



Polski Koncern Naftowy ORLEN  
Spółka Akcyjna

# 2013

## Corporate Social Responsibility Report

10 years of corporate responsibility  
reporting



 **ORLEN  
WARSAW  
MARATHON**

## CONTENTS

Letter from the President of the PKN ORLEN Management Board	3
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### Who we are 5

About the Report	6
Values and standards	8
Key business areas of the ORLEN Group	9
Key risks	12
Opportunities	13
Indirect economic impacts	17
CSR at PKN ORLEN	19
Responsible management	21
Responsible 2013	23

### 01. Society 25

### 02. Market 41

### 03. Employee 55

### 04. Environment 63

### 05. Safety 77

Awards and distinctions in 2013	90
PKN ORLEN corporate social responsibility reports	93
Delivery on our 2013 commitments	94
Membership in organisations and associations	95
GRI content index	96
Useful links	100
External assurance report	101
Contact details	102



## LADIES AND GENTLEMEN,

This year marks the 25<sup>th</sup> anniversary of Poland's political transformation. Now is a good time to step back and look from a distance, not only at how the country has changed, but also at how its economy has evolved. Alongside the building of a strong presence of Polish companies on global markets, one of the most important achievements of these last 25 years is that we are now more aware of the importance of corporate social responsibility and the principles behind sustainable development.

As Poland's largest company and industry leader in the region, PKN ORLEN has been setting the highest standards both through its day-to-day market activity and its approach to sustainable development. We believe that corporate social responsibility is more than just a cost item – it is, first and foremost, an investment that builds relationships with our environment and all our stakeholders, and a solid foundation with which we can progressively improve Company value.

Our initiatives in the area of corporate social responsibility are best characterised as being diverse. We pursue a wide range of projects, from infrastructure investments to limit the environmental impact of our production plants, local community support initiatives, sports and cultural sponsorship, and educational programmes, to initiation of public debates on the most pressing social and economic issues such as our shale gas exploration

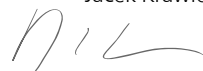
activities. In addition to being a key participant in the nationwide debate on shale gas, which may prove instrumental in improving Poland's energy security, we are also engaged in dialogue with local communities to address their concerns and doubts on the matter.

When choosing new areas for corporate social responsibility initiatives, we are always looking for an unconventional approach, to think outside the box. With this in mind, we created [napedzamyprzyszosc.pl](http://napedzamyprzyszosc.pl), an innovative website where materials on vital social and economic issues are published.

Testament to PKN ORLEN's consistent implementation of its corporate social responsibility strategy, the Company has been for the past 10 years part of GLOBAL COMPACT, the world's largest sustainability initiative, and has also for many years been included in the RESPECT Index, an elite group of socially-responsible listed companies. Furthermore, this year PKN ORLEN was once again awarded by an independent group of experts with the 'Top Employers Poland' certificate in recognition of its employee policy. We take particular pride, however, in 'The World's Most Ethical Company 2014' title received by PKN ORLEN this year from the Ethisphere Institute, an independent US-based research centre, all the more so as we are the first company in the region to have been granted this distinction.

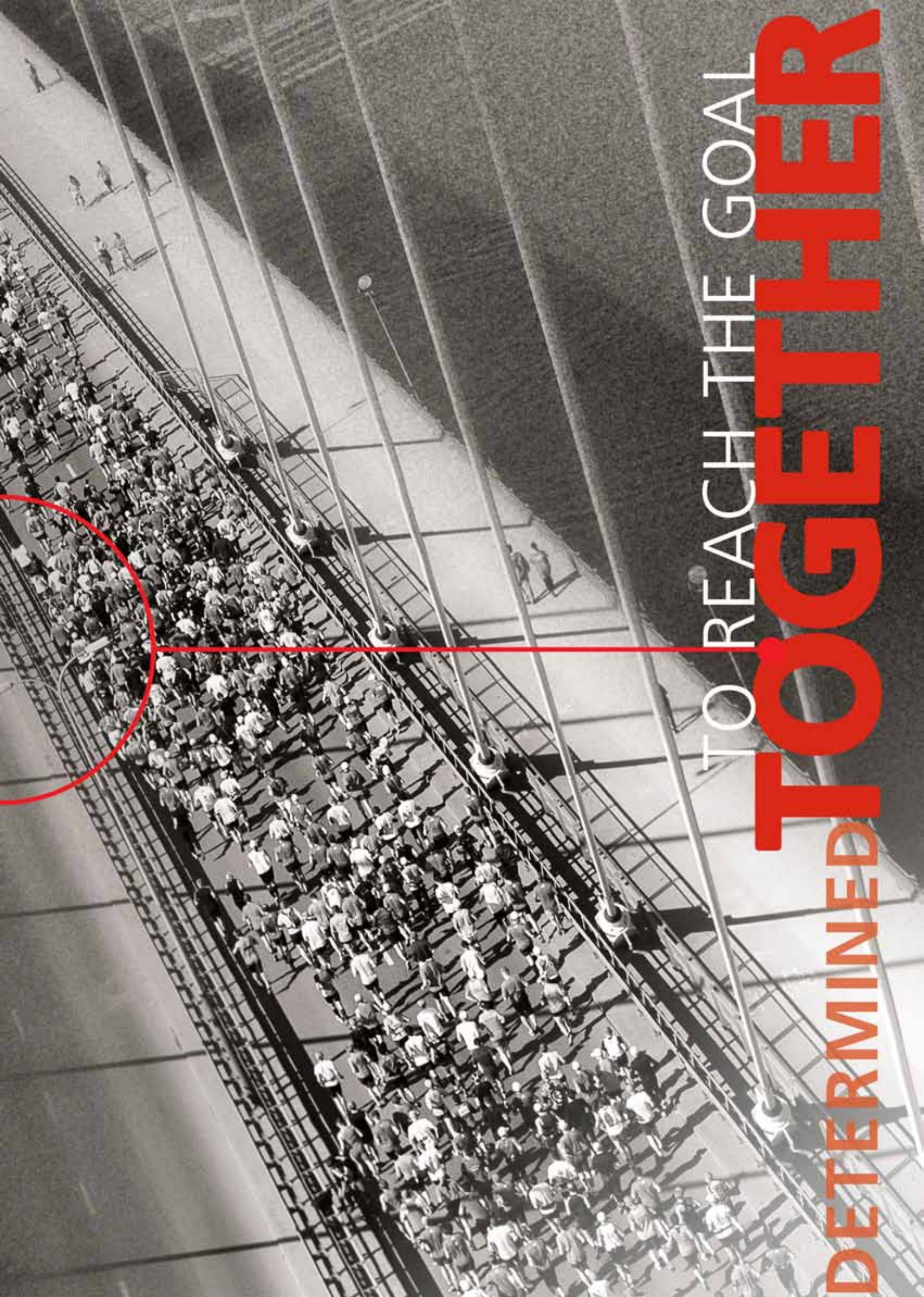
In presenting the 10<sup>th</sup> edition of our CSR report, it gives me great satisfaction to note that the European Union has also recognised the value of non-financial reporting by introducing a directive whereby large companies are required to publish information on certain social and environmental matters as well as on their employee policies. I am convinced that our report will, as always, serve as a comprehensive source of information on all these topics, and also inspire further efforts in the promotion of sustainable growth. We want to keep on inspiring and prove that corporate social responsibility is indispensable not only when things are going well, but, most importantly, it gives us a significant advantage in a volatile market environment. This is something we should bear in mind when considering the direction to follow for Poland's economy in the coming years and decades.

Jacek Krawiec



CEO and President of the Management Board,  
PKN ORLEN S.A.





TO REACH THE GOAL  
**DETERMINED TOGETHER**

Who

we are





# WHO WE ARE

Polski Koncern Naftowy ORLEN Spółka Akcyjna (PKN ORLEN) is one of the largest corporations operating in Central and Eastern Europe's oil and gas industry. It is active in such areas as production of fuels, petrochemicals and chemicals, wholesale and retail trade in petroleum fuel products, and gas exploration.

The Company was created as a result of the merger of Centrala Produktów Naftowych, the main distributor of motor fuels in Poland, with Polski Koncern Naftowy, a fuel producer, which was completed in September 1999. On April 12<sup>th</sup> 2000, it changed its business name to Polski Koncern Naftowy ORLEN Spółka Akcyjna.

As at the end of 2013, the ORLEN Group employed 21,565 persons, including 4,409 at PKN ORLEN.

## ABOUT THE REPORT

The first corporate social responsibility report was published by PKN ORLEN in 2003, and covered CSR activities undertaken in 2002. In 2009, PKN ORLEN adopted new reporting standards, and published its 2008 CSR Report based on the Global Reporting Initiative G3.1 Guidelines, which are the most widely recognised and used non-financial reporting standards. This year's edition offers a new quality in reporting. The document shows various aspects of PKN ORLEN's sustainability reporting as defined in version G4 of the Global Reporting Initiative Guidelines (GRI G4), published on February 11<sup>th</sup> 2014. This Report presents the activities carried out in 2013 by PKN ORLEN and selected companies of the ORLEN Group

### Process for defining reporting aspects

1. The process for defining the CSR reporting aspects at PKN ORLEN involved the identification of the areas of social impacts which are of strategic importance to the Company. These are the market, the society, our employees, the environment and safety. Sustainability aspects were also identified based on the GRI standard, including the Sector Supplement for fuel and gas companies.
2. The aspects identified in the process were then prioritised based on analysis of the relevance of a given aspect for the stakeholders and its social and environmental impact. It should be noted that the Company also takes into account its business success in the prioritisation process. As a result of the above, PKN ORLEN's general sustainability reporting aspects were defined.

3. A brainstorming session with all members of the team responsible for the preparation of the PKN ORLEN CSR Report also contributed to the final identification of the reporting aspects. In addition, analysis was performed on research conducted by the Company concerning the social aspects of its operation and how they are perceived by the environment, including in particular the Brand Reputation Index. The Company also asked a diverse group of stakeholders for their opinions on PKN ORLEN's CSR reports and their expectations of the document, to confirm that the adopted internal assumptions are correct.

### Classification of reporting aspects

47 GRI aspects have been designed to reflect the full spectrum of social, environmental and economic impacts of an average business, irrespective of the sector in which it operates. However, not all of the aspects are applicable to PKN ORLEN's operations. The new GRI guidelines focus on the selection of the key reporting aspects that are most relevant to a company's operations, its impacts, and stakeholder expectations at a given moment.

PKN ORLEN's sustainability reporting aspects have been classified into three groups:

- Group 1:** Aspects of highest relevance to Company operations – the key aspects.
- Group 2:** Aspects of medium relevance to Company operations.
- Group 3:** Aspects of lowest relevance to Company operations.

GRI G4 indicators have been assigned to Group 1 aspects, and they are in two categories. General indicators comprise a single indicator that best captures the Company's performance, while additional indicators comprise suggested other indicators the Company should take into consideration.

The table below includes, apart from the key aspects, those aspects which are considered relevant by the reporting organisation given PKN ORLEN's impact on its environment.

## Material aspects identified in the process of defining the Report content

KEY ASPECT	Aspect's impact within the organisation	Aspect's impact outside the organisation
<b>Economic</b>		
Economic performance	•	•
Indirect economic impacts		•
Procurement practices	•	•
<b>Environmental</b>		
Materials	•	•
Energy	•	•
Water	•	•
Emissions	•	•
Effluents and waste	•	•
Products and services	•	•
Compliance		•
Overall (environmental protection spending)	•	•
Environmental grievance mechanisms		•
<b>Social. Labour practices and decent work</b>		
Employment	•	•
Labour/management relations	•	
Occupational health and safety	•	•
Training and education	•	•
Diversity and equal opportunity	•	•
Equal remuneration for women and men	•	
<b>Social. Society</b>		
Local communities		•
Anti-corruption	•	•
Grievance mechanisms for impacts on society	•	•
<b>Social. Product responsibility</b>		
Customer health and safety		•
<b>Indicators specified in the Oil and Gas Sector Supplement</b>		
Asset integrity and process safety	•	•
Emergency preparedness	•	•

## CHANGES IN REPORTING

With the highest quality of its CSR reporting process in mind, PKN ORLEN has again made changes to its reporting standards. The GRI G3.1 Guidelines used to prepare the 2012 Report have been replaced with the GRI G4 indicators. Furthermore, the 2013 Report has been externally assured. The assurance process is another step in improving the quality of reporting and adds credibility to the document's content. The 2013 Report was reviewed by Bureau Veritas Polska Sp. z o.o., a well-known and established testing, inspection and certification company.

For queries and comments relating to the report, please contact:

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### Work on the report has commenced...



## VALUES AND STANDARDS

In September 2012, PKN ORLEN introduced a document entitled 'The Core Values and Standards of Conduct of PKN ORLEN'. Shared values and standards have become an indelible part of our corporate culture. PKN ORLEN's Ethics Officer and the Human Capital Committee were reappointed for another term of office. In 2013, all ORLEN Group companies, both Polish and foreign, were invited to take part in the project, with each of them presented with the task of adapting 'The Core Values and Standards of Conduct of PKN ORLEN' to their specific requirements. Group companies, with knowledge of the direction set by PKN ORLEN, undertook the process of adjusting and drafting their own documentation, which included redefining the understanding of the ORLEN Values. The most significant challenge was the formulation of the companies' mission statements which, as with

PKN ORLEN's statement, should be a concise summary of the companies' business and aims. Mission statements proposed by Group companies, following review by the PKN ORLEN Human Capital Committee, became more positive and dynamic. A common motto was also introduced – 'ORLEN Group – We Fuel the Future' – emphasising the unity and integrity of the entire Group's operations. The decision to adopt a common direction with respect to the Values and the building of an organisational culture based on ethical conduct strengthens the position of the entire Group as a cohesive organism. The ORLEN Group Values bond the Group and help to find a platform for mutual understanding and cooperation, paving the way for the achievement of ambitious shared goals.



**Barbara Chlewińska**

**Ethics Officer  
PKN ORLEN**

'The Core Values and Standards of Conduct of PKN ORLEN' adopted in 2012, cannot be just an impressive-looking document. Corporate social responsibility must be a constant effort, but while this is so, it must also be a dynamic process responding to any new trends in the economy, new business environment, new technologies being implemented, and new communications tools. We must incorporate our values and standards into these new processes, which is not always easy – even the legislation does not always keep up with the changing environment.

The Ethics Officer responds to any reported instances of non-compliance with the values, in a manner demonstrating impartiality and objective judgement. The Officer's responsibilities include analysing employees' ethical dilemmas in relation to their work, and clarifying problem situations that occur in their interactions with others. The Officer also provides support to employees in difficult issues of an ethical nature, and during individual meetings educates them on such matters as good communication and respecting people's dignity.

Building proper attitudes is an ongoing process due to, amongst other things, generational changes. The Ethics Officer is not the only one responsible for this process. Every employee, irrespective of their position or function, must abide by the principles set out in 'The Core Values and Standards of Conduct of PKN ORLEN' in their day-to-day activities, and should be aware of this obligation in all their actions and decisions.



The adopted values and standards of conduct have also provided an additional communication channel for employees to raise their concerns on matters of importance. 'The Core Values and Standards of Conduct of PKN ORLEN' envisages four methods of reporting non-compliance. In the first instance, issues can be reported to the line manager, or alternatively to the Ethics Officer or Human Capital Committee. Reports may be submitted to both Ethics Officer and

Human Capital Committee anonymously by telephone or email. Also, instances of non-compliance can be reported through the Anonymous Non-Compliance Reporting System (ANRS), common to the whole Group. Apart from the conventional forms of communication such as email, telephone or paper correspondence delivered through the ANRS system, anonymous message boxes have also been set up for use by all employees to report any irregularities they see.

## KEY BUSINESS AREAS OF THE ORLEN GROUP

### Refinery

The ORLEN Group operates seven refineries, three of which are located in Poland, three in the Czech Republic, and one in Lithuania. The refineries in Plock and the Czech Republic are integrated with ORLEN Group's petrochemical operations, delivering operational and cost synergies. For wholesale distribution of its refining products, the ORLEN Group relies on an efficient logistics infrastructure comprising fuel terminals, onshore and offshore transshipment facilities, a network of product transmission pipelines, and road and rail transport vehicles.

### Petrochemicals

The ORLEN Group's petrochemical segment comprises PKN ORLEN's installations in Plock, and the installations of the Unipetrol Group, Basell Orlen Polyolefins Sp. z o.o. and ANWIL Group. In 2011, PKN ORLEN launched one of the most advanced terephthalic acid (PTA) units in the world, becoming one of the key PTA suppliers in the region.

### Retail

The ORLEN Group operates the largest network of retail stations in Central Europe. As at the end of 2013, it comprised 2,706 outlets located in Poland, Germany, the Czech Republic and Lithuania, managed by PKN ORLEN, ORLEN Deutschland GmbH, Benzina s.r.o. and AB Ventus-Nafta, respectively.

### Upstream

The ORLEN Group is involved in a number of crude oil and natural gas exploration projects, including shale gas projects, and holds ten licences for onshore and offshore oil and gas exploration in Poland. Currently, the Group's priority is to appraise and produce natural gas from unconventional sources. On November 14<sup>th</sup> 2013, the ORLEN Group acquired a 100% interest in TriOil Resources Ltd., a Canadian exploration and production company based in Calgary, Alberta.

### Power generation

The ORLEN Group is a producer of electricity and heat, which is currently used by the Group mostly for its own needs. The Group is also implementing a project involving the construction of a 463 MWe gas-fired CCGT plant in Włocławek.

PKN ORLEN together with its subsidiaries are one of the largest employers in Central Europe.

FINANCIAL HIGHLIGHTS OF PKN ORLEN S.A. (PLNm)		
	2013*	2012*
Revenue	84,040	88,349
Operating profit	457	1,810
Profit before tax	632	2,664
Net profit	618	2,128
Net comprehensive income	857	2,073
Net cash from operating activities	4,370	2,065
Net cash from (used in) investing activities	(1,578)	(2,459)
Net cash from (used in) financing activities	(1,691)	(2,928)
Net increase/(decrease) in cash and cash equivalents	1,101	(3,322)
Earnings and diluted earnings per share (PLN)	1.44	4.97
	<b>Dec 31 2013*</b>	<b>Dec 31 2012*</b>
Non-current assets	23,355	22,474
Current assets	18,708	18,933
Total assets	42,063	41,407
Non-current liabilities	6,923	7,702
Current liabilities	12,005	10,785
Equity	23,135	22,920
Share capital	1,058	1,058
Number of shares	427,709,061	427,709,061
Book value and diluted book value per share (PLN)	54.09	53.59
FINANCIAL HIGHLIGHTS OF THE ORLEN GROUP (PLNm)		
	2013*	2012*
Revenue	113,853	120,102
Operating profit	333	2,024
Profit before tax	178	2,624
Net profit attributable to owners of the parent	176	2,345
Net profit	90	2,170
Comprehensive income attributable to owners of the parent	112	1,963
Net comprehensive income	(110)	1,696
Net cash from operating activities	5,671	3,089
Net cash from (used in) investing activities	(2,479)	(2,875)
Net cash from (used in) financing activities	(2,509)	(3,411)
Net increase/(decrease) in cash and cash equivalents	683	(3,197)
Earnings and diluted earnings per share attributable to owners of the parent (PLN)	0.41	5.48
	<b>Dec 31 2013*</b>	<b>Dec 31 2012*</b>
Non-current assets	26,835	26,811
Current assets	24,809	25,820
Total assets	51,644	52,631
Non-current liabilities	7,943	9,197
Current liabilities	16,150	15,127
Equity	27,551	28,307
Equity attributable to owners of the parent	25,948	26,479
Share capital	1,058	1,058
Number of shares	427,709,061	427,709,061
Book value per share and diluted book value per share attributable to owners of the parent (PLN)	60.67	61.91

\* 2013/2012 – For the year ended.  
\* Dec 31 2013/Dec 31 2012 – as at.

Data for the previous years available in earlier reports.

Crude processing volume and product yields at the Płock Refinery ('000 tonnes)			
	2013	2012	2011
Crude processing	15,182	15,191	14,547
Total gasolines	2,593	2,491	2,469
Total diesel oils	6,131	5,829	5,646
Ekoterm Plus fuel oil	510	746	372
Aviation fuel	388	388	393
Propane-butane fraction (LPG)	176	225	186
Crude processing volume and product yields at the PTA Plant in Włocławek ('000 tonnes)			
	2013	2012	2011
Terephthalic Acid Production Plant (PTA Plant), feedstock:	584	484	362
Hydrogen	0.92	0.89	–
Paraxylene	373	309	231
Oxygen	211	175	131
Terephthalic Acid Production Plant (PTA Plant), product yields:	584	484	362
PTA	567	470	350
Losses	17	14	12
Environmental impact – Production Plant in Płock			
	2013	2012	2011
Water withdrawn from the Wisła river (m³)	22,259,568	22,662,775	23,475,613
Effluents discharged to the Wisła river (m³)	14,033,032	13,015,380	13,452,489
COD <sup>1</sup> load in effluents discharged to the Wisła river (kg per annum)	868,645	804,063	901,573
Total emissions of all substances (Mg),	6,200,319.13	6,142,179.85	6,258,758.17
of which:			
sulfur dioxide	15,502.87	20,666.18	20,971.56
NO <sub>x</sub> (in nitrogen dioxide equivalent)	6,588.78	7,819.11	8,027.86
carbon monoxide	1,465.14	1,354.36	1,282.72
total hydrocarbons	1,032.57	1,189.92	1,203.91
total dust <sup>3</sup>	579.04	677.27	588.78
carbon dioxide	6,175,032.97	6,110,342.67	6,226,505.89
other substances <sup>4</sup>	117.76	130.34	177.45
Environmental impact – PTA Plant in Włocławek <sup>2</sup>			
	2013	2012	2011
Water delivered by supplier, ANWIL S.A. (m³)	4,172,217	3,767,364	2,883,000
Effluents discharged to ANWIL S.A.'s sewage system (m³)	1,844,880	1,582,498	1,300,000
COD <sup>1</sup> load in effluents discharged to ANWIL S.A.'s sewage system (kg per annum)	5,803,158	5,886,603	6,140,000
Total emissions of all substances (Mg),	106,864.94	146,772.93	62,007.35
of which:			
sulfur dioxide	2.44	2.65	0.71
NO <sub>x</sub> (in nitrogen dioxide equivalent)	76.62	54.50	38.31
carbon monoxide	725.43	447.67	299.28
total hydrocarbons	0.00	0.00	0.77
total dust <sup>3</sup>	2.40	3.01	2.12
carbon dioxide	106,033.62	146,250.50	61,657.83
other substances <sup>4</sup>	24.44	14.60	8.33
Responsible production			
	2013	2012	2011
Fees for the economic use of the environment (PLN),	17,750,886.20	20,850,187.65	20,691,933.00
of which:			
emissions (including from vehicles)	15,379,331.11	18,552,522.00	18,253,496.00
– including the Płock Production Plant	14,575,108.80	17,728,415.00	17,459,043.00
– including the Włocławek PTA Plant	180,516.31	137,288.00	79,328.00
– including fuel storage and distribution facilities (fuel terminals and service stations)	623,706.00	686,819.00	715,125.00
water withdrawn	1,241,896.71	1,217,560.65	1,237,638.00
– including the Płock Production Plant	1,233,672.71	1,211,370.00	1,228,823.00
– including fuel storage and distribution facilities (fuel terminals and service stations)	8,224.00	6,190.65	8,815.00
effluents discharged	1,129,658.38	1,080,105.00	1,200,799.00
– including the Płock Production Plant	962,243.38	918,461.00	1,008,286.00
– including fuel storage and distribution facilities (fuel terminals and service stations)	167,415.00	161,644.00	192,513.00
Capital expenditure on environmental protection (PLN '000)	206,836	83,291	48,423
Our employees			
	2013	2012	2011
Employee headcount as at Dec 31	4,409	4,445	4,445
Accidents at work (including severe accidents)	6	10	15
Post-accident absenteeism (days)	195	264	592

1) COD – chemical oxygen demand. Gross load, i.e. the actual load discharged to the Wisła river.

2) The PTA Plant in Włocławek has been in operation since March 21<sup>st</sup> 2011.

3) Total dust, i.e. combustion dust, silica dust and metals in dust.

4) In previous years, silica dust and metals in dust were also disclosed under other substances, hence the higher respective values in previous reports.

## KEY RISKS

PKN ORLEN, like any other company, is exposed to a number of industry, market, credit or payment related risks.

The industry-specific risks include:

- Risks related to crude oil processing, e.g. crude oil supply problems (technical malfunctions, weather conditions), or higher costs of supplies to refineries.
- General operating risks, i.e. extraordinary events such as fires, explosions, blowouts, breakdowns, collective disputes or adverse weather conditions.
- Risks related to entering new fields of activity, i.e. PKN ORLEN's exploration and appraisal projects (upstream operations) which may be exposed to a number of potential geological and operating risks that may prevent PKN ORLEN from pursuing its value growth strategy or from making expected profits from such projects, and that may also, temporarily, generate losses.

**Adam Czyżewski**

Chief Economist  
PKN ORLEN



Because we associate risk with danger, we try to avoid risk altogether. In business, we opt for tried and tested solutions because they offer a greater degree of security. Is choosing such solutions a better development strategy than innovating?

New, innovative business ideas are characterised by unpredictability. Investments in such ideas can only be made under certain economic conditions. Such conditions are created by the State.

One of these is a well-formulated bankruptcy law so that when a plan collapses in ruins, it does not also bury its creator. Such law has a decisive influence on the number of start-ups trying to put fresh ideas into practice. However, this alone is not enough to encourage investment in the unknown.

Another condition is the development of a financing system for high-risk business projects. As a rule, start-up owners have insufficient funds for their projects, and have to rely on external sources of financing. However, no bank will give credit for ideas which cannot be compared with anything else. Start-ups must then look for financing outside the banking system, and so typically thrive in countries where such funding is available.

The most developed countries are also the most innovation-friendly, and this is where most ground-breaking ideas originate in and spread throughout the world. They are purchased by developing countries, who prefer off-the-shelf solutions over having to invest in their own technologies, to grow faster and at a lower cost. This strategy also worked for Poland when it was a low- and middle-income economy per capita. With imported technologies, we have modernised the economy and outperformed others in terms of income growth, and today we belong to the group of countries having a high per capita income. It is a sign, and it is about time to shift the focus of our development strategy from 'modernisation' to 'innovation'. If we can buy a given technology, so can others, and then the only competitive advantage of such a development model is created by the low cost of labour. We are therefore facing a strategic choice: to be competitive in labour costs, and return to the group of middle-income countries, or to be competitive with our own technologies entailing the creation of an innovative company and economy.



Risks related to changes in existing laws and regulations at three legislative levels:

- EU directives and regulations applicable to ORLEN Group companies, particularly EU legislation concerning power generation, the natural environment and climate change;
- acts implementing individual EU directives and policies into national legislation, for which individual member states still have a high degree of autonomy;
- national and local regulations and legislation.

The market risks include:

- Currency risk – a significant portion of our oil product sales are valued in USD, or by reference to USD, while prices of most of our petrochemical products are expressed in EUR, or are EUR-indexed. Sudden or significant increases in PLN or CZK values could have a negative effect on PKN ORLEN's performance.
- Interest rate risk – the Company is exposed to the risk of changes in cash flows resulting from the volatility of interest rates on borrowings, including bank loans, and floating rate debt securities in issue, as well as derivative transactions hedging cash flow risk.

Liquidity and credit risks include:

- Liquidity risk – related to the ratio of current assets to current liabilities.
- Credit risk – in the course of its trading, the ORLEN Group sells products and services to business entities on a deferred payment basis, which may present a risk of default on the part of the customer receiving our products or services.

PKN ORLEN's excellent operating and financial performance to date confirms that the Company continuously monitors and properly manages its risk exposure, which means increased effectiveness of operations and uninterrupted growth of shareholder value.

## OPPORTUNITIES

The Company's objective is to solidify its presence in areas where it has always been strong, and also to actively search for new value sources that complement its core business. Thanks to our production assets – one of the most advanced in Europe – and strong competitive position, solid financial standing, valuable brand and sound market perception, as well as a thoughtful strategy, we are on the right path to the successful completion of our goals.

In November 2012, the Supervisory Board of PKN ORLEN approved the PKN ORLEN's strategy for 2013–2017, 'Growth based on solid fundamentals', which envisages:

- Consistent growth of the dividend yield up to 5%;
- Value creation in the Refining, Petrochemicals and Retail segments (downstream) – focus on improving efficiency and maximising value, as well as using existing potential to leverage value creation in the Power and Upstream segment;
- Pursuit of these strategic goals while at the same time maintaining solid financial security (20%–40% financial leverage).

### Refining segment

State-of-the-art production assets such as the Plock refinery ('supersite' in the Wood Mackenzie classification) as well as operation in attractive markets, competitiveness and modern processing technology will improve efficiency, reduce the energy intensity of processes and strengthen asset value through the optimal investment and delivery of highly profitable projects.

The key strategic goals of the Refining segment are as follows:

- increase crude throughput by 2.2m tonnes annually to 30m tonnes,
- increase fuels yield to 78%,
- reduce energy intensity by 4 points (Solomon energy intensity index).

Despite the challenging market environment, the ORLEN Group increased the volume of crude processed by 1%, to 28.2m tonnes, relative to 2012 (year on year), improved the utilisation of processing capacities by 1pp (year on year), to 91%, and reduced the energy intensity index by (-) 3.9pp (year on year).

Efficient maintenance shutdowns policy for 2013, carried out on schedule and within the prescribed budget, also contributed to the Group's performance. Overhauls of some installations were completed earlier than planned, which resulted in their faster commissioning and improved financial performance.

The Company's objectives for the wholesale of fuels are focused on maintaining its leading position primarily by increasing sales volumes through improved efficiency, but also by adapting the structure of its sales force to the changing market environment.

With respect to logistics, the Company worked to optimise the costs of its fuel logistics and continue to build the Group's advantages in this field.

