



2012

CORPORATE RESPONSIBILITY REPORT

RESPONSIBLE
CHANGE

Our Credo

ORLEN. FUELLING THE FUTURE.

Our Mission

We discover and process natural resources to fuel 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.



ORLEN

Polski Koncern Naftowy ORLEN
Spółka Akcyjna



2012

CORPORATE RESPONSIBILITY REPORT

**RESPONSIBLE
CHANGE**

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LADIES AND GENTLEMEN,

Change is the single most constant and inevitable part of any business activity. How should we approach this uncomfortable fact? The answer is simple: we should manage change, so as to change wisely.

I believe that PKN ORLEN is indeed changing wisely. This year's CSR report shows what guides us in changing the Company, and the rationale, purpose and nature of these changes. We strive to ensure that every change we make is fully thought out, that it comfortably meets the needs of our stakeholders and business environment, and that it positions us well, not only in the here and now, but also in the future. In short, we want our change to be responsible.

With this in mind, last year we adopted 'The core values and standards of conduct of PKN ORLEN', which defines our five central values of responsibility, growth, people, energy and reliability, upon which we're building our corporate culture. These are our corporate DNA, the cornerstone of our relationships with employees and stakeholders, and the keys to our business decisions. The great weight we attach to the project is best demonstrated by the fact that work on it was proceeding concurrently with the drafting of the Company's business strategy. Together, these two important documents are our response to the challenges of today and of the future, one of which is persistent market instability. In the post-crisis reality, corporate social responsibility and sustainable development cannot be neglected by anyone who wants to run a successful business. I do believe that a business is only completely successful if it has been pursued in keeping with sound principles and values.

In the ever-changing landscape, there are some elements which should be invariably close to any responsible business. Hence our long-standing commitment to the Global Compact initiative, set up by the UN Secretary General, whose principles have been a touchstone for us since 2003. We are continuously refining our environmental protection schemes, and our participation in the Responsible Care programme has helped us deliver on tens of environmental commitments made since our accession in 1997.

As the leading oil company in Poland and a key player on the oil market in Central and Eastern Europe, we are active participants in the work of national and international trade associations, project teams and working groups assembled for the purpose of developing energy policy standards. Ours is an important, but difficult sector, and we feel responsible for its development, making the changes it needs at the times it needs them.

We care for the well-being of people too, and this is manifested in the various charity events organised by the Company and the ORLEN – DAR SERCA (Gift of the Heart) Foundation, by the programmes designed for our current and former employees, and by our local community initiatives. For years, we have provided support for foster family group homes, the education of talented young people, as well as state and voluntary fire-fighting units. We run development programmes for our employees in different areas of their competences, and we offer them a wide range of specialist training opportunities. And these are only a few of the initiatives we've set up in response to the needs of our external, fast-changing environment. Our commitment to responsibility is repeatedly recognised with the many awards and distinctions we've won, confirming that the direction we've chosen is the right one. We have been continually included in the WSE's RESPECT Index of socially responsible companies since its inception in 2009.

Our active approach and, most importantly, our professionalism and conformity with the principles of corporate social responsibility in everything we do have helped us deliver on our key goal – creating Company value for our stakeholders. This broad-based, holistic approach opens new doors in our business, while also enabling us to successfully meet the expectations of the environment in which we operate. Making business decisions on a purely financial basis is easier, but for us, it is not enough. What we always keep in mind is that companies with ample resources can make a real difference in the world, and whether that difference is for the better depends solely on their intentions and actions.

Have a good, inspiring read.

Jacek Krawiec


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

WHO ARE WE?

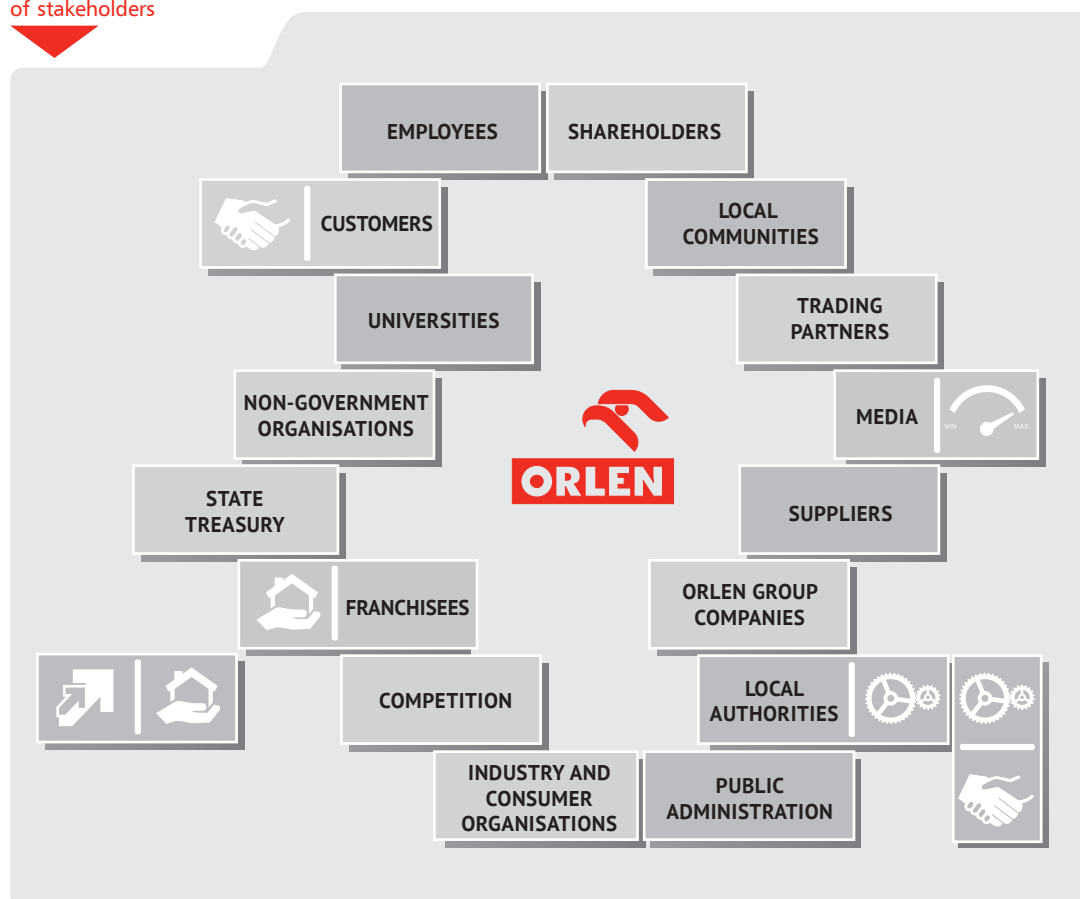
PKN ORLEN's business consists in the processing of crude oil into unleaded petrol, diesel oil, fuel oil and jet fuel, as well as plastics and petrochemical products.

In 2012, the aggregate volume of crude oil processed by the ORLEN Group was close to 28 million tonnes. Retail distribution of the ORLEN Group's engine fuels is supported by an efficient logistics base, comprising surface and underground storage depots and a pipeline network covering Poland.

The Company's fast growth would not be possible without people – our most crucial asset. The ORLEN Group's success has been built by the everyday work and involvement of its nearly 22,000 employees.

PKN ORLEN is not content to just strengthen its position in the areas where it has always been strong, but is actively looking for new sources of value growth to complement its core business. Drawing on the achievements of its predecessors, it is building and implementing an ambitious vision of growth, favouring innovative solutions. PKN ORLEN holds licences for onshore and offshore oil and gas exploration throughout the country. One of its priorities is to appraise and extract natural gas from unconventional plays. The strategy pursued by PKN ORLEN envisages its further evolution towards a modern multi-utility, actively searching for added value in areas that stand in complement to its core operations. Modern management is characterised by the pursuit of sustainable development, delivering benefits to all stakeholders.

Map
of stakeholders



1. REFINERIES

The ORLEN Group manages seven refineries. These are located in Poland (Płock, Trzebinia, Jedlicze), Lithuania (in Mažeikiai), and the Czech Republic (at Litvinov, Kralupy and Pardubice).

2. PETROCHEMICALS

The ORLEN Group's Petrochemical Segment comprises the petrochemical production plants in Płock and Włocławek, as well as two companies: Basell Orlen Polyolefins and Unipetrol (of the Czech Republic). We are the sole producers of olefins, polyolefins and most other petrochemicals in Poland and the Czech Republic.

In 2011, ORLEN launched one of the world's most advanced PX (paraxylene) and PTA (purified terephthalic acid) production complexes, thus becoming a key global supplier of these products. And thanks to the high quality of our products and our efficient distribution network, we rank among the strongest market players in our part of Europe.

3. RETAIL

The ORLEN Group operates CEE's largest chain of 2,696 service stations, spread throughout Poland (in 1,756 locations), Germany (567 locations), the Czech Republic (338 locations) and Lithuania (35 locations). Retail operations in the respective markets are managed by PKN ORLEN, ORLEN Deutschland, Benzina and Ventus Nafta.

4. WHOLESALE

We sell fuels and other oil products in Poland, the Czech Republic, Germany, Slovakia, Ukraine and Lithuania. The ORLEN Group's wholesale segment includes PKN ORLEN, ORLEN Paliwa, Petrolot, ORLEN Gaz (Poland), Uniraf Slovakia (Slovakia), Unipetrol BUI (the Czech Republic), and ORLEN Lietuva (Lithuania, Ukraine, marine sales). All these entities are engaged in our wholesale business.

5. OILS

The ORLEN Group's oil segment is comprised of ORLEN Oil (Poland) and Paramo (the Czech Republic).

6. BITUMENS

The ORLEN Group's bitumen segment includes ORLEN Asfalt (Poland) and Paramo (the Czech Republic).

7. CHEMICALS

The chemical segment is comprised of ANWIL of Włocławek and its subsidiary Spolana of Neratovice, the Czech Republic (the ANWIL Group).

8. UPSTREAM

Activities in the area of hydrocarbon exploration and production are conducted by ORLEN Upstream. ORLEN Upstream coordinates projects in the prospecting, exploration for and evaluation of unconventional gas reserves (shale gas) in the Lublin Shale, Hrubieszów Shale and Mid Poland Unconventionals.

9. POWER GENERATION

The 463 MWe gas-fired power plant project in Włocławek is at an advanced stage. We have secured the environmental decision, the grid connection agreement and the permit to build a power generating unit there. Construction of another power plant in Płock is also being contemplated.

10. LOGISTICS

To ensure a smooth and efficient product flow, the ORLEN Group uses infrastructure comprising fuel terminals, onshore and offshore transshipment facilities, a network of product transmission pipelines, as well as road and rail transport vehicles.

The production processes at PKN ORLEN are designed to meet the highest standards. Year by year, its products are becoming less and less harmful to human health and the environment. The Company applies a range of innovative solutions in its manufacturing processes which guarantee high quality, while its business decisions are made with a sense of responsibility for sustainable development and for future generations. With respect to the trade in chemicals, including the classification, labelling and packaging of chemical substances and mixtures, PKN ORLEN complies with the provisions of two key pieces of EU legislation, namely the (EC) No. 1906/2007 (REACH) and (EC) No. 1272/2008 (CLP) Regulations. Working on their basis, the Company develops Material Safety Data Sheets for its products which provide information on the classification and labelling of substances and mixtures to their further users. The 2012 REACH and CLP compliance inspections, carried out by the competent authorities last year, did not reveal any irregularities.

MORE INFORMATION:

<http://ec.europa.eu/environment/chemicals>
<http://www.mg.gov.pl/Wspieranie+przedsiębiorczosci/Bezpieczenstwo+produktow+i+uslug>

Chemical substances, including petroleum products, must be REACH compliant in order to be marketed in the European Union. The registration process requires producers and importers to submit information on specific substances, as prescribed by the relevant regulations, to the European Chemical Agency. By December 1st 2010, PKN ORLEN had successfully completed the registration process for high production volume and particularly dangerous substances. Registration of further products and substances will be carried out within the legally defined deadlines.

The European Chemical Agency uses data submitted in the registration and reporting of substance classification and labelling to create a centralised database enabling access to information on dangerous substances, their classification, labelling and assessment of potential related hazards. This information is submitted to the relevant authorities (i.e. member states, competent supervisory bodies and enforcement authorities) and is publicly available.

MORE INFORMATION:

<http://echa.europa.eu/information-on-chemicals>

The ORLEN Group's products and services have been shown high regard by both retail and institutional customers over the years, and ORLEN occupies the top position among the most valuable brands in the prestigious rankings of the Rzeczpospolita daily newspaper.



dr Jacek Dymowski

Expert
Abadon

A responsible company keeps thinking about the future, about what its business will look like tomorrow. This is not just a question of the competitive environment and availability of resources, but also of the evolution of stakeholders' expectations and the expectations of society at large, including the evolution of corporate social responsibility. While this responsibility is bound to evolve into new forms, one aspect should remain unchanged: the ethics and values upon which all practice ought to be based. In this dynamically changing world, these are the only constant points of reference, the foundations for all of us and thus also for business, as conducted by ordinary people. The danger is that today we are seeing many attempts to relativize values, but bending the rules of conduct to our immediate needs renders them a hollow and meaningless declaration.

One might say that the market, business and money are amoral. But must 'amoral' always mean 'immoral'? After all, it is we who ultimately decide whether business is moral or immoral. A business could be compared to a tool, which may be put to good or evil uses. This idea is nothing new; Clement of Alexandria was propounding it as far back as the first century AD, which makes it an abiding foundation of our civilisation. I only hope we don't abandon our values for easy profit. Unfortunately, as destructive as the temptation to take moral shortcuts can be, it is always there.

THE ORLEN GROUP

Our core business is supported by a strong Group. As at the end of 2012, PKN ORLEN's business portfolio included direct shareholdings in 54 commercial-law companies, including:

- 33 subsidiaries (over 50% interest);
- 2 jointly controlled companies (50% interest);
- 19 other companies.

Furthermore, as at the end of 2012, the Company held indirect equity interests in 55 commercial-law companies, including 43 subsidiaries, 5 jointly-controlled entities, 5 associates and 2 other companies.

Significant events at the ORLEN Group in 2012:

- PKN ORLEN's interest in the share capital of ANWIL, IKS 'Solino' and Rafineria Nafty Jedlicze increased to 100% through a series of share purchases from minority shareholders;
- Sale of the entire shareholding in ORLEN Capital AB;

ORLEN Group structure – directly related companies as at the end of 2012

CEO'S AREA	FINANCE AREA	PETROCHEMICALS AREA	REFINING AREA	SALES AREA
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 100.0%	ORLEN Asfalt 82.5%	ORLEN Paliwa 100.0%
ORLEN Ochrona 100.0%	ORLEN Insurance Ltd 0.00000661%	ORLEN Laboratorium 94.9%	Rafineria Nafty Jedlicze 100.0%	ORLEN PetroTank 100.0%
17 Other companies <20.0%	ORLEN Finance AB 100.0%	ORLEN Projekt 99.6%	Rafineria Trzebinia 86.4%	Ship Service 60.9%
	ORLEN Administracja 100.0%	Unipetrol 63.0%	ORLEN Oil 51.7%	ORLEN Deutschland 100.0%
		Płocki Park Przemysłowo-Technologiczny 50.0%	ORLEN Automatyka 100.0%	ORLEN Centrum Serwisowe 99.0%
		ORLEN Medica 100.0%	ORLEN Wir 76.6%	IKS "Solino" 100.0%
		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%		Petrolot 100.0%

- Purchase of a 49% interest in Petrolot, bringing PKN ORLEN's equity interest in the company to 100%;
- Increase in PKN ORLEN's interest in ORLEN Projekt's share capital, through a series of purchases from minority interests. As at the end of 2012, PKN's equity interest in ORLEN Projekt was 99.63%;
- In December 2012, ORLEN Asphalt finalised the acquisition of a 100% interest in the Czech company Paramo Asphalt;
- ORLEN PetroCentrum Sp. z o.o. changed its name to ORLEN Paliwa Sp. z o.o.

There were no joint-venture events in 2012.

COMMITMENT

Expand the range of information on the ORLEN Group's responsibility performance, published in its CSR Report.

REVISION OF THE GROUP STRATEGY FOR 2013-2017 – BY SEGMENT

Refining segment strategy

Opportunities for further development of the ORLEN Group's refining segment lie in efficiency improvements (including higher throughput and yields, and reduced energy intensity), and by increasing the value of assets through optimally allocated CAPEX.

The Company's objectives for wholesale are focused on maintaining its leading position on the wholesale markets, primarily by increasing sales volumes through improved efficiency, but also by adapting the structure of its sales force to the changing market environment. H1 2013 saw completion of a wholesale reorganisation project, in which ORLEN Paliwa took over the Company's small and medium-sized wholesale customers.

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

Retail segment strategy

PKN ORLEN will maintain its current strategy of focusing on increasing market shares, boosting non-fuel sales, and achieving further cost efficiency gains.

In H1 2013, a number of projects were launched to advance the Group's strategic objectives by increasing its share in the home markets (Poland, the Czech Republic, Germany and Lithuania) by 3pp on the 2012 levels, and improving profits from non-fuel sales. The ORLEN Group was also carefully exploring the opportunities for development in the non-fuel segment, and its strategic objectives here can be additionally supported by strong service station brands, recognisable across the Group's home markets. The structure of spending in the retail segment reflects a reduction in adaptation investment and stronger financial involvement in network expansion, including the construction of motorway service stations.

Petrochemical segment strategy

Following completion of its key project, the PTA plant in Włocławek, the segment will not require any major growth CAPEX. Therefore, its capital expenditure will be lower than in the previous five years, although still sizeable.

Power generation segment strategy

New areas of activity, such as power generation and hydrocarbon production, will be added to expand the current scope of PKN ORLEN's business. The Group's strategic objectives in the power generation segment include:

- increasing its generation capacities by constructing a gas-fired power plant in Włocławek;
- upgrading its existing infrastructure to further develop generation capacities and bring its assets in line with the requirements of the Industrial Emissions Directive, and
- Ensuring the energy security of the ORLEN Group.

To attain its strategic objectives, the Group will:

- engage in new projects, constructing new power generation units at its own sites;
- implement an investment programme to bring its existing assets in line with new environmental protection requirements;
- improve the efficiency of its existing assets by implementing an investment programme at the power plant in Płock.

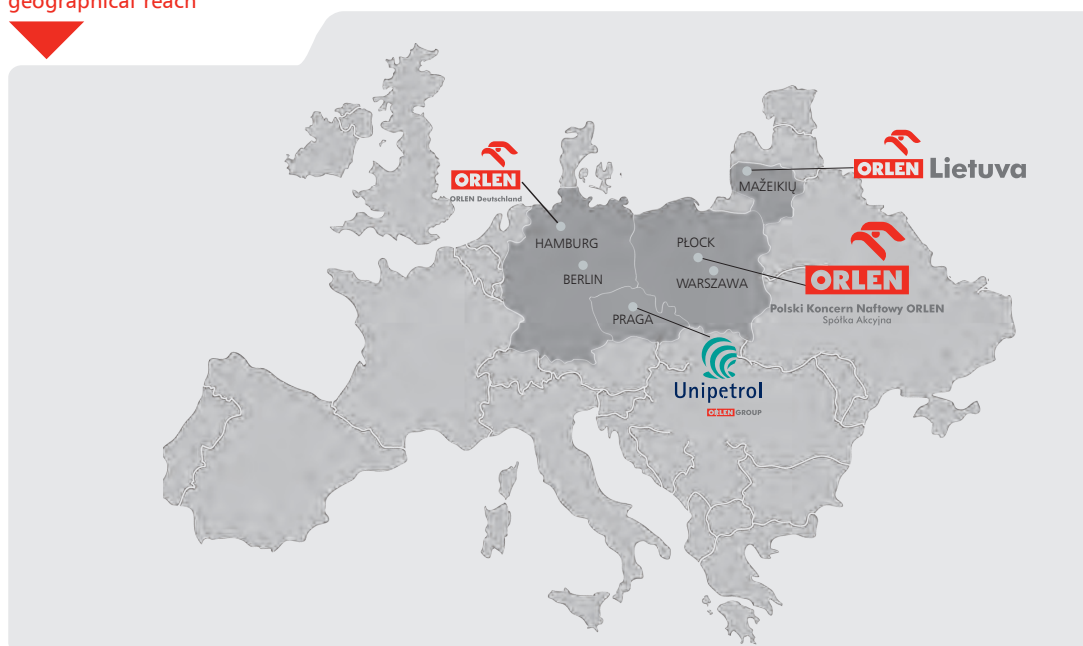
The construction of a CCGT power plant in Włocławek is the centrepiece of the ORLEN Group's strategy in the power generation segment. Part of the project saw completion of a 463 MWe unit in April 2013. The unit, which is scheduled to come on-line in December 2015, will supply process steam and electricity to ANWIL S.A., with any surplus power sold on the market. Additionally, in H1 2013, a detailed analysis was under way of the final construction concept for the CCGT power plant to be built in Płock.

Exploration and Production segment strategy

PKN ORLEN expects to continue the development of its upstream business. The ORLEN Group's current operations focus on politically stable regions – its home markets, Central Europe, North America and, alternatively, other regions of the world.

The Group's priority is to pursue unconventional gas exploration projects in Poland, based on licences already held. Production could begin as soon as 2016. The first revenue streams from the segment are expected within the time horizon of the current strategy, i.e. by the end of 2017.

Map
of the Group's
geographical reach



Markets

- Fuels:** The ORLEN Group's fuels are purchased not only on our home markets (Poland, the Czech Republic, Slovakia, Germany, Ukraine, the Baltic States), but also in numerous other countries, including Sweden, Finland, the United Kingdom and the US.
- Petrochemicals:** The ORLEN Group's Petrochemical Segment is a key producer in the region, with a product range including paraxylene, purified terephthalic acid, ethylene, polyethylene, polypropylene, toluene, benzene, orthoxylene, acetone, butadiene, glycol, ethylene oxide, phenol, fertilisers and other products. The segment's main customers are based in Poland, the Czech Republic, Germany, Austria, Italy, France, Belgium and Sweden, as well as in Russia, Ukraine, Lithuania, Latvia, Estonia and various Asian countries.
- Oils:** The ORLEN Group is a leading producer of oils and lubricants in the region. The main markets are Poland and the Czech Republic.
- Bitumens:** The main markets are Poland, the Czech Republic, Slovakia, Germany, Romania and the Baltic States.
- Chemicals:** The key products of the Chemical Segment are: polyvinyl chloride, sodium hydroxide, granulates and PVC-based mixes, nitrogen fertilisers and caprolactam. The main chemicals customers are based in Poland, the Czech Republic, the Baltic States and West European countries (principally Benelux).

	2010	2011	2012
Financial highlights (in PLN '000) ¹			
I. Total revenue	62,215,581	79,037,121	88,348,971
II. Operating profit	2,756,827	3,173,938	1,810,083
III. Profit before tax	2,826,324	2,396,447	2,663,963
IV. Net profit	2,357,127	1,386,166	2,127,798
V. Net comprehensive income	2,406,151	1,307,675	2,073,282
VI. Net cash provided by/(used in) operating activities	3,895,427	(793,335)	2,065,304
VII. Net cash provided by/(used in) investing activities	(2,568,977)	2,490,678	(2,458,824)
VIII. Net cash provided by/(used in) financing activities	(1,881,372)	1,197,823	(2,928,327)
IX. Net (decrease)/increase in cash and cash equivalents	(554,922)	2,895,166	(3,321,847)
X. Net earnings and diluted earnings per ordinary share (PLN)	5.51	3.24	4.97
	December 31 2010	December 31 2010	December 31 2012
XI. Non-current assets	24,663,871	22,429,271	22,474,134
XII. Current assets	15,230,187	23,439,812	18,932,835
XIII. Total assets	39,894,058	45,869,083	41,406,969
XIV. Non-current liabilities	8,350,861	9,844,384	7,702,331
XV. Current liabilities	12,004,148	15,177,975	10,784,632
XVI. Equity	19,539,049	20,846,724	22,920,006
XVII. Share capital	1,057,635	1,057,635	1,057,635
XVIII. Number of shares	427,709,061	427,709,061	427,709,061
XIX. Book value and diluted book value per share (PLN)	45.68	48.74	53.59
Crude processing volume and product yields at the Plock Refinery ('000 tonnes)			
Crude processing	14,452	14,547	15,191
Total gasolines	2,735	2,469	2,491
Total diesel oils	5,359	5,646	5,829
Ekoterm Plus fuel oil	699	372	746
Aviation (jet) fuel	394	393	389
Propane-butane fraction (LPG)	241	186	226
Environmental impact – Production Plant in Plock			
Water withdrawn from the Wisła River (m³)	22,785,313	23,475,613	22,662,775
Wastewater discharged to the Wisła River (m³)	12,757,779	13,452,489	13,015,380
COD ² load in wastewater discharged to the Wisła River (kg per annum)	889,310	901,573	804,063
Total emissions of all substances (Mg)	6,385,884.25	6,258,758.17	6,142,179.85
including:			
sulphur dioxide	22,381.42	20,971.56	20,666.18
NOx (in nitrogen dioxide equivalent)	8,460.74	8,027.86	7,819.11
carbon monoxide	1,309.07	1,282.72	1,354.36
total hydrocarbons	1,412.07	1,203.91	1,189.92
total dust ³	728.28	588.78	677.27
carbon dioxide	6,351,440.32	6,226,505.89	6,110,342.67
other substances ⁴	152.35	177.45	130.34
Environmental impact – PTA Plant in Włocławek ⁵			
Water delivered by supplier, Anwil S.A. (m³)	–	2,883,000	3,767,364
Wastewater discharged to Anwil S.A.'s sewage system (m³)	–	1,300,000	1,582,498
COD ² load in wastewater discharged to ANWIL S.A.'s sewage system (kg per annum)	–	6,140,000	5,886,603
Total emissions of all substances (Mg)	–	62,007.35	146,772.93
including:			
sulphur dioxide	–	0.71	2.65
NOx (in nitrogen dioxide equivalent)	–	38.31	54.50
carbon monoxide	–	299.28	447.67
total hydrocarbons	–	0.77	0.00
total dust ³	–	2.12	3.01
carbon dioxide	–	61,657.83	146,250.50
other substances	–	8.33	14.60
Responsible production			
Fees for the economic use of the environment (PLN),	19,644,093.00	19,775,480.00 ⁶	19,995,534.00
including:			
emissions (including from vehicles)	17,679,435.00	17,538,371.00	17,865,703.00
– including the Plock Production Plant	–	17,459,043.00	17,728,415.00
– including the Włocławek PTA Plant	–	79,328	137,288.00
water withdrawn	1,146,012.00	1,228,823.00	1,211,370.00
wastewater discharged	818,646.00	1,008,286.00	918,461.00
Capital expenditure on environmental protection (PLN)	148,118,479.00	48,422,552.00	83,290,988.00
Our employees			
Employee headcount as at Dec 31	4,513	4,445	4,445
Accidents at work (including severe accidents)	28	15	10
Post-accident absenteeism	789	592	264

1) The financial highlights of PKN ORLEN for the given years ended December 31st.

