Sellafield Ltd

Programme & Project Partners (PPP) at Sellafield

Annual Report

Year 6 - April 2024 to March 2025

An Intelligent Client Publication

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Introduction

This annual report reviews the performance of the Programme and Project Partners (PPP) during its sixth year, covering the period from April 2024 to March 2025. It provides a comprehensive overview of all aspects of PPP delivery.

Produced by the Client, the report offers an impartial, evidence-based assessment of PPP's performance, supported by independent assurance in key areas.

The PPP is a long-term partnership formed in 2019 to deliver a multi-billion-pound portfolio of projects that support the treatment and storage of nuclear materials – critical to decommissioning and remediating legacy facilities at Sellafield.

3

The partnership includes four Lot Partners

01

Lead Integration Provider

02

Design and Engineering Provider

03

Civil Construction Management Provider

04

Process Construction Management Provider

Sellafield Ltd plays a dual role in the partnership.

Acting as an Intelligent Client enabling and overseeing delivery.

\+ Sellafield Ltd +

Providing people and expertise into the delivery teams as a '5th Partner' working alongside the others.

4

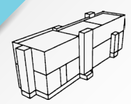
Major projects in the partnership

Over the past six years, PPP has taken on full delivery responsibility for two major, in-progress projects. It is also delivering two other major projects from earlier stages.

01

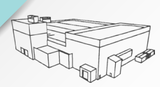
SRP
Sellafield Product and Residue Store Retreatment Plant

02



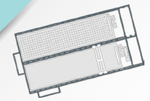
SCP
Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant

03



BEPPS2
Box Encapsulation Plant Product Store 2

04



LSS1
Lightly Shielded Store 1

05

RAP
Replacement Analytical Project

06

SWMRF
SIXEP Waste Management Receipt Facility

07

SHEP
Sludge Handling and Export Plant

In-progress projects | **In-progress early stage projects** | **Paused** | **Pipeline projects**

Until the end of year five PPP was delivering a fifth project - the Replacement Analytical Project (RAP). However, in March 2024, the project was paused following a broader review of Sellafield's analytical services programme. The review considered the site's evolving business needs and identified new solutions that hadn't been previously available.

Thanks to the flexibility built into the PPP model, teams working on RAP were able to quickly transition to other projects, allowing the programme to continue benefiting from their skills and expertise. An alternative proposal to RAP is now in development and progressing through governance and approval processes.

Additionally, more projects are set to transition into PPP, including the SIXEP Waste Management Receipt Facility (SWMRF) and the Sludge Handling and Export Plant (SHEP). These are already benefiting from the partnership's collaborative expertise.

5

Performance of the PPP Partnership

In its sixth year, the PPP has delivered strong performance, with notable improvements in leadership, efficiency, long-term value and agility.

6

Maturity

This year the focus has been on further maturing the partnership to enhance effectiveness and value for money. Key to this progress has been improved integration with the Client team, which is already producing measurable improvements in areas such as:

- ✓ **Resource and workforce efficiency**
- ✓ **Employer capabilities**
- ✓ **Procurement processes**
- ✓ **Programme delivery and flexibility**

Value for money

Following on from past years, there continues to be strong confidence the PPP model will exceed its original value for money promise to Government – projected at £700m in savings. So far:

of this has been validated as credible

has already been realised and assured

This is well ahead of schedule. The original full business case projected only £200 million in benefits by Year 13 (2031 / 2032), making current progress a significant achievement.

While many important milestones have been reached – including 19 of 20 key performance indicators (KPIs) achieved this year – there is still work to do. Continued focus is needed to unlock the full potential of the PPP model and sustain high performance.

7

Project performance

The PPP was established to help Sellafield Ltd deliver major projects more effectively than ever before and strong governance and independent reviews are in place to monitor performance.

These reviews include assessments by the former Infrastructure and Projects Authority (IPA) - now the National Infrastructure and Services Transformation Authority (NISTA) - and by the Nuclear Decommissioning Authority (NDA) using NISTA methodology.

This year, these reviews gave ‘green’ delivery confidence assessments for the SRP, SCP and BEPPS2 projects, meaning there is high confidence the project will deliver its objectives to time and cost.

Additionally, the National Audit Office (NAO) also provided a cautiously positive view in its 2024 report on Sellafield. It stated:

> *“Sellafield’s performance on more recent major projects has shown signs of potential improvements. Four of the five projects started since 2018 are slightly behind where they should be at this point, but the work completed has cost less than expected. Additionally, the Infrastructure and Projects Authority has given two of these projects ‘Green’ ratings (a relatively rare rating) for each of the last two years.”*

The NAO also recognised the value of the PPP model, specifically noting:

> *“Sellafield and the Infrastructure and Projects Authority believe that the PPP model has contributed significantly to strong performance on two of its first three projects, and external reviews have also identified a strong internal culture that is adding value to Sellafield. The partnership is now developing additional projects, with the greatest potential being where it is used from the start.”*

8

External pressures

The NAO report also acknowledges external pressures that may affect how benefits translate into real savings for Government. These include:

- **Rising costs**
- **Public sector budget constraints**
- **Workforce availability**
- **Supply chain resilience**

Despite these challenges, PPP remains firmly on track to deliver long-term benefits.

9

Integrating and maturing PPP

The end of year six saw PPP integrate with our Client team before re-sizing to create a more efficient and effective organisation.

This level of collaboration is unprecedented on a programme of this size and uniting our expertise into one team makes it possible to:

Value

Achieve more value by combining efforts and expertise.

Performance

Improve performance and the experience for our people, reducing duplicated efforts.

Support

Broaden the value brought to the Sellafield mission, by increasing support for the wider business.

Accountability

Ensure accountabilities are clearer than ever before

This integration will help ensure project successes and pipeline decisions are the result of coordinated programme-wide efforts by Sellafield Programme, Senior Responsible Owner (SRO), the Client, project teams and partners.

The task for year seven will be to ensure this collaborative environment strengthens and relationships between the partnership and the Sellafield enterprise are having the desired impact on performance.

10

"I am pleased to have seen the partnership grow stronger during year six, as a result of our collective work to integrate our teams and safely accelerate our projects.

"The year brought continued scrutiny, which we have welcomed as a way of ensuring we are making the right changes and improvements, and delivering the promises we have made to our stakeholders.

"The National Audit Office, the Public Accounts Committee and the National Infrastructure and Services Transformation Authority (NISTA) provided welcome reminders of our duty to the UK taxpayer to deliver well, with each acknowledging an increased confidence in the way Sellafield Ltd delivers major projects.

"We must continue to deliver on the commitments we have made, provide further value for money for the UK taxpayer and continue to earn the trust placed in us to execute a vast and complex infrastructure programme."

Andy Sharples

Projects Director, Sellafield Ltd.

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"Year six was a step change for our partnership and I welcome the Client's support throughout. We integrated in a way that no other infrastructure programme has before, we re-sized and we placed a sharp focus on maturing to be as effective as possible in realising our benefits to Sellafield and our wider stakeholders.

"We continue to demonstrate the vast value we're delivering for Sellafield Ltd, Government, our local communities, and the taxpayer.

"We've set ambitious targets, met them, set new ones and are on course to meet them too. That's credit to everyone across our teams who continue to work together to drive improvements, innovations, and prioritise value for money.

"Safety and wellbeing continued to be a huge focus for us, and we've brought relentless attention and effort to ensuring we maintain the highest standards and behaviours for years to come."

Duncan Elliott

Managing Director, PPP

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PPP Achievements 2024 - 2025

13

PPP achievements 2024 - 2025

- **£530million of benefits delivered and assured - an increase of £82million from the previous year.**

- £56.5million total social value generated for PPP in 2024 - 2025.
- £23million spent with the local supply chain.
- £10million spent with local SMEs.
- £22million local employment and sustainable incomes.
- £143million invested in recruiting long term unemployed.
- 6,000 voluntary hours donated to the community.
- £350,000 in time dedicated to support unemployed people in work.

- Green Delivery Confidence Assessments for SRP, SCP and BEPPS2.
- Unprecedented collaboration during integration and re-sizing of PPP and Client Team, ensuring consistent and coordinated programme-wide efforts.
- Safety energy score of 94% across PPP Major Projects.
- **PPP ranked in the top 100 inclusive employers across the UK.**

- In 2024 - 2025 PPP were chosen to pilot a safety culture survey using a model developed by the ONR and Manchester University – the largest peer group surveyed across the NDA's 17 sites.
- National Audit Office and Public Accounts Committee recognition that the PPP model is improving project performance at Sellafield.

- **1,316 people employed as part of PPP, with 56.7% local to Cumbria (37.9%) and Warrington (18.8%).**

- 426 people redeployed from Replacement Analytical Project (RAP) to other roles within the portfolio.
- 127 people are part of the early talent group (graduates, interns and apprentices) across a range of professions and pathways.
- 10 long-term Key Delivery Partners integrated.
- 49% of PPP's live supply chain are SME's, this accounts for 91 suppliers.
- 19/20 Key Performance Indicators achieved in 2024 - 2025.

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Realising PPP's Business Case Benefits

The PPP partnership approach is designed to deliver eight Business Case Benefits, including increased value for money, enhanced sustainability, improved predictability and efficient project delivery, improved stakeholder confidence and more.

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Best practice in benefits tracking

Before PPP, there were no historical norms for measuring benefits at Sellafield. PPP has addressed the challenge of benefits being easy to understand conceptually, but difficult to demonstrate to the satisfaction of all parties/ stakeholders.

Through a collaborative culture and implementation of robust governance structures, PPP has shifted from simply delivering outputs to achieving measurable outcomes and, in doing so, unlocked significant and validated savings – providing long-term value.

Key to the tracking of our benefits position is the use of Amplify, a benefits management platform, which has enhanced our programme's ability to capture and report measurable improvements.

Year six performance shows that PPP's benefits approach is not just tracking progress but driving it. The process developed is now robust and has enabled Sellafield Ltd's Key Targets and KPIs to be met ahead of schedule.

Faye Cooper

PPP Benefits Lead

"The approach we have developed to driving and tracking the PPP benefits is drawing attention from other UK organisations and infrastructure programmes hoping to adopt the approach, and we're delighted to be sharing our learning so that best practice can benefit others."

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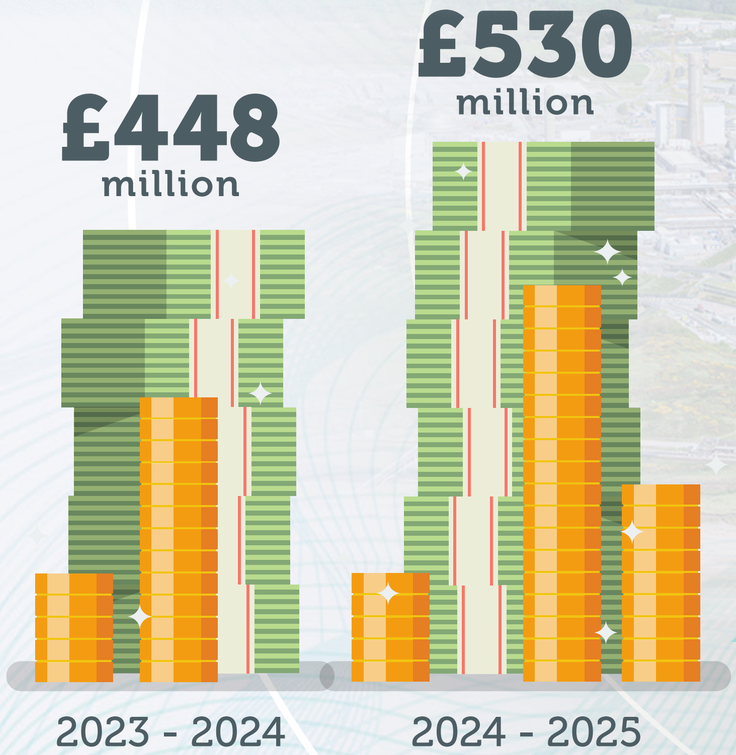
THE VALUE OF BENEFITS DELIVERED



The value of benefits delivered and realised by PPP now stands at **£530 million – increasing by £82 million** in 2024 / 2025 and further exceeding the promise to government.

