



2009

Corporate  
responsibility  
report

/ Responsible brand

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Guided by the desire to protect the natural environment PKN ORLEN had its Corporate responsibility report printed with the use of only two printing inks on Cyclus Offset ecological paper awarded the following certificates:



/ Responsible brand

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/ Dear stakeholders,

Since the moment of its inception in 2000, the ORLEN brand has unceasingly grown in value. In 2009, it was recognised once again as the most valuable. This is a cause for pride and satisfaction, but also presents us with a responsibility to take special care to safeguard that value by building long-term partnerships with all of the Company's stakeholders — relationships based on solid foundations.

This dimension of our work is extremely important in the economic realities of today. Transparency, ethical business practices, and positive relations with the market environment in the broader sense; these are all considerations which continue to grow in importance and the main reasons why responsible business practices are rising higher and higher among the priorities of today's companies. The consistent building of good relations helps to enhance trust in the company, which, in turn, can influence the profitability of its operations.

The position of PKN ORLEN, its Europe-wide range of operations and the number of stakeholders present the company with many challenges. We must respect and meet a wide variety of expectations from our shareholders, local communities, customers, employees, business partners, and other parties affected by our business. The company's activities are scrutinised by society, which demands responsibility on our part and holds us accountable for it. In realising our fundamental business goal, which is to increase the Company's value, we therefore carefully examine the methods by which we achieve that goal. At PKN ORLEN, we understand the idea of corporate responsibility to entail a considered, long-term management strategy in which we take responsibility for not only our financial results, but also for the influence we have on the environment in which we work. We also see it as our

duty to provide reliable information about our operations. For that reason, among others, PKN ORLEN distinguishes itself in the Polish marketplace with the number of reports that it provides.

Our participation in the Global Impact initiative, established by the Secretary General of the United Nations, is very important to us; we have supported the program since 2003, heeding its guidelines and putting forward our own best practices as an example. The Company has committed to uphold all ten principles concerning human rights, workplace standards, environmental protection, and anti-corruption activities. Participation in this initiative is a confirmation of the openness and transparency of the Company, and constitutes a public commitment to those principles and readiness to verify our adherence to them on a day-to-day basis.

The philosophy of corporate responsibility is present in every dimension of the company's activities. For many years we have honoured the commitments that we have made to our stakeholders. That is why we take satisfaction in the fact that PKN ORLEN now finds itself among the elite group of 16 companies which, since November of 2009, have been noted on the Warsaw Stock Exchange's RESPECT Index. The group is made up of companies who operate in accordance with the principles of corporate responsibility. Our presence there is indicative of our long-term strategic approach to these issues.

I believe that it also reflects the still-growing trust garnered by the ORLEN brand, built not only on the basis of economic effects, but also on its perception in the fields of good practices employed and its respected values of corporate responsibility. For the Company, the high evaluation of the brand based on the opinions of stakeholders and partners is not only the highest distinction, but also a challenge to keep our work at an invariably high level.

I believe that our commitment and diligence in perfecting the quality of our cooperation with all stakeholders will pay dividends in the form of the enhancement of positive relations with our market environment and, in effect, even stronger trust for the Company and ORLEN brand.

Dariusz Jacek Krawiec

A handwritten signature in dark ink, appearing to read 'DJK' followed by a stylized flourish.

President of the PKN ORLEN Management Board



/ About PKN ORLEN





## / OUR MOTTO

Whenever you need us.

## / OUR MISSION

Aiming to become the regional leader, we ensure long-term value creation for our shareholders by offering our customers products and services of the highest quality.

All our operations adhere to 'best practice' principles of corporate governance and social responsibility, with a focus on care for our employees and the natural environment.

## 1.1./ WELCOME TO PKN ORLEN

Polski Koncern Naftowy ORLEN is a modern, professionally managed Company which applies state-of-the-art technological solutions. Our brand also symbolizes a dynamic expansion and successful transformation from Petrochemia Płock SA and CPN SA into PKN ORLEN.

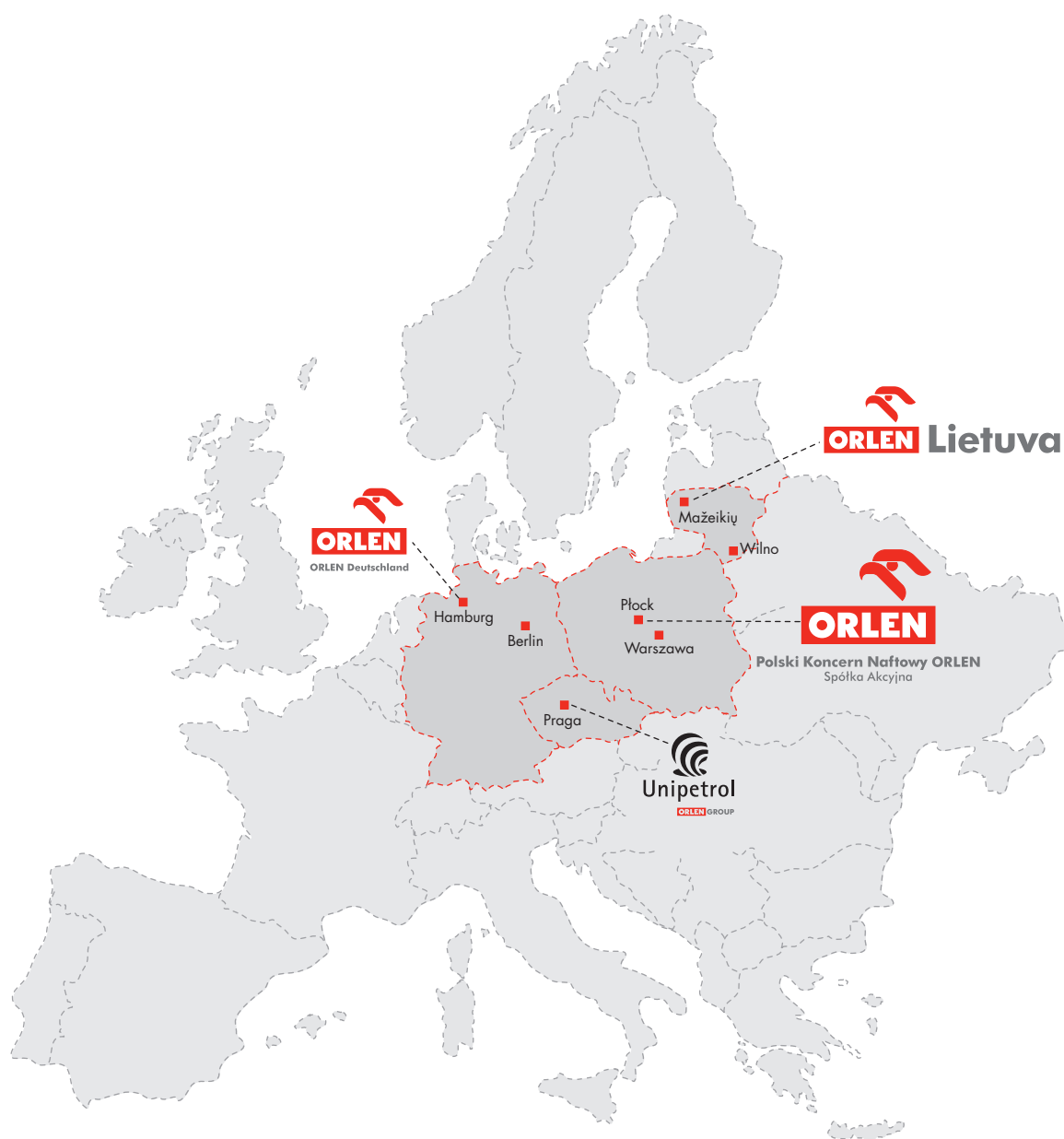
PKN ORLEN is a leader not only of the Polish economy, but also of the regional refinery and petrochemical industry, a leading producer and dealer of refinery and petrochemical products. Our products are subject to control from production to distribution stage, as our top priority is the highest quality of manufactured products and offered services.

We have the largest fuel station network in Central Europe, covering Poland, Germany, the Czech Republic and Lithuania. Our fuel stations offer top quality products and services. PKN ORLEN retail network is based on effective logistics infrastructure consisting of corporate and external fuel terminals, underground cavern storages and a network of long-distance pipelines.

As at 31 December 2009 the ORLEN Capital Group consisted of 125 companies. The Group included 82 subsidiaries (36 direct subsidiaries, 46 indirect subsidiaries), 58 directly affiliated entities, 67 indirect affiliates, including 3 joint venture companies (2 directly affiliated, 1 indirectly affiliated).

Today PKN ORLEN is the Polish synonym of world-class products and model expansive enterprise, a company observing the principles of corporate social responsibility, ethics, corporate governance and full transparency. The Company stimulates the professional development of its employees and strives to protect the natural environment. PKN ORLEN aims at maintaining the proper balance between economics, surrounding environment and human needs. Consequently, thanks to effective domestic and international investments, PKN ORLEN has joined Europe's leaders – companies perceived as model representatives of their countries.





### Do you know that...

In 2009 PKN ORLEN celebrated the 10<sup>th</sup> anniversary of its operations, the 65<sup>th</sup> anniversary of the CPN SA establishment and 50<sup>th</sup> anniversary of the establishment of Mazowieckie Zakłady Rafineryjne i Petrochemiczne in Płock (Masovian Refinery and Petrochemical Plants in Płock), which were transformed into PKN ORLEN.

	2007	2008	2009
<b>Selected financial data (in '000 PLN)<sup>1</sup></b>			
I Revenue on sales	42,703,668	57,224,864	47,481,278
II Operating income	2,093,194	636,354	790,306
III Profit/(loss) before tax	3,257,469	(2,063,057)	1,907,812
IV Net profit/(loss)	2,759,859	(1,570,947)	1,635,885
V Net operating cash flow (used)	847,144	1,292,773	2,806,414
VI Net investing cash flow	(1,423,667)	(1,993,857)	(1,615,776)
VII Net financing cash flow	435,476	975,898	335,897
VIII Net increase/(decrease) in cash	(141,047)	274,814	1,526,535
IX Net profit/(loss) and diluted profit/(loss) per ordinary share (in PLN)	6.45	(3.67)	3.82
	as at 31 December 2007	as at 31 December 2008	as at 31 December 2008
X Fixed assets	19,958,199	20,427,025	23,006,696
XI Current assets	12,011,508	11,572,579	14,009,655
XII Total assets	31,969,707	31,999,604	37,016,351
XIII Long-term liabilities	7,289,067	1,216,318	10,368,702
XIV Short-term liabilities	6,847,058	15,401,410	9,514,751
XV Equity	17,833,582	15,381,876	17,132,898
XVI Share capital	1,057,635	1,057,635	1,057,635
XVII Number of shares	427,709,061	427,709,061	427,709,061
XVIII Book value and diluted book value per share (in PLN)	41.70	35.96	40.06
<b>Throughput and output of the Plock Refinery (in '000 tonnes)</b>			
Crude oil processed	13,646	14,218	14,526
Petrol	2,610	2,800	3,055
Diesel fuel	4,568	5,078	5,330
Ekoterm	840	840	790
Aviation fuel	355	418	291
LPG	190	221	210
<b>Environmental impact</b>			
Water consumption from the Vistula (in m <sup>3</sup> )	23,721,604	22,991,953	22,448,565
Sewage discharge to the Vistula (in m <sup>3</sup> )	12,744,813	12,381,024	11,351,599
COD <sup>2</sup> load in sewage discharged to the Vistula (kg/y)	974,684	676,524	726,812
Total emissions of all pollutants (in Mg),	6,270,414.25	6,189,145.40	6,158,012.71
including:			
sulphur dioxide	20,973.30	20,444.59	20,975.23
nitrogen oxides (as per nitrogen dioxide)	7,474.71	6,821.48	7,124.27
carbon monoxide	762.38	812.16	1,010.87
total hydrocarbons	1,397.44	1,384.01	1,238.12
fuel combustion dust	574.53	453.34	399.75
carbon dioxide	6,238,941.29	6,158,959.11	6,126,894.42
other pollutants	290.60	270.71	370.05
<b>Responsible production</b>			
Environmental charges (in PLN)	17,048,947.56	16,572,326.63	17,226,918.00
including:			
for emission (including transport) <sup>3</sup>	15,184,647.46	14,784,628.49	15,461,484.00
for water consumption	1,120,609.14	1,085,832.47	1,082,459.00
for sewage discharge	743,690.96	701,865.67	682,975.00
Investment expenditures for environmental protection (in PLN)	122,205,258.30	259,126,877.37	191,757,998.86
<b>Our employees</b>			
Employment as at 31 December	4,748	4,725	4,922
Accidents at work (including grave)	26 (1)	26	23
Absence from work following accidents at work	1,340	952	996

<sup>1</sup> Selected financial data concerns PKN ORLEN and applies to the year completed on 31 December.

<sup>2</sup> COD – chemical oxygen demand.

<sup>3</sup> The amount includes charges for CO<sub>2</sub> emission allowances.

## 1.2./ OUR REPORT

This is already the sixth corporate responsibility report issued by PKN ORLEN. Since 2007, the Company issues its reports annually. As in the previous year, this report was prepared in accordance with GRI G3 B-level guidelines. This level tells the reader how advanced the Company is in terms of the number of indicators and the possibilities of further expansion of reporting in the following years. It also corresponds to the level of incorporation of GRI G3 Guidelines and GRI Reporting Framework. More information on application levels and GRI G3 Guidelines are available at: <http://www.globalreporting.org>.

In 2008 we conducted the consultation process as a result of which we defined the map of stakeholders. We also identified the aspects of the Company's activities significant from the perspective of the stakeholders. This information is presented on our website [www.orlen.pl](http://www.orlen.pl). As in previous years, our stakeholders actively participate in the process of development of corporate responsibility reports. This is reflected for example in the involvement of employees and statements of visitors representing various groups of stakeholders.

This Report presents the most important events in PKN ORLEN in 2009. We also provide selected information on the Capital Group, although the report relates only to the Company. The Report for 2009 shows the adjusted sales revenue for 2008 due to changes in comparable data in this item. Data on LPG for 2008 were also adjusted.

The Report as a whole was not verified by an external auditor.

For more information on PKN ORLEN corporate responsibility, visit [www.orlen.pl](http://www.orlen.pl). It is worth noting that since last year the corporate responsibility report has been published in an interactive, attractive and reader-friendly format.

### Do you know that...

The PKN ORLEN 2008 corporate responsibility report is known e.g. in India. It was from this country that we received not only words of appreciation, but also a wish to provide its "paper" version.

## 1.3./ RESPONSIBLE BRAND

ORLEN is a national, modern and professional brand that offers innovative products and services on a world-class level, serving people in their everyday life, in accordance with the Company motto "Always there when you need us."

The brand has existed since 2000. The name and logo of the Company, as verbal and verbal-graphic trademarks, were filed for protection with the Patent Office of the Republic of Poland and received relevant protection certificates in accordance with the Polish and international law. The brand mark is currently protected on the European Union market and in the selected group of countries all over the world. Protection extends also over various versions of the corporate logo, the image of the ORLEN brand fuel station, names and logos of products and services owned by PKN ORLEN. In 2009 patent protection covered over 20 trademarks related to the corporate brand, 20 advertising slogans created for the Company and over 130 trademarks of products and services.

Responsibility for protection of PKN ORLEN trademarks rests with patent agents and the Marketing Office services. The agents monitor the applications database of the Patent Office of the Republic of Poland in order to prevent violations of the Company's rights. Corporate Identity Department monitors the media with the aim to identify illegal uses



D. Bolesław Rok  
CSR Postgraduate Studies Academic Director,  
Kozminski University



*For many years you have been observing and supporting the development of corporate responsibility in Poland. What are the key challenges currently faced by Polish companies wishing to conduct their business activities in a fully responsible way?*

*In my opinion, the most significant challenges nowadays consist in strengthening the role of ethical leadership on the level of the entire company as well as its individual business units, which should allow shaping solid foundations for responsible competitiveness and innovation. To achieve this goal it is necessary to develop better educational programmes, targeted at employees, customers and all business or social partners, as well as improved instruments which make it possible to function within the network of interdependencies in an effective and ethical way.*

*Corporate responsibility signifies the process of recognizing and including the changing social expectations in the management strategy, and monitoring the influence of such strategies on the growth of the company's value. A growing level of complexity and changeability of the environment constitutes one of the most significant factors making it necessary to look for better ways of sustainable growth, especially by the biggest companies on the given market. Therefore it is necessary to develop the ability to react wisely to changes of social, legal or environmental character, which appear both in the broader and more immediate environment.*

of corporate brand mark in communication. It also undertakes activities aimed at elimination from the market fuel stations that illegally assume the image of the Company's fuel stations.

In accordance with applicable strategy of corporate brand management the ORLEN mark has also been included in names of subsidiary companies of the ORLEN Capital Group. The decisive criterion applied when making decision concerning the use of the ORLEN designation in the name is the activity of a company in the core business of PKN ORLEN. Another condition is the ability to create added value by strengthening the corporate brand competence on the basis of such qualities as modernity, technological advancement, progress, innovation, and systemness. Companies operating outside the core business, which are not related to products or services offered by PKN ORLEN and do not strengthen its competences, are entitled to use the GRUPA ORLEN designation.

In 2009, on the basis of concluded agreements, 28 companies used ORLEN designation as the element of the company name, and 7 companies used the trademark element in the form of "Grupa ORLEN" annotation next to their logos.

## / Our main brands

### ORLEN Brand

In May 1998 the Polish Council of Ministers resolved to establish a national petroleum company by merging Centrala Produktów Naftowych CPN SA with Petrochemia Płock SA. Thus, on 7 September 1998, Polski Koncern Naftowy SA came to existence. The newly-established company needed a new brand. When looking for a trade name, efforts were made to achieve associations with the ideas prevailing in the Company's brand strategy: world-class, petroleum, modern and national. It was concluded that the name should reflect: quality, strength, power, energy, be suitable for a manufacturer operating in the fuel and petrochemical industry, demonstrate technological advancement and pro-ecological approach of the Company as well as customer focus. Naturally, the Polish origin of the Company and its dominating position on the market had to be incorporated as well.

The next stage in the process of developing a visual identification system for the ORLEN brand consisted in designing a graphic symbol consistent with the name. The most

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



*What attests to the fact that ORLEN is both a valuable and responsible brand?*

*Its current value was evidenced in 2009, when the ORLEN brand was declared, for the third time in succession, the most valuable domestic brand. Our corporate brand came first in the MARQA ranking, according to which it is worth over PLN 3.6 billion. We reported a 27% increase in the brand value against 2008, when it was estimated at PLN 2.8 billion.*

*In the Independent Polish Brand Reputation Ranking, "PremiumBrand 2009," ORLEN received the title of a High Reputation Brand. Brand reputation is one of the most precious assets in any company. This constitutes a key factor motivating customers to purchase or use of the product. PKN ORLEN appreciates the High Reputation Brand title as the evidence that the Company is perceived as a reliable and responsible business partner.*

*ORLEN has also been awarded the Superbrands Polska title, which is another proof of its strong position on the domestic market. Our brand has received this title for the fourth time already. Since 2000 PKN ORLEN has kept the highest position in Rzeczpospolita and Polityka rankings – "Lista 500."*

renowned Polish graphic designers were invited to participate in a competition to create the symbol for the Company. The jury members were most impressed with the work by professor Henryk Chyliński, who also designed the logos for the Teraz Polska Foundation and the Polskie Radio, among others. The winning sign represents a stylized eagle's head. The present form of the logo also incorporates the trade name, displayed on a rectangular field. Red, white, grey and silver were chosen as the Company's brand colours. The ORLEN brand image was first presented in 2000, in connection with the secondary public offering of the Company shares on the Warsaw Stock Exchange.

