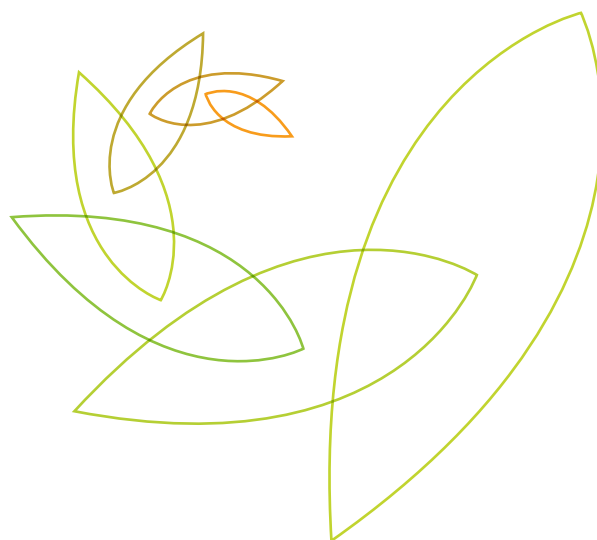


OUR PATH TO SUSTAINABLE DEVELOPMENT

2014



1. Our Company PCC EXOL SA	7
1.1 Our approach to business	8
1.2 Who are we? We create quality of life	11
1.3 What do we do? Surfactants are everywhere	19
1.4 Corporate governance - we are transparent and manage risk	25
1.5 Our values - we promote sustainable chemistry	30
2. Our way to sustainable development	38
2.1 Our impact on the environment	43
2.2 Corporate social responsibility	59
2.3 Our employees	64
3. Our stakeholders	70
4. About the report	75
4.1 Key aspects of reporting	76
4.2 The Content Index GRI 4.0	77
5. Acknowledgements	82



"Ethics is like chemistry. Its values define us to the world ...
Its reactions improve what they affect."

PCC EXOL. Our way to sustainable development

From Authors

Dear Reader!

We put in your hands the first report of sustainable development of our company. For us, this is a great moment in history, the more so that the idea of sustainable chemistry has not been an integral part of our business culture for a long time yet. This is the first publication on a scale of the PCC capital group in the world. We are very proud of this. In our report we want to talk about the impact of our work on the surrounding world. Products that we create are the fruits of passion of many "beautiful minds" that every day in their offices, laboratories and production departments, create the ubiquitous world of chemistry for current and future generations.

We invite you to the world of surfactants. Reading this publication you can touch its particles, meet chemical company which follows the difficult path to sustainable development. We are not afraid of challenges because we know the value of our work to the public. We want to continue to build this value in a responsible and sustainable manner.

[G4-1] A Word from the Management Board

Chemistry. Field of the twenty-first century.

“The chemicals market is the overflow of opportunities difficult to embrace by the human mind. It is an open space for all those who can make tough and courageous decisions. In this way, we change our world. The challenges that put our global economic and social trends mean that we liberate ourselves in what is now the most valuable. Chemical Innovation, flexibility of production, responsible transportation and sustainable energy are qualities that combine one body. Today, the PCC Group to which PCC Exol SA belongs opens to the opportunities and challenges which are inherent to the twenty-first century. We are looking for market niches and focus on the changes. We are not afraid of difficult issues, but we approach them with enthusiasm. What is new triggers in us the desire to learn. It liberates the imagination and creativity. Our organization is developing in a dynamic and sustainable way. In an era of increased competition in the chemical industry- thinking and focussing on responsible business are a necessity today. We want to invest, develop, produce ... but in a sustainable way. In order to achieve harmony in achieving the goals of economic, environmental and social issues, we establish open dialogue with stakeholders. We identify their needs, not only in an economic context. Such action is in fact a long-term factor for the success of the PCC Group. It creates our image contributing not only to increase the potential profit but promotes the values for symbiosis with the environment and responsibility towards the communities in which we operate. ”

Waldemar Preussner

The owner of the Group PCC

Dear Sirs/Madams,

It is our pleasure to invite you to read the first non-financial report of PCC Exol SA. It was developed in accordance with global standards, the latest guidelines of the Global Reporting Initiative (GRI 4.0). The areas covered by the first sustainability report of the Company also affect our attitude towards the 10 principles of business ethics developed by the United Nations Global Compact. These principles provide us with the ten commandments which are guided by putting further steps towards sustainable development. We believe that the approach that represent these international standards reveals true and fair view of doing business in a responsible and sustainable way. We hope that our publication and contents included in it will be well received by our stakeholders. The issues raised in our report were conceived, among others, based on their feedback, suggestions and requests.

With the rapid expansion of our organization, sustainability is becoming an increasingly important part of our business culture. Making smart decisions that positively affect the Company and its surroundings is not our only compensation. It is also a way to conduct our business in a manner consistent with the values that we aimed for. The success of our company is one of the reasons why more and more attention is given to conducting business in a responsible way. This contributes to greater employee satisfaction, improving customer satisfaction, strengthening relationships with local communities, investors and the whole environment in which we operate.

Responsible business culture and its values reflect our belief in doing what is good not only for our stakeholders, but also for the world around us. In the current realities of the surfactants industry, the greatest chances for success have those producers, who in addition to high quality products, favourable prices or new application solutions, offer their customers a range of value-added intangible assets, such as ethical citizenship. Investment in building strong communities inside and outside the company is its integral part. It underlines the commitment to a sustainable future acting solid platform of our business.

Mirosław Siwirski

President of the Management Board of PCC EXOL SA

Rafał Zdon

Vice President of the Management Board of PCC EXOL SA

Chemistry. A Science of beautiful minds.

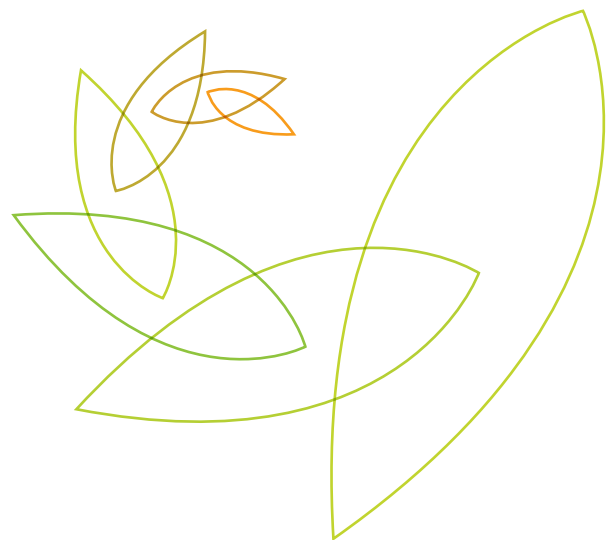
Chemistry has always fascinated people. It is one of the branches of science which involves the practical human action. Not only does it effectively permeate through every aspect of human life, but it also intrigues with its secrets, promises of great discoveries of which even the most famous philosophers did not dream. It is not by accident that I refer to their role in today's world of chemistry. Alchemy - predecessor of modern chemistry, had been born from deep philosophical reflection and openness of the human mind. Philosopher's stone, the elixir of immortality, panacea for all illnesses, have not been discovered by anyone yet. Today we are excited by them no less than centuries ago, although it is known that chemistry is an empirical, measurable and predictable science. The magical aura remained and the undiscovered is still a challenge. The secret is therefore the motor of change and the development of civilization, driven by beautiful minds and restless characters. Nature still throws us a gauntlet, invites to a duel one may never win. History shows that it is worth to take chances. On the way to perfection we discover what is so far unexplored. The impossible becomes possible and what is mysterious finds its solution...

We have a lot of open beautiful minds in Poland. These include both the people who have already left their marks on the pages of history, and modern discoverers of chemical phenomena, new technologies and applications of various compounds and processes. Just look at the achievements of chemical companies such as PCC Rokita or PCC Exol. Polish specialists working in them, many of them local, develop new technologies and applications for different chemical compounds present in various forms and areas of human life. Today, it is hard to imagine modern civilization without chemistry. Personal hygiene products, detergents, packaging, textiles, paper, building materials, medicines and cosmetics would not exist without complex chemical processes used at every stage of industrial production. Many everyday items such as furniture, windows, mattresses, clothing, electronic equipment and cars are products that are based on the achievements of modern chemistry. Thanks to chemistry the quality of those products also improves. Chemistry is hidden in almost every product contained in our environment. Even foods are largely chemically processed. Chemistry is so omnipresent. It is important that its benefits be used in a sustainable manner, taking into account minimizing the negative impact on the environment and the rational exploitation of natural resources of our planet.

Wiesław Klimkowski

President of the Management Board of PCC Rokita SA

1. OUR COMPANY PCC EXOL SA



1. Our Company PCC EXOL SA

1.1 Our approach to the business

Our mission

We create the world of surfactants, we create we innovation, and we act responsibly.

Surfactants are an integral part of our lives. They accompany us every day, no matter where we are going and where we are. Thanks to our expertise and passion to create, we make those surfactants ubiquitous. They set the trend of modern lifestyle and shape the future. It is this part of the world of chemistry which surrounds us from all sides, always ...

Our vision

We constantly strive to increase the value of our company effectively utilizing competencies, potential, innovation and resources.

[G4-8] We maintain a strong position as the leading producer of surfactants in Poland and Central and Eastern Europe. We gain new markets, we get to know new business areas in which we see the purpose of further development and improvement.

We promote sustainable chemistry-oriented rational use of resources and attention to the environment. We follow this path in order to best serve the public.

Our strategy

Our key strategic goal is to build value through sustainable use of its potential and the implementation of a number of investment projects, and thus:

- [G4-6][G4-8][G4-9] maintaining market leadership in Central and Eastern Europe and Eastern Europe and further development by expanding markets in the Middle East, Africa and Asia,
- intensive development of the production of specialty surfactants for industrial applications and intensify their sales in new market areas,
- manufacture of products offered to customers world-

wide in a sustainable manner, i.e. in compliance with all legal, economic, ethical, environmental and social standards.

- increasing margins in the portfolio of bulk goods,
- development of research and development base increasing the Company's potential opportunities and pace of development and implementation of new products,
- strengthening its position in markets currently served;
- Investments in new production capacity: an increase in production capacity of amphoteric surfactants from 2 thousand tonnes to 10 thousand tones.

Our values

The identity of our company is a set of values that define us towards stakeholders and the environment in which we operate. They define a space in which each of us finds the right place for themselves. Have an impact on the quality of our work, define trends and allow to operate in an efficient and ethical at the same time. We are aware that the position of market leader in surfactants in Poland and Central and Eastern Europe brings with it great responsibility. Employees of PCC Exol SA implement a business strategy based on the integrated value. The most important of these include:

Growth through Innovation

- We are constantly improving our products and we are looking of new applications
- Implement new solutions for our customers
- invest in new technologies

Passion for Creation

- Her work with passion
- Joy and enhance customer satisfaction in our creativity
- We have the courage to pursue bold designs
- We are open to new ideas and their authors are themselves

Honesty and transparency

- We operate in a fair and transparent way
- Always act in accordance with the law
- We respect the law, customs and culture of all of our stakeholders

Social Responsibility

- We operate in accordance with accepted principles of ethics
- We respect human rights
- We promote diversity in the organization
- We care about the environment
- We support local communities

Security

- We care about safety in the workplace
- We identify and counteract the risk of industrial accidents
- We use good practices in terms of quality and safety of our products

Continuous improvement

- We constantly complement our knowledge and share it with our colleagues
- We improve skills and eager to gain new experience
- Getting to know the latest trends and participate in their creation
- We are happy to use the knowledge and experience of our stakeholders

Policy of Social Responsibility

Our approach to social responsibility shows the four most important pillars. In our long-term business strategy we take into account not only economic, but also environmental, social and ethical considerations. The aim of the PCC Exol SA is therefore striving for a balance between the economic viability of the business and the wider public interest and responsible management of the organization. One of the key issues in the responsible management is communication with stakeholders (employees, customers, suppliers, cooperating organizations and institutions, communities and investors). Effective dialogue makes it possible to identify directions for further actions the company on the way to sustainable development.

[G4-24][G4-25] 4 pillars of socially responsible management of PCC Exol SA

1. Market

2. Organization

3. Environment

4. Society

Our commitments within 4 pillars of corporate social responsibility

1. Market

- We comply with corporate governance rules and applicable law.
- We respect the customs and culture of our stakeholders. We respect the regulations in force in the geographical areas in which they operate.
- Business objectives realized in a fair and transparent manner. We operate according to the principles of free market competition
- We promote ethical standards and anti-corruption cooperation.
- In cooperation with stakeholders, committed to the principles adopted by the Company "Diversity Charter"
- We provide our customers high quality and safety of products.
- We manage risk through appropriate regulations, tools and methods.

Our commitments:

1. By the end of 2016, we will develop a book of ethics for employees and other stakeholders of the Company taking into account the areas of respect for diversity and anti-corruption.
2. We will maintain and we improve standards related to ensuring the highest quality and safety of our products. By the end of 2016 we will implement Good Manufacturing Practice standards at the new plant for the production of betaines.

2. Organization

- We care about safe working conditions for our employees and subcontractors.
- We conduct occupational risk assessment at workplaces.
- We conduct education on health and safety at work.
- We provide all the benefits and respect the rights of employees under the provisions of the Labour Code and other regulations, internal regulations and the Articles of Association of the Company.
- We comply with the Code of Ethics in relations with employees and stakeholders.
- We respect human rights and the same we require from our stakeholders. (Code of Ethics)

- We respect the rules adopted by the Company Diversity Charter.
- We promote open communication with employees and stakeholders.
- We provide equal opportunities in terms of career development, access to training and promotion
- We promote a balance between work and private life.
- We require a fair assessment and treatment of employees at all levels of the organization (remuneration, rewards, bonuses, non-financial benefits, division of responsibilities)

Our commitments:

1. By 2017 we plan implementation and safety management system certification according to the European standard OHSAS
2. By 2017 we introduce the program and the system of effective communication with stakeholders.
3. By 2017, we will develop and introduce to the use of the Book of Ethics PCC Exol SA, which besides playing the role played by the Code of Ethics will also fulfil the role of a guide of ethical conduct.

3. Environment

- We operate in accordance with applicable legal regulations, directives and standards in the field of environmental protection.
- We limit the harmful effects on the environment by:
 - rational consumption of raw materials and materials,
 - reduction of consumption of electricity and heat, water, paper,
 - monitoring and reducing greenhouse gas emissions,
 - rational waste management,
 - reduction of waste discharge
 - fixed improvement of the abovementioned areas.
- We promote environmental education and action to protect the environment.
- We support actions and projects to protect the environment.
- We work with stakeholders applying environmentally friendly solutions, who recognize all the environmental regulations and business ethics.
- We support organizations that work to protect the environment and we are their participants.

Our commitments:

1. By 2020, we will limit emissions of greenhouse gases by 15%
2. By 2016, we will renovate the existing and new unload-

ing and loading points along with bowls on the department of ethoxylation EEO-1

3. We gradually expand electronic document circulation throughout the Company

4. Society

- Membership in national and international organizations and programs operating in the area of corporate social responsibility and sustainable development
- We participate in initiatives and social campaigns. We provide financial and material support actions, campaigns and social programs.
- We promote volunteering
- We conduct a dialogue with the local community
- We participate in the program boards, committees and teams working in the field of corporate social responsibility.

Our commitments:

1. By the end of 2016 we will develop and implement an educational campaign on energy, water and paper saving
2. We will develop effective mechanisms for communication with local communities
3. This will include the honorary patronage of the Foundation for people with mental disabilities
4. We will actively operate and work for the committee and teams to promote the concepts of sustainability in the industry

1.2 Who are we? We create the quality of life...

1.2.1 Elementary information on the Company

[G4-3] Full name of our company:

PCC EXOL Spółka Akcyjna

[G4-5] Main Office and address:

Brzeg Dolny, ul. Henryka Sienkiewicza 4

[G4-4] Scope of our activity: production and sale of anionic, nonionic, amphoteric surfactants and chemical formulations for different industries

Body that keeps the register of our company: District Court for Wrocław – Fabryczna in Wrocław, IX Economic Division of the National Court Register, KRS number 0000306150

We operate under:

- the Statute prepared in the form of a notarial deed of March 26, 2008 (Rep. A no. 5041 / 2008), as amended,
- Commercial Companies Code

1.2.2 Our profile of activity

- **[G4-9]** We are the largest producer of surfactants in Poland and Central and Eastern Europe. Performance of production units of our Company is 100 thousand tons per year depending on the type of products.
- **[G4-5][G4-9]** We conduct production activity in two domestic locations: in Brzeg Dolny and in Płock. Our products are made on 4 installations. We have our own research facilities, thanks to which we design and implement surfactants tailored to the individual needs of customers ranging from manufacturers of widely understood household chemistry, personal care and cosmetics as well as manufacturers operating in many other industries.

Our history

1967

Production of the first non-ionic surfactants starts in Poland

1989

Start of the installation plant for the production of anionic surfactants in the Chemical Plant Rokita in Brzeg Dolny

2002

Rokita wins a strategic investor - PCC SE

2008

The second production unit for anionic surfactants starts in Brzeg Dolny. As a result, the production capacity increases four times. PCC Exol is established.

2011

PCC Exol starts production of nonionic surfactants on the new installation in Płock. The Surfactants Business Unit PCC Rokita has been added to the Company. A modern, specialized company emerges, quickly becoming a leader in the production of surfactants in Central Europe and Central and Eastern Europe

2012

PCC EXOLSA debuts on the main market of the Warsaw Stock Exchange in Warsaw

2013

A US company PCC Chemax INC is included in Company's structure. Within the PCC Exol a new sales unit - PCC Exol Kýmýa Sanayý've Týcaret Lýmýted Týrketý headquartered in Istanbul (Turkey) – is also established.

2014

The Capital Group PCC EXOL grows by establishing PCC Exol PHILIPPINES INC. located in Batangas (Philippines)

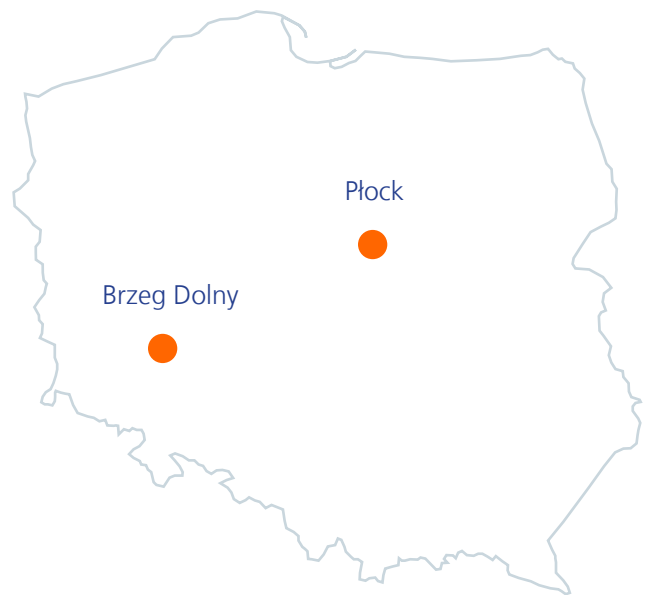
[G4-4]

Installation of sulphonation – ETS I
Efficiency about 10 thousands t/y
Production: anionic surfactants

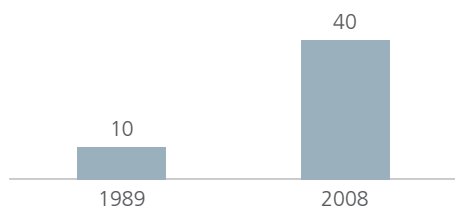
Installation of sulphonation – ETS II
Efficiency about 30 thousands t/y
Production: anionic surfactants

Installation of ethoxylation – ETE I
Efficiency about 30 thousands t/y
Production: non-ionic surfactants

Installation of ethoxylation – ETE II
Efficiency about 30 thousands t/y
Production: non-ionic surfactants



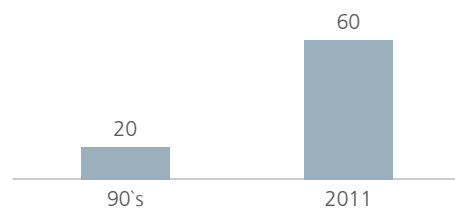
Installation of sulphonation in Brzeg Dolny launched in 2008.



Production capacity at the plant of sulphonation in thousands of t/y.

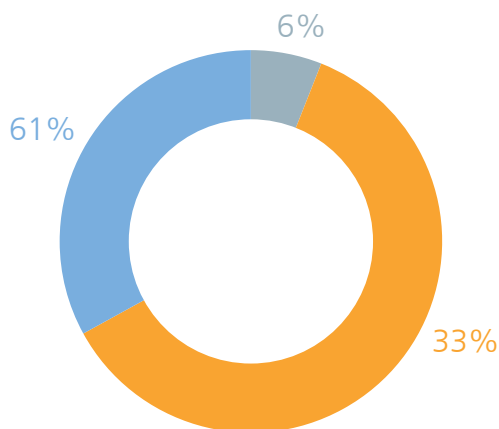


Installation of ethoxylation in Plock launched in 2011.



