

**TVK  
Sustainable  
Development  
Report**

Taking the road

**2003**



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## Who we are

TVK's core business is the manufacturing of raw materials: olefin monomers (ethylene and propylene) and polyolefins produced of them. Our products are low-density and high density polyethylene and also polypropylene granules (under the tradenames TIPOLEN, TIPELIN and TIPPLEN, respectively), which are the raw materials for the plastic processing industry.

Due to TVK's strategy adopted in 1999, to concentrate on core business activity, and to attain the goal, TVK has been consistent to the utmost in implementing the divestment of its holdings in plastic processing, service providing and other non-core subsidiaries in the past four years.

Tiszai Vegyi Kombinát Rt. as a member of the MOL Group, the flagship of the petrochemical sector in Hungary and in the region, supplies feedstock to several Hungarian, Western and Eastern European small and medium sized plastic processing operations. As a producer of ethylene it is the fundamental supplier of BorsodChem Rt., another large petrochemical company that also operates in the same county (Borsod-Abaúj-Zemplén). Furthermore, TVK is the most important supplier of feedstock of MOLTRADE Mineralimpex Rt., another subsidiary of the MOL-Group.

Products of TVK are present in more than 40 countries. Between the top 200 companies concerning our net sales we had the 25th position in the year 2002. (No data for year 2003 yet.)

The Board of Directors of the company approved the package of strategic capital expenditure projects on March 26, 2002.

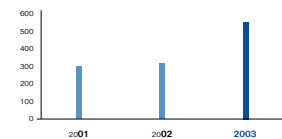
As the result of this decision by 2005, TVK will have implemented three major capacity expansion programs as part of the development project. The capacity to produce ethylene will increase substantially by setting up a new olefin plant; the capacity of making high-density polyethylene will be doubled. The project also called for the modernization of polypropylene capacity, which was completed successfully in 2002.

By implementing its petrochemical development project, which is orchestrated to harmonize with other developments in the Group, the Company responds appropriately to the challenges of competing in the petrochemical business.

TVK attaches high priority to its environmental commitments, and to creating safe working conditions. Corporate level environmental expenditures amounted HUF 926 million in 2001, HUF 807 million in 2002, HUF 877 million in 2003. It was spent to environmental protection projects, treatment of polluted water, treatment of hazardous waste and clean-up of polluted areas.

### Environmental projects cost

HUF million



## Reporting Scope

The report scope is 2003 calendar year. The subject of the report is Tiszai Vegyi Kombinát Rt., not TVK Group. Data are stated accordingly. Our most recent publication of this kind is HSE Report published in June 2003 under the title "Tiszai Vegyi Kombinát Rt. Health Safety and Environment 2002".



## The most important achievements and events in 2003 were the following:

- Audit of the Occupational Health and Safety Administration System (MEBIR) according to the standard No. 18001:1999.
- Renewing accreditation of the Technical Testing Laboratory according to the standard MSZ EN ISO / IEC 17025:2001.
- During the yearly overhaul of the production units the full technical testing of the pressure vessels as well as the checking and authentication of the safety valves has been performed.
- In the course of the HSE training of the contractors working on the strategic investments 5942 persons was trained during the year.
- The second audit of the Environmental Management System after its renewing has been performed in March 2003.
- From Q2 of 2003 we joined the ÓKO-Pannon Public Benefit Company, a so-called coordinating organization in order to fulfill the obligations stipulated by the Waste Management Law (ÓKO-Pannon is coordinating the collection and recovery of packaging waste, see [www.okopannon.hu](http://www.okopannon.hu)).
- We obtained the unified environmental permissions of the Olefin-2 and PP-4 Plants.
- To avoid spills we continued the tank renovation program in the Olefin Tank Park, and also tanks were transformed in the LDPE-1 Plant to further reduce the possibility of soil contamination.
- According to schedule we produced for the authorities the documentation of the present air polluting sources of TVK in order to request new permissions.