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

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

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

5) The PTA Plant in Włocławek has been operating since March 21st 2011.

6) This amount includes a fee for the economic use of the environment paid by the PTA Plant in Włocławek.

Changes in the CSR reporting process

PKN ORLEN's first corporate social responsibility report was published in 2002, but a major qualitative change in the Company's CSR reporting came with the adoption of the GRI (Global Reporting Initiative) standards in 2008. The Company had prepared very thoroughly for the change – the reporting procedures, the extent of the reports, stakeholder groups, and other important elements of the reporting process had been developed or identified by internal workshops. Subsequent reports have been prepared based on the Company's past reporting experience and stakeholder feedback. The sustainability reports are produced internally, by PKN ORLEN employees.

The 2012 report was prepared in line with GRI G3.1 Guidelines, Application Level B. The application level shows what number of indicators have been covered in a report. For more information on the GRI application levels and GRI G3.1 Guidelines, visit www.globalreporting.org.

PKN ORLEN's reports are also published on the Global Compact website within the Communication on Progress reporting framework.

MORE INFORMATION:

<http://www.unglobalcompact.org/COP/>




Aleksandra Stanek-Kowalczyk

Manager

PwC Polska Sp. z o.o.

In preparing its CSR reports for the past few years, PKN ORLEN has relied on the Global Reporting Initiative Guidelines, which are the most widely recognised and used sustainability reporting standards.

Conformity with a set of external standards is vital to the preparation of these reports, as it raises their credibility in the eyes of stakeholders, provides a benchmark for comparing the Company's performance against its own historical results and against peer performance, and helps by drawing on the experience of others to ensure the continued development and streamlining of processes and actions.

		C	C+	B	B+	A	A+
Required	Self-declared		External assurance		External assurance		External assurance
Optional	Third party check						

So far, PKN ORLEN has published eight corporate social responsibility reports. Although they tend to focus on the parent company, in recent years the reports have increasingly covered the entire ORLEN Group.

MORE INFORMATION:

PKN ORLEN corporate social responsibility reports are published on www.orldn.pl

The Company's report as a whole has not been externally assured, but similarly to previous years, a large number of CSR areas have been subject to external assurance. Every year, PKN ORLEN enters prestigious awards and rankings, such as the Ranking of Responsible Companies, Leading Philanthropists, and the CSR Reports competition, which entail voluntary submission to external evaluation. In addition, the Company has been included in the RESPECT Index of responsible, attractive companies since it was first launched.

A two-stage evaluation process checks companies' eligibility for inclusion in the index, looking at areas such as corporate governance, disclosure standards and investor relations, and is conducted by the Warsaw Stock Exchange, working together with the Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych). Furthermore, much of the data contained in corporate social responsibility reports, particularly as it relates to financial and environmental performance, is concurrently presented in the Company's Annual Reports, which are audited by independent auditors.

RESPONSIBLE 2012 – KEY EVENTS

January

PKN ORLEN launches an educational website www.poczujchemie.pl

July

Commencement of the project to deliver a flue gas catalytic denitrification unit

February

Implementation of an electronic CO₂ emissions monitoring system

August

PKN ORLEN again qualifies for the RESPECT Index

March

PKN ORLEN receives a TOP EMPLOYERS POLAND 2012 certificate

September

PKN ORLEN becomes a partner to the education campaign, 'Shareholder Democracy. Informed Investments'

April

PKN ORLEN secures top spot in 'The Pillars of the Polish Economy' ranking

October

The 'Chemistry Lesson' programme receives the 'Educational Initiative of the Year' title for the second time

May

PKN ORLEN named 'Most Trusted Brand' for the eleventh consecutive time

November

PKN ORLEN awarded in the nationwide 'Improvement of Working Conditions' competition

June

PKN ORLEN joins the 'Coalition of Leaders in Responsible Business' club

December

'Amazing People' – a new social networking project launched by PKN ORLEN on Facebook

THE CORE VALUES AND STANDARDS OF CONDUCT OF PKN ORLEN AS THE BASIS FOR ACTION

The universal values upon which our corporate culture is built support the pursuit of Company objectives and help prevent any irregularities in business operations. The Company adopted its ethical conduct programme in 2006, with the Key Values and Ethics Code as its twin pillars, compliance with which was overseen by an employee-elected Ethics Officer. However, the changes taking place in Poland at that time prompted the PKN ORLEN Management Board to realign its policies with changing internal needs and external expectations, to better prepare the Company to tackle the challenges of the future.

On September 4th 2012, the Management Board adopted 'The core values and standards of conduct of PKN ORLEN', which sets out a new mission and a new set of values to address the challenges currently faced by the Company. The values of Responsibility, Growth, People, Energy and Reliability underpin our corporate strategy and determine the route to achievement of its ambitious goals, by the organisation and by its people.

The PKN ORLEN Code of Conduct is primarily a guide to internal relations, but also deals with the Company's interaction with external stakeholders, including business partners, local communities, the natural environment and its competitors, and also complements PKN ORLEN's business strategy in that it shows employees how economic goals should be identified and pursued. The document emphasises mutual trust and the building of solid relationships. Employees are also empowered to request clarification of any doubts they might have, or any irregularities they may come across, and to have their questions answered. In the first instance, any such doubts, questions or irregularities should be discussed with their line manager. However, if an issue – due to its nature – cannot be consulted with the line manager, the employee may turn to the Ethics Committee or Ethics Officer, with a guarantee of anonymity and confidentiality. The Company also operates an anonymous concerns reporting system.

Around 90% of the Company's employees have received training enhancing their knowledge 'The core values and standards of conduct of PKN ORLEN' document, which deals comprehensively with ethical issues and anti-corruption procedures.



Tomasz Fill

Head of the Corporate Communication Office
PKN ORLEN

Definition of the new mission, credo and values and establishment of 'The core values and standards of conduct of PKN ORLEN' have helped crystallise the corporate culture at PKN ORLEN. With its new approach to ethics, PKN ORLEN has secured a place among the leaders of change, able to react responsibly to the challenges of the future.

We are aware that in today's reality a competitive advantage is created not only by financial performance alone, but also by how that performance is achieved. PKN ORLEN's corporate culture is conducive to enhancing cooperation, building trust and strengthening social capital. Ultimately, this results in the high quality of stakeholder relations and successful attainment of business objectives.

As a modern organisation in the process of learning, PKN ORLEN is open to ideas and projects conceived outside the organisation. The Company is committed to the principles of corporate governance, and also takes on a number of voluntary commitments, thus creating its value and fostering trust and good relations with its stakeholders.

As early as 2003, the Company had declared its compliance with the Global Compact standards, and since 1997 has implemented various environmental initiatives under the Responsible Care programme. In 2011, PKN ORLEN was among the signatories of the Declaration on Sustainable Development in the Energy Sector in Poland. It has also subscribed to the Declaration of Compliance with the Code of Corporate Responsibility. These voluntary commitments are an important factor in building the Company's value and stakeholder trust, as it is these that help forge strong, sustainable relations – valuable assets of a socially responsible company.

MORE INFORMATION:

Read more about the core values and standards of conduct of PKN ORLEN at: www.orlen.pl





RESPONSIBILITY

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

I. SOCIETY

POLICIES RELATED TO PARTICIPATION IN SOCIAL LIFE AND LOBBYING

PKN ORLEN has a dedicated unit managing our regulatory risks, which is a continuous process of ensuring that the Company is not adversely affected by any regulatory developments. This process involves monitoring of the Company's regulatory environment, identification and assessment of regulatory risks, development and presentation of a uniform Company position on various regulatory risks in existence at any given time, development and implementation of lobbying strategies, as well as a dialogue and ongoing contact with regulatory authorities.

The objective of the regulatory risk management policy, including the lobbying policy, is to facilitate a lawful (compliant with the Act on Lobbying Activity in the Lawmaking Process of July 7th 2005, Dz.U. of 2005, No. 169, item 1414, as amended), active, informed and fully transparent social dialogue with the public authorities. Its purpose is to present, either directly or through relevant industry organisations, optimal legislative solutions to be used in the lawmaking process, and to minimise the risk of dispute with the regulators and authorities supervising the Company's day-to-day operations.

The measures undertaken are designed to ensure that the Company is protected from regulatory risk, which means ensuring an organisational and legal status that will allow the Company to eliminate or minimise, on an ongoing basis, any regulatory risks arising out of its operation in the regulatory environment determined by international, Community and national laws.

CHANGES IN ITS ROLE AS A CORPORATE CITIZEN

As a responsible firm with a strong position in the region, PKN ORLEN is well aware of its role in creating public debate and setting high standards for it.



Leszek Kurnicki

*Executive Director for Marketing
PKN ORLEN*

The Company uses its ever-increasing competence and experience to not only comment on reality, but also to shape it and propose specific solutions. The crisis which began in 2008 and that has since completely redefined existing views on economics, the market and social responsibility, has also made us realise that there is a need for change in the global economic order. This is why 'responsible change' was the theme of PKN ORLEN's 2012 activities.

The last twelve months were a watershed in the construction of PKN ORLEN's identity – work was carried out simultaneously on updating the strategy for the next five years and on formulating a new system of values underpinning the Company's corporate culture. Responsibility, Growth, People, Energy and Reliability were all highlighted by the Company during numerous expert discussions.

Transformation involves a number of elements. For instance, it is extremely important to monitor the effects of implemented changes and respond to them appropriately, when necessary. A modern company must track the impact of its activity on many levels. The key is understanding the role of business in the contemporary world and accepting the fact that profit alone is not the only measure of sustainable success. The achievement of such success is, to a large extent, possible by following a set of CSR principles which define the framework of today's business management strategy based on the standards of responsibility towards the outside world.

Last year was the third consecutive year in which PKN ORLEN ran its 'Future Fuelled by Knowledge' project, which is a platform for discussion of issues of strategic importance to Poland's future development. Two new expert publications were prepared as part of the project – the first, entitled '*Planowanie w czasach niepewności*' ('Planning in Times of Uncertainty'), focused on responsible, long-term designing of the future, both in business and at public institutions. It was a compendium of solutions and proposed changes designed to minimise the risk of another crisis occurring in the future. The second publication examined an issue which could potentially change Poland's entire economic landscape within the next few decades, namely shale gas. The 'Gas (R) evolution in Poland' report was the first truly wide-ranging study of the long-term consequences of possible shale gas production for the Polish economy. It has been widely commented on by various groups of Polish and international experts, as well as state authorities, on a number of occasions, including a panel discussion entitled 'Shale Gas Exploration Championship. A New Driver for the Polish Economy', organised by PKN ORLEN as part of the 2012 Economic Forum in Krynica.

The Company was also actively engaged in an event which is becoming one of the most important fora for discussing social issues in Central Europe – it took part for the second time in the European Forum for New Ideas in Sopot, as the partner of a plenary session entitled 'The European Social Model. Something Ends, Something Begins'. The purpose of the discussion, which took place among a group of eminent intellectuals, was to point out the changes necessary in European social policies, which, on one hand, would help build Europe's global competitive position and, on the other, would allow it to retain its greatest achievements, which still make it the best place to live.

In 2012, PKN ORLEN acted for the second time as a co-organiser of the European Financial Congress in Sopot – a debate on the security and stability of the European Union, distinguished by its practicality. Recommendations announced at the conclusion of the European Financial Congress not only

identified the most pressing challenges faced by the modern world's economy, but also proposed solutions for their implementation. At last year's edition of the Congress, the Company organised two discussion panels: 'Value Growth Drivers at Strategic Enterprises' and 'Who will Finance Shale Gas Production in Poland and How?'.

Traditionally, PKN ORLEN has also shared its business experience, providing support to leading-edge companies building the innovative economy. For the third time, the Company was a partner of the prestigious Entrepreneur of the Year award, organised by the Ernst & Young consulting firm. Each year, Ernst & Young selects the most successful people in Polish business who have led their companies towards major successes in the Polish and international markets.

PKN ORLEN was also engaged in the Innovative Economy Congress, one of the most important events in the development of solutions to modernise the Polish economy. Among the special guests of last year's edition was Francis Fukuyama, one of the world's most prominent social and economic thinkers, while PKN ORLEN took part in a panel entitled 'Power – A Time of Difficult Choices for the Next Decade'.

It should also be mentioned that the Company was engaged in the 7th Civic Congress, organised by the Gdańsk Institute for Market Economics (Instytut Badań nad Gospodarką Rynkową). The Congress took 'Attitudes and Skills as the Key to Development of Poles and Poland' as its central theme. Its participants looked at various areas of collective life in terms of the attitudes, skills and organisational cultures desired.

The Company's strategic approach to social responsibility can also be seen in its educational projects. Apart from its own extensive science support programme, in 2012 PKN ORLEN was also involved in educational projects developed by the Lesław A. Paga 2065 Foundation (*Fundacja 2065 im. Lesława Pagi*). PKN ORLEN also supported the Media Academy project to train future economic journalists, and the Energy Academy project developing energy market competences among students and graduates of economic, engineering and legal faculties.

People are remarkable

It is obvious that people are at the heart of every activity, which is why PKN ORLEN pays so much attention to building its relationships with stakeholders. We provide development opportunities for pupils and students with special talents, we support talented athletes, and help those who care for others to be more effective. Social trust is especially important for building relations and getting the best results. Therefore, PKN ORLEN makes every effort to foster trust among its stakeholders. This is done through appropriate selection of partners, both for business and social activities.

PKN ORLEN wants to stimulate Poles' dormant potential. One way it's doing this is through the 'Poles with Verve' award, an unprecedented initiative begun in September 2012 with the aim of discovering and promoting exceptional individuals. By showcasing such persons and their achievements, PKN ORLEN contributes to positive perceptions of Poland. The purpose of the initiative is to honour and promote people with ideas, passion and perseverance in creating great things, who are unknown to the wider public. Winners of the 'Poles with Verve' award are selected in seven categories: Science, Medicine, Environmental Protection, Business Innovations, Culture & Art, Design, and Sports. The choice of categories is not accidental – these are the areas where development would enhance Poland's prestige and the quality of life in our country.

MORE INFORMATION:

<https://www.facebook.com/PolacyzWerwa>

Thanks to its gifted and passionate young artists, scientists, visionaries and businessmen, Poland is becoming a modern and innovative country, and this is how we put into practice our motto about fuelling the future.

We also do this in our local communities and immediate surroundings, ensuring everyday safety and building mutual kindness and belief in other human beings. Our new communication platform, the Amazing People (*Niesamowici ludzie*) fanpage, has already attracted over 40,000 fans. In an original and friendly way, we present and conduct CSR activities, promote social involvement and attitudes of kindness towards others, and encourage charity.

MORE INFORMATION:

<https://www.facebook.com/niesamowiciludzie>



Paweł Frątczak M.Sc., Senior Foreman

Press Officer to the Commander in Chief
of the National Fire Service

We are very lucky. In numerous surveys conducted over the years, and not only in Poland, firemen, due to their specific role, lead the polls on social trust. This is true of firemen as an occupational group, and not only officers of the National Fire Service, but also members of the Volunteer Fire Brigades.

Our mission is to help. No matter when, to whom and how such help is needed (we can render any kind of help), firemen are ready to serve. It's hardly surprising, then, that we're perceived this way. But how do we keep society trusting in us? This only seems like an easy question. Most of all, we need to work to keep that trust. Our high standards, continuous professional improvement, as well as personal dedication and passion are a huge help in achieving that goal. But we must also avoid falling into a routine. We are under very close scrutiny by the public – if we fail them in any way, they will certainly let us know, and cracks in the trust will appear. Which, as we all know, cannot be easily mended.

We must not forget the preventive aspect of our activities. After all, the fire service is not only about putting out fires. The way in which we are perceived is also affected by various campaigns to raise public awareness of fire safety and help them understand the threats. An excellent case in point here is the campaign entitled 'No to Carbon Monoxide', which educates and informs about the threat posed by that poisonous gas. One project we carried out jointly with the ORLEN – DAR SERCA (Gift of the Heart) Foundation was a series of safety-related talks with firemen at Foster Family Group Homes, which were then provided with carbon monoxide detectors.

Cultural ORLEN

For years, PKN ORLEN has been visible on Poland's cultural map as a patron and sponsor of the arts. Recently, the Company began focusing its activities on selected thematic areas. The first of these looked at the art of cinematography, for which PKN ORLEN sponsored the Gdynia Film Festival.

Another sponsorship programme, this time focused around the theatre, saw us working with the IMKA Theatre, providing sponsorship for a show by Ailey II, a US contemporary dance company, co-organising the Theatre Confrontations Festival in Lublin and sponsoring the premier of a production of *The Brothers Karamazov* on Polish Public Television.

Our third thematic programme of cultural events focused on classical music. PKN ORLEN supported another edition of the Ludwig van Beethoven Easter Festival and worked with the Grand Theatre in Warsaw on a staging of the operatic version of *War and Peace*, by Sergei Prokofiev, performed by the Mariinsky Theatre of Saint Petersburg. PKN ORLEN promotes and supports talent. For several years now, the Company has been a partner of the European Foundation of Vocal Arts (*Europejska Fundacja Sztuki Wokalnej*).

Educational ORLEN

Together with the ORLEN – DAR SERCA (Gift of the Heart) Foundation, PKN ORLEN supports, promotes and implements its own projects to raise the quality of education. One significant recent change in our approach to educational sponsorship has been a focus on popularising science classes, including chemistry. The purpose of the new approach is to encourage young people to take an interest in fields which are commonly – but unjustifiably – perceived as difficult and boring, and secondly, to encourage them to pursue an education in engineering in the future. The project's wider goal is to support the development of Poland and promote the areas of education offering the greatest prospects, both in terms of individual careers and the needs of the economy.

PKN ORLEN's crude processing capabilities make it a perfect force for promotion of the sciences, especially chemistry-related science. The Company and its ORLEN – DAR SERCA (Gift of the Heart) Foundation have developed a package of programmes designed to encourage young people to take an interest in chemistry, to get to like it and perhaps consider future professional plans in that field. This eventually led to the initiation of another edition of the Company's 'Chemistry Lesson' project. In 2012, multimedia classes accompanied by chemical experiments devoted to the origin, production, processing and application of crude oil were held at 503 schools throughout Poland, and were attended by nearly 20,000 primary school students.



The Feel the Chemistry interactive website available at www.poczujchemie.pl, also dedicated to junior high school students, was launched in January 2012. The website is an educational project which seeks to challenge the stereotypical perception of chemistry as a difficult and incomprehensible subject. The website is designed not only for students, but also for teachers, and can help them create scenarios for interactive chemistry classes. The website also promotes chemistry amongst those who have only begun to develop their scientific interests and to encourage them to progress in the field.

The projects are supplemented by the 'Mistrzowie CHEMII' ('Masters of Chemistry') scholarship programme, run by the Company's corporate Foundation, which enables talented junior high school students to continue their education at reputable high schools that will prepare them to study sciences at the university level. Partners of the programme

include two renowned schools, the Junior High School and Academic High School of the Nicolaus Copernicus University of Toruń, and the Chemistry and Environmental Protection Technical School No. 3 at the Maria Skłodowska-Curie Chemical Sciences School Complex in Kraków.

Additional support comes from the Company's work with science clubs and students from the Warsaw University of Technology.

COMMITMENT

Broaden the possibilities for education in chemistry in order to reach new target groups.

Sporting ORLEN

Another change in recent years is the Company's increasing involvement in sports promotion, from the local, amateur level to professional sports of the highest world class.

PKN ORLEN uses sports sponsorship as a tool to build the strength of its commercial brands. To this end, it combines sponsorship in professional sports with support for sporting initiatives for children, youngsters and the disabled, placing a strong focus

on the promotion of healthy lifestyles, the ideas of fair play in sports and in life, as well as hard work, determination, and tenacity in the pursuit of goals.

PKN ORLEN focuses its sponsorship activities in three main areas: motor sports, athletics and volleyball. Last year's sporting season ended with spectacular successes in each of these disciplines. The volleyball players won the World League, the athletes of the ORLEN Sports Group won gold and silver Olympic medals, and the ORLEN Team's rally drivers stood on the podium in both the World Championships and the Open Trophy classifications.

Besides supporting its flagship projects, PKN ORLEN continued to encourage active lifestyles and healthy sporting rivalry amongst the youngest players. Once again it provided its patronage to the full cycle of Athletic Thursdays and the 'Orlik School Sports Ground Football Tournament', with the twin aims of motivating young sports lovers to keep practising, and to activate their local communities. The Company also continued its dialogue with young persons for whom the ORLEN-sponsored sportsmen and women are role models. Thus, the ORLEN Sports Group athletes once again participated in the Olympic Picnic, meeting youngsters and showing them how to stimulate their motivation and desire to succeed. They also spoke of the satisfaction that can be derived from engaging in sporting competition while respecting the spirit of fair play.

The main goal of the sponsorship activities undertaken by ORLEN is to continuously work towards improvement of the condition of Polish sports, as well as the development of individual sporting careers. It is for this reason that, last year, the Company invested not only in established sportsmen and women. Having witnessed the beautiful and moving successes of the Paralympic competitors, who proved that the traditional standards of beauty and fitness – both physical and spiritual – may have an altogether different dimension, the Company, acting jointly with the ORLEN – DAR SERCA (Gift of the Heart) Foundation, initiated the 'Fullness of Life' grant programme. These new PKN ORLEN grant holders have proved that one can be active and achieve success despite physical limitations, setting an example not only for those affected by disabilities, but for everyone, to seek out and push new limits and fulfil their dreams. All our Olympic champions have shown that ambition and hard work can have formidable effects.



Safe ORLEN

The need to improve safety on Polish roads is an issue that for many years has lost neither relevance nor urgency. Since 2006, PKN ORLEN has been running the 'ORLEN. Safe Roads' programme, under which a number of social and educational initiatives promoting proper road traffic behaviour have already been implemented.



In 2012, for example, a pedestrian safety campaign was carried out with the 'Protect life, wear a reflector!' slogan. Campaign partners included the Road Traffic Office of the Polish National Police Headquarters, the Provincial Police Headquarters, and the Roman Catholic parishes of the Warsaw province. What distinguished the 2012 campaign from earlier efforts was an attempt to reach out to communities and social groups beyond the reach of our daily PR and communications activities, namely the elderly and inhabitants of smaller, outlying towns and villages.

200,000 reflective stickers and bands which, when worn, considerably improve the safety of pedestrians on roads, were distributed among the residents of the communes and municipalities of the Warsaw Province. Particular attention was devoted to the safety of pedestrians walking along roadsides outside of urban areas. Safety reflectors were distributed through almost a thousand parishes, with the help of the county and municipal police forces. A major contribution to the success of the campaign was made by the parish priests, who educated their congregations on the importance of wearing reflectors while walking along the roads, and on how the reflectors are best worn. Supporting educational materials were prepared by PKN ORLEN in cooperation with the police. To reinforce the campaign's message, a number of information and education programmes were run on the national Polish Radio's Channel I, as well as in selected Catholic press titles and other media.

MORE INFORMATION:

<http://www.orlenbezpiecznedrogi.pl/>

Community ORLEN

PKN ORLEN's presence in the life of its local communities stems from its excellent knowledge of local issues and partnership approach. The changes in our relations with local communities over the years confirm that we've chosen the right direction. Jointly-agreed terms of cooperation and dialogue with our community partners have had positive effects on both the Company and its environment. On the local level, the Company's activity is a perfect illustration of the concept of corporate citizenship. Its CSR activities among local communities are, for the most part, focused in and around Płock. These are wide-ranging, consistently implemented, and impact many dimensions of the town and its residents' lives.

