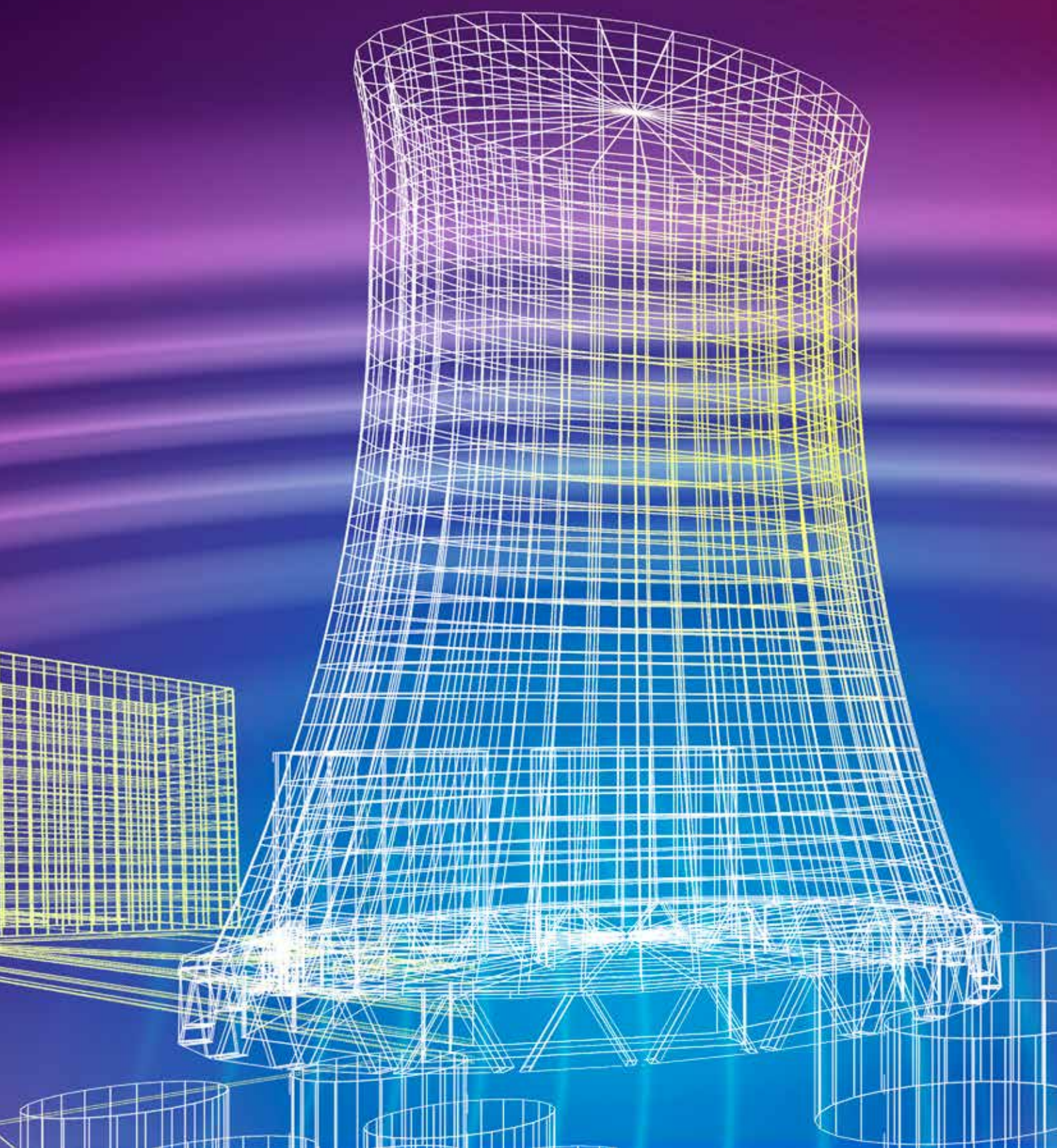


# ANNUAL REPORT 2013





An abstract digital artwork featuring a large, golden wireframe sphere in the upper left, connected by a thin rod to a smaller, solid golden sphere. Below them, several wireframe cylindrical structures of varying heights are scattered across a blue, wavy, liquid-like surface. The background is a gradient of deep red and orange. The word 'FOREWORD' is written in white, uppercase letters on the left side, with a vertical white line to its left.

# FOREWORD



The past year has brought events that in my opinion exceeded the scope of actual calendar year of 2013 and moved Jadrová energetická spoločnosť Slovenska another step closer to realizing the vision under which the company was founded. After completing a Feasibility Study and the baseline studies we proceeded to launch the Environmental Impact Assessment Project of the New Nuclear Power Plant at the Jaslovské Bohunice site (the so-called EIA process). The EIA process provides a comprehensive and expert evaluation of the potential impacts of the proposed project on the environment and defines specific actions to eliminate or to reduce potential adverse impacts. I perceive this process as a very important step towards the right decisions concerning the new nuclear power plant project's future. 2014 will be associated with the first public document submitted within the commenced EIA process. By submitting the Preliminary Study for the Proposed Activity to the Ministry of Environment and its publishing, the affected municipalities, the government authorities, and the general public will be actively involved in the process of assessing the project's impacts on the environment.

Since its inception our company has been making efforts to communicate openly about this project. I think it is very important that we collectively demonstrate that the idea of this significant and extremely challenging project is not a matter of emotions, but a highly sophisticated topic to be discussed at the highest professional level, and with an open-minded and pragmatic approach. At the same time, we must realize that the work on the EIA documentation, which should be completed in 2016, is not the end, but rather the beginning. We still have many intermediate steps and decisions concerning the fate of the new nuclear plant before the final outcome.

The need for a new nuclear power plant should be seen in the long term. Slovakia does not have the potential for more significant use of renewable resources able to steadily

cover all our needs. Nuclear energy is the only truly effective and ecological way of replacing the projected shortfall of older power sources whether due to the end of their design life or failure to comply with the emission limits of the European Union within the coming 15 to 20 years. And in all scenarios, Slovakia expects increased electricity consumption by 2035. I am not an advocate of last minute solutions.

For strategic and security reasons the question of new nuclear power may not be solved this way if we are to behave responsibly. Today such countries like Great Britain and our neighbors in the V4 alliance hold a similar line to Slovakia. Therefore I see the preparation of a new Energy Policy of Slovak Republic in the past year as part of a responsible approach. This document sets out the conditions for an optimal and balanced energy mix with an emphasis on low-carbon technologies, as well as the conditions for self-sufficiency and pro-export capability in electricity production. The European Union is not able to guarantee the energy security of its member states, as was evident during the gas crisis in 2009, and therefore it leaves us the right to determine our energy policy with a view to ensuring our own energy needs. The Slovak Republic thus has no obstacles in the use of nuclear energy as a driving force of its low-carbon growth. In connection with the decision of the ČEZ Group, one of Jadrová energetická spoločnosť Slovenska's shareholders, the past year was marked by the opening of negotiations with the first candidate to join the company, the Rosatom company, with which was signed a memorandum of cooperation. It should be said that a similar memorandum will be signed with any relevant candidates to join the company, with no direct impact on its operation. Also this year we will continue developing the project and increasing its value regardless of any further decisions on the possible entering of a new strategic partner.