Production capacity at the plant of ethoxylation in thousands of t/y.

- [G4-8] We offer over 200 products used in many industries (cosmetics, detergents, personal hygiene, textiles and textiles, paints and coatings, construction, metal-working, agricultural chemicals, mining, tanning, laundry and industrial cleaning and many others.
- Intensive development of our Company's product offer is possible thanks to the use of the latest environmentally friendly technologies and carried out and planned investments. The company is consistently continuing investment in modernization and expansion of production facilities for betaine (amphoteric surfactants) environment to increase production capacity to 10 thousand. t / year. Our investment activities are focused on increasing the production power, adjusting plant for the production of highly specialized products while reducing production costs and reducing the negative impact on the environment.
- In Poland, we employ about 168 workers, including many professionals dedicated to projects in the development portfolio of products for specific industries
- [G4-6][G4-8][G4-9][G4-24][G4-25] We operate on an international scale. We deliver our surfactants to more than 350 customers from around the world
- POLAND - 117 recipients
- EUROPE - 214 recipients
- WORLD - 20
- TOTAL - 351



● Poland ● Europe ● World

Percentage of individual customers

- Since 2012 the Company has been listed on the Warsaw Stock Exchange
- We belong to the international capital group PCC SE operating in three main divisions: chemistry, energy, logistics.

- Since 2012 the Company has been listed on the Warsaw Stock Exchange
- We belong to the international capital group PCC SE operating in three main divisions: chemistry, energy, logistics.

We are present in many countries. The offer includes 200 products that we supply to 350 customers worldwide.

We work with many suppliers of raw materials and transport services. Thanks to our company and the offered range of products, employment is at least a few thousand people in the country and abroad.

With one of our products you can produce annually more than 1.6 billion bottles of shampoo. Our production capacity can fill 34 Olympic swimming pools.

83 height of Mount Everest – this the height would be formed of barrels with products of our annual production.

The annual production of one of our products is sufficient to produce a shampoo which once could wash hair of 12 billion people. This number is about 4 billion higher than our population currently stands.

Surfactants or chemical substances we produce are used in every area of human life.

1.2.3 The PCC EXOL SA Capital Group

[G4-6][G4-17] PCC Exol SA is the parent company of four subsidiaries and creates with them PCC Exol Capital Group*. As at 31.12.2014 the PCC Exol Capital Group included the following entities:

- PCC Exol SA based in Brzeg Dolny (Poland), established to manufacture and sales of surfactants for different industries,

- PCC Chemax, Inc. based in Piedmont in the United States of America established to manufacture and sale of chemicals,
- PCC Exol Kýmýa Sanayý've Týcaret Lýmýted Týrkety headquartered in Istanbul (Turkey) established to develop direct sales in Turkey and the countries of the Middle East and Africa,
- [G4-13] PCC EXOL PHILIPPINES INC. located in Batangas (Philippines), registered in May 2014. established to manufacture semi-finished products (such as alcohols and fatty acids), which are used in the production of PCC Exol.

The structure of the PCC Exol Capital Group creates the conditions for integration through access to know-how, expand production potential and new markets. This increases the independence of the organizations on the situation and the volatility of individual markets.

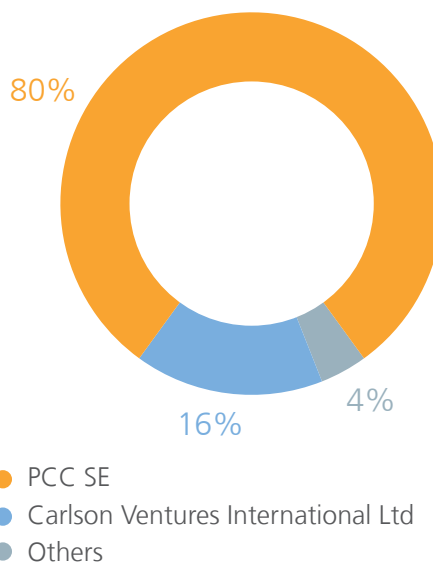
* This report concerns the PCC Exol SA

1.2.4 The Form of ownership and legal structure of our organization

[G4-7][GR-34][G4-24][G4-25]
Form of Ownership

The Shares of our Company are traded on the Stock Exchange in Warsaw since 3 August 2012. The majority shareholder is PCC SE. The owner of all the shares is Mr. Waldemar Preussner and thus controls the PCC Exol SA.

PCC SE having the majority of votes at the General Meeting has a significant influence on decisions on key corporate matters concerning the Company's operations, such as changing the Articles of Association, increase or reduction of share capital of the Company, convertible bond issues, payment of dividends and other actions which, in accordance with the Code of Commercial Companies. They require a majority of votes. It also has a sufficient number of votes to appoint the majority of members of the Supervisory Board, which in turn appoints all the members of the Board. In connection with their powers, PCC SE has the ability to exercise significant control over the operations of our Company.



The shareholding structure of PCC Exol
As at 31.12.2014

[G4-7][G4-34][G4-36][G4-LA12]
The Company Authorities

Supervisory Board

The Supervisory Board of our Company consists of five to seven members appointed for the joint term of office. The term of office of members of the Supervisory Board lasts three years. The mandates of the members of the Supervisory Board shall expire on the date of the General Meeting approving financial statements for the last full financial year of office. The mandate of Supervisory Board member appointed before the end of the joint term of office shall expire simultaneously with the mandates of other members of the Supervisory Board.

The Supervisory Board is a collective body and exercise constant supervision over the Company's activities in all areas of its operation. The composition of the Supervisory Board are tripe the Audit Committee.

Composition of the Supervisory Board as at 31 December 2014 was as follows:

- Waldemar Preussner
- Alfred Pelzer
- Wiesław Klimkowski
- Daniel Ozon
- Kamilla Spark

The mode of action of the Supervisory Board of our Company, together with its powers, controls the Articles of As-

sociation and Rules of the Supervisory Board. These documents are publicly available on the Company's website: www.pcc-exol.eu in the section Investor Relations, Company, and then in the tab: Corporate Governance.

Management

According to the Articles of Association, the Management Board consists of one to three persons, including the Chairman of the Board. The Management Board is appointed by the Supervisory Board for a joint three-year term of office. The number of members is determined by the Supervisory Board. To the Management Board may be appointed a person from shareholders or from outside. The newly appointed member of the Management Board continues to term the former member of the Management Board, in place of which he was called. Members of the Management Board may be dismissed before the expiry of the term of office by the Supervisory Board and the General Meeting.

The Management Board shall include all matters related to conducting the Company not reserved by law or the Articles of Association to the General Meeting or the Supervisory Board.

Composition of the Management Board of our Company as at 31 December 2014 was as follows:

→ **Mirosław Siwirski**

President of the Management Board

→ **Rafał Zdon**

Vice President of the Management Board

The mode of action of the Management Board of our Company, together with its privileges regulates the Articles of Association and Regulations of the Management Board of the Company. These documents are publicly available on the Company's website: www.pcc-exol.eu/investor in the section: Company/ Corporate Governance.

Product	women	men
01.01.2013	0%	100%
01.01.2014	0%	100%

Percentage of women and men in the Management Board of PCC Exol SA

Responsibility for economic, environmental and social issues

[G4-36] The Finance Director is responsible for economic issues in our Company, reporting directly to the President of the Management Board. Under the impact on society and the environment Management Board of the Company appointed a team for the supervision of environmental issues, including the reduction of GHG emissions and monitoring (UZ 31/2014). The Representative of the Management Board CSR and Sustainable Development and the Supervisor of Management System are responsible for environmental and social issues reporting directly to the President of the Board.

The Management Board and Audit Committee are obliged to report directly to the Supervisory Board. Before the scheduled meeting of the Supervisory Board, the Management Board prepares information on all important matters concerning the Company's operations, covered, in the agenda of the meeting of the Supervisory Board. The information must be communicated to the members of the Supervisory Board in the manner and within the time agreed with the Chairman of the Supervisory Board, or resulting from resolutions or minutes of the meeting of the Supervisory Board.

1.2.5 Main areas of the activities of the Company

President of the Management Board –Mirośław Siwinski

Vice President of the Management Board – Rafał Zdon

Production	Production Director: Henryk Korensztajn Sections of sulphonation ETS-1 and ETS-2 - Production Manager: Leopold Kędzierski Department of "ethoxylation ETE 1 - Production Manager: Robert Giza Department of ethoxylation ETE 2 - Production Director in Płock: Marcin Pierzgalski
Sales	Team for Detergents and Personal Hygiene Products - Global Key Account Manager: Sebastian Budniak Team of Industrial Applications - Sales and Marketing Manager: Marta Gratka-Jaszczyzyn
R&D	R&D Manager: Alina Jakob
Finances	Finance Director: Zuzanna Klimkowska
Marketing	Marketing & Sustainable Development Manager: Beata Gruś
Raw Materials	Purchasing Manager: Anita Żurek-Kubacka
Planning and Logistics	Planning and Logistics Manager: Beata Reguła
Investor Relations	Public Relations Manager: Marlena Matusiak
Systems of Management	Management System Supervisor: Emilia Drzymała
CSR	CSR & Sustainable Development Manager: Beata Gruś

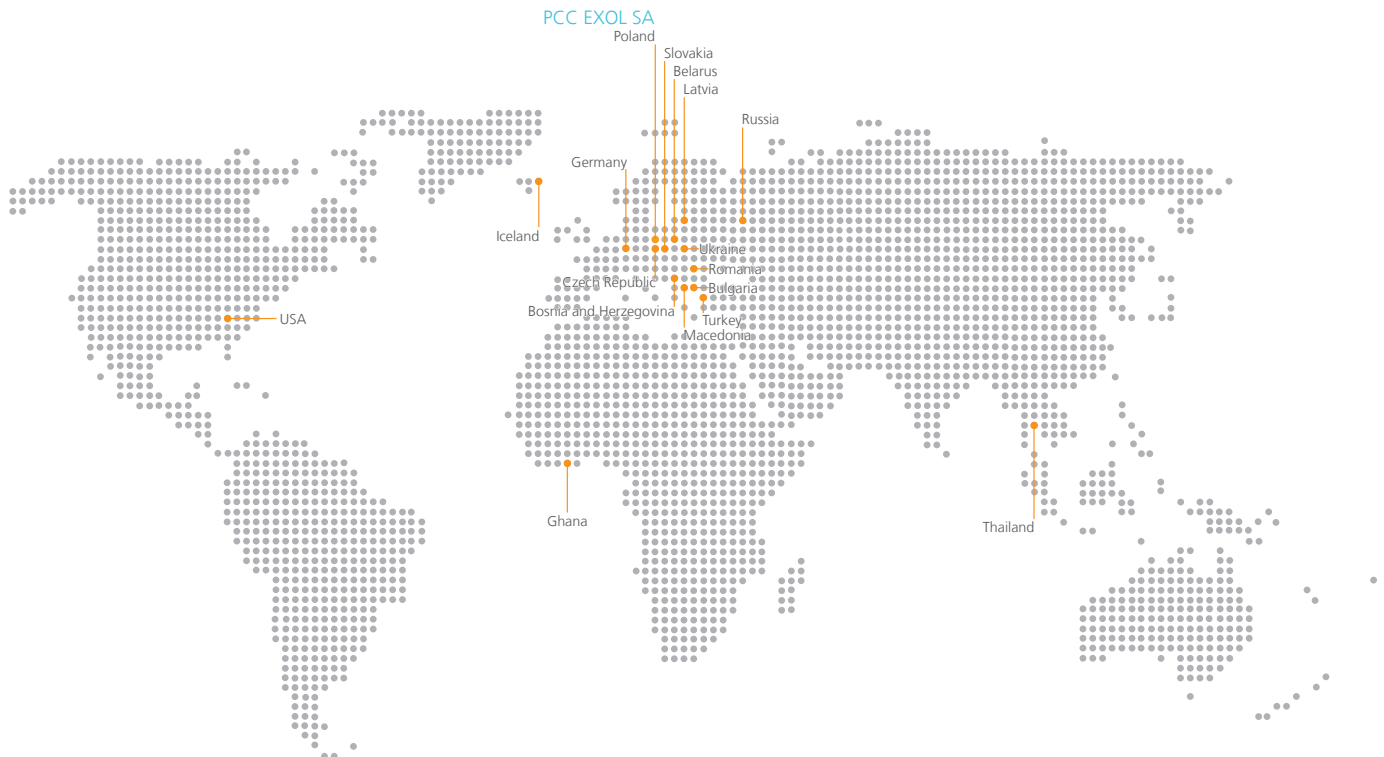
1.2.6 PCC SE

We belong to an international capital group, managed by the company PCC SE, which operates in many markets: of chemical products, transport, energy, coal, coke, petrol, plastics and metallurgy. PCC SE invests in the most efficient production lines, uses modern technologies, based on the principle of sustainable development. The company continually takes investment actions with due concern for the environment.

PCC SE builds its value based on knowledge, experience and commitment of over 2,800 employees in 38 locations located in 17 countries European and the world. Group turnover for 2014 reaches EUR 648 million. PCC SE has its registered office in the town of Duisburg-Homberg, Germany.

Consolidated revenues from sales of the three main divisions - Chemistry, Energy and Logistics - have increased since its founding in 1993, from less than 60 million euros in 1994 by approx. 625 million euros in 2013, to 648 million euros in the previous year 2014.





Operating in 17 countries and in 38 different locations, PCC SE employs about 2.8 thousands of employees today.

[G4-17] Our Company in the structure of PCC SE

PCC operates in three main divisions: chemistry, energy, logistics and in 8 segments.



1.2.7 Selected financial data

The most significant factors affecting the Group's financial results (of being represented graphically - information to the Agency)

Net profit of our company in 2014 amounted to PLN 3.3 million and was lower by 53.1% than in the previous year.

The main factors influencing the financial results in 2014 were:

- an increase in sales revenue of PLN 45 million compared to 2013, representing 11.6% and the result of higher sales in the domestic market and the higher value of sold goods and materials,
- an increase in cost of sales of PLN 42.4 million in comparison to the previous year, representing 12.2% and is mainly due to higher costs of materials and energy,
- an increase in general and administrative expenses of PLN 1.6 million, compared to 2013,
- decrease in other operating income of about PLN 7.1 million, compared to the previous year due to one-off event, taking place in 2013, for the sale of rights to use the technology in the amount of PLN 6.3 million.
- higher result on financial operations by PLN 1.1 million compared to the previous year resulting from lower interest costs for loans and higher interest income from debt repayments.

“Increasing the share of specialty surfactants in the total sales structure will enable us to generate higher margins and build lasting, long-term relationships with increasingly demanding customers. Production flexibility of our Company opens new opportunities for cooperation in the provision of specialized products from the „tailor-made” group.”

Mirosław Siwirski

President of the Management Board of PCC

Important data

Major synthetic financial data in 2014	[in thousands of PLN]
Revenues from sales	433 526
Own cost of sales	-389 029
Costs of sales	-16 582
Cost of General Management	-10 115
Other revenues and operational costs	-474
EBITDA	25 365
Result on Operational Activity (EBIT)	17 325
Result on Financial Activity	-12 790
Gross profit	4 536
Net profit	3 272

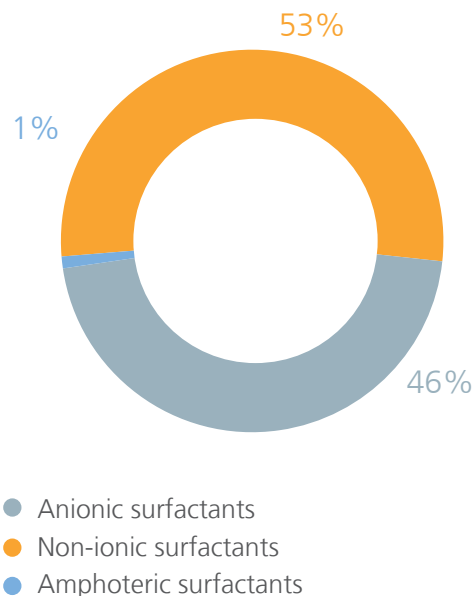
Revenues from sales

In 2014 years we achieved revenues from sales of products, goods and services at the level of PLN 433.5 million. Compared to last year sales increased by PLN 45 million, i.e. 11.6%. In the analysed period, revenues from sales of

products amounted to PLN 352.6 million and were about 24 million higher compared to the previous year. The increase in sales revenues resulted primarily from higher sales on the domestic market.

We also recorded higher sales of goods and materials. It stood at PLN 80.2 million, an increase of PLN 22 million in comparison to 2013. Represents an increase of 38% compared to the previous year.

In 2014 years the sales of services amounted to PLN 0.7 million and were lower by PLN 1.1 million than in 2013. Non-ionic surfactants had the largest share in the revenue structure of our Company. Revenues from sales of this product group totalled PLN 185.9 million, i.e. 53% of total revenues from sales of products. They were higher than in the previous year by 5.9%. The sales of anionic and amphoteric surfactants also increased.



Revenues from sales according to products in 2014

1.3 What do we do? Surfactants are everywhere...

We manufacture and sell surfactants, that is specialized chemical products used in many industries around the world. The very word "surfactant" or even the term "surfactant" may arouse aversion and uncertainty. In fact, it is associated with complex chemical formulas, equations of complex chemical reactions, seemingly extremely difficult definitions and intricate processes. However, on closer examination the specificity of these compounds, we begin to realize that their role should not be overestimated. The vast majority of everything that surrounds us, contains surfactants in its composition. Surfactants improve the quality of human life, making it better, healthier and more comfortable.

Surfactants – invisible for the eyes but present in our everyday life.

We use these substances directly, while using cosmetics, taking a bath or shower, washing up or washing clothes.



At home



While we travel



In our wardrobe



In the industry

What is more, the surfactants are involved in key processes in many industries during the production of goods of daily use. Driving a car, buying vegetables, painting a wall of your apartment and wearing a T-shirt, we often do not realize that surfactants with specific properties took part in the preparation of all those products. These compounds have been present in a person's life since always - their natural counterparts are even in our lungs, supporting the process of breathing.

Surfactants - multifunctional substances - they operate in multi directions

What are the functions of surfactants? They foam, emulsify, moisten, cleanse

Actions of surfactants:



They foam: they cause the formation of soap bubbles



They moisten: they cause penetration of water in the fabric structure, the water does not stay on the surface



They emulsify: It allows mixing of the two non-unified substances with each other (e.g. water and oil)



They cleanse: they allow the removal of contamination.

Why the gypsum board, scarf and dishwasher have the same substances? Because we use surfactants in their production.

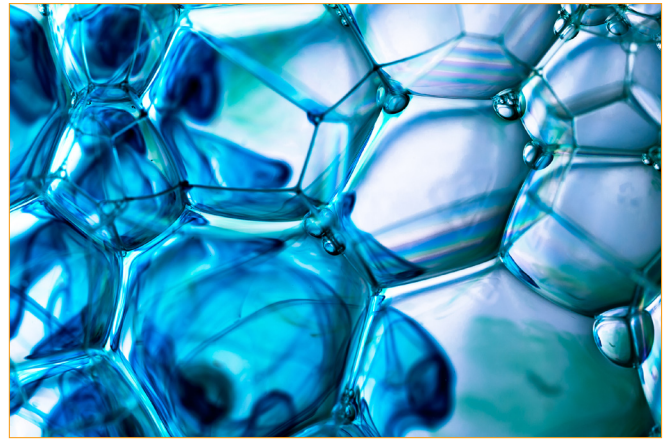


How is foam created?

The foam is formed when the air penetrates to water with surfactants. While trying to get out of the liquid the air causes the molecules of the surfactant forms a thin film, seen in the form of bubbles. A bubble moves upwards, and when it gets through surface it captures some water with the surfactant film.

The ability to foam is important for industrial applications such as mineral extraction, preparation of fire-protection agents in detergents or in the food industry e.g. the production of whipped cream, etc.

Foam in the case of detergents to prevent dirt from accumulating in the process of washing or cleaning, and post-rising foam when added to the bath fluid slows the cooling of the bath and gently do massaging of the body.



At Home

Surfactants are ubiquitous in our everyday life. Most of us are often not aware of their existence. In our homes we can find many examples of the use of surfactants, for example in the form of "detergents or cosmetics. Today it is hard to imagine modern life without the use of laundry detergents, dishwashing liquids, cubes and powders for dishwashers, preparations for cleaning floors, windows or toilets. These products are permanently etched making them more worthy and above all more pure.

The liquid fabric softener includes in its composition cationic surfactants that soften the fabric making it soft and fragrant and pleasant to the touch.

Washing powder owes its detergency of the composition of anionic and nonionic surfactants.



Creams, lotions and some make-up products are produced from surfactant with mainly the role of emulsifiers which combine ingredients fatty water. In this way they form a single, smooth emulsion which has a positive effect on our skin.

Toothpaste surfactants (SLS) are one of the main components of toothpastes. They are responsible for the cleaning action of toothpaste and foam formation, which greatly simplifies the cleaning process.

