



SN Nuclearelectrica SA
COMMITMENT TO
RESPECT HUMAN RIGHTS



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1. OUR COMMITMENT TO RESPECT HUMAN RIGHTS-ZERO TOLERANCE FOR VIOLATION OF HUMAN RIGHTS

SN Nuclearelectrica SA undertakes to respect human rights, as they result from the Universal Declaration on Human Rights and Unites Nations Principles on Human Rights. Our commitment refers to all human rights internationally recognized and regulated at the level of the national legislation.

SN Nuclearelectrica SA has zero tolerance for undermining and/or violating human rights, no matter the form of violation of such rights. We apply zero tolerance for the violation of human rights at the company level, in all processes and activities, and we expect our business partners and collaborators apply the same principles.

Within SN Nuclearelectrica SA, the rights and obligations of the employees, as laid down in the Collective Bargaining Agreement of SNN, abbreviated as "CBA", as well as in the Internal Regulation of SNN, are worded with respect for human rights, the right to work enshrined in the International Charter of Human Rights, and the principles of the fundamental rights set out in the Declaration of the International Labour Organization on the principles and fundamental rights at work, including their transposition into the applicable labour relation legislation, in observance of the principles of consensus and good faith, that are the pillars of labour relations.

The human resources strategies and policies, and the action lines of the administrative and executive management are aimed at respecting the human rights in accordance with international and domestic legislation. For this purpose, Nuclearelectrica, through its policies and strategies, focuses on: the principle of equal rights and equal opportunities, the right to life, to health protection and the right to a healthy environment, the right to defence and non-discriminatory access to justice, individual freedom and the right to free movement, freedom of expression, freedom of information, the right to elect and be elected, the right to work and the right to strike, the right to association, the protection of

people with disabilities, the right to petition, the right to legislative initiatives, the protection of children and young people.

Under the SNN Collective Bargaining Agreement, the Internal Regulation of SNN SA and the specific procedures developed in the Company, the Company manages all aspects related to respect for human rights, including respect for freedom of association, prevention of human trafficking for all forms of exploitation, forced labour or obligations related to child labour, work in precarious and unsafe conditions, with no such situations being reported in years 2019-2022.

Employees are permanently applied an equal and non-discriminatory treatment, as per the international nuclear industry standards, read in connection with the domestic legislation and the incentive packages adapted to the macroeconomic and microeconomic context of Romania.

The SNN Code of Business Conduct, the SNN Management Manual coded SNN-MSN-001 rev. 17 and the SNN Policy Statement on the Management System coded SNN-POL-SM contain the commitment of the Company's management to the Responsibility assumed to avoid causing or taking part in any adverse impact on the human rights in the SNN activities, and to tackling this impact when it occurs, as well as to prevent or mitigate the adverse impact on the human rights that is directly related to the production activities of SNN.

The commitment to respect the human rights is also found in the SNN values:

- **safety and sustainability**, the safety of the team, the population and the environment, nuclear safety and long-term sustainability are and remain our priority;
- **care for employees**, every member of the SNN team is valuable, and every position is an important part of the organization's success. Each of us must be proud of our personal contribution and at the same time, responsible for the continuous professional development and future preparation of the team we are part of and of the new members;
- **professional excellence**, in everything we do, we aim to achieve and sustainably maintain the highest performance targets;
- **empathy and responsibility**, colleagues, families, communities, partners, suppliers, clients, the Romanian economy as a whole depend on each of us and our work;
- **sustainable development**, everything we do today has an impact in the future and we want that impact to be positive.

2. WHOM DO WE ADDRESS

Our commitment to respect human rights shall be addressed to:

a) **THE PERSONNEL OF SN NUCLEARELECTRICA SA:** People are our most important and valuable resource, therefore, a constant priority. Respect and defence of human rights by reference to the protection and valorisation of its own staff shall be simultaneously a value and a strategic direction of the company development: Care for employees.

b) **TO BUSINESS PARTNERS:** As unique producer of nuclear energy in Romania, being aware of and responsible for our role and impact, we capitalize, to the same extent, the attention an ethic manner of coordination of businesses and human rights of our business partners.