Štefan Šabík  
Chairman of the Board of Directors  
and Chief Executive Officer

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Jadrová energetická spoločnosť Slovenska, a. s. (JESS) was established as a joint venture between two major energy companies: Jadrová a vyrad'ovacia spoločnosť, a. s. (hereinafter referred to as "JAVYS") and the Czech energy group ČEZ a.s. (hereinafter referred to as "ČEZ"). Through Resolution No. 948/2008 from 17 December 2008, the Slovak Government approved a new document called the New Nuclear Power Plant (NNPP) at the Jaslovské Bohunice site, through which the intention of implementing a project for the construction of a new nuclear power plant was approved. This was followed by negotiations at the Ministry of Economy of Slovakia and the Ministry of Industry and Trade of the Czech Republic to ensure the implementation process of the respective intention. On 27 May 2009, the Government approved the establishment procedure for the joint venture through Resolution No. 408/2009. Two days later, on the occasion of the fourth meeting of the European Nuclear Energy Forum in Prague, JAVYS and ČEZ signed a shareholder agreement in the presence of the Prime Ministers of Slovakia and the Czech Republic. Under Decree No. 893/2009, through which the Government approved the proposal for establishing the JESS company, along with giving a part of JAVYS as a non-cash deposit for JESS's assets on 9 December 2009, a supplement to the agreement between shareholders Jadrová a vyrad'ovacia spoločnosť, a. s., ČEZ and ČEZ Bohunice, a.s. (100 % subsidiary of ČEZ, established for the purpose of the new nuclear power plant project) was closed on 10 December 2009. By fulfilling the majority position for JAVYS holding a share of 51 % and ČEZ Bohunice 49 %, Jadrová energetická spoločnosť Slovenska, a.s. was entered into the Slovak Commercial Register on 31 December 2009.

### COMPANY MISSION

The main company task is to ensure the implementation of all project phases, starting with the preparation of documentation, providing of background studies,

and the construction preparation all the way to its execution, directed towards the safe operation of a new nuclear power plant at the Jaslovské Bohunice site. We ensure each project implementation stage with regard to maximum safety, a minimum impact on the environment, economic efficiency, and the energy security of Slovakia.

### SHAREHOLDER STRUCTURE IN THE COMPANY

The company was founded without a requisition to underwrite shares through an establishment agreement in the form of a notarial deed. Both shareholders are involved with the basic capital, so that the shareholder ratio assumed through the shareholder agreement, i.e. JAVYS 51 % and ČEZ 49 %, will be maintained. The share capital consists of cash deposits from both shareholders. JAVYS' share is enhanced by a non-cash deposit, consisting primarily of land, buildings, technical studies and other assets and liabilities relating to the preparatory work for the nuclear power plant's construction.

### BODIES OF THE COMPANY AND COMPANY MANAGEMENT

The management control of the company works on the principle of equality between both partners, translating to all the company bodies. The supreme company body is the General Assembly and consists of all present shareholders. The supreme supervisory body is the Supervisory Board, which oversees the performance of the Board of Directors and the performance of the company's business activities. The Board of Directors is a statutory body that manages the company's activities and acts on its behalf.

**BOARD OF DIRECTORS****Chairman of the Board**

Štefan Šabík

**Vice Chairman**

Petr Závodský  
(appointed 3. 12. 2013)

*Andrej Žiarovský  
Vice Chairman until 3.12.2013*

**Members of the Board**

Tomáš Vavruška

Ján Červenák

Josef Ježek  
(appointed 3.12.2013)

Stanislav Bár  
(appointed 3.12.2013)

*Peter Szénásy  
Member of the Board until 3. 12. 2013*

*Roman Brecely  
Member of the Board 18. 1. – 3. 12. 2013*

*Petr Závodský  
Member of the Board until 18. 1. 2013*

**SUPERVISORY BOARD****Chairman of the Supervisory Board**

Peter Čižnár

**Deputy Chairman  
of the Supervisory Board**

Andrzej Martynek  
(appointed 10. 1. 2013)

*Daniel Beneš  
Deputy Chairman of the Supervisory Board  
until 10. 1. 2013*

**Members of the Supervisory Board**

Miroslav Obert

Vladimír Johanes

Anton Masár

Tomáš Petrář  
(appointed 30. 5. 2013)

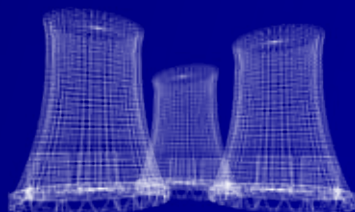
*Peter Bodnár  
Member of the Supervisory Board  
until 10. 1. 2013*

*Pavel Janík  
Member of the Supervisory Board  
10. 1. – 30. 5. 2013*



Jadrová  
a vyraďovacia  
spoločnosť, a. s.

**51%**



JOINT VENTURE



ČEZ Bohunice a. s.

**49%**

**15. 1. 2013**

JESS, in the presence of other interested parties (JAVYS, ČEZ, and ČEZ Bohunice) signed a memorandum of cooperation with Rosatom, allowing a third party to obtain information about the status of the new nuclear power plant project.

**24. 1. 2013**

A due diligence review of JESS for the planned entry of a new partner into the project was initiated.

**11. 4. 2013**

UTM assembly in the Jaslovské Bohunice region – the JESS CEO spoke about the upcoming EIA process, the state of preparations of the infrastructure for the NNPP project.

**23 – 24. 4. 2013**

At the 2013 ENKO conference, held in Bratislava, the CEO presented “A New Nuclear Power Plant – the Conclusions of the Feasibility Study and Further Project Procedure.”

**September 2013**

The most important project milestone in 2013 was the launching of the Environmental Impact Assessment (EIA) process, the invitation to a tender for an EIA elaborator completed, and a contract with AMEC signed. The initial work related to the assessment process began that month, and it should reach completion by mid-2016.

**26. 9. 2013**

At the tenth International SES (Secure Energy Supply) Conference, designated for experts from the nuclear and energy industries, the CEO spoke about the initiation of the NNPP project's EIA process.

**16. 10. 2013**

JESS representatives participated in the second scientific conference called “Energy Resources of Regions - Present and Future.” The conference focused on the cross-border partnerships of regions in addressing energy issues.



3

## PROJECT ACTIVITIES

ПРОЕКТНАЯ ДЕЯТЕЛЬНОСТЬ





From the beginning of 2013 the project activities concerning the construction of a new nuclear power plant at the Jaslovské Bohunice site continued according to the approved schedule, so that in the second half of the year they can fully engage in the activities defined by the revised business plan approved by the Supervisory Board of the company on 27 August 2013 in it, the shareholders agreed on actions to be implemented as a priority over the next three years.

