

## Slavery and Human Trafficking Statement – 2018

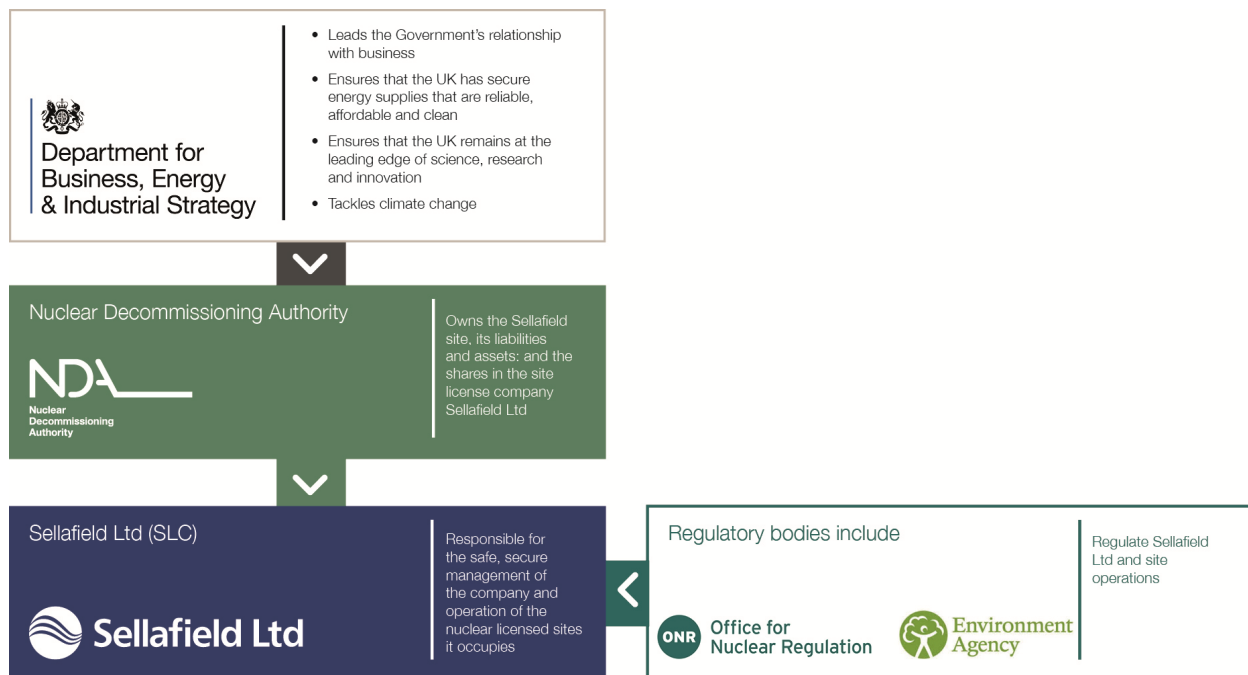
### 1. Introduction

This annual statement is made by Sellafield Limited. It is a statement made in accordance with section 54 of the Modern Slavery Act 2015 (**the MSA**) and covers the financial year from 1 April 2017 to 31 March 2018 (**the Financial Year**).

This statement details work carried out in previous years, our programme of improvements made in this financial year and a focus on continuous improvement going forward.

Sellafield Ltd is the Site Licence Company for the Sellafield nuclear site in West Cumbria. The two square mile site housing hundreds of facilities is the most complex civil nuclear site of its kind in the world. Some of the legacy storage facilities date back to the 1950s and are in poor condition. The radioactive wastes which they contain are hazardous and need to be retrieved, conditioned and repackaged, placed in new storage facilities and old facilities decommissioned. Whilst the organisation has historically been concerned with radiological risk and hazard reduction, waste management and fuel reprocessing, the conclusion of reprocessing contracts means that increased focus can be applied to risk and hazard reduction. Completing the mission of risk and hazard reduction, dealing with the legacy wastes at the Sellafield site, is a massive programme of work extending well into the next century.

This work is UK taxpayer funded (~ £2Bn / annum), aligned to the Comprehensive Spending Review settlement set by HMG.



Sellafield Ltd employs circa 11,000 staff supplemented with ~ 500 agency workers. Most of the organisation's workers are based on the Sellafield site however the company has significant off-site offices local to Sellafield and other locations in the Warrington area. Work at Sellafield is subject to permitting by the Office for Nuclear Regulation, the Environment Agency and scrutiny by the National Audit Office and Public Accounts Committee (as shown on the page 1 schematic). The company also has a high media profile.

Sellafield Ltd as a business continues to recognise the importance of its clear accountabilities and responsibility covering modern slavery with an emphasis on vigilance and embedding processes that drive a commitment to MSA continuous improvement. These expectations are cascaded through our own organisation and through to our extended supply chain.

Transparency is a key driver for Sellafield Ltd and the following information builds upon previous year's statements, whilst explaining the effective steps taken by the company in order to combat any forms of Modern Slavery.

