WANO MC Corporate Peer Review for NPPD
15-24 May 2022

CORPORATE GOVERNANCE (CO.2)

**Performance Objective**

Corporate governance provides the needed organisational structures, policies, processes and programmes to establish and implement high standards for the operation, maintenance and organisational support of the nuclear stations.

**Area for Improvement CO.2-1**

**Continuous improvement process is not fully established to assure sustainable improvement of Company’s performance.**

The Company governance system is well developed to ensure gradual improvement of safety performance within different areas of responsibility and performance information is shared across the organization. However, the Team identified cases when Governance level provisions sometimes lack the needed, timely updated and clearly communicated, defined and properly executed processes and programmes to establish and implement high standards for the operation.

**Causes and Contributors**

1. Lengthy approval chain of Governance level documents;
	1. COVID restrictions;
	2. Extended time to collect comments from staff and contractors;
	3. Changes in top-level Management;
2. Delay in incorporation of best international practices;
	1. Limitations and restrictions in access to international experience due to political situation;
	2. Lack of information regarding practical implementation in the field of some technical and administrative activities;
	3. Overreliance on the experience of Main equipment supplier (Rosatom);
	4. Single Unit Plant of unique integrated German-Russian design makes it difficult to procure relevant technical solutions, spares and experience;
3. Task oriented mind-set of some employees;
	1. Lack of adherence to management expectations in this area by some front-line personnel;
	2. There are segregation of information for different job positions and different levels of hierarchy
	3. Lack of initiative

**Supporting Facts**

1. Revision of 2016 of the Company requirements for Management system MSR-47000-01 is currently in use both at Corporate level and at the Plant. The procedure has validity deadline until winter 2021. The new revision was prepared, but still not approved because of changes in Top-level Management. It is planned to be issued by the end of June. (CO-06-PA-02)
2. The Company requirements for Management system MSR-47000-01 is referencing IAEA GSR 3, which has been substituted by GSR Part 2 in 2016 (already 6 years since GSR 3 became obsolete). The Plant explained that this was the request of INRA to keep obsolete document as reference. (CO-06-PA-03)
3. Two areas identified at the Company as in need for improvement are HU errors and Succession Planning. When asked when the issues are supposed to be resolved, the Management system Head explained that the HU errors are evaluated based on feedback from the Plant. Indicators are based on WANO and these are set as one of references. Objectives communicated to the Plant and monitored through Management dashboard on Monthly basis. However the Governance provisions available for review do not include progress review schedule and success criteria. (CO-06-PA-04)
4. So far, only large-scale equipment has been covered by the Ageing Management (AM) Programme, e.g. main circulation pumps, feedwater pumps, turbine condensate pumps, main generator, etc. Information is being collected, scoping is being carried out. However a set of activities are still to be done: there is no Data Base of equipment in-scope of AM, criteria for scoping in-line with WANO GP 2020-31 and IAEA SSG-48 and SSG-82 rev.1 have not been developed, review of AM programme against nine attributes of an effective AM Programme is not completed. (CO-05-FS-04)
5. There is a Technological Obsolescence work plan for equipment identified on the spot. However, the Company has not yet provisions for development of a comprehensive technological obsolescence programme in line with the best international practices accumulated in WANO GP 2020-31, IAEA SSG-48 and INUOG Guidelines. (CO-07-PA-02)
6. According to MS&S manager, initially activities at the Plant were mostly compliance-based (to meet Regulatory Requirements). Since recently, approach started moving to continuous improvement. (CO-03-SS-10).
7. Important activities in TR and HR area contain just the completed training courses without reference to challenges in past human errors and to improvement plans (A2, Ch5, p91). During the review the additional information was provided. (CO-01-HL-05).
8. The presentation delivered at the entrance meeting about the plant performance results was focused on Company achievements. The WANO index was presented on the right way, but the value is 70%, which is ranking the plant in the last performance quartile of Nuclear fleet. The recent FUPR results (4 months ago) and the progress made were not evocated. No challenge on performance improvement has been presented. (CO-03-LG-02).
9. According to “Performance evaluation report on the achievement of NPPD Co. annual goals in 2020-2021”, the following NPPD annual improvement goals in 2020-2021 were not achieved:

- Supplying technical support services required by BNPP in 2020-2021 (4 out of 8);

- Generating reliable power at the rate of 6400 million kWh (3 out of 8);

- Safe and efficient power generation (7 out of 26);

- Manufacturing BNPP parts and equipment in parallel with current addenda with Russian contractor (3 out of 3);

- Implementation of defined and approved localization plans and definition of new plans based on needs assessment and feasibility study (3 out of 3);

- Establishment of managerial systems in the field of the chain of supplying, manufacturing and localizing of parts and equipment (3 out of 3);

- Development and communication of policies, requirements and upstream documents in the field of localization and supplying the items (2 out of 2);

- Development and communication of policies, requirements and upstream documents in the field of nuclear safety (2 out of 3);

- Improving the attitudes of human resources and staff growth and development (14 out of 29);

- Providing manpower with the required qualifications (1 out of 4);

- Establishment and improvement in the field of human sources and training infrastructure (6 out of 11);

- Enlightening and awareness the community (4 out of 11);

- Scientific connections with scientific centers and universities (2 out of 3);

- Improving the executive method of the project management (1 out of 4);

- Upgrading readiness level of the company units for successful participation in WANO assessment from the company for the year 2021-2022 (9 out of 15);

- Improving the company structure (5 out of 6);

- Revising the general requirements of the management system (MSR (G)) (1 out of 1);

- Drafting requirements of the management system in the field of operation (MSR (OP)) (1 out of 1);

- Creating and providing the required infrastructure (67 out of 192).

Some of annual goals, not achieved in 2020-2021, have been moved to the next year’s workplan. The Company’s vision is that this is the way to implement continuous improvement.

**Current Perspective**

Managing Director of the company as the main person responsible for management system commits himself to create a proper atmosphere and sustainable practice in continuous improvement of the management system and to support the activities which lead to promotion of safety level in the company in the framework of this system. Also, he puts the timely, efficient and effective implementation of processes (while meeting the requirements of management system) at the forefront of activities in the company.

In practice the Company takes the following actions:

1-The company has notified the subsidiaries about its expectations and requirements in the policies

2- Based on the long-term objectives and strategies, the company develops annual plans.

3- Annual targets are determined and set with coordination between the departments of the company and subsidiaries

4-Periodically, the progress of targets are monitored and necessary reports are submitted to all concerned departments of the company and subsidiaries

For the purpose of continuous improvement of the mid-term objectives, again, the process will be repeated until reaching the favourable result.

The Company is periodically (at least once every two years) revise the management system policy and, while controlling its conformity with other documents of the company, ensure the effective implementation of the processes and requirements of management system and reports relevant results to the Managing Director.

It seems that despite providing training in the area of communications, interpersonal relationships, organizational behaviours etc., still there is a distance until reaching the favourable result. In addition to setting targets, we are planning to hold relevant practical workshops through support from WANO and other international organizations be making use of expertise of experienced experts.

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