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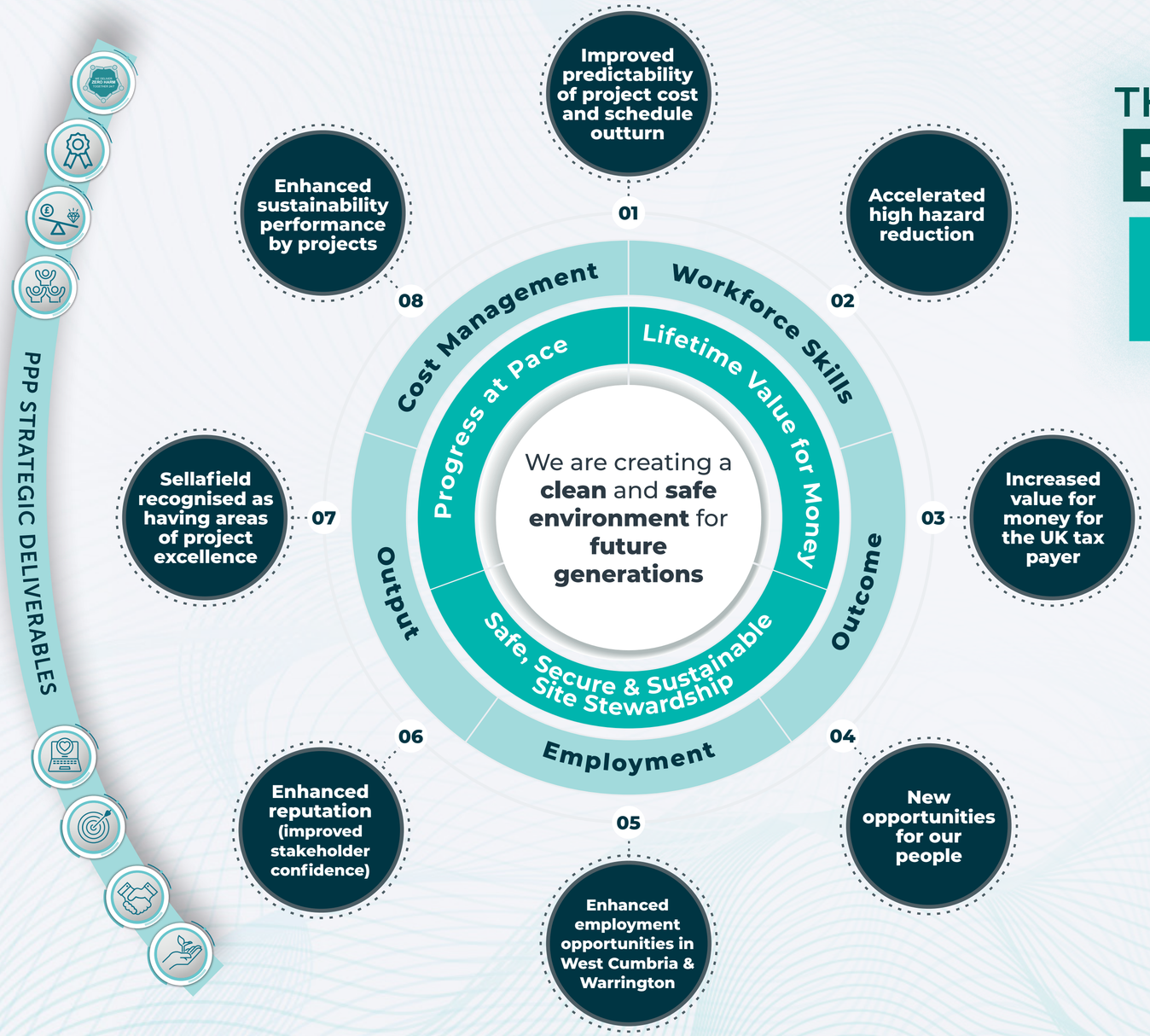
THE PARTNERSHIP'S BUSINESS CASE BENEFITS



The eight Business Case Benefits and how they align to Sellafield Ltd's purpose and strategic themes:

- Sellafield Ltd Purpose
- Sellafield Ltd Strategic Themes
- PPP Critical Success Factors
- PPP Business Case Benefits

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BENEFIT 1

Improved Predictability of Project Cost, Quality and Schedule

As an enabler, Benefit 1 will only truly be demonstrated at the completion of each major project, to determine whether it was delivered to a predictable cost and schedule.

However, evidence of improved performance is growing.

Sellafield Ltd had an annual **Key Target on Schedule Adherence on major projects and in 2024 - 2025 achieved Stretch**, signalling strong lifecycle schedule performance (encompassing two major projects being delivered by PPP). In 2023 - 2024 we achieved Threshold, so there has been a marked improvement.

This is down to a range of improvements implemented by Sellafield Ltd and PPP.

The confidence of key stakeholders in Sellafield Ltd.'s ability to effectively deliver major projects is also rising, due to the maturing performance of the partnership.

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Benefit 1 - case study

GREEN RATINGS FOR PPP

PPP projects received multiple independent delivery confidence assessments, including “Green” ratings from the Infrastructure and Projects Authority (IPA).

*In late 2024, the Infrastructure Projects Authority evolved into the National Infrastructure and Services Transformation Authority (NISTA).

The 2024 NAO report noted positive progress had been made in major project delivery at Sellafield, identifying that its more recent projects are expected to be completed in line with business case assumptions.

These points were discussed again at a Public Accounts Committee hearing and PPP received positive recognition for its ‘greater level of focus on project planning, delivery, efficiency, and innovation’, its one team culture, and the vast benefits being realised across the programme.

One of the key benefits referenced was the use of Building Information Modelling (BIM) and 4D planning technology, which several of the committee members had seen on their visit to site.

> *“Sellafield and the Infrastructure and Projects Authority believe that the PPP model has contributed significantly to strong performance on two of its first three projects, and external reviews have also identified a strong internal culture that is adding value to Sellafield.”*

BENEFIT 2

Accelerated High-Hazard Reduction (Increased Productivity)

High-hazard reduction is at the heart of Sellafield Ltd's purpose to create a clean and safe environment for future generations. The PPP model has the ability to accelerate that mission by innovating and collaborating across the portfolio and future pipeline. The following examples demonstrate how PPP is helping to accelerate hazard reduction at Sellafield by saving time and money.

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Benefit 2 - case study

BEPPS2 CONCRETE ANALYSIS

Our Box Encapsulation Plant Product Store 2 (BEPPS2) team agreed to adopt a revised design solution for its concrete works, making significant reductions to the vault slab, walls, and roof thicknesses. This resulted in an approximate 7,000m3 saving in structural concrete from the outline business case (OBC) design - that's the equivalent of 1,600 wagon loads.

By adopting this revised design, the project is set to reduce delivery time - 68 weeks against the preliminary design - and realising a cost avoidance of £27.36 million, plus a further cashable saving of £1.57 million.

The optimised solution has now been incorporated into the plant's design with a realised benefit valued at £28.9 million. Additional benefits include the removal of 21,000 working at height hours, the carbon reduction through reduced concrete usage, and the ability for future similar stores to benefit from the BEPPS2 design.

BENEFIT 3

Increased Value for Money for the UK Taxpayer

Many of the benefits ascribed to Benefit 3 will take many years to materialise as they will only truly be demonstrated at the completion of each major project, to determine whether it was delivered to a predictable cost and schedule, or whether savings were ultimately achieved against the Major Project Baseline set at the start of construction.

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Benefit 3 - case study

SUSTAINABLE LAND CLEARANCE

As part of the Intermediate Level Waste East Zone (ILW-EZ) land preparation project, it was identified that 21,000m3 of excavated material would need to be disposed of, incurring a landfill tax of £2.2 million. Landfill tax is a tax levied on waste disposed of at licensed landfill sites in the UK, designed to discourage waste disposal and encourage more sustainable waste management practices.

To avoid this cost, it was identified that some of the material could be reused and for further material to be transported to contractor G&AM Lawson where it could be temporarily stored and reused as recycled aggregate.

Benefit 3 - case study

4D PLANNING

REMOVING RISKS

The 4D planning team on the Sellafield Product and Residue Store Retreatment Plant (SRP) is using the plant's digital model to spot and remove future clashes and potential rework needs, mitigating the risk of unforeseen delays and their associated costs.

The innovative approach has led to £1.2 million of avoided costs which would have been incurred towards the end of 2024 had the model not been implemented.

John Leslie

SRP Project Director

"Our 4D capability is industry leading and allows us to be looking well ahead of where we are with construction today, reducing risks and the potential for costly delays. We're already safely accelerating construction in some areas as a result."

Benefit 3 - case study

SECURITY MODIFICATIONS COST SAVINGS ON SRP

Our Sellafield Product and Residue Store Retreatment Plant's (SRP) scope includes modifications to the neighbouring Sellafield Product and Residue Store's (SPRS) fence line and security systems, in a congested area close to the SRP main build and SPRS temporary security measures. The existing fence had to be moved, and a new fence line installed to accommodate the construction of the SRP process building and link bridge, which will connect the two facilities.

To enable the effective delivery of the works, our SRP team took a collaborative approach to work with the contractor to develop the schedule and discuss any new ideas and methods of work - demonstrating our focus on early contractor involvement.

Traditionally, the new fence would have been installed then the old fence removed, thus always maintaining a physical barrier. This standard method was challenged, and temporary security measures put in place which allowed some elements of work to be completed in parallel. The removal of the existing fence line and parallel installation of the new fence line resulted in a saving in time and costs totalling £1.9 million.

BENEFIT 4

New Opportunities for Sellafield Ltd and its People

The partnership continues to provide a broad and rich pool of opportunities for Sellafield Ltd people, as well as people within the four partners.

There are more than 190 Sellafield Ltd people working directly as part of PPP from the 5th partner, across 13 professions, five major projects and capability teams.

Integration of PPP with Sellafield Ltd resource has provided further opportunities for Sellafield Ltd people to contribute to PPP's maturity and success.

The partnership allows employees to grow and develop through 'porosity' between the partnering organisations, with several individuals securing secondment and employment opportunities across the five organisations.

Interns are also being trained on PPP and then being transitioned into Key Delivery Partner (KDP) organisations to complete apprenticeships and continue their career pathway (see case study for Benefit 5).

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Benefit 4 - PPP workforce

1,300

Number of Employees

There are currently more than 1,300 people employed to work as part of PPP across all major projects and capabilities.

57%

Local Workforce

57% of the workforce is local to Cumbria (38%) and Warrington (19%).

426

Project Redeployment

426 people redeployed from RAP project to other roles within the portfolio.

94%

Permanent Workforce

94% of our workforce are permanent employees, 6% Agency Supplied Worker (ASW). Previously we had a project workforce of 90% contractors / agency and 10% permanent.

28

Benefit 4 - case study

PPP has been able to invest in early talent - 127 people in early talent (Graduates, Interns, Apprentices) across a range of professions and pathways.

One of the things PPP is most proud of is its Internship Scheme, specifically designed to target local disadvantaged, unemployed people with barriers to employment. This is what PPP is a great test bed for, to pilot and improve schemes like this that change generations of unemployment, rather than simply training young people to do a job.

The Internship Scheme has specifically targeted local unemployed / disadvantaged people – to help address societal needs in Cumbria.

SKILLS DEVELOPMENT ON PPP

BENEFIT 5

Enhanced Employment Opportunities in West Cumbria and Warrington

The partnership's contribution to meaningful and lasting benefit to our communities is partly demonstrated through its work to enhance employment opportunities and create sustainable incomes by supporting a resilient supply chain. The following examples demonstrate this in action.

30

Benefit 5 - case study

THE PPP INTERNSHIP SCHEME

The PPP internship programme has created many success stories. After impressing the teams during her internship, Leah Milton joined one of PPP's Key Delivery Partners, Severfield, as a project controls apprentice.

Leah has made a lasting impact on her colleagues and managers, who speak highly of her dedication, resilience and drive, as she transitions into her new role.

During her 21-month internship, Leah has rotated through various functional areas within PPP services and major projects. Her time at Sellafield has allowed her to gain valuable experience in a multi-company collaborative environment.

Benefit 5 - case study

LOCAL SME LAUNCHES
THE ASPIRE ACADEMY

William King Construction, in partnership with West Cumbria Learning Centre and the Time To Change West Cumbria project launched the Aspire Academy at Westlakes Science Park - a hands-on training site designed to help local students gain construction qualifications.

Responding to both student interest and a regional skills gap, the academy offers a real-life building environment where small groups work with mentors to build confidence and practical skills outside the traditional classroom.

BENEFIT 6 & 7

Enhanced Reputation for Sellafield Ltd (Improved Stakeholder Confidence) and Sellafield Recognised as Having Areas of Project Excellence

Key stakeholders have growing confidence in Sellafield Ltd's ability to effectively deliver major projects and responsibly share learnings and tools, due to the maturing performance of the PPP model.

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Stakeholder Recognition

Infrastructure and Projects Authority

PPP projects received multiple independent delivery confidence assessments, including "Green" ratings from the Infrastructure and Projects Authority (IPA).

**In late 2024, the Infrastructure Projects Authority evolved into the National Infrastructure and Services Transformation Authority (NISTA).*

NAO National Audit Office

The 2024 NAO report noted positive progress had been made in major project delivery at Sellafield, identifying that its more recent projects are expected to be completed in line with business case assumptions.

"Sellafield and the Infrastructure and Projects Authority believe that the PPP model has contributed significantly to strong performance on two of its first three projects, and external reviews have also identified a strong internal culture that is adding value to Sellafield."

UK Parliament

At a Public Accounts Committee hearing, PPP received positive recognition for its 'greater level of focus on project planning, delivery, efficiency, and innovation', its one team culture, and the vast benefits being realised across the programme.

One of the key benefits referenced was the use of Building Information Modelling (BIM) and 4D planning technology, which several of the committee members had seen on their visit to site.

