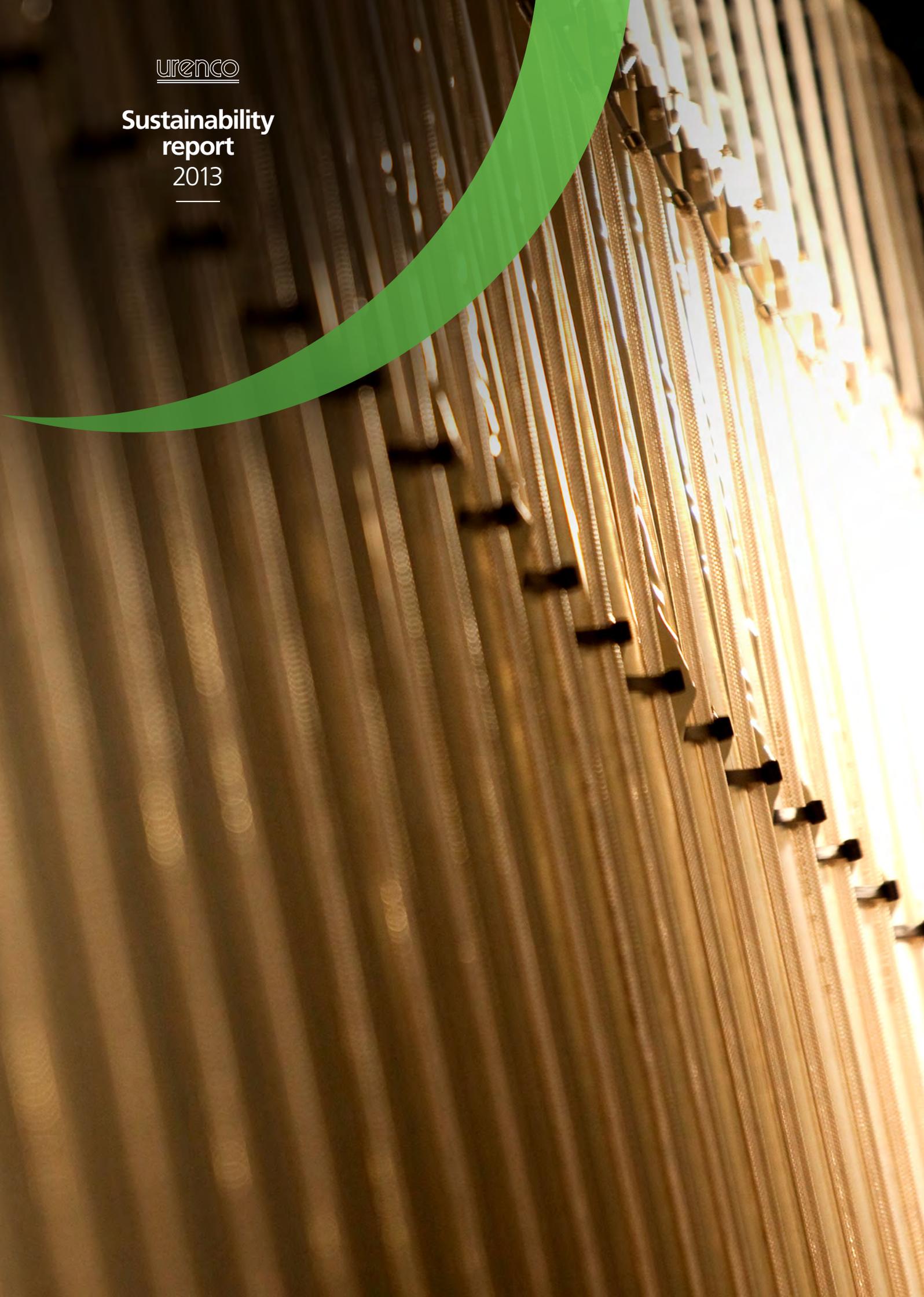


The Ureco logo consists of the word "ureco" in a lowercase, sans-serif font, with a horizontal line underneath the letters "e" and "o".

ureco

**Sustainability
report
2013**



Welcome

Contents

This report sets out our commitment to sustainability, highlighting the five core areas we focus on and our performance across these areas through the year.

It has been created in line with the Global Reporting Initiative (GRI) and independently assured. You can read our GRI checklist online at www.urengo.com. A performance summary and glossary is included at the back of the report.

Sustainability report

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Overview

Introduction

Living up to our commitments

At URENCO, we are at the heart of the nuclear energy industry – providing our customers with the enrichment services they need to generate the low carbon nuclear energy that is an important part of the world’s energy mix. We are determined to play our part responsibly by honouring our commitments to sustainability.



We deliver a reliable, responsive, high quality service to our customers.

Chief Executive Officer's review



Helmut Engelbrecht
Chief Executive Officer

Demonstrating responsible leadership

We are proud of the key part we play in helping to deliver low carbon, sustainable nuclear energy.

Ongoing sustainability

This report provides an update on our ongoing sustainability journey.

It is a journey that started back in our earliest days with the Treaty of Almelo. Signed in 1970, the Treaty sets out the principles for the effective supervision of URENCO's technology, centrifuge manufacturing and operations with respect to nuclear non-proliferation. As the Group has grown, it has extended its international co-operation with treaties with the USA and France. These treaties provide a framework for the consistent operation of the business regardless of any potential change in ownership.

Long-term commitment

The Treaty demonstrates our long-term commitment to play a responsible central part in the nuclear energy industry. For over 40 years we have been providing our customers with safe, reliable supplies of the enrichment services they need to fuel their civil nuclear reactors. This is and will continue to be the fundamental objective of our business – the source of our success and the focus of our efforts to improve our business. Our customers can be assured that we will continue to focus on delivery, quality and reliability and the highest standards of corporate responsibility.

Embedding responsibility

We aim to embed responsibility across every aspect of our business and we often find that by doing this we also achieve other performance benefits such as improvements in efficiency, reductions in cost and enhancements to quality.

Good corporate citizenship and good business go hand in hand. But there is always scope to go further, which is why we continually look to improve the ways we live up to our corporate responsibility commitments.

Continuous improvement

Over the years we have sought to increase both the rigour and the performance of our business. This is a step by step process, where we constantly look to maintain our good work that has gone before.

Our strategic approach

Our corporate responsibility strategy guides the way we manage and demonstrate our commitment to good business across URENCO. We focus on five key areas of sustainability:

1. managing health, safety, safeguards and security;
2. minimising our environmental impact;
3. being considered the supplier of choice;
4. developing our position as an employer of choice; and
5. supporting education, cultural and community projects.

We summarise our approach and performance across these five areas further on in this report, and highlight key developments.

Continuing to give safety the highest priority

Safety is URENCO's highest priority and we are constantly striving to exceed our own high standards. We had one Lost Time Incident this year, a reduction from the two reported incidents in 2012.

I am saddened to report that in our 50/50 joint venture with Enrichment Technology Company, two employees were tragically involved in a fatal accident at the Dutch site in 2013. We express our sincere condolences to the families and friends of those employees.

As a precautionary measure, URENCO conducted a full review of all our critical life safety procedures to ensure each was fit for purpose and adhered to rigorously. No major issues were found, but as part of the process a number of improvements were identified and made. Furthermore, in 2014 a Group-wide safety campaign will be launched to further embed safety in URENCO's culture.

Lost Time Incidents are only one measure of how we are delivering on our safety commitments. It underpins the considerable focus we have placed on behavioural safety by identifying and sharing best practice across the Group. A Group-wide campaign to raise awareness of near misses typifies our approach. Rather than simply responding to incidents, we are increasingly devoting our attention and efforts to prevention, notably by encouraging employees to speak up and share near misses across all business areas so that we can learn from them. Reports are shared with URENCO's Board and Audit Committee.

Improving our environmental performance

Our focus on minimising our environmental impact ranges from ensuring we handle uranium materials to the highest standards of safety through to finding ways to minimise our energy consumption.

Our commitment to energy saving is spearheaded by a Group-wide energy savings taskforce. Energy saving initiatives, such as making sure wherever possible we reuse heat and water across our facilities, not only benefit the environment but also improve efficiency. We discuss these initiatives on pages 18-19 of this report.

Excelling for our customers

To maintain our market share and position as a world-leading supplier of uranium enrichment services, we focus on consistently delivering excellent customer service across the Group. The core of this commitment is to deliver on our promises. Once again we met 100% of our customer delivery commitments this year.

Being a good employer

We are proud to have a capable and engaged workforce and we are committed to inspiring and challenging our employees, to manage their performance effectively and fairly and I recognise their achievements.

We completed our third Group-wide employee survey in 2013. The results were very positive, with improved scores across a number of areas compared to 2011. More details can be found on page 22 of this report.

Enriching young people's experience of science

Through our 'Richie' science workshops, we encourage young people to experience and learn about science in a fun and interactive way. The success of the initiative has allowed us to share the Richie science workshops with our industry peers, enabling a greater number of pupils to understand the enrichment process and how this links into nuclear energy and the wider concepts of energy and electricity.

In addition, we have developed a partnership with the British Science Association who will incorporate the 'Richie' school science workshops as a key element of their current CREST awards. CREST is a UK award scheme recognising success, building skills and demonstrating personal achievement in STEM (science, technology, engineering and maths) project work.

Maintaining our position as a global player

Our operations in Europe and the USA give us a unique advantage that allows us to serve more than 50 customers in 19 countries worldwide. Our USA facility enables us to meet the requirements of our customers in North America and in the growth markets in Asia. Operating in the USA also provides environmental benefits by reducing the number of transatlantic shipments. In addition, it provides valuable diversity of supply within our business for our customers around the world.

Looking ahead

Along our sustainability journey, we envisage further embedding corporate responsibility across URENCO. This involves ensuring that as a Group we have the appropriate principles, policies and governance established and shared and that across our different enrichment facilities and businesses we continually encourage good practice and improvements.

In December 2013, our Board approved the establishment of a Sustainability Committee, underlining senior level commitment and involvement. The Committee will determine our sustainability goals in the short and long term. Guided by the Committee, we will continue to build on our achievements across our five key areas of sustainability, throughout our business.

Helmut Engelbrecht
Chief Executive Officer

Lost Time Incidents

1

There was one Lost Time Incident related to employees and contractors across our enrichment facilities and construction sites in 2013, compared to two recorded in 2012.

Accreditation in 2015

ISO 14001

All our European enrichment facilities have environmental certification to ISO 14001. Our USA facility is due to gain ISO 14001 accreditation in 2015.