For a number of years, PKN ORLEN has supported Płock's young, talented inhabitants from disadvantaged backgrounds in the pursuit of their ambitions. Together with the ORLEN – DAR SERCA (Gift of the Heart) Foundation, the Company provides opportunities for gifted secondary and post-secondary school students from Płock and Płock county, by means of a grant programme dedicated to meeting their needs. Strong emotions were stirred by the Little Test on Płock, a competition testing knowledge of the traditions and history, past and present, of Płock and its environs.

Wherever it is, the Company is very consistent in its support for culture and the arts. In 2012, it devoted particular attention to classical music, becoming a partner of the Płock Symphony Orchestra, and a sponsor of organ music concerts and the Płock Days of Choral Music Festival. Another great event on the Company's musical agenda last year was the three-day Audioriver festival. Now in its eighth year, the festival has become an obligatory part of the summer holiday plans of electronic music fans. In 2012, it attracted an audience of about 16,000, from all over Poland and several other European countries. The stars of electronic and alternative music perform on the beautiful Wisła river beach and in the Płock Old Market Square, a place with a very special ambience. For PKN ORLEN, this is not only a chance to enable people to participate in exciting concerts, but also a means of promoting the town in which they're based.

Another important place among the Company's local partners is occupied by the Muzeum Mazowieckie, the oldest public museum in Poland, established in 1821. Among its rich collection of exhibits, the Art Nouveau pieces deserve particular attention. In 2012, with PKN ORLEN's support the museum added a well-preserved set of interwar period furniture, still in very good condition, to its already impressive collection.

As far as the present day and the expectations of youth are concerned, there are two cultural establishments which have for years fallen within the sphere of PKN ORLEN's interest. These are the Per Se Theatre, which is engaged in theatre activities, but also popularises other related arts, attracting young, passionate people. It does this by encouraging anyone who is interested in the theatre, writing drama, stage performances and generally participating in the act of creation with people like themselves, to reach out and contact the theatre directly. Other opportunities come from the Król Maciuś Pierwszy Youth Community Centre, which gives those who frequent it a chance to pursue altogether different passions. The Centre organises educational, artistic, recreational and sports activities that help children and youngsters fill their leisure time. It also produces regular series of cultural events for the youngest inhabitants of Płock.

The Company's sports sponsorships are also highly visible on the local amateur and professional levels, at the ORLEN Arena Sports and Performance Hall and in its work with the ORLEN Wisła Płock handball team and the Płock Rowing Society. For the 19th time, PKN ORLEN was also the title sponsor of the Płock ORLEN Polish Open, a tennis tournament for wheelchair users.

Among its activities for children, it is worth mentioning the ORLEN Handball Mini League, a regular handball league for schoolboys and girls from Płock and its surroundings. In promotion of healthy lifestyles generally, PKN ORLEN supports local projects such as the Tumski Hill Race, the 1st Semi-Marathon of Two Bridges, the Triathlon to Win the Cup of the President of Płock, and the Płock Athletic Thursdays.

And, as part of a joint project with the Płock Municipality, the Company handed over two more new, safe, modern facilities for children and youngsters: a playground and a skate park. These are only some of the projects that the Company has implemented for the benefit of the inhabitants of Płock and the neighbouring area, always with the objectives of improving the quality of life in Płock and promoting the town as a dynamically developing centre of culture, sports and recreation.

Completely different needs of the town's residents are met by the Company's work with the Provincial Hospital Complex in Płock. With the support of the ORLEN – DAR SERCA (Gift of the Heart) Foundation, the hospital has extended its Anaesthesia and Intensive Care Unit, so that it can admit more patients in life-threatening condition. The Company also supplies the Płock Hospital with liquid nitrogen, which is necessary for medical examinations and

treatment. This is a simply financial demonstration of the Company's concern for the life and health of the inhabitants of Płock. The Company has worked with the Płock Hospital for a number of years, and fully intends to continue in its commitment.

While Płock may be the most distinctive example, let's not forget that wherever PKN ORLEN conducts its business, it also engages in community-focused activities. One case in point is Ostrów Wielkopolski, where, with the Company's support, the continually active 'Good Neighbour Grant Fund for Ostrów Wielkopolski' Society was established. Over in the Lublin Province, PKN ORLEN's business activity goes hand-in-hand with social involvement, and could be considered another up-to-date example.

2012 saw ongoing dialogue with the local community, but also the fulfilment of earlier expectations and delivery on existing promises and commitments. In May 2012, residents of the Children's Home in Kijany, near Lublin, went on an exciting trip around the country, financed thanks to the management's involvement and donations made for the purpose. Additionally, with the assistance of the ORLEN – DAR SERCA (Gift of the Heart) Foundation, the Children's Home was able to seek partial financing of a project implemented under the 'Improvement of the Quality of Services Provided in Social Assistance Centres and Childcare Facilities' scheme, as part of a Swiss-Polish Cooperation Programme. As a result, the Kijany Children's Home received the funds it needed to refurbish its buildings.

These and other, similar activities, have caused PKN ORLEN to be perceived as a company open and sensitive to the needs of others, and responsible for the environment in which it operates.

WORKING FOR THE COMMON GOOD

Employee Volunteering at PKN ORLEN

The Employee Volunteering programme at PKN ORLEN and the companies of the ORLEN Group has been in place since 2004, when it was established by a joint initiative of employees and management. Since then, the number of employees volunteering to help has been steadily growing. On the one hand, this can be attributed to our employees' sensitivity to social issues, and on the other, to the active backing of their concerns by PKN ORLEN. Best of all, the positive effects of our volunteering activities are being felt by an increasing number of beneficiaries.

The Lublin Province (where the Company has been exploring for shale gas) is, for us, a new area for employee volunteering activity. Last year, the 'Magic

School Bag' and 'We Make Dreams Come True' campaigns, previously conducted in Płock, were also run in the Lublin Province for the second consecutive time. Over three hundred children received gifts, and the Company's management personnel also made donations towards the cost of renovating local playgrounds. Both these campaigns have already been running for several years now.

Volunteers also work on committees awarding grants as part of the grant programmes conducted by the ORLEN – DAR SERCA (Gift of the Heart) Foundation.

COMMITMENT

Build or renovate two playgrounds serving rural communities in the Lublin Province.

The work of the Foundation

Established by PKN ORLEN on August 20th 2001, the ORLEN – DAR SERCA (Gift of the Heart) Foundation is one of the first corporate foundations in Poland. It is successful in pursuing its Founder's social mission, as well as its own projects to improve the quality of community life. It undertakes initiatives to ensure equal opportunities for children deprived of natural parental care, and provides support for young people in their education and the strengthening of their aspirations. Another area of the Foundation's activity is in improving safety and protecting life and health.

A chance for a good future

From the very beginning, the Foundation has promoted foster families as being the most effective means of providing children deprived of natural families with the conditions they need to fully develop their personal potential.

The help provided takes all forms – from ensuring that the children have decent living conditions to looking after their health, making sure that they go on holidays, as well as undertaking various Christmas and Easter initiatives, and awarding grants to the most talented children. Opportunities are created for the children to realise their potential, gain access to knowledge and understand the positive aspects of life. Members of 'The Best Ones' children's group present original, strange and astonishing facts on a Facebook page of the same name ('Debeściaki'). Among its fans are



prof. dr hab. Marek Konopczyński

Rector of the Pedagogium Academy of Social Sciences
Member of the Committee on Pedagogical Sciences
of the Polish Academy of Sciences

Contemporary social science clearly demonstrates the dysfunction of the state system of institutional care for orphaned children. Regrettably, the institutional solutions (children's homes, juvenile reform schools etc), inherited from the previous social system, are still prevalent in Poland today. In highly civilised countries, the prevailing cultural model has for years been based on various forms of foster care, rather than institutionalisation. But professional foster families, or group homes, have now also begun to be established in Poland as a new means of caring for and raising children. Based on the postulates of academics, they considerably improve the chances of educational and social success, as well as the developmental needs of children deprived of the natural care of their biological parents.

That is why various initiatives by NGOs supporting non-institutional forms of care and upbringing (such as the ORLEN – DAR SERCA (Gift of the Heart) Foundation) are perfectly in line with modern social systems supporting pro-family solutions.

I believe that providing specialist educational support to people engaged in the family-based forms of care that have been developing in our country lately is an important social mission, filling an existing gap in our pedagogical training. We should therefore hope that soon, a well-developed system of family-based forms of care and upbringing will become the prevailing form of care for biologically or socially orphaned children, and will absorb the several thousand children which have unfortunately been staying in various institutional childcare facilities until now.



young people from all over Poland, and also Serbia, Great Britain, Norway, the US, China, Mexico, Tunisia and Iraq. The growing number of people visiting the page is confirmation that children living in foster family group homes have a lot to offer.

One of the key tasks of the Foundation in its work as a competence centre for foster family group homes is in improving the skills and competences of the adults offering places to children in their homes. In April 2012, the Foundation organised a conference entitled 'Towards developing parents' competence and children's potential', which provided over 100 caregivers with the modern expertise necessary to build appropriate relations with their children, and professional support in their dealings with the state administration. The conference, which was part of the calendar of events of Janusz Korczak Year, was held under the patronage of Marek Michalak, the Ombudsman for Children.



Expert patronage was provided by the PEDAGOGIUM Academy of Social Sciences of Warsaw and the Faculty of Pedagogy of Warsaw University. The Foundation will be continuing its work with these institutions.

Customers of ORLEN service stations can join in and help foster family group homes by donating their credits, collected as part of the VITAY loyalty scheme, to finance the specific needs of the children. The credits collected in 2012 financed 109 monthly grants, 1,862 hours of rehabilitation treatment, over 17,000 lunches at school canteens, and purchased school accessories for nearly 300 students.

Customers in October 2012 who decided to support the Foundation's activities by donating at least 500 VITAY credits received silicone fluorescent bracelets bearing the project's slogan, as part of 'THE BEST ONES. SETTING AN EXAMPLE' nationwide campaign, promoting safety among road users.

COMMITMENT:

- Release another publication on how to develop parenting competence and help children and teenagers discover their creative potential.
- Set up and launch 'Strefa RDD' – a website through which caregivers in family-run group homes for children can network with each other, access useful information and obtain expert advice on child education, law and pedagogy.
- Carry out a project on fire safety and prevention.
- Launch a scholarship programme for children from foster family group homes showing an interest in and aptitude for sports.
- Transform the summer and winter recreation programmes so that they combine rest with thematic activities.

Supporting the most gifted students

In 2012, the ORLEN – DAR SERCA (Gift of the Heart) Foundation kicked off an original programme, 'Mistrzowie CHEMII' ('Masters of Chemistry'), for gifted students showing a particular interest in chemistry and other sciences. Organised under the auspices of the Polish Chamber of Chemical Industry (*Polska Izba Przemysłu Chemicznego*), the initiative is carried out jointly with two excellent schools: The Academic High School of the Nicolaus Copernicus University in Toruń, and the Chemistry

and Environmental Protection Technical School No. 3 at the Maria Skłodowska-Curie Chemical Sciences School Complex in Kraków. These two institutions offer the Foundation's scholarship recipients a first-grade education and an opportunity to pursue their interests. As the institutions themselves work closely with other celebrated higher-education institutions, including the Nicolaus Copernicus University in Toruń, the Jagiellonian University and the AGH University of Science and Technology in Kraków, students are able to participate in a wide variety of academic classes and projects.

The Foundation's objective is to discover talented students and prove that chemistry is not only an interesting subject, but also a foundation on which a rewarding professional career can be built.

It also reaches out to talented youths in the town and county of Płock, building local social capital. Under the 2012 programme directed at children living and studying in Płock, 203 scholarships were granted to local primary school and secondary school students. Additional scholarships were awarded to 161 residents of Płock county. Recipients included winners of Polish and English language competitions organised by the School Inspectorate, talented young mathematicians, physicists, and sports champions of various disciplines, such as wushu, judo and table tennis.

Under the newly launched 'Fullness of Life' (*Pełnia życia*), scholarship programme scholarships were awarded to six of Poland's best athletes with disabilities – gold medallists in the 2012 Summer Paralympics in London. Their success in the Paralympics demonstrated that overcoming disability barriers is also possible.

The ORLEN – DAR SERCA (Gift of the Heart) Foundation also supports innovative projects initiated by student clubs. Young designers from the SAE Inter-Faculty Student Club once again participated in the Aero Design competition in the United States, in which Polish teams have received various awards and distinctions before. The Foundation also provided additional funds to the Astronautics, Robomatic and Cyborg++ Student Clubs to support their efforts to construct the HUSAR Lunar Rover, their entrant in the NASA Lunabotics Mining Competition 2013.

COMMITMENT

Launch a grant programme in support of innovation in technology-oriented student clubs.



The Foundation's local initiatives

The Foundation has, for many years, encouraged local initiatives for children and youth. Its current activities are focused on its work with Płock educational and cultural institutions, and on providing assistance to non-governmental organisations. PKN ORLEN's research activity in the Lublin Province has also given rise to local CSR initiatives.

Both PKN ORLEN and the Foundation consider safety and the protection of health to be priorities in their charity efforts, which at the local level underlie its long history of excellent work with the Provincial Hospital Complex in Płock. With our support, the hospital was able to enlarge its Anaesthesia and Intensive Care Unit in 2012. We also supply the hospital with liquid nitrogen, which is a fundamental component in sample storage, cryogenic surgical procedures and cryotherapy. Over the many years of our work together, the Company and the Foundation have been instrumental in expanding the range of equipment available at the hospital, thus improving the quality of health service it provides to Płock's residents and throughout the region.

The ORLEN – DAR SERCA (Gift of the Heart) Foundation became a partner in the Foundation Against Leukaemia's (*Fundacja Przeciwko Leukemii*) nationwide social and educational 'Become a Bone Marrow Donor' campaign. By helping organise physical exams for potential bone marrow donors, the Foundation continues to promote socially-responsible attitudes among PKN ORLEN's employees and Płock's residents.

COMMITMENT

Continue our wide-ranging cooperation with local partners.



Małgorzata Greszta

Sustainable Development Services Manager
SGS

I believe that the biggest challenge facing Polish managers today is how to assess the effectiveness of their CSR activities and the influence they have on business performance. But why is this so difficult?

Companies that lack consistent and comprehensive CSR strategies which would define key objectives and measures of success find it hard to conclusively say what kind of results have been achieved. Often, the reporting process itself provides the impulse to collect and organise various indicators, which may in turn give rise to a more strategic approach to measuring CSR performance. But of all the available tools, the LBG model warrants special attention, as it is in fact a very practical way of assessing the effectiveness of the socially-responsible initiatives of a company. The LBG model offers us a systemic approach to tracking CSR expenditure and allows the reporting of our results in a transparent manner, which is crucial to the company's success – not only do we know what has been achieved, but we are also able to credibly demonstrate the effects to our stakeholders.

Memberships

In 2012, PKN ORLEN's representatives were active in 37 organisations and associations which we believe to be vital and beneficial to the Company in many respects. What's particularly important here are the opportunities they present for exchanging experience and acquiring new knowledge. Additionally, membership in various organisations and associations gives us the opportunity to speak for the chemical industry, defend its interests, and influence the final shape of legal regulations and technical standards, etc.

PKN ORLEN considers its active participation in certain Polish and international trade associations and advocacy groups to be of strategic importance, as it allows the Company's arguments to be heard at both the domestic and European levels. Additionally, membership in such organisations and associations give us an opportunity to establish a uniform policy across the industry, as well as exchange experience and initiate cooperation with representatives of other companies.

We attach particular importance to our activity in the following domestic organisations:

- The Polish Organisation of Oil Industry and Trade (POPiHN) – which serves as a forum for Polish oil companies to work out common positions on matters vital to the industry, which are then presented to governmental authorities;
- The Polish Chamber of Chemical Industry (PIPCH) – a functional counterpart of POPiHN in the chemical sector, which additionally allows the Company to present its arguments at the European level by participating in the work of CEFIC (the European Chemical Industry Council);
- PKPP Lewiatan – our membership and active participation in the organisation's management structures and working groups gives us the opportunity to engage with other entrepreneurs, consultants and experts. The organisation works to provide uniform viewpoints on existing legislation, while also taking steps to improve it, and allows entrepreneurs to work out common positions on newly-proposed legal regulations. Furthermore, through PKPP Lewiatan, PKN ORLEN's representatives are able to participate in the work of BusinessEurope's energy group, which allows the Company to present its arguments and defend its interests at the European level.

Of all the European trade associations to which it belongs, PKN ORLEN considers its membership in CONCAWE (Conservation of Clean Air and Water in Europe) to be of particular importance. CONCAWE's members are the oil companies accounting for nearly 100% of the EEA's oil processing capacities.¹ The organisation's activity is currently two-pronged:

- Through EUROPIA, whose purpose is to play a constructive role in developing policy ensuring safe and sustainable production and supply and use of petroleum products, by lending expert support to relevant EU bodies, domestic authorities and the public. Active engagement on the part of PKN ORLEN's representatives within the organisation's management structures and working groups gives us the opportunity to participate in creating EU regulations by reviewing legislative proposals and engaging in lobbying activities. The organisation's high standing and crucial function in the EU legislative system guarantees such actions to be effective;
- Through CONCAWE, which concentrates on research and development on providing objective data on the impact of the European oil industry on the natural environment. The purpose of these efforts is to help companies implement appropriate technical measures to mitigate, among other things, the harmful influence of chemical substances on people and the environment, which is achievable by implementing the REACH² system, counteracting climate change through the ETS system³, introducing vegetable oil fuels and reducing the emission of harmful substances produced when petroleum products are processed and used.

RISK MANAGEMENT

The precautionary approach, corroborated by the Rio Declaration, is the primary instrument of the EU's environmental policy, manifest in Directive 2010/75/EU of the European Parliament and of the Council of November 14th 2010 on industrial emissions (integrated pollution prevention and control). The directive introduces more stringent sulphur dioxide, nitrogen oxides and dust emission standards as of 2016. It also states that Best Available Technology (BAT) conclusions will be the reference for setting industrial emission standards. However, taking into account the costs and benefits, environmental protection issues, location, local environmental conditions and characteristics used in preparation of an integrated permit, competent authorities will be able to set sulphur dioxide, nitrogen oxides and dust emission standards with values different from those defined in the BAT conclusions, provided such emission standards are in no case less stringent than those defined in the annexes to the directive.

To address these requirements, PKN ORLEN is building flue gas desulphurisation, denitrification and dust removal units, which will reduce emissions of sulphur dioxide, nitrogen oxides and dust by more than 90%. In 2011, the European Commission prepared a roadmap for moving to a competitive, low carbon economy by 2050, known as the Energy Roadmap 2050, as well as a white paper on transport. These documents were prepared with a view to decreasing greenhouse emissions (GHG) by 80%-95% in 2050, relative to 1990.

In light of such climate and energy policy, the European Commission noted that although the carbon dioxide emission levels set in the ETS will decrease by ca. 21% by 2020 (relative to 2005), and will continue to decrease after 2020 (which should provide a legal guarantee of significant investments in low-emission technologies), the large current surplus of carbon allowances, partly due to the economic crisis, makes it impossible for the above situation to be reflected in the prices of carbon allowances.

The low prices of carbon emission allowances are not enough of an incentive for investors to embrace low emission technologies, thus increasing the risk of dependence on high-emission technologies. Therefore, certain member states have decided to take, or are considering, domestic measures, such as taxation of high-emission fuels in the industry sectors covered

1) In the European Economic Area (EEA).

2) REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) – Regulation (EC) No. 1907/2006 of the European Parliament and of the Council (EC) concerning safe use of chemical substances, which is to be achieved through registration and evaluation. In some cases, permits may be required or restrictions imposed on the trade and use of certain substances.

3) ETS – The European Union Emissions Trading System.

by the ETS. This carries an increased risk of the EU's climate and energy policy becoming fragmented, and may lead to a situation in which domestic and sectoral policies undermine the role of the ETS and the level playing field the system was supposed to create.

Further, the European Commission notes that R&D investments have brought about a decrease in the costs of renewable energy sources (RES) technology. Therefore, it may be expected that in the future, RES will be commercially viable enough for the support measures to be generally rolled back, and extended only to those technologies and areas that still require them. Such schemes should be designed with a view to avoiding over-compensation and becoming more economically viable, while also encouraging a significant reduction in GHG emissions⁴, promoting innovation, ensuring sustainable use of resources, and having the ability to adjust to changing costs to avoid dependence on grants. The systems should also be coherent across all member states (in particular with respect to biofuels), and comply with WTO rules⁵. In this context, one of the key challenges is to popularise and integrate RES with the EU's power system in a manner that would solve its intermittent supply issues and improve the way member states collaborate to reach climate and energy goals. The combination of the EU's wholesale energy markets and the growth of intelligent grids, which offer adjustable power generation levels, power grid control and usage controls in response to changing market conditions, should contribute to reaching that goal.

The above climate and energy policy issues translate into a weaker price incentive for low-emission investment projects, and political reluctance to set up support schemes that would strain domestic economies. Leverage in solving these issues may come with an improved model of European climate and energy policy, or shale gas, provided that applicable domestic legislation makes the business viable, and that potential resources are confirmed.

The main risks in PKN ORLEN's business arise from:

Crude oil processing. Risk exists for the ORLEN GROUP's business from disruptions in crude oil supply logistics, the risk of reduced crude oil supply, and unstable political situations in oil-producing countries.

General operating risks. The trading operations of the ORLEN Group, as well as of other oil and gas companies, refineries and petrochemical plants, are exposed to risks from extraordinary events, such as fires, explosions, blowouts, gas and toxic chemical emissions, breakdowns, natural disasters, terrorist attacks, sabotage and, as with all production facilities, other occurrences, including faulty equipment, sub-par performance, collective disputes, adverse weather conditions, and plant shut-downs.

Exploration and appraisal projects (upstream operations). The ORLEN GROUP is engaged in numerous exploration projects, which are connected with a number of geological and operating risks that may prevent the Group from pursuing its diversification strategy or from making expected profits from such projects, which may also, temporarily, generate losses.

Regulatory risk factors. Frequent changes in the complex legislation governing the industry, and a lack of uniform interpretation of the regulatory framework in which the ORLEN Group carries out its operations, are both a source of uncertainty for the Group's business. The ORLEN Group is exposed to legal and regulatory risk on three legislative levels: EU directives and resolutions applicable to ORLEN Group companies, particularly EU legislation concerning power generation, the natural environment and climate change; acts implementing individual EU directives and policies into domestic legislation, with respect to which individual member states retain a great degree of autonomy, and domestic and local regulations and legislation.

Currency exchange risk. The price of crude oil purchased by the ORLEN Group is expressed in USD. A significant portion of our oil products' sales are also valued in USD, or by reference to USD, while the prices of most of our petrochemical products are expressed in EUR, or are EUR-indexed. Therefore, the ORLEN Group is exposed to currency risk, as its

4) GHG – Greenhouse gas.

5) WTO – The World Trade Organisation.

income in USD and EUR may exceed the costs incurred in these currencies. Differences in the value of PLN and CZK relative to USD and EUR also affect the financial position of the ORLEN Group, and sudden or significant increases in PLN or CZK values could have a negative effect on PKN ORLEN's performance.

Weak economic growth. Economic slowdown may increase the pressure on demand for petroleum products. The situation is particularly difficult in the case of gasolines, demand for which is decreasing throughout Europe with the growing number of diesel vehicles. There are also less opportunities to export gasolines, as the US has been stepping up its own production and limiting imports, while European refineries, despite having been upgraded, cannot compete on the global scale with the newer, larger plants. The structural surplus of gasolines is resulting in low refining margins, which has led to bankruptcies and permanent shut-downs of many facilities in Europe.

Competition risk. The ORLEN Group faces increasing competitive pressures across all areas of its operations, from both local and global oil and gas companies. Fuel for motor vehicles is subject to regulations imposing quality standards (for example, the Euro 5). The ORLEN Group's market position in Poland, the Czech Republic, Lithuania and Germany may be threatened by other regional refineries and wholesale distributors. Fuel is imported in large amounts from Belarus, Slovakia, Russia, the Scandinavian countries and Germany to markets where the ORLEN Group also operates, and the imported products may put pressure on the prices of the Group's products. Retail competitors of the Group include international and regional petroleum companies and hypermarkets, many of which have much more substantial financial resources than the ORLEN Group.

CHANGE – A SOURCE OF OPPORTUNITY

In November 2012, PKN ORLEN announced the implementation of its new business strategy. Spanning the years 2013 to 2017, the strategy aims to take advantage of emerging opportunities on the market. The new strategy's goals are to:

- increase average annual operating cash flows by 44% relative to 2008-2012, to PLN 5.6bn;
- advance average annual EBITDA (LIFO-based) by 58% relative to 2008-2012, to PLN 6.3bn;

- implement an investment programme by 2017 focusing on the development of the ORLEN Group, especially in the upstream and power generation segments, with a total value of PLN 22.5bn;
- maintain safe levels of financial ratios, including net financial leverage below 30%;
- ensure dividend yields of up to 5% of the average annual market capitalisation.

SUPERVISION OF THE COMPANY'S OPERATIONS

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

While performing its duties, the Supervisory Board acts as a collective body; however, it may delegate its members to perform specific supervisory duties individually. The rules governing such individual performance of supervisory duties are defined by the Supervisory Board by way of a resolution.

Meetings of the Supervisory Board are held whenever necessary, but not less than once every two months. A meeting should be convened upon the written request of a shareholder(s) representing at least one-tenth of the share capital, the Company Management Board or a Supervisory Board member.

Members of the Supervisory Board must exercise their rights and perform their duties exclusively in person.

