

Corporate  
responsibility  
report

2011



**RESPONSIBLE  
FUTURE**

Polski Koncern Naftowy ORLEN Spółka Akcyjna



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# LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF PKN ORLEN



Dear Sir or Madam,

the future is much closer than it seems. What we do here and now shapes the world in which future generations will live.

This idea is what every representative of the business world should bear in mind. The times when entrepreneurs understood long-term strategy mainly as the ability to take measures that guaranteed high profits are gone. What we are witnessing now is a change of paradigm: sustainable development, as defined by UNDP, is becoming an indispensable element of every business. According to UNDP, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Speaking in business terms, this means that a company should be managed in such a way as to maintain a reasonable balance between achieving business gains and developing relationships with stakeholders at all times.

These days, major challenges include increasing social disparity, depletion of fossil fuel sources, climate change and environmental pollution. Businesses are responsible for developing remedies in all these spheres, and they do so successfully by developing win-win strategies. Many entrepreneurs and managers – in Poland and abroad – have proved that such solutions are also a chance to make a company more competitive.

This year's report is meant to convince readers that thinking about the future is very sensible. For years, PKN ORLEN has been proving this true both on the strategic level and in everyday business operations. For many years we have been a member of Global Contact, an initiative launched by the UN Secretary General, which constitutes a platform for the exchange of experiences as well as for identifying, promoting and disseminating best practices based on universal values concerning human rights, work standards or environmental protection. Ever since the beginning of the RESPECT Index, we have been listed on the Warsaw Stock Exchange as a socially responsible company.



Aware of contemporary problems, we consciously invest in the upstream and energy sectors, the foundations of our strategy toward building a multi-utility company, we implement environmentally friendly and innovative solutions both in production processes and in products and we develop technologies to limit CO<sub>2</sub> emissions and optimise waste management processes. This is our contribution to a cleaner environment in five, ten and thirty years time.

As one of the largest oil companies in Poland and CEE, we are responsible for developing energy policy standards and corporate governance principles. We are an active member of local and international business associations and our representatives attend working and project group meetings and cooperate with Polish and international experts. We believe that the sound solutions we develop today will yield benefits also in the future. At the same time, we undertake efforts to improve the quality of public debate in Poland. Within the framework of the project "Future Fuelled by Knowledge", which was launched in 2010, we organise conferences and discussion panels and publish a series of related publications. This way, we help develop an effective platform for the exchange of opinions, experiences and knowledge concerning strategic issues in Poland.

We also take care of people: our current and former employees, representatives of local communities and those in need. We support family-run children's homes, sponsor scholarships, promote educational programmes and help NGOs. We provide national and voluntary fire brigades with more technologically advanced equipment to better protect human life. We hope that our efforts will improve standards in the field of healthcare, safety and education. Today and tomorrow.

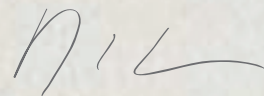
For us, sustainable development also has a global dimension, which is why we do not limit ourselves to thinking only about Poland. For a number of years, we have been selling coffee with the fairtrade certificate at our service stations. By promoting human rights protection in less developed countries, we want

to disseminate the idea of fairtrade and increase the awareness of vital social issues among Polish consumers. Perhaps in this way we will contribute to limiting the scale of these issues in the future.

We must remember that each and every one of us has an impact on the environment. We can all help develop the right attitudes. Even small gestures change the world.

I hope you enjoy reading this report and find it inspiring.

Dariusz Jacek Krawiec



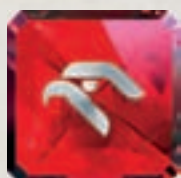
President of the Management Board, CEO  
of PKN ORLEN

## OUR MISSION

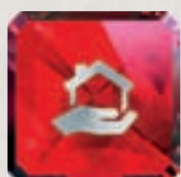
We discover and process natural resources to fuel the future

## OUR CREDO

ORLEN. FUELLING THE FUTURE.

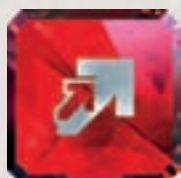


### OUR CORE VALUES:



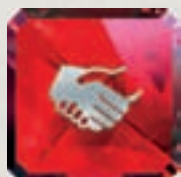
#### RESPONSIBILITY

We respect our customers, shareholders, the natural environment and local communities.



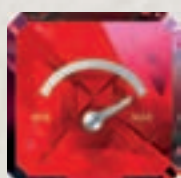
#### PROGRESS

We explore new possibilities.



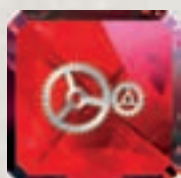
#### PEOPLE

We are characterised by our know-how, teamwork and integrity.



#### ENERGY

We are enthusiastic about what we do.



#### DEPENDABILITY

You can rely on us.

## ABOUT PKN ORLEN

PKN ORLEN is a regional leader of the crude oil industry, a leading producer and distributor of refinery and petrochemical products. The main activities of the Company include processing of crude oil into petrol, diesel oil, furnace oil, aviation fuel, plastics and petrochemical products.



1<sup>st</sup> place in the Biggest Polish Companies ranking published by *Rzeczpospolita* daily.

The principal aim of the PKN ORLEN strategy is development of an integrated, multi-segment fuel and energy entity with diversified asset structure – a multi-utility company. Major development investments are focused on new business segments, such as hydrocarbon exploration and production (upstream) and electricity production. In 2011, the Company initiated, among others, drilling works under the LUBLIN SHALE project aimed at appraisal of the resources and possibilities for gas production from unconventional deposits (shale gas). The LUBLIN SHALE project is an excellent example of synergy with another objective of the development strategy of the ORLEN Group, i.e. development of the energy segment, because if successful, this project will generate a source of fuel for future gas power plants.

In the scope of projects for development of energy sector, key activities in 2011 were carried out in three streams: implementation of the project for construction of the gas power plant in Włocławek (including initiation of activities regarding future gas supplies), establishment of PKN ORLEN position in the area of renewable energy sources and activities aimed at adaptation of production sources to environmental standards coming into effect in 2016.

In 2011, crude oil processed in the ORLEN Group totalled nearly 27.8 million tonnes.



	2009	2010	2011
Selected financial data (in '000 PLN) <sup>1</sup>			
I Total sales revenues	47,481,278	62,215,581	79,037,121
II Operating profit	790,306	2,756,827	3,173,938
III Profit/(loss) before tax	1,907,812	2,826,324	2,396,447
IV Net profit/(loss)	1,635,885	2,357,127	1,386,166
V Net cash from/(used in) operating activities	2,806,414	3,895,427	(793,335)
VI Net cash from/(used in) investment activities	(1,615,776)	(2,568,977)	2,490,678
VII Net cash from/(used in) financial activities	335,897	(1,881,372)	1,197,823
VIII Net increase/(decrease) in cash and cash equivalents	1,526,535	(554,922)	2,895,166
IX Net profit/(loss) and diluted profit/(loss) per share (in PLN)	3.82	5.51	3.24
	as at 31 December 2009	as at 31 December 2010	as at 31 December 2011
X Fixed assets	23,006,696	24,663,871	22,429,271
XI Current assets	14,009,655	15,230,187	23,439,812
XII Total assets	37,016,351	39,894,058	45,869,083
XIII Long-term liabilities	10,368,702	8,350,861	9,844,384
XIV Short-term liabilities	9,514,751	12,004,148	15,177,975
XV Equity	17,132,898	19,539,049	20,846,724
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)	40.06	45.68	48.74
Throughput and output of the Plock Refinery (in '000 tonnes)			
Crude oil processed	14,526	14,452	14,547
Total petrol	3,055	2,736	2,469
Total diesel oil	5,330	5,359	5,646
Ekoterm Plus heating oil	790	699	372
Aviation fuel	291	394	393
Propane-butane fraction (LPG)	210	241	186
Environmental impact – Production Plant in Plock			
Water withdrawal from the Vistula (in m³)	22,448,565	22,785,313	23,475,613
Wastewater discharge to the Vistula (in m³)	11,351,599	12,757,779	13,452,489
COD <sup>2</sup> load in wastewater discharged to the Vistula (kg/y)	726,812	889,310	901,573
Total emissions of all pollutants (in Mg),	6,158,012.71	6,385,884.25	6,258,758.17
including:			
Sulphur dioxide	20,975.23	22,381.42	20,971.56
Nitrogen monoxide (as per nitrogen dioxide)	7,124.27	8,460.74	8,027.86
Carbon monoxide	1,010.87	1,309.07	1,282.72
Total hydrocarbons	1,238.12	1,412.07	1,203.91
Total dust <sup>3</sup>	631.66	728.28	588.78
Carbon dioxide	6,126,894.42	6,351,440.32	6,226,505.89
Other pollutants <sup>4</sup>	138.14	152.35	177.45
Environmental impact – PTA Plant in Włocławek			
Water withdrawal from ANWIL supplier (m³)	–	–	2,883,000
Wastewater discharge to sewage system of ANWIL (m³)	–	–	1,300,000
COD <sup>2</sup> load in wastewater discharged to sewage system of ANWIL (kg/y)	–	–	6,140,000
Total emissions of all pollutants (in Mg),	–	–	62,007.35
including:	–	–	–
Sulphur dioxide	–	–	0.71
Nitrogen monoxide (as per nitrogen dioxide)	–	–	38.31
Carbon monoxide	–	–	299.28
Total hydrocarbons	–	–	0.77
Total dust <sup>3</sup>	–	–	2.12
Carbon dioxide	–	–	61,657.83
Other pollutants	–	–	8.33
Responsible production			
Environmental charges (in PLN)	17,226,918.00	19,644,093.00	19,775,480.00 <sup>5</sup>
including:			
for emission (including transport)	15,461,484.00	17,679,435.00	17,538,371.00
– including Production Plant in Plock	–	–	17,459,043.00
– including PTA Plant in Włocławek	–	–	79,328
for water withdrawal	1,082,459.00	1,146,012.00	1,228,823.00
for wastewater discharge	682,975.00	818,646.00	1,008,286.00
Capital expenditure on environmental protection (in PLN)	191,757,998.86	148,118,479.00	48,422,552.00
Our employees			
Employment as at 31 December	4,482	4,513	4,445
Accidents at work (including major)	23	28	15
Absence from work following accidents at work	996	789	592

1) Selected financial data concern PKN ORLEN and apply to the year ended on 31 December.

2) COD – chemical oxygen demand. Gross load.

3) Total dust, i.e. combustion dust, silica dust and metals in dust. Note: change in reporting resulting from the necessity to include in overall statements the new PTA plant in Włocławek.

4) In previous years, silica dust and metals in dust were included in other pollutants, hence values in previous annual reports were higher.

5) The amount includes environmental charge paid by the PTA Plant in Włocławek.



## What we do

### Refineries

The ORLEN Group manages the complex of seven refineries located in Poland (Plock, Trzebinia, Jedlicze), in Lithuania (Mažeikiai) and in the Czech Republic (Litvinov, Kralupy and Pardubice).

### Petrochemistry

ORLEN Group petrochemical segment consists of units at the Petrochemical Production Plant in Plock, Włocławek and the following companies: Basell Orlen Polyolefins and Unipetrol (the Czech Republic). The ORLEN Group is the sole manufacturer of olefins, polyolefins and most petrochemicals in Poland and the Czech Republic. In 2011 PKN ORLEN launched the PX (paraxylene) and PTA (purified terephthalic acid) complex, one of the most modern in the world. Therefore, it has become one of key world suppliers in this area. The high quality of offered products and efficient distribution network make the Company one of the strongest market players in this part of Europe.

### Retail

The ORLEN Group has the largest fuel station network with 2,696 fuel stations in Central and Eastern Europe, covering Poland (1,756), Germany (567), the Czech Republic (338) and Lithuania (35). The entities responsible for managing commercial operations on respective markets are: PKN ORLEN, ORLEN Deutschland, Benzina and Ventus Nafta.

### Wholesale

The Company conducts wholesale of fuel and non-fuel products in Poland, the Czech Republic, Germany as well as Slovakia, Ukraine and Lithuania. The ORLEN Group wholesale segment consists of PKN ORLEN wholesale units, five Regional Market Operators, Petrolot, ORLEN Gaz (Poland), Uniraf Slovakia (Slovakia), Unipetrol BUI (the Czech Republic), ORLEN Lietuva (Lithuania, Ukraine, Poland, sea sales).

### Oils

The oil segment consists of ORLEN Oil (Poland) and Paramo (the Czech Republic).

### Bitumen

The ORLEN Group bitumen segment consists of ORLEN Asfalt (Poland) and Paramo (the Czech Republic).

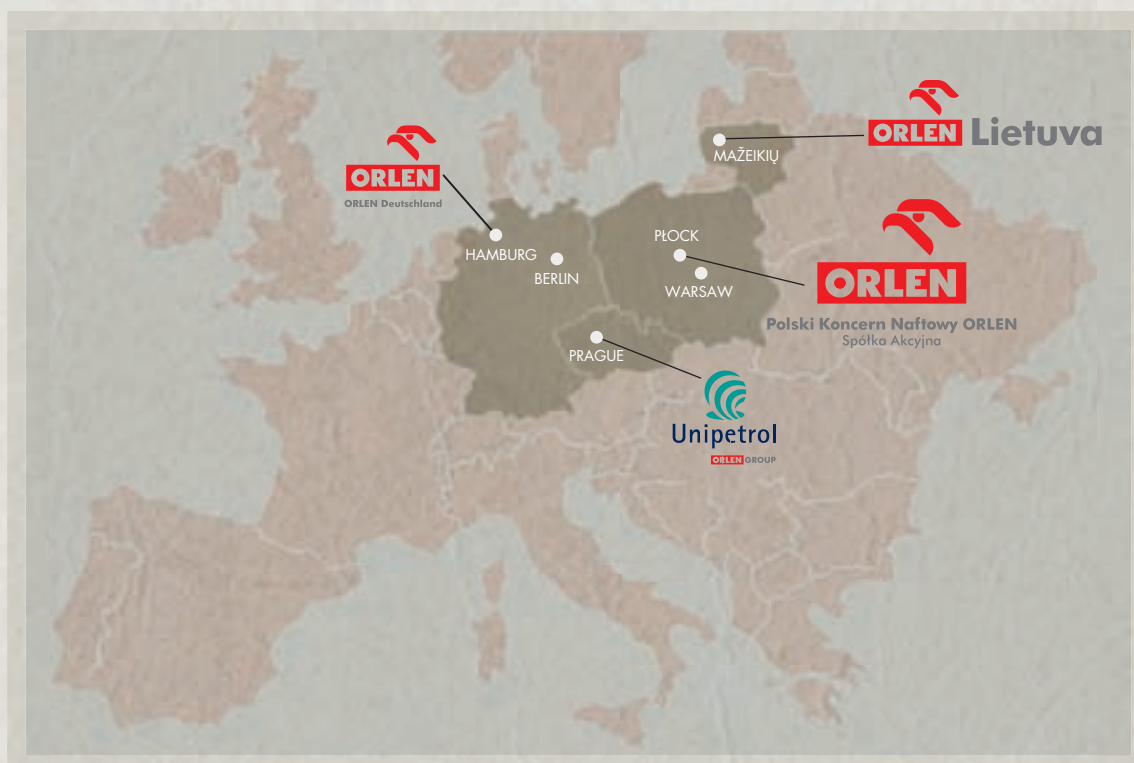
### Chemistry

The chemical segment comprises ANWIL in Włocławek and its subsidiary Spolana based in the Czech Republic.

### Upstream

ORLEN Upstream coordinates, among others, exploration and production projects at the Baltic Shelf in the Latvian Economic Zone, in the Lublin region and in the Polish Lowlands. The company also implements projects aimed at exploration, recognition and documentation of unconventional shale gas resources.

## Geographical coverage map



### Power engineering

The project to build a gas power plant with a capacity of about 500 MW in Włocławek is at an advanced stage. The Company has an environmental decision, a power grid connection agreement and a building permit for a power unit. Construction of another power plant in Płock is being considered.

### Logistics

To ensure fluent and efficient flow of raw materials and finished products, the ORLEN Group uses an infrastructure consisting of: fuel terminals, land and offshore transshipment facilities, a network of industrial raw material and product pipelines as well as road and rail transport.

## EXPERT ZONE

*The European Union policy on CSR is heterogeneous and has undergone numerous changes over recent years. Currently it is assumed that administration at all levels should include in greater degree among its tasks the question of creating conditions for sustainable development and responsible competitiveness. Jointly developed, efficient and economically viable instruments to support corporate social responsibility can best contribute to popularization of voluntary standards adopted by companies and individual sectors.*

*CSR is a phenomenon strictly connected with the role and position of business within a given society, development of institutions and conditions for conducting business activities. Different social, political and legal factors have a significant influence on building competitiveness of enterprises and the economy as a whole. Therefore, different countries develop comprehensive public strategies on CSR, covering all essential components of economic and social policy. Corporate social responsibility is in fact an investment in society, which in the long term brings benefits to all.*

## Main products

### Fuels

ORLEN fuel, apart from home markets (Poland, the Czech Republic, Slovakia, Germany, Ukraine, Baltic States), is also sold to Sweden, Finland, Great Britain and the USA.

### Petrochemistry

ORLEN Group is one of key producers of petrochemicals in the region, producing, among others: paraxylene, terephthalic acid, ethylene, polyethylene, polypropylene, toluene, benzene, orthoxylene, acetone, butadiene, glycol, ethylene oxide, phenol, artificial fertilizers and other products. Main customers are from Poland, the Czech Republic, Germany, Austria, Italy, France, Belgium and Sweden, as well as from Russia, Ukraine, Lithuania, Latvia, Estonia and Asian countries.

### Oils

The ORLEN Group is one of the leaders in production of oil and lubricants in the region. Main selling markets are Poland and the Czech Republic.

### Bitumen

The most important selling markets are Poland, the Czech Republic, Slovakia, Germany, Romania and the Baltic States.

### Chemistry

Main products of the chemical segment are polyvinyl chloride, sodium hydroxide, granulates and mixtures on the basis of PVC, nitrogenous fertilizers, caprolactam. Recipients come primarily from Poland, the Czech Republic, the Baltic States and Western European countries (mainly the Benelux countries).

### Bolesław Rok, Ph.D.

CSR Postgraduate Studies Academic Director  
Kozminski University





## ORLEN Group

In our reports we devote more and more space to the ORLEN Group.

At the end of 2011, PKN ORLEN held stocks or shares directly in 56 commercial companies, including:

- 35 subsidiaries (over 50% of shares);
- 2 co-subsiaries (a shareholding of 50%),
- 19 minority companies (less than 20% of shares).

Moreover, as at the end of 2011, PKN ORLEN held stocks or shares indirectly in 56 commercial companies, including:

- 47 subsidiaries,
- 3 co-subsiaries,
- 6 affiliated companies.

Important events within the ORLEN Group last year included:

1. finalizing the sale of the block of 24.39% of shares in Polkomtel S.A. held by PKN ORLEN under a joint transaction of sale by existing shareholders;
2. continuation of works aimed at increasing PKN ORLEN participation in ANWIL S.A., as a result of which at the end of 2011 the share of PKN ORLEN in the company's share capital amounted to 95.14%;
3. increase by PKN ORLEN of its share in the share capital of IKS "Solino" S.A. to 98.17%;
4. increase of PKN ORLEN participation in equity of Rafineria Nafty Jedlicze S.A. to 89.95% as a result of acquisition of shares from the State Treasury and minority shareholders;
5. increase of equity participation in ORLEN Automatyka to 100% and in ORLEN Wir to 76.59%;
6. merger of ORLEN Eko and ORLEN Prewencja under the name ORLEN Eko;
7. formation of companies: Baltic Power and Baltic Spark. The object of their activities is generation, transmission, distribution and trading of electricity.

In 2011 there were no joint-venture events.

### ORLEN Group structure

– directly related companies as at the end of 2011

CEO Division	CFO Division	Petrochemical Division	Refinery Division	Sales Division
ORLEN Upstream 100.0%	ORLEN Księgowość 100.0%	Basell Orlen Polyolefins 50.0%	AB ORLEN Lietuva 100.0%	ORLEN Gaz 100.0%
ORLEN Intern. Exploration & Prod. Co 100.0%	Orlen Holding Malta Ltd 99.5%	ANWIL SA 95.1%	ORLEN Asfalt 82.5%	ORLEN PetroCentrum 100.0%
ORLEN Ochrona 100.0%	Orlen Insurance Ltd 0.0000077%	ORLEN Laboratorium 94.9%	Rafineria Nafty Jedlicze 90.0%	ORLEN PetroTank 100.0%
17 other companies <20.0%	ORLEN Finance AB 100.0%	ORLEN Projekt SA 51.0%	Rafineria Trzebinia 86.3%	Ship Service SA 60.9%
	ORLEN Capital AB 100.0%	Unipetrol a.s. 63.0%	ORLEN OIL 51.7%	ORLEN Deutschland 100.0%
	ORLEN Administracja 100.0%	PPPT SA 50.0%	ORLEN Automatyka 100.0%	ORLEN Centrum Serwisowe 99.0%
		ORLEN Medica 100.0%	ORLEN Wir 76.6%	IKS "Solino" SA 98.2%
		ORLEN Eko 100.0%		Naftoport 18.0%
		ORLEN Budonaft 100.0%		ORLEN KolTrans 99.9%
		Baltic Power 100.0%		ORLEN Transport 100.0%
		Baltic Spark 100.0%		ORLEN Transport Kraków under bankruptcy 98.4%
				Petrolot 51.0%

## Main brands

Today PKN ORLEN is the Polish symbol of world-class products and model expansive enterprise, a company observing the principles of corporate social responsibility, ethics, corporate governance and full transparency. When creating the brand, efforts were made to evoke associations with the ideas prevailing in the Company's brand strategy: global, crude oil, modern and national. The brand, apart from its business role, also represents social goals. It is an extremely valuable asset of our Company.



