



**KOZLODUY NPP PLC**

**2014**

# **COMMUNICATION ON PROGRESS**



**WE SUPPORT**





**Dear Friends,**

It is a pleasure to present you the Communication on Kozloduy NPP plc progress for 2014. The past year was particularly significant for us. We celebrated 40 years since the start-up of the first nuclear power unit – four decades of safe and reliable operation, steady growth and success. Throughout these four decades we have worked for the progress of our national economy, to provide light and heating to each home. Let us always remember that in 1974 Bulgaria became the eleventh country worldwide to launch successful use of nuclear energy for peaceful purposes.

In 2014, Kozloduy NPP generated a total of 15 866 652 MWh electrical power (gross). The company has operated successfully both on the regulated and the liberalised markets. This guarantees our financial stability and enables us to plan in good confidence all the activities related to the extension of the Units 5 and 6 operational life.

As always, safety has been our top priority. In the summer of 2014 we received the OSART Follow-up Mission. It confirmed that the plant has been strictly observing the recommendations and suggestions included in the exit report of the operational safety review missions. The positive assessment we have received from the International Atomic Energy Agency is of high importance for us. It is a sign that confirms that Kozloduy NPP has performed in compliance with the best international practices in nuclear energy.

A very important objective lies before the management team of our plant - to guarantee the future operation of the nuclear units. I believe that the excellent achievement data we share with you in this Communication will enhance your confidence that Bulgaria will continue having well-developed nuclear energy over the coming decades.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. Angelov', with a stylized flourish at the end.

**Dimitar Angelov**  
Chief Executive Officer

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.

**CHIEF EXECUTIVE OFFICER:**

**DIMITAR ANGELOV**





## HUMAN RIGHTS PRINCIPLES

In the scope of the activities during the year Kozloduy NPP confirmed that it adopts sustainable and socially responsible policies providing stable benefits for the people, communities and markets, and strives for creating conditions for adherence to all the principles and norms which are the basis of the UN Universal Declaration of Human Rights. The Company's Management officially declared its Kozloduy NPP plc management **POLICY** via the **Company's Management Policy STATEMENT**, which is made available to the public, understood, applied and maintained at all organizational levels, and clearly defines the commitments regarding the priorities for ensuring the highest level of safety, efficient and competitive production, qualified, competent and motivated personnel, and 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 while implementing the UN Global Compact universal principles. The Code of Ethics should be observed by working on site of KNPP external organizations 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 at work
- Strive for perfection and mastering knowledge

No discrimination is tolerated at the workplace concerning gender, ethnic, religious or political indications. Of all employees in the Company 32% are women and regardless of the specificity of the industry branch 9,7% 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 an 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:

- **"Opinions" Section** - a heading in the internal information system, to raise and discuss important for the employees topics as well as to put questions to the Management.
- **CEO visiting day** - weekly, each KNPP employee is entitled to discuss personal or business issues with the CEO.
- At various intervals the Heads of various management levels conduct meetings with staff to discuss work, current issues, problems, which have occurred, in order to create a positive environment for reporting errors.
- Access to all other managers is not limited and meeting with them can be organised observing their current work load.
- **Opinion poll boxes** are located at various places around the plant, enabling staff to express viewpoints, post signals or complaints to the CEO.
- Weekly, a voluntary inquiry **"This week's question"** aims at investigating staff opinion on up-to-date for the Company topics.
- Every employee of the Company 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 implements 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 of the rights and interests of workers and employees, ensuring their social status are among the the plant management priorities.

The Company provides equal rights and opportunities for work, development and

career promotion depending only on the employees' initiative, professional qualification, gained experience and personal qualities as well as the results achieved at work.

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

- Individual development plans
- Opportunities for free participation in the recruitment procedures
- Personnel training. This is organized by a Training Centre of our own, licensed to perform initial and continuing training for the Company's staff as well as the staff of external organizations performing activities on KNPP site.