**Priority project activities in 2013 were:**

- ensuring the preparation of analysis concerning the foundation of safety-significant NNPP structures based on the specific site aspects,
- initiating the EIA process for the NNPP project by selecting the elaborator of the EIA documentation and executing the necessary steps of the EIA process,
- continuing the activities concerning the NNPP's connection to the SR electricity system in order to obtain a "Certificate for the Construction of an Energy Facility" from Ministry of Economy of the SR,
- continuing the integration of the NNPP construction plan in the current spatial and planning documentation (SPD) in order to translate the NNPP project in the SPD documentation at all levels,
- continuing the conceptual preparation of major related investments – site preparation and construction site facilities.

### 3.1

#### THE NNPP'S ENVIRONMENTAL IMPACT ASSESSMENT

In line with other activities approved by the JESS shareholders within the preparatory project phase, the NNPP's environmental impact assessment (EIA) process is one of the most important activities. The EIA process's initiation follows the results of the feasibility study

and the approval of the most suitable project implementation alternative.

**The purpose of the EIA is to:**

- describe, identify and evaluate the direct and indirect impacts of the proposed activities on the environment,
- clarify and compare the advantages and disadvantages of the proposed activity, including its variants, even when compared with a zero variant,
- identify measures to prevent or mitigate environmental pollution, or prevent environmental damage,
- obtain an expert basis for issuing the licensing decision of activities under special regulations.

**The EIA principles are:**

- a complex evaluation of the given activity's anticipated impacts on the environment before deciding about its approval,
- impact assessment ensured by experts from various fields,
- a broad and active public participation in the assessment process,
- the assessment process does not replace the activity's licensing process.

**The NNPP project belongs among compulsorily assessed activities under Act No. 24/2006 Coll. on Environmental Impact Assessment. The evaluation consists of the following steps:**

- Preliminary Study for the Proposed Activity
- Determining the evaluation range and time schedule
- Environmental Impact Assessment Report
- Public discussion concerning the assessment report
- Expert opinion
- Final statement

In the second half of 2013, preparatory activities for the initiation of the EIA process were carried out in the company. A supplier tender for the development of EIA documentation



for the new nuclear power plant construction project at the Jaslovské Bohunice site was held. In September 2013, a contract was signed with the winner of the documentation development tender – **with AMEC, s.r.o., the Czech Republic**. The contractor launched its activities by preparing several background studies needed for the Preliminary Study processing. The execution of the entire EIA process for the NNPP project is planned for a period of three years.

The EIA documentation will contain the assessed the NNPP project with a pressurized water reactor of generation III, III+ in a single-unit configuration with a capacity of maximum 1,700 MWe using the envelope method, meaning that any potential the NNPP project's impacts on the environment will be taken into account in terms of their most unfavorable parameters.

Preliminary Study for the Proposed Activity is the first document prepared within the activities of the environmental impact assessment. It brings all the basic information required by law and also serves as the basis for determining the evaluation range of the proposed activity under Paragraph 30 of Act No. 24/2006 Coll.

The purpose of the Preliminary Study is not to provide detailed or comprehensive information on the proposed activity's environmental impacts. The purpose is rather to introduce the proposed activity, the concerned area, state of the environment in the concerned area, and to identify the potential impacts of this activity on the environment and human health, including cumulative and synergistic impacts.

A detailed impact assessment of the proposed activity on the environment and human health will be contained in other documents prepared throughout the environmental impact assessment of the proposed activity, specifically in the Environmental Impact As-

essment Report, which will be processed under Paragraph 31 of the act and contain the comprehensive identification, description, and evaluation of the anticipated impacts.

In the last quarter of 2013, data about the environmental state was collected and background studies for various areas of environmental impacts necessary for the Preliminary Study preparation were processed. The results of the Feasibility Study prepared in 2012 were also taken into account. At the end of the year the contractor submitted the Preliminary Study for the Proposed Activity proposal for evaluation and comments.

#### The main milestones of the NNPP EIA process are:

Milestone	Activity
March 2014	Submitting the Preliminary Study to the competent authority
May – June 2014	Determining the evaluation range
August 2015	Submitting the Environmental Impact Assessment Report
September – October 2015	Public hearings
November 2015	Cross-border consultations
1st quarter of 2016	Final Statement

One of the basic methodological approaches in the environmental impact assessment, especially for the area of nuclear power, is the focus on conservatism and evaluation security. The preparation of the Preliminary Study (and subsequently the Environmental Impact Assessment Report) is strictly subordinated to a conservative approach. This approach is based on a principle that all data used for



the evaluation are considered as rather less environmentally favorable. Only in this case is it guaranteed that the evaluation procedures will affect all the proposed activity's impacts in their potential maximum.

One of this conservative approach's applications is the selection of unit parameters for the possible plant suppliers to be used for impact assessment. The procedure is that from all the facility parameters of all potential suppliers, the least favorable ones are selected (such as the highest water demand, most radioactive discharges, the largest dimension to assess environmental impacts, etc.), and these are in many cases conservatively rounded upwards. The thus created Plant Parameters Envelope is used for impact assessment. The facility parameters of the subsequently selected suppliers will be better (or at least the same) as the parameters used to assess environmental impacts in all indicators. The assessment results will thus cover all facilities of potential suppliers with a margin. This "envelope method" is used to evaluate the impacts of nuclear power plants worldwide (recently, for example, in Hungary, the Czech Republic, Canada, Finland, and the USA) and it is also recognized by regulatory authorities.

### 3.2

#### PREPARATION OF INFRASTRUCTURE

Within the approved activities for 2013, the purchase of land whose extent corresponds with the requirements on the placement of technological devices was ensured, along with the related necessary structures, and the third generation reactor itself. For these purposes, **JESS Invest, s. r. o.** was established on 1 August 2010 through its entry in the Slovak Commercial Register. Its mission is to ensure the necessary infrastructure for the NNPP construction project at the Jaslovské Bohunice site. JESS Invest, s. r. o. is a 100 % subsidiary of JESS, located on Tomášikova Street no. 22 in Bratislava.

The JESS Invest, s. r. o. subsidiary began the purchase of land in the area of interest with an area of 115 ha in January 2013. The purchase of land was ensured by EDEN, s. r. o. in accordance with the agency agreement closed on 8 November 2012. The purchase was carried out on the Radošovce and Bohunice cadastral areas in the Trnava region.

By the end of 2013, a land deposit to the subsidiary JESS Invest, s. r. o.'s ownership deed with an area of 95.6 ha, representing 83.77 % of the interest area, was approved through the resolution of the District Office in Trnava's Cadastral Department.

### 3.3

#### THE NNPP'S CONNECTION TO THE SLOVAK ELECTRICITY SYSTEM

2013 was a very important for the NNPP, especially due to the government proposal, comment procedures, and the subsequent approval process of new Slovak energy policy, determining the future direction of Slovakia in the energy industry up to 2050. The energy policy counts on the NNPP's construction in Jaslovské Bohunice and the building of new current electricity system transmission capacities and the strengthening of old ones in order to ensure self-sufficiency in electricity production and enhance the security of its supply.