As reported in previous financial year statements, Sellafield Ltd has embedded key requirements of the MSA within a number of organisational and supplier facing policies, ensuring stricter adherence to ethical working, under a One Sellafield philosophy of aligned obligations. This statement provides organisational clarity on how we are complying with the MSA 2015 legislation.

Sellafield Ltd is currently transforming its organisation and supply chain towards mapped delivery value streams. This is as a result of the planned cessation of site reprocessing operations. The value stream change programmes have not altered the way in which we procure or work with our suppliers and therefore our relationships are still managed in accordance with the Modern Slavery Act 2015 legislation.

As a company we continue to rely on a number of directly engaged supply chain companies, who in turn have a high ratio of sub-contractors. Across the range these suppliers can generally be categorised into 12 types being: materials (raw and commodity), plant and equipment, information technology services, labour, hire, business costs, professional services, construction, R&D activities, sub-contracting and decommissioning.

As a subsidiary of the Nuclear Decommissioning Authority (NDA), Sellafield Ltd is committed to delivering safe, secure stewardship of the Sellafield nuclear licenced site whilst demonstrating value for money and urgency in the reduction of risks and hazards posed by our historic facilities and wastes. Safety and security is a prime focus of our standards and expectations which is instilled as part of the organisational culture, whilst the ethics and professionalism aligned to MSA flows through to all procurement practices and policies in order to ensure that there shall be no modern slavery anywhere in our own operations or our supply chains.

The following graphics identify for this financial year:

- The percentage of vendors against country code
- The percentage of categorised spend

#### Sellafield's Supply Chain

Country	Country code	No.	%
Australia	AU	3	0.10%
Belgium	BE	7	0.23%
Canada	CA	3	0.10%
Switzerland	CH	3	0.10%
Germany	DE	20	0.65%
Denmark	DK	1	0.03%
France	FR	20	0.65%
Great Britain	GB	2939	95.67%
Hungary	HU	1	0.03%
Republic of Ireland	IE	5	0.16%
Italy	IT	2	0.07%
Japan	JP	2	0.07%
Luxembourg	LU	1	0.03%
Holland	NL	12	0.39%
Norway	NO	1	0.03%
Sweden	SE	7	0.23%
United States	US	45	1.46%
		3072	100.00%

#### Sellafield's spend profile

Category	% of total spend
Professional Services	44.5%
Services	13.0%
Construction	9.6%
Materials	7.4%
Labour	7.3%
Plant & Equipment	5.4%
Business Expenses	3.4%
Information Technology	2.9%
Decommissioning & Waste Disposal	2.3%
Sub-Contracting	2.1%
Research & Development	2.0%
Hired Items	0.1%

## Key Nominations

Our Sellafield Head of Functional Management for the commercial directorate continues to be our modern slavery champion in order to ensure that we are doing all that we can to avoid modern slavery occurring within our organisation and supply chain. Our key nominated person is a Fellow of the Chartered Institute of Procurement and Supply and in his role as modern slavery champion he will continue to report directly to the Sellafield Ltd.'s board of directors (**the Board**) working closely with Sellafield Ltd.'s General Counsel and Company Secretary and is supported by other persons identified as MSA commercial leads.

## 2. Financial year funding and progress

During the Financial Year, Sellafield Ltd incurred costs of £2,017.7million (2017; £2,001million). This expenditure was recoverable from the NDA, and represents the operational costs of Sellafield Ltd including expenditure on:

- Risk and hazard reduction, including decommissioning legacy ponds and silos buildings;
- Commercial operations, including spent fuel management and associated operations with UK and foreign customers;
- The safe treatment of low level, intermediate and high level waste;
- Asset care and maintenance – some of the facilities at Sellafield are over 50 years old so significant investment is required to ensure that they remain operational and in a safe state prior to decommissioning.

To find out more about us please go to:

**Company Information:** <http://www.gov.uk/sellafieldltd>

## 3. Strengthening our safeguards - Slavery and trafficking policies

Year on year Sellafield Ltd has strengthened its processes and policies in line with the MSA expectations and through the adoption of a number of initiatives, thereby furthering a zero tolerance commitment from within our own organisation and those of our supply chain:

- **Anti-Slavery and Human Trafficking Policy (our policy can be found here)**  
<http://www.gov.uk/government/publications/slavery-and-human-trafficking-policy>

As a priority Sellafield Ltd continues to carry out invasive annual health checks of the following pre-existing documents to ensure prevention and enforcement of the MSA:

- Code of Responsible Business Conduct
- Supply Chain Management Policy
- Fraud Prevention and Anti-Bribery and Corruption Policy
- Reporting of Concerns (Whistleblowing) Policy
- How do I report concerns? (Whistleblowing)
- Conduct and Compliance Policy
- Sellafield Ltd Human Resource Policy
- Contract Quality Requirement Manual

Our Conduct Compliance Officer has continued to drive awareness and observance of our Code of Responsible Business Conduct and Whistleblowing Policy, both of which are published via our intranet/company website. This allows individuals from within the company or supply chain to raise concerns relating to modern slavery with the confidence of anonymity and without fear of reprisal. All reports of modern slavery will be fully investigated and appropriate remedial actions taken.