The brand identity structure gained a monolithic character, resulting in the use of a uniform branding for the Company, its products, as well as members of the Capital Group. Accordingly, the ORLEN brand became a part of the image of the Group companies and their products. The ORLEN logo is also displayed on engine oils and operating fluids, lubricants and a wide range of chemicals for motor vehicles. However, the Company's flagship is its network of fuel stations, whose standards conform to competences and requirements specified in the ORLEN corporate brand strategy.

Moreover, the brand is associated with charity activities carried out by the ORLEN Dar Serca Foundation. The brand image is also created by the ORLEN Rally Team, which represents both the Company and the country in the most important rally events organised in Poland and abroad.



**DAR SERCA**  
FUNDACJA ORLEN

/ ORLEN fuel stations

Currently, the ORLEN brand includes a fuel station network in Poland and Lithuania. These are modern facilities offering top quality fuel and services, friendly stop-over and resting places. ORLEN fuel stations guarantee quality and safety, offering loyalty programmes and car fleet services.



Do you know that...

In 2009, for the eighth time in succession (since 2002), ORLEN fuel stations received the Golden European Trusted Brands logo in a consumer survey conducted across Europe by Reader's Digest. This shows consumers' appreciation for the modern brand on the fuel market, offering high level of services, competitive and rich assortment of products, as well as a wide range of non-fuel products.

**Verva** is a brand of new generation fuel, enriched with a set of additives ensuring dynamic operation and power of the engine, better acceleration, lower fuel consumption, and, consequently, lower user costs.



**Flota** is a professional fleet programme focused on the needs of business customers. It offers partnership approach and advanced technological solutions. The fleet cards offer was developed and tailored to the needs of companies of various sizes and representing different business sectors. The main advantage of the brand is its comprehensive offer targeted at various B2B sectors. Participation in the programme guarantees safe and convenient payment for fuel and services, and sound financial management through better control over a company's fuel expenses.



**VITAY** is the brand of the Polish most extensive customer loyalty programme aimed at and created for customers of ORLEN fuel stations. The programme offers a wide range of rewards. In accordance with the motto – we know what you really need – it also stimulates activities and behaviours of customers, their zest for life. Its is easily available and user friendly, and the rules of collecting points are simple.



The most loyal customers may participate in the **Super VITAY** programme, which is a unique, prestigious offer under the VITAY loyalty programme.



**Stop Cafe** is a place where travellers may enjoy good coffee as well as tasty and healthy snacks. The main advantage of the brand is its accessibility, which saves time during the travel. Stop Cafe is a friendly place which offers comfort and efficient service, satisfying the needs and lifestyle requirements of current and potential customers.



**Ekoterm Plus** is a natural source of heat. It is a modern light heating fuel which has been designed for use in buildings and meets relevant European standards. The product is environmentally friendly and has high quality parameters. Thanks to its high net calorific value, it is very productive and thus economic. Ekoterm plus offers long-lasting heat, safety and convenience of use so that our customers may enjoy the time spent in the warmth of the family hearth.



**BLISKA** is a fuel station network offering good value for money on its products and services. BLISKA stations are reliable and accessible places for all drivers who need to refuel their vehicles. Our customers may also buy other products and take advantage of optimally tailored services. Reasonably selected offer allows customers to save both time and money.

In 2009, for the second time in succession, BLISKA was included among the Most Valuable Polish Brands according to a ranking by MARQA. BLISKA came 15<sup>th</sup> and was valued at PLN 713.3 mln. This means an 88% increase in the value of the brand compared to 2008.



#### Do you know that...

- The name **ORLEN** was coined by linking the Polish word **ORZĘT** („eagle”), which reflects the Polish national character of the Company and provides a reference to the national emblem of Poland; and the Polish word **ENERGIA** (“energy”), evoking associations with strength, energy and international character of the Company.
- The process of inventing the name included linguistic and association-based surveys (in Polish, English and selected groups of world languages). Among their authors was a famous propagator of the beauty of the Polish language – professor Jerzy Bralczyk.
- The author of the company symbol referring to the name – the stylized eagle head – is professor Henryk Chyliński, a graduate and later a lecturer at the Academy of Fine Arts in Warsaw.





## / Responsibility towards the market







## 2.1./ PKN ORLEN ON THE CAPITAL MARKET

PKN ORLEN SA shares are listed on the Warsaw Stock Exchange and in the form of Global Depositary Receipts (GDRs) on the London Stock Exchange. Trading in depositary receipts also takes place in the USA on the OTC market. The shares of PKN ORLEN were first listed in November 1999. The Bank of New York Mellon is the depository of the Company's depositary receipts. The transaction unit on the London Stock Exchange is 1 GDR, which equals to two shares of the Company.

The Company share capital amounts to PLN 534,636,326.25 and is divided into 427,709,061 ordinary bearer shares with a par value of PLN 1.25 per share.

The Company shares are listed on the official market at the Warsaw Stock Exchange in the continuous trading system and are included among the largest company indexes: WIG20 and WIG, and WIG-fuel index. Since 19 November 2009, PKN ORLEN shares have been included in the RESPECT Index, an index of companies involved in corporate social responsibility.



Respect Rating is the initiative of the capital market targeted at promotion of highest standards of responsible management. PKN ORLEN received one of the highest marks in the rating of socially responsible companies and as a result was included in the stock exchange index established in November 2009 – the RESPECT Index.

As a result of rating and audit carried out by Deloitte each audited company was assigned a rating note. Companies that received the highest rating notes in the research were qualified to join the index. From about 120 audited companies listed on the WSE only 16 received „A” rating note and were admitted to the index. PKN ORLEN is one of the five companies from the WIG20 index which received such a high note.

RESPECT Index is the first Polish index of companies engaged in corporate social responsibility. The aim of the index publication is to promote the highest standards of responsible management. Composition of the group of companies listed on the index was decided on the basis of extensive research of many areas of their business. The companies were audited from the perspective of activities towards sustainable development, application of corporate governance principles, communication on the financial market, management, payment of liabilities, treatment of employees and customers, as well as social and environmental activities. Questions and criteria of assessment were based on the international standard – Global Reporting Initiative. The audit will be carried out annually as part of annual update of the RESPECT Index composition.

Participation of PKN ORLEN in the index motivates the Company to take still greater efforts towards recognizing and satisfying the requirements of shareholders and other social groups related to the company. The Company will take all efforts to enable PKN ORLEN to remain on the index in the years to come.

**Halina Frańczak**  
Marketing Director in Poland and Baltic States,  
Deloitte Polska



*Which aspects of corporate responsibility distinguish companies listed on the RESPECT Index?*

*RESPECT Index – the first index of socially responsible companies in Central and Eastern Europe had its debut on the Warsaw Stock Exchange on 19 November 2009, as a result of a lot of efforts taken over months. The idea underpinning this project is to distinguish companies that, in the scope of corporate social responsibility and sustainable development, take efforts reaching significantly beyond their obligations defined by law, and incorporate the element of social responsibility into business activities. Possibility to join the index is open to all companies listed on the WSE, with the exception of companies listed on NewConnect and outside WSE (dual-listing).*

*The process of qualifying companies to the RESPECT Index, consisting of several stages, has been based on experiences of other world indexes of similar nature as well as Global Reporting Initiative (GRI) guidelines. The basis of verification is the questionnaire which asks companies to elaborate on the scope of CSR solutions*

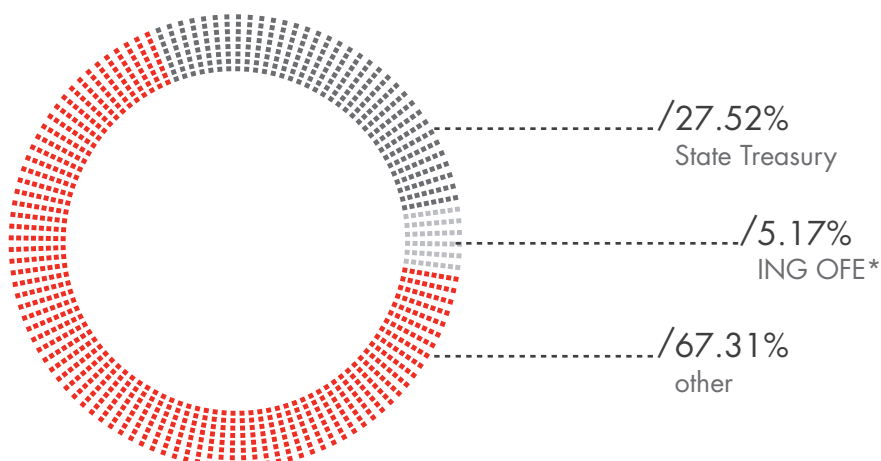
*applied in the following areas: strategy and organization management, economic, environmental and social questions. Companies which entered the RESPECT Index portfolio in 2009 (16) received at least 75% of total points during the verification process. These are companies distinguished primarily by their versatility and long-term business context of implemented social responsibility and sustainable development policies. These companies apply tools for implementation of activities in the scope of CSR acknowledged in the course of the verification process, as well as practices which enable the use of these tools and really influence business run by the companies. Participation in the RESPECT Index application process gives companies undergoing the process detailed information about strengths and weaknesses of their CSR solutions, which helps them improve their quality.*

*Companies listed on the RESPECT Index are definitely leaders of corporate social responsibility on the Polish market.*

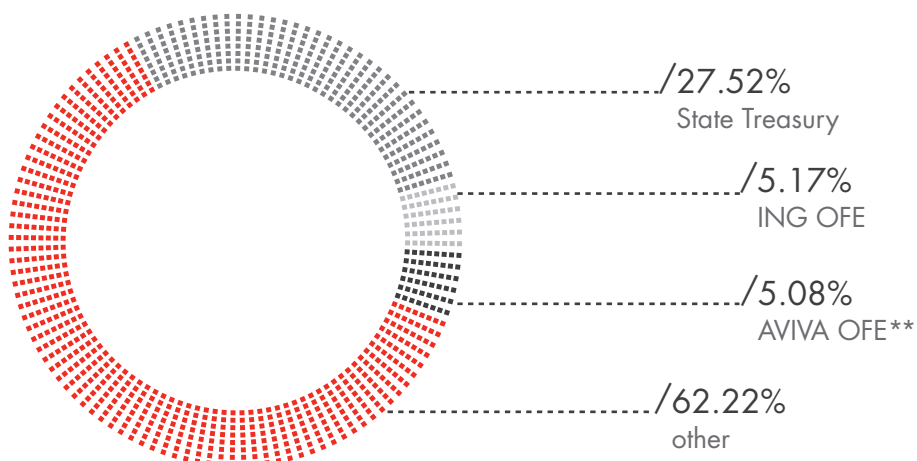


/ PKN ORLEN shareholders structure

PKN ORLEN shareholders structure  
as at 31 December 2009



PKN ORLEN shareholders structure  
as at 31 December 2010



\* In its current report no. 19/2009 of 20 February 2009, PKN ORLEN informed that ING Otwarty Fundusz Emerytalny held, as at 20 February 2009, 22,118,813 shares in PKN ORLEN, representing 5.17% of the Company share capital. PKN ORLEN shares held by Fundusz entitle to 22,118,813 votes at the Company's General Meeting, which represents 5.17% of the total number of votes.

\*\* In its current report no. 26/2010 of 10 February 2010, PKN ORLEN informed that Aviva Otwarty Fundusz Emerytalny held, as at 5 February 2010, 21,744,036 shares in PKN ORLEN, representing 5.08% of the Company share capital. PKN ORLEN shares held by Fundusz entitle to 21,744,036 votes at the Company's General Meeting, which represents 5.08% of the total number of votes.



Eliza Durka  
Director  
Warsaw Stock Exchange



step after stimulating the demand of national investors is to draw attention of foreign entities to the companies from the index.

Methodology of the RESPECT Index development is transparent and similar to those used by the biggest international stock exchanges. Companies listed on our Index increase their reliability and attractiveness among investors from abroad. Finally, WSE, as the most dynamically developing stock exchange in the CEE region, introducing many innovative products and solutions, and monitoring world trends, could not allow itself to be left behind as far as responsible investing is concerned. Creating the first index of responsible companies in the region, we plan to be not only the pioneer, but also the leader in stimulating SRI.

What does RESPECT Index mean for the Warsaw Stock Exchange? What was the motivation to invite companies to participate in this project?

By introducing the index of socially responsible companies – RESPECT Index – in 2009, we wanted to create the first professional, consistently and methodically developed CSR (Corporate Social Responsibility) benchmark on the Polish market by indicating leaders in this scope among the listed companies. In this way we encourage companies listed on the WSE to a greater involvement in CSR and upgrading standards in this area.

Another reason was to create foundations for development of responsible investing in our country by delivering a specific financing tool in the form of an index. Development of SRI (Socially Responsible Investing) creates broader possibilities for companies to obtain capital from investors who are more inclined to invest in companies which ensure consistent management in the long-term and transparently communicate changes. The next



/ Corporate Governance

The PKN ORLEN Management Board takes all reasonable efforts to ensure the observance of the principles of corporate governance in all aspects of the Company business. As a public company listed on the Warsaw Stock Exchange, PKN ORLEN observes all the principles recommended by the code of "Good Practices of Companies Listed on the Warsaw Stock Exchange."

The Company takes a number of measures to streamline communication with its environment. In order to reach a broad range of recipients we apply modern technologies of communication with representatives of the capital market. We organise live online transmissions of press conferences after each important event in the Company, such as the publication of quarterly results, announcement of strategy, or General Meetings of PKN ORLEN Shareholders, with simultaneous translation into English. Recordings of such transmissions, in the form of multimedia files, are available on our website: [www.orklen.pl](http://www.orklen.pl).

PKN ORLEN runs its corporate website in Polish and in English. It provides information necessary for investors and other stakeholders of the capital market. The website offers information on dates of General Meetings, draft resolutions, as well as the entire set of documents presented to shareholders at General Meetings. The portal also provides a special form enabling the users to contact the Company about matters related to General Meetings.

In accordance with the code of "Good Practices of Companies Listed on the Warsaw Stock Exchange" General Meetings are attended by members of the PKN ORLEN Management Board and the Supervisory Board. Media representatives are also invited to every General Meeting.

/ Relations with the capital market

Relations with the Company shareholders, potential investors in its securities and stock exchange analysts are a priority for the Management Board. The President, Vice President and Members of the Management Board are the main people contacting the capital market. In order to provide all interested parties with equal access to information, all information communicated outside of the Company's official position is prepared in Polish and English. Such information is also published on the corporate website.

In December 2009 a revised PKN ORLEN website was launched under the same Internet address [www.orklen.pl](http://www.orklen.pl). The portal based on a new technology offers a new service for Company shareholders, investors and market analysts. It includes a lot of modern tools and information about the Company corresponding with state-of-the-art market standards.

There are, among others:

- interactive charts and tables allowing for quick comparisons of financial ratios for the Company at different time intervals;
- interactive charts and tables of stock-exchange quotations for PKN ORLEN shares with a return on investment calculator;
- special form to contact the Company on matters related to General Meetings in accordance with the latest provisions of the Polish Code of Commercial Companies;
- possibility of subscribing to various PKN ORLEN newsletters, including the latest information from the investor relations area.

The Company regularly and actively participates in meetings with investors and analysts both in Poland and abroad. We organize conferences, individual and group meetings, as well as teleconferences with capital market stakeholders. Company representatives also regularly participate in so called roadshows – cycles of meetings with investors at their workplace.

During meetings with capital market participants our representatives provide information on PKN ORLEN; this is also an opportunity to obtain feedback for the Company from shareholders, investors and market analysts. Relying upon stakeholders' information needs to be gathered in this way, the Company may develop and improve its relations with the capital market.

The Company strives to expand and diversify its investor base. To achieve this aim, the Company actively promotes its activities among potential shareholders and in new financial centres across the world.

With the aim to stimulate the development of new forms and improve the quality of communication with the capital market, the Company publishes quarterly the so-called "trading statement," which is an estimate of operational and financial data and forecasts for EBIT trends, taking into account the impact of macroeconomic factors and significant one-time events on EBIT. Such estimates are published several weeks before the date of publishing the quarterly reports. "Trading statements" facilitate the reliable building of the Company's financial results consensus on the capital market before they are published. Since the statements were introduced, the quality of analyst forecasts has significantly improved (average forecast deviation from the data finally published by the Company has reduced). The statement establishes new standards in the field of investor relations. Its positive reception proves how much PKN ORLEN values proper and well-timed communication with the market relating to topics which are of crucial importance to investors.

Our efforts to communicate with capital market participants were recognized, which is attested by many awards received by the Company in 2009 in the area of investor relations:

- inclusion of the Company in the RESPECT Index;
- "The Best Investor Relations in Poland" – international survey by IR Magazine;
- second place in the category „The Best Capital Market Communications“;
- "The best website dedicated to Investor Relations," Polish nationwide ranking WarsawScan, NBS Public Relations.



## 2.2./ THE SUPERVISORY BOARD

The Supervisory Board consists of six to nine members appointed for a joint term ending as at the date of the Ordinary General Meeting approving the financial statement for the second full financial year of the term. Members of PKN ORLEN Supervisory Board are appointed and dismissed in accordance with the Company's Articles of Associations by the General Meeting of Shareholders. Individual members and the entire Board may be dismissed at any time before expiry of the term. The Chairman of the Supervisory Board is appointed and dismissed by the General Meeting, while the Vice-Chairman and the Secretary are elected by the Supervisory Board from among the rest of its members. The State Treasury is entitled to appoint and dismiss one member of the Supervisory Board. The right of the State Treasury to appoint the Supervisory Board member expires upon disposal by the State Treasury of all Company shares owned by the State Treasury.

At least two Supervisory Board members have to meet the criteria of being independent from the Company and entities having significant connections with the Company. Before being appointed to the Supervisory Board, the independent members of the Supervisory Board submit a written statement to the Company confirming that they meet the criteria specified in § 8 (5) of the Company's Articles of Association. The Company informs shareholders about the current number of independent members of the Supervisory Board (this information is available at [www.orlen.pl](http://www.orlen.pl)).

If the number of the independent members of the Supervisory Board is less than two, the Company's Management Board shall be obliged to immediately convene the General Meeting of Shareholders and include in its agenda changes to the composition of the Supervisory Board. Until the implementation of the changes to the composition of the Supervisory Board consisting in adjustment of the number of independent members to the statutory requirements, the Supervisory Board performs its duties in the existing composition.

As at 31 December, 2009 the PKN ORLEN Supervisory Board had 4 members fulfilling the criteria of independence. In 2009, activities of the Supervisory Board were managed by its Chairman.

The Supervisory Board acts as a body, however, it may delegate certain supervisory tasks to its individual members. The terms of performing such supervisory tasks shall be determined by a resolution of the Supervisory Board.

Meetings of the Supervisory Board are held whenever required, but at least once every two months. Moreover, the meeting should be convened at a written request submitted by a shareholder or shareholders representing at least one tenth of the share capital, the Company Management Board or a member of the Supervisory Board. Members of the Supervisory Board exercise their rights and obligations only in person.

Determination of the principles for remuneration of the Supervisory Board members, in accordance with the Company's Articles of Association, lies within the competences of the General Meeting. The resolution of the Extraordinary General Meeting of Shareholders of 10 January, 2001 on the change in the principles for remuneration of the Supervisory Board members was applicable in this scope in 2009. Monthly remuneration of the Supervisory Board members constitutes a set multiple of the average monthly remuneration in the corporate sector, without profit bonus payments in the fourth quarter of the previous year, announced by the President of the Polish Central Statistical Office.