In January 2025, the Office for Nuclear Regulation (ONR) found that the duty holder had in place effective systems to manage Health and Safety at Work obligations, notably through the Line of Sight process.

"There is a positive health and safety culture within the SRP Aligned Delivery Team (ADT) which feeds down to the workforce through positive interactions and conversations with the workforce."

ONR Office for Nuclear Regulation

The Environment Agency has made the following positive comment about Major Projects at Sellafield in the 'Strengths' category under the 'Environmental Leadership' topic area of the Site Environment Review & Plan – published June 2025:

"High environmental standards brought to the site by PPP on projects such as SCP and SRP and the opportunities for learning this offers, along with the drive for improvements via the SL Client Leadership."

Environment Agency

Institute for Civil Engineers NEC (New Engineering Contract) Contract Award (June 2024)

Chapter 1: Special Recognition Award (June 2024)

New Civil Engineer Award for Environmental, Social and Governance Leader (July 2024).

National Awards

BENEFIT 8

Enhanced Sustainability Performance by Projects

The 20-year duration of the PPP model moves away from short-term decisions and enables the partners to make long-term investments and more sustainable decisions, covering the full lifecycle from inception to handover to operations.

Sustainability is embedded throughout the partnership covering many areas – including design, engineering, construction, environment, resourcing, training, procurement and social impact.

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Benefit 8 - case study

SELLAFIELD STRATEGY FOR CONCRETE AND STEEL

Developed by PPP in collaboration with Sellafield Construction and Research and Development teams, the Concrete and Steel Strategy was published in March 2025. It outlines the use of these key materials across their full lifecycle—from research and design to recycling and carbon capture. The strategy addresses current challenges, sets out future plans, and drives progress aligned with Sellafield's Sustainability Principles and Enterprise Strategy. A key focus for 2024 - 2025 was the transition to green steel and the reduction of grey steel, contributing significantly to lowering the site's carbon footprint.

Sellafield's new on site concrete batching plant also means concrete supplies only travel distances around the site itself, helping to reduce traffic on local roads and providing a reduction in carbon emissions.

Benefit 8 - case study

FUEL-FREE SITES

Launched in 2023, the Fuel-Free Sites initiative accelerated the creation of a pre-approved register of low-carbon plant and equipment. This supports PPP and wider Enterprise net zero goals by enabling consistent use of cleaner technologies and reducing diesel use across site.

Benefit 8 - case study

INTEGRATING SUSTAINABILITY

The end of year six saw PPP initiate a review and restructure to better integrate sustainability and provide a sharp focus on measurable performance throughout the project lifecycle.

Health, Safety and Wellbeing

In recent years we have reported the establishment of the Health, Safety and Wellbeing Hub for Sellafield, in which PPP plays a leading role bringing together our supply chain to collectively bring best practice to our major projects.

During year six the Hub became fully embedded and matured further, driving a positive step change in behaviours, standards, metrics and performance.

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Safety energy

Safety Energy is the Major Projects' Leading Indicator Programme. It measures the amount of initiatives that our leadership, supervisors and operatives exhibit to promote and communicate safe work practices. The score is calculated using a defined list of leading safety performance indicators to drive positive safety performance and behaviours.

40

A shift to leading indicators

Historically, the Environment, Health, Safety, Security and Quality (EHSSQ) performance of Major Projects at Sellafield has been measured by assuring compliance to industry minimum standards, expectations and requirements of the Sellafield Management System (SLMS), Sellafield Contractor Standards (SCS) and Sellafield Safety Instructions (SSI).

PPP has used the collaborative expertise of the Health, Safety and Wellbeing Hub to change this, moving from a model which relied upon lagging indicators to a balanced model that makes use of leading indicators.

Together with the following improvements, this has significantly enhanced our Safety Energy score on PPP major projects, which averaged at:

Safety Energy 2024 - 2025

93%

- **The introduction of Supply Chain Safety Energy, which can be measured across multiple projects for 25 suppliers.**
- **Introduction of weighted measures for problem areas.**
- **Introduced effectiveness measures for performance meetings.**

41

Initiatives and standards delivered in 2024 - 2025

Investigation and Reporting Standard

Minimum Expectations for EHS Oversight and Assurance

Supervisor Competency and Development Standard

CCTV Standard for all Major Projects

Control of Work Standard

Management of People Plant Interface (PPI)

Knowingly Safe Life Saving Principles

Personal Protective Equipment (PPE) Standard

Working at Height and Mobile Elevated Work Platform (MEWP) Standard

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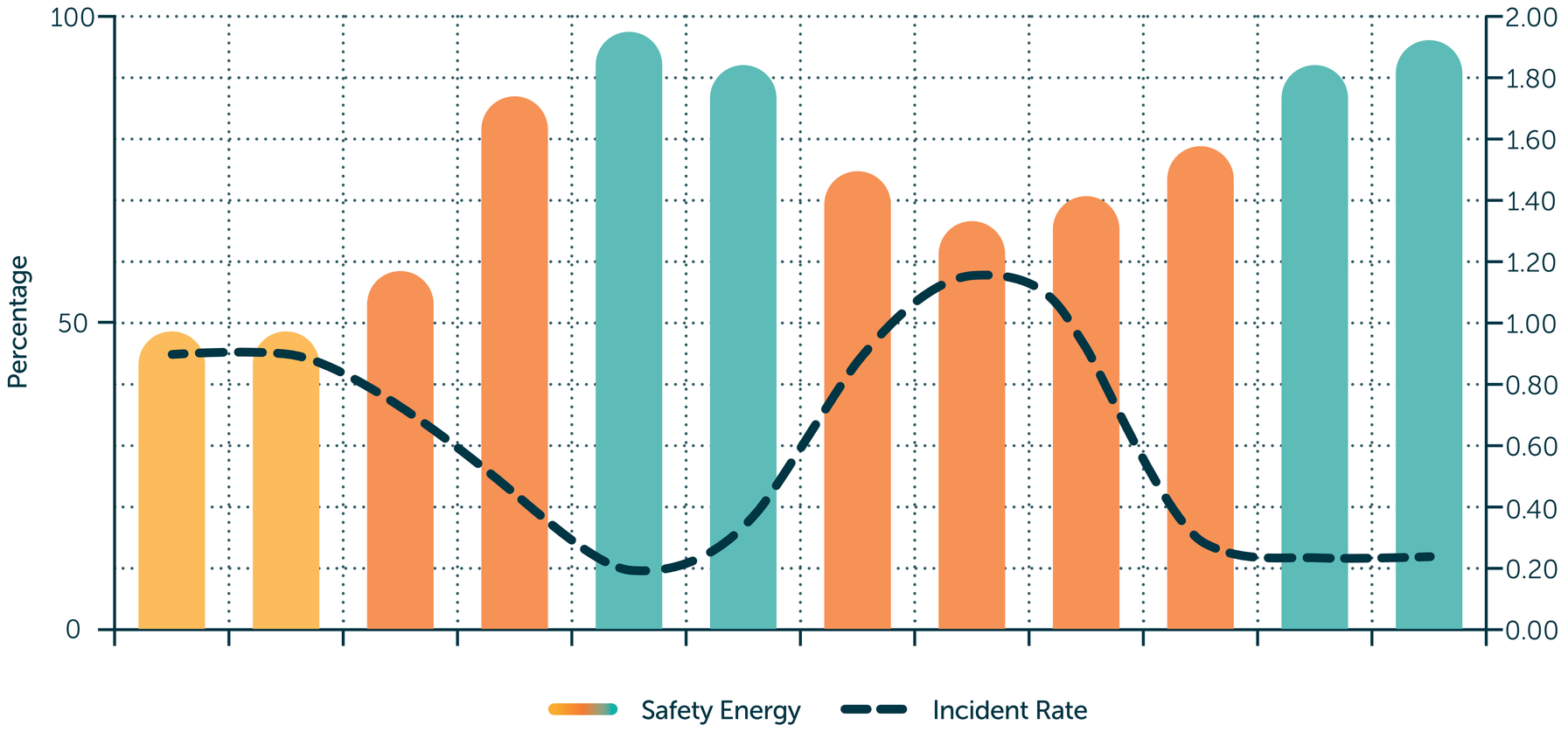
Initiatives and standards delivered in 2024 - 2025

The below shows the correlation between safety energy and performance.

For illustration purposes only



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PPP incident rates 2024 - 2025

	PPP (2025)	PPP (2024)	Difference	SL Target
Recordable Injury Frequency Rate	0.36	0.36	0	0.28
Lost Time Accident (LTA) Frequency Rate	0.27	0.27	0	0.15
RIDDOR Reportable Frequency Rate	0.11	0.11	0	0.04

**PDD - Project Delivery Directorate at Sellafield LTD. SL - Sellafield Ltd company wide*

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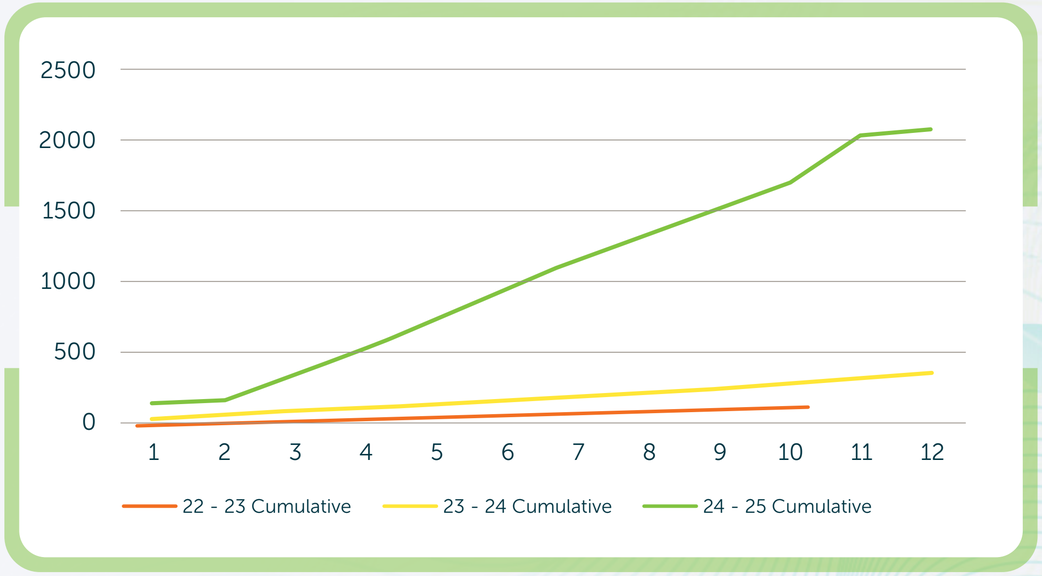
Leadership visibility and engagement

In 2024 - 2025, one of the key focus areas within Major Projects has been to enhance the visibility and engagement of leadership around health and safety expectations, to create a best-in-class working environment in offices and across our construction sites.

Leadership Activities

Through the safety energy leading indicator programme, PPP successfully extended their leadership activity plan to include our key supply chain partners. This approach enhanced visibility across the programme, allowing them to track where and when leaders were engaging. Using baseline data, they were able to identify specific projects or suppliers that required increased leadership focus and support.



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Employee observations

PPP operates a behavioural based observation programme using engagement from the workforce as a key cultural indicator. In the last quarter of 2024 - 2025, there was a strong correlation within some of our projects and its locations, whereby a rise in observations has resulted in a reduction of reportable injuries.

Observations submitted by top 10 categories

AREA FOR IMPROVEMENT | POSITIVE OBSERVATION

60%	40%	**Housekeeping**
71%	29%	**Access and Egress**
76%	24%	**Welfare**
72%	28%	**Fire and Emergency**
64%	36%	**Site Setup/Conditions**
72%	28%	**Site Conditions**
39%	61%	**Safe Systems of Work**
60%	40%	**Work Equipment**
40%	60%	**Wellbeing**
67%	33%	**General Security**

46

Environment, Health and Safety (EHS) inspections

As a first for Major Projects at Sellafield, all principal contractors and their EHS professionals complete the same Digital EHS Inspection, this has allowed us to collate a programme level view of EHS performance.

The EHS inspection programme is based on ‘Safety 2’ meaning we apply causal factors when things go well and when things could have gone better. By taking this approach we create a significantly larger data set, allowing us to predict more accurately where the EHS professional focus should be.

372

Count of Principal Contractor EHS Inspections

4790

Individual Data Points

372

Point of Work Authority Reviews

76%

Average Percentage Score

4790

Count of Inspections

3.8/5.0

Average Score

47

PPP - a test bed for safety culture

In 2024 - 2025, PPP was appointed as the pilot for a Safety Culture Survey using a model developed by the Office for Nuclear Regulation (ONR) in partnership with Manchester University (NISCI – Nuclear Industry Safety Culture Inventory).

At the time of the NISCI survey this was the largest peer group surveyed from across the Nuclear Decommissioning Authority's estate of 17 sites.

Members of the Major Projects workforce were invited to respond to an online survey, and many attended face-to-face sessions on the project sites. The survey was followed by focus groups to collect feedback. The responses given during this survey have been used to guide PPP's priorities and measuring improvements to safety.