In 2013, during several business meetings the most important Feasibility Study results were presented to the transmission system operator Slovenská elektrizačná a prenosová sústava, a.s., and the distribution system operator Západoslovenská distribučná, a.s. These meetings were held within the process of obtaining the opinions of both system operators concerning the NNPP project, being a prerequisite for the issuance of a "Certificate for the Construction of an Energy Facility" by ME SR. Several significant changes in the prognosis regarding electricity production and consumption development, as well as the production base composition since the



Feasibility Study's preparation necessitated an update in the areas related to the NNPP's connection to the electricity system (ES) so that they would become consistent with the concept mentioned in the new Energy Policy.

Based on these updates and the opinions of system operators, one of the priority milestones for 2014 is to obtain the "Certificate for the Construction of an Energy Facility," representing the reservation of the NNPP production capacity's placement in the ES.

### 3.4

#### NNPP SITE ASPECTS

The assessment of the NNPP site's specific characteristics, "Analysis on the Foundation of Safety-Significant Objects in the NNPP Site of J.Bohunice" was developed in line with IAEA NS-G-3.6 instructions (Geotechnical Aspects of Site Evaluation and Foundations for Nuclear Power Plants for Protecting People and the Environment) and the ASCE 4-98 standard (Seismic Analysis of Safety-Related Nuclear Structures), demonstrating the feasibility of the reliable foundation of important NNPP objects in the proposed location with the given geological, geotechnical and seismic conditions. In addition to this, the analysis evaluated the prospective subsoil and proposed possible technologies to improve the foundation's bearing capacity. It can be stated that all potential nuclear units intended for the NNPP are designed, respectively, to have sufficient reserves to cover any adjustments in relation to the site's characteristics.

### 3.5

#### SITE PREPARATION AND CONSTRUCTION SITE FACILITIES

The aim of the concept is to define the site boundaries within the interest area while respecting the NNPP's location, particularly in relation to NNPP grid connection designing and ensuring a reserve supply of the NNPP's self consumption, including the placement of a 400 kV switchyard to connect the NNPP

into the ES, the supply of raw water and the disposal of waste and rain water, and the connection to the road and railway transport infrastructure.

Within the construction site's preparation, requirements for its construction site facilities were defined, meaning the determination of areas, necessary media, and infrastructure for the most efficient realization of the NNPP's construction and commissioning. These requirements formed the key input specifications to determine the most suitable alternative of the NNPP project's realization, which needed to be defined for the following project activities and which clarified the Feasibility Study results to some extent. The demarcation of areas essential for the NNPP's construction itself was closely related to the procedure of laying down the land purchase strategy.

Through further targeted surveys, the current engineering networks, structures on the interest area of the site preparation, and construction site facilities were identified, and potential collisions of the NNPP's construction with the current infrastructure were solved. Also, the placement of new distribution corridors necessary for the NNPP's functioning was defined. These are mainly the important associated investments in:

- raw water supply,
- disposal of waste and rain water,
- placement of the 400 kV switchyard to connect the NNPP in the Slovak ES and the grid connection corridor.

### 3.6

#### SPATIAL AND PLANNING DOCUMENTATION

Another important activity realized in 2013 was the update of spatial plans with the aim of translating the NNPP project to SPD at all levels. JESS submitted documents to incorporate the NNPP project into the spatial planning documentation of the Trnava



Self-Governing Region (TSGR) and the towns of Jaslovské Bohunice and Radošovce.

The Trnava Self-Governing Region, as a spatial planning authority, procures a new spatial plan for the Trnava region. Concerning the SPD process, the Trnava Self-Governing Region published The Spatial Planning Concept for the Trnava Self-Governing Region on its website on 25 February 2013. Within the comment procedures, JESS submitted the comments and in September 2013 the company received the comments concerning the new TSGR SPD. All the comments were accepted, and the NNPP, along with the associated infrastructure (grid connection to the ES, raw water supply, and disposal of waste and rain water) were translated in the concept design. In the first half of 2014, the publication of the new TSGR SPD concept design is expected, with the subsequent approval of the final document at the TSGR council negotiations.

The town of Jaslovské Bohunice procured the municipality's spatial plan – amendments and supplementations no. 2/2012. Background documents for including the NNPP project in Jaslovské Bohunice's spatial planning were prepared and sent to the municipality's statutory body in January 2013. The SPD elaborator processed the background documents in a subsequent process and the proposal for the Municipality's Spatial Plan – Amendments and Supplementations No. 2/2012, should be publicly negotiated in the municipality in the first half of 2014.

### **3.7**

#### **STRATEGIC PARTNER**

At the beginning of the year, the minor shareholder ČEZ decided to test the interest in its shares in JESS, since it is limiting its activities abroad and focusing more on domestic projects. On 15 January 2013, a memorandum of understanding was signed with the Russian state corporation Rosatom, based on which JESS prepared all the necessary back-

ground documents to carry out the technical and economic company analysis required by the potential candidate to enter the project. The memorandum of understanding, signed by the representatives of the potential Russian investor at the beginning of the procedure, may be signed with any serious candidate to enter the project.