Environmental expenditures million EUR	2003	2002	2001
CAPEX	0.046	0.623	1.234
OPEX	3.299	2.798	2.525
Provisions released	2.120	1.331	1.214

Environmental expenditures million HUF	2003	2002	2001
CAPEX	12	147	304
OPEX	865	660	622
<b>Total</b>	<b>877</b>	<b>907</b>	<b>926</b>
Provisions released	556	314	299

The yearly work safety, fire protection and technical safety targets of the Company are set in the Safety Action Plan. The aims of 2003 are fulfilled almost totally, which resulted:

- The number of the working accidents, especially the lost time injuries decreased, and together with it the accident frequency value projected to performed working hours.
- The deficiencies and hazard sources disclosed during the work safety risk analysis in the year 2002 are mainly eliminated.
- A method aiming to produce professional level at the work safety accident investigation has been elaborated.
- The "Safety Month" kept in March was successful. The high level and the attendance of the various programs justified the previous expectations and efficiency.
- The putting into conformity with the environment protection prescriptions and modification of the hazardous fluid storage tanks under law obligations was fulfilled according to schedule.
- The anti-havaria prevention exercises serving the preparation for extraordinary situations and assessing the preparedness of the process staff were realized at high standard in 12 cases.
- The competition teams of the voluntary firefighters of the Company performed excellently on the national "Flórián Press Cup" (from among the 12 events they won 9 first places, 5 second places and 4 third places).
- We continued the cleanup program of the soil contaminations revealed in 1992 according to the obligations of the authorities also in 2003. The remediation and environmental rehabilitation activity is performed according to the law and the directions of the authorities.
- We continued the survey of the assessment of the sites under remediation by the independent consultant firm. This survey was initiated in 2002, in order to get a more exact picture about the extent of the contamination, and to determine the proper technology for the cleanup to be performed in the future.
- We reviewed the control system of the potential post-contaminations in order to minimize spills and leakages.
- In fully compliance with law we presented according to schedule for the authority ÉMIKÖFE our accounts about hazardous waste, air pollution and materials causing harm to the ozone layer. Also the documentation about the plan of air pollution arrangements of the zones was transferred to the authority.



# Aspirations for 2004

## The important objectives of the year 2004 are:

- The successful finishing and safe commissioning of the strategic investments (Olefin- 2, Polyethylene-4 plants). Taking part in the preparation of the commissioning and providing help.
- Further reduction of the work accidents, near hits, occupational diseases and dangerous expositions.
- Extension of the workplace risk analysis to the office workers, too.
- The work safety documentations for the explosion hazardous workplaces are to be prepared.
- The converting of the management systems (Quality, Environmental, Safety) into integrated system is to be executed.
- The maintenance of the accredited status of the Technical Testing Laboratory including the activities of the Technical Safety and the Metallography is to be performed.
- The necessary updating as well as amendment of the Safety Report proving the safe operating of the TVK Rt. as dangerous plant.
- For the continuous maintenance of the working safety the complete fulfillment of the provisions of the regular testing plans for the pressure vessels, storage tanks, safety valves and hoists.
- The updating of the Fire Protection Regulations of the organization units of the TVK Rt. following the changes of the law.
- Our aim is to perform our environmental activity in full compliance with law and timely keeping the obligations of the authorities.
- To perform successfully the 2nd renewing accreditation of the Environmental Management System of TVK in Q1 of 2004.
- To perform the full scale environmental audit of TVK's producing plants which are due to IPPC permitting.
- On the basis of the statements of the review of the control system of the potential post-contaminations, we increased the frequency and the effectiveness of the checkups.
- To close remediation activity at the AKZO site.
- The assessment and the beginning of the exploitation of the lime-sludge pits and the emergency reservoirs.



# How we achieve our goals



## Governance

There was a structural change in the structure of TVK during the fall of 2003; according to the resolutions of the Boards of Directors of TVK, MOL and Slovnaft. The integration of various business areas, including production, the related procurement of feedstock and product sales, was completed at the end of 2003.

The major committee under the Board of Directors is the Corporate Governance Committee. This committee proposes and expresses an opinion to the Board among other things on the following subjects:

- Defining the general operating rules
- Accepting the List of Decision-making and Authorities
- Accepting the incongruous policies and the Code of Ethics.

For the oversight, implementation, and audit of economic, environmental, social, and related policies the responsible key persons are:

- economic: CFO
- environmental HSEQ leader
- social: HR director

## Our mission

“Our customers should associate the name of TVK with quality and reliability. Our employees should be proud of being part of dynamic development in an environment of dignity. We keep increasing the value of the Company and are held in confidence by our shareholders.”

## Core values

that make our mission attainable are:

- highly qualified, creative and motivated employees,
- commitment through a sense of responsibility for health, safety and natural environment,
- business relations based on mutual benefits,
- quality consciousness immersing the operation of the company.