Delivery commitments

100%

Once again we met 100% of our customer delivery commitments this year.

Group-wide employee survey

8

In our third Group-wide employee survey, completed in 2013, the general satisfaction – the sense of well-being our employees gain from their work – remained at 8, well above the external benchmark of 6.6.¹

Science workshops

37,000

To date, more than 37,000 children have attended our science workshops at schools close to our enrichment facilities and offices.

¹ This is the result of a survey conducted by Effactory International. This survey approaches a number of businesses across the globe.

Awards in 2013

President's Award by The Royal Society for the Prevention of Accidents.

Best Dutch Employer Award 2013 in the category of organisations with fewer than 1,000 employees.

Best German company in the field of Communications and Leadership.

PRCA DARE Award for Internal Communications.²

² PRCA, the Public Relations Consultants Association, is the professional body that represents UK PR consultancies, in-house communications teams, PR freelancers and individuals.

Our business model

We provide uranium enrichment services for the civil nuclear industry and deliver an unrivalled reliable, flexible, high quality service to our customers.

Our culture

We play a key part in meeting the world's need for reliable, low carbon energy.

Our vision

We believe the world needs nuclear energy to meet the demands of sustainable global energy. We can help the transition to a low carbon economy through the deployment of our enrichment products, services and technology.

Our mission

Our mission is to be the supplier of choice within our sector and a key contributor to sustainable energy.

The Treaty of Almelo

The Treaty of Almelo enshrines the enduring purpose and principles of URENCO.

Our customers

Our customers operate nuclear power plants for the production of low carbon electricity.

We also serve customers in the field of medical isotopes.

Our five values

Our five values guide everything we do at URENCO – from our strategic and operational decision making to our day-to-day activities.



Safety

We operate to the highest standards of safety, environmental and security requirements.



Integrity

We conduct all our relationships with honesty, fairness and respect.



Flexibility

We respond to best meet our customers' needs by flexibly deploying our skills and capabilities.



Development

We are committed to the sustainable development of our business by continuously developing our employees, services and products.



Profitability

We are committed to making profits to secure our future and reward our shareholders and employees.

Our five strategic pillars

Our five strategic pillars link directly to our five core values and enable us to lead and stay ahead of the competition. They have also helped us to shape the focus areas detailed in this report.

1

Responsiveness

We maintain close relationships with all our customers and are committed to delivering for them.

We are "the most favourably regarded" supplier in the sector, according to an independent customer survey by Ipsos MORI (2011).

2

International presence and collaboration

We make the most of our unique global presence to provide security of supply for our customers and to work together to share best practice and refine our processes.

Each business function across the URENCO Group is headed by a Group Process Owner who drives continuous improvement and aligns best practice across each enrichment facility.

3

Highly motivated and committed people

Our workforce is made up of talented and experienced people who operate with integrity and dedication in a highly regulated industry. They are directly responsible for the success of our business.

In 2013, our Dutch enrichment facility was voted Best Dutch Employer.

4

Responsible long-term business

We are committed to living up to our responsibilities as a global leader in enrichment services by doing the right things in the right way for all our stakeholders.

In 2013 we established an 'energy savings group' to collect energy savings ideas from across the business, such as using white coverings at our Dutch enrichment facility for roofs to reflect sunlight and keep buildings cooler in the summer.

5

World-leading centrifuge technology

Gas centrifuge is the industry's preferred technology. It is recognised as the most cost effective, proven form of enrichment globally.

We have expanded our enrichment services portfolio to include increased amounts of natural uranium (feed).

During 2013, over one million patient treatments were performed worldwide with radioisotopes produced from URENCO Stable Isotopes products.

What we do and where we do it

We are a leading supplier of enriched uranium to the world's nuclear energy industry. Making use of the geographic spread of our operations and working to our shared values, we ensure our customers around the world receive the safe, reliable, high quality supplies they need.

We provide enriched uranium around the world

We use our world-leading centrifuge technology to provide uranium enrichment and associated services to our customers.

We have four uranium enrichment facilities. The facilities are located at: Gronau in Germany; Almelo in the Netherlands; Capenhurst in the United Kingdom; and Eunice, New Mexico in the USA. Our Head Office is located close to London, United Kingdom. All our facilities use centrifuge technology, the industry's preferred uranium enrichment technology. Our geographic spread is a distinct advantage, enabling us to provide customers with secure diversity of supply.

We have a strong forward order book which allows us to plan production volumes many years in advance.

Enrichment facilities

4

Employees

1,500

Customers

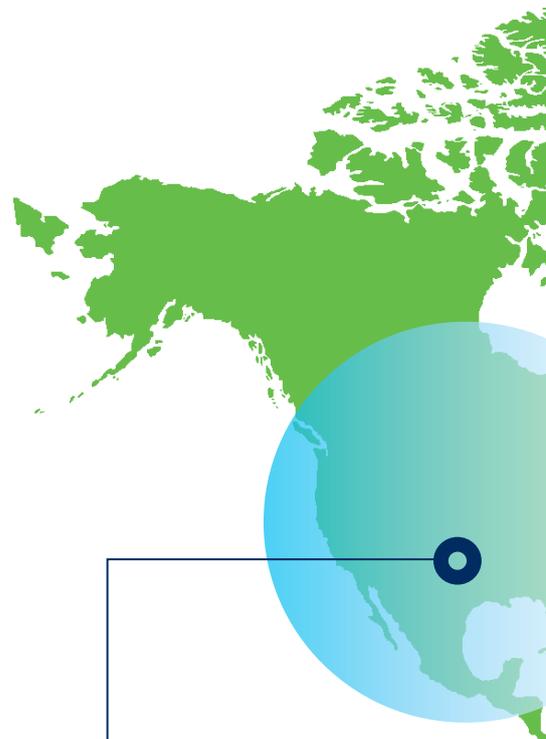
50 (more than)

Customer countries

19

Current production capacity (tSW/a)

17,600

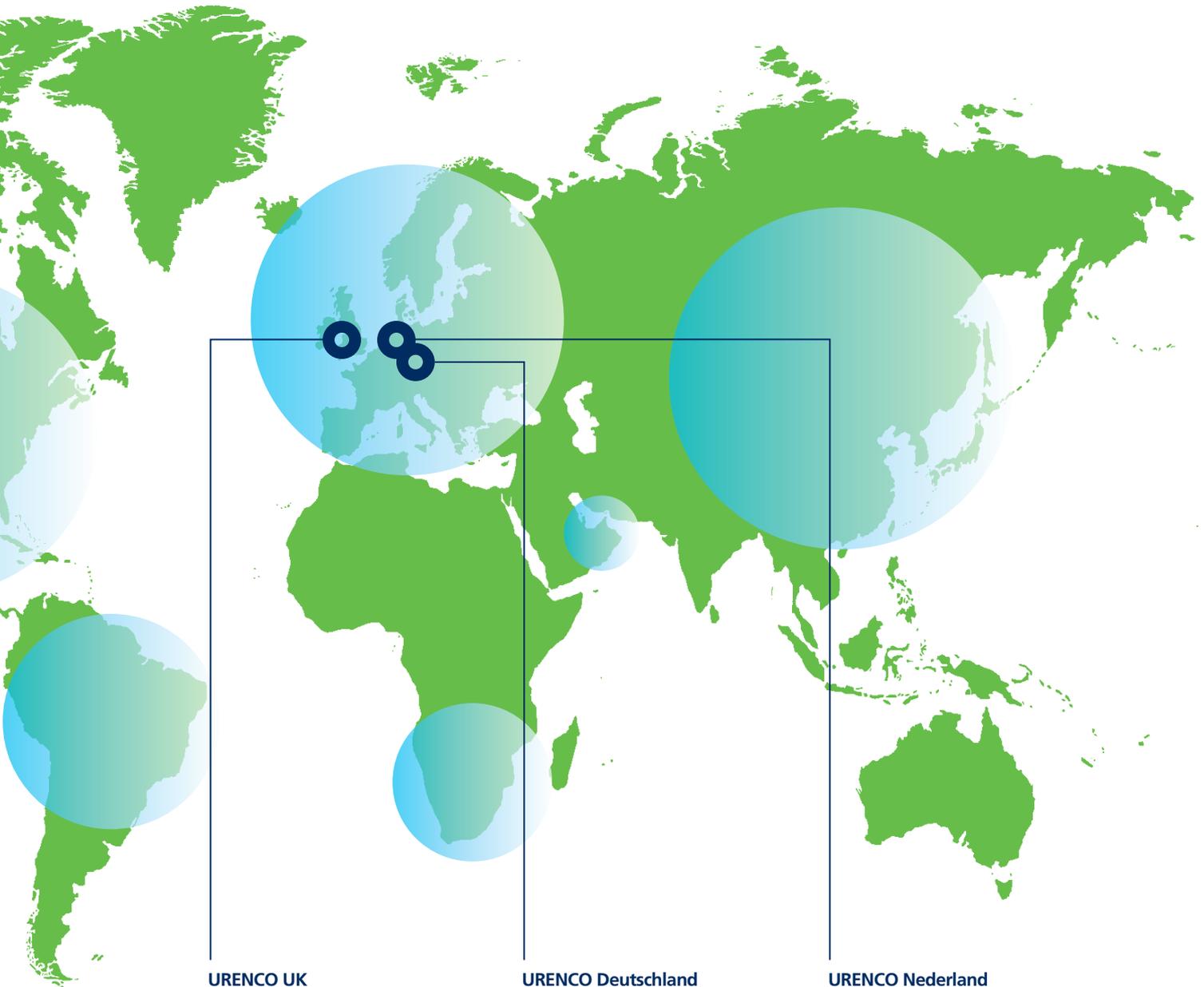


URENCO USA

Eunice, New Mexico – our USA enrichment facility continues to bring capacity online. It currently stands at 3,200 tSW/a.

Our operations and customers

● URENCO operations
● Customers



URENCO UK

Capenhurst, United Kingdom – our UK enrichment facility provides a production capacity of 4,900 tSW/a.

URENCO Deutschland

Gronau, Germany – our German enrichment facility provides a production capacity of 4,100 tSW/a.

URENCO Nederland

Almelo, The Netherlands – our Dutch enrichment facility produces an annual capacity of 5,400 tSW/a.

All site capacity data as at 31 December 2013.

We play a key role at the heart of the nuclear supply chain

1 Mining uranium ore

Uranium ore is extracted, purified and milled to become uranium oxide, also known as yellow cake.

2 Converting uranium ore

Ore concentrate is chemically converted into uranium hexafluoride (UF₆) and transported to one of our enrichment facilities.