**Katarzyna Kowalczyk**

*Head of Corporate Identity Team*

*Consistently managed brand reflects the needs of environment, responds to challenges and changes. The ORLEN brand is managed at two levels: corporate and product. It is associated primarily as a fuel stations network, friendly, comfortable and energetic place. At a time when products and services increasingly resemble each other, a key differentiator is their source, the company that created them. Therefore it is important how the company thinks, what good it does, how it treats its customers. This image is created by everyone – every manager, every fuel station employee.*

Find out more:  
2009 Corporate Responsibility Report,  
p. 14-15





## WHY RESPONSIBILITY?

PKN ORLEN recognizes its role in the national economy. The size of the Company, the fact that it operates in the energy sector, but also traditions of responsible conduct – all these aspects allowed to translate with particular diligence the corporate citizenship model into specific projects, the manner of operation, philosophy of business conduct.

### EXPERT ZONE

*Each company unavoidably has contact with two consumer groups. One of them is the "Vast Majority", whose members are unable to devote sufficient time, do not have knowledge to fairly assess declarations of a company in terms of corporate social responsibility.*

*The second group is the "Substantial Minority", properly prepared, often professionally, and dedicated to monitoring and evaluation of products and services from the perspective of their "impact on environment and health". It is the second group that mediates with the first group and supports consumer decisions. Therefore, it is worth investing in the quality of communication at two levels. The more popular one, understandable for an average consumer, not oriented in the intricacies of concepts such as social responsibility, sustainable development or communication standards, and the more specialized one, addressed to experts.*



Distinctions in the Ranking of Responsible Companies 2011 – the 2<sup>nd</sup> place in the category fuel, energy, production, and distinction in the category "Responsible Polish Companies".



**Maciej Kozakiewicz, Ph.D.**

University of Lodz, co-creator of the BI-NGO Index



It is important that PKN ORLEN operates in an industry that has traditionally been heavily exposed to risk. The results of the PKN ORLEN Group are affected by macroeconomic, regulatory and market factors. Key elements influencing the results are exchange rates, oil prices, demand and margins of refinery and petrochemical products. Also regulatory issues associated with environmental protection are becoming increasingly important.

One of the main factors determining the business situation, not only in our industry, but in the whole economy, is uncertain economic situation in the world. This results, among others, in strong fluctuations of PLN exchange rate against USD and EUR. These changes impact on the ORLEN Group operations, affecting mainly the level of margin expressed in PLN and costs associated with debt servicing denominated in foreign currencies as well as maintenance of debt ratios at the level specified in agreements with banks.

The oil market is highly influenced by geopolitical factors shaping price levels. "Spring of Nations" in the Arab world and strained relations between Iran and other countries significantly raised geopolitical risk, which in turn caused sudden increase in oil prices. Moreover, crude oil for the first time in history has ceased to be merely a primary energy carrier and has become a financial instrument guaranteeing significant profits. Oil prices remaining at high levels for several quarters negatively affect economic growth and demand, including fuel products. In addition, high oil price volatility is detrimental to the stability of cash flow, which significantly hinders company management. Another important factor is the level of differential Ural/Brent, which has an impact on competitiveness and profit margins earned by refineries configured to process heavy oil and sulphurised oil.

Among factors strongly affecting the functioning and results of the ORLEN Group are refinery and petrochemical products margins, which are particularly sensitive to high raw material prices and fluctuations in demand. An important operating factor influencing the ability to maintain effective operation of refineries is to ensure continuity of oil supplies. Strategically important agreements securing oil supplies to Plock were concluded last year. Finally, in the long term, a significant factor affecting the development of the ORLEN Group is the fact that there are changes in regulations regarding environmental standards and CO<sub>2</sub> emissions, which will increasingly exert pressure on the business model and business strategy of PKN ORLEN.

The ORLEN Group, the petroleum industry leader in Central Europe, manages very well in turbulent times. In 2011 the group achieved record sales revenues amounting to PLN 107 billion. The Group's sales volumes increased by 4% to a record level of nearly 35.5 million tonnes. Sales in the refinery sector were by 3% higher in comparison to 2010. Start-up of the PX/PTA facility and initiation of the sale of terephthalic acid, as well as higher sales of plastics led to increased sales volumes in the petrochemical segment by 7%. The position on retail markets in Poland and Germany was also strengthened.

In 2011 the Company also continued activities aimed at further strengthening of the financial position of PKN ORLEN. Debt was reduced to the level of PLN 7.6 billion, the Company signed debt refinancing loan agreements for the total value of almost EUR 2.9 billion, which allowed to provide the Company's financing for 5 years. Moreover, the Company lowered the level of working capital by more than PLN 5.6 billion in relation to 2010, also in the petrochemical sector. The Company has been consistently improving operational efficiency and reducing debt, which will have a positive impact on minimizing the exposure of the ORLEN Group to market and financial risks.



**The title of the "Best managed company in Poland"** awarded for the fifth time by the prestigious financial monthly – *Euromoney*.

At the root of responsible and efficient management there are key values, which all employees voluntarily declare to comply with. Economic efficiency combined with civic attitude constitute value for the Company itself, which builds credibility and trust in this way. But it is also a clear signal to stakeholders that the Company understands its role in the modern world. The Company is aware of the fact that values generated by it are created for stakeholders and thanks to cooperation with them.

Find out more:

[www.orlen.pl/PL/Odpowiedzialny  
Biznes/Wartosci-i-zasady-postepowania  
-PKN-ORLEN-SA/Strony/default.aspx](http://www.orlen.pl/PL/OdpowiedzialnyBiznes/Wartosci-i-zasady-postepowania-PKN-ORLEN-SA/Strony/default.aspx)



The Code of Ethics of PKN ORLEN, introduced in 2005, inaugurated changes in corporate culture based on the Company values. They were developed through social, internal consultations. The process of development of the Code stimulated activity of employees, while making them aware of the role they can play in the process of changes. This resulted, among others, in deep conviction about importance of their opinion for business and social processes. To strengthen this involvement, in 2006 the Company took a decision to appoint the Ethics Officer.

The Code was a response to the contemporary needs to build relationships with internal stakeholders as well as with the external environment. Its provisions helped manage difficult issues on a daily basis, improve procedures and strengthen credibility of the Company. However, over the years its environment has changed, and new challenges brought by subsequent manifestations of the global crisis necessitated improvement of the principles of responsible operation of the Company. Therefore, on the basis of many years of experience, values and principles of conduct in PKN ORLEN were redefined. New provisions and description of the process of development of existing corporate culture are found in the Corporate Responsibility Report.

Brand Reputation Index, a survey conducted among stakeholders for two years, has confirmed that social involvement, ethics in business and ecological sensitivity have significant influence on the strength of this Index, and as a consequence – on perception of the company.

The aim of the survey is to better understand expectations of stakeholders. It is dedicated exclusively to CSR issues. Its task is to verify the effects of activities carried out by PKN ORLEN in this area. Currently it covers two groups of stakeholders: local community of Plock and customers. Complete knowledge on how individual activities are received and to what extent they correspond with the real needs of respective groups of shareholders is a key element in achieving objectives in this area.

The previous Report presented milestones of CSR activities undertaken by the Company.

Find out more:  
2010 Corporate Responsibility Report,  
p. 31



**Iwona Woźniak-Konopa**

*Head of the Market Research Team*

*A big challenge was to develop an analytical model as a basis for assessing the condition of the PKN ORLEN brand in the context of CSR activities. Comprehensive analysis of the phenomenon in the framework of activities of the interdisciplinary team has allowed to create a complete tool that exhaustively explores how the CSR activities of PKN ORLEN are perceived. For us this is an important voice of stakeholders in the process of shaping the directions of social involvement.*

This time we point out that corporate social responsibility is based on everyday activities, carried out in systematic and consistent manner. A broad spectrum of initiatives undertaken by PKN ORLEN reflects diversity of its stakeholders and their expectations. Continuation of many projects over many years indicates long-term thinking about social needs. Whereas new projects confirm attentive consideration of the voice of people around.

## Responsible year 2011 - selected events

<p><b>January</b></p> <ul style="list-style-type: none"> <li>• PKN ORLEN again in RESPECT Index</li> </ul> <p><b>February</b></p> <ul style="list-style-type: none"> <li>• PKN ORLEN appointed as the Polish Ecology Partner</li> </ul> <p><b>March</b></p> <ul style="list-style-type: none"> <li>• Inauguration of the fifth edition of "ORLEN. Safe roads" programme</li> </ul> <p><b>April</b></p> <ul style="list-style-type: none"> <li>• Continued activities for Polish athletics</li> </ul> <p><b>May</b></p> <ul style="list-style-type: none"> <li>• Launch of pilot sales of BIO85 – innovative natural fuel</li> </ul> <p><b>June</b></p> <ul style="list-style-type: none"> <li>• PKN ORLEN becomes a partner of the Polish Presidency in the Council of the European Union</li> </ul>	<p><b>July</b></p> <ul style="list-style-type: none"> <li>• Support for training of specialists in the field of gas production from shale</li> </ul> <p><b>August</b></p> <ul style="list-style-type: none"> <li>• Final of the "Miraculous School Bag" action within the framework of the Employee Volunteering programme</li> </ul> <p><b>September</b></p> <ul style="list-style-type: none"> <li>• Action of the ORLEN – DAR SERCA Foundation for child road safety "Child in Car"</li> </ul> <p><b>October</b></p> <ul style="list-style-type: none"> <li>• PKN ORLEN among leaders of Polish philanthropy</li> </ul> <p><b>November</b></p> <ul style="list-style-type: none"> <li>• PKN ORLEN becomes a partner of the Citizens Congress</li> </ul> <p><b>December</b></p> <ul style="list-style-type: none"> <li>• Cross-sector partnerships – inauguration of the 7<sup>th</sup> edition of grant competition in Ostrów Wielkopolski</li> </ul>
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Business confirmation of the value of responsible management is presence of PKN ORLEN in the RESPECT Index.

Find out more:  
[www.odpowiedzialni.gpw.pl](http://www.odpowiedzialni.gpw.pl)

The first in Central and Eastern Europe stock index of socially responsible companies debuted on the Warsaw Stock Exchange in Warsaw in November 2009. The aim of its publication is to promote companies operating in accordance with best management standards in corporate and informational governance as well as communication with investors, acting responsibly in the social, occupational and environmental area.

PKN ORLEN has been included in the Index since its creation. Positive verification of the Company in the third and fourth editions of RESPECT survey, which were conducted in 2011, confirms fulfilment of commitment included in the 2010 CSR Report. Commitment to exercise all efforts to keep the Company in the RESPECT Index in the next years still remains valid.





WHY TO REPORT?


Responsible thinking about the future determines not only business objectives but primarily the method of management. Non-financial data reporting is becoming a standard in socially responsible companies. The report itself is becoming an increasingly appreciated element of communication with stakeholders. It is also gaining significance within the circle of investors and stock exchange issuers. Extension of reporting with environmental and social dimension allows to accurately and comprehensively inform about business activities.

The scope of indices reported by PKN ORLEN has been developed over years both within the Company (internal workshops, opinions of reporting persons) as well as thanks to opinions of other stakeholders. The result of these activities was identification of main issues stakeholders are interested in. The report itself is developed by employees of PKN ORLEN.

This Report is the eighth one published by PKN ORLEN and the fourth one drawn up in accordance with the GRI (Global Reporting Initiative) standard.

Map of stakeholders




 The winner of the “Social Reports 2011” competition.



The Report was drawn up in accordance with GRI G3.1 Guidelines at B level. The level defines the amount of GRI standard disclosures that have been covered in the report.

More information on application levels and GRI G3.1 Guidelines are available at: [www.globalreporting.org](http://www.globalreporting.org).

		C	C+	B	B+	A	A+
Mandatory	Self-declaration		Report externally assured		Report externally assured		Report externally assured
Optional	External assurance						

The Report presents the responsible year 2011 in PKN ORLEN and responsible future of the Company. But this is not all. This is another year when there appear more information about the ORLEN Group. We intend to maintain this tendency.

**COMMITMENT**


*Extension of the scope of information about responsible activities of the ORLEN Group.*

The 2011 Report includes for the first time data regarding environmental impact of the PTA Plant in Włocławek launched in 2011.

The Report as a whole was not subject to separate external assurance. Last year selected areas of corporate social responsibility were audited externally many times. Every year PKN ORLEN participates in prestigious competitions and rankings, such as e.g. Responsible Companies Index, Top Corporate Philanthropists, or Social Reports competition. Participation in them entails voluntary submission to external verification. It was particularly carefully conducted in connection with signing the “Declaration of accession to the Corporate Responsibility Code”. It is worth mentioning here a verification carried out within the framework of RESPECT Index. One of the stages of determining a new composition of companies listed on the Warsaw Stock Exchange is assessment of their maturity in terms of social responsibility. It is conducted on the basis of surveys which are subject to detailed verification. A number of data appearing


in the Report, particularly financial data and data in the scope of environmental protection are presented also in the Annual Report, which is subject to external audit.

We communicate our activities conducted for the sake of the environment in subsequent social reports. We use also other, diverse channels and tools. We strive to provide our stakeholders with easy access to information.

 **Leader of BI-NGO 2010 Index** whose aim is to verify information regarding social involvement of companies available on their websites.

**Find out more:**

[www.csrconsulting.pl/docs/zasobnik\\_plik\\_20110210144137\\_865.pdf](http://www.csrconsulting.pl/docs/zasobnik_plik_20110210144137_865.pdf)

 **Special award for the best Annual Report on-line**, awarded by the Polish Accountancy and Tax Institute in “The Best Annual Report” competition.

This time we devote more attention in the Report to best practices. Due to their innovative character they support the Company’s business activities. For many years they have been presented in the Report “Responsible business in Poland. Good practices” published by the Responsible Business Forum.



To become acquainted with other good practices simply visit [www.orlen.pl/EN/CSR/SocialEnvironment/CSRBestPractice/Pages/default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/CSRBestPractice/Pages/default.aspx)







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MARKET ENVIRONMENT





# 1. MARKET ENVIRONMENT

## 1.1. RESPONSIBLE MARKET PARTICIPANT

Responsible management of the impact on environment is an important feature of modern enterprises. Active social presence of the company on the market, activities addressed to various stakeholder groups should therefore be well thought out, planned in accordance with business strategy. And reliable communication is essential throughout this process.

### EXPERT ZONE

*Over more than a decade the perception of the role of enterprises has changed radically. Companies must be aware not only of their own needs and goals, but also of the fact that they function in the social environment, and thus their current activities influence the life of future generations. PKN ORLEN has long been ready for such change of business perception. As a mature and responsible company does not forget that by implementing its strategy it must respect the needs of all interest groups and foresee long-term impact on environment.*

*Our experience shows that only systematic and methodological approach to CSR allows the company and the environment to achieve measurable results. The fact that the Company is on a daily basis confronted with the needs and expectations of a large group of stakeholders makes this aspect even more important. The map of business and social partners created a few years ago and updated on an ongoing basis is large and thus highly diversified, which results from the scale of our activities. Their influence on functioning of the Company and relations with the Company have different character and intensity. For a company, responsible dialogue and reliable communication is a way to build normal relations with the environment.*

*Just like the surrounding world, so we change as well as our good practices, which evolve and adapt to new conditions. This regards projects implemented by PKN ORLEN as well as the means of communicating about them.*

*There are a lot of areas of responsible business. It is important that companies take into account in their approach to management the influence they exert on them. It is becoming increasingly obvious for bodies managing global economy. It is worth mentioning the Green Paper on CSR published by the European Commission in 2001. For many years PKN ORLEN has undertaken new challenges, often ahead of trends and market developments.*

*The importance of building the business value in a responsible manner is growing slowly, but systematically, which signifies association of CSR with business strategy.*

### 1.1.1. The Supervisory Board

The Supervisory Board of PKN ORLEN exercises permanent supervision over the Company's activities in all areas of its operations. It has the powers set out in the Commercial Companies Code and the Company's Articles of Association. The General Meeting of Shareholders appointing a member of the Supervisory Board acts in accordance with the rule no. 6 of part 1 of the "Code of Best Practice for WSE Listed Companies" – "A member of the Supervisory Board should have appropriate expertise and experience, and be able to devote the time necessary to properly perform his or her duties. A member of the Supervisory Board should take relevant action to ensure that the Supervisory Board is informed about issues significant to the company".

The Supervisory Board consists of six to nine members appointed for a joint term. Individual members and the entire Board may be dismissed at any time before expiry of the term. The Chairman and members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders. The Vice-Chairman and the Secretary of the Supervisory Board are appointed from among other members. The State Treasury is entitled to appoint and dismiss one member of the Supervisory Board. This right expires upon disposal by the State Treasury of all Company shares owned by the State Treasury.

In 2011 the Chairman of the Supervisory Board did not act as a member of the Management Board. His tasks consisted in managing the works of the Supervisory Board.

#### Leszek Kurnicki

*Executive Director for Marketing and Corporate Communication*



At least two Supervisory Board members have to meet the criteria of being independent from the Company and entities having significant relations with the Company. Before being appointed to the Supervisory Board, the independent members of the Supervisory Board submit to the Company a written statement confirming that they meet the criteria specified in § 8 item 5 of the Company's Articles of Association. If the number of independent members of the Supervisory Board is less than two, the Company's Management Board is obliged to immediately convene the General Meeting of Shareholders and include in its agenda changes to the composition of the Supervisory Board. Until changes are made, the Supervisory Board continues to work in its current composition.

As at 31 December 2011 the PKN ORLEN Supervisory Board had five independent members. One of them was delegated to perform the duties of the Company's Management Board member from 9 December 2011.

The rules for remuneration of members of the Supervisory Board of PKN ORLEN are established by the General Meeting of Shareholders. In 2011, members of the Supervisory Board were remunerated pursuant to the resolution of the Extraordinary General Meeting of Shareholders of 10 January 2001 regarding changes of the principles of remuneration for Supervisory Board members. Monthly remuneration of the Supervisory Board members constitutes an agreed multiple of the average monthly remuneration in the corporate sector, excluding profit rewards in the fourth quarter of the previous year, announced by the President of the Central Statistical Office of Poland.

In 2011, the Supervisory Board of PKN ORLEN had 8 male members and 1 female member, whereas the age structure was as follows:

- 4 persons aged 30-50,
- 5 persons over 50 years old.

In order to perform their duties, the Supervisory Board members are authorised to examine all of the Company's documents and request the Management Board and employees to provide reports and explanations, review the status of the Company's assets, file motion to the Management Board to prepare appraisals and opinions for their needs, or to hire an advisor.

The PKN ORLEN Supervisory Board has four standing committees: the Audit Committee, the Strategy and Development Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee.

Meetings of the Supervisory Board are held whenever required, but at least once every two months. In 2011, the Supervisory Board held 11 minuted meetings and adopted 90 decisions in the form of resolutions. Moreover the Supervisory Board members participated in 13 minuted meetings of the Audit Committee, 1 meeting of the Strategy and Development Committee, 5 meetings of the Corporate Governance Committee and 6 meetings of the Nomination and Remuneration Committee. There were also 2 joint meetings of the Audit Committee and the Nomination and Remuneration Committee.

The Supervisory Board is authorized to represent the Company in contract negotiations 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 2011, members of the Management Board of PKN ORLEN did not receive remuneration for their membership in Supervisory Boards of subsidiaries, jointly controlled companies and affiliates of the ORLEN Group, with the exception of Unipetrol a.s., in which case such remuneration was donated to the ORLEN – DAR SERCA Foundation.

In order to avoid conflicts of interests in the ORLEN Group, the Company applies the provisions of the Polish Commercial Companies Code, provisions of the Constitution of the Supervisory Board, as well as the "Code of Best Practice for WSE Listed Companies". In accordance with the Constitution of the Supervisory Board, in the event of any conflict of interests, a member of the Supervisory Board should inform the other members of the Supervisory Board thereof, and refrain from discussions and voting on a resolution concerning the issue in the case of which such conflict of interests arose.

Information on the PKN ORLEN Supervisory Board, its composition, description of qualifications of its members, reports on activities and other information is published at the corporate website.

Find out more:  
[www.orklen.pl/EN/Company/SupervisoryBoard/Pages/default.aspx](http://www.orklen.pl/EN/Company/SupervisoryBoard/Pages/default.aspx)



### 1.1.2. PKN ORLEN on the capital market

PKN ORLEN shares have been listed since 1999 on the Warsaw Stock Exchange. Information on the Company's shares, e.g. about issued series or indices the shares belong to, is available at the corporate website in the tab addressed to shareholders and stock exchange investors ([www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/ShareholdersStructure/Pages/default.aspx](http://www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/ShareholdersStructure/Pages/default.aspx)).