## Stakeholder Engagement

It is our main interest to communicate to all stakeholders our efforts and the results attained.

- In order to concentrate the attention of our coworkers on the problems of environment, we launched a series of articles dealing with different environmental issues in the TVK News, a monthly newspaper of the Company.
- Our activity is influencing the life of several communities in the South Borsod Region, thus our contacts are concentrated mainly on this territory. With different kind of activities and donations we try to ameliorate the quality of life of people who work at TVK or live in its surroundings or are concerned by TVK's activity. We have a very good and fruitful connection with the authorities of Tiszaújváros town.
- In order to show our activity to our stakeholders, we organized an Open Day in April 2003, in the framework of the project of the Ecological Institute (Miskolc) "With Openness for the Environment". Authorities, local residents and NGOs also took part at the programme.
- customers (retail, wholesale, businesses, governments);
- shareholders and providers of capital (stock exchange listings);
- suppliers (we regularly perform the rating of our suppliers, from different – safety, environment, financial – points of view, and these records are extensively used during our work.);
- trade unions (relation to workforce and reporting organisation);
- there is a constant dialogue between the representatives of the management and that of the workforce. see more about this in Labour/ Management relations.
- we have a mutually correct relation with the authorities and other administrative bodies. Due to the permitting of the Strategical Investment Projects they had to re-assess the whole activity of TVK from different aspects, and also during the daily work we keep close contacts with them.
- Also in 2003 TVK participated in the continuation and closing of the project which was initiated in 2002, "Tisza River Environmental Management and Pollution Control". We got a Certificate, which acknowledged our efforts in the project. (see picture about Certificate)





There is a direct linkage in compensation and attaining the goals of the Company. This is specified by system of short-term manager incentives and system of efficiency wages. There is a part depending on efficiency in the compensation of every employee. We use premium-system in the cases of managers, and efficiency wage-system in the cases of employees. The tasks written in these –according to the position and the professional departments – are carried off in accordance with the aims of the company. At the same time, stressed aims (like environmental protection and safe work) are included in the tasks of every concerned colleague. Like this e.g. security indexes are stressed in the tasks of the CEO and the employees working in production.

### **Policies and management systems**

HSE Policy (see [www.tvk.hu](http://www.tvk.hu))

Health and Safety Policy (see [www.tvk.hu](http://www.tvk.hu))

Code of Ethics (see [www.tvk.hu](http://www.tvk.hu))

The Principles of Responsible Corporate Governance (see [www.tvk.hu](http://www.tvk.hu))

We introduced the Environmental Management System certified under ISO 14001:1996 in 1997.

Launching and certification of the Occupational Health and Safety Administration System under OHSAS 18001:1999 standard was performed in 2003.

### **We are members of several industry and business associations, and national/international organizations.**

- Hungarian Chemical Industry Association (MAVESZ)
- Environmental Committee of the Hungarian association of Employers and Industrialists (MGYOSZ)
- Hungarian Standards Institution (MSZT) and European Committee for Standardization (CEN), Plastics Technical Committee
- Joint Venture Association
- Hungarian Business Leaders Forum
- European Quality Organization
- Hungarian Society for Quality
- Hungarian Chamber of Engineers
- Hungarian Tank Association
- Association for Non-Destructive Material Testing
- Association for the Healthier Workplaces
- Hungarian Firefighters Association

Through these associations we express our views on issues that affect our work, we give information about our activity, take part in the events of professional community, exchange views, and also maintain personal contacts.

To increase the performance of our work safety situation a program was launched for work safety analysis to be performed at each organization unit where work safety targets can be determined. To achieve the targets a Safety Action Plan is prepared at TVK level, which contains the tasks set by the units. These tasks do not need financial investments. The work safety tasks requiring financial investments are contained in the Investment Plans.

“Safety Month” was one of the milestones of the yearly safety work. Since 2003 Safety Informations can be found on the Intranet. With set Key Performance Indicators in each week, month, year the safety situation is assessed. Moreover, there is regular assessment of the units; planned and also incidental environmental and safety checks.



# Caring for the environment



... performing  
beyond  
the legally  
required  
standards

## Air protection

The increase of the VOC quantity in 2003 is due to the benzene emission of the oil separating shaft in the Olefin Plant. Fluctuation of the other data is due to measuring uncertainty (one shot per year). The explanation of the increase in the emission target data of the year 2004 refers to the 8 new point sources related to the Strategic Investment Projects.