Dishwashing liquid due to the presence of nonionic and anionic surfactants, effectively removes dirt and grease from the surface of soiled dishes to other surfaces.

Pharmaceuticals are the products require special manufacturing conditions. Surfactants are used as additives in the production of medicines, ointments and suspensions should be manufactured to the most restitution rules of hygiene and have appropriate tests and certificates.

The travel

Regardless of whether you are moving a car to the crowded streets of large urban areas or fly a plane over the seas and oceans, or move on foot with a map in hand through the enchanting tourist bang, everywhere they accompany us surfactants included in the composition of various kinds of elements, e.g. tourist equipment, fuel, parts of machinery.



Surfactants are found e.g. in the composition of specialized means to defrost and remove ice from the surface of passenger aircraft. The metal car bodies are chemically treated and prepared for painting with surfactants.

Waterproof fabrics is made possible by the use of surfactants for specialist impregnation.

The paper is formed by using surfactants that are involved in a number of processes of paper and printing processes.

Special materials used for de-icing an aircraft are manufactured based on specialized surfactants.

The metal body is treated and prepared for painting by using surfactants.

Rubber industry uses surface-active agents, not only to the production of tires, but also other rubber components (e.g. seals).

In a wardrobe

Did you know that your wardrobe is a place of advanced technologies?



You'll find them in high-tech fabrics - for medical applications, sporting, aerospace or automotive. From the colourful ball of cotton T-shirt or piece of leather to colourful purses operates a number of processes (degreasing spinning, dyeing, printing), Our wardrobe is full of advanced technology.

Natural fibres - such as wool and cotton are degreased in surfactant solutions to remove oil and dirt in preparation for spinning and colouring

Natural and artificial materials

Surfactants are used in the process of processing leather and plastic products.

Colours

The colours of fabrics gain their durability and saturation through the use of surfactants in the process of dyeing and processing of fibres. Surfactants allow uniform distribution of dyes. This results in very large areas of fabric have a uniform colour and are evenly stained.

In industry

The chemical industry is one of the most important sectors of processing industry. Our products are used not only in textiles, and household chemicals, but also in the metallurgical industry, food, paint and agrochemical, plastics, construction, mining, petrochemical, plant protection products and other industrial applications.

Paint - the composition of surfactants, act as emulsifiers and wetting agents. Their use improves durability and easy application on all kinds of surfaces.

Plant protection products - pesticides (herbicides and insecticides) contain surfactants in the composition of lowering the surface tension of the fluid. Thus, it is better absorbed by the plant, thereby improving the effectiveness and efficiency of the pesticide.

GLOSSARY OF INDUSTRY TERMS

Herbicide: means for weed control

In the food industry and in industrial cleaning, special low-foaming surfactants.

Plasterboard which are then expanded using surfactants

Massive amounts of surfactants are used in the hydraulic fracturing of shale gas in mining and the extraction of crude oil.

GLOSSARY OF INDUSTRY TERMS INDUSTRY

Shale gas: Natural gas extracted by an alternative method. Polish resources of this gas are probably one of the richest in the world.

The variety of surfactant determines their wide application in various industries, from here:

1. Bulk surfactants

As their name implies, they are distributed in large quantities, and their production takes place repeatedly, according to standard technological schemes. Price and repeatable quality is crucial to the sales of these products, as well as timeliness and speed of delivery. Bulk surfactants are mainly produced in continuous processes. These products belong to the group of low margin. Their price is more dependent on raw materials prices than in the case of the specialized surfactants.

Household chemicals and cleaning and industrial cleaning

EXOLhomeline™



Personal hygiene products

EXOLcareline™



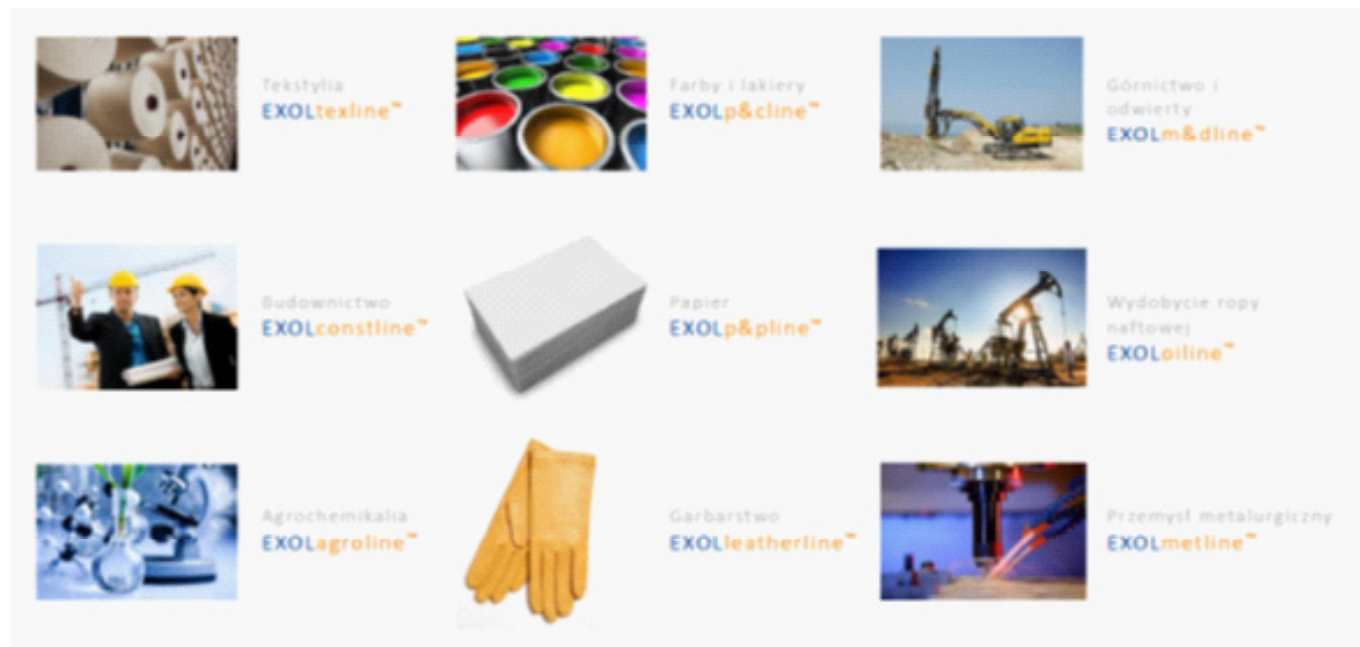
2. Specialist Surfactants

Specific surfactants that meet special needs of customers, are mainly used in industrial applications and in production of cosmetics. In this case transport costs are relatively low and thus the producers have the ability to deliver them to any place in the world. Price of specialist surfactants depends to a much lesser extent on raw materials prices. These products are characterized by lower availability in the market and they are manufactured by few manufacturers. Technology of their manufacturing and applications is crucial for the quality and attractiveness of specialty products. The specificity of these products translates

into higher margins for their manufacturers. Producers of specialized products usually incur significant expenditure

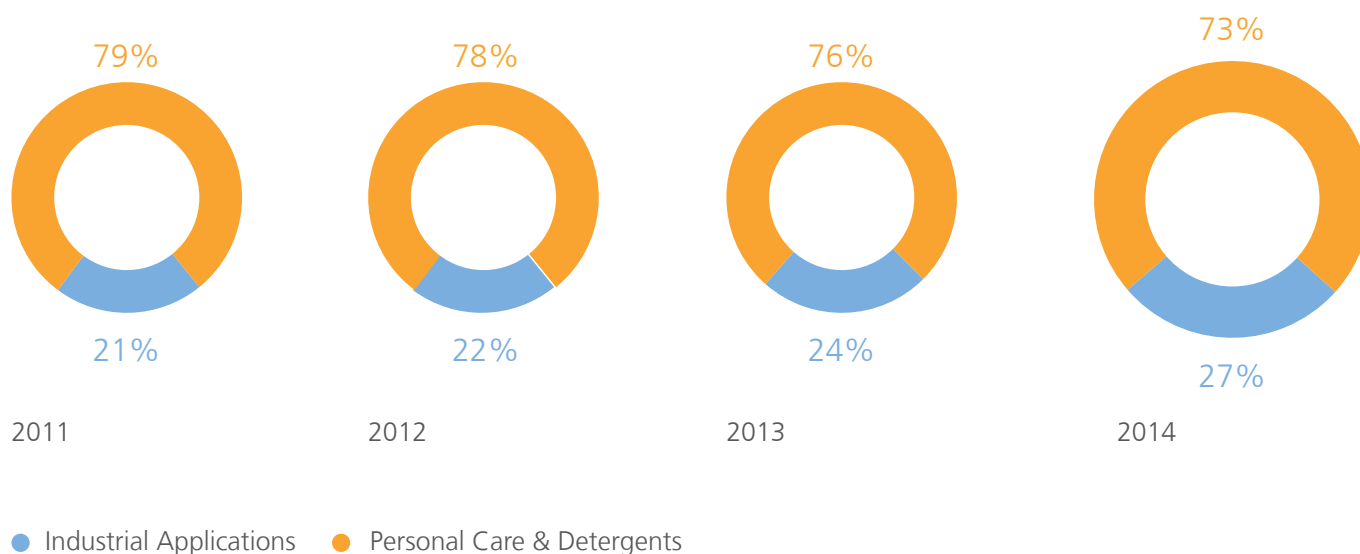
on research and development (R & D), especially in terms of unique applications of surfactants in various industries.

Product lines by industries



Specialist Surfactants is a second group of products manufactured and sold by our Company. Their share in the structure of sales increases from year to year. Extensive development and testing result in the placing on the market of new specialty surfactants with unique applica-

tions and properties. The Company conducts and implements new projects for the production of surfactants from the group of tailor-made, responding to the individual needs of customers.



Sales Structure of PCC Exol SA Specialist Surfactants vs. bulk

Calendar of major events in the years 2013/2014

→ **November 2013** - we made RSPO certification system (Roundtable on Sustainable Palm Oil), thanks to it we identify the flow of materials based on palm oil supply chain. We support the organization of the RSPO to achieve sustainable palm oil and its derivatives in the world. We operate on the basis of the criteria and ethical and environmental principles set by the RSPO. In November 2014 we passed a positive first surveillance audit and certification maintained in the variant Mass Balance, for another year.

→ **November 2013** - we became one of the most innovative debutants on the stock exchange in Europe. We were awarded in the first edition of the "European Small and Mid-Cap Awards" in the category of most innovative newcomer.

→ **February 2014** – we received honourable mention in the competition "Business Cheetah", organized by the Institute of Modern Business. We ended up in the top thirty most dynamic enterprises in the production of dyes, pigments and other organic basic chemicals in Poland.

→ **April 2014** – we ended up on the list of 500 largest and most active Polish firms - ranking for 2013.

→ **July 2014** - we are among the signatories of the UN Global Compact organization promoting 10 principles of sustainable development, including aspects such as the protection of human rights, care for the environment and anti-corruption.

→ **July 2014** – we proceeded to a national Responsible Care program and became a full member. Adhering to this initiative, we identify, monitor and report the environmental, economic and social aspects of their business. We set and realize business objectives based on global guidelines for sustainable development and corporate social responsibility.

→ **October 2014** – we received a Silver Level Responsibility. We have been awarded for CSR activities by the international platform CSR- EcoVadis

→ **November 2014** – we received the prestigious award the title of "Pearls of the Polish Economy" in the category "Large Pearls". Chapter of the plebiscite honoured our Company for consistent implementation of business strategy and strong position among the most promising and effective companies in Poland.

→ **November 2014** – we implement a system of Good Manufacturing Practice GMP EFfCI by the Federation of European standards and passed certification audit positively. This system provides a high level of safety and quality of products offered to customers operating in the cosmetics, personal care and detergents. Nationally, the EFfCI GMP is a kind of "novelty". Our company is the first company in Poland, which received an international certificate of Good Manufacturing Practice for cosmetic raw materials.

→ **November 2014** – we made considerable progress in the evaluation report Carbon Disclosure Project, where we received a very high score 81 points.

→ **December 2014** - we developed and implemented a set of company values and business ethics in the form of the Code of Ethical Conduct suppliers and other stakeholders.

→ **January 2015** - we are among the companies honoured in the Business Cheetah Competition, organized by the Institute of Modern Business. We ended up in the top thirty most dynamic enterprises in the production of dyes, pigments and other basic organic chemicals. The competition concerned the activity for the year 2014.

1.4 Corporate governance – we are transparent and we manage the risk

Our company has been present on the Stock Exchange in Warsaw (GPW) since August 2012. Therefore it applies the principles of corporate governance described in the document "Good Practices of Companies Listed on GPW." The document was adopted by the GPW Supervisory Board in July 2007. The Content of Best Practices, reflecting any changes made by the Resolutions of the GPW Supervisory Board can be found on the website: www.corp-gov.gpw.pl.

Detailed information on corporate governance principles in our Company can be found on the website www.pcc-exol.eu/investor in the Company / Corporate Governance.

This information shall include among others:

- Statement on application of corporate governance principles
- Articles of Association of the Company
- Regulations of the Management Board
- Rules of the Supervisory Board
- Regulations of the Audit Committee
- Regulations of the General Meeting

[G4-2] Key risks associated with the activities of our Company

Our business is exposed to various types of risks such as operational risk, financial, business, associated with the macroeconomic situation, political, legal, environmental and reputational. The most important ones shown in the following diagram.

OPERATIONAL RISK

The risk of interference of production processes or major industrial accident

The Company's basic operation relies on the processing and production of chemicals. Some raw materials used in the production are flammable, explosive or toxic substances which pose a threat to the environment, health and life of employees of the Company, as well as residents of nearby towns. In accordance with the provisions of the Environmental Protection Act, the Company has been included to plants with a high risk of industrial accidents.

Disruption of production processes can occur as a result of a series of events beyond the control of the Company, including problems with the supply of raw materials and utilities, as well as the occurrence of events such as natural disasters, strikes or terrorist attacks.

We have our security systems and procedures operating at all levels of the organizational policy, including those relating to health and safety, and protection against the occurrence of major industrial accidents.

The risks associated with dependence on suppliers and raw materials supply disruptions

Specific nature of surfactants industry causes that for most materials there is a limited availability of the number of suppliers. In our opinion, we are not a crucial or strategic recipient of any of them. Therefore, one cannot exclude the risk of unforeseen difficulties in execution of deliveries, which can lead to disruptions in production liquidity. There is a risk that in the event of, among others, failure or unplanned outages at the plants of suppliers, we will be obliged often to realize supplies of raw materials from alternative sources, or completely halt production of certain surfactants. We cannot assure you that in the long term purchases of raw materials from regular suppliers will take place in a continuous or timely manner. Interruptions in the supply of raw materials to our plants, or restriction of supply may cause interruptions in production, reduction or suspension.

Counteracting these risks we are constantly looking for alternative sources of supply. We follow the trends and continuously monitor trading and availability of chemicals used in the production of surfactants. These are important actions not only from the point of view of risk analysis, but also in identifying opportunities and using strengths in the creation of the Company's purchasing policy.

Risks related to land, groundwater pollutions and costs of remediation incurring higher than expected

The risk of environmental pollution of land in our area is one of the potential environmental problems. Because of the ability to detect contamination of land and its further spread, we have an obligation to monitor pollution and

are required to produce an initial report before upgrading the integrated permit. For the first time after the entry into force of the 2014 amendment to the Environment Protection Act, as set out in the report of the initial state of pollution of land and groundwater will be the basis for assessing whether after the end of the state of pollution of these elements of the environment deteriorated. Causing groundwater pollution could result in the need to take protective-reclamation.

We conduct continuous surveillance of places of storage and trans-shipment operations, which could lead to uncontrolled emissions of chemical substances into the environment. It cannot be ruled out that the development of our product range will entail the necessity of incurring additional expenditure on the maintenance of appropriate safeguards to land and water. Currently we comply with all legal requirements, monitor risk and identify potential threats in order to react as quickly as possible to any interference in each area of the Company's operation.

You should also take into account the fact that potential changes in legislation (including EU directives) may impose on us obligations associated with the removal of impurities. In accordance with the requirements of Directive 2000/60 / EC (the so-called. "Water Framework Directive") management plans have been developed and approved by the Council of Ministers on 22 February 2011. The intentions included in the plans may have an indirect impact on the responsibilities of our Company, and consequently the costs of adaptation measures.

The risk associated with the aftermath of accidents at work and occupational diseases

In connection with its activities and specificity of the industry in which we operate, a significant part of the workforce are employed in positions exposed to harmful and cumbersome agents.

In the case of increasing requirements related to safety and hygiene at work, in particular: extending the list of occupational diseases, impose additional obligations in terms of job security, growth in the number of accidents at work and statements of occupational diseases, the Company could be required to incur additional costs.

To prevent this kind of risks we make a regular assessment of jobs. Furthermore, the safety and health at work is one of the key elements of the Optima Programme "law and order" carried out by all companies in the PCC Group. It

is an employee-related initiative that promotes ensuring safety in the workplace by maintaining standards, complying with procedures and caring about the condition of installations, machinery, and other devices in the workplace.

The risk associated with the possibility of workers' collective disputes

Our company is exposed to the risk of dealing with employees' collective disputes, and therefore it may in the future be required to conduct lengthy negotiations with trade unions or even expect strikes, interruptions or other industrial action.

Therefore, the Management Board maintains an open, meaningful dialogue with the Trade Unions and communicates with their representatives in an open way based on partnership.

The risk of failure of information systems

The activity of our company involves the use of IT systems necessary for both operational activity, as well as management tasks. In addition, we use advanced computer programs used for controlling production processes. ICT area is served by the Company PCC IT SA based in Brzeg Dolny, which is a subsidiary of PCC SE. The company acts as a competence centre for IT, providing services for us. Occurrence of the failure of systems used in the Company could result in temporary shutdown of production and could have a negative impact on the business, financial condition or results of operations.

We have developed and implemented appropriate procedures and emergency solutions in case of failure of IT systems. PCC IT providing ICT services for the benefit of our Company also has adequate protection against unexpected events that may cause adverse effects on business.

The risk associated with the majority shareholder and relation to entities from the PCC Capital Group

PCC SE is our parent company. With the majority of votes at the General Meeting of Shareholders, PCC SE can have significant influence on decisions on key corporate matters concerning the Company's operations, such as changing the Articles of Association, increasing or reducing the Company's share capital, issuing convertible bonds, payment of dividends and other actions which, in accordance with the Code of Commercial Companies require a majority of votes (ordinary or qualified) at the General Meeting.

PCC SE also has a sufficient number of votes to appoint the majority of members of the Supervisory Board, which in turn appoints all the members of the Management Board. Due to the held authority, PCC SE has the ability to exercise significant control over the Company. Therefore, there is a risk that while performing its corporate powers, PCC SE can act in a way contrary to the interests of the Company or other shareholders.

We are strongly linked with entities in the PCC Capital Group. These links include, inter alia, sales of products to entities of the PCC Capital Group and deliveries of raw materials performed by the companies from the PCC Capital Group to our Company, as well as provision of services necessary for the performance of our ongoing operations. Special relation involves PCC IT SA in the use of information technology and telecommunications, maintaining servers, Internet domains and sharing of equipment.

There is a risk that, if our Company leaves the PCC Capital Group, there will need to involve alternative suppliers of services currently provided by entities from the capital group, which may have a material adverse effect on the business, financial condition or results of operations of the Company.

FINANCIAL RISKS

The risk of increased costs of financing

To a large extent we finance our activities with external capital, including loans and borrowings whose interest rates depend on the reference rates and the margin accounted by the lender. Failure to comply with certain debt covenants could result in an increase in the margin lender. We are therefore exposed to the rising cost of debt financing, which would adversely affect the financial costs and thus the financial result. The increase in financing costs also translates into the ability of the Company to raise additional capital, among others, for new investments and the possibility of using financial leverage.

Foreign exchange risk

A significant part of the sale of our company is associated with export products. In 2014 the share of exports in sales amounted to approximately 40%. A large part of domestic revenue, as well as purchases of materials for production in foreign markets occurs in foreign currencies, including EUR and USD.

Foreign exchange rate risk also applies to loans, borrow-

ings and other liabilities settled in foreign currencies. Changes in foreign exchange rates, which make settlement or payment, may adversely affect the business, financial condition or results of operations.

Revenues dependent on foreign currency dominated in recent years over the cost dependent on foreign exchange, and as a result we had a positive currency exposure. The depreciation of the Polish zloty was generally conducive to the improvement of the operating result, while the appreciation of the Polish zloty led to lower profitability.

The risk of inadequate insurance protection

Our business is exposed to a number of risks related to exceptional occurrences or independent from us. The production process involves the risk of various types of damage, including the threat of destruction or damage to property.

Through proper insurance contract limit the economic effects of risks that may occur in our business.

LEGAL RISKS

The risks associated with the decisions of authorities dealing with competition and consumer protection

Due to the nature of our business we have a strong position in the Polish market of surfactants. Our activity must be conducted in a manner consistent with the rules on competition and consumer protection and public assistance. Taking into account the above aspects, we are subject to supervision by the competition protection authorities, namely the President of the OCCP and the European Commission.

