



Kozloduy NPP

clean energy

COMMUNICATION ON PROGRESS



HUMAN RIGHTS



LABOUR STANDARDS



ENVIRONMENT



ANTI-CORRUPTION

Period covered by Communication on Progress (COP)

From: 01 January 2019

To: 31 December 2019



CONTENTS

STATEMENT OF CONTINUED SUPPORT	2
ABOUT KOZLODUY NPP	3
HUMAN RIGHTS PRINCIPLES	5
LABOUR STANDARDS	6
ENVIRONMENT	10
ANTI-CORRUPTION	13
JOINT INITIATIVES WITH THE UNGC NETWORK BULGARIA	14



STATEMENT of continued support

July, 2020

I am pleased to re-affirm the continued support of Kozloduy NPP EAD for the Ten Principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption.

With our latest Communication on Progress, we express our intent to continue implementing those principles, making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

We support public accountability and transparency, and therefore commit to report on progress annually according to the UN Global Compact COP policy and via the primary channels of communication.

Yours sincerely,

Nasko Mihov
Chief Executive Officer



ABOUT KOZLODUY NPP

[Kozloduy NPP EAD](#) is the only nuclear power plant in Bulgaria and the main electricity generating plant providing more than one third of the total annual electricity output of the country. This determines the significant position the company holds - being a factor of economic sustainability, both nationally and regionally. Kozloduy NPP generates the cheapest electricity in the country, thus ensuring and maintaining affordable price of electricity for Bulgarian end-consumers.

Kozloduy NPP EAD is a single-owner shareholding company, with the Bulgarian Energy Holding EAD as the sole owner of capital. Since 18 September 2008, Kozloduy NPP EAD has been a subsidiary company of the Bulgarian Energy Holding EAD.

Kozloduy NPP EAD operates two nuclear power units – Units 5 and 6, with WWER-1000 reactors, and two storage facilities for spent nuclear fuel – a spent fuel storage facility with underwater storage technology, and a dry spent fuel storage facility.

The operation of nuclear facilities is subject to regulatory control on behalf of the Bulgarian Nuclear Regulatory Agency (NRA) at the Council of Ministers of the Republic of Bulgaria. Specialised oversight is exercised by the Ministry of Environment and Water, Ministry of Health, Ministry of Regional Development and Public Works, State Agency for Metrology and Technical Surveillance, and other government bodies.

Environmental protection is a fundamental issue in the company's policy. The plant is monitoring the radiation gamma background in the 3 km site surrounding area through an automated information system. Due to the high safety standards, the gamma background within the plant area has not exceeded the levels measured prior to plant commissioning.

Kozloduy NPP is one of the major employers in Bulgaria providing a high standard of living for the personnel employed at the company.



37,5%

Share of national electricity generation for 2019



16 555 288 MWh

Record of electricity generated in 2019 for the entire operational life of Units 5 and 6



363 068 453 MWh

Total electricity generated by both units from 1987 to the end of 2019

The principles of the UN Sustainable Development Goals are an important part of Kozloduy NPP performance and resonate through our MOTTO, MISSION, GOAL and CORE VALUES.

OUR MISSION

is to securely supply power to the country and the region through safe, efficient and environmentally friendly and reasonably priced generation.

OUR MOTTO
CLEAN
ENERGY

OUR GOAL

is the long-term operation of the nuclear power units while ensuring safe and steady operation in conformity with the licences issued by the regulatory bodies.

OUR CORE VALUES



HUMAN RIGHTS



Principle 1.

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2.

Make sure that they are not complicit in human rights abuses.



Kozloduy NPP EAD supports and respects internationally recognised human rights which are formulated in the key human rights treaties. Our goal is to operate in accordance with the UN Guiding Principles on Business and Human Rights and we declare it in the [Management Policy](#) of Kozloduy NPP EAD.

We believe there is a clear connection between high standards of ethical business

practices and excellent financial results. As an industry leader, we obey the law, we embrace the spirit of integrity, and we uphold ethical business conduct wherever we operate.

The Kozloduy NPP Code of Conduct and Code of Ethics define how we treat others, engage in business, manage our corporate assets, and how we expect our suppliers and business partners to operate.

