



40 years
KOZLODUY NPP
Clean energy



COMMUNICATION ON PROGRESS

Dear Friends,

Kozloduy NPP turns forty this year. Looking back we find good grounds to take pride in our past. All these years prove we are able to provide safe, efficient and environmentally friendly electricity generation with guaranteed quality and security of supplies in compliance with the national and international standards.

Our contribution into economy and society is indisputable. For the regulated market the Bulgarian Nuclear Power Plant provides the lowest prime cost power guaranteeing reasonable end user price. We have a solidly proven reputation of a responsible Employer that ensures safe labour conditions, relevant remuneration package and social benefits for our employees. This is of a very particular significance for this North-western region of Bulgaria where providing employment is an issue at the top of the agenda.



We have to lay special emphasis on yet another important fact. With its activity in 2013 Kozloduy NPP spared the emission of 16,86 million tons of greenhouse gases. This in a most definite manner demonstrates that the further development of nuclear is one of the most efficient ways to limit global warming and climate changes.

I am happy to confirm that Kozloduy NPP again declares its support for the Ten principles of the UN Global Compact in the areas of human rights, labour, the environment and anti-corruption. In this Communication of Progress we describe our activities to integrate the UN Compact and its principles into our business strategy, culture and everyday work. We also assume the responsibility for sharing this information with our stakeholders via our communication channels.

Yours sincerely,

IVAN GENOV 
Executive Director

Kozloduy NPP plc



KOZLODUY NPP PLC

POLICY STATEMENT

of the Kozloduy NPP Management

The **main** objective of Kozloduy NPP Management is **safe, efficient and environmentally friendly electricity generation** of guaranteed quality and security of supplies in compliance with the national and international standards.

The **Management System applied** for achieving this **objective** combines all requirements for the activities in accordance with the following **priorities**:

Highest Level of Safety

- Nuclear Safety, radiation protection, health and safe labour conditions, and environment protection
- Safety Culture maintenance and Continuous Improvement
- Physical protection of nuclear facilities, nuclear material, and radioactive substances
- Safe radioactive waste management

Effective and competitive electricity generation

- Optimize the production process
- Sustain high levels of equipment reliability
- Develop and modernize structures, systems, and components

Certified, competent and motivated personnel

- Career development opportunities
- Continuous training and qualification enhancement
- Management of knowledge acquired

Financial stability

- Steady income, expanding market positions
- Optimized cost, high profitability
- Efficient control

The **personal contribution, professionalism and commitment of both the Management and each employee in the Company** fully guarantee the success and the achievement of the main objective.

EXECUTIVE DIRECTOR:

IVAN GENOV

HUMAN RIGHTS PRINCIPLES



Kozloduy NPP plc Management, with its actions seeks to create conditions for all principles and norms within the UN Universal Declaration of Human rights to be observed. Implementing the adopted **MANAGEMENT POLICY** and the respective **POLICY STATEMENT**, the Senior Management clearly defines its commitments and priorities to ensure highest levels of safety, efficient and competitive power generation, and to maintain certified, competent and motivated staff and Company's financial stability. Since 2013 a Code of Ethics is in place in the Company, aiming to specify the expected behaviour of employees on basis of the Company's espoused values, implementing the UN Global Compact universal principles. The Code of Ethics should be observed by working on site of KNPP external organizations staff as well.

Activities and results

Within the framework of the Safety Culture Enhancement Project Kozloduy NPP values were defined:

- **Safety first**
- **Commitment, mutual respect and recognition**
- **Personal responsibility and honesty in work**
- **Strive for perfection and mastering knowledge**

No discrimination is tolerated at the work place concerning gender, ethnic or political indications. Of all employees in the Company 32% are women and regardless of the specificity of the industry branch 9,3 % of them are management personnel at various levels. In 2011 the Management of the Company entered into a commitment regarding involvement of women in the process of management by signing and explicit declaration in accordance with the European Commission initiative.

Everyone in the Company is entitled to freely express their opinion on any issue by means of:

- "Opininons" Section - a heading in the internal information system, to raise and discuss important for the employees topics and issues as well as to put questions to any Senior

Management representative: The Managers give timely answers to the posed questions.