3 Enrichment services

We heat UF₆ to turn it into a gas and feed it into our gas centrifuges. The centrifuge separates the two isotopes contained in uranium, U₂₃₅ and U₂₃₈. The lighter U₂₃₅ is generally enriched to up to 5%, which is sufficient to sustain a continuous fission reaction in a nuclear power plant. The flexibility of our centrifuges allows us to conserve feed material and refeed by-product (tails) so that we can provide services and products including feed enrichment services and enriched uranium product (EUP).

4 Fabricating fuel

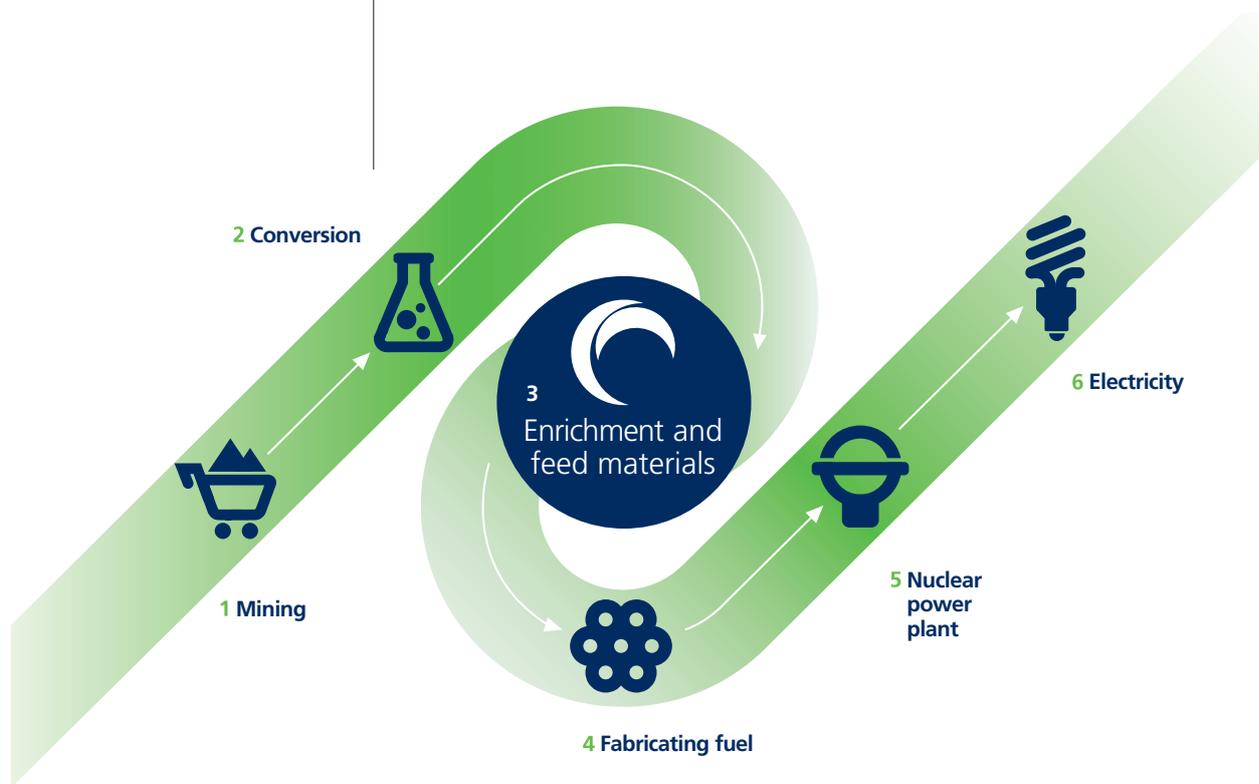
The enriched uranium is transported to fuel fabricators, where it is converted into pellets then loaded into fuel rods.

5 Fuelling the nuclear plant

The fuel rods are transported to nuclear power stations, where they power the nuclear reactors. Fuel rods are placed into reactors and used to generate heat which in turn drives turbines which power generators.

6 Generating electricity

The nuclear power plants provide a secure source of low carbon energy – generating electricity for homes, schools, hospitals, offices and industries around the world.



Our uranium enrichment process

Our process starts with the delivery to our facilities of uranium hexafluoride (UF6). This is the most suitable form of uranium for enrichment because it is easily turned into a gas when heated.

Heating UF6 to turn it into a gas

UF6 is delivered to our facilities in internationally recognised and standardised transport containers by approved suppliers.

UF6 is solid at ambient temperature. At our enrichment facilities we connect the transport container holding UF6 to the plant feed system. It is then heated in order to vaporise the UF6 and turn it into gas at sub-atmospheric pressure.

Spinning UF6 at high speed to enrich it

The UF6 gas is fed into a centrifuge casing containing a cylindrical rotor which spins at high speed, separating uranium's two isotopes. The heavier isotope U238 is forced closer to the wall of the rotor than the lighter U235. As a result, the UF6 gas closer to the wall is depleted of U235 and the UF6 gas nearer the rotor axis is slightly enriched in U235. We repeat the process over and over again until we achieve the desired levels of U235 enrichment to meet our customers' specifications.

Compressing and cooling the enriched uranium

We feed the enriched uranium under vacuum (UF6 containing up to 5% of the U235 isotope) from the centrifuge cascades into a compressor and then into a cooling box containing a cylinder. As it cools, the UF6 vapour solidifies in cylinders. We homogenise the cylinders and conduct quality checks before delivery to customers.

We weigh and analyse all cylinders to comply with the accounting and tracking requirements of the European Atomic Energy Community (EURATOM), United States Nuclear Regulatory Commission (USNRC) and the International Atomic Energy Agency (IAEA).

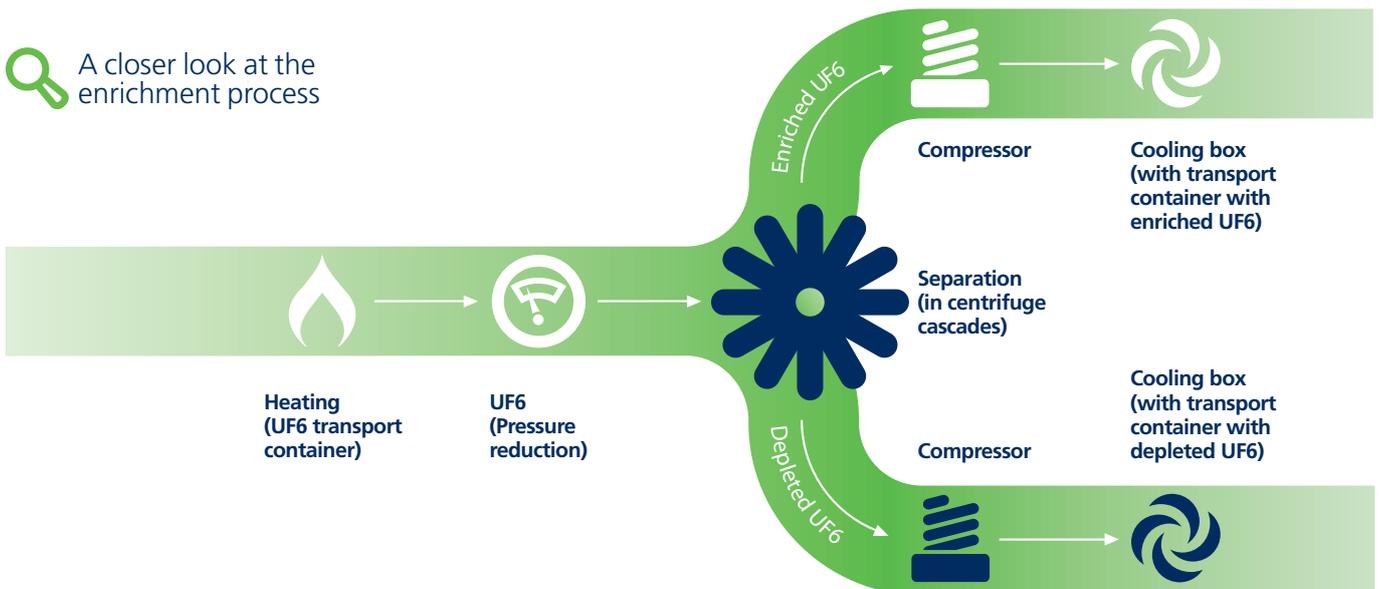
Storing and converting depleted uranium

The UF6 gas closer to the wall in the centrifuge is partially depleted in U235. This by-product is known as tails. We collect and cool tails in a cooling box containing a cylinder, weighing to ensure all material can be accounted for. Tails still contain a low concentration of U235 and can be re-enriched if economically viable.

We store tails at our enrichment facilities in internationally approved containers pending deconversion to a chemically stable form – uranium oxide (U3O8) – for long-term storage.

As well as storing tails at our facilities, we currently contract a third party to chemically transform depleted UF6 into U3O8. We are constructing our own Tails Management Facility to convert UF6 to U3O8. The conversion process creates hydrofluoric acid, a valuable chemical used globally by industry.

 A closer look at the enrichment process



Our focus areas

At URENCO, our commitment to sustainability runs through every aspect of our business. We live up to this commitment by focusing on five key areas of sustainability.

We focus on:

1 Managing health, safety, safeguards and security

page 12 - 15

2 Minimising our environmental impact

page 16 - 19

3 Being considered the supplier of choice

page 20 - 21

4 Developing our position as an employer of choice

page 22 - 25

5 Supporting education, cultural and community projects

page 26 - 29



—
URENCO's strong brand
has been built on a
reputation of providing
a high quality and
responsive service to
our customers.
—

Managing health, safety, safeguards and security

As with every fundamental aspect of our business, we look to continuously improve the ways we manage health, safety, safeguards and security across the Group.

This core commitment is underlined by our ultimate goal of zero harm to our employees, contractors, and the communities in which we operate.

Sadly, we advise that our 50/50 joint venture organisation 'Enrichment Technology Company' reported that two of their employees were tragically involved in a fatal accident at their Dutch site in 2013.

As a precautionary measure URENCO immediately initiated a full review of all our critical life safety procedures to ensure each was fit for purpose and adhered to rigorously.

Our operations are scrutinised and regulated by government authorities. They approve the design and operating principles of our enrichment facilities to verify safety, security, safeguards and protection of the environment.

We aim to continue to raise our standards of performance through strong leadership, ongoing awareness and training programmes in order to pursue best practice in all these areas.