Activities and results

Everyone in the Company is entitled to freely express their opinion on any issue and is treated with respect, courtesy, and fairness.

According to the current internal rules, each employee receives a one-time financial support for a new born baby. These same rules provide for financial help to employees with reproductive problems.

- | | |
|-----------------------------------------------|------------------------------------------------------------------------|
| ■ Opinions section | ■ Knowledge and understanding of the Company's overall aims and values |
| ■ This week's section | ■ Safe, positive and excellent working environment |
| ■ General meeting of employee representatives | ■ Appropriate remuneration as per job position, and benefits |
| ■ Meetings with plant management | ■ Career development opportunities |
| ■ Boxes collecting opinions, complaints | ■ Skills development training |
| ■ CEO reception days | ■ Regular assessments and self-assessments to improve performance |
| | ■ Atmosphere of humanity, kindness, and mutual respect |
| | ■ Two-way communication with the management |

LABOUR STANDARDS



Principle 3.

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4.

The elimination of all forms of forced and compulsory labour.

Principle 5.

The effective abolition of child labour.

Principle 6.

The elimination of discrimination in respect of employment and occupation.



We promote equal treatment and opportunities in the recruiting, development and career advancement, training and motivation of staff while strictly adhering to the labour legislation regardless of the employee's ethnic origin, religion, political views, pregnancy or maternity, sex, age, nationality, language, sexual orientation, marital status or ability to perform. This approach to fairness and equality also applies to employees who are members or non-members of a trade union, part-time workers and those on a fixed-term contract.

Any form of breach of the rules is strictly forbidden and addressed immediately.

As early as 2011, the Management of the Company committed itself to the involvement of women in the Company management process by signing a dedicated statement at the European Commission initiative. In addition, Kozloduy NPP implements all legal forms of care and support of women in order to assist them in performing their maternal duties while not depriving them of their professional development opportunities.

Activities and results:

3722 Total number of employees at year-end 2019	45,5 years average age	16 years 9 months average work experience at Kozloduy NPP
over 200 newcomer specialists	58% employees holding a higher education degree	29% employees holding a secondary vocational education degree
	31% female employees	25% women in senior management role

RECRUITMENT PROCESS FOR WORKERS AND EMPLOYEES OF KOZLODUY NPP

- Compliance with the Law on Protection against Discrimination, the Law on Protection of Personal Data;
- Application of the national and international requirements in the professional recruitment process in nuclear facilities, Labour Code as well as relevant internal documents;
- Transparent recruitment process and opportunities for online access to information online;
- Explicit prohibition on hiring of individuals under the age of 18;
- Reduced working hours and benefit of additional paid annual leave for individuals working under specific working conditions;
- A collective bargaining agreement is signed between the Kozloduy NPP trade union organisations and the plant management, (effective over a 2-year period - 2019/2020), which guarantees protection of the personnel rights in respect of occupational and social security issues, and provision of an additional social benefits package;
- Equal rights for career development and growth.

PERSONNEL TRAINING AND QUALIFICATION SYSTEM

- Compliant with the relevant national requirements, international standards and recognised best practices;
- Training Centre licensed by the Bulgarian Nuclear Regulatory Agency for conducting specialised training of staff to perform activities in nuclear facilities, and work with ionising radiation sources;
- Classroom, hands-on and simulator training, on-the-job training and ESTRA-based online training used by plant and subcontractors' personnel.

2879

*training sessions
of own staff in 2019*

1523

*training sessions of
external organisations staff*

41

*individual licences issued
for work at nuclear facilities*

Kozloduy NPP strives to apply the lifelong learning principle in order to achieve smart and sustainable growth through:

- Training and qualification enhancement of the employees;
- Additional paid study leave;
- Supplying tools and materials for the practical skills classes at school;
- Cooperation agreements signed with higher education institutions;
- Awarding scholarships to students taking a degree per BA or MA programmes that are of priority interest to the plant, such as Thermal and Nuclear Energy, or Nuclear Power Engineering;