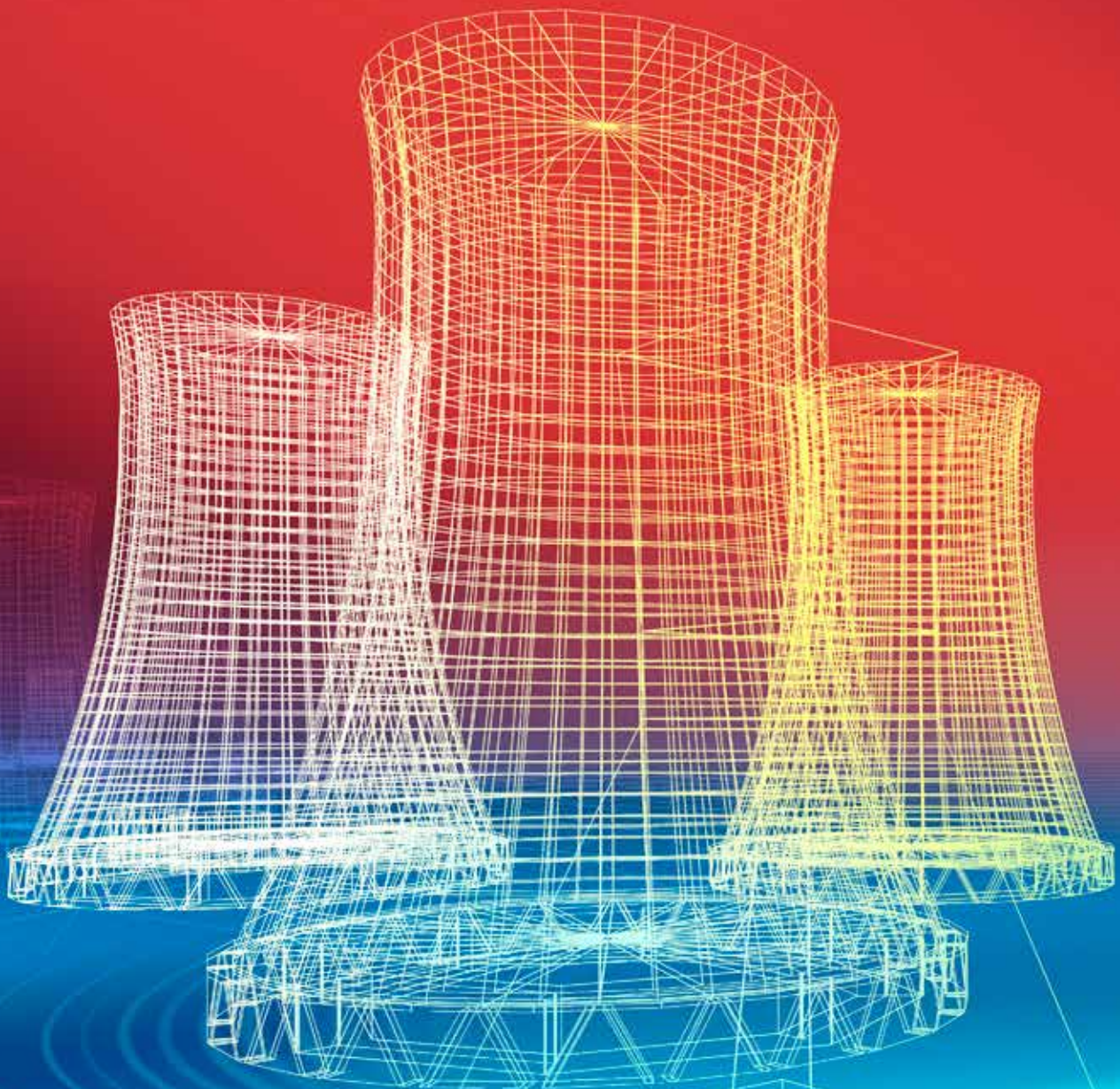
At its meeting on 10 April 2013, the Slovak Government adopted Resolution No. 175/2013, through which a Working Group was created for negotiations concerning the NNPP preparation project at the Jaslovské Bohunice site. Subsequently, a working group was established through a letter of appointment by the Minister of Economy of the SR, and with the counterparty represented by the Rosatom representatives it negotiated the options and conditions of changes to JESS's ownership structure. The working group's aim was to analyze Slovakia's options of providing project support, particularly from the economic and financial perspective, since the ambitions presented by the Russian partner exceeded the competence of JAVYS' and JESS' corporate bodies with their significance, and had a major economic and legislative importance.

From the Slovak project shareholder's perspective, the maximum possible level of professionalism was maintained, as well as maximum collaboration and an effort to answer all material questions. All answers were prepared with the maximum professional care and reflected the current project knowledge. The project is prepared so that it can represent an attractive acquisition target for a possible investor also in the future.



# 4

## ORGANIZATIONAL STRUCTURE AND HUMAN RESOURCES





Development in the company's human resources followed the trends applied in the previous year and the approved company goals for 2013. In employment policy, the main aim was to provide professional employees and ensure their education and development in order to achieve a reliable and economical company operation, and comply with the OSHMS and environmental protection principles.

### EMPLOYEE STRUCTURE

From the total number of employees (37 employees and 7 agency workers), 32 men and 12 women worked in the company in 2013, of which 39 had university education and 5 secondary education. The average age of employees and agency workers is around 45 years. In particular, professionals with several years of practice worked in the company. Most employees numbering 19 (44 %) ranged from 41 to 50 years of age; 12 employees were between 31 and 40 years (27 %); between 51 and 60 years of age it was 11 employees (25 %); up to 30 years it was 1 employee (2 %), and 1 employee was over 60 years of age (2 %).

### EMPLOYEE EDUCATION AND DEVELOPMENT

An important part of human resource management in the company is a well-functioning process of employee education and development. Its purpose is to ensure professionally prepared staff, able to meet company objectives efficiently and effectively.

In 2013, it was mainly the FIDIC trainings with a business focus that contributed to the development of personnel competence, along with trainings in the economic, environmental, integrated management, and personal data protection areas. The process of employee education and development was carried out in accordance with the valid legislation. Within language preparation, the employees improved their English. The participation of company employees at

foreign conferences and seminars contributed to the development of their language and professional knowledge.

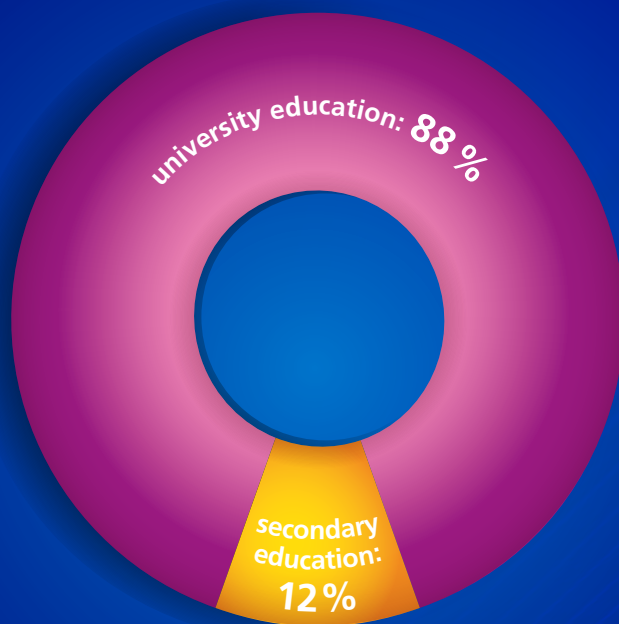
### EMPLOYEE CARE

Social policy is an integral part of employee care. The company created a social fund within Act No. 152/1994 Coll., on social funds, as amended, with a mandatory allocation of 0.6 % of the gross wage. The social fund was used for meal allowances, and in extreme cases, the company provided one-off social assistance.

In 2013, Jadrová energetická spoločnosť Slovenska, a. s., contributed 3 % of employee salaries to supplementary pension savings for its employees. The purpose of the additional pension savings is to allow the saver to gain additional income under Act No. 650/2004, as amended.