Consequently, there is risk associated with the possible acquisition of other entities, which may require consent for accumulation issued by Polish or foreign competition authorities. Obtaining such consent is conditional, inter alia, on an assessment of the impact of the accumulation on competition in the market. There is no guarantee that such approval will be granted. Denial of the accumulation for a specific acquisition will prevent its execution and may limit the Company's potential for development.

We cannot exclude that the competition protection authorities will refuse consent for accumulation or find that our actions violate the principles of free competition, concerning in particular the abuse of a dominant position.

Therefore, the competition protection authorities may apply penal sanctions in relation to our Company, which could have a negative impact on the business, financial condition or results of operations of the Company.

Risk of tightening of the provisions relating to the exploitation of the environment and safety

Currently we have all necessary permits for our operations. But we cannot exclude a situation in which:

- the legal authorities will tighten requirements for environmental protection, in particular due to the introduction of provisions of the Community law
- new obligations are imposed in the field of environmental protection, or
- the Polish legislator will be forced to make changes in the interpretation of legislation related to the use of the environment as a result of the recognition of incompatibility with Community law.

In accordance with the requirements of the Industrial Emissions Directive replacing the IPPC Directive, during a review of Bref documents the so-called BAT conclusions will be issued, and emission standards for individual processes set out in those conclusions will become mandatory after 4 years from their publication.

Due to the fact that the Polish provisions on emergency and rescue plans have not been fully adjusted to Community legislation, the need to make changes in this respect may incur additional expenditure on investments. Such a situation could result in the need to incur higher investment costs, or the adaptation of the existing installations to the new rules.

Consequently, any adaptation measures could have a negative impact on the financial position or results of operations of the Company.

The risk arising from lawsuits or other extrajudicial proceedings

In connection with our activities and specificity of the industry we are exposed to the initiation of civil proceedings, administrative, arbitration or other proceedings arising from cooperation with customers, partners, employees, shareholders and others. Any kind of conduct can result in the inability to estimate the time and costs that will be associated with lawsuits.

BUSINESS RISKS RELATED TO THE MACRO-ECONOMY SITUATION

Our activity is related to the chemical industry, whose development is strongly correlated with the financial situation in Poland and in the world. In recent years, Poland's economic growth was at a level of a few per cent of GDP per year.

In our opinion, the unfavourable macroeconomic situation in Poland, the European Union and the world could adversely affect the results of the sale, cause a rise in raw material prices and subsequently have a negative impact on financial performance and the Company's business.

The risk of changes in market prices of raw materials

As part of our business an important part of the cost of sold products and services is the cost of direct materials, which are chemical raw materials. The raw material markets are characterized by high volatility associated with fluctuations in the global economy. Rising prices of raw materials cause a decrease in margins of trade intermediaries, as well as weakening demand from customers. On the other hand, falling prices can be a symptom of decreasing demand and the beginnings of an economic downturn. On the domestic market the raw materials are subject to similar tendencies.

Production of surfactants is based on three basic categories of materials: oleo-chemical products, petrochemicals and minerals and gases such as sodium chloride, calcium, sulphur, oxygen or nitrogen.

In the case of bulk raw material prices have a large impact on our revenues. There is a risk that the high prices of raw materials could affect the decrease in sales due to the necessity of resignation by the Company from unprofitable contracts.

We cannot assure that in the future the prices of raw materials will not rise to levels that will increase the prices of our products and limit their sales. We are not able to rule out a situation in which we acquire raw materials at higher prices than competitors. We can also ensure that in every situation we will be able to pass on the rising cost of raw materials to the customers of their products.

Risk of competition

Our products are largely produced on a mass scale. Com-

petition in the European markets is very high. Target markets for our company are the markets of Central and Eastern Europe characterized by high growth rates with fewer competitors than the market in Western Europe. In the case of surfactants raw material integration, location, flexibility and timeliness of delivery and production scale is important. Although we belong to the biggest producers of surfactants in Central and Eastern Europe, we are unable to exploit economies of scale to such an extent as large international corporations. We cannot assure you that with rising prices of raw materials we will be able to offer such prices as the main competitors.

In our opinion, the growing capacity of European and world producers, particularly those from the Middle and Far East may lead to significant increase in supply which could not be offset by correspondingly high demand, which could cause a decline in prices of our products.

Increasing competitiveness in the market of surfactants, increased production associated with more modern technologies and increased supply of products could adversely affect the level of income generated by the Company.

The risk of introducing tariff barriers for raw materials imported from outside the European Union

Since the Polish accession to the European Union in 2004, Poland is subject to a Community trade policy. One of the tools to protect the EU market are import tariffs. The amount of duty has not affected significantly the cost of our production, there is however a risk that in the future, in order to protect the interests of European producers of raw materials used by the Issuer may be brought proceedings similar to the above, which may result in an increase in prices or even restriction of imports of raw materials from the countries concerned.

RISK OF LOSS OF CUSTOMER CONFIDENCE

Our business requires high accuracy and reliability of manufactured products. The quality of our products is in fact extremely important for customers. The use of customer product with different parameters than those approved in the specification or on a customer's requirements, may result in loss of production, financial and generate quality issues of the finished formulation. Consequently there is a risk of losing the trust of customers. Despite a functioning system of quality control and existing procedures for dealing with nonconforming product are not able to rule

out the creation of a faulty batch of products for reasons of human error, imprecise operation owned equipment used in the production process or the use of raw materials deviating from the norm.

Detailed information on key risks for our Company is contained in the Report of the Company for the year 2014. This document is available on the website www.pcc-exol.eu/investor in the section Reports / Interim Reports.

Risk management in our company and internal control system are closely linked to the achievement of business objectives, social and environmental objectives. They are also aimed at ensuring the credibility of individual and consolidated financial statements, as well as the compliance of the company with the relevant laws and regulations.

The system of internal control and risk management in the process of preparing financial statements is based on a clear division of tasks and responsibilities of those responsible for the preparation and verification of the financial statements of the Company (Division of Financial Reporting at PCC Exol SA), reporting directly to the Chief Financial Officer.

In relation with the risk assessment process we conduct a hazard analysis and operational capabilities using HAZOP (Hazard and Operability Study). Thanks to it, we identify potential hazards in the production processes at our plants, taking into account the stage of the design and implementation of a new product into production.

[G4-2] The main opportunities and strategic goals for the development of the Company

Our overriding strategic objective is to create value through sustainable use of our potential constituting the opportunity to carry out a number of investment projects, and thus:

- maintaining market leadership in Central and Eastern Europe and Eastern Europe and further development by expanding markets in the Middle East, Africa and Asia,
- intensive development of the production of specialty surfactants for industrial applications and intensify their sales in new market areas,
- manufacture of products offered to customers worldwide in a sustainable manner, i.e. in compliance with all legal, economic, ethical, environmental and social standards.

The main opportunities of our Company:

Development of the product portfolio and including:

- focus on the development of specialty products group and increase their participation in the product portfolio
- increasing margins in the portfolio of products in bulk
- development of research and development base increasing potential for opportunities and pace of development and implementation of new products strengthening our position in markets currently served
- investing in new production capacity, including:
 - increase amphoteric surfactants production capacity of 2 000 tonnes eventually to 10 000 tonnes
- expansion into new geographic markets, including:
 - in North America through its subsidiary PCC Chemax, Inc.
 - in Turkey and the countries of the MEA (Middle East and Africa) by the PCC Exol Kýmýa Sanayý'ye Tý-

caret Lýmýted Týrketý), headquartered in Istanbul, Turkey

- in Asian countries.

The strategic objectives we use competitive advantages, including:

- strong position on the market in Central and Eastern Europe
- elasticity of production, including the ability to produce highly specialized surfactants in small lot production
- dynamic product portfolio development
- good reputation of the Company as the organization implementing long-term strategy of sustainable development
- affiliation to an international group with a strong and stable market position,

1.5 Our values – we promote sustainable chemistry

[G4-12] For our Company as a leading producer of surfactants in Central Europe and Central and Eastern Europe, value chain management is a key challenge in achieving business goals. Being aware of role in shaping the modern economy, and therefore the trends in the development of various industries, we are taking a number of actions and initiatives, in conjunction with our stakeholders to promote sustainable chemistry in Poland and in the world.

Recognizing the benefits of value management, we analyse the strategic potential of our impact on the economy, environment and society. Acting in a responsible manner identify risks to timely react and counteract possible threats, they do not become real. In this way we build competitive advantage, implementing our business vision. Knowing and understanding of the relationship between factors affecting business value in an increasingly complex

and rapidly changing economic reality today is a major challenge for the chemical company. Analysis of the value chain by identifying impacts on the economy, environment and society, to determine the responsibility and the identification of key risks, allows us to better know and understand the strengths and weaknesses of our organization. It indicates areas where tangible results can be seen previous work, but also reveals weak links that require effective and sustainable conjunction through specific actions, processes and systems. The concept of the value chain implies a perception of our Company as a whole consisting of several overlapping areas are reflected in the product life cycle. These areas are, however, associated primarily with what is happening in the external environment of the Company. Achieving the objectives within them has an impact both on the economy and on the environment and society.

OUR WAY TO SUSTAINABLE DEVELOPMENT

VALUE CHAIN OF PCC EXOL SA

For PCC Exol SA, as the leading producer of surfactants in Central Europe and Central and Eastern Europe, value chain management is a key challenge in achieving business goals. Aware of the role of our Company in the development of a modern economy and therefore of the trends in the development of different industries we take a number of actions and initiatives, in conjunction with our stakeholders to promote sustainable chemistry in Poland and in the world.

Recognizing the benefits of value management, we analyse the strategic potential of our impact on the economy, environment and society. Acting in a responsible manner, we identify risks to timely react and counteract possible threats so they do not become real. In this way, we build competitive advantages while implementing our business vision. Knowing and understanding of the relationship between factors affecting business value in an increasingly

complex and rapidly changing economic reality today is a major challenge for the chemical company. Analysis of the value chain by identifying impacts on the economy, environment and society and determining the responsibility and the identification of key risks allows us to become acquainted better and to understand the strengths and weaknesses of our organization. It identifies areas where tangible results can be seen at work, but also reveals weak links that require effective and sustainable conjunction through specific actions, processes and systems. The concept of the value chain implies perception of our Company as a whole consisting of several overlapping areas which are reflected in the product life cycle. These areas are, however, associated primarily with what is happening in the external environment of the Company. Achieving the objectives within them has an impact both on the economy and on the environment and society.

When selecting an employer, **6 out of 10 employees** of the Generation Y (those born after 1980) take into account the values and mission of the company.



7 out of 10 employees believe that business has a positive impact on the society in the broad meaning of the word.



Impact



Economic

Designing and implementing new surfactants into production we are looking for new multidirectional applications for them at the same time supporting the development of the chemical industry and ensuring demand for innovative and highly specialized solutions. Flexibility of production, and thanks to it, ability to respond quickly to individual needs of customers enables us to support smaller producers in a variety of industrial areas.



Environmental

Designing new products we pay attention to their bio-degradability. Already 71% of our products indicate a high susceptibility to this process. Optimising the technology already at the stage of designing we limit consumption of water, current, heat and we limit the emission of wastewaters and greenhouse gases. Our product portfolio is developed in such a manner as to make raw materials used in them originate from natural renewable and thus sustainable sources.



Social

Implementing new technologies we influence growth of economy, development of R&D staff and increase of employment. Developing surfactants lines for such industries as personal care, cosmetics and detergent we affect increase of social awareness in the context of personal hygiene, cleanness, safety and health. In respect of safety, we complete and promote good production practices. We meet all legal national and European requirements.

Designing and R&D

Risks

Designing and implementing new products into production there is a threat of lack of availability of appropriate raw materials in the market. Therefore we are looking for optimal solutions verifying and securing a variety of alternative sources of supplies.

Starting design works we analyse a possibility of multidirectional applications of new products. Such approach protects us against a risk of failure of implementation processes due to a risk of withdrawal of a strategic customer from a project. We prevent failures of equipment and accidents at work by analysing and counteracting risks through training, audits, controls and other tools and systems.



Responsibility



We co-operate with many research and scientific entities developing safe products for people and environment. We educate other completing student practices and training.

We promote among students the idea of sustainable and responsible chemistry. We design our products in such a manner as to make them safe and useful to the society.

Impact



Economic

We co-operate with national suppliers thus supporting economic development of our country. We also support development of international market of raw materials, in particular the materials from the group of oleochemicals, ensuring our suppliers a stable and reliable stream of sales. Co-operation under the PCC capital group supports sustainable economy of raw materials and optimises the production costs.



Environmental

Acting in PCC Rokita Group ensures the effect of synergy among other with regard to supply of raw materials and services. Our products are manufactured of bio-degradable raw materials and oleochemicals purchased by us originate from sustainable sources identified in the whole chain of supply. Usage of integrated transfer route connecting our installation with the infrastructure of the supplier makes it possible to deliver one of the key raw materials without using transport means. Thanks to it, we limit not only transport costs but also emission of greenhouse gases to the atmosphere.



Social

Supplier Code of Ethical Conduct imposes on us defined requirements in respect of safety, employment terms and conditions, observance of Human Rights and countering corruption (UN GC). We oppose to exploitation of local people and we are against illegal work of children (membership in RSPO). Through purchase of certified palm-oil based raw materials we have impact on ethical treatment of local communities in the regions of agriculture of oil palms. We also support development of these regions participating in the supply chain of producers of consumption goods manufactured based on palm oil or its derivatives.

Raw materials

We analyse factors that have negative impact on our activity.

Disasters, catastrophes, industrial failures, liquidation of plants, strikes at railways, failures of railway tracks – these and other factors represent an important group of risks with significant impact onto timeliness of deliveries of raw materials. Therefore, a phenomenon of currency exchange rates, change of economic conditions in the market and fluctuations of prices of raw materials also represent a potential business risk.



Risks

Responsibility



Our system of supplier qualification requires them to ensure supplies from sustainable sources. We counteract corruption and promote variety both in our organisation and in co-operation with our stakeholders.

We proceed responsibly demanding from our suppliers meeting all the requirements in respect of safety of the very raw material and safety in transport and during unloading. We observe fair competition rules and make our payables in time. We care to make our partners observe Basic Social Rules (International Labour Organisation).



Economic

We pay taxes and fees to the local authorities' budgets. Investing we support economic development of the region of Lower Silesia. We optimize technological processes limiting consumption of utilities and raw materials. Flexibility of production in our installations ensures availability of small volumes to our customers. Our production capabilities amount to circa 100k per annum. We increase employment inside the company and we order more services to local entrepreneurs.



Environmental

Implementing new technical and technological solutions (e.g. heat recuperation) we limit consumption of electric and heating energy and we reduce emission of greenhouse gases. We report our actions in this respect on the platform.

We act in compliance with the valid national and European legal regulations. We care about process safety and counteract industrial failures (using such methods as FMEA and HAZOP).



Social

Our company is a part of PCC SE Group, which is the biggest employer in the region. We ensure stability of employment and we create new workplaces. Our surfactants do not represent a threat to health and life of people (OHZAS standard). At the same time they meet the highest quality standards (GMP EFfCI). We identify our products in compliance with REACH and CLP classification. We transfer reliable information on the products to make them use in a safe manner.

Production

We are exposed to a risk of occurrence of adverse changes in the law in the area of using the environment and safety.

Part of raw materials used in production has flammable, explosive and toxic properties. Disturbances of production processes may occur as a result of various events independent of the Company. Therefore, in relations to process and transport threats and industrial failures we have in place procedures of safety binding at all levels of our organisation.



Monitoring environmental and quality aspects, we have implemented and we maintain quality and environment management system.

We invest in solutions limiting negative impact on our planet. We care about process safety and safety of our employees, local communities and natural environment. We monitor production processes through DCS system increasing the level of safety in our production installations.





Economic

Planning deliveries we use known and reliable logistics platforms supporting new business initiatives completed in the area of transport and logistics. At present, we co-operate with 125 transport companies. We deliver our products using the fleet within the PCC group and services of local transport companies. Running international commercial activity we use intermodal services completed also within PCC Group ensuring its further development and stabilization of the employment.



Environmental

Taking into consideration reduction of emission of CO₂ to the air, reduction of noise and usage of European roads we optimise transport routes. We observe restrictively the law regarding safety of transport of chemical substances, we use intermodal services (including PCC Intermodal) and we care to make other activities (e.g. cleaning truck tanks) be performed with use of the processes observing environmental standards (Autochem –PCC Group).



Social

We use services of local transport and logistics companies maintaining workplaces and contributing to the development of the local business and we support business under the capital group PCC ordering the services to the company Autochem. We use intermodal services limiting such factors as: noise, pollution, problems with communication related to intense exploitation of roads and big transport trucks.

Logistics and transport

Accidents in transport of hazardous loads may lead to contamination of lands and ground waters, explosion or fire, which may result in loss of health or life, pollution of environment and cause serious material losses.

It relates to road and intermodal transport. Co-operation with logistics and transport companies creates a risk related to disturbances in timeliness of deliveries of products to customers. Therefore, we select suppliers of logistics services taking into consideration their reliability, timeliness and safety assurance.



Routes of deliveries of raw materials and finished products are organised in an optimal manner and take into consideration environmental aspects and safety during transport.

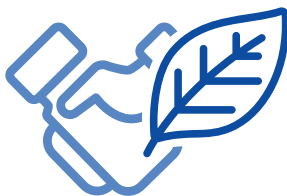
We select subcontractors of transport services in a responsible manner demanding from them meeting all the necessary legal requirements and safety standards. We pay attention to cleanliness of mechanical vehicles and tanks containing chemical and mechanical pollution of transported substances.





Economic

Sales of surfactants have a significant share in GDP and affects economic development of our country. Thanks to locating our plants in Poland, distributors and business partners operating in Europe have easier access to our offer, and thanks to the distributors of chemical products originating from our production installations development of small companies is also enabled which in turn support economic development of Poland.



Environmental

We promote products based on biodegradable raw materials and we produce based on environmentally friendly technologies. Our surfactants enable a final user to save electric and heating energy, water and to limit discharge of wastewaters and also amount of solid wastes. We reduce sales of products in drums for the benefit of the sales in truck tanks. It makes it possible to reduce a number of loading and transports, amount of wastewaters generated during washing of unit packaging.



Social

Thanks to our co-operation with distributors of chemical products development of small entrepreneurs operating in many industrial areas is possible. We work with global concerns, which incorporated social responsibility in their strategies already years ago. Participating in the supply chain of these companies we accept a commitment to act in a manner sustainable and responsible towards the society. Our co-operation has a great impact on the society of the 21st century. Trends of social responsibility which we co-create integrate business, industrial, political and social environments.

Sales and market

We are exposed to risks related to regulations regarding patents and competition protection (supervision of fair competition bodies and the European Commission) and breaching of ethical rules.

We respect regulations regarding competition and consumers protections and public aid. Adverse macroeconomic situation in Poland and in the world and strong competition or failures of IT systems are the factors, which may affect adversely the sales results of PCC Exol SA.



Co-operating with stakeholders we apply the rules of the Code of Ethics. We act in compliance with the fair competition rules.

We apply the provisions of the Anticorruption Policy in our Company. We are signatories of the Polish Diversity Charter so we do not discriminate our suppliers and customers because of their sex, religion, nationality. We build an intelligent price strategy "value over volume".





Economic

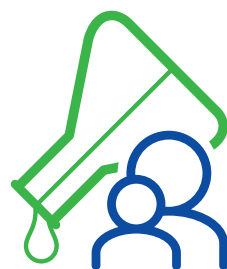
Our surfactants are used practically in every area of activity of a man. They give determined parameters and properties to consumption products. Often attractiveness and efficiency of a product depends on their operation. Selecting appropriate components e.g. in the form of surfactants, producers create an offer attractive to their customers. Therefore, our products do have a great impact on consumption both for industry and for consumption of finished products by final users.



Environmental

Thank to usage of surfactants very productive concentrates are manufactured which may be used in lower temperatures and sold in smaller packaging.

It affects saving of energy, water, reduction of emission of greenhouse gases and amount of wastewaters and in turn saving of money. Applying surfactants in various industries shortens production processes and machines and equipment is less used. Less electric energy is needed in production and emission of greenhouse gases and wastewaters is reduced.



Social

Thanks to the state of the art technologies our products help in creating new products, easier in use, cheaper. We produce components to products of first need products such as soaps, bath gels, washing liquids etc. BY operating in the industry of detergents, personal care products we promote ideas of hygienic style of life.

Consumption

Our products, incorrectly used, stored or transported may represent a risk to people and environment.

Quality and safety of the products offered by the Company is essential to win customers' confidence. Not to produce faulty batches of products we apply the system of quality control and procedures regarding non-conforming products and directives of quality standards and safety standards.

