

## **Slavery and Human Trafficking Statement**

### **1. Introduction**

This 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 2015 to 31 March 2016 (**the Financial Year**).

As a business we recognise our responsibility to be aware of the risks of modern slavery within our own organisation and our supply chain. Towards the end of the Financial Year Sellafield Ltd commissioned lawyers and consultants at Eversheds LLP to carry out a review and make recommendations with respect to our obligations under the MSA and in order to assist us in making this, our first statement under the MSA.

Eversheds LLP reviewed and made recommendations in relation to both our policies and procedures and our Tier 1 supply chain. As a result we are taking the steps set out in this statement.

We have a complex supply chain with approximately around 3,000 registered suppliers of which around 1,000 are in contract with us at any given time. Those vendors can be categorised into 12 types being: materials (raw and commodity), plant and equipment, information technology services, labour, hire, business costs, professional services, construction, R&D activities, sub-contracting and decommissioning. Those vendors are spread over 17 countries including: Canada, France, Germany, Ireland, Italy, Netherlands, Sweden, Switzerland, UK and USA.

We are committed to delivering safe, secure stewardship of the Sellafield nuclear licenced site whilst demonstrating value for money and urgency in the reduction of risks and hazards posed by our historic facilities and wastes. Safety and security always comes first and are the most important parts of our culture. The structures, and in particular the procurement processes, that we have in place to monitor and ensure safety and security also assist us ensuring that there shall be no modern slavery anywhere in our own operations or our supply chains.

### **2. Modern Slavery Champion**

We have appointed a modern slavery champion, Robert Astall, whose role it is to ensure that we are doing all that we can to avoid modern slavery occurring within our operations and supply chain. Robert is Head of Procurement Profession and Head of Functional Management for the Commercial Directorate. He is also a Fellow of the Chartered Institute of Procurement and Supply and in his role as modern slavery champion he will report directly to the Sellafield Ltd's board of directors (**the Board**) and will work closely with Andrew Carr (Sellafield Ltd's General Counsel and Company Secretary).

### 3. Background

We are responsible for safely delivering decommissioning, reprocessing and nuclear waste management activities on behalf of the Nuclear Decommissioning Authority (NDA), and as such Sellafield Ltd is the nuclear site licence holder. Our primary site is Sellafield covering an area of 262 hectares and since 2008, includes the facilities within the Windscale site. Our activities on this nuclear licensed site in West Cumbria encompass hazard and risk reduction, decommissioning and clean-up, reprocessing and nuclear waste management. There are further, satellite offices located in Cumbria and in Cheshire.

With effect from 1 April 2016 Sellafield Ltd became a wholly owned subsidiary of the NDA. From that date we continued to be the nuclear site licence holder for the Sellafield site, whilst a Services Agreement has been established between Sellafield Ltd and the NDA to cover governance and reporting arrangements.

During the Financial Year we incurred costs under management (excluding fees) of £1,972 million (2015; £1,883 million). This expenditure was recoverable from the NDA under the contract, 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; and
- Asset care and maintenance – some of the facilities at Sellafield are over 50 years old so significant investment is required to ensure that they remain operational and in a safe state prior to decommissioning.

To find out more about us please go to:

**Company Information:** <http://www.sellafieldsites.com/company/>

**Annual Report:** <http://www.sellafieldsites.com/company/corporate-documents/>

### 4. Slavery and trafficking policies

To further our organisation's commitment to combating slavery and trafficking, we are taking steps to implement the following new policies which set out our zero tolerance approach to modern slavery both within our own operations and our supply chain:

- Anti-Slavery and Human Trafficking Policy (a copy of our policy can be found here <http://www.sellafieldsites.com/press/anti-slavery-and-human-trafficking-policy/>)
- Supplier Code of Conduct (<http://suppliers.sellafieldsites.com/useful-information/policies/>)

We are also amending the following pre-existing documents:

- 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)
- Sellafield Ltd Socioeconomic Policy
- Conduct and Compliance Policy
- Sellafield Ltd Human Resource Policy
- Contract Quality Requirement Manual

Robert Astall, as our modern slavery champion, will be working with key stakeholders within the business to ensure that these policies are appropriate, used and understood by employees and that we operate in accordance with them.

Our whistleblowing policy is published on our intranet/company website and if there are any concerns relating to modern slavery they can be raised in confidence without fear as part of our whistleblowing procedure. All reports of modern slavery will be fully investigated and appropriate remedial actions taken.

## **5. Risk assessment processes**

Reflecting the United Nations Guiding Principles on Business and Human Rights, (UMGPs) our due diligence activities to combat slavery and trafficking, described below, are risk based and will in future correspond with the level of risk identified.

We have considered the risk of modern slavery in our own operations and we have concluded that, on the basis that we are a UK employer subject to UK employment protections and practices and already have well developed checks and balances within our business we have a low risk of modern slavery occurring in our own operations.

With the help of Eversheds LLP we have carried out a desk top risk assessment of our supply chain using a range of risk criteria (including vendor types, categorisation of spend profile, geographies, documentation, financial risk level and associated risk levels). A second step to the risk analysis was to map the initial risk assessment onto independent risk indices (such as the Global Slavery Index 2014).