800
People Surveyed
2023 - 2024

1,700
People Surveyed
2024 - 2025

"I understand the importance of following the Golden Rules and Life Saving Principles."

"Sometimes we have a perception that there is a blame culture."

"We have a strong culture of challenging unsafe conditions and using our stop work authority."

48

"PPP putting itself forward as a pilot of the NISCI tool has been hugely beneficial to both Sellafield Ltd and the development of the NISCI tool itself.

"Through excellent engagement with their diverse population across Major Projects (Sellafield Ltd employees, PPP partner organisations and wider supply chain/key delivery partners), they were able to thoroughly test the measure, obtain useful data to understand their safety culture, and offer up insights, survey methodologies, and post-survey activities. This all contributes to our shared goal of a healthy safety culture for our site."

Dr Amy Seed

BSc.; DClinPsy.; CPsychol.

Organisational Psychology Specialist at Sellafield Ltd.

49

Security

The PPP security culture continues to mature, with collaborative working bringing schedule and cost benefits to the projects. A new security induction for PPP personnel and enhanced supply chain briefings have assisted in maintaining good compliance rates.

Assurance activities and project briefings continue to address the known gaps in the Physical Protection (PPS) framework implementation; however, this remains work in progress.

50

Quality

Quality improvement activities were driven through the 2024 - 2025 Quality Transformation Plan. These included, for example, improving how QC resource is forecasted and mobilised to meet current and future demands of major projects, and further improving the success of the PPP Supply Chain Quality Hub. The Quality transformation plan outturn completion score was 96%.

The ONR performed themed inspections of the arrangements for managing counterfeit, fraudulent and suspect items, and supply chain quality. Green ratings were issued following both inspections. Lloyds Register of Quality Assurance also carried out their ISO 9001 surveillance visit of Sellafield Ltd which included both PPP Client and project arrangements and raised no issues.

The PPP Inspection Authority (PPP IA) inspected 44,985 items in 2024 - 2025. 66 major issues were raised on items inspected, and 20 major issues were raised on lifetime records. Performance was rated as 98% in both areas.

51

Intelligent Customer capability

Intelligent Customer arrangements are well established in PPP and are judged by Office for Nucelar Regulation to set the standard across the nuclear industry.

The Intelligent Customer (IC) capability has remained steady with all functional areas represented by Suitably Qualified and Experienced Personnel (SQEP) undertaking key risk-based IC assurance activities across the PPP project portfolio. The IC capability adopt a collaborative approach when undertaking assurance activities and all findings as well as positive observations are recorded on the company assurance database.

An annual review of the IC arrangements, assurance findings and capability undertaken in March 2025 identified several areas of good practice and areas for improvement which will be carried forward into 2025 - 2026.

52

Project Performance

Since the launch of PPP six years ago it has successfully taken delivery responsibility for two major projects that transitioned whilst in-flight, the Sellafield Product and Residue Store Retreatment Plant (SRP) and Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant (SCP).

PPP is also responsible for two future major projects which PPP took over at earlier delivery stages, the Box Encapsulation Plant Product Store (BEPPS2) and Lightly Shielded Store (LSS1).

PPP was responsible for the Replacement Analytical Project (RAP) until it was paused at the end of year five, with teams deployed onto other projects going into year six. PPP is also supporting the work to develop an alternative proposal to RAP.

There are further projects identified in the pipeline for transition to PPP, the SIXEP Waste Management Receipt Facility (SWMRF), and the Sludge Handling and Export Plant (SHEP), which are already benefiting from the partnership's expertise.

53

Enabling project performance

1. Robust use of Reference Class Forecasting supporting more realistic ‘could and should’ commitments and mitigates optimum bias in Full Business Cases.
2. Major Project Baseline (total price) setting using supply chain for realistic ‘should’ costs/ timescales with risks/ opportunities.
3. Collaborative governance and assurance culture established by Client.
4. Aligned Delivery Teams enable agility and movement of resource focused on ‘outcome based’ delivery.
5. Early Contractor Involvement enabled by Multi Project Procurement approach to de-risk schedules, and designs for constructability.
6. Helping drive the Health, Safety and Wellbeing Hub for Major Projects.
7. Standardisation of design, manufacture and installation specifications for common plant items (e.g. Heating, Ventilation and Air Conditioning (HVAC), Pipework etc).
8. Integrated Construction Logistics arrangements for the efficient movement of people and materials to the projects.
9. Aligned Incentive mechanism independently reviewed as effective that rewards performance for outcome.
10. Holistic lifecycle approach to digital innovation using BIM to operations.

These aspects of the PPP model approach have positively impacted project performance.

54

SIXEP Continuity Plant

The SIXEP Continuity Plant (SCP) will ensure the site's existing Site Ion Exchange Effluent Plant (SIXEP) facility can continue its vital work for decades to come.

Once operational, SCP will ensure the nuclear site will have continued availability to treat liquids from some of the site's oldest assets, including the First-Generation Magnox Storage Pond and the Magnox Swarf Storage Silo.

SCP is on course to be commissioned in 2029 and will ensure SIXEP can continue its vital work for decades to come, in support of the site's decommissioning.

At 60% complete, the project continues to deliver in line with its Major Project Baseline (MPB) and Full Business Case (FBC).

In 2024, the Infrastructure and Projects Authority (IPA) - now NISTA - afforded a Delivery Confidence Assessment (DCA) Rating of GREEN, identifying seven areas of best practice.

SCP’s highlights from 2024 - 2025

Completed PWOs

The project successfully completed its second Project Wide Objective (PWO), with the services building made weathertight and Heating, Ventilation, and Air Conditioning (HVAC) equipment installed ahead of schedule.

Completed Milestones

A milestone towards the project’s third Project Wide Objective was completed, with the manufacture and testing of 157 specialist remotely maintainable plug valves. This is a key package in the delivery of the project, forming part of the Pump and Valve modules milestone due 2025 - 2026. The valves form part of the 14 Pump and Valve modules and will be located in the process building's lower and upper operating floors.

4D Planning

4D planning was embedded into the project to provide day-by-day visualisation of the construction schedule. This supported clearer coordination, improved sequencing, and helped reduce delays and rework across delivery teams.

LOF Crane Installation

The Lower Operating Floor (LOF) crane was installed in the process building. In addition to being a pivotal piece of equipment for SCP’s operations, the new crane will also help with the continued construction inside the facility, installing large structural items, such as concrete beams for the floor construction, large plant items, and pump and valve modules.

UOF Crane Completed

Upper Operating Floor (UOF) crane successfully completed and delivered to designated storage location.

Ground Floor MEICA

The services building moved to its Mechanical, Electrical, Instrumentation, Control, and Automation (MEICA) phase with handover of ground floor to key delivery partners, and cladding was started on the process building.

56

SCP's challenges from 2024 - 2025

Scaffolding Delays

Period of reduced site productivity due to scaffolding delays, primarily resulting from the transition between scaffolding contractors.

Design Modifications

Design modifications to the Service Building, necessitated by updated fire protection requirements implemented in response to the Grenfell Tower incident.

Bulk Storage Tank Fabrication

Delays in the manufacture of the Bulk Storage Tank (BST), attributed to performance issues in the offsite fabrication of BST components, compounded by scaffolding delays and the transition between electrical temporary supply contractors.

57

Sellafield (Product and Residue Store) Retreatment Plant

Our Sellafield Product and Residue Store Retreatment Plant (SRP) will safely receive special nuclear material packages from existing storage locations across the Sellafield site before retreating them into new 100-year packages for safe storage.

The SRP facility will enable all special nuclear materials to remain safe and secure in its store into the next century and beyond and therefore plays a key role in delivering Sellafield's purpose to create a clean and safe environment for future generations.

The facility will contain an array of glovebox systems which are currently being manufactured and tested off-site before being installed in the facility in the coming years. The plant is set to be commissioned in late 2028.

At 58% complete, SRP continues to deliver in line with its Major Project Baseline (MPB) and Full Business Case (FBC).

In 2024, the Infrastructure and Projects Authority (IPA) - now NISTA - afforded a Delivery Confidence Assessment (DCA) Rating of GREEN and commended the project for its innovative use of BIM and 4D planning, enhancing project integration and risk management.

SRP's highlights from 2024 - 2025

Roof Trusses Installed

11 roof trusses installed, which marked a significant achievement for the project, providing a structural framework to support and strengthen the facility's roof.

Final Concrete Wall Poured

Final concrete wall was poured, completing the main external walls of the facility.

Air Handling Completing

Manufacture of the three air handling units was completed, which will play a vital role in the facility's operation.

Link Bridge Breakthrough

External breakthrough for the pedestrian link bridge, which will allow bridge installation, connecting the existing SPRS building with the new SRP.

Weathertight Prepatory Work

Preparatory work carried out towards the end of year six would enable the building to become weathertight the following year.

59

SRP’s challenges from 2024 - 2025

Screw Furnace Delays

Significant technical challenges impacting the manufacturing of bespoke screw furnaces.

Availability of Critical Resources

Availability of critical resources, including mechanical engineers, and pre-operations and commissioning engineers to support the commencement of off-site glovebox testing.

Fire Safety Engineering

Further assessment and understanding of potential design changes to the building following the introduction of new fire safety and engineering requirements.

60

Box Encapsulation Plant Product Store 2

BEPPS2 will be an integral part of the existing Box Encapsulation Plant (BEP) facility and will be physically connected to enable the import and export of Intermediate Level Waste (ILW) packages, in the form of three metre cubed boxes or four-drum stillages. Once commissioned, the BEPPS2 facility will provide additional storage capacity for ILW packages arising from the site's retrievals and remediation programmes.

The project is in an early construction phase and simultaneously preparing its full business case to become sanctioned as a full in-flight project as part of the PPP portfolio.

Throughout the year, the BEPPS2 project team made excellent progress with developing the definition of their designs, the safety case, execution plans and with preparations for key enabling works on site.

Early contractor involvement from PPP's key delivery partners and other suppliers has been vital to this success and in mitigating site risks. For example, in May 2024 it was identified that the existing BEPPS waste transfer tunnel and the soil around it were not in the expected configuration. A key delivery partner has developed a piling solution to retain the adjacent road that has been approved with work expected to start on implementing this at the start of the next financial year. The project remains ahead of schedule to commence bulk excavations, permanent concrete works construction and meeting its next two sanction submissions – release of the mid-stage outline business case hold point and the full business case.

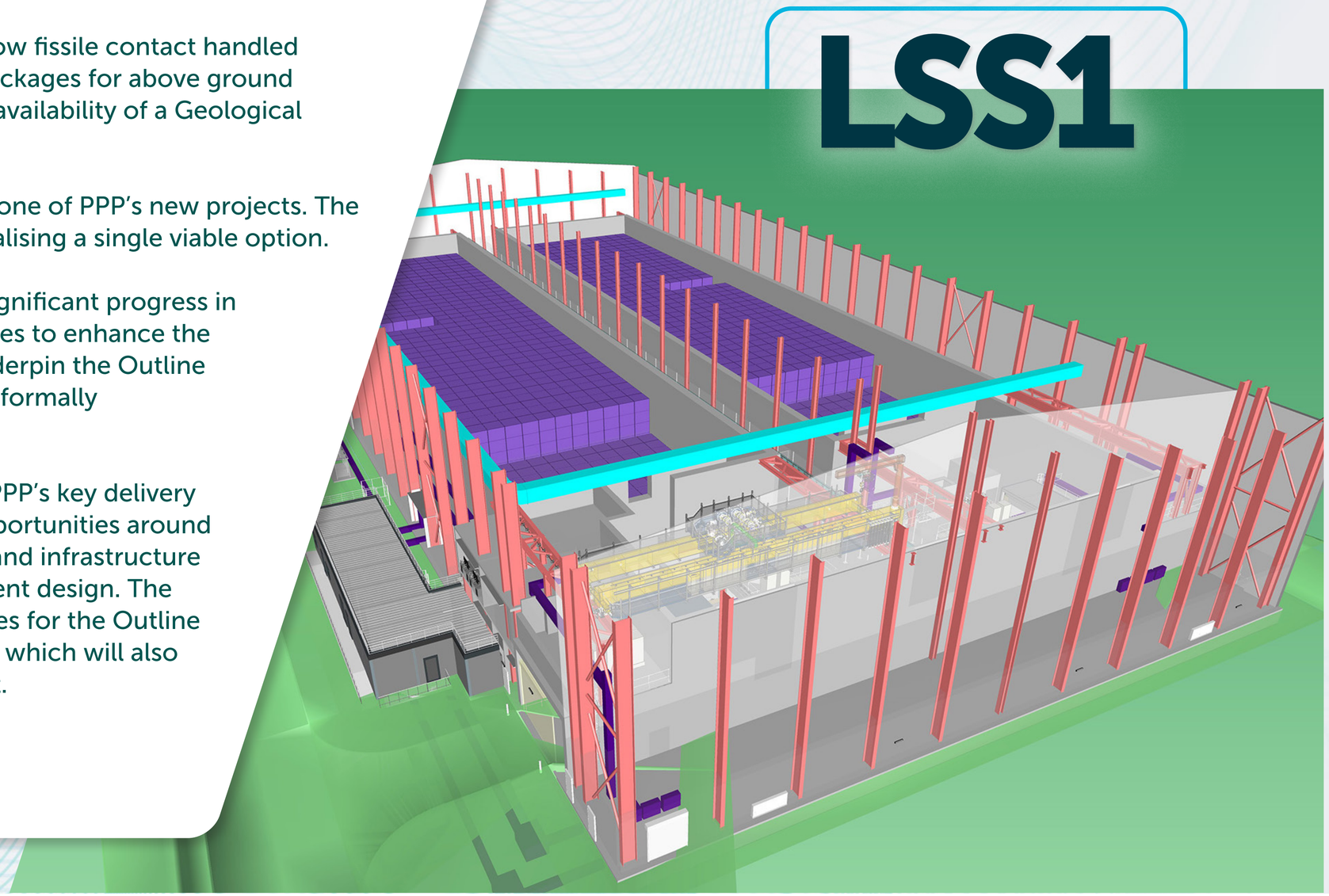
Lightly Shielded Store 1

LSS1 will receive, handle and store low fissile contact handled intermediate level waste (CHILW) packages for above ground interim storage, pending the future availability of a Geological Disposal Facility (GDF).