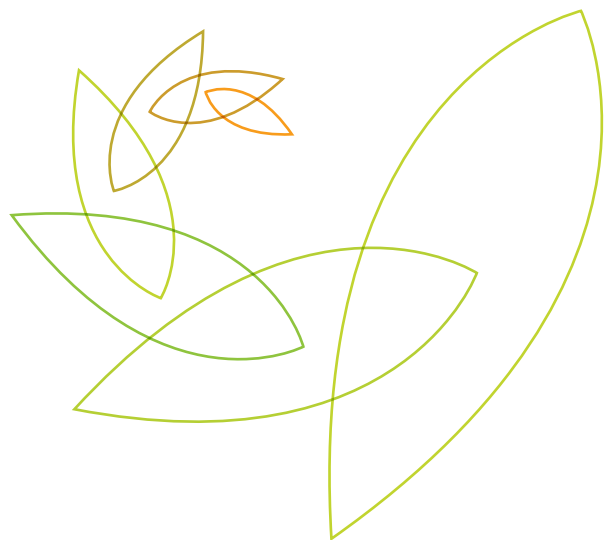


We communicate to our customers all threats related to use of our products. Delivering them a full technical documentation and chemical analyses, we offer them technical support at the same time.

We care about a precise description of our products and their proper marking. We apply rules of good production practices (the standard GMP EFfCI for cosmetic raw materials). We have an active complaint system and consider all claims of our customers.



2. OUR WAY TO SUSTAINABLE DEVELOPMENT



2. Our way to sustainable development

“In an era of increased competition in the market of surfactants, thinking and responsible action-oriented business is today a necessity. We invest, develop and create in a sustainable way. In order to achieve harmony in achieving the economic, environmental and social goals, we establish an open dialogue with stakeholders. We identify their needs, not only in an economic context. Such action has become a factor in the long-term success of our Company. It creates our image contributing not only to increase the potential profit, but promotes the values for symbiosis with the environment and responsibility towards the communities in which we operate.”

Mirosław Siwirski

President of the Management Board of PCC

[G4-15][G4-16] In pursuing our long-term business strategy of the Company operating in a sustainable manner is becoming increasingly important. This applies both to the economic, environmental and social sphere. As an example we can cite implementing a policy of reducing greenhouse gas emissions, RSPO certified system associated with the full identification of the supply chain, or the implementation of new management systems relating to emissions, energy, and security. Also we focus attention on issues such as sustainable raw materials, the rational use of water and effective waste management. All these activities are focused on the needs of customers, with whom the Company maintains an open dialogue. Our clients openly communicate their needs and the benefits of promoting sustainable products on world markets. We are

looking for ways to increase the eco-efficiency of surfactants by conducting research, innovative solutions, new technologies and investments.

Since 2012 we have identified and monitored a wide range of environmental aspects, such as the production of wastewater, waste, greenhouse gas emissions into the atmosphere, releases to land, consumption of natural resources, the risks associated with failures.

Currently, special attention should be paid to greenhouse gas emissions. We report in this area activities within the framework of the Carbon Disclosure Project (CDP). This international initiative promotes transparency of information on greenhouse gas emissions and demonstrates pro-

gression of their limitation. Our aim undertaken in 2014 within the scope of reduction of the impact of climate change is to reduce CO₂ emissions by 15% by 2020. To effectively achieve this goal, we have developed and implemented a policy of energy management. Within two years, we also plan to implement emissions management system, which will be subject to audit of the third party.

Creating sustainable chemistry and promoting its ideas in the Polish chemical industry, we will implement and actively participate in a number of initiatives in the framework of corporate social responsibility, ex.: Diversity Charter, Code of Ethics or the UN Global Compact's ten principles, of which the company is a signatory. In July 2014, we joined the group of participants in the program "Responsible Care", where together with other representatives of the chemical industry, we are looking for solid and reliable basis for sustainable development in order to then implement them in its own structure.

The result of the business combination with the responsible social and environmental operation has directed us to obtain the certificate RSPO (Roundtable of Sustainable Palm Oil), which allows balanced use of resources on the basis of palm oil certified and track their movements throughout the supply chain.

Engaged employees of our Company participate in conferences, meetings, seminars or training related to the promotion and implementation of business ethics. Our activities related to the development, innovation and expansion into new markets are focused on the promotion and creation of a responsible social and environmental policies based on the Code of Ethics developed addressed to employees and stakeholders, especially suppliers of raw materials and services.

[G4-14][G4-15][G-16][G4-24][G4-25][G4-EN-27]

The Membership in several national and international organizations working for sustainable development is for us a chance to implement good practices in the responsible management of our organization. From them we learn just how to be responsible towards the society and the environment.

We are building a work culture based on the commitment of our employees, their awareness and sustainable development. This is done on the basis of management systems and standards to implement and maintain. While working on the optimization of processes generating tangible economic benefits, we take into account both social issues and environmental issues. We manage processes in every area of our business by analysing risks and identifying risks.



As a signatory to the UN Global Compact we implement 10 principles of sustainable development to protect the environment, human rights and anti-corruption. In 2014, We have implemented for use: Employee Code of Ethics, Supplier Code of Ethical Conduct, Anti-Corruption Policy and a number of other documents related to the environmental policy, process safety and respect for human rights.



Reporting the action on the international platform ECOVADIS, we achieved silver level of Corporate Social Responsibility. We are one of the few Polish companies which have made comprehensive self-assessment of CSR activities. The evaluation by experts ECOVADIS showed the strengths and weaknesses of our Company. As a result, we have gained the ability to define objectives for the coming year. One of them is the implementation of a European system OHSAS of safety and health at work.



By participating in an international project Carbon Disclosure Project, we counteract climate change. The aim of our company is to reduce CO₂ emissions by 15% by 2020. In 2014 we obtained as many as 81 points in the evaluation report, prospectus filed on the international platform CDP (Carbon Disclosure Project). This is a very good result, while considerable progress in terms of quality and comprehensiveness of the report, given the fact that in 2013 we received only 18 points.



Belonging to the group of certified members of the RSPO (Roundtable of Sustainable Palm Oil) we actively support sustainable palm oil in the world. In 2014 successfully we passed the first surveillance audit, thereby keeping awarded the RSPO certification a year earlier variant Mass Balance. The first certified products transactions completed at the beginning of 2015. We aim to promote a sustainable palm oil and its derivatives is to achieve 100% identification of raw materials throughout the supply chain by 2022.



In 2014, we joined the group of promoters of the Responsible Care Program. Adhering to the program we set goals, we measure the impact on the environment and take action to its active protection. Responsible Care is a declaration of specific actions listed in the framework of the program, whose implementation is estimated and assessed using several indicators.



As a signatory of "Diversity Charter" we promote diversity as a positive factor in the environment and counteract discrimination in the workplace. Reflecting the principles set out in the Polish Charter of Diversity is the new Code of Ethics adopted and implemented in our company in 2014. We promote diversity as an added value, which is a source of innovation and creativity. We measure and analyze aspects of diversity, especially with regard to gender and age.



Belonging to the European organizations CEFIC, creating a coalition of chemicals manufacturers who play a key role in the transformation of the then gospodarki. The chemical industry is in fact the key to advanced technologies that can provide sustainable solutions applied in other industries. Therefore, together with other members of CEFIC we strengthen sustainable chemical industry base conducive to competitiveness, innovation and responsible production.



In the third quarter of 2014, as the first company in Poland we have implemented a system of "Good Manufacturing Practices", in accordance with the guidelines of the European Federation for Cosmetic Ingredients. The certification audit was held in late October and early November. Obtaining the Certificate is for us one of the competitive advantages because it is a confirmation of compliance by the highest standards at every stage of manufacture of the product, from the purchase of raw materials and ending with the delivery of the product to the customer. Federal certificate of "Good Manufacturing Practices", is a reliable and objective evidence of the quality of products for cosmetics producers worldwide.



While maintaining Integrated Quality and Environment Management System ISO 9001 and ISO 14001, we monitor and improve processes related to quality and environmental aspects. With these systems, every employee is aware of its role in achieving the objectives in these areas. Our goal in the development of integrated systems, in addition to the implementation of the requirements of OHSAS is also joining the EMAS (Eco-Management and Audit Scheme). Its main objective is to recognize those organizations that go beyond minimal compliance and continuously improve their business results environment. Our Company aspires to the group of these organizations.

Optima

In implementing the program, "Optima", we take care of law and order in the workplace. Optima is a program implemented in PCC group, whose aim is to ensure an appropriate level of security, law and order in the workplace, the elimination of losses and waste, as well as the continuous improvement of implemented solutions. Our aim in the implementation of the program is to optimize the processes related to the Company's various business planes, reducing failure and wastage, maximizing safety, efficient and transparent communication and continuous improvement.



By implementing a European safety management and occupational health system, we are oriented to ensure worker safety and process safety production departments. We take the management of occupational health and safety as a matter of priority: implement policies implemented, identify and evaluate the risks, take part in the activities of the PCC Group, aimed to operate in a way that protects employees, facilities and equipment against adverse effects of the various risks.



“We understand more and better a corporate responsibility. We gain experience by participating in both national and international CSR initiatives. We report and evaluates our actions by referring in this regard first successes. We draw from dialogue and cooperation with customers, suppliers, signatories to many organizations supporting sustainable development in Poland and around the world.”

Beata Gruś

Marketing & Sustainable Development Manager
PCC EXOL SA

2.1 Our impact on natural environment

We are aware of the fact that our business largely affects the environment, which is a source of high-quality resources often required to manufacture products compliant with the major demands of our customers.

Our responsibility in the area of environment is signed in Environmental Policy which operates within the framework of implementation and maintenance of certified management system compliant with ISO 14001. We have identified the main areas of our operations where we make goals and programs aimed at minimizing the negative impact on the environment and we try to exert a positive influence on them in our operations.

Our long-term obligations

- compliance with legislation on environmental protection
- minimizing the negative impact on the environment
- undergo independent audits, verification and certification
- promoting the development of pro-environmental awareness of our stakeholders
- preferring suppliers in its activities to promote the use of natural resources in an environmentally safe way

“In everyday life, we encounter various types of environmental pollution, where all its spheres are degraded. Therefore, the strategy of sustainable development and the assumptions deployed by Management Systems, including the Environmental Policy, in which we limit, where possible, the impact of the Company’s operations on the environment.

In our business, we are talking about the principles of proper management of natural resources and the protection of human health, therefore, an important aspect is also supporting the implementation of environmental attitudes among our stakeholders, including permanent increasing awareness in the environmental area.”

Emilia Drzymała

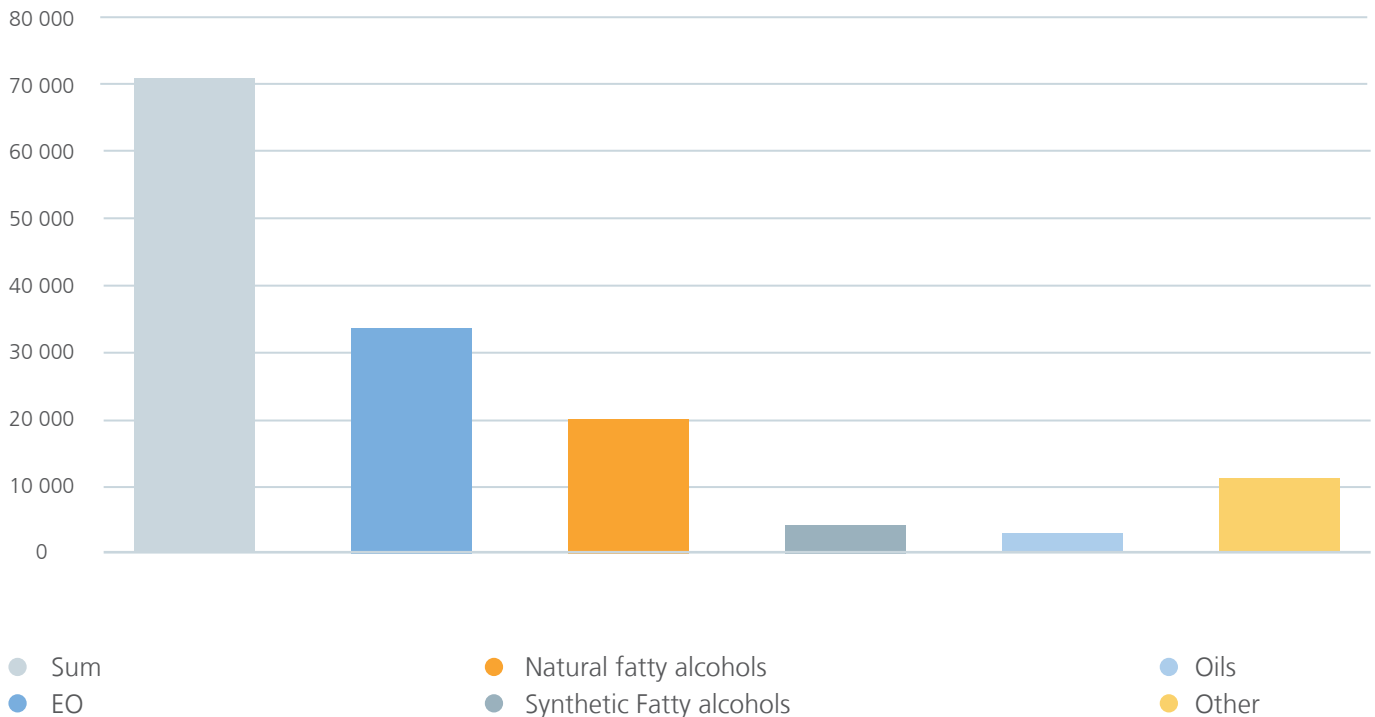
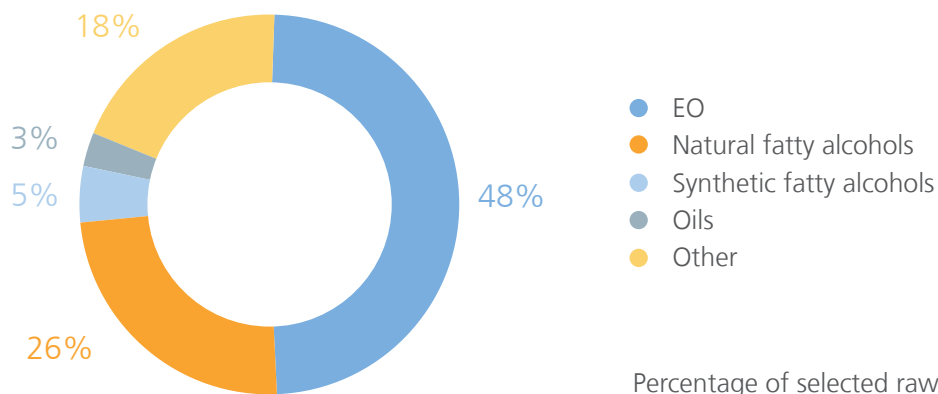
Management System Supervisor
PCC EXOL SA

[G4-EN1][G4-DMA] In our company, purchases represent one of the most important functions of the strategic business objectives and the process of the Company's supply of raw materials associated with making many, often challenging business decisions. Therefore we have a high attention and knowledge because the decisions taken in this area have a strong influence on the costs.

We strive to deliver timely, necessary raw materials, materials and services, optimizing the costs. With the suppliers we work on the basis of the General Terms and Conditions of Purchase PCC Exol SA. Relationships with clients are based on professionalism, transparency and integrity. We constantly strive to support local suppliers due to the flexibility, availability, and costs.

Raw material	Number in tons	Percentage of selected raw materials	Amount in €
EO	34 000	48	39 274 953
Natural fatty alcohols	18 500	26	26 202 914
Synthetic fatty alcohols	3 500	5	6 115 233
oils	2 500	3	2 470 681
other	12 000	18	10 657 650
Final sum	70 500	100	84 721 431

Used Raw materials according to the weight



Used raw materials according to the weight

[G4-EN3][G4-EN6][G4-EN15][G4-EN16][G4-EN19][G4-EN21][G4-DMA] We are a very important link in the supply chain of global economic giants operating in the detergents, personal care and cosmetics. Identified standards and requirements for quality, price or delivery punctuality accounts often key areas. Despite this, in an era of aggressive competition in the sector surfactants increasingly important start to gain added value-oriented sustain-

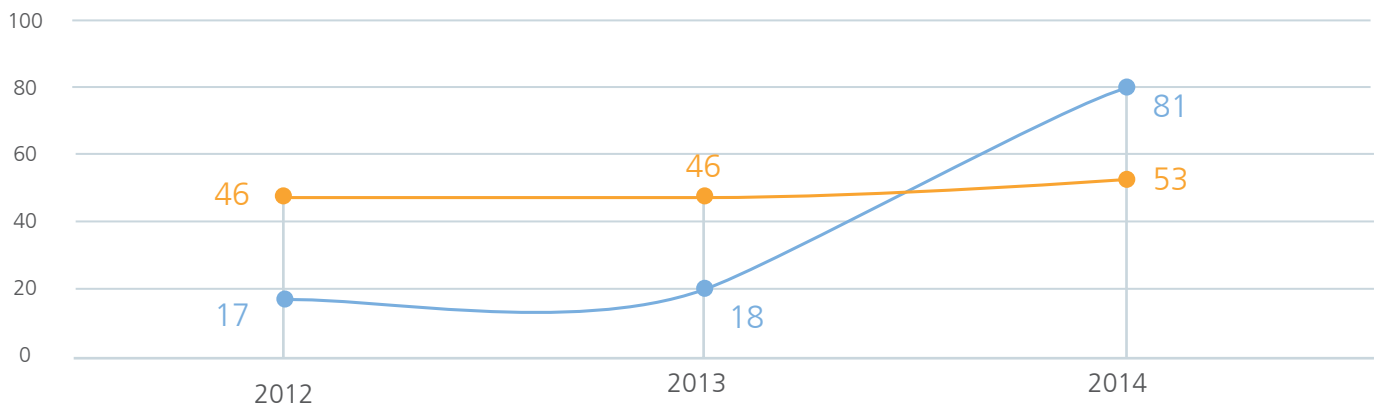
ability, cost-efficient conducting business in a transparent manner in harmony with the environment and symbiosis with local communities.

With global projects we can measure, plan and control our impact on the environment and be given the unique opportunity to assess by international, prestigious business bodies, scientific, environmental and social indus-

try. One of the prestigious qualifying initiatives include broad reporting of greenhouse gas emissions and measures implemented to reduce them, on the international platform, organizations CDP (Carbon Disclosure Project). By participating in this project we are obliged to draw up

once a year a detailed report issue. Such report shall be assessed in terms of number of specific factors such as the quality and comprehensiveness of the data or effectiveness of measures to limit emissions in the different areas of the company.

Note: W In 2014 years we have been highly evaluated by the organization CDP * achieving an assessment of 81 points, at an average assessment of all the participants in the panel Supply Chain of 53 points. It was a very good result considering the fact that in 2013 the company has been assessed report only on 18 points.



*CDP (Carbon Disclosure Project) is a global non-profit organization cooperating with investors and companies, supporting full transparency and promoting the development of a sustainable economy, tackling climate change and conservation.

Carbon Disclosure Project

Progress according to PCC EXOL SA 2012-2014

Our long-term obligations

→ we have declared to CDP the reduction of emission to 15% by 2020

We strive to optimize energy consumption. This stems mainly from the application of the Company's production departments of best available techniques (BAT). In addition to the energy efficiency of everyday habits affect employees and the solutions implemented in administrative buildings. Environmental emit greenhouse gases emis-

sions from both direct and indirect, and conduct an annual inventory of their sources. In 2014 we have identified the main sources of the total emissions of 19 884 tons of CO₂ equivalent.

We are taking action to reduce the emission of pollutants emitted into the atmosphere. Our actions are based, among others, on successively carried out modernization of production departments of best available technology (BAT) in order to increase their efficiency and effectiveness and thereby reducing emissions.

Type of material	2013		2014	
	Thermal energy [GWh]	Electrical energy [GWh]	Thermal energy [GWh]	Electrical energy [GWh]
coal	16,259	10,237	15,8	10,353
gas	0.09	0	0.073	0

[G4-EN3] Direct energy consumption by primary energy sources

G4-EN6 The amount of energy saved as a result of infrastructure maintenance and overhauls on production departments and improving energy efficiency of solutions applied so far.