The checking of stable point sources is performed at TVK regularly by one-shot measurements performed by accredited laboratory, as prescribed by laws and authorities, yearly, bi-yearly or 5-yearly.

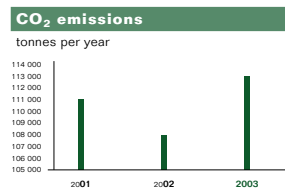
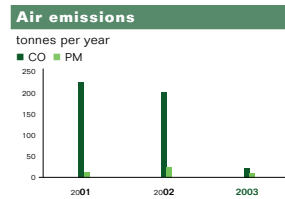
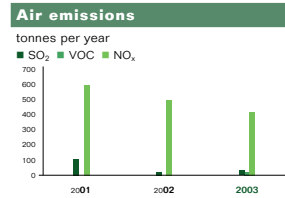
Regarding the usage of the ozone depleting substances, since TVK uses less than 100 kg of these substances for laboratory purposes, phasing them out is not possible.

We decided to decrease the benzene emission of the oil separating shaft in the Olefin Plant.

The quality of air in the neighborhood of TVK is regularly measured and evaluated by the National Air Pollution Measurement Network. They perform measurements of air pollution and check the compliance with the limit values of air pollution. During the new projects measurements are needed to prove that the emission results of the habited areas are unchangeable, as required.

## Climate change

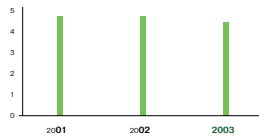
TVK closely harmonizes its activities concerning greenhouse gas issues with MOL. GHG working team operating in MOL Rt. since 2002, extended its activities to the whole Group in mid 2003. We monitor a development in GHG related legislation being prepared in EU, we make the inventory of CO<sub>2</sub> on annual basis (by calculation) and we have also made a historical inventory of CO<sub>2</sub> back into 1990. We cooperate with state authorities and continuously investigate possibilities how to reduce GHG emissions using Kyoto protocol tools. As for our CO<sub>2</sub> emissions, there will be a minor increase in it, due to the new furnaces of the Olefin-2 plant.



# Caring for the environment

## Energy consumption

TJ per year



## Energy savings

The energy consumption of TVK has been steady in the last years. By the help of the Energy-Supervisory and Information System (EFIR) put into operation beforehand we calculated the losses of service systems and worked out our system modification and connection plans for the new power plant and the service of the new projects.

TVK started to establish a new heat energy source for the supply of the new facilities that will be put into operation in 2004. The other reason for establishing the new supply was that the coal fired Tiszapalkonya Power Station announced that it would be shut down. The new power plant consists of a combined cycle gas turbine (CCGT) block and 3 auxiliary boilers that can assure the supply all of the heat and third of the electricity needs of the site on the basis of natural gas fuel.

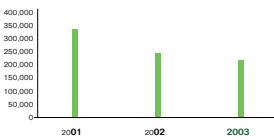
The modified and enlarged district heating system is supplied with hot water from the new power plant that resulted in the 15% reduction in the consumption of heating energy.

Energy	2003	2002	2001
consumption TJ per year	4,645	4,742	4,724

TJ – TeraJoule = 1012 J

## Drinking water consumption

m<sup>3</sup>

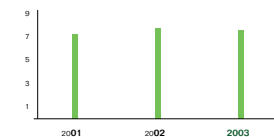


## Water protection

Our main production facilities at the Tiszaújváros site are close to the River Tisza. In accordance with the prevailing regulation the site is classified in Category IV with regard to surface waters, that is irrigation water reserves. The industrial water required for the technologies is supplied from the River Tisza, via the water works of the AES Power Plant. Cleaned effluent is discharged through the cleaning Algal Ponds into the River Tisza, and rainwater through the Sajó-canal, which is crossing the site also into the river.

## Technological water consumption

millions of m<sup>3</sup>



The increase in the technological water consumption in 2003 is due to the fact that in the data of the previous years the water of the recirculating circuits was not counted. Taking into account this amount results in a 2 thousand m<sup>3</sup> higher consumption.

With the launching of the Olefin-2 and PE-4 plants in 2004 also the release of wastewater will increase, and parallel to this the amount of TPH released.

For drinking water allocated allowance is 1,350,000 m<sup>3</sup>/year, the exploited quantity is 800,000- 900,000 m<sup>3</sup>/year.