The Lightly Shielded Store facility is one of PPP's new projects. The project is in its design phase and finalising a single viable option.

The LSS1 project team have made significant progress in developing optimisation opportunities to enhance the preferred option which will now underpin the Outline Business Case to launch the project formally into the define phase.

Early contractor involvement from PPP's key delivery partners has enabled some early opportunities around temporary construction site layout and infrastructure to be incorporated into the permanent design. The project is progressing the deliverables for the Outline Business Case submission next year, which will also enable the project baseline to be set.



The future pipeline of major projects

Sellafield has a 100-year plan, and the delivery of our large-scale infrastructure programme is vital to successfully creating a clean and safe environment for future generations.

On a site as complex as ours, with a lifespan as long as ours, this pipeline must evolve to match the needs of the business, our community, the UK and future generations.

This ‘pipeline’ is therefore dynamic in its nature, and each prospective project is subject to a robust gated process which determines whether it is the right option, at the right time.

The certainty we can provide, is that a healthy pipeline of work exists, as we increase our pace, while providing value to the UK taxpayer.

Quite what each project on that pipeline looks like, will be subject to many evolving factors and robust layers of governance over the next few decades.

At year six, we have a strong body of evidence to demonstrate that the PPP model supports much stronger strategic decisions much sooner in the lifecycle. It enables the supply chain to inform design, execution strategy and market acquisition, is optimising and de-risking at the earliest stage of project life cycle.

This is leading to more robust committed business cases with mitigated optimum bias, better defined risk/ opportunity and increased predictability.

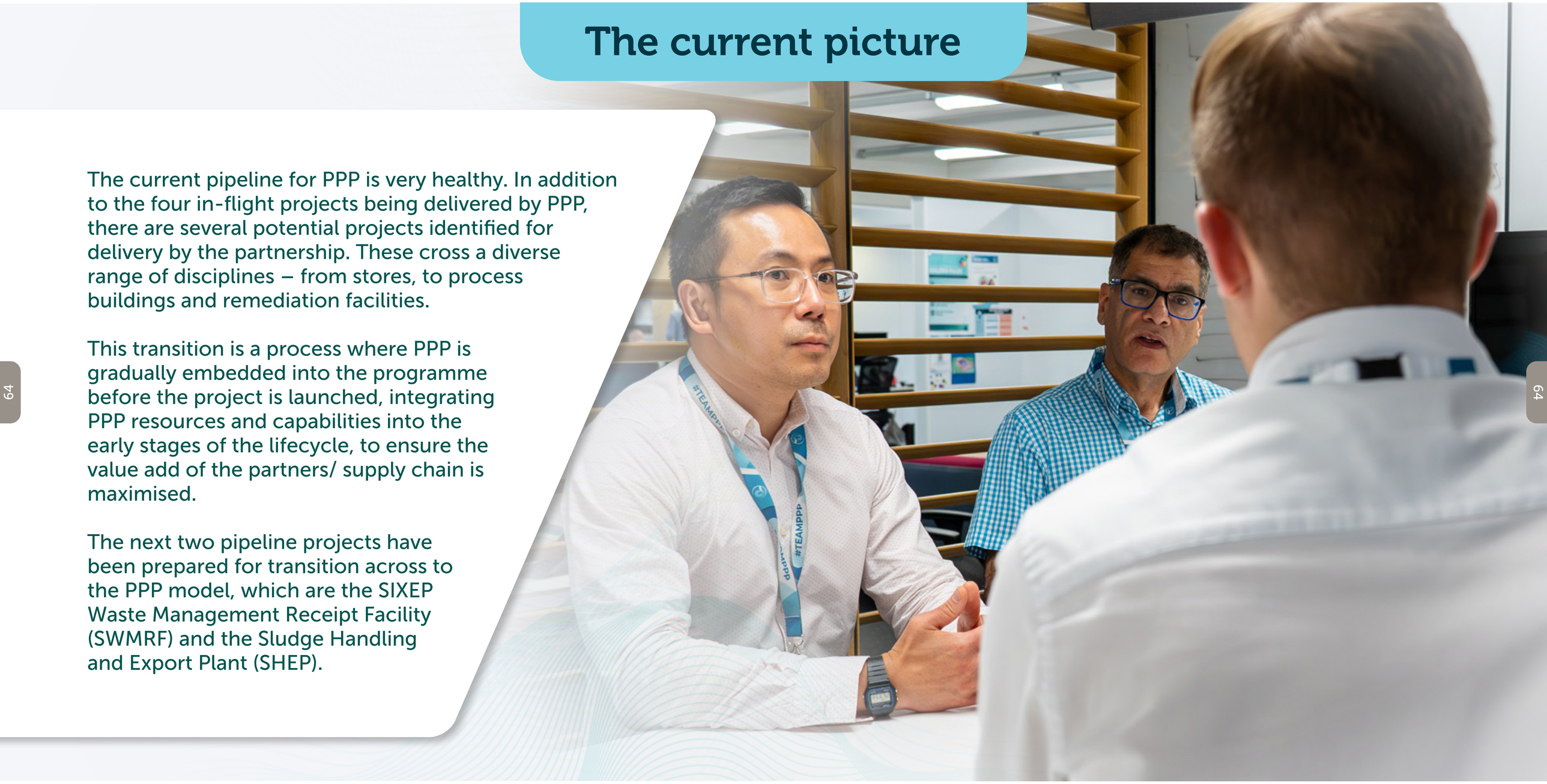
63

The current picture

The current pipeline for PPP is very healthy. In addition to the four in-flight projects being delivered by PPP, there are several potential projects identified for delivery by the partnership. These cross a diverse range of disciplines – from stores, to process buildings and remediation facilities.

This transition is a process where PPP is gradually embedded into the programme before the project is launched, integrating PPP resources and capabilities into the early stages of the lifecycle, to ensure the value add of the partners/ supply chain is maximised.

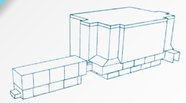
The next two pipeline projects have been prepared for transition across to the PPP model, which are the SIXEP Waste Management Receipt Facility (SWMRF) and the Sludge Handling and Export Plant (SHEP).



64

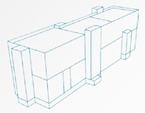
Our current projects

01



SRP
Sellafield Product and Residue Store Retreatment Plant

02

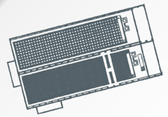


SCP
Site Ion Exchange Effluent Plant (SIXEP) Continuity Plant

03

BEPPS2
Box Encapsulation Plant Product Store 2

04



LSS1
Lightly Shielded Store 1

05

Enabling Activity

The programme also delivers works that help both its major projects and Sellafield more widely, such as creating an on-site concrete batching plant and undertaking enabling works (land, services and spoil).

Sellafield Ltd's future pipeline has multiple projects in the very early studies phase of the project lifecycle. This means that a need has been identified, however, how it will be addressed and by when is yet to be defined. The nature of the pipeline is therefore dynamic and, as studies mature, it inevitably changes. The early engagement of PPP in pipeline projects has been recognised as best practice by the Infrastructure and Projects Authority (IPA).

Pipeline projects

01

SWMRF
SIXEP Waste Management Receipt Facility

02

SHEP
Sludge Handling and Export Plant

03

SNM-AP
Special Nuclear Materials - Analytical Project

65

PPP's ability to respond to change

During 2024, UK policy changes and the changing UK funding landscape impacted waste storage and treatment requirements in the future. To this end, Sellafield Ltd are strategically reviewing the Special Nuclear Materials (SNM) programme and took the decision to pause the SNM Future Store project, which was identified as a pipeline project for PPP. The small team of people working as part of the SNM Future Store project team were redeployed so that their vital skills can support other projects across the PPP environment.

Also, during 2024, Sellafield Ltd progressed alternative options for the Analytical Services Future Programme, following the strategic pause of the Replacement Analytical Project (RAP). PPP is helping to shape this alternative option and is earmarked to help deliver it via potential new pipeline projects.

This brings the purpose and benefits of the PPP model to bear - identifying and reducing risks that support effective, programmatic decisions.

99

Social Impact

PPP invests in its communities by extracting the maximum social value from its supply chain by coordinating a consolidated collaborative effort.

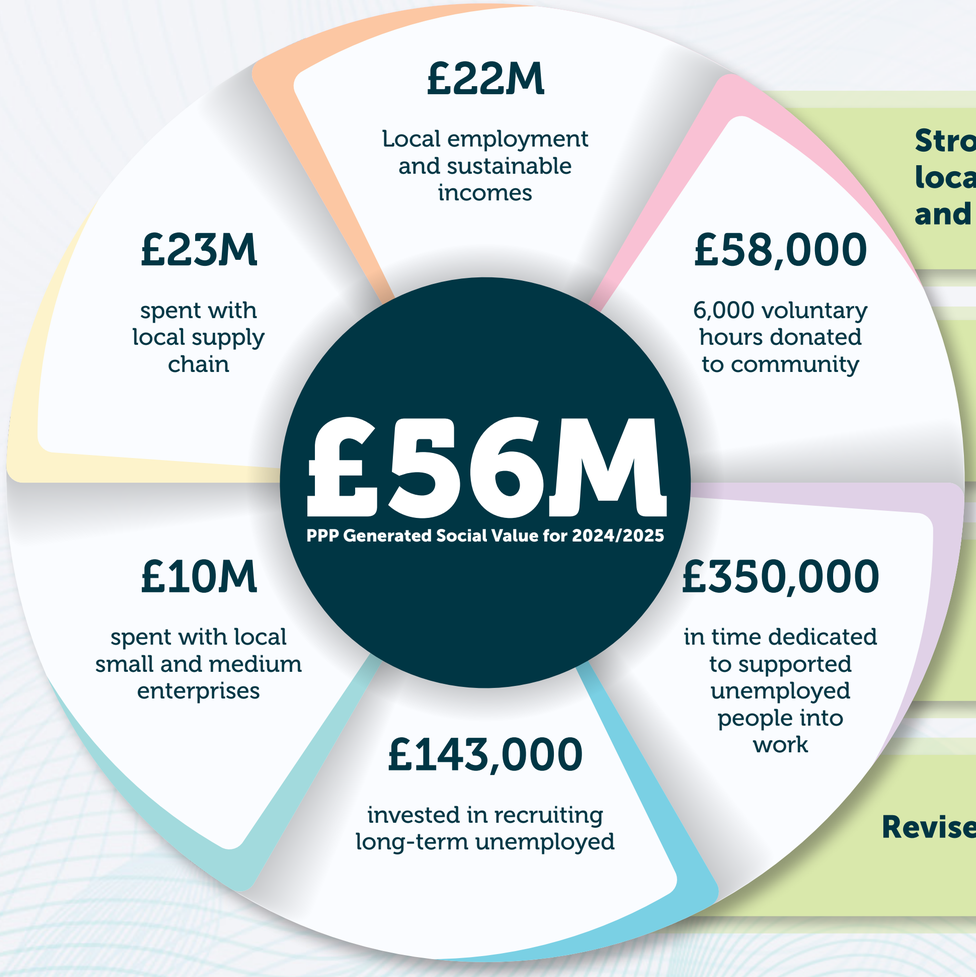
There is huge emphasis placed on local employment, upskilling the local workforce along with financial and social investment in the West Cumbria and Cumberland region - whether that is in existing or new offices and facilities, or committing to community-based initiatives. Working closely with local authorities to ensure it aligns to social needs and to leverage the Partners commitment to the area.

In turn, PPP helps deliver Sellafield Ltd's Social Impact Multiplied strategy (SiX) aimed at improving sustainable incomes, resilient economies and thriving communities.