The PKN ORLEN Supervisory Board has appointed the following standing committees from among its members: the Audit Committee, the Strategy

and Development Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee. Each committee is composed of three to five members of the Supervisory Board. The Audit Committee includes at least two independent members and at least one member qualified and experienced in accountancy or finance.

MORE INFORMATION:

The Report from the PKN ORLEN Supervisory Board for 2012 is available at www.orlen.pl

Pursuant to the provisions of the Company Articles of Association, the Supervisory Board is entitled to delegate its member(s) to temporarily stand in for Management Board members who are unable to perform their duties.

In 2012, the Chairman of the PKN ORLEN Supervisory Board managed the Board's operations.

Pursuant to the provisions of the Company Articles of Association, the Supervisory Board is composed of six to nine members. At least two members of the Board have to meet the criteria of independence from the Company and entities with significant connections with the Company. Prior to their appointment, independent members of the Supervisory Board submit written representations to the effect that they meet the criteria stipulated in Par. 8.5 of the Company Articles of Association. The Company reports the current number of independent members of the Supervisory Board to its shareholders.

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

As at December 31st 2012, three members of the Supervisory Board met the independence criteria.

Pursuant to the provisions of the Articles of Association, the General Meeting's powers include definition of the rules of remuneration for members of the PKN ORLEN Supervisory Board. In 2012,

these were governed by a resolution concerning amendments to the rules of remuneration for Supervisory Board members, adopted by the Extraordinary General Meeting held on January 10th 2001. The monthly remuneration of a Supervisory Board member is defined as a specified multiple of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit) in the fourth quarter of the preceding year, as announced by the President of the Central Statistics Office (GUS).

The Supervisory Board's powers include representing the Company in agreements and contracts concluded with Management Board members, including employment contracts and remuneration agreements. The Company also has in place an incentive scheme for Management Board members. An annual bonus is awarded, the amount of which depends on the Company's operating performance and the extent to which individual members of the Management Board performed the tasks assigned to them by the Supervisory Board.

Members of the PKN ORLEN Management Board who, in 2012, were on the supervisory boards of an ORLEN Group subsidiary, jointly-controlled or associated entities did not receive any remuneration for performing those duties. The only exception was UNIPETROL a.s.; the remuneration received by Company Management Board members for their work on the UNIPETROL Supervisory Board was donated to the ORLEN – DAR SERCA (Gift of the Heart) Foundation.

With a view to avoiding conflicts of interest within the ORLEN Group, the Company applies the provisions of the Commercial Companies Code, the Rules of Procedure for the Supervisory Board, as well as the Code of Best Practice for WSE Listed Companies.

Pursuant to the Rules of Procedure for the Supervisory Board, a Supervisory Board member should inform the other members of the Board of any conflict of interest in which such member is involved, as well as abstain from taking the floor when the matter which has given rise to the conflict is discussed, and abstain from voting on the respective resolution. No breach of the provisions of the preceding sentence renders the Supervisory Board's resolution invalid. Whenever doubts arise as to whether a conflict of interest has occurred, the Supervisory Board settles the matter by way of a resolution.

Pursuant to Rule III.1.2 of the Code of Best Practice for WSE Listed Companies, a member of the Supervisory Board should notify the Management Board of any relationship with a shareholder who holds shares representing no less than 5% of the total vote at the General Meeting. This obligation concerns financial, family and other relationships which may influence the position of the member of the Supervisory Board on issues decided by the Supervisory Board. Further, Rule III.1.4 stipulates that a member of the Supervisory Board should notify the Supervisory Board of any conflicts of interest which have arisen or may arise and refrain from taking part in the discussion and from voting on the adoption of a resolution on the issue which gave rise to the conflict of interest.

In Rule (II.1.5), the Code of Best Practice provides another measure intended to eliminate conflicts of interest. It stipulates that, where members of the Supervisory Board are elected by the General Meeting, the grounds for proposing the candidates for the Supervisory Board should also be given, together with their professional CVs, within a timeframe enabling review of the documents and an informed decision on their acceptance.

Pursuant to Rule I.6 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 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."

In accordance with the Rules of Procedure for the PKN ORLEN Supervisory Board, the Audit Committee includes at least two independent members and at least one member qualified and experienced in accountancy or finance. This provision reflects Rule III.7 of the Code of Best Practice for WSE Listed Companies.

The PKN ORLEN Supervisory Board exercises ongoing supervision over the Company's activities in all areas of the Company's operations; in particular, the Supervisory Board's powers are specified in the Commercial Companies Code and the Company Articles of Association. In order to discharge its duties, the Supervisory Board may inspect all the Company's documents, request the Management

Board and employees to provide reports and clarifications, and review the Company's assets. In order to guarantee proper discharge of its duties under the Articles of Association, the Supervisory Board may then request the Management Board to prepare expert and other opinions for the Supervisory Board, or to employ an advisor.

In order to meet the most stringent standards of the Code of Best Practice and to give the shareholders an accurate assessment of the Company, the Supervisory Board submits an annual report to the General Meeting, which includes:

- the findings of its examination of the Directors' Report on the Company's operations and the Company's financial statements for a given financial year;
- an opinion on the Directors' Report on the ORLEN Group's operations and the ORLEN Group's consolidated financial statements for a given financial year;
- the findings of its examination of the Management Board's proposal concerning the distribution of profit;
- a report on the Supervisory Board's activities, including a report on the activities of the Supervisory Board committees, as well as assessment of the Company's standing, including the internal control system and the management system for material risks to the Company.

In 2012, the PKN ORLEN Supervisory Board held 12 minuted meetings and adopted 81 resolutions. Supervisory Board members also attended 13 minuted meetings of the Audit Committee, including one joint meeting with the Nomination and Remuneration Committee and three joint meetings with the Strategy and Development Committee.

In 2012, changes were made in the composition of the PKN ORLEN Supervisory Board. As at December 31st 2012, the Board was composed of seven men and one woman. In 2012, the age structure of the Supervisory Board was as follows:

- 30-50 years of age: 6 persons,
- over 50 years of age: 6 persons.

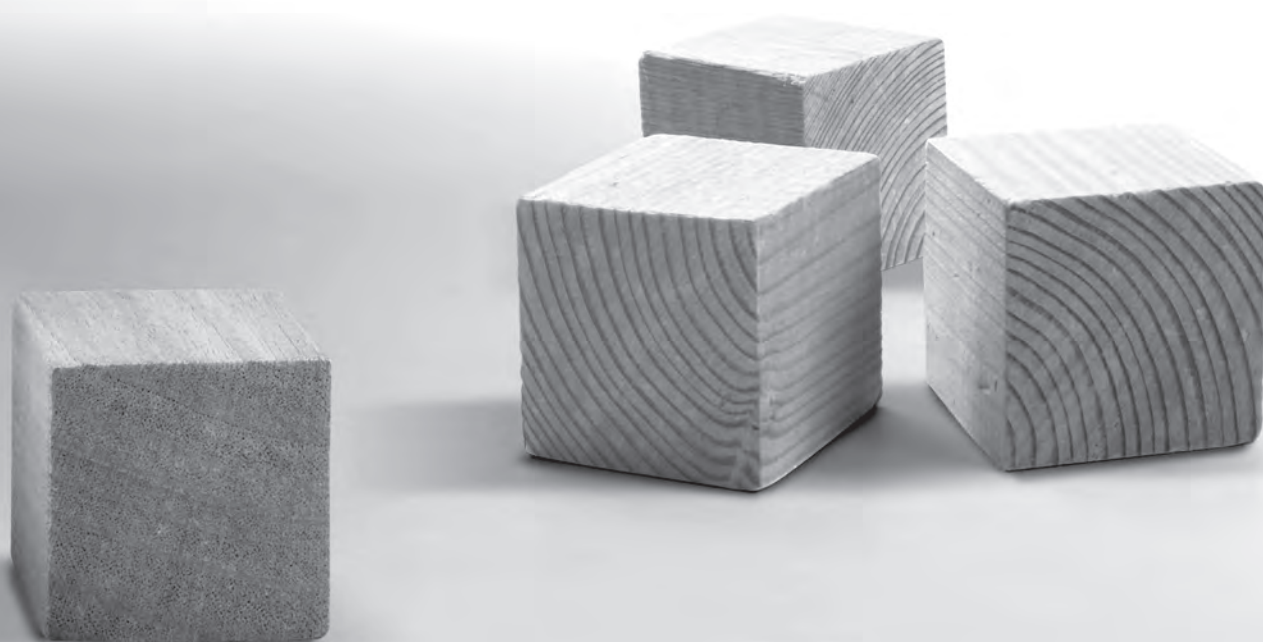
MORE INFORMATION:

Details of the Supervisory Board are available at: www.orlen.pl



R PROGRESS

We explore new possibilities.



II. MARKET

PKN ORLEN ON THE CAPITAL MARKET

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

In 1999, PKN ORLEN listed its shares as Global Depositary Receipts (GDRs) on the London Stock Exchange. The trading unit on the London Stock Exchange was 1 GDR, comprising two PKN ORLEN shares. Then, in 2001, the Company introduced its American Depositary Receipts (ADRs) to trading on the US OTC market. The trading unit on the US OTC market was one American Depositary Receipt (1 ADR), comprising two PKN ORLEN shares. In 2012, PKN ORLEN decided to close both depositary receipts programmes due to investors' declining interest in such securities. On November 29th 2012, the Company sent to The Bank of New York Mellon, the depository bank for PKN ORLEN's depository receipts, a notice terminating the GDR and ADR depository agreements. The GDR depository agreement was terminated as of February 27th 2013. On the termination date, the GDRs ceased to be traded on the official trading market and were withdrawn from trading on the Main Market of the London Stock Exchange. The ADR depository agreement was terminated on March 4th 2013, marking the end of trading in ADRs. On June 27th 2012, PKN Orlen bonds, issued in February 2012, were floated on the Catalyst market. The aggregate value of the bonds introduced to the alternative trading system was PLN 1bn. At present, there are 10,000 outstanding seven-year PKN Orlen bonds, maturing on February 27th 2019.

COMMITMENT

Continue our dialogue with our stakeholders.



Dariusz Grębosz

Head of the Investor Relations Office
PKN ORLEN

The PKN ORLEN Analyst's Day and Investor's Day are vital elements of our communication with capital markets. On those days, the management staff of PKN ORLEN meet with capital market representatives and together they visit a selected plant of the ORLEN Group.

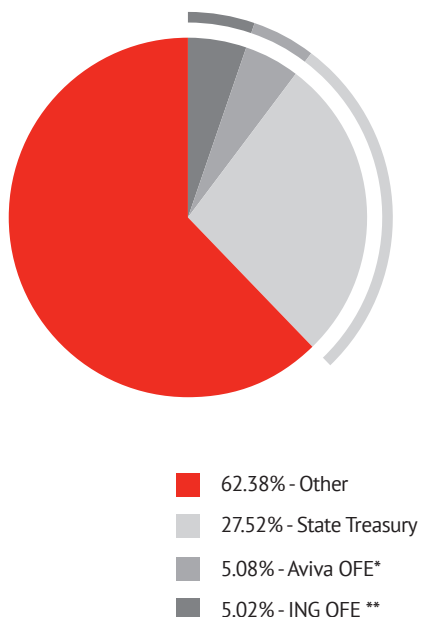
Each such event features a different theme, for instance in 2006 we discussed the individual operating segments of PKN ORLEN. Two years later, the new Management Board was presented and petrochemical workshops were held. In 2010, the spotlight was on our main foreign operations and the retail segment. Last time we organised the Days was in May 2013, when the focus was on thorough discussion of PKN ORLEN's strategy for 2013-2017.

The events serve mainly as an opportunity for a direct meeting and talks between investors and analysts and the Company's management team, employees and persons in charge of particular operations. Presentations are followed by Q&A sessions, but it is the informal behind-the-scenes talks that are appreciated the most. We also try to give our guests an up-close look at the Company's operations. We have arranged several visits to the Plock production plant, our service stations, the fuel terminal in Ostrów Wielkopolski, and in 2013 our guests had the opportunity to visit ORLEN's shale gas drilling facility within our Lubartów licence area.

PKN ORLEN SHAREHOLDER STRUCTURE

2012 saw one change as regards shareholders holding more than 5% of the Company's share capital. On March 30th 2012, the Company was notified that ING Otworthy Fundusz Emerytalny (ING OFE), following a purchase of PKN ORLEN shares in transactions executed on the Warsaw Stock Exchange and settled on March 27th 2012, came to hold Company shares representing more than 5% of the total vote at its General Meeting. Before the purchase, the Fund held 21,214,198 PKN ORLEN shares, representing 4.96% of PKN ORLEN's share capital and 21,214,198 votes (4.96% of the total vote) at its General Meeting. As at March 30th 2012, the Fund held 21,464,398 PKN ORLEN shares, representing 5.02% of its share capital. PKN ORLEN shares held by the Fund represent 21,464,398 votes (5.02% of the total vote) at the Company's General Meeting.

PKN ORLEN shareholder structure as at December 31st 2012



* Based on information received by the Company from the fund on February 9th 2010.

** Based on information received by the Company from the fund on March 30th 2012.

CORPORATE GOVERNANCE

In 2012, PKN ORLEN complied with all obligatory corporate governance principles defined in the Code of Best Practice for WSE Listed Companies, effective at the Warsaw Stock Exchange.

It not only complies with the obligatory principles, but also follows the recommendations contained in the Code. In this respect, PKN ORLEN takes steps to facilitate communication with its stakeholders, seeking to keep up to date with market standards. For its shareholders, as well as for stock-exchange investors and analysts, the Company maintains an Investor Relations section on its website at: <http://www.orlen.pl/PL/RelacjeInwestorskie>.

The IR pages are clear, reliable and complete, and facilitate decision-making for investors and analysts based on information presented by the Company. Available in both Polish and English, they are regularly updated in accordance with the capital market's needs. In 2012, a new sub-section was added to the Stock Exchange section, devoted to Bonds. The Bonds sub-section presents basic information on PKN ORLEN's long-term bonds, which were first listed on the Catalyst market on June 27th 2012. It is also possible to download documents from the bond issues and watch a video documenting the first listing day of the bonds. There is also a section containing a complete set of materials related to financial statements, which contains a link to a list of Company video conferences held on the release of its financial results. The main page of the Investor Relations service contains a link to industry publications and reports, prepared by the Company itself or jointly with other parties.

The Investor Relations section also has a page describing WSE best practices, which is also where the Company's annual reports on compliance with WSE best practices, as well as the Code of Best Practice for WSE Listed Companies itself, can all be downloaded. The IR section also presents information on best practices observed by the Company, the rules of selection of the entity qualified to audit financial statements, as well as information on the participation of men and women in the Company's Management and Supervisory Boards over the last two years.

The General Meeting tab in the Investor Relations section contains a complete set of PKN ORLEN corporate documents, as well as instructions for the shareholders on 'How to participate in the General Meeting of PKN ORLEN S.A.'. The instructions are regularly updated to reflect changes in applicable laws, and also provide information on the dates of general meetings, draft resolutions, as well as a full set of documents presented to shareholders at general meetings. The Company has also made available to its shareholders a special on-line contact form for enquiries about general meetings.

In addition to its main website, PKN ORLEN also offers a mobile version, for viewing the site on mobile phones and other mobile devices. When a tablet or smart phone is used to enter the Company's site at www.orlen.pl, the user is automatically redirected to m.orlen.pl, which is custom-tailored for mobile devices.

For shareholders, investors and analysts who mainly use mobile devices, in 2012 the Company also launched a mobile version of its on-line Annual Report service, which takes the form of a regular Internet service rather than a specific application.

CAPITAL MARKET RELATIONS

The Company holds regular meetings with investors and analysts in Poland and abroad. It organises conferences, one-on-one and group meetings, as well as conference calls with capital market stakeholders. The Company's representatives are regular participants of road show meetings held at investors' workplaces, both in Poland and abroad. Capital market representatives interested in the Company's operations may also participate in site visits for shareholders or analysts at the Plock production plant, and in other places where the Company conducts production or trading activities, which allows the visitors to learn more about the Company.

During its meetings, PKN ORLEN representatives not only present information about the Company, but also receive feedback from shareholders, investors and stock-exchange analysts. Based on feedback and an awareness of the information requirement, the Company continues to develop and improve its relations with the capital market.



dr Miroslaw Kachniewski

*President of the Management Board
Polish Association of Listed Companies
(Stowarzyszenie Emitentów Giełdowych, SEG)*

A company's financial performance is less and less a driver of its share price. The reason is that investors are 'buying the future'. In other words, what matters to them are future achievements, which are increasingly more dependent on care for the environment (Environment), relations with employees and community (Social), as well as corporate governance (Governance). These circumstances have led to dynamic development of the concept of responsible investment, which in addition to stimulating capital inflows to socially responsible firms, also ensures higher returns to investors. This is also a direction for regulatory solutions – work on an EU directive defining the scope of non-financial reporting is now nearing completion.

Considering the above, the Polish Association of Listed Companies, together with Crido Business Consulting and GES, regularly analyse all listed companies in terms of disclosure of non-financial (Environment, Social, Governance) data. This allows each issuer to check how it would be assessed by an investor for whom CSR issues are important, and what the issuer should do to improve their assessment. I hope that this project will help Polish companies to really prepare well for the implementation of the planned directive. I'm also proud to note that PKN ORLEN has received a very high score in this analysis, ranking among the top issuers in both the sector and value breakdowns.

Key initiatives undertaken for the wider investor community in 2012 included:

- Organisation at the Warsaw Stock Exchange of an open educational debate on building issuers' credibility and alternative forms of financing in times of crisis;
- An introduction to stock-exchange trading of PLN 1bn corporate bonds issued in 2012. This issue had the highest value of all bond issues introduced on the Catalyst market in 2012. Moreover, the value of the issue at the time was equal to the value of the largest ever corporate bond issue on the Polish market, and the seven-year maturity of the bonds was the longest maturity among issues addressed to non-banking sector investors;
- Participation in the 'Shareholder Democracy. Informed Investments' education campaign for retail stock-exchange investors.

RESPECT INDEX

The first stock index of socially responsible companies in Central and Eastern Europe, the RESPECT Index, made its debut on the Warsaw Stock Exchange in November 2009. It is published with a view to promoting companies that operate in accordance with the best management standards in corporate and information governance, as well as investor communication, and that act responsibly in the social, governance and environmental areas.

PKN ORLEN has been listed in the Index ever since its inception. The Company's positive rating in the fourth and fifth editions of the RESPECT survey, conducted in 2012, confirms fulfilment of the commitments it undertook in the 2011 CSR Report.



COMMITMENT

Make all reasonable effort for the Company to remain in the RESPECT Index over the coming years.

CHANGES IN SUPPLIER RELATIONSHIPS

PKN ORLEN works with reliable trade partners from around the world. All of its trade partners are subject to periodic reviews, and major suppliers work with PKN ORLEN on the basis of long-term contracts. In its key locations, PKN ORLEN also buys services from local suppliers, thus supporting the markets and business environments in its immediate vicinity. Local suppliers are particularly important to the Company, given their good knowledge of PKN ORLEN's needs and their local market's capabilities. The proximity factor is also significant from the point of view of transport costs, as is the flexibility of such partners. The Company does not keep any records of the costs of services provided by local suppliers.

No supplier agreements have been identified that would require the application of human rights clauses, and no statistics are kept for this purpose either.

Dialogue with key suppliers

In 2012, PKN ORLEN organised its second conference with key service providers in the Investment and Plant Engineering Areas. Participants learned more about the structure and objectives of PKN ORLEN's Procurement Unit, and special attention was given to the question of building sound relationships with suppliers and close cooperation with other business units within the organisation. A lot of time was also devoted to discussing the rules of conduct applying to the purchasing processes at PKN ORLEN, including fundamental rules concerning process transparency, market-level prices and selection of suppliers or contractors that guarantee the highest service quality. The conferences are organised in line with the PKN ORLEN Code of Conduct and with the Company's motto: 'ORLEN. We fuel the future'.

Participants also reviewed the findings of the first conference, held in 2011. In addition, the Company presented the individual business areas working closely with the Procurement Unit. Presentation of the CONNECT Procurement Platform, which will serve as the central supplier communication system for the entire ORLEN Group, was one of the highlights of this year's conference. A number of suppliers decided there and then to register their companies via the CONNECT Platform, which has been designed to improve the transparency of purchasing processes.

The open discussion format of the conferences makes it possible to voice specific issues and problems arising in the course of day-to-day operations. PKN ORLEN also awarded its most valued and trustworthy partners with 'Reliable Suppliers of the Year 2012' or '2012 Award for Safe Performance of Maintenance Works' certificates.



Jacek Czapliński

*Executive Director for Procurement
PKN ORLEN*

Dialogue with suppliers is vital to the development of best purchasing practices, as it helps us understand the specific nature of the different industries represented by our suppliers. Each procurement category at PKN ORLEN is different and requires the proficient use of instruments supporting purchasing processes, but also good knowledge of the specific nature of the industry in question.

The third conference with key suppliers, which is to be held in 2013, will provide a great opportunity to gain more insight into the Company's plans for growth and to share knowledge and experience. Suppliers will also have a chance to ask questions and receive the necessary information from our Business Unit and Procurement Unit staff. For PKN ORLEN, all such occasions are an inspiration to develop the best purchasing solutions, which are transparent and based on equal treatment of all business partners – core values, enshrined in 'The core values and standards of conduct of PKN ORLEN'.

Good communication and creation of sustainable, dialogue-based relations with suppliers is a solid foundation for effective management in a dynamically developing organisation.

The second conference with key suppliers, attended by about 300 people, was organised by employees from a variety of different areas at PKN ORLEN. Thanks to their involvement and experience, the event was very well received by its participants, who were asked to evaluate it by completing questionnaires. Their feedback is a valuable source of inspiration in the search for new, more successful solutions to further enhance our supplier relations. This is exactly why we have implemented the CONNECT system – to improve cooperation and communication with our suppliers in the purchasing area. By the end of 2013, all key companies will have been covered by the new platform, which will simplify and shorten the contracting process and provide an opportunity to work with new suppliers representing different markets. It will also ensure easier access to public procurement information, with the ultimate goal of facilitating supplier communication and employing a single system for the evaluation of bids. The benefits for suppliers are obvious, as all tenders announced by any of the fourteen key companies of the ORLEN Group will be published in one place, while the supplier selection process will become standardised. This will reduce decision-making and negotiating time, by making use of the electronic bidding system. The accessibility of the Platform to all potential business partners is a great advantage, too. By the end of 2013, the CONNECT system will cover four European markets – Poland, the Czech Republic, Lithuania and Germany. In other words, the current geographical area of the ORLEN Group's operations. Ultimately, all supplier selection processes will be handled via the CONNECT system.

Dialogue with suppliers is an example of good practice which brings measurable benefits. It gives suppliers an opportunity to gain more insight into PKN ORLEN's business and its purchasing processes, and provides employees of the PKN ORLEN Procurement Unit with valuable feedback. The discussions and sharing of experience and opinions have improved direct interactions with suppliers, while the feedback from questionnaires is used to enhance the procedures adopted by the Procurement Unit.

COMMITMENT

Hold another conference, this time for key suppliers of PKN ORLEN's entire Procurement Area.

CHANGES SPECIFICALLY ADDRESSING CUSTOMERS' NEEDS

It is only natural that PKN ORLEN takes good care of its customers, and it is equally obvious that the Company does its best to understand customers' needs and expectations better and address them more effectively.

The Company's action plans and to-do lists are prioritised on the basis of regular customer surveys, which are designed to address specific areas of customer care. Regular customer satisfaction surveys cover end-to-end assessments of customer service levels, customer feedback on the quality of the Company's fuels, products and services, as well as customer satisfaction with, and expectations of, their service station experience. The Company also takes special care of its most loyal customers – members of its VITAY and FLOTA loyalty schemes, whose satisfaction is also surveyed on an on-going basis. A great number of projects are dedicated to the development of the Company's product mix and to boosting its sales.

Based on the results of all of its surveys, a group of experienced market researchers at PKN ORLEN develops their findings, turning them into guidelines for improving, among other things, customer service quality and satisfaction levels.

PKN ORLEN service stations are places where customers can feel safe, and where our personnel make every effort to guarantee the highest levels of service. New products and services offered at service stations are a sign that we're responding to the different needs of those travelling by road.

The ORLEN Mobile smartphone app has been translated into a number of languages, and beyond Polish it is also available in English, German, Czech and Lithuanian. The app receives ongoing updates to keep it in line with the needs of our customers.

On top of all this, since 2008 our customers have been enjoying delicious coffee and a range of other products at our customer-friendly STOP Cafe and Stop Cafe Bistro. The Fairtrade certificate on our coffee is particularly important not only to PKN ORLEN, but also to many of our customers. It certifies that the people involved in the coffee's production have been remunerated fairly, and that the product meets environmental standards. Fair Trade is a global social movement that aims to improve the situation of people living in developing countries. Promoting and supporting a sustainable lifestyle lies at the very core of the Fair Trade concept.



Rafał Szymański

Manager, Operational Standards Department
PKN ORLEN

PKN ORLEN service stations are also designed to meet the needs of people with disabilities and those travelling with small children, a fact visible in their buildings, access roads and parking spaces. All buildings have gently sloping access ramps, and more than 1,000 of our service stations have toilets accessible to people with disabilities.