Two key areas of focus for us are to manage Lost Time Incidents (LTIs) and monitor the number of sick days across the Group.

1 LTI

We had 1 LTI in 2013, down from 2 in 2012.

Number of sick days

We had an absence rate of 2.2% in 2013 compared to 1.9% in 2012.⁴

		No of employees	No of absence days	Total number of days worked	Absence rate
2013	Total Group inc UUSA	1,537	7,162	328,127	2.2%
	Total Group exc UUSA	1,180	7,162	240,800	3.0%
2012	Total Group inc UUSA	1,436	5,727	296,472	1.9%
	Total Group exc UUSA	1,091	5,727	219,087	2.6%
2011	Total Group inc UUSA	1,421	7,906	342,557	2.3%
	Total Group exc UUSA	1,072	7,412	256,757	2.9%

⁴ UUSA's data is defined separately due to the fact that the annual leave structure is different to the rest of Europe, such as the first five days absence is incorporated into annual 'paid time off'.



Our ultimate goal is zero harm to our employees, contractors, and the communities in which we operate.

Sustainability report

Managing health, safety, safeguards and security

Health

We place great emphasis on the health and general well-being of our 1,500 employees who work at our locations in the United Kingdom, the Netherlands, Germany, and the USA. This commitment ranges from the necessary precautions and checks that are part of our activities as a uranium enrichment business through to initiatives such as encouraging our employees to walk and cycle to and from work where possible, making sure we provide healthy and enjoyable working environments and providing support to minimise stress at work.

Safety

Safety runs through the core of our business – it is our number one priority. As with each of our five key areas of sustainability, the Group sets the overarching principles and each of our enrichment facilities is responsible for managing safety in line with local, regional and national requirements. Each enrichment facility runs ongoing training programmes, together with comprehensive safety procedures to ensure compliance, embed good behaviours and encourage further improvements.

Radiological safety

The centrifugal process involves physically separating the lighter isotope of uranium, U235, from the heavier isotope, U238. 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 similar to those of a chemical facility than a nuclear facility.

In the UK, the Health Protection Agency (HPA) has calculated that on average people are exposed to about 2.7 milliseverts (mSv) of radiation a year from naturally occurring sources in homes and workplaces and medical exposures, including x-rays.* Many people who visit our enrichment facilities for the first time are surprised at how low the levels of radiation involved in uranium enrichment actually are. The average radiation dose an employee at our UK enrichment facility received in 2012** was 0.50 mSv, well below the average calculated by the HPA.

* Source: Health Protection Agency

** Latest figures available

All of our centrifuges are designed to fail-safe in the event of a loss of power, water, control, air and other inputs, with no increase in safety risks.

We place the utmost importance on the safe transportation of UF6 at all stages of the enrichment process and only work with specialist audited transport suppliers.

Using industry approved systems, we complete regular environmental monitoring exercises at all our enrichment facilities. The approach is risk-based, ensuring that ionising radiation is kept As Low As Reasonably Practicable (ALARP). We experienced no adverse incidents involving ionising radiation during 2013.

Employee and Contractor LTIs 2009-2013

	Number
2013	1
2012	2
2011	3
2010	11
2009	16

Reinforcing our safety culture

Reinforcing our culture of continuous improvement across every aspect of safety, we have worked hard to develop a culture of zero harm. Such a culture has nurtured an understanding that it is everyone's responsibility to prevent injuries and incidents from happening, demonstrated by the reduction in LTI's over the last 5 years. Improved safety is not the only benefit that flows from this approach – a strong safety culture helps to improve quality, reputation and ultimately deliver better business performance.

Accountability

Health and Safety is a key area of product responsibility, as it has a direct affect on customers and external stakeholders. The Director of the Group Business Assurance function oversees URENCO's performance on product responsibility.

Our Group Compliance Function holds Health, Safety and Environment meetings every three months in addition to regular local updates. Day-to-day accountability is assigned at enrichment facility level. Every enrichment facility has a Head of Compliance, supported by an HSE team and working with the Group Compliance Officer.

Our Executive Team receives regular HSE reports and the topic is on the agenda at each senior management meeting and is reported on at each Board meeting.

Complying with the highest safety, security and safeguard standards.

Safeguards

We operate to the highest levels of safety, and in doing so we comply with all industry and regulatory standards. Our centrifuge technology and enrichment facilities are verified and protected by international safeguards.

We play an active role in developing the future of nuclear safeguards with representation at the International Atomic Energy Agency (IAEA), alongside membership of the European Safeguards Research and Development Association (ESARDA). Our aim is to help ensure that nuclear energy remains a safe, secure and reliable energy supply.

In addition, we support the further development of international safeguards by allowing field trials for new techniques to take place at our enrichment facilities. For example, we recently enabled Euratom, the European Safeguards Authority (ESA), to initiate a field trial to measure UF6 cylinders at our Dutch enrichment facility, in order to test the performance of several advanced safeguard technologies. The trial was witnessed by the IAEA. By trialling these instruments we have the potential to improve the already high levels of efficiency and effectiveness of nuclear safeguards, underlining our commitment to uphold the international safeguard system. We also share our knowledge and expertise on nuclear safeguards to educate new inspectors training at our enrichment facilities.

Committed to international standards

In the USA, our Nuclear Regulatory Commission Licence requires us to have a robust Corrective Actions Programme in place, ensuring that all safety and quality issues across a wide area are reported and promptly rectified within a culture of continuous improvement. In Europe, all our enrichment facilities operate management systems accredited to the international standards EN ISO 14001 (environmental) and ISO 9001 (quality).

Security

We take the security of our operations extremely seriously, investing in comprehensive measures to ensure both the physical security of our enrichment facilities and cyber security. This includes providing guidance and help to our employees to ensure they understand and are able to maintain the security of information regarded as sensitive, from the point of commercial, personnel, security and safeguards aspects, in order to prevent competitors or other third parties gaining unauthorised knowledge. URENCO's IT team are on hand to mitigate the risk of online security threats, and employees are briefed on how to manage these risks.

Maintaining high safety standards pays dividends for the community

Construction work on our Tails Management Facility (TMF) at our UK enrichment facility maintains an exemplary safety record through a programme of training, auditing and employee engagement. We recently passed one million hours on the construction site without a Lost Time Incident. As with other safety milestones, we recognised this achievement by donating to local charities nominated by our workforce.

Investing in a global solution to report events and track actions

To help build on our near miss campaign, launched in 2012, we are investing in a new initiative that will enable all employees to report events and track actions more quickly and efficiently. The programme will capture event information, track actions, produce management reports and help us learn from both adverse and positive events across our business. This will enable our enrichment facilities to manage and resolve local issues while drawing on the collective experience and know-how of the Group. In addition, cross-enrichment facility reporting will give a clearer picture of Group performance.

Sustainability report

Minimising our environmental impact

We are committed to minimising the environmental impact of our business.

Energy management is a key focus of our global operations, as is managing our carbon footprint. We are continually looking for improvements.

Managing recycling

In 2013, 61% of waste was recycled or reused.

2011	2012	2013
70%	98%	61%

The percentage of waste recycled or reused has reduced in 2013. This is primarily due to the construction progress of the TMF project, as less materials were suitable for reuse in comparison to 2012.

Managing waste to landfill

In 2013, 15,569 tonnes of waste went to landfill.

2011	2012	2013
992	1,663	15,569

The increase in (non-hazardous) waste to landfill in 2013 was primarily due to a number of large scale projects at our UK enrichment facility, such as a perimeter fence replacement and trench excavation.

Managing our carbon footprint

In 2013 we emitted 279,356.05 tonnes of CO₂.

Table of total direct and indirect CO₂ emissions 2011-2013

CO ₂ (tonnes)	2011	2012	2013	change 2012-2013
total	259,488.30	280,173.40	279,356.05	-0.3%

Carbon dioxide emissions have decreased by 0.3%, despite actual indirect energy having increased by over 6%. This is explained by the change in conversion factors supplied by DEFRA, which highlights the general reduction in CO₂ emissions from energy sources across all the countries in which we operate.

UUSA's CO₂ emissions have been restated for 2012. Correct figures are used in the table above. For 2013 we have used the latest DEFRA conversion factors across all sites.

The low carbon credentials of the nuclear energy industry

Nuclear energy is inherently low carbon, particularly in terms of relatively low CO₂ emissions. Indeed studies show that CO₂ emissions in the nuclear fuel cycle are between 0.5 and 4% of those from the equivalent coal-fired generating capacity*.

Our total Group capacity of 17,600 (tSW/a) fuels 31% of the world's nuclear installed capacity, which provides 816 TWh of low carbon electricity.

Supporting a critical part of the energy mix

We believe nuclear energy is a critical part of the energy mix, helping to secure a long-term low carbon future for the world.

In this respect we support the European Commission's long-term target to reduce carbon emissions. In addition, we support the creation of a new common nuclear energy framework to enable the European industry to use its experience to help the safe and secure development of nuclear energy globally.

Building further on Europe's nuclear energy expertise, we also support the creation of a formal European Strategy and Board to lead the promotion of nuclear energy. We believe the focus at a European level should be on maintaining the highest safety standards, and extending investment programmes for new, modern nuclear power generation.

We see public debate and accurate and transparent communication across all areas of the nuclear industry as an important part of developing understanding and consensus around nuclear energy.

Meeting our environmental commitments

Environmental priorities are agreed by the Chief Executive Officer and administered by the enrichment facility compliance function. We monitor key aspects, including energy and water usage, emissions, biodiversity and regulatory compliance. Full figures are included in the performance summary on pages 36 to 37.

We work closely with regulators in all markets to ensure we comply fully with all legal obligations.

Emergency planning

Working closely with the relevant regulatory bodies and emergency services, we complete annual emergency planning exercises at all our enrichment facilities. These exercises are carefully designed to help us improve our readiness to handle a wide variety of external and operational situations that may pose health, safety and environmental risks in the unlikely event that they should occur.

Environmental certification

All our European enrichment facilities have certification to ISO 14001. Also, our facility in Germany is EMAS (Eco-Management and Audit System) validated. Our USA enrichment facility is due to gain ISO 14001 in 2015. In October 2013 the facility passed a major milestone with the selection of an ISO registrar for obtaining ISO 14001 and ISO 9001. Our Tails Management Facility at our UK site is also due to gain ISO 14001, once operations have begun there in late 2015.

Responsible uranium stewardship

We are firmly committed to responsible uranium stewardship, notably through the deconversion, storage and management of uranic materials.

* Source IAEA



Regular environmental
monitoring takes place
across all of our
enrichment facilities.