- CEO visiting day - weekly, each KNPP employee is entitled to discuss with the CEO personal or business issues.
- At regular intervals the Heads of various management levels conduct meetings with staff to discuss work, current problems and issues in order to enhance positive environment for reporting defects and errors.
- Access to all other managers is not limited and meeting with them can be organized observing their current work load.
- Opinion poll boxes are located at various locations around the Plant, enabling staff to ask the CEO questions, express viewpoints, post signals or complaints.
- Voluntary participation in the weekly inquiry "This week's question", aiming to investigate staff opinion on up-to-date for the Company topics
- Every employee is free to be a member of any association with regard to their interests and in some of them Kozloduy NPP

appears to be a corporate member as well.

The Company's Management conducts a policy of correct labour relations by means of setting up a common and espoused with the employees development strategy. Respect for the individual, protection the rights and interests of employees and ensure their social status are the major priority components of the Plant's Management.

The policy regarding Kozloduy NPP staff development grants equal opportunities for work and professional career depending solely on their initiative, professional qualification, experience gained and personal qualities as well as the results achieved.

The Company sustains its continual efforts related to its personnel development by:

- Compiling individual development plans;
 - Opportunities for internal promotion via participation in recruitment procedures
 - Staff training - This is organized by a Training Centre of our own, licensed to preform initial and continuous training for Company's staff as well as for staff of external organizations performing activities on KNPP site.
- Kozloduy Nuclear Power Plant strives to apply the Lifelong learning principle in order to achieve smart and sustainable growth. The approaches to encourage enhancement of knowledge in the Company are:
- training and further qualification
 - additional paid study leave
 - scholarships for disabled people



- granting tools and materials for the practical classes at school
 - provision of paid and unpaid internships
 - encouragement for the young intelligent people
- Specific activities implemented
- Agreements for co-operation with leading Bulgarian universities
 - Contracts signed with the Bulgarian Academy of Sciences for 6 persons to be awarded doctorates
 - "New Beginning - from Education to Employment" Project
 - Students in training
 - Participation in the "One Day Manager" initiative
 - Participation in job fairs
 - Participation in the WANO Moscow centre initiative to attract young people to take part in WANO activities

The Company has its own Occupational Medical Centre on site. In the specialised for the purpose premises the preliminary and preventive periodic medical check-ups by all specialists as envisaged in Regulation No.29

regarding health norms and requirements relating to work in ionizing radiation environment are performed. The Occupational Medical Centre analyses the health status of the employees, develops and proposes measures to improve the labour conditions and eliminate health risks.

Kozloduy NPP employees can take the advantage of their own Holiday Centre in Kranevo, the Monastery complex "Gradeshnitsa", Recreation house "Shiroka polyana" with excellent conditions for short rest, while the Ledenika Health and Recreation Complex offers first-class opportunities for recovery, rehabilitation and recreation under permanent highly qualified medical care and state-of-the-art equipment.

The Company gives the opportunity to all its employees and their families to enjoy full scale varied cultural life at the House of Culture, as well as to practice different sport disciplines at the Sports and Recreation Complex. There are more than 400 employees involved in the 28 sport sections at the Company.

Concerning the special role of women in social life, Kozloduy



NPP implements all legal forms to care about and support women in order to assist them to perform their maternal commitments and not to deprive them from their professional development opportunities.

Women at the Company have their right of a pregnancy, birth or adoption leave to the extent of 410 days for each child, 45 of those obligatory being before delivery. The compensations pregnant women employees get equal to 90% of their averaged daily remuneration/social security wage base for the last 24 calendar months.

The Company ensures the possibility for each woman to pass free gynaecological examination on yearly basis, while those at the age beyond 35 have their free medical check-ups twice a year. For our

employees expecting mothers, the Company provides possibility for them to trace their condition and consult a competent obstetrician on site of the KNPP.

According to the internal rules the Company supports parents giving birth by a lump sum benefit. These same rules provide for allowances for women employees with reproductive problems.

