

Slavery and Human Trafficking Annual Statement – 2019

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 2018 to 31 March 2019 (**the Financial Year**).

“During this financial year, we have not identified any evidence of modern slavery occurring within Sellafield Ltd or its extended supply chain”

This statement underpins our commitment to the Act and explains the steps we have taken in addressing any potential risk of modern slavery occurring in Sellafield Ltd, its supply chain or their extended supply chains. The statement also builds on our year on year focus of programme improvements and due diligence as expected by the Act and of being a responsible business.



Who we are

Under the Nuclear Installations Act 1965 we are the holder of the licence for the Sellafield nuclear site and are the legal entity responsible for Sellafield, which is owned by the Nuclear Decommissioning Authority.

What we do

From cleaning-up the country's highest nuclear risks and hazards to safeguarding nuclear fuel, materials and waste, our mission is nationally important.

Our purpose is to keep Sellafield safe and secure, cleaning-up the site to a defined end state.

We work in value streams, focusing on what we are really here to do, and prioritising what we do and how we do it to maximise value. We currently have four value streams:

- Retrievals: we are retrieving nuclear waste, fuel and sludge that are stored inside our legacy ponds and silos, the highest risks and hazards at Sellafield
- Remediation: beyond the legacy ponds and silos, we have hundreds of nuclear and non-nuclear facilities at Sellafield that need to be cleaned-up
- Spent nuclear fuel management: we currently reprocess spent nuclear fuel. That means taking the fuel that has been used inside a nuclear power station and extracting the individual component parts of plutonium, uranium and waste. In future we will store fuel instead of reprocessing it
- Special nuclear materials: we have the facilities and expertise to provide safe, secure and appropriate storage for special nuclear materials

Sellafield Ltd employs circa 10,800 staff supplemented with ~ 500 agency workers. Most employees are based on the Sellafield site however the company has significant off-site offices local to Sellafield and at 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 by the schematic featured on page 1).

During the Financial Year, Sellafield Ltd incurred costs of £2,034.8million (2018; £2,017.7million). 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.sellafieldsites.com/company/>

2. Our approach to risk management and the prevention of modern slavery

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 continue to be cascaded through our own organisation and through to our extended supply chain.

Sellafield Ltd and its suppliers expect a joint commitment to the MSA with a clear focus on collaborative, mutual and behavioural relationships that fully embrace the eradication of any forms of modern day slavery.

Transparency is central to this partnered approach and is seen as one of the key drivers that allow both Sellafield Ltd and its supply chain to build upon previous year's annual statements and the improvement platforms that have already been put in place. In summary this annual statement explains the effective steps taken to combat any forms of exploitation or modern slavery.

Our aim, year on year is to report against MSA progress explaining how Sellafield Ltd has continued to embed practices, processes and tools that minimise risk to our business, but more importantly, the risk to those individuals that may potentially be caught in the grip of modern slavery.

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.

Our organisational culture, ethics and professionalism is instilled in our own workforce and this is further cascaded as an expectation to our supply chain. Aligned MSA best practice flows through all of our procurement practices and policies in order to ensure that there shall be no modern slavery anywhere in our own operations or those of our supply chain.

Key Nominations

In recognition of the importance of the MSA, our Sellafield supply chain directorate continues to have a nominated modern slavery champion who provides guidance, assurance and governance to ensure that we are doing all that we can to avoid modern slavery occurring.

3. Our policies and manuals relating to modern slavery

The following company policies and manuals continue to support us in ensuring that modern slavery is not taking place in our business or supply chain and as a priority Sellafield Ltd continues to carry out invasive annual health checks of these pre-existing documents to ensure they are up to date and reflective of the prevention and enforcement measures required under 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

The policies and manuals are managed and reviewed by relevant owning functional heads within the Sellafield business, thus allowing the opportunity to improve on best practice and learn and adapt from other business sectors. Our Conduct Compliance Officer has continued to raise awareness and observance of our Code of Responsible Business Conduct and Whistleblowing Policy, both of which are published via our intranet/company website. This open door approach 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 featuring any aspect concerning or including modern slavery are fully investigated with appropriate remedial actions being taken.

- Anti-Slavery and Human Trafficking Policy
<http://www.sellafieldsites.com/company/corporate-documents/document/anti-slavery-and-human-trafficking-policy>

4. Strengthening our safeguards - Our 2018/2019 risk based approach

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.

During 2018, Sellafield Ltd revisited its modern slavery risk assessment in order to allow itself a health check of current MSA practices and to measure its effectiveness against the former 2016 risk assessment. This programme of work was completed using the same benchmarked risk assessment and approach previously employed by Eversheds LLP on behalf of Sellafield Ltd.

The process and methodology used in the new risk assessment provided the required level of consistency along with the opportunity to analyse the output in comparison to the 2016 results.