For industrial water allocated allowance is 10,500,000 m<sup>3</sup>/year, the exploited quantity is 9,500,000 m<sup>3</sup>/year.

(Allowances are granted for the TVK Industrial Site where other firms work also. TVK Water Works sells drinking and industrial water to these companies.)

At the end of the year 2003 the activity of the Heat and Gas Service Plant Water Softening Unit was stopped, thus the most important source of solved salt which was responsible for the load on Sajó ceased to work. With the intensification of the Waste Water Treatment Unit not only the capacity to clean industrial water was increased but also the efficiency of the treatment is expected to improve.

Other major step regarding soil and groundwater protection was the renovation of the salvagers belonging to the sulfuric acid and hypo tanks in the Olefin-1 plant. This work has been performed according to the prescriptions of the authorities.

Also a new pipeline for caustic has been put into use, in order to prevent leakages, spills.

Reconstruction works in the Olefin Tank Park are in progress, 2 tanks are already renowned, other 4 tanks' renewing is under progress.

In the LDPE-1 plant 3 underground white oil tanks are provided with double walls, works are in progress, 1 tank's reconstruction has been completed.

At several places the base-ground is reconstructed to resist spills, to prevent soil and groundwater contamination.

## **Our future plans to minimize our impact on the environment are the followings:**

At the 32 oil-trapping basin at the LDPE-1 plant water can enter into the main channel and then into the Sajó-canal with oil- and organic material contamination over limit values. After the intensification of the Waste Water Treatment Unit connecting the 32 oil-trapping basin to the WWTP has to be assessed.

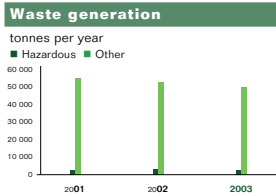
At the HDPE plant from the powder-floating basin eventually wastewater containing organic material over limit values can enter into the main then to the Sajó -canal. After the intensification of the Waste Water Treatment Unit connecting the powder floating basin to the WWTP has to be assessed.

The monitoring of the discharged water is performed by the TVK Rt. Central Laboratory, an accredited organization to perform wastewater measurements. At measuring points leading to the Sajó-canal two times per week and from the water which is transferred from the Algal ponds to the River Tisza measurements are performed once a week.

As regards spills of oil products, in 2003 no spill was recorded.



# Caring for the environment



## Waste management

There was a sharp decrease in the volume of hazardous waste in 2003, due to the ceasing of the activity of the PP-2 plant, which produced relatively lot of waste. Also with the shutdown of the Water Softener unit the quantity of wastewater sludge decreased.

In 2004 due to the launching and activity of the new Olefin-2 and PE-4 plants a slight increase in the quantity of waste is expected. The causes of the increase are double: putting the technologies into work produces some quantity of hazardous waste, and also the regular activity of the plants – although the new technologies are low in waste – produce some waste. (For example due to the wastewater sludge formed from the wastewater of the Olefin-2 plant the quantity of wastewater sludge of 2004 will be certainly higher than that of the 2003 year.)

The quantity of other non hazardous waste will decrease since the ceasing of the activity of the Water Softening Unit at the end of 2003 there is no more lime sludge produced.

Proportion of recycled materials increased due to the fact that used oil is given for recycling and also plastic and other wastes (metal, wood and paper) are transferred to recycling firms.

Other measures also helped to decrease the quantity of wastes, e.g. with operation of the new NMR machine less solvent is consumed, or with the introduction of multi-path packaging materials less packaging waste is produced.

New, low in waste technologies will be put into operation in 2004 (Olefin-2, PE-4). The change of sealings made of asbestos is in progress, the project is soon over.

In 2003 TVK Rt. elaborated the project related to the use of the lime sludge, a by-product coming from a previous activity of TVK, ammonia production. Effective works will begin in 2004, and during that year approximately 70,000 tonnes will be excavated and used in industrial application.