## Petrochemical segment

The position of PKN ORLEN as the largest petrochemical company in the region and a leading producer of olefins and polyolefins, combined with forecasts of steadily rising demand for these products, creates the potential for continued value growth. The strategic initiatives in 2013–2017 are aimed at maintaining the Petrochemical segment's position as PKN ORLEN's most profitable segment, and to achieve the status of innovative market player in select market areas by expanding the value chain.

Priority is given to maximising value from existing assets. Furthermore, development plans are fully adjusted to growth scenarios of individual markets to ensure appropriate cash flows, which will in turn allow us to reach the goals envisaged by the Strategy. The key strategic goals of the Petrochemical segment are as follows:

- optimise production assets by stepping up production at key units and increasing energy efficiency,
- maximise sales and margins for key products,
- extend the value chain through the pursuit of development projects.

Despite a number of negative events over which the Company had no control (emergency shutdowns), PKN ORLEN turned in a solid profit in the Petrochemical segment, while the operating availability of individual production units was close to 100% of assumed values. Furthermore, sales of petrochemical products reached planned targets. PKN ORLEN is the sole producer of monomers, polymers, and most petrochemicals in Poland and the Czech Republic.

To optimise production assets, a number of efficiency-improving initiatives were put into practice in 2013, resulting in a significant improvement of the energy intensity indices of PKN ORLEN's key petrochemical units relative to 2012. Further initiatives are under way, which are expected to bring tangible benefits in the future.

## Retail segment

The ORLEN Group intends to maintain its current strategy of focusing on increasing market share, boosting non-fuel sales, and achieving further cost efficiencies.

The 2013–2017 strategic goals provide for the improvement of average sales per station, assuming a target of 4m litres of fuel by the end of 2017. Further, the Strategy envisages an increase in market share at the Group's home markets (Poland, Czech Republic, Germany, Lithuania) to 17%, as well as higher profits from non-fuel sales. These strategic objectives can be supported by strong service station brands recognisable across the Group's home markets.

The Retail segment posted its historically highest year-on-year performance improvement, reaching a sales volume of 7.5m tonnes. In effect, PKN ORLEN improved its standing and market share in its home markets, with the highest growth recorded in Poland (up to 35.4% from 34.7%) and the Czech Republic (up to 14.7% from 13.6%). The Company also continued with the dynamic growth of its non-fuel offering.

In 2013, a strategy for non-fuel sales development was approved, under which negotiations commenced with potential partners from the retail and catering industries, and a plan for the development of a concept for own stations was formulated.

## Power segment

Based on forecast growth in electricity demand in Poland, accompanied by a decrease in domestic generation capacities, and with the good position PKN ORLEN has to expand its power generation assets, the company plans to make significant investment in this area by 2017. By that time, the ORLEN Group's installed generation capacity will increase from the current 0.8 GWe to about 1.2 GWe.

The strategic goals of the ORLEN Group's Power segment are as follows:

- increase electricity generation capacity by constructing a gas-fired CCGT unit in Włocławek,
- upgrade existing infrastructure to further develop generation capacities and bring the segment's assets in line with the requirements of the Industrial Emissions Directive,
- ensure the energy security of the ORLEN Group.

The construction of a CCGT plant in Włocławek, on schedule and within its budget, is the centrepiece of the ORLEN Group's strategy in the power generation segment. The project envisages the construction of a 463 MWe power generation unit. The unit, scheduled to come online in Q4 2015, will supply process steam and electricity to ANWIL S.A., with any surplus power sold on the market. The strategy also envisages the construction of a CCGT plant in Płock, upgrade of the CHP plant at the Unipetrol Group, and pursuit of renewable energy projects, whose launch will depend on parameters of the projects and the current financial standing.

The upcoming projects envisage the use of technologies relying on natural gas, which is environmentally friendly and beneficial in terms of CO<sub>2</sub> emissions. Planned investments in the power segment are expected to provide a stable revenue stream as soon as 2017.

### Upstream segment

The ORLEN Group expects to continue the development of its upstream business. It intends to focus its activities in politically stable regions – primarily Central Europe and North America. Strategic partnerships and possible M&A transactions are one way to expand the Group's operations in this area. Capital expenditure in the upstream segment will be used to finance shale gas exploration and production drilling, extension of production phases, and additional licences and/or M&A options (depending on final parameters of projects and our financial position).

The Group's priority is to pursue shale gas exploration projects within its licence areas in Poland, where extensive appraisal work was carried out in 2013.

### Key markets

PKN ORLEN is one of the largest corporations operating in Central and Eastern Europe's oil and gas industry. The ORLEN Group's refining assets account for approximately 75% of the total refining capacity installed in Poland, the Czech Republic, Lithuania, Latvia and Estonia. The ORLEN Group manages seven refineries, located in Poland (Płock, Trzebinia, Jedlicze), Lithuania (Mažeikiai), and the Czech Republic (Litvinov, Kralupy and Pardubice<sup>5</sup>). The Group's integrated refining and petrochemical production complex in Płock is ranked among the most advanced and efficient facilities of its kind in Europe.

5) The Paramo refinery does not conduct crude oil processing operations.

The key geographical markets where PKN ORLEN operates include:

### Poland

In Poland, the ORLEN Group operates three refineries, located in Płock, Trzebinia and Jedlicze. Besides refineries, we hold the petrochemical assets of the Płock Production Plant, and two more companies – ANWIL of Włocławek and Basell Orlen Polyolefins. In 2011, the ORLEN Group launched one of the world's most advanced PX (paraxylene) and PTA (purified terephthalic acid) production complexes, thus becoming a key global supplier of these products. PKN ORLEN is the only producer of olefins, polyolefins and most petrochemicals in Poland, and one of the major producers of nitrogen fertilizers, chloralkali and other chemicals. It is also the only manufacturer of suspension polyvinyl chloride (PVC) in Poland.

In Poland, we own the largest chain of service stations (1,778 sites), operating in the premium and economic market segments under the ORLEN and Bliska brands.

Sales of oils in our domestic market are handled by ORLEN Oil and Platinum Oil, and sales of bitumens by ORLEN Asfalt. ORLEN is one of the largest companies in Poland manufacturing and selling bitumens, and the largest exporter of bitumens from Poland. It is also one of the main suppliers of bitumens to the Romanian market.

The Group's activities in the upstream segment are conducted by ORLEN Upstream.

The ORLEN Group is also a major producer of heat and electricity. PKN ORLEN owns a 345 MWe CHP plant in Płock, and is currently pursuing a major project to build a CCGT unit with a capacity of approximately 463 MWe in Włocławek. Construction of another power plant in Płock is also currently under consideration.

To ensure the efficient flow of production inputs and finished products, the Group uses a network of complementary infrastructure components: fuel terminals, onshore and offshore handling terminals, a network of product and raw material transmission pipelines, and also road haulage and railway freight transport. ORLEN KolTrans and ORLEN Transport are the two crucial links in the Group's logistics value chain.

### Czech Republic

In the Czech Republic, we operate a group of refining and petrochemical complexes located in Litvinov, Kralupy and Pardubice. Key installations in our petrochemicals segment include the polyolefins and olefins facilities located in Litvinov. We also own Spolana of Neratovice, a chemicals company, which together with our Litvinov assets, makes us the only producer of olefins, polyolefins and most petrochemicals in the country. Moreover, as the only producer of PVC and caprolactam, and as the largest and most important producer of caustic soda lye, we count among the major players in the Czech chemical industry.

We manage a chain of 338 service stations which operate in the premium and economy segments under the Benzina and Benzina Plus brands. Wholesale is handled by three companies: Unipetrol Slovensko s.r.o., Unipetrol RPA s.r.o. and Paramo a.s.

Sales of oils in the Czech market are managed by ORLEN OIL Česko s.r.o., and sales of bitumens by ORLEN Asfalt Česká Republika.

Our power generation segment in the Czech Republic is represented by Unipetrol's 110 MWe CHP plant. Our key logistics assets in the Czech Republic include Unipetrol Doprava and Unipetrol Petrotrans.

### Lithuania

The ORLEN Group owns a fuel-producing refinery in Mažeikiai.

Through AB Ventus Nafta, an ORLEN Lietuva Group company, we operate 35 Ventus Nafta service stations in Lithuania. The wholesale business is overseen by AB ORLEN Lietuva.

Following a consolidation of the Group's bitumen segment, PKN ORLEN has added Lithuanian bitumens produced in Mažeikiai to its product offering.

We also manage a CHP plant located in Mažeikiai, with capacity of 160 MWe.

### Germany

In Germany, through its subsidiary ORLEN Deutschland, the ORLEN Group manages a chain of 550 service stations operating under the STAR, Familia and ORLEN brands.

### Canada

In 2013, the ORLEN Group acquired TriOil Resources, which became its wholly-owned subsidiary. TriOil Resources produces crude oil and natural gas from reserves located in the Canadian province of Alberta. This acquisition has given us access to developed reserves





which are already producing hydrocarbons, as well as to the expertise available in Canada's well-developed and technologically advanced market of exploration for and production of unconventional hydrocarbons. PKN ORLEN will draw on TriOil's experience for its own oil and gas exploration efforts in Poland, building its position as a business diversified across a range of sectors.

### Customers for ORLEN Group products

1. ORLEN Group fuels are purchased not only on our home markets (Poland, the Czech Republic, Slovakia, Germany, Ukraine, the Baltic States), but also in numerous other countries, including Sweden, Finland, the United Kingdom, and the US. PKN ORLEN sells its products to retail customers through its own chain of service stations and through its wholesale partners (e.g. Shell and BP), who distribute the products to all sectors of the economy.
2. Our petrochemical products are bought chiefly by customers from Poland, the Czech Republic, Germany, Lithuania, Denmark, Russia, Hungary, Romania, Italy, France, Belgium, Sweden, Spain, Oman, Turkey, and China. We are the only producer of olefins, polyolefins (polyethylene and polypropylene), terephthalic acid and most other petrochemicals in Poland and the Czech Republic. PKN ORLEN is a strategic supplier of products to the Polish chemical sector.
3. The ORLEN Group is a leading producer of oils and lubricants in the region, selling its products mainly in the Polish, Lithuanian and Czech markets. We offer a vast range of synthetic and mineral engine oils for passenger cars, trucks, buses and construction machinery, sold under the Platinum and Platinum MaxPower brands. Our products are primarily purchased by wholesalers, service stations (including our own), automotive stores, car servicing garages, transportation terminals, industrial plants and individuals.
4. In Poland, we are one of the largest companies producing and selling bitumens. The main sales markets for our bitumens are Poland, the Czech Republic, Slovakia, Germany, Romania and the Baltic States. Our offering includes road bitumens, ORBITON modified bitumens, BITREX multigrade bitumens and industrial bitumens.
5. Moreover, PKN ORLEN is a leading producer and supplier of aviation (JET) fuel, LPG and fuel oil.

## INDIRECT ECONOMIC IMPACTS

The ORLEN Group is one of the leaders in the Polish labour market, with more than 4 thousand people working at PKN ORLEN, and nearly 22 thousand in the entire Group. With their families included, this gives in total more than 100 thousand people whose lives are closely linked with PKN ORLEN operations.

Another several thousand people are employed by the service providers and subcontractors performing investment projects, current repairs and maintenance work for Group companies, on which PKN ORLEN spends more than PLN 3bn every year.

In the Polish, German, Czech and Lithuanian markets, the ORLEN Group controls a network of 2,706 service stations, which handle around one million transactions every single day, and our VITAY loyalty scheme has about 2.5m registered and active customers.

In 2013, the revenue to the city of Plock from taxes and charges paid by PKN ORLEN totalled over PLN 147m.

ANWIL, a Group company based in Włocławek, also materially contributes to an improvement in the quality of life of local residents. It employs more than a thousand people, provides support to local initiatives, and generates tax revenue to the town (more than PLN 32m in 2013).

ORLEN Upstream cooperated, directly or indirectly, with 77 entities from the Lublin Province, which provided transport, construction and road services to the company. In locations where ORLEN Upstream conducted its operations, a few dozen local residents were employed in 2013. 48 local self-government institutions at municipality, county and province levels benefited from the fees paid by the company in connection with its exploration activities.

ORLEN Upstream places a strong focus on its stakeholder relations. Before any work is embarked upon, many meetings are organised with local residents and local authorities to ensure they are kept informed. Such meetings are accompanied by seminars devoted to the exploration for, and appraisal of, unconventional oil and gas deposits. ORLEN Upstream engages in the lives of local communities by initiating educational projects, supporting local sports clubs and promoting pro-environmental activities.

Through our ORLEN – GIFT FROM THE HEART Foundation, established in 2001, every year we donate considerable amounts to charity, providing our support to those in need and to institutions that cater for public needs. The Foundation regularly sponsors nearly 300 family group homes all over Poland, which accommodate more than 2,200 children.

In the course of our work on this year's Report, we have revised our stakeholder map. The general conclusion was that the group of our stakeholders has changed little over the recent years. Following a discussion and questionnaire, we have added operators of CODO service stations to the map.

The Company takes care to uphold the quality and standards of its stakeholder relations, and employs the latest in communications technology to support their development. The communication tools are selected with due regard to the stakeholders' needs and the nature of the Company's activities. Examples of such activities are presented further on in this Report.

## MAP OF STAKEHOLDERS



**Justyna Januszewska**

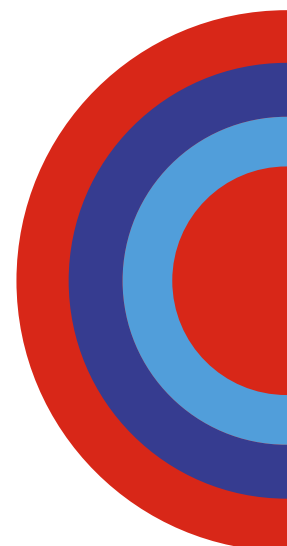
Deputy Head  
Responsible Business Forum

The modern world requires a modern approach to company value creation that focuses on the importance of the various types of resources, in particular the intangible ones, and the need to take into consideration the vast group of the company's stakeholders. That entails the need for constant dialogue with customers, employees and suppliers. By paying attention to what they have to say, acting ethically and assuming responsibility for social and environmental impact, a company builds its relational, human, social and intellectual capital.

It also needs to manage the entire spectrum of risk arising from the complexity of the various interdependencies and interactions, including the impact of the non-financial aspects of its activities on its financial performance. In an integrated approach, various types of capital, not only financial, contribute to building company value. This process often leads to solutions that open doors to new products, services, or cost efficiencies and, as a consequence, improvement of financial results. Responsible conduct vastly contributes to building high company value, and therefore it translates into measurable benefits.

## CSR at PKN ORLEN

YEAR	ACTIVITY
<b>1999</b>	<ul style="list-style-type: none"> <li>PKN ORLEN participates in the Responsible Care programme, joined in 1997 by PKN ORLEN's legal predecessor, Petrochemia Płock S.A.</li> <li>Programme for providing support to fire brigades</li> <li>Local partnership in Płock, support for social activities</li> <li>The Petrochemical Industry for Children Foundation</li> </ul>
<b>2000</b>	<ul style="list-style-type: none"> <li>Cooperation initiative with the 'SOKÓŁ' Society for Wild Animals is launched</li> </ul>
<b>2001</b>	<ul style="list-style-type: none"> <li>The ORLEN – GIFT FROM THE HEART Foundation is established</li> </ul>
<b>2002</b>	<ul style="list-style-type: none"> <li>The 'Forum for Płock' cross-sectoral partnership programme is initiated</li> </ul>
<b>2003</b>	<ul style="list-style-type: none"> <li>PKN ORLEN joins Global Compact, an initiative launched by UN Secretary General Kofi Annan</li> <li>PKN ORLEN's first CSR Report is published</li> </ul>
<b>2004</b>	<ul style="list-style-type: none"> <li>The Museum of Oil and Gas Industry in Bóbrka Foundation is established</li> <li>An Employee Volunteering Programme is initiated</li> </ul>
<b>2005</b>	<ul style="list-style-type: none"> <li>The 'PKN ORLEN Code of Ethics' is implemented</li> <li>All the corporate governance principles promoted by the WSE are adopted by PKN ORLEN</li> <li>The 'Grant Fund for Płock' Foundation is established</li> </ul>
<b>2006</b>	<ul style="list-style-type: none"> <li>The Ethics Officer is elected</li> <li>First edition of the 'ORLEN – Safe Roads' campaign is held</li> <li>Cooperation with the 'Good Neighbourhood Grant Fund for Ostrów Wielkopolski' Association</li> </ul>
<b>2007</b>	<ul style="list-style-type: none"> <li>The social part of the VITAY programme is launched – the credits collected as part of the programme can be donated for the benefit of family group homes</li> <li>Declaration of support to the Responsible Care Global Charter is signed by PKN ORLEN</li> </ul>
<b>2008</b>	<ul style="list-style-type: none"> <li>The Company Collective Bargaining Agreement is signed</li> <li>The 'PKN ORLEN Charitable Giving Policy' is adopted by the Company's Management Board</li> <li>PKN ORLEN's service stations begin to serve Fairtrade certified coffee</li> </ul>
<b>2009</b>	<ul style="list-style-type: none"> <li>PKN ORLEN qualifies for the RESPECT Index</li> <li>A scholarship programme for students from the city of Płock is launched</li> </ul>
<b>2010</b>	<ul style="list-style-type: none"> <li>The 'Green Energy' Investment Programme is launched at the Płock Production Plant</li> <li>The Integrated Management System is implemented</li> <li>A scholarship programme for students from the County of Płock is launched</li> </ul>
<b>2011</b>	<ul style="list-style-type: none"> <li>The 'Declaration on Sustainable Development in the Energy Sector in Poland' is signed by PKN ORLEN</li> <li>A new eco-friendly installation is placed in service at the Płock Production Plant</li> <li>The 'Declaration of Compliance with the Code of Corporate Responsibility' is signed</li> <li>A fan page of the ORLEN – GIFT FROM THE HEART Foundation – 'Debeściaki' – is started</li> </ul>
<b>2012</b>	<ul style="list-style-type: none"> <li>The 'The Core Values and Standards of Conduct of PKN ORLEN' is adopted by the Management Board</li> <li>A new IT system is implemented at the Płock Production Plant for the monitoring, reporting, and forecasting of CO<sub>2</sub> emissions</li> <li>Amazing People – PKN ORLEN's new social fan page on Facebook is launched</li> <li>The Masters of Chemistry scholarship programme is initiated</li> </ul>
<b>2013</b>	<ul style="list-style-type: none"> <li>PKN ORLEN organises the 'Poles with Verve' internet poll</li> <li>PKN ORLEN organises the ORLEN Warsaw Marathon</li> <li>The 'ON THE PODIUM' scholarship programme for children from family group homes having talent in sport is launched</li> <li>'Get Excited about Helping' – an environmental and social project to collect plastic bottle tops is organised as part of the Responsible Care programme</li> </ul>



**PKN ORLEN S.A.**  
**– DIRECTLY RELATED COMPANIES**  
as at December 31<sup>st</sup> 2013

**PKN ORLEN S.A.**

**CORE BUSSINES COMPANIES**

**INDUSTRY COMPANIES**

AB ORLEN Lietuva	<b>100%</b>
Unipetrol a.s.	<b>63%</b>
ANWIL S.A.	<b>100%</b>
Rafineria Trzebinia S.A.	<b>86%</b>
Rafineria Nafty Jedlicze S.A.	<b>100%</b>
ORLEN OIL Sp. z o.o.	<b>52%</b>
ORLEN Asphalt Sp. z o.o.	<b>82%</b>
IKS SOLINO S.A.	<b>100%</b>
Basell Orlen Polyolefins Sp. z o.o.	<b>50%</b>
ORLEN Upstream Sp. z o.o.	<b>100%</b>
ORLEN Intern. Exploration & Prod. Co BV	<b>100%</b>
Baltic Power Sp. z o.o.	<b>100%</b>
Baltic Spark Sp. z o.o.	<b>100%</b>

**OIL AND GAS COMPANIES**

ORLEN Paliwa Sp. z o.o.	<b>100%</b>
ORLEN PetroTank Sp. z o.o.	<b>100%</b>
Ship Service S.A.	<b>61%</b>
ORLEN Deutschland GmbH	<b>100%</b>
Petrolot Sp. z o.o.	<b>100%</b>
ORLEN Gaz Sp. z o.o.	<b>100%</b>

**NON-CORE BUSSINES COMPANIES**

ORLEN Automatyka Sp. z o.o.	<b>100%</b>
ORLEN Wir Sp. z o.o.	<b>77%</b>
ORLEN Centrum Serwisowe Sp. z o.o.	<b>99%</b>
ORLEN Budonaft Sp. z o.o.	<b>100%</b>
ORLEN KolTrans Sp. z o.o.	<b>100%</b>
ORLEN Transport S.A.	<b>100%</b>
ORLEN Projekt S.A.	<b>100%</b>
ORLEN Eko Sp. z o.o.	<b>100%</b>
ORLEN Medica Sp. z o.o.	<b>100%</b>
ORLEN Księgowość Sp. z o.o.	<b>100%</b>
ORLEN Laboratorium Sp. z o.o.	<b>99%</b>
ORLEN Administracja Sp. z o.o.	<b>100%</b>
ORLEN Ochrona Sp. z o.o.	<b>100%</b>
PPPT S.A.	<b>50%</b>
ORLEN Finance AB	<b>100%</b>
Orlen Holding Malta Ltd	<b>100%</b>
18 other companies	

**Major changes in the reporting period**

While a number of restructuring processes are under way at the Orlen Group, they have brought no material changes in the Group size, structure, form of ownership, or the supply chain. One major development was the acquisition of a 100% equity interest in TriOil Resources by ORLEN Upstream International B.V., a subsidiary of ORLEN Upstream.



## RESPONSIBLE MANAGEMENT

PKN ORLEN is committed to ensuring the highest quality of its products, minimising its environmental impact, and maintaining safe working conditions and the security of information processed by the Company. These objectives are supported by the Integrated Management System, which consists of:

- Quality Management System based on ISO 9001,
- Quality Management System based on AQAP 2120,
- Environmental Management System based on ISO 14001,
- Occupational Health and Safety Management System based on PN-N-18001,
- Information Security Management System based on PN-ISO/IEC 27001,
- Food Safety Management System – HACCP.

PKN ORLEN has obtained the relevant certificates as proof of compliance with the above standards.



The role of the Integrated Management System is growing, and its scope is being extended to include other management systems essential to the Company. In 2013, PKN ORLEN started work to implement the following systems:

- Energy Management System based on ISO 50001,
- International Sustainability & Carbon Certification (ISCC) system – a certification system for biomass and biofuels.

Proper operation of the Integrated Management System is a source of tangible benefits to PKN ORLEN and its partners, including:

- efficient management and compliance with Polish and international laws,
- guaranteed top quality of the marketed fuel and non-fuel products, and appropriate customer service,
- higher security and quality of the food products sold at the service stations,
- possibility of fuel deliveries for NATO's armed forces,
- enhanced work safety levels thanks to improved hazard detection methods and application of ergonomic solutions that reduce discomfort and occupational risks,
- optimised production processes thanks to the application of the best and safest technologies,
- building an image of an eco-minded and socially responsible company by reducing greenhouse gas emissions and satisfying sustainable development criteria,
- proper security of information processing ensured through adherence to top standards and best practices in the area of information security,
- ensured business continuity in the event of incidents and effective crisis management.

The new certificates prove that we have appropriate procedures in place to provide customers with top quality products, and maintain high environmental and safety standards, thus adding to our competitive advantage and supporting the ORLEN brand image. They build the trust of PKN ORLEN customers, including the largest ones, for whom the certification procedures are a form of independent verification of the standards offered by PKN ORLEN.

PKN ORLEN also holds the Responsible Care certificate for its Framework Management System, Company Close to the Environment certificate, and Partner of Poland's Environment certificate.



**RESPONSIBLE 2013**

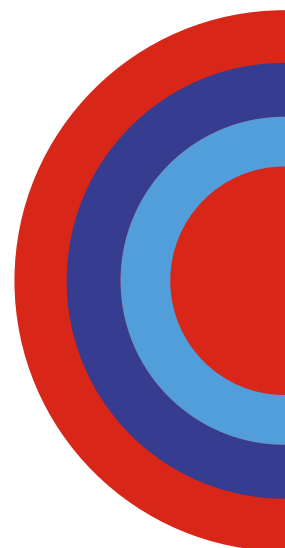
– key events

**JANUARY**

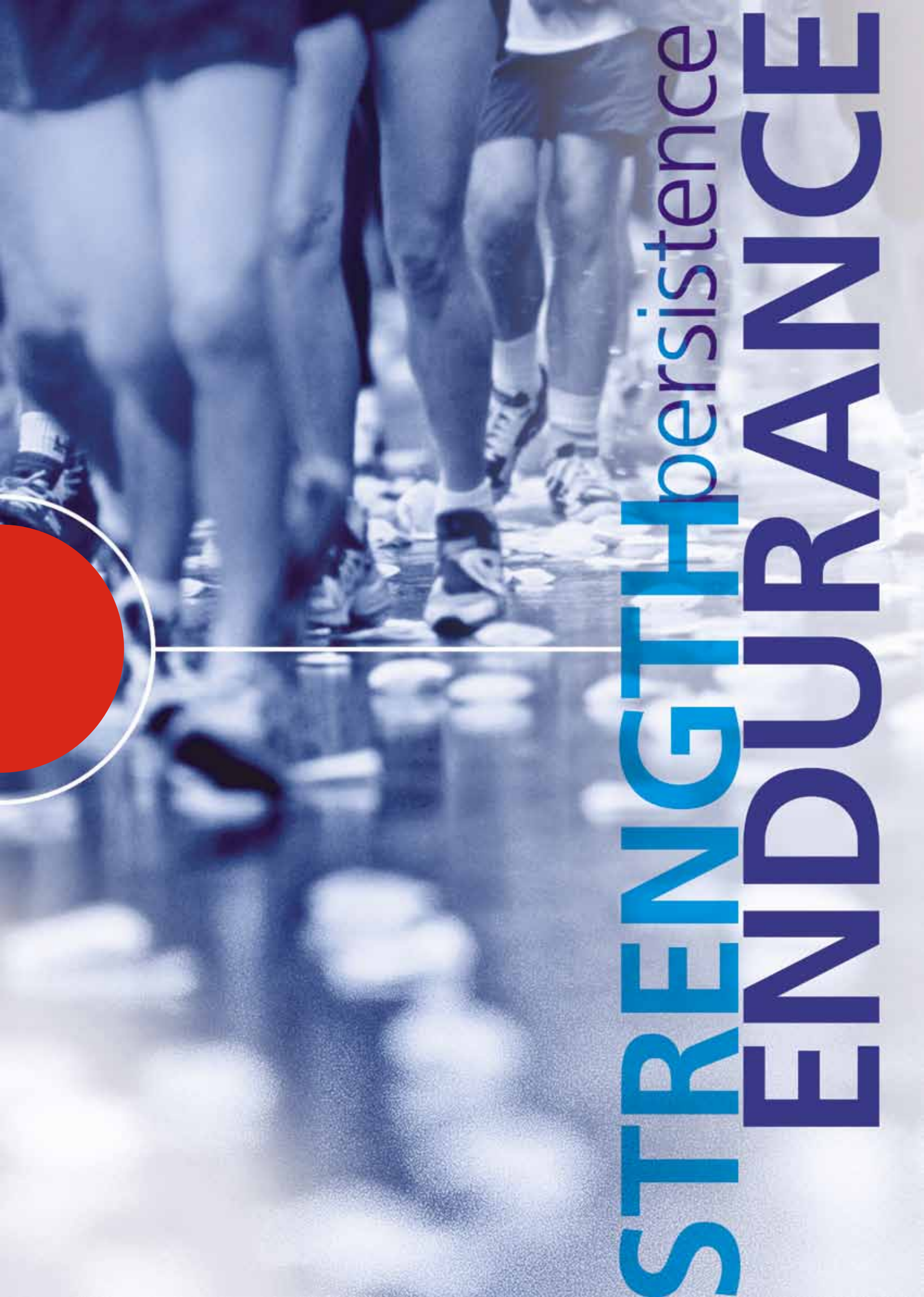
New employee benefits

**FEBRUARY**

OHS incentive programme

**MARCH**New eco-friendly  
investment project in Płock**APRIL**Volleyball training  
for employees**MAY**Integrated Risk  
Management System**JUNE**Innovative procurement  
platform – CONNECT**JULY**New means  
of internal communication**AUGUST**Competence model  
in the ORLEN Group**SEPTEMBER**New playground  
for Płock's children**OCTOBER**ORLEN partners  
Civic Congress**NOVEMBER**ORLEN Group as the most eco-friendly  
producer in the chemical industry**DECEMBER**Family-Friendly  
Employer





# STRENGTH <sup>endurance</sup> ENDURANCE



# 01

Society



# SOCIETY

## DEBATE ON THE FUTURE

Being the largest company in Central and Eastern Europe, we feel obliged to initiate a debate on fundamental issues, both economic and social, pertinent to our continent. We want to use our potential and experience to maintain Poland's position as an important partner for EU countries.

It is the fourth year of our Future Fuelled by Knowledge' project. In 2013, we launched a bilingual Internet platform called Future Fuelled by Knowledge ([www.napedzamyprzyszosc.pl](http://www.napedzamyprzyszosc.pl)), relying on cutting-edge communication tools and providing access to video and photo coverage of the debates featuring PKN ORLEN representatives, world business leaders, politicians and experts in various fields. A distinctive element of the service is a blog run by the Chief Economist at PKN ORLEN, where he explains, in an easy to understand manner, what factors drive fuel prices, what sources of energy will be used in the future, and how the Polish economy will develop. Another tool supporting the service, as well as the overall Future Fuelled by Knowledge communication, is the official Twitter account where the Executive Director for Strategy and Project Management at PKN ORLEN describes trends and economy-related problems, provides links to interesting information, and comments on a real-time

basis on the most important economic issues concerning Poland, Europe and the whole world. The service also includes expert publications on the most important economic and business matters.