- Paid or unpaid students' internships;
- A dual training procedure has been launched in the subjects of Nuclear Energy and Thermal Engineering, at the Igor Kurchatov Secondary Vocational School, in Kozloduy;
- Participation in the “Manager for a Day” initiative;
- Participation in career guidance forums and professional bazaars in secondary schools and universities, focused on assisting young people in career orientation;
- Visits paid to the nuclear power plant, in 2019, by 752 pupils and 267 university students with the aim of their getting first-hand knowledge, and encouraging young, intelligent people in their future professional choices;
- Joining the WANO Moscow Centre initiative to attract young people to take part in WANO activities;
- Participation in a number of national and international conferences, workshops, technical meetings, missions, forums, professional practices and other activities organised by the International Atomic Energy Agency (IAEA), the World Association of Nuclear Operators (WANO), FORATOM, the Bulgarian Atomic Forum (BULATOM), the Bulgarian Nuclear Association, and other globally recognised nuclear organisations.



HEALTH AND SAFETY



Kozloduy NPP strictly adheres to all the requirements of the effective regulations on occupational health and safety in the Republic of Bulgaria, and the best international practices in this sphere:

- Protection and prevention of occupational hazards arising from work processes, work equipment and the working environment in all aspects of the nuclear power plant activities, such as operation, maintenance, repairs, etc;
- Prevention and promoting of safety improvements at work: periodic training on safety at work, as well as delivering the necessary briefings - pre-job, at the workplace, periodic, daily and extraordinary ones;

- Regular laboratory measurements of working environment parameters;
- On-site Occupational Health Service with its medical emergency team providing round-the-clock medical care;
- Industrial injury factor - 0.19 (average value for the industry – 1.11/ average value for the country – 0.65);
- Recreation at the plant's R&R holiday facilities located both in the mountains and at the seaside;
- Opportunities to attend various cultural life events at the House of Culture, or practise different sports at the Sports and Recreation Centre organised in 32 sports sections.

Safety is a top priority and a dominant corporate value in Kozloduy NPP:

- Units 5 and 6 are operated according to the provisions of the operating licences issued by the NRA;
- NRA renewed the licence for operation of Unit 6 with validity from September 2019 until 03 October, 2029;
- All the scheduled investment activities were completed as needed for ongoing maintenance of the units, the major and auxiliary facilities and infrastructure, as well as the measures to uphold and strengthen the plant security and physical protection;

Specific indicators evaluating the safe and reliable operation of the nuclear power units have been adopted and widely used by the World Association of Nuclear Operators and the International Atomic Energy Agency. They permit monitoring the nuclear energy trends, and serve to draw a comprehensive evaluation of the achieved reliability and safety levels.

Values of specific performance indicators of Kozloduy NPP in 2019

Indicator	Unit 5	Unit 6	NPP
LF (Load Factor), %	91,45	92,01	91,73
UCF (Unit Capability Factor), %	88,74	90,59	89,68
UCLF (Unit Capability Loss Factor), %	0,25	0,35	0,30



The excellent values of Kozloduy NPP performance indicators form a steady trend of high reliability and safety, with which the plant retains its position among the well-performing nuclear power plants in the world.

Throughout the year, no unplanned actuation of the reactor protection systems occurred, while the unplanned events registered entailed a minimum duration and underproduction.



Principle 7.

Businesses should support a precautionary approach to environmental challenges

Principle 8.

Undertake initiatives to promote greater environmental responsibility

Principle 9.

Encourage the development and diffusion of environmentally friendly technologies



Kozloduy NPP regards protection of the environment with responsibility and applies the relevant national and international standards.