According to Law no. 99/2016, we request to all tenderers to submit in their tender the Statement that upon preparation of the offer and throughout the implementation of the Contract, they shall comply with the provisions of art. 64 of Law no. 99/2016, according to which:

(1) The contracting entity, in the tender documentation, indicates the mandatory regulations in the environmental, social fields, labour relations, established under the laws adopted at the level of the European Union, domestic laws, under collective agreements or treaties, international conventions and agreements in such fields, which should be observed during the performance of the sectoral contract or should indicate the relevant institutions from where economic operators could obtain detailed information relating to the respective regulations.

(2) In the case set forth in para. (1), the contracting entity is also required to request to economic operators to indicate in that tender that upon its preparation, they duly considered the relevant environmental, social and labour relations.

The winning bid shall be an Appendix to Contract.

c) **TO COLLABORATORS:** Our collaborations are various, however, we are liable for respect of human rights in any interaction as part of our vision, principles, our strategic direction and corporate culture. Furthermore, we are concerned that all our collaborators and partners share the same values and firm commitment to the respect of human rights.

d) **TO COMMUNITIES:** We protect those communities we are part of by implementing involvement strategies and investments in that community, based on clearly established procedures and principles. We develop the communities we are part of by investments, by increasing the level of access to better life and living conditions through the annual involvement in three strategic fields: education, health and environmental protection through SNN platform "Nucleus of Care" and of the associated procedure.



3. HUMAN RIGHTS GOVERNANCE: COMMITMENT & PREVENTION

Responsibility for the protection of human rights shall be reflected at the corporate level by an integrated approach, with responsible staff through various ways of action and decision-making capacity:

- Board of Directors
- CEO
- The Manager of Cernavodă NPP and Pitești NPP Branches
- Human Resources Strategy Directorate
- ESG Working Group
- Distinct organizational entity for managing the Compliance Function
- Anticorruption policy, implemented and certified according to ISO 37001
- Whistle-blower
- Ethics Committee/Ethics Adviser

Company commitment to the respect of human rights shall be reflected in 4 main areas, each of these having principles and measures intended to prevent the impact on human rights, as well as responsible staff supervising the implementation of such measures, as well as of training and counselling, assessment, investigations and reply, reporting, improvements of processes and procedures.

Those 4 main areas are:

- A. Respect for human rights and for the right to work
- B. Respect for human rights and environmental protection
- C. Respect for human rights and nuclear technology
- D. Respect for human rights and anticorruption policies, conformity and integrity

A. PREVENTION AND ASSESSMENT OF THE IMPACT ON HUMAN RIGHTS AND ON THE RIGHT TO WORK

A.1.

Preventing the impact on occupational health and safety

The SNN Policy Statement on the Management System (SNN-POL-SM) contains the commitment of the management at the highest level to compliance with the legal and regulatory requirements applicable to the activities carried out by the Company, as well as the mitigation of occupational health and safety risks and to improving performance in this area. Correlatively, in each branch of SNN, a management commitment statement is available regarding compliance with the relevant OHS legal and regulatory requirements, control of occupational health and safety risks, as well as continuous improvement of the OHS performance.

The management plan of SNN for years 2019-2022 contains, among the Company's strategic objectives, actions concerning Occupational Health and Safety as part of the Corporate Social Responsibility and the main action lines concerning human capital management.

A.2.

Preventing forced child labour

According to the provisions of the CBA applicable in SNN, the staff must be at least 16 years old to be employed and must have graduated secondary education; for activities and jobs subject to special/particular conditions, the employment age is at least 18 years.

The CBA also contains a provision placing an obligation that any other restrictions regarding the minimum employment age under by law are observed

A.3.