In accordance with the Company's Articles of Association, the PKN ORLEN Supervisory Board is authorized to delegate a member or members of the Supervisory Board to temporarily take over the tasks of the Management Board members who are unable to perform their duties.



The PKN ORLEN Supervisory Board has the following permanent committees: Audit Committee, Strategy and Development Committee, Nominations and Remuneration Committee, Corporate Governance Committee. Each committee comprises three to five Supervisory Board members. The Audit Committee comprises at least two independent members and at least one member qualified and experienced in accounting or financial matters.

Detailed tasks of the Supervisory Board Committees are stipulated in the Constitution of the Supervisory Board available at [www.orlen.pl](http://www.orlen.pl).

The Supervisory Board is authorized to represent the Company in agreements with the Management Board members, including with respect to employment and remuneration. The Management Board members are included in the incentive scheme for the Management Board. The amount of annual bonus depends on operating results of the Company and the level of fulfilment of individual tasks defined by the Supervisory Board for individual Management Board members.

In order to avoid conflicts of interests in the ORLEN Group, the Company applies the provisions of the Polish Code of Commercial Companies, provisions of the Constitution of the Supervisory Board, as well as the "Good Practices of Companies Listed on the Warsaw Stock Exchange."

In accordance with the Constitution of the Supervisory Board, in the event of conflict of interests, the member of the Supervisory Board affected thereby should inform the other members of the Supervisory Board thereof, and abstain from discussions and voting on a resolution concerning the case affected by such conflict of interests. Breach of the provisions of the preceding paragraph shall not invalidate the resolution concerned. In the case of doubts as to possible conflict of interests, the Supervisory Board shall settle the issue by resolution.

Pursuant to provisions of part 3 point 1 (2) of the "Good Practices of Companies Listed on the Warsaw Stock Exchange" the Supervisory Board member should inform the Management Board about his/her associations with the shareholder holding shares representing no less than 5% of the total number of votes at the General Meeting.

This obligation concerns associations of economic or family character, or any other that may influence the decision of the Supervisory Board member in the matter voted on by the Supervisory Board. Moreover, the provision of par. (4) provides for the obligation to inform the Supervisory Board about the occurrence of a conflict of interests or possibility of its occurrence, and abstention of the Supervisory Board member from discussions and voting on a resolution concerning the case affected by such conflict of interest.

The possibility to eliminate the conflict of interests of members of the highest supervisory body is provided, in accordance with the aforementioned Good Practices (part 2 point 1 (5)), by the requirement to make available – in the case of appointment of the Supervisory Board members by the General Meeting – reasons behind the selection of the proposed candidates along with professional curriculum vitae of such persons, early enough for the other shareholders to become familiar with them and to be able to adopt a relevant resolution having obtained sufficient knowledge in that respect.



In accordance with the rule no. 6 of the part 1 of the "Good Practices of Companies Listed on the Warsaw Stock Exchange" – "A member of the Supervisory Board should have relevant knowledge and experience, and be able to devote the time required to properly perform his/her duties. A member of the Supervisory Board should undertake relevant actions to ensure that the Supervisory Board receives information on significant issues related to the Company."

The PKN ORLEN Supervisory Board continuously supervises the Company's activities in all areas of its business, and in particular it has the competences determined in the Polish Code of Commercial Companies and the Company's

Articles of Association. In order to be able to perform its obligations, the Supervisory Board is authorised to examine all of the Company's documents and request the Management Board and employees to provide reports and explanations, and inspect the Company's assets. In order to ensure proper execution of its statutory obligations, the PKN ORLEN Supervisory Board may file a motion with the Management Board to prepare appraisements or opinions, or to hire an advisor.

With the aim to ensure the application of the highest standards of Good Practices and enable reliable assessment of the Company by Shareholders, the PKN ORLEN Supervisory Board submits to the General Meeting an annual report including:

- the opinion on the report of the Company's Management Board on the Company's activities and the Company's financial statements for a given financial year;
- the opinion on the report of the Management Board on the ORLEN Capital Group's activities and the ORLEN Capital Group's consolidated financial statements for a given financial year;

In 2009, the Supervisory Board had 8 male members and 1 female member. Two members of the Supervisory Board are over 50 years old; the 7 remaining persons are aged 30-50.

Details of skills and professional experience of the Supervisory Board members are available at the PKN ORLEN website.



## 2.3./ KEY OPPORTUNITIES AND RISKS

Activities of PKN ORLEN are associated with high operational risks having influence on the continuity of the Company's functioning, current supplies of products to the market or provision of services; regulatory risks, i.e. resulting from changes in the national and UE legislation – in particular risks connected with mandatory reserves, fuel quality, compliance with emission norms, implementation of the National Index Target; and financial risks originating from the financial market, associated with exchange rates or interest rates.

Risk management in PKN ORLEN is not restricted only to the oil industry, but applies to the broadly understood area of macro-economic operations of the Company. These risks result from internal factors, such as: strategic, organizational, systemic and procedural assumptions, as well as external factors, i.e. macro- and micro-economic factors or legal regulations. Risks are defined on the basis of assessment of their quantitative and qualitative influence on the conducted business activities and the level of probability of their occurrence. Implementation of the integrated risk management in PKN ORLEN allows perceiving the existing risks not only as threats, but also as the opportunity to increase the Company's value in all of its areas. Implementation of risk management policy is gradually being expanded to include the entire ORLEN Capital Group.

PKN ORLEN has been actively implementing a risk management system which guarantees that business decisions are made in full awareness of current risks and that the Company is well prepared to respond to materialised risks, so as to minimise their possible impact on the continuity and possibilities of achieving the business goals established. The Company risk management is based

on the risk management policy and procedures which enable identification of respective risks, risk allocation to respective owners, risk analysis in the Company's key areas and recommending preventive measures. To support the system the Company performs internal reviews (both with respect to internal procedures and the external environment) relating to the Company's most important business areas from the perspective of its current operations. Integration of the risk management system enables you to implement a uniform approach towards risk management, which translates into an integrated approach to planning on the level of strategies, operational activities and internal control. The risk management system responds to the needs of a broad circle of the Company's stakeholders who want to better understand a wide range of the risks facing the Company, so as to be certain that those risks are properly managed.





## / Workplace responsibility



**WARTOŚCI  
PKN ORLEN**

**Konsekwencja w dążeniu do celu**

...realizuję swoje zadania.  
...nają dążę do osiągnięcia celu.  
...swoją pracę.  
...ości.

...dla dobra firmy.  
...nikuję się z innymi.  
...ymi buduję zaufanie.  
...najważniejszy.







### 3.1./ CORPORATE CULTURE

#### / The Code of Ethics and the Ethics Ombudsman

In 2005 the Company adopted the Code of Ethics based on key values of PKN ORLEN. The document determines the principles that should guide the Company and its employees in their relations with the internal and external environment. It is compatible with the most important organizational acts regulating the management of the Company. The most important organizational acts regulating the management of the Company are compliant with its provisions.

Observance of the Code of Ethics is ensured by the democratically elected Ethics Ombudsman. The Ombudsman guarantees all stakeholders the possibility to freely report on any breach of the principles stipulated in the Code. It also enables them to report any irregularities, and thus helps develop a sense of having personal influence on respecting the values in the Company.



The Ethics Ombudsman is obliged to ensure the confidentiality of complaining employees, explain their relevance and undertake or initiate remedial measures. Subsequently, the Ombudsman presents ethical problems notified by employees to the Management Board, ensuring confidentiality and preventing identification of persons making complaints. In special circumstances, where the welfare of the Company is at stake, the Ethics Ombudsman reports directly to a competent Member of the Management Board. He or she also presents to the Management Board annual reports of their activity to promote corporate culture based on ethics and respect of PKN ORLEN values.

We present our experience gained over several years to external environment and share our knowledge regarding solutions implemented in PKN ORLEN. Last year, significant events which allowed the Ethics Ombudsman to share the acquired experience included the 4<sup>th</sup> Polish Conference on Fraud Risk Management (MOVIDA 2009) and participation in a panel during the Polish Congress of Ethics and Corporate Social Responsibility 2009 organized by the Kozminski University in Warsaw as part of the Ethics in Business Conference.

The Ethics Ombudsman is obligated to monitor the functioning of the Code of Ethics on the basis of reported issues and to submit a consolidated report to the PKN ORLEN Management Board. Growing awareness among employees regarding standards imposed by the Code of Ethics makes them comment also on moral problems, they get involved in discussion on situations posing moral dilemmas. The majority of problems reported in 2009 concerned internal relations in the Company (66%), general rules (18%) and moral issues. Each submitted problem was analysed in the context of the Code provisions and investigated into, or specific actions were taken. As a result of engaging many business areas in remedial measures, each year the percentage of solved issues is increasing, while the number of problems under investigation is decreasing. It is worth noting that the number of complaints regarding relations with business partners is decreasing, which results from systemic remedial measures applied in this scope.

While performing these tasks the Ombudsman is required to ensure open communication, detailed analysis of the rules applied in the Company, and trust. He also needs to take part in difficult discussions and explanations regarding issues concerning ethical dilemmas, as well as to publicly comment on behaviours incompliant with the Code of Ethics. Taking into account the long-term character of attitude change in the reported moral cases, educational and communication measures are continuously applied that condemn defiance of the Code of Ethics and promote proper behaviour. Corporate media play a very significant role in this process. In 2009, the Ombudsman published articles in ORLEN Ekspres or was a guest in ORLEN Studio as many as 54 times. The Company also organized group meetings and workshops on ethical problems.

The general principles of the Code of Ethics and its chapter devoted to relations within the Company emphasise the need to observe the law and good habits, and the principle of respecting the dignity of each human being. Activities popularizing the Code of Ethics among employees (trainings, workshops) have always reminded about its strong connection with the Human Rights Charter.

In the Code of Ethics the Company declares its respect for the national origin, race, religion and political orientation of its employees, co-workers, customers and business partners, as well as equal and fair treatment of everybody, irrespective of the above or of the position held by a person, his or her seniority in the Company, membership in trade unions or appearance. PKN ORLEN did not report a single case of breach of the above principles in 2009.

In accordance with the Collective Labour Agreement the Company respects the principle of the freedom of activity and equality of trade unions, and of non-discrimination on the grounds of trade union membership.

## / Employee integration

PKN ORLEN offers its employees various sport and integrating activities which support the development of employees' interests and passions outside of work. The package of activities developed in the previous years finds its reflection in the number of people taking part in such activities.

A traditional part of integrating activities conducted by PKN ORLEN is the celebration of a corporate event – the Chemist's Day. In the first week of June the Company organizes for its employees many events that help stimulate integration, but also motivation. Every year during the celebration the Company rewards its fifteen employees who stand out in their work. The "Distinguished PKN ORLEN employee" title is awarded during the award ceremony. The Company also organizes integration meetings for all employees and their families.

### Do you know that...

The "Distinguished PKN ORLEN Employee" has been awarded in PKN ORLEN since 2001. To date, 119 employees have been distinguished in this way.

During celebrations of the Chemist's Day PKN ORLEN also emphasizes its local attachment by organizing many attractions for the inhabitants of Płock and engaging in initiatives organized by the city. In 2009, the inhabitants of Płock and employees of the Company were given the opportunity to enjoy musical performances "Buffo Theatre Hits" and "Zorba the Greek" offered free of charge. Moreover, PKN ORLEN remembers about the youngest inhabitants of the city and organizes special attractions for them.

### Do you know that...

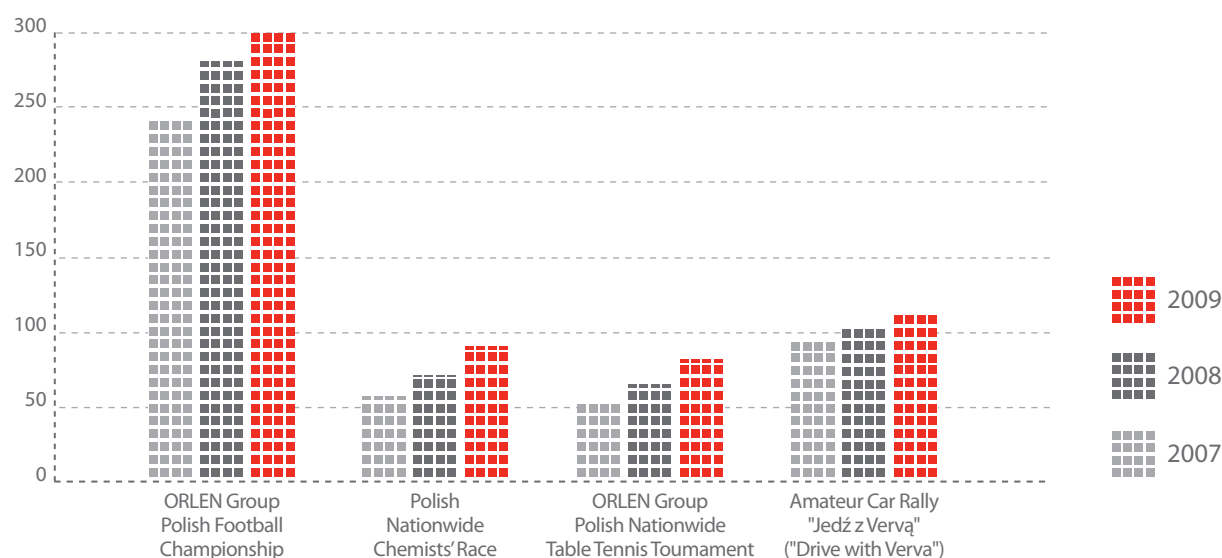
The tradition of celebrating the Chemist's Day reaches back to the 1970 s.

## / Employee Volunteering

PKN ORLEN Employee Volunteering provides the space for sensitive, wise and mature people.

One of the tools for implementation of corporate responsibility policy in PKN ORLEN is the Employee Volunteering programme carried out since 2004. Established as a result of joint initiative of employees and the employer, today it constitutes an important element of corporate culture. Volunteering in PKN ORLEN means building relations with employees, as well as inclusion and encouragement to take part in charity actions for the benefit of people in need. PKN ORLEN has actively supported projects individually initiated and implemented by employees by providing insurance and board for volunteers during implementation of projects, in-kind and financial support for organizations in which employees operate or wish to operate; PKN ORLEN also promotes their social activity both inside and outside the company.

Number of PKN ORLEN employees participating in sport competitions in 2007–2009





## Models of voluntary work in PKN ORLEN

### Your Volunteering

- Model of volunteering allowing the employee to individually submit and implement his/her own volunteering project or a project based on the example given by others.

### Family Volunteering

- An employee with members of his/her family may voluntarily devote time, skills and qualifications to cooperation during a specific action or period with a social organization chosen individually or indicated by a coordinator.

### Group Volunteering

- Engagement of a team or the entire department in solving a selected problem or need of a community.

### Joint Volunteering

- Interested employees from various departments of the Company and on various positions engage in one-time undertakings initiated individually or by a coordinator.

### Master Of Volunteering

- A volunteer-employee may act as a guide, teacher and conduct educational or integrating activities for specific groups.



### Gifts Of Volunteering

- Collections of gifts for organizations supported by volunteers comprising new or used equipment, furniture, computers or office materials, clothes, school accessories, food.

The key values of PKN ORLEN have provided the basis for the creation of the Volunteer Charter. This charter constitutes a set of principles and values that guide every volunteer in PKN ORLEN in the course of implementation of a given task.

### Principle of responsibility

- We fulfil all tasks related to the assumed role and undertaking.
- We are responsible for the obligations we have assumed.
- Should it be impossible for us to fulfil our obligations, we undertake to openly inform about this.
- We are open to new ideas and methods.
- We do not make promises we will not be able to fulfil.
- We perform all activities we engage in with utmost diligence.
- We take care of the assets provided for implementation of a task.

### Principle of cooperation

- We act as a team to the benefit of others.
- We are people you can rely on.
- We take advantage of an opportunity to get to know and learn new things from other people.
- We share our knowledge and skills with others.
- We do not criticize things we do not understand.
- We ask about things we do not understand.

### Principle of respect

- We treat all people with respect.
- We respect customs, values and commonly accepted rules in the environment we are in.
- Trust given by others is for us the most significant obligation.
- We avoid behaviour that may be misinterpreted.

/ Projects implemented in 2009

„Magic Schoolbag” facilitated the start into the new school year for the youngest inhabitants of Płock.

The „Magic Schoolbag” project was implemented as part of the ORLEN Employee Volunteering programme. Its aim was the purchase by the Company employees of school kits for children from classes 0-3 remaining under the care of the Municipal Social Services Centre (MOPS) in Płock.

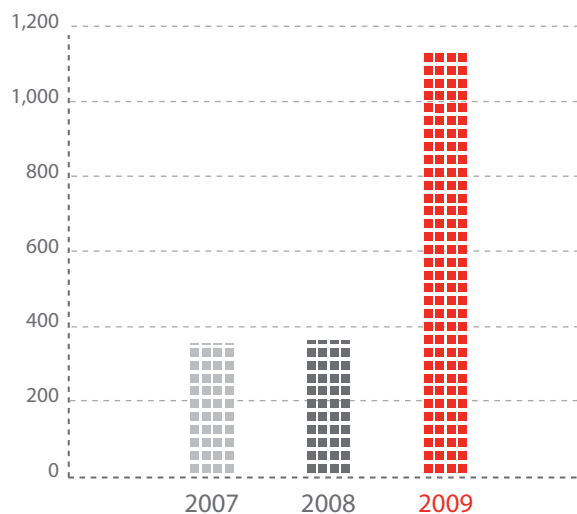
Within three weeks of August, the Company employees financed 328 colourful kits of school accessories. Each purchased kit was put into schoolbags financed by PKN ORLEN with a reflective company logo. The final event of the „Magic Schoolbag” action took place on 4 September 2009 in Płock during a family picnic „For a good school year beginning,” to which the Company invited children with parents, representatives of the Municipal Social Services Centre in Płock and the Company’s volunteers

Third edition of the „Make dreams come true” project.

Several dozen works submitted for the artistic competition for the PKN ORLEN Christmas card, which the Company has organized for five years, are exhibited at an unusual electronic auction open to participation by all the Company’s employees. Authors of artistic works are children from family children’s homes, looked after by the ORLEN Dar Serca Foundation. To become the owner of a chosen card, one has to make the dream of its author come true. Employees can make those dreams come true individually or in groups. Each employee who decided to be Santa Claus for a moment and fulfilled the dreams of contestants receives a special „Volunteer Certificate.” All presents are given to children at a meeting with Santa Claus and the volunteers, organised for all the contestants.

In 2009, the Company employees made 200 dreams come true, which is twice as many as in the previous year. The Company with the ORLEN Dar Serca Foundation financed 1000 gifts of sweets for all children who took part in the competition.

Number of people involved in employee volunteering in 2007–2009



Number of volunteers participating in respective projects in 2007–2009

	2007	2008	2009
Let's Paint the Smile	300	–	–
Make Dreams Come True	50	350	600
Magic Schoolbag	–	–	500
Individual	–	10	20

## 3.2./ RELATIONS WITH EMPLOYEES

### / Corporate Collective Labour Agreement

In 2009 PKN ORLEN implemented the Corporate Collective Labour Agreement (CCLA). A number of measures were taken to ensure efficient and timely implementation of the document.