67

PPP social value

To provide consistency, PPP has aligned to the Sellafield TOMs (Themes / Outcomes / Measures) values, which represent a social value activity represented as Number [Quantity] x GB Pounds [Social Value Proxy] = GB Pounds [Calculated Social Value].



Stronger engagement with local authorities to understand local priorities such as education, long-term unemployment and the economic landscape.

Development of a coordinated social impact plan with PPP Key Delivery Partners, through closer collaboration and alignment.

Closer alignment with Sellafield Ltd to maximise collective impact.

Revised reporting for accuracy and efficiency.

68

Benefit 8 - case study

EXPERT VOLUNTEERING IMPACT

A volunteer from Severfield, a Key Delivery Partner for PPP, supported Fit 4 Life, a fitness organisation focused on improving local health, by helping them enhance how they evaluate and communicate their social impact. After an initial consultation to understand their needs, the volunteer delivered a tailored session covering Social Value Frameworks, the importance of data capture and reporting, and helped develop a customised internal reporting system.

Benefit 8 - case study

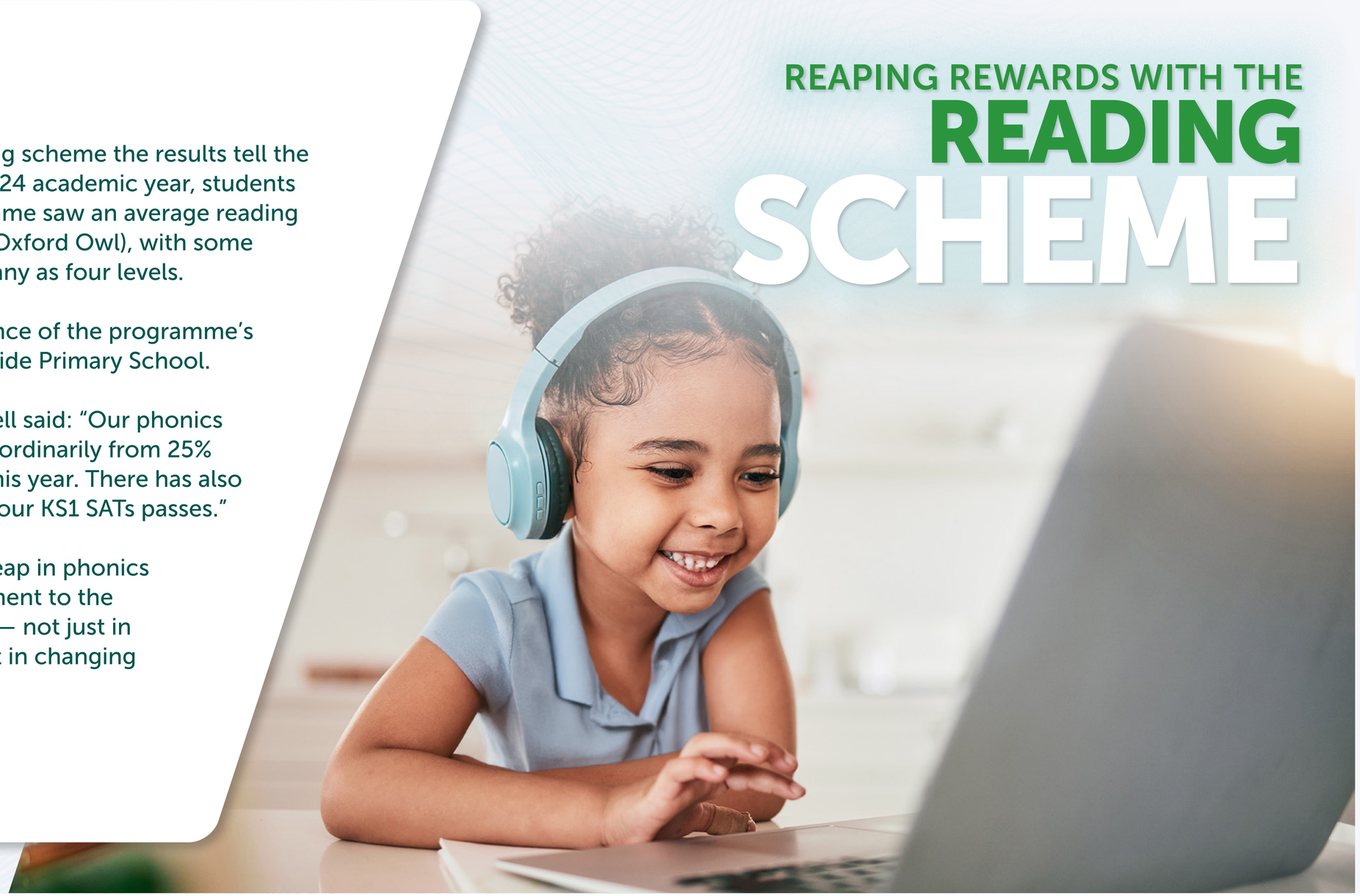
REAPING REWARDS WITH THE READING SCHEME

For the Chapter One Reading scheme the results tell the real story. For the 2023 - 2024 academic year, students participating in the programme saw an average reading level increase of 2.8 levels (Oxford Owl), with some children improving by as many as four levels.

The most compelling evidence of the programme's success comes from Northside Primary School.

Headteacher Vicky McDowell said: "Our phonics pass results have risen extraordinarily from 25% last academic year to 75% this year. There has also been an incremental rise in our KS1 SATs passes."

This 50-percentage-point leap in phonics success is a powerful testament to the programme's effectiveness — not just in improving reading skills, but in changing educational trajectories.



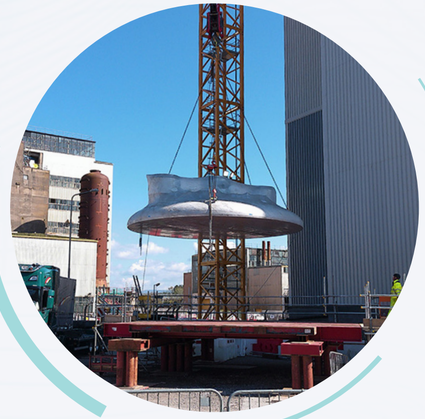
Benefit 8 - case study

NEW CUMBRIAN OFFICES

KBR opened the doors to its first office in the area, situated on Westlakes Science Park in West Cumbria to create more opportunities in the area.

A Key Delivery Partner (KDP) on PPP, Balfour Beatty Kilpatrick (BBK), has also opened a new office, at Westlakes Science and Technology Park.

This move reinforces BBK's commitment to major projects, providing a modern space for teams to collaborate and continue delivering essential work in safety and infrastructure.



The PPP Supply Chain

PPP has created an enterprise of 10 long-term Key Delivery Partners and more than 45 Small and Medium Enterprise (SME) Strategic Partners: all on long term (up to 18-year) incentivised, fair, contracts.

This means supply chain companies, in particular SMEs, have secured the long-term work they, and the region's economy, has been craving.

The focus now is to support the KDPs and SMEs to assure that Tier 3 frameworks are absolutely aligned to the risk, commercial model and conditions of contract across the enterprise.

PPP is also working to extract the maximum social value from its supply chain by coordinating a consolidated, collaborative effort over the remaining 14 years.

72

The PPP supply chain

1

185
Live Suppliers

There are 185 live suppliers who are currently delivering critical contracts across PPP Sellafield.

2

68%
Tier 1 Suppliers

Of the 185 suppliers, 126 (68%) are direct tier 1 suppliers and 59 suppliers (32%) are critical tier 2's, contracted to Strategic Suppliers and Key Delivery Partners.

3

49%
SMEs

49% of PPP's live supply chain are SMEs, this accounts for 91 suppliers.

4

£30M
Spent with SMEs

Of the £60.4M of spend so far, 50% of this has been with SMEs (c£30M).

5

328
Total Suppliers

Since 2019, there have been 328 suppliers who have worked for PPP over the lifetime of the programme.

6

70%
Tier 2 SMEs

Of the critical tier 2 supply chain, 70% are SME based suppliers.

73

Driving SME investment

Now all key delivery partners are in place, PPP is holding them to account to deliver collective impact and SME growth over a sustained period of time, through social impact plans that align to the needs of Cumbria.

PPP has committed to unlocking the socioeconomic power of SMEs with long-term frameworks to deliver up to 350 jobs, 150 apprenticeships and £6m of investment in West Cumbria. So far, 91 of the 350 jobs have been created and we're taking specific actions to drive up SME investment.

Things they're doing to improve this.

- 95% contracts over £100k containing social impact commitments.
- Matchmaking Key Delivery Partners with SMEs, resulting in 31 SMEs securing contracts so far and 88 more engaged.
- Using targets (KPIs) to drive procurement behaviours of the PPP model, achieve 33% spend target, and embedding SME enterprise KPIs within call-off contracts.
- We welcome further collaboration with Sellafield Ltd and Cumberland to help achieve this and help drive impact in the right areas e.g. SMEs, unemployment, children in care.

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Supply Chain Case Study

DEVELOPING UK SUPPLY CHAIN CAPABILITY

There are examples emerging that PPP is helping to develop UK critical supply chain capability, due to the duration of the investment in the supply chain.

Ansaldo and NIS Ltd

Due to PPP's long-term requirement for high integrity gloveboxes across multiple projects, Ansaldo and NIS Ltd have enhanced their capability towards becoming the UK Centre of Excellence for Glovebox Manufacture.

This means a high-integrity capability exists that can support the likes of the Atomic Weapons Agency (AWE), and therefore the UK infrastructure pipeline.

Cultural Maturity

During year six, the PPP partnership entered a new phase of cultural maturity, characterised by a shift from operational value, further into the range of strategic value and more specifically strategic integration.

This evolution reflects a growing recognition and appreciation of the value of inclusion, collaboration, shared purpose, and performance-driven thinking across all levels of the organisation.

Whilst challenge is inevitable, the shared commitment to cultural growth will ensure the partnership remains resilient, adaptable, and aligned for long-term success.

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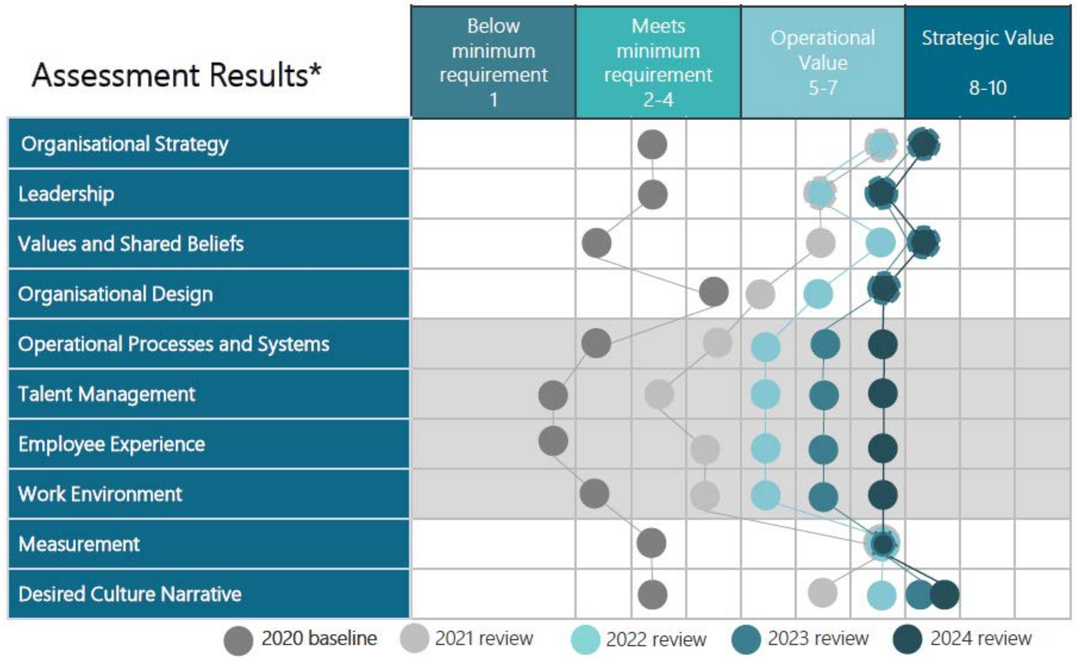
Cultural maturity 2024 - 2025

The annual independent assessment of cultural maturity confirmed this direction of travel during the assessment undertaken in late 2024. Feedback shows that employees increasingly understand how their roles contribute to broader objectives, which is enhancing engagement and ownership. This can be attributed to driving an overall improvement.

This cultural shift is marked by improved communication, stronger cross-functional collaboration, and a collective focus on long-term outcomes rather that single isolated tasks. It is also more recently supported by organisational changes.

Moving to an integrated organisational structure for capability teams has dissolved silos, with teams becoming more aligned and interdependent, enabling the organisation to operate more cohesively as one team.



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Cultural maturity 2024 - 2025

To ensure a continuous drive to sustain this cultural shift, and the momentum generated during year six, the PPP behaviours will be relaunched in 2025, turning PPP values into the everyday actions and choices that bring the partnership's culture and strategy to life.