The approach once again focussed on the globally recognised HMG MSA Areas of Concern Identifiers, which target suppliers delivering specific products and services that would fall under the headlines of:

- 1) Raw Products from 3rd World Countries
- 2) Forced labour in 3rd World Countries
- 3) Product component parts (Exotic Metals etc.. from 3rd World Countries)
- 4) Employment Terms - Lower minimum wage/payment terms

As a result of the completed 2018 modern slavery risk assessment we have concluded that as a business, we have a low risk of modern slavery occurring in our own operations and that low risk flows through to our supply chain and their extended suppliers:

Category	No of Suppliers
No risk	Circa 1500
Low risk	16
Medium risk	Nil
High risk	Nil

In proportion to the supplier risk rating and in line with the financial years MSA Action Plan, all of those sixteen recognised suppliers will undergo audit. This will include MSA supplier questionnaires and potential intrusive MSA audits (depending upon the levels of information and assurance provided during questionnaire).

5. Strengthening our own safeguards - Due diligence processes

During 2018, Sellafield Ltd Corporate Internal Audit (IA 18-03) completed a full and thorough assessment of the tools, processes and policies that Sellafield Ltd had in place as a measure of MSA 2015 compliance. The resultant positive findings continue to be an embedded as per process requirements and the lessons learnt are allowing us to further strengthen ourselves as a responsible business.

In line with the identified audit improvements and to maintain strong levels of assurance in the prevention of slavery and trafficking in our business and supply chains, we have this year again, 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:

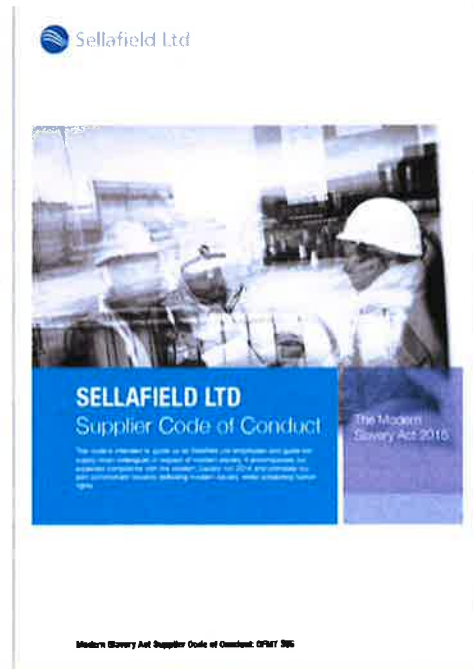
- Used industry knowledge and have investigated and reassured ourselves that our glove supplier is not supplying specific gloves to Sellafield Ltd that were manufactured in Malaysia and highlighted as a MS issue in other industry sectors.
- Carried out in person supplier based audits, inspections and interviews
- Provided guidance towards informal supplier MSA coaching
- Provided guidance to suppliers on free computer based training modules for their employees
- Using available market knowledge, we continue to assess MSA trends and themes

- A programme of work relating to Supplier Relationship Management is currently underway with our strategic suppliers, where we cover MSA as an agenda topic
- Issued amended contractual provisions within our procurement processes

Our MSA Supplier Code of Conduct was written and published in 2018 in order to act as an aide memoire to Sellafeld Ltd staff and suppliers. The document was written with the aim of sharing the important steps we and our suppliers are taking in stopping slavery and human trafficking and how this learning can be absorbed into everyday business as we collectively move forward in eradicating modern slavery.

The Code of Conduct was issued via a number of varying communication routes to allow maximum publicity and the widest cascade possible:

- Hard copy distribution at industry attended events
- Sellafeld Ltd website publication
- CTM Supplier Bulletin News
- CTM Supplier mail shot >4000 suppliers



The MSA Supplier Code of Conduct can be found via the following link:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/755265/Supplier Code of Conduct 2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/755265/Supplier_Code_of_Conduct_2018.pdf)

6. Training and communication

The yearly mandatory training of Sellafeld Ltd commercial staff is 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 spotting the early signs 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 practitioners joining Sellafeld Ltd and all current procurement members of staff each receive auditable annual training and yearly refreshers. These assessments form part of the standard suite of mandatory procurement training and qualification requirements.

To further improve MSA awareness, we have now started an initial pilot roll out of supplementary training in order to raise a level of awareness within the area of key on site demanders. These are employees who sit within the business and raise requisition demands via procurement from a number of different purchasing routes. The training consists of a free web based system called, Learning Pool, MS e-learning with the level of awareness training being proportional to the demander role.

7. Plans for the next year

Measuring effectiveness – performance indicator

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

“That during the financial year, there shall be no evidence of modern slavery occurring within Sellafield Ltd and/or its extended supply chain”

* Any forms of modern slavery occurring will be fully investigated and reported via the Sellafield Ltd Executive Board.

Over the next year, Sellafield Ltd will continue to strengthen its approach to managing the risk of modern day slavery within its direct business and within its supply chain. We also intend to carry out work in the following specific areas:

- Continue commercial directorate staff and demander training
- Deliver against our modern slavery action plan as prescribed by the 2018 risk assessment covering each of the identified sixteen suppliers (questionnaires and potential intrusive audits)
- Continue to actively monitor our supply chain base as it changes through successful procurement competition
- 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
- 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
- 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:

- Explore the position of imposing sanctions on suppliers should we find any modern slavery act issues/challenges – as aligned with Cabinet Office directives
- Make further improvements to organisational/management/procurement systems and procedures if gaps, risks and opportunities arise
- Continue to provide informal coaching and suggested training programmes to our staff and our suppliers
- Support and implement supplier corrective action plans

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: ...17 JUNE 2019.....