Minimising our environmental impact

Managing our tails by-product

Through our wholly-owned subsidiary URENCO ChemPlants Limited (UCP) we continue to progress with the construction of our Tails Management Facility (TMF) at our UK site. The TMF will enable us to deconvert our by-product, tails, from UF6 to U3O8 within the Group and, in turn, produce approximately 5,000 tonnes per year of hydrogen fluoride (HF) which is utilised by industry. As a result we will be able to manage storage of tails in-house, reduce the quantity of tails we hold on our sites, and generate an additional revenue stream.

Once the TMF is operational in late 2015, it will also provide deconversion services to Capenhurst Nuclear Services Limited (CNS), further enhancing the way we fulfil our responsibilities and potential to contribute to the wider nuclear industry.

Recycling, decommissioning and managing uranic materials

Our wholly-owned subsidiary, CNS, formed in 2012, is located at our UK site. It has been commissioned to provide responsible management of uranic materials and decommissioning activities on behalf of the Nuclear Decommissioning Authority (NDA). CNS is committed to being the centre of excellence for uranium stewardship across URENCO and the wider industry. The creation of this centre of excellence provides a safe and secure management of nuclear by-product.

At our German enrichment facility we are currently building a new storage facility for deconverted tails (U3O8).

At our Dutch enrichment facility, we completed the construction of the second phase of our UF6 storage facility. As a result we are able to store all our UF6 in a controlled environment.

We also completed construction of our facility for storing the decommissioned centrifuges that have been processed by our on-site recycling centre. By automating much of our storage operations, we are increasing efficiency and continuing to improve our existing high levels of security.

Saving energy across the Group

Our Group-wide energy savings taskforce continues to collect many different energy saving ideas from around the business. These include, for example, ensuring that all new designs have energy efficiency built in from the outset.

1

Gaining BREEAM certification for our Head Office

When Head Office moved into our new building over two years ago, we achieved a BREEAM certification, the world's foremost environmental assessment method and rating system for buildings. We must continue to work within the guidelines to ensure we retain the certification. Our more recent BREEAM energy rating was "good".

In order to achieve this we implemented a comprehensive range of energy saving measures – from using energy efficient LED strip lighting throughout to putting heat reflective material on windows.

2

Ensuring contractors work in a sustainable way

We have extended this environmental commitment to our Head Office contractors, in the form of a Contractor Management System, which ensures that all third parties work in a sustainable way, for example by dealing with waste responsibly and having systems in place to prevent pollution.

3

Making good use of excess heat

At our Dutch enrichment facility we have designed an intelligent centrifuge storage building which redirects waste heat from the enrichment process into the building to heat it during winter days. Using this excess heat rather than relying on electrical heating has saved close to 900,000 kWh per year.

4

Saving energy and money with white roofs

In 2013 our Dutch enrichment facility replaced approximately 3,000 m² of black roof covering with white roof covering. This simple measure keeps heat in during the winter months and out during the summer months. The cost for white covering is higher than for black; however it has reduced energy consumption for space heating and cooling by 4-6%. The return on investment (ROI) is two years, based on lower maintenance costs and energy saving, especially for buildings which have air-conditioning.

5

Automatic lighting

Our Dutch enrichment facility is also undertaking a trial to save energy with automatic corridor lighting. The expected return on investment is three years, which is an energy saving of over 100,000 kWh per year. If the trial is successful then the lighting will be rolled out on a widescale.

6

Cutting down on nitrogen deliveries and costs

A nitrogen padding system at our UK enrichment facility was using excessive amounts of gaseous Nitrogen (N2). Decommissioning, modifying and replacing the system were all considered, but in the end the team found a better solution by rethinking the way we operate and maintain the system. As a result, we have saved over 4,552 hm³ (hundred cubic metres) of N2 in 2013, that's a 70% improvement on 2012.

This environmental enhancement has reduced associated road traffic (delivering nitrogen) by more than half and made a significant reduction to the energy required to make the N2.

The European Industrial Gas Association (EIGA) (EIGA Position Paper PP-33 – December 2010) notes that each kilogram of nitrogen can take 2,000 kJ of energy*. As deliveries have been halved from, around 140 in 2012 to 60 in 2013, this demonstrates a substantial energy saving.

7

Replacing boilers

We are also undertaking a renewal project at our UK enrichment facility to find more efficient ways of producing and managing heat, for example by replacing boilers. 21,861 litres of fuel oil was saved between November 2012 and November 2013 by replacing boilers at one of three facilities, which is a 36% saving.

* Source: Parker Balston, A Sustainable Approach to the Supply of Nitrogen

8

Reducing fuel and saving money with electric vehicles

At our USA enrichment facility we have replaced 13 petrol-powered utility vehicles with seven electric vehicles. As a result of having fewer, more economically efficient vehicles, we saved approximately 5,750 gallons of fuel in 2012 and an additional 1,750 gallons in 2013. The United States Environmental Protection Agency (EPA) state that up to 9 kilos of CO₂ is produced per gallon of gasoline*. Using this calculation, we have estimated savings to be over 51 tonnes of CO₂ in 2012 and over 15 tonnes in 2013.

9

Working on more environmentally friendly production processes

Our Stable Isotopes business is working on a more environmentally friendly way of producing depleted zinc acetate, one of its key products. This process will be optimised to reduce the amount of chemicals and by-product produced.

10

Developing environmentally friendly transportation

We work very closely with our partners to transport materials to and from our enrichment facilities safely and efficiently. The design in recent years of lightweight trailers for France, for example, has enabled our contractors to transport two cylinders rather than one – halving the number of journeys and so reducing transport costs, risks and the impact on the environment.

* Source: Environmental Protection Agency

Our use of direct energy

Group-wide we have increased our use of direct energy by over 2%.

Table for direct energy usage 2011-2013

DIRECT energy (kWh)	2011	2012	2013	change 2012-2013
natural gas	19,156,329.50	17,395,235.47	18,419,287.20	6%
fuel from distilled crude oil	9,425,687.72	5,745,510.93	5,293,906.83	-8%
total	28,582,017.22	23,140,746.39	23,713,194.03	2.5%

Direct energy has increased by over 2%. This is due to a 6% increase in natural gas, which is our primary energy source used for heating. In 2013 we experienced a particularly cold winter which is the reason for the increase.

We are on track to achieve our capacity target of 18,000 tSW/a by 2015 and in line with an increase in production capacity of 4% there has been an increase in the number of buildings requiring heating.

Our use of indirect energy

Group-wide, we have increased our use of indirect energy by over 6%.

Table for indirect energy usage 2011-2013

INDIRECT energy (kWh)	2011	2012	2013	change 2012-2013
renewable	23,967,751.77	58,523,358.94	94,798,859.08	62%
non-renewable	501,711,779.23	512,485,448.76	513,247,408.92	0%
total	525,679,531.00	571,008,807.70	608,046,268.00	6.5%

The 4% increase in production capacity partly reflects the over 6% increase in total indirect energy.

Note: UUSA indirect energy figures for 2012 have been restated. Correct figures are used in the table above.

Being considered the supplier of choice

Customers are at the heart of our business and being considered their supplier of choice is core to our sustainability.

We strive to provide high quality customer service and performance, and to be recognised as a leader in this area.

We carry out customer surveys with key URENCO customers to ensure ongoing customer satisfaction. We track our performance and the quality of our service using an independent customer survey to ensure we gain a true and credible picture of how well we are meeting our customers' needs.

"URENCO is our most flexible and easy to deal with enriched uranium product (EUP) supplier out of the three primary producers that we contract with."

URENCO customer

"As always, thanks for your usual flexibility and general goodness to work with, and especially the consistency of UF6 arrivals."

URENCO supply chain partner

Building long-term customer relationships

We have always believed that building long-term relationships with our customers is at the core of our sustainable business. For us, being considered our customers' supplier of choice is the mark of this commitment.

Our customers choose us for a number of reasons – from our reliability in meeting their delivery requirements to our desire to respond flexibly to our customers changing needs.

Delivering for our customers – time after time

To maintain our market share and position as a leading worldwide supplier of uranium enrichment services, we focus on consistently delivering excellent customer service across the Group.

The core of this commitment is to deliver on our promises. Once again we met 100% of our customer delivery commitments this year, as we have every year since starting out more than 40 years ago.

Responding to changing customer requirements

Our speed of response and flexibility are key elements in our customer offering and they are proving to be particularly valuable in today's market. We have responded to our customers' needs – for example by storing feed safely and securely on behalf of our customers and by utilising our technology to generate a greater amount of uranium feed material.

Meeting the needs of medical, industrial and research customers

Our Stable Isotopes business in the Netherlands draws on our expertise and capabilities in centrifuge technology to produce a variety of products for medical, industrial and research applications. This complements our core focus on enriching uranium for nuclear energy – generating revenue for the Group as well as broadening our understanding of the potential of our centrifuge technology.

We focus on developing long-term relationships with our customers in Stable Isotopes based on mutual commitment and trust so we can research and deliver the high quality products they need.

We continue to develop the diversity of our product portfolio across our medical, industrial and research markets. Our product range includes several dozen isotopes of more than 10 elements and we are carrying out research into a number of other isotopes.

We are committed to the highest standards of quality and continuous improvement. We meet the strict quality demands of our customers in high tech industries.

Looking ahead, we are exploring how to increase the flexibility of our production capacity so we can quickly respond to changes in market demands and continue to meet the needs of our diverse customers.

1

Medical

Our medical diagnostic and therapeutic products help save lives. Over one million therapy treatments a year are carried out around the world using radio isotopes produced from our enriched stable isotopes.

2

Industrial

Over the last two years we have worked together with one of our customers to optimise the design of a radiation source for non-destructive testing.

3

Research

Since 2011, we have been working closely with a group of European scientists to develop products for fundamental neutrino research. This year we installed a key piece of equipment specifically for this work and made the first product delivery in line with the schedule.

Sustainability report

Developing our position as an employer of choice

Across our industry, we want to be recognised as a great place to work.

Surveying our employees

Every two years we run a Group-wide employee survey to independently monitor employee satisfaction. The results are shared with all employees, with each enrichment facility and office taking responsibility to initiate any required action plan. We completed our third Group-wide employee survey in 2013. The response rate was 89%, an improvement over the 2011 rate of 86.2%. The general satisfaction – the sense of well-being our employees gain from their work – remained at 8, well above the external benchmark of 6.6.⁵

There have been a number of improved scores in areas such as 'Satisfaction and Vitality' which was well above the benchmark. Efficiency as a theme increased overall across the Group, however the measure of individual efficiency is notably lower for some sites. This can indicate a general frustration in ability to work efficiently. On a Group-wide level the area of efficiency will be investigated and reported to the Joint Board.