LABOUR STANDARDS



The Company has in place a well organized explicit human resources management policy, to ensure equal opportunities in the staff recruitment process, in training, development and motivation while strictly observing labour law. Staff management policy is developed in compliance with the main objective of the Company, as declared by the Management - to provide safe, efficient, and environmentally friendly electricity generation, maintaining sufficient number of certified, excellently trained and highly motivated personnel.

There is a Branch Enterprise Agreement signed by the Bulgarian Industrial Association of Power Engineers and the Trade unions within the Power production sector which together with the Labour Code and normative documents regulate the labour relations, employment, incomes, social services, insurance relations,

labour conditions, social partnership and all other issues regarding labour and social relationships in compliance with the legislative norms in force.

The Trade Union organizations at the Kozloduy NPP and the Company's Management execute an Enterprise agreement which is a warranty that the rights of personnel regarding labour and insurance relations as well as the additional social benefits are protected.

For the period 2013-2014 at Kozloduy NPP Plc there is a signed Agreement in place, which provides considerably more favourable conditions for staff in comparison with those specified in the the Labour Code or in the Branch Enterprise Agreement.

The Company's commitments with regard to the labour norms are clearly evident within the following processes:

- staff recruitment;
- occurrence, modification or suspension of labour relations;
- training of workers and employees.
- tracking the health status of employees;
- health and safe labour conditions provided, including work place risk assessment and developing preventive prescriptions with regard to its minimizing;
- corporate social program management;
- Individual performance assessment, etc.

Activities and results

In the recruitment process for Kozloduy NPP employees the principles of the Law on Protection against Discrimination, the Law on Protection of Personal Data are observed as well as the internal

documents and no influence is tolerated regarding national, race and ethnic belonging of job applicants, neither to their gender, age, convictions or religion. The recruitment process for the job applicants is transparent and provides access to information and results for any applicant at any stage of the procedure, all details made public on the Intranet page of the Company as well.

The newly employed at the Kozloduy NPP Plc get familiarized with their rights and obligations with regard to the labour law and undergo initial training. The newly employed individuals get their job descriptions with their clearly specified responsibilities inside. The employees working in specific conditions have their working hours reduced and enjoy additional paid annual leave.

The Plant interior regulations clearly define the working hours requirements, taking leaves, etc., and the Enterprise Agreement explicitly bans individuals under the age of 18 to be employed.

Staff motivation surveys are annually conducted at the Kozloduy NPP Plc, the results then used by the Management as grounds to plan and implement further activities. The recently completed survey, for example, showed that more than 90% of the responders assessed the level of safety during execution of work and health care at the Company as "high".

Taking into consideration work place risk assessment prescriptions are developed on regular basis in order to reduce risk and the measures implemented are closely tracked. The necessary work clothings and personal protective



equipment are provided. Unified work place standards are developed taking into consideration the specific activities of the employees.

All these have resulted in a steady trend towards reduction of working days lost due to industrial injuries.

All employees are entitled to free food, social development, additional voluntary retirement insurance, Plant-owned lodgings in case of actual necessity, etc.

ENVIRONMENT



The Company Management gives high priority to protection of people's health and environment from adverse effects connected with the activities implemented on Kozloduy NPP plc site.

The Company's policy on environment management is focused towards achieving the following goals:

- preservation of the atmosphere and cleanness of atmospheric air;
- protection and management of waters within the region of Kozloduy NPP PLC;
- safe management, minimization and utilization of non-radioactive waste;
- energy efficiency and assessment of the influence of resources and materials used on the environment;
- minimization of the risk associated with the origin of environmental damages or incidents.

There is a specialized environmental unit in the nuclear power plant which is responsible for shaping and establishing of the corporate policy on decreasing negative and increasing positive effects on environment resulting from plant activities.