In 2013, PKN ORLEN prepared two such publications. The first, 'Poland-Czech Republic-Germany – Mutual Relations, Cooperation and Growth' is an analysis of the results of opinion polls on mutual perceptions between the three neighbours, conducted by the Institute of Public Affairs at the request of the Group. The research was initiated by the Group's experience from its operations in these three markets. The published report confirms the high quality of the mutual relations between the three countries, but also suggests specific solutions to be implemented to foster further integration of Poland, the Czech Republic and Germany as an influential regional power. The report's results and conclusions were presented in September at the International Economics Forum in Krynica. The second publication, 'Energy, Environment, Development – Objectives Which Need Not Be at Odds', is an analysis of challenges inherent in building the economy and the energy sector based on eco-friendly technologies. The authors of the publication pointed to the role innovation plays in the development of new technologies, which need the involvement of experts in many fields of science, and the creation of a supportive environment where innovative solutions can be implemented.





**Grzegorz Kozieja**

**Project Manager  
Strategic Planning and Analysis Office  
PKN ORLEN**

Business is not built by abstract 'companies', but by people who have their own experiences, superstitions and stereotypes. Good agreement, despite the differences, is an important foundation of success for a company operating on international markets.

The ORLEN Group considers enhancement of intercultural understanding as a strategic issue for its success. Therefore, we decided to actively engage in research on mutual perceptions between representatives of cultures in the countries where we are present. The effect is pioneering research, publications and open meetings devoted to the discussion of issues concerning intercultural relations.

We act not only for our own benefit, as the results of our work are published in the public domain, accompanied by translations into foreign languages. In this way, the circle supporting the mutual relations is being extended to include central and local administration authorities, businesses that operate, similarly to the ORLEN Group, in the international marketplace, as well as representatives of the academic world.

What we do sets the direction for building value through the improvement of intercultural relations. We believe that these initiatives will allow all of us to use the benefits of easier and more effective cooperation.

As part of the Future Fuelled by Knowledge project, PKN ORLEN's representatives participated in the most important conferences in Poland. Once again, we took part in the European Forum for New Ideas in Sopot, as the partner of a plenary session entitled 'Economic Architecture of the New Europe. What Can Be Done to Make Institutions, Governance and Regulations Support Growth?' Our guest speakers, including Günter Verheugen and Janusz Lewandowski, discussed the need for regaining leadership, creating a vision for long-term development, deregulation and exploitation of the available potential, all of which could help Europe restore its strong position in the world.

In 2013, PKN ORLEN co-organised for the third time the European Financial Congress in Sopot, whose central themes were financial security and sustainable growth in Poland and Europe. Representatives of PKN ORLEN's Management Board, top managers, scientists, and experts debated the greatest challenges facing the EU and the Polish economy. The Company was a partner

in the debate on the management of strategic companies in the new economic order. Its participants tried to answer the following questions: what objectives should be set for managers of strategic public companies, and what incentive schemes should be applied to help restore the importance of strategic thinking, and broadly understood responsibility for own actions in business. The second debate, in which PKN ORLEN was one of the partners, concerned the future of retail corporate bonds, which may be an alternative to traditional bank loans, and may contribute to the development of companies, and thus to economic growth.

Last year, ORLEN was once again a partner in the 'Entrepreneur of the Year' award, organised by the Ernst & Young consulting firm. It is the only initiative in the international arena which promotes the best entrepreneurs in the world. The leading Polish businesses are chosen according to such criteria as entrepreneurship, strategy, international operations, innovation, and relations with employees and with the environment.

Another noteworthy project is the Company's involvement in the 8<sup>th</sup> Civic Congress, 'Modernisation of Poland: from Infrastructure to New Attitudes and Behaviour?'. The Congress, organised by the Institute for Market Economics and supported by PKN ORLEN, is a venue for Poles of different ideological and political backgrounds to meet and discuss the subject of Poland's modernisation.

PKN ORLEN also gets involved in a range of educational projects addressed to students, such as the Media Academy or Energy Academy. The objective of the Media Academy is to improve the quality of public debate, and to train young scientists and experts who appear in public and cooperate with economic media. The Energy Academy project is targeted at enthusiasts of the energy industry, who want to pursue future careers in this sector.

In 2013, managers of PKN ORLEN took part in a dozen or so panel discussions held during numerous industry and business conferences in Poland and abroad, asking difficult questions and searching for definite answers and comprehensive solutions to the most important economic issues.



## LEADERS OF THE FUTURE

PKN ORLEN initiated the 'Poles with Verve' award, an initiative to showcase the real potential of our country – its young people – those who have ideas, drive and perseverance to create projects and solutions helping to build a modern Poland. With more than 330,000 votes cast in a public poll, award winners were selected in the following seven categories: Design, Environmental Protection, Sports, Education, Medicine, Arts and Culture, and Business Innovation. 'Poles with Verve' stands out from among other polls and contests because of the profiles of the would-be award winners, the authorities invited to the judging panel, and the manner of selecting winners, which combines a public vote with expert opinions.

The voting ended with a gala at the Grand Theatre – Polish National Opera in Warsaw, where the winners in each category were presented with statuettes made by Paweł Althamer, and with grants to help finance their future professional development. There was also a Special Award for outstanding contribution to popularising the areas of life corresponding to the seven award categories. By decision of the jury, it was given to surgeon Prof. Adam Maciejewski and his team, who performed a life-saving face transplant, the first of its kind in the world. Special guests included many world-class stars such as Krzysztof Penderecki accompanied by Sinfonia Iuventus, American jazzman Marcus Miller, and the Gossip band. The audience also enjoyed the Gosia Baczyńska fashion show.

## HEALTHY LIFESTYLE

In 2013, PKN ORLEN continued its sponsorship of Polish sport as part of its social mission, thus contributing to the development of professional sports careers, and creation of sports coaching resources and youth sports groups. The Company provided support to the most outstanding sportsmen, implemented a young talent programme, and was involved in events to promote active lifestyles.

**Adam Małysz**

Rally driver  
ORLEN Team

Why make sports activity  
a regular part of our daily routine?

Because sport teaches us consistency and perseverance. I believe it adds value to things we do every day, like work, school and everyday chores. After many years of professional sport I strongly believe that sport also helps us build mental strength. It brings joy with every success, but also teaches us how to face failure. Sport also teaches us rules of fair play.

It is worth remembering that while practising sport we do something important for ourselves. First of all, we take care of our health. Next, we get the chance to meet new people and build closer relationships with colleagues and friends that we already know. In busy periods, when our daily routine limits contact with others to short messages on social networks, it is good to sometimes indulge ourselves with the pleasures and joys of shared sports activities.

Running events, growing in popularity now, attract a range of participants. But do remember it is not the distance run or time achieved that is important here. What is important is to share the joy of running, overcome your weaknesses, and achieve your goals.



For years, the three pillars of ORLEN's sports sponsorship strategy have been motor sports, athletics, and volleyball. In 2013, the ORLEN Warsaw Marathon – National Running Day joined the list of our most important sports projects. Open to all Poles, it leads the way in major running events in Poland. Locally at the Company's heart in Płock we sponsor ORLEN Wisła Płock, a handball team – pride of the Płock local community. Last year, our sports-related CSR activities included 'ORLEN Team – Young Talent Academy', sponsoring another cycle

of 'Athletics Thursdays', the largest country-wide sports event for children and the youth, the continuation of the scholarship programme 'Life to the Full' ('Pełnia Życia') for Paralympic gold medallists, and support for the Special Olympics. The Company also invested in professional sports teams – ORLEN Athletics Sports Group, the ORLEN Team, and the VERVA Racing Team – thus creating the best possible conditions for the development of professional sports in Poland and contributing to the promotion of the country abroad.



### 'Think globally, act locally'

PKN ORLEN has for years put a great deal of effort into building its relations with the local environment as well as the global one. The Company's initiatives in this area have included sponsorship of handball team ORLEN Wisła Płock, leaders at the highest level of competition in Poland (seven-time Polish League champions and ten-time Polish Cup winners) and league runners-up in Poland last season, playing also a leading role in European club competitions, including the EHF Champions League. In this way, PKN ORLEN demonstrates its commitment to the important initiatives for the local community, giving them an opportunity to spend time in the unique atmosphere of fan support and sporting rivalry. Sponsoring a local team strengthens social ties and builds trust, thus contributing to the development of a competitive and innovative economy in the region.

### Fuel for motor sports

Last year once again motor sports played a strategic role in the Company's sponsoring activities. After the 2013 Dakar Rally, a decision was made to change the composition of the ORLEN Team. It was joined by Adam Małysz, an unquestioned star in Polish professional sport. Furthermore, two talented motorcyclists, Marek Dąbrowski and Jacek Czachor, formed a new team, swapping their two-wheelers for a 4WD rally car. It is the first time ever that two motorcyclists have formed a rally car team. The team quickly showed that they know how to translate their vast experience of motorbiking into successful competition with world-leading rally car drivers. In their debut season, they took fourth place in the Silk Way Rally, second most challenging long-distance rally driving event in the world (after the Dakar Rally), and were runners-up in Baja Poland (FIA Cross Country Rally World Cup 2014 event). In his second full season as a rally car driver, Adam Małysz won the Central European Zone Cross Country Championships and came second in the Championship of Poland. Kuba Przygoński rose to expectations, too. The best Polish motorcyclist ever in the Dakar Rally, he came third in the FIM World Championship, having competed with the world's top motorcyclists. It was his sixth championship podium finish. He had been runner-up three times and on three other occasions he had taken third place. Kuba Przygoński is also a talented drifter, recording exceptional results in national competitions.

Towards the end of 2012, as part of its initiatives to promote talented Poles competing in international events, ORLEN included Tadeusz Błazusiak in the group of Company-sponsored motor sport drivers. In 2009–2013, Tadeusz Błazusiak won 26 of the 36 races in which he participated.

PKN ORLEN is also very much involved in promoting young talented sports competitors, in line with the long-term vision of the development of Polish professional sport. In autumn 2013, ORLEN launched an innovative project, the 'Young Talent Academy ORLEN Team', open to all motorcyclists of 18–26 years of age. During a multi-phase selection process, five motorcyclists (four men and one woman) were selected and they joined a comprehensive training programme.

### Race with verve

VERVA Racing Team, the first ever Polish motor racing team to compete on the Formula One circuit, was formed on the initiative of PKN ORLEN. One of the ideas behind the project was to create development opportunities for talented motor sport drivers. The team, whose driver is Kuba Giermaziak, competes with the world's leading drivers on motor racing circuits all over the world in the prestigious Porsche Supercup, with races held just before Formula One events. Its excellent results since 2010 have maintained high levels of interest in motor racing under the Verva fuel logo.

Another event, 'VERVA Street Racing', has attracted tens of thousands of fans in its first four seasons, presenting them with an opportunity to see top motor sport stars in action. Its last year's edition featured Top Gear Live. Sixty thousand people filled the National Stadium to see the charismatic hosts of the popular TV show, invited to Warsaw by ORLEN.

### The King and Queen of Sport

In 2013, the long-term sponsorship programme of the ORLEN Athletics Sports Group bore fruit in the form of a gold medal won by Paweł Fajdek (men's hammer throw), and two silver medals won by Piotr Małachowski (men's discus throw) and Anita Włodarczyk (women's hammer throw) during the IAAF World Athletics Championships. PKN ORLEN decided to invest in athletics (dubbed the Queen of Sports in Poland) in 2008, when following Tomasz Majewski's gold medal in men's shot put in the Beijing Olympic Games, the Company resolved to build a team to become a world power in athletics. The initiative has proved a success. Beside the medallists above, the Group includes Adam Kszczot and Marcin Lewandowski, outstanding middle-distance (800 m) runners, and Henryk Szost, the quickest European marathon runner. In addition to the sponsorship of professional sports, PKN ORLEN is also involved in physical activity programmes for younger children and in the development of a robust network of training facilities, thus creating the environment for raising future champions. The best known initiative in this area is sponsoring 'Athletics Thursdays', the project designed to activate local communities and encourage young people practising sports to compete.

### Volleyball – new quality of fan support

The ORLEN League project involves sponsoring of the professional women's volleyball league, support to the men's and women's Polish national teams of all ages, presence in high-profile beach volleyball events including the World Championships in Stare Jabłonki, direct support to beach volleyball teams, and support to volleyball events – from those at a local level like the Avenue of Stars in Milicz to the largest, such as co-organisation of the World Grand Prix of Women's Volleyball in Płock. All of these are important sporting occasions where the ORLEN logo was seen in the past year.

Volleyball is currently among the most popular and fastest growing sports in Poland. This is undoubtedly due to the successes of the Polish men's and women's volleyball teams in recent years. One outstanding success was the Polish men's team winning the FIVB Volleyball World League in 2012. In 2013, ORLEN sponsored Mariusz Prudel and Grzegorz Fijałek, one of the world's best beach volleyball teams in the FIVB rankings, to their bronze medal in the Europe Championships, while the youth

team Piotr Kantor and Bartosz Łosiak won the U23 World Championship. The Company also participated in programmes to promote volleyball in Poland by offering methodological support to physical education teachers and volleyball coaches as a part of the activities of the Polish Volleyball Academy, an initiative launched to provide development opportunities for future national team members, currently practising at 138 School Volleyball Centres.

Volleyball enjoys a favourable image in Poland and in recent years it has ranked first in all team sports in terms of viewership ratings. The Company has also organised numerous campaigns involving Polish volleyball fans, globally seen as the best. For younger sports enthusiasts, the Company sponsored sport summer holidays for children from family group homes (supported by the ORLEN – GIFT FROM THE HEART Foundation). During the holidays, the children could take part in training under the guidance of top Polish volleyball players, also supported by PKN ORLEN.



### ORLEN Warsaw Marathon – National Running Day

The largest running event in Poland, with 26 thousand participants and several thousand fans along the route across Warsaw, ORLEN Warsaw Marathon – National Running Day was a sports weekend during which we promoted active lifestyles amongst people of all ages. The invitation to participate was addressed to not only professional, but also amateur marathon runners. During the first ORLEN Warsaw Marathon, which took place on April 20<sup>th</sup> and 21<sup>st</sup> 2013, the participants could

choose between three different distances, making it a truly inclusive event for everyone. On the first day, a Saturday, a charity 3.33 km race was organised. The number of participants (11 thousand) translated into the amount transferred by the ORLEN – GIFT FROM THE HEART Foundation towards sports education of children from family group homes. The second day of the event saw the marathon and 10 km races.





**Leszek Kurnicki****Executive Director for Marketing  
PKN ORLEN**

People. It is people to whom companies owe their success. People are also one of PKN ORLEN's key corporate values. At PKN ORLEN, it means focusing on close relationships with not only employees, but also customers, shareholders, trading partners and local communities. The Company's business strategy always has people as its central element, and this applies to absolutely everything we do, including marketing communications. It is for this reason that we value highly the Marketing 3.0 philosophy, which defines a customer as a partner, and the brand itself as a positive force changing the world and the element of a larger ecosystem. Since our customers keep raising their self-expectations, we want to follow this pattern and implement a socio-environmental approach in our brand's DNA. This requires the existing relationship building methods to be redefined. The importance of human-to-human communication, assuming an open, partner-to-partner dialogue and the sending of a clear message meeting the recipient's expectations, is growing. We want to change the world for the better and want our stakeholders to do it with us.

## 'THE CORE VALUES AND STANDARDS OF CONDUCT OF PKN ORLEN' IN PRACTICE

Our corporate values – RESPONSIBILITY, DEVELOPMENT, PEOPLE, ENERGY AND RELIABILITY – take the form of tangible projects pursued within the Company's various operating areas. This is particularly visible in our social sponsorship activities, which in 2013 included cultural patronage, educational initiatives, collaboration with local communities, and road safety education.

### ORLEN – Patron of culture

PKN ORLEN has for many years sponsored various cultural projects and fostered national heritage protection.

Our activities in the field comprise a number of distinct programmes. In the first one of these, we concentrated on the promotion of cinema, returning as the sponsor of the year's edition of the Gdynia Film Festival and supporting the digital remastering of Andrzej Wajda's 'Ashes'. PKN ORLEN's backing enabled the implementation of the 'Light Sensitive Poland' project, under which a number of small towns screened many of Poland's most important films.

Our patronage also extended to the realm of theatre, where we continued our collaboration with such institutions as the Grand Theatre – Polish National Opera and the IMKA Theatre. We supported the 'Da! Da! Da!' festival devoted to contemporary Russian theatre and performance art. The Company also partnered in the organisation of the 'Confrontation Theatre' festival in Lublin.

The third programme we pursued consisted in the promotion of classical music. We continued our relationship with the Ludwig van Beethoven Association, helping to organise the Ludwig van Beethoven Easter Festival and Krzysztof Penderecki Festival. We worked with the National Philharmonic, with which we collaborated in preparing the Witold Lutosławski Year celebrations.

Finally, we were involved in the promotion of literature through the support of acclaimed authors (by sponsoring the first edition of the International Zbigniew Herbert Award) as well as up-and-coming young writers (by supporting the 'Otwartym tekstem' literature contest organised by the *Chimera* literary monthly magazine).

Collaboration with our stakeholders, however, was not limited to cultural initiatives. We also pursued various social projects such as the Journalists' Charity Ball, the proceeds from which are donated to charity each year, and collaborated with the Polish Special Olympic Games Society, which focuses on the activation and rehabilitation for people with intellectual disabilities through sports.

### ORLEN – Promoting education

As the industry leader, PKN ORLEN has decided to utilise its specialist expertise in promoting knowledge and education, particularly in the field of sciences. Thus we encouraged scientific education emphasising its unique and practical value, and offering opportunities to acquire new skills for those interested.

We continued with our 'ORLEN Chemistry Lesson' project aimed at 2<sup>nd</sup> year junior high school students. As part of the initiative, we conducted lessons on the origin, production, processing and application of crude oil. The lessons took the form of presentations and were accompanied by experiments conducted in a specially-equipped mobile laboratory. Over 17,000 pupils from 500 schools around Poland took part in the programme. The activities undertaken in 2013 were the continuation of the project launched in 2011. Last year's programme was expanded to cover the origins and possible applications of shale gas. Over the three years of the project's life, we have conducted chemistry lessons in more than 1,500 schools, reaching nearly 60,000 pupils.

In collaboration with the Warsaw University of Technology, PKN ORLEN launched an education initiative entitled 'PW Junior', a series of lectures for young people, which was organised to get young people interested in science and encourage them to study technology.

### ORLEN Safe Roads

Road safety is of interest to us all. For years, accident rates on roads in Poland have been among the highest in Europe.

PKN ORLEN, as a company operating in an area closely tied to the automotive industry, has implemented a number of initiatives to improve road safety.

Since 2006, we have pursued a project entitled 'ORLEN Safe Roads', which is a long-term cause-related marketing programme and part of our corporate social responsibility strategy. The purpose of the programme is to raise the awareness of the dangers and key problems in road traffic and to promote proper attitudes and behaviour.

Last year saw the 7<sup>th</sup> edition of the ORLEN Safe Roads campaign, which emphasised the need for and the principles of road etiquette for drivers and motorcyclists. The campaign aimed to raise the awareness in motorists that they are not alone on the roads and that they have to take care not just of their own safety, but also that of other road users.

The first motorcycle safety awareness campaign organised under the ORLEN Safe Roads programme took place two years ago. In 2013, we returned to the issue, reminding motorists to check their mirrors frequently and carefully. Omission to do so is a major source of dangerous situations on the road, which may lead to tragic accidents.

The campaign was nationwide in its scope. Relevant information materials were made available at ORLEN service stations, where motorists could also pick up car stickers reading 'Long live motorcyclists! Check your rear-view mirror!'.

The campaign also received coverage in selected media.



## ORLEN for Płock

Responsibility, seen as respect for customers, the natural environment and neighbouring local communities with whom we collaborate every day, is the motivation for our involvement in areas where the Company's business is at most active.

Today, PKN ORLEN is an international company operating on many markets. The scope of our social initiatives is wide ranging and matches the extent of our commercial activity. In areas where the Company conducts major operations, we develop dedicated cooperation programmes, such as ORLEN for Płock.

Over the years, we have consistently pursued many initiatives for the people of Płock. All share a common goal – to effectively foster the creation of a broadly understood social capital in Płock, which is no less important than the city's and the region's economic growth.

The Company's local activity in Płock encompasses a number of components. Firstly, we pursue various initiatives under the Grant Fund for Płock Foundation, whose 6<sup>th</sup> edition, held in 2013, saw the award of 25 grants totalling some PLN 430,000. Thanks to the collaboration between PKN ORLEN, Basell Orlen Polyolefins, the Levi Strauss Foundation and Płock City Council, the best non-governmental organisations in Płock, whose projects benefit all residents, received appropriate support.

The Company also works with municipal authorities in developing the city's infrastructure. In 2013, PKN ORLEN sponsored another investment for Płock's

youngest residents, opening a playground (the third one in the last two years), which has been a tremendous success both with children and their carers. The ORLEN Arena, Skate Arena and the new playground all combine to create a perfect entertainment venue for the whole family, and have become a permanent fixture in Płock's city landscape.

Thirdly, the Company supports key projects addressed directly to the residents of Płock. These include both PKN ORLEN's own undertakings as well as initiatives pursued in collaboration with the Municipal Office. The Company's sports sponsorships have been highly visible at local amateur and professional levels. The ORLEN CUP International Athletics Meeting was held for the first time in Płock's Old Town Square, with Tomasz Majewski emerging as the winner in the shot put competition. PKN ORLEN also continued its sponsorship of the ORLEN Wisła Płock handball team, and held naming rights for the ORLEN Arena Sports Hall. Given its commitment to the proper education of Płock's youngest handball players, PKN ORLEN's goal is to continue as the sponsor of the ORLEN Handball Mini League, a tournament for Płock's 4<sup>th</sup> and 5<sup>th</sup> year primary school pupils.

The most notable of our initiatives addressed to Płock's sports enthusiasts was the 2<sup>nd</sup> Two-Bridge Half Marathon, the 'Tumska Dycha' Race, the Triathlon for the President of Płock Cup, and the Płock Athletic Thursdays event. Additionally, the Company sponsored the Płock Rowing Association and was the title sponsor of the Płock ORLEN Polish Open, a tournament in wheelchair tennis.



As part of its efforts to promote eco-friendly thinking and environmental education, PKN ORLEN pursued a number of projects, acting as the sponsor of Earth Day, the Chemistry Contest organised by the School Education Centre (Zespół Szkół Centrum Edukacji), and water safety lessons conducted by lifeguards of the Voluntary Water Rescue Service in Płock for local primary school pupils.

Additionally, to give ongoing information on the state of the natural environment, a new automated air quality monitoring station fitted with state-of-the-art instruments for continuous measurement of SO<sub>2</sub>, NO<sub>x</sub> (NO, NO<sub>2</sub>), CO, O<sub>3</sub>, and BTX concentrations, was put into operation. The station has been included in the State Environmental Monitoring programme for the Province of Warsaw. Atmospheric measurements are automatically uploaded to a database maintained by the Provincial Inspectorate of Environmental Protection (WIOŚ) and available for viewing on the Provincial Inspectorate of Environmental Protection in Warsaw's website.

In partnership with the ORLEN – GIFT FROM THE HEART Foundation, PKN ORLEN continued to operate its scholarship programmes for gifted junior high and secondary school students in Płock and the County of Płock.

Being a devoted patron of the arts, last year the Company formed a partnership with the Płock Symphony Orchestra and was a sponsor of the Płock Days of Choral Music Festival. We were additionally involved in a number of projects aimed at a wider public, such as the AUDIORIVER Independent Worlds Festival, which in 2013 hit a record high attendance of 20,000. The Company also continued its support for the Per Se Theatre Association, the Król Maciuś Pierwszy Youth Community Centre, and the Płock Art Gallery. During summer holidays, the gallery held educational art workshops entitled 'The Natural Course of Art – Art vs Nature'.

These are only some of the projects that the Company has undertaken for the benefit of the inhabitants of Płock and the neighbouring area. We want Płock to be perceived as a bustling hub of sports and cultural activity and a respected academic centre, as well as a city of opportunity and high living standards.

PKN ORLEN's social initiatives are announced via the Amazing People fan page on Facebook, which has so far attracted more than 55,000 fans. The fan page is an excellent platform to present and publicise our community-outreach activities and also promote social involvement and charitable attitudes.



**Emilia Gromadowska**

**President of the Management Board  
ORLEN – GIFT FROM THE HEART Foundation**

Dialogue with stakeholders lies at the heart of corporate social responsibility, and our corporate foundation has a very concrete role to play in fostering this dialogue. Its initiatives are dedicated to society and are implemented together with the people and for the people, targeting their specific needs. The key goal is to achieve designated objectives and to consistently follow the direction we have chosen.

The foundation works not only with social partners such as non-governmental organisations, public institutions and the media, but also with the Founder's employees and customers. In addition to motivating both sides, this relationship is most importantly a driver of positive change. Communicating openly the Foundation's results and costs builds social trust not only in the Foundation itself, but in its Founder as well, which improves the Company's perception as a reliable and attractive trading partner.

In today's difficult times and rapidly changing business environment, a long-term loyal partner is increasingly valuable.

## CHARITABLE ORLEN

PKN ORLEN has been consistent with its commitment to charity work since its inception. We regard charitable contributions as a vital part of our engagement with the community. The Management Board formalised the rules of the Company's charitable giving in 2008, and they have been available to the public on the corporate website ever since. PKN ORLEN is directly involved in various charitable initiatives, and has also set up a dedicated foundation.

The 'PKN ORLEN Charitable Giving Policy' is our declaration of openness to people and the world around us, our compassion and the desire to help those in need, but it is also a set of standards that govern our charitable efforts.

PKN ORLEN strongly encourages other companies of its Group to join in its charitable action, driven by the belief that together we can make a difference. The companies carry out their charity projects independently or with formal and practical support from the ORLEN – GIFT FROM THE HEART Foundation, guided by the principles outlined in the charitable giving policy.

As we are painfully aware PKN ORLEN cannot provide help to all those who need it, we had to define priorities for our charitable giving. These priorities are the protection of life and health, education and training.



PKN ORLEN places focus on working with non-governmental organisations, and its relationships with NGOs are often long-standing. The Company's subsidiaries, on the other hand, put more emphasis on the needs of their local communities. A vast majority of their beneficiaries have been local education and healthcare institutions, with a great deal of support provided to local sport and cultural initiatives as well. Another category of their philanthropic donations was in funding medical care for individuals. The companies also provide assistance to NGOs. An important group of our beneficiaries is fire brigades, who were first offered support by PKN ORLEN. However, initiatives to help them are gaining in popularity and recognition throughout the Group.





## ORLEN – GIFT FROM THE HEART FOUNDATION

Our own ORLEN – GIFT FROM THE HEART Foundation is a non-profit organisation established in 2001 with the task of fulfilling the social responsibility mission of its Founder, PKN ORLEN.

### Family group homes

The ORLEN – GIFT FROM THE HEART Foundation offers support to some 300 family group homes and other family foster care institutions in Poland, which give home and a chance for a decent childhood to more than 2,200 young people. Experts say that, when placed with a foster family children regain their inner peace and sense of emotional security, and they are taken care of, loved and listened to, which greatly helps their cognitive and emotional development. The Foundation provides financial resources to fund the children's medical care and rehabilitation, and organises winter and summer holidays for the entire families. The children who show a talent in a particular area are offered education or sports scholarships. 194 children received such scholarships in 2013.

The Foundation promotes the talents and achievements of children in family group homes. The 'Debeściaki' Facebook page features quiz questions and puzzles created by children in foster care and by recipients of the Foundation's scholarships.

The Foundation operates a training programme for caregivers in foster family care institutions, with regular sessions held on the legal and educational aspects of running a family group home.



**Dr Maria Kolankiewicz**

University of Warsaw  
Faculty of Education

Family group homes have more than 100 years of history in Poland, which aptly demonstrates that their role as a form of child care is justified. But they are most effective in the healthy development of young people – a foster family gives a child a warm and safe place of retreat and a lot of loving care from the guardians.

The first homes of this type, the so-called 'orphan nests', were set up for orphaned or abandoned children who had no one to take care of them, and served as models of family life. Caregivers today have new responsibilities – children in their care now have their own families and feel connected to them despite the maltreatment and neglect they suffered in their natural homes.

But a kind word and open heart are not always enough to help them. We need appropriate skills and experience to understand children in foster care, and to support and educate them and help them chart their future. The ORLEN – GIFT FROM THE HEART Foundation has for years given assistance to foster carers in developing these skills and experience by organising training courses led by experts in the field. Among them are academic staff from the University of Warsaw's Faculty of Education, who answer queries and encourage debate on the most relevant issues related to bringing up children and running family group homes.



## Scholarship programmes

The Foundation runs several scholarship programmes (in addition to those designed for children in family group homes), which reached 388 participants in 2013:

1. a programme for children in junior high schools and secondary schools in the city of Płock and the County of Płock,
2. the Masters of Chemistry scholarship programme, targeted at students gifted in chemistry and science in general,
3. the 'Life to the Full' programme for best athletes with disabilities, with scholarships awarded to the six Polish Paralympic gold medallists from the 2012 Summer Paralympic Games in London.

## Safety

Working closely with its sponsor, the Foundation provides support to services and institutions responsible for maintaining public order and security, with fire brigades at the centre of its efforts. PKN ORLEN has made charitable contributions to almost 100 volunteer and state fire-fighting units from across Poland. The Foundation is helping the Company with the organisational aspects of the programme's implementation. PKN ORLEN has been supporting firemen for 13 years now. A total of more than PLN 5.5m, including PLN 600 thousand in 2013 alone, was contributed so far to this worthy cause. The funds were donated to several dozen fire-fighting units from all over the country. The involvement of other ORLEN Group companies adds value to the programme.