Preventing forced labour

The internal regulation applicable in SNN, as approved under the SNN Decision no. 148/30.03.2022, contains, in accordance with the applicable legal requirements, the principles that underpin employment relationships in the SNN:

- protecting/observance of the fundamental rights and freedoms of individuals;

- ensuring the necessary conditions so that all activities performed by SNN employees are carried out effectively and are free of bias, corruption, abuse of power and/or political pressure;
- selection of the staff exclusively according to their competence and compatibility with the work system and the value system of the Company;
- **elimination of any form of forced labour**, observance of the non-discrimination principal and removing any form of human dignity violation;
- equal opportunities at employment, advancement, promotion and rewarding of employees;
- objective judgment of situations that lead to employees being sanctioned or terminated their employment relationships;
- freedom of expression and social dialogue;
- right to association and trade union freedom;
- prohibition of any political activities in the premises of SNN units.

The Code of Business Ethics and Conduct published by SNN on the Company's website contains a reference to these principles, which are the pillars of the employment relationships in SNN.

A.4.

Discrimination prevention

In SNN, we always show the respect we pay to all the parties we interact with. In our daily activity, we interact with people of different ethnicities, cultures, religions, nationalities, political beliefs, ages or gender, as well as with people with disabilities and of different sexual orientations. The diversity of our staff is one of our greatest assets as it allows us to benefit from a variety of professional and educational knowledge and points of view. Integration of these differences helps increase our agility and ability to adequately respond to the changes taking place in our business environment and allows us to work more cooperatively.

The Collective Bargaining Agreement and the Internal Regulation applicable in SNN contain details rules prohibiting direct or indirect discrimination employee, on

grounds of gender, sexual orientation, genetic features, age, national affiliation, race, colour, ethnic origin, religion, political options, social origin, disability, family situation or responsibility, trade union membership or activity.

Also, the Code of Business Ethics and Conduct, published by SNN on the Company's website, contains provisions about the non-discrimination policy applied in the Company.

A.5.

Equal pay for equal work

The salary of the SNN staff is consistently regulated under the Collective Bargaining Agreement, which contains a hierarchy of positions and trades in the SNN, contains salary limits for each hierarchical level depending on the complexity of the work, education level, and the degree of technicality and professional competence specific to the positions of the Company's organization chart.

Salary negotiation is sensitive to the requirements contained in the Job Description (enclosed to the Individual Employment Agreement), and considers a comparative evaluation with the average income earned in similar activities at national and international level; thus, a salary the amount of which is determined in accordance with the limits of the Hierarchy List of Positions, included in the SNN CBA, is obtained.

The Company currently applies a template Individual Employment Agreement for both limited-term employees, and those employed under open-ended contracts. The Individual Employment Agreement implemented under the SNN CBA contains provisions in accordance with the applicable national legislation and observes the clauses laid down in the Order no. 64/2003 approving of template Individual Employment Agreement.

The company implemented policies for an uniform assessment of the individual performances (RU-00-03 Assessment of the staff performances) which contains metrics based on which the compliance or performance of an objective is measured, to which qualitative or quantitative targets are associated, generically referred to as KPI and depending on which meritocracy is rewarded.

A.6.

Right to free association

The right of association and trade union freedom is one of the principles of the working conditions in SNN, and is provided the Internal Regulations of SNN and in the Company's CBA. The right to free association of SNN employees is laid down in their Individual Employment Agreement.

A.7.

Collective bargaining policy

The relationship with trade unions is permanent and consists of meetings/consultations; the provisions of the SNN CBA are negotiated after periodical consultations of the Negotiation Committee appointed both by the management and by the representative trade union operating in the Company, in accordance with the provisions of the Social Dialogue Law no. 367/2022.

The management plan of SNN for years 2019-2022 contains provisions concerning collective bargaining, which takes place according to the legal provisions applicable to conclusion of the corporate Collective Bargaining Agreement; thus, over the entire period 2019-2022, a Collective Bargaining Agreement, duly concluded and legally registered with Bucharest TLI, was applicable as the outcome of a bargaining process, in accordance with the applicable legal requirements.

A.8.

Policy addressing excessive working hours

The employees' work is rendered according to the work programme set out in Annex I3 to the SNN Collective Bargaining Agreement, respecting the normal length of the working time set out in the Labour Code - Law no. 53/2003, as subsequently amended and supplemented.