Although ORLEN service stations are essentially self-service facilities, our employees are always there to help too. In response to customer expectations, access ramp assistance is provided from 3 pm to 7 pm. To meet the needs of customers travelling with babies, nappy changing facilities are currently provided at nearly 80 ORLEN service stations.

We also have an interactive journey planner on our new ORLEN website, which can be used by drivers for quick and easy route planning. The map illustrates which services and products are available at the Company's service stations in Poland, the Czech Republic, Germany and Lithuania. In addition, users can download a smartphone application and a large set of POIs (Points of Interest) for GPS devices.

We have taken the feedback from our customers and used it to raise the bar on our customer service quality, and to enhance training programmes for our service station staff. The Eagles Academy (Akademia Orłów) training programme, run by our top training specialists with the greatest experience in sales, has been additionally upgraded to include new training tools, including an efficient e-learning system accessible to all service station employees. The system's effectiveness has been improved several times, which makes a noticeable difference in terms of customer service levels.

CHANGES IN PRODUCTION PROCESSES

PKN ORLEN's products are made to the most exacting standards, and the key projects of 2010-2012 sought to further increase throughput capacity and enhance product compliance with applicable environmental requirements.

These objectives were achieved through CAPEX projects, including the construction of a Diesel Oil Hydrodesulphurisation Unit, construction of a new Claus unit, modernisation of the Hydrogen Fluoride Alkylation Facility, and construction of a new OOG 420 Boiler, No. 8. The new K8 boiler supplies the required quantities of energy carriers (steam and power)

to process units at the Płock plant, and also prepares the plant for an upcoming upgrade and alignment with pollutant emissions standards. The Hydrogen Fluoride Alkylation Facility upgrade has brought the alkylation process into conformity with applicable environmental requirements, health and safety regulations, and has improved feedstock quality. As part of a project entitled 'Bringing the in-house CHP plant in line with the environmental performance requirements effective as of January 1st 2016', (Directive 2010/75/EU on industrial emissions), the 'Construction of a SCR/EF unit with supporting infrastructure' sub-project was begun in 2012. Other minor tasks were also carried out to ensure compliance with legal requirements (including enhanced compliance and legalisation of measuring equipment in the tank farm) and to reduce energy intensity.

Motor gasolines by quality and type in 2010-2012	Product		Output	Average sulphur content	Benzene content	Ethanol content	MTBE content	ETBE content
			[Mg]	[% (m/m)]	[% (V/V)]	[% (V/V)]	[% (m/m)]	[% (m/m)]
Eurosuper 95 (ES95)	2010		172,090	0.0009	0.67	–	–	–
	2011		154,975	0.0008	0.56	–	–	–
	2012		264,616	0.0008	0.72	–	–	–
Eurosuper 95 with EETB content (ES95E)	2010		592,611	0.0009	0.67	–	–	9.68
	2011		386,716	0.0008	0.54	–	–	9.00
	2012		48,684	0.0009	0.59	–	–	3.80
Super Plus 98 with EETB content (SP98E)	2010		239,863	0.0008	0.55	–	–	10.26
	2011		205,711	0.0008	0.50	–	–	10.38
	2012		105,126	0.0008	0.54	–	–	13.92
Eurosuper 95 with ethanol content Płock Plant * (ES95A-E)	2010		771,602	0.0008	0.61	4.89	–	–
	2011		600,310	0.0008	0.54	4.43	–	2.30
	2012		544,663	0.0009	0.56	4.89	–	4.18
SSuper Plus 98 with ethanol content **) (SP98A-E)	2012		68,513	0.0008	0.46	4.45	–	4.84
	2010		969,892	0.0008	0.61	4.83	–	–
	2011		1,514,602	0.0008	0.54	4.40	–	2.30
Eurosuper 95 with ethanol content Storage depots ES95A-E)	2012		1,465,797	0.0008	0.46	4.77	–	4.18
	2010		119,045	0.0008	0.55	–	–	10.26
	2011		103,531	0.0008	0.50	–	–	10.38
VERVA 98 Storage depots	2012		121,302	0.0008	0.54	–	–	13.92
	2010			0.0008	0.61	1.38	–	4.31
	2011			0.0008	0.53	1.47	–	5.72
Average content of motor gasolines	2012			0.0008	0.55	4.70	–	6.41

* Alcohol ether gasoline since November 29th 2010.

** Produced since April 2012.

Production volumes of selected refining products of the Plock plant (thousand tonnes)	Change		
	2012	2011	2012/2011
Crude processing	15,191	14,547	4%
Total gasolines	2,491	2,469	1%
Total diesel oils	5,829	5,646	3%
Ekoterm Plus fuel oil	746	372	101%
Aviation (jet) fuel	389	393	-1%
Propane-butane fraction	226	186	22%
Total fuels	9,681	9,066	7%
Fuel yield (%)*	77.0	76.1	0.9 p.p.

* The fuel yield figure accounts for internal fuel transfers.

For a detailed description of PKN ORLEN products and fuel parameters, visit: <http://www.orlen.pl/PL/OfertaGrupyORLEN/Strony/>

Gasoline output structure by type of gasoline (%) in 2010-2012	Gasoline type	Year		
		2010	2011	2012
	Unleaded 95	87.47	89.56	88.74
	Unleaded 98	8.38	6.94	6.63
	VERVA 98	4.15	3.50	4.63

Consumption of premium, clean blending components [Mg] in 2010-2012	Component	Year		
		2010	2011	2012
	ETBE	89,125	102,199	107,695
	Alkylate	108,192	104,262	121,009
	Isomers	463,798	410,347	460,123

Diesel oils by quality and type in 2010-2012	Product	Output [Mg]			Sulphur content wt %		
		2010	2011	2012	2010	2011	2012
	Ekodiesel Ultra*	5,250,644	5,572,760	5,764,899	0.00078	0.00080	0.00081
	ONM Super	108,387	17,966	–	0.00036	0.00036	–
	ON A-2	0	55,276	64,257	–	0.00076	0.00080

* Including ON Verva diesel oil.

Fuel oils by quality and type in 2010-2012	Product	Output [Mg]			Sulphur content wt %		
		2010	2011	2012	2010	2011	2012
	Ekoterm Plus fuel oil	699,047	371,892	745,647	0.054	0.079	0.082
	Heavy fuel oil C-3	960,790	1,246,550	1,456,085	2.19	2.11	2.04
	Heavy fuel oil 1	17,399	6,759	–	0.82	0.77	–

CHANGES LEADING TO IMPROVED ENERGY EFFICIENCY

In 2012, the energy efficiency improvement programme continued to be implemented at the Plock refinery. The savings achieved in the first year of the programme's operation were in excess of PLN 30m (at 2012 prices). In the same year, work was begun to replace the flare burners at the Main Plant, to cut consumption of fuel gas, and the work to replace the flare burners at the Olefins Unit was completed. In a parallel effort, the Company launched a programme to replace fuel gas and hydrogen with nitrogen in the gas buffers on the flare stacks and handling tanks of the key refining units. Another energy efficiency enhancement at the plant involved modification of the operating parameters of the atmospheric distillation columns. The consumption of steam as an energy carrier was reduced on several units. Gradual replacement of old electric motors with next-generation, energy-efficient equipment began in 2012. Work was also underway to increase the up time between maintenance shutdowns. The plan for 2013 includes implementation of Advanced Process Controls (APC) in the reactor section of the Hydrocracking Unit and in the Catalytic Cracking II Unit. In September 2012, a test of a new catalyst was successfully completed on the Petroleum Tar Hydrodesulphurisation Unit, the aim of which was to investigate the potential of producing a greater volume of white products.

In 2012, modernisation and reconstruction of the product tanks was also continued at the Plock refinery.

The purpose behind a dozen or so of the efficiency improvement initiatives identified in the CHP area in 2012 is the enhancement of the energy efficiency of auxiliary equipment and transmission of energy carriers, while still offering primary energy saving potential.

In 2012, the CHP plant's energy efficiency profile improved following implementation of several enhancement measures. An external energy efficiency audit was also carried out, which identified some of the efficiency improvement initiatives that have now been put in place. The first stage of a project to modernise the steam and condensate distribution network was completed, reducing the amount of transmission losses. The implementation of other measures designed to cut transmission losses, including the replacement of thermal insulation, will continue over the coming years. The gross steam generation efficiency of boilers improved following the launch of new OOG-420 boiler No. 8, whose gross efficiency for liquid fuel is now approximately 94%.

The currently operating cogeneration plant and equipment produces energy carriers with a high efficiency rate of approximately 88%. This saves around 20% of the primary energy used, compared with separate heat and power generation systems.

One important element of the energy saving and efficiency improvement initiatives was a training programme designed for plant control and operation staff. As part of the Plock plant's energy efficiency improvement programme, announced by the Company's Management Board, energy efficiency enhancement initiatives are developed on a regular basis.

COMMITMENT

Implement the identified efficiency improvement initiatives in 2012-2017.

Key heat and power
data for 2011-2012

Item	Unit		
		2011	2012
Crude processing	Mg	14,547,398	15,191,444
Petroleum tar used	Mg	749,268	629,427
	GJ	30,464,590	25,579,934
Fuel oil used	Mg	113,402	112,643
	GJ	4,350,180	4,759,250
Fuel gas used	Mg	963,914	344,372
	GJ	47,598,010	17,022,968
(including natural gas)	Mg	556,825	244,069
	GJ	27,378,280	12,003,029
Diesel oil used at the CHP *	Mg	378	393
	GJ	16,080	16,735
Electricity purchased	MWh	96,717	165,863
	GJ	348,180	597,107
Heat purchased	GJ	413,057	296,102
Total fuels and purchased energy used	GJ	87,033,697	86,550,330
Electricity sold	MWh	517,856	446,510
	GJ	1,864,281	1,607,436
Heat sold	GJ	4,183,967	4,126,079
Heat generated by CHP boilers (gross)	GJ	41,738,274	39,655,294
Steam (heat) used by the Plock plant's units	GJ	25,348,015	24,060,403
Hot water (heat) used by internal and external consumers	GJ	2,259,563	2,342,304
Steam supplied by process units into the system	GJ	5,595,382	7,091,900
Heat generated by recovery boilers	GJ	17,851,361	18,349,337
Electricity generated	MWh	2,056,797	1,929,653
Electricity used by internal and external consumers	MWh	1,635,658	1,646,739

* CHP plant.



PEOPLE

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

III. EMPLOYEES

The awards and distinctions received by PKN ORLEN in 2012 prove that Polish companies can be attractive employers.

The Company was awarded a Top Employers 2012 certificate for 'the complexity of its structure, technologies, processes, support for international expertise exchange and attractive remuneration system'. PKN ORLEN can also boast a 'Trustworthy Employer' title in the production industry category, as well as first place in the 'Most Sought-After Employers' ranking (organised by Antal International) in the Energy, Fuels and Gas category.



Mention should also be made of the Company's high placement in the student-run rankings and polls, such as the Universum Top 100 List of Ideal Employers, as well as those run by engineers, including the Employer for Engineers 2012 and Company for Engineers 2012 polls.



Rafał Sekuła

Executive Director for HR
PKN ORLEN

The favourable perception of an employer depends on a number of factors, of which organisational culture, management style and innovativeness are definite parts. In 2012, PKN ORLEN received the Top Employers Polska title, confirming the Company's leading position in effective HR management. We apply the most stringent standards based on 'The core values and standards of conduct of PKN ORLEN'.

All our employee initiatives support their professional development, and aid us in achieving our objectives. This is of special importance for a fast growing company, where each successive change requires not only new skills, but also understanding and acceptance.

An indispensable element of corporate culture which is strongly emphasised at PKN ORLEN involves employer-employee relations, based on mutual respect and trust. PKN ORLEN provides fair and friendly working conditions, based on cooperation and involvement.

EMPLOYEES IN FIGURES

Total number of employees ¹					
4,635					
Type of employment relationship					
Total number of employees employed under employment contracts in 2012: 4,635 ²					
Contract type					
	Indefinite term	Fixed term	Probationary period	Temporary substitution	
Women	816	49	9	24	
Men	3,504	185	35	13	
Region					
	Plock		Other	Total	
Women	678		220	898	
Men	3,040		697	3,737	
Total number of new hires in 2012: 204					
Total number of terminations in 2012: 206					
Employee turnover					
Age group					
<31	31-40	41-50	51-60	>60	Total
26	55	32	43	50	206
Turnover by age group					
<31	31-40	41-50	51-60	>60	Total
0.006	0.012	0.007	0.009	0.011	0.044
Sex					
		Women	Men		
		64	142		
Turnover by sex					
		Women	Men		
		0.014	0.031		
Region					
	Plock	Other		Total	
	163	43		206	
Turnover by region					
	Plock	Other		Total	
	0.035	0.009		0.044	
Return to work and retention rates after parental leave, by sex, in 2012					
Return to work after parental leave				Retention rate	
Women	5			40%	
Men	–			–	

1) Total number of employees includes all persons employed by PKN ORLEN in 2012 (even if for one day only).

2) The number of employees includes persons with a suspended status, i.e. those on parental, unpaid or rehabilitation leave.

Employees (under employment contracts) by category, in 2012

Sex					
Women			Men		
898			3,737		
Age group					
<31	31-40	41-50	51-60	>60	Total
563	1,384	1,226	1,235	227	4,635
No other diversity indicators are recorded					

Women's and men's remuneration as a percentage of average remuneration by job type, in 2012

	Women	Men
	101%	104%
Clerk	61%	59%
Production process operator	69%	70%
Customer assistant	75%	86%
Specialist	95%	97%
Sales representative	96%	101%
Other	107%	104%
Production process foreman	119%	115%
Production support engineer	92%	100%
Sales manager	116%	115%
Manager	170%	168%
Director	363%	474%

All Company employees are covered by the Collective Bargaining Agreement for PKN ORLEN Employees.

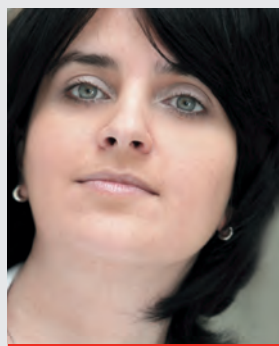
TRAINING THAT'S OPEN TO CHANGE

Effective training is of major importance to the changes taking place at the Company. The continuing professional development of our staff is a must, given the ever changing economic environment and new challenges which the Company has chosen to meet.

In 2012, management personnel spent, on average, over 40 hours per person on training (women: 46 hours, men: 42 hours). For other employees the respective figures were 20 hours for women and 26 hours for men.

2012 also saw the continuation of management skill development programmes, run as part of wider development initiatives. For several years now, PKN ORLEN has consistently implemented two manager development schemes. *Energetyczne Przywództwo* ('Energy Leadership') is a programme addressed to management personnel of all ranks, whose remit varies according to the business challenges faced at individual management levels. The *Liga Mistrzów* ('League of Foremen') is a programme for production process foremen. The programme is accompanied by a cycle of interactive sessions for large groups of managers, conducted by renowned specialists and devoted to use of the coaching style in management, as well as use of manager feedback.

Another ongoing programme is 'The ORLEN EKSTRA-KLASA' ('ORLEN PREMIERSHIP') programme, targeted at employees with high development potential. Additionally, The Development Programme for Talent is designed to prepare selected individuals for work as team leaders or project managers. The employees chosen for participation are those showing outstanding competences, good command of business matters, a drive for self-development, as well as above-average motivation for work and the accumulation of business expertise. The planned development initiatives support the growth of business knowledge and development of management competences. Emphasis is also placed on personal skills, including personal effectiveness, communication and facilitation skills. All the initiatives are designed to precisely address the needs of participants and are supported by coaching. A prominent role in the development programme is played by the mentors, who are responsible for assisting participants in enhancing their knowledge and business skills.



Maja Jonatowska

Head of the Employee Competence
and Development Office
PKN ORLEN

A crucial development initiative in 2012 came with the implementation of our new values, with workshops for management staff forming a material step in the process. The participants discussed how different values manifested themselves in the course of their everyday work, focusing on the role of both managers and individual employees in shaping the Company's organisational culture and implementing ethical standards. The available tools and solutions for promotion of ethical conduct among employees were also presented. The discussion dealt with specific case studies and possible reactions under 'The core values and standards of conduct of PKN ORLEN'. There then followed a series of internal workshops conducted by the managers for their respective teams, where they discussed how values influenced the work of each employee and the need to abide by those values in their day-to-day activities. The workshops were a major event for the Company, also in the context of building its organisational culture and ethical standards.

The new values also spurred changes in the competence model, which is mainly intended to identify the corporate competences that all ORLEN Group companies will share in the target model. These are the competences designed to shape desired employee attitudes that are consistent with the new values. Corporate management competences were also identified, showing which of the management personnel's attitudes are material drivers of leadership and business growth across the entire Group.

The Company also runs other training programmes with content carefully adapted to the developmental needs of various employee groups. These include motivational programmes addressed to employees who stand out for their attitudes and work results, such as the *'Z pasją do sukcesu'* ('Let Passion Drive Us to Success') scheme for specialists, or the programme for production and storage facility operators aimed at the development of three key competence areas: rational behaviour under stress, effective communication and command of business matters.

As in the previous year, employees had access to various forms of competence and professional development. Every employee, regardless of their job, age, or place in the organisational structure, is guaranteed access to the training available on the market, as well as tailored training, higher education, courses (including foreign language courses) and industry conferences. In this way, employees can develop their skills and get to know the newest industry trends. The Company also supports its employees in acquiring new qualifications and professional certificates, some of which are highly specialised, such as patent agents or legal counsel, by partially reimbursing the costs of their training and education. As a result, our employees can build a strong position not only internally, but also on the external labour market.

As it has done for years, the Company supports its employees affected by restructuring processes by giving them dedicated training in job search techniques and entrepreneurship, as well as optional training in other areas.

WORK QUALITY EVALUATION: BONUS SYSTEMS AND ANNUAL ASSESSMENTS

Every employee's work is subject to regular assessment, based on a set of criteria that varies by employee group. The assessments, constructed from a mix of quantitative and qualitative criteria, are tailored to an employee's responsibilities and the extent of their autonomy. Various bonus schemes have been put in place that leverage assessment results to motivate employees, with bonuses provided to staff of all ranks, from unskilled jobs to managers of all levels. Irrespective of their place in the organisational structure, employees are also subject to annual

assessment covering three modules: work performance, the competences required for a given job and attitudes to business knowledge (understood as the willingness to share knowledge and the drive for self-development).

Important elements of the annual assessment include a decision on the employee's further career path and development plans for the next year, and discussion of the employee's achievements in the previous year. In this process, both superiors and employees are supported by the Career Path Matrix, which includes detailed information on job requirements for various industries and areas. The Matrix facilitates fast access to a knowledgebase of possible (vertical and horizontal) inter-job transfers, as well as allowing planning of further steps along the career path.

SOCIAL DIALOGUE

Social dialogue is a key element of the Company's development and sustainability policy, because relations founded on cooperation and partnership form the main pillar of success of every complex organisation.

There are twelve trade unions active at PKN ORLEN. Social dialogue is based on independence and legal compliance, as well as mutual trust and a willingness to compromise. It is founded primarily on internally reached agreements and regulations implemented in compliance with generally applicable laws. These principles are of key importance in complex social processes, as they help to mitigate and reduce the number of possible disputes. The principal rules of trade union activity and social dialogue are also detailed in the Company's Collective Bargaining Agreement.

An open social dialogue, including its basic institutional forms, plays a key role in the complex HR processes taking place in ORLEN Group companies, by enabling the development of productive and permanent solutions together with employee representatives. In line with the principle requiring it to settle all issues concerning employees' collective rights and interests, the Management Board makes its best efforts to ensure that matters involving trade unions are clarified either through direct talks or in written answers.

Each year, our representatives meet with trade union leaders for several dozen official meetings to solve the most pressing employee issues. Any matters arising in the course of the day-to-day relations between the employer and the trade unions are discussed at additional meetings.

The social dialogue at PKN ORLEN is also conducted through other institutions serving as a platform of co-operation between the employer and the unions. For instance, the Occupational Health and Safety Committee deals with matters related to the establishment and maintenance of health and safety-at-work procedures, while the Conciliation Committee helps solve employee issues. Proper social relations are also supported by dedicated meetings of the Company Management Board with trade union leaders.

The wider dialogue with employee groups is maintained through direct meetings organised on various occasions, that are open to all employees. Each year, the Company traditionally organises Chemists' Day. Another special occasion is the Management Board's Christmas/Easter meeting with the staff. Also worth mentioning are the Management Board's meetings with Company retirees, which are important for the Management Board and very popular with former employees.

THE HEALTH AND SAFETY OF EMPLOYEES AND THEIR FAMILIES

Offering a broad range of social benefits, PKN ORLEN promotes a sense of security among its employees. Comprehensive high-quality care is a tool for building loyalty and attachment, while fostering good relations with employees. The resulting favourable work atmosphere translates into improved performance.

An extensive social benefits package includes co-financing of employee holidays, spa treatments, recreation and sports activities, physical therapy, as well as cultural and educational activities. Out of concern for our employee's families, the Company also co-finances holidays, school starter kits and Christmas presents for their children. Employees are also entitled to receive repayable housing loans from the Company. Social safety is further enhanced by eligibility for financial support for those in difficult personal circumstances. The Company has advanced non-repayable allowances to over 40 people in such distress.

It also guarantees the highest-quality medical care, covering not only the employees, but also their families. Each employee receives a basic medical package, including flu vaccination. In 2012, 237 persons were vaccinated under Company medical plans. To enhance the medical packages on offer, the Company works with external medical centres. In addition to a standard medical care plan, employees are also entitled to preventive check-ups, whose scope goes far beyond occupational health requirements. In 2012 alone, the Company offered 12 different preventive care plans to its employees, and provided medical services worth over PLN 2m to almost 2,500 people. In addition to the medical plans offered, PKN ORLEN conducts studies to explore the impact of the work environment on the health of employees.

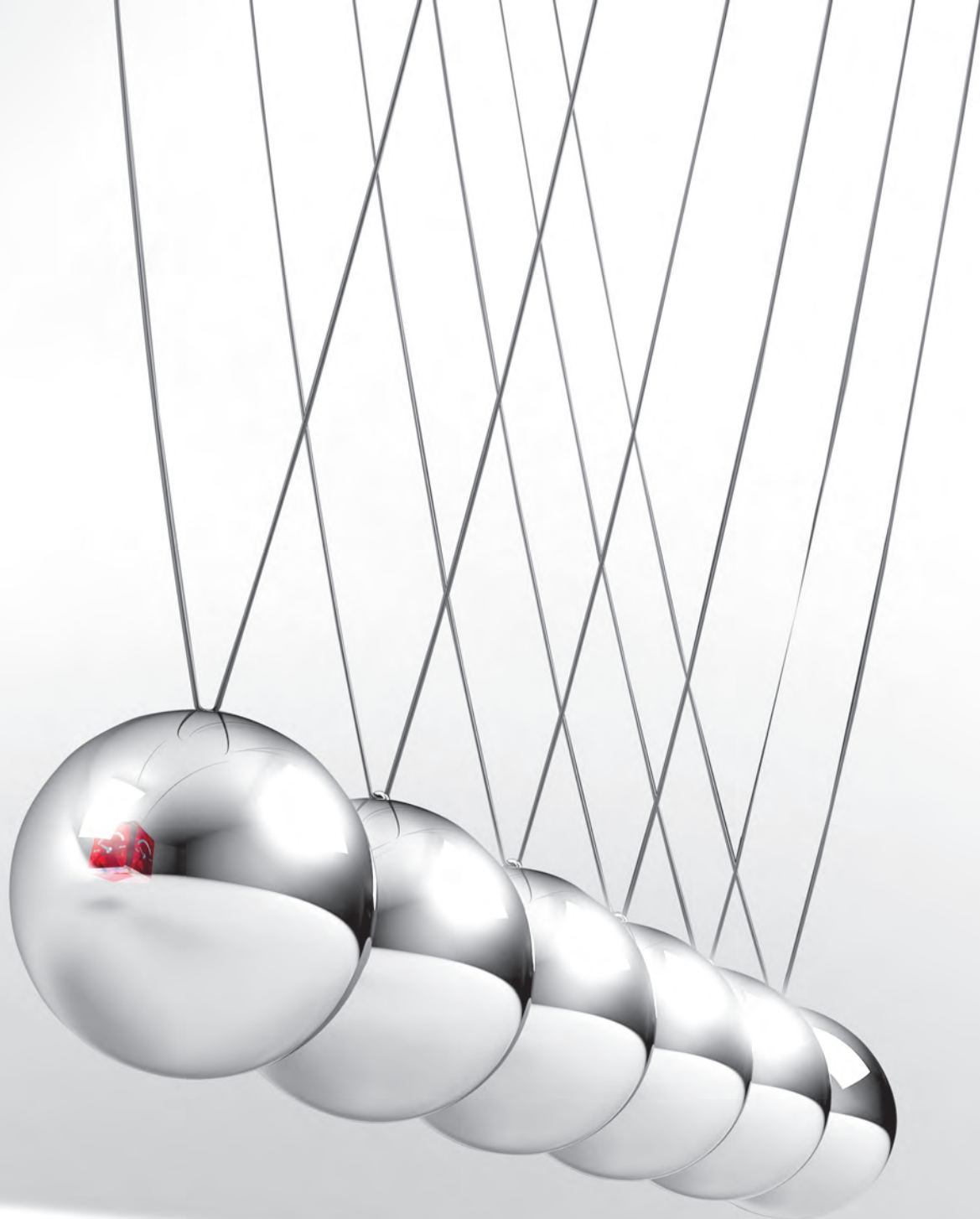
When under difficult circumstances, PKN ORLEN employees are also entitled to additional assistance, including psychological support.