In the investor relations service there is also a chart of stock exchange quotations for the Company shares with a return on investment calculator, as well as a tool allowing to compare quotations of PKN ORLEN shares with major stock exchange indices where the Company's shares belong ([www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/Pages/default.aspx](http://www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/Pages/default.aspx)).

Also depositary receipts are issued on the basis of PKN ORLEN shares. Global Depositary Receipts (GDR) are traded on the London Stock Exchange. Trading in these securities also takes place in the USA on the OTC market.

Detailed information, both theoretical and directly regarding the PKN ORLEN depositary receipts programme is available at [www.orlen.pl](http://www.orlen.pl).

#### Find out more:

[www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/Pages/DepositaryReceipts.aspx](http://www.orlen.pl/EN/InvestorRelations/ShareholderServicesTools/Pages/DepositaryReceipts.aspx)

### PKN ORLEN shareholding structure

Throughout 2011 there were no changes in the structure of shareholders holding more than 5% of Company's share capital.

#### Corporate Governance

In 2011 PKN ORLEN applied all the principles of corporate governance laid down in the Code of Best Practice for WSE Listed Companies applicable on the Warsaw Stock Exchange.

### PKN ORLEN shareholding structure as at 31 December 2011

5.08% AVIVA OFE\*

27.52% State Treasury

67.40% Other

\* According to information received by the Company on 9 February 2010.

The Company observes not only obligatory principles but also recommendations included in the Code of Best Practice for WSE Listed Companies. Therefore, it takes a number of actions to improve communication with its surrounding, striving to act in accordance with the latest market standards. At the corporate website there is Investor Relations service made available especially for the Company's shareholders as well as stock exchange investors and analysts.

#### Find out more:

[www.orklen.pl/EN/InvestorRelations/Pages/default.aspx](http://www.orklen.pl/EN/InvestorRelations/Pages/default.aspx)

The content of the service is prepared in a clear, reliable and complete manner, so as to enable investors and analysts to take decisions on the basis of information presented by the Company. Investor Relations section is available both in Polish and in English. In order to constantly improve communication with representatives of the capital market the Company introduced in 2011 several new solutions there.

One may find there, among others:

- interactive charts and tables allowing for quick comparisons of financial indicators of the Company at different time intervals;
- interactive charts and tables of PKN ORLEN stock quotes with a return on investment calculator. In 2011 these charts were enriched by a tool allowing to compare PKN ORLEN share prices with major stock exchange indices that incorporate the Company's shares. PKN ORLEN share price chart may be added with a price chart of one of the indices: WIG, WIG 20 or WIG PALIWA;
- gathered in one place financial statements with presentations discussing them prepared by representatives of the capital market, recordings of teleconferences with stock exchange analysts and investors on the occasion of publication of financial results and spreadsheet with data from result presentations facilitating the data analysis;
- special form to contact the Company on matters related to General Meetings in accordance with the latest provisions of the Polish Commercial Companies Code;
- possibility of subscribing for various PKN ORLEN newsletters, including the latest information from investor relations area;

- function to set alerts for events listed in the Calendar of Events – a novelty introduced at the turn of 2011 and 2012. This tool allows to automatically enter selected dates to calendars of one's email programmes, as well as to subscribe for alerts of events sent by email or SMS. One may decide before which event an alert should be received – this may be one event or several events, as well as all listed in the PKN ORLEN Investor Relations calendar both in the current year and in the following years.

At the website in the Investor Relations service there is also a tab regarding WSE best practice. One may download there annual reports of the Company regarding compliance with best practice as well as the Code of Best Practice for WSE Listed Companies. There is also a short information on best practices applied by the Company, the rules for selecting an entity authorized to audit financial statements, as well as information about the share of women and men in the Company's Management Board and its Supervisory Board in the last two years.

The tab "General Meetings" in the Investor Relations service includes a set of corporate documents and a guide for shareholders "How to participate in PKN ORLEN General Meeting of Shareholders", updated in accordance with changes in generally applicable legal provisions. The website also offers information on dates of General Meetings, draft resolutions, as well as the entire set of documents presented to shareholders at General Meetings. The Company also ensures communication with its shareholders through a special online contact form regarding General Meetings.

Moreover, at the turn of 2011 and 2012 PKN ORLEN launched its corporate website in mobile version, adapted to browsing Internet service on mobile phones and other mobile devices. After entering the corporate website [www.orklen.pl](http://www.orklen.pl) via mobile phone or smartphone, one is automatically redirected to [m.orklen.pl](http://m.orklen.pl) service prepared especially for such devices. Mobile device users may easily and quickly access key information regarding PKN ORLEN available in the traditional version [www.orklen.pl](http://www.orklen.pl), e.g. stock exchange reports, share quotations, financial results or press releases. Mobile version [m.orklen.pl](http://m.orklen.pl) also allows to quickly connect with the Company by phone through "click-to-call" function.



## Relations with the capital market

PKN ORLEN regularly and actively participates in meetings with representatives of the capital market. Representatives of the Company take part in conferences, individual and group meetings in Poland and the most important financial centres in the world. For shareholders, investors, stock exchange analysts and other participants the Company organizes teleconferences and videoconferences on the occasion of major corporate events. Moreover, the Company offers site visits, i.e. meetings with the management and visits in production plants for interested shareholders and analysts.



Photo: Piotr Nowak/FotoRzepa/ORLEN

### **Dariusz Grębosz**

*Director of the Investor Relations Office*

*During meetings with representatives of the capital market, PKN ORLEN representatives present information on the Company. It is also an opportunity to receive feedback from shareholders, investors and stock exchange analysts. In this way, knowing the information needs of its stakeholders, the Company may develop and improve its relations with the capital market.*

*Last year we were appreciated again for our efforts to communicate with the capital market participants. This is confirmed by prestigious awards received by the Company in the area of investor relations.*



- “Best investor relations by a Polish Company 2011”  
– IR Magazine.



- 1<sup>st</sup> place in WarsawScan 2011  
– best managed information policy and corporate governance.



- 1<sup>st</sup> place in WarsawScan 2011  
– best website devoted to investor relations.



- 1<sup>st</sup> place in the category “Investor relations”  
in the ranking “Stock Market Company  
of the Year 2011” by Puls Biznesu.



### 1.1.3. Customer care

PKN ORLEN provides top quality products and services. Therefore, we are so pleased with the fact that our high standards are appreciated and awarded. Customer satisfaction is the goal we aspire to.

The Company attaches great importance to quality of services and relations with retail network customers. Fuel station employees are provided with specially prepared training materials and participate in internal trainings within the framework of Akademia Orłów programme. In materials and during trainings emphasis is put on observance of the principles of honesty and integrity in mutual relations, as well as generally accepted good manners.

In order to meet high customer expectations, the quality of services is regularly assessed under internal ratings. Whereas since 2011 the Company has conducted "Mystery Customer" programme. Its results serve to continually improve standards of services rendered.

Find out more:  
2010 Corporate Responsibility Report  
p. 27

! The golden "Customer Laurel 2011"  
for PKN ORLEN fleet programme in the category  
"Fuel stations – offer for the business customer".

! FLOTA cards awarded the "Fleet Product  
of the Year" title in the Polish Fleet Awards 2011  
plebiscite organised by *Flota* periodical  
and Fleet Management Institute  
Central-Eastern Europe.

! The title of "Trusted Brand" in the category  
"Petrol Station" in the biggest European  
consumer survey, conducted by *Reader's Digest*.



Relations with customers and their needs are also regularly measured using quantitative and qualitative market surveys. Complaints and claims submitted by customers are a very important information channel. They provide the basis for concrete corrective actions and for drawing conclusions regarding improvement of network operations. They constitute valuable guidelines for improvement of the offer.



Customers' complaints and claims may concern qualitative or quantitative discrepancies of purchased fuel, non-fuel products (including foodstuffs) as well as deficiencies in services, quality of customer service, technical condition of fuel stations and their cleanliness.

Total number of complaints and claims accepted in 2011 remains at low level in relation to the total number of transactions (1,082 accepted complaints and claims against 304,437,659 transactions), which confirms effectiveness of management of fuel station standards and efficiency of conducted activities. Each application is considered individually, and thus corrective and rectifying actions are also carried out on an individual basis.

At the end of 2011 the Company initiated works on the Collection of Personal Data of PKN ORLEN Customers in the scope of handling complaints and claims submitted by fuel station customers.

Last year there were no accepted complaints regarding breaches of information safety and data of PKN ORLEN customers (in accordance with Article 23.1 point 1 of the Act of 29 August 1997 on the Protection of Personal Data, Journal of Laws /Dz.U./ of 2002, No. 101, item 926, Article 8.1 of the Act of 27 July 2002 on special conditions of consumer sales, Journal of Laws /Dz. U./ of 2002 No. 141, item 1176 of 2004, No 96, item 959).

#### 1.1.4. Cooperation with suppliers

PKN ORLEN consistently improves the principles of cooperation with suppliers. This is an extremely important area, as the group of partners is very large – they come from all over the world. Suppliers are subject to verification from time to time. The Company appreciates responsible and reliable business partners. It developed standards of long-term cooperation with key partners.

Intensification of direct contacts with partners is a new quality. The standard developed in this scope is a good practice applied in the Company.

### GOOD PRACTICE

#### Dialogue with key suppliers

In 2011 the first conference was organized with key service providers in areas of Investment and Maintenance. Conference participants were given comprehensive information about purchasing process, principles of cooperation at every stage of the process and about all areas involved in purchasing processes. Suppliers were informed about the purchasing management process in the ORLEN Group, got acquainted with the role of the Central Procurement Office and requirements regarding OHS and environmental protection. Each participant received a package of information materials. As part of evaluation, at the end of the conference participants completed questionnaires, perceived by the Procurement Office as a valuable source of inspiration in the area of cooperation improvement. Discussion as well as exchange of experiences and views provided an opportunity to build better direct relations, and the analysis of information from questionnaires will help improve procedures applied by the Procurement Office.

The conference was attended by 200 people. It was prepared by employees representing various areas of PKN ORLEN. Thanks to their commitment, knowledge and experience, the event was very well received by participants.

#### Find out more:

[www.orlen.pl/EN/CSR/Social  
Environment/CSRBESTPRACTICE  
/Pages/default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPRACTICE/Pages/default.aspx)

PKN ORLEN willingly orders services from local suppliers headquartered in the district of Plock. For the Company this is another element of good cooperation with the local community. The principles of corporate social responsibility are in this case directly connected with business activities of the Company.

The Company does not keep statistics specifying the share of expenses for services provided by local suppliers.

#### Find out more:

2010 Corporate Responsibility Report  
p. 25

## 1.2. COMMON GOALS AND VALUES

### 1.2.1. PKN ORLEN for future generations

PKN ORLEN understands the importance of interaction between business and needs of the society. Over the past ten years the Company has consolidated its strong position on the market, becoming the biggest Polish enterprise. PKN ORLEN willingly shares its knowledge, experience, and presents the way to market success in accordance with the principles of sustainable development. The Company gets involved in various activities to develop the best solutions having influence on future generations.

In 2011 PKN ORLEN continued the project "Future Fuelled by Knowledge" aimed at improvement of the quality of public debate in Poland by creating an effective expert platform for exchange of opinions, experience and knowledge in the scope of strategically important topics. In the already second year of implementation of this project, within the framework of FFbK the Company organized conferences and discussion panels and published three FFbK brochures: "The state and the market – in search of a new balance", "Age of Gas – How to take advantage of new potential?", "Business and culture of innovation". The series of PKN ORLEN debates and publications is an opportunity to look at the process of global economic transformation and to seek strategic solutions to be used for decades.

In 2011 representatives of the Company actively participated in the European Forum for New Ideas in Sopot, an initiative organized by the Polish Confederation of Private Employers (PKPP) Lewiatan. Under the slogan: "A leader or a supernumerary? Europe in a multipolar world. Business perspective" a group of eminent scientists and experts from the field of economy and politics discussed about the place of Europe in the new world economic order. PKN ORLEN actively participated in seeking answers to important questions. Jacek Krawiec, the president of the Management Board of PKN ORLEN held a debate entitled: "Is the world bound to grow?" which concerned, among others, the impact of global economic processes on the situation and stability of economies of the EU countries, the possibility to create a common policy encouraging development and growth of European economies within the European Union and the conditions necessary for development of enterprises.

PKN ORLEN was also a partner of the 6<sup>th</sup> Citizens Congress organized by the Institute for Market Economics. These cyclical events are intended to provide a platform for meetings, dialogue, reflection and self-improvement of Poles. The 6<sup>th</sup> edition of the Congress was held under the slogan "What development, what education in the 21<sup>st</sup> century? – major revaluation". In his speech "What competencies in the 21<sup>st</sup> century from the business perspective?" the president of the Company stressed that the economic situation in Europe requires a serious, substantive debate on the future of society and the world economy. He also pointed out the essential role of dialogue with politicians, independent experts and representatives of business circles.

It is also worth mentioning the European Financial Congress, which was co-organized by PKN ORLEN. The meeting of representatives from the areas of business, science and politics led to a discussion about new challenges of the modern world and elaboration of recommendations for the future. Topics discussed during the debate included, among others, management of the value of enterprises of strategic importance for economic safety and financing the development of energy sector.

Serious involvement of the Company in development of Polish business is also reflected in its participation in the "Entrepreneur of the Year" competition organized by Ernst & Young. The aim of the initiative was to select the best growing companies in the following categories: Production, Services and New Business. The winners of the Polish edition represented Poland during the international finals of the World Entrepreneur of the Year in Warsaw, promoting Polish resourcefulness, innovation and technological thought, well-known in the world.

For years the Company has supported not only Polish but also European initiatives for economic and social development and the role of businesses in these areas. One of them was involvement in events organized within the framework of the last year Polish Presidency of the Council of the European Union. PKN ORLEN was the patron of the conference "Integrated approach to development – a key to smart, sustainable and inclusive Europe". Its main aim was to strengthen strategic thinking and integrated approach in making key decisions for Europe. The meeting was participated by representatives of the major European Union institutions who presented their ideas and long-term visions regarding the future of Europe.



PKN ORLEN also participates in global initiatives and programmes. Global Compact (GC), the world largest voluntary initiative for social responsibility, has a special role among them. Its ever expanding circle includes nearly 9 thousand companies and other stakeholders from more than 130 countries. Its participants undertake to adopt and apply in their operations ten fundamental principles.

PKN ORLEN declared its support for this noble idea already in 2003. Global Compact principles indicate the way to achieve sustainable development both for business and other entities.

Every year the Company publishes the results of activities in the scope covered by the ten GC principles. In 2011 PKN ORLEN published for the first time the material describing its involvement in supporting Global Compact Advanced Level principles.

## EXPERT ZONE

*Education for CSR means interdisciplinary education and development of soft skills. It allows a single person to become aware that their actions can make a difference, which translates into increase of their social involvement in its broad sense. Increasing young people's knowledge about CSR, influencing the level of their awareness and strengthening of attitudes in this regard, may affect business in two ways.*

*These young people as future employees, managers, business owners will seek to implement CSR in their business, through its comprehensive integration into all areas of business management.*

*At the same time, these young people will constitute a group of informed consumers convinced that their purchasing decisions have an impact on environment, and thus living according to the idea of "less is more", choosing local products manufactured with respect for human rights and environment throughout the product life cycle. They will also be able, if necessary, to initiate effective consumer boycotts of companies acting irresponsibly.*

### Find out more:

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

### Ewa Jastrzębska Ph.D.

*Warsaw School of Economics*



Engaging in initiatives aimed at good future in a sustainable world, PKN ORLEN participates in fulfilment of the Millennium Development Goals. The Declaration, adopted in 2000 at the United Nations Summit, commits the entire international community to work towards elimination of extreme poverty and hunger, ensuring gender equality, improvement of child and maternal health, improvement of education, combating AIDS, environmental sustainability and building a global partnership among nations for development.

Find out more:

[www.un.org/millenniumgoals](http://www.un.org/millenniumgoals)

It may not always be easy to see the impact that our actions have on the life of people in distant countries. Global Compact principles as well as Millennium Development Goals remind us of this.

Since 2008 we have offered to customers of Stop Cafe and Stop Cafe Bistro coffee with the Fairtrade logo. This means that our suppliers guarantee that people who worked on distant plantations in Africa or South America were fairly treated and compensated.

We protect nature by working actively to save peregrine falcon. While as a participant of the world-renowned Responsible Care programme we voluntarily undertake and carry out tasks that have a positive impact on safety, health and environment on a global scale.

Acting responsibly, with respect for the rights of others and in harmony with nature we contribute to building a better world for future generations. PKN ORLEN is an active participant of the Economic Forum in Krynica. This is the place where politicians, economists, scientists and businessmen discuss the future of Europe and the European Union. Debated topics include finance, energy security, common economic policy, further cooperation within European structures and opportunities for its further development. Forum participants seek solutions

to become a leader in the global economy while supporting weaker regions of the European Union. PKN ORLEN gets involved in such discussions, and also initiates them. During the last year Forum renowned experts and economic market leaders shared their knowledge and experience during the Company's panel "Innovation. Source or consequence of development of the Polish and European economy".

Constant and active presence of PKN ORLEN representatives in various organizations and associations is also of significant importance. They include employer organizations, such as the Polish Confederation of Private Employers Lewiatan or the Responsible Business Forum promoting responsible business already for a decade, or a group of trade organizations.

In 2011 the Company was represented in 39 organizations. The main effects of membership include opportunity to exchange experiences, acquire knowledge and improve qualifications. But this also signifies extremely quick access to legal acts and real impact on their development. Together with other members of organizations PKN ORLEN representatives have the opportunity to present the stance of the chemical sector, defend its interests, influence the shape of regulations, technical standards etc.

### 1.2.2. Voluntary commitments

Corporate responsibility signifies also taking upon oneself voluntary commitments. PKN ORLEN participates in numerous such initiatives of social and environmental character. In some of them the Company has been involved already for a very long time, e.g. Responsible Care or Global Compact. The Company is also open to new projects. In 2011 it joined, among others, the group of signatories of the "Declaration on sustainable development in the energy sector in Poland" and signed the "Declaration of accession to the Corporate Responsibility Code". Such activities confirm the Company's openness, its transparency, readiness to submit to assessment.

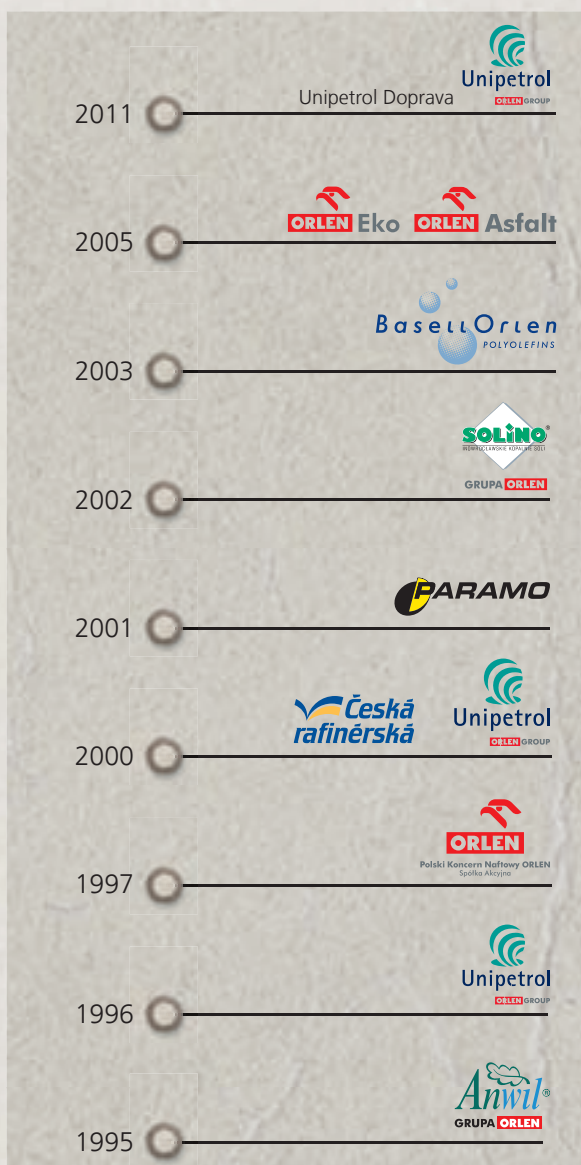


## Responsible Care

This unique initiative of the chemical sector is known all over the world. It was launched in Canada in 1984 and is constantly expanding its scope of functioning. Entities participating in the programme, through voluntary commitments and their fulfilment contribute to improvement in the area of safety, health and environmental protection.

PKN ORLEN has been present in the programme since 1997. By declaring its support for this initiative PKN ORLEN has undertaken to carry out activities resulting from the Guiding Principles. Every year the Company provides required reporting to the programme Secretariat, thus accounting for its commitments.

The programme is participated also by other ORLEN Group companies:



In October 2011 PKN ORLEN, as the 8<sup>th</sup> company from 35 companies implementing the Responsible Care programme in Poland, received the certificate of the Framework Responsible Care Management System.

Under the Programme in 2011 the Production Plant in Płock undertook to fulfil 54 tasks, of which 32 were fully implemented, and 14 tasks are continued in 2012. Due to financial reasons 4 tasks were given the status of "not implemented" and were postponed in time.