⁵ The survey was carried out externally by Effectory International – specialists in employee surveys. This survey approaches a number of businesses across the globe.

Measuring performance

We measure employee performance against a range of objectives and competencies, tailored to each of our operational sites.

To ensure that each individual is clear on what their objectives are in the coming 12 months and how they contribute to the Group's overall success, we operate a Performance Management System.

The system encompasses behavioural competences which have been identified as necessary to future success. These competencies have been assigned to jobs across the Group.

The majority of employees participate in an annual appraisal, where their performance is evaluated.

There has been a 1% increase in employees having formal appraisals from 2012-2013.

Overall % employees having formal appraisal	2011	2012	2013
	81	81	82 ⁶

⁶ The Group-wide Performance Management System is due to be rolled out at our German enrichment facility during 2014.

Monitoring employee turnover

To maintain an up-to-date perspective on the satisfaction levels of our employees, we monitor employee turnover.

% of employees leaving by location

	2011	2012	2013
GROUP	10.2	7.2	9.6
UUK*	6.5	5.3	11.2
UNL	4.8	3.1	2.7
UD	2.2	3.7	1.5
UUSA**	23.8	13.9	19.0
UCP	14.3	0	2.5
CNS***	–	–	22.2
HO	10.3	11.0	8.8

* UUK's increased turnover was due to number of employees opting for voluntary redundancy in 2013.

** UUSA's increased turnover was primarily due to the temporary nature of the internship programme.

*** As part of the transfer from Sellafield to CNS we had a number of employees who opted for voluntary redundancy and left progressively throughout 2013, which accounts for heightened levels.



We aim to provide a
workplace where
employees are inspired
and challenged.

Developing our position as an employer of choice

Striving to inspire and challenge

The skills and expertise of our people are core strategic strengths for our Company. We are proud to have an immensely capable and engaged workforce and we strive to inspire and challenge our employees, to manage their performance effectively and fairly, and recognise their achievements.

Creating a great place to work

As a fundamental part of being an employer of choice, we aim to provide a workplace where employees are inspired and challenged and where individual performance is effectively managed.

The foundation of our commitment to creating a positive workplace is, at a very minimum, compliance with all employment regulations relating to work practices, health and safety, and human rights. Employment practices are managed by local HR teams.

Training and development

We invest a great deal in developing the skills and potential of our people. At our USA site, for example, we have introduced the 'URENCO University,' an internal resource for every employee to create a better understanding of the enrichment process.

Across URENCO each site runs a Management Development and Leadership Programme designed to develop skills and capabilities.

The performance competencies, as previously discussed, are an effective way for employees to determine non-technical training and development to improve performance in current roles and also prepare for future roles. They are used to help target development and succession planning.

Attracting and training new talent

We focus on bringing new talent into our business in a number of ways, including apprenticeships. Our UK site recruited eight apprentices this year. URENCO UK and URENCO ChemPlants are currently running a joint apprenticeship scheme.

We support each of our apprentice's professional and technical development through qualifications and mentoring. During their apprenticeship they also develop the attitudes and behaviours that reflect our values and are essential for the safe and efficient operation of our enrichment facilities.

Cultivating good employee relations

We respect and promote our employees' rights to freedom of association and collective bargaining. Active works councils are in place in Germany and the Netherlands. In the UK a Company Consultation Forum includes employee representatives. Members of trade unions, works councils and other employee representatives from each site also attend a European Forum every year, during which they meet the CEO and have the opportunity to discuss our business plan and matters of a Group-wide interest.

Upholding human rights

As a responsible business and employer, we uphold human rights in our decision-making including supplier and contractor selection processes.

Throughout the workplace we are committed to non-discrimination and would treat any discrimination incident seriously, escalating any case to the relevant management level. Comprehensive complaints and grievance policies are also in place for all employees.

Anti-bribery and corruption

A roadshow took place in 2013 across all sites to provide training to all employees on our anti-bribery and corruption policy.

At subsequent intervals, further awareness is raised. New recruits are made aware of policies and procedures to follow.

Grievance procedure

All employees have a grievance procedure which is open to them. There is a mechanism to deal with genuine grievances and complaints any employee may have regarding terms of employment, alleged unfair treatment, working conditions and procedures at each site.

Following clear codes of conduct

Through comprehensive induction processes, all URENCO employees are made aware of the Group's expected behaviours. Our values of Safety, Flexibility, Development, Integrity and Profitability act as a benchmark for all employees and these values are supported by the application of Group-wide behavioural competencies, assigned to every job.

We have made all our employees aware of our anti-bribery and corruption policy introduced in 2010, including the consequences of its implementation and key requirements.

All new employees receive this information as part of their induction to URENCO. We are committed to detecting and avoiding corruption at all levels and adopt a zero-tolerance approach to bribery and corruption. To assist this, a process is in place to ensure that all gifts are declared. An independent panel conducts periodic reviews of all such data.

Creating one URENCO

Running throughout our focus on being an employee of choice is our ongoing commitment to create one URENCO – four enrichment facilities and 1,500 dedicated highly skilled individuals with the clear objective of providing excellence in customer service.

Receiving an award for best employer

URENCO Netherlands won the Best Employer 2013 award, in the category 'Organisations with fewer than 1,000 employees', in an annual survey by research companies Effectory and Intermediar. Each year, over 200,000 employees are surveyed on such key categories as enthusiasm, commitment and satisfaction.

Improving working conditions

Our Stable Isotopes business completed the upgrade and expansion of its laboratory in 2013. As a result it has significantly improved working conditions, created more space to develop its range of products and improved the energy efficiency of its site. With this greater capacity and flexibility, the business can not only increase its range of products in response to customer needs but also improve operating efficiency.

Winning an award for internal communications

In 2013 URENCO won a PRCA DARE award for Internal Communications, following the appointment of a single Group-wide travel agent and revised procedures.

The campaign stemmed from a Group-wide initiative to unify our corporate culture and reinforce the One URENCO ethos. Having a single travel provider and revised procedures has reduced travel costs as well as improved efficiency throughout the business. Since the launch, the transition to online bookings at our UK enrichment facility has been greater than 75%, with similar figures achieved Group-wide. This is excellent considering URENCO had no online bookings previously.

The high profile nature of this campaign enabled a seamless transition and good internal employee engagement.

Table of full time employees by location

	2011	2012	2013
UUK	357	346	314
UNL	230	243	246
UD	176	253	254
UUSA	344	345	357
UCP	21	36	81
CNS	–	–	61
HO	156	154	153
GROUP TOTAL	1,284	1,377	1,466

Supporting education, cultural and community projects

We believe making a real contribution to the communities we live and work in is fundamental to being a good corporate citizen.

We recognise the importance of building strong links with current and future generations and with local communities. This is a fundamental part of being a leader in our industry and a core aspect of our corporate responsibility.

Being truly engaged with the communities we live and work in is critical to our business. It is key to our reputation, our operations and the future development of our business and industry.

Through our community and education programmes we endeavour to nurture an interest in science for primary school children and take the opportunity to explain our business and industry to young people.

We are proud to help the industry continue to invest in advancing its technology through our support of research and development.

Our aim is to be considered a good corporate citizen, due to the way we actively and effectively support education, cultural and community projects.

Our key areas of focus include:

Nurturing an interest in science through the delivery of education programmes

To date, more than 37,000 pupils have participated in our 'Richie' science workshops.

Providing transparent, honest communication to all key stakeholders

We engage with a wide group of stakeholders on a regular basis across all our operational sites.

Regular meetings take place at each site with local stakeholder groups to provide an update on business development, operational performance and provide an opportunity for two-way dialogue between URENCO and the local community. We provide open and transparent communications supporting our long-term aim to be seen as a good corporate citizen and as an asset to the community.

Local communities close to our enrichment facilities have proved to be key advocates of our Company and they are kept fully informed of the activities taking place at our sites. We monitor and review all stakeholder engagements, allowing us to address any concerns that may be raised.

Our donations and sponsorship policy, guides our support of local community projects in areas of education, healthy living, environment and culture. We continue to look at ways we communicate with all our stakeholders, for example through the URENCO Television channel on our website and the virtual tour for people who cannot visit our enrichment facilities in person.

Increasing public understanding

We are keen to increase the public's understanding of the nuclear industry and the key role it plays in meeting the world's growing need for reliable low carbon energy. We proactively support our nuclear industry peers in the provision of education and information for a wide variety of stakeholder audiences. During 2013 we launched the 'Powerful Facts' campaign, which communicated the key benefits of the nuclear industry to a wider audience. The success of this campaign was reflected in its shortlisting for the Public Information Materials Exchange (PIME) award for Communications Excellence.

Encouraging the future generation of talent

We are also keen to encourage the future generation of talent, to ensure that we and other businesses in the industry can be confident of having enough good people to sustain our success going forward.

To encourage young people into our industry, we support science and education initiatives in the local communities in which we operate and are also closely involved with universities and international science education programmes.

Enriching young people's experience of science

Our award winning science ambassador, 'Richie,' is a figurehead for our educational programme, particularly via social media and the web, to help encourage children to take an interest in science. Since his introduction in 2006, Richie has acquired his own Facebook profile, interactive learning website and app. He also features in an expanding suite of learning materials and frequently attends educational fairs and other events in person.

Through our 'Richie', science workshops, we encourage young people to experience and learn about science in a fun and interactive way. The workshops, which are supported by URENCO employee volunteers, bring the science that supports our operations alive through a series of practical experiments.

The success of the initiative has allowed us to share the 'Richie' science workshops with our industry peers, enabling a greater number of pupils to understand the enrichment process and how this links into nuclear energy and the wider concepts of energy and electricity. The programme achieved a 'Gold' recognition at the Chartered Institute of Public Relations Pride Awards for Communication in 2012.

We have developed a partnership with the British Science Association who will incorporate the Richie school science workshops as a key element of their current CREST awards. CREST is a UK award scheme recognising success, building skills and demonstrating personal achievement in STEM (science, technology, engineering and maths) project work.

A young boy in a white shirt and purple striped tie is focused on a small white dish containing orange beads. He is sitting at a yellow table with another child whose back is to the camera. On the table are several colored bowls: a blue one with a purple object, a green one, and a yellow one with yellow beads. The scene is brightly lit, suggesting a classroom or lab setting.