Kozloduy NPP strives to apply the Lifelong learning principle in order to achieve smart and sustainable growth. The approaches to encourage knowledge enhancement in the Company are:

- training and qualification enhancement
- additional paid study leave
- scholarships for disadvantaged 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 cooperation with leading Bulgarian universities
- Contracts signed with the Bulgarian Academy of Science for 6 doctorates
- 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 the WANO activities





The company has its own Occupational Medical Centre. In the specialized 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 related to work in ionizing radiation environment are performed. The Occupational Medical Centre analyzes the health status of the employees, develops and proposes measures to improve the labour conditions and eliminate health risks.

Kozloduy NPP plc employees have the opportunity for complete recreation in the holiday houses of the Company.

The Company gives all its employees and their families opportunities for cultural life via the House of Culture as well as for practising different sports at the Sports and Recreation Complex. There are 28 sports sections at the Company and more than 400 members.

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 of 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 benefits pregnant women employees receive equal 90% of their average 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 medical check-ups twice a year. The Company provides possibility for the pregnant workers and employees to trace their condition and consult a competent obstetrician on site of Kozloduy NPP.

According to the internal rules the Company supports employees when becoming parents 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. The Staff management policy is developed in compliance with the main objective of the Company declared by the Management - to provide safe, efficient and environmentally friendly electricity generation, maintaining sufficient number of certified, excellently trained and highly motivated personnel.

The Trade Union organizations at Kozloduy NPP and the Company's Management execute **an Enterprise agreement** which ensures the protection of the personnel's rights regarding labour and insurance relations as well as the additional social benefits.

For the period 2013 - 2014 there is a signed Enterprise agreement in place at Kozloduy NPP plc which provides considerably more favourable conditions for staff in comparison

with those specified in the Labour Code and in the Branch Enterprise Agreement.

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

- staff recruitment;
- occurrence, modification and suspension of labour relations;
- training of workers and employees;
- tracking the health status of workers and employees;
- provision of health and safety at work including work place risk assessment and developing preventive prescriptions with regard to risk minimizing;
- corporate social programme management;
- individual work 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 as well as the internal documents are observed and no



influence is tolerated regarding nationality, race or ethnic belonging of job applicants, 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 website of the Company.

The Plant interior regulations clearly define the working hours requirement, taking leaves, etc., and the Enterprise Agreement explicitly bans individuals under the age of 18 to be employed. Individuals working at specific conditions have reduced working hours and use additional paid annual leave.

Staff motivation surveys are annually conducted at Kozloduy NPP plc, the results then are 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 respondents assessed the level of safety during execution of work and health care at the

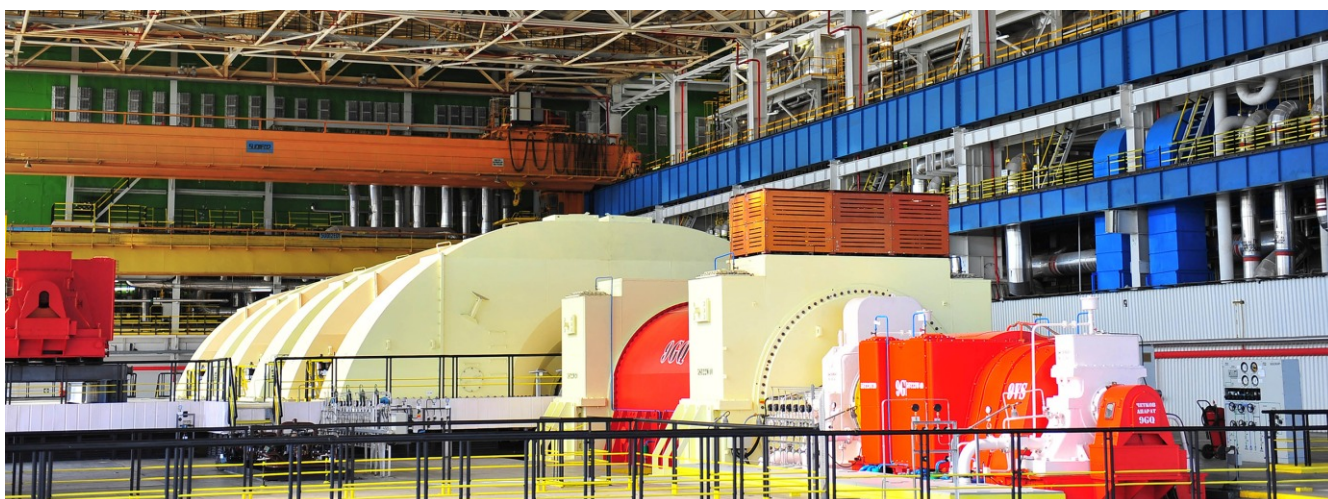
Company as high.