The Foundation is also making its own efforts in the area – with safety concerns in mind, in 2013 it launched the 'NO TO SMOKE' awareness campaign, aiming to enhance household safety by encouraging the installation of smoke alarms. The initiative is run under the honorary patronage of the National Headquarters of the State Fire Service.

The Foundation also offers support to medical establishments, hospitals, and other institutions saving and protecting people's lives and health.

## Local communities

The Foundation's help was primarily directed at educational and cultural institutions, non-governmental organisations, and parishes in Płock, the County of Płock

## Klaudia Laks

### Scholarship recipient



With the scholarship I received in the first edition of the Masters of Chemistry programme, I had the opportunity to develop my passion for chemistry.

My key achievements in 2013 were winning the main prize in the Win a University Place competition organised by the Gdańsk University of Technology, and participation in the 3<sup>rd</sup> National Forum of Young Chemists in Wrocław. I also attended a chemistry workshop hosted by the University of Warsaw in partnership with the Polish Academy of Sciences, where I could conduct research under the supervision of professional researchers. My goal for 2014 is to make it to the final round and win the secondary school chemistry contest.

But there is more to chemistry than just contests, student clubs and seminars. There are more enjoyable aspects, like the one-week X-Lab Workshop in Göttingen, or organisation of demonstrations and hands-on laboratory experiments for children.

Aside from education, there is also a place for music and sports in my life. In my free time I like to sing, play the guitar, play basketball and keep up to date on the latest speedway news. I love to read, especially in English, so I have taken an online course in organic chemistry organised by University of Illinois.

I'm totally passionate about chemistry, and I hope this enthusiasm will last.

and in the Province of Lublin. It also sponsored leisure activities and summer holidays for young children and teenagers, and co-funded the purchase of equipment for children's clubs and school holiday get-togethers.

In 2013, the Foundation was also a partner to PKN ORLEN employee volunteer initiatives dedicated to beneficiaries from various regions in Poland.





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## Market



# THE MARKET

## PKN ORLEN ON THE CAPITAL MARKET

PKN ORLEN shares have been listed on the Warsaw Stock Exchange since November 1999. For information on the shares, such as share series issued or indices in which the shares are included, see the section for shareholders and stock exchange investors at our corporate website: (<http://www.orklen.pl/PL/RelacjeInwestorskie/Gielda/StrukturaAkcyjariatu/Strony/default.aspx>).

In 2012, PKN ORLEN issued bonds to institutional investors with a par value of PLN 100,000. The bonds, with an aggregate value of PLN 1bn, were introduced to stock exchange trading in the alternative trading system on the Catalyst market (BONDSPOT ATS).

Furthermore, the Company launched a public bond issue programme addressed to retail investors. Four bond series with an aggregate value of PLN 700m were issued under the programme in 2013. The bonds are traded on the Catalyst market.

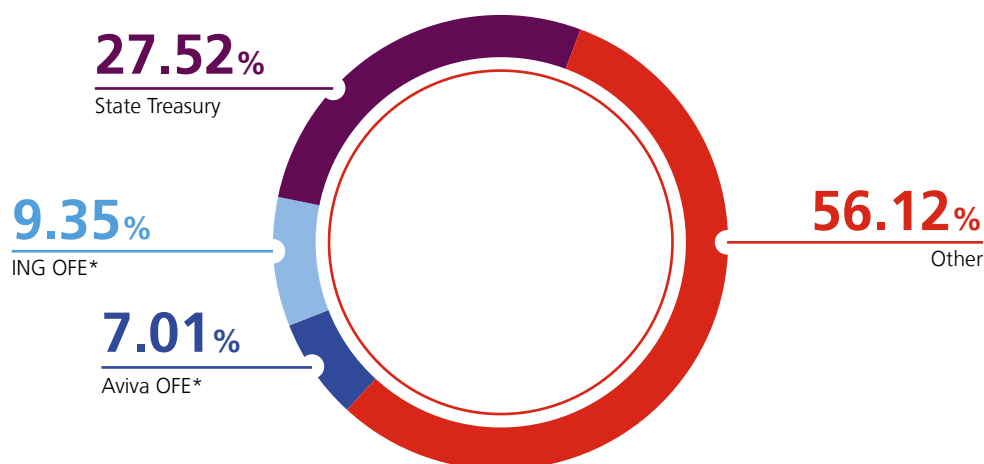
## PKN ORLEN SHAREHOLDER STRUCTURE

In 2013, there were no changes in the group of shareholders holding more than 5% of the Company's share capital. The Company changed the way it presents information on major shareholders. The number of shares held by the shareholders is shown based on the most recent official information held by the Company. Previously, PKN ORLEN presented data based on notifications received by the Company from the shareholders.

## CORPORATE GOVERNANCE

Each year, the Company publishes a report on its compliance with the principles of corporate governance. The compliance report forms part of the Directors' Reports on the Company's and the Group's operations. All published reports are available on the Company's corporate website, in the WSE best practice section: <http://www.orklen.pl/PL/RelacjeInwestorskie/Gielda/Strony/DobrePraktykiGPW.aspx>.

## PKN ORLEN SHAREHOLDER STRUCTURE as at December 31<sup>st</sup> 2013



\* Based on information obtained at the PKN ORLEN Annual General Meeting on June 27<sup>th</sup> 2013.

## CAPITAL MARKET RELATIONS

PKN ORLEN is consistently working to improve its communications with the stakeholders. The Company uses both conventional and more advanced tools of communication with the capital market community. It arranges real-time online broadcasts (with simultaneous interpretation into English) of media conferences organised after each important event in the Company, such as the release of quarterly results or a strategy announcement, and of the proceedings of the PKN ORLEN General Meeting. Video recordings of conferences are archived on the Company's website, and a selected event can be always watched at a later time.

The Company holds regular meetings with investors and analysts in Poland and abroad, and organises conferences, individual and group meetings, and conference calls with capital market stakeholders. The Company's representatives also regularly organise roadshow meetings held at investors' workplaces, both in Poland and abroad. Capital market representatives interested in the Company's operations may also join in site visits for shareholders or analysts at the production plant and in other places where the Company conducts production or trading activities. This allows visitors to learn more about the Company.

During its meetings, PKN ORLEN representatives not only present information on the Company, but also receive feedback from shareholders, investors and stock exchange analysts. Thanks to this feedback the Company knows the information requirements and thus can develop and improve its relations with the capital market.

Key initiatives undertaken by the Company for the wide investor community in 2013 included:

- PKN ORLEN Investor's Day and Analyst's Day. The first day was devoted to a thorough discussion of PKN ORLEN's strategy for 2013–2017, and on the second day of the event the invited guests had the opportunity to visit PKN ORLEN's shale gas drilling facility in our Lubartów licence area;
- Public bond issue programme addressed to retail investors. Four bond series with an aggregate value of PLN 700m were issued under the programme in 2013. The bonds are traded on the Catalyst market;
- PKN ORLEN's participation in the 'Shareholder Democracy, Informed Investments' education campaign for retail stock exchange investors.

## RESPECT INDEX

PKN ORLEN has been included in the RESPECT Index, the first index of socially responsible companies in Central and Eastern Europe, since its inception.

The Index was first launched on the Warsaw Stock Exchange in November 2009. The companies it includes meet the best management standards in corporate governance, disclosure and communication, and investor relations. They also act responsibly on social, labour and environmental issues.

## SUPERVISION OF COMPANY OPERATIONS

The PKN ORLEN Supervisory Board exercises ongoing supervision over the Company's activities in all areas of Company operations. In particular, the Supervisory Board has the powers specified in the Commercial Companies Code and the Company Articles of Association.

Members of the PKN ORLEN Supervisory Board are appointed and removed by the General Meeting in accordance with the Company's Articles of Association. The Supervisory Board is composed of six to nine members, appointed for a joint term of office which expires on the date of the Annual General Meeting that approves the financial statements for the second full financial year of the term. Any or all members and the Supervisory Board may be removed at any time before the expiry of their term of office. The Chairperson of the Supervisory Board is appointed and removed by the General Meeting, while the Deputy Chairperson and Secretary are appointed by the Supervisory Board from among its other members. The State Treasury has the right to appoint and remove one member of the Supervisory Board. Their right to appoint a Supervisory Board member expires upon disposal of all Company shares held by the Polish state.

While performing its duties, the PKN ORLEN Supervisory Board acts as a collective body. However, it may delegate its members to perform specific supervisory duties individually. The rules governing such individual performance of supervisory duties are defined by the Supervisory Board by way of a resolution. Pursuant to the provisions of the Company's Articles of Association, the Supervisory Board is entitled to delegate its member(s) to temporarily stand in for Management Board members who are unable to perform their duties.

Members of the Supervisory Board must exercise their rights and perform their duties exclusively in person. At least two members of the Supervisory Board have to meet the criteria of independence from the Company and from entities with significant connections with the Company. Prior to their appointment, independent members of the Supervisory Board submit written representations to the effect that they meet the criteria stipulated in Art. 8.5 of the Company's Articles of Association. The Company reports the current number of independent members of the Supervisory Board to its shareholders.



If the number of independent members of the Supervisory Board is less than two, the Management Board is obliged to convene the General Meeting with agenda including changes to the composition of the Supervisory Board. Until the number of independent members of the Supervisory Board is increased to meet the requirements stipulated in the Articles of Association, the Supervisory Board operates in its then current composition.

As at December 31<sup>st</sup> 2013, three members of the PKN ORLEN Supervisory Board met the independence criteria.

To discharge its duties, the PKN ORLEN Supervisory Board may inspect all the Company’s documentation, request the Management Board and employees to provide relevant reports and clarifications, and review the Company’s assets. In order to guarantee proper discharge of its duties under the Articles of Association, the Supervisory Board may request that the Management Board prepare expert and other opinions for the Supervisory Board, or employ an advisor.

The PKN ORLEN Supervisory Board has appointed the following standing committees from among its members: Audit Committee, Strategy and Development Committee, Nomination and Remuneration Committee, and Corporate Governance Committee. Each of these is composed of three to five members of the Supervisory Board. The Audit Committee includes at least two independent members and at least one member qualified and experienced in accountancy or finance.

The duties of each Supervisory Board standing committee are defined by the Rules of Procedure for the PKN ORLEN Supervisory Board, while the detailed scope of work performed by the committees in a given year is provided in the PKN ORLEN Supervisory Board’s annual report prepared for the Company’s Annual General Meeting.

As at December 31<sup>st</sup> 2013, the Supervisory Board was composed of six men and one woman. The age structure of the Supervisory Board members as the December 31<sup>st</sup> 2013 was as follows:

- 30–50 years of age: 2 persons,
- over 50 years of age: 5 persons.

**MORE INFORMATION:**

Supervisory Board at:  
[www.orlen.pl](http://www.orlen.pl)

**MORE INFORMATION:**

Report of the PKN ORLEN Supervisory Board at: [www.orlen.pl](http://www.orlen.pl)



## CUSTOMERS

### Friendly station

'Friendly Station' is the motto that describes the philosophy underlying the operations of the PKN ORLEN retail chain. This motto encompasses a full array of our projects and initiatives.



**Marek  
Balawejder**

**Executive Director  
for Retail Sales  
PKN ORLEN**

Top service standards at PKN ORLEN stations are taken for granted. Nonetheless, we want to offer our customers something more – a nice and friendly atmosphere. This is why politeness and willingness to help are the qualities we consider in addition to professionalism when hiring staff for our stations and later during training and incentive programmes. We appreciate and promote a customer-oriented approach, respond to comments and wishes from customers, and encourage them to share their opinions.

Mistakes happen, but we consistently strive to increase the number of highly satisfied customers and take care of all customer needs. That's also why we make every effort to ensure that new and upgraded facilities at PKN ORLEN retail sites are accessible and friendly to people with disabilities.

The wide range of amenities we provide is designed to meet the requirements of various customer groups. At large MSA (Motorway Service Areas) sites we provide large parking lots, separate restaurants with different menus which change depending on the time of day, children's playgrounds, and picnic areas allowing whole families to rest and relax during long journeys. Selected sites also have motels.

One case in point is the highest quality of products available at our stations. We work with suppliers who have suitable reputations and experience. Rules for the supply, storage, display and sale of products are strictly defined and compliance with these rules is monitored to ensure the highest quality. At those service stations which sell food and drinks, we have implemented a HACCP system ensuring a systematic approach to the identification and mitigation of risks relating to the sales of food.

The main products sold at the stations are fuel and food as well as restaurant services. We are aware that we are responsible for customer health and safety. Product quality is assessed by way of internal audits as well as by external bodies and inspection services. We also thoroughly analyse feedback from our customers at the stations.

PKN ORLEN and Bliska stations offer drivers a growing range of services. Our restaurant services are developing rapidly. We also provide clean and free toilets.

Service quality, ensured by the people who work at our service stations, it is our great asset. As many as 93% of customers highlight our staff's competence, and in particular their commitment, willingness to help, courtesy and kindness. 96% of our customers say they are satisfied with the fuel offered at the service stations, the shop, the car wash and additional facilities at the stations.

Any complaints are considered with the utmost care. The procedures we have in place ensure appropriate customer service, fair consideration of complaints and, where necessary, implementation of corrective measures. To protect customer privacy, when recording concerns and complaints we do not collect any socially sensitive data, only the necessary information about the product or the situation at the station that is the subject of the complaint. From our station staff and those in touch with our customers we require particular sensitivity and responsibility so that each customer who, for whatever reason, needs more than standard care definitely gets it.

In 2013, there was no information that a complaint was connected with or caused by any socially-sensitive issues or was related to any vulnerable social groups.

Vertical obstacles that may hinder the use of station services are eliminated. We ensure appropriate driveways to the shop entrance and appropriate width of aisles between shelves. At large facilities, we provide special toilets for people with disabilities. At smaller stations, without sufficient space, appropriate facilities are installed in one of the available toilets.





## SERVICE DEVELOPMENT AT THE PKN ORLEN RETAIL CHAIN

PKN ORLEN fuel stations are a place where customers can not only refuel or shop in the stores, but also safely rest, have a coffee and eat a hot meal. We are continually expanding the food and drink offering of our stations – excellent Fairtrade coffee, hot drinks, crispy hot dogs, oven-fresh baked goods, grilled sandwiches, etc. For children we have launched the 'Mini Menu' offering – a set put together on request with juice and a selected toy. Many stations offer additional services such as ATMs, lottery outlets, driver showers, baby changing tables, separate bars, etc. At more than 650 ORLEN stations, customers can now collect, and in the future they will also be able to send, parcels 24 hours a day and 365 days a year. This new service – a novelty in the domestic market – is already well proven in Western Europe.

## CUSTOMERS' CONTRIBUTION TO IMPROVEMENTS AT THE STATIONS

Service quality is periodically and thoroughly monitored from a customer point of view. PKN ORLEN works with an external market research company whose 'mystery shoppers' make anonymous purchases at the stations, evaluate the service, and record observations on the station's operation. This information is used to improve service quality. We also plan on introducing a system to allow and encourage customers to directly share their opinions on service quality in an easy way (via the Internet).

A very important channel of communication with customers is also our complaints handling system. Complaints are registered at the station's head office, and communication with customers is supported by an external call centre. Complaint processing involves many people – from station managers to regional managers, to head office specialists – who analyse the complaint and issue conclusions and recommendations. All feedback from our customers is taken extremely seriously, and the information is used not only for making business decisions, but also to motivate the people managing the stations.

## WHY WORK ALONE IS NOT ENOUGH?

It is not only at work where PKN ORLEN retail employees show competence together with social sensitivity. In 2013, all retail employees and invited guests were involved in the renovation of the children's home in Tczew. Divided into task teams, they performed work including the renovation of the interior, landscaping, fence repainting, and construction of a new playground. During the work, the children were invited to take part in special activities organised for them. Thanks to the efforts and generosity of sponsors, the children's home was equipped with new furniture and toys.

This project was inspired by the activities undertaken for children's homes in the region under the management of Łukasz Kmiecik.



**Łukasz Kmiecik**  
Manager  
Regional Sales Team – Pomerania



**Dominika Komorowska**  
Sales Manager  
Regional Sales Team – Pomerania  
PKN ORLEN

We always seek a balance between work, cooperation, friends, family, and activities not always directly related to business. We have been helping children for 10 years, and renovation of children's homes has become a permanent fixture in our calendar. The principal idea is to combine our own labour, team work and integration. Business is not only about numbers, contracts and sales growth, but primarily it is about PEOPLE. Without them, even the largest and richest organisations would not survive on the market in the long term. Through working together for children in children's homes, the whole team learns to cooperate and seek out new solutions, which has a positive team building effect. Thus by helping children we help ourselves :).

We are lucky to work for a company that has such strong values and moral principles. This approach ensures understanding from our superiors and enables us to act and help many people.

In 2014, we changed some of the principles in the retail segment and we are going to Train and Help children. We plan a day of sports training (300 people) and assembling bicycles, and hope to be able to 'put together' 60 bicycles for children from family group homes. Of course, during this time there will be a lot of fun activities for children, safe riding lessons organised free of charge by the Provincial Road Traffic Centre of Rzeszów, and talks with the Police.

300 people 'standing up to fight' on one day will represent the power and the strong image of our company. Such initiatives provide help, give joy and take us up to higher levels in day-to-day business and in a number of other projects.

On top of all this, our Company heavily promotes sport, including the easiest and healthiest one – running. We want more people to get involved, so we encourage you to get out and go jogging. It may seem odd to some, but sport really helps to organise the working day and makes it an easier one :). Moreover, as we become healthier, more beautiful and happier, it is easier for us to achieve better results.



## SUPPLIERS

The goal of the PKN ORLEN procurement area is to become the best purchasing organisation in the fuel and power industry of Central and Eastern Europe. The priority is therefore timely delivery of the required materials and appropriate service quality. This goes together with our consistent efforts to optimise costs.

PKN ORLEN's relationships with suppliers are governed by its procurement policy. One of the main documents of the procurement policy is the Procurement Guide serving as a basis for transparent vendor selection. Since May 2013, all procurement procedures at PKN ORLEN have been initiated at the CONNECT Procurement Platform. This innovative e-procurement system provides quick, systemised and transparent information on the procurement processes at the ORLEN Group. Our tender submission process is in electronic form only, which greatly simplifies the procedure and shortens its duration.

PKN ORLEN uses the services of local suppliers (based in the County of Plock), thus supporting the local market and businesses. Local suppliers are very important to the Company due to good knowledge of the local market, proximity, flexibility, knowledge of PKN ORLEN, and lower costs (transport, accommodation, etc.). PKN ORLEN does not keep any statistics on the share of locally-based suppliers in its cost of services.

Crucial to the operation of the Procurement Area are the 'The Core Values and Standards of Conduct of PKN ORLEN', defining, amongst other things, good practices in relationships with trading partners.

We want to ensure that our relations with trading partners are founded on integrity, transparency, mutual respect and professionalism:

- a) We deliver on our promises and commitments.
- b) We make payments and discharge other obligations in a timely manner and in accordance with contractual terms.

- c) Where a difficult situation or conflict arises, we attempt to solve the issue through dialogue with the parties involved.
- d) When selecting suppliers and other partners to cooperate with, we make sure they comply with applicable laws and regulations, and with the principles of the free market (attractive pricing terms, quality of goods and services, degree to which they meet our needs and expectations, reliability and professionalism of the company), while ensuring full transparency in the process.
- e) We evaluate our trading partners solely on the basis of their actual merits and business considerations.
- f) We make sure that our trading partners are familiar with our standards of conduct.
- g) We are not indifferent to any instances of our partners breaking the law or the basic rules of conduct. We report such incidents to our superiors

## GOOD FUELS

The production model developed at PKN ORLEN allows the Company to produce gasolines which ensure unimpaired nominal engine power for many years, guarantee driving comfort, and reduce toxic emissions from exhaust gases even in vehicles without catalytic converters.

The proper functioning of catalytic converters is ensured by low sulfur content, which complies with the existing as well as future, increasingly more restrictive, standards. It has been experimentally proven that reducing the content of aromatic hydrocarbons in gasoline has a positive effect on engine operation with respect to:

- reduction of carcinogenic benzene emissions in exhaust gases,
- reduction of CO<sub>2</sub> emissions,
- cleanliness of the combustion chamber (also related to the reduction of harmful compound emissions in exhaust gases).

Selected operating data for the Plock Production Plant in 2012–2013 ['000 tonnes/%]

ITEM	2012	2013	Change 2013/2012
Crude processing	15,191	15,182	0%
Light distillates*	2,716	2,768	2%
Middle distillates**	6,962	7,029	1%
Fuel yield (%)***	77	78	1.0pp

\* Gasoline, LPG.

\*\* Diesel oil, light fuel oil, jet fuel.

\*\*\* Fuel yield including flow of products between ORLEN Group production companies.

### Direct energy consumption by primary energy source at the Płock Production Plant and the Włocławek PTA Plant in 2013

	Measurement unit	Directly purchased energy	Directly produced energy	Directly sold energy	Total direct energy consumption
Natural gas*	GJ	31,875,323	0	0	31,875,323
Fuel gas**	GJ	0	31,995,937	762,577	31,233,360
Fuel oil	GJ	0	4,809,400	0	4,809,400
Electricity	GJ	1,294,404	7,064,693	1,735,063	6,624,033
Heat***	GJ	365,527	52,581,800	3,995,089	48,952,238

\* Relates to the fuel gas network and the CHP plant.

\*\* Relates to heat in the form of steam and heat in the form of hot water.

\*\*\* Relates to heat in the form of steam and heat in the form of hot water at the Płock Production Plant and the Włocławek PTA Plant.

### Pro-environmental effects in the area of fuel production

#### Gasolines

Motor gasolines produced in 2013 by PKN ORLEN included:

##### Eurosuper 95 Gasoline

A mixture of hydrocarbons obtained from crude oil processing. It is the most basic type of gasoline offered on the Polish market. Through highest-quality additives, such as ether, alkylate and isomerizate, the required octane rating is obtained with reduced content of aromatic hydrocarbons, benzene and sulfur. All gasolines produced by PKN ORLEN contain highest-quality enhancing additives, which mainly include a detergent additive ensuring compliance with the highest engine valve cleanliness standards as defined in the Worldwide Fuel Charter.

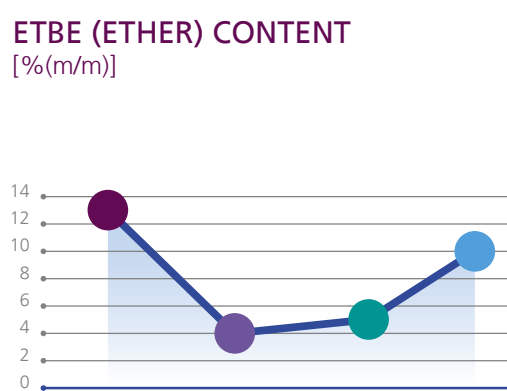
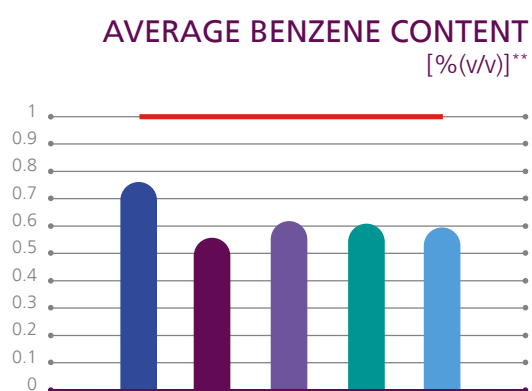
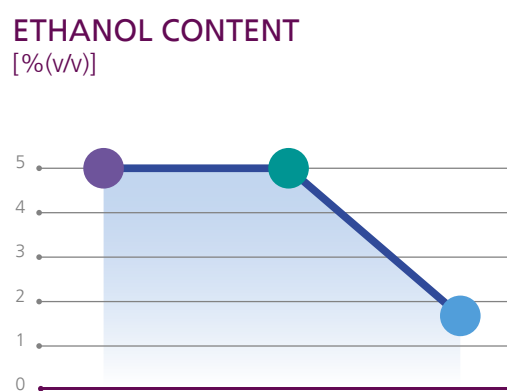
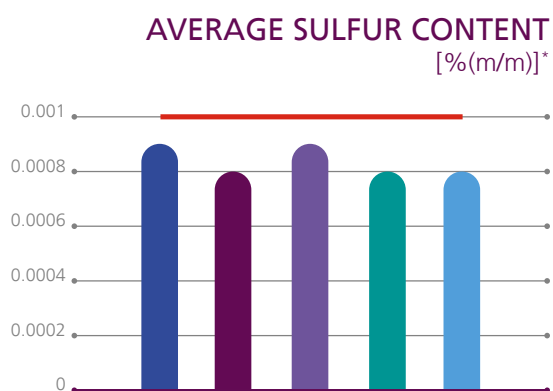
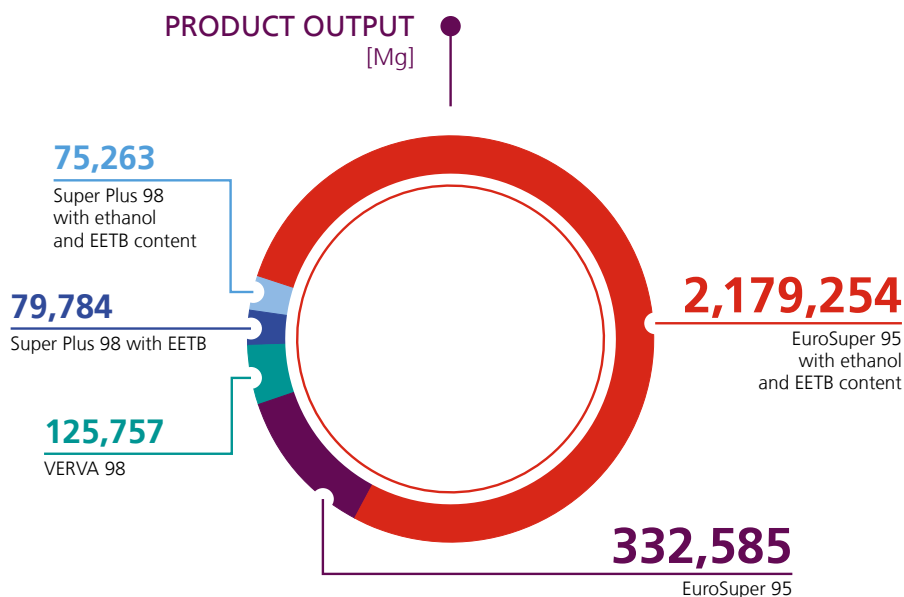
##### Super Plus 98 Gasoline

A sublimated mixture of hydrocarbon fractions obtained from crude oil processing. The qualities of its components assure the required octane rating with a decreased content of aromatic hydrocarbons, benzene and sulfur (it must not exceed 10 ppm).

##### VERVA 98

A virtually sulfur-free gasoline which ensures better fuel economy, higher engine performance, and high efficiency and durability of catalytic converters. It is a new generation fuel, designed to improve engine operating conditions in different weather conditions and under changing loads. A reduced sulfur content below 10 mg/kg means the fuel feed, combustion and exhaust systems are much less subject to corrosion. The fuel prolongs the operating life of exhaust fumes catalysts. It reduces hydrocarbon (CH) and carbon monoxide (CO) content in exhaust fumes. VERVA 98 has a beneficial effect on the engine's lifetime, increasing the mechanical durability of its components (cylinders, pistons, rings and valves). The combustion process of VERVA 98 is additionally improved through a custom-blended package of optimally-dosed cleaning additives (detergents) which guarantee the cleanliness of the inlet system and even eliminate deposits left by fuels of unknown origin which do not contain such detergents. It is anticorrosive with antioxidant properties and protects the stored fuel from degradation.

## Motor gasolines by quality and type in 2013



● EuroSuper 95  
 ● Super Plus 98 with EETB  
 ● Verva 98  
 ● Super Plus 98 with ethanol and EETB content  
 ● EuroSuper 95 with ethanol and EETB content

\* In accordance with the Minister of the Economy Regulation of May 10<sup>th</sup> 2013, concerning the publication of the consolidated text of the Minister of the Economy Regulation on the quality requirements applicable to liquid fuels (Dz.U. of September 11<sup>th</sup> 2013, item 1058) – the maximum sulfur content in motor gasolines to be used for vehicles equipped with positive-ignition engines is 10 mg/kg.

\*\* In accordance with the Minister of the Economy Regulation of May 10<sup>th</sup> 2013, concerning the publication of the consolidated text of the Minister of the Economy Regulation on the quality requirements applicable to liquid fuels (Dz.U. of September 11<sup>th</sup> 2013, item 1058) – the maximum benzene content in motor gasolines to be used for vehicles equipped with positive-ignition engines is 1% v/v.

In 2013, no new gasoline types were added to our product range, but the production volume of alcohol-containing gasolines was increased. PKN ORLEN continued the production of gasolines containing biocomponents: EuroSuper 95 gasoline with alcohol and ether, Super Plus 98 gasoline with alcohol and ether, and Super Plus 98 and VERVA 98 gasolines, which meet the requirements of the Minister of the Economy, Regulation of May 10<sup>th</sup> 2013, concerning the publication of the consolidated text of the Minister of the Economy Regulation on the quality requirements applicable to liquid fuels.

### Diesel oils

In 2013, PKN ORLEN produced the following types of diesel oil with sulfur content below 10 mg/kg [0.0010 % (m/m)]:

#### Class 2 Ekodiesel Ultra diesel oil

(ONA-2, with modified low temperature parameters for the arctic or severe winter climate) which is produced only in a few European countries under the trade name City Diesel. PKN ORLEN is its only producer in Poland. Sulfur content has been reduced to maximum 10 mg/kg, and the content of multi ring aromatic hydrocarbons may not exceed 5% (m/m) – and is actually much lower. The product contains a number of enhancing additives which improve its operating qualities and ensure appropriate cleaning, anticorrosive, antioxidant and lubricating properties of the fuel. Like other diesel oils, Ekodiesel Ultra is protected against microbiological contamination and contains an additive increasing its cetane rating.