Changes concerned the following:

- internal regulations and other documents related to or based on the CCLA – all internal regulations requiring modifications to comply with accepted provisions of the agreement were identified and works related to their implementation in the Company were initiated;
- implementation of the CCLA in individual employment relationships – this stage included the following activities:
  - the process of assigning employees to new work positions and ascribing to them a new bonus system and function, if it is performed;
  - calculation of payroll components and preparation of documents related to employees' employment relationships;
  - preparation for assessment under the bonus system;
  - concluding amendment agreements.
- Adjustment of HR and payroll computer system (SAP/HR and self-service) to the new recruitment, remuneration, bonus system and employee evaluation procedures.

The following measures were simultaneously taken to support the implementation of the CCLA:

- integrated, multilateral communication activities targeted at all PKN ORLEN employees;
- trainings dedicated to managerial personnel in the scope of employee evaluation and bonus systems.

### / Recruitment and professional development

In 2009 PKN ORLEN implemented a new recruitment procedure aimed at specifying assumptions and process of recruitment, as well as ensuring safety and supervision of selection of candidates for specific work positions. The procedure adheres to the CCLA provisions. Its aim is to ensure that the Company employs personnel possessing the best skills.

PKN ORLEN does not apply separate procedures for employment of employees from the local market. Recruitment issues are stipulated in a relevant internal regulation. The Recruitment Team does not gather data regarding the percentage of senior managerial personnel sourced from the local market in the main locations of the organization.

As at 31 December 2009 PKN ORLEN employed 4,922 people, all of them on the basis of employment contracts, including:

- for an indefinite term – 4,225
- for a fixed term – 437
- for a probationary period – 220
- for substitution – 40

There are no collective agreements concluded in PKN ORLEN, therefore it was not necessary to specify the time for notifying about any amendments introduced to such agreements.

In individual units the employment amounted to:

- Płock – 3,900
- Warsaw – 244
- regions – 778

In 2009, 491 people resigned from work in PKN ORLEN.

The fluctuation rate amounted to about 10%. In 2009, PKN ORLEN trained almost 7,000 employees. According to the employment structure an individual employee had:

- 10.09 hours – employees in managerial positions,
- 32.43 hours – employees in other positions.

The data provided above include participation of employees in development, specialized, compulsory and language trainings.

Principles for implementation of PKN ORLEN's professional development policy are also regulated by the CCLA. The objective of the development policy is to broaden and update employees' knowledge and skills, as well as to develop their adaptive skills. This allows adjustment to the changing conditions on the job market and promotion of attitudes focused on continuous development, openness to changes, and lifelong learning.

Employees have the opportunity to develop their competences and knowledge during personal skills trainings or specialized/industry trainings, courses and conferences in Poland or abroad, Master's degree studies, postgraduate studies, doctorate studies, compulsory courses and certified trainings required for their respective jobs, as well as adaptation e-learning trainings.

In 2009 employees could participate in Company-level training and development projects. In connection with the CCLA implementation the Company organized trainings in managerial skills entitled „The role of a manager in team management,” participated by 639 employees. Under the 2<sup>nd</sup> edition of the PMI (Project Management Institute) Academy, 24 employees responsible for strategic projects broadened their knowledge and skills in the scope of project management. Additionally, 46 employees acquired or developed their project competences during closed trainings.

The Company also ensures the support of restructuring processes through redundancy schemes for employees from restructured areas. This includes the Training Package, which enables employees covered by the Voluntary Retirement Programme to take part in free, dedicated trainings indicated by the employer and facultative trainings chosen by the employee. Trainings indicated by the Company include BLOCK 1 “Parachute – active job search techniques” and BLOCK 2 “Entrepreneurship – starting one's own business.”

In 2009, 76 employees covered by the restructuring process participated in trainings under the Training Package. Free trainings under BLOCK 2 „Entrepreneurship – starting one's own business” were participated by 7 employees. The significant majority of employees participated in facultative trainings.

All employees are subject to regular assessment under the Bonus System based on qualitative and quantitative performance indicators. These indicators are planned individually for each employee, and their assessment is carried out in monthly, quarterly or annual cycles – depending on a specific job group the employee belongs to. The method of determining the assessment indicators is based on cascading objectives from the top to the bottom of job positions hierarchy, which guarantees that tasks carried out by individual employees result from the Company's strategic objectives. At the same time, each objective is set in a manner allowing the employee to personally develop by fulfilling tasks associated with a level of difficulty and responsibility which significantly influences the improvement of the employee's value on the internal and external job market.

In the course of works on implementation of the CCLA in 2009 the Company also initiated activities aimed at development of the system for assessment of competences and expertise, as well as planning professional development of employees. The objective of the system is to support employees in improving their performance at work by making full use of their potential and motivating them to continuous development. The system will cover all PKN ORLEN employees subject to the CCLA provisions. Under the system the level of employee's knowledge and competences will be reviewed and assessed. The final element of the process will be an individual plan of professional development, comprising development activities providing an employee with specific knowledge and practical skills, and its implementation will simultaneously support fulfilment of the Company's strategic objectives.

All policies and procedures in PKN ORLEN are compliant with the Code of Ethics and thus with various aspects of human rights. Superiors are responsible for getting employees acquainted with those policies and procedures.

In 2009 nothing was reported in the Company that would entail a major risk of forced or compulsory work.

In 2009 the average salary in PKN ORLEN for employees of the lowest rank amounted to PLN 4,031. It is worth noting that the minimum salary at this time in Poland was 1,276 PLN. This means that the ratio of the lowest salary in the Company to the statutory minimum salary in Poland was 316%.

**Magdalena Mocarska – Olszyńska**  
Trainee



*You spent a couple of weeks as a trainee in PKN ORLEN. What have been the most valuable experiences? What is the significance of such experience for a person at the beginning of a professional career?*

*My professional aim after graduating from the Warsaw School of Economics was to gain experience in a big corporation. My training in the PKN ORLEN Corporate Social Responsibility Team made it possible to implement my plans and verify my academic interests.*

*The advantage of working for a renowned corporation is an opportunity to acquire knowledge and experience from the best specialists in a given field. From the very first days of my traineeship, I became an active member of the Team. What is more, my mentors had confidence in my abilities and I was entrusted with independent tasks. Support and professional substantive help I received from my superiors are invaluable.*

*PKN ORLEN is a Company that takes care of comprehensive development of all of its employees. Therefore, already as a trainee, I could take part in a wide range of trainings which significantly broadened and enriched my knowledge. Moreover, I was able to become familiar with the specificity, work standards and corporate culture of the Company. The traineeship was a great challenge which gave me an enormous satisfaction. I am convinced that experience and skills gained in PKN ORLEN will pay dividends in the future, as they constitute a valuable asset ensuring competitive advantage on the job market.*

/ Student training

PKN ORLEN organizes student training all year round and in all areas of its business. Training is carried out in corporate headquarters and in local units, and covers:

- group training – organized in cooperation with universities/schools,
- individual training,
- diploma training

A large group of trainees are students from local schools and universities:

– 2007:

- 138 students of the Warsaw University of Technology, the School of Technical and Social Sciences in Płock (faculty of Chemistry, Mechanics, and Economics),
- 91 students of the secondary schools complex Zespół Szkół Centrum Edukacji in Płock (specialty: Chemistry Technician);
- 43 students of the secondary construction school Zespół Szkół Budowlanych nr 1 in Płock (specialty: Environmental Protection Technician);

– 2008:

- 105 students of the Warsaw University of Technology, the School of Social and Technical Sciences (faculty of Chemistry, Mechanics, and Economics),
- 57 students of the secondary schools complex Zespół Szkół Centrum Edukacji in Płock (specialty: Chemistry Technician);
- 15 students of the vocational college Policealne Studium Zawodowe in Płock (specialty: Chemistry Technician);
- 19 students of the secondary construction school Zespół Szkół Budowlanych nr 1 in Płock (specialty: Environmental Protection Technician).

– 2009:

- 114 students of the Warsaw University of Technology, the School of Social and Technical Sciences (faculty of Chemistry, Mechanics, and Economics),
- 115 students of the secondary schools complex Zespół Szkół Centrum Edukacji in Płock (specialty: Chemistry Technician);
- 15 students of the vocational college Policealne Studium Zawodowe in Płock (specialty: Chemistry Technician);

- 26 students of the secondary construction school Zespół Szkół Budowlanych nr 1 in Płock (specialty: Environmental Protection Technician).

In 2009 we admitted 7 undergraduate students for long-term diploma training at our facilities as part of cooperation scheme with the Warsaw University of Technology, the School of Social and Technical Sciences in Płock implemented on the basis of the agreement concluded with this school. In October 2009 the Cooperation Agreement was extended for another three years.

### / On – the – Job Training

The programme was initiated in 2002. It has been implemented in cooperation with Labour Offices across Poland, in particular in Płock. The programme is addressed to secondary school and university graduates. In 2007, 107 people participated in the programme, while in 2008 – 87 people.

In 2009, on-the-job training was joined by 35 graduates of secondary schools and universities. Currently there are 36 trainees, including 25 from the Municipal Labour Office and 11 from the District Labour Office in Płock.

In September 2009 PKN ORLEN once again took part in the Job Fairs in Płock. This provided the Company with the opportunity to contact students and graduates directly, while those interested could obtain all information about recruitment and development policy. This was also

an opportunity to discuss mutual expectations. Participation in such initiatives organized on the local market enables the Company to build and maintain the image of PKN ORLEN as the Company interested in problems of people living in Płock and its surroundings, as well as to present PKN ORLEN as a strong and dynamically developing enterprise.

### / Employee care

For years PKN ORLEN has offered its employees various benefits which are expected to make the Company a friendly place. These include bigger and smaller projects, all of which are important and answer the employees' needs:

- adjustment of the opening hours of canteens to the employees' working hours,
- delivery of meals to the workplace,
- mobile teams offering vaccinations for employees at the workplace,
- discounts for movies at cinemas,
- MultiSport programme – preferential access to sport and recreational facilities across of Poland,
- special room for breastfeeding mothers.

The Company implements annually programmes for assessment of the impact of work on employees' health and its potential effects in reference to the set control group consisting of former employees (retirees and pensioners) and employees' family members. There are many scientific and research programmes implemented as prophylactic schemes based on early detection of risks resulting

### Social care – types of benefits in 2007–2009

	2007		2008		2009	
	Costs (in PLN)	No. of benefits	Costs (in PLN)	No. of benefits	Costs (in PLN)	No. of benefits
Holidays for employees, retirees, pensioners and Voluntary Retirement Programme	10,521,235.13	12,653	11,604,112.48	13,445	11,299,604.12	13,147
Financial aid for children and youth	3,510,202.42	7,803	3,375,560.00	7,695	3,217,496.00	7,364
Christmas gifts	390,485.03	6,100	452,245.57	6,500	460,800.00	6,400
Hardship benefits	582,738.55	749	798,483.07	880	924,368.51	1,484
Group events, cultural and educational meetings, prophylactic and rehabilitation therapies or recreation and sport activities or integration events	735,389.16	6,220	655,412.44	8,480	719,765.62	7,461
Housing loans	7,588,610.00	671	6,807,385.00	659	4,830,705.49	456
Reserves	0.00	0.00	0.00	0.00	80,000.00	0.00
TOTAL	23,328,682.29	34,196	23,693,198.56	37,659	21,532,739.74	36,312

Anna Lewandowska – Romanowska  
Director of Social Relations and Employment  
Benefits Office in PKN ORLEN



*What motivated the Company to provide a room for breastfeeding mothers?*

*PKN ORLEN implements various solutions to fulfil its employees' expectations in the best and fullest possible way. Ensuring a peaceful work environment for people with small children is an important aspect of these activities.*

*The Company employs a growing number of young mothers who return to professional activity after the period of maternal leave. In order to reduce the stress connected with separation of a mother and her baby, and therefore to make the return to work more comfortable, the Company undertook to organize a room for breastfeeding mothers in the Administration Centre Building in Plock. In this pleasant place, in nice and friendly atmosphere a young mom may meet and feed her baby during her work time.*

*Advantages are mutual, as a woman who may see her child during work time even for a quarter or so, becomes more relaxed and concentrated. The room is available all the time and used as needed.*

from the performed work. This allows detecting diseases in the early stages of their development. Early detection is particularly significant in cancerous and cardiologic diseases, as it increases the patient's chances to rescue life and recuperate. Detection of occupational risks also serves as an indication for the employer as to what measures should be taken in order to limit the harmful influence. The Company has initiated works aimed at introduction of health policy in PKN ORLEN.

For PKN ORLEN the employee constitutes the highest value. It is important for the Company to appreciate and distinguish currently employed employees. Moreover, the Company does not forget about the people who have already finished their professional careers – retired employees and pensioners, who are invited to galas celebrating their 70<sup>th</sup>, 75<sup>th</sup>, 80<sup>th</sup>, 85<sup>th</sup> birthdays.

Galas with participation of retired employees celebrating their birthdays are organized in cooperation with the Senior Club Councils, which support our actions for retirees and pensioners – the former employees of the Company. Representatives of the PKN ORLEN management take part in such events. All meetings have ceremonial setting. Former employees receive special diplomas signed by the President of the Management Board, flowers, company gifts and financial gratifications. Special meetings for retired employees and pensioners of PKN ORLEN are organized in all cities twice a year. One of such meetings is held before Christmas, while the other one has cultural and educational character and is expected to ensure former employees the sense of belonging to the community created by PKN ORLEN.



**Danuta Goszczycka**  
President of the Senior Club Council in Płock



*Which aspects of interest and care expressed by PKN ORLEN towards its former employees are the most important for you? What is the value for a retired employee of keeping continuous contact with the company he or she worked for?*

*For many years PKN ORLEN has cared for keeping in touch with the community of its former employees. Many valuable initiatives originated from this interest as well as from activities undertaken by retired employees. Over 25 years ago social activities in this scope took the form of the Senior Club Council in Płock. Similar forms*

*of activities are taken up across Poland. Currently there are 11 such Councils, which we exchange experiences and cooperate with. PKN ORLEN introduced regulations allowing for functioning of this type of organization.*

*The goodwill of the former employer and trade unions operating in the Company has also allowed many people to take advantage of the Company Social Benefits Fund in the form of: co-financing of holidays or treatment in sanatoria, repayable housing loans and extremely necessary non-repayable hardship benefits. The fact that the Company remembers about us – former employees – is very important for our community. Jubilee meetings are one of the ways to express this. Such events, organized across Poland, are very popular and positively welcomed. Participants of these meetings – persons celebrating a jubilee of 70<sup>th</sup>, 75<sup>th</sup>, 80<sup>th</sup>, 85<sup>th</sup>, 90<sup>th</sup> birthday are touched and grateful for the gestures of appreciation from the Company they sacrificed a huge part of their life to. Such activities are an invaluable and very beautiful proof of appreciation and respect for people from our community.*

#### Activities and benefits for retired employees in 2007–2009

	2007	2008	2009
	No. of benefits	No. of benefits	No. of benefits
Cash equivalent before public holidays	565	956	1,039
School kits for children	Benefit introduced in 2009		92
Co-financing of holidays for retired employees	717	902	865
Co-financing of holidays for retired employees' children	304	201	245
Hardship benefits	639	731	1,299
Housing loans	93	86	56
Meetings with retired employees celebrating their 70 <sup>th</sup> , 75 <sup>th</sup> , 80 <sup>th</sup> , 85 <sup>th</sup> , 90 <sup>th</sup> ...birthday jubilee	774	795	915
Cultural and educational meetings	2,147	5,057	3,585
Provision of specialist health care by the Military Medical Institute in Warsaw	1,753	1,897	1,850
TOTAL	6,992	10,625	9,946



## / Social benefits for current and former employees

As a Company caring for its current and former employees, we provide them access to social benefits. They are expected to support employees who are in a difficult life situation, as well as to help improve living conditions and promote active lifestyle.

In PKN ORLEN we do not differentiate additional benefits on the basis of working time.

## / Principles, significance and effects of cooperation with trade unions for the Company and its employees

Any matters related to collective rights and interests of employees are resolved while respecting the interests of either party and adhering to the principle of social dialogue. The Management Board perceives it as a very important aspect to cooperate in the best possible way with the trade unions which represent employees. The employer developed the initiative to organize cyclical meetings focused on the exchange of information, consultations and negotiations with participation of the PKN ORLEN Management Board members, the employer's representatives and leaders of the trade unions operating in the Company. They concentrated on the most significant current social and employment issues.

As part of activities aimed at boosting the efficiency of the Company, PKN ORLEN and the trade unions in the Company concluded the agreement on the Voluntary Retirement and Redundancy Programme (PDOEiK) addressed to employees interested in termination of employment. The programme agreed with the trade unions eliminated negative social effects brought about by reduction of employment in the Company. In order to perform restructuring processes planned in PKN ORLEN, collective agreements on rights of employees covered by these procedures were concluded with the trade unions in the atmosphere of social acceptance.

Throughout the restructuring processes the Company maintained ongoing contacts with the trade unions. All activities were performed in compliance with legal provisions and did not disturb social peace.

## 3.3./ OCCUPATIONAL HEALTH AND SAFETY

In order to adapt to legislative changes and ensure safety for employees, PKN ORLEN implemented the occupational health and safety management system. This constitutes a part of risk factors management strategy, which resulted in decrease of the number of accidents, ensuring compliance with legal provisions and increase of efficiency of activities carried out in the OHS area. The task of the newly established OHS Office is joint identification and control of threats to health and safety, reduction of probability of the occurrence of accidents and promotion of safe and healthy work environment. Great emphasis was put on activities performed in accordance with the PN-EN18001 norm, which helps PKN ORLEN efficiently fulfil requirements set for the Company.

The OHS Office has taken over the operational control of ORLEN Medica Company and ORLEN Prewencja. Its structures include also the In-house Fire Brigade whose members are trained in the scope of firefighting, working on heights and under water and provision of first aid to the injured. Under the protection and safety system these services ensure safety on a daily basis for people, protect production units of the Company, and if necessary, also help the local community.

In 2009 PKN ORLEN registered the total of 23 accidents at work, 13 of which were reported in the Production Plant in Plock, and 10 in regional structures of the Company. It is worth emphasizing that in 2009 no grave, collective or fatal accidents among PKN ORLEN employees were reported. This is the effect of initiating the process of implementation of a new approach towards OHS. It is focused on reduction of the number of inspections to be replaced by consultations and trainings increasing the level of OHS awareness. Reported incidents were minor communication accidents resulting from incautious movement of employees on the premises of production units or office facilities. Thus, dominant types of accidents are fractures (about 35% of all injuries) and sprains (about 22%) of lower limbs (61%) and upper limbs (about 22%). No repetitive accidents, typical of the chemical industry, were reported. There was a decrease in accident rate by 3 accidents in PKN ORLEN.

In order to prevent the occurrence of accidents the Company developed training materials related to „good OHS practices while moving on the premises of production units and office facilities.“

Sick absence following accidents at work amounted to 996 days, which corresponds to 43.3 gravity rate (number of days of inability to work per 1 accident). The frequency rate was 5.0 (number of accidents per 1,000 employees) and the TRR rate (number of accidents per 1 million man-hours) – 2.90.

Many years of experience in development of safe working conditions has led to the reduction of accident rates in PKN ORLEN. These rates have remained on the similar level for several years, which is confirmed by statistical data.

This level of accident rates is also influenced by developed good practices and internal regulations, as well as procedures specified in the Comprehensive Prevention System which is one of the first management systems in Poland in the scope of occupational safety. We have revised the procedure applied in the case of accidents at work and used them for reporting and analysing accident risks or non-casualty incidents. The new procedure for reporting accident risks enables the reporting person to suggest proposals of preventive measures. 61 non-casualty incidents/accidents were reported in 2009.