RETIRED EMPLOYEES

Going into retirement does not end PKN ORLEN's relations with its ex-employees, for whom the Company offers an exceptionally wide range of benefits. For instance, celebrations of a retiree's 70th, 75th, 80th, 85th (and so on) birthdays are very popular with former employees. The celebrant receives a gift, a diploma signed by the President of the Management Board, and a financial gift. The Seniors Councils, which co-organise the celebrations, are active in 13 cities and towns throughout Poland. Special meetings for PKN ORLEN old-age and disability retirees are organised twice a year in each location. One takes place just before Christmas, while the other includes cultural and educational events designed to maintain the ex-employees' attachment and sense of belonging to the PKN ORLEN community.

Old-age and disability retirees are covered by a social care system comprising co-financing of holidays or spa treatment, holidays for children and teenagers, repayable housing loans, non-repayable allowances, Christmas presents and school starter kits for children, as well as financial support at Christmas and Easter.





E **ENERGY**

We are enthusiastic
about what we do.

IV. ENVIRONMENT

PKN ORLEN regards compliance with sustainable development principles and legal regulations as a prerequisite to its continued professional operation. The Company takes responsibility for its influence on present and future generations, and is constantly introducing new eco-friendly solutions and systems, improving on the existing ones to reduce its negative impact on the environment. Our Integrated Management System is there to guarantee the highest quality of products and services, the delivery of reliable and complete information (while ensuring its security), environmental protection, and health safety – all with the minimum environmental footprint.

WATER

Water used in the Płock Production Plant serves as a process medium. It is used for the production of steam for the CHP plant, for cooling and for fire protection. The plant's natural supply of water is the Wisła River, where an intake and pumping station was erected to facilitate the transport of water to the plant. PKN ORLEN holds a water-law permit for the withdrawal of surface water from the Wisła and groundwater from the Biała region, which has been granted for the entire Płock Production Plant.

Despite a larger number of production facilities and higher crude oil throughput, the amount of water withdrawn from the Wisła River has not increased, which is down to a number of reasons. These include permanent upgrade of production facilities with a concurrent reduction of their energy consumption, partial reuse of treated wastewater as process water, and the modernisation of wastewater management and improvement of the efficiency of water units in the refining and petrochemical segments. What was also significant in this respect was the modernisation of the water treatment system (particularly its decarbonisation facilities) and of the water demineralisation installations.

Surface water is used to satisfy the process needs of the Płock plant and other facilities located on its premises. The choice of water drawn by the installation depends on its current needs and may include utility, fire-fighting, decarbonised, softened, de-aerated, demineralised, or circulating water. Deep-well water is used exclusively as drinking water and for sanitary purposes.

The refinery has, for many years, operated a wastewater treatment plant, which allows treated wastewater to be used as industrial water. Treated wastewater is used as utility water for washing, cleaning and fire-fighting applications.

Water withdrawn by the Płock Production Plant in 2011-2012 by amount and type	Parameter	Year		Increase /decrease [%]
		2011	2012	
	Water withdrawn from the Wisła River [m³]	23,457,613	22,662,775	-3.5
	Water withdrawn from deep water wells [m³]	526,000	531,000	0.95
	Amount of recycled water [m³]	2,051,524	2,575,742	25.5
	Bleedback of water from unit blowdown used as utility and fire-fighting water [m³]	1,664,449	1,281,763	-23.0

Water withdrawn by the Włocławek PTA Plant in 2011-2012	Parameter	Year		Increase /decrease [%]
		2011	2012	
	Demineralised water [m³]	1,400,000	1,844,297	31.74
	Industrial water [m³]	68,000	67,718	-0.40
	Decarbonised water [m³]	1,400,000	1,843,706	31.69
	Sanitary and drinking water [m³]	15,000	11,643	-22.38
	TOTAL – Water delivered by ANWIL S.A. [m³]	2,883,000	3,767,364	30.67

Water for the Włocławek PTA Plant's process needs is delivered by an external supplier – ANWIL S.A. Individual pipeline systems are used to provide the plant with demineralised, industrial, decarbonised and drinking water.

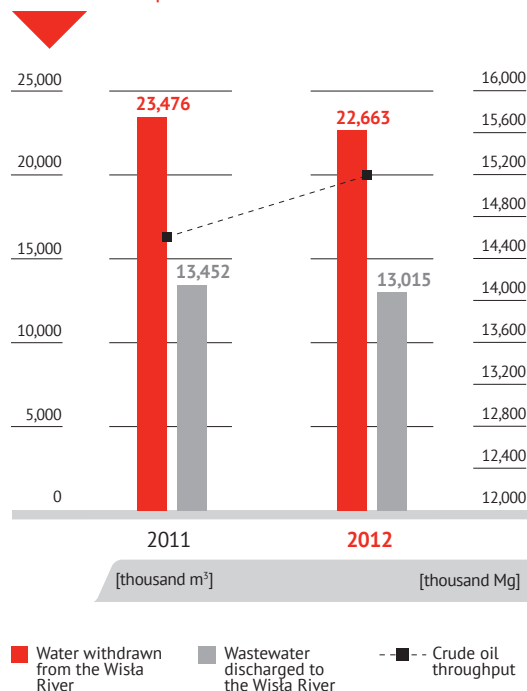
The year-on-year increase in the consumption of water by the PTA Plant in 2012 was mainly attributable to the fact that 2012 was the first full year of the plant's operation – launched in 2011, it operated for approximately 9 months of that year. The consumption of sanitary and drinking water was higher in 2011 than in 2012, which was associated with the commissioning process, which involved external contractors.

WASTEWATER

A 10.8% reduction of the COD load in the wastewater discharged into the Wisła River in 2012 was attributable to a smaller COD load upstream of the Central Wastewater Treatment Plant (CWTP), and a 3.2% decrease in the amount of wastewater discharged into the river relative to 2011.

The suspension load increased slightly, by 12.3%, due to a higher content of industrial wastewater in the total wastewater discharged.

Withdrawal of water and discharge of wastewater to the Wisła River from crude oil processed in 2011-2012



Amount and quality of wastewater discharged by the Plock Production Plant in 2011-2012	Parameter	Year		Increase /decrease [%]
		2011	2012	
	Wastewater discharged to the Wisła River [m³]	13,452,489	13,015,380	-3.2
	COD load in wastewater discharged to the Wisła River [kg per annum]*	901,573	804,063	-10.8
	Suspension in wastewater discharged to the Wisła River [kg per annum]	87,975	98,838	12.3

* Gross load.

Amount of wastewater discharged by the Włocławek PTA Plant in 2011-2012	Parameter	Year		Increase /decrease [%]
		2011	2012	
	Wastewater discharged to ANWIL S.A.'s sewage system [m³]	1,300,000	1,582,498	21.73
	COD load in wastewater discharged to ANWIL S.A.'s sewage system [kg per annum]	6,140,000	5,886,603	-4.13
	5-day BOD load in wastewater discharged to ANWIL S.A.'s sewage system [kg per annum]	2,804,000	2,580,050	-7.99
	Cobalt content in wastewater discharged to ANWIL S.A.'s sewage system [kg per annum]	562	817	45.37

The Płock plant operates 21 wastewater pretreatment facilities associated with individual units, which are instrumental in reducing impurities upstream of the CWTP. The pretreatment facilities, which mostly operate on a mechanical process, are able to process some 11,306 m³ of wastewater per day. All wastewater, both pretreated and raw, is transferred to the Central Wastewater Treatment Plant, where it undergoes a four-stage treatment process, which ensures compliance with the water-law regulations necessary for the plant to uphold its permit.

All wastewater associated with the production of terephthalic acid is discharged into the individual sewage systems of ANWIL S.A.

The year-on-year increase in the consumption of water by the PTA Plant in 2012 was mainly attributable to the fact that 2012 was the first full year of the plant's operation – launched in 2011, it operated for approximately 9 months of that year.

THE IMPLICATIONS OF CLIMATE CHANGE – MAJOR EVENTS IN 2012

As of January 1st 2013, five of PKN ORLEN's facilities have been covered by the EU ETS¹. These are the CHP Plant, Refinery, Olefins Unit, Ethylene Oxide and Glycol Unit, and the PTA Plant in Włocławek. In 2012, PKN ORLEN carried out an in-depth review of Commission Regulation (EU) No. 601/2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC, in order to acquire a good understanding of the obligations and requirements to be met by facilities covered by the EU ETS. In the same year, the Company applied for greenhouse gas emission allowances for its chemical plants covered by the EU ETS to approve monitoring plans which were to become effective in January 2013.

2012 was the last year of the second trading period, during which the PKN ORLEN facilities covered by the EU ETS used up 91% of their allocated allowances, having saved nearly 3 million credits.

In 2012, an upgrade of the IT system for monitoring CO₂ emissions was completed, and the process of adding new installations was initiated. The purpose of the upgrade was to enable quick access to reliable data on the amount of CO₂ emissions.

PKN ORLEN also took an active part in the preparation of legislative acts and participated in the formulation of the BREF² on Mineral Oil and Gas Refining and BAT conclusions³. PKN ORLEN's active attitude is further exemplified by the involvement of its representatives in the Technical Working Group responsible for the review of the BREF REF, and in CONCAWE.



Arkadiusz Kamiński

Head of the Environmental Protection Office
PKN ORLEN

PKN ORLEN has developed a strategy for managing its CO₂ emission allowances. We have also completed a project entitled 'Implications of the climate policy for the ORLEN Group', in which various courses of action are recommended, to cope with insufficient CO₂ emission allowances and to make use of the opportunities offered by the Climate Package in 2013-2020.

By gaining a methodical and organised perspective on CO₂, we have been able to prepare the Company to adequately address the issue of emission allowances. Organisational units and expert structures have been established to handle all CO₂ issues. In addition to the project's original remit, a document entitled 'Implementation of the System for Managing Carbon Emission Allowances' was created, which constitutes the next step in the Company's strategy for managing carbon emissions to facilitate delivery on the Company's strategic objectives in this regard. The methodology it outlines can also be implemented in other companies within the ORLEN Group, which is expected to bring significant savings. The project is proof that CSR activities can produce tangible economic benefits.

1) The EU Emissions Trading System.

2) Reference Document on Best Available Techniques for Mineral Oil and Gas.

3) BAT – Best Available Techniques.

EMISSIONS

Total direct and indirect greenhouse gas emissions by weight

In 2012, the balancing of greenhouse gas emissions was performed on a monthly basis for PKN ORLEN's Refinery, CHP plant, and Olefins II unit, all of which participate in the European Union Emissions Trading System (ETS). The extent to which the allocated CO₂ emission allowances were utilised was monitored on an on-going basis for each unit. In addition, forecasts were made as to the level of allowances vs. the annual production target.

In the National Allocation Plan for CO₂ Emission Allowances for 2008-2012 (NAP II), PKN ORLEN received a total of 32,895,735 allowances for the Refinery, CHP plant, and Petrochemical Cracking unit (the average annual allocation pool being 6,579,147).

The settlement of allocated emission allowances is based on reports drawn up as at December 31st 2012 and is reviewed by an authorised auditor.

The number of allowances carried forward to the third trading period is 2,979,944.

- Greenhouse gas emissions are generated by processes covered by the carbon dioxide emission trading scheme.

Emissions from individual units* in 2010-2012	Unit	Allocation of allowances for the year	Actual emissions during the year			% utilisation on an annual basis in 2012	Excess amount for 2012, to be utilised
			2010	2011	2012		
	CHP plant	3,358,958	3,360,762	3,147,794	2,914,078	86.07	471,774
	Refinery	2,161,551	2,021,453	2,010,815	2,172,935	96.52	78,231
	Olefins II unit	1,058,638	771,024	814,980	774,942	73.20	283,696
	Total for PKN ORLEN	6,579,147	6,153,239	5,973,589	5,861,955	87.55	833,701

* Average annual emission allowances per unit and amount of emissions.

Balance of CO ₂ allowances as at the end of the second trading period 2008-2012	Unit	Emissions 2008-2012	Allowance allocation for 2008-2012		Excess(+)/ Deficit(-) of allowances allocated under NAP II	Utilisation of allowances allocated under NAP II
			Allocation of allowances under NAP II	National Reserve		
	Refinery	10,366,326	10,807,755	167,305	608,734	94.45%
	CHP plant	15,775,247	16,794,790	53,788	1,073,331	93.63%
	Olefins II unit	3,995,311	5,293,190	–	1,297,879	75.48%
	PKN ORLEN	30,136,884	32,895,735	221,093	2,979,944	91.00%

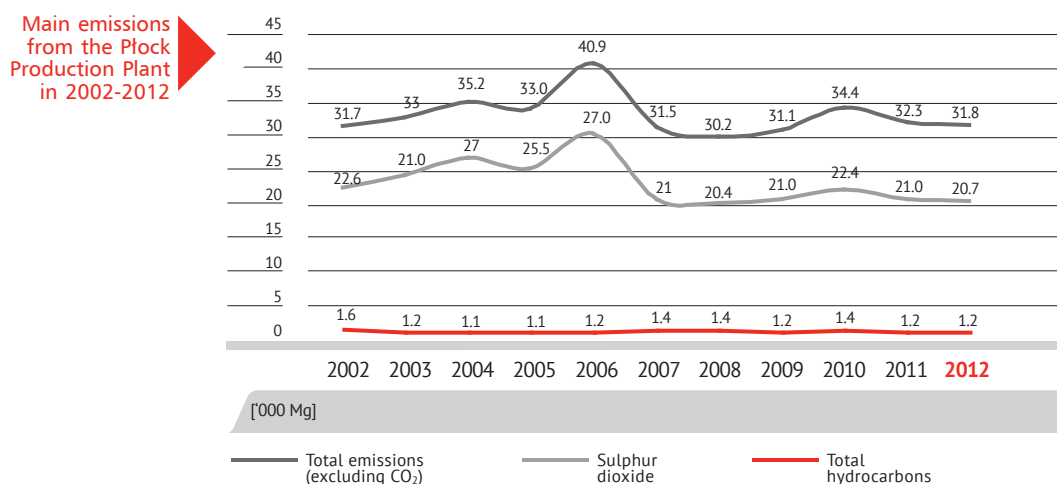
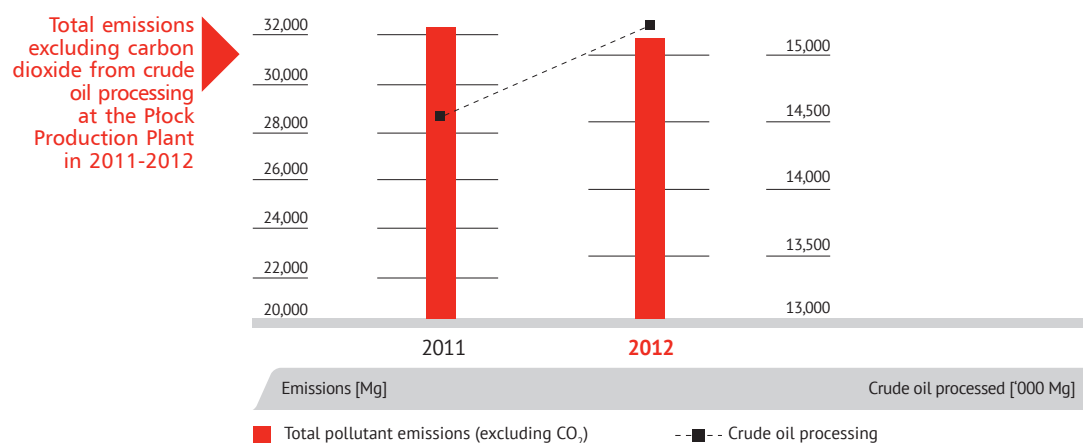
CO ₂ emissions from the Plock Production Plant in 2011-2012	Substance	Amount of emissions [Mg]		Increase/decrease	
		2011	2012	[Mg]	[%]
	Carbon dioxide	6,226,505.89	6,110,342.67	-116,163.22	-1.87
	Total emissions excluding carbon dioxide	32,252.28	31,837.18	-415.10	-1.29
	Total emissions	6,258,758.17	6,142,179.85	-116,578.32	-1.86

A drop in CO₂ emissions by 1.87% combined with an increase in the amount of processed feedstock (crude oil) by 4.43% was achieved upon changing the fuel structure (higher amount of gas burned in the plant).

The increase in total dust emissions results from the higher ash content in the petroleum tar burned at the CHP plant. Total dust emissions reached 0.041% in 2011 and 0.050% in 2012.

Selected air emissions generated by the Plock Production Plant in 2011-2012	Substance	Amount of emissions [Mg]		Increase/decrease	
		2011	2012	[Mg]	[%]
	Sulphur dioxide	20,971.56	20,666.18	-305.38	-1.46
	NOx (in nitrogen dioxide equivalent)	8,027.86	7,819.11	-208.75	-2.60
	Carbon monoxide	1,282.72	1,354.36	71.64	5.59
	Total hydrocarbons	1,203.90	1,189.92	-13.98	-1.16
	Total dust*	588.78	677.27	88.49	15.03
	Carbon dioxide	6,226,505.89	6,110,342.67	-116,163.22	-1.87
	Other substances	177.45	130.34	-47.11	-26.55
	Total emissions excluding carbon dioxide	32,252.28	31,837.18	-415.10	-1.29
	Total emissions	6,258,758.17	6,142,179.85	-116,578.32	-1.86

* Total dust, i.e. combustion dust, silica dust and metals in dust.



2012 saw a slight drop in air emissions compared with 2011, which resulted from the growing share of gas in the fuel mix burned by the CHP plant.

2012 was the first full year of operation of the Terephthalic Acid Production Plant (PTA Plant) in Włocławek.

Air emissions were within the limits set in the integrated permit.

Emissions are monitored through periodic and continuous measurements, so the utilisation of emission

limits allocated in the permits is controlled on an on-going basis. In 2012, continuous and periodic measurements of air emissions as well as ambient air pollutant concentration measurements around the Plock Production Plant were taken.

In 2012, the Chęłpowo station measured air pollutant concentrations for HC, CO, SO₂, NO₂, H₂S, BTX, while the station located at Junior High School No. 5 measured the concentrations of O₃, CO, SO₂, NO₂, and BTX.

Selected air emissions generated by the Włocławek PTA Plant in 2011-2012	Substance	Amount of emissions [Mg]			
		2011*	2012	Increase/decrease	
				[Mg]	[%]
	Sulphur dioxide	0.71	2.65	1.94	273.24
	NOx (in nitrogen dioxide equivalent)	38.31	54.50	16.19	42.26
	Carbon monoxide	299.28	447.67	148.39	49.58
	Total hydrocarbons	0.77	0.00	-0.77	-100.00
	Total dust	2.11	3.01	0.90	42.65
	Carbon dioxide	61,657.83	146,250.50	84,592.67	137.20
	Other substances	8.33	14.60	6.26	75.27
	Total emissions excluding carbon dioxide	349.51	522.44	172.93	49.48
	Total emissions	62,007.34	146,772.93	84,765.59	136.70

* In operation since March 21st 2011.

Automatic air monitoring stations located around the PKN ORLEN Production Plant



Analysis of the 2012 measurement readings indicates that the Company complied with the environmental standards for all measured substances, as laid down in the applicable Regulation. There were no instances of the maximum annual average concentrations for any substance being exceeded, in any area for which such limits are specified.

In 2012, the annual average concentrations of major pollutant emissions, i.e. SO₂, NO₂ and benzene, were slightly lower than in 2011.

Comparison of annual average concentrations of selected substances around the PKN ORLEN Production Plant in 2011-2012	Parameter	Concentration	Monitoring station				Limit*
			Chelpowo		Junior High School No. 5		
			2011	2012	2011	2012	
	NO ₂ [μg/m ³]	annual average	8.3	3.8	13.3	10.6	40
	SO ₂ [μg/m ³]	annual average	7.3	5.4	4.9	4.5	20
	Benzene [μg/m ³]	annual average	1.80	1.08	1.67	1.52	5

* In accordance with the Regulation of the Minister of the Environment of March 3rd 2008.

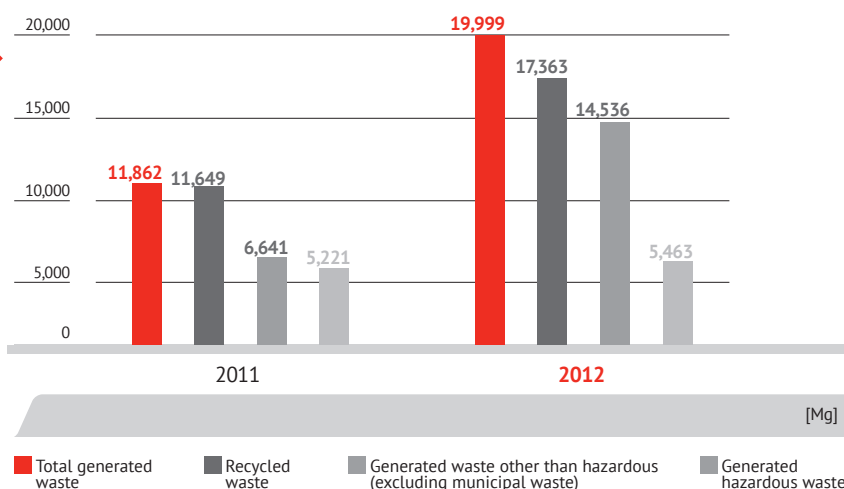
WASTE MANAGEMENT

An increase in the amount of waste generated by the Plock Production Plant by 68.6% year on year resulted mainly from demolition and new building works carried out at the Plant. The main waste categories were as follows:

- 17 04 05 – iron and steel,

- 16 08 02* – spent catalysts containing dangerous transition metals,
- 05 01 99 – apparatus fillers, inert pellets, aluminium oxide,
- 05 01 03* – tank bottom sludge,
- 16 02 14 – discarded electrical and electronic devices not containing hazardous substances.

Comparison of the amounts of waste generated by the Plock Production Plant in 2011-2012



In 2012, the PTA Plant in Włocławek generated 12% more waste than in 2011, mainly due to the fact that the Plant was in operation throughout 2012. The following waste categories accounted for the largest waste volumes:

- 07 01 08* – terephthalic acid spillage residues,
- 07 01 10* – filter cakes.

These is residual waste from the recycling and regeneration of catalysts used in the production of terephthalic acid.

Comparison of the amounts of waste generated by the Włocławek PTA Plant in 2011-2012	Waste	Amount [Mg]		Increase /decrease
		2011	2012	[%]
	Wytworzone ogółem, w tym:	5,402	6,052	12.03
	– hazardous waste	5,396	6,004	11.27
	– waste other than hazardous (excluding municipal waste)	6	48	700

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

Waste management

Waste management at the Płock Production Plant in 2011-2012	Waste	Amount [Mg]		Increase /decrease
		2011	2012	[%]
	Transferred for recycling	11,649	17,363	49.05
	Total transferred for disposal of which:	757	1,580	108.72
	– transferred for thermal processing	552	1,034	87.32
	– transferred for disposal in a different way	205	546	166.34
	Stored waste	1,453	2,509	72.68

Waste management at the Włocławek PTA Plant in 2011-2012	Waste	Amount [Mg]		Increase /decrease
		2011	2012	[%]
	Transferred for recycling	0	45	100
	Total waste disposed of which:	5,085	6,305	23.99
	– thermally processed waste	5,015	5,949	18.62
	– transferred for disposal in a different way	70	356	408.57
	Stored waste	347	49	-85.88



Renata Karaszewska

*Specialist, Environmental Protection Department
PKN ORLEN*

We always attach great weight to the accuracy of the information in our Reports. We want to make sure that they give a clear picture of all measures taken by the Company in the area of environmental protection, allowing our stakeholders to fully evaluate those measures.

To that end, we have modified our reporting system to ensure more accurate presentation of our waste management processes. In previous Reports, information was based on a report sent to the Central Statistics Office (GUS), for which the reporting unit was thousands of tonnes. But because of the way figures are rounded-up in the GUS reports, any waste which generated less than 50 tonnes was not reported, as a result of which our reports did not present the actual amount of waste. So, to reduce those discrepancies, we decided to modify our reporting system. All data disclosed in the Report is currently based on the annual waste management report submitted to the Head of the Province (the Marshall).

In 2012, the Company continued the segregated collection of municipal waste, covering all offices and administration buildings as well as the area of the Production Plant. As a result, the amount of mixed municipal waste was reduced by more than 20%. Rising awareness among our staff of segregated waste collection has brought tangible benefits – the amount of plastic waste collected by the Company has increased 4.5 times, with fully twice as much glass collected and 1.6 times the amount of old batteries.

The segregated collection of waste is gradually being rolled out to service stations and fuel terminals, as well as other offices used by the Company.

Transfer of hazardous waste in 2012, based on information submitted to PRTR ⁴:

Płock Production Plant

- a. in Poland:
 - waste for recycling 18,900.00 Mg,
 - waste for disposal 2,900.00 Mg;
- b. transferred to other countries for recycling 4,510.00 Mg.

Transfers cover waste generated in 2012 by PKN ORLEN as well as companies performing maintenance and new building works at PKN ORLEN's facilities, and waste stored from previous years.

Włocławek PTA Plant

- a. in Poland:
 - waste for recycling 14.80 Mg,
 - waste for disposal 362.00 Mg;
- b. transferred to other countries for recycling 0.00 Mg.