Ekodiesel Ultra is used in road transport, especially mass transport, in large cities and environmentally protected areas. One of the advantages of this product is reduced particulate matter emissions achieved through the appropriate selection of components ensuring appropriate distillation parameters and excellent low temperature properties of the fuel, supported by the addition of a depressant.

#### The Ekodiesel Ultra diesel oil

is the highest-quality fuel that meets the most stringent quality and environmental standards expected from diesel engine fuels in the European Union. Its most important advantages include trace levels of sulfur content (below 10 mg/kg), reduced aromatic hydrocarbon content, increased cetane rating, improved properties in winter conditions, and a high level of microbiological purity.





## Diesel oils by quality and type in 2013

### PRODUCT OUTPUT [Mg]

**5,990,723**

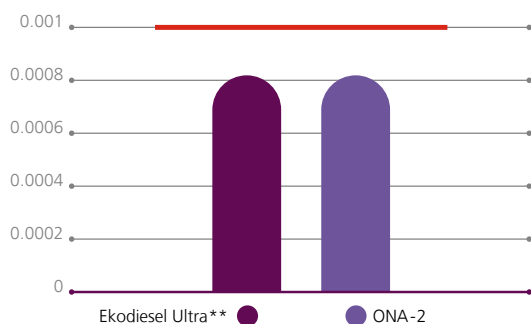
Ekodiesel Ultra\*

**44,310**

ONA-2

\* Excluding diesel oil intended for storage in salt caverns.

### AVERAGE SULFUR CONTENT\* [wt%]



### Fuel oils

The coming years will be a sort of 'survival test' for Heavy Fuel Oil C-3. A step change in the quality requirements for bunker fuel is to be implemented by the International Maritime Organization (IMO) in accordance with the adopted schedule in two stages:

- reduction in sulfur content to wt 0.1% as of January 1<sup>st</sup> 2015 in the Sulfur Emission Control Areas (SECAs), with sulfur content for other water bodies maintained at maximum wt 3.5%,
- reduction of sulfur content to wt 0.5% in bunker fuel for non-SECA areas as of January 1<sup>st</sup> 2025.

\* In accordance with the Minister of the Economy Regulation of May 10<sup>th</sup> 2013, concerning the publication of the consolidated text of the Minister of the Economy Regulation on the quality requirements applicable to liquid fuels (Dz.U. of September 11<sup>th</sup> 2013, item 1058) – the maximum sulfur content in diesel oil to be used for vehicles, tractors and non-road mobile machinery equipped with compression-ignition engines is 10 mg/kg.

\*\* Including ON Verva diesel oil.

## ADVANCED POWER SOLUTIONS

PKN ORLEN is implementing the Programme for Environmental and Power Engineering Investments at the in-house CHP plant of the Production Plant in Płock. The CHP plant is the basic source of heat and electricity for the production units at the Płock Production Plant, for external customers connected to the PKN ORLEN network, and the city of Płock (supplies of heating water).

In accordance with Directive 2010/75/EU of the European Parliament and of the Council of November 24<sup>th</sup> 2010 on industrial emissions, as from January 1<sup>st</sup> 2016 the volume of concentrated emissions from the combustion process (sulfur dioxide, nitrogen oxides and dust) from boilers of the in-house CHP plant must be reduced by approximately 90%. Such a significant reduction in emissions will be possible through the completion of new installations, including a flue gas desulfurization unit based on wet lime and gypsum technology, a flue gas catalytic denitrification unit, and the installation of electrostatic precipitators, which will help adapt the CHP plant to the new emissions standards. The process of modernisation of the individual boilers is now underway. It involves construction of catalytic denitrification and dust removal units on each boiler, as well as of a wet lime and gypsum flue gas desulfurization unit.

The technologies applied in the units specified above are deemed the Best Available Techniques (BAT) in the area of reducing pollutant emissions from combustion plants. The units will ensure compliance with the emissions levels stipulated in the Industrial Emissions Directive (IED), and for the CHP plant they will be as follows (effective as of 2016):

- for SO<sub>2</sub> – 200 mg/Nm<sup>3</sup>,
- for NO<sub>x</sub> – 150 mg/Nm<sup>3</sup>,
- for dust – 20 mg/Nm<sup>3</sup>.

To meet the Płock Production Plant's growing requirement for energy carriers, in April 2012 we finalised the commissioning of a new 300 MWt steam boiler (K-8). The boiler obtained all the necessary approvals and was certified for use. The new K-8 boiler complies with the most stringent environmental standards for emissions of nitrogen oxides and dust, which was confirmed by warranty measurements performed by an independent, accredited measurement company.

## IMPROVED ENERGY EFFICIENCY OF THE PETROCHEMICAL UNITS

In 2013, PKN ORLEN put strong emphasis on improving the energy efficiency of its petrochemical units. A number of projects were completed, with a combined effect of PLN 57m in 2013 (at 2013 prices). The best ever efficiency ratios were achieved on the Olefin, Pyrolytic Gasoline Hydro-Generation (PGH), TE II, Paraxylene, Aromatics Extraction, Ether and PTA units.

PKN ORLEN also specified further energy efficiency measures for implementation, the most important of which include:

- Modernisation of the pyrolytic furnace to reduce consumption of fuel gas,
- Replacement of furnace convention sections on the Olefin unit, scheduled for implementation in 2014–2017; the effect of the replacement will be a reduced consumption of fuel gas and high-pressure steam,
- More uptime between maintenance shutdowns to increase operating availability of key petrochemical units.





# JOINT EFFORT OUR victory



03

Employee





# EMPLOYEES

The human resources policy and employee management system in place at PKN ORLEN are presented in 'Policy for Management of the Potential of ORLEN Group Employees for 2013–2017', a document whose aims and objectives are consistently implemented across the Group.

All of our employee management practices have their basis in the standards laid down by international and Polish labour legislation. In the majority of cases, PKN ORLEN well exceeds its statutory obligations as an employer. The Company operates according to the highest standards of safe and decent working conditions, working hours and rest periods, holiday

leave entitlements, social and medical benefits, and fair remuneration.

The Company's internal and external relations are presented in 'The Core Values and Standards of Conduct of PKN ORLEN'.

At PKN ORLEN, we strive to create a culture based on trust, equal opportunity and fair treatment of all employees regardless of sex, age, job position, length of service, trade union membership, religion, nationality, belief, physical appearance or sexual orientation.

Headcount as at December 31st 2013				
4,409				
Type of employment relationship				
Total number of persons employed under employment contracts in 2013: 4,700*				
Contract type				
	Indefinite term	Fixed term	Probationary period	Temporary substitution
Women	809	53	9	31
Men	3,530	201	52	15
Region				
	Płock	Other	Total	
Women	673	229	902	
Men	3,086	712	3,798	

\* Total number of employees includes all persons employed by PKN ORLEN in 2013 (even if for one day only). The number of employees includes persons with 'suspended' status, i.e. those on parental, unpaid, rehabilitation or maternity leaves.

All workplace and legal protection regulations are specified in the Company's Collective Bargaining Agreement and other internal regulations. The Collective Bargaining Agreement covers all our employees.

Total number of new hires in 2013: 271					
Total number of terminations in 2013: 308					
Employee turnover*					
Age group					
<31	31–40	41–50	51–60	>60	Total
26	54	50	85	93	308
Turnover by age group					
<31	31–40	41–50	51–60	>60	Total
0.006	0.011	0.011	0.018	0.020	0.066
Gender					
Women		Men			
66		242			
Turnover by gender					
Women		Men			
0.014		0.051			
Region					
Płock	Other				Total
240	68				308
Turnover by region					
Płock	Other				Total
0.051	0.000	0.014	0.000		0.065

\* The turnover ratio is calculated using the formula: (number of terminations/total number of employees) × 100%.

PKN ORLEN operates a fair remuneration policy through remuneration benchmarking at the Company and other Group companies. PKN ORLEN engages in annual pay increase negotiations with trade unions, and also operates an extensive bonus system.

The remuneration policy in place at PKN ORLEN applies equally to all employees, regardless of their sex. The table below shows the percentage of wages for men and women, broken down by position, compared with the average base pay<sup>1)</sup>.

	Women	Men
	<b>98.60%</b>	<b>100.30%</b>
Clerk	56.70%	55.10%
Production process operator	67.10%	65.90%
Customer assistant	68.80%	74.90%
Specialist	92.30%	94.10%
Sales representative	97.50%	106.40%
Other	99.40%	97.70%
Production process foreman	115.10%	110.00%
Production support engineer	0.00%	95.90%
Sales manager	114.10%	112.20%
Manager	165.20%	165.70%
Director	365.10%	461.40%

The base pay in a given job position must be within the pay range specified in the Collective Bargaining Agreement. When determining employee remuneration, the employer takes into account such criteria as qualifications, professional experience and performance assessment. Our remuneration policy translates into largely similar pay levels for both female and male employees.

In addition to fair remuneration, our employees are offered a comprehensive benefits package including co-financing of employee holidays and school starter kits, cash allowances, and housing loans.

1) Average base pay – cost of base pay as per employment contracts at PKN ORLEN divided by the average headcount at the Company.

## EMPLOYEE CARE AND FAMILY ASSISTANCE

PKN ORLEN offers many social benefits to its employees and their families. In 2013, the package included:

- co-financing of employee holidays or sanatorium treatment,
- subsidies on holidays for children and teenagers,
- co-financing of child care,
- co-financing of school starter kits,
- family support,
- repayable housing loans,
- non-refundable cash allowances – non-refundable assistance in the event of sudden personal difficulties, natural disaster, or employee sickness or sickness of a family member,
- co-financing of sports activities (sport, physical therapy, cultural and educational activities),
- Christmas gifts for children.

If a natural disaster occurs, PKN ORLEN uses the Social Benefits Funds to provide immediate assistance to those employees who need it most.

By reacting to such situations, the employer provides its personnel with a sense of security which is invaluable in today's world.

The Company offers its employees access to preventive healthcare services extending beyond the usual scope of occupational medicine in areas such as medical treatment, specialist medical care, diagnostic testing, physical therapy and flu vaccinations. The Company also conducts, for employees and their families, studies to explore the health impacts of the work environment.



## FAMILY-FRIENDLY EMPLOYER PROGRAMME IN SUPPORT OF PROPER WORK-LIFE BALANCE

PKN ORLEN follows a pro-employee policy, reflecting its core values and standards of conduct. The Company operates a number of programmes to help ensure a proper work-life balance for its employees. The benefits offered include an additional two days of childcare for children under 3 years old, one additional hour for breastfeeding, keeping women on maternity leave informed on important developments in company life, quick access to a paediatrician (special phone number for consultations), additional diagnostic testing during pregnancy, and baby feeding rooms.

## SUPPORT FOR EMPLOYEES IN PERSONAL DIFFICULTIES

In establishing positive relations with its employees, the Company offers help to those who need it most by providing support in times of difficult personal circumstances. This assistance may be financial, medical, mental or legal in nature. Knowing that they can count on their employer's support, employees benefit from this sense of security and stability.

## ASSISTANCE FOR THE DISABLED

PKN ORLEN operates a policy to ensure fair working conditions for employees with disabilities. The policy defines the standards of practice with regard to this group. We work hard to remove workplace barriers so people with disabilities can be fully active in both professional and social life.

People with disabilities are invited to our offices on many occasions. Twice a year, all local care centres in the town and region of Płock which provide assistance to the disabled are invited to participate in our Christmas

and Easter charity fairs at the Company's head office in Płock, where their dependants can sell artwork created during therapy sessions. Proceeds are then used by those organisations to meet their everyday needs. Such fairs are now a permanent fixture in the Company's calendar of charity events, and they are also eagerly anticipated by our employees

Additionally, PKN ORLEN provides material and financial support to people with disabilities.

## SUPPORTING RETIRED EMPLOYEES

As an employer committed to corporate social responsibility, PKN ORLEN keeps in contact with its retired employees by:

- Organising special events for retired employees to celebrate their 70<sup>th</sup>, 75<sup>th</sup>, 80<sup>th</sup>, 85<sup>th</sup> and other milestone birthdays, during which the person celebrating the birthday receives a certificate signed by the President of the Management Board and a financial gift,
- Organising special events together with Senior Citizens Clubs in 13 Polish cities (Płock, Słupsk, Gdańsk, Szczecin, Poznań, Katowice, Kraków, Rzeszów, Białystok, Warsaw, Łódź, Lublin, and Kielce).

The special events for retired PKN ORLEN employees are organised twice a year in each location. One takes place just before Christmas, while the other includes cultural and educational events to give former employees a sense of belonging to the PKN ORLEN community.

Additionally, retired PKN ORLEN employees are covered by a social care system comprising the co-financing of holidays or sanatorium treatment, holidays for children and teenagers, repayable housing loans, non-repayable allowances, Christmas presents (prepaid cards) and school starter kits for children, as well as financial support at Christmas and Easter.

Additionally, retired PKN ORLEN employees have access to medical consultations and hospital care.

## COLLABORATION WITH THE SOCIAL PARTNERS IN RESTRUCTURING

Pursuant to the PKN ORLEN Collective Bargaining Agreement and the agreement on the terms of collaboration with social partners in carrying out restructuring processes and on employee rights in respect of these processes, concluded on March 27<sup>th</sup> 2006 in Plock, the trade unions represented at PKN ORLEN are to be informed of any planned restructuring processes in advance, a specified number of days before such processes take place. Depending on the process, this notification period may be:

1. 45 days – for any of the following restructuring processes:
  - a) Establishment of a new entity to take over a part of PKN ORLEN or its operations within the meaning of Art. 231 of the Labour Code,
  - b) Transfer to another entity of a part of PKN ORLEN or its operations within the meaning of Art. 231 of the Labour Code,
2. 35 days – for restructuring processes resulting in mass redundancies within the meaning of the Act on Special Rules Governing Termination of Employment for Reasons Not Attributable to Employees of March 13<sup>th</sup> 2003 (the 'Act on Special Rules'),
3. 20 days – for less extensive restructuring processes, for which PKN ORLEN plans individual redundancies on grounds specified in the Act on Special Rules (either through employment contract termination or by mutual agreement, or involving amendment to working or remuneration conditions through a notice of termination amending the contract of employment), where such processes affect between 15 and 29 employees in a 30 day period,
4. 7 days – for the reorganisation of an organisational unit or task team, for which PKN ORLEN plans individual redundancies on grounds specified in the Act on Special Rules (either through employment contract termination or by mutual agreement), where such redundancies affect no more than 14 employees in a 30 day period.

The indicated periods are longer than those specified in Polish law (for processes considered in items 1 and 2). Although not legally bound to do so, we provide trade unions with information on less extensive restructuring processes (item 3) and reorganisation processes (item 4), which shows that the Company collaborates with the social partners in a transparent manner and in accordance with the principles of social dialogue.

## SOCIAL DIALOGUE, INCLUDING A PERIODIC REVIEW OF THE COLLECTIVE BARGAINING AGREEMENT

PKN ORLEN believes in social dialogue based on independence, legal compliance, and a willingness to compromise. The rules of social dialogue applicable at PKN ORLEN are founded on internal agreements and regulations implemented in compliance with the generally applicable laws. The principal rules of trade union activity and social dialogue are also provided by the Company's Collective Bargaining Agreement for PKN ORLEN employees.

Notwithstanding the above, open social dialogue and its basic institutional forms play also an important role in complex HR processes at ORLEN Group companies, supporting the development of constructive and lasting solutions in cooperation with employee representatives.

## ADDITIONAL EMPLOYEE BENEFITS – EMPLOYEE PENSION PLAN

After months of hard work, the PKN ORLEN Employee Pension Plan was finally implemented on the basis of agreements signed in January 2014.

Being a responsible employer, PKN ORLEN has implemented the Plan to give its employees an opportunity to save more for retirement. An employee pension plan is far from being common among companies in Poland. It is a voluntary organised savings scheme for employees who want to increase the value of their retirement pensions, and the most convenient form of saving under the pension system's third pillar (additional voluntary retirement savings): the plan members can make regular contributions to their future pensions, which are exempt from capital gains tax.

The PKN ORLEN Employee Pension Plan is open to all Company employees up to 70 years of age who have worked at least three months at the Company. The employer makes monthly contributions for every employee joining the Plan. The Plan's asset manager invests the contributions in line with a schedule selected by the Plan member from available options.



## PROFESSIONAL DEVELOPMENT OF EMPLOYEES

Concern for the professional development of staff ensures the employer suitably qualified and motivated workforce, which is an important source of its success and contributes to the strengthening of the employer's market position. Likewise, well designed and implemented professional advancement processes support execution of the company's current and future business growth programmes and building of corporate culture.

In 2013, we implemented a project including a multimodular academy on leadership development in the form of workshops, designed to improve management skills in areas such as team management, development of team potential, feedback and coaching, as well as inspirational lectures based on 'The Core Values and Standards of Conduct of PKN ORLEN'. Lectures on selected subjects were interactive and their key objective was to inspire participants to engage in their own exploration of the processes of implementing and manifesting values, creation of an open and friendly leadership, and prevention of occupational burnout. Similar lectures were given to production process foremen and engineers.



**Rafał Sekuła**

Executive  
Director for HR  
PKN ORLEN

The highest possible quality of HR management standards across the Group is a priority for PKN ORLEN. Managing human resources in such a diverse environment is a major challenge. The foundation of corporate culture building at PKN ORLEN are our values. It is from these values that we derive HR best practices and market solutions. As an international organisation, we also abide by local laws and respect local cultures.

Our operations take into account business requirements and support the implementation of the Company's strategic objectives. We put special emphasis on the new areas of our activity: the upstream and power segments. In developing and implementing HR solutions, we take into consideration the dynamic changes taking place in our external environment. Across the Group, we engage in social dialogue and listen to employees' expectations. Our challenges in the next year will be leadership, growth and building employee dedication, as well as flexibility in the HR area. Our guiding motto reads, 'We discover and develop those who will drive the future'.



Additionally, we continued the key growth-oriented projects launched before 2013, including the Talents project and development workshops for employees in the production and logistics area (Foremen's League, a Development Programme for Machine Operators).

As in previous years, our employees had the chance to advance their knowledge and skills through training sessions, conferences and other events designed to develop professional qualifications in line with the principles of our 'Training Procedures for the Employees of PKN ORLEN S.A.'.

In 2013, average hours of training per year (per employee, by gender and employee category) were as follows:

- 70 hours for women and 59 hours for men in management positions,
- 36 hours for women and 31 hours for men in other positions.

## ANNUAL APPRAISALS

The periodic employee evaluation process (Annual Appraisals) is an important element of our HR policy. 99% of the workforce are involved in the appraisal process, with women representing 19% and men 81% of those evaluated. In terms of employee categories, the structure of the employees covered by the evaluation was as follows:

- 8% held management positions,
- 35% worked at the Group level,
- 54% held production jobs,
- 3% held sales jobs.

Every employee's work is subject to regular assessment based on a set of criteria, which are defined separately for each employee category. The assessments, constructed from a mix of quantitative and qualitative criteria, are tailored to an employee's responsibilities and the extent of their autonomy. Various bonus schemes have been put in place that use assessment results to motivate employees, with bonuses provided to staff of all ranks from unskilled workers to managers of all levels.

## EMPLOYEE VOLUNTEERING PROGRAMME AT PKN ORLEN

The Employee Volunteering Programme at PKN ORLEN is driven, on the one hand, by the employer encouraging employees' socially-oriented activity and, on the other, by the employees' involvement and willingness to work for the common good.

As part of the Programme, in 2013 we continued our ongoing cyclical initiatives including the 'Magic School Bag', a project to assist children of low income families from the Province of Lublin with employee-financed school starter kits, and 'We Make Dreams Come True', as part of which our employees financed Christmas gifts in response to children's requests.

In 2013, we also ran two large campaigns under the 'Paint the Smile' project. The first one took place in April in Tczew, where employees of our retail sales force, with PKN ORLEN's financial assistance, renovated the entire building of the children's home and built a playground at the home.

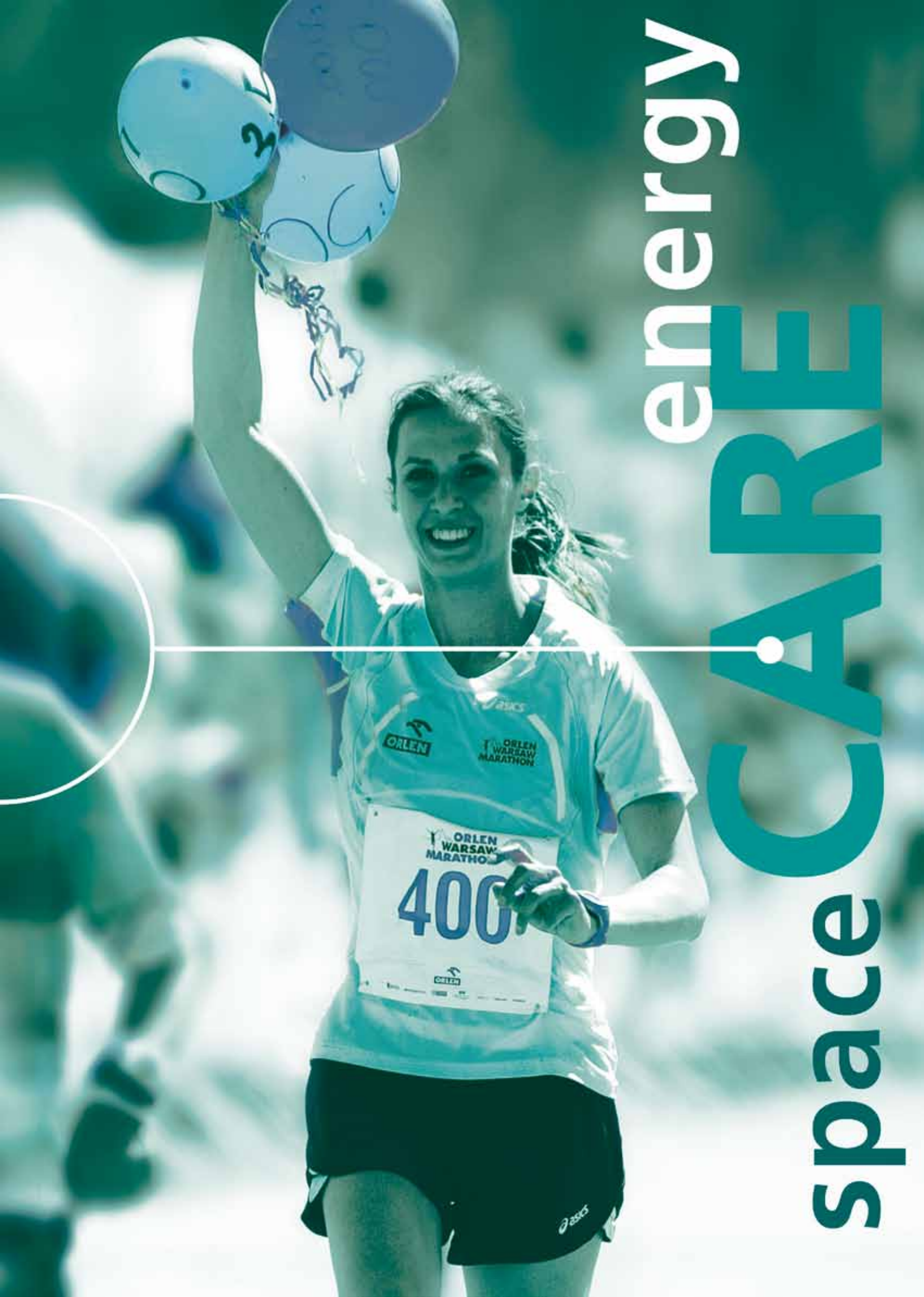
The second 'Paint the Smile' campaign included the redecoration of several rooms of the dormitory used by the Centre for Children with Special Educational Needs No. 1 in Płock. By the end of August, employees in our finance area redecorated rooms for children coming back from summer holidays. In addition to room painting, our efforts included the supply of room decorations and educational aids, which should make the experience of the stay at the dormitory more pleasant for the children and help them in their daily education.

Also in 2013, in cooperation with the ORLEN – GIFT FROM THE HEART Foundation, the Company ran a charity collection for an ill employee of one of PKN ORLEN's service stations. Volunteers involved in the collection prepared symbolic hand-made clay hearts for everybody who contributed to the cause.

Furthermore, three new playgrounds were built and one playground repaired in the region of Lublin. This initiative was financed with funds provided by the Company management personnel, who each year make donations to those in need in a special Christmas event.

We concluded 2013 with an animal support campaign. The Volunteer Group representing the Supply Chain Management area initiated a campaign to improve the living conditions of animals and donated ten dog kennels to the animal shelter in Płock. Our staff also collected blankets, towels, food and numerous other items for the animals.

All those volunteering initiatives were crowned by the launch, at the end of 2013, of a new website, [www.wolontariat.orken.pl](http://www.wolontariat.orken.pl), where all the Company's initiatives are presented in an innovative way. The attractive graphic layout and easy navigation on the website were designed to both provide information and encourage and inspire employees to undertake new actions and challenges.



energy

CARE

space

04

Environment





# ENVIRONMENT

## GLOBAL CHEMICAL INDUSTRY'S COMMITMENT TO ENVIRONMENTAL PROTECTION

PKN ORLEN has been a member of the Responsible Care initiative since 1997. Other ORLEN Group companies are also its signatories: ANWIL S.A. was the first to join in as early as 1995, soon followed by IKS SOLINO, Basell Orlen Polyolefins, ORLEN Asphalt and ORLEN Eko. The programme is also implemented by foreign Group companies, including Unipetrol, Česká Rafinérská and Unipetrol a.s., and also Paramo and Unipetrol Doprava. In line with the Responsible Care principles, the programme participants seek to raise social awareness by engaging in dialogue with employees, local communities, customers and suppliers, so as to learn as much as possible about each other's needs.



### Odpowiedzialność i Troska®

In 2013, PKN ORLEN performed its obligations under the Responsible Care Framework Management System implemented in 2011. Introduction of the Responsible Care Framework Management System came as a result of the Declaration of Support to the Responsible Care Global Charter signed in 2007 by the President of the PKN ORLEN Management Board. As an initiative of the International Council of Chemical Associations (ICCA), the Global Charter is a form of voluntary self-regulation of the chemical industry aiming to foster environmental protection and the health and safety of people all over the world. The Charter defines ways of responding to challenges related to sustainable development and proper management of chemicals, while also calling for increased transparency in the chemical industry. The initiative was met with high praise from UN Secretary General Kofi Annan, who called it an "inspiring model of self-regulation that other industries should consider following". PKN ORLEN is the only Polish company to have signed the Charter.

One demonstrable proof of our concern for the natural environment is the fact that animals are permanent residents of the premises of the Plock Production Plant, where we treat them with care and respect. For instance, in 2013 two peregrine falcon chicks – a female and a male



– hatched in Plock. A competition was held amongst employees to name the birds, the winning entries being Łupek and Łupinka. Since the first in 2002, 37 peregrine falcon chicks have hatched in the grounds of the PKN ORLEN complex. The falcon couple nesting within the Plant's grounds use two breeding boxes mounted on the CHP plant's and Claus Unit's chimneys.

PKN ORLEN is a partner of the 'SOKÓŁ' Society for Wild Animals, helping it create photographic and video records of the nesting peregrine falcons on the day chicks are ringed, and supporting the annual inspection and maintenance of the boxes carried out outside the breeding season. For more information on the peregrine falcon, history of the nest, the programme and the Association itself, visit [www.peregrinus.pl](http://www.peregrinus.pl).

Reduction of environmental impact is one of the ORLEN Group's priorities, as seen in its numerous investments and expenditure on environmentally friendly technologies. In the last three years, expenditure on such projects at the Plock Production Plant alone has exceeded PLN 280m (over 22% of all capital expenditure incurred by the Company in Plock). Similarly in Włocławek, expenditure on environmental projects has accounted in the same period for over 20% of the total development capex.

## WATER

Water is a vital natural resource supporting the life of plants, animals and people. It covers over 70% of the Earth's surface and makes up 70% of an average adult's body weight. Water is irreplaceable as a staple for consumption, the most basic hygiene product, and a recreational asset, and also a prerequisite for the development of the economy – be it through agriculture, manufacturing or even transport.

Protection of water consists of examining and assessing its quality and taking technical, organisational and legal measures to preserve or restore the quality of natural water resources, and protect the national hydro-economic balance.

### INTERESTING FACT:

World Water Day has been observed on March 22<sup>nd</sup> since 1992.

At the Plock Production Plant, water serves as a process medium in manufacturing, but is also used as feedstock for the production of steam at the CHP plant, for cooling and for fire-fighting purposes. The Plant's natural supply of water is the Wisła River, and drinking water is drawn from deep water wells.

The amount of water the Plant is allowed to draw is specified in a decision issued by the relevant authorities. PKN ORLEN holds a legal water use permit

for the withdrawal of surface and underground water valid for the entire Plock Production Plant.

The Company pays particular attention to the protection of natural resources across all areas of its operations. The same is true for water resources, which are always used in a prudent manner. For instance, the Company recycles wastewater as industrial water by looping the water and wastewater system, converting wastewater into industrial water, and using an inhibitor node.

In 2013, the volume of water withdrawn from the Wisła River decreased again year on year. This was possible through the ongoing modernisation of production facilities to make them more energy-efficient, and also because of the improved wastewater management system, which now feeds some of the treated production wastewater back to the process water system. The 13.3% year-on-year increase in recycled water was driven by the Plant's increased demand for utility and fire-fighting water.

The Włocławek PTA Plant draws water for its operational purposes under a contract with ANWIL, an external supplier.

In 2013, the PTA Plant's water consumption increased year on year, chiefly on the back of a 20.8% increase in production related to the operational excellence of the PTA unit (less emergency shutdowns than in 2012). The lower consumption of sanitary and drinking water followed from the installation of thermostats on emergency shower units.