The duties of each employee are listed in the job description prepared in accordance with the provisions of the Organization and Functioning Regulation ("ROF"), as updated in 2022 in accordance with the approved organizational structure of the Company, which covers all organizational entities of SNN, including the Company's Branches, and pinpointing the subordination and process coordination relationships, including between the headquarters and branches. The ROF was updated in 2022 and was approved by the SNN Board of Directors under the Decision no. 79/28.04.2022. The ROF details the main activities, duties and tasks of each SNN organizational entity, as well as the interfaces between the processes carried out by the functional departments of the Company's organizational structure.

A.9.

Right to minimum wage

The SNN Collective Bargaining Agreement contains provisions regarding the minimum wage and the living wage in the Company; the functions and trades in the SNN are ranked in a list enclosed to the CBA, whereby which the minimum wage limits for each trade or position in SNN are set. Under the Individual Employment Agreement, the base salary of each employee is negotiated individually, within

the limits of the Hierarchy List of Positions enclosed to the CBA.

According to the Management Plan of SNN for the period 2019 – 2022, the current market context at national, regional and international level demanded for a redesign of the human resources strategy focusing on:

- individual values;
- motivation for individual and team performance;
- flexibility to market changes that alter the balance point between demand and supply;
- a functional and hierarchical structure adapted to the objectives set to attain the projected performance;
- redesigning the individual performance indicators attached to the SNN objectives;
- good practices;

- investment in innovation and organizational
- know-how

A.10.

Company's involvement initiatives related to the labour standards

The company makes it easier for employees to participate in national and international symposia and workshops in order to attract know-how to the Company.

Also, the affiliations to recognized international bodies (WANO, AIEA, COG, and others) are aimed at improving the Company's performance.

OPEX meetings are regularly held in the Company with other companies of the nuclear industry in order to stay up-to-date with the best practices, and avoid unwanted situations in the aftermath of labour system events that took place in the nuclear energy industry, plus consultations on specialty topics.



B. RESPECT FOR HUMAN RIGHTS AND ENVIRONMENTAL PROTECTION

Environmental damage implicitly means damage of human rights, of the right to clean environment, to clean resources. In all that we do, we place great importance on the environmental protection and human rights in the communities we are part of.

SNN pays particular attention to the systematic training of its staff so that they can carry out their duties at the excellence standards of the nuclear energy industry; thus, the Company is involved and constantly invests in ensuring the quality of workers through training and continuous training and by advancing meritocracy, as a component of the motivation system documented and implemented in SNN S.A.

The nuclear energy industry particularly places on the staff selected for positions important to nuclear safety and management, coordination and supervision positions, in the processes carried out in the Company, requirements at the highest standards of professional competence and ethics in the specific field of activity, giving priority to the nuclear safety considerations before any other considerations.

Nuclearelectrica is involved both in raising the awareness of both its own staff and the external staff of the importance of protecting the environment, providing them with training, identifying the environmental matters that could arise as a result of the activity performed, and implicitly keeping them under control so that they do not turn into material environmental issues.

The permanent maintenance of a high level of nuclear safety in all phases of performance and operation of nuclear objectives and facilities is of vital importance and constitutes the first priority for SNN.

SNN has developed and respects a nuclear safety policy that was approved by National Commission for Nuclear Activities Control, abbreviated as NCNAC, in order to maintain a high and constant level of nuclear safety in all phases of the commissioning and exploitation process of nuclear installations. The nuclear safety policy provides guarantees of good execution for all important activities regarding nuclear safety, in all phases of implementation and exploitation of nuclear installations. This document confirms that nuclear safety has the highest priority.

Nuclear safety as a field is a set of technical and organizational measures intended to:

- ensure the safe operation of nuclear facilities;
- to prevent and limit their deterioration;
- to ensure the protection of the staff, the population and the environment against radiation or radioactive contamination.