The partnership continues to prioritise the inclusion agenda by working with the National Centre for Diversity to be awarded Investors in Diversity accreditation in 2023 and then going on to achieving re-accreditation in 2025.

The partnership uses its maturing PPP People Forum, a voluntary, employee-led group, to collate insights, drive leadership accountability and coordinate events and campaigns through an annual inclusion calendar.

78

PPP supply chain payment performance

Now in year six there has been a continual increase in construction related spend. The cumulative spend to date has been 6% PPP Services, 11% Site-wide Project Delivery Improvements (SWPDI) and 83% Major Projects. The two flagship projects, SCP and SRP, progress through the construction phase at pace and are both over 60% complete with regards to progress against outturn cost.

Analysis of the status of partner payment performance in relation to the invoices due and actual paid dates within contract terms

	FY 20 - 21	FY 21 - 22	FY 22 - 23	FY 23 - 34	FY 24 - 25	Average
KBR	58.3%	79.0%	92.6%	83.8%	95.4%	81.8%
Amentum	79.5%	94.1%	94.9%	98.1%	99.0%	93.1%
Morgan Sindall	55.8%	83.4%	93.3%	90.6%	96.3%	83.9%
Altrad Babcock	15.1%	63.0%	76.1%	44.7%	23.4%	44.5%

Figure impacted by transition from Doosan Babcock to Altrad Babcock on reporting systems during 2024 - 2025

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KPI performance

KPI Performance - Contract Specific Profit (CSP) by Partner - FY 2024 - 2025

	Contract	Achieved
KBR	2.40%	2.36%
Amentum	2.40%	1.79%
Morgan Sindall	3.20%	3.16%
Altrad Babcock	2.00%	1.86%

FY 2024 - 2025 Final achievements confirmed as AFP 73 (May 2025)

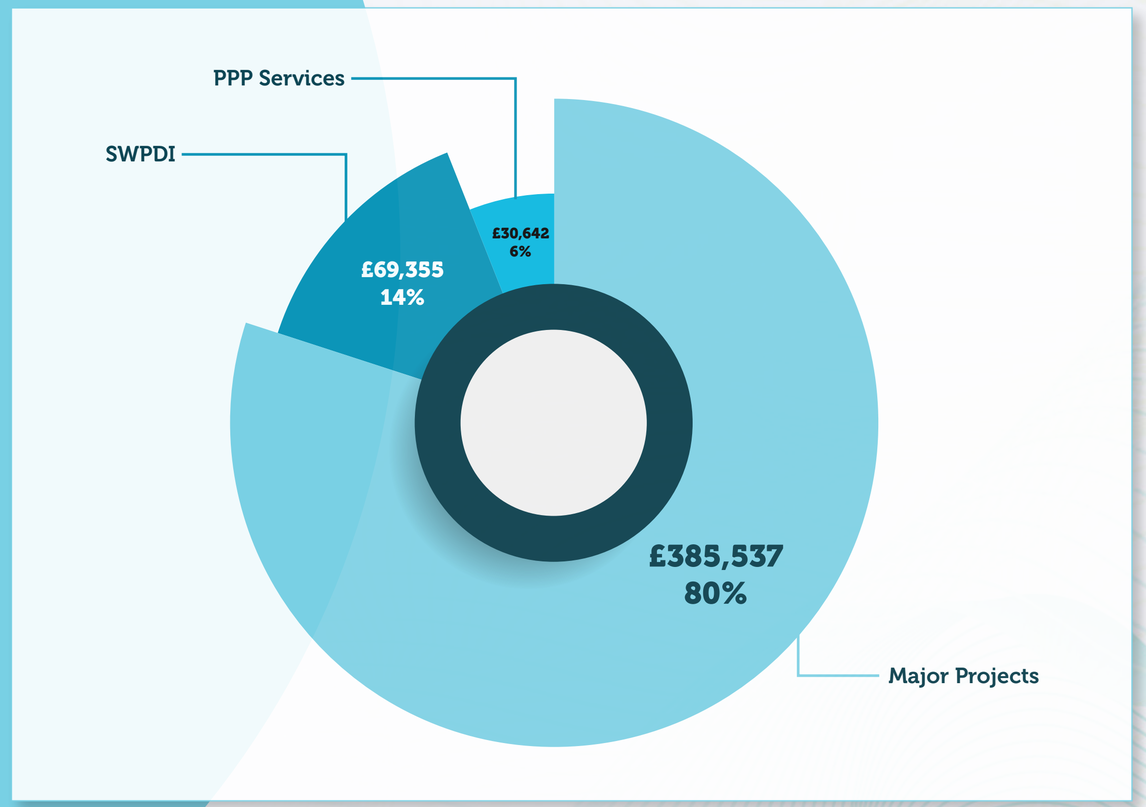
	PPP Services	PCCS	SCP	SRP	RAP	BEPPS2	LSS1
KBR	●	●	●	●	●	●	●
Amentum	●		●	●	●	●	●
Morgan Sindall	●		●	●	●	●	●
Altrad Babcock	●		●		●		

08

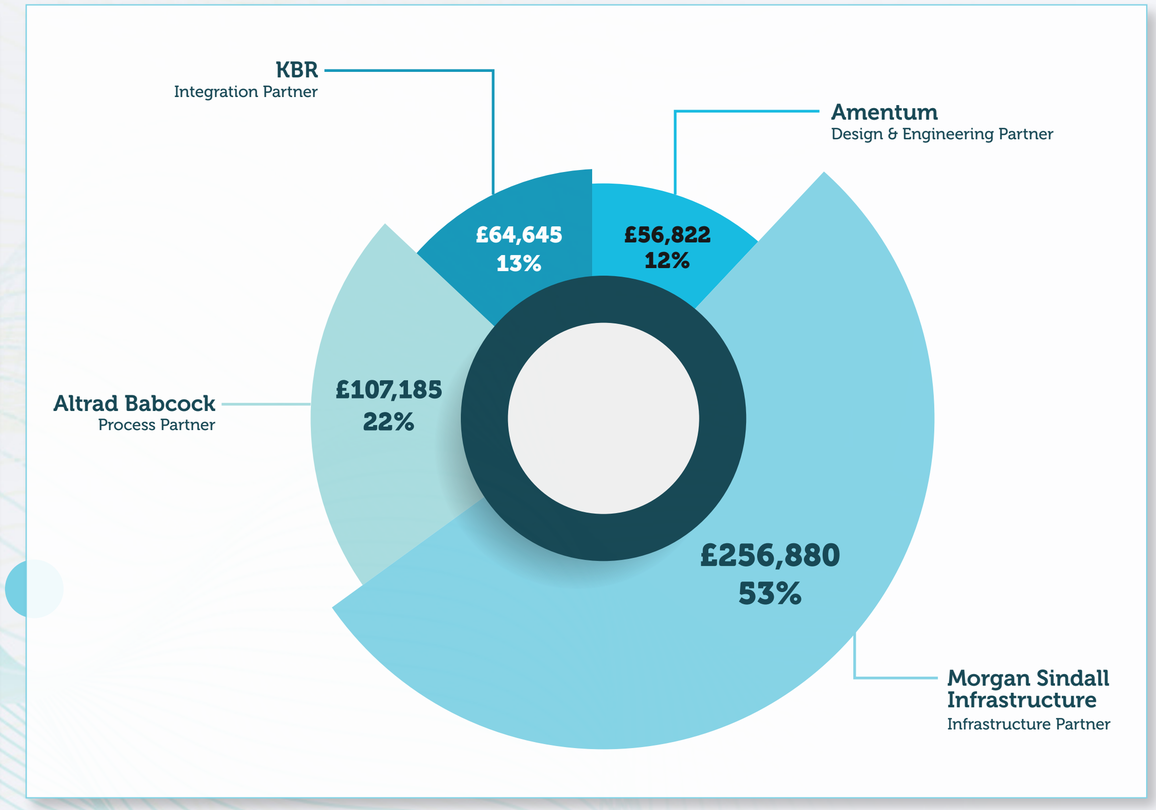
KPI performance

Spend Profile - Annual Report Period April 2024 to March 2025

Where the money was spent (April 2024 - March 2025)



With whom (April 2024 - March 2025)



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Aligned Incentive Fund (AIF)

The Aligned Incentive Fund (AIF) is a key part of the PPP incentive model, being the profit fund, maintained by the Employer, that is accumulated and released at specific points during the PPP lifecycle.

On the setting of a Major Project Baseline, Sellafied Ltd contribute 5% of the Major Project Baseline to be released to the AIF via the completion of Project Wide Objectives (PWOs).

Specific Major Project gain/pain shares are also assessed at project completion and the fund adjusted accordingly.

The AIF is released to the Partners on specific “Assessment Dates”, being Project Completion, Active Commissioning Completion and Defects Period Completion.

Interest is also added to the AIF on a financial year basis.

During year six, there have been no PWO contributions to the AIF, which has a balance of £23 million. This is inclusive of interest payments accrued since 2022.

The first payment from the AIF is currently forecasted to occur in 2028 following the successful completion of SRP, noting ongoing PPP Major Project portfolio performance will determine the magnitude of the payment.

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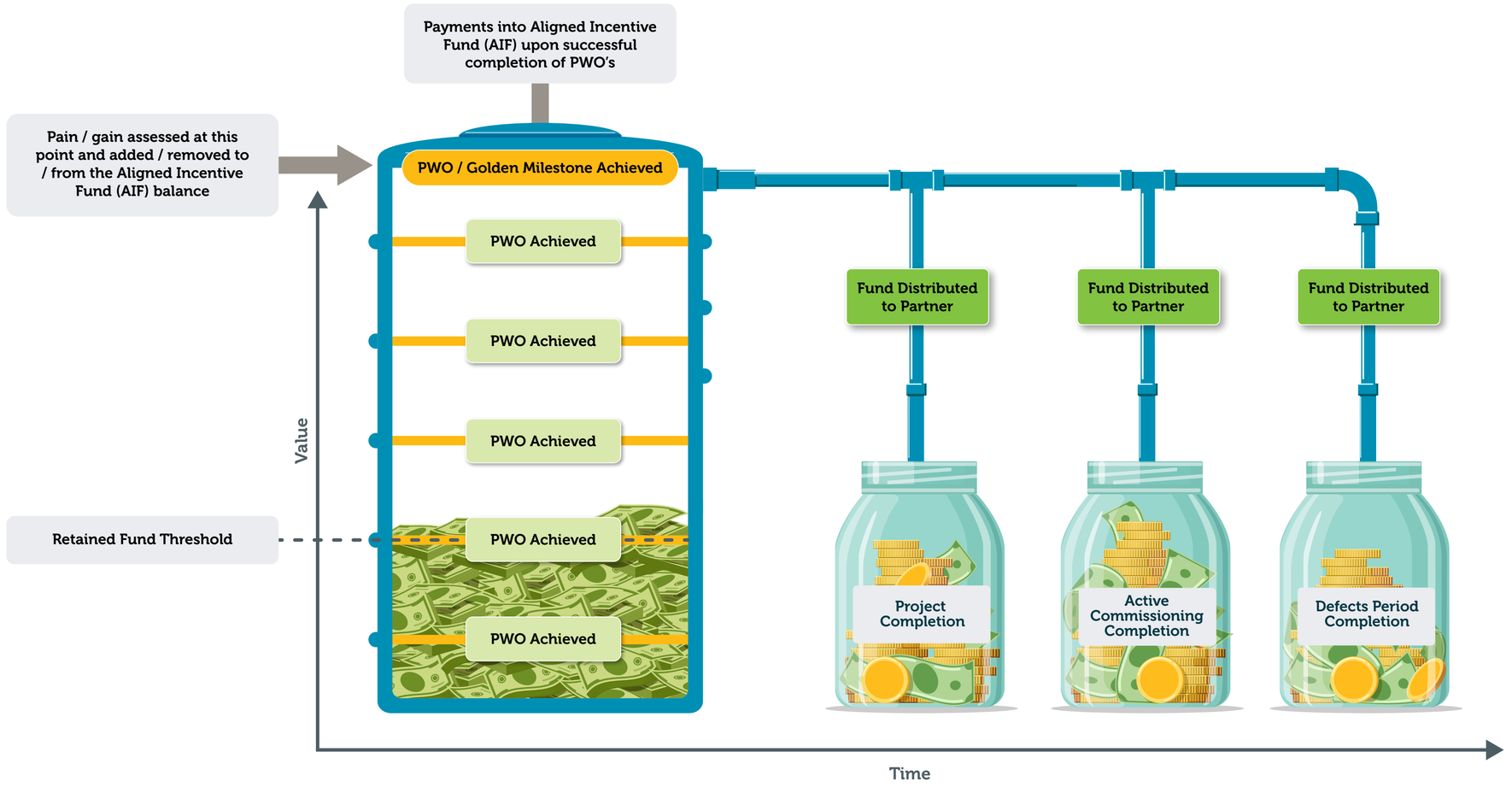
Aligned Incentive Fund (AIF)



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Aligned Incentive Fund (AIF)