For years we have placed great emphasis on development of environmental sensitivity of our employees. Already for the fifth time we joined the environmental photo competition "Catch the Hare" organized within the framework of the Responsible Care programme. As every year, the competition enjoyed great popularity – 40 employees submitted in total 99 photos, of which as many as 6 were distinguished at the national stage.

## Declaration on sustainable development in the energy sector in Poland

The industry in which PKN ORLEN operates is perceived around the world, often wrongly, as particularly burdensome for the environment. On the one hand, consumers appreciate advantages of chemical products, but on the other hand they perceive their manufacturers as being extremely detrimental to the environment. PKN ORLEN voluntarily engages in initiatives to reduce such burdens and practically implements initiatives supporting responsible thinking about the future.

It is worth emphasizing the Company's activity among companies from the energy sector. PKN ORLEN is one of signatories of the "Declaration on sustainable development in the energy sector in Poland". By signing it, the Company assumed an obligation to apply and promote the idea of sustainable development. For the company it also constitutes a significant element of building competitive position not only in Poland, but also in Europe and worldwide.

### Find out more:

[www.odpowiedzialna-energia.pl/binsource?docId=12405&language=PL&paramName=BINARYOBJ\\_FILE&index=0](http://www.odpowiedzialna-energia.pl/binsource?docId=12405&language=PL&paramName=BINARYOBJ_FILE&index=0)

## Corporate Responsibility Code

“Coalition for Corporate Responsibility” was created in response to contemporary social, environmental and economic challenges, on initiative of the Employers of Poland and the biggest Polish companies. The main aim of the project is to assist in implementation by entrepreneurs of the principles of corporate social responsibility. It is implemented by dissemination and development of CR tools and standards.

The main element of the project was the development of the Corporate Responsibility Code as a canon of principles which should guide responsible companies, as well as creation of a handbook of practical guidelines for implementing CR strategy in companies. By signing in 2011 the “Declaration of accession to the Corporate Responsibility Code” PKN ORLEN committed, among others, to conduct reliable communication and responsible marketing activities.



Laureate of the “Responsible Business Leaders 2011” competition in the category of fuel and energy sector, organised by the Employers of the Republic of Poland.



The Corporate Responsibility Code and Handbook are based on results of surveys of public opinion, the most important groups of stakeholders and employees of companies.

### Find out more:

[www.koalicjacr.pl/zasady\\_kodeksu.html](http://www.koalicjacr.pl/zasady_kodeksu.html)

## Declaration on agreement regarding improvement of occupational safety, fire protection and environmental protection in oil and gas industry

The aim of the signatories of the document is to eliminate or reduce risks that may lead to major industrial accidents. The declaration was signed in November 2011 by representatives of the Polish fuel market leaders. They committed to, among others, implement preventive measures in their plants under the slogan “Zero industrial accidents and accidents at work” in order to eliminate risks. A decision was taken to set up the Working Group for Oil and Gas Industry at the Chief Labour Inspector. This will be a platform for exchanging experiences and good practices allowing to share the best solutions.

The agreement is open. Any company from the oil and gas industry may join it. The condition is that a company must actively work towards improvement of occupational safety, fire protection and environmental protection while conducting its business activities.

### Find out more::

[www.pip.gov.pl/html/pl/doc/porozumienia/gip\\_bhp\\_2011.pdf](http://www.pip.gov.pl/html/pl/doc/porozumienia/gip_bhp_2011.pdf)





ENVIRONMENT





## 2. ENVIRONMENT

Environmental responsibility is an important dimension of corporate social responsibility. Paying particular attention to environmental protection and considering it necessary to maintain harmony between industry and natural environment, data regarding impact of the Company's activities on individual environmental components are monitored and analyzed. The Company conducts a dialogue with organizations and institutions that help adapt to the requirements of permanent and sustainable development by integrating the process of pollution prevention with environmental protection. All future projects are planned consciously. By investing in modern industrial solutions the Company draws attention to production and environmental benefits to minimize the impact on environment.

### 2.1. ENVIRONMENTAL MANAGEMENT

#### 2.1.1. Climate change – challenges

Climate change is one of the biggest challenges faced by humanity in the coming years. It is very strongly associated with changes in the natural environment, and nowadays these result mainly from human activities.

Industry has a particularly burdensome impact of climate change. The answer to the need for urgent action to tackle climate changes is the adopted European Union strategy and implementation of the climate policy, one of its elements being the climate and energy package.

It is not an easy task to meet the goals of the package and its assumptions regarding reduction of greenhouse gas emissions and improvement of energy efficiency of the economy. The year 2011 was another important stage of preparations of PKN ORLEN to implement its assumptions. The Company obtained a permit for emission of greenhouse gases for units of PKN ORLEN eligible for the CO<sub>2</sub> emission allowance trading scheme from 2013.

Implementation of the IT tool for balancing CO<sub>2</sub> emissions was prepared and initiated. The programme will allow to quickly provide reliable data regarding the volume of emissions and to reduce the risk associated with decisions concerning trade in allowances and active participation in the Community CO<sub>2</sub> emission allowance trading scheme.

#### COMMITMENT

*Implementation of the IT tool for balancing CO<sub>2</sub> emissions.*

The implemented IT tool will support adequate management of greenhouse gas emissions and will allow to include the next units (facilities) participating in the scheme, both Polish and foreign ones.

#### 2.1.2. Protection of biodiversity

Biodiversity is essential for evolution and sustainability of life support systems in the biosphere. Its maintenance and long-term use is indispensable for achievement of sustainable development. We consider it a priority to protect natural environment in which we operate. This means responsible thinking about the world where future generations will live. Acting in accordance with the principle of sustainable development we systematically improve technological processes. We introduce "green technologies" on the basis of BAT (Best Available Techniques). Applied design solutions, proper operation and continuous monitoring of the scale and scope of impact of the investments are intended to minimize the impact of PKN ORLEN on natural environment.

Under the impact of the Production Plant there are areas of landscape parks, nature reserves and protected landscape areas. Due to application of procedures guaranteeing safe operation and maintenance of parameters within permissible emission limits, production facilities and products do not have a significant impact on biodiversity. Areas belonging to the Production Plant in Plock are not part of the Natura 2000 European Network and are not located within protected areas.

For many years PKN ORLEN has ensured special protection for the peregrine falcon entered in the Polish Red Data Book of Animals as a CR species, i.e. critically endangered. In 1999, two nesting boxes were fixed on chimneys of the Combined Heat and Power Plant and Claus Unit, and three years later birds hatched for the first time.

In 2002 the Company initiated collaboration with the Society for Wild Animals "Sokół" ("Falcon").

### EXPERT ZONE

*Currently we are closing a stage in restitution works. In Poland we have currently about 20 breeding pairs of peregrine falcons. More and more often we may see them in different parts of Poland, also outside the known nesting sites. However, in order to consider the species to be saved there must be from several dozen to 100 breeding pairs. All pairs nest in Poland in cities and in the mountains. The main goal of our work is, however, to recover the so called "arboreal" ecotype. This is unique in the world dominated by the ecotype nesting on the rocks in the mountains or on buildings. To achieve this goal, "Sokół" society initiated in 2010 very intensive reintroductions in several places in Poland. In the next few years this should bring effects reflected in new nests on trees found every year.*

*To achieve all these goals it is necessary that different organizations, companies and people involved in protection of this species cooperate. Cooperation with ORLEN is a good example. From the moment peregrine falcons appeared on the premises of the Plant in Plock, we have been closely cooperating in the scope of protection of one of the few nesting sites in Poland where every year since 2002 young birds have hatched and increased wild population of this rare species.*



**Sławomir Sielicki, MSc Eng**

*President of the Society for Wild Animals "Sokół"*





In 2011 the presence of peregrine falcon nestlings on the premises of PKN ORLEN was discovered by employees of the Claus plant supervising overhaul works on the chimney shaft. Unfortunately, the overhaul endangered the life of birds, and it was impossible to stop works for about a month to allow the nestlings to develop enough to be able to leave the nesting box on their own. Therefore, a decision was made to move the nestlings to another place.

Relocation of birds was agreed with the Regional Directorate for Environmental Protection in Warsaw. The chicks were taken from the nest on 16 May by a falconer and moved to the farm in Nowy Jaromierz. Having been raised to the age of 35 days, which is suitable for reintroduction to the natural environment, the birds were transported to the Włocławek forest district and placed in an artificial nest with other falcons as part of reintroduction carried out by the Society for Wild Animals "Sokół".

Earlier, three females and a male were banded with green ornithological bands which are attached to birds from nests in forest and urban areas, as well as blue ones with big letters and numbers. Thanks to this they could be read at a distance using optical equipment.

In 2011, members of the "Sokół" Society, while picking chicks from the nest, conducted observations of adult falcons with the use of optical equipment. They confirmed the presence of the same female and allowed to locate the male for the first time. Unfortunately, it was impossible to read the numbers on his ornithological band. It is suspected that, as the female, he has not been banded. However, it may be stated with certainty that the chicks this year were bred by the same pair of falcons that settled on the premises of the Production Plant in Płock in 2002.

Find out more:  
[www.peregrinus.pl](http://www.peregrinus.pl)

### 2.1.3.

#### Water and wastewater management

Water is priceless, irreplaceable source of all life on the Earth. It is an integral part not only of human and animal life, but also of development of industry. Water is used in technological processes of the Production Plant in Płock and by other facilities located on its premises. The Vistula river is a natural source of surface water used for steam production in the heat and power plant, for cooling and for fire-fighting purposes. A water intake with a pumping station was built above it to transport water for the Plant.



**Arkadiusz Kamiński**

*Environmental Protection Office Director*

*For many years PKN ORLEN has recognized the problem of limited water resources and managed them in responsible manner. Despite the increasing number of production facilities and increased crude oil processing, the amount of water withdrawn from the Vistula river remains at a constant level. This has been achieved through consistent modernization of production facilities and continuous improvement of wastewater management, which in turn contributes to reduction of their energy consumption. Important elements in this regard include the process of returning a part of treated production wastewater to the process water network and increase of efficiency of water blocks in the refining and petrochemical part. Additionally, the water treatment system was upgraded in the scope of decarbonization and modernization of water demineralization facilities.*

PKN ORLEN has a separate water permit for withdrawal of surface water and ground water in the entire Production Plant in Plock.

In 2011 there was a drop in demand for commercial and fire-fighting water. This effect was achieved by process adjustment and reduction of the number of overhaul downtimes.

Deep water for the Production Plant in Plock comes from the Pleistocene water-bearing horizons from Quaternary formations, and serves only to meet sanitary and social needs of the employees.

Whereas the unit for terephthalic acid production (PTA Plant) located in Wloclawek uses water from an external supplier. Waterworks network supplies demineralized, industrial, decarbonized and drinking water.

Wastewater from the Production Plant is discharged via four wastewater systems leading to the Central Wastewater Treatment Plant located on the premises of the Plant. Its purpose is to treat wastewater from the entire Plant to meet the parameters specified in the water permit.

Rainwater from the refinery part (KOP) is contaminated with oil products, and rainwater from the petrochemical part (KOR) is chemically contaminated mainly with phenol.

#### Volume and type of water withdrawn in 2009 – 2011 by the Production Plant in Plock

	2009	2010	2011	Up/down trend
Water withdrawn from the Vistula [m³]	22,448,565	22,785,313	23,457,613	3.0%
Water withdrawn from deep water well [m³]	489,000	509,000	526,000	3.3%

#### Water withdrawal by the PTA Plant in Wloclawek

	2011
Demineralized water [m³]	1,400,000
Industrial water [m³]	68,000
Decarbonized water [m³]	1,400,000
Water used for social and living purposes [m³]	15,000
TOTAL – water withdrawn from ANWIL [m³]	2,883,000

#### Volume and quality of wastewater discharged in 2009 – 2011 by the Production Plant in Plock

	2009	2010	2011	Up/down trend
Wastewater discharge to the Vistula [m³]	11,351,599	12,757,779	13,452,489	5.4%
COD load in wastewater discharged to the Vistula [kg/y]*	726,812	889,310	901,573	1.4%
Suspension in wastewater discharged to the Vistula [kg/y]	74,749	83,977	87,975	4.8%

\* Gross load.



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 wastewater system);
- biological treatment (1<sup>o</sup> for wastewater from the 2<sup>nd</sup> industrial wastewater system and 2<sup>o</sup> for wastewater of both wastewater systems: industrial (1<sup>st</sup> and 2<sup>nd</sup>) and rainwater-drainage (KOP and KOR);
- 3<sup>o</sup> of treatment – accelerators (A-4 and A-5) (for wastewater of both wastewater systems: industrial (1<sup>st</sup> and 2<sup>nd</sup>) 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<sup>o</sup> of treatment – algal and reed ponds (for wastewater of both wastewater systems: industrial (1<sup>st</sup> and 2<sup>nd</sup>) and rainwater-drainage (KOP and KOR).

Rainwater, drainage and post-cooling water from all refinery and petrochemical units is discharged to the refinery and petrochemical rainwater drainage system.

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>/day. 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 wastewater are maintained on permissible levels.

Drop in the volume of reused water was caused by:

- lower demand by the Production Plant in Płock for commercial and fire-fighting water;
- increase by 25% in comparison to 2010 of the volume of water directed from desalting of water blocks to the commercial and fire-fighting water network.

Wastewater from the Production Plant in Włocławek produced as a result of terephthalic acid production is discharged to the wastewater system of ANWIL.

#### Comparison of the volume of reused water at the Production Plant in Płock in 2009 – 2011

	2009	2010	2011	Up/downtrend
Volume of reused water [m <sup>3</sup> ]	4,196,598	4,139,784	2,051,524	- 50.5%
Drainage from the desalting of blocks for industrial and fire-fighting water [m <sup>3</sup> ]	1,311,230	1,315,784	1,664,449	26.5%

#### Volume of wastewater discharged by the PTA Plant in Włocławek

	2011
Wastewater discharge to wastewater system of ANWIL [m <sup>3</sup> ]	1,300,000
COD load in wastewater discharged to wastewater system of ANWIL [kg/y]	6,140,000
BOD <sub>5</sub> load in wastewater discharged to wastewater system of ANWIL [kg/y]	2,804,000
Cobalt in wastewater discharged to wastewater system of ANWIL [kg/y]	562

#### 2.1.4. Waste management

In 2011, the Production Plant in Plock reported an increase in the amount of generated waste by 2.3 thousand Mg in comparison to 2010. The difference results mainly from larger volume of waste generated in 2011 due to demolition and investment works.

In 2011 the amount of recovered waste in comparison to generated waste was 85.5% and increased by 2.5% in comparison to 2010. The volume of 3.6 thousand Mg from 5.0 thousand generated hazardous waste was directed to recovery processes outside the territory of Poland. Other 0.6 thousand Mg of hazardous waste were supplied to Polish recipients,

whereas 0.8 thousand Mg were stored. In total 6.7 thousand Mg of waste other than hazardous (excl. municipal waste) was generated in 2011.

In 2011, the Production Plant in Plock stored, in accordance with the decision held, waste in storage facilities constituting a part of the Plant. Its mass amounted to 212.7 Mg and was by approximately 85% bigger compared to 2010.

The PTA Plant in Wloclawek in 2011 generated waste in accordance with the possessed integrated permit. Moreover, the process of waste disposal at the thermal waste processing unit at PTA was carried out. Slag and ash generated in combustion process were transferred to authorized external recipients.

#### Comparison of the volume of generated waste at the Production Plant in Plock in 2009 – 2011 ['000 Mg]

	2009	2010	2011
<b>Total generated waste:</b>	<b>7.8</b>	<b>9.4</b>	<b>11.7</b>
including:			
– hazardous waste	4.7	4.8	5.0
– other waste (excl. municipal waste)	3.1	4.6	6.7

#### Waste management at the Production Plant in Plock in Plock 2009 – 2011 ['000 Mg]

	2009	2010	2011
<b>Recovered</b>	<b>6.2</b>	<b>7.8</b>	<b>10</b>
Total neutralised waste	0.8	0.7	0.8
including:			
– transferred for thermal processing	0.5	0.5	0.4
– transferred for storage	0.1	0.2	0.2
– transferred for disposal in different way	0.2	0	0.2
<b>Stored waste</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>

#### Waste management at the PTA Plant in Wloclawek in 2011 ['000 Mg]

	2011
<b>Total generated waste:</b>	<b>5.506</b>
including:	
– hazardous waste	5.500
– other than hazardous waste (excl. municipal waste)	0.006
<b>Transferred for recovery</b>	<b>0</b>
<b>Total neutralised waste</b>	<b>4.905</b>
including:	
– thermal	4.900
– transferred for storage	0.000
– transferred for disposal in different way	0.005
<b>Stored waste</b>	<b>0.577</b>



Neither the Production Plant in Plock, nor the PTA Plant in Wloclawek exceeded the limits specified in the integrated permits.

In 2011 the Company finalized the process of implementation of the municipal waste sorting system in all office and administration facilities at the premises of the Production Plant in Plock. Last year Eko Maz collected the following volume of sorted waste:

- 11.445 Mg of wastepaper;
- 0.072 Mg of waste batteries;
- 1.400 Mg of plastic products;
- 4.800 Mg of glass.

Transfer of hazardous waste in 2011 on the basis of information to the Pollutant Release and Transfer Register:

**Production Plant in Plock**

- a. within the territory of Poland
  - for the purpose of recovery – 5,290.0 Mg
  - for the purpose of neutralising – 4,020.0 Mg;
- b. to other countries for the purpose of recovery – 3,560.0 Mg.

Transfer applied both to waste generated in 2011 by PKN ORLEN and companies rendering overhaul and investment services at the Company’s units and stored from previous years.

**PTA Plant in Wloclawek**

- a. within the territory of Poland
  - for the purpose of recovery – 7.56 Mg,
  - for the purpose of neutralising – 44.4 Mg;
- b. to other countries – 0 Mg.



**Emission from respective units belonging to PKN ORLEN in 2011**

	Allocated allowances	Actual emission	% utilisation on an annual basis	For use
CHP	3,358,958	3,147,794	93.71%	211,164
Refinery	2,161,551	2,010,815	93.03%	150,736
Petrochemical Cracking	1,058,638	814,980	76.98%	243,658
Total PKN ORLEN	6,579,147	5,973,589	90.80%	605,558

**2.1.5. Greenhouse gas emissions**

In the National Allocation Plan of CO<sub>2</sub> Emission Allowances for 2008 – 2012 (KPRU II) PKN ORLEN obtained in total 32,895,735 allowances for Refinery, Combined Heat and Power plant, Petrochemical Cracking unit (average annual allocation pool is 6,579,147).

Reports drawn up as at 31 December 2011 and verified by an authorized auditor are the basis for settlement of allocated allowances. According to these reports 5,973,589 allowances were used from 6,579,147 allocated.

Due to inclusion of new units, PKN ORLEN obtained 221 thousand additional allowances from the reserve of the National Allocation Plan of Allowances for 2008 – 2012 KPRU II jointly for the Refinery and the Combined Heat and Power Plant.

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

- fuel combustion process in fuel combustion units (combined heat and power plant),
- combustion process in refinery unit devices, in particular in:
  - furnaces,
  - flares;
- refinery processes:
  - hydrogen production,
  - catalyst regeneration,
  - decoking of furnace chambers (pipes);
- petrochemical cracking process (Olefin II).

## Air emissions

In 2011 there was a minor drop in air emissions as compared to 2010. This resulted mainly from a substantial increase of the share of gas in the volume of fuel combusted

in the Combined Heat and Power Plant. It used up more than twice the amount of gas as compared to the previous year, while decreasing tar consumption by 25%. This resulted in decrease in CO<sub>2</sub> emission from this plant by 6.34% as compared to 2010.

### Selected emissions in the Production Plant in Plock in 2010–2011

Pollutant type of emitted substance	Emission amount [Mg]		Increase/decrease	
	2010	2011	[Mg]	[%]
Sulphur dioxide	22,381.42	20,971.56	-1,409.86	-6.3
Nitrogen monoxide (as per nitrogen dioxide)	8,460.74	8,027.86	-432.88	-5.12
Carbon monoxide	1,309.07	1,282.72	-26.35	-2.01
Total hydrocarbons	1,412.07	1,203.91	-208.16	-14.74
Total dust <sup>1</sup>	728.28 <sup>2</sup>	588.78	-140.87	-19.52
Carbon dioxide	6,351,440.32	6,226,505.89	-124,934.43	-1.97
Other pollutants	152.35 <sup>3</sup>	177.45	25.1	16.48
Carbon disulphide	1.24	1.33	0.09	7.26
Benzene	27.22	29.45	2.23	8.19
Phenol	0.65	0.32	-0.33	-50.77
Glycol	18.26	21.02	2.76	15.12
Xylene	0.14	4.71	4.57	3 264.29
Hydrogen sulphide	17.62	19.85	2.23	12.66
Ethylene oxide	8.99	10.24	1.25	13.9
Toluene	2.22	1.21	-1.01	-45.5
Acetone	3.11	3.68	0.57	18.33
Ethyl alcohol	5.02	6.74	1.72	34.26
Ethylene	14.42	15.47	1.05	7.28
Cumene	4.4	5.43	1.03	23.41
Propane	38.73	47.54	8.77	22.64
Propylene	9.1	9.55	0.45	4.95
Carbon oxysulphide	0.58	0.61	0.03	5.17
Hydrofluorocarbons HFC	0.4	0.28	-0.12	-30
Hydrochlorofluorocarbons HCFC-22	0.25	0.02	-0.23	-92
Total pollutant emission excluding carbon dioxide	34,443.93	32,252.28	-2,191.65	-6.36
<b>Total pollutant emission</b>	<b>6,385,884.25</b>	<b>6,258,758.17</b>	<b>-127,126.08</b>	<b>-1.99</b>

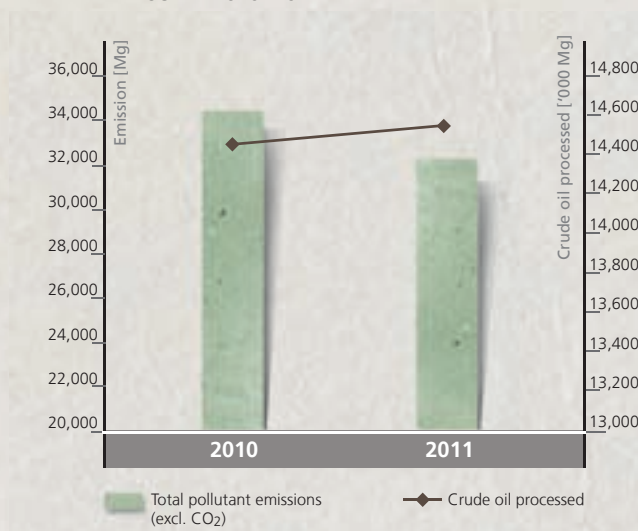
1) Total dust, i.e. combustion dust, silica dust and metals in dust.