### Water withdrawn by the Plock Production Plant in 2011–2013 by amount and type

Parameter	Year			Increase/decrease 2012/2013 [%]
	2011	2012	2013	
Water withdrawn from the Wisła River [m <sup>3</sup> ]	23,457,613	22,662,775	22,259,568	-1.78
Water withdrawn from deep water wells [m <sup>3</sup> ]	526,000	531,000	487,016	-8.28
Amount of recycled water [m <sup>3</sup> ]	2,051,524	2,575,742	2,919,225	13.33

### Water withdrawn by the Włocławek PTA Plant in 2011–2013

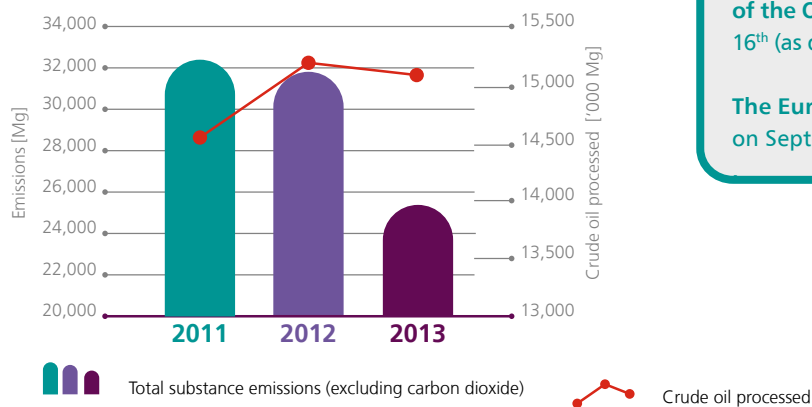
Parameter	Year			Increase/decrease 2012/2013 [%]
	2011	2012	2013	
Demineralised water [m <sup>3</sup> ]	1,400,000	1,844,297	1,985,491	7.66
Industrial water [m <sup>3</sup> ]	68,000	67,718	84,278	24.45
Decarbonised water [m <sup>3</sup> ]	1,400,000	1,843,706	2,097,387	13.76
Sanitary and drinking water [m <sup>3</sup> ]	15,000	11,643	5,061	-56.53
TOTAL – Water delivered by ANWIL S.A. [m <sup>3</sup> ]	2,883,000	3,767,364	4,172,217	10.75

## EMISSIONS

Air emissions are created when products of human activity (substances which may have a negative impact on the environment in high concentrations) are introduced to the natural environment. Air protection is basically the reduction of such emissions by modernisation of existing industrial technologies to ensure that less harmful substances are released, and investment in environmentally friendly transport.

In its efforts to limit air emissions, PKN ORLEN monitors the conditions of their release into the atmosphere. The Company carries out air measurements on an ongoing and periodic basis, monitors air quality around the Production Plant and supervises the management of greenhouse gas emissions. This allows it to collect information on the environmental impact of its operations, and to assess the efficiency of measures implemented to protect the environment.

### TOTAL SUBSTANCE EMISSIONS – EXCLUDING CARBON DIOXIDE, in relation to crude oil processing at the Plock Production Plant in 2011–2013

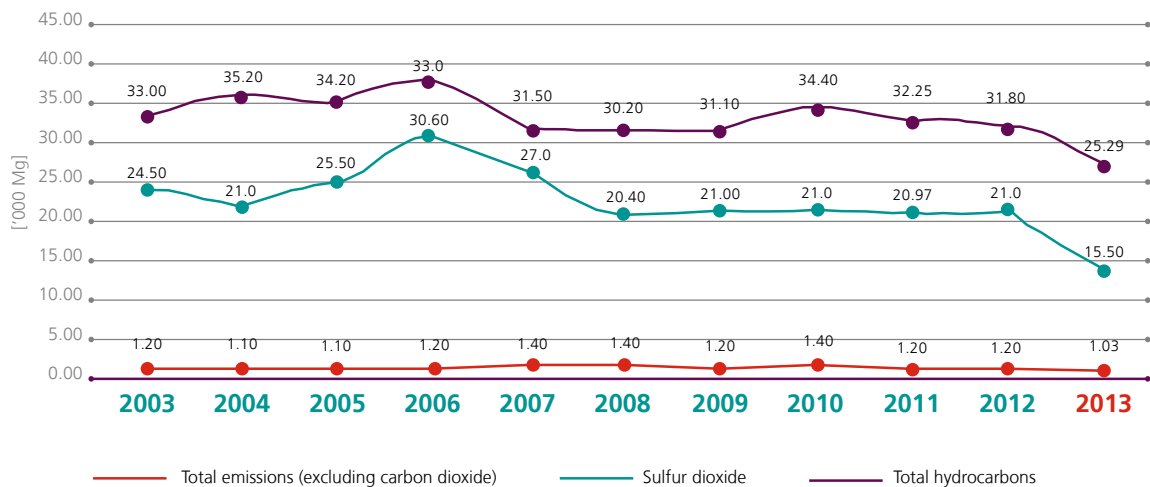


#### INTERESTING FACTS:

The International Day for the Preservation of the Ozone Layer is observed on September 16<sup>th</sup> (as designated by the UN in 1994).

The European Car-Free Day falls on September 22<sup>nd</sup>.

### MAIN EMISSIONS from the Plock Production Plant in 2003–2013



In 2013, air emissions of pollutants ( $\text{SO}_2$ ,  $\text{NO}_x$  and dust) declined year on year, chiefly due to the launch of the new K-8 boiler at the in-house CHP plant, and installation of a flue gas denitrification and dust removal unit on the K-7 boiler. Further CHP boilers will be fitted with similar installations in 2014–2016. The decline was also partly attributable to reduced  $\text{CO}_2$  emissions.

2013 was the second full year of operation of the Terephthalic Acid Production Plant (PTA Plant) in Włocławek.

Year on year, its air emissions of  $\text{NO}_x$  and  $\text{CO}$  increased by 40.6% and 62.0%, respectively, with  $\text{CO}_2$  emissions down 27.5%. The higher emissions followed from the need to temporarily conduct operations in abnormal conditions which were, however, permitted and provided for in the integrated permit for the PTA Plant.

For more information, see table on page 11.

## AMBIENT CONCENTRATION

For a number of years, PKN ORLEN has been measuring air pollutant concentration at designated places around the Plock Production Plant. This measure, referred to as 'ambient concentration', is used to indicate the amount of windborne dust or gaseous substances, often transported over large distances, in a given volume of air. Such pollutants are mostly products of fuel combustion or technological processes.

In 2013, the air emissions monitoring covered substances such as  $\text{O}_3$ ,  $\text{CO}$ ,  $\text{SO}_2$ ,  $\text{NO}_2$  and BTX, and was carried out by an automatic monitoring station located outside the Plock Production Plant premises. In October of the same year, the old monitoring station was replaced with a new one. Environmental standards for all substances measured in 2013 were complied with. In 2013, the annual average concentrations of major pollutants, i.e.  $\text{SO}_2$ ,  $\text{NO}_2$  and benzene, were slightly lower than in 2012.





## PKN ORLEN'S PARTICIPATION IN THE NATIONAL EMISSIONS TRADING SCHEME

In 2013, PKN ORLEN complied with all legal and formal requirements related to greenhouse gas emissions. Acting pursuant to amended regulations, the Company prepared new monitoring plans for installations covered by the scheme since 2005, and for new production units (Paraxylene, PGH 1, PGH 2, Aromatics Extraction, Ethylene Oxide and Glycol units, and the PTA unit in Włocławek). The extent to which allocated CO<sub>2</sub> emission allowances were utilised was monitored and balancing of emission levels was done on an ongoing basis for each unit. The Company also forecast the level of CO<sub>2</sub> emission allowances required with respect to the production targets.

Thanks to effective measures adopted during the second EU ETS trading period (2008–2012), PKN ORLEN managed to save 2,979,944 CO<sub>2</sub> carbon credits, with

the number reaching 9,062,676 for the entire ORLEN Group. The saved credits covered over 60% of the Group's actual CO<sub>2</sub> emissions in 2013. The Company also drafted relevant internal organisational documents, and improved the IT system for the monitoring of CO<sub>2</sub> emissions. An independent expert conducted a preliminary review of the monitoring system for PKN ORLEN and ORLEN Group installations.

Higher CO<sub>2</sub> emissions in 2013 were driven primarily by the expanded scope of operations covered by the EU ETS, as units producing bulk organic chemicals operating, for instance, at ANWIL S.A., PKN ORLEN and Basell Orlen Polyolefins Sp. z o.o. (subject to the EU ETS regime for the first time) were included in the system during the period.

### Emissions from PKN ORLEN's installations, and allocation of allowances in 2013

Installation	2013	Preliminary allocation of allowances*	Actual	Surplus/deficit
Refinery	2,529,377	deficit	202.37%	-2,672,060
CHP plant	2,752,906			
Olefins II unit	850,822	672,472	126.52%	-178,350
Ethylene oxide and glycol unit	41,928	32,409	129.37%	-9,519
PTA	98,100	121,080	81.02%	22,980
<b>PKN ORLEN</b>	<b>6,273,133</b>	<b>3,436,184</b>	<b>182.56%</b>	<b>-2,836,949</b>

\* Allocation of allowances under Regulation of the Council of Ministers of March 31<sup>st</sup> 2014 (Dz.U., item 439).

### CO<sub>2</sub> emissions in 2011–2013

Company	Emissions [Mg CO <sub>2</sub> ]		
	2011	2012	2013
PKN ORLEN S.A.	5,973,589	5,861,955	6,273,133
ORLEN Asfalt Sp. z o.o.	33,845	31,253	31,349
ORLEN OIL Sp. z o.o.	19,834	20,143	31,259
ANWIL S.A.	206,432	186,410	982,298
Basell Orlen Polyolefins Sp. z o.o.	—	—	44,404
Rafineria Nafty Jedlicze S.A.	51,607	54,566	48,452
Rafineria Trzebinia S.A.	102,869	98,207	15,482
Energomedia Sp. z o.o.	emissions included in data from Rafineria Trzebinia	emissions included in data from Rafineria Trzebinia	89,988
Public Company ORLEN Lietuva	1,967,110	1,731,630	1,812,299
UNIPETROL RPA, s.r.o.	2,468,169	1,943,539	3,062,158
Česká Rafinérská, a.s.	883,305	856,652	772,100
PARAMO, a.s.	170,490	94,693	47,441
SPOLANA, a.s.	284,960	246,384	231,706
<b>Group – Poland</b>	<b>6,388,176</b>	<b>6,252,534</b>	<b>7,516,365</b>
<b>Group – abroad</b>	<b>5,774,034</b>	<b>4,626,514</b>	<b>5,925,704</b>
<b>Total for the Group</b>	<b>12,162,210</b>	<b>11,125,432</b>	<b>13,442,069</b>

## WASTE

According to the general definition, waste includes all unnecessary substances and items which are disposed of by their owner, or which their owner intends or is obliged to dispose of. Basic classes of waste include process waste (hazardous and non-hazardous), and municipal waste. 'Protection Against Waste' refers to a specific set of steps to be taken by businesses, and also by individuals:

1. firstly, prevent the generation of waste,
2. if waste has been generated, do all you can to make sure it can be reused – SORT IT,
3. next is to recycle it,
4. or undertake other process for its recovery,
5. if none of the above are possible, disposal is the last resort.

Environmental awareness and proper conduct from each of us are the crucial elements in Protection Against Waste.

### INTERESTING FACT:

**Clean up the World Weekend is on the third weekend in September. It was first held in 1989 in Australia, when 40,000 residents in Sydney took part in a campaign to clean up the port area.**

PKN ORLEN is a responsible company which conducts its waste management processes in line with Polish law and in compliance with this prescribed set of steps. The Company has internal regulations in place including, for instance, the Waste Management Procedure, which is a document implemented under the framework of the PKN ORLEN Integrated Management System.

Significant changes introduced in 2013 in the legal requirements concerning management of waste were reflected in the Company's internal regulations and in contractual provisions regulating the performance of services for Group companies.

In 2013, the quantity of generated waste was reduced by more than 34% compared with 2012. This change is mainly attributable to a larger amount of scrap generated in 2012 in connection with demolition work and new projects, scrap being the kind of waste whose volumes are likely to fluctuate the most. Under applicable agreements, PKN ORLEN is the scrap producer. 4,981 Mg of hazardous waste and 475 Mg of non-hazardous waste was sent for recycling abroad.

Under its integrated permit, the Plock Production Plant is allowed to store certain waste in storage facilities which are a part of the establishment.

### Waste management at the Plock Production Plant in 2011–2013

Waste	Amount [Mg]			Increase/decrease 2012/2013 [%]
	2011	2012	2013	
<b>Total generated waste, of which:</b>	<b>11,862</b>	<b>19,999</b>	<b>13,050</b>	<b>-34.75</b>
– hazardous waste	5,221	5,463	6,298	15.28
– non-hazardous waste (excluding municipal waste)	6,641	14,536	6,752	-53.66
<b>Transferred for recycling</b>	<b>11,649</b>	<b>17,363</b>	<b>11,345</b>	<b>-34.66</b>
<b>Total transferred for disposal, of which:</b>	<b>757</b>	<b>1,580</b>	<b>1,301</b>	<b>-17.66</b>
– transferred for thermal processing	552	1,034	344	-66.73
– transferred for disposal in a different way	205	546	957	75.27
<b>Stored waste</b>	<b>1,453</b>	<b>2,509</b>	<b>2,913</b>	<b>16.10</b>

In 2013, the Włocławek PTA Plant generated over 24% more waste than in 2012. Waste was managed in compliance with the relevant integrated permit.

### Waste management at the Włocławek PTA Plant in 2011–2013

Waste	Amount [Mg]			Increase/decrease 2012/2013 [%]
	2011	2012	2013	
<b>Total generated waste, of which:</b>	<b>5,402</b>	<b>6,052</b>	<b>7,511</b>	<b>24.11</b>
– hazardous waste	5,396	6,004	7,399	23.23
– non-hazardous waste (excluding municipal waste)	6	48	112	133.33
<b>Transferred for recycling</b>	<b>0</b>	<b>45</b>	<b>102</b>	<b>126.67</b>
<b>Total waste disposed of, of which:</b>	<b>5,085</b>	<b>6,305</b>	<b>7,115</b>	<b>12.85</b>
– thermally processed waste	5,015	5,949	3,325	-44.11
– transferred for disposal in a different way	70	356	3,790	964.61
<b>Stored waste</b>	<b>347</b>	<b>49</b>	<b>343</b>	<b>600.00</b>

Both the Płock Production Plant and the Włocławek PTA Plant stayed well within the limits specified in their respective integrated permits.

In 2013, PKN ORLEN continued to selectively collect municipal waste separating out glass, paper, batteries and plastic.

PKN ORLEN submits reports to the E-PRTR (the European Pollutant Release and Transfer Register) which include information, available to the public, on its emissions and releases of substances into the environment, as well as on waste transferred to specialised waste disposal contractors or to landfill sites.

### WASTEWATER

Wastewater includes water that has been adversely affected in quality after being used in households or industrial plants, and water running off from urban or agricultural areas which contains various impurities. The degree of wastewater pollution is measured through special indices which include, for instance, Chemical Oxygen Demand (COD) and volume concentrations of total suspended solids, or nitrogen and phosphorus compounds. Analysis of such indices determines the most appropriate means of treating the wastewater, with the main objective to protect the natural environment, and in particular the cleanliness of surface water.

Wastewater management at PKN ORLEN is conducted in accordance with Polish law through internal procedures, instructions and in-house standards. Quality and quantity of wastewater are monitored on an ongoing basis to ensure they are within acceptable limits.

PKN ORLEN operates a highly-efficient Central Wastewater Treatment Plant (CWTP), which treats wastewater from offices and social facilities, industrial wastewater and rainfall runoff from the premises of the Płock Production Plant, including that coming from third-party companies operating within the Plant’s premises. All wastewater funnelled to the CWTP is subject to a multi-step treatment process which includes mechanical, physical, chemical and biological treatments. Treated wastewater, meeting the criteria specified in the Company’s water permit, is discharged into the Wisła River. The quality of effluents that may be discharged from any specific installation is precisely defined in a quality/quantity standard, which is updated annually. At PKN ORLEN, some treated wastewater is reused to produce water suitable for various uses on the plant’s premises (other than for human consumption) or for fire-fighting purposes, which considerably reduces the quantity of water abstracted from the Wisła River and pollutant loads discharged into the river with effluents.

#### INTERESTING FACT:

World Water Monitoring Day, observed on October 18<sup>th</sup>, was established by America’s Clean Water Foundation in 2002, the ‘year of clean water’.

Compared with 2012, the 7.8% increase in the volume of effluents discharged into the Wisła River was due to a 9.3% larger volume of wastewater entering the CWTP. In turn, the increase in the volume of wastewater funnelled to the CWTP was through the 26.4% higher rainfall and surface runoff water volumes when compared with 2012. The 8.0% and 12.2% increases respectively in the COD load and suspension discharged into the Wisła River in 2013 were attributable to a 7.8% higher volume of effluents carried to the river compared with 2012. The COD and suspension concentrations in the effluents discharged to the Wisła River were similar in 2013 and 2012 (COD at 61.9 mg/l and 61.8 mg/l, and suspension at 7.9 mg/l and 7.6 mg/l respectively).

During the effective term of its water permit, starting from 2012, PKN ORLEN has measured the quality of water flowing in the Wisła River 300 m above and 1,000 m below its effluents discharge point with respect

to the following parameters: pH, total nitrogen, total phosphorus, phenol index and mineral oil index. These measurements have shown that in practically no cases did the theoretical increase in pollutant concentrations exceed the level of measurement accuracy. This leads to a conclusion that the reported increases in the Wisła River's water contamination levels could not have been caused by treated effluents discharged by PKN ORLEN. The actual scope of the Płock Production Plant's impact on the Wisła River waters is only local, and is hardly noticeable about 1 km from the treated effluents discharge point.

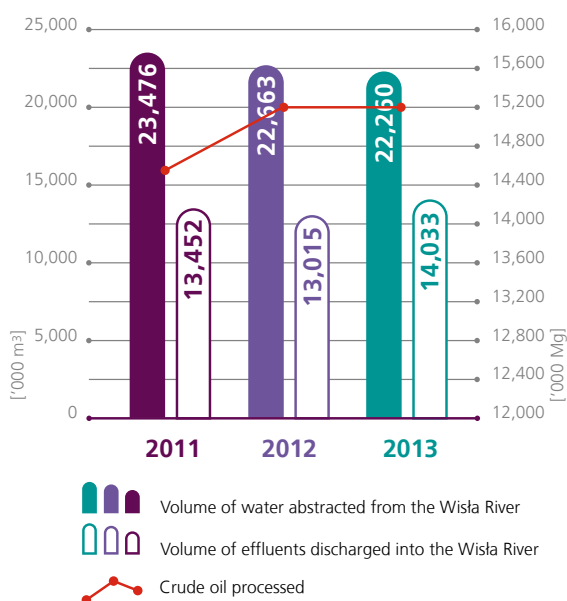
At the Włocławek PTA Plant, all wastewater associated with the production of terephthalic acid is discharged into the sewage systems of ANWIL, consistent with the terms of the Company's water permit.

#### Effluents discharge from PKN ORLEN's Płock Production Plant in 2011–2013

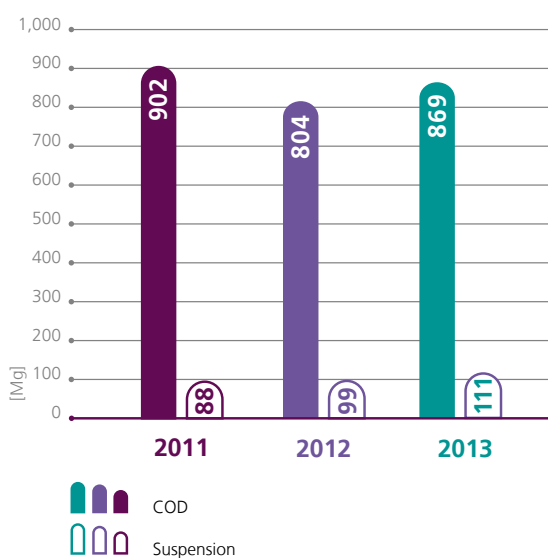
Parameter	2011	2012	2013	Increase/decrease 2012/2013 [%]
Effluents discharged to the Wisła River [m <sup>3</sup> ]	13,452,489	13,015,380	14,033,032	7.82
COD load in effluents discharged to the Wisła River [kg per annum]*	901,573	804,063	868,645	8.03
Suspension in effluents discharged to the Wisła River [kg per annum]	87,975	98,838	110,861	12.26

\* Gross load.

#### VOLUMES OF WATER ABSTRACTED FROM AND EFFLUENTS DISCHARGED INTO THE WISŁA RIVER in relation to crude oil processed, in 2011–2013



#### POLLUTANT LOADS IN TREATED EFFLUENTS DISCHARGED INTO THE WISŁA RIVER in 2011–2013





## Volume and quality of effluents discharged by the Włocławek PTA Plant in 2011–2013

Parameter	2011	2012	2013	Increase/decrease 2012/2013 [%]
Effluents discharged to ANWIL S.A.'s sewage system [m³]	1,300,000	1,582,498	1,844,880	16.58
COD load in effluents discharged to ANWIL S.A.'s sewage system [kg per annum]	6,140,000	5,886,603	5,803,158	-1.42
5-day BOD load in effluents discharged to ANWIL S.A.'s sewage system [kg per annum]	2,804,000	2,580,050	4,401,009	70.58
Cobalt content in effluents discharged to ANWIL S.A.'s sewage system [kg per annum]	562	817	641	-21.52

In 2013, the PTA Plant's effluents discharge increased year on year, chiefly in connection with a 10.7% higher water abstraction volume, which in turn was mainly due to an over 20% increase in production thanks to the operational excellence of the PTA unit (less emergency shutdowns than in 2012).

In 2013, neither the Płock Production Plant nor the Włocławek PTA Plant reported any accidental releases of hazardous substances into soil.

## ENVIRONMENTAL COMPLIANCE

The Płock Production Plant and the Włocławek PTA Plant hold all relevant legally required permits. With respect to the management of greenhouse gas emissions, five decisions were obtained in 2013 under the EC's new requirements. These decisions permit emissions of greenhouse gases from the Płock and Włocławek installations. Two new permits were obtained in the area of water and wastewater management.

On the premises occupied by PKN ORLEN's regional structures (Company-owned service stations, fuel terminals and other separate properties), the obligations stipulated in environmental laws are performed by ORLEN Eko operating under the supervision of the Environmental Protection Office. In 2013, the legal statuses of eight fuel terminals were updated, with a total of ten new permits obtained.

All production installations operated by the Group companies have the legally required Integrated Permits, which are updated as needed.

In 2013, compliance of our operations with the environmental laws was verified by representatives of the Płock and Włocławek Units of the relevant Provincial Inspectorates of Environmental Protection (WIOŚ). One instance of non-compliance discovered during an inspection at the Włocławek PTA Plant was eliminated. No post-inspection orders were issued concerning any facilities located within the premises of the Płock Production Plant or the Włocławek PTA Plant.



## ENVIRONMENTAL PROTECTION SPENDING

At PKN ORLEN's Płock Production Plant, environmental protection spending amounted to PLN 206.8m in 2013, having risen 148.3% year on year. Expenditure on environmental protection represented over 17% of the total capex budget at PKN ORLEN's Płock Production Plant in 2013.

Spending on environmental protection at service stations amounted to PLN 18.1m in 2013, down 74.2% year on year. Both capex and non-capex projects were executed, which primarily included the upgrading of fuel tanks at service stations to protect soil and water against contamination.

In 2013, non-capex environmental protection projects were executed at fuel terminals, including the repair of environmental protection equipment. The related expenditure totalled PLN 2.5m.

The ORLEN Group's most important investment projects relating to environmental protection included:

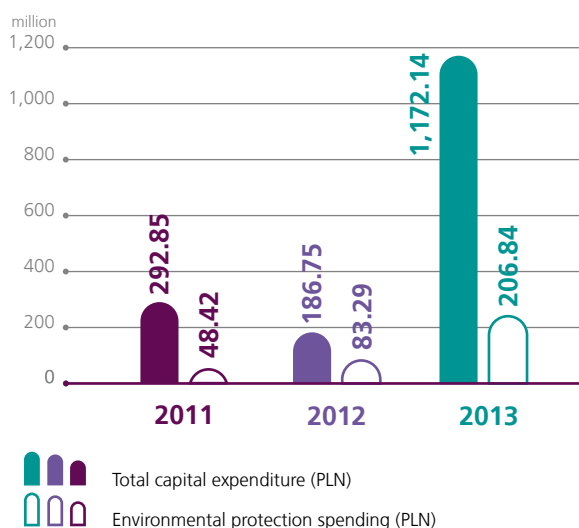
- construction of a drying system for residue from the wastewater treatment facility (ANWIL S.A.),
- upgrade of the Przyjma-Janikowo brine pipeline (IKS SOLINO S.A.),
- upgrade of the solar oil unit in the Góra Salt Mine and Underground Crude Oil and Fuel Storage Facility (IKS SOLINO S.A.),
- reconstruction of the sewage system on the premises of the Kralupy refinery (Česká Rafinérská a.s.).

Business entities using the environment are required to pay environmental charges, as provided for in the Environmental Protection Law of April 27<sup>th</sup> 2001. The Płock Production Plant pays environmental charges for air emissions, abstraction of water, and discharge of effluents to water and soil. The Włocławek PTA Plant pays only for air emissions since its abstraction of water and discharge of effluents are subject to a civil law agreement.

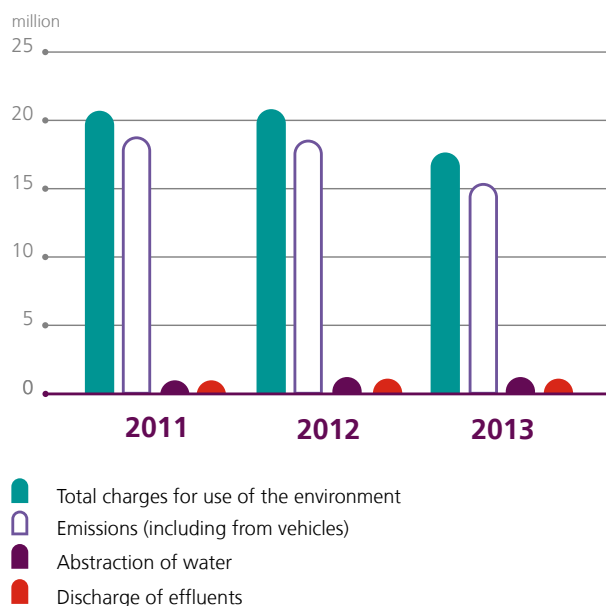
Detailed data on the amount of those charges are included in the table at the beginning of this Report.

The charges for air emissions paid by the Płock Production Plant decreased markedly (by 17.8%) in 2013, year on year. This was achieved by reducing emissions from the in-house CHP plant after the start-up of a new boiler.

## CAPITAL EXPENDITURE AT PKN ORLEN'S PŁOCK PRODUCTION PLANT in 2011–2013



## CHARGES FOR USE OF THE ENVIRONMENT BY PKN ORLEN in 2011–2013



The decrease (by around 7%) in total charges for use of the environment by regional units of PKN ORLEN was attributable to changes in sales volumes of individual products and also to bringing the service stations in compliance with legal regulations concerning substance emissions to the environment.

In 2013, PKN ORLEN recorded an overall drop in the total of charges for using the environment, down 14.9% compared with 2012. This was mainly due to the reduction of charges for substance emissions to the air at the Plock Production Plant, and for abstraction of water at regional units.



**Arkadiusz Kamiński**

**Head of Environmental Protection Office PKN ORLEN**

Environmental awareness is a human attitude characterised by a combination of skills and social and emotional intelligence with a sense of responsibility for the condition of our natural environment resulting from solid knowledge and the resolve to preserve it in its natural state. Such awareness manifests itself in showing respect for nature, abiding by environmental protection rules and preventing the occurrence of environmental hazards. Environmental knowledge of the relationships and laws of nature enables us to understand the impact of agriculture and industry on the environment and human health. Environmental awareness may be personal or communal. It is formed by a complex process which involves generally accepted (while changing with time) social norms, information from mass media, formal and informal environmental education, and steps taken by the government. Individuals committed to environmental protection change their habits.

In the current eco-crisis it is of the utmost importance to support pro-environmental thinking and constantly improve environmental awareness through appropriate instruments.

**INTERESTING FACT:**

**World St. Francis Day – Patron Saint of Environmentalists – October 4<sup>th</sup>. Saint Francis of Assisi was declared the Patron Saint of Environmentalists by Pope John Paul II in 1979.**

**ENVIRONMENTAL GRIEVANCE MECHANISMS**

PKN ORLEN has in place an Environmental Inspection System which guarantees the proper flow of information on planned and unforeseen events and interventions in the course of standard operations of the Plock Production Plant and Wloclawek PTA Plant. The system includes the Central Production Coordination Department, the Company Fire Brigade, the Environmental Protection Office and ORLEN Eko (a company). Its operating procedures are described in the Communication and Information Flow Procedure.

PKN ORLEN conducts environmental monitoring in compliance with valid Decisions (Integrated Permits) and the Environmental Monitoring and Indicator Recording Procedure implemented under the Responsible Care Programme. The monitoring provides information on environmental impacts and helps assess the effectiveness of environmental protection efforts.

**Numbers of environmental complaints in 2011–2013**

	2011	2012	2013
Total	437	281	215
Planned events *	731	205	145
Unforeseen events **	85	61	15
Interventions ***	17	15	20

All complaints were resolved.

\* Scheduled maintenance shutdowns and other operations with a potential environmental impact (steam cleaning, steam blasting, tank water drainage, furnace decoking, catalyst regeneration, etc.)  
\*\* Unplanned operations which may be caused by forces of nature or by human acts resembling unforeseeable events, events beyond human control and events occurring despite due care.  
\*\*\* Noxious situations adversely affecting the natural environment and living conditions, such as noise or unpleasant odours.