This risk assessment has given us a risk ranking which we will use to focus our ongoing efforts to map our supply chain and take steps to reduce the risks of modern slavery occurring within it. At this stage we have focused on our Tier 1 suppliers but we anticipate mapping and undertaking risk assessments on deeper tiers of our supply chain in the future.

We have incorporated assessment of the risk of modern slavery occurring in our use of external labour and contractors (including agency workers) in our supply chain risk assessment, as referenced below. Given the existing checks and balances that we apply in these areas we have concluded that the risks of modern slavery are low in this area and that our energies are better focused on higher risk areas in our supply chain.

## **6. Due diligence processes**

In order to prevent slavery and trafficking in our business and supply chains, we have begun a due diligence process. This includes integrating and acting upon the findings of our risk

assessment processes described above and taking action to embed zero tolerance of modern slavery and trafficking. We have either undertaken or begun to take the following steps:

- Appointed a modern slavery champion as referenced above
- Ensured that assessing modern slavery risks and taking steps to combat modern slavery is a regular item for discussion by the Board and that findings from the ongoing risk assessment and due diligence processes are communicated to the Board and then acted upon
- Using the risk based approach referenced above taking steps with our suppliers to, as appropriate:
  - write to them to set out our zero tolerance approach to modern slavery
  - require them to sign up to our Supplier Code of Conduct;
  - require them to complete supplier due diligence questionnaires.

We will use the responses from our suppliers to judge future actions and assess what further due diligence or other steps are required, which may include:

- adjusting organisation/management/procurement or other systems and procedures
- adjusting supplier vetting/screening processes
- carrying out in person supplier audits or inspections
- carrying out worker interviews
- undertaking training programmes with our suppliers
- amending the contractual provisions that we have in place with suppliers
- implementing supplier corrective action plans
- imposing sanctions on suppliers

We will keep our risk assessment under review to determine where further due diligence activities might be warranted.

## **7. Training**

We have rolled out to our commercial staff computer based training on ethical procurement and supply provided by the Chartered Institute of Procurement and Supply and developed in conjunction with the Walk Free foundation. This tested training looks at fraud, bribery and corruption which can coexist to allow modern slavery to take place as well as the forms of slavery and human trafficking which can result.

## **8. Measuring effectiveness – performance indicators**

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

- In the financial year 2016 – 2017 we intend that every member of staff within our commercial directorate will have carried out the CIPS Ethical Procurement and Supply training, as referenced above. New members of this directorate will also be required to undergo this training. Refresher training will be an ongoing requirement for this group.

- We will issue communications to our workforce on our Anti-Slavery and Human Trafficking Policy and Slavery and Human Trafficking statement. We will also provide the opportunity to ask questions on the MSA and to attend training for those who need it. We will continually review the effectiveness of our policy and update it as necessary.
- We will use our supplier relationship management programme to get members of our executive team in touch and working with their counterparts at our top 20 strategic suppliers to ensure that we have an ongoing dialogue with them on activities that we and they can undertake to counter modern slavery in our supply chain.
- Using a risk based approach and the risk assessments and due diligence described above we will send out, to a number of suppliers, correspondence:
  - explaining our zero tolerance approach to modern slavery;
  - asking them to confirm adherence to our Supplier Code of Conduct; and
  - as appropriate asking them to complete our supplier due diligence questionnaire.
- As referenced above, we shall monitor and consider responses of those suppliers with whom we correspond on MSA issues. We will assess and consider the appropriateness of developing further measures, as referenced in **section 6**, where we assess that there may be a heightened risk of slavery and trafficking within those organisations. We will take appropriate measures to encourage and persuade them to adopt their own measures to minimise the risks of slavery and trafficking within their own organisations and the supply chain beyond.
- We shall review the effectiveness of our Supplier Code of Conduct.
- If a specific modern slavery risk is identified we shall aim to have taken action to resolve the issue within a period of 90 days.

As referenced in this statement, we will monitor the need for further action to be taken and other key performance indicators to be implemented as we continue our risk assessment and due diligence activities and get responses from our key suppliers.

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

Director's signature



Director's name

PAUL FOSTER

Date 9 DECEMBER 2016





## Company

Includes the company overview, site information and publication scheme

## Challenge

Learn about the legacy of Sellafield site from the 1940s to modern day

## Solution

Find out what is involved in the clean-up of the Sellafield site

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# Corporate documents

Strategy and performance information, plans and reviews.

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**Sellafield Magazine – Issue 05** 

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- Annual Report and Financial Statements – 31st March 2016** 

14 July 2016      REPORTS
- Sellafield Magazine – Issue 04** 

07 July 2016      CORPORATE PUBLICATIONS



## Sellafield Magazine – Issue 03



01 April 2016

CORPORATE PUBLICATIONS

## Nuclear Site Licence Conditions



30 March 2016

POLICIES AND PROCEDURES

## Regulatory Interfaces and Protocols



30 March 2016

POLICIES AND PROCEDURES

## Assurance Policy



30 March 2016

POLICIES AND PROCEDURES

## Corporate Governance Policy



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POLICIES AND PROCEDURES

## Code of Responsible Business Conduct





30 March 2016

POLICIES AND PROCEDURES

## Information Management Policy



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POLICIES AND PROCEDURES

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