2) The 2010 Report provides the value of 509.65 Mg which constituted only combustion dust.

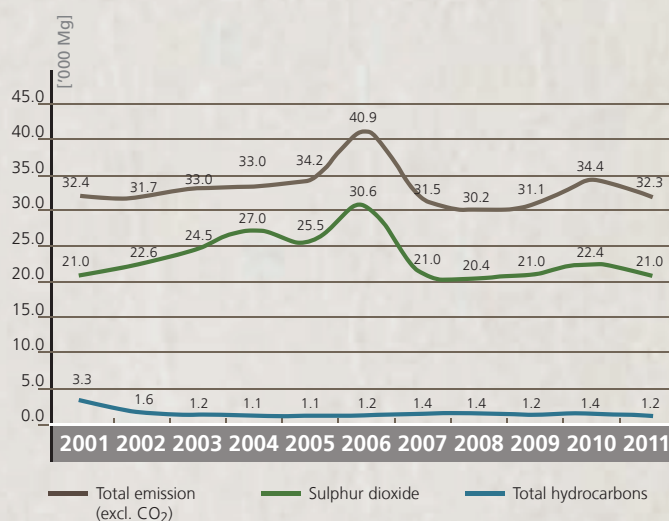
3) The 2010 Report provides the value of 370.05 Mg covering – apart from other pollutants – also silica dust and metals in dust. The change results from the necessity to include in overall statements the new PTA plant in Wloclawek.



**Total emissions – excluding carbon dioxide, against crude oil processing at the Production Plant in Plock in 2010–2011**



**Main emissions in the Production Plant in Plock in 2001–2011**



2011 was the first year of operation of the Terephthalic Acid (PTA) Production Plant in Włocławek.

**Selected emissions at the PTA Plant in Włocławek in 2011**

Pollutant type	Emission amount [Mg]	
	2011	Allowable annual emissions specified in the Integrated Permit
Sulphur dioxide	0.709	29.959
Nitrogen monoxide (as per nitrogen dioxide)	38.305	125.706
Carbon monoxide	299.282	1,454.510
Total hydrocarbons	0.768	–
Total dust	2.113	6.266
Carbon dioxide	61,657.829	–
Other pollutants:	8.338	–
Hydrogen chloride	0.051	2.067
Ammonia	0.00009	0.0002
Mercury	0.00003	0.011
Methyl bromide	0.701	38.632
Hydrogen bromide	0.0004	38.545
Acetic acid	0.043	2.368
Butyl acetate	0.004	0.008
Methyl acetate	4.774	28.996
Paraxylene	2.644	5.129
Hydrogen fluoride	0.003	0.21
Organic substances expressed as total organic carbon	0.110	2.102
Antimony+arsenic+lead+chromium+cobalt+copper+manganese+nickel+vanadium	0.007	0.105
Cadmium+tallium	0.000005	0.011
<b>Total pollutant emission</b>	<b>62,007.344</b>	–

## Measurements of emissions

Continuous measurements:

- measurements were carried out at 3 emitters at the CHP;
- measurements covered emissions of: dust, SO<sub>2</sub>, NO<sub>x</sub>, CO.

Periodic measurements:

- Production Plant in Płock: 63 measurements at 32 emitters subject to mandatory measuring;
- PTA Plant in Włocławek: initial emission measurements at 6 emitters and 5 periodic measurements at 2 emitters.

The results did not exceed allowable limits specified in the integrated permit.

## Immission measurements around the Production Plant in Płock

The plant monitoring network includes an automatic monitoring station located in the Junior High School no. 5 in Płock, which is also incorporated into the National Monitoring System. It provides information about the current state of environment in the most densely populated area, in the immediate vicinity of the Plant. In 2011 the station measured concentrations of substances in air in the scope of: O<sub>3</sub>, CO, SO<sub>2</sub>, NO<sub>2</sub>, BTX.

Additionally, for its own needs, the Plant has a monitoring station in Chelpowo located on the land to which the Company holds a legal title. The station measures concentrations of substances in air in the scope of: HC, CO, SO<sub>2</sub>, NO<sub>2</sub>, H<sub>2</sub>S, BTX.

There were no exceedances of annual average concentration for any substance outside the premises of the Plant. In the case of most measured substances annual average concentrations in 2011 were smaller than in 2010.

## 2.1.6. Investing in the future

The proper operation of PKN ORLEN plants was checked by the Mazovian Voivodship Inspectorate for Environmental Protection, which performed 9 checks in 2011, including:

- 3 comprehensive checks;
- 4 investment project checks (including one at the PTA Plant in Włocławek);
- 2 checks in the scope of major failures.

No irregularities were found and no post-check orders were issued.

## Automatic air monitoring stations located around the PKN ORLEN Production Plant





In 2011, there were in total 95 checks within the premises of regional structures of PKN ORLEN (fuel stations, fuel terminals, separate property). They were carried out by: Voivodship Inspectorate for Environmental Protection (WIOŚ), city councils, Poviát Authorities, Regional Directorate for Environmental Protection, Marshal Office of Mazovian Voivodship.

Both the state of checked facilities and discovered irregularities are not correlated, therefore comparison of the number and type of irregularities is not entirely possible. However, taking into account a drop by over 14%, as compared to 2010, of the number of checks performed by WIOŚ on the premises of regional structures of PKN ORLEN it is possible to conclude that less irregularities were discovered during the checks. Most of them were removed on an ongoing basis. It is worth emphasizing a significant decrease in the number of post-check

orders: by 25% as compared to 2010 in the case of fuel stations, and by as much as 60% in the case of fuel terminals.

In 2011, capital expenditure on tasks related to environmental protection at PKN ORLEN Production Plant in Plock amounted to PLN 48.42 million. Funds spent in comparison to 2010 were lower by 67.31%. Capital expenditure on environmental projects constituted 16.54% of the total expenditure incurred for implementation of investment projects at the Production Plant in Plock in 2011.

In 2011 the Company completed implementation of two large investment projects:

- construction of HON VII Unit and the accompanying infrastructure;
- construction of Claus II Unit and the accompanying infrastructure.

#### Number of checks carried out within regional structures of PKN ORLEN in 2010–2011

Checks performed	No. of checks		Increase/ decrease
	2010	2011	
Total	118	95	-19.49%
by WIOŚ	99	85	-14.14%
at fuel stations	86	76	-11.63%
at fuel terminals	12	7	-41.67%
at separate property facilities	1	2	100%
Post-check orders issued	No. of post-check orders		Increase/ decrease
	2010	2011	
Total	29	20	-31.03
for fuel stations	24	18	-25.00
for fuel terminals	5	2	-60.00
for separate property facilities	–	–	–

#### Status of implementation of post-check orders on the premises of fuel stations and fuel terminals in 2011

Status	Fuel stations		Fuel Terminals	
	2010	2011	2010	2011
Implemented	20	11	2	2
In progress	3	7	3	–
Not implemented	1*	–	–	–
<b>Total</b>	<b>24</b>	<b>18</b>	<b>5</b>	<b>2</b>

\*) Fulfilment of obligations imposed in the post-check order entails financial expenditures. Planned completion date – 2012.

The Company continued investment projects from 2010 aimed at limiting the Plant's impact on respective environmental components:

- reconstruction of the fuel system in the Combined Heat and Power Plant;
- replacement of pilot burners at the main flares with energy-efficient pilot burners;
- reconstruction of process filling in cooling towers in the cooling system;
- replacement of C5 freon refrigeration unit at oxygen and nitrogen production line I;
- replacement of fuel gas and hydrogen with nitrogen in air-tight sealing of tanks and discharge system at HK and HOG units;
- centre for wastewater treatment from benzene at Olefin Department II;
- replacement of fuel gas and hydrogen with nitrogen in air-tight sealing of tanks and discharge system at HK and HOG units.

**COMMITMENT**

*Continuation of investment projects restricting negative environmental impact.*

Moreover, in 2012 the Company initiated the process of adjusting the Combined Heat and Power Plant to requirements of the Directive on industrial emissions of 24 November 2010.

In 2011 expenditures on environmental investment projects on the premises of fuel stations were by 14.8% higher than in 2010 and amounted to PLN 54,258,360.22.

Expenditures on environmental protection tasks on the premises of fuel terminals increased more than 21 times. In 2011 it amounted to PLN 30,281,880.00. Funds were used for adjustment of facilities to legal provisions in force.

**Environmental charges**

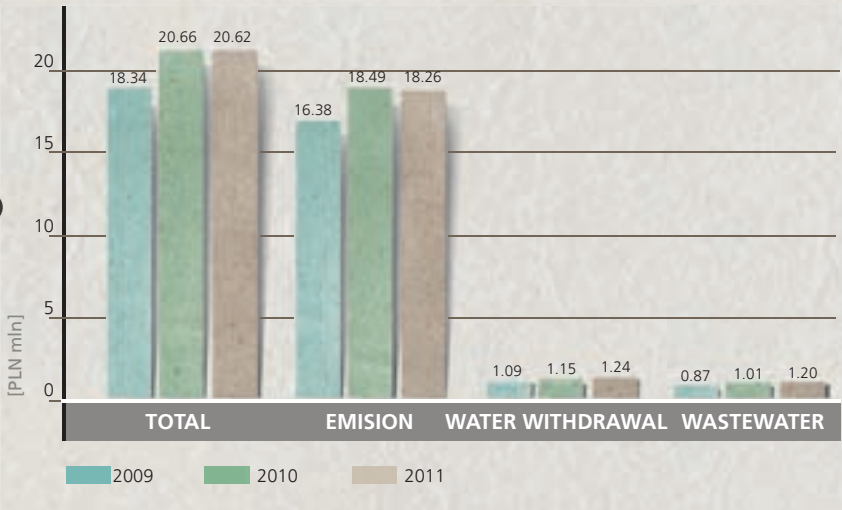
The Production Plant in Plock incurs charges for emissions of substances to air, for water withdrawal and wastewater discharge to water or soil. Whereas the PTA Plant in Wloclawek pays only for emissions of substances to air, as water withdrawal and wastewater discharge are regulated by a civil law agreement.

Increase of environmental charges in 2011 in comparison to 2010 resulted from increase of charges for water withdrawal and wastewater discharge at the Production Plant in Plock.

**Environmental charges for the Production Plant in Plock and the PTA Plant in Wloclawek in 2010 – 2011**

Type of charge	Total charges [PLN]		increase/decrease	
	2010	2011	[PLN]	[%]
Total	19,644,093.00	19,775,480.00	131,387.00	0.67
For emission (including transport)	17,679,435.00	17,538,371.00	-141,064.00	-0.80
– Production Plant in Plock	17,679,435.00	17,459,043.00	-220,392.00	-1.25
– PTA Plant in Wloclawek	–	79,328.00	79,328.00	100.00
For water withdrawal	1,146,012.00	1,228,823.00	82,811.00	7.23
For wastewater discharge	818,646.00	1,008,286.00	189,640.00	23.17

**Environmental charges of PKN ORLEN in 2009 – 2011 (including regional structures)**





- ! ECO-LAURELS OF THE POLISH CHAMBER OF ECOLOGY awarded by the Polish Chamber of Ecology in the category “protection against noise” for “Sound insulation of fans of boilers K4, K5, K6, K7 at the Combined Heat and Power Plant”.



- ! EKOSTRATEG title awarded by the European Environmental Responsibility Forum “CERT” Sp. z o.o. for implementation of environmental strategies, environmental efficiency management and fulfilment of legal requirements in the scope of environmental protection. It was awarded after the Company received two “Environmentally Friendly Company” titles (in 2009 and 2010) and a positive audit result.



- ! EUROPEAN RESPONSIBLE CARE® AWARDS 2011 awarded by the European Chemical Industry Council CEFIC for social activities within the framework of the International Year of Chemistry for the “Feel Chemistry” project.



- ! ENVIRONMENTALLY RESPONSIBLE BUSINESS title awarded by Ecomanager monthly Abrys Sp. z o.o. for initiatives undertaken by the Company aimed at minimizing the impact of its activities and manufactured products on environment.

## 2.2. PRODUCTION STANDARDS

Production process in PKN ORLEN is carried out to the highest standards. The Company applies cutting edge, innovative solutions guaranteeing high quality, whereas products fulfil the strictest Polish as well as European norms.

In trading of chemicals, including classification, labelling and packaging of substances and mixtures PKN ORLEN implements provisions of two main EU regulations, i.e.: (EC) No. 1906/2007 – REACH and (EC) No. 1272/2008 – CLP.

They provide the basis for development of safety data sheets for refinery and petrochemical products. SDS are documents that allow future users to identify risks that chemical substances and products may pose to human health and environment.

Checks carried out by relevant governmental authorities regarding compliance with implementation of REACH and CLP in 2011 did not reveal any irregularities.

### Find out more:

[www.ec.europa.eu/environment/chemicals/reach/reach\\_intro.htm](http://www.ec.europa.eu/environment/chemicals/reach/reach_intro.htm)  
<http://www.mg.gov.pl/Wspieranie+przedsiębiorczosci/Bezpieczenstwo+produktow+i+uslug/REACH+i+CLP/CLP>

The Company is active in professional organizations, both national and European, sharing its experiences and implementing solutions applied in Europe and worldwide

### Isabelle Muller

Secretary General of EUROPIA  
European Petroleum Industry Association



## STREFA EKSPERTA

*EUROPIA, representing the oil refining and marketing industry, is obliged to contribute in a proactive and constructive way to the legislative process and development of EU policies to guarantee safe and sustainable production, supply and use of petroleum products.*

*By withdrawing lead from petrol, reduction of sulphur content in transport fuel to the level of 10 ppm the European refining industry has created cleaner products. Over the last 40 years, the industry has also reduced SO<sub>2</sub> emissions by 75%, and emission of petroleum derivatives into water decreased by 90% over the past 30 years.*

*The European refining industry is committed to respond to public concerns regarding life and work in a safe and healthy environment. It applies the guidelines on environmental protection aimed at adopting voluntary measures and industry programmes to protect health and safety of consumers, customers, employees and environment. EUROPIA members make every effort to minimize risks to environment and to provide high quality products and services safely, economically and efficiently.*

*The refining industry was one of the first ones in the industrial sector to endorse in an international agreement the European Emissions Trading System (ETS) as the most cost-effective way to reduce CO<sub>2</sub> emissions when applied on a global scale.*

*Adherence to the abovementioned principles increases the value of the European refining industry and demonstrates its striving at mitigation of environmental impact for the benefit of future generations.*

*EUROPIA recognizes the need to ensure economic balance in Europe by carefully balancing the objectives of environmental protection and equally important issues regarding security of supplies and competitiveness.*



According to the EU regulations fulfilment of the REACH requirements is a prerequisite for introduction to the market of all chemicals, including petroleum products. Producers and importers of chemicals are required to register them within the prescribed time limits. Registration of substances from PKN ORLEN was completed successfully before 1 December 2010. In the ORLEN Capital Group over 150 substances were registered. Currently companies within the ORLEN Group are preparing for registration of substances intended for registration in the second term, i.e. by 31 May 2013.

**Crude oil processed and production volume of selected refinery products in the Production Plant in Plock in 2010 – 2011 ('000 tonnes)**

	2010	2011	Dynamics 2010/2011
Crude oil processed	14,452	14,547	1%
Total petrol	2,736	2,469	-10%
Total diesel oil	5,359	5,646	5%
Ekoterm Plus heating oil	699	372	-47%
Aviation fuel	394	393	0%
Propane-butane fraction	241	186	-23%
Total fuels	9,429	9,066	-4%
Fuel output (%)	78.0	76.1	-1.9 pp

In 2011, the Refinery put great emphasis on maintaining high and effective oil processing. A new sulphur utilisation unit – Claus II, one of the biggest units of this type in Europe, was launched in October at the PKN ORLEN Production Plant. Output capacity of the new unit is twice bigger than of any of the already operating Oxyclaus units.

It should be emphasised that Oxyclaus II is included in the list of the consistently implemented Programme for Environmental and Power Engineering Investments. One of the major completed investment tasks was start-up of the HON VII unit. In 2011, modernisation works at the HF Alkylation unit in the Refinery Plant were undertaken and they are planned to be completed in 2012.

## Quality and range of motor fuels in 2009–2011

Range		Production volume [Mg]	Average sulphur content [% weight]	Benzene content [% V/V]	Ethanol content [% V/V]	ETBE ether content [% weight]
Eurosuper 95	2009	140,689	0.0007	0.77	–	–
	2010	172,090	0.0009	0.67	–	–
	2011	154,975	0.0008	0.56	–	–
Eurosuper 95 with ETBE	2009	778,178	0.0008	0.80	–	8.53
	2010	592,611	0.0009	0.67	–	9.68
	2011	386,716	0.0008	0.54	–	9.00
Super Plus 98 with ETBE	2009	295,200	0.0008	0.66	–	10.56
	2010	239,863	0.0008	0.55	–	10.26
	2011	205,711	0.0008	0.50	–	10.38
EEurosuper 95 with Ethanol Plock Production Plant	2009	917,906	0.0008	0.74	4.89	–
	2010	771,602	0.0008	0.61	4.89	–
	2011	600,936	0.0008	0.54	4.43	2.30
Eurosuper 95 with Ethanol Storage Facilities	2009	920,024	0.0008	0.74	4.84	–
	2010	969,892	0.0008	0.61	4.83	–
	2011	1 514,602	0.0008	0.54	4.40	2.30
VERVA 98 Storage Facilities	2009	128,233	0.0008	0.66	–	10.56
	2010	119,045	0.0008	0.55	–	10.26
	2011	103,531	0.0008	0.50	–	10.38
Average content of substances in motor fuels	2009	–	0.0008	0.62	1.39	4.24
	2010	–	0.0008	0.61	1.38	4.31
	2011	–	0.0008	0.53	1.47	5.72

## Share of individual types of petrol in the entire petrol production in 2009–2011 [%]

Petrol type	2009	2010	2011
Unleaded petrol 95	86.69	87.47	89.56
Unleaded petrol 98	9.28	8.38	6.94
VERVA 98	4.03	4.15	3.5

## Production of the noblest components of ecological petrol in 2009–2011 [Mg]

Component type	2009	2010	2011
ETBE	97,853	89,125	105,616
Alkylate	115,323	108,192	105,117
Isomerizate	477,458	463,798	412,390

## Share [%] of ether in unleaded petrol (Eurosuper 95, Super Plus 98,VERVA98) in 2009–2011

	2009	2010	2011
Content	Unleaded:	Unleaded:	Unleaded:
	Eurosuper 95	Eurosuper 95	Eurosuper 95
	Super Plus 98	Super Plus 98	Super Plus 98
	VERVA 98	VERVA 98	VERVA 98
ETBE	9.55	9.97	9.69*

\* Taking into account all types of petrol produced with ETBE (ES95E, SP98E ES95A-E and Verva 98) average share is 7.23.



### Range and quality of diesel fuel

Range	Production volume [Mg]			Sulphur content [% weight]		
	2009	2010	2011	2009	2010	2011
Ekodiesel Ultra*	5,179,475	5,238,677	5,574,336	0.00082	0.00078	0.00080
ONM Super	114,977	108,387	19,946	0.00046	0.00036	0.00036
Arctic diesel oil	0	0	55,253	0	–	0.00076

\* Excl. diesel for storage in salt caverns.