Modernization of the production plant
at the Department ETS-1 in the following areas:

- Exchange of sulfur combustion furnace
- Modernization of the electrical system
- Replacement and modification of electrical equipmenta

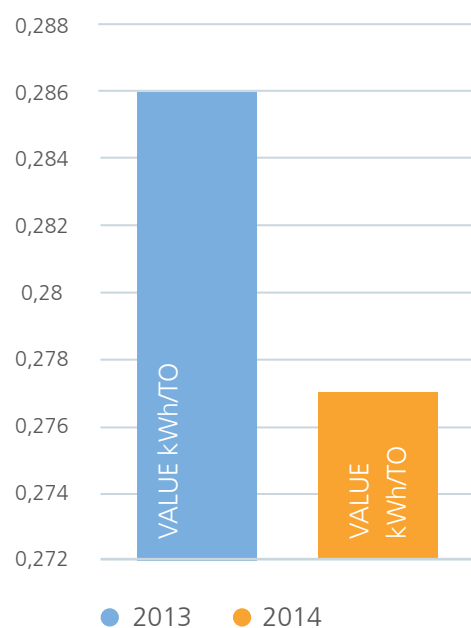


0.36 GWh The amount of saved energy

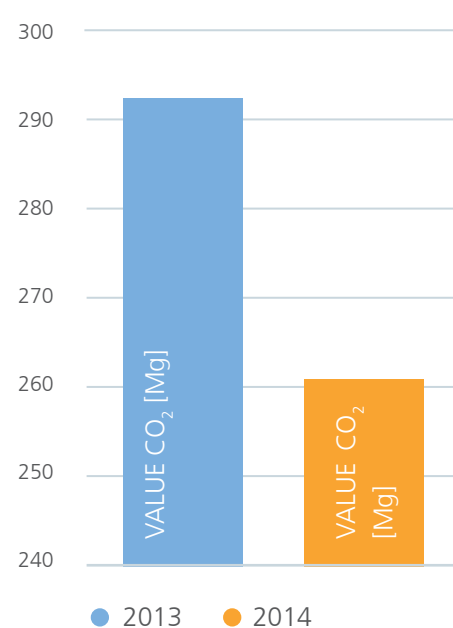


1.354% percentage of saved energy

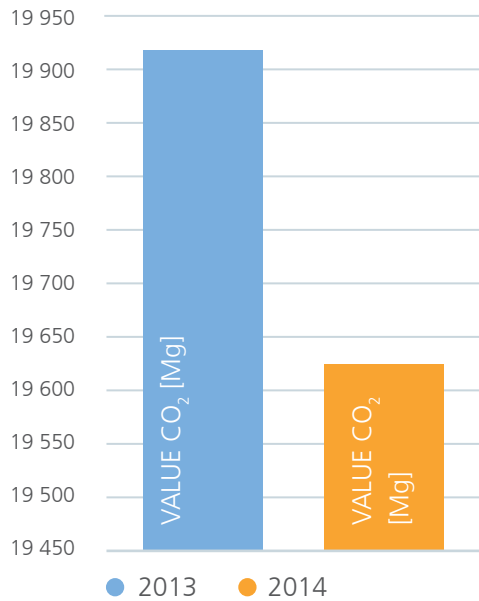
[G4-EN15] The total direct greenhouse gas emissions
(symbol Mg Megagram)



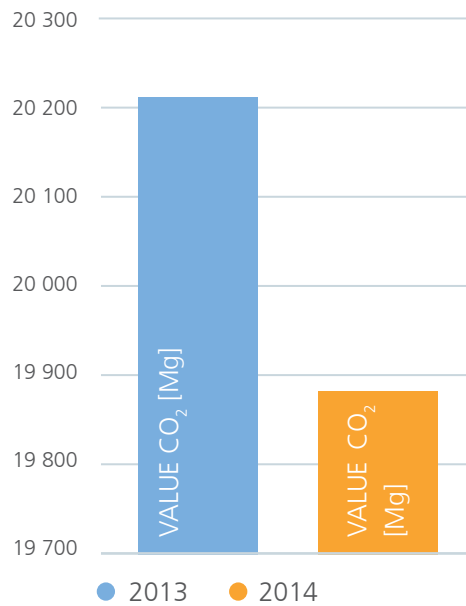
Energy consumption ratio (kWh/tonne of product)



[G4-EN16] The total indirect greenhouse gas emissions (symbol Mg - Megagram)

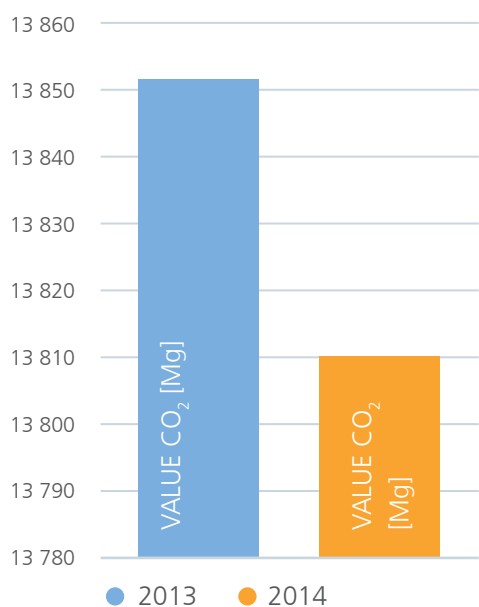


Total direct and indirect greenhouse gas emissions (symbol Mg - megagram)

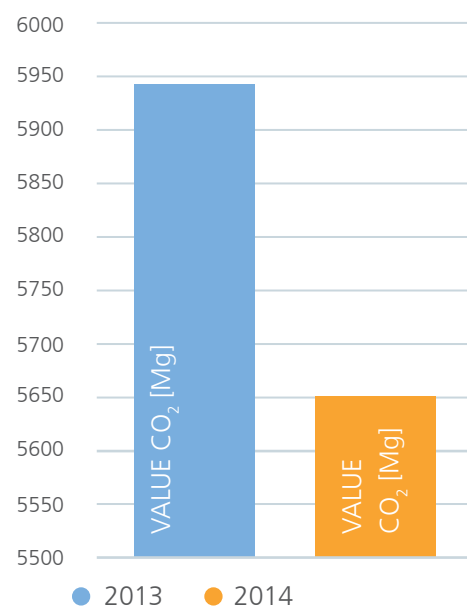


Types of greenhouse gas emissions	Emission in 2013 [CO ₂ /Mg]	Emission in 2014 [CO ₂ /Mg]	Amount in €
Emissions from energy use	13 851	13 810	39 274 953
Emissions connected to the transportation	5 934	5 648	26 202 914
Emissions connected with service travels and arrivals of employees	250	224	6 115 233
Emissions from the office	0,77	0,40	2 470 681

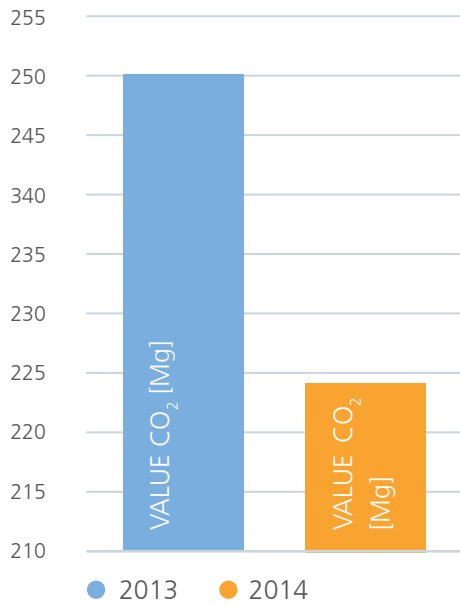
Total of greenhouse gas emissions



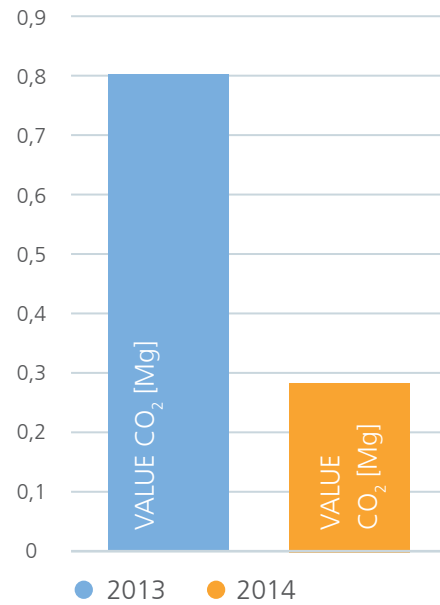
Emissions from energy use (symbol Mg - Megagram)



Emissions connected with transportation (symbol Mg - Megagram)



Emissions connected with service travels and arrivals of the employees (symbol Mg - Megagram)



Emissions from the office (symbol Mg - Megagram)

[G4-EN19] Total reduction of greenhouse gas emissions (symbol Mg - Megagram)

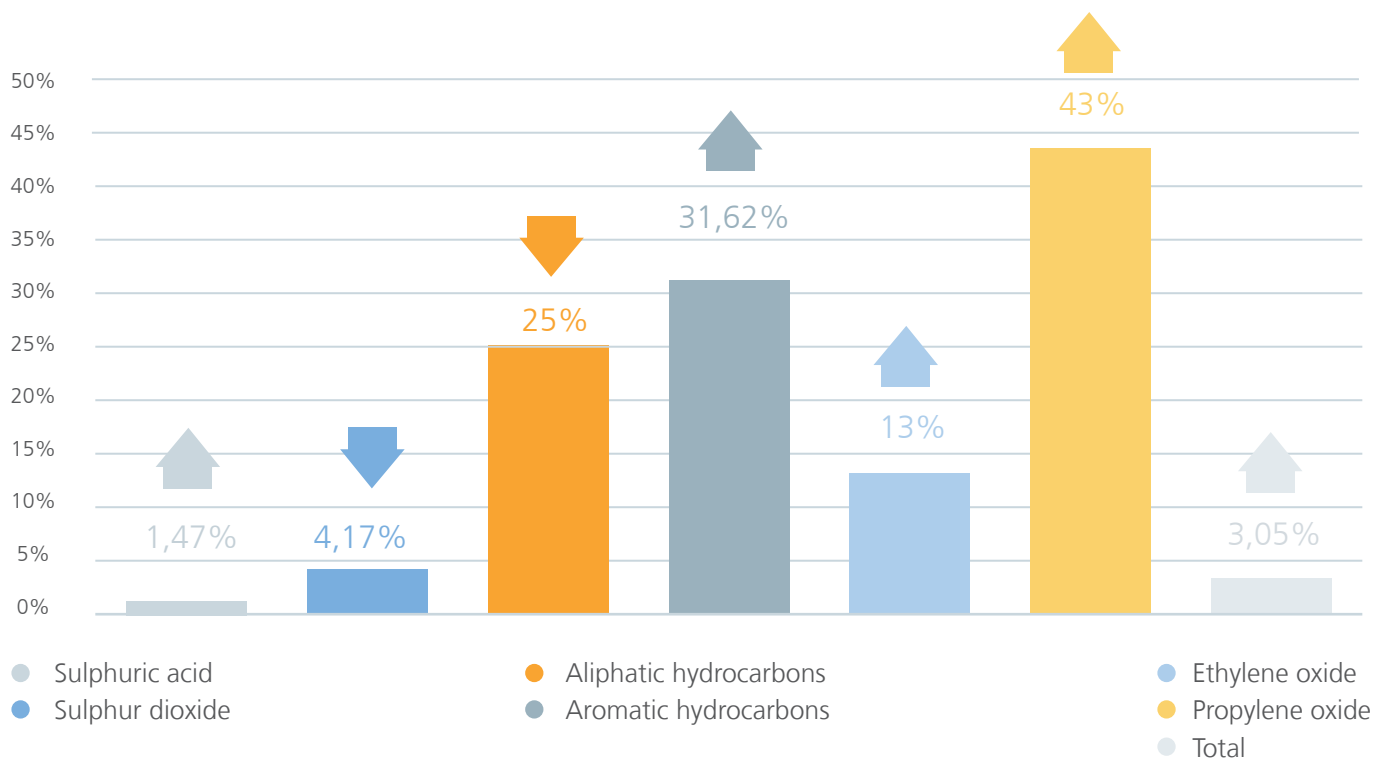
Types of greenhouse gas emissions	Reduction of emission in 2014 [CO ₂ /Mg]	Reduction of emission in 2014 [%]	Amount in €
Emissions from energy use	41	0,30	39 274 953
Emissions connected to the transportation	5286	4,82	26 202 914
Emissions connected with service travels and arrivals of employees	26	10,4	6 115 233
Emissions from the office	0,37	48,05	2 470 681

Company's reductions of GHG emissions in specified areas among 2013 and 2014 was 1.77%.

[G4-EN21] Apart from the issue of greenhouse gases we emit other types of pollution. We strive gradually to reduce emissions from the Company's operations, and we keep the conditions of all permits and regulations governing the emission of pollutants into the air.

Type of element	Emission in 2013 [Mg]	Emission in 2014 [Mg]	Increase/Decrease %
Sulphuric acid	0.211592	0.21475	Increase of 1.47%
Sulphur dioxide	0.047763	0.045772	Decrease of 4.17%
Aliphatic hydrocarbons	1.443136	1.152674	Decrease of 25.00%
Aromatic hydrocarbons	0.084932	0.124207	Increase of 31.62%
ethylene oxide	1.929348	2.219683	Increase of 13.00%
propylene oxide	0.097624	0.172308	Increase of 43.00%
In general	3.81	3.93	Increase of 3.05%

Emissions of NO_x, Sox, and other significant air emissions by type and weight (symbol Mg - Megagram)



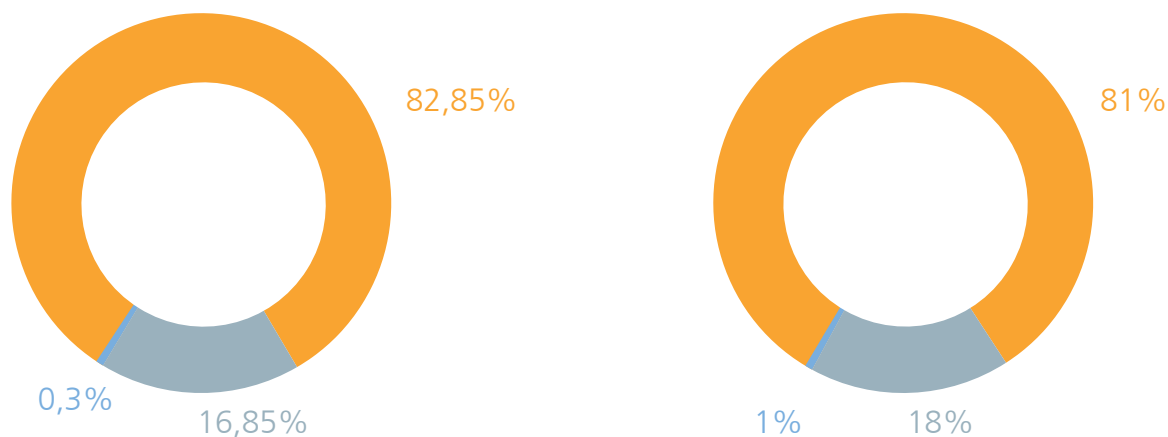
The percentage change in emissions of individual compounds

[G4-EN8][G4-DMA] Managing aspect of which is the water is a key element because it is a valuable resource environment and the driving force behind many ecological processes. Thus, the integrated management requires a multisectorial approach, long-term planning and extensive cooperation stakeholders.

In our company include a water an essential raw material used in the production of surfactants. It is also used for cooling purposes production departments as well as social provision for employees. We use the river water intakes for industrial purposes, and from deep wells for water intended for social purposes - living. In the 2014 years for our purposes we used a total of about 440 820 m³ of water. We strive for rational use of energy due to the fact that it consumes, and the treatment is associated with energy consumption, thereby producing additional CO₂ into the air.

Total water consumption according to the source	Quantity in 2013 [m ³ /year]	Quantity in 2014 [m ³ /year]	Increase/decrease %
Water taken for cooling purposes	306 131	364 444	Increase of 16%
Water taken to production purposes	68 875	74 983	Increase of 8%
Water taken to social purposes	1 790	1 393	Decrease of 22%
Total volume of consumed water	376 796	440 820	increase of 14.5%

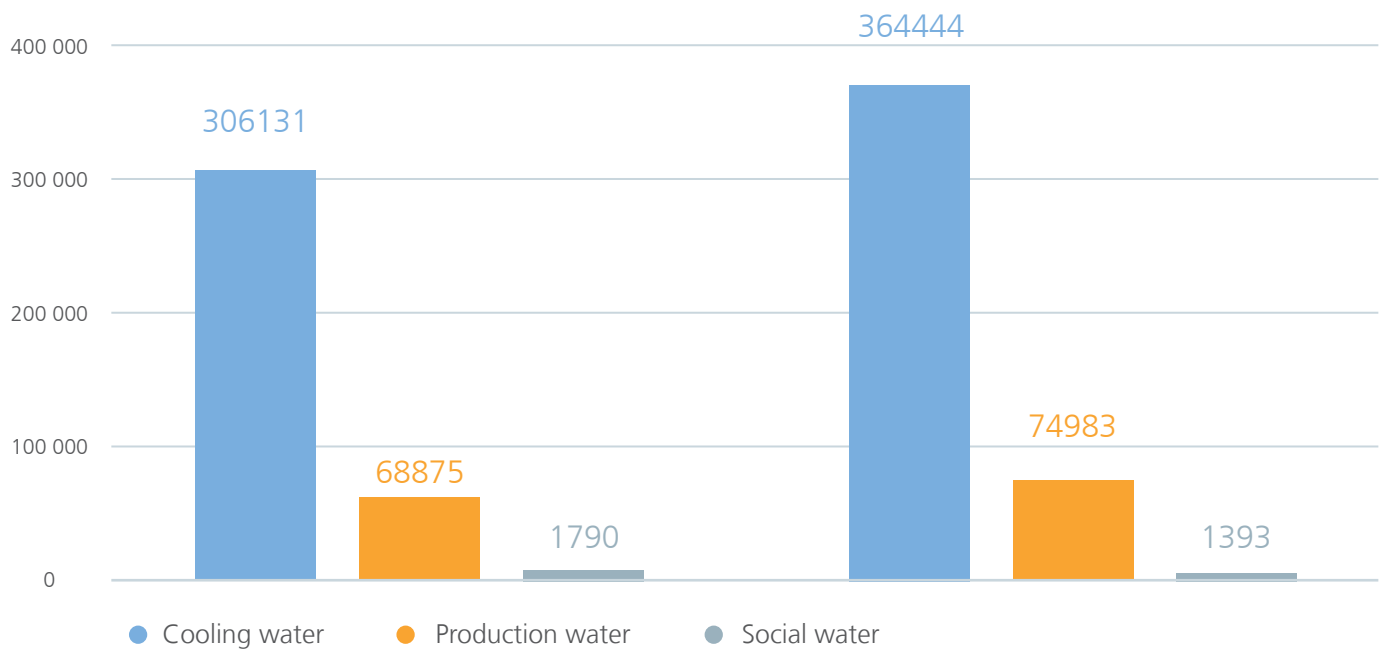
Total water consumption by source



Total water intake according to the source [m³/year]

- for cooling purposes
- for production purposes
- for social purposes

The proportions of water intake by destination in 2014. The proportion of the amount of water intake by destination in 2013



[G4-EN22][G4-EN23][G4-DMA] An important principle of wastewater is an action that does not deteriorate the ecological status of water bodies and ecosystems dependent on the company. In addition, it prevents waste and operate in accordance with the requirements of environmental protection and human health.

Our manufacturing processes generate, among others, industrial wastewater and water-cooling. In the administrative area of waste generated social and living conditions, which constitute 5% of the total amount of produced wastewater. Any wastewater from the operation of our

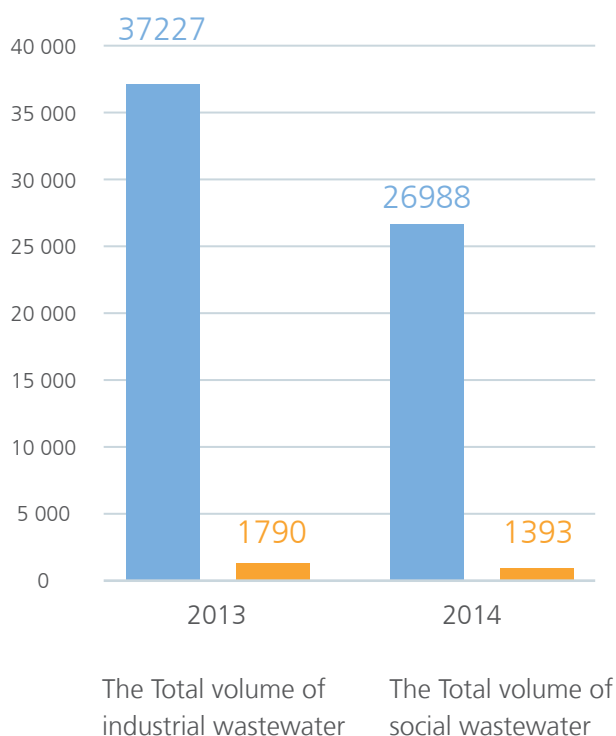
Company, located in the PCC Rokita SA in Brzeg Dolny is directed to the combined sewerage system to the Sewage Treatment Works. All delivered wastewater is treated in the processes of mechanical-chemical and biological properties, and then are directed to the river Oder.

Effluent from the activities of our faculty located in Plock are directed to the sewage wastewater treatment plant belonging to PKN Orlen, which is treated in the processes of mechanical-chemical and biological properties, and then are directed to the River Vistula.

The volume of wastewater by type	2013 year	2014 year	Increase/decrease %
the total volume of industrial wastewater	37 227	26 988	reduction by 27.5%
the total volume of social wastewater	1 790	1 393	reduction by 22%
Total m3 of waste	39017	28381	reduction by 27%

The volume of wastewater by type

[G4-EN22] The total volume of waste water by quality and final destination [m³/YEAR]



Our operations will produce waste that we try to limit already at the stage during the course of manufacture of the products. Modernization of existing and construction of new plants based on modern technologies based on assemblies, BAT is the reduction of waste at the same time increase production.