## Performance data

<b>AIR</b> tonnes	<b>2003</b>	<b>2002</b>	<b>2001</b>
CO2*	113,106	108,168	110,915
SO2	22	14	112
VOC	19	2	2
NOx	431	495	594
CO	22	208	229
PM	10	26	11
CH4*	353	365	359

\*calculated

<b>WATER</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
tonnes			
TPH	12.4	13.9	11.7
COD	159.6	156.2	113.8
BOD	#	#	#
SS	71	63	53
m <sup>3</sup>			
Drinking water consumption	216,490	249,957	340,556
Technological water consumption	7,518,042	7,557,917	7,201,109

cases

Spills over 1 m <sup>3</sup>	0	0	0
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# not determined

<b>WASTE</b> tonnes	<b>2003</b>	<b>2002</b>	<b>2001</b>
Hazardous	2,059	2,817	2,148
Other	49,971	52,214	54,610
Disposed	49,362	51,980	53,983
Reused/Recycled	2,132	1,460	1,981

<b>PAID FINES</b> HUF	<b>2003</b>	<b>2002</b>	<b>2001</b>
Total fines for legal (especially HSE) non-compliance	6,783,786	246,695	164,784

# Focusing on people

... conducting  
business in a  
socially  
responsible  
way

## Safety at work

The preservation of the technical safety of the TVK Rt. as dangerous plant is essential task. For this reason we realize continuous technical inspection having as base a yearly testing plan. This is prepared and executed having entitlement of self testing for regular testing of pressure vessels and checking and calibration of the safety valves.

Using the high-level diagnostic instruments and material testing equipment we are able to investigate and determine unexpected failures, concealed failures and other circumstances perturbing the normal operation. For the due level evaluation of the diagnostic data solid base is provided by our high professional level staff having large experience in testing of chemical industrial equipment. These colleagues perform the failure analyses, hazard and operability analyses, preliminary hazard analyses determining the necessary repair modi, forecasting the probable state changes. Due to this activity there was no trouble or stoppage due by unexpected technical failure in 2003.

The number of the lost time injuries healing in more then 3 days (accident rate) shows changing for the better trend. The decline is unambiguous and significant from 2001. This favourable situation reflects in the comparison with the data of national chemical industrial data and with the German chemical industrial data. Among the causes of the accidents the inadvetence of the employees represents higher proportion as earlier (82,22 pct in 2002). The causes of the injuries may be traced back to false actions at 82,35 pct of the cases.

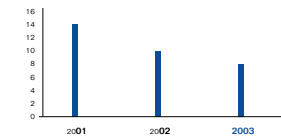
The investigation of the accidents was performed according to the pertinent law prescriptions and the professional expectations. To disclose of the high risk hazard sources and the dangerous, incorrect actions we investigated in all cases the followings:

- the existence of the personal conditions of the participants in the work,
- the actual and expected practice of the working processes,
- the safety situation of the establishments, tools and personal protective equipment,
- the presence and effect of the environmental factors,
- the organization of the work,
- the causes of the accident.

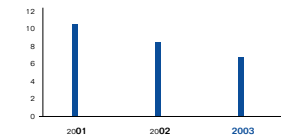
For the full disclose of the causes, and for the sake of the coming to decisions and determining of the personal liabilities we used in all cases the for the cause – effect analysis well proven method (Cause Tree). We are convinced that in the improving of the accident situation – in the elimination of the existing failures - the level of the investigation has large role.

We formed an effective multilevel control practice – from the indirect workplace leader's control to the CEO's survey.

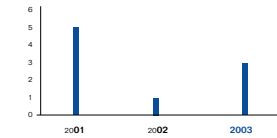
LTIF



LTI

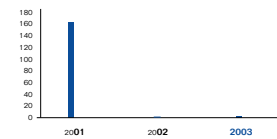


## Number of fire cases



## Fire damage

M HUF



A work safety situation analysis is to be performed at each organization units upon which the work safety targets can be determined. To achieve the targets a Safety Action Plan is prepared at TVK level, which contains the tasks set by the units. These tasks do not need financial investments. The work safety tasks requiring financial investments are contained in the Investment Plans.

We expect the further improvement of the accident situation from the more strict requiring of the work safety knowledge, from the continuous control of the work, and from the incentive system of the unit leaders reflecting to the work safety situation.

Petrochemical divisions, with 260 corrective measures taken. Out of these, by the year end 247 were already implemented.

We are continuously working on implementation of Major industrial accidents Act and to comply with its requirements we classified our operations according to overall amounts of present selected dangerous substances, elaborated preliminary assessment of major industrial accident risk, elaborated Major accident prevention Policy, implemented Safety Management System, prepared a project of risk assessment, elaboration of emergency plans and risk reports for operations projected or built before the act came into a force and more related tasks.