Through our education programmes we endeavour to nurture an interest in science for the younger generation.

Supporting education, cultural and community projects

“URENCO have worked with FC Epe for a long time and thanks to their generous financial support, we have been able to organise a multitude of activities and events for children.”

Josef Brefeld –
FC Epe Football Club, Germany

“URENCO is an important and valued employer in the city of Almelo and beyond with an excellent record. It contributes substantially through personnel and financial support to cultural, educational and environmental initiatives in the Almelo region. The prestigious reward last year for Best Dutch Employer is well deserved.”

Mrs Jon Hermans-Vloedveld –
Mayor of the City of Almelo

Forging strong and extensive connections with universities

Our extensive connections with universities across the Group include a research programme at Oxford University and lecturing programmes at Manchester and Salford Universities. We also support the World Nuclear Association's University initiative. Our enrichment facility in the Netherlands is a key supporter of research at the Technical University of Delft and in Germany we have a partnership with research university, RWTH Aachen. We also offer annual scholarships at New Mexico Junior College, USA, for students pursuing an Associate of Applied Science in Energy Technology.

Conducting tours of our facilities

We are able to improve understanding of our business through tours of our enrichment facilities which enable visitors to experience firsthand what we do and how we do it, the benefits of nuclear energy and our role of uranium enrichment. Throughout 2013, we hosted visits from local interest and community groups, industry peers and customers.

For those who cannot visit personally, we have invested in creating an online virtual tour on our website.

Investing in local communities and cultures

Our investment in local culture and communities takes many forms, with the emphasis on our different businesses taking the lead in forging strong local links and making sustainable contributions to their communities.

We support local communities through donations focused on four areas: education, environment, healthy living and culture. These areas guide our decision making and ensure we reflect our core values in the donations we make.

We also actively encourage our employees to become involved in supporting and contributing to their own communities. In the USA for example, we consistently give support to the leading charity, United Way, in our area. Each year, volunteer employees also renovate the homes of local people – making genuinely positive long-lasting differences to local lives and communities. To further support these activities we run a number of Group campaigns, including the Active in the Community award at Head Office for employees who are involved in charitable or community activities outside of the workplace.

Taking the lead in community-wide sustainability

In Almelo, we were a founder member of Duurzaam Netwerk Almelo (DNA), a community-wide sustainability network of local businesses from many different sectors. A URENCO employee is the chairman of this group, which promotes various sustainability initiatives in and around the area.

Supporting students

Together with universities and other companies in the industry, our Stable Isotopes business has been working on a European project to enable students to carry out research into medical radio isotopes. We enrolled the first students this year and they visited our facility to learn firsthand how we carry out R&D, how our material is used as a precursor in the production of medical radio isotopes and how to choose the most appropriate isotope for different medical applications.

Volunteering in the local community

Employees at our German enrichment facility volunteered in the local community of Gronau, Germany at a workshop for people with disabilities. Our employees carried out practical activities to help with the maintenance at the facility.

A woman with blonde hair in a braid, wearing a bright green t-shirt and black sunglasses, is smiling while working on a wooden structure. She is wearing blue and grey work gloves and holding a tool. The background shows weathered wood and a small hole. The image is framed by a green circular border.

URENCO USA
employees made repairs
and modifications to
the homes of senior
citizens and individuals
with disabilities.
A total of 22 homes
were selected
for repairs.



Engaging with our stakeholders

We are committed to engaging with all our stakeholders to support the long-term development and success of our business and the nuclear power industry as a whole.

Customers

How we engage

- An Ipsos MORI survey every 3-4 years to assess customer satisfaction; the next survey will take place in late 2014
- Opt-in customer alert system and use of social media for news and corporate updates
- Regular ongoing contact with each of our customers
- User-friendly website
- Site visits at all our enrichment facilities

Achievements in 2013

- Further enhanced our website
- All deliveries to time and quality

Plans for 2014

- Continued regular engagement with all customers

Investors

How we engage

- Shareholders appoint Directors to the Board
- Shareholder working groups
- Investor web pages
- Investor presentations
- Full year results webcast
- Opt-in investor alert system and use of social media for investor updates
- Digital version of annual report and accounts

Achievements in 2013

- Continued to engage with investors via social media channels

Plans for 2014

- Continued regular engagement with all investors
- Investor relations presentation
- Webcast of full year results
- Refresh of investor pages on our website

Students

How we engage

- School science workshops
- Science day events
- Richie science ambassador with a dedicated website and DVD issued on request
- Apprentice educational support and training
- Educational sponsorship and support

Achievements in 2013

- Launched new 'Learn with Richie' website
- Enhanced Richie DVD
- School science workshops hosted regularly by URENCO enrichment facilities
- Educational support for apprentices and interns across all facilities
- Facility visit for students at the World Nuclear University
- Degree course placements for university students and local school one-week work experience schemes
- Richie's World of Adventure app and game

Plans for 2014

- Richie Workshop DVD
- CREST Star Programme with the British Science Association
- Lead sponsor of Big Bang Science Fair

Local community

How we engage

- Local liaison dialogue
- Practical and financial support for community initiatives
- Tours of our enrichment facilities
- User-friendly website

Achievements in 2013

- Stakeholder dialogue sessions to update and inform on key initiatives at facilities
- Community support initiatives
- Charitable donations and sponsorships
- Representation on local committees
- Increased use of social media to engage in two-way dialogue with our local communities
- Virtual tour of our enrichment facilities
- Volunteering in the local community

Plans for 2014

- Continuing to engage with local communities via social media channels
- Engaging with charities and fundraising initiatives
- Continuing to volunteer in local community

Employees

How we engage

- Group-wide employee survey carried out every two years; the most recent survey was in 2013
- Quarterly 'About U' magazines across the Group
- Info screens at all enrichment facilities
- European Works Council for employees to communicate with the CEO
- Intranet portal

Achievements in 2013

- Third Group-wide employee survey
- Continuing development of intranet site
- Continued dialogue with European works councils
- Further upgrades to the intranet to enable easier collaborative working and information sharing
- Updated Values campaign
- Family Science Days at our enrichment facilities to communicate with employee family members
- Science workshop volunteering

Plans for 2014

- Group-wide safety campaign
- Continued science workshop volunteering
- Group-wide team building event

Governments and supra-national organisations

How we engage

- One-to-one meetings
- Structured communication through URENCO's Joint Committee
- Enrichment facility visits from key officials

We are members of the following organisations:

- European Nuclear Society
- European Safeguards Research and Development Association
- Foratom
- Nuclear Industry Association
- NucNet
- World Nuclear Association
- World Nuclear Fuel Market
- World Nuclear Transport Institute
- World Institute of Nuclear Security

Achievements in 2013

- Visits to EU MEP to highlight the role of nuclear power in the future energy mix to Members of Parliament
- UK, EU and US consultations to encourage support and investment in nuclear
- Further information and education on the nuclear industry through external communications
- Each facility hosted key visits from governmental representatives and dignitaries for tours and information
- Key exhibitions and trade visits to new markets
- Royal visit to Almelo and the opening of a new cascade hall

Plans for 2014

- Facility visits to continue
- Presence at key exhibitions and visits to new markets
- Continuing dialogue with key opinion formers in the EU and USA to encourage further investment in nuclear
- Exhibiting and co-organising the 2014 Nuclear Industry Summit in Amsterdam

Managing sustainability

We ensure robust governance throughout URENCO in order to comply with our legal obligations in all our markets and to meet the high standards we set ourselves as a responsible long-term business in a vital industry.

Ensuring robust governance

The Sustainability Committee

In December 2013 the Board approved the creation of a Sustainability Committee, at Board level, with strong involvement of the Managing Directors of all facilities, to further enhance the way we manage sustainability across the Group. The Sustainability Committee held its first meeting on the 5 March 2014. The Committee will focus on reviewing and driving improvements across core areas, including safety, environmental impacts, social performance and sustainability reporting. Regular Committee meetings are planned to take place at each of URENCO's enrichment facilities, giving Committee members the opportunity to see firsthand how we are meeting our sustainability commitments.

In addition, the Sustainability Committee will review all processes, procedures and associated policies with a view to align these with our commitment to continuous improvement across the business.

The Joint Committee

In addition to the Board and our shareholders, URENCO is also accountable to a Joint Committee of representatives from the British, Dutch and German governments. The Joint Committee supervises URENCO regarding non-proliferation.

The Remuneration and Appointments Committee

The Remuneration and Appointments Committee is a committee of the Board of Directors of URENCO Limited and its key responsibilities are: the selection of the Chairman, Chief Executive Officer, Chief Financial Officer; the remuneration of Executive and Non-Executive Directors of the Company; Succession Planning; the appointment of Independent Directors.

Working with our regulators

In each of the countries where we operate, 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. We work closely with our regulators and report to them on an ongoing basis.

Informing and involving employees

URENCO's Chief Executive Officer (CEO) and the Managing Directors of all enrichment facilities hold regular meetings with employees to provide updates on developments in the Group. In addition, the CEO is invited to an annual forum of employee-nominated representatives from across the Group who are brought together to discuss business matters. During 2013, no issues of concern were raised by employees in this area.

Reporting on our financial performance and economic impact

Our 2013 annual report and accounts provides an overview of URENCO's business, economic performance and market presence. You can find more details on pages 1-37 of our 2013 annual report and accounts.

We set out the Group's financial goals in our annual strategic document, the Business Plan, the details of which are presented to all employees through a roadshow led by the CEO and Chief Financial Officer (CFO).

We report on economic impact through the regular community liaison meeting.

Further information

You can find more details on our governance structure and process in pages 38-93 of the 2013 annual report and accounts.



Directors of all sites hold regular meetings with employees to provide updates on developments across the Group.

Reporting parameters

We have followed a set of reporting parameters to give stakeholders a clear and comprehensive overview of our sustainability in line with best practice on sustainability reporting.

The reporting period and cycle

This report is a review of the URENCO Group's corporate sustainability activities during 2013. All data covers the calendar year 2013 unless otherwise stated. Where data from outside 2013 is presented, it is to provide context for the Group's operations or achievements.

The scope of the report

The data and information contained in this report relate to URENCO Ltd and its wholly-owned subsidiaries. Data and information relating to Enrichment Technology Company (ETC) are not included in this report unless specifically referenced. Owned in equal share by URENCO and Areva, ETC is a joint venture company with the exclusive responsibility of developing URENCO's centrifuge enrichment technology and manufacturing centrifuges.

The boundary and limitations of the report

Data in this report has been collected from URENCO's operations as listed above.