PKN ORLEN puts an emphasis on identification and minimising risks at the very source. Surveys and measurements concerning hazardous and health-affecting agents at workstations are systematically carried out and they provide the basis for performance of periodic assessments of occupational risk.

## Accident data in 2007–2009

	PKN ORLEN			
	Year	Total	Production Plant in Plock	Fuel Terminals and units outside Plock
Accidents at work	2007	26	13	13
	2008	26	16	10
	2009	23	13	10
Sick absence (calendar days starting from the date of sick leave)	2007	1 340	630	723
	2008	952	611	341
	2009	996	689	307
Frequency ratio (no. of accidents per 1000 employees)	2007	5,4	3,6	10,6
	2008	5,5	4,4	9,2
	2009	5,0	3,5	10,6
Gravity ratio (days of sick absence per 1 accident)	2007	51,5	48,5	55,6
	2008	36,6	38,2	34,1
	2009	43,3	53,0	30,7
Occupational diseases	2007	0		
	2008	0		
	2009	0		
TRR ratio* (no. of accidents multiplied by one million and divided by no. of man-hours worked)	2007	3,17		
	2008	3,19		
	2009	2,90		

\* The TRR ratio shows correlation with the frequency ratio. Due to more precise data, this ratio better presents the accident status of the Company, which is comparable to other world scale refinery and petrochemical corporations.

We pay particular attention to education of our employees. We also train employees from external companies working on the premises of the Production Plant in Płock. In order to visualise and make the employees aware of the risks on the Plant premises, the Company has prepared 3 how-to films. The subjects of the films include: occupational health and safety during overhaul works on the Plant premises, safety of visitors entering the Company premises and existing risks. The films will make it possible to reach a larger group of employees.

We also undertake actions aimed at monitoring accidents of employees from external companies on the premises of the Production Plant in Płock. If such accidents occur, the post accident investigation will be carried out with the participation of an employee of our OHS service. In order to increase occupational safety during works performed with participation of external employees (contractors) the Company introduced the clause "Occupational safety" to agreements concluded with external contractors for overhaul, investment, design and implementation as well as research works on the Company premises. We also developed a draft Supervision System over external contractors in the scope of OHS.

Moreover, in order to increase the awareness of employees in the scope of safe conduct during work on different work stations, the Company decreased in 2009 the number of direct OHS inspections to replace them with advisory meetings.

Educational activities were carried out through corporate media. Employees were updated in articles published in ORLEN Ekspres and the website on activities of the OHS services, changes in legal provisions and issues concerning employees. There was also an information campaign concerning the use by employees of personal protective equipment and protective clothing, and in the scope of norms for carrying heavy items.

In order to increase safety at workstations with the highest risk of fire hazard, the Company introduced anti-electrostatic and hard-inflammable protective clothing. All chemical rescuers have also been equipped with such clothing.

Further activities in the scope of OHS and fire safety have been planned for 2010, including e.g. OHS campaign related to equipment under the European OHS Campaign, implementation of the programme concerning appointment of "OHS assistants," initiation of the implementation process of e-learning trainings for administration employees.

In order to ensure social control over the development and observance of the safe and healthy work conditions, PKN ORLEN has its Occupational Health and Safety Commission. It is composed of representatives of the employer and employees. The rules for functioning of the Commission were stipulated in the agreement with the trade unions concluded on the basis of the Corporate Collective Labour Agreement and generally applicable legal provisions. Its chairman is the PKN ORLEN Management Board member. The Commission resolves all issues concerning the OHS conditions in the Company. 50% of the Commission members are employee representatives.

In the same way the social labour inspection operates on the basis of the agreement with the trade unions concluded in compliance with the CCLA provisions and generally applicable law. Its activities are managed by the trade unions. Under cooperation aimed at developing good OHS conditions in the Company, PKN ORLEN organizes meetings of the Company Social Labour Inspector and Department-level Social Labour Inspectors with participation of the trade unions, the PKN ORLEN Management Board member and employer's representatives responsible for contacts with the social labour inspectorate.

The OHS Management System functions in organizational units located in Płock and in Warsaw, which was implemented and certified in compliance with the PN-N - 18001:2004 norm.



## / Responsibility towards customers and partners





## 4.1./ CUSTOMER CARE

In 2009 PKN ORLEN took all reasonable efforts to maintain and elevate customer service standards. Our priority is the top quality of products and services to ensure that PKN ORLEN fuel stations are places, where in accordance with the principle "two hours of driving, twenty minutes break" our customers may safely and comfortably relax. It is very important for us to ensure that our Customers are professionally served. We also respect their privacy. In 2009, we did not find any justified cases of customers' complaints which would arise from the loss of personal data in the VITAY Programme.

In comparison to the previous years, positive effects of these efforts were confirmed by results of surveys related to service standards and mystery shopping studies. We constantly elevate our standards of customer care e.g. by implementing a comprehensive training system for fuel stations employees conducted by sales managers – coaches.

The year 2009 was characterized by an increased number of complaints and claims filed at own stations in comparison to the previous years. The share of accepted complaints and claims in the total number of filed complaints and claims, which remained on the same level in 2007 and 2008, grew by 4% in 2009. Such phenomenon always causes concern, therefore its causes were thoroughly analysed. It turned out that in most cases, extreme weather that unfortunately occurred last winter sometimes made it impossible to win with natural conditions, although our fuels met all required norms.

As our products – fuels – are not sold in packages, in 2009 the Company did not recover materials from sold products and their packages.

Suppliers also constitute an important group of our partners. The quality of products we purchase and who supplies them

### Do you know that...

The Fairtrade certificate means that our suppliers apply the principles of fair trade, the objective of which is to eliminate farmer exploitation.

## Number of complaints and claims in 2007–2009

	2007	2008	2009
Total CoDo (own stations)	1,174	1,150	1,418
Accepted	285	278	399

are very important factors for the Company. We constantly work with suppliers to satisfy current needs of fuel stations.

We introduce new products in line with significant world trends, e.g. the fair trade idea. Coffee offered at Stop Cafe is certified by Fairtrade. Although statistics show that this logo is still not very popular in Poland, we believe our duty is to promote this idea and to join the fair trade movement. Surveys conducted by the Company indicate that the Fairtrade certificate does not directly influence the decision to buy coffee, however when the customer finds out that the coffee is certified by this logo, he or she feels satisfied with the purchase of such a product. This is very important for a good beginning.

We strive to make life easier for our disabled customers. The portal [www.orklen.pl](http://www.orklen.pl) offers them functionality dedicated to them, whose additional advantage is a legible icon. Customers have at their disposal the search engine allowing them to find PKN ORLEN fuel stations, which enables them to plan their journey and locate stations on their route corresponding to their needs.

After marking an appropriate criterion, the map shows the stations which have a wide access ramp and a toilet adjusted to the needs of the disabled. Disabled customers may also use detailed selection criteria allowing them to select three features facilitating the visit at the fuel station. It is worth emphasizing that the implementation of these ideas was guided not by business motives, but by care and the sense that as the Company we may do something which will make life easier for other people.

The website [www.orklen.pl](http://www.orklen.pl) itself offers features for the disabled in accordance with the applicable WCAG 1.0 standard. PKN ORLEN operates in compliance with all points included in Priority 1 and most points of Priority 2 and 3. This standard applies among others to illustrations captions, not using too vivid colours, too dynamic animations etc.



## 4.2./ RELATIONS WITH SUPPLIERS

There are several primary objectives that guide the PKN ORLEN Purchase Office in relations with suppliers. These include developing partnership with reliable suppliers, maintaining friendly work environment, creating the model of effective cooperation with external customers by satisfying their expectations in the best possible way and readiness to provide necessary support.

The Office mission is to acquire the status of the best purchase organization in the fuel and energy industry of the Central and Eastern Europe. Thus it is our priority to timely deliver required materials and services of desired quality, as well as to systematically optimise costs in the course of these activities. While fulfilling their duties employees must be professional, but simultaneously respect the primary values and principles of the PKN ORLEN Code of Ethics.

In cooperation with its suppliers the Company adheres to the purchase policy regulations. One of its key documents is the PKN ORLEN Purchase Instruction. On the basis of this instruction we select our suppliers in a clear and transparent way.

Centralization of scattered purchase functions carried out a few years ago was on the one hand the effect of the deve-

lopment of the Company, and on the other hand resulted from efforts to respond effectively to market needs and provide clear cooperation procedures.

High requirements have been set for persons responsible for cooperation with suppliers. The Purchase Office personnel inform – in the course of bidding procedures – about applicable purchase procedures, provide explanations concerning individual stages of selection process, work schedule of the Evaluation Teams or present general or eligibility requirements towards the bidders. The Company appreciates especially contractors who apply good commerce practices and represent the highest level of professional ethics. Moreover, the Company has signed an agreement on good practices with the Advertising Agencies Association (Stowarzyszenie Agencji Reklamowych) concerning the purchase of marketing services.

PKN ORLEN organizes annual satisfaction surveys in order to ensure the best cooperation with suppliers. Regularity of surveys allows us to determine whether cooperation with respective suppliers is developing, deteriorating or remains stable etc.

The principle „Think globally, act locally” is also applicable towards cooperation with suppliers. The Company uses the services of local suppliers (whose headquarters are located in the Płock Poviat), thus supporting the local market and business. Their obvious advantages include good knowledge of the local market or possibility to reduce transport costs. However, the final selection criterion is always the ability to satisfy high expectations. Therefore the Company does not keep statistics specifying the share of expenses for services provided by local suppliers.

PKN ORLEN cooperates with reliable suppliers from all over the world. All of them are subject to regular verification; forms of long-term cooperation have been developed with key suppliers. Apparently as a result of such actions, no agreements with suppliers have been identified that would require the application of human rights clause.

One of the effects of applying due diligence in the purchase processes is the fact that in 2009 no penalties were imposed on the Company for breach of law and regulations relating to delivery and usage of products and services.

### Do you know that...

- Our fuel station no. 581 at ul. Włóczków 5 in Cracow was distinguished as the cleanest station according to the Polish nationwide campaign PATROL CZYSTOŚCI 2012.
- In 2009 we served 276,785,721 customers at PKN ORLEN own fuel stations.
- Motoscan recognized us as the leader in quick, polite Customer service and cleanliness at fuel stations.
- We are the MasterCard 2009 Trade and Services Master.



### 4.3./ RESPONSIBLE PRODUCTION

PKN ORLEN is one of the largest oil industry companies in Central and Eastern Europe. We process crude oil into unleaded petrol, diesel fuel, furnace oil, aviation fuel, plastics and petrochemical products. The Company manages seven refineries in Poland, the Czech Republic and Lithuania. The Company's integrated refinery and petrochemical complex, located in Plock, is ranked among the most modern and efficient facilities of its kind in Europe. In 2009 the refinery in Plock processed 14,526 mln tonnes of crude oil, thus increasing its result by 2.7% compared to the previous year.

In 2009 PKN ORLEN commenced the implementation of a new project. The project consists in design, supply and construction (a „turn-key” investment) of a modern heat recovery steam generator at the FKKII unit for cooling of technological gases. The energy thus recovered will be used to produce up to 40 tonnes/hour of 4 MPag technological steam. We expect to start the operation of the steam generation in the autumn of 2010.

#### Production volume of selected refinery products in 2008–2009 ('000. tonnes)

	2008	2009	2008/2009
Crude oil processed	14,218	14,526	2.17%
Total petrol	2,800	3,055	9.11%
Total diesel fuel	5,078	5,330	4.96%
Ekoterm Plus heating oil	840	790	–5.98%
Aviation fuel	418	291	–30.38%
Propane-butane fraction	221	210	–4.98%
Total fuels	9,358	9,676	3.4%
Fuel output (%)	65.82	66.61	1.2%
White product output (%)	77.98	78.08	0.13%

#### Mass of pollutants emitted [Mg]

	SO <sub>2</sub>	NO <sub>2</sub>	CO <sub>2</sub>	Dust
Amount from the beginning of 2009	17,904.1	4,515.8	3,184,076.0	357.6
Amount left for use in 2009	3,803.9	1,230.5	174,882.0	919.3
Permissible emission [Mg/year]*	21,708.0	5,746.3	3,358,958.0	1,277.0
Percentage of permissible emission used	82.5%	78.6%	94.8%	28.0%

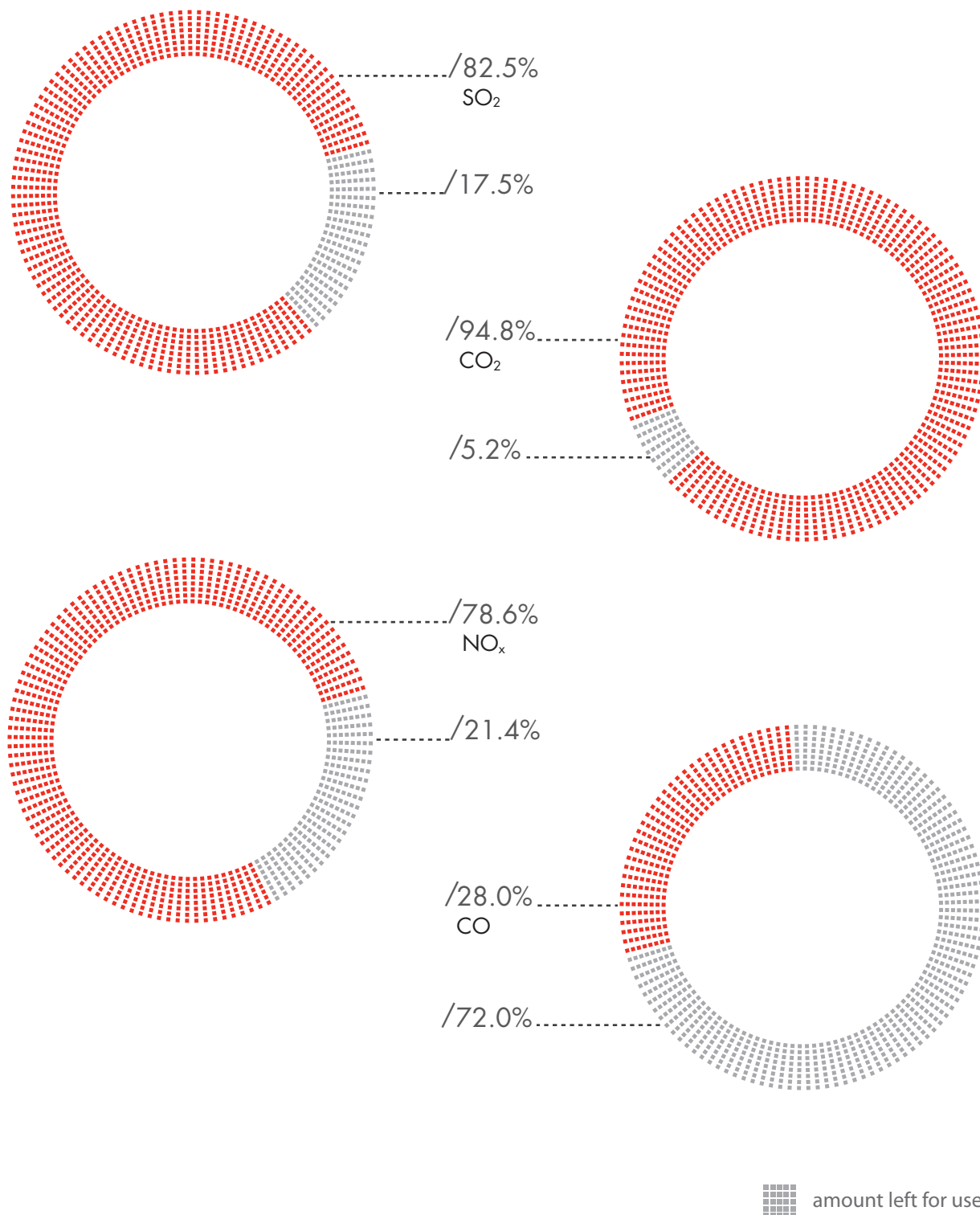
\* Acc. to the integrated permit no. PŚ.V/KS/7600-120/08 of 21.07.2009 and NAP II for CO<sub>2</sub> (Polish Journal of Laws 2008.2784).

Also, early in July, we resumed an investment project involving a new boiler no. 8 at the Combined Heat and Power Plant of the Production Plant in Plock. With this boiler, the Plock facility will improve its total technological steam balance and will be able to modernise the existing boilers at the Combined Heat and Power Plant. The project is necessary to fulfil environmental standards with respect to nitrogen oxide and dust emission, which are expected to enter into force in 2016. The boiler will generate up to 420 tonnes of steam per hour, the steam parameters being 13.6 MPag and 5400C. We plan to start up the boiler no. 8 by late June 2012.

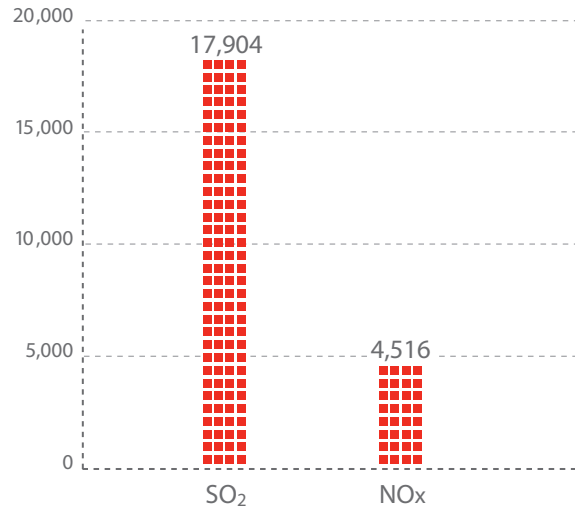
Following the Fuel Study performed by Solomon Associates, we individually developed tools enabling monthly monitoring of key parameters, such as energy media consumption, number and reasons for production units arrests. Monitoring data are used to calculate key performance indicators of production units and refineries in order to review the Company's competitive position. They are also used as guidelines for making current and future operational decisions.

Another programme in the production area, aimed at increasing our profit, was the NCM3 project implemented in association with the Solomon Associates consulting company. NCM3 led to development of a number of initiatives to change/improve the existing situation in the Production Plant in Plock to bring it to level with the best practices applied in the world. In 2009, the economic effects of those initiatives amounted to approx. PLN 23 mln.

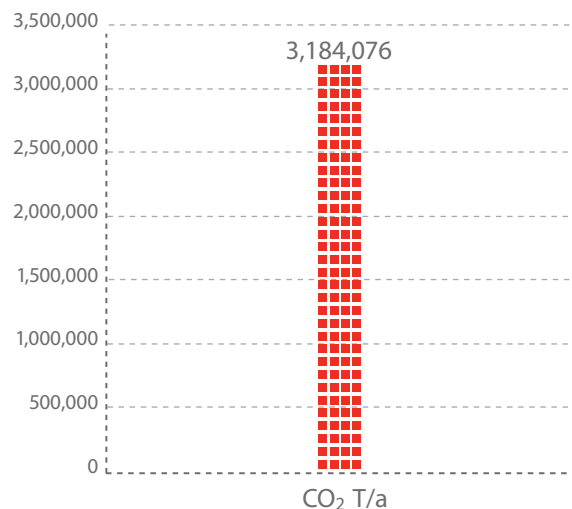
Comparison of actual mass emission of pollutants  
for 12 months of 2009



Actual SO<sub>2</sub> and NO<sub>x</sub> mass emission  
for 12 month of 2009



Actual CO<sub>2</sub> mass emission  
for 12 month of 2009



In 2009 we started preparing for pilot energy consumption tests at the DRW III and Olefins II units. Particular attention was paid to energy efficiency analyses and proposals were developed focusing on solutions and modernisation aimed at reducing energy consumption levels. These are indispensable actions to be taken in order to be able – while using the employees' potential – to set ambitious targets to keep pace with the best in the industry.