C. RESPECT FOR HUMAN RIGHTS AND NUCLEAR TECHNOLOGY

In SNN, identification of the important issues related to the respect for human rights are carefully reviewed; thus, the content of the human resources policies, the CBA provisions are adapted to the specifics of the nuclear industry, thus ensuring that the culture and organizational climate follows the ideal according to which nuclear safety, and implicitly that of staff, population and environment takes precedence, and that nothing is more important or of higher priority than this.

The organizational culture of SNN is based on the general beliefs of the company members: Safety First (safety has

priority), awareness of the importance of nuclear safety and security in all conducted activities, as well as focus on continuous improvement in the search for professional: operational excellence and work safety, environmental protection, equipment safety, in training of the young generation of specialists, in business and economy.

SNN adopted the WANO (World Association of Nuclear Operators) & INPO (Institute of Nuclear Power Operations) principles of the continuous improvement culture "Staying on top", and embedded them in the organizational culture and the nuclear safety culture put in place in SNN.

D. RESPECT FOR HUMAN RIGHTS AND ANTICORRUPTION POLICIES, INTEGRITY, CONFORMITY

D.1.

ANTICORRUPTION POLICY-ZERO TOLERANCE TO CORRUPTION

Nuclearelectrica put in place mechanisms for monitoring and warning of the occurrence of any threats or non-compliances with the ethics and integrity rules, such as:

- Regular identification and assessment of the corruption risks;
- Disclosure by the Company's employees of any potential conflicts of interest and use of an application for to disclose, consolidate and analyse the said information;
- Anti-corruption clauses included in contracts with business partners;
- Regular employee counselling programme set up by the Ethics Advisors;
- Means of communication provided to the whistle-blowers and analysis of the complaints/reports depending on their nature;
- Screening of business partners in terms of their anti-corruption management system;
- Internal controls aimed at preventing occurrence of fraud and corruption;
- Analysis of sponsorship applicants in terms of their ethical behaviour.

D.2.

WHISTLE-BLOWER

SNN has issued procedures with the aim of establishing the ways of referring, reporting, receiving, treating and investigating irregularities or violations of the law, as well as the rights and duties of the persons who submit referrals or reports. The procedure is developed to address issues concerning aspects of public interest, that could include also infringement of the SNN policies and procedures, or the applicable legislation.

The issues that can be qualified as irregularities (without this listing being limitative) are: non-compliance with the

Code of Conduct, non-compliance with policies and procedures, improper aspects concerning the financial statements and the relations between employees, abuses, discrimination, corruption, theft, money laundering and any inappropriate behaviour that could damage the reputation of the Company or any attempts to hide any of the above.

The procedure documented and implemented by SNN, on Irregularity Reporting has as goals:

- To encourage employees and third parties to feel confident enough raise serious issues, question them and act accordingly;
- To make available to employees and third parties means of discussing and obtaining assessments of any measures taken as a consequence;
- To make sure that employees and third parties receive an answer to their reports and that they know how to proceed when they are not happy with the measures taken;
- To reassure the employees and third parties as to the fact that, when they report non-compliances that believe are real in good faith, they will be protected against any retaliation or victimization.

The procedure describes the means of communication and the process to receive referrals on:

- a. inappropriate acts and/or accounting and auditing practices that come against the international practices and applicable laws / provisions; and
 - b. fraud, corruption, bribery or conflicts of interests and other facts representing a violation of law;
- as these are defined in the related policies/codes of SNN on the control of fraud, corruption and conflicts of interest.

However, the communication channels described in this procedure can be used also to submit other reports concerning irregularities or non-conformities identified by the petitioners. identificare de catre petenti.



D.3. COMPLIANCE FUNCTION

In order to promote and strengthen integrity in the performance of corporate activities, Nuclearelectrica has developed an ethics and compliance programme including policies and principles aimed at encouraging and facilitating the activity of preventing, detecting and combating acts of corruption, in order to achieve the objectives established by joining the National Anti-Corruption Strategy. Nuclearelectrica's management and its staff comply with and maintain the concept of zero tolerance to corruption, taking and giving bribes, being firmly committed to complying with national legislation and the applicable regulatory framework. The company provides access to all necessary information resources and counselling to prevent violations of the law or company regulations.