COMPLIANCE WITH LAW

The compliance of our 2012 operations at the Płock Production Plant and the Włocławek PTA Plant with environmental law was checked by representatives of the Płock and Włocławek Units of the Provincial Inspectorate of Environmental Protection (WIOŚ). At the Płock Production Plant, a total of thirteen inspections were held, including two project inspections, two interventions, and nine end-to-end inspections. At the Włocławek PTA Plant, one end-to-end inspection was performed. Four follow-up instructions were issued and subsequently implemented by the Company.

The follow-up instructions received are being implemented on an on-going basis, with the competent authorities being informed of the relevant measures as they are taken.

⁴) The European Pollutant Release and Transfer Register (E-PRTR).

Inspections held in 2011-2012 by the Provincial Inspectorate of Environmental Protection (WIOŚ) at the Plock Production Plant, the Włocławek PTA Plant and at the regional units	Inspections held	Number of inspections	
		2011	2012
	Total	94	86
	Plock Production Plant and Włocławek PTA Plant	9	14
	Service stations	76	59
	Fuel terminals	7	12
	Separate Assets	2	1
Follow-up instructions issued		Number of follow-up instructions	
		2011	2012
Total		20	28
For Plock Production Plant and Włocławek PTA Plant		0	4
For service stations		18	19
For fuel terminals		2	5
For Separate Assets		–	–

CAPITAL EXPENDITURE ON ENVIRONMENTAL PROTECTION

In 2012, environmental protection CAPEX at the Plock Production Plant was up 72% year on year, reaching PLN 83.291m, which represented 30.8% of total CAPEX.

In 2012, a number of key investment projects were completed, including at the Hydrocracking Unit and the Petroleum Tar Hydrodesulphurisation Unit, where fuel gas and hydrogen, previously used to ensure the air-tightness of the tanks and discharge units, were replaced with nitrogen. At the Olefins II Unit, a system for the removal of benzene in the wastewater treatment unit was completed, while the CHP Plant was fitted with the K8 oil and gas-fired boiler with electrostatic precipitators and catalytic denitrification units. The unloading area was also upgraded to protect the soil and groundwater against contamination by petroleum products. Fire protection and 'on-the-fly' maintenance levels were also improved.

PKN ORLEN is taking measures to bring its facilities in line with the requirements of the Industrial Emissions Directive of November 24th 2010, well in advance.

MORE INFORMATION:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ>

In 2012, a number of these measures were taken at the CHP Plant. Works on the flue gas denitrification and dust removal units on seven CHP boilers were begun. Preparations were also made to install Flue Gas Desulphurisation Units on eight CHP boilers. The Company also continued investment projects launched in 2011 to mitigate the Plant's adverse environmental impact. These include modification of the fuel system at the CHP plant, as well as the interior components of the fan cooling units in the Plant's cooling system.

COMMITMENT

- Continue the improvement projects launched in 2012.
- Ensure timely completion of the investment programme adapting the CHP Plant to the IED Directive's requirements.

FEES FOR ECONOMIC USE OF THE ENVIRONMENT

Business entities using the environment are required to pay environmental fees, as provided for in the Environmental Protection Law of April 27th 2001 (Dz. U. 2008.25.150, as amended).

MORE INFORMATION:

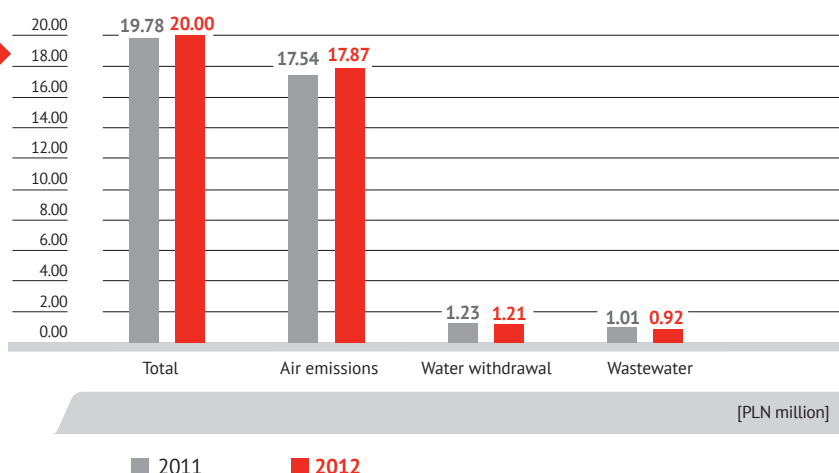
<http://isap.sejm.gov.pl/DetailsServlet?id=WDU20010620627>

The Plock Production Plant pays environmental fees for air emissions, withdrawal of water, and discharge of wastewater to water and soil. The Wloclawek PTA Plant pays only for air emissions, because the withdrawal of water and discharge of wastewater are subject to a civil-law agreement.

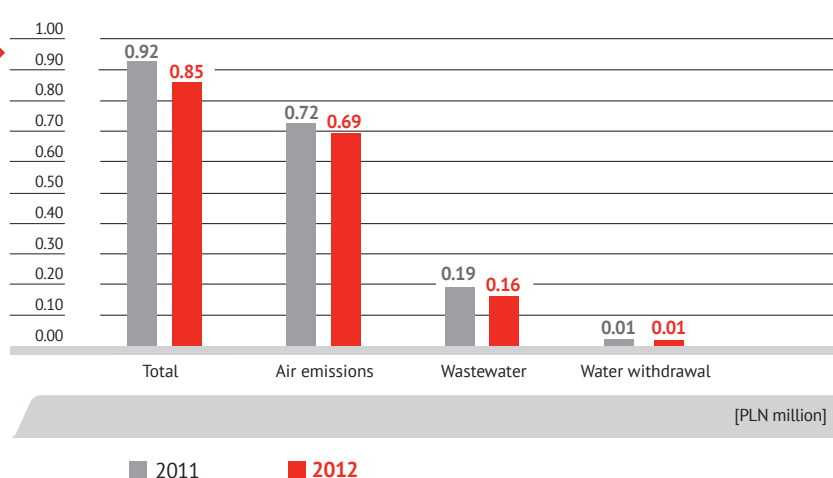
In 2012, the environmental fees for withdrawal of water and discharge of wastewater fell, but the total fees for the economic use of the environment went up by 1.11%. These were fees for air emissions from the Plock Production Plant and the Wloclawek PTA Plant, and the price changes resulted mainly from high charges for the emissions of metals. But above all, they were due to the fact that 2012 was the first full year of operation of the PTA Plant in Wloclawek.

Fees for the economic use of the environment also apply to service stations. In this respect, they cover the handling of fuels, diesel oil and LPG, filling vehicles with gasoline, diesel oil and LPG, withdrawal of water from own water intake points, discharge of sanitary sewage, as well as discharge of storm-water and meltwater.

Fees for the economic use of the environment at the Plock Production Plant and the Wloclawek PTA Plant in 2011-2012



Total fees for the economic use of the environment for service stations, fuel terminals, separate assets, and other PKN ORLEN facilities in 2011-2012



Total fees for the economic use of the environment by PKN ORLEN in 2011-2012	Fee	Total amount [PLN]		Increase/decrease	
		2011	2012	[zł]	[%]
	Total	20,691,933.00	20,850,187.65	158,254.65	0.76
	Air emissions	18,253,496.00	18,552,522.00	299,026.00	1.64
	Withdrawal of water	1,237,638.00	1,217,560.65	-20,077.35	-1.62
	Discharge of wastewater	1,200,799.00	1,080,105.00	-120,694.00	-10.05

The operation of fuel terminals is subject to environmental fees related to the filling/draining of gasoline, diesel oil and fuel oil tanks, filling of rail tank cars and road tankers with gasoline, diesel oil and fuel oil, withdrawal of water from own water intake points, discharge of sanitary sewage, as well as discharge of stormwater and meltwater.

In the case of Separate Assets, environmental fees are related to the discharge of stormwater and meltwater, and the withdrawal of water from own water intake points.

In 2012, total fees for the economic use of the environment by PKN ORLEN's regional units were down 6.74% on 2011. This was due to a change in the sales volumes of different products and the grant of water-law permits to a number of service stations which did not have such permits in 2011.

In 2012, PKN ORLEN recorded an overall drop in the total amount of fees for the economic use of the environment, down 0.76% compared with 2011. This was attributable mainly to the reduction of charges for the withdrawal of water and discharge of wastewater both at the Płock Production Plant and the regional units.

Biodiversity

PKN ORLEN facilities are not located within Natura 2000 sites or any protected areas. The Company's registered office is located in the central part of Poland, about 100 kilometres north-west of Warsaw, in the northern part of the town of Płock, 1.5 kilometres from the right bank of the Wisła.

The area of the Plant's environmental impact covers the Brudzeń Landscape Park, large parts of the Gostynin-Włocławek Landscape Park, as well as vast areas of the protected landscapes of the Wisła River, Gostynin and Gąbin, as well as the Raciąż Plain. The area also includes natural reserves, such as Świetlista Dąbrowa in Brwiln, Sikórz and Łąck, Łąckie Małe Lake, Korzeń, Rzepki, Kresy, Jarząbek, Oz Gostyniński, and Drzewce. Another important feature are leisure and recreation areas, including those used as health resorts or traditionally recommended for therapeutic purposes (ecotherapy). These include forests on the right-bank of the Wisła valley and in the Gostynin area.

The production facilities have no significant impact on biodiversity, thanks to procedures ensuring their safe operation and compliance with maximum emission limits.

Their proper operation and due regard for the properties specified in the relevant MSDS documents, which are available to all users, prevents any significant environmental impact.

ORLEN falcons

The magnificent peregrine falcon is listed on the Polish Red List of Animals as a CR (critically endangered) species. Since 1999, PKN ORLEN has been actively involved in expansion of the peregrine falcon population, in cooperation with the 'SOKÓŁ' ('FALCON') Wildlife Protection Association.

SOKÓŁ's mission is to restore the peregrine falcon population in Poland by reintroducing the species in areas where conditions are conducive to its growth.

Falcons living on PKN ORLEN's premises are closely monitored all year long, based on inspections of nest boxes, video recordings and photographs of nesting falcons, as well as ringing of falcon nestlings. In 2012, two peregrine falcons hatched in the nest box located on the CHP Plant chimney. Most likely, they were a male and a female, but it was still too early to be sure as they were only about ten days old. On May 11th 2012, the nestlings were ringed with yellow ornithological rings and blue bird-watching rings.



The falcon couple nesting within the Plant's grounds use two nest boxes located on the CHP Plant and the Claus Unit's chimneys. Since 1999, when the nest boxes were put up and since the first birds hatched in 2002, 35 peregrine falcon nestlings have hatched on the premises of PKN ORLEN. The falcon couple living within the Plant's grounds usually choose the nest box on the CHP chimney (6 times out of 10), over the Claus chimney box (4 times out of 10).

MORE INFORMATION:

www.peregrinus.pl



Peregrine falcon nestling hatched in 2012.

COMMITMENT

Continue our efforts with the 'SOKÓŁ' Wildlife Protection Association to restore the peregrine falcon population.



PKN ORLEN's involvement in environmental protection and our operational responsibility are also recognised and appreciated by external bodies. This is particularly true of our consistent and forward-looking approach for the sake of the generations to come. Awards granted to the Company in 2012 included a distinction received in recognition of our long-standing commitment and fruitful co-operation in bringing to life the idea behind the 'Responsible Care' Programme.

The European Environmental Award in the 'Environment-Friendly' competition is another valuable accolade, as it recognises and promotes PKN ORLEN as an environmentally friendly company of the new EU, actively involved in the protection and improvement of the condition of the natural environment.







N DEPENDABILITY

You can rely on us.

V. SAFETY

SAFETY AS A COMMON GOAL

PKN ORLEN takes a comprehensive approach to people's health and safety, given the type and specific nature of the technologies it uses, as well as the potential threats to work, process, fire and radiation safety. Work is now under way on a new internal occupational safety management system, whose remit will cover all the ORLEN Group companies.

In its 'Integrated Management System Policy', which came into effect on April 20th 2010, PKN ORLEN committed to maintaining high standards of occupational health and safety. The document reflects the preoccupation of the Company's management and staff with ensuring safety, both in and out of the workplace. The Company expects its partners to share the same dedication to maintaining the highest possible safety standards.

MORE INFORMATION:

Corporate Responsibility Report 2010, p. 21

In Q2 2012, our Integrated Management System underwent a review at the Occupational Health and Safety Office, in which Bureau Veritas-certified auditors confirmed the system's compliance with applicable standards.

Accident rates at PKN ORLEN in 2009-2012

In 2012, 12 accidents at work resulting in employee absence were recorded. The TRR rate was 1.13, representing a decrease of ca. 33% relative to 2011 (TRR 2011 – 1.68).

COMMITMENT

Maintain a TRR rate of ≤ 1.8 throughout the ORLEN Group.

No fatalities or group accidents were recorded, which is the best result in the Company's history. Post-accident absenteeism stood at 264 days, with a severity rate of 26.4 (number of workdays lost per accident).



Dariusz Loska

Head of the OHS Office
PKN ORLEN

Occupational safety is a fundamental value, which means that the targets set in the Company's occupational safety policy can only be achieved through joint effort and cooperation across the board.

Accidents, fires and machine failures are not inevitable. In fact, I am convinced that they can be proactively counteracted. PKN ORLEN's approach to safety matters is multipronged, relying on the latest technology and organisational solutions. We actively help our employees avoid dangerous situations through a variety of educational initiatives and by promoting knowledge of safety measures in an accessible way.

Safety conditions are a crucial factor in the quality of the Company's operation, performance, efficiency, and prestige, and we have created safe conditions in which the further objectives before us may be pursued. We also care for the safety of our external contractors, suppliers and guests, and are constantly striving to improve our overall culture and awareness of safety.

Accident statistics for 2009-2012

Year	Average headcount	Number of accidents				Absence [days]	Rate		
		Total	Fatal	Severe	Group		Incidence*	Severity**	TRR***
2009	4,634	23	0	0	0	996	5.0	43.3	2.90
2010	4,528	28	0	0	0	789	6.2	28.2	3.09
2011	4,474	15	0	1	0	592	3.4	39.5	1.68
2012	4,444	10	0	0	0	264	2.3	26.4	1.13

* Incidence rate – number of accidents per 1,000 employees.

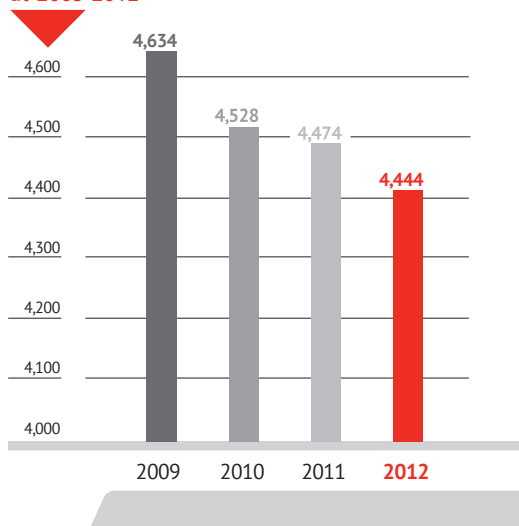
** Severity rate – number of workdays lost per accident.

*** TRR – product of the number of accidents and the constant million divided by the number of hours worked by employees.

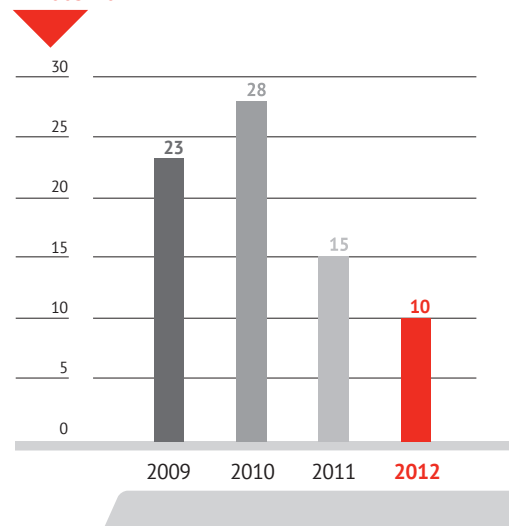
COMMITMENT

Reduce the number of accidents to zero.

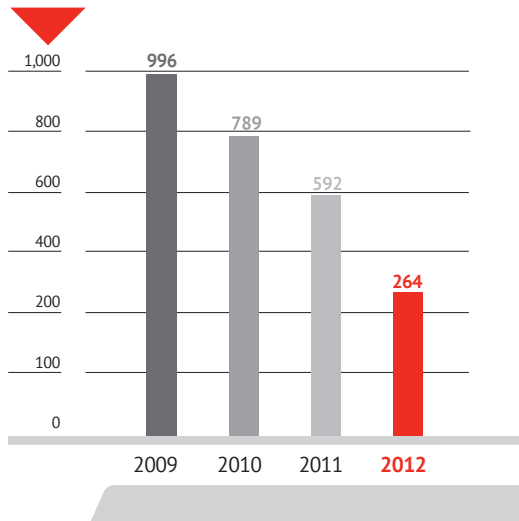
Average headcount in PKN ORLEN at 2009-2012



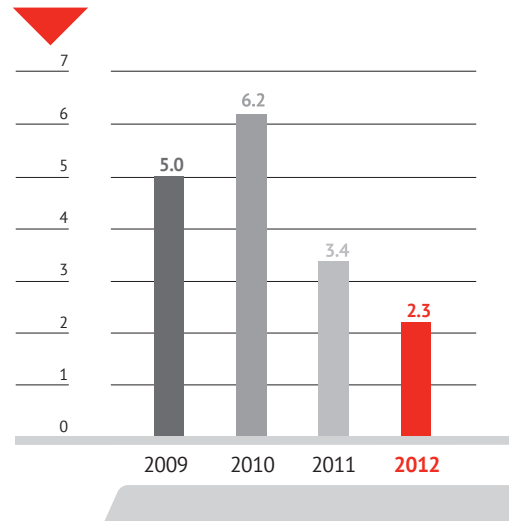
Accident rates in 2009-2012

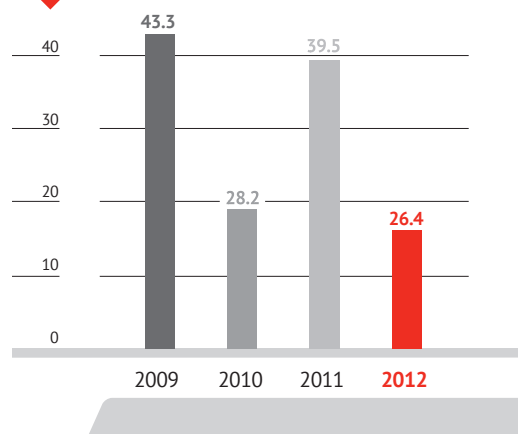
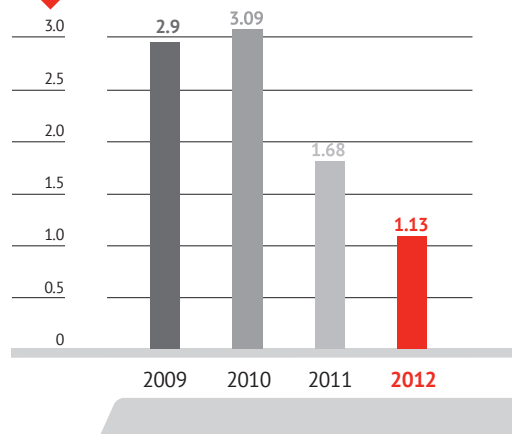
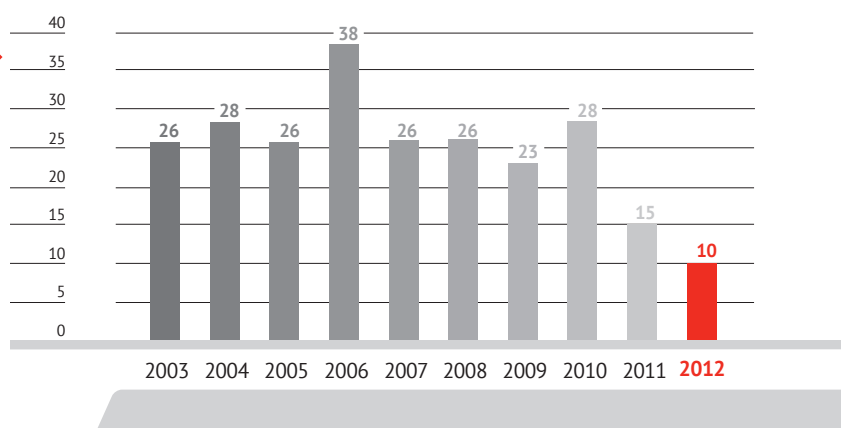
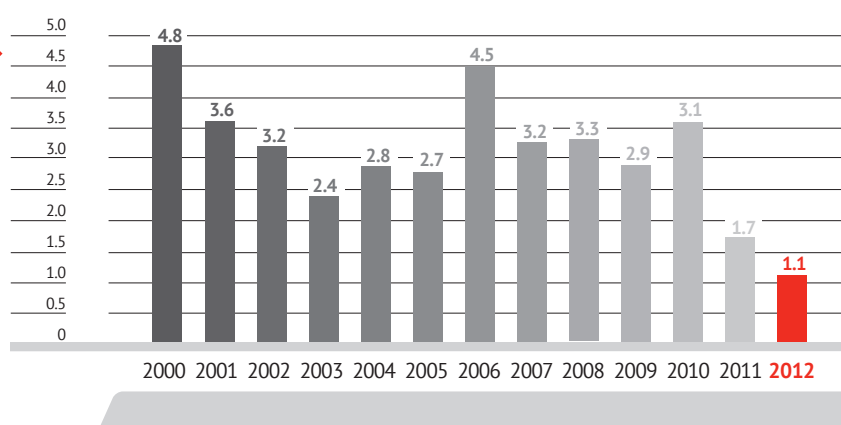


Post-accident absenteeism in 2009-2012



Incidence rates in 2009-2012



Severity rates
in 2009-2012TRR
in 2009-2012Number of accidents at
work at PKN ORLEN
in 2003-2012TRR rate at
PKN ORLEN
in 2000-2012

The Occupational Health and Safety Committee at PKN ORLEN enables employee supervision of the Company's efforts to create safe and healthy working conditions. The Committee's operation is subject to an agreement with trade unions, concluded pursuant to the provisions of the Collective Bargaining Agreement and applicable laws. The OHS Committee, which is headed by a Member of the PKN ORLEN Management Board, has a decisive voice in all matters relating to health and safety conditions at the Company. The Social Labour Inspectorate, which is directed by trade unions, also operates on the same principle.

PKN ORLEN has implemented a system whose function is to provide information on accidents, their causes, and the preventive measures taken. The Company's employees and contractors receive reports containing the essential facts about recent accidents.

COMMITMENT
Zero tolerance
for unacceptable risk.

PKN ORLEN has a single purpose:

No accidents – 100% safety

One of the steps it takes in fulfilment of this is the development of the OHS website, on which key issues relevant to occupational safety at PKN ORLEN and the Group are addressed. In addition, an OHS quiz for the Company's employees – 10 Questions about Occupational Safety – has been organised for a second time. Even though the questions were difficult, many participants were able to give correct answers,

which proves that our employees are well-acquainted with OHS matters. A picnic was also organised for Health and Safety at Work Day, which is a fresh initiative intended to promote awareness of occupational safety. The picnic was attended both by Company employees and external contractors.

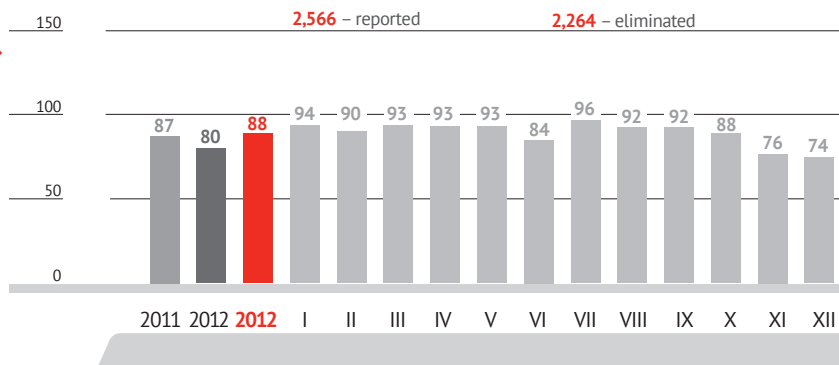
COMMITMENT
Continue organising the Health
and Safety at Work Days.

OHS event managers have been assigned to individual production areas. Coordinators, reporting directly to division heads, work with the OHS Office on implementing safety standards in their respective areas.

On November 1st 2011, an electronic system for reporting threats to health and safety at work was deployed. It requires employees to actively participate in monitoring their work environment and, additionally, serves to raise safety awareness and encourages employees to submit their own suggestions on how to improve their work environment and occupational safety. The programme was awarded second prize in a nationwide competition entitled 'Improvement of Working Conditions', in the Technical and Organisational Solutions in Practice category.

In 2012, 2,566 threats to health and safety at work were reported. But by the end of the year, we were able to eliminate 2,264 of those threats, or 88%. By assessing safety threats as they are reported, we are able to collect extensive amounts of data, which in turn allows us to prevent serious injuries. As part of the Invitation to the OHS programme, developed in 2012 and implemented in 2013, our employees can suggest their own solutions to safety issues, which are then properly evaluated.