We implement an Advanced Process Control (APC) system at the Production Plant. In 2009 it was implemented on the Hydrocracking installation (fractionating column area). It is expected that application of this system will significantly increase the output of the most valuable products, such as aviation fuel or light diesel fuel, while ensuring stable operation conditions of the fractionating column and the entire Hydrocracking installation.

Another hydrogen production unit – WW II was started-up in November 2009. The unit was planned as the final stage in hydrogen management process after the start-up of the Diesel Desulphurisation 7 and Paraxylene units. Currently (until the mentioned units are in operation), WW II stabilises the hydrogen network and ensures its efficient utilisation. Should one of the Hydrogen Production Units break down, the loss will be much reduced, as there will be less need to substitute it with other production units. More readily available supplies of hydrogen mean more flexibility in hydrogen processes, in terms of their possibilities and intensification.

## Energy consumption in 2009

	UM	2009 completion	2008 completion
Crude oil processing	Mg	14,526,294	14,217,789
Soft asphalt consumption	Mg	909,820	928,322
Heating oil consumption	GJ	37,310,010	37,970,180
	Mg	129,263	108,411
Fuel gas consumption (incl. natural gas)	GJ	5,503,860	4,603,430
	Mg	717,935	743,656
	GJ	35,162,870	36,326,990
	Mg	332,118	365,939
	GJ	16,328,640	18,001,140
Diesel fuel consumption in PZC	Mg	287	384
	GJ	12,320	16,360
Electricity purchase	MWh	80,718	121,769
		290,584	438,368
Heat energy purchase	GJ	302,792	373,084
Total consumption of fuel and purchased energy	GJ	82,395,436	83,512,492
Electricity sale	MWh	507,123	476,052
	GJ	1,825,644	1,713,787
Heat energy sale	GJ	4,264,558	4,344,479
Heat energy production in PZC boilers (gross)	GJ	40,029,440	39,398,995
Heat uptake in steam by the Industrial Complex (from PZC + purchase from Polyolefin and Asphalts)	GJ	23,784,933	25,063,702
Heat consumption in hot water including: – city – Industrial Complex + external recipients	GJ	2,361,490	2,273,321
	GJ	2,094,738	2,024,088
	GJ	266,752	249,233
Steam supply to network from production units	GJ	5,651,703	5,556,322
Heat production in waste heat boilers	GJ	19,252,965	19,427,191
Electricity production	MWh	1,989,646	1,958,067
Electricity consumption (Industrial Complex + PZC)	MWh	1,563,240	1,603,784

## / Pro-ecological effects in fuel production

## Petrol

**Eurosuper 95** petrol which is the mixture of hydrocarbons obtained from crude oil processing. It is a basic type of fuel offered on the domestic market. Thanks to the most noble components, such as ether, alkyls and isomerizate, it has the required octane number at reduced aromatic hydrocarbon, benzene and sulphur content. All types of petrol produced in PKN ORLEN are enriched with the package of the best quality special additives, whose main component is a detergent guaranteeing fulfilment of the highest criteria of intake valves cleanliness specified in the World-Wide Fuel Charter.

**Super Plus 98** is a sublime mixture of hydrocarbon obtained from crude oil processing. Specific type of components ensures the required octane number at reduced aromatic hydrocarbon, benzene and sulphur content.

**VERVA 98** is a sulphur-free fuel, whose high parameters help reduce fuel consumption and improve the engine performance. It also ensures high efficiency and durability of catalytic converters. This is a new generation of fuels formulated with the aim to improve engine performance under various weather conditions and variable loads. Reduced sulphur content (below 10 mg/kg) guarantees significantly lower corrosion in the fuel feed, combustion and exhaust system. It prolongs durability of catalytic converter. It also ensures reduction of CH and CO hydrocarbons in fumes. VERVA 98 has a beneficial influence on the engine's lifetime, increasing mechanical durability of its components (cylinders, pistons, rings and valves).

## Quality and range of motor fuels in 2009

	Production volume [Mg]	Average sul- phur content [% weight]	Benzene content [% V/V]	Ethanol content [% V/V]	MTBE ether content [% weight]	ETBE ether content [% weight]
Eurosuper 95	140,689	0.0007	0.77	–	–	–
Eurosuper 95 with EETB	778,178	0.0008	0.80	–	–	8.53
Super Plus 98 with EETB	295,200	0.0008	0.66	–	–	10.56
Eurosuper 95 with Ethanol Plock Production Plant	917,906	0.0008	0.74	4.89	–	–
Eurosuper 95 with Ethanol Storage Facilities	920,024	0.0008	0.74	4.84	–	–
VERVA 98 Plock Production Plant	–	–	–	–	–	–
VERVA 98 Storage Facilities	128,233	0.0008	0.66	–	–	10.56
Average content of substances in motor fuels	–	0.0008	0.62	1.39	–	4.24

VERVA 98 combustion process in the engine is enhanced by the use of carefully selected and optimally dosed additives package of washing agents (detergents), which help maintain cleanliness of the fuel feed system and even guarantee removal of sediment built-up due to the use of fuels of unknown origin and not containing detergents. It possesses anti-corrosion and antioxidant qualities preventing fuel degradation in storage.

#### Share of individual types of petrol in the entire petrol production in 2009 [%]

	2009
Unleaded petrol 95	86.69
Unleaded petrol 98	9.28
VERVA 98	4.03

#### Production of the noblest components of ecological petrol in 2009 [Mg]

	2009
MTBE	0
ETBE	97,853
Alkylate	115,323
Isomerizate	477,458

#### Share of ether in unleaded petrol in 2009 [%]

	2009
	Eurosuper 95, Super Plus 98, VERVA 98
MTBE	0.00
ETBE	9.55

#### / Diesel fuel

In 2009 PKN ORLEN produced the following types of diesel fuels with sulphur content below 10 mg/kg [0.0010% (m/m)]:

The „Super“ urban diesel fuel produced only in few European countries under the name City Diesel. This fuel in its original version with sulphur content of 200 mg/kg was introduced to the Polish market already in 1994 and since then PKN ORLEN has been its exclusive producer in Poland. In comparison to the old version, the product satisfies significantly higher quality requirements. The sulphur content is reduced to 10 mg/kg. The final distillation of this fuel does not exceed the temperature of 300°C; the norm also specifies the content of polycyclic aromatic hydrocarbon up to 5% (m/m), which in comparison to standard diesel fuel guarantees lower level of hydrocarbon and solid particles emission and influences lower level of nitrogen monoxide creation and its emission in exhaust gases. Additives package is used in the product, which improves operating properties of the fuel, ensuring appropriate washing, anti-corrosion, antioxidant properties and good lubricant properties. As other diesel fuels, this product is protected from microbiological contamination. Due to these factors the „Super“ urban diesel is used in land transport, mainly in public transport, in big urban agglomerations and environmentally protected areas.

Ekodiesel Ultra is top quality diesel fuel which meets the strictest quality and environmental requirements for diesel fuels in the European Union member states. Its most important advantages in comparison to diesel fuel produced so far include: trace sulphur content (below 10 mg/kg), reduced aromatic hydrocarbon content, a higher cetane number, better operating properties in winter and a high microbiological purity level.

## / Heating Oils

**Ekoterm Plus** heating oil is a modern and safe energy source, being a product of the highest quality, complying with global norms both in terms of operating parameters and environmental protection standards. It is characterized by low sulphur content [since 2007 below 0.10% (m/m)], low adhesiveness, low flow temperature (below  $-20^{\circ}\text{C}$ ) and high calorific value.

## Range and quality of oils

	2009	
	Production volume [Mg]	Sulphur content [% weight]
Light heating oil Ekoterm Plus Ekoterm Plus heating oil	753,387	0.06
Heavy heating oil C-3	930,999	2.00
Heavy heating oil 1	27,734	0.85
Furnace oil for technological furnaces	129,263	0.13

## Range and quality of diesel fuel

	2009	
	Production volume [Mg]	Sulphur content [% weight]
ONM Super	114,977	0.00046
Ekodiesel Ultra excl. diesel for storage in salt caverns	5,179,475	0.00082

## Sulphur content in fuel produced in 2009 [Mg]

	Total amount [Mg]
Sulphur content in heating oils	19,476
Sulphur content in diesel oils	43
Amount of sulphur recovered from processed crude oil	134,850

## / Innovation

In April 2009 the invention made by PKN ORLEN employees was awarded a gold medal at the 37<sup>th</sup> International Exhibition of Inventions, New Technologies and Products GENEVA 2009. The authors of the project: "Method of measuring the temperature of heat exchangers pipes in process furnaces" are Grzegorz Goleniewski, Antoni Waldemar Korytkowski and Wojciech Komasa from PKN ORLEN and Piotr Pręgowski from the PIRS company.

The essential aspect of the solution is registration of a 10 to 20 seconds sequence (50 frames/sec) of thermal images in conditions of constant geometry of the set "study object – metric camera" instead of the registration of individual thermograms made with a hand-held camera.

The use of the measurement method allows us to eliminate most disruptions and results in the increase of a measurement field as well as reliability of imaging of temperatures distribution in pipes.

This solution had previously received many prestigious distinctions.

**ekoterm**  
*plus*



## / Environmental and social responsibility







## 5.1./ ENVIRONMENTAL RESPONSIBILITY

Our Company is aware of its environmental impact, and therefore takes responsibility for the mode of its operations. This is reflected in our environmental policy. „Environmentally-friendly ORLEN” means that we are:

- O** bliged to take responsibility for the use of natural resources
- R** eliable in informing people about our impact
- L** oyal towards stakeholders
- E** nergetic in undertaking preventive and corrective measures
- N** ovel in the implementation of environmentally friendly techniques and technologies

Aware of new challenges in the environmental protection area, we started to develop a new integrated environmental policy of the Company.

The PKN ORLEN Production Plant is neither located on any protected areas, nor within the Nature 2000 zones. Within the impact of the Plant there are: the Brudzeński Landscape Park, large areas of the Gostynińsko-Włocławski Landscape Park and extensive strips of protected landscape areas: Nadwiślański, Gostynińsko-Gąbiński areas and Raciąska Plain. There are also sanctuaries: Świetlista Dąbrowa in Brwilno, Sikórz and nearby Łąck, Łąckie Małe Lake, Korzeń, Rzepki, Kresy, Jarząbek, Oz Gostyniński, Drzewce. A significant role is served by recreational areas, even of sanatorium character or traditionally perceived as good for environmental therapy. These include forests in the Vistula valley on its right bank and forests in the Gostynińskie Lakeland.

Already for many years the area occupied by the Production Plant has been inhabited by falcons. This area has become the habitat of the most enduring and productive couple in Poland which in the years 2002-2009 hatched 25 nestlings.

The Polish Red Book lists, among others, the peregrine falcon as CR – critically endangered species. Since 2002 the Company has participated in restitution of its

population in cooperation with the Society for Wild Animals “SOKÓŁ.” In 1999, two nest boxes were fixed on chimneys of the Combined Heat and Power Plant and Claus Unit. Since 2000 the Company has cooperated with the “Peregrine Falcon Restitution in Poland” Programme Board – since 2002 – Society for Wild Animals SOKÓŁ. The birds hatched for the first time in 2002.

In 2002 the presence of four nestlings of peregrine falcon was recorded in the nest box – two females and two males. As a result of the „Name the peregrine falcon” competition organized for the first time among employees, the four nestlings were called: Oleńka, Petronela, Rafek, and Naftek.

Production installations have not exerted a significant impact on biodiversity thanks to applied procedures which guarantee safe use and adherence to permissible emission parameters. Lack of significant influence of products results from their proper use and respecting of features specified in data sheets available to users.

Maybe this was the reason for appearance of other original guests at the premises of the Production Plant lat year.

In February 2009, periodic inspection of the “Moczary” reservoir at the premises of the Production Plant discovered the presence of beavers. The animals which inhabited the reservoir built two large lodges on the dike area. The presence of beavers was confirmed by damage done in the surrounding reservoir: disturbances of the banks of the reservoir in the form of numerous holes and a large number of cut down trees. Their activities posed a threat to facilities and installation, as well as operations of the reservoir. With the aim to ensure technical safety of the objects and installation the Company turned for help to competent public administration bodies. In September the decision was issued to catch and resettle the family of European beavers from the reservoir to the middle section of the Osetnica River below the Szczawińskie Lake.

Arkadiusz Kamiński  
Environmental Protection Office Director  
in PKN ORLEN



*In 2009 the Environmental Protection Department, apart from performing its ordinary duties, had to deal with a very unusual task, whose aim was to catch and resettle the family of beavers which inhabited the Plant premises. How was this task performed?*

*PKN ORLEN contracted a group of specialists from the Polish Hunting Association to catch and resettle the beavers. The action was initiated on 20 October 2009. To perform this task, PKN ORLEN engaged the only such team of specialists in Poland. The most difficult part of the task was to locate the positions where the beavers could be found, i.e. all lodges, holes, corridors through which beavers may escape to the darkest corners. The entire action was supported by trained dogs of Jagdterrier breed which can drive beavers out of their holes and lodges. All such places were guarded. A net was spread across the reservoir to the depth of at least 4 m.*

*The first beaver – an adult female weighing 18.5 kg was caught already on the first day. Then – a male weighing 19 kg and two young female and male beavers of two years of age and weighing 15.5 kg and 14 kg, respectively, were caught on 21 October 2009. The beavers were put into cages.*

*The entire family was successfully transported on 22 October to the area of the Osetnica River. Two days*

*of strenuous and difficult work was crowned with success. The team of beaver catchers left Plock convinced that at least one beaver was left on the area of the „Moczary” reservoir. Therefore, the operation was repeated in December. The hunters found one adult beaver – a female, which joined the beavers that had been caught earlier.*

## / Responsible Care

Since 1997 PKN ORLEN has participated in the Responsible Care Programme (RC). The Programme is the chemical industry's global initiative under which chemical companies work together to continuously improve their safety, health and environmental performance and openly communicate their activities.

The entities implementing the RC Programme each year announce the execution of certain tasks aimed at improving their activity in the field of the so-called HSE triad (Health, Safety and Environment). They develop required reports and submit them to the Programme Secretariat. Based on such information, the Polish Chamber of Chemical Industry – an employers' organization, publishes annually an Environmental Report presenting the achievements of companies in the scope of reduction of their negative impact, as well as results of the Programme implementation. This synthetic form constitutes a significant element of the Programme and made the chemical industry one of the Polish precursors of open information policy in the field of environmental protection.

In 2009 the Company completed and submitted to the Programme Secretariat the following questionnaires:

- "Indicators – reporting for 2008,"
- "Environmental database for 2008,"
- "Report on execution of tasks in 2008."

Of 32 tasks reported for implementation in 2009 (including 8 continuous, 12 continuations of tasks implemented in 2008 and 12 new), the 16 tasks in total were implemented in individual areas:

- environmental protection – 6 out of 12 tasks, 4 tasks will be continued in 2010, while 2 tasks were given the „uncompleted” status as a result of difficult macro-economic situation and their implementation was rescheduled for later,

- improvement of process safety and occupational safety – 3 out of 11 tasks, the rest will be continued in 2010,
- health and health prophylaxis – 4 out of 6 tasks, the rest will be continued in 2010,
- trade in chemicals – 2 declared tasks,
- other – 1 declared task.

Moreover, it was decided to implement the Framework Responsible Care Management System; System Representative, Supervisory Team and Safety, Environment and Health Protection Working Team were appointed.

An important function of the programme is ecological education. For the third time PKN ORLEN employees took part in the local stage of the 3rd edition of the Polish nationwide environmental photo contest „Złap Zająca” („Catch the Hare”) (the national stage is organized by the RC Programme Secretariat). In 2009 the contest as always focused on promotion of the RC Programme idea and integration of the industry community and employees on environmental level, but apart from this it was aimed at engaging ORLEN employees in deciding what is environmentally beautiful or interesting and providing the opportunity to show their works. The contest was advertised in all corporate media (intranet, ORLEN Ekspres and ORLEN Studio) and advertising posters. 99 photos sent by 53 persons were submitted to the 3rd edition of the local contest. The best five works were sent to the RC Programme Secretariat and took part in the national stage. Zbigniew Wolski, the PKN ORLEN employee won the nationwide contest. Moreover, two more photos sent by employees of our Company were also distinguished.

An award ceremony took place during the International Environmental Protection Trades POLEKO 2009, where all distinguished photos were shown during the exhibition organized after the contest.



## / Water consumption

Water in the Production Plant in Płock is a technological medium used in production processes: for the production of steam in the CHP and as a cooling medium. It is also used for fire fighting and fire prevention. The Vistula is a natural source of water supply. A water intake with a pumping station was built above it for water transport. The Company has a separate water permit for the uptake of surface water and ground water for the entire Production Plant in Płock.

In 2009 the amount of reused sewage was reported to increase by 58%, which was caused by an increased demand of the Production Plant for industrial and fire-fighting water. The increase of reused sewage amount resulted in reduction by 8.3% of the amount of sewage discharged to the Vistula.

Water management is developed in such a way that an increasing number of production facilities and increasing crude oil throughput does not translate into an increased water uptake from the Vistula. There are several main reasons for such a favourable situation. The most important is the permanent modernization of production facilities in order to decrease their energy consumption and reuse of some part of purified industrial sewage in the industrial water network. This results from sewage management modernization and improvement, increase of efficiency of water blocks in the refinery and petrochemical part, modernization of water treatment system, in particular decarbonisation and modernization of water demineralization facilities.

## Volume and type of water uptaken in 2008–2009 (in m<sup>3</sup>)

	2008	2009	2009/2008
Water uptake from the Vistula	22,991,953	22,448,565	– 2.4%
Water uptake from deep water wells	513,000	489,000	– 4.7%
Volume of reused water	2,643,956	4,196,598	58.7%
Drainage from the desalting of blocks for industrial and fire-fighting water	1,261,677	1,311,230	3.9%

#### Methods of water use:

- surface water is used in technological processes of the Plant in Plock and by other entities located on its premises. Depending on the needs of installations the following types of water are uptaken:
  - industrial and fire-fighting water,
  - decarbonised water,
  - softened degassed water,
  - demineralised,
  - circulating water;
- deep water is used for drinking. It originates from Pleistocene water-bearing horizons from Quaternary formations. This is used exclusively to satisfy employees' sanitary and social needs.

### / Direct and indirect greenhouse gas emissions

The legislative package of the European Parliament has been developed in response to climatic changes occurring on the Earth. This is meant to ensure that by 2020 the share of renewable energy in the EU will increase from 8.5 to 20%, and emissions of CO<sub>2</sub> – the gas that in the opinion of scientists is the cause of global warming – will fall by 20% in comparison to 1990. The EU is prepared to reduce CO<sub>2</sub> emissions even by 30%, if under the new, global agreement – post-Kyoto – other developed countries agree to undertake comparable efforts.

By a decision of the Polish Council of Ministers PKN ORLEN received CO<sub>2</sub> emission allowances for the period of 2008–2012. Those allowances will be used to calculate the actual and auditor revised emission in the period.

In 2009 the Company obtained new permits to participate in the Community Emissions Trading Scheme for:

- the Combined Heat and Power Plant – valid until 31 Dec 2019;
- crude oil refinery – valid until 31 Dec 2019.

Acquisition of permits was associated with implementation of the monitoring plan compliant with new legal requirements. The petrochemical cracking unit – Olefins II – has the permit valid until 31 December 2017.