### Range and quality of furnace oils

Range	Production volume [Mg]			Sulphur content [% weight]		
	2009	2010	2011	2009	2010	2011
Ekoterm Plus heating oil	753,387	699,047	371,887	0.060	0.054	0.079
C-3 heavy heating oil	930,999	960,788	1,246,525	2.00	2.19	2.11
Heavy heating oil 1	27,734	17,399	6,760	0.85	0.82	0.77
Furnace oil for technological furnaces	129,263	99,057	103,131	0.13	0.18	0.26

### Sulphur content in fuel produced by PKN ORLEN

Sulphur content	Total amount [Mg]			Increase (2010/2011)	
	2009	2010	2011	[Mg]	[%]
In furnace oil	19,476	21,740	26,915	5,175	23.8
In diesel oil	43	41.2	45.1	3.9	9.5

#### Find out more:

[www.orken.pl/PL/DlaKierowcow](http://www.orken.pl/PL/DlaKierowcow)  
[ProduktyUslugi/Strony/Paliwa.aspx](http://ProduktyUslugi/Strony/Paliwa.aspx)  
[www.e-biopaliwa.pl](http://www.e-biopaliwa.pl)

## 2.3. EFFICIENT USE OF ENERGY

At the Production Plant in Plock the Company is implementing the Programme for Environmental and Power Engineering Investments at the Combined Heat and Power Plant. It constitutes the basic source of heat and electricity for production units at the Plant, external recipients connected to the PKN ORLEN network and the city of Plock in the scope of heating water supplies.

In accordance with the Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions, as from 1 January 2016 the volume of concentrated emissions from combustion process (sulphur dioxide, carbon monoxide and dust) from boilers of the Combined Heat and Power Plant must be reduced by about 90%. Such big reduction of emissions will be possible due to completion of new units covering the wet flue gas desulphurisation unit, flue gas catalytic denitrogenation unit and enclosure of electrofilters, which will allow to adjust the CHP plant to the new standards.

The Company continues the tendering process for selection of a contractor for construction of the flue gas catalytic denitrogenation unit and the flue gas desulphurisation unit. Conclusion of contracts for furnishing of these units is planned in mid-2012.

In order to satisfy the growing needs of the Production Plant in Plock for power media, the Company continues the construction of the steam boiler (K8) with a power of 300 MWt, whose start-up is planned for 2012.



**Ryszard Siemion**

*Director of Power Production Plant*

*The facility will meet the most stringent environmental requirements for emissions of sulphur dioxide, nitrogen oxides and dust. The new unit should be put into operation in mid-2012. After the start-up of the new boiler, the Company plans to turn off, one by one, the existing boilers to adapt them to environmental requirements provided in the Directive 2010/75/EU in the scope of NOx and dust emissions.*

### Energy consumption in 2011

Description	UM	Performance
Crude oil processing	Mg	14,547,398
Tar consumption	Mg	749,268
	GJ	30,464,590
Heating oil consumption	Mg	113,402
	GJ	4,350,180
Fuel gas consumption	Mg	963,914
	GJ	47,598,010
(incl. natural gas)	Mg	556,825
	GJ	27,378,280
Diesel fuel consumption in CHP Plant	Mg	378
	GJ	16,080
Electricity purchase	MWh	96,717
	GJ	348,180
Heat energy purchase	GJ	413,057
Total consumption of fuel and purchased energy	GJ	87,033,697
Electricity sale	MWh	517,856
	GJ	1,864,281
Heat energy sale	GJ	4,183,967
Heat energy production in CHP Plant boilers (gross)	GJ	41,738,274
Heat uptake in steam by the production units of the Production Plant in Plock (from CHP Plant + purchase from Basell Orlen Polyolefins and ORLEN Asphalt)	GJ	25,348,015
Heat consumption in hot water	GJ	2,259,563
including: – city	GJ	2,013,004
– production units of the Production Plant in Plock and external recipients	GJ	246,559
Steam supply to network from production units	GJ	5,595,382
Heat production in waste heat boilers	GJ	17,851,361
Electricity production	MWh	2,056,797
Electricity consumption (production units of the Production Plant in Plock + CHP Plant)	MWh	1,635,658





WORKPLACE





## 3. WORKPLACE

Human capital is one of the key success factors. In fact, knowledge, skills and abilities of employees determine the Company's competitive advantage. Therefore, it is so important to ensure optimal conditions for development and work.

### 3.1. OUR EMPLOYEES

#### 3.1.1. Sum of talents

PKN ORLEN is one of the largest and most recognizable companies on the Polish market. Its success is the sum of skills and passion contributed to fulfilment of daily task by our employees. They create the results of the Company. Their commitment and skills allow to achieve the set objectives.



Universum Top 10 certification mark for the place in the first 10 Ideal Employers according to professionals in the category: Engineering.



Recruitment policy in PKN ORLEN is based on clear and legible criteria. Due to a huge diversity and specific character of respective business segments, recruitment of employees is conducted through numerous channels. We seek people who can adapt the acquired knowledge to the surrounding reality, who speak foreign languages and are target-oriented. We take into account not only expertise of candidates, but also skills that build corporate culture on the basis of key values of PKN ORLEN. We promote people focused on cooperation, development, and presenting high level of professionalism and commitment.

#### Find out more:

[www.orlen.pl/EN/Company/Careers/Pages/default.aspx](http://www.orlen.pl/EN/Company/Careers/Pages/default.aspx)

#### Total number of employees

Employment type		
Total number of persons employed in 2011 on employment contracts – <b>4,687 employees*</b>		
	Women	Men
Open-ended contracts	844	3,518
Fixed-term contracts	64	190
For a probationary period	12	29
Contract for substitution	17	13
Regiony		
Płock	696	3,046
Other	241	704
<b>Total</b>	<b>937</b>	<b>3,750</b>

\* Total number of employees includes persons who were employees of PKN ORLEN in 2011 (even for one day) and "suspended" employees, i.e. persons on childcare leave, unpaid leave, rehabilitation.

#### Find out more:

[www.universumglobal.com/IDEAL-Employer-Rankings/Professional-Surveys/Poland](http://www.universumglobal.com/IDEAL-Employer-Rankings/Professional-Surveys/Poland)

### Employees by categories (employment contracts)

Gender					
Female			Male		
937			3 750		
Age ranges					
<31	31-40	41-50	51-60	>60	Total
632	1,391	1,183	1,290	191	4,687

Total number of newly employed in 2011 – 192 persons					
Total number of employees who left work in 2011 – 260 persons					
Fluctuation					
Age groups					
<31	31-40	41-50	51-60	>60	Total
33	75	47	73	32	260
Fluctuation by age groups					
<31	31-40	41-50	51-60	>60	Total
0.007	0.016	0.010	0.015	0.007	0.055
Gender					
Female			Male		
91			169		
Fluctuation by gender					
Female			Male		
0,019			0,036		
Regions					
Plock		Other		Total	
170		90		260	
Fluctuation by region					
Plock		Other		Total	
0.036		0.019		0.055	

### Returns to work and retention rate after childcare leave by gender

Gender		
	Women	Men
Returns to work after childcare leave*	8	–
Retention rate**	37.5%	–

\* Number of persons finishing childcare leave in 2011

\*\* Ratio of the number of people who remained employed to the number of people with whom employment contracts were terminated

To be a responsible employer, PKN ORLEN strives to create the best possible conditions for its employees. The Company also cares about development of younger people who are gathering first professional experiences. Thinking about the future, PKN ORLEN directs its activities also at pupils and students.

#### Find out more:

2010 Corporate Responsibility Report,  
p. 77

## GOOD PRACTICE

### Day of Knowledge with ORLEN

"Day of Knowledge with ORLEN" is an educational project addressed to students and pupils implemented in collaboration with the Warsaw University of Technology, branch in Plock and the Secondary Schools Complex in Plock.

The project provides for organisation of the cycle of meetings, where complexity and specific character of the Company is presented, and PKN ORLEN experts discuss the topics associated with production of refinery and petrochemical products. The aim of the project is to complement the knowledge acquired during studies and learning at technical schools with practical knowledge conveyed by experts employed at PKN ORLEN.

Thanks to commitment of all parties: authors and coordinators of the project, experts in the area of production, representatives of educational institutions participating in the project and students, "Day of Knowledge with ORLEN" enjoys great interest, which is reflected in high attendance rate at meetings and positive feedback.

#### Find out more:

[www.orklen.pl/EN/CSR/SocialEnvironment/CSRBestPractice/Pages/default.aspx](http://www.orklen.pl/EN/CSR/SocialEnvironment/CSRBestPractice/Pages/default.aspx)



**Małgorzata Maliszewska-Miętek**

*Recruitment Team Manager*

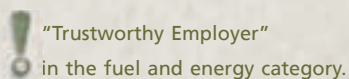
*Students and pupils have an opportunity to confront theoretical knowledge with experience of practitioners. Thanks to the project they may find out about innovative solutions, which they would not be able to learn in the classroom. By acquiring better knowledge about PKN ORLEN, specific character of processes and areas of operations of the Company, they may consciously plan their future careers and directions of development.*

### 3.1.2. Building common future

PKN ORLEN takes care of its employees. What distinguishes the Company and makes it a desirable employer is not only an attractive remuneration system, but also the opportunity to work on complex processes with the use of modern technology and the chance to exchange experiences abroad.

In 2011 the Company took an initiative for diversity in the workplace by issuing an internal regulation regarding implementation of the "Policy setting out terms and conditions of employment of disabled people in PKN ORLEN S.A.". Implementation of principles contained therein provides an example of how the Company breaks stereotypes and barriers in thinking and attitude towards people with disabilities and responds to social expectations. The aim of the policy adopted by PKN ORLEN is, among others, to ensure equal opportunities at workplace, to enable a disabled person to obtain and maintain suitable employment, to return to work and make career progression.





"Trustworthy Employer"  
in the fuel and energy category.

Employees of the Company are also entitled to numerous social benefits. Their award is conditional only upon employment under employment contract, and does not depend on working hours.

Find out more:  
2010 Corporate Responsibility Report,  
p. 79



## Social Benefits

	2009		2010		2011	
	No. of programme participants	Amount [PLN]	No. of programme participants	Amount [PLN]	No. of programme participants	Amount [PLN]
Participation in preventive health programmes implemented by the Military Medical Institute in Warsaw	2,198	Contract covers, among others, employees and their family members	2,210	1,605,300	2,287	1,980,000.00
Influenza vaccination programme (for employees)	1,256	39,592	363	Influenza vaccinations are a component of the medical package for PKN ORLEN em- ployees	327	Influenza vaccinations are a component of the medical package for PKN ORLEN em- ployees
Financial aid in the form of special assistance grants from the Company Social Benefits Funds	44	137,256.48	75	72,840	36	112,640.00
Aid to employees who suffered during the flood	–	–	8	67,000	–	–

### 3.1.3. Employee development

Employee development is a significant element of personnel care. This constitutes an investment in people, support for the Company's development and allows to strengthen its competitive advantage on the market.



**Rafał Sekuła**  
HR Executive Director

*Acquisition of new skills takes various forms, e.g. allowing to improve education or take part in closed trainings. The process is supported by a variety of development tools, such as coaching, business games, simulations, workshops, e-learning. This allows employees to develop not only skills needed for a given position, but they acquire skills in line with market trends and future needs of the Company and the market.*

In 2011 a particular emphasis was put on development of such skills as leadership, business orientation, communication skills, cooperation and negotiations.

In 2011, over 9,000 employees were trained, some of them participated in more than one training during the year. Average number of training hours per one employee in a given category is:

- 50 hours for women and 50.14 hours for men employed at managerial positions,
- 18 hours for women and 30.36 hours for men employed at other positions,

All development programmes have a common methodological basis and concentrate around competencies specified in the PKN ORLEN Competence Model. This allows to design a series of trainings improving managerial skills, starting with competencies important for line managers up to the strategic level. The emphasis on the development of business orientation is also put in programmes for employees who are not managers.

Managerial competence is developed through a systemic training model for this group of employees, constructed in accordance with business needs and on the basis of identified needs. In 2011, the development of managerial skills was continued through training and development programmes such as "Energetic Leadership" (addressed to managers at all levels) and "Champions League" (dedicated to line leaders in the production area).

**Find out more:**  
2010 Corporate Responsibility Report,  
p. 79

Taking into account business challenges faced by the Company, new programmes were launched, including the development programme for production process operators and the development programme for specialists "With passion towards success".

The development programme for production process operators is aimed at development of pro-efficiency attitude as well as skills in the area of cooperation, communication, commitment, rational and effective work under stress.

The development programme for specialists "With passion towards success", is focused on development of three areas of competencies important for performing business functions: cooperation based on efficient communication, fulfilment of tasks in difficult situations and analysis of information in business context.

In 2011 the Company initiated one of key development initiatives, i.e. the development programme for employees with high potential – ORLEN EkstraKlasa. Individuals invited to participate in the programme stand out not only because of high level of competence, but also good business orientation, self-development willingness, outstanding motivation to work and to gain additional business experience. Participants of the ORLEN EkstraKlasa programme are offered various attractive development activities, preparing them to perform managerial and expert roles in the Company.



Within the framework of the bonus system implemented in PKN ORLEN covering all employees, the Company carries out regular assessments in terms of qualitative and quantitative performance indicators. The Company also introduced an annual assessment of employees. The assessment covers the quantity, quality and efficiency of performed work, competencies, skills and attitudes that allow to perform professional tasks at the required level. Nearly 98% of employees subject to assessment were assessed in the process. Development needs and career advancement plans for the next year were defined in employee sheets as part of evaluation process. Results of the assessment and development guidelines provided the basis for development of the training plan.

The assessment and career pathway plans were supported by the PKN ORLEN Career Pathway Matrix developed in 2011. The tool provides information about possible movements on work positions. The matrix also describes requirements regarding, e.g. education profile, qualifications and experience required at respective positions. It allows employees to plan the career path on the basis of accurate information and clearly defined requirements in respective business areas.

The Company provides support for employees covered by restructuring processes. Thinking about their future, the Company conducts trainings on job search techniques, entrepreneurship and optional trainings.

Any matters related to collective rights and interests of employees are resolved in PKN ORLEN while respecting the interests of either party and adhering to the principle of social dialogue.

PKN ORLEN respects the principle of the freedom of activity and equality of Trade Unions, and of non-discrimination on the grounds of trade union membership. This principle has been confirmed in the Collective Labour Agreement covering all employees of PKN ORLEN.

#### Find out more:

2010 Corporate Responsibility Report,  
p. 81

### 3.1.4.

#### Working together for others

Employee volunteering has a long tradition in PKN ORLEN. The number of employees engaging in projects for the benefit of others is steadily growing.

The programme addressed to all employees constitutes an important element of PKN ORLEN corporate culture. The employer supports socially involved people assuming that volunteering integrates employees round positive values. It also encourages to initiate and undertake common charity actions.

Effective communication and open relations with employees have contributed to the success of ORLEN volunteering programme. Volunteering activities of employees on the one hand result from the need to do good for others, and on the other hand allow to identify with the values and organizational culture of the company where they work.



**Mariusz Sochacki**

*Junior Specialist, Recruitment Team*

*I like spending my free time actively – I trained rowing professionally, and volunteering has become my second passion. It helps me achieve balance and makes me realize that there are other people around me. The fact that I can help them in some way is a source of immense satisfaction.*

*I have joined volunteering thanks to my colleague from the Team, now I invite others to join us. I hope that the network of volunteers will be constantly growing.*

#### Find out more:

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



## GOOD PRACTICE

### Employee Volunteering

ORLEN employee volunteering, established as a result of joint initiative of employees and the employer, constitutes today an important element of PKN ORLEN corporate culture. ORLEN Employee Volunteering activities in 2011 were listed in the calendar of the European Year of Volunteering with the approval of the Ministry of Labour and Social Policy.

ORLEN Employee Volunteering is constantly developing and looking for new areas of activity for employees/volunteers, implementing projects in response to the needs reported by employees or initiating them on its own. These include, for example:

- **“Miraculous School Bag” project** ([www.zaczarowanytornister.orlen.pl](http://www.zaczarowanytornister.orlen.pl)).  
Volunteers bought school kits for school freshmen from poor families in Plock. The final of the action and handover of school bags was held just before the start of the school year during a family picnic.
- **Competition for the most beautiful Christmas card.**  
It was addressed to children from family children's homes looked after by the ORLEN Dar Serca Foundation. The author of the winning card, apart from satisfaction with the fact that their work is used to create the corporate card, receives a special prize. This year the card was chosen by employees voting online. Every participant receives a Christmas package with sweets during the meeting with Santa Claus.
- **“Make dreams come true” project** ([www.spelniamy-marzenia.orlen.pl](http://www.spelniamy-marzenia.orlen.pl)).  
Company employees may become the owner of a card of their choice designed by a child from the family children's home. One needs only to make the dream of its author come true. Each employee who became Santa Claus and fulfilled the dream receives a special “Volunteer Certificate” and the original card.

#### Find out more:

[www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPractice/Pages/default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPractice/Pages/default.aspx)

## 3.2. SAFETY AS A COMMON GOAL

A comprehensive approach to health and human life is closely linked to the nature and specificity of applied technologies, as well as potential threats to safety: at work, as well as process, fire and radiation safety. Work continues on the further development of the internal occupational safety management system covering PKN ORLEN and Capital Group companies. The aim is to create safer and more friendly work environment.

The Company promotes and supports initiatives aimed at ensuring safety and compliance with applicable requirements of national laws in the scope of protection of human health and life, as well as assets of the Company. PKN ORLEN effectively applies new methods, modern techniques and technologies consistent with models of the global industry, better work organization, knowledge, experience, employee qualifications.

The Integrated Management System policy reflects commitment to ensure safety of employees at work and outside work, as well as external contractors.

The Occupational Health and Safety Commission, representing all employees, and the social labour inspection were appointed and function within PKN ORLEN.

#### Find out more:

2010 Corporate Responsibility Report,  
p. 42 – 43

3.2.1.  
Safety at work

Safety at work is a fundamental value. It signifies implementation of the objectives of the labour safety policy by common actions and cooperation of all employees in all areas.

Accident rate in PKN ORLEN in 2009–2011

No. of accidents	2009	2010	2011
Total	23	28	15
Fatal	0	0	0
Major	0	0	1
Group	0	0	0
Absences [days]	996	789	592
Rate of	2009	2010	2011
Incidence <sup>1</sup>	5.0	6.2	3.4
Severity <sup>2</sup>	43.3	28.2	39.5
TRR <sup>3</sup>	2.90	3.09	1.68

1) Incidence rate – no. of accidents per 1,000 employees.  
2) Severity rate – number of days of inability to work per 1 accident.  
3) TRR – no. of accidents per 1,000,000 man-hours.

Our goal:  
“Zero accidents – 100% safety”

Numerous good practices implemented in this area help achieve the assumed goal.

GOOD PRACTICES

- OHS portal

OHS portal was launched in the Intranet in 2011. It presents the most important issues regarding broadly understood safety in the Company and the ORLEN Group.

- “Report OHS hazard” programme on the OHS portal

The programme engages employees in active monitoring of work environment. User-friendly system allows to report situations or incidents posing hazard to human health. In 2011, 978 hazards were reported in total, nearly 200 online. Reports are monitored on an ongoing basis. Also the person who reported a hazard may observe the state of report. As a result of taken actions hazards are eliminated or restricted.

- OHS Competition

The competition “10 questions about work safety” promotes OHS, fire safety and process safety rules among PKN ORLEN employees. About 10% of employees took part in the competition.

- Improving “Work safety” clauses in agreements with outsourced contractors

The Company has introduced motivational system for outsourced contractors covering disciplinary measures and positive incentives, as well as mechanisms for hiring adequate contractors to perform particularly hazardous works.

- OHS information system at entry gates – tests

Messages inducing employees, contractors and visitors to behave safely at the premises of the Production Plant in Plock are displayed on monitors.

Find out more:

[www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPractice/Pages/default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPractice/Pages/default.aspx)

#### COMMITMENTS

- *Introduction of OHS Glossary at the OHS Portal.*
- *Organization of the next OHS competitions.*
- *Further development of multi-media messages inducing desired behaviour of employees in the work process, especially in the scope of improvement of communication.*

Other interesting examples of activities performed in 2011:

- development and practical implementation of presentations and programmes supporting procedures, e.g. the "Assistant" programme supporting the work of OHS specialists, or guidebook for performing particularly hazardous works;
- monitoring legal requirements and updating the Comprehensive Prevention System, or the collection of internal regulations in the scope of work safety, fire protection, technical and process safety and radiation protection;
- OHS coordinators (assistants, animators) in respective production areas responsible for cooperation with the OHS Office in the scope of implementation of occupational safety in their areas;
- the system of occupational safety guidelines used for communication of occupational safety requirements:

The guiding slogan for the year 2012 will be "I care about safety of my own and my collaborators". The Company has assumed, among others, continuation of the "Safety passport for the best contractors" project, organization of another Open Day of Safety, OHS, fire protection promotional campaigns taking into account stress management. The Company remembers also about its partners, supporting them in implementation and application of the highest OHS standards.

#### COMMITMENT

*Supporting training of contractors in the scope of occupational safety.*

#### 3.2.2.

##### Process safety

In 2011 the Company carried out 12 analyses of process hazards and risk for technological units located at the premises of the Production Plant in Plock. As a result, the Chief Commandant of the State Fire Service of Mazovian Voivodship issued a decision approving an updated version of the "Safety report for the production plant in Plock of Polski Koncern Naftowy ORLEN S.A.". It confirmed implementation and proper functioning in the Plant of the safety system guaranteeing life and health protection, protection of environment and production assets. Requirements of the Environmental Protection Law Act were fulfilled in the scope of prevention of serious industrial accidents.

Comprehensive documentation in the scope of prevention of industrial accidents for plants burdened with high risk of serious industrial accidents was prepared in the area of process safety. Since 2011 the Production Plant in Plock has used specialist software supporting the development of process risk analyses.

Analyses were performed and hazards monitored on an ongoing basis.