Activities and results:

In its capacity of an organization that operates nuclear facilities, Kozloduy NPP takes continuous, systematic and overall control of the activities, products, and services that have detrimental effect on the environment and people's health. Kozloduy NPP PLC environmental protection and management is based on the following principles to:

- apply the requirements of national and European legislation regarding protection and management of environment;
- maintain compliance with the conditions of the Company

permits issued by the environmental authorities;

- systematically plan and report the implementation of environmental policies, objectives and programmes;
- implement effective monitoring and supervision of processes and activities that could have detrimental effect on the environment;
- provide and maintain the necessary resources for prevention and/or mitigation of undesirable effects on people and environment;
- maintain and increase the Company staff's competency and safety culture in terms of environmental protection;
- appropriately inform suppliers about the Company policy on environment protection;
- maintain the public updated on the status and measures for environmental protection.



Kozloduy NPP PLC management is committed to maintain and improve environmental management as an integral part of the Integrated Management System of the Company.

Kozloduy NPP safety is of main priority and is subject of independent state supervision by the Bulgarian Nuclear Regulatory Agency at the Council of Ministers of Republic of Bulgaria, by the Ministry of Environment and Waters, and the Ministry of Health. The radioecological state of the environment within the region of the plant is compliant with the requirements of the active legislation in the field of radiation protection.

In 2002 Bulgaria ratified the Kyoto Protocol which is a serious step towards decreasing the emissions of greenhouse gases. Virtually Kozloduy NPP does not produce greenhouse gases during the process of electric power generation and substantially contributes to the preservation of clean environment. For instance, during the electricity production cycle for 2013, Kozloduy NPP spared the emission of 16.86 million tonnes of carbon dioxide (CO₂), 234 thousand tonnes of sulphur dioxide (SO₂), 21 thousand tonnes of nitrogen oxides (NO_x), and 3 thousand tonnes of ashes

containing natural radioactivity. That effect corresponds to the world trends for limiting the emissions responsible for ozone layer depletion.

The Company effectively uses the natural and energy resources by obtaining all necessary permits according to the current regulations, plans, and programmes in compliance with the best industry practices.

Environmental monitoring is implemented through a set of measures for environmental monitoring, control of plant releases into the atmosphere and hydrosphere, radioactive and conventional waste processing and storage. Continuous radiation monitoring within the 30-km zone is implemented through the plant automated information systems which are integrated with the similar national system.

More than 5000 analyses of the main environmental components as waters, soils, fodder, foods, etc., were conducted - the results demonstrated that there were no adverse trends in result of Kozloduy NPP operation.

There are more than 4000 trees and protective vegetation within the green space of Kozloduy NPP, spreading on more than 450 000 square metres. Continuous care is being taken for maintaining the

plant site green system.

The adjacent green areas were entirely renovated during the last year. The entry and exit roads, the Police Check Points, and building entrances were renovated under Landscape Architecture Projects. The abundance of animal and fish species characteristic of the region and typical for the Danube Basin speaks for the well preserved and carefully maintained environmentally friendly plant site.

ANTI-CORRUPTION POLICY



Kozloduy NPP PLC opposes all forms of company or public corrupt practices in compliance with the UN Anti-corruption Convention to which the Republic of Bulgaria is a party since 2006. Intolerance of and opposition to the corrupt practices is a responsibility of each employee of the Company. Therefore, the Company has established rules, preventive measures are implemented, misuse and corruption risks are managed. The Code of Ethics of Kozloduy NPP plc covers specific policies for conflict of interest, personal benefits and gifts, fair and equal attitude towards suppliers in compliance with the Global Compact principles.

Investigations, law cases, or other relevant events connected with corruption and bribery are conducted according to the requirements of the legislation and company documents.

Activities and results:

Opposition to the corrupt practices is a responsibility of each employee of the Company. The Company has established clear rules and preventive control of possible abuse or corruption. Some of the measures taken by the Company are as follows:

- precise and transparent regulations for donations; political parties are not donated;
- strict accountancy subject to internal and external audits;
- the Company has restricted its cash payments to a minimum, no cash register is used, and payments are received only by bank transfers; cash payment sums for our suppliers are limited;
- Company employees are well informed about anti-corruption issues.

Kozloduy NPP PLC senior management extend their own and their employees' reassurance and commitment to further apply the

10 UN Global Compact Principles in the field of human rights, labour standards, and place environmental and anti-corruption issues as a basis of their plans and daily activities towards achievement of sustainable and harmonious future development of the Company and society as a whole.



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