In 2009, we reported a drop in CO<sub>2</sub> emissions by more than 23,000 tonnes from installations covered by the Emission Trading Scheme, while the volume of processed oil went up by over 2%.

GHG emission is generated from processes covered by the CO<sub>2</sub> emissions trading scheme, i.e.:

- fuel combustion process in fuel combustion units (combined heat and power plant),
- combustion process in refinery units devices, in particular in:
  - furnaces,
  - flares,
  - stationary combustion engines;
- refinery processes:
  - hydrogen production,
  - catalyst regeneration,
  - decoking of furnace chambers (pipes),
  - hydrogen sulphide utilisation.

### Greenhouse gas emission in 2008–2009

	Average annual CO <sub>2</sub> emission allowances in NAP for 2008–2012	Revised CO <sub>2</sub> emission [Mg]	
		2008	2009
Refinery	2,161,551	2,053,013	2,108,110
CHP	3,358,958	3,181,859	3,170,754
Olefins II	1,058,638	850,723	783,642
TOTAL	6,579,147	6,085,595	6,062,506

## / Calculation of emissions

According to guidelines, fuel combusting facilities may only use measured fuel streams whose emission characteristics are known. Fuel consumption is measured with the help of measuring systems used to measure the size of fuel consumption and subject to adjustment and control. Fuel consumption in PKN ORLEN is continuously balanced, based on measuring circuits installed at fuel feeders. Calorific value is calculated on the basis of gas composition specified with the application of chromatographic analysis method. Sampling frequency is determined by analyses schedule developed on the basis of required sampling frequency. Analyses are performed by a laboratory possessing required accreditations. Emission indicator is calculated on the basis of chromatographic analysis of composition.

In 2009, we reported an approx. 0.5% drop in total emissions to the atmosphere compared to the previous year, while the volume of processed oil went up by over 2%. The drop in total emissions was accompanied by increased emissions from energy generation such as: SO<sub>2</sub>, NO<sub>x</sub> and CO, while the emissions of hydrocarbon and dust dropped.

The drop in total hydrocarbons by 10% was caused by the permanent shutdown of the Ethylene Oxide and Glycol I unit, while dust emission fell by approx. 12%.

This is due to lower ash content in fuel combusted in the Plant's process boilers and furnaces, compared to 2008.

Increased emission of carbon monoxide resulted from a large load of post-combustion furnaces at the Hydrosulfreen unit and changeability of composition of post-combusted chimney gas and fuel gas, which resulted in variable oxygen demand. The increased emission of this pollutant remained within the limits specified in the integrated permit.

Pollutant emission was continuously measured at three emitters at the CHP. Their scope covered: SO<sub>2</sub>, NO<sub>x</sub> (NO<sub>2</sub>), dust.

Periodic measurements of pollutant emission:

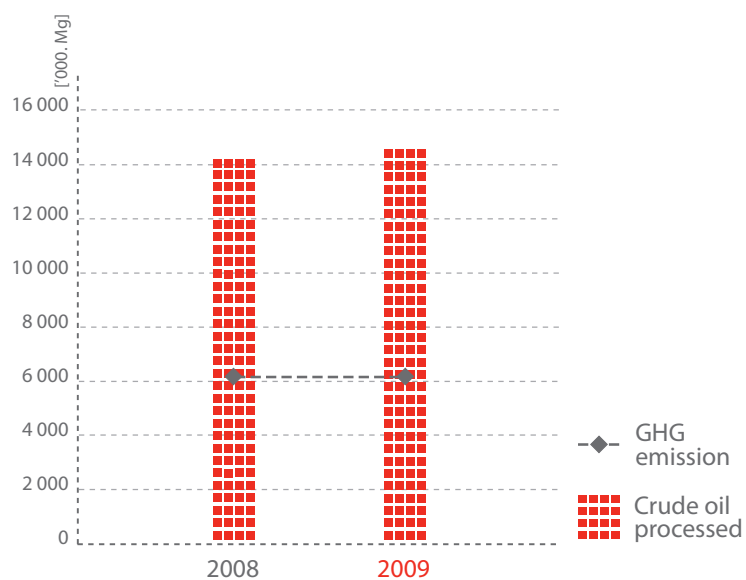
- in 2009, we performed 92 checks of pollutant emission at emitters at the Production Plant in Plock, including 54 emitters subject to mandatory measuring;
- emission measurements were carried out at emitters included in the integrated permit twice a year, once in each half-year;
- the scope of periodic emission measurements covered (depending on the emitter) the following pollutants: SO<sub>2</sub>, NO<sub>2</sub>, NO<sub>x</sub> (NO<sub>2</sub>), CO, dust, H<sub>2</sub>S, aliphatic hydrocarbons, aromatic hydrocarbons: benzene, toluene, xylene, cumene.

## Emissions of pollutants in 2008–2009

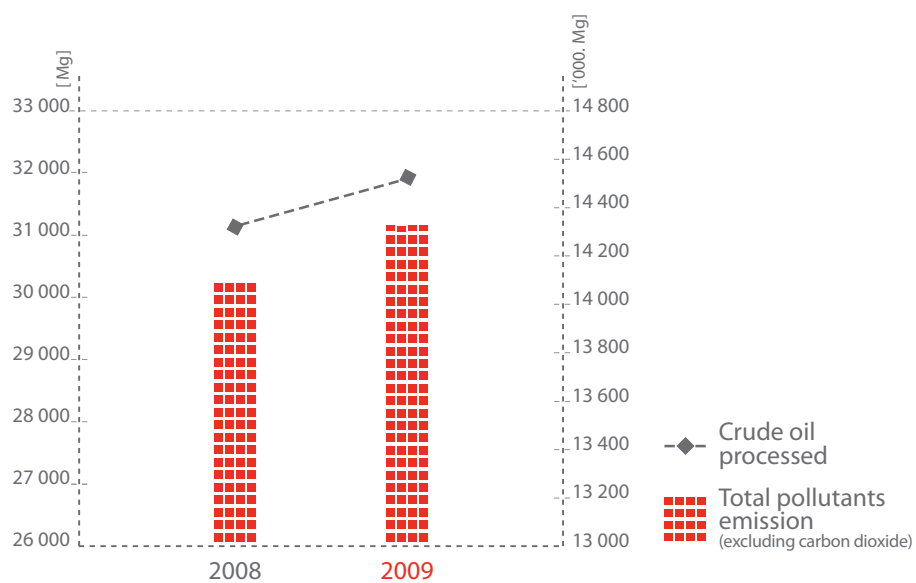
	Emission volume [Mg]		Increase/Decrease	
	2008	2009	[Mg]	[%]
Sulphur dioxide	20,444.59	20,975.23	530.64	2.59
Nitrogen oxides (as per nitrogen dioxide)	6,821.48	7,124.27	302.79	4.44
Carbon monoxide	812.16	1,010.87	198.71	24.47
Total hydrocarbons	1,384.01	1,238.12	– 145.89	– 10.54
Fuel combustion dust	453.34	399.75	– 53.59	– 11.82
Carbon dioxide	6,158,959.11	6,126,894.42	– 32,064.69	– 0.52
Other pollutants	270.71	370.05	99.34	36.70
Total pollutant emission	6,189,145.40	6,158,012.71	– 31,132.62	– 0.50



### Greenhouse gases emissions acc. to weight in 2008–2009



### Emission of pollutants (excluding carbon dioxide) against crude oil processing in 2008–2009



/ Immission measurements around the Production Plant in Płock

PKN ORLEN measures pollutant immission to air at three automatic monitoring stations located outside the fenced Production Plant in Płock:

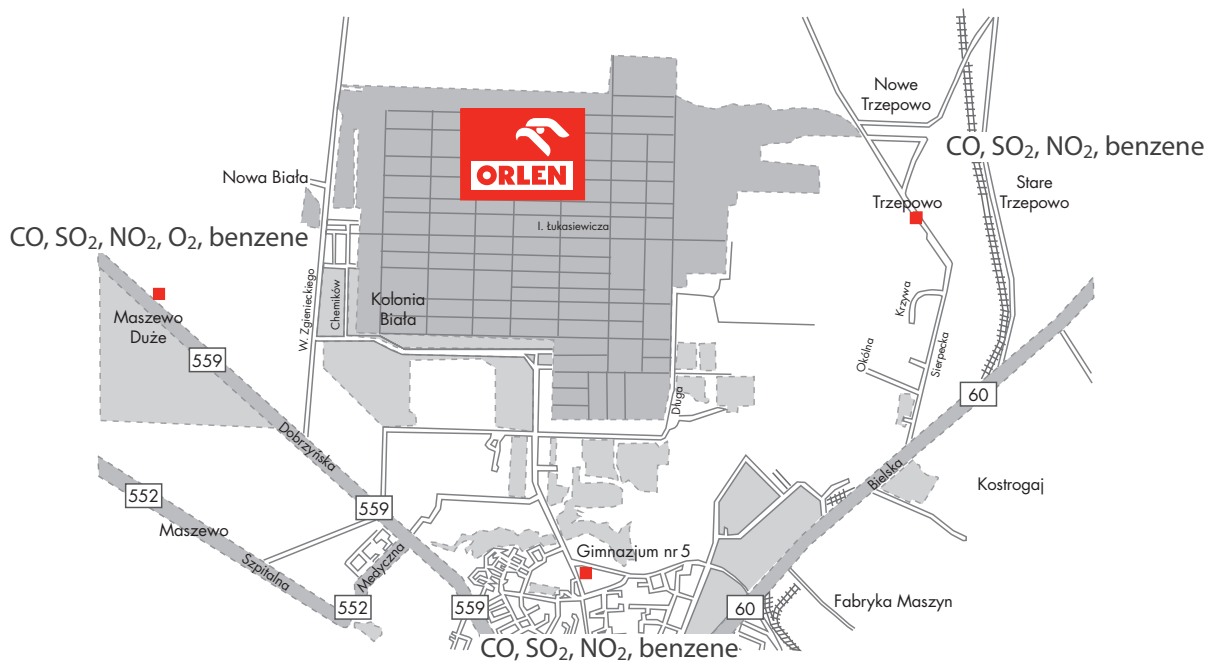
- Junior high school no. 5 – in the scope of CO, SO<sub>2</sub>, NO<sub>2</sub>, benzene,
- Maszewo Duże – in the scope of O<sub>3</sub>, CO, SO<sub>2</sub>, NO<sub>2</sub>, benzene,
- Trzepowo – in the scope of CO, SO<sub>2</sub>, NO<sub>2</sub>, benzene.

The analysis of measuring results obtained at automatic air monitoring stations in 2009 shows that the emissions of all measured substances remained within the environmental standards determined in the Regulation of the Polish Minister of Environment of 3 March 2008 (Polish Journal of Laws No. 47, item 281).

At most stations, average annual SO<sub>2</sub> and NO<sub>2</sub> concentrations in 2008 were lower than in 2007, and benzene concentration remained on a similar level over the last two years. Detailed results of measurements were submitted to:

- the Masovian Environmental Protection Inspector in Warsaw and the Regional Office in Płock,
- the Marshal Office of the Masovian Voivodeship,
- Płock Municipal Office.

Automatic air monitoring stations located around the Production Plant in Płock



## / Wastewater management

PKN ORLEN has a permit to participate in the Community system.

The increase of reused wastewater amount resulted in reduction by 8.3% of the amount of wastewater discharged to the Vistula. Increase of COD load discharged to the Vistula by 7.4% against 2008 was caused by lower share of rainfall wastewater flowing to the Central Wastewater Treatment Plant in 2009 in comparison to 2008.

The Central Wastewater Treatment Plant is located within the premises of the Plant. Its purpose is to treat wastewater from the entire Plant to meet the parameters specified in the integrated permit.

Wastewater from the Plant is discharged via four sewer pipes systems leading to the Central Wastewater Treatment Plant area. The industrial wastewater sewer system (1.) is characterised by a large amount of oil products and suspended solids. Wastewater from the 1<sup>st</sup> industrial sewer system is treated mechanically and biologically (2<sup>nd</sup> degree of biological treatment). In emergency cases, when pollutant concentration in wastewater exceeds admissible values, such sewage may be directed to the 1<sup>st</sup> degree biological treatment devices to have its quality improved. This depends on wastewater quality measurements at check points. Wastewater is monitored.

The industrial wastewater sewer system (2.) also covers wastewater which, apart from suspended soils and oil products, contains water soluble chemicals. Wastewater from the 2<sup>nd</sup> system is treated mechanically and biologically. Rainwater, drainage and post-cooling water from all refinery and petrochemical units is discharged to the refinery and petrochemical rainwater sewer system.

Rainwater from the refinery part (KOR) is contaminated with oil products, and rainwater from the petrochemical part (KOP) is chemically contaminated mainly with phenol. All wastewater is treated in a 4-stage cycle:

- mechanical treatment (separate for the 1<sup>st</sup> and the 2<sup>nd</sup> industrial sewer system);
- biological treatment (1° for wastewater from the 2<sup>nd</sup> industrial sewer system and 2° for wastewater of both

sewer systems: industrial (1. and 2.) and rainwater-drainage (KOP and KOR);

- 3° of treatment – accelerators (A-4 and A-5) (for wastewater of both sewer systems: industrial (1. and 2.) and rainwater-drainage (KOP and KOR). Wastewater is optionally directed to this system when pollution load flowing to the Central Wastewater Treatment Plant exceeds standard levels;
- 4° of treatment – algal and reed ponds (for wastewater of both sewer systems: industrial (1. and 2.) and rainwater-drainage (KOP and KOR).

Moreover, on the plant premises there are 21 local pre-treatment plants linked with respective units. They play an important role in reducing pollution load in wastewater delivered to the Central Wastewater Treatment Plant. They are mainly mechanical pre-treatment facilities, and the total amount of pre-treated wastewater is approx. 11,306 m<sup>3</sup>/d. Pre-treatment facilities at individual units may be periodically shut-down upon the consent of the Water and Wastewater Plant, provided that pollutant concentrations in sewage are maintained on permissible levels.

In 1996 PKN ORLEN started implementing a solution developed by the Water and Wastewater Plant: "Method of wastewater treatment for industrial purposes" consisting in closure of water and wastewater circuit and production of industrial water from treated wastewater. This solution required addition of the 3<sup>rd</sup> degree wastewater treatment (accelerators for coagulation and flocculation) and 4<sup>th</sup> degree of wastewater treatment (algal and reed ponds) to the wastewater treatment line and construction of an "inhibitor node," where treated wastewater is inhibited and sanitized with chlorine water. Moreover, to enable the functioning of the 3<sup>rd</sup> and the 4<sup>th</sup> degree of wastewater treatment it was necessary to modernize the water de-carbonisation unit at the Water Preparation Department.

## Volume and quality of wastewater in 2008–2009

	2008	2009	Increase/ Decrease
Wastewater discharge to the Vistula [m <sup>3</sup> ]	12,381,024	11,351,599	– 8.3%
COD load in wastewater discharged to the Vistula [kg/y]	676,524	726,812	7.4%

Two accelerators (A-4 and A-5) from water decarbonisation process were used in the 3rd stage of wastewater treatment. Here it was possible to repeatedly use sediment from raw water decarbonisation process in wastewater coagulation process.

Wastewater is used as industrial water for cleaning, washing and fire fighting purposes.

The new technologies yielded environmental and economic benefits. The volume of water uptaken from and wastewater discharged to the Vistula has significantly dropped.

However, the closed water circuit, apart from advantages, caused certain problems and restrictions. In 2000, we resigned from directing reversed wastewater to cooling systems, as it resulted in excessive salinity of water at water blocks. High salinity of circulating water made it necessary to desalt cooling systems and as a consequence caused increased ballast water discharge to the wastewater treatment plant. Thus, in order to be able to still use recycled water, we will have to reduce salt consumption in the water and wastewater system. Proposal to be applied

in this scope may be the use of membrane processes, e.g. reverse osmosis process (in place of ion exchangers) which is carried out without the use of chemicals.

In 2008, we reported a significant drop in the amount of generated waste in the group of waste other than hazardous. This was the effect of completion in 2008 of preparatory works for investments projects. Works carried out in 2009 were not associated with generation of increased amount of waste. The amount of recovered waste remains stable at approx. 90% ratio to generated waste.

In 2009 we generated 4.7 thousand Mg of hazardous waste, of which 3.5 thousand Mg were directed to recovery processes outside the territory of Poland, whereas the remaining 1.2 thousand Mg of hazardous waste were supplied to Polish recipients.

In 2009, no accidental release of hazardous substances happened at the Production Plant in Płock which could affect human life, soil, vegetation, water reservoirs or underground water.

Transfer of hazardous waste in 2009 was carried out in the following way:

- within the territory of Poland
  - for the purpose of recovery – 265.0 Mg,
  - for the purpose of neutralising – 502.4 Mg;
- to other countries for the purpose of recovery – 4,372.4 Mg.

This applied both to waste generated in 2009 and stored from the previous years.

The proper operation of the Production Plant in Płock was checked by the Masovian Regional Environmental Protection Inspectorate, which performed 3 checks in 2009, of which one was a comprehensive check, one was investment project check and one was a check with respect to major failures. The results of the checks did not reveal any parameters in excess of the limits determined in relevant permits and decisions, and no penalties were imposed. A post-check disposition was issued stipulating recommendations concerning the requirement to notify the Regional Fire Service Chief and the Regional Environmental Protection Inspector about the date of termination of the use of Olefin I unit.

#### Amount of waste generated in 2008–2009\*

	Volume ['000 Mg]	
	2008	2009
Total generated waste:	11.9	7.8
including: – hazardous waste	4.3	4.7
– other waste (excl. municipal waste)	7.6	3.1

\* according to data for the Polish Central Statistical Office.

#### Waste utilisation methods in 2008–2009

	Volume ['000 Mg]	
	2008	2009
Recovered	10.7	10.7
Total neutralised waste	0.5	0.8
including: – thermal	0.3	0.5
– stored	0.2	0.1
– other	0.0	0.2
Stored waste	0.7	0.8

In 2009, capital expenditure on tasks related to environmental protection at the Production Plant in Plock amounted to PLN 191.76 mln. Financial expenditure was approx. 26% lower than in 2008. Capital expenditure on environmental projects constituted 9.24% of the total expenditure incurred for implementation of investment projects at the Production Plant in Plock in 2009.

The Company continued investment projects from 2008 aimed at limiting the Plant's impact on respective natural components:

- construction of HON VII Unit and the accompanying infrastructure,
- construction of Claus II Unit and the accompanying infrastructure,
- reconstruction of the fuel system in the Combined Heat and Power Plant,

- muting the air ventilators at K4, K5, K6 and K7 boilers in the CHP (EC) – a fully completed project.

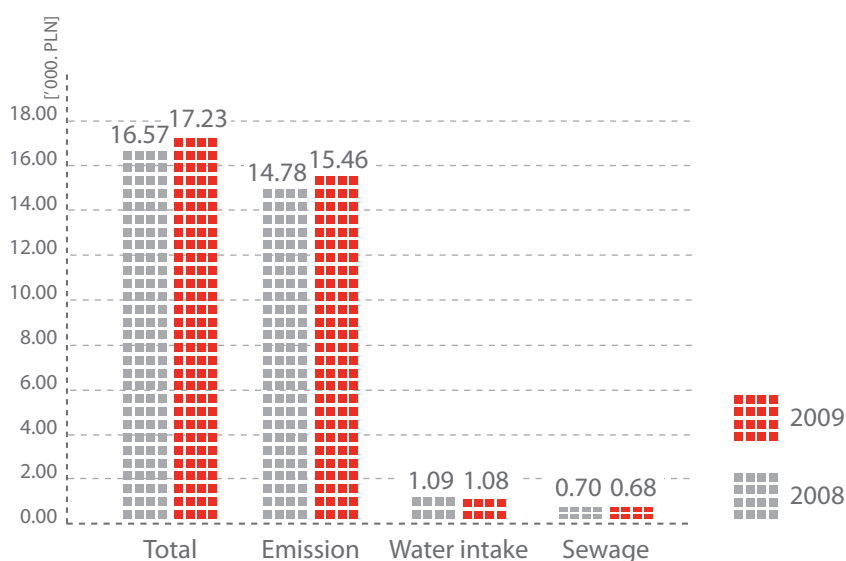
In 2010 it is planned to continue the implementation of the above mentioned projects, and additionally:

- enclosing oil pipeline HVGO from HOG unit to EC fuel tanks,
- replacement of burners on flares in the Production Plant in Plock,
- commencement of a long-term energy and environmental investment programme in the Combined.