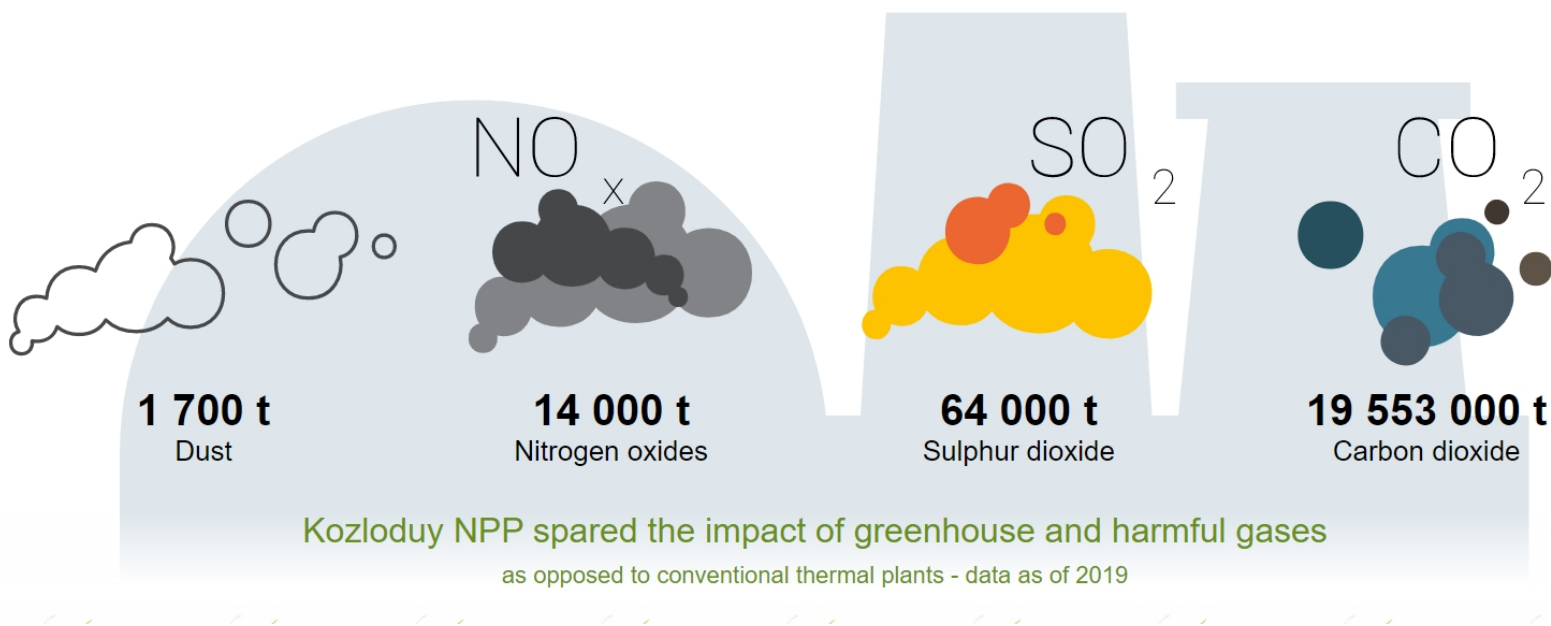
There is a periodic review of the non-radiation aspects of the environment associated with the activity of the nuclear power plant, and measures are implemented towards their management. The programme for the period 2019-2021 has its main objectives focused on preserving the purity of atmospheric air, sensible and responsible use of water, safe management of waste, safe use of chemical substances, improving of energy efficiency, etc.

The Company has been issued all the necessary permits as required in the Environmental Preservation Act, the Act on Waters, and the Waste Management Act. The implementation of permits' provisions is monitored systematically. The results obtained are subject to analysis, while the information collected is communicated to the competent authorities.