From waste management is also related to employee awareness and established practice with them, regulated, among others, internal procedures and normative acts. We store the waste in a selective manner in designated and marked places and pass them to the entities holding authorizations required by law on waste management. Storage of the waste and the lack of disposal options, or other waste management makes an annual balance sheet is overestimated the amount of waste stored in the following year.

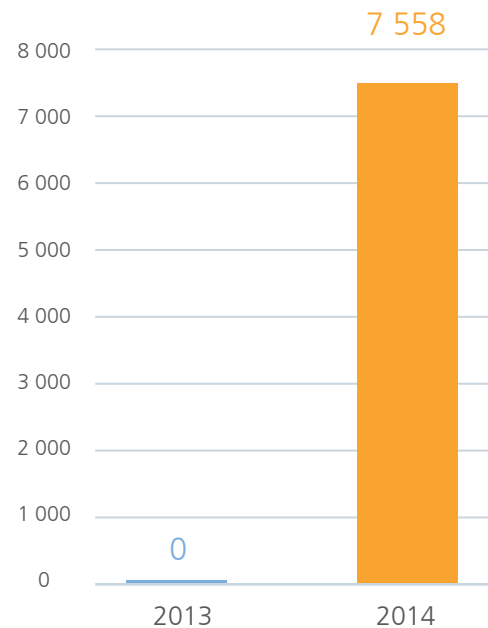
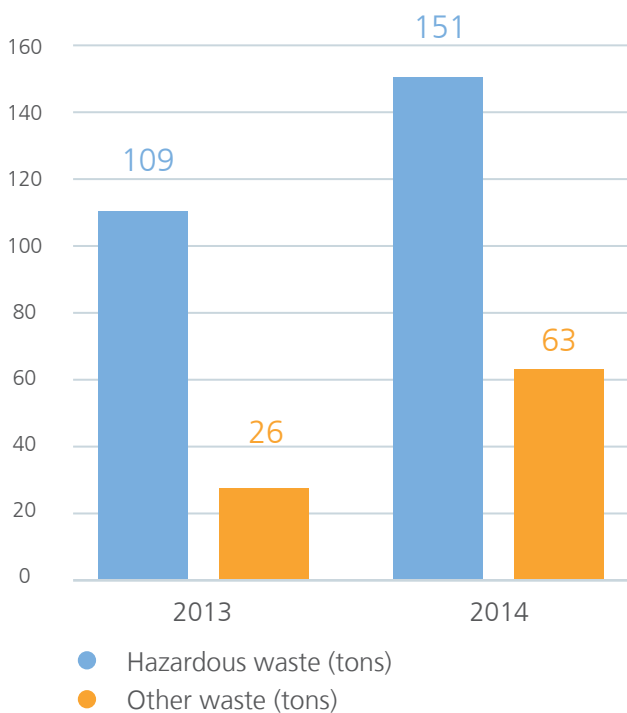
We deliver on its obligation to ensure required by law, recovery and recycling of packaging waste through an agreement signed with the recovery organization.

[G4-EN23] Total weight of waste by type of waste and methods of dealing with waste

Waste connected with the production	2013 year	2014 year	Increase/decrease %
Dangerous waste (tons)	109	151 *	increase of 28%
Rother waste (tons)	26	63	increase of 58.7%
Waste not connected with the production	2013 year	2014 year	
Concrete waste and concrete rubble from demolitions and renovations (tons)	0	7 558	Increase of 100%
In total (tons)	136	7 772	

* increased amount of hazardous waste is caused by storage-product produced in the manufacture, fit for sale, but unattractive. The result is that in the balance of waste it is stored waste mass passing the following year balance sheet date.

Waste connected with production [to]



	Waste mass in 2013 year [Mg]	Waste mass in 2014 year [Mg]
Transferred to external companies	108	145
Transferred within the Group	37	7627*
Stored by the company on its own	0	0
Total	142	7772

*increased amount of concrete waste and concrete rubble related with the emerging investment

The amount of hazardous waste generated in the reporting period amounted to 151 tons or about 28% more than in the previous year.

[G4-EN29][G4-DMA] We have introduced a number of internal regulations and procedures to ensure compliance with the regulations in force in the field of environmental protection. Despite the utmost care in the reporting year during the outdoor unit controls found in violation of the applicable legal standard, consisting in the absence of measurement noise within the deadline. External control unit imposed on the person who committed the offense in the amount of PLN 400. In 2014 there were no other offenses.

Against our Company there is no administrative proceedings in environmental protection, they have not been accrued penalties for use of the environment and there were no complaints regarding our business environment.

[G4-EN30][G4-DMA] Our products are transported every day by a large number of vehicles, among which are the largest number of tankers. Due to the fact that about 20% of all products sold are products subject to international conventions ADR * participate from the PCC in the Help System in Transport of Dangerous Goods (SPOT). The purpose of this system is to assist in disaster recovery that may occur during transport.

In order to increase safety during transport, among others we prefer specialized means of transport such as rail tank closed or protected container loads.

In 2014 years we did not notice the accident during transportation, which could pose a threat to the environment. In total, there was one incident, the potential effects have been mastered before leaving the means of transport the premises of the PCC.

We do not have our own means of transport, therefore we use subcontractors to deliver goods. To participate in a tender those Subcontractors are required to meet certain requirements set forth in the General Terms and Conditions of Services and specific requirements laid down for a particular route or product. Execution of orders is via a transport platform that allows for the transparent quality of each transaction and the optimization of transport services, which translates into financial savings and environmental benefits.

In addition to road transport, which constitutes the main means of providing the raw materials and products, the company also benefits from rail, and marine. Their share in the overall weight of transported raw materials and products is significant in the area of non-European routes, but also in the case of certain raw materials whose supply road transport would be economically unreasonable, or involve itself with an increased risk of transportation (hazardous materials).

For the sound management of transport corresponds to the logistics and planning department, which is most of the decisions taken in this regard. Constantly modernized database and information system tools allows you to optimize transportation management process and increase the scope of control, which helps to increase the level of security, a reduction in the number of complaints, and reduce transportation costs.

We use a fleet of cars, which is comprised of economic models with low emissions. In the therefore we defined the standard procedures for recycling waste from the operation of vehicles in our fleet.

* ADR - (Accord européen relatif au transport international des marchandises Dangereuses par Route) is an international convention on the carriage of goods and hazardous products.

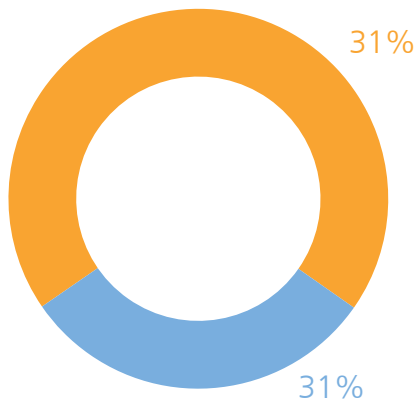
Under the program of CDP we monitor CO₂ emissions associated with transportation. Every year we make an inventory of emissions in all areas of business, including transport-related emissions in the whole cycle of production and sales. The scope of the analysis includes areas related to:

- transporting raw materials for production
- transport of goods produced
- internal transport

Determination of the order of magnitude of CO₂ emissions is based on a detailed inventory of the sources of its origin which include:

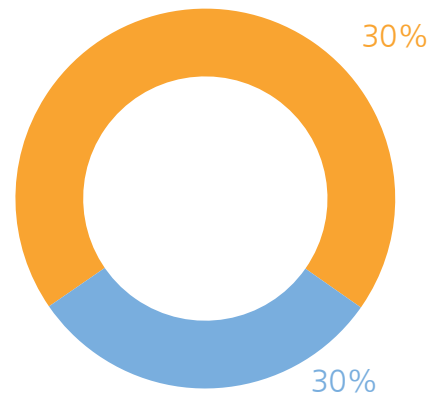
- Freight
- Rail transport
- Intermodal transport
- Internal transport

The main source of all CO₂ emissions is the production zone that uses technological processes significant amounts of electricity and heat. CO₂ emissions from this source fluctuates around 70% of global CO₂ emissions. Emissions associated with office activities are marginal and are mainly related to the consumption of media. In second place, constituting approximately 30% of all emissions are emissions from internal transport as well as external.



CO₂[Mg] 2013

- Emission from transportation
- From energy consumption

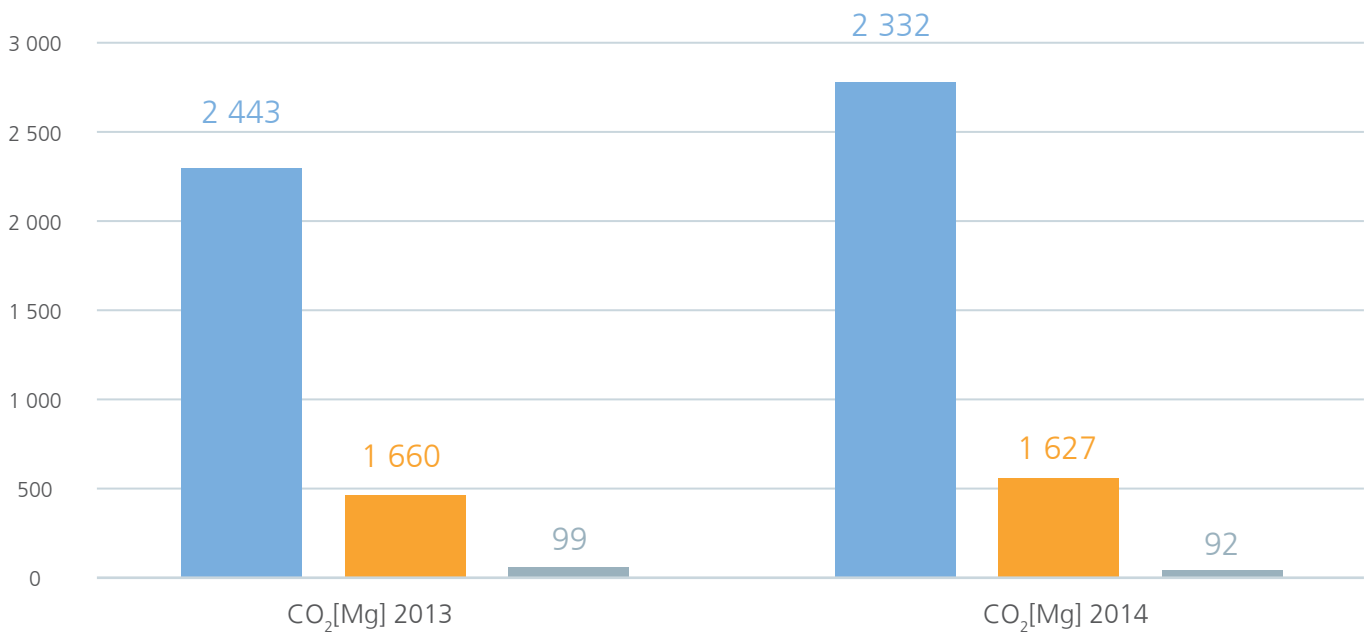


CO₂[Mg] 2014

- Emission from transportation
- From energy consumption

Comparison of CO₂ emissions from two major sources

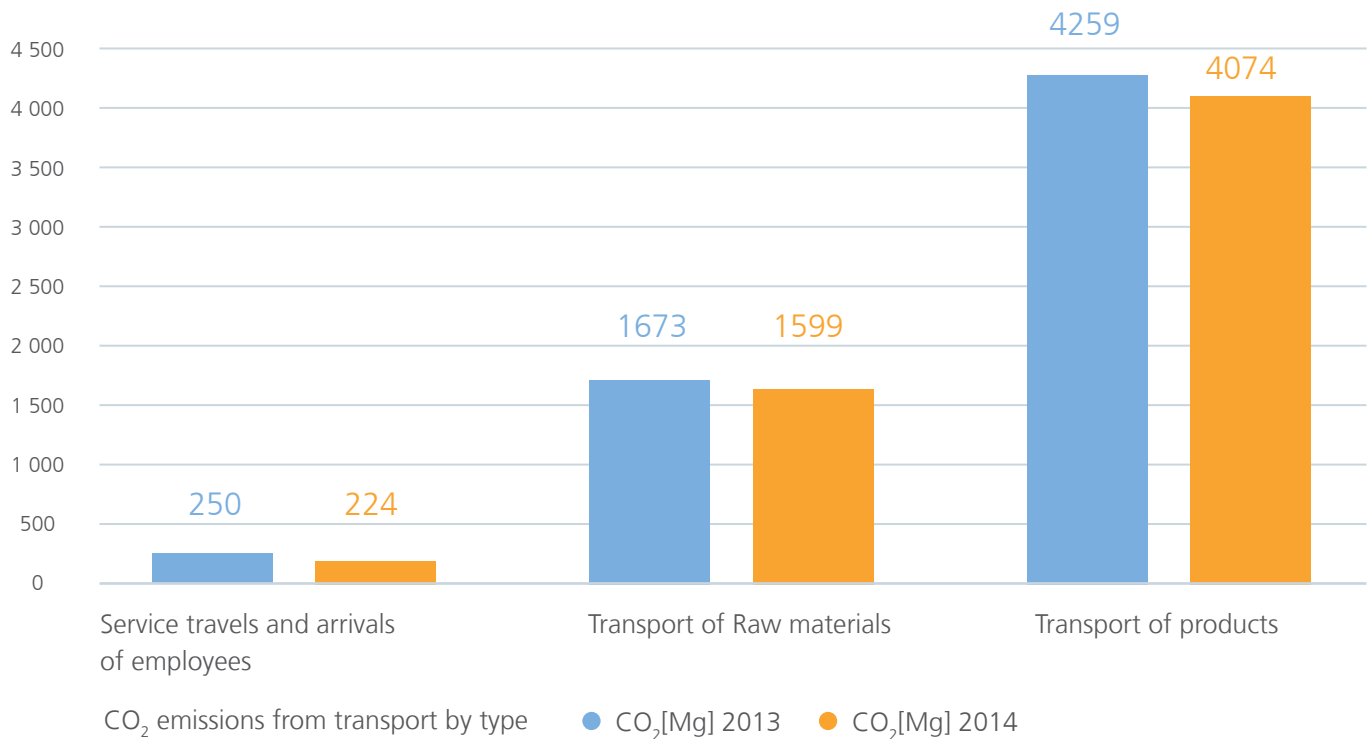
Due to the fact that we are a production company, both the transport of raw materials, as well as supplying products is done by different means, among which the biggest share belongs to transport by sea, road and rail transport.



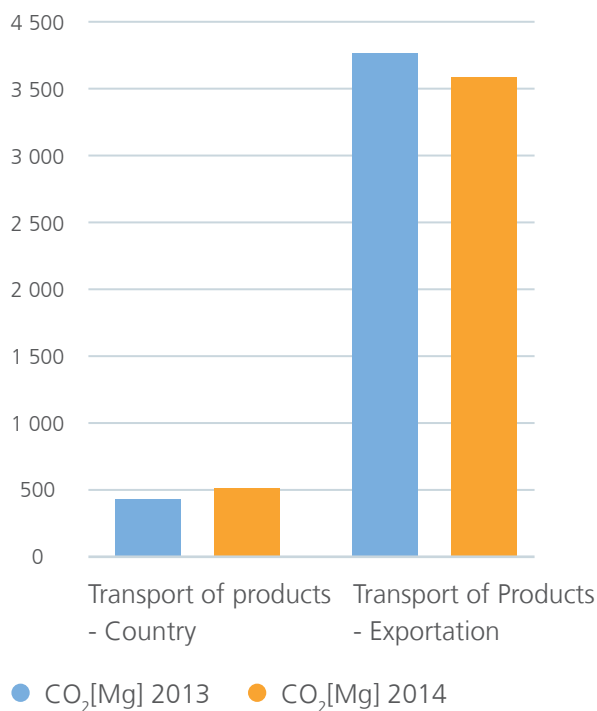
- Transportation by sea
- Transportation by road
- Transportation by rail

CO₂ emissions for each mode of transport of our products

The division of emissions from transport shows that the greatest share of emissions come from transport of goods and the smallest of passenger transport.



The inclusion of finished goods transport directions shows the proportion of CO₂ emissions from transport carried out in the country and exportation.



[G4-EN31][G4-DMA] We use the environment in a sustainable manner and make any charges for the use of the environment, in accordance with the legal requirements in this regard. We strive for the planned investments carried out in existing departments to take into account and minimize significant environmental impact.

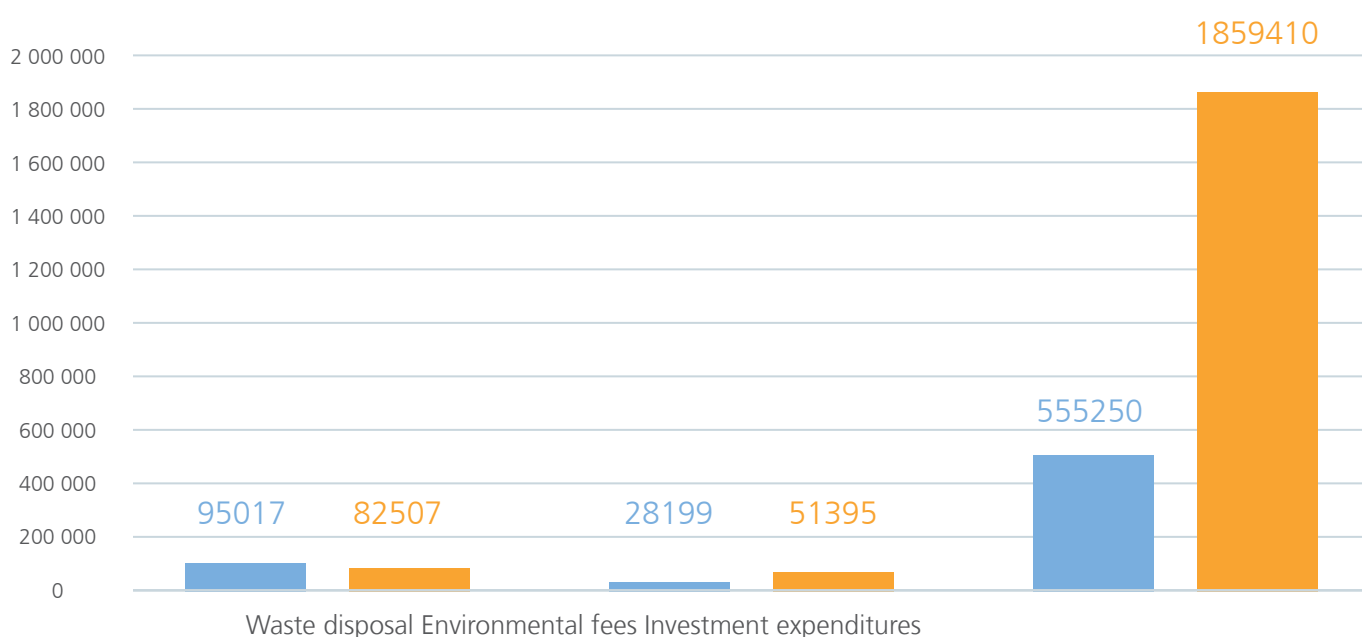
In the reporting year related investments indirectly to environmental protection amounted to PLN 1 993 312, an increase compared to 2013.

With the main tasks undertaken in connection with the optimization of the negative impact on the environment and improve environmental safety can be distinguished modernization of the ETS-1.

Emissions from transport CO₂ coming for transportation for individual fields of sales of our products

	2013 year	2014 year
Total expenditure on environmental protection, including:	PLN 678 466	PLN 1 993 312
Waste disposal costs	PLN 95 017	PLN 82 507
The costs of environmental management, including environmental fees	PLN 28 199	PLN 51 395
Capital expenditures on environmental protection	PLN 555 250	PLN 1 859 410

Total expenditure and investments devoted to environmental protection by type



Total expenditure and investments related to the environment according to the type of PLN ● 2013 ● 2014

[G4-EN34][G4-DMA] We register our complaints regarding the Company's impact on the environment. Introduced system allows the proper flow of information, which contributes to respond quickly to any application and incidents. The procedure is described in the internal procedures of functioning in the framework of the ISO 14001: 2004 and the establishment of normative acts.

Systematically we monitor environmental aspects, in accordance with the IPPC permits granted. As part of

belonging to the "Responsible Care" provide information about our impact on the environment and we assess the effectiveness of the operations in connection with its protection.

In the reporting year there were no environmental complaints in relation to our Company.

2.2 Social responsibility

[G4-56] To our stakeholders, interested in the effects and the way we conduct business, we have declared recognition of the generally accepted rules of social conduct, which we have written down in the valid Company's Code of Ethics.

The ethical principles applicable in the Company since 2011 evolved in 2014 into a new Code of Ethics developed with the participation of the PCC Group Companies. The new code is a set of core principles addressed to all employees. Our Code of Ethics is based on the values that we consider necessary for the smooth and reliable operation of the Company.