The Company envisages the following activities in the scope of process safety for 2012:

- propagation on the corporate website of information on safety measures in PKN ORLEN facilities;
- introduction of lagging indicators in order to precisely assess the effectiveness of the Process Safety Management System;
- ongoing analyses of potential emergency incidents to prevent serious industrial accidents.



3.2.3.  
Safety of outsourced contractors

In matters related to occupational safety employees of out-sourced contractors (contractors) are treated the same way as employees of the Company. The Company oversees and controls their compliance with regulations and occupational safety rules. Requirements in this area as well as issues related to drawing consequences from failure to comply with applicable requirements, but also rewards for exemplary behaviour are included in agreements with contractors. Despite these high standards two fatal accidents occurred in 2011. Analysis of causes and circumstances resulted in introduction of specific measures to prevent such accidents in future. The Company introduced the rules for assessment of contractors in the scope of Occupational Health and Safety. They constitute an essential element of the "System of passports for contractors".

COMMITMENT

Continuation of development of the "System of passports for contractors".

Forms and methods of training of employees employed by out-sourced contractors are being modified.

3.2.4.  
Fire protection

PKN ORLEN In-House Fire Brigade specializes in rescue and fire-extinguishing operations. The Company has also the National Help Centre SPOT\*.

Summary of all incidents in 2009 – 2011

Year	Type of Incident							Total	In-House Fire Brigade responded calls
	Fires				Local hazards		False Alarms		
	Plant		Outside the Plant	Extinguished before arrival of the In-House Fire Brigade					
	Own	External			Total	Including emergency calls			
2009	6	1	1	4	48	38	4	64	60
2010	14	1	1	4	92	63	13	125	121
2011	13	2	4	0	80	68	17	116	116

\*National Help Centre for Transport of Hazardous Substances – SPOT.



Dariusz Loska  
Director of the Occupational Health and Safety Office

Involvement of managers and employees of the Company in efforts to further improve safety at work brings effects that are visible in everyday work.

This shows us that the chosen direction of development of occupational safety is the right direction and motivation to implement new solutions for further improvement of awareness and occupational safety in the Company.

Find out more:  
2011 Corporate Responsibility Report,  
p. 48- 50

The Company carries out regular assessment of fire hazards to determine fire risk and takes measures to limit and eliminate such hazard.

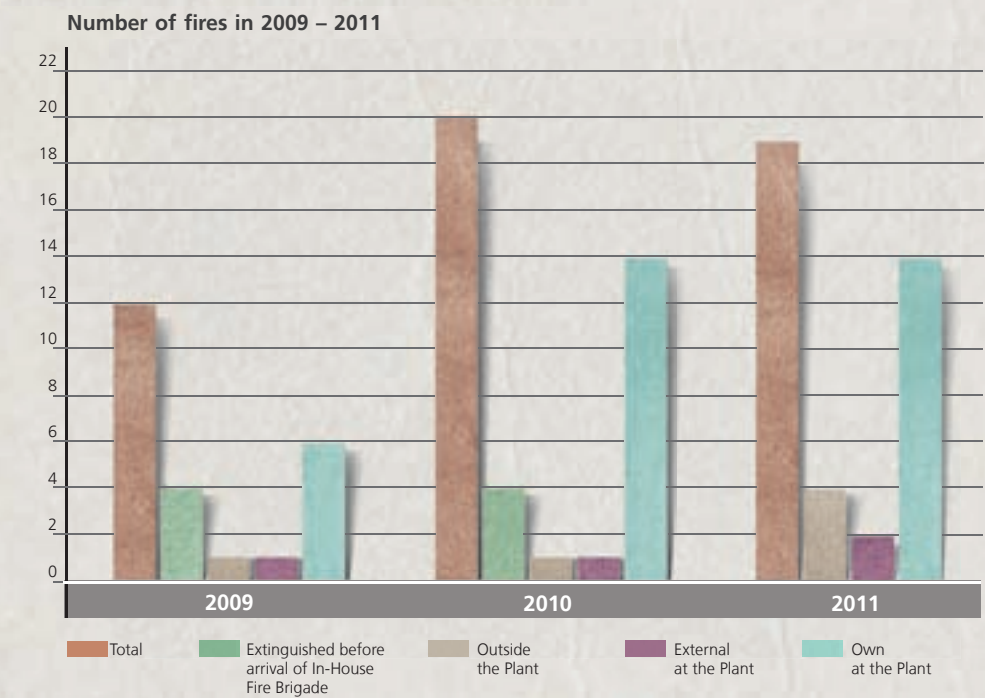
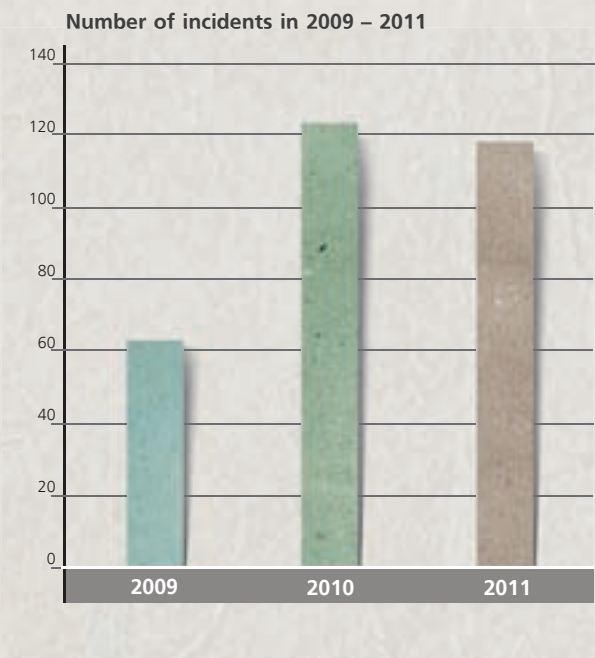
Particular attention is assigned to increase of awareness of fire hazards.

The In-house Fire Brigade supports initiatives promoting development of rescue and fire-extinguishing techniques and technologies. In 2011, it was the only In-House Fire Brigade and one of three fire protection units in Poland to participate in studies regarding a modern rescue robot.

The second important research project is i-Protect. Its participants are ordered with the task to create assumptions and prepare a model of intelligent protective clothing for firemen/rescuers, mining and chemical rescue workers. It should not only protect the rescue worker from the impact of adverse external factors. Its task will be also to provide information on the state of health and condition of the rescue worker operating under extreme conditions.

3.2.5.  
Prevention  
of radiological accidents

In accordance with requirements of the Nuclear Law and the Company's internal regulations, in 2011 the Company carried out intensive action to prevent radiological accidents in the Production Plant in Plock and the PTA Plant in Wloclawek. They related in particular to supervision of radioactive sources permanently installed at the units. Moreover, radiation safety issues have been included in the periodic training programme in the scope of OHS. A training programme approved by the President of the National Atomic Energy Agency was used in their development.



### 3.2.6. Safety in regions and ORLEN Group companies

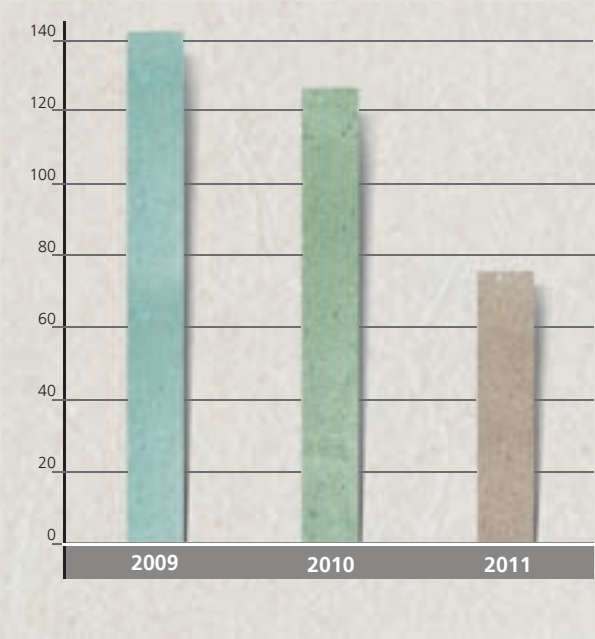
Many years of experience in development of safe working conditions has led to reduction of accident rates in the PKN ORLEN Group. These rates have improved significantly over several years – the number of accidents at work has dropped considerably.

Most registered accidents include minor, not resulting in long sick absence. No repetitive accidents, typical of the chemical industry, were reported.

The ORLEN Group is developing a corporate, modern Occupational Health and Safety Management System. It plans, among others, to introduce a uniform system of internal OHS auditors.

It is worth emphasizing the dialogue taking place within the ORLEN Group. The meeting of OHS services under the slogan “Good Practices of the ORLEN Capital Group 2011” strengthened cooperation and improved communication quality, allowed to exchange knowledge and experiences. Such events build awareness of importance of OHS issues, which significantly influences the development of work safety culture, while valuable initiatives are popularized within the Company.

Number of accidents in the ORLEN Group in 2009 – 2011



Accidents in the ORLEN Group per category in 2009–2011

Specification	ORLEN Group*	
Accidents at work	2009	85
	2010	73
	2011**	76
Sick absence (calendar days starting from the date of sick leave)	2009	3,501
	2010	2,595
	2011**	2,944
Severity rate (days of sick absence per 1 accident)	2009	41.18
	2010	35.55
	2011**	38.73
Occupational diseases	2009	0
	2010	0
	2011**	0
TRR rate	2009	4.17
	2010	3.86
	2011**	2.26

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

\* Data concerns 22 leading companies from the ORLEN Group (excluding PKN ORLEN).  
 \*\* In 2011 monitoring of accident rates was expanded by 10 new companies (including PKN ORLEN).





The image features a complex, layered geometric composition. In the upper left, a large, light-colored paper triangle points downwards, with a smaller, slightly offset triangle nested within it. To the right, a dark, angular shape, possibly a folded piece of paper or a small wooden structure, is visible. In the lower right, a more intricate wooden structure is composed of several rectangular blocks arranged in a stepped, geometric fashion. The background is a textured, light-colored surface, possibly paper or fabric, with subtle variations in tone and texture. The word "SOCIETY" is centered in the lower half of the image, rendered in a simple, black, sans-serif font.

SOCIETY

## 4. SOCIETY

Commitment to social development is an investment in the future. Actions taken today in the long term can lead to achievement of balance between interests of various groups. To that end, it is necessary to cooperate and conduct dialogue with the environment.

### 4.1. RESPONSIBLE DONOR

PKN ORLEN has a long tradition in the scope of activities for the sake of society. Charity is treated as an important contribution in sustainable development. Its essence is to help in a wise way, thus serving the common good. The Company is unique in that, apart from conducted charity projects, it established a corporate Foundation carrying out the social mission of a founder. Whereas the Company itself implements its own charity projects, mainly for the sake of safety. It also supports NGOs that conduct important social initiatives, paying particular attention to education. Talented young people and their innovative projects can rely on interest on the part of PKN ORLEN.

The Company is involved in support of development of local communities, health, culture. Most of them are long-term initiatives.

It is worth emphasizing the social aspect of sponsorship projects. Social benefits resulting from such projects are important in assessment of their value.

It is also worth mentioning cross-sector partnership projects, which are still unique on Polish and European scale, although inaugurated by PKN ORLEN years ago. They are an important element of a broad spectrum of activities for the sake of local communities.

In accordance with best practices of socially responsible business, most social projects are planned for multiple years, taking into account future generations.

#### Find out more:

[www.orlen.pl/EN/CSR/Social  
Environment/Charity/Pages  
/default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/Charity/Pages/default.aspx)



**Mateusz Jeziorski**

*Recipient of Scholarship from the Social Energy Factory*

*I have always been a dreamer. I have been inspired by people like Henry Ford and believed that my dreams will come true. It is said that a good idea is half the battle and that faith can move mountains. I only lacked the key to the door I wanted to open. I managed to make my dreams come true thanks to the scholarship from the Social Energy Factory in the scope of project management. I learned how to effectively pass through the way "from idea to realization", how to cooperate with people and how to manage projects at the highest level. The training involved practice – implementation of my own project. "How to become an astronaut" – a project that we create will change the pessimistic view held by young people as regards the labour market in Poland. We will show our peers how to realize their career dreams. We have already started to fulfil ours – experience gained on the project was immediately appreciated by my first employer.*



Special award for long-term and consistent support of social activities in the fifth edition of the Top Corporate Philanthropists competition, organised by the Polish Donors Forum in cooperation with the Warsaw Stock Exchange.



## 4.2. ORLEN – DAR SERCA FOUNDATION

ORLEN – DAR SERCA Foundation is one of the first corporate foundations on the Polish market. Established by PKN ORLEN on 20 August 2001, it has successfully implemented its own projects to raise the quality of social life.

In 2011, the Foundation was among the most frequently indicated Polish brands associated with charity.

### VISION

ORLEN – DAR SERCA Foundation – a public benefit organization, implements, on behalf of its Founder, long-term programmes to support family-run children's homes, equal educational opportunities for talented youth and local communities, it carries out projects in the field of safety and health protection.

### MISSION

The Foundation builds partnerships and develops its programmes through dialogue with stakeholders and intends to be a leading partner in the area of conducted activities.

### Better future

The programme carried out since establishment of the Foundation is the programme of comprehensive support for family-run children's homes. Currently over 2,000 children from about 260 children's homes from across Poland benefit from this support. The Foundation provides them with funds for immediate assistance, treatment and rehabilitation, as well as fuel cards.

For several years family-run children's homes have participated in summer holidays organized by the Foundation. In 2011 as many as 179 children and 50 carers from 27 homes from across Poland could benefit from holidays by the sea. The Foundation enriches holidays with additional elements of sport and educational character. Last year this was a programme organized by firefighters from the Local Fire Brigade from Gryfice and activities in the framework of the Summer Academy of Young Policeman organized by the police from the Western Pomerania region. An added attraction was the visit of Marcin Lewandowski, an outstanding athlete, World Championship finalist, participant of the Olympic Games, multiple record holder and the champion of Poland, a member of the ORLEN Sports Team.

Children from family-run children's homes also take part in events organized by PKN ORLEN and the Foundation. In June 2011, young automobile enthusiasts participated in "VERVA STREET RACING". Over 70 children's homes responded to the proposal to participate in the competition for the Company's official Christmas card – its final was held in December 2011 during a Christmas meeting with Santa Claus in Płock.

On this occasion the fanpage of the Foundation – "Debeściaki", was launched on Facebook. The profile is dedicated to young protégés of the Foundation, which intends to promote their talents, successes and achievements in this way. Every Facebook user may access riddles and interesting stories written by children from family-run children's houses and recipients of scholarships from the Foundation. Fanpage is available at: [www.facebook.com/orlen.dar.serca](http://www.facebook.com/orlen.dar.serca).

Every year a large group of children from family-run children's homes benefits from the scholarship programme dedicated to them. In 2011, 127 pupils and 23 students received scholarships from the Foundation.



FUNDACJA

**ORLEN**

DAR SERCA

To support the development of competencies of people who run family children's homes, the ORLEN – DAR SERCA Foundation published in 2011 a guidebook "Family-run children's homes – care, upbringing, therapy", under the scientific editorship of professor Barbara Weigl and Leszek Drozdowski. In the opinion of reviewers, the book, which is a result of work with carers from family run children's homes during workshops in Serock (2010), is an innovative book on the market of publications devoted to upbringing. The honorary patron of the publication is the Minister Marek Michalak – the Ombudsman for Children.

## STREFA EKSPERTA

*The process of upbringing is a difficult and responsible task. It happens that it is beyond capabilities, and sometimes, unfortunately, also willingness of the adults. Emotional rejection, tensions and family problems evoke unrecoverable consequences in the child's psyche. Hence there is a short route to disorders that can affect the whole future life. Whereas the child needs an adequate dose of vitamin "L", that is love, warmth and acceptance.*

*The right to have a family is a fundamental and inalienable right of every child. If a biological family cannot cope with the hardships of upbringing, it is necessary to give the child a second chance. It involves certainly substitute forms of parental care, such as family-run children's homes. Keeping them is an important mission. For children deprived of natural parental care this is a chance to feel like in the family, not in a facility established under law.*

*It is necessary to talk to the child, as every human being, especially the youngest one, needs human contact. It is also indispensable to support their parents and foster carers, to raise their competencies, as what is characteristic for behaviour problems is that they cannot be ignored, put aside, forgotten.*

*We are children only once in our lifetime – upbringing is a great challenge, but also a wonderful gift. Adults should be aware that they may not have a second chance to bring up a happy, fulfilled human being.*

To support family-run children's homes more effectively, the foundation conducts the action "1%=YOUR GIFT OF THE HEART". PKN ORLEN customers also support our activities by donating points collected under the VITAY programme to fund specific needs of children from family-run children's homes. Points donated in 2011 were allocated by customers to fund the total of 5,153 lunches, 150 school kits, 567 hours of rehabilitation activities and 77 scholarships.

## Investment in talents

The Foundation supports talented and ambitious pupils from junior high schools and high schools with scholarships. Currently the Foundation is implementing one nationwide and two local programmes addressed to pupils from Plock and the Plock district.

In 2011 over 420 young people benefited from the support of the Foundation. Scholarships allow them to develop their interests, passions and talents. It is important for the Foundation that recipients of its scholarships are active where selfless help is most needed. Therefore, apart from achievements at school, in artistic field and in sport, the Foundation highly values in candidates for scholarships their involvement in the affairs of local community from which they come.

Scholarship projects evolve in such a way as to give a chance to the best and most ambitious young people, whose talent may fully develop thanks to financial support. The Foundation has prepared its own scholarship programme dedicated to young enthusiasts of chemistry.

## Marek Michalak

Ombudsman for Children in Poland



Photo by Tomasz Pietrzyk



! Distinction in the “POSITIVIST OF THE YEAR” competition organized by the WOKULSKI Foundation for implementation of educational programmes.

### Safety, rescue operations and health protection

Cooperating with the police, fire-fighting and medical services, the ORLEN – DAR SERCA Foundation helps increase awareness and knowledge of rescue services and health protection, especially when it comes to the safety of children. In 2011 the Foundation prepared a nationwide action “Child in Car”. Over 320,000 stickers informing about the presence of children in cars were given to drivers visiting PKN ORLEN and BLISKA network fuel stations.



In 2011 the Foundation supported activities for safety. For example, it donated funds for purchase of company cars, fuel and educational projects. The Foundation also continued cooperation with the Municipal Police Station in Płock in the framework of the action “Shine like a zebra with reflective stripes” and donated funds to the Municipal Security Guard Services in Płock for purchase of a patrol car.

One of the most important decisions of the Founder was donation of funds through ORLEN – DAR SERCA Foundation for expansion of the Department of Anaesthesiology and Intensive Care at the Regional Hospital in Płock. It will allow to hospitalize more patients in the condition of immediate threat to life. Hospital in Płock also receives liquid nitrogen, necessary for storage of biological samples, cryogenic surgery and cryotherapy treatments. Moreover, the Foundation allocated funds for treatment and rehabilitation of ill and disabled people in need of special care.



### Comprehensive development of local communities

The Foundation addresses its support especially to Płock, cooperating with educational and cultural institutions and providing assistance to NGOs and individual persons. In 2011 the Foundation provided, among others, financial funds and computer equipment for the community centre of the Płock branch of the Friends of Children Association. The Foundation has also become a partner of the “Miraculous School Bag” action conducted by the PKN ORLEN Employee Volunteering.

Find out more:  
[www.orlendarserca.pl](http://www.orlendarserca.pl)

“Debeściaki” may be found at:  
[www.facebook.com/orlen.dar.serca](https://www.facebook.com/orlen.dar.serca)



### 4.3. DEVELOPMENT OF LOCAL COMMUNITIES

#### ORLEN for Plock

PKN ORLEN continues activities for the local community conducted already for years. The Company gets involved in initiatives important for inhabitants of Plock and the region.



**Zbigniew Burżacki**

*Sponsoring and CSR Department Manager*

*CSR is perceived in PKN ORLEN as a method of management and taking business decisions. Also those regarding sponsorship. When choosing a particular project for implementation we take into account our impact on the environment. Not only its immediate effects, but also long-term consequences. Therefore we support valuable cultural, educational and sport activities, which may improve the quality of life of inhabitants of Plock, as well as influence the environment in a permanent and positive way.*

*Social return on such investments is for us the sum of positive social emotions and tangible benefits measured by decrease in crime or improvement of health of inhabitants. Auditorium Festival, modern playground, renovations of subsequent departments of the Regional Hospital in Plock or Plock POLISH OPEN – these are examples of our concrete activities.*



Nomination in the competition “Company with a Good Image” organized by Business Centre Club for the best image in the context of corporate social responsibility in the Mazovian Voivodship.



#### Support of sport

In 2011 the Company continued sponsoring the handball team ORLEN Wisła Plock, confirmed by the contract concluded in July 2010 for four years. The Company supported the Club from Plock in image activities focusing primarily on promotion of the team – winners of the title of Polish Champion 2011.

As a socially responsible partner PKN ORLEN put a great emphasis on facilitating, in cooperation with ORLEN Wisła Plock, the development of sport among the youth. This aim was pursued through sponsorship of the next edition of the ORLEN Handball Mini League project, allowing young adepts of handball to improve their skills. Additional motivation and reward for outstanding juniors was the possibility to enter the ORLEN Arena pitch with members of teams playing in the Champions League matches.