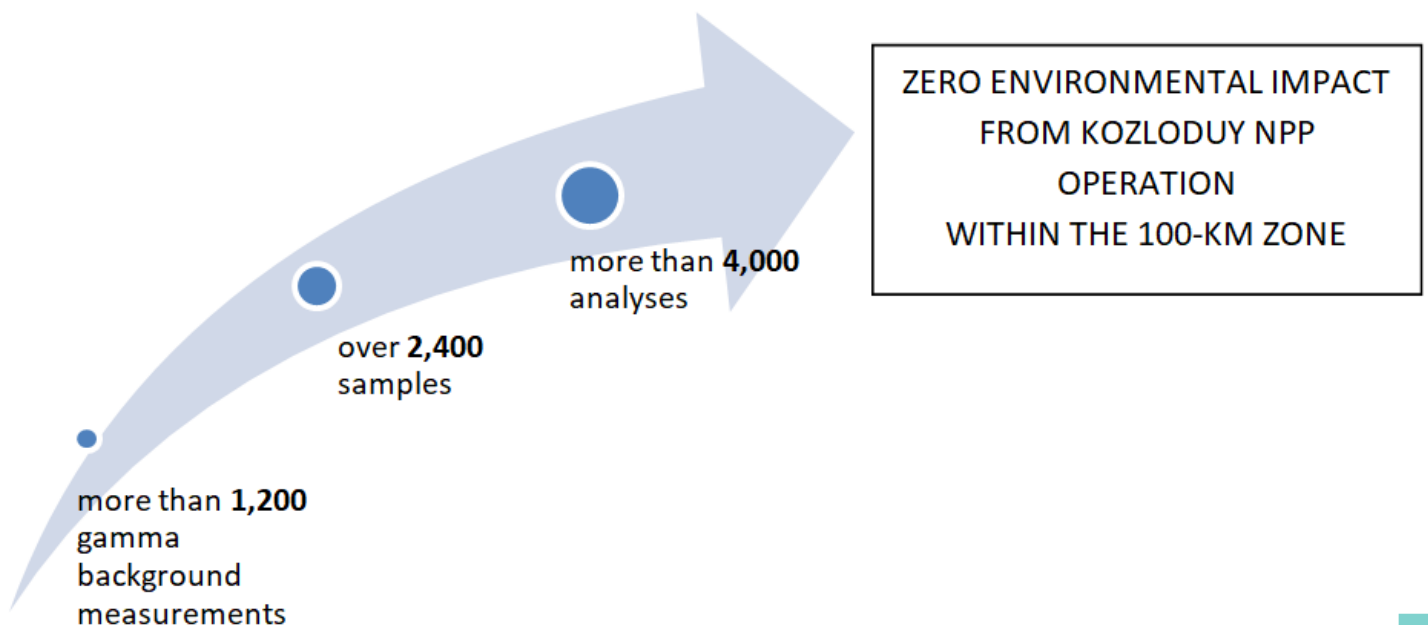
Activities and results:

- More than 600 samples of surface, underground and waste waters were collected and analysed in 2188 tests according to the “Programme for in-plant monitoring of waters during the operation of Kozloduy NPP” and the “Programme for monitoring of the landfill for non-radioactive household and industrial waste”.
- All the analyses have been performed by accredited laboratories.
- The data resulting from the mandatory plant own radioecological monitoring confirmed the trend to full compliance with the specified individual emission limits.
- Waste subject to recycling in the amount of 1500 tons was transferred for further utilisation.
- Six inspections were performed by environmental regional inspectorates and directorates.

- Kozloduy NPP was declared one of the greenest companies in Bulgaria for 2019 and got the third prize in the Green Initiative category of a competition organised by b2b Media.
- The Electrical Vehicles Industrial Cluster awarded the “Kubrat Sword” to Kozloduy NPP for its contribution to the development of e-mobility in Bulgaria, within the Business Achievements category.
- Participation of plant employees in a number of environmental initiatives, along with the increasing use of bicycles, separate waste collection and striving to reduce the personal carbon footprint.



In 2019, more than 4,000 analyses of over 2,400 samples from different environmental areas, and more than 1,200 gamma background measurements were performed at the on-site monitoring points, and the measurement points within the 100-km zone. The results throughout the year did not deviate from the natural gamma background levels specific for the region.



INFORMATION TO THE PUBLIC LIVING IN MUNICIPALITIES WITHIN THE 30-KM ZONE SURROUNDING THE NUCLEAR POWER PLANT

- Automated information system for radiological monitoring with a total of 14 local measuring stations installed in different populated areas;
- Data visualisation on information boards put up in public places, and data transmittal via wireless on-line connection to the central station at Kozloduy NPP, and thenceforth to the Executive Environment Agency;
- Background gamma radiation levels typical for the natural background of the region;
- Values of the atmospheric air human-induced activity – close to the background ones
- The radiation status of water from natural water bodies, and of drinking water meets the health sanitary norms;
- The radioactivity of the staple foods produced in the region (milk, agricultural crops, fish, etc.) is within normal background radiation levels;

The results are consistent with the data from the time period preceding the plant first start-up, which confirms the absence of any adverse impact from Kozloduy NPP on the staple foods and ichthyofauna in the region. The environmental radiation parameters remain stable, within normal limits, unaffected by the nuclear power plant operation.