The reason for the increase of environmental fees in 2009, despite the drop in total emissions, was the increase of emissions of pollutants from energy generation (SO<sub>2</sub>, NO<sub>x</sub>, CO).

### Environmental fees for the Production Plant in Plock – PLN in 2008–2009

	Total fee amount [PLN]		Increase/Decrease	
	2008	2009	[Mg]	[%]
Total	16,572,326.63	17,226,918.00	654,591.37	3.95
For emission (including transport)	14,784,628.49	15,461,484.00	676,855.51	4.58
For water uptake	1,085,832.47	1,082,459.00	- 3,373.47	- 0.31
For sewage discharge	701,865.67	682,975.00	-18,890.67	- 2.69



Zbigniew Gajewski  
Public Relations Department Director  
Polska Konfederacja Pracodawców Prywatnych  
Lewiatan  
(Polish Confederation of Private Employers Lewiatan)



*The organization you represent has for some time been directing increased attention to responsible operations of companies. In your opinion, what is the significance for entrepreneurs of acting in accordance with corporate social responsibility principles?*

*We have engaged ourselves in the promotion of corporate social responsibility, convinced that this is an opportunity for the entire Polish economy. The first decade of Polish transformations was completed with enormous success, but there are new challenges ahead of us.*

*In the next twenty years we have real chances to catch up with the existing Euro-zone countries as far as GDP per capita is concerned. To achieve this, however, we must be more competitive, innovative and efficient. We will not be able to reach this objective, if we do not start looking for new, qualitative sources of growth: if we do not improve our intellectual and social capital indicator, we will not be able to cope with the demographic problem, we will not learn to develop in our employees innovative approach towards their tasks.*

*Today, there are huge social barriers on the way to economic growth. We might say that it is the State, school, NGOs that should take care of them...However, the truth*

*is that business – in the name of increasing its own chances for development – should do so as well. According to us, these are the areas, which – as part of implemented social responsibility strategy – Polish enterprises must concentrate on. Therefore the corporate social responsibility has crucial significance for us.*

## / Implications of climatic changes

All initiatives undertaken by PKN ORLEN are aimed at ensuring maximum environmental neutrality of production, storage and distribution processes.

We reduced the total emission of pollutants in 2009 by 0.5%, given a 2% increase in crude oil throughput in 2009; for carbon dioxide the drop amounted to over 23,000 tonnes.

Apart from carbon dioxide, a drop in emissions was reported for total emissions of hydrocarbon and dust, while an increase occurred in the area of sulphur dioxide, nitrogen oxide and carbon monoxide.

## 5.2./ PUBLIC RELATIONS

When developing our strategic approach to the issue of social involvement, we act in line with key values, which include consistency in pursuing goals, ability to cooperate, honesty, professionalism, responsibility and entrepreneurship. We strive to respond to the needs of our environment in order to incorporate social responsibilities into the PKN ORLEN development strategy. People are in the centre of our attention, which is why our actions in the scope of corporate social responsibility are supposed to satisfy their needs and expectations as fully as possible. The Company is involved in many social initiatives. The range of activities is broad: from charity, intersectoral partnerships, support of sport and culture, to dealing with serious social problems.



D. Eng. Stanisław Szafran  
Secretary of the Museum of Oil and Gas Industry  
Foundation Council in Bóbrka



*What is so special about the Museum of Oil and Gas Industry in Bóbrka?*

*Bóbrka is a place which, thanks to nature and activities of wise people, was given a pioneer role in the development of Polish and world oil industry. It was here that Ignacy Łukasiewicz, the creator of oil industry, established in 1854 the first crude oil mine in the world with Tytus Trzeciecki. The entire production of the mine was directed to processing in distilleries and to one of the oldest refineries in the world, built in 1856 by Ignacy Łukasiewicz in Ulaszowice, and later in Polanka, Chorkówka and other places.*

*This museum of mining, oil and gas industry is the biggest in Europe and one of the biggest in the world. It presents all aspects of operations related to oil geology and geophysics, drilling, bore-hole exploitation, natural gas industry and some branches of refinery industry and oil products distribution. Exhibits presented in the museum are original or reconstructed artefacts: mining excavations, oil mine buildings from the 2<sup>nd</sup> half of the 19<sup>th</sup> century and drilling and exploitation devices, appliances, measurement equipment and historical objects, as well as archival documents, which make this place a worldwide unique panorama of oil mining.*

## / Involvement in organizations and associations

In 2009, PKN ORLEN continued its active involvement in organizations and associations, treating this as a significant element of functioning on the Polish and European economic arena. The Company representatives were active in 41 organizations, associations and other external institutions. The list of organizations participated by PKN ORLEN in 2009 is available at [www.orklen.pl](http://www.orklen.pl).

The main advantages resulting from the participation include: opportunity to acquire knowledge, access to current information on normative act drafts concerning the refinery and petrochemical industry on the Polish and European market, ability to influence the shape of final legal regulations by consulting and evaluating governmental and parliamentary legal act drafts, access to research results and technical solutions from abroad, participation in seminars and conferences, preferential participation conditions in paid trainings for members of a given organization, promotion of PKN ORLEN.

PKN ORLEN is active on the European scene through its direct involvement and active participation in European oil industry associations. Particularly worth emphasising is the Company's involvement in the work of EUROPIA (European Refining Industry Association), an association which brings together all major oil corporations on the European market representing over 90% of crude oil processing capacities in the EEA. In cooperation with other European oil Companies PKN ORLEN participates in the implementation of the mission of the Association. This consists in constructively contributing to the development of policies whose purpose is to ensure safe and sustainable manufacture, supply and use of oil products by providing support in the form of knowledge to competent experts of EU institutions and state administration, as well as public opinion.

These objectives are also served by scientific and technical research which PKN ORLEN participates in together with other members of CONCAWE (Conservation of Clean Air and Water in Europe) – an association whose members include nearly all oil companies from the EEA. The work of CONCAWE is a source of objective information on the impact of the European oil industry on the natu-

ral environment. It also supports technical preparation of oil companies for implementation of projects such as limiting negative impact of chemicals on people and natural environment through implementation of the REACH system, or participation in preventing climatic changes through the ETS system implementation, and launching engine fuels derived from vegetable oil.

PKN ORLEN's representatives actively participate in activities of working groups from both associations, they are also members of management bodies of these associations: the CONCAWE Management Board, the CONCAWE Scientific Council, the EUROPIA Advisory and Coordinating Committee, and, from the second half of 2010, also the EUROPIA Management Board.

The significance of both association on the European scene, as well as the importance of the issues they work on, allows to conclude that membership in such organizations is a project of strategic character for PKN ORLEN.

## / Charity

Charity activities of the Company, including through the ORLEN Dar Serca Foundation established in 2001, are well known. PKN ORLEN has established priorities of its charity policy, which are: protection of life and health as well as education. Remaining in compliance with its provisions, in 2009 the Company did not make any financial or in-kind donations to political parties, politicians or any other institutions of similar nature.

Main programmes of the Foundation concentrate on the support of education, promotion of foster parenting in the form of family children's homes, actions aimed at improving the level of safety, including in particular a broad programme of cooperation with fire brigade units in Poland. The Foundation pays great attention to education. It manages several scholarship programmes dedicated to various groups of children and youth, including a nationwide programme and a programme addressed to children from family children's homes. Since 2009, scholarships are also provided to the group of several dozen of junior high school and high school students from Płock.

## / Support of sport

PKN ORLEN constantly searches for new forms of communication to reach a wide group of stakeholders. These activities include promotion of talents and support of development of Polish professional sport. The Company strives to achieve the status of sport patron and supports global initiatives and events as well as individual sportsmen.

We support Polish athletes who achieve successes in European and world events. The ORLEN Sports Team included in 2009: Anita Włodarczyk, Tomasz Majewski i Piotr Małachowski.

For 11 years, we have sponsored the ORLEN TEAM, the first fully professional cross-country racing team in Poland. The Team represents Poland on international arenas, e.g. in the Dakar Rally.

In 2009 PKN ORLEN was the general sponsor of two prestigious international events: European Basketball Championships and Women's European Volleyball Championships. The Company also assumed the function of the titular sponsor of the Rally of Poland – the round of World Rally Championship. The Company concentrates on sports associated with strength, dynamism and speed, which are also attributes characteristic of the PKN ORLEN brands. What is important, the Company also supports initiatives aimed at promoting athletics among the youngest and cares for development of physical education in Poland by sponsoring "Thursdays with Athletics". This is a cyclical event for children aged 10-12 years and younger. By the end of 2009 PKN ORLEN became the partner of the Polish Olympic Movement.



### 5.3./ PRO-SOCIAL WORK

#### / Safety

For several years PKN ORLEN has largely participated in activities aimed at improving the level of safety in the broad meaning of the word. We pay particular attention to professional and voluntary fire brigades across Poland, which play an extremely important role in this area. Particularly important is the great number and diversity of tasks performed by them. It is worth reminding that a fireman is a job which has invariably enjoyed a very high level of social trust for many years.

PKN ORLEN cares not only about its own safety. On many occasions the Company has proved that it cares about external safety through various activities, including active participation in the Hazardous Materials Transport Assistance System, the National Rescue and Extinguishing System, or financing and co-financing the purchase of equipment and making donations in the form of fire-fighting equipment.

The programme of assistance for fire brigades implemented by PKN ORLEN is addressed to professional and voluntary fire brigades across Poland. Since 2000 the Company has allocated over PLN 4 mln for this purpose. In 2009 alone, 25 units received financial and in-kind donations. The excellent PKN ORLEN In-house Fire Brigade is systematically improving its skills. Our workplace is secured in accordance with the highest international standards. PKN ORLEN firemen offer help also to citizens of Płock and others in need

#### / "ORLEN. Safe roads" programme

This programme is one of important elements of PKN ORLEN's activities promoting safety, including road traffic safety. It was initiated in 2006–2007 by the action which in an innovative way presented threats resulting from failure to abide by safe driving principles. In 2008–2009 we concentrated on the role of parents in educating children on issues relating to road traffic safety. The main objective of last year's campaign „Parents set example for

children" was to direct attention to the fact that parents are the first and the most important teachers for their child. The earlier adults instil in children's minds good patterns of behaviour in road traffic, the greater the chances that children will follow these proper patterns in future.



[www.orldenbezpiecznedrogi.pl](http://www.orldenbezpiecznedrogi.pl)

#### / ORLEN for industry tradition

The year 2004 marked the opening of the Foundation for the Ignacy Łukasiewicz Memorial Museum of Oil and Gas Industry in Bóbrka, established by PKN ORLEN, Polskie Górnictwo Naftowe i Gazowe SA and Stowarzyszenie Naukowe Inżynierów i Techników Przemysłu Naftowego i Gazowniczego (Association of Oil and Gas Industry Engineers and Technicians).

The objective of the Foundation, operating at the premises of the world oldest (established in 1854) crude oil mine, is to support the Museum which is a worldwide unique construction. Activities of the Museum include collection and preservation of devices documenting the development of oil and gas techniques. The extraordinary location of the Museum, its great tradition, very original collections and rich educational offer encourage pupils, students, and tourists to visit looking for original places where history meets modernity.

/ ORLEN locally

For obvious reasons most of the activities of social character are carried out in Płock. The history of the Company has been for 50 years inseparably connected with the history of this city, and lives of many families has been tied to the Production Plant for generations. We do everything to be a reliable and a good neighbour and a valued partner of the local community.

Since 2002 we have participated in the intersectoral partnership project. The project is evolving and developing systematically. Its coordinator is the Foundation "Grant Fund for Płock" established in 2005, and PKN ORLEN is one of its founders and donors. It supports, among others, initiatives to increase the level of education among Płock inhabitants, prevent social and economic exclusion, increase safety, and improve the level of health protection and promotion. What is important, it also organizes educational activities.

For many years we have celebrated together with Płock citizens the Chemist's Day accompanied by the Płock History Days. The rich cultural, sport, educational and entertainment offer is used by employees with their families and all interested people. During celebrations of the Chemist's Day the inhabitants may also visit the Production Plant in Płock.

We support activities aimed at keeping the memory of prominent citizens of Płock who created the history of this city. The Company co-financed the construction of a monument in the form of a bench to commemorate Waclaw Milke. He was an extraordinary person thought to be the most renowned and deserving representative of cultural life in Płock. Waclaw Milke was a nestor and active animator of cultural life, creator of the Płock History Days, initiator of the Peace Bell, a great patriot, extraordinarily righteous and modest person, who popularized Płock in Poland and abroad until the end of his life. He was also the creator and for many years an artistic director of the Scout Song and Dance Group "Children of Płock."

Last year the support of PKN ORLEN made it possible to expand the collection of the Masovian Museum in Płock. The Company in cooperation with the Masovian Voivodeship local government purchased one of the best self-portraits by Jacek Malczewski.

We identify problems which are the most important for inhabitants of Płock. Therefore, we consistently support actions aimed at improving the level of medical care in this city. Within the last five years the Company and its Foundation supported the Regional Hospital in Płock with the amount of almost PLN 4.5 mln. The latest joint project which is now taking an actual form is creation of intensive care posts in the Regional Hospital in Płock. In 2009 the Dar Serca Foundation financed the programme for diagnosing spine diseases addressed to all inhabitants of Płock. As a result queues for magnetic resonance imaging became significantly shorter.

For many years PKN ORLEN has also made a unique in kind donation in the form of liquid nitrogen. This is a valuable gift for medical and research institutions. Because of technical difficulties related to making this kind of donation, the Company treats it as a special form of support and provides only to selected institutions from Płock and the region whose activities are important for the local community.

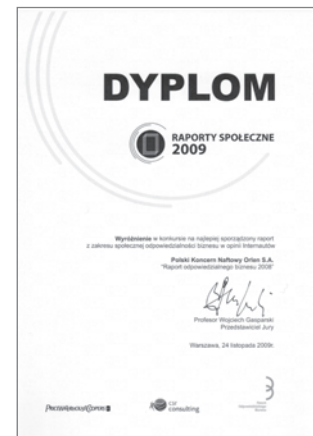
Similar goodwill is felt in relations with the police force of Płock and the Masovian Voivodeship, which the ORLEN Foundation supports financially and by making in-kind donations – mainly cars and computers. An important aspect of this cooperation is education, especially education of children and the youth or participation in joint activities. The most recent one "Shine like a zebra with reflective stripes" encourages the use of reflective elements.

All these activities are guided by our care about health, safety and improvement of the quality of life for Płock inhabitants.

/ The most important awards and certificates received by PKN ORLEN in 2009

- ORLEN considered to be the most valuable Polish brand in the MARQA 2009 ranking of Polish most valuable brands organised by "Rzeczpospolita" daily.
- Two awards for PKN ORLEN Social Responsibility Report in the "2009 Social Responsibility Reports" competition organised by the Polish Corporate Responsibility Forum.
- The "Best Investor Relations in Poland 2009" award granted by "IR Magazine".
- "The Queen of Sport Laurel" in the "Sponsor" category granted by the Polish Athletics Federation.
- "Consumer Laurel" and "Builder of the Fleet Market" statuette in recognition of PKN ORLEN achievements, awarded by consumers and industrial circles, respectively.
- PKN ORLEN fleet cards awarded the "Fleet Product of the Year" title in the Polish Fleet Awards 2009 plebiscite organised by Magazyn Flota periodical and Fleet Management Institute Central-Eastern Europe.
- 1. place in the WarsawScan ranking, in the category of websites devoted to investor relations.
- ORLEN Team among the winners of Dakar Rally: Jakub Przygoński – 11<sup>th</sup> place, Jacek Czachor – 20<sup>th</sup> place, and Hołowczyc/Fortin car team – 5<sup>th</sup> place in the general classification.
- The success of ORLEN Team motorcyclists: Jakub Przygoński – 2<sup>nd</sup> place and Jacek Czachor – 3<sup>rd</sup> place in FIM World Cup.
- Prestigious "Abu Dhabi Spirit of the Rally" award won by ORLEN Team: Krzysztof Hołowczyc and Łukasz Kurzeja awarded for great driving and very good results at ORLEN Platinum 66<sup>th</sup> Rally of Poland, eighth eliminations for the World Rally Championship.
- ORLEN MONSTER JAM awarded in the "event marketing" category of the Golden Arrow competition.

- 1. place in the "Friendliness, Sector, Industry" category of the 5<sup>th</sup> edition of the KOMPAS Polish employer ranking.
- 3. place in the "Employer for Engineer" plebiscite.
- "Industry Leader: fuels, oils" award in the "Universum Student Survey 2009."



/ Certificates held by PKN ORLEN  
to confirm compliance with applicable standards

- Quality Management System Certificate  
– ISO 9001:2000,
- Environmental Management System Certificate  
– ISO 14001:2004,
- Occupational Health and Safety Management System  
Certificate – PN-N-18001:2004,
- Quality Management System Certificate  
– AQAP 2120:2003,
- Information Safety Management System Certificate  
– PN-ISO 27001:2005.

/ Index of website addresses quoted in the Report

[www.orklen.pl](http://www.orklen.pl)

(Polski Koncern Naftowy ORLEN)

[www.raportroczny.pl](http://www.raportroczny.pl)

(PKN ORLEN Annual Report)

[www.darserca.pl](http://www.darserca.pl)

(ORLEN Dar Serca Foundation)

[www.funduszgrantowy.plock.eu](http://www.funduszgrantowy.plock.eu)

("Grant Fund for Plock" Foundation)

[www.funduszgrantowy.pl](http://www.funduszgrantowy.pl)

(Good Neighbourhood Grant Fund Association for Ostrów Wielkopolski)

[www.orklenbezpiecznedrogi.pl](http://www.orklenbezpiecznedrogi.pl)

(ORLEN.Safe Roads)

[www.bobrka.pl](http://www.bobrka.pl)

(Foundation for the Ignacy Łukasiewicz Memorial Museum of Oil and Gas Industry in Bóbrka)

[www.pppt.pl](http://www.pppt.pl)

(Industry and Technological Park in Plock)

[www.globalreporting.org](http://www.globalreporting.org)

(Global Reporting Initiative)

[www.peregrinus.pl](http://www.peregrinus.pl)

(Society for Wild Animals „SOKÓŁ“)

[www.unglobalcompact.org](http://www.unglobalcompact.org)

(United Nations Global Compact)

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**NORDIC SWAN**

– introduced by the Nordic Council of Ministers is an eco-label used for products from both virgin and recovered fibres. It defines the criteria for pollutant emission, energy consumption, origin of raw materials and specific chemical compounds.



**EU FLOWER**

– certificate, which is an official EU label used for products manufactured from virgin fibres as well as recovered fibres. It defines the criteria for pollutant emission, energy consumption, origin of raw materials and specific chemical compounds