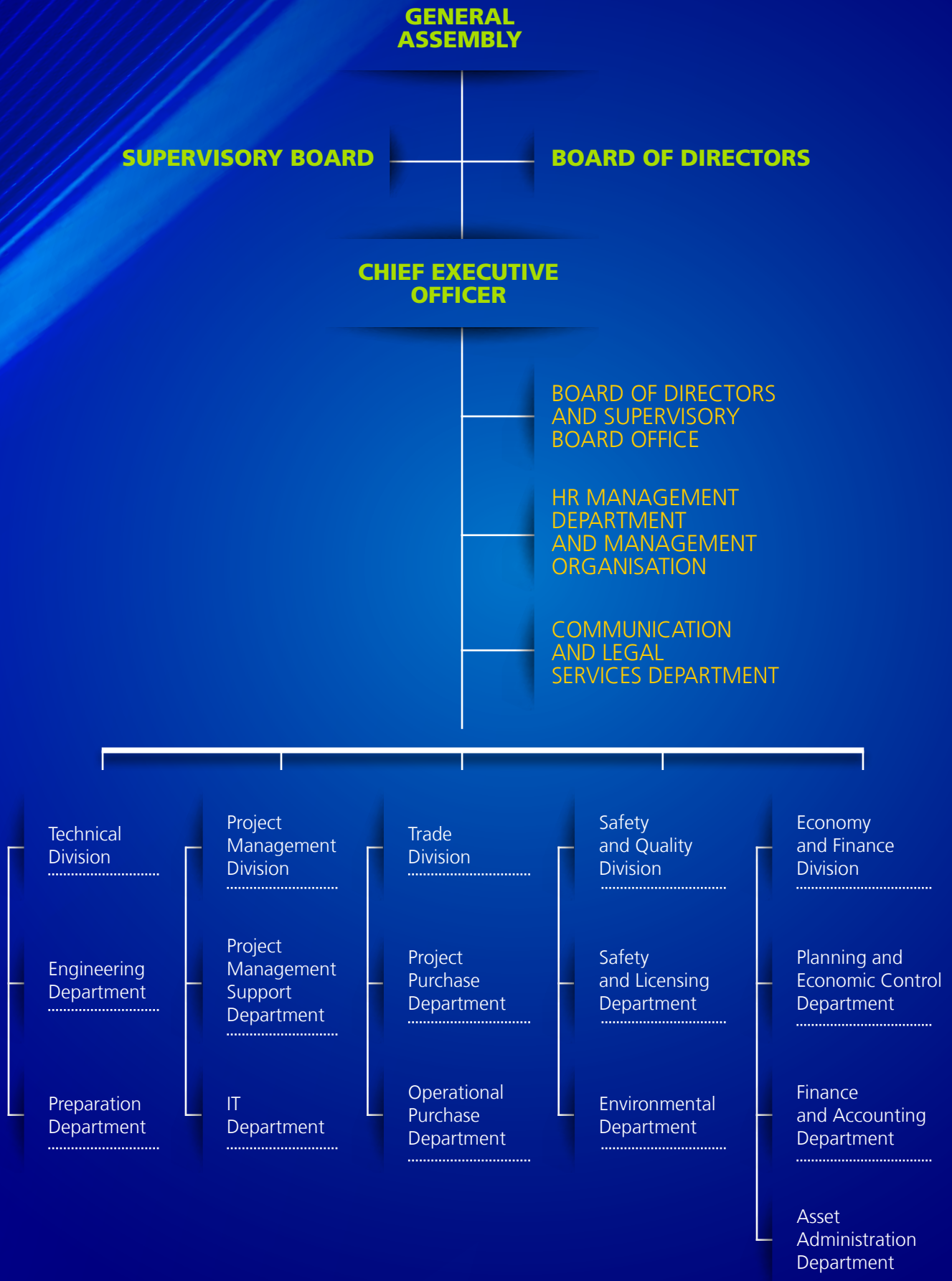
## EDUCATIONAL STRUCTURE OF EMPLOYEES



## AGE STRUCTURE



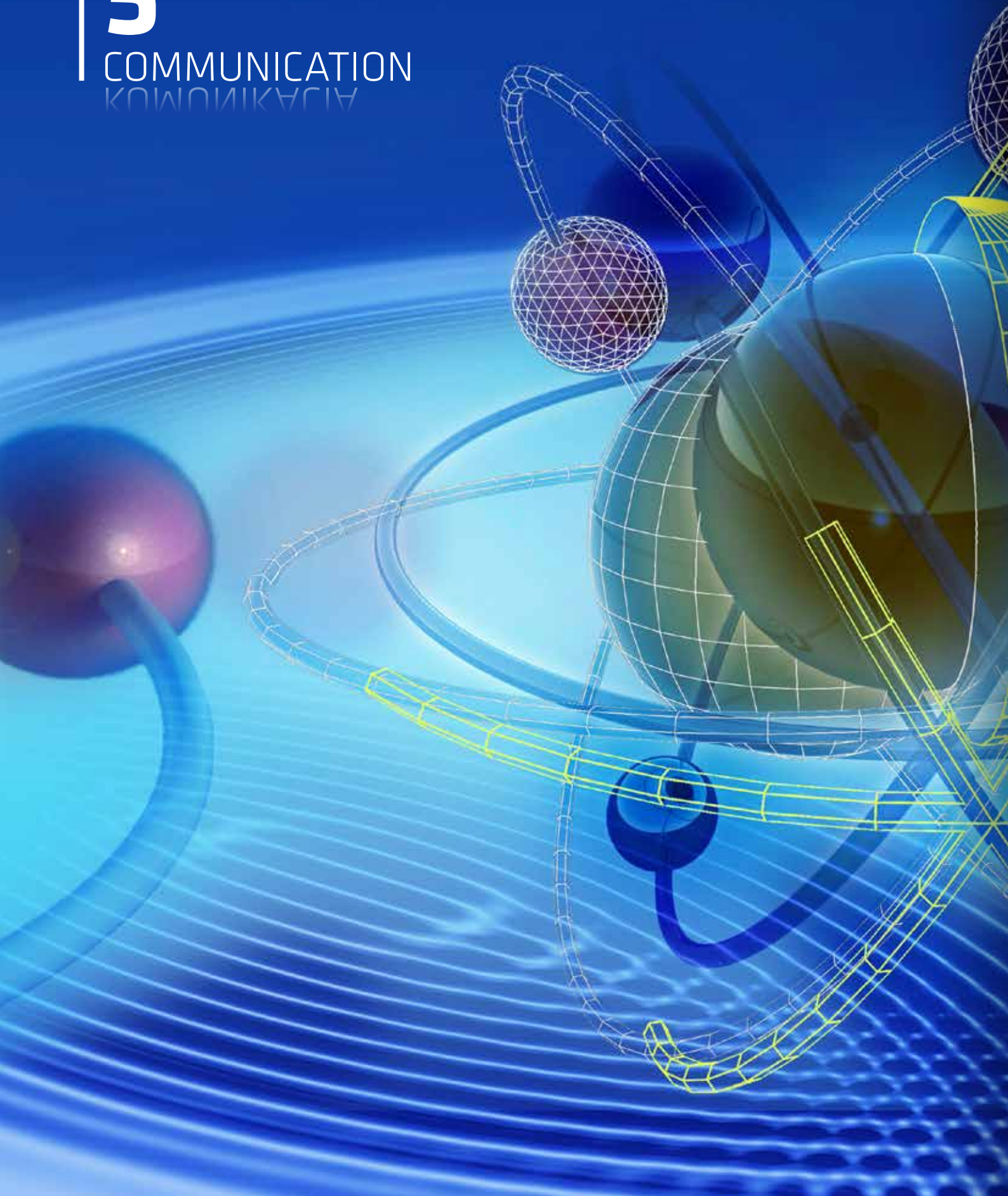
## ORGANIZATIONAL CHART





5

COMMUNICATION  
KOMUNIKACJA





Since its inception, Jadrová energetická spoločnosť Slovenska has been regularly discussing the NNPP project's construction at the national level, and with the regional representatives and residents in the immediate vicinity of the future NNPP. In relation to the NNPP project's preparation, the autonomous regions will become a natural communication partner within the Environmental Impact Assessment process.

