

## **Appendix no.6 The substantiation of the need to increase the number of personnel for the year 2024**

For Nuclearelectrica, 2024 is marked by a number of operational and strategic challenges, related to both operation of Units 1 and 2 Cernavoda NPP under maximum nuclear safety in 2024 and in the future, as well as deployment of the investment programme in line with the Letter of Expectations approved by the Ministry of Energy, the 2023 - 2027 Management Plan and Romania's strategic objectives in the energy sector.

Among the challenges identified, staff identification, selection and retention, their training and high qualification needed to carry out activities with an impact on nuclear safety, are permanent concerns for the Company. Equally, in addition to the qualitative factor related to the staff, the Company must also properly address the quantitative factor related to employed staff, *i.e.* the right remuneration the staff so as to ensure their long-term retention, according to their long-term training and ultra-specialization profile.

In application of the provisions of Article 73(2)(e) of Law no. 421/2023 - the 2024 State Budget Law, the staffing required to cover for the company's organization chart, initiated in 2023 and due to continue also in 2024, **further to business diversification and expansion** was considered and relied on:

- ✓ the provisions of Law no. 200/16.07.2021, ratifying the Cooperation Agreement Towards the Cernavoda Nuclear Power Projects and the Civil Nuclear Power Sector in Romania between the Government of Romania and the US Government, signed in Bucharest on 9 December 2020 and in Upper Marlboro on 4 December 2020;
- ✓ the provisions of Article 25(1)(e) of Law no. 111/1996 on the safe performance, regulation, authorization and control of nuclear activities, according to which SNN is under the obligation to ensure and maintain adequate human and financial resources in order to fulfil its obligations under this law, including in terms of observance of the conditions and requirements of the authorizations and rules in force, issued on the basis of this law;
- ✓ the provisions of Article 10 of the Rules for Authorization of Nuclear Installations (NSN-22), according to which the annual operating costs must duly consider the need for investments to maintain and continuously improve the nuclear safety, including through upgrading and retrofitting activities, as well as the need to provide sufficient qualified staff, who master the necessary skills and competences, for all important nuclear safety activities;
- ✓ the provisions of Articles 12, 14, 15, 16 and 17 of the Fundamental Nuclear Safety Rules for Nuclear Installations (NSN-21) which contain obligations as to provision of human and financial resources for performance of activities important for nuclear safety, including in relation to attraction, recruitment, selection, employment, development and retention of staff all functions important to nuclear safety, including in terms of competitive salaries equal at least to the average remuneration paid by similar organizations in the nuclear industry of the European Union for equivalent functions and duties;

- ✓ the provisions of Article 11(4) and (5) of the Nuclear Safety Rules concerning supervision, maintenance, testing and inspections in operation of nuclear installations (NSN-16) with reference to the staff due to be provided in the unit in order to put in place standards and technical specifications, so that the works carried out by third parties can be independently assessed and checked;
- ✓ the provisions of Article 48 of the Rules on the deterministic nuclear safety analyses for nuclear installations (NSN-24), which regulate the necessary skills for performance, review and updating of the deterministic nuclear safety analyses, these requiring sufficient competent staff who understand the design and authorization bases of the nuclear installation and are qualified for preparation, performance, development, revision and updating of the said analyses and for their independent verification, both for design basis analysis and analysis of the conditions for expansion of the design basis;
- ✓ the provisions of Article 14, Article 15, Article 16 and Article 17 of the Rules on the nuclear safety policy and independent assessment of nuclear safety (NSN-20), which regulate the staff with responsibilities for the independent assessment of nuclear safety.

**SNN is the critical infrastructure, a strategic facility of national interest, whose continuous and safe operation in terms of the National Energy System and nuclear safety is vital for the national economy, the environment and the population**, being the only producer of electricity from nuclear sources and ensuring approx. 20% of the national electricity demand. The use of nuclear installations for production of electricity requires strict compliance with the nuclear safety legislation, including with the rules issued by the National Commission for Nuclear Activities Control (CNCAN).

The addition of staff is also substantiated by the need to provide adequate human resources **to support the important business expansion, i.e. those related to the Company's major development projects**:

- ✓ Refurbishment of Unit no. 1 of Cernavoda NPP and the development of the tritium removal plant;
- ✓ Construction of Units no. 3 and no. 4 of Cernavoda NPP in line with the provisions of Law no. 200/16.07.2021 ratifying the Cooperation Agreement Towards the Cernavoda Nuclear Power Projects and the Civil Nuclear Power Sector in Romania between the Government of Romania and the US Government;
- ✓ Compliance with CNCAN's requests under the letter no. 3882/2021, registered with SNN under no. 9353/2021, which asked for supplementation of the staffing of Cernavoda NPP Branch, in accordance with the provisions of Article 25 of Law no. 111/1996, the provisions of Article 11, Article 14, Article 15 and Article 16 of NSN 21, rev. 1, the provisions of Article 15 of NSN 05, and the provisions of Article 29 and Article 30 of NSN 07.

