NDA Update

I am pleased to be able to share with you some significant developments within the NDA around our transport and waste businesses, further underlining our One NDA approach to working more collaboratively and efficiently to clean up the UK's earliest civil nuclear sites.

Nuclear Transport Solutions

In February 2020 we announced our decision to create a single nuclear transport division bringing together our transport expertise and capabilities across the NDA group.

The new organisation will be called Nuclear Transport Solutions (NTS) and I'm delighted to say it will start operating as a single organisation on 1 February, ahead of its full launch at the start of the 2021/22 financial year.

NTS will be a centre of excellence that brings together the operational, commercial, engineering, legal, and regulatory expertise that underpin nuclear transport and logistics operations. It will operate Direct Rail Services (DRS) and Pacific Nuclear Transport Ltd (PNTL), who will continue to deliver rail and shipping services for customers, building on decades of experience of providing safe, secure and reliable transport solutions.

NTS's primary objective will be to support the NDA mission through a range of activities including transporting spent AGR fuel from UK power stations to Sellafield, moving irradiated fuels from Dounreay, returning reprocessing products to customers overseas, and packaging and licensing support to the NDA group.

Additionally, NTS will also use its world-leading expertise to provide commercial activities in the UK and overseas and bring further value by providing transport services for customers outside of the nuclear sector.

Creating a single waste division

As we continue to bring together vital areas of expertise, it's important we recognise that waste is a fundamental part of NDA's business. It's what we do and it drives a lot of our costs.

To deliver our mission more efficiently and effectively, there is an opportunity to think differently about how we manage waste, particularly as our clean-up activity moves from site operations to full scale decommissioning.

In November 2020, we launched our integrated waste management programme to act as a focal point for managing the UK's radioactive waste and to deliver our integrated waste management strategy. The programme operates across the waste lifecycle, optimising our approach to how we treat, package, store,

transport and dispose of waste.

It is now our intention to create a single waste division to bring together our group-wide waste management expertise enabling us to grow capability, simplify how we operate and deliver greater value for the taxpayer.

The new waste division will include our waste disposal companies LLWR and RWM. Corhyn Parr will lead the work to develop the new division on behalf of the NDA and will work closely with the CEOs of LLWR and RWM to determine how it should be shaped going forward.

I'd like to emphasise that the programme of work to bring LLWR Ltd under NDA ownership is unaffected, and we will continue to work closely with the PBO and LLWR to ensure a smooth transfer as planned on 12 July. The day to day operations of RWM and LLWR are unaffected by this announcement and our primary focus continues to be the safe delivery of our mission.

These decisions are important steps in support of our vision and the effective delivery of our mission.

David Peattie

Group CEO and Accounting Officer

NDA