

Slavery and Human Trafficking Annual Statement – 2020

1. Introduction

This annual statement is made by Sellafield Ltd 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 2019 to 31 March 2020 (the **Financial Year**).

“During this financial year, Sellafield Ltd has not identified any evidence of modern slavery occurring within its direct business areas or its extended supply chain”

This statement underpins our commitment to the Act and explains the ongoing steps we continue to take, in addressing any potential risk of modern slavery occurring in Sellafield Ltd, its supply chain or their extended supply chains.

The statement builds on previous years statements with a clear focus on further MSA improvements, as expected by the Act and of being a responsible business.

2. Our Operating Environment

Sellafield Ltd is a subsidiary of the Nuclear Decommissioning Authority (NDA), who own the Sellafield site, its liabilities and assets, they work in partnership with Sellafield Ltd, who hold the site license formed under the Nuclear Installations Act 1965. The NDA are a government led department controlled via the Department for Business, Energy and Industrial Strategy.



Department for
Business, Energy
& Industrial Strategy

- Leads the Government's relationship with business
- Ensures that the UK has secure energy supplies that are reliable, affordable and clean
- Ensures that the UK remains at the leading edge of science, research and innovation
- Tackles climate change



Sellafield Ltd is formally tasked with environmental remediation of the country's highest nuclear risks and hazards, safeguarding nuclear fuel, materials and radioactive waste. Our mission is of national importance and we must ensure that Sellafield remains safe, secure and cost effective, whilst delivering expected risk reduction.

As a company, we work in value streams and directorates, with an aligned focus towards prioritisation of delivery programmes and maximising value. We 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 10,500 staff supplemented with ~ 500 agency workers. A large percentage of employees are based on the Sellafield site; however, this is a changing landscape as we continue to be driven by transformational efficiencies. These efficiencies have resulted in a vast number of our employees now being based in various off-site office accommodations in the local areas around Sellafield, as well as other major locations in the Warrington area.

During the Financial Year, Sellafield Ltd incurred costs of £2,083.3million (2019: £2,034.8million). 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: <https://www.gov.uk/government/organisations/sellafield-ltd/about>

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

Modern slavery is a heinous crime and Sellafield Ltd as a priority, must stand as a business holding itself and its supply chain to account so that collectively we do all that we can to eradicate any forms of modern slavery occurring.

Our supply partners recognise the pivotal importance of a collaborative approach and as a result we are following government best practice and guidance.

This annual statement has been written to provide transparency of our current modern slavery risk mitigation practices and how we aim to continuously check and improve our stance of defeating modern slavery.

As a business we continue to contract with a number of directly engaged supply chain companies, who in turn have large numbers of sub-contractors. The range of supplies and services does not generally differ year on year and can be categorised as:

- materials (raw and commodity)
- decommissioning
- plant and equipment
- information technology services
- business costs and professional services
- construction and project management
- R&D activities
- Labour, hire and sub-contracting

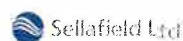
Our values and behaviours are embedded within our organisational culture, which includes ethics and professional expectations. This is instilled through our own workforce and further cascaded to our supply chain and their sub-contractors.

At the very front end of procurement and contractual obligation, modern slavery sits front and centre in how our commercial and buying practitioners deliver measured assessments, aligned to MSA best practice. As supply chain professionals we continue to seek and embed best practice using departmental and government directives to drive the message that modern slavery will not be tolerated anywhere in our own operations or those of our supply chains.

4. Our policies and manuals relating to modern slavery

Our guiding principles are contained in a suite of company policies and manuals that enable us to make a commitment in ensuring that modern slavery is not taking place in our business or supply chain. Sellafield Ltd continues to carry out annual health checks of these pre-existing documents to ensure they are up to date, accurate and reflective of the prevention and enforcement measures required by the Act:

- 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



Supply Chain Strategy



The policies and manuals are managed centrally and can be accessed by all employees. The documents are owned and reviewed by relevant functional heads within the Sellafield business, thus allowing us the opportunity to improve on best practice whilst learning and adapting from other sources of information being released by government or other business sectors.

Our Conduct Compliance Officer has continued to be visible in raising awareness and observance of the newly published version of our Code of Responsible Business Conduct and Whistleblowing Policies. These can be found via the Sellafield intranet/company website.

Transparency and allowing individuals to have a voice remains a firm commitment of the business, so that we maintain that open door approach, allowing individuals from within our company or from our supply chains 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.

Our Anti-Slavery and Human Trafficking Policy can be found at:

<https://www.gov.uk/government/publications/anti-slavery-and-human-trafficking-policy>

Key Nominations

In recognition of the importance of the MSA 2015 and the level of organisational accountability, 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.

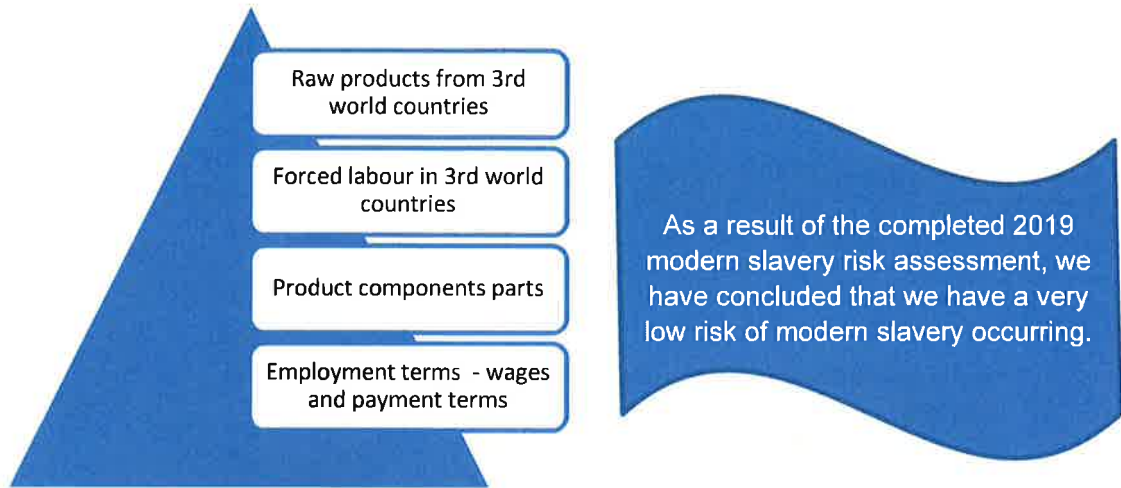
5. Strengthening our safeguards - Our 2019/2020 risk-based approach