In April 2023, SNN issued the **2023-2033 Excellence Plan - Strategic Directions**, with a view to defining the principles of excellence and the long-term strategic directions by putting in place a continuous improvement (optimization) and sustainability methodology. After the issue of this document in **2023, SNN increased the number of positions provided in the organizational structure (organizational chart) of the company by 2,762 positions**, according to the organizational

structure (organization chart) approved by the Board of Directors Decision no. 223/27.10.2023. Steps were taken to occupy the new positions; however, as at 1 January 2024, not all the necessary recruitment processes were completed. Thus, for 2024, the following were considered:

- **65 competitions** in various stages of development, for some with signed and accepted employment offers (employment documents) in 2023, with the work commencement start date and the entering of the Individual Employment Agreement into the employee register due in January 2024 and February 2024; however, these are influenced by the prior notice periods that the applicants selected to occupy the respective positions are required to give to their current employers.
- **31 interns**, with employment prospects if, at the end of their internship period, these are assessed as suitable for employment,
- **50 employment offers made as part of an external recruitment company** that helps us to identify staff with higher education that match the niche job profiles needed for the safe operation and maintenance of the nuclear installation.

In addition to the Excellence Plan, SNN also issued and submitted to CNCAN, as required under the regulations, the list of staff holding positions with an impact on nuclear safety, whom SNN must deliver theoretical and practical training to, under a rigorous programme. Thus, for **106 positions, we aim to ensure occupation of the positions the organizational chart was supplemented with, as well as to create buffer positions** that are critical to ensure the transfer of critical knowledge with impact on nuclear safety. In this instance, it is necessary to hire staff to ensure transition from the experienced staff, who meet the legal retirement requirements further to reduction of the standard retirement age in the immediate and near future. We point out that **the personnel under review hold positions with impact on nuclear safety**, for which there are CNCAN regulations requiring that the personnel employed to these positions, generally production staff (operation, maintenance and repair of nuclear installations) and the engineering staff are delivered a rigorous training programme that is sensitive to the particularities of their respective positions and by which they acquire the mandatory internal qualifications for performance of their work. The minimum period required for training and knowledge transfer is 4 years, for technical engineering and maintenance staff, and 5-7 years, for licensed operating personnel (5 years for Senior Nuclear Control Room Operator and 7 years for Shift Leader Dispatcher).

In order to efficiently carry out the investment projects, especially the projects related to Units 3 and 4, the operating staff need to be trained in advance, and this requires their recruitment starting from 2024, considering that the time for recruitment, training, internal qualification and CNCAN authorization thereof ranges from 2 years (for support functions) to 7 years (for the training of a Shift Leader Dispatcher). For the Operations, Maintenance, Technical, and other operational positions, 4 years of in-house training and qualification is required. To this end, the Cernavoda Operating Plan - 4 CANDU units and Doicești - 6 x 77MW Nuscale SMRs, we have planned the staffing needs for the next 8 years, starting from 2024, when we need to recruit **99 new employees for the Operations, LUM, Planning and Technical departments.**

To these adds the need to maintain and develop a group structure that meets the needs for:

- ✓ Centralization, uniformization and efficiency of the business processes, ensuring the resources needed for smooth administrative functioning and in accordance with legal requirements and nuclear safety rules, in the context of the company's business diversification;
- ✓ The need for continuous improvement of the organization's performance, which requires an analysis of various factors that can have an impact on the way activities are carried out and which, directly or indirectly, can give rise to changes both in performance of the activities and in the organization's structure;
- ✓ The need for development in relation to the company's involvement in the SNN international and strategic business relations;
- ✓ Punctual monitoring and ensuring compliance with the status of works and/or activities in progress in the specialized departments.

**Also, there is the need for compliance to ensure the activities provided by the following regulatory acts issued by CNCAN**, which contain a number of additional provisions for alignment with the international nuclear standards (e.g. rules NSN-24, NSN-26 – Rules on the interfaces between nuclear safety, radiological security, physical protection, protection against cyber threats and control of nuclear safeguards, published in the Official Gazette of Romania, Part I no. 989/09.12.2021; NSN-07, NSN- 16, NSN-21, NSN-27 – Rules on the use of standards to assess and continuously improve nuclear safety for nuclear power plants, published in the Official Gazette of Romania, Part I no. 546/25.06.2020; GSN-10 – Nuclear Safety Guidelines for the analyses that use time-related assumptions relevant to the management of the nuclear installation aging, published in the Official Gazette, Part I no. 223/19.03.2020).

The labour market constraints, the migration phenomenon with an emphasis on the generation of young specialists, and the thorough internal procedural framework, that require strict observance of all nuclear safety regulations in force, have delayed full completion of 2023 recruitment plan. Consequently, the recruitment period was extended to 2024, which led to an effective staffing of 2352 people in the end of 2023,, compared to 2,675 people targeted under last approved 2023 budget. For 2024, we expect an actual staffing 2,698 people, *i.e.* an increase of 14.7% compared to the actual staffing at the end of 2023.

The company also envisages an increase in salary-like costs of approx. RON 27 million for these 346 employees, based on the estimates of the individual salary-like costs required to attract staff with the right qualification, as required for the positions due to be filled in 2024, and considering the realistic staging of recruitment process throughout 2024.