The process for defining the content of the report

We have defined the content of the report through research with key stakeholder groups in order to gain their feedback on requirements and preferences. Data is provided by the Group Appliance function 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 is approved by members of the Sustainability Committee prior to submission. Content of future reports will be determined by the Sustainability Committee who will prioritise key topics addressing all our audiences.

No material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the Sustainability Report.

Following GRI guidelines

We have published a sustainability report according to the Global Reporting Index (GRI) guidelines since 2006. In writing successive sustainability reports, we have looked to the GRI framework to expand the scope of our reporting over time.

Applying the GRI principles to this report, it has been independently verified to meet the requirements at level B.

Measuring data and carrying out internal audits

We have collated technical data for this report across the URENCO Group, using relevant regulatory guidelines. URENCO's operations adhere to the regulatory requirements of the nuclear industry in each operational country and uphold the strict safeguards, security and non-proliferation agreements that are in place internationally. The URENCO operating environment is audited, ensuring a high degree of data accuracy. We also carry out internal audits on technical data and adherence to GRI principles within this report.

There are some instances where we have been able to determine a greater degree of accuracy over 2012 data compared to that reported in the sustainability report for 2012. These figures have been restated where applicable.

Assurance statement

We are committed to improving our sustainability reporting year on year. In line with this commitment, we have asked outside experts to provide the following assurance statement on our 2013 sustainability report.

Independent Assurance Statement

Our scope

We have undertaken independent assurance of the URENCO's Sustainability Report 2013 as published on <http://www.urencocom> for the following areas:

- Selected sustainability performance data for the year ended 31 December 2013, as published in the Sustainability Report 2013 and Global Reporting Initiative Online Table. These data included the following key performance indicators at a consolidated Group level:
 - Number of lost time incidents
 - Waste (hazardous and non-hazardous)
 - Water (usage and discharges)
 - Air emissions
 - Direct energy usage
 - Indirect energy usage
 - CO2 emissions from direct and indirect energy consumption
- URENCO's self-declared Global Reporting Initiative (GRI) application level of B+ of the GRI "G3.1" Guidelines as published in the GRI index section.

Information on 'Our approach', the 'Basis of our opinion' and 'Responsibilities', together with additional detailed 'Key observations and recommendations' can be found in the full length version of the Statement on www.urencocom.

Our conclusions

On the basis of the work undertaken, nothing came to our attention to suggest that:

- the sustainability performance data for the year ended 31 December 2013, as defined in 'Our scope' above, has not been prepared in all material respects with the Reporting Criteria; and
- URENCO's self-declared Global Reporting Initiative (GRI) application level of B+ of the GRI "G3" Guidelines as published in the GRI index section is not fairly stated in all material respects.

For the areas of data described in 'Our Scope', the errors and omissions we found in site level data were corrected prior to inclusion in the Report. However on the basis of the work we undertook, we did not find evidence to suggest errors in data reported from these sites that would materially affect the consolidated Group data.

DNV Two Tomorrows Limited

London

21 March 2014



Olivia Bertham

Director

Employee and contractor LTIs

Employee LTIs

Direct energy consumption
by primary energy source (kWh)

Indirect energy consumption
by primary energy source (kWh)

Total direct and indirect CO2
emissions (tonnes)

% of full time employees by location

% of employees leaving by location

% of employees leaving by age

Total water withdrawal by source (m³)

Emissions of ozone-depleting substances by weight

Total water discharge
by quality and destination (m³)⁷

Sustainability report

Summarising our performance

We have summarised our performance on sustainability in line with the principles and framework of the Global Reporting Initiative (GRI). You can read our GRI checklist online at www.urengo.com

*** FX rate used: 1.2004 (31/12/2013)

⁷ A significant amount of water discharge is estimated.

⁸ This minimum wage has been advised by the German government, but won't be fully realised until 2015. Source: BNP PARIBAS (Corporate & Investment Banking)

	2011	2012	2013
UUK	1	1	0
UNL	0	0	0
UD	1	0	0
UCP	0	0	0
USA	0	0	0
HO	0	0	0
Contractors	2	1	1
	-	-	0
Fuel from distilled crude oil	9,425,687.72	5,745,510.93	5,293,906.83
Natural gas	19,156,329.50	17,395,235.47	18,419,287.20
Renewable source	23,967,751.77	58,523,358.94	94,798,859.08
Non-renewable source	501,711,779.23	512,485,448.76	513,247,408.92
	259,488.30	280,173.40	279,356.05
Group	90	96	96
URENCO Deutschland	66	93	93
URENCO Nederland	92	93	93
URENCO USA	99	100	100
URENCO UK	97	97	97
URENCO ChemPlants	100	100	100
CNS	-	-	97
Head office	95	94	93
Group	10.2	7.2	9.6
URENCO Deutschland	2.2	3.7	1.5
URENCO Nederland	4.8	3.1	2.7
URENCO USA	23.8	13.9	19.0
URENCO UK	6.5	5.3	11.2
URENCO ChemPlants	14.3	0	2.5
CNS	-	-	22.2
Head office	10.3	11.0	8.8
Under 20	31.6	18.2	50.0
20-29	18.9	11.8	16.3
30-39	6.9	6.8	6.0
40-49	7.6	4.0	6.4
50-59	5.8	5.6	8.0
60+	25.7	15.6	21.2
Total domestic water used	306,336	332,010	324,186
Total river water used	288,689	263,925	284,825
Total water used	595,025	595,935	609,011
	0	0	0
To water courses (UUK only)	64,135	76,848	76,600
To sewers (all sites)	89,267	88,479	89,228
Total	153,402	165,326	165,828

Wage data

Country minimum wage	€/Hour***
England	6.03
Germany ⁸	8.50
Netherlands	8.25
USA	6.63
Site minimum wage	
UUK	16.34
UCP	17.98
Head Office	14.47
UD	14.84
UNL	11.72
USA	16.26
CNS	16.34

Waste data

	Tonnes of waste	
	2012	2013
Total hazardous – Composting	0	0
Total hazardous – Reuse	0	0
Total hazardous – Recycled	12	534
Total hazardous – Recovery	29	21
Total hazardous – Incineration	4	2
Total hazardous – Landfill	2	16
Sub Total	47	573
Total non-hazardous – Composting	33	12
Total non-hazardous – Reuse	90,430	22,898
Total non-hazardous – Recycled	1,071	1,079
Total non-hazardous – Recovery	0	1
Total non-hazardous – Incineration	77	70
Total non-hazardous – Landfill	1,661	15,553
Sub Total	93,272	39,613
Total	93,319	40,186

Building Research Establishment Environmental Assessment Methodology (BREEAM)

The world's foremost environmental assessment method and rating system for buildings.

Cascade

An arrangement of centrifuges connected in parallel and in series. In a uranium enrichment facility, several cascades are operated in parallel to form an operational unit producing one U235 assay. Various operational units form one enrichment facility.

CNS

Capenhurst Nuclear Services Limited. A wholly owned subsidiary of URENCO, CNS is the centre of excellence in the management of uranic materials, decommissioning and recycling. This company has taken responsibility for handling uranic materials on behalf of the Nuclear Decommissioning Authority at the Capenhurst enrichment facility in the UK.

CREST Award

A UK award scheme recognising success, building skills and demonstrating personal achievement in STEM (science, technology, engineering and maths) project work.

Deconversion

The process of removing the fluorine component from uranium hexafluoride (UF₆) to make stable uranium oxide (U₃O₈) and to recycle Hydrofluoric acid (HF). URENCO has chosen to use U₃O₈ as the long-term retrievable storage form of uranium.

Department for Environment, Food & Rural Affairs (DEFRA)

The UK government department responsible for policy and regulations on the environment, food and rural affairs.

Enrichment

The step taken in the nuclear fuel cycle that increases the concentration of U235, relative to U238, in order to make uranium usable as a fuel for light water nuclear reactors.

ETC

Enrichment Technology Company Limited has the exclusive responsibility of developing and manufacturing URENCO's centrifuge enrichment technology.

EUP

Enriched Uranium Product – i.e. UF₆ enriched, typically to between 3% and 5% U235 content.

Feed

Natural or reprocessed uranium, converted to UF₆, and fed into the cascades for enrichment.

Global Reporting Initiative (GRI)

The reporting framework which provides guidance on sustainability performance reporting.

International Atomic Energy Agency (IAEA)

The world's central intergovernmental forum for scientific and technical co-operation in the nuclear field.

Neutrino

An elementary particle which holds no electrical charge.

Order book

Contracted and agreed business.

Separative Work Unit (SWU)

The standard measure of the effort required to increase the concentration of U235 so that there is enough to fuel a nuclear reactor. The capacity of an enrichment facility is expressed in Tonnes of Separative Work per annum (tSW/a).

Stable Isotopes

Our Stable Isotopes business uses our centrifuge technology to produce a variety of other products for medical, industrial and research applications.

Tails (Depleted UF₆)

Uranium hexafluoride that contains a lower concentration than the natural concentration (0.711%) of U235.

Tails Management Facility (TMF)

The facility managed by URENCO ChemPlants that will manage the deconversion of tails to stable uranium oxide (U₃O₈). Currently under construction at URENCO's UK enrichment facility in Capenhurst, UK, 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.

Treaty of Almelo

The Treaty signed in 1970 by the governments of Germany, the Netherlands and the UK and by which URENCO was founded.

Uranium

A fairly abundant metallic element. Approximately 993 of every 1,000 uranium atoms are U238. The remaining seven atoms are U235 (0.711%), which is used in today's nuclear power stations to generate energy by fission.

Uranium Hexafluoride (UF6)

Uranium ore is turned into this chemical compound, containing uranium and fluorine, so it can be used in the gas centrifuge enrichment process. UF6 is solid when stored and turned into a gas at the beginning of the enrichment process.

U235

The fissionable uranium isotope found in natural uranium.

U238

The non-fissionable uranium isotope that makes up most of natural uranium.

U235 assay

The concentration of U235 expressed by percentage of weight in uranium, in a given quantity of uranium ore, uranium hexafluoride or uranium metal. An assay of 3 to 5% U235 is required for most nuclear power plants.

URENCO ChemPlants Limited (UCP)

A subsidiary company of URENCO responsible for the construction and operation of the Tails Management Facility at URENCO's enrichment facility at Capenhurst, UK.

UUK

URENCO UK

UD

URENCO Deutschland

UNL

URENCO Nederland

UUSA

URENCO USA

Head Office

URENCO headquarters

Further information

For more information on sustainability at URENCO, please contact:

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Sustainability report

Notes

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