Being a responsible employer, Kozloduy NPP systematically makes efforts to maintain health and safe labour conditions to ensure protection and professional risk prevention.

Kozloduy NPP has successfully implemented a system for safety and health management at work in compliance with the international standard OHSAS 18001:2007 under the project BG 051PO001, "Health and Safety Prevention."

Plant employees are provided with personal protective equipment, free wholesome food, reduced working hours, compulsory occupational accident risk insurance for the employees working in high occupational risk conditions.

An evidence for the success of the applied measures is the permanently established trend at Kozloduy NPP for reduction in the number of lost working days due to work injuries.





## ENVIRONMENT

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

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

- preservation of the atmosphere and cleanness of atmospheric air;
- protection and management of waters within the area 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 of occurrence of environmental damage and incidents.

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

### *Activities and results:*

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

- applying the requirements of the national and European legislation regarding environmental protection and management;
- maintaining compliance with the conditions of the permits issued to the Company by the environmental authorities;
- systematic planning and reporting of the implementation of environmental policy, objectives and programmes;
- implementation of effective monitoring and supervision of processes and activities which could have detrimental effect on the environment;
- providing and maintaining the necessary



resources for prevention and/or mitigation of undesirable effects on people and the environment;

- maintaining and increasing the Company's staff competence and safety culture in terms of environmental protection;
- appropriately informing suppliers about the Company's policy on environmental protection;
- maintaining the public updated on the status of 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 to independent state supervision by the Bulgarian Nuclear Regulatory Agency at the Council of Ministers of Republic of Bulgaria, 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 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 greenhouse gasses emissions. The electricity production of the NPP practically does not generate any greenhouse gases and contributes significantly to the preservation of the environment. For example, during the electricity generation in 2014, Kozloduy NPP saved the harmful impact on the public and the environment of about 18.96 million tons of carbon dioxide (CO<sub>2</sub>), 109 thousand tons of sulphur dioxide (SO<sub>2</sub>), 23 thousand tons of nitrogen oxides (NO<sub>x</sub>) and 3 thousand tons of

ashes, containing natural radioactivity. This effect corresponds to the world trends for limiting the emissions responsible for the 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 protection 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 in 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 and the results demonstrated there were no adverse trends as a result of Kozloduy NPP operation.

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

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 has been a party since 2006. Intolerance of and opposition to the corrupt practices is a responsibility of each employee of the Company. 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 and 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 of donations; such donations are not given to political parties;
- strict accountancy which is subject to international and external audits;
- the Company has restricted its cash payment to a minimum, no cash register is used and payments are received only by bank transfers. Cash payment sums for our suppliers are limited;
- the employees of the Company are well informed about anti-corruption issues.

Kozloduy NPP plc senior management expresses their and their employees' confidence and commitment to further apply the Ten Principles of the UN Global Compact in the field of human rights, labour standards, the environment and anti-corruption as a basis of their plans and daily activities towards achieving sustainable and harmonious future development of the Company and society as a whole.







## Contents

Introduction	1
Human rights principles	3
Labour standards	6
Environment	8
Anti-corruption	10





**KOZLODUY NPP PLC**

**Kozloduy 3321  
Bulgaria  
Tel.: +359 973 72020  
Fax: +359 973 80591  
e-mail: [info@npp.bg](mailto:info@npp.bg)  
[www.kznpp.org](http://www.kznpp.org)**