Since the beginning of the NNPP project's preparation, we consider the cooperation with regions very important. The regions are informed about each project milestone. Besides others, this purpose is served by regular meetings of Public Information Commission Bohunice (PIC), being the organizational unit of the Union of Towns and Municipalities (UTM), the NPP Jaslovské Bohunice region, with JESS's management, and which was established in order to improve public awareness in the region about the impact of nuclear facilities. Besides JESS representatives, PIC members include representatives of the autonomous regions located near the nuclear facilities, along with representatives of JAVYS and Slovenské elektrárne, member of the ENEL Group.

In the context of open communication with the expert public, we accepted the invitation to the international ENKO conference in April, where the CEO, Štefan Šabík, presented the main conclusions of the NNPP project's Feasibility Study, which analyzed and evaluated technical alternatives in detail, along with the location's suitability, as well as other economic options of the planned new power plant. The project moved forward and so a few months later the company representatives revealed the next important step in the project at the tenth international SES conference, being the launching of the NNPP project's environmental impact assessment process.

At the same time, JESS has been initiatively creating space for discussions on the latest news and the future of nuclear power in the region, for example through seminars or open meetings. One of them was the meeting with residents from the vicinity of Jaslovské Bohunice who asked questions of not only JESS representatives but also from Slovenské elektrárne, JAVYS, and the Nuclear Regulatory Authority of the Slovak Republic. We also met in a similar team / configuration (JESS, JAVYS, and SE) when filming a discussion on nuclear energy, broadcasted in November by the Karpaty TV channel.

The perception of aspects related to the preparation of the NNPP's construction through the eyes of the residents from the region, concerned municipalities, as well as all Slovakia is no small matter for us. Their opinions and attitudes are equally important to us, and therefore we have initiated a public opinion survey. These activities also allow us to compare the trends of the perception the residents have concerning nuclear energy development. Basic information, as well as facts about the current project state, are also available to the general public on the company's internet website.



# 6

## REPORT ON BUSINESS ACTIVITIES

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All business activities were financed from the company's own resources within the approved short-term financial plan for 2013. By 31 December 2013 the company had planned losses of up to €6,913,850 before taxes; the loss achieved was lower though, amounting to €4,880,901.

A favorable financial result was achieved due to cost savings, especially in services and personal and salary expenses, whose savings are the most related to the current project state. The lower drawing was acknowledged in all cost categories except for financial ones. The better financial result was also affected by higher real returns versus planned ones.

Concerning investment activities, €10,460,297 were invested in the following areas:

- Project investments
- Common investment activity
- Financial investment

The highest money-drawing item was achieved by financial investments for the deposit into the subsidiary whose realization amounted to the plan and represented eight million Euros (to ensure the infrastructure - land purchase). The project investments, amounting to €1,900,384, represented another important investment item in which funds were

spent mainly on partial payment for EIA documentation and agency agreements (the employment of workers with specific skills).

By 31 December 2013 the company had recorded assets of up to €223,759,670, representing a 2.3 % decrease compared to 2012.

The most important asset item is fixed assets totaling €127,502,952, which increased by €1,947,599 year-on-year. Long-term financial assets increased by €7,848,555 and represent an increase in the share of the subsidiary's accounting unit compensating for the loss of a normal year. The increase in non-current assets is mainly bound with the new nuclear power source area.

Other important asset items are financial accounts, decreased by 14.8% due to financing operations and investments. Other current asset items were changed by little significant amounts.

The increase in accrual was due to income for the following periods from the interests on term deposits, which was not adopted in 2013, and the expenses for the following periods, primarily to extend the support of hardware, software, and software licenses.

Assets structure	Balance to 1/1/2013 in EUR	Balance to 31/12/2013 in EUR
<b>A. Non-current Assets</b>	<b>130,048,500</b>	<b>139,243,461</b>
A.I. Long-term Intangible Assets	809,752	208,559
A.II. Long-Term Tangible Assets	125,555,353	127,502,952
A.III. Long-Term Financial Assets	3,683,395	11,531,950
<b>B. Current Assets</b>	<b>98,540,518</b>	<b>84,010,271</b>
B.I. Inventories	1,274	1,168
B.II. Long-Term Receivables	0	0
B.III. Short-Term Receivables	363,748	373,946
B.IV. Financial Accounts	98,175,496	83,635,157
<b>C. Accruals</b>	<b>444,804</b>	<b>505,938</b>
<b>Total Assets</b>	<b>229,033,822</b>	<b>223,759,670</b>

The achieved financial results and asset balance referred to the accounting balance, audited by an independent auditor without reservations.



## **SUPPLEMENT TO THE AUDITOR REPORT on the verification of the annual report's compliance with the accounting balance under Act No. 540/2007 Coll., Paragraph 23, Section 5**

For the shareholders and Board of Jadrová energetická spoločnosť Slovenska, a. s.:

I. We have audited the accounting balance of Jadrová energetická spoločnosť Slovenska, a.s. (hereinafter as "the Company") up to 31 December 2013 as set out in the appendix to the annual report, for which we have issued the following audit report on 25 March 2014:

### **INDEPENDENT AUDITOR'S REPORT**

For the shareholders and Board of Jadrová energetická spoločnosť Slovenska, a. s.:

We have audited the accompanying accounting balance of Jadrová energetická spoločnosť Slovenska, a.s. (hereinafter known as "the Company"), comprising the balance sheet to 31 December 2013, the income and loss statement for the year ended on that date, and notes comprising a summary of significant accounting procedures and other explanatory information.

#### **Statutory Body's Responsibility for Accounting Balance**

The Company's statutory body is responsible for the preparation and fair presentation of this accounting balance in accordance with Slovak Act No. 431/2002 Coll., on Accounting as amended (hereinafter "Accounting Act") and the internal inspections the statutory body considers necessary for the preparation of an accounting balance free from significant inaccuracy, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion to this accounting balance, based on our audit. We conducted our audit in accordance with International Auditing Standards. Based on these standards we are required to comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance the accounting balance free of significant inaccuracies.