Moreover, by inviting its employees to handball matches (through distribution of the pool of free tickets within the Company), ORLEN indirectly promotes the discipline itself and supports propagation of sport. Employees and their families have the chance to see that handball is a spectacular discipline, and matches provide the opportunity to spend free time in a friendly atmosphere, rooting for their team.

### Modern sports base

Since 2010 ORLEN has been the titular sponsor of the sports and entertainment hall – ORLEN Arena, financing its construction together with the Płock City Hall. Thanks to this cooperation the local community received a modern sport and recreation centre, for which it had been waiting for years. The inhabitants also received the opportunity to participate in interesting mass events on national, or even international scale.

Construction of ORLEN Arena enabled inhabitants of Płock and the region to participate in handball matches, held previously under difficult conditions in the old hall. The club brings together a large group of fans, still growing since 2011 due to availability of matches for inhabitants and viewing comfort offered by the facility.

### Płock – other selected activities

Apart from cyclical, multiannual projects, the Company receives each year numerous requests for support of initiatives, events and activities conducted in Płock in various areas. In 2011 the company participated in implementation of local projects such as, among others Audioriver festival, Rynek Sztuki (Art Market), Summer Music Festival, 65<sup>th</sup> anniversary of the Scout Song and Dance Group “Dzieci Płocka” (“Children of Płock”), Beauty Festival, Scarp Festival, Tumski Run, Triathlon, Polish National Junior Olympics, Płock ORLEN Polish Open, Aviation Picnic.

Main criteria guiding the Company in selection of projects for implementation in Płock are not promotional advantages, but mainly opportunities and benefits a given initiative may provide for the Płock community. ORLEN strives to fund initiatives whose beneficiaries are inhabitants of Płock and which create opportunities for development of the city.

### Cooperation with local authorities

As the largest company operating in Płock, PKN ORLEN supports the City Hall in implementation of projects for development of the city and improvement of living conditions of its inhabitants. Within the framework of this cooperation, in 2011 the Company submitted an official declaration to co-finance construction of city infrastructure for the youngest inhabitants of Płock – skate park and playground.

These are further initiatives implemented over the last years with the support of PKN ORLEN in particular aimed at creating better conditions for development of children and the youth.

### Cross-sector partnership

Another project implemented last year was continuation of the cross-sector partnership established a decade ago for the first time in Poland. The project, innovative on a national scale, implemented with participation of the United Nations Development Programme (UNDP) already since 2005 assumed the form of the “Grant Fund for Płock”.

As part of activities of institutions in 2011, PKN ORLEN provided funds for implementation of social projects that allowed to finance not only annual editions of grant competitions, but also to conduct trainings for NGOs in Płock. Cooperation between PKN ORLEN and other partners of the Foundation allowed to implement 25 projects for the total value of other PLN 250,000 last year. Supported projects included those addressed to disabled, elderly, socially excluded people as well as children and the youth. Grants from the Foundation financed also innovative initiatives in the field of culture, education and sport. Activities of the Foundation are supported also by Basell Orlen Polyolefins, the ORLEN Group company.



**Arkadiusz Ciesielski**

Senior Specialist PKN ORLEN Press Office,  
Member of the Management Board of the Grant Fund  
for Płock

*When in 2002 PKN ORLEN started the implementation of the first Cross-sector Partnership Programme in Poland many observers wondered, if such model of cooperation is possible and how long it will last. As is evident, after a beautiful, because already the tenth anniversary of existence of the project, the continuing cooperation of business and self-government for the third sector is possible and brings tangible benefits to all stakeholders. We are therefore the best example that the created mechanism of co-financing activities undertaken by NGOs supports achievement of the objectives of sustainable development strategy for the city. Over the decade we supported more than 250 projects for the total sum of nearly PLN 3.7 million.*



#### 4.4. ORLEN FOR SPORT

In 2011 PKN ORLEN focused its strategic activities in the scope of sport sponsorship on two basic areas, i.e. automotive sports – ORLEN Team and VERVA Racing Team, and athletics – ORLEN Sports Group. Sport projects constituted an important element of the marketing success of individual commercial brands (VERVA and Stop Cafe), for which they provided a significant carrier of promotional activities. Moreover, the Company invested in sportsmen and initiatives contributing to improvement and development of the condition of Polish sport. However, last year these activities took a new, not only sponsoring but also social dimension.

By supporting individual sportsmen participating in competitions at international level, PKN ORLEN contributed changes in social attitude towards sport. Sportsmen not only concentrated on participation in competitions, but also engaged in various activities aimed at promoting active lifestyle and sport, as well as fulfilment of dreams of young people. Apart from supporting its flagship projects, PKN ORLEN builds positive relations with aspiring, young competitors and strives to create conditions for development of emerging talents. Therefore, once again it became a patron of the entire cycle of Thursdays with Athletics and football tournament “Orlik”, manifesting not

only its involvement in activation of local communities, but also encouraging a variety of sport activities and active life.

Exchange of experiences between children and sportsmen cooperating with PKN ORLEN on achievement of success and setting ambitious targets has already become a fixed element in the Company’s calendar of events. In 2011 the athletic ORLEN Sports Group again participated in the Olympic Picnic, during which it promoted the spirit of sportsmanship and fair play among fans and contestants.

PKN ORLEN attaches importance not only to results of sponsored sportsmen and efficiency of activities. What is important is also the way of achieving success and the values a given sportsman or team can communicate to their followers.

#### 4.5. ORLEN FOR CULTURE AND EDUCATION

The year 2011 was another year of involvement of the Company as the patron of culture and art. PKN ORLEN supported the exhibition “We want to be modern” held at the National Museum in Warsaw. It presented the achievements of Polish design in the years 1955-1968. The visitors had the opportunity to admire the most valuable examples of Polish industrial design and commercial art.

As in the previous years, PKN ORLEN sponsored the “Złote Kaczki” (“Gold Ducks”) award ceremony – the oldest Polish movie awards granted by readers of the Film monthly. Traditionally, the Company supported the organizers of the Ludwig van Beethoven Easter Festival, one of the most important classical music festivals organized in Poland.

Activities of the Company are not restricted only to support of concrete institutions or individual artistic events. We also support initiatives aimed at bringing art closer to excluded people who, for various reasons, have limited opportunities to participate in cultural life. PKN ORLEN was among the sponsors of the performance “Life at your fingertips” organized by the “Między Słowami” (“Between the Words”) Foundation. The performance was also available in the version with audio description to enable partially sighted people to enjoy the show. Among the spectators there were people in care of the Society – Fund for the Blind of Laski, invited by PKN ORLEN.

##### DOBRA PRAKTYKA

##### Thursdays with Athletics

For years PKN ORLEN has been the partner of Thursdays with Athletics cycle – the biggest sporting event in Poland addressed to children and young people. Thursdays with Athletics are sporting and brand image success, and the finals gather every year thousands young athletes who will be the core of the Polish team in future. However, the biggest benefit of the project is promotion of healthy lifestyle and instilling the spirit of sportsmanship in the youngest people.

##### Find out more:

[www.orlen.pl/EN/CSR/Social  
Environment/CSRBESTPractice/Pages/  
default.aspx](http://www.orlen.pl/EN/CSR/SocialEnvironment/CSRBESTPractice/Pages/default.aspx)



Remembering about local commitments and expectations of the local community the Company continued cooperation with the major cultural institutions in Plock: the Mazovian Museum, the Zieliński Family Library and the Plock Symphony Orchestra, supporting their current activities.

PKN ORLEN has consistently supported education. For instance, it has encouraged pupils to start liking chemistry. The "Chemistry Lesson" project implemented in 2011 was addressed to pupils from the 2<sup>nd</sup> class of junior high school. Its aim was to popularize chemistry among junior high school pupils. Chemistry is perceived as a difficult and rather unattractive subject, which discourages young people from discovering its fascinating secrets. Hence the idea to conduct lessons in an attractive, multimedia form devoted to the topic of production, processing and use of crude oil. Issues covered during these lessons corresponded directly with the curriculum. They were also related to basic competencies of the Company.

A special multimedia presentation was developed for the lessons which were accompanied by tests carried out in a specially arranged laboratory. The mobile laboratory visited 502 schools across Poland. Almost 22 thousand pupils participated in 507 lessons. Success of these activities was additionally confirmed by great interest in the competition organized within the framework of the lessons. The task was to present a vision of a fuel station of the future in a freely chosen form. Over 400 works were submitted, which included drawings, collages, scale models as well as literary works. The project allowed pupils to get to know the real, fascinating aspect of chemistry.

#### 4.6. "ORLEN. SAFE ROADS"

Last year PKN ORLEN conducted another edition of "ORLEN. Safe Roads" programme, this time under the slogan: "Long live motorcyclists!". The emphasis in communication was put on mutual respect on the road of motorcyclists and other road users. ORLEN Team members were actively involved in the action as project ambassadors. Moreover, the MotoMaroko competition was held, which enabled six finalists to participate

together with the racers in a weekly motorcycle trip through the wilderness of Northwest Africa. Winners of the competition had the opportunity not only to experience the adventure of life set in the beautiful African scenery, but above all to improve their driving skills under the guidance of champions.



**Justyna Prośniewska**

*Specialist, Social Sponsoring Team*

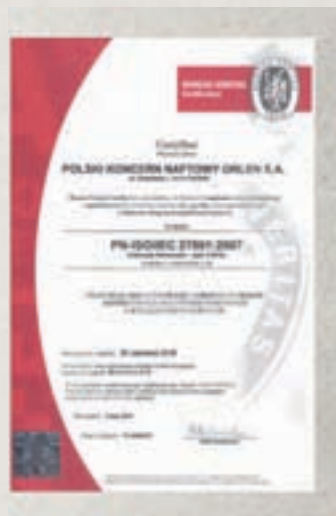
*"ORLEN. Safe Roads" is a unique programme addressed to all road traffic participants. When developing it, we wanted to practically contribute to improvement of safety through promotion of proper behaviour on Polish roads. For us the programme is a natural complement to our business operations.*

*Within five years of implementation of the programme we completed subsequent editions of the "Safe Roads Initiatives Competition" aimed at inspiring action, promoting and supporting implementation of the most interesting initiatives for real improvement of road safety.*

*In the framework of this programme we conducted also three social campaigns: "Parents set example for their children" (2009), "2 hours driving, 20 minutes brake" (2010), "Long live motorcyclists! Long live drivers!" (2011).*

## CERTYFICATES

- Integrated Management System Certificate
- PN-EN ISO 9001:2009 – Quality Management System
- PN-EN ISO 14001:2005 – Environmental Management System
- PN-N-18001:2004 – Occupational Health and Safety Management System
- PN-ISO/IEC 27001:2007 – Data Safety Management System
- Quality Management System Certificate – AQAP 2120:2009
- Certificate of the Framework Responsible Care Management System
- Environmentally Friendly Company Certificate
- Polish Ecology Partner Certificate





## ACCOUNTING FOR 2010 COMMITMENTS

PKN ORLEN wants to develop in a sustainable way. To this end, it takes on voluntary commitments, which not only constitute a key to business success, but also affect the shaping of positive relations with the environment.

CSR activities implemented in PKN ORLEN are usually planned in the long term. We managed to fulfil the commitments assumed last year. These activities are continued, undergoing necessary modifications, as needed.

Market	Taking all efforts to enable PKN ORLEN to remain on the RESPECT index in the years to come.	✓
	Implementing solutions contributing to improvement of the quality of products, increase of safety and environmental neutrality.	✓
	Introducing additional applications allowing to search PKN ORLEN fuel stations. (light version of the corporate portal m.ORLEN.pl and advanced search engine of fuel stations for installation on smartphones)	✓
Society	Continuing surveys regarding perception of CSR activities carried out by PKN ORLEN among other groups of stakeholders.	✓
	Continuing cooperation under cross-sector partnerships	✓
Safety	Introduction of: <ul style="list-style-type: none"> <li>• safety passport for outsourced contractors;</li> <li>• Occupational Health and Safety assistant;</li> <li>• trainings for outsourced contractors, including scenarios of potential crisis situations that may occur during performance of their works on the premises of the Company.</li> </ul>	✓
	Developing stress management, i.e. evaluation and monitoring of employees' stress level, satisfaction with work or conducted preventive programmes.	✓
	Further reducing the number of checks in favour of consulting and trainings.	✓
	Developing cooperation among the ORLEN Group Companies, e.g. through development of databases, implementation of OHS management systems.	✓
	Continuing educational initiatives and activities motivating employees and outsourced contractors. The following initiatives are planned: <ul style="list-style-type: none"> <li>• Safety Open Day;</li> <li>• occupational safety promotion programme – OHS contests</li> </ul>	✓
Environment	In the coming seven years the Company plans to carry out other energy and environmental investments of the value of PLN 1.4 billion. The aim of the programme is to continue activities of the Company aimed at environmental protection and power increase as well as balancing energy needs of PKN ORLEN.	✓



## GRI INDEX

Indicator	Strategy and Analysis	Information on indicator
1.1	Statement of the most senior decision-maker of the organization (e.g. executive director, CEO, or other person on equal position) on significance of sustainable development for the organization and its strategy.	p. 4-5
1.2	Description of key impacts, risks and opportunities.	p. 4-5, 12-13, 27-28, 34, 47
<b>Organisational profile</b>		
2.1	Name of the organization.	p. 1
2.2	Primary brands, products, and/or services.	p. 8-11
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint-ventures.	p. 8-10
2.4	Location of organization's headquarters.	p. 8, 82
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the issues covered in the report.	p. 8-9
2.6	Nature of ownership and legal form.	p. 22
2.7	Markets served, including geographical breakdown, sectors served, and types of clients/customers and beneficiaries.	p. 8-10
2.8	Scale of the reporting organization.	p. 6-7
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	p. 10, 22
2.10	Awards received in the reporting period.	p. 6, 12, 13, 16, 17, 24, 25, 31, 46, 54, 57, 68, 71, 72
<b>Report Parameters</b>		
3.1	Reporting period.	p. 17
3.2	Publication date of most recent previous report.	2011
3.3	Reporting cycle.	Annual
3.4	Contact point.	p. 82
<b>Report scope and boundary</b>		
3.5	Process for defining report content.	p. 16
3.6	Boundary of the report.	p. 8-11, 16-17
3.7	State any specific limitations on the scope or boundary of the report.	p. 16-17
3.8	Basis for reporting on joint-ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	p. 6, 8-10
3.9	Assumptions and techniques underlying estimations and calculations of indicators and other information in the report.	p. 16-17
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	p. 17
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	p. 10, 17
<b>GRI Content Index</b>		
3.12	Table identifying the location of the standard disclosures in the report.	p. 78-80
<b>Assurance</b>		
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the external assurance provider(s)	p. 17
<b>Governance</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	p. 20-21
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	p. 21
4.3	State the number of members of the highest governance body that are independent and/or non-executive members	p. 21
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	p. 23
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	p. 21
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	p. 21
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	p. 20-21
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	p. 6, 14, 27-28
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	p. 20-21
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	p. 20-21

Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	p. 6, 13, 34, 51
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	p. 27-31, 47
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	p. 28-29
4.14	List of stakeholder groups engaged by the organization.	p. 16
4.15	Basis for identification and selection of stakeholders with whom to engage.	p. 14, 16
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	p. 14, 23, 26
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	p. 7, 14, 22-23, 25, 34, 54, 62-63, 68-69
Economic Performance Indicators		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and government.	p. 7
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	p. 7, 34
EC6	Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.	p. 26
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	PKN ORLEN does not apply procedures for local hiring.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	p. 55, 57, 59, 68-75
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	p. 7, 26, 29, 57-58
Environmental Performance Indicators		
EN1	Materials used by weight and volume.	p. 7, 51
EN3	Direct energy consumption by primary energy source.	p. 51
EN4	Indirect energy consumption by primary energy source.	p. 51
EN6	Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives.	p. 51
EN8	Total water withdrawal by source.	p. 7, 37
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	p. 34-35
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	s. 34-35
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Continued cooperation with the Society for Wild Animals "Sokół".
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	p. 35-36
EN16	Total direct and indirect greenhouse gas emissions by weight.	p. 7, 41-42
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	p. 41
EN19	Emissions of ozone-depleting substances by weight.	Emissions of ozone-depleting substances are monitored on the basis of refrigerant additions in air conditioning equipment, table at p., item hydrochlorofluorocarbons HCFC-22
EN20	NOx, SOx, and other significant air emissions by type and weight.	p. 40-43
EN21	Total water discharge by quality and destination.	p. 37-38
EN22	Total weight of waste by type and disposal method.	p. 39-40
EN23	Total number and volume of significant spills.	In 2011 in the Production Plant in Plock there occurred two accidental releases of hazardous substances into soil. According to estimates leaked petroleum products amounted in total to 3.0 – 4.4 Mg. Immediately undertaken remedial actions consisted in replacement of 126.42 Mg of contaminated soil.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	p. 40
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	p. 44
EN28	Monetary value of fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	p. 43-45
EN30	Total environmental protection expenditures and investment by type.	p. 44-45, 50-51

Labour Practices and Decent Work		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	p. 54-55
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	p. 55
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	p. 57
LA4	Percentage of employees covered by collective bargaining agreements.	p. 59
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	2010 Corporate Responsibility Report, p. 81
LA6	Percentage of total workforce represented in formal joint-management worker health and safety committees that help monitor and advise on occupational health and safety programs.	p. 60
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender.	p. 61, 65
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.	p. 58
LA9	Health and safety topics covered in formal agreements with trade unions.	p. 60
LA10	Average hours of training per year per employee by employee category, and by gender.	p. 58
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career ending.	p. 58-59
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	p. 59
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	p. 21, 55
LA15	Return to work and retention rates after parental leave, by gender.	p. 55
Human Rights Performance Indicators		
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	There are no statistics in this area. No agreements with suppliers have been identified that would require the application of human rights clause.
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these right.	p. 59
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	No operations or significant suppliers identified as having significant risk for incidents of child labour.
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to contribute to the elimination of all forms of forced or compulsory labour.	No operations or significant suppliers identified as having significant risk for incidents of forced or compulsory labour.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	0
Society Performance Indicators		
SO5	Public policy positions and participation in public policy development and lobbying.	p. 27-29
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	0
Product Responsibility Performance Indicators		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	p. 47
PR4	Total number of incidents of noncompliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	p. 47
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	p. 31
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	p. 25-26



## USEFUL WEBSITES

No.	Category	Company / organization name	Website address
1	PKN ORLEN	Polski Koncern Naftowy ORLEN	<a href="http://www.orlen.pl">www.orlen.pl</a>
2		PKN ORLEN Annual Report	<a href="http://www.raportroczny.orlen.pl">www.raportroczny.orlen.pl</a>
3		ORLEN Employee Volunteering	<a href="http://www.wolontariat.orlen.pl">www.wolontariat.orlen.pl</a>
4		ORLEN. Safe Roads	<a href="http://www.orlenbezpiecznedrogi.pl">www.orlenbezpiecznedrogi.pl</a>
5		Stop Cafe	<a href="http://www.stopcafe.pl">www.stopcafe.pl</a>
6	International and national initiatives	United Nations Global Compact	<a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a>
7		Responsible Care	<a href="http://www.rc.com.pl">www.rc.com.pl</a>
8		Fairtrade	<a href="http://www.fairtrade.net">www.fairtrade.net</a>
9		RESPECT Index	<a href="http://www.odpowiedzialni.gpw.pl">www.odpowiedzialni.gpw.pl</a>
10		European Forum for New Ideas	<a href="http://www.efni.pl">www.efni.pl</a>
11		Corporate Responsibility Coalition	<a href="http://www.koalicjacr.pl">www.koalicjacr.pl</a>
12		Declaration on sustainable development in the energy sector	<a href="http://www.odpowiedzialna-energia.pl">www.odpowiedzialna-energia.pl</a>
13	NGO	ORLEN – DAR SERCA Foundation	<a href="http://www.orlendarserca.pl">www.orlendarserca.pl</a>
14		Grant Fund for Płock	<a href="http://www.funduszgrantowy.plock.eu">www.funduszgrantowy.plock.eu</a>
15		Good Neighbourhood Grant Fund for Ostrów Wielkopolski Association	<a href="http://www.funduszgrantowy.pl">www.funduszgrantowy.pl</a>
16		Foundation for the Ignacy Łukasiewicz Memorial Museum of Oil and Gas Industry in Bóbrka	<a href="http://www.bobrka.pl">www.bobrka.pl</a>
17		Society for Wild Animals "Sokół"	<a href="http://www.peregrinus.pl">www.peregrinus.pl</a>
18	Trade organizations	EUROPIA	<a href="http://www.europia.eu">www.europia.eu</a>
19		CONCAWE	<a href="http://www.concawe.be">www.concawe.be</a>
20		Polish Organisation of Oil Industry and Trade	<a href="http://www.popihn.pl">www.popihn.pl</a>
21	CSR	Responsible Business Forum	<a href="http://www.odpowiedzialnybiznes.pl">www.odpowiedzialnybiznes.pl</a>
22		CSRinfo	<a href="http://www.csrinfo.org">www.csrinfo.org</a>
23		CSR Consulting	<a href="http://www.csrconsulting.pl">www.csrconsulting.pl</a>
24			<a href="http://www.crnavigator.com">www.crnavigator.com</a>

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