There has been no evidence of Modern Slavery occurring within Sellafield Ltd and its supply chain during this financial year.

#### **4. Strengthening our safeguards - Risk assessment processes**

Sellafield Ltd continues to observe the United Nations Guiding Principles on Business and Human Rights, (UNGPs) and the UK Government Home Office Guidance Paper issued under section 54 (9) of MSA 2015, both of which provide direction to our due diligence activities recognising a risk based approach to combating slavery and trafficking.

We continually consider the risk of modern slavery in our own operations and we have this year again concluded that, on the basis that we are a UK employer subject to UK employment protections and practices, we have a low risk of modern slavery occurring in our own operations.

As a company we have continued year on year following our desk top risk assessments of our supply chain using a range of risk criteria (including vendor types, categorisation of spend profile, geographies, documentation, financial risk level and associated risk levels) that has provided a risk ranking. This allows us as a business to focus ongoing efforts on our immediate supply chain partners and their extended suppliers.

We continue to incorporate assessment of the risk of modern slavery occurring in our use of external labour and contractors (including agency workers) as referenced below. Given ongoing checks and balances that we apply in these areas we have concluded that the risks of modern slavery are low in this area, however this will continue to be a focus point in addition to our assessment of potential higher risk areas of our extended supply chain.

#### **5. Strengthening our safeguards - Due diligence processes**

In order to provide Sellafield Ltd with a strong level of assurance and to prevent slavery and trafficking in our business and supply chains, we have this year completed a number of process staged supplier assessments in order to underline and embed a zero tolerance approach. This includes working with several supply chain companies, investigating their policies, adherence to governance and how we collectively share learning and experience.

During this financial year we have:

- Carried out in person supplier based audits and inspections, including worker interviews
- Provided informal supplier MSA coaching
- Provided suggestions to suppliers on free computer based training modules for their employees
- Ensured that assessing modern slavery risks and taking steps to combat modern slavery is a regular item for discussion by the Board and that findings from the

ongoing risk assessment and due diligence processes are communicated to the Board and then acted upon

- Embedded the MSA as part of the routine Supplier Relationship Management reviews that are carried out at both executive level and those of pre and post contract management
- Issued amended contractual provisions within our procurement processes

The in person interview notes and completed questionnaires have been logged and identify a continued clear observance by our supply chain partners with respect to the MSA, thus allowing Sellafield Ltd to judge any further necessary actions.

## **6. Strengthening our safeguards -Training**

The ongoing yearly mandatory training of Sellafield Ltd commercial staff has been completed against a computer based training (CBT) programme covering ethical procurement and supply. This was provided by the Chartered Institute of Procurement and Supply and developed in conjunction with the Walk Free foundation. This tested training for staff members highlights the importance of countering fraud, bribery and corruption which can coexist to allow modern slavery to take place as well as all other forms of slavery and human trafficking. All new commercial members of staff and those requiring refresher training will be annually trained.

In February 2018 as part of this year's MSA programme, a further targeted MSA specialist training programme was developed and delivered working in conjunction with Eversheds LLP, our commissioned lawyers and consultants. This was completed as a MSA work shop event and was attended by key lead individuals from across the Sellafield Ltd organisation, including Directors, Conduct Compliance, Internal Audit and other specialist professionals.

## **7. The focus on future years**

### **Measuring effectiveness – performance indicators**

In order to monitor the effectiveness of the steps we have taken to stop slavery and trafficking taking place in our business and supply chains, we will continue to use the following performance indicators to monitor the effectiveness of the steps we are taking:

- Continued commercial directorate staff training via the CIPS Ethical Procurement and Supply CBT
- Continued communication to our workforce and supply chain of our Anti-Slavery and Human Trafficking Policy and Slavery and Human Trafficking statement
- Using our supplier relationship management programme to continue executive dialogue and monitoring in order to counter modern slavery in our supply chain
- Continued risk based supplier assessments, interaction and audits
- We shall monitor and consider responses of those suppliers with whom we correspond on MSA issues
- We will take appropriate measures to encourage and persuade them to adopt their own measures to minimise the risks of slavery and trafficking within their own organisations and the supply chain beyond
- We shall review the effectiveness of our Supplier Code of Conduct
- If a specific modern slavery risk is identified we shall aim to have taken action to resolve the issue within a period of 90 days

For the next financial year, Sellafield Ltd has committed to:

- Make further improvements to organisational/management/procurement systems and procedures if gaps, risks and opportunities arise
- Explore further improvements to supplier vetting/screening processes
- Carry out increased targeted in person supplier audits and inspections
- Continue to provide informal coaching and suggested training programmes for our suppliers
- Investigate the contractual provisions that we have in place with suppliers
- Support and implement supplier corrective action plans
- Imposing sanctions on suppliers

Sellafield Ltd is fully supportive of total adherence to the MSA 2015 Act, its integrity and the collective aims of eradicating modern day slavery.

This statement has been approved by the organisation's board of directors who will review and update it annually.

Sellafield Ltd Chief Executive Officer  
Signature:



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Sellafield Ltd Chief Executive Officer  
Name:

PAUL FOSTER

Date: 6 JUNE 2018