The audit involves the performance of procedures to obtain auditing evidence on the amounts and facts disclosed in the accounting balance. The procedures selected depend on the auditor's judgment, including an assessment of the risk that the accounting balance may contain inaccuracies due to fraud or error. When assessing such risks the auditor assesses internal Company controls relating to the preparation and fair presentation of

the accounting balance. The aim of assessing the Company's internal controls is to design auditing procedures appropriate to the circumstances, not express the opinion concerning the efficiency of these internal controls. The audit also includes the evaluation of the appropriateness of the accounting practices used in the accounting balance and the statutory body's accounting estimates, as well as evaluating the overall presentation of the accounting balance as a whole.

We believe that the auditing evidence provides a sufficient and reasonable basis for our assessment.

### **Opinion**

Based on our assessment, the accounting balance truthfully shows, in all respects, the financial position of Jadrová energetická spoločnosť Slovenska, a. s. to 31 December 2013 and the results of its operations for the year that ended on the given date, in accordance with the Accounting Act.

### **Emphasizing the Matter**

We point out the note to A.2 to the accounting balance, describing the status of the project for the planned construction of a new nuclear power plant. Our opinion of this fact has not been modified.

- II. We have also audited the consistency of the annual report with the aforementioned accounting balance. The Company's statutory organ is responsible for the report's accuracy. Our task is to issue our opinion on the consistency of annual reports with the accounting balance based on the verification.

We conducted our auditing in accordance with International Auditing Standards. These standards require that the auditor plans and performs the audit to obtain reasonable assurance that the information in the annual report, being subject to the presentation in the accounting balance, complies with the relevant accounting balance in all material respects. We have examined the annual report information with the accounting balance information to 31 December 2013. We have not verified data and information other than accounting derived from the accounting balance and accounting books. We believe that the conducted audit provides a reasonable basis for our auditor's opinion.

According to our assessment the financial information in the annual report is in accordance with the aforementioned accounting balance for the year that ended on 31 December 2013 in all material respects.

Bratislava, 25 March 2014

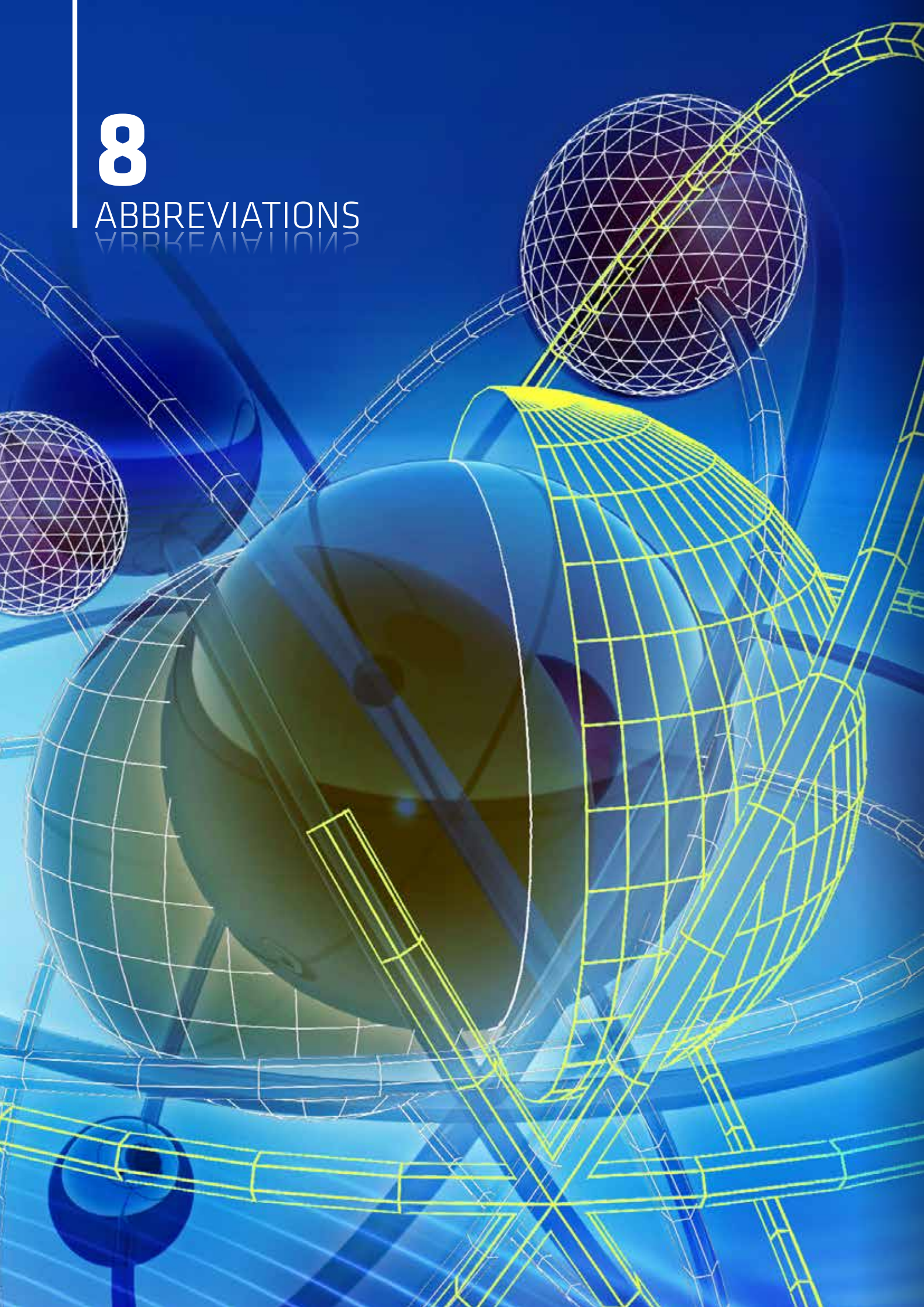
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Auditor Responsible  
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# 8

## ABBREVIATIONS





**CEO** – Chief Executive Officer

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**CZ** – Czech Republic

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**ČEZ** – ČEZ, a. s.

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**EIA** – Environmental Impact Assessment

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**ES** – Electricity system

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**HR** – Human resources

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**IT** – Information technology

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**JAVYS** – Jadrová a vyradovacia spoločnosť, a. s.

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**JESS** – Jadrová energetická spoločnosť Slovenska, a. s.

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**ME SR** – Ministry of Economy of the Slovak Republic

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**NNPP** – New nuclear power plant

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**OSHMS** – Occupational Safety and Health Management System

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**PIC** – Public Information Commission

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**SES** – Secure Energy Supply

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**SPD** – Spatial and Planning Documentation

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**SR** – Slovak Republic

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**TSGR** – Trnava Self-Governing Region

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**UTM** – Union of Towns and Municipalities

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A wireframe illustration of an industrial facility, possibly a power plant or refinery, rendered in a golden-yellow color. The structure features a tall chimney on the left, a long horizontal bridge or conveyor system in the center, and a large rectangular building on the right. The entire scene is set against a background of horizontal, wavy lines in shades of purple and blue, creating a sense of depth and movement.

## **Jadrová energetická spoločnosť Slovenska, a.s.**

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