## Fire safety

In 2003 we registered 3 fire cases compared to 5 in 2001. The total direct damage was slightly more than 2 million HUF. The analysis of causes – one case has more than one causes- showed that there was forgetful work in two cases, technical failure in 3 cases, and imprudence (fire of a waste collecting basket), improperly prepared working area and gross infringement of the process prescriptions in one case. (This latter case – under less fortunate conditions – could have more serious consequences, which fact yielded serious categorical measures.)

We want to achieve the decrease of the number of fire cases by the improvement of the effectiveness of the preventive measures (improving of the level of the trainings and courses, rising the frequency of the site controls, organizing informative, attention drawing programs).

The fire protection and the extinguish of the fires in the TVK Rt. is provided by the Tűzoltó és Mentő Kft. (Fire Fighting and Technical Rescue Rt.) which is maintained by several firms and has good technical devices and well trained staff. In performing of fire-fighting tasks it is helped by the plant staff providing the possibility of the prompt intervention (partly members of the voluntary establishment fire brigade). The preparedness of this staff is ensured by the regular trainings and exercises.

## Health

According to the law prescriptions the comprehensive risk analysis of the TVK Rt. is ready. It was prepared by the Public Foundation for Research on Occupational Safety (MKK) ([www.mkk.org.hu](http://www.mkk.org.hu)).

For the implementation of the regular risk analyses we elaborated several methods:

- Risk analysis of the procedures: the calculation of the risk value upon the discovered and permitted features per hazard source (using predetermined values for the risk elements),
- Risk analysis for the hand transport without aids: calculation model compiled considering the load, the position, the working conditions and the duration of the transport,
- Risk analysis for the tools: risk analysis matrix evaluation of the hazard sources assessed by questionnaire,
- Risk analysis for the hazardous materials and preparations: calculated risk value upon measured expositions,
- Risk analysis for the workplaces: risk analysis matrix evaluation of the hazard sources assessed by questionnaire,
- Risk analysis for the monitor workplaces: risks calculated by predetermined values of the risk elements upon questionnaire,
- Risk analysis for the personal protective equipment: questionnaire per protective equipment kinds,
- Accident investigation: analysis of the cause – effect relationships for the injury causing events by the Cause-Tree method.

Upon our consideration the disclosing and extinguishing of the possible accident sources has significant role in the improvement of the accident situation.

### **For the sake of implementing and providing modern and safe working conditions the following measures were implemented at the TVK Rt.:**

- Continuous normative allotment of the personal protective equipment,
- Providing the protective drink by drink dispensing machines,
- Implementation of the good ergonomics of the monitor workplaces providing sight -improving eyeglasses as necessary.

From among the list of 1247 people assessed earlier working on monitor workplaces 1007 persons took place in the screening headed by an optometric expert.

The Company pays increased attention that the workplace environment be continuously improved for its employees. Emphasizes the preventive activities, holds continuously suitability medical checks as well as organizes various screening programs. The occupational health supplier is the FÓNIX-MED Rt., which beyond the occupational health services carries on training and rehabilitation activities.

The modern first aid is provided by the Company as well as by the



occupation health supplier. Its task is the site care of the cases requiring urgent treatment on the site of the Company, up to the arriving of the National Ambulance. For the providing of the professional and quick first aid the unit leaders have to provide trained first aid provider on the working place in each shift. The education and training is provided by the experts of the FÓNIX-MED Rt.

In the year 2003 the base course for the first aid (training of the first aid providers) was organized in 6 times having 83 participants. There were 4 courses for first aid providers with 50 participants of the employees of the TVK Rt. The participants took successful examinations.

On the site of the TVK Rt. in the year 2003 17 persons received care by the corporate first aid service provider, of FÓNIX-MED Rt., following an accident.

Other urgent interventions for the employees of the TVK Rt. were necessary in 55 cases (medical, surgical, ophthalmologic and allergic cases).

## Labour Practices and Decent Work

### Employees

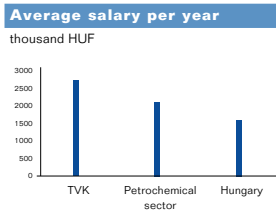
At the end of 2003 TVK had 1873 employees. Nobody had part time job contract, all employees work full time. Four of the employees had fixed term contract, the others had contract for indefinite term. There were also 45 temporary agency workers.

As it can be seen TVK makes efforts to use full-time labour contracts with indefinite date of termination. That gives more social safety for the employees. TVK hires workforce only for project type and extemporaneous needs and also makes efforts to agree in longer-termed contracts.