Date	Event	Details	Balance Change	Value of Fund
26 January 2022	Project Wide Objective (PWO) - SRP 01	HVAC Contract Award	£9,051,488	£9,051,488
11 July 2022	Project Wide Objective (PWO) - SCP-01	First two universal vessels fabricated and ready for trials	£6,650,694	£15,723,188
10 February 2024	Project Wide Objective (PWO) - SCP-02	Services Building Watertight	£4,433,796	£20,607,503

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Triennial Review

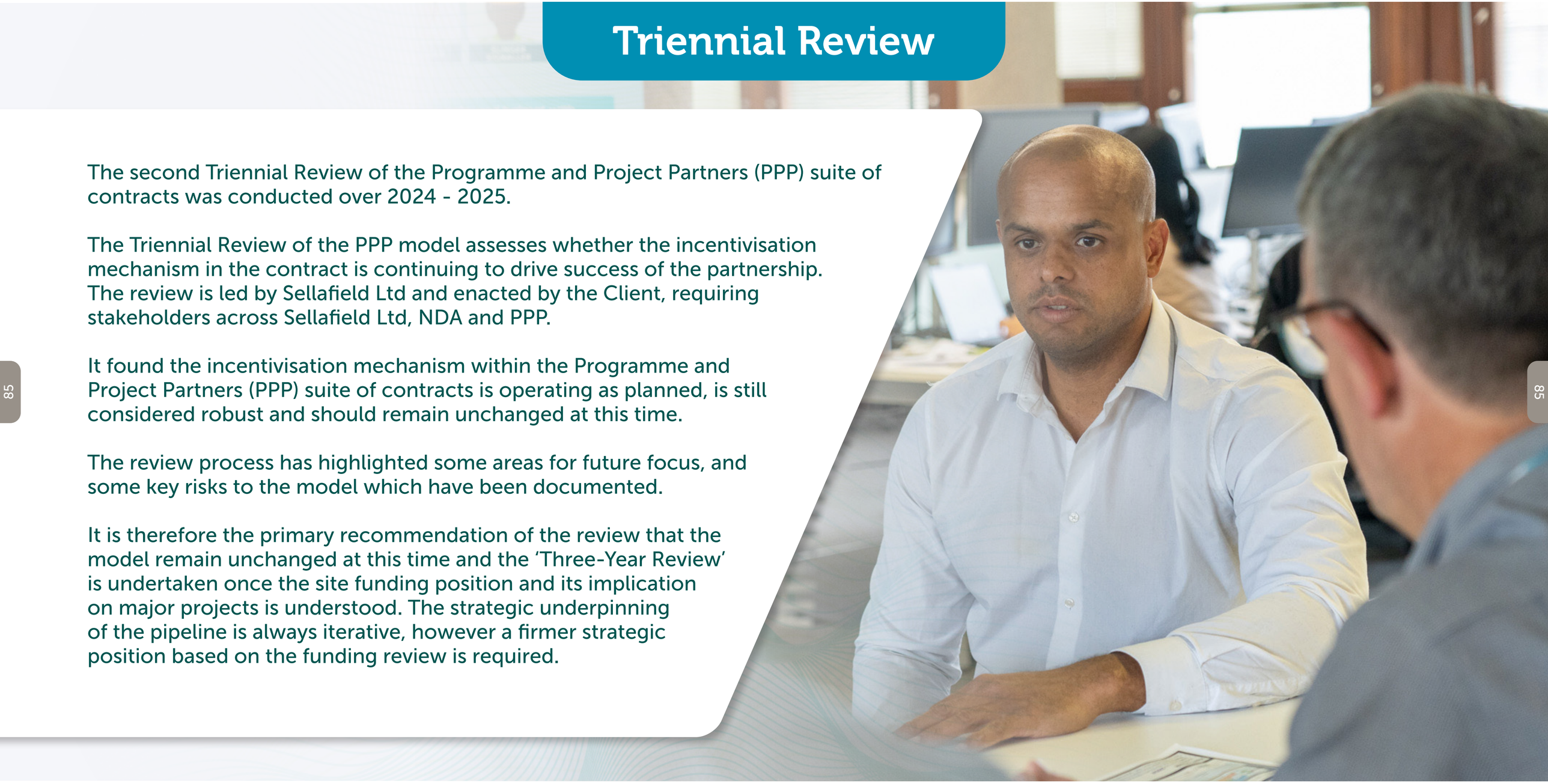
The second Triennial Review of the Programme and Project Partners (PPP) suite of contracts was conducted over 2024 - 2025.

The Triennial Review of the PPP model assesses whether the incentivisation mechanism in the contract is continuing to drive success of the partnership. The review is led by Sellafield Ltd and enacted by the Client, requiring stakeholders across Sellafield Ltd, NDA and PPP.

It found the incentivisation mechanism within the Programme and Project Partners (PPP) suite of contracts is operating as planned, is still considered robust and should remain unchanged at this time.

The review process has highlighted some areas for future focus, and some key risks to the model which have been documented.

It is therefore the primary recommendation of the review that the model remain unchanged at this time and the ‘Three-Year Review’ is undertaken once the site funding position and its implication on major projects is understood. The strategic underpinning of the pipeline is always iterative, however a firmer strategic position based on the funding review is required.



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PPP Performance Against Targets

As per the PPP contract and our enterprise delivery model, key performance indicators (KPIs) are agreed annually with the Client to drive and incentivise Lot partner performance and collaboration.

Achieving KPIs throughout the year, unlocks profit for the partners via a Contract Specific Profit (CSP) fund. The model is further incentivised by the Aligned Incentive Fund (AIF), which builds up overtime and acts as a mechanism to reward performance through the completion of project-wide objectives (PWOs).

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Sellafield Ltd Key Targets

Two Sellafield Ltd Key Targets were focused on the performance of the PPP and the broader portfolio of major projects. These targets relate to schedule adherence and to the realisation of benefits from the PPP and are summarised here.

Schedule Adherence Group Key Target for 2024 - 2025 achieved STRETCH, signalling strong lifecycle schedule performance (encompassing SCP and SRP major projects).

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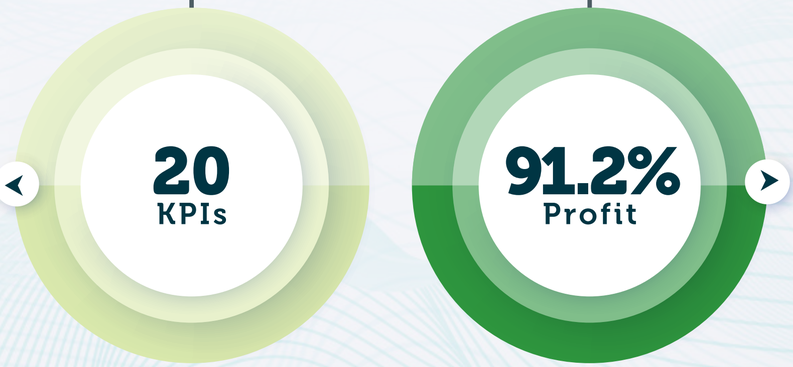
Sellafield Ltd
Key Targets

2

Programme and Project Partners (PPP) Benefits focusing on culture, carbon in construction, value for money and benefits realisation achieved ON TARGET.

20 KPIs are agreed annually - each partner has four individual KPIs and contributes to the delivery of four shared KPIs.



For 2024 - 2025, 19/20 majority of KPI targets were achieved. Resulting in a total of 91.2% Contract Specific Profit achieved.

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KPIs 2024 - 2025

KPI 1	KPI 2	KPI 3	KPI 4	KPI 5
PPP Benefits	LSS1 Progressive Assurance	4D Visualisation	PPP Sustainability (Carbon)	Implementation of Object Management
Achieved	Achieved	Achieved	Achieved	Achieved
KPI 6	**KPI 7**	**KPI 8**	**KPI 9**	**KPI 10**
Design and Engineering Resource Planning - Strategy	Implementation of System Thinking (SWMRF)	Reinforced Concrete Detailed Design Packs Issued to KDP (BEPPS2)	Zone 3 & 4 Top Scrape and Zone 3 Bulk Excavation (ILW EZ)	Group 400 Control Panel Suite
Not Achieved	Achieved	Achieved	Achieved	Achieved
KPI 11	**KPI 12**	**KPI 13**	**KPI 14**	**KPI 15**
BEPPS2 Risk Management	KDP ECI Contract Placement (LSS1)	LOF Crane Installed (SCP)	Readiness to Start Pipework Installation (SCP)	Programme Approach to Commissioning Management
Achieved	Achieved	Achieved	Partially Achieved	Achieved
KPI 16	**KPI 17**	**KPI 18**	**KPI 19**	**KPI 20**
Completion of Trial No3 (SWMRF)	Social Impact	Cost and Mutual Assurance Strategy Implementation	PPP Way Standardisation of EHS	Cultural Maturity
Achieved	Achieved	Achieved	Partially Achieved	Achieved

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Performance Assurance Framework (PAF)

During the first five years of PPP, the Client has used a Performance Assurance Framework (PAF) to assess and drive the partnership's performance. PAF follows a collaborative and structured scoring process covering eight workstreams and using a scale agreed by all five parties within PPP, to provide an objective assessment of Sellafield Ltd, the Client and PPP performance by using evidence per project.

In 2024 - 2025 the Client made the decision to pause and review the Performance Assurance Framework, recognising that the PPP partnership had matured and integrated to the point that much of the annual performance review and data gathering undertaken through the process was already assessed on a monthly / quarterly basis through mature arrangements.

Performance assurance and continuous improvement is an important part of driving the value of the PPP model, and the Client continues to explore external assessment and benchmarking opportunities to ensure it is being done efficiently and effectively.

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Looking Ahead - Year Seven of the Partnership

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The focus areas for 2025 - 2026

01 Refresh the PPP Strategy to sharpen priorities in the next five years of the partnership.

02 Achieve major milestones on PPP's flagship projects, Sellafield Retreatment Plant (SRP) and SIXEP Continuity Plant (SCP) towards weathertight, taking them a step closer to successful completion against forecast.

03 Continue paving the way for new projects being delivered by the partnership, plus enabling works, which are already benefiting from the partnership's expertise.

04 Support changes to the analytical services programme at Sellafield.

05 Support the smooth transition of the next pipeline projects to PPP for delivery.

06 Embed integration between PPP and Sellafield Ltd further to focus on value, reduced duplication, increased efficiency, effectiveness and to mature the model further.

07 Mature the PPP cultural development approach with associated behaviours and measures that align to the desired high performance for all major projects at Sellafield.

08 Extract the maximum social value from PPP's supply chain by coordinating a consolidated, collaborative effort over the remaining 14 years, more closely aligned to societal challenges.

09 Use PPP's value as a leading and learning model to further maximise its benefit to UK infrastructure through relationships with the National Infrastructure and Services Transformation Authority, the Infrastructure Client Group and other infrastructure delivery programmes.

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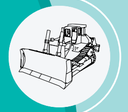
Sellafield Ltd key targets 2025 - 2026

SIXEP Continuity Plant
Handover to MEICA.



ILW East Land Excavation
Delivery stage complete.

BEPPS2
Bulk excavation area 1100 Phase B commenced and continued progress demonstrated.

Sellafield Product and Residue Store Retreatment Plant
Completion of 400 line glove box manufacture, assembly and Factory Acceptance Testing (FAT) to enable commencement of Integrated Works Testing (IWT).

There is one key target against Project Delivery this year, which is delivery of an in-year project milestone on four PPP projects that are included on the Major Projects Portfolio Report for the Nuclear Decommissioning Authority (NDA).

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KPIs 2025 - 2026

KPI 1

Develop
Early-Stage Norms

KPI 2

Publish Updated
Supply Chain Strategy

KPI 3

Full Launch of the PPP
eProject Status Report (ePSR)
and Provision of Integrated
Payment System

KPI 4

SWMRF:
Accelerated Government Investment
Committee checkpoint

KPI 5

Engineering Risk
Management
Improvements

KPI 6

SWMRF:
Readiness for Transition Into
PPP and OBC

KPI 7

BEPPS2:
Engineering Underpinning for
Major Project Total Price

KPI 8

SH&EP:
Engineering Design
Risk Transitioning Into PPP

KPI 9

BEPPS2:
Commencement of Bulk
Excavation to A1100

KPI 10

SRP:
KDP Delivery Strategy

KPI 11

ILW-EZ:
Completion

KPI 12

SRP:
Completion of Group 400 Manufacture
and Factory Acceptance Testing (FAT)
to Commence Energised
Integrated Works Testing (IWT)

KPI 13

Programmatic Approach to
Construction

KPI 14

SH&EP:
Key Activities to Support
Transition to PPP

KPI 15

SCP:
Service Building Room S3.01 - Phase 1
Civils Complete to Enable Handover
to MEICA Room

KPI 16

SCP:
Process Cabinets, Process Instrument
Cabinets and Wash Cabinets
Manufacture Complete

KPI 17

KDP Model Evolution

KPI 18

Succession Planning

KPI 19

New Human Factors
Training

KPI 20

Embed Digital Completions
Process Into Delivery Process of
PPP Projects During Trials

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