The environmental radiological monitoring carried out by Kozloduy NPP fully complies with the national and European normative requirements in this field, the requirements of Article 35 in the Euratom Treaty, and Recommendation 2000/473/Euratom.



ANTI-CORRUPTION



■ Principle 10.

Businesses should work against corruption in all its forms, including extortion and bribery.

Kozloduy NPP EAD opposes all forms of company or public corruption or corrupt practices, or other illegal activities in conformity with the UN Anti-corruption Convention to which the Republic of Bulgaria has been a party since 2006.

The Code of Ethics of Kozloduy NPP EAD covers specific information regarding conflict of interest, personal benefits and

gifts, fair and equal treatment of suppliers and compliance with the UN Global Compact principles.

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

Activities and results:

Some of the countermeasures taken by the Company against corruption practices are as follows:

- Regulated internal procedure for receiving and providing of donations;
- Strict accountancy, subject to internal and external auditing;
- Restricted cash payment and payments only by bank transfers;
- Reinforced awareness of anti-corruption issues with the Company employees, and ensuring possibilities to send signals on the hot phone line: **+359 973 76262**; **boxes for collecting signals in writing**, located at different places across the plant site; providing a dedicated e-mail address: **signal@npp.bg**.



JOINT INITIATIVES WITH THE UNGC NETWORK BULGARIA

Member of UN GCNB since 2012

Member of the Monitoring Board since 2019

Kozloduy NPP took part in a series of programmes and projects of the UNGC Network Bulgaria for accomplishing the global sustainable development goals and implementing the 2015+ Strategic Plan of the Network:

- Kozloduy NPP took part in the „GamesForGood 2019“ project within the UN Global Compact Network Bulgaria collective programme „Healthy at Work“ focused on the active way of life of the employees in two plans: social and related to their engagement in sports.

The Table Tennis section at Kozloduy NPP participated in the charity cause competition in favour of organising the „Be Literate“ spelling marathon in the town of Kozloduy.

The athletes from the Tennis section at Kozloduy NPP played in the tournament supporting the charity cause „The Northwest Event“ – an initiative aimed at helping pupils from the region become more responsible to their social role.

- Kozloduy NPP celebrated the World Environmental Day: „We Cannot Stop Breathing But We Can Do Something About the Quality of the Air We Breathe“.

The NPP employees were called upon using bikes, buses, cars on LPG, biodiesel and e-cars, ridesharing and walking on foot. Power workers passing through the plant gates received from Kozloduy school children leaflets with this message and brochures with important information about the harmful consequences from air pollution. The tradition of planting a tree in the Alley of Ecology running between the House of the Power Worker and the Sports and Recreational Complex was kept going.

- Kozloduy NPP took part in a regional forum under the heading “Business as a Force for Good” at Solvey Sodi, Devnya, in June.

The forum made public the good practices of corporate social responsibility of the local companies, showing that these partnerships create shared value to the business and society. Excellent examples were demonstrated of successful joint projects in the sphere of culture, education and social activities involving companies from the region and nonprofit and public organisations.

- Kozloduy hosted the regional forum under the heading “Business as a Force for Good” in October.

Kozloduy NPP hosted the Forum organised by UN Global Compact Network Bulgaria. The meeting brought together socially responsible companies from the region and representatives of the local authorities in Vratsa and Kozloduy. The main objective was to share corporate social responsibility good practices for finding the winning formula for positive changes in society. The Forum highlighted the challenges that business faces nowadays – educational deficits in the country, outflow of human potential and hardships in retaining the young. The participants were introduced to the collective activities and the effectiveness of particular projects: the Youth Pact, the “Responsible Choice” and “Proud of My Parents' Work” programmes, the Career Fair and celebrating the World Environmental Day.





COMMUNICATION ON PROGRESS



Kozloduy NPP EAD
Kozloduy 3321
Tel.: +359 973 7 21 00
Fax: +359 973 7 60 19