The satisfactory index of employees in 2003 was 66,9%, the same as in 2002, it did not change significantly. Employees show more and more satisfaction according to salaries. They show less satisfaction according to the assurance of safety because of the acts done for increasing efficiency.

The average wage in TVK exceeds significantly both the wages of the petrochemical sector in Hungary and the country average. There is also a remarkable annual budget of fringe benefits for every employee. Thus TVK wants to strengthen the social safety, satisfaction and commitment of the employees.

Read more about our approach to employees in the Annual Report 2003, chapter "Commitment to Staff", posted on [www.tvk.hu](http://www.tvk.hu).



EMPLOYEES	2003	2002	2001
Total headcount	1,873	2,056	2,185
Represented by trade unions - %	69	67	64
% of females in managerial positions (3rd level and higher)	27	25	25

## Training

The Company is concerned with the development of the professional and technical employees and the middle management. The average training time per employee amounted to 40-56 hours in year 2003; however, because of the acts of cost-effectiveness the training activity slightly slowed down and it kept the level that is needed for development. The forms of training were various: participation at conferences, symposiums, professional and language courses and in in-service trainings.

## Equal Opportunities and Diversity

These rights are ensured by the Collective Agreement, the Code of Ethics of TVK and agreements with Trade Unions. Although there is not a monitoring system, but there was no problem concerning this issue in 2003. Every relevant procedure of the Company is formed to minimize the chance of discrimination.

Regulated by Collective Agreement, Code of Ethics and agreements with trade unions. Person interested can apply to Ethics Committee, Workers' Council (from inside of the corporate structure) and Work and trade unions (from outside of the corporate structure).

The role of the Ethics Committee is emphasized by that the chair of the committee is a member of the top management, the director of Human Resources. There was no problem in 2003.

Moreover, in TVK, there is an HR-partnership system, with which employees can ask for help directly – avoiding the operational way – to solve their problems. We are committed to pay attention to the human rights, and the results show that there was not any problem of this kind in the organisation.

## Human rights

There are 2 representative trade unions and one non-representative trade union, a Workers' Council and Work, Safety Committee operating in TVK. The employees of the TVK can form freely organisations to represent their interests at a higher level. According to the experiences, the weight of the representation of the interests grew in the near past, which is shown in the growing rate of the membership of these organisations (2001 – 64%, 2002 – 67%, 2003 – 69%). The growing interest is also shown by the fact that in 2003, after a long term, a new, at the moment non-representative trade union was formed at the company.

The company supports the activity of the trade unions above the jurisdictional prescriptions, e.g. organising trainings.

The workers' representation is regulated by local laws and provided by





agreements with trade unions. The agreements give more favourable conditions than laws.

Our employees can put forward their opinion concerning decisions in organised form through the organisations mentioned above. The management of the company discusses with the representations every issue, which affects the social and working circumstances of the employees. The forum of this is the Human Co-ordination Meeting kept weekly, above the compulsory checking prescribes by law. Every issue raised by any party is discussed. Above this at every bigger Company level program there are "Forums" where employees can ask directly from the Management.

## Society

TVK has traditionally attached high priority to educating future generations and to promoting healthy ways of living, to commitment to our natural and social environment, to sciences and the arts. The company is proud to represent these values and is willing to share resources with people who are capable of exceptional individual or team achievements based on professional work and excellence.

The Foundation for the Future of Tiszaújváros united forces with the local council to support outstanding programs and personalities that determine the life and reputation of the town. TVK's Foundation for the Development of the Southern Borsod Sub-region aims to help the sub-region close its fundamentally social, training and health related backlog.

The UNO Industrial Development Organization's project called "Managing the environment and reducing the pollution of the River Tisza, awarded the certificate to TVK recognizing its significant contribution to preventing accidents which endanger the river.

In 2003, the Company also donated a large amount of money for organizing the competition and exhibition called "Nature Photographer of the Year", trusting that the exceptional photographs will offer dazzling images of the natural beauty of Hungarian scenery and wildlife.

TVK supports also other forms of art; the Company is outstanding sponsor of the National Theatre at Miskolc, the Miskolc International festival of Opera and the Piano festival at Tiszadob.

TVK maintains a variety of contacts with different educational institutes in order to ensure availability of properly skilled personnel and knowledge.

From the field of sports Júlia Sebestyén, TVK's figure skating champion and the TVK Big Week of Triathlon at Tiszaújváros must be mentioned, but there are also several other important events, too.