The Directors, the CEO and the management of the Company support an organizational culture based on the principles of integrity. The Company promotes, among its employees, collaborators and business partners, the principles of ethics and compliance. For this purpose, in order to make them easier to understand and observe, the principles of ethics and integrity were documented in some guidelines, the Compliance Guidelines, the Guidelines for Advisors Counsellors and Guidelines for Recruitment of Human Resources, which are provided to every new-hire.

We consider that compliance standards are a special factor in promoting our business relationships and we insist, including through contractual clauses, that partners comply with the rules and regulations in force

D.4. ETHICS OFFICER-ZERO TOLERANCE TO THE DEVIATION FROM THE PROFESSIONAL ETHICS PRINCIPLES

In SNN, the organization and functioning of the Ethics Committee, as well as the statute of the ethics advisors of the Company are regulated under the Procedure

RU-00-11; thus, the work of the ethics advisors, which also covers assessment and mitigation of the impact on human rights, ensures the following:

- Management and development of the Company's ethical values, ensuring compliance with the ethical rules of business conduct, in all company structures and at all levels;
- Coordination and supervision of the development, interpretation and implementation of the ethics policies and programmes;
- Analysis of the situations disclosed in referrals/reports concerning infringement of the ethics standards, policies and procedures of the organization and their referral to those having authority to address them;
- Advising employees on how to approach certain situations so that no ethics rules are infringed;
- Participation in the investigations carried out on infringement of the Company's code of conduct and the internal rules, and making recommendations for the lawful settlement of the case;
- Delivery of training on ethics and compliance with the rules of the organization, as well as regular communications about ethics, compliance with the rules and business conduct requirements;
- Integration of the newly hired into the ethical environment, compliance with the rules and the business practices of the Company;
- Measurement and management of the Company's performance in terms of ethics and compliance;
- Preparation of quarterly reports on compliance with the conduct rules by the unit's employees.

Any matter that affects human rights is reviewed and reported by the ethics advisors, and should any form of violation of the human rights be found, disciplinary procedures are initiated in accordance with the legal provisions and the Internal Regulation of SNN.

4. REPLY AND REPORTING

Through the governance system and key-functions related to the protection of human rights, we aim at constantly identifying, assessing and improving the policies and related principles.

There are responsible delegated staff for each process separately, supervising the implementation of such measures, as well as for:

4.1. Training and counselling

In addition to visible interventions, and formalization of results through reporting, the staff responsible for the process shall pay attention to its role to understand and influence the human dimension within the organization. The process officer encourages the set up of an organizational background in which the respect for human rights, ethics and ethical behaviour are continuously recognized and observed regarding a foreseeable, unambiguous workplace, which generates the employees' trust in the ethics advisers. This, the ethics adviser provides counselling to executive management, to management and staff regarding the ethical standards and policies of the organization, including in relation to the respect for human rights.

4.2. Measurement, investigations and reply

The company provides internal control mechanisms and methods of misconduct identification for assessing the compliance of activities in relation to the ethics and integrity rules and principles, including as concerns the respect for human rights. Investigations related to some violations of the ethics rules are conducted, depending on the nature and complexity of the concerned issues, both depending on human resources or compliance or on the internal audit.

All principles and instruments implemented by the company resulted in the risk of non-observance to be reduced so far, since there have been no complaints for non-observance of human rights so far. In case of any complaints, they shall be assessed/examined/ investigated and answered to by corrective measures.

4.3. Reporting

The company ensures that the respect for human rights and the ethical performance of the organization is correctly assessed, monitored and reported. The process officer periodically reports regarding the implementation of the principles for the respect of human rights and ethics and anticorruption programmes. The report includes items related to the progress achieved in the implementation of the programme, trends, changes, critical incidents, strategic considerations, emerging issues, strategic objectives, an assessment of the new challenges or opportunities and ethics risks.

4.5. Improvements of processes and procedures

The company ensures that reports are taken into consideration and based on them, improvements shall be made to processes or procedures.

Cosmin Ghita
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