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.

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

The process and methodology used in the risk assessment provided the required level of consistency along with the opportunity to analyse the output in comparison to earlier historic assessments.

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



6. Safeguards - Due diligence processes

Taking lessons learnt (from the Sellafield Ltd Corporate Internal Audit IA 18-03) and following continued government guidance, we have continued to complete a full and thorough assessment of the tools, processes and policies that Sellafield Ltd have in place as a measure of MSA 2015 compliance. The resultant zero modern slavery findings have provided a level of confidence in our approaches and allows us to build on previous years methods and annual statements to further underpin and strengthen ourselves as a committed, responsible business.

Centrally via the Sellafield supply chain directorate, we have maintained strong levels of assurance in the prevention of slavery and trafficking in our business and supply chains. This includes working with a number of supply chain companies, to mentor them, investigate their current policies, adherence to governance and how we can collaborate and share experience and best practice.

In detail, during this financial year we have:

- Shared MSA 2015 Industry knowledge and learning (Network Rail, Water Authorities)
- Acted upon intelligence linking Malaysian glove manufacture and modern slavery and how this may have impacted our business with regards to our use of personal protective equipment (PPE) gloves. Working with the supplier, we have completed our investigation and have reassured ourselves that our PPE glove supplier is not supplying Sellafield Ltd with these specific Malaysian gloves. As part of our support, we provided guidance towards informal supplier MSA coaching
- Provided guidance to suppliers on free computer-based training modules for their employees
- Identified specific suppliers and via contractual meetings, completed MSA supplier briefings, audits and questionnaires, whilst looking for evidence of their MSA knowledge, their policies and risk mitigation processes

- We continue to embed a Cabinet Office programme of work relating to Supplier Relationship Management (SRM). This collaborative approach looks to identify improved mutual value and opportunity and has a clear link to how we can collectively reduce MSA risk
- Sellafield Ltd, being a wider public procurement body and an in-scope organisation of Cabinet Office, has disseminated Procurement Policy Note (PPN 05/19) 'Tackling Modern Slavery in Government Supply Chains' and have thereby issued amended contractual provisions within our procurement processes

Our MSA Supplier Code of Conduct, written and published in 2018 continues to act as an aide memoire to Sellafield Ltd staff and suppliers. To allow maximum publicity we have used the following routes to highlight its importance:

- Hard copy distribution at industry attended events
- Sellafield Ltd Supplier, 'Meet the Executives events'
- Availability via the Sellafield Ltd website
- SRM joint business planning workshops
- Sellafield supply chain directorate conferences



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

<https://www.gov.uk/government/publications/sellafield-ltd-supplier-code-of-conduct>

7. Training and communication

The ongoing year on year mandatory training of Sellafield Ltd procurement staff continues to be rolled out against a computer-based training (CBT) programme covering ethical procurement and supply.

This is provided by the Chartered Institute of Procurement and Supply and was developed in conjunction with the Walk Free Foundation. This tested training for new and existing 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. These CBT courses are fully auditable and demonstrate our annual practitioner training compliance.

To further improve MSA awareness, we have continued to roll out supplementary training to our key on site area demanders. It was recognised that these members of staff working across the value streams and within the business areas, raise requisition demands via several different purchasing routes. The training consists of a free web-based system called, Learning Pool, which is MSA e-learning, a level of awareness being proportional to that demander role.

Our focus for the next year and beyond, measuring effectiveness

Recognising the importance of the Act and the underlying processes that form the foundations for preventing modern slavery and trafficking, Sellafield Ltd will commit to use the following performance indicator to monitor the effectiveness of the MSA 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"

In recognition of the importance of the Act, any form of modern slavery occurring will be fully investigated and reported via the Sellafield Ltd Executive Board.

Over the next financial year, Sellafield Ltd will continue to underpin its approach to managing the risk of modern-day slavery occurring within its direct business and/or within its supply chain.

It is our intention to proportionally carry out work in the following specific areas:

- Continue our internal MSA training for staff and demanders
- Continue to actively monitor our supply chain base as it changes through successful procurement competition
- Re visit, update and reissue our MSA Supplier Code of Conduct aide memoire
- Ensure that our Anti-Slavery and Human Trafficking Policy is up to date
- 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. If a specific modern slavery risk is identified, we shall aim to have acted to resolve the issue within a period of 90 days
- To maintain a supportive central position of imposing sanctions on suppliers who have been found to have MSA issues/challenges – as aligned with Cabinet Office directives

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

- Make further improvements to organisational/management/procurement systems and procedures, if gaps, risks or opportunities arise
- Continue to provide informal coaching and suggested training programmes to our suppliers
- Continue dialogue with cross industry MSA practitioners, to share best practice and apply learning
- 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:

MARTIN CHOWN.....

Date: 29 July 2020.....