Elimination of threats
to occupational
safety in PKN ORLEN
01/01-31/12 2012



The majority of accidents reported at ORLEN Group companies were minor accidents which did not result in long-term absences. No recurrent accidents, which are common in the chemical industry, were recorded. Owing to many years of experience in creating safe working conditions, the ORLEN Group has been able to reduce its accident rates. Post-accident absenteeism stood at a total of 2,410 days, with the severity rate (days of absence per accident) not exceeding 40 days.

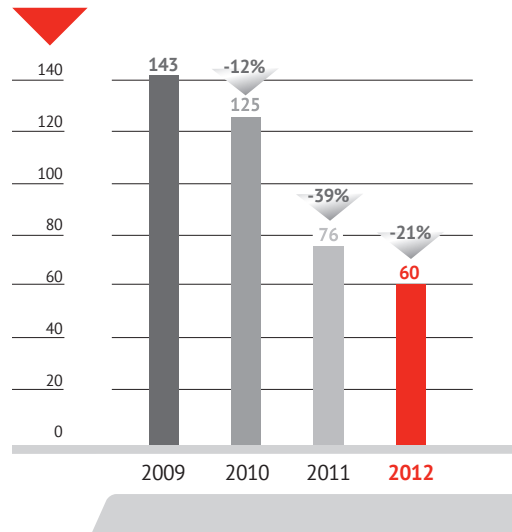
Under a new support system implemented by PKN ORLEN, Group companies undergo reviews (consultations) covering occupational safety, fire safety, process safety, and safety management. All companies providing reports and undergoing supervision as part of the system have prepared safety improvement plans for 2012-2014.

Development of a system for managing external contractor safety during repair work

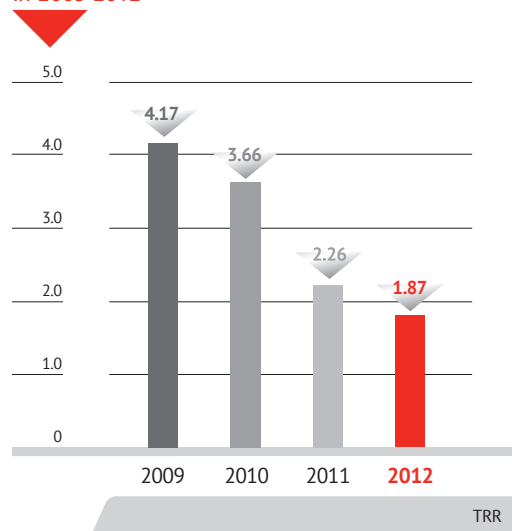
Dedicated to maintaining the highest safety standards, PKN ORLEN is determined to ensure occupational safety for its external contractors. Although the Company makes high demands on its partners, it is always ready to share its own best practice and broad experience. The system for managing contractor safety during repair work ensures safety at all stages, from preparation, to work execution, to completion. During the first stage, PKN ORLEN provides training to all workers involved in the repairs. Guidebooks and manuals have been drawn up for external companies, which are also required to submit 'OHP declarations'.

PKN ORLEN's officers exercise constant supervision over the works performed, organise regular meetings and conferences with contractors, and carry out on-the-spot inspections. After the work has been completed, the contractors are evaluated and the best of them are rewarded.

Number of accidents at the ORLEN Group in 2009-2012



TRR rate at the ORLEN Group in 2009-2012



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

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

The body of applicable legal regulations on occupational safety is subject to regular updates.

PROCESS SAFETY

Process safety relates to all activities spanning the life cycle of a given process facility (e.g. a production unit or storage tank), carried out during its design, construction, operation, maintenance, repair, modernisation, closure and decommissioning. The safety of the process and of the personnel involved is equally important, and PKN ORLEN takes special care when dealing with related incidents. In 2012, units operating at the Plock Production Plant were assessed for process hazards and risks, leading to greater hazard awareness and increased knowledge among staff of methods for preventing incidents involving hazardous materials. ORLEN Group staff participated in over 60 training sessions focusing on the operation of the Process Safety Management System. Ongoing efforts are also made to analyse potential emergencies, determine the possible dangerous consequences of an explosion, fire or release of toxic substances, and prevent the future occurrence of serious industrial failures.

PKN ORLEN's representatives have significantly contributed to a number of documents regulating process safety. For instance, they were involved in the work of the Polish working group responsible for drafting amendments to the Seveso III Directive on major industrial accidents. They have also prepared an opinion for the Ministry of Economy on issues in the announced SEVESO III Directive and draft amendment to the Regulation of the Minister of Economy on types and volumes of hazardous materials whose presence determines whether a plant is to be classified as a facility with an increased or high risk of a major industrial accident. The Group's representatives have also issued opinions on many other draft amendments to the regulatory regime.

FIRE SAFETY

PKN ORLEN operates a state-of-the-art Company Fire Brigade (CFB), as well as a National SPOT Centre¹. PKN ORLEN is also a signatory of the SPOT System. The Company fire brigade, which will turn 50 this year, combines the best fire-fighting traditions with openness to new solutions.

While regularly monitoring the condition of the fire safety systems at the Company's production facilities, PKN ORLEN continues to take steps to mitigate the risk of fire, chemical plant failure and other local hazards. Particular emphasis is placed on improving the staff's awareness of accident prevention.

List of all incidents in 2010-2012

Year	Type of incident							Total	CFB interventions
	Fires					Local hazards			
	Within the plant's grounds		Beyond the plant's grounds	Extinguished prior to the arrival of the CFB	Total	Including medical emergency calls	False alarms		
	Own	Third-party							
2010	14	1	1	4	92	63	13	125	121
2011	13	2	4	0	80	68	17	116	116
2012	14	3	4	2	91	78	9	123	123

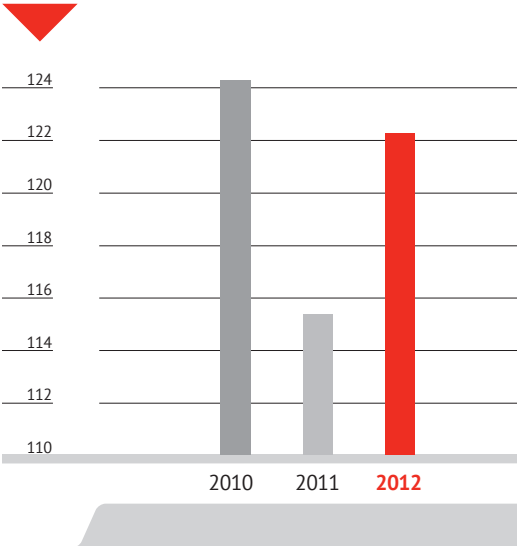
1) Assistance System for the Transportation of Hazardous Materials (SPOT).

In 2012, there were 123 incidents requiring intervention by the Company Fire Brigade. This figure has remained relatively flat for the last few years.

In 2012, 23 fires broke out, including two extinguished prior to the arrival of the Company Fire Brigade, and four which started outside the Production Plant, but within PKN ORLEN's premises. A comparison of fires which broke out in 2012 relative to previous years suggests that the number of fires at the Production Plant, at the Company's own facilities, has been consistently low. However, the last three years saw an increase in the number of fires recorded on the premises of the production plants operated by Group companies and contractors (classified together).

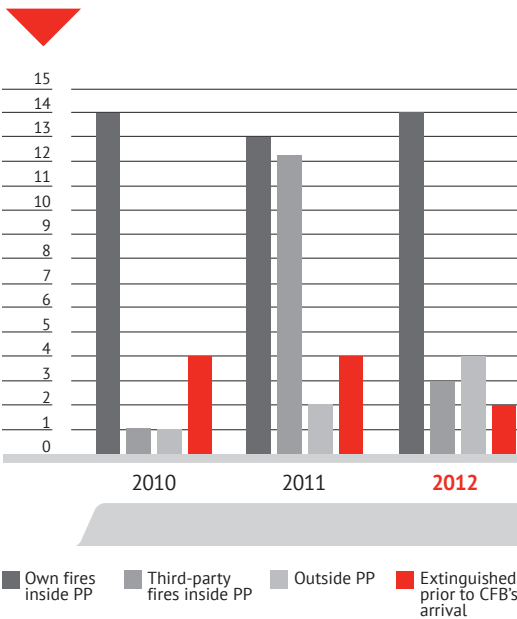
In 2012, the Company Fire Brigade recorded 91 interventions that did not involve a fire, classified as local hazards. This was a marked increase on 2011, chiefly because the CFB assisted the medical emergency services on PKN ORLEN premises, even though such emergencies were often unrelated to work. Relative to 2012, the number of CFB interventions in response to a local hazard that were not accompanied by an ambulance increased by only one.

Incidents in 2010-2012

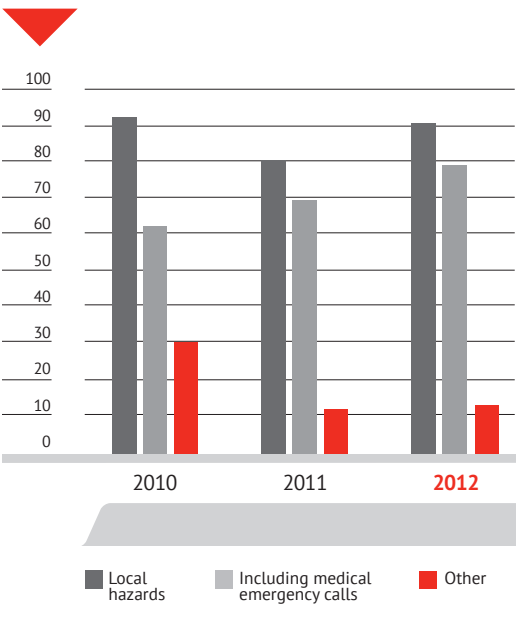


More importantly, no medium or major fire incidents were recorded in 2010-2012 at the Production Plant. Another positive development is the substantial decrease in the number of false alarms.

Fires in 2010-2012



Local hazards in 2010-2012



The effectiveness of the ORLEN fire brigade's work can not only be attributed to its state-of-the-art equipment and rigorous adherence to procedures, but first and foremost to the thorough preparedness of its team. Its fire fighters and rescue workers have taken part in training sessions devoted to removal of industrial leaks, water and high-altitude rescue operations, as well as cooperation with Medical Air Rescue helicopters. To improve their skills and enhance fire safety, the CFB also run training sessions, at which employees of PKN ORLEN and other Group companies are taught how to use portable fire-fighting equipment. As many as 288 department chemical rescuers have attended the CFB's specialist courses.



Piotr Mironiuk
Deputy Chief
of the Company Fire Brigade
PKN ORLEN

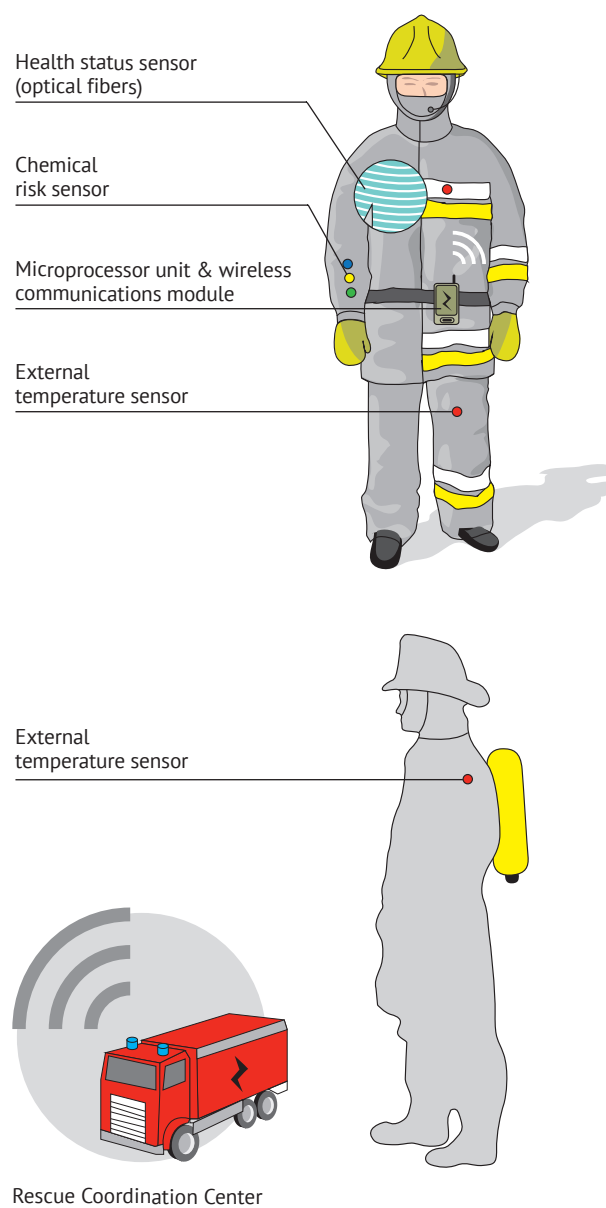
'i-Protect' is the name of a project to develop a system of independent sensors that monitor the user's vital signs, such as skin temperature, respiratory rate and heart rate. The system also includes chemical sensors measuring ambient temperature and the concentration of certain gasses, such as methane, carbon monoxide, carbon dioxide, oxygen, chlorine, hydrogen sulphide and ammonia. The chemical sensors would be embedded in the protective clothing or components of the respiratory gear.

The Company Fire Brigade collaborated on this project in a consulting role. In future, PKN ORLEN fire fighters will be testing the functionality of this advanced protection gear in challenging conditions. The first tests are scheduled for June 2013.

All recorded data will be fed to a laptop computer at the rescue coordination centre, from which users will then receive feedback on potential threats to their lives or health.

Innovative technology project

The Company Fire Brigade participates in a project aimed at raising their own safety at work. The purpose of the project, designated 'i-Protect' and launched by the Central Institute for Labour Protection in Łódź, is to design protective clothing equipped with sensors that collect data about the rescuer's environment and vital signs.



CERTIFICATES

PKN ORLEN has implemented systemic procedures compliant with a set of international (ISO 9001, ISO 14001, ISO/IEC 27001 and AQAP 2120) and domestic (PN-N-18001) standards. Furthermore, an annual report is prepared on the operation of the Integrated Management System, which is submitted to the Management Board for approval.

- 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 – Information Security Management System
- AQAP 2120:2009 – Quality Management System Certificate
- Responsible Care Framework Management System Certificate
- Company Close to the Environment Certificate
- Partner of Poland's Environment Certificate



AWARDS AND DISTINCTIONS IN 2012

- 2011 CSR Reports competition – Journalists' Award.
- The Responsible Companies Ranking – second place in the Fuels, Energy and Production category.
- Silver CSR Leaf from the *Polityka* weekly – awarded for meeting high standards of social responsibility in business.
- 2012 Leader in Responsible Business – title awarded by Employers of Poland.
- Pillars of the Polish Economy ranking – listing major employers which support entrepreneurship and get involved in initiatives for local communities.
- Golden Website Award for Listed Companies – a special award for using innovative, Internet-based communication tools in Company investor relations.
- 2012 Top Employers Poland title – granted in recognition of the very good working conditions offered to employees.
- Most Sought-After Employers According to Managers and Professionals in 2012 – first place in the Energy, Fuels and Gas category.
- Trustworthy Employer title – in the minerals production category, granted in recognition of exemplary employee and social policy practices.



- 'Improvement of Working Conditions' competition – second place in the Technical and Organisational Solutions in Practice category, in recognition of the 'Report a Safety Risk' scheme.
- Most Trusted Brand – title awarded in the service station category of the largest European consumer survey, organised by Reader's Digest.
- The MARQA'12 Most Valuable Polish Brands ranking – top rating for the sixth time in a row.
- Service Quality Emblem 2012 – granted in the service station category for prompt, professional and friendly service, as well as good customer relations.
- Educational Initiative of the Year – title awarded by the Ministry of National Education and the Głos Nauczycielski weekly, for the 'Chemistry Lesson' initiative.
- Platts Top 250 Global Energy Company Ranking – first place in the EMEA region, in the Refining & Marketing category; the ranking lists the largest refining and energy sector companies around the world.
- Patron of Polish Sport – award received based on a survey carried out by CANAL+ and the Polish Chamber of Sports.
- Responsible Care Programme – distinction for long-standing commitment and fruitful co-operation in bringing the idea behind the Programme to life.
- European Environmental Award – granted by the National Environmental Council.



DELIVERY ON OUR 2011 COMMITMENTS

Once again PKN ORLEN uses its CSR Report to publicly assume certain commitments, and to account for the progress made on last year's pledges.

AREA	COMMITMENT	PROGRESS
Reporting	Expand the range of information on the ORLEN Group's responsibility performance.	√
Environment	Implement IT tools for balancing CO ₂ emissions.	√
Environment	Continue projects designed to mitigate the Company's negative environmental impact.	√
Workplace/safety	Introduce an OHS Glossary on the OHS website.	√
Workplace/safety	Organise further OHS competitions.	√
Workplace/safety	Further develop the system of multi-channel dissemination of messages to encourage the desired workplace behaviour, especially in relation to more efficient communication.	√
Workplace/safety	Support OHS training for contractors.	√
Workplace/safety	Continue development of the contractor passport system.	In progress

LIST OF GRI INDICATORS

INDICATOR	DESCRIPTION	NOTE
Strategy and analysis		
1.1	Statement from the most senior decision maker of the organisation (e.g. CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and its strategy.	3
1.2	Description of key impacts, risks, and opportunities.	8-9, 16, 28-29
Organisational profile		
2.1	Name of the organisation.	1, 88
2.2	Primary brands, products, and/or services.	4-5, 9
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	5, 7-8
2.4	Location of the organisation's headquarters.	88
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	5, 9
2.6	Nature of ownership and legal form.	34-35
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	5, 9
2.8	Scale of the reporting organisation.	4-5, 10, 35
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	No changes have been recorded.
2.10	Awards received in the reporting period.	79
Report parameters		
3.1	Reporting period.	11
3.2	Date of most recent previous report.	2012 r.
3.3	Reporting cycle.	Annual.
3.4	Contact point.	88
Report scope and boundary		
3.5	Process for defining report content.	11
3.6	Boundary of the report.	5, 7, 11
3.7	State any specific limitations on the scope or boundary of the report.	11
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 organisations.	7-8
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	11-12
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	10, 62, 64
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	10, 62
GRI content index		
3.12	Table identifying the location of the Standard Disclosures in the report.	82-86
Assurance		
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 organisation and the assurance provider(s).	12
Governance		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	29-31

4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	30
4.3	State the number of members of the highest governance body that are independent and/or non-executive members.	29-30
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	35-37
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	30
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	30-31
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.	31
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.	Cover, 13
4.9	Procedures of the highest governance body for overseeing the organisation'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.	16, 31
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	30
Commitments to external initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	16, 27
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	6, 13, 17-18, 35
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations.	26-27
4.14	List of stakeholder groups engaged by the organisation.	4
4.15	Basis for identification and selection of stakeholders with whom to engage.	11
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	35, 39
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	10, 18, 22-23, 34, 51
Economic performance		
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 governments.	10
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	10, 27, 56
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Woman – 2.1 times higher than minimum wage. Man – 2.4 times higher than minimum wage.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	37-38
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	The Company does not have any procedures for local hiring. The proportion of senior management hired from the local community at locations of significant operation stands at 81.25% (assumptions: locations of significant operation are Plock and Warszawa, senior management includes positions from Manager III upwards).

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	16-25
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	5, 17, 22
Environmental		
EN1	Materials used by weight or volume.	10, 43
EN2	Percentage of materials used that are recycled input materials.	No such process is carried out.
EN3	Direct energy consumption by primary energy source.	43
EN4	Indirect energy consumption by primary source.	43
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	42
EN8	Total water withdrawal by source.	10, 54-55
EN9	Water sources significantly affected by withdrawal of water.	No such process is carried out.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	65
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	65
EN13	Habitats protected or restored.	No such data is collected.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	66
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	66
EN16	Total direct and indirect greenhouse gas emissions by weight.	57
EN17	Other relevant indirect greenhouse gas emissions by weight.	No such process is carried out.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	57
EN19	Emissions of ozone-depleting substances by weight.	Emissions of ozone-depleting substances are monitored based on the amount or replenished refrigerant in air conditioning units.
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	57-60
EN21	Total water discharge by quality and destination.	55-56
EN22	Total weight of waste by type and disposal method.	60-62
EN23	Total number and volume of significant spills.	In 2011, at the Plock plant there were two accidental releases of hazardous substances to land. An estimated total of ca. 3.0-4.5 Mg of petroleum products was released, followed in each instance by immediate remedial action. 126.42 Mg of contaminated soil was replaced.
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.	62
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	No such data is collected.

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	40
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	No such data is collected.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	62-63
EN30	Total environmental protection expenditures and investments by type.	63-65
Labour practices and decent work		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	47
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	47
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	51, Social benefit entitlement depends only on whether an employee is employed under an employment contract, and not on the working time arrangements.
LA4	Percentage of employees covered by collective bargaining agreements.	48
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.	70, 73
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	71
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	51
LA9	Health and safety topics covered in formal agreements with trade unions.	51
LA10	Average hours of training per year per employee by gender, and by employee category.	49
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	49-50
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	50
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	31, 48
LA14	Ratio of basic salary and remuneration of women to men by employee category.	48
LA15	Return to work and retention rates after parental leave, by gender.	47
Human rights		
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	No such data is collected.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	No such training is provided.
HR4	Total number of incidents of discrimination and corrective actions taken.	None.
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 rights.	In accordance with the provisions of the Collective Bargaining Agreement, PKN ORLEN respects the freedom of activities and equality of trade unions and does not discriminate against employees on grounds of trade union membership or non-membership.

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	PKN ORLEN does not employ children. The recruitment process is transparent and each employee has become familiar with their rights and duties by reading the work rules and the Collective Bargaining Agreement. Further, the Company has implemented ethical values and has appointed an Ethics Officer to ensure that employee rights are respected in every aspect.
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.	At PKN ORLEN there are no cases of forced labour. The recruitment process is transparent and each employee has become familiar with their rights and duties by reading the work rules and the Collective Bargaining Agreement. Further, the Company has implemented "PKN ORLEN Code of Conduct". The Company has also appointed an Ethics Officer to ensure that employee rights are respected in every aspect.
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Not applicable.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	No such statistics are kept.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	No such statistics are kept.
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	None recorded.
Society		
SO2	Percentage and total number of business units analysed for risks related to corruption.	No such statistics are kept.
SO3	Percentage of employees trained in the organisation's anti-corruption policies and procedures.	13
SO4	Actions taken in response to incidents of corruption.	Not applicable.
SO5	Public policy positions and participation in public policy development and lobbying.	16
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	No detailed data is reported on the WSE.
Product responsibility		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	6
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	6
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	13
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	No such complaints have been recorded.

USEFUL LINKS

Category	Company/organisation name	Website/fanpage address
PKN ORLEN	Polski Koncern Naftowy ORLEN	www.orlen.pl
	PKN ORLEN Annual Report	www.raportroczny.orlen.pl
	Employee Volunteering at PKN ORLEN	www.wolontariat.orlen.pl
	ORLEN. Safe Roads	www.orlenbezpiecznedrogi.pl
	Stop Cafe	www.stopcafe.pl
	ORLEN for motorists	www.dlakierowcow.orlen.pl
Fanpage	Verva Racing Team	www.facebook.com/vervaracingteam
	Verva Street Racing	www.facebook.com/vervastreetracing
	Verva	www.facebook.com/verva
	Poles with Verve	www.facebook.com/PolacyzWerwa
	ORLEN Warsaw Marathon	www.facebook.com/orlenwarsawmarathon
	Stop Cafe	www.facebook.com/stopcafe
	ORLEN Team	www.facebook.com/orlenteam
	Amazing People	www.facebook.com/niesamowiciludzie
	The Best Ones	www.facebook.com/debesciaki
	Feel the Chemistry	www.facebook.com/poczujchemie
International and national initiatives	United Nations Global Compact	www.unglobalcompact.org
	Responsible Care	www.rc.com.pl
	Fairtrade	www.fairtrade.net
	RESPECT Index	www.odpowiedzialni.gpw.pl
	European Forum for New Ideas	www.efni.pl
	CR Coalition	www.koalicjacr.pl
NGO	Declaration on Sustainable Development in the Energy Sector	www.odpowiedzialna-energia.pl
	ORLEN – DAR SERCA (Gift of the Heart) Foundation	www.orlendarserca.pl
	Grant Fund for Plock Foundation	www.funduszgrantowy.plock.eu
	Good Neighbourhood Grant Fund for Ostrów Wielkopolski Association	www.funduszgrantowy.pl
	The Ignacy Łukasiewicz Museum of Oil and Gas Industry in Bóbrka Foundation	www.bobrka.pl
Industry organisations	'Sokół' ('Falcon') Wildlife Protection Association	www.peregrinus.pl
	The European Petrochemical Association (EPCA)	www.epca.eu
	CONCAWE	www.concawe.be
	Polish Organisation of Oil Industry and Trade	www.popihn.pl
CSR	Responsible Business Forum	www.odpowiedzialnybiznes.pl
	CSRinfo	www.csrinfo.org
	SGS	www.doradztwocsr.pl www.sgs.pl
	CR Navigator	www.crnavigator.com

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