The growing number of complaints shows the raised environmental awareness in local communities arising from observation of the plant's environmental impact. Such awareness stimulates initiatives to identify more effective routes towards sustainable development, and thus more effective ways to care for nature.

## RESPONSIBLE CARE

Implementation of the Responsible Care Programme in Poland is supervised by the Polish Chamber of Chemical Industry (Polska Izba Przemysłu Chemicznego), and in the Czech Republic – by the Association of Chemical Industry of Czech Republic (SCHP CR). Projects implemented in 2013 represented the HSE (Health, Safety and Environment) triad. Since accession to the Programme, PKN ORLEN has implemented over 200 such projects, ANWIL – around 230, and Basell Orlen Polyolefins and Orlen Asphalt – about 60 projects each. Each of the projects brought about measurable effects in an improved work environment, increased operational safety of production units and establishment of regular contact with local communities.

The best known projects implemented under the Responsible Care Programme include the 'Tree for a Bottle' campaign and the nationwide 'Catch the Hare' competition which have, for seven years now, been run for employees of companies participating in the Programme. In 2013, the 'Catch the Hare – Junior' competition was also launched for employees' children. PKN ORLEN participated in both contests, which produced the desired results. In addition, four ORLEN Group companies organised the competition for their employees. Over the seven years of 'Catch the Hare',

the majority of our employees (of PKN ORLEN or ORLEN Group companies) who made it to the national finals of the competition were among those honoured, and several have won the first prize.

Other initiatives undertaken under the Responsible Care Programme in 2013 included the 'Academy of Ecological Skills', and a number of contests organised, for instance, on the World Health Day and World Water Monitoring Day. The contests run by Programme participants with the use of internal communications media were designed to concentrate employee activity in building and improving knowledge of the ideas and guidelines of the Responsible Care initiative.

The most active Group company, involved in all initiatives under the Responsible Care Programme, is ANWIL, which in 2013, in addition to the 'Catch the Hare' competition, participated in all editions of the 'Tree for a Bottle' contest and in the 'Academy of Ecological Skills'.

Programme participants may use the logo and name of the Programme as a trademark to support the management of health, safety and environmental protection. The Responsible Care Framework Management System Certificate confirms compliance with the guidelines issued by CEFIC (the European Chemical Industry Council), and is proof of PKN ORLEN's and ORLEN Group companies' operation in compliance with the most stringent international HSE management standards. The companies operate in accordance with the principles of sustainable growth and corporate social responsibility, as well as legally prescribed environmental standards. All work is carried out by professionals, with due consideration to current and future environmental impacts.





kindness



support  
reliability

05

Safety



# SAFETY

## SAFETY AS A COMMON GOAL

Our Integrated Management System Policy reflects the commitment of the Company's management and staff to ensuring safety both in and out of the workplace and with external contractors.

### MORE INFORMATION:

Corporate Responsibility Report 2010, p. 42

We adopt a comprehensive approach to people's health and safety, given the type and specific nature of the technologies we use and the potential threats to work, process, fire and radiation safety.

In line with the motto 'Contractor safety is as important as the safety of our own employees', we strive to improve our contractor safety management system since production unit overhauls are performed by selected external contractors.

The Company has an Occupational Health and Safety Committee and a Social Labour Inspectorate.

### MORE INFORMATION:

Corporate Responsibility Report 2010, p. 43

## PKN ORLEN'S APPROACH TO OHS



**BUILDING A SAFER FUTURE**  
No accidents. Zero tolerance for unacceptable risk

The safety of external contractors is as important to us as the safety of our own employees.

### OUR GOAL

**To systematically reduce the number of accidents involving employees and external contractors**



**Dariusz Loska**

**Head of the Occupational Health and Safety Office  
PKN ORLEN**

PKN ORLEN's safety performance last year was the best in the Company's history, which gives us great pride and motivates us to improve it even further. Work is ongoing on a new, internal occupational safety management system designed for an even safer and more pleasant workplace both at PKN ORLEN and throughout the Group. We promote and support all initiatives, including those from individual Group companies, that aim to improve safety and ensure compliance with domestic legislation on the protection of health, safety and Company assets.

We have successfully implemented new solutions compliant with international standards for the industry through the introduction of new methods, state-of-the-art technologies and techniques, better work organisation, and enhanced expertise, experience and qualifications of our employees.

I am proud to say that we did achieve last year's objectives. We are also continuing previous initiatives to improve contractor safety.

## ACCIDENT RATES AT PKN ORLEN IN 2010–2013

In 2013, six accidents at work resulting in employee absence were recorded. The TRR<sup>1</sup> rate was 0.80, lower than in 2012 (TRR 2012 – 1.13), which is the best result in the Company's history.

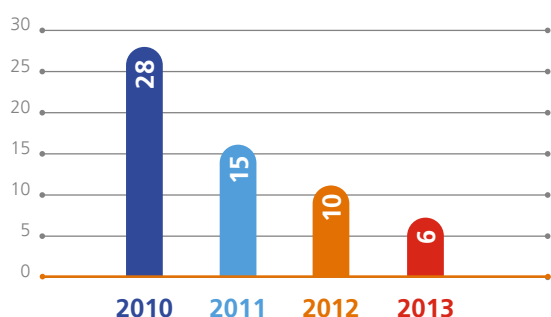
No serious or group accidents or fatalities were recorded, which is also the best result in the Company's history.

A total of six accidents were recorded in 2013, including five accidents involving men and one involving a woman.

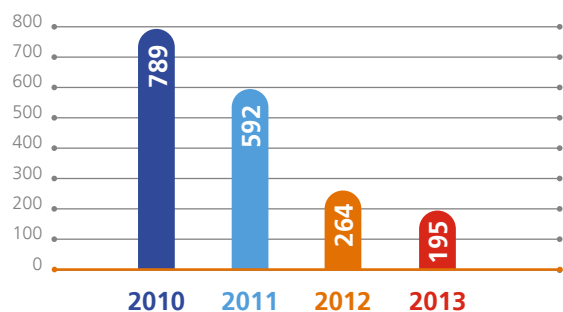
### Accident rates at PKN ORLEN in 2010–2013

Year	Average headcount	NUMBER OF ACCIDENTS				Absence (days)	RATE		
		total	fatal	severe	group		incidence	severity	TRR
2010	4,528	28	0	0	0	789	6.2	28.2	3.09
2011	4,474	15	0	1	0	592	3.4	39.5	1.68
2012	4,444	10	0	0	0	264	2.3	26.4	1.13
2013	4,400	6	0	0	0	195	1.4	32.5	0.80

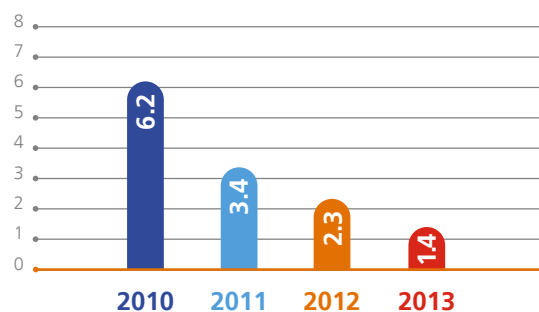
## ACCIDENT RATES in 2010–2013



## POST-ACCIDENT ABSENTEEISM in 2010–2013



## INCIDENCE RATES in 2010–2013

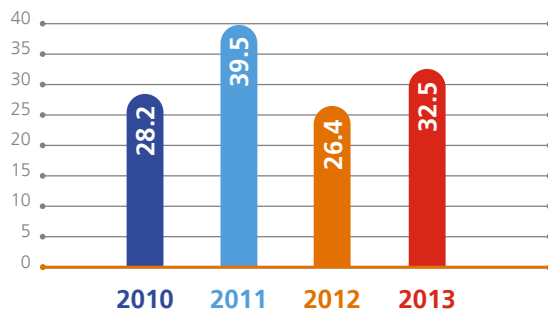


1) TRR (Total Recordable Rate) – number of accidents at work per million hours worked, calculated using the following formula:

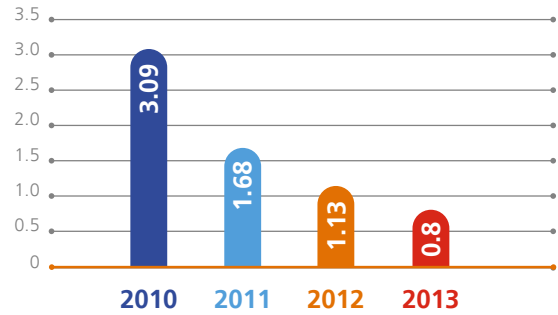
$$TRR = \text{Accidents} \times 1,000,000 / \text{Hours worked}.$$



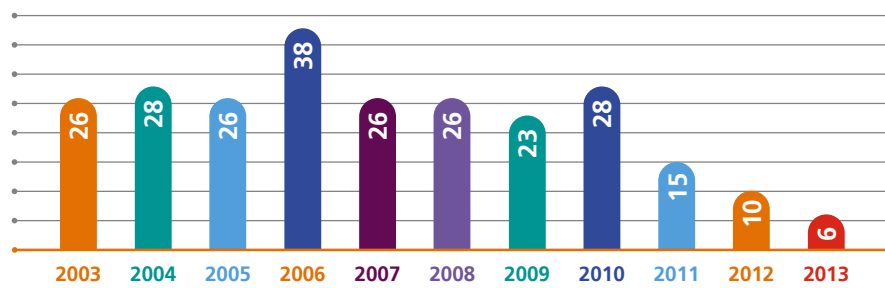
SEVERITY RATES  
in 2010–2013



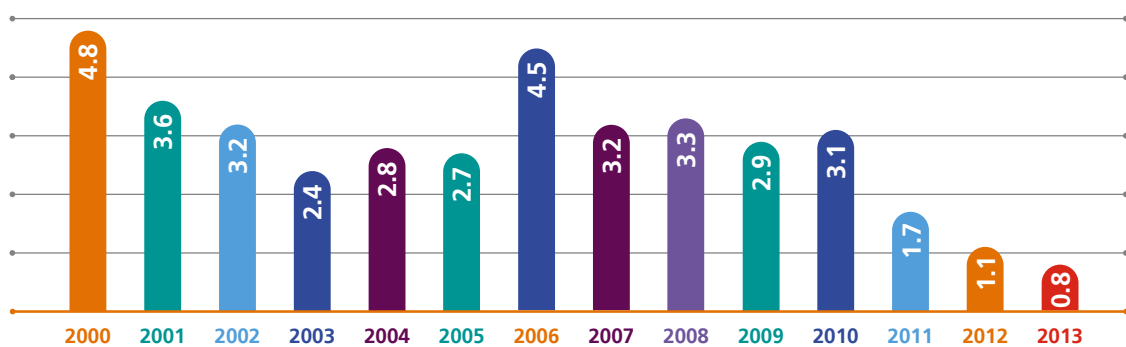
TRR  
in 2010–2013



NUMBER OF ACCIDENTS  
AT WORK AT PKN ORLEN  
in 2003–2013



TRR RATE AT PKN ORLEN  
in 2000–2013



## PROMOTING RESPONSIBLE ATTITUDES AND BEHAVIOUR

The Company's attention to the matters of safety and safety management is evident in the number of occupational safety initiatives and projects it undertakes, including:

- handbook for management personnel,
- work conditions improvement plan,
- OHS officers,
- contractor assessment,
- lower insurance premiums,
- OHS and safe conduct promotion using dedicated website,
- OHS Day,
- OHS incentive programme.

We further developed our OHS website, where key issues on occupational safety at PKN ORLEN and Group level were addressed in the course of 2013. One key element of the regularly updated website is the 'Report a Safety Risk' scheme. The website means dedicated teams can react more rapidly to prevent accidents, fires, industrial failures or natural disasters. Additionally, through information on occupational safety, the system serves an educational purpose.

### MORE INFORMATION:

Corporate Responsibility Report 2010, p. 73

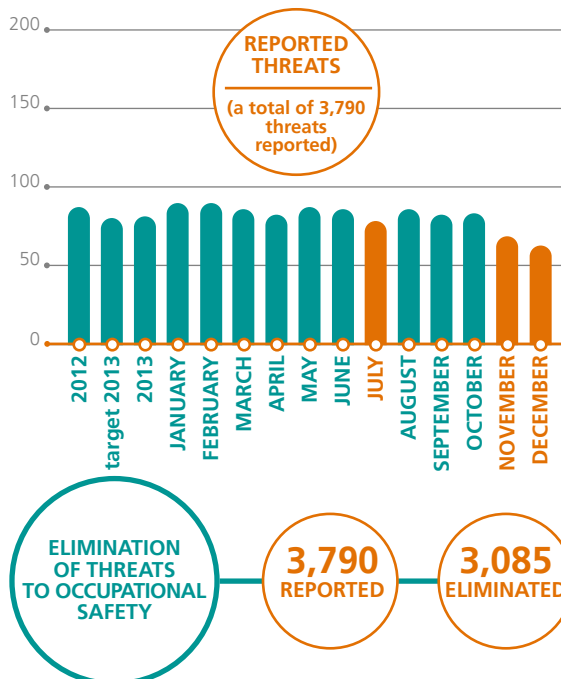
Yet another of our many initiatives is the Occupational Health and Safety Day, whose second edition attracted numerous PKN ORLEN and ORLEN Group employees. The interest that the event generated shows that safety is important to us all, and that similar initiatives should be carried out in the future. Our employees and their families also had the chance to participate in the Company Fire Brigade Open Day.

Out of a total of 3,790 threats to health and safety at work reported in 2013, we were able to eliminate 3,085 (81.4%) by the end of the year. The remaining threats are either being eliminated or will be eliminated in 2014. The threats were detected both at new facilities and those in existence for many years.

In addition to reporting threats, our employees can also suggest their own ideas on issues of safety, which are properly evaluated under the Invitation to the OHS programme implemented in 2013.



## ELIMINATION OF THREATS TO OCCUPATIONAL SAFETY AT PKN ORLEN



## RECOGNITION FOR IMPROVED WORKING CONDITIONS

In 2013, PKN ORLEN was ranked first in the 41<sup>st</sup> edition of the Nationwide Working Conditions Improvement Competition in the category of Technical and Organisational Solutions in Practice. Our System for Contractor Safety Management in Production Unit Overhauls and its implementation during the overhaul of production units and installations in 2012 received the most recognition out of a total of 76 projects submitted.

## KEEPING TRACK OF THE LEGAL REQUIREMENTS TO UPDATE THE COMPREHENSIVE PREVENTION SYSTEM

The Comprehensive Prevention System is a corpus of internal regulations on occupational safety, fire safety, technical and process safety, and radiation protection.

The system is regularly updated and amended as needed.

## OHS SURVEY

Survey conclusions will serve to further improve occupational safety at PKN ORLEN. The results were also used to develop action plans for the following year. Working together to build a safer future will be the motto of PKN ORLEN and ORLEN Group employees in 2014. To improve our own safety as well as the safety of others (employees and contractors) both in and out of the workplace, our planned initiatives will continue to address the pertinent question of 'what can we do?'.

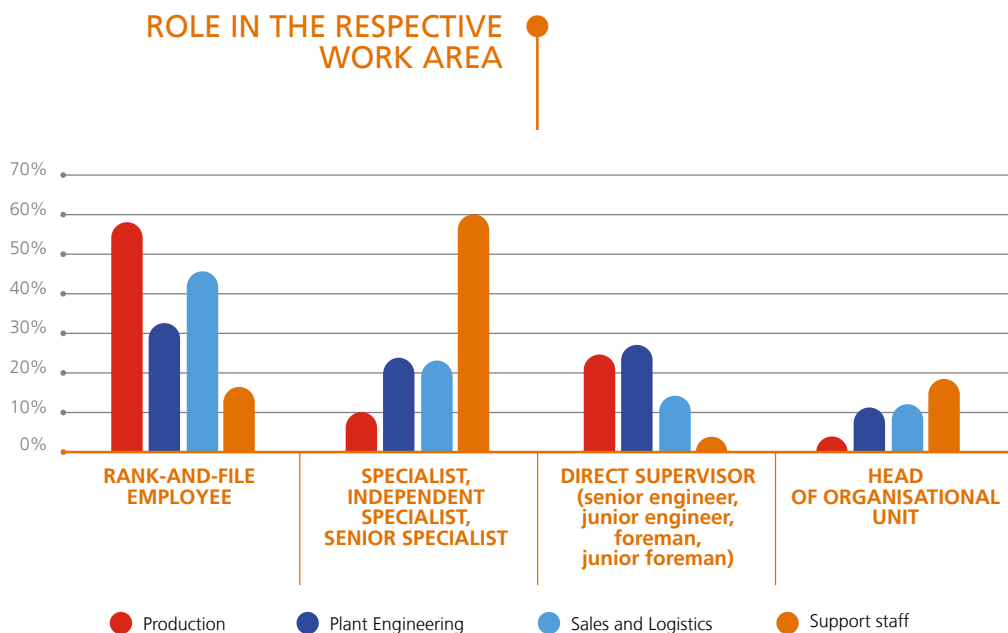
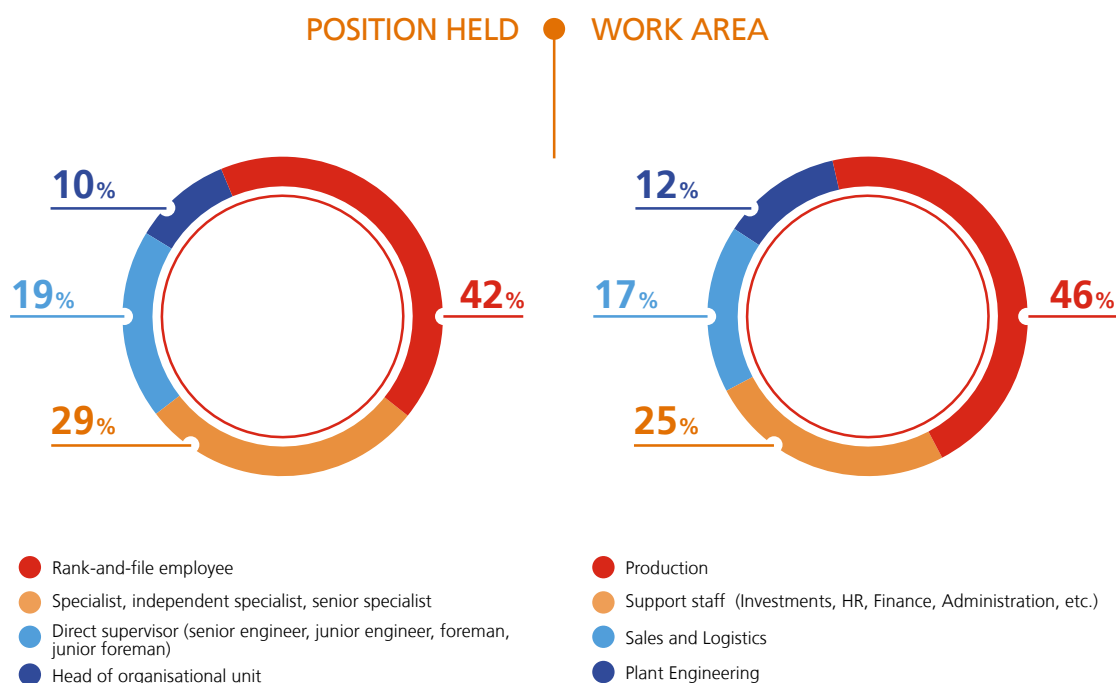
Our objectives for the coming year are:

- no accidents involving employees and contractors,
- no tolerance for unacceptable risk,
- no industrial failures,
- no fires,
- implementation of a segmented OHS management system,
- TRR  $\leq 1.8$  at PKN ORLEN and Group companies.



Some of our plans are to:

- further improve working conditions, fire safety and process safety,
- encourage employee participation to develop a work safety culture under the motto 'For our safety and yours',
- improve safeguards and employee readiness in the event of an emergency requiring evacuation,
- further develop occupational health and safety, fire safety and process safety training programmes,
- develop a more extensive occupational health and safety monitoring system,
- establish a stronger partnership with research centres, government agencies and other companies to share knowledge and implement new projects,
- create a uniform Process Safety Management System.





## PROCESS SAFETY ● FIRE SAFETY

In 2013, key tasks related to process safety were as follows:

1. Organising and actively participating in threat and risk assessment of units operating at the Płock Production Plant and the Włocławek PTA Plant. A total of 17 analyses were carried out, including 13 HAZOP studies, three PHA assessments and one What-If analysis,
2. Increasing hazard awareness for employees, and the knowledge of how to prevent accidents involving hazardous materials in the production and logistics areas of PKN ORLEN and selected ORLEN Group companies,
3. Developing and practically applying calculation methods for process safety indicators,
4. Reviewing design documentation for modernised and new units at the Płock Production Facility in terms of process safety,
5. Making available information on safety measures in place at PKN ORLEN facilities,
6. Ongoing efforts to analyse potential emergencies, determine possible dangerous consequences of an explosion, fire or release of toxic substances, and prevention of future occurrence of serious industrial failures.

The general requirements applicable to the Company's production facilities and fuel terminals, classified as facilities with elevated or high risk of a major industrial accident, are specified in the Environmental Protection Law, which implements the provisions of Title IV of the Seveso II Directive. In accordance with legal requirements, the Company prepared all necessary documentation on its facilities and submitted it to the locally competent administrative units of the National Fire Service and Provincial Environmental Protection Inspectorate. Depending on the classification of individual facilities, the documentation comprised Applications, Failure Prevention Programmes, Safety Reports and Internal Rescue Operation Plans.

The PKN ORLEN Company Fire Brigade (CFB), a unit with a long-standing tradition, celebrated its 50<sup>th</sup> anniversary in 2013. The brigade is responsible for rescue and fire-fighting operations at the Company. PKN ORLEN is a signatory of the Assistance System for the Transportation of Hazardous Materials (SPOT) and operates a National SPOT Centre through its Fire Brigade.

While regularly monitoring the condition of the fire safety systems at the Company's production facilities, PKN ORLEN continues to take steps to mitigate the risk of fire, chemical plant failure and other local hazards. In particular, the Company aimed to increase general awareness of the risk of fire, chemical plant failure and other local hazards and make best use of knowledge and state-of-the-art methods and solutions to mitigate the risk of hazardous situations.

In 2013, 100 incidents requiring CFB intervention were recorded (compared with 123 in 2012), which represented only a slight change relative to previous years.



## List of all incidents in 2010–2013\*

	Type of incident								CFB interventions
	Fires				Local hazards		False alarms	Total	
	Within the grounds of the plant		Beyond the grounds of the plant	Extinguished prior to the arrival of the CFB	Total	Including medical emergency calls			
	own	third-party							
2010	14	1	1	4	92	63	13	125	121
2011	13	2	4	0	80	68	17	116	116
2012	14	3	4	2	91	78	9	123	123
2013	11	0	2	2	72	57	15	100	100

\* Including Plock area.

## Fire incidents in 2013

	Fires					CFB interventions
	PKN ORLEN	GROUP COMPANIES	OTHER COMPANIES	TOTAL	(Including) beyond the grounds of the plant	
Process	7	2	0	9	—	13
Interventions under the National Rescue and Fire-Fighting System KSRRG	0	0	2	2	2 (Plock area)	
Other	1	1	0	2	—	
<b>TOTAL</b>	<b>8</b>	<b>3</b>	<b>2</b>	<b>13</b>	<b>—</b>	
(Including) extinguished prior to the arrival of the fire service	2	0	0	2	—	

## Local hazards in 2013

Local hazards								
	PKN ORLEN	GROUP COMPANIES	OTHER COMPANIES	TOTAL	(Including) beyond the grounds of the plant			CFB interventions
Medical emergency calls	18	19	20	57	(PKN) 3	(GROUP COMPANIES) 1	(OTHER COMPANIES) 4	72
Other	12	1	2	15	4	—	—	
TOTAL	30	20	22	72	7	1	4	

## INNOVATIVE TECHNOLOGY PROJECT

The Company Fire Brigade participates in a project aimed at raising their own safety at work. The scheme, launched by the Central Institute for Labour Protection in Łódź, bears the name 'i-Protect'. The new protective clothing introduced under the project underwent tests in June 2013.

### MORE INFORMATION:

Corporate Responsibility Report 2012, p. 77

The Company also complied with the requirements of the Polish Nuclear Law of November 29<sup>th</sup> 2000 and with internal regulations. In particular, the Company monitored radiation sources at its facilities, as well as radiation sources and radioactive waste in radioactive material storage areas. In addition, the Company carried out leakage testing of radioactive sources and radiation exposure monitoring, and took other measurements.

Last year, PKN ORLEN and its Group companies underwent a radiation safety and protection inspection carried out by inspectors of the Nuclear Supervision Authority of the National Atomic Energy Agency. The inspection examined activities involving exposure to ionising radiation emitted by equipment containing radioactive sources in accordance with the permit issued by the President of the National Atomic Energy Agency. The inspectors were satisfied with radiation safety and the protection measures found at PKN ORLEN and its Group companies and commended those in charge of the Plant's radiation protection and oversight.

**SAFETY AT ORLEN GROUP COMPANIES**

In 2013, we continued our systematic and proactive efforts to create optimum working conditions at ORLEN Group companies, evaluate existing mechanisms and implement new solutions. Through these initiatives, we strive for an accident-free corporate occupational safety culture. Safety hazards at ORLEN Group companies are systematically identified and eliminated.

The Company is working to expand its system of communication with employees and contractors, who have also been provided with appropriate know-how in the area of occupational health and safety. External audiences were informed of the Company's initiatives through relevant publications. The Company held an in-house safety-themed competition entitled 'Good OHS Practices' to promote best safety practices, effectively foster an accident-free and proactive occupational safety culture, and encourage a practical and modern approach to OHS within the ORLEN Group. Occupational health and safety was promoted through a series of initiatives including OHS contests, quizzes, awareness events (such as OHS Open Days at PKN ORLEN), 'Invitation to the OHS' programmes, posters and information brochures. We also took steps to introduce an OHS coordinator/officer into every ORLEN Group company to provide advice and assistance in creating a culture of occupational safety at work.

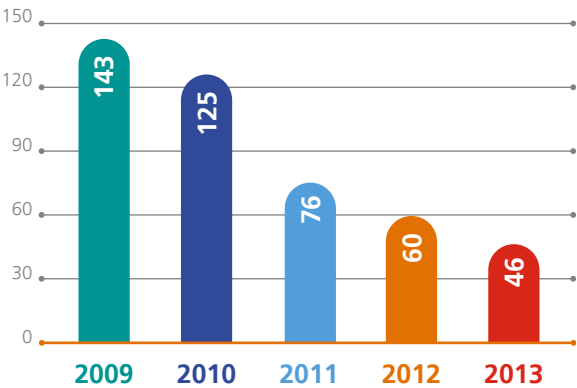
The Company continues to optimise its threat, accident, inspection, fire and failure communication systems. In early 2013, an Electronic Prevention System was implemented across the Group.

Through collaboration, Group companies achieved greater integration with respect to fire protection standards for production and storage facilities.

Through efforts to improve occupational safety at ORLEN Group companies, we recorded 23% fewer accidents in 2013 than in 2012 – the number of incidents decreased from 60 in 2012 to 46 in 2013 even though the number of ORLEN Group companies for which OHS targets had been established went up from 32 in 2012 to 36 in 2013. The Total Recordable Rate (TRR) was 1.5, representing a fall of around 20% relative to 2012 (TRR 2012 – 1.8), which is the best result in the Company's history.

Additionally, considerably more Group companies recorded no accidents at work.

**NUMBER OF ACCIDENTS AT ORLEN GROUP in 2009–2013**



## ACCIDENT-FREE COMPANIES in 2012–2013

2013

### ACCIDENT-FREE COMPANIES

IKS SOLINO S.A.  
ORLEN Paliwa Sp. z o.o.  
Ship-Service S.A.  
ORLEN Gaz Sp. z o.o.  
UNIPETROL a.s.  
PARAMO, a.s.  
BENZINA s.r.o.  
UNIPETROL Services s.r.o.

ORLEN Deutschland GmbH  
ORLEN PetroTank Sp. z o.o.  
ORLEN Laboratorium Sp. z o.o.  
ORLEN Administracja Sp. z o.o.  
ORLEN Księgowość Sp. z o.o.  
ORLEN Budonaft Sp. z o.o.  
ORLEN Upstream Sp. z o.o.  
ORLEN Projekt S.A.

16

THE NUMBER OF ACCIDENT-FREE COMPANIES IN 2013  
OF A TOTAL OF 36 ORLEN GROUP COMPANIES  
REPORTING THEIR OHS PERFORMANCE

2012

### ACCIDENT-FREE COMPANIES

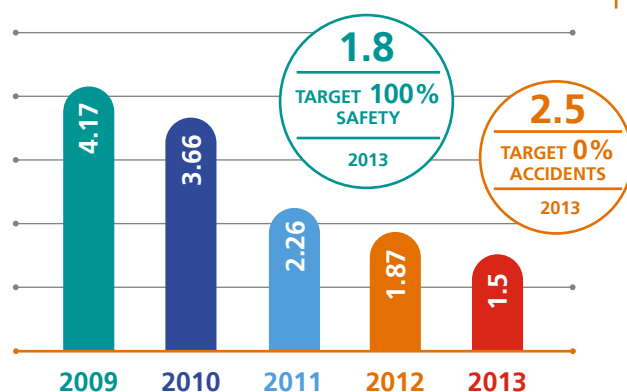
Rafineria Jedlicze S.A.  
ORLEN Paliwa Sp. z o.o.  
UNIPETROL a.s.  
UNIPETROL Services s.r.o.  
ČESKÁ RAFINÉRSKÁ, a.s.  
BENZINA s.r.o.  
UNIPETROL DOPRAVA, s.r.o.

ORLEN PetroTank Sp. z o.o.  
ORLEN Projekt S.A.  
ORLEN Wir Sp. z o.o.  
ORLEN Eko Sp. z o.o.  
ORLEN Medica Sp. z o.o.  
ORLEN Księgowość Sp. z o.o.