Through the included content we clearly express our values and beliefs regarding honesty, transparency and ethical standards in every sphere of activity. We define each of our vested rights and describe the responsibilities we must

address while attempting to maintain high level of ethical culture and business.

We are deeply committed to upholding the highest standards imposed by the Code in our business to respect applicable law. We embrace our conduct of all stakeholders, promoting mutual use of written values.

Through the included content we clearly express our values and beliefs regarding honesty, transparency and ethical standards. We do not tolerate lack of respect for ethical standards and legal in every sphere of activity either. We define each of our vested rights and describe the responsibilities we must address while attempting to maintain high level of ethical culture and business. This is reflected also in compliance by our staff with the adopted internal rules to the full extent of the valid legal order, and our recognized corporate culture

“With the development of business, ethical responsibility is becoming an increasingly important part of our business culture. Making smart decisions that positively affect the Company and its surroundings, it is not the only compensation. It is also a way to conduct our business in accordance with the values that we aimed for. The success of our company is one of the reasons why more and more attention is given to conducting the business in accordance with ethical principles. This contributes to greater employee satisfaction, improvement of customer satisfaction, strengthening relationships with local communities and the entire the environment in which we operate.”

Mirosław Siwirski

President of the Management Board

[G4-57][G4-58] In order to improve communication in the PCC Group we established the Ethics Commissioners who oversee the course and effects of the enforcement of provisions in the framework of the principles and values of the Code of Ethics by employees of the Company and persons and entities associated with it. The main task of the Ethics Commissioners is to provide explanations with regard to the provisions of the Code of Ethics, their possible interpretations and possible confusion. Reports addressed to the Ethics Commissioners may involve any ethical concerns or violations and violations of the principles contained in the Code of Ethics of the Company, legal standards, or other procedures of the Company.

We report matters to the Ethics Commissioners in person, after prior appointment by telephone, in writing or in any other manner appropriate to the parties concerned. In the event that the interested party reporting the trouble or complaint concludes that the procedures are not satisfactory for them, they can report to the Management Board or to the Commissioner at PCC SE - Mr Waldemar Preussner.

[G4-HR3][G4-HR12][G4-DMA] Every employee, co-worker, client or contractor may come to the Ethics Commissioner asking for help or advice when he finds that there is something inconsistent with the beliefs, his values, ethical standards and social or human rights. Each case and the application is subject to strict confidentiality.

When reporting problems and complaints, and in the course of any investigation, personal information of the person making the report may be made secret upon this person's request. However, we do not specifically encourage the use of this method. The person submitting a com-

plaint or a problem, acting in good faith does not have to hide their identity. However we leave the issue of anonymity to the of employees.

A very important rule is to also a guarantee of lack of any retaliation against a person who in good faith reports problems associated with human rights violations and violations of the principles of ethical culture in the Company.

Handling the notification is done through an open conversation between the Ethics Commissioner and the person reporting the problem and checking the circumstances of the incident (in confidence). The next step is solving the case and providing feedback to the reporting person. Upon request, the Ethics Commissioner shall provide solution to the matter in writing. In cases involving violation of the law and/or human rights, the Ethics Commissioner, having conducted the proceedings, shall submit to the Management Board information on irregularities or lack thereof. The person reporting the trouble has access to the results of the proceedings.

The employee has the right to choose the Ethics Commissioner to whom they want to report a problem.

In case of violation of human rights or Code of Ethics, we can apply, individually or in combination, moral obligations to repair the damage caused to the victim, disciplinary conversation with your supervisor and providing a verbal warning, written warning and other consequences depending on the type of situation in which human rights or records of the Code of Ethics have been violated.

In the 2014 years we recorded 1 notification regarding discrimination, which was resolved amicably.

We recorded 1 notification regarding discrimination

2013 year		2014 year	
Number of recorded incidents	Number of incidents settled amicably	Number of registered incidents	Number of incidents settled amicably
2	2	3	3

[G4-HR4][G4-DMA] Freedom of association is one of the fundamental human freedoms, firmly established in international legislation which in the way of ratification became a part of the Polish legal system. The PCC employees have the right to form and join any trade unions and conduct collectively negotiations of their wages. We have

an open attitude towards trade unions and their organizational activities. Representatives of trade union organizations are not discriminated against and are free to perform representative functions in the workplace. In 2014, there were no significant threats to freedom of association and negotiation.

We have not noted relevant dangers for the freedom of association and negotiations

[G4-HR5][G4-DMA] Constitutional standard corresponds with a number of international conventions and Community law. Underlying all of these standards is a desire to protect children from abuse and excessive workload. Because of that we do not allow the employment of children and observe any restrictions on the employment of persons under the age of 18 years. We recognize the right

of every child to be protected from economic exploitation and performing any work that is dangerous, limits the ability to get an education, or a threat to the health or physical, mental, spiritual, moral or social development. In 2014 there were no significant risks exploitation of child labour.

There were no significant risks of exploitation of child labor.

[G4-HR6][G4-DMA] The voluntary nature of employment is one of the most important features of the employment relationship. We do not benefit in any way from forced labour, slavery, apprenticeship or forced labour of prisoners. All employees of the Company perform their tasks in a voluntary and conscious way, in accordance with their

powers, aptitude and qualifications. We do not require employees to make "deposits" or surrender their identity papers. The Company's employees have the right to terminate employment at the end of the period of notice of the agreement. In 2014 there were no significant risks of the use of forced or compulsory labour.

There were no significant risks of the use of forced or compulsory labor.

[G4-HR7][G4-DMA] We provide employees with safe and healthy working environment, corresponding to the standards of the chemical industry and taking into account potential risks. Concern for the safety of people and the environment has long been regarded as one of the most important priorities. We take a number of actions aimed at preventing accidents by limiting the different types of risk events work environment, as well as in their actions tend toward promoting safety, health and the environment. As a responsible employer, we provide all employees mandatory and regular training in occupational health and safety. We forbid appearance at work after consuming alcohol, drugs or other intoxicants. Workers have the right to refuse to perform command of a superior in the absence of adequate measures to protect health and life, provided for the activity unsecured by the Company.

We ensure safety in the workplace via the established Chemical Rescue groups, consisting of employees of the various production departments, who are the first to respond to the threat to health and life.

The area of process safety is also supported as part of an outsourcing agreement by trained and experienced team - Works Rescue Service of PCC Rokita SA, consisting of 31 people, which coordinates and manages all activities and rescue operations in the PCC Rokita.

Buildings however are protected by a trained and qualified team of employees of a company providing outsourcing services for the entire PCC Rokita

100% of employees have current safety training
22% of employees belong to groups of Chemical Rescue

[G4-HR8][G4-DMA] We respect the rights of indigenous people in accordance with the definitions set out in the existing and emerging national and international standards. As part of promotion of the idea of sustainable palm oil production and a dialogue initiated by the Roundtable of Sustainable Palm Oil organization, which has developed, implemented and promotes basic global standard for sustainability in relation to products produced from palm oil RSPO, we support efforts to continue improving the mech-

anisms for the sustainable production of palm oil and its processing throughout the supply chain. As a member of the RSPO we support respect for human rights, including respect for the cultures and rights of local communities, thus respecting their right to land ownership and promoting small farmers by incorporating them into sustainable supply chains. In 2014 no cases of violation of the rights of indigenous peoples.

No cases of violation of the rights of indigenous peoples.

[G4-SO1][G4-SO2][G4-DMA] The investments made by our company bring tangible social and economic benefits. Through our activities we have contributed directly to the creation of new jobs and engaged the cooperation of local entrepreneurs. We determine potential impact, including also a negative one, on adjacent areas already during the design stage and verify the while obtaining relevant administrative decisions authorizing the commencement of work. Thus, the local community is recognized as a party in the ongoing administrative processes.

We react to any alarming signals and complaints, so that we can immediately identify the problem and take corrective action.

[G4-SO10][G4-DMA] In 2014 subcontractors submitted to initial qualification which included, among others, assessment of meeting the requirements of quality, safety and health, were assessed indirectly in the area of impact on the local community. One of the aspects aiming at minimizing nuisance to the local community turned out to be compliance with fixed hours of work, or moving along the access roads to the plant bypassing inhabited areas. There are many examples of direct or indirect impact on the local community, but all these aspects are the elements that complete final evaluation of subcontractors. Any disturbing incidents and complaints from the residents are directed to the Dispatcher Department of the PCC Group, making it possible to immediately identify the problem and take corrective action.

Including assessment of impact on society in supplier evaluation caused indirectly that possible violations are recorded statistically in other areas.

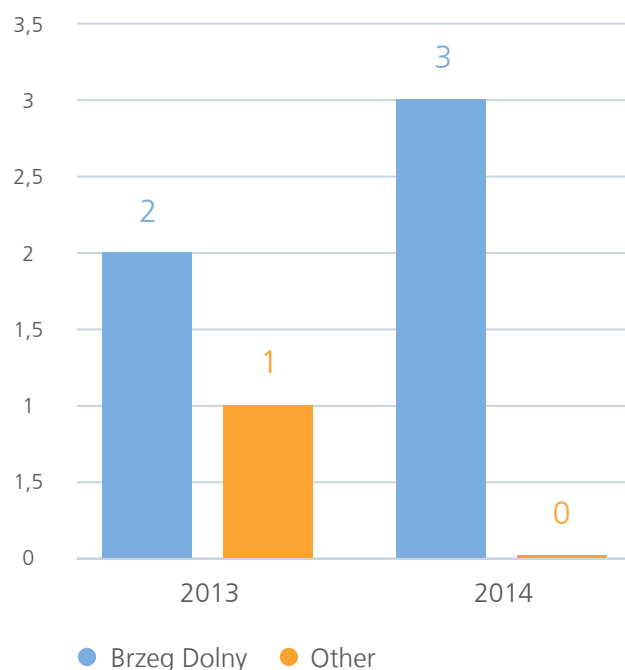
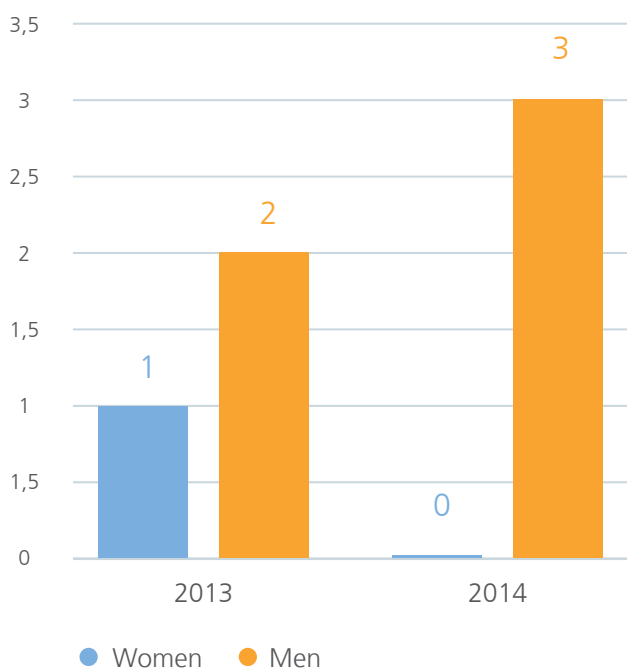
[G4-LA6][G4-DMA] Due to the fact that health and safety at work is an important element of social responsibility of our Company, we strive to ensure the highest standards in this area, among others, through a series of rules and procedures described in the internal normative acts. Thanks to them, we provide the right conditions in the process of planning, production, storage and transportation of our products. Systematized rules and guidelines apply to both employees of our company as well as all external contractors and visitors.

We belong to plants with a high risk of serious industrial accident, and therefore we strive at minimizing the negative impact on the surrounding environment, taking into account the threats that might have an impact on the local community. We have developed and implemented programs to prevent accidents and make all issues related to reporting in this area.

Thanks to modern technological solutions applied to our production departments manufacturing processes take place under strictly controlled conditions, in a responsible and safe.

		Number of accidents				Absenteeism (days)	Index		
		Total	Fatal	Severe	Collective		Frequency	Severity	TRR
2013 year	Employee from Brzeg Dolny	2	0	0	0	70	13,79	35	8,74
	Employee outside Brzeg Dolny	1	0	0	0	18	55,55	18	32,62
	women	1	0	0	0	40	6,13	40	No data
	men	2	0	0	0	48	12,26	24	No data
Total		3	0	0	0	88			
2014 year	Employee from Brzeg Dolny	3	0	0	0	29	20,00	9,66	12,57
	Employee outside Brzeg Dolny	0	0	0	0	0	0,0	0	0
	women	0	0	0	0	0	0	0	No data
	men	3	0	0	0	29	17,85	9,66	No data
Total		3	0	0	0	29			

Rates of injury, occupational diseases, lost days and absenteeism and number of fatal accidents related to work, by gender and regions.



Number of accidents in proportion of sex Number of accidents in proportion of regions

2.3 Our employees

We emphasize increasingly on conducting our business in a responsible way. This means that in addition to economic targets we set ourselves the goals social responsibility and respect for the environment. It is associated with an increasing awareness that the success of our company in a dominant role in determining employees. We are confident that we will achieve business goals only with the full cooperation and commitment of all our employees. We employ highly qualified and experience. We enable and assist in obtaining additional education, skills improvement and acquisition of new skills.

[G4-10][G4-LA1][G4-LA2][G4-LA3][G4-LA12][G4-DMA]

We provide high standards of employment on the basis of decent and safe working conditions in the Labour Code as well as beyond the statutory obligations of the employer. We also offer our employees extensive additional benefits resulting not only from the basic standards of national and European standards. Through contained in the Company's Code of Ethics principles and values we strive to maintain a high level of ethical culture and business.

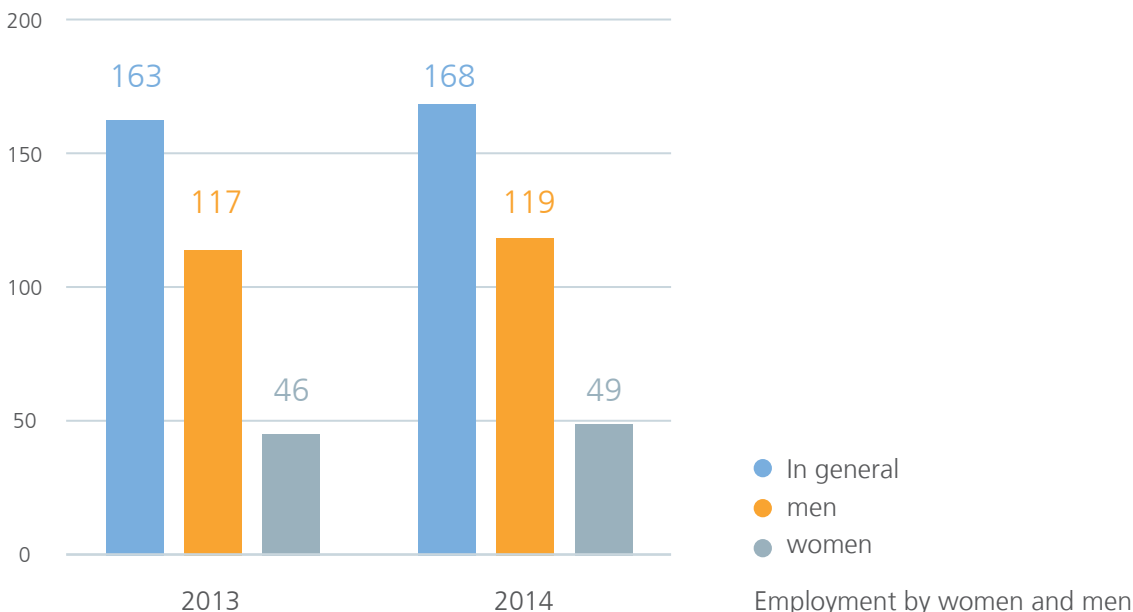
Bearing in mind the interests of our employees provide social benefits, which include funding the holiday vacation workers, cultural and educational activity in the form

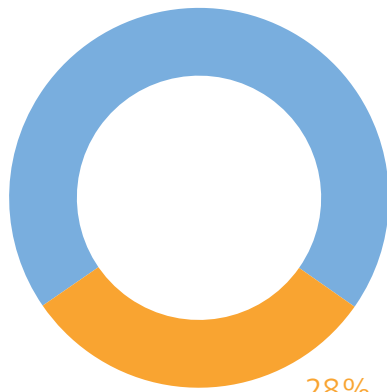
of co-financing of various events and for other purposes set forth in the Company Social Benefit Fund. We head to our employees access to preventive medical care outside the scope of occupational medicine, for example. Vaccinations against flu. We promote the benefits in the form of additional hours for feeding a child, or two days of childcare.

Caring for Corporate Social Responsibility maintain relationships with former employees of our Company, which include those not working because of age (pensioners) and those not working because of ill health (pensioners). This is done by solemn meeting organized by the Group of PCC on the occasion of the jubilee birthday or occasional meetings. We also provide social protection to such persons, in accordance with Departmental Regulations Social Services.

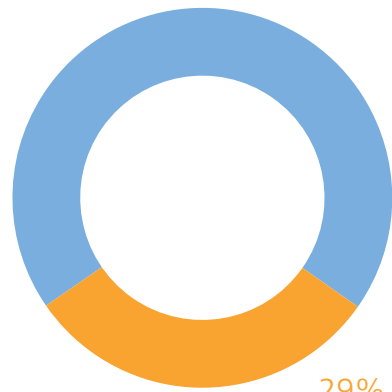
We strive for equitable treatment of all regardless of sex, age, position, seniority, trade union membership, religion, nationality, beliefs, appearance or sexual orientation.

[G4-11] Our workers are not covered by collective bargaining agreements.



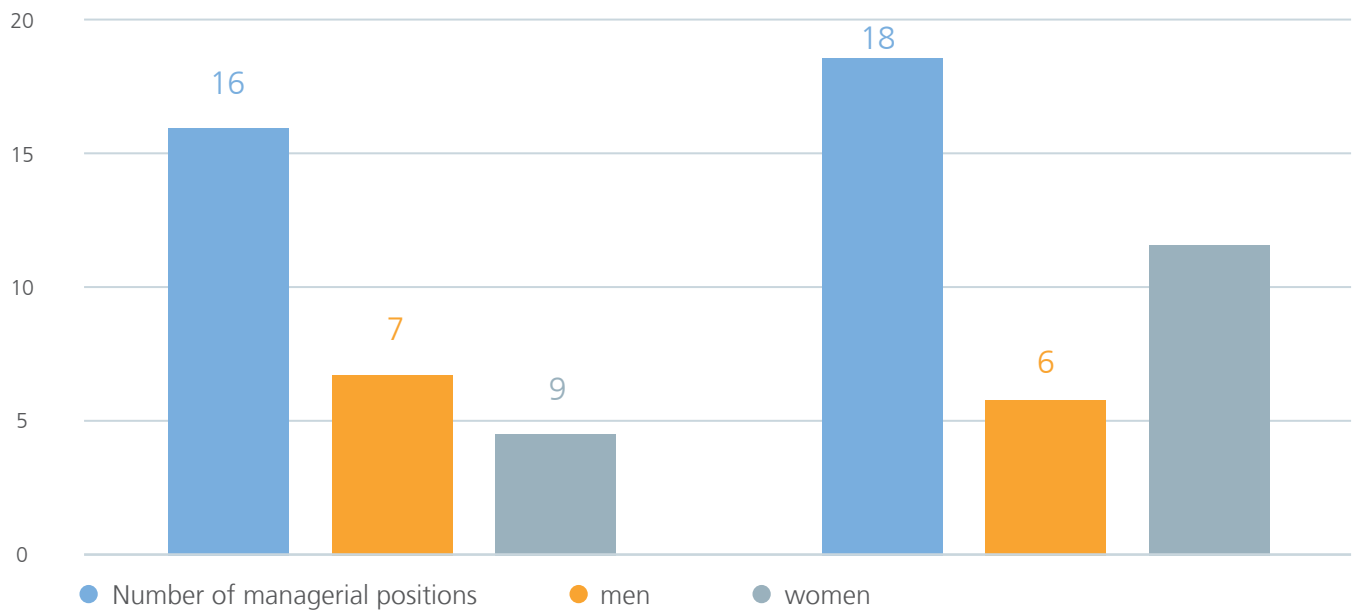


● women 2013

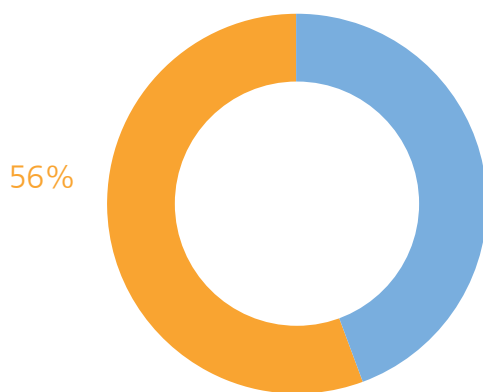


● women 2014