13

THE NUMBER OF ACCIDENT-FREE COMPANIES IN 2012  
OF A TOTAL OF 32 ORLEN GROUP COMPANIES  
REPORTING THEIR OHS PERFORMANCE

## TRR (ACCIDENT) RATE AT THE ORLEN GROUP in 2009–2013



1.5

THE TRR VALUE FOR 2013 THIS  
IS THE BEST RESULT SINCE THE COLLECTION  
OF ACCIDENT STATISTICS BEGAN  
AT ORLEN GROUP COMPANIES



# TRIUMF SUCCES

HiJoy





## AWARDS AND DISTINCTIONS IN 2013

- First place in the Fuel, Power Generation and Hydrocarbon Production category of the seventh edition of the **Socially Responsible Companies ranking**.
- **Silver CSR Leaf** from the *Polityka* weekly – awarded for the second consecutive time for meeting high standards of social responsibility in business.
- Fourth place in the **Philanthropy Leaders 2013** contest organised by the Polish Donors Forum.
- The cross-sectoral partnership programme chosen in the **Building Social Capital Together** contest as one of the top ten best practices in cooperation between business and non-governmental organisations.
- **'Ten years in the Responsible Business Forum'** – a statuette to commemorate ten years of the Company's membership.
- PKN ORLEN in the top three of Polish listed companies included in the WIG20 and mWIG40 indices and in the energy sector that best report their ESG (non-financial) data in the second edition of a ranking list compiled by the Polish Association of Stock Exchange Issuers, GES and Crido Business Consulting.
- **Respect Index** – ongoing participation, this time in the 6<sup>th</sup> and 7<sup>th</sup> edition of the project.
- First prize in the category of Polish listed companies included in the WIG20 and mWIG40 indices in the **Golden Website** contest organised by the Polish Association of Listed Companies.
- **Best Investor Relations by a Polish Company 2013** title awarded in the contest organised by the prestigious *IR Magazine* for an open and transparent disclosure policy.
- Second place in the Investor Relations category of the **Listed Company of the Year 2012** contest organised by *Puls Biznesu* daily.
- Special distinction in the **Shareholder Democracy, Informed Investing** educational programme for the highest score in the history of the competition and exemplary financial reporting standards from the shareholders' and investors' point of view.



- 'The Best of The Best' special award in the **Best Annual Report 2012** contest organised by the Accounting and Tax Institute.
- First place in the 41<sup>st</sup> edition of the **Nationwide Working Conditions Improvement Competition** in the category of Technical and Organisational Solutions In Practice.
- **Gold Card Leader on Safety at Work** – distinction awarded by the Leaders on Safety at Work Forum.
- First place (for the seventh consecutive time) in the **Most Valuable Polish Brands** ranking list compiled by *Rzeczpospolita* daily.
- **TOP Employers Poland 2013** title granted in recognition of the very good working conditions offered to employees.
- Number one in the **Most Sought-After Employer According to Managers and Professionals** ranking list in the Energy, Gas, Fuels and Chemicals category.
- Distinction in the **Company for Engineers** ranking list of companies most renowned among technical staff.
- **Employer for Engineers 2013** title awarded by students and technical university graduates.
- **Universum TOP 10** certification awarded for being in the top ten of Ideal Employers.
- **Patron of Pro-Environmental Education 2013** title awarded by *Ekologia i Rynek* monthly.
- **AEO (Authorised Economic Operator) Certificate** affirming the Company's credibility, reliability and compliance with customs laws and international trade regulations.
- Second place in the ranking list of the largest payers of corporate income tax (CIT).
- ORLEN brand once again given the prestigious **Customer Service Quality Star 2014** award. Our service stations are perceived as trustworthy and customer friendly places.
- ORLEN service stations distinguished with the **Golden Award for the Most Trusted and Environmentally Friendly Brand**. BLISKA stations awarded the **Trusted Brands Crystal Emblem** in the largest European survey of its kind, European Trusted Brands 2013.



- **Top Employer for Top Management** title awarded by sales directors of the largest Polish companies.
- 'Fleet Product of the Year' title awarded for the OPEN DRIVE cards in the nationwide **Fleet Awards 2013** survey organised by *Flota* magazine.
- Gold Statuette for the **ORLEN Warsaw Marathon** awarded in the Stevie Awards contest in the category Communications or PR Campaign/Program of the Year – Social Media Focused – Europe.
- Distinction for the 'Save Your Life, Wear a Reflector' campaign run as part of the **ORLEN Safe Roads 2012** programme awarded in the Young in Business contest organised by *BUSINESSMAN.PL* magazine.
- Distinction for the DAKAR 2012 and MEDIA TRENDY 2013 campaigns awarded in the **Best Use of Content** category.
- PKN ORLEN named the best managed company in Central and Eastern Europe in the Oil/Gas/Chemicals/Petrochemicals category of the ninth edition of the **Best Companies in Central and Eastern Europe** ranking list published by the British financial magazine *Euromoney*.
- First prize for the ORLEN – GIFT OF THE HEART Foundation in the **Good Scholarship 2013** contest awarded in the Corporate Scholarship Programmes category for the Masters of Chemistry programme.
- **Environmental Protection Leader** award and title received by the ORLEN Group for the implementation of technological and investment solutions which play a key role in reducing environmental impacts (ORLEN Group was recognised by the judging panel for its Plock and Włocławek projects).



## PKN ORLEN CORPORATE SOCIAL RESPONSIBILITY REPORTS





## DELIVERY ON OUR 2013 COMMITMENTS

Once again PKN ORLEN uses its CSR Report to detail the fulfilment of its commitments undertaken in the previous year.

AREA	COMMITMENT	PROGRESS
<b>Reporting</b>	To expand the scope of information included in the ORLEN Group's CSR reporting.	✓
<b>Society</b>	To broaden the possibilities for education in chemistry by reaching new target groups.	✓
	To build or renovate two playgrounds serving rural communities in the Province of Lublin.	✓
	To continue our wide-ranging cooperation with local partners.	✓
	To release another publication on how to develop parental competence and help children and teenagers discover their creative potential.	✓
<b>Society / Commitments of the ORLEN – GIFT FROM THE HEART Foundation</b>	To set up and launch 'Strefa RDD' – a website through which caregivers in family group homes can communicate with each other, access useful information and obtain expert advice on child education, law and pedagogy.	✓
	To carry out a project on fire safety and prevention.	✓
	To launch a scholarship programme for children from family group homes showing an interest in and aptitude for sports.	✓
	To transform the summer and winter recreation programmes so that they combine rest with thematic activities.	✓
	Launch a grant programme in support of innovative projects prepared by technology-oriented student clubs.	In progress.
	To continue our wide-ranging cooperation with local partners.	✓
	To continue dialogue with our stakeholders.	✓
<b>Market</b>	To make all reasonable effort for the Company to remain in the RESPECT Index over the coming years.	✓
	To hold another conference, this time for key suppliers of PKN ORLEN's entire Procurement Area.	In progress.
	To implement the identified efficiency improvement initiatives in 2012–2017.	✓
		Continuation.
<b>Environment</b>	To continue the improvement projects launched in 2012.	✓
	To ensure timely completion of the investment programme adapting the CHP plant to IED Directive requirements.	✓
	To continue our efforts with the 'SOKÓŁ' Society for Wild Animals to restore the peregrine falcon population.	✓
<b>Safety</b>	To maintain a TRR rate at ≤ 1.8 throughout the ORLEN Group.	✓
	To reduce the number of accidents to zero.	Consistently implemented efforts – no fatal, serious or group accidents among the PKN ORLEN employees.
	Zero tolerance for unacceptable risk.	Consistently implemented efforts.
	To organise a Health and Safety at Work Day.	✓

PKN ORLEN's commitments for the coming year.

AREA	COMMITMENT
<b>Society</b>	To develop a strategy for the PKN ORLEN Employee Volunteering Programme.
	In the area of corporate culture – to continue communicating the corporate values, consolidate knowledge of the values, and organise a contest on 'The Core Values and Standards of Conduct of PKN ORLEN'.
<b>Society / Commitments of the ORLEN – GIFT FROM THE HEART Foundation</b>	To launch an application to handle requests for donations.
	To implement pro-environmental projects.
<b>Environment</b>	To continue the environmental projects at the in-house CHP plant.
	To prepare applications for Integrated Permits containing Initial Reports on land.
	To implement the objectives of the Environmental Strategy.
	To develop good practices in the area of education.
	To commence work on reclamation of the municipal and inactive waste disposal site located on the premises of the Płock Production Plant.
<b>Market – customers' contribution to improvements at the stations</b>	To implement an online system enabling customers to evaluate the service obtained at a service station and share opinions on the operation of the station (this commitment should expand the possibility of implementing customer opinions and their contributing to how the service stations operate).
<b>Safety</b>	To introduce new indicators: <ul style="list-style-type: none"> <li>• Work Safety Culture Indicator,</li> <li>• Risk Notification and Handling Indicator.</li> </ul>
	To implement the Work Safety Culture Improvement Programme.
	To implement the OHS Incentive Programme covering all employees.
	To introduce a Health and Safety at Work Day at the Company.
	To introduce a new system of classification of external contractors and improve OHS supervision.
<b>Management</b>	To commence work on the implementation of the Business Continuity Management System compliant with the ISO 22301 standard.

## PKN ORLEN'S MEMBERSHIP IN ORGANISATIONS AND ASSOCIATIONS IN 2013

NAME
CONCAWE (Conservation of Clean Air and Water in Europe)
European Energy Forum
European Round Table of Industrialists
The European Petrochemical Association
Forum Odpowiedzialnego Biznesu
Global Leaders in Law
Institute of Professional Representatives before the European Patent Office
Izba Energetyki Przemysłowej i Odbiorców Energii (Polish Chamber of Industrial Power and Energy Consumers)
KT nr 64 – Komitet Techniczny ds. Urządzeń Elektrycznych w Przestrzeniach Zagrożonych Wybuchem (Technical Committee 64 – Technical Committee on Electrical Apparatus in Potentially Explosive Atmospheres)
KT 143 – Komitet Techniczny ds. Elektryczności Statycznej (Technical Committee 143 – Technical Committee on Static Electricity)
KT 222 – Komitet Techniczny ds. Przetworów Naftowych i Cieczy Eksploatacyjnych Polskiego Komitetu Normalizacyjnego (Technical Committee 222 – Technical Committee on Petroleum Products and Operating Liquids of the Polish Committee for Standardisation)
Marketing 4 Business
NACS The Association for Convenience & Fuel Retailing
Polska Izba Inżynierów Budownictwa (Polish Chamber of Civil Engineers)
Polska Izba Przemysłu Chemicznego (Polish Chamber of Chemical Industry)
Responsible Care
Polska Konfederacja Pracodawców Prywatnych LEWIATAN (Polish Confederation of Private Employers LEWIATAN)
Polska Organizacja Przemysłu i Handlu Naftowego (Polish Organisation of Oil Industry and Trade)
Polska Platforma Technologiczna Wodoru i Ogniw Paliwowych (Polish Hydrogen and Fuel Cell Technology Platform)
Polska Rada Biznesu (Polish Business Roundtable)
Polski Instytut Relacji Inwestorskich (Polish Institute for Investor Relations)
Polski Komitet Narodowy Międzynarodowej Izby Handlowej (Polish National Committee of the International Chamber of Commerce)
Polskie Forum ISO 9000 (Polish ISO 9000 Forum)
Polskie Stowarzyszenie Zarządzania Kadrami (Polish Association of Human Resources Management)
Polskie Towarzystwo Badaczy Rynku i Opinii (Polish Association of Public Opinion and Marketing Research Firms)
Polsko-Niemiecka Izba Przemysłowo-Handlowa (Polish-German Chamber of Commerce and Industry)
Stowarzyszenie Audytorów Wewnętrznych IIA Polska (IIA Polska Internal Auditor Association)
Stowarzyszenie Biegłych ds. Przestępstw i Nadużyć Gospodarczych – ACFE Polska
Stowarzyszenie Emitentów Giełdowych (Polish Association of Listed Companies)
Stowarzyszenie Inżynierów i Techników Przemysłu Chemicznego (Polish Association of Chemical Engineers)
Stowarzyszenie Naukowo-Techniczne Inżynierów i Techników Przemysłu Naftowego i Gazowniczego (Polish Association of Oil and Gas Industry Engineers and Technicians)
Stowarzyszenie Płockich Naftowców (Association of Oil Industry Workers in Płock)
Stowarzyszenie Polskich Wynalazców i Racjonalizatorów (Association of Polish Inventors and Innovators)
Stowarzyszenie "Wagony Prywatne" ('Private Train Wagons' Association)
Stowarzyszenie Współpracy Przemysłu Naftowego i Samochodowego CEC Polska (Oil and Automotive Industry Association CEC Poland)
World Economic Forum
World Petroleum Council – Polski Narodowy Komitet Światowej Rady Naftowej
World Refining Association
Związek Kontroli Dystrybucji Prasy (Audit Bureau of Circulations Poland)

## GRI G4 CONTENT INDEX CORE LEVEL

INDICATOR	DESCRIPTION	EXTERNAL VERIFICATION	REFERENCE IN THE REPORT
<b>GENERAL STANDARD DISCLOSURES</b>			
<b>STRATEGY AND ANALYSIS</b>			
G4-1	Statement from the chair, or equivalent senior position, about the relevance of sustainability to the organisation and the organisation's strategy.	√	3
G4-2	Description of key impacts, risks, and opportunities.	√	12-16
<b>ORGANISATIONAL PROFILE</b>			
G4-3	Name of the organisation.	√	1, 6, 102
G4-4	Primary brands, products and services.	√	6, 9, 17, 46, 49-52
G4-5	Location of the organisation's headquarters.	√	102
G4-6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	√	9, 15-16
G4-7	Nature of ownership and legal form.	√	1, 6
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	√	9, 13-19
G4-9	Scale of the organisation.	√	9-11, 13-17
G4-10	Total number of employees by employment type, employment contract, region and gender.	√	11, 56
G4-11	Percentage of total employees covered by collective bargaining agreements.	√	56
G4-12	The organisation's supply/value chain.		13-17, 21-22, 45
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	√	16, 20
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	√	12-13, 21-22
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	√	3, 19, 26-28, 42-43, 75, 84
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations.	√	95
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>			
G4-17	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures, with an indication of which of them are covered in the report.	√	9, 13-17, 20
G4-18	a) Process for defining the report content and the aspect boundaries, b) How the organisation has implemented the reporting principles for defining report content.	√	6-7
G4-19	Material aspects identified in the process of defining report content.	√	6-7
G4-20	Aspect boundary within the organisation for each material aspect.	√	7
G4-21	Aspect boundary outside the organisation for each material aspect.	√	7
G4-22	Explanation of the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	√	7
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	√	6-7
<b>INVOLVEMENT OF STAKEHOLDERS</b>			
G4-24	List of stakeholder groups engaged by the organisation.	√	18
G4-25	The basis for identification and selection of stakeholders.	√	18
G4-26	The organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	√	18, 42-43, 45-46
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Stakeholder groups that raised each of the key topics and concerns.	√	10-11, 33-39, 42-43, 45-46, 57-61
<b>REPORT PROFILE</b>			
G4-28	Reporting period.	√	6, 101
G4-29	Date of most recent previous report.	√	Q3 2013
G4-30	Reporting cycle.	√	annual
G4-31	Contact point.	√	7
G4-32	a) The option that the organisation has chosen. b) Table identifying the location of the standard disclosures in the report. c) Reference to the external assurance report, if the report has been externally assured.	√	6-7, 96 96-99 7, 101
G4-33	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided and relationship between the organisation and the external assurance provider.	√	7, 101

INDICATOR	DESCRIPTION	EXTERNAL VERIFICATION	REFERENCE IN THE REPORT
<b>GENERAL STANDARD DISCLOSURES</b>			
<b>GOVERNANCE</b>			
<b>G4-34</b>	Governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	✓	43-44
<b>ETHICS AND INTEGRITY</b>			
<b>G4-56</b>	The organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	✓	cover, 8
<b>G4-57</b>	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organisational integrity, such as helplines or advice lines.	✓	9
<b>G4-58</b>	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	✓	9, 45-46

INDICATOR	DESCRIPTION	EXTERNAL VERIFICATION	REFERENCE IN THE REPORT
<b>ADDITIONAL INDICATORS</b>			
<b>CATEGORY: ECONOMIC</b>			
<b>Economic</b>	<b>G4-EC1</b>	Direct economic value generated and distributed.	✓ 10
	<b>G4-EC2</b>	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	✓ 10-11, 68
	<b>G4-DMA</b>	Management approach to the Economic Performance aspect.	✓ 10-11
<b>Indirect economic impacts</b>	<b>G4-EC8</b>	Identification and description of significant indirect economic impacts, including the extent of impacts.	17, 26-28
	<b>G4-DMA</b>	Management approach to the Indirect Economic Impacts aspect.	✓ 17, 26-28
<b>Procurement practices</b>	<b>G4-EC9</b>	Proportion of spending on local suppliers at significant locations of operation.	48
	<b>G4-DMA</b>	Management approach to the Procurement Practices aspect.	✓ 48
<b>CATEGORY: ENVIRONMENTAL</b>			
<b>Materials</b>	<b>G4-EN1</b>	Materials used by weight or volume.	✓ 11, 48-49
	<b>G4-DMA</b>	Management approach to the Materials aspect.	✓ 13, 48
<b>Energy</b>	<b>G4-EN3</b>	Direct energy consumption from non-renewable sources.	✓ 49
	<b>G4-EN5</b>	Energy intensity.	53
	<b>G4-DMA</b>	Management approach to the Energy aspect.	✓ 52-53
<b>Water</b>	<b>G4-EN8</b>	Total water withdrawal by source.	✓ 65
	<b>G4-DMA</b>	Management approach to the Water aspect.	✓ 65
<b>Emissions</b>	<b>G4-EN15</b>	Total direct greenhouse gas emissions by weight.	✓ 68
	<b>G4-EN21</b>	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	✓ 11, 66-67
	<b>G4-DMA</b>	Management approach to the Emissions aspect.	✓ 22, 66-67
<b>Effluents and waste</b>	<b>G4-EN22</b>	Total water discharge by quality and destination.	✓ 71-72
	<b>G4-EN23</b>	Total weight of waste by type and disposal method.	✓ 69-70
	<b>G4-EN24</b>	Total number and volume of significant spills.	✓ 72
	<b>G4-EN26</b>	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff.	✓ 71
	<b>G4-DMA</b>	Management approach to the Effluents and Waste aspect.	✓ 69-70
<b>Products and services</b>	<b>G4-EN27</b>	Extent of impact mitigation of environmental impacts of products and services.	✓ 44, 48-52
	<b>G4-DMA</b>	Management approach to the Products and Services aspect.	✓ 21-22, 48-52
<b>Compliance</b>	<b>G4-EN29</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	✓ 72
	<b>G4-DMA</b>	Management approach to the Compliance aspect.	✓ 72

Overall	G4-EN31	Total environmental protection expenditures and investments by type.	✓	11, 73-74
	G4-DMA	Management approach to the Overall aspect.	✓	73
Environmental grievance mechanisms	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	✓	74-75
	G4-DMA	Management approach to the Environmental Grievance Mechanisms aspect.	✓	74-75
CATEGORY: SOCIAL				
Labour practices and decent work				
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover during the reporting period, by age group, gender and region.	✓	56
	G4-DMA	Management approach to the Employment aspect.	✓	56
Labor /management relations	G4-LA4	Minimum notice periods regarding significant operational changes, including whether these are specified in collective agreements.	✓	59
	G4-DMA	Management approach to the Labour/Management Relations aspect.	✓	59
Occupational health and safety	G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	✓	79
	G4-LA8	Health and safety topics covered in formal agreements with trade unions.	✓	56
	G4-DMA	Management approach to the Occupational Health and Safety aspect.	✓	22, 56, 78
Training and education	G4-LA9	Average hours of training per year per employee by employee category.	✓	61
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	✓	61
	G4-DMA	Management approach to the Training and Education aspect.	✓	60
Diversity and equal opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	✓	44, 56
	G4-DMA	Management approach to the Diversity and Equal Opportunity aspect.	✓	44, 56-57
Equal remuneration for women and men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category.	✓	57
	G4-DMA	Management approach to the Equal Remuneration for Women and Men aspect.	✓	57
Human rights				
Investment	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		In 2013, a number of meetings and training sessions were held concerning the implementation of the 'The Core Values and Standards of Conduct of PKN ORLEN' at the Group companies. The Management Boards of individual companies participated in workshop sessions, and the materials prepared during the workshop sessions were used to help implement new values and their further communication.
	G4-DMA	Management approach to the Investment aspect.	✓	cover, 8



Society				
Local communities	G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	✓	17, 30, 35-39, 47, 61
	G4-DMA	Management approach to the Local Communities aspect.	✓	30, 35, 47, 61
Anti-corruption	G4-S04	Communication and training on anti-corruption policies and procedures.		In 2013, training sessions covering 'The Core Values and Standards of Conduct of PKN ORLEN' were held for the Management Boards of the Group companies. During the workshop sessions, the companies prepared for implementation of the values, and proposed mission statements and communication plans reflecting the nature of their operations..
	G4-DMA	Management approach to the Anti-Corruption aspect.	✓	cover, 8
Grievance mechanisms for impacts on society	G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	✓	45-46
	G4-DMA	Management approach to the Grievance Mechanisms for Impacts on Society aspect.	✓	45-46, 74
Product responsibility				
Customer health and safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	✓	45-46, 48-52
	G4-DMA	Management approach to the Customer Health and Safety aspect.	✓	21-22, 45-46
Indicators specified in the Oil and Gas Sector Supplement				
Asset integrity and process safety	G4-DMA OG13	Management approach to the Asset Integrity and Process Safety aspect.	✓	78-80, 84, 86-87
Emergency preparedness	G4-DMA	Management approach to the Emergency Preparedness aspect.	✓	21, 81-87

## USEFUL LINKS

CATEGORY	COMPANY/ORGANISATION NAME	WEBSITE/FAN PAGE ADDRESS
PKN ORLEN	Polski Koncern Naftowy ORLEN	<a href="http://www.orlen.pl">www.orlen.pl</a>
	Raport Roczny PKN ORLEN	<a href="http://www.raportroczny.orlen.pl">www.raportroczny.orlen.pl</a>
	Wolontariat Pracowniczy ORLEN	<a href="http://www.wolontariat.orlen.pl">www.wolontariat.orlen.pl</a>
	ORLEN. Bezpieczne drogi	<a href="http://www.orlenbezpiecznedrogi.pl">www.orlenbezpiecznedrogi.pl</a>
	Stop Cafe	<a href="http://www.stopcafe.pl">www.stopcafe.pl</a>
	ORLEN dla kierowców	<a href="http://www.dlakierowcow.orlen.pl">www.dlakierowcow.orlen.pl</a>
Fan page	Verva Racing Team	<a href="https://www.facebook.com/vervart">www.facebook.com/vervart</a>
	Verva Street Racing	<a href="https://www.facebook.com/vervastreetracing">www.facebook.com/vervastreetracing</a>
	Verva	<a href="https://www.facebook.com/vervaorlen">www.facebook.com/vervaorlen</a>
	Polacy z werwą	<a href="https://www.facebook.com/PolacyzWerwa">www.facebook.com/PolacyzWerwa</a>
	ORLEN Warsaw Marathon	<a href="https://www.facebook.com/OrlenMarathon">www.facebook.com/OrlenMarathon</a>
	Stop Cafe	<a href="https://www.facebook.com/stopcafe">www.facebook.com/stopcafe</a>
	ORLEN Team	<a href="https://www.facebook.com/orlenteam">www.facebook.com/orlenteam</a>
	Niesamowici Ludzie	<a href="https://www.facebook.com/NiesamowiciLudzie">www.facebook.com/NiesamowiciLudzie</a>
	Debeściaki	<a href="https://www.facebook.com/orlen.dar.serca">www.facebook.com/orlen.dar.serca</a>
	Poczuj Chemię	<a href="https://www.facebook.com/PoczujChemie">www.facebook.com/PoczujChemie</a>
International and national initiatives	United Nations Global Compact	<a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a>
	Responsible Care	<a href="http://www.rc.com.pl">www.rc.com.pl</a>
	Fairtrade	<a href="http://www.fairtrade.net">www.fairtrade.net</a>
	RESPECT Index	<a href="http://www.odpowiedzialni.gpw.pl">www.odpowiedzialni.gpw.pl</a>
	Europejskie Forum Nowych Idei	<a href="http://www.efni.pl">www.efni.pl</a>
	Koalicja CR	<a href="http://www.koalicjacr.pl">www.koalicjacr.pl</a>
	Deklaracja na rzecz zrównoważonego rozwoju branży energetycznej	<a href="http://www.odpowiedzialna-energia.pl">www.odpowiedzialna-energia.pl</a>
NGO	Fundacja ORLEN – DAR SERCA	<a href="http://www.orlendarserca.pl">www.orlendarserca.pl</a>
	Fundacja „Fundusz Grantowy dla Płocka”	<a href="http://www.funduszgrantowy.plock.eu">www.funduszgrantowy.plock.eu</a>
	Stowarzyszenie „Fundusz Grantowy Dobrego Sąsiedztwa dla Ostrowa Wielkopolskiego”	<a href="http://www.funduszgrantowy.pl">www.funduszgrantowy.pl</a>
	Fundacja Muzeum Przemysłu Naftowego i Gazowniczego im. Ignacego Łukasiewicza w Bóbrce	<a href="http://www.bobrka.pl">www.bobrka.pl</a>
	Stowarzyszenie Na Rzecz Dzikich Zwierząt „Sokół”	<a href="http://www.peregrinus.pl">www.peregrinus.pl</a>
Industry organisations	The European Petrochemical Association (EPCA)	<a href="http://www.epca.eu">www.epca.eu</a>
	CONCAWE	<a href="http://www.concawe.be">www.concawe.be</a>
	Polska Organizacja Przemysłu i Handlu Naftowego	<a href="http://www.popihn.pl">www.popihn.pl</a>
CSR	Forum Odpowiedzialnego Biznesu	<a href="http://www.odpowiedzialnybiznes.pl">www.odpowiedzialnybiznes.pl</a>
	CSRinfo	<a href="http://www.csrinfo.org">www.csrinfo.org</a>
	SGS	<a href="http://www.doradztwocsr.pl">www.doradztwocsr.pl</a> <a href="http://www.sgs.pl">www.sgs.pl</a>
	CR Navigator	<a href="http://www.crnavigator.com">www.crnavigator.com</a>

## BUREAU VERITAS INDEPENDENT ASSURANCE STATEMENT

To: The stakeholders of Polski Koncern Naftowy ORLEN Spółka Akcyjna

### Introduction and objectives

Bureau Veritas Polska Sp. z o.o. (Bureau Veritas) has undertaken an assurance engagement for Polski Koncern Naftowy ORLEN Spółka Akcyjna (PKN ORLEN) on its 2013 Corporate Social Responsibility Report (the Report). Our Assurance Statement applies to the disclosed information within the scope of work described below.

The management of PKN ORLEN is solely responsible for the drafting of the Report and the information it contains. The sole responsibility of Bureau Veritas was to provide independent assurance on the accuracy and reliability of information included in the Report and the underlying systems used to collect it.

This is the first year in which we have provided assurance on the PKN ORLEN Report.

### Scope of work

PKN ORLEN requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the PKN ORLEN Report for the period January 1<sup>st</sup>–December 31<sup>st</sup> 2013.

### Methodology

As part of its assurance engagement, Bureau Veritas undertook the following activities:

1. Interviews with the personnel of PKN ORLEN involved in the drafting of the Report;
2. Review of documentary evidence produced by PKN ORLEN;
3. Assessment of the Report's compliance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, including the Sector Supplement; this included a comparative analysis of the GRI context index and reference documents in order to issue an opinion on the declared 'in accordance' option;
4. Verification of the accuracy of the transfer of collected data;
5. Review of the data and systems for data collection, aggregation and analysis.

Our work was conducted in accordance with Bureau Veritas' standard procedures and guidelines for external assurance of Corporate Social Responsibility Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute, assurance and we believe it provides a reasonable basis for our conclusions.

### Our conclusions

Based on our methodology and the activities described above, it is our opinion that:

- The PKN ORLEN Corporate Social Responsibility Report has been prepared in accordance with the Global Reporting Initiative G4 Sustainability Reporting Guidelines, including the Sector Supplement. The Report appropriately reflects the Reporting Principles and the indicators required for the adopted 'in accordance' option, which is the Core option.
- The information and data included in the scope of our assurance are accurate, reliable and free from material misstatements or inaccuracies.
- The information is presented in a clear, understandable and accessible manner.
- The PKN ORLEN's Report gives a reliable and balanced view of the activities performed in the period January 1<sup>st</sup>– December 30<sup>th</sup> 2013.
- The information presented in the PKN ORLEN Report allows readers to form a balanced opinion on PKN ORLEN's activities and performance in the period January 1<sup>st</sup>–December 31<sup>st</sup> 2013.
- PKN ORLEN has established appropriate systems for the collection, aggregation and analysis of relevant information.
- The reporting systems applied by PKN ORLEN are appropriately documented, have been effectively implemented, and enable timely and reliable transfer of information.

### Additional comment

Based on the work performed, we recommend that PKN ORLEN:

- develops a systematic approach to shareholder engagement based on the AA1000SES standard.

### Limitations and exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period,
- Position statements (expressions of opinion, belief, aim, expectation, goal or future intention by PKN ORLEN) are excluded from the scope of our assurance.

### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 180 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with PKN ORLEN, its Directors or Managers beyond that required for this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting verification and assurance over systems and processes, as well as environmental, social, ethical and health and safety information, and understanding of Bureau Veritas standard methodology for the assurance of corporate social responsibility reports.

Bureau Veritas Polska Sp. z o.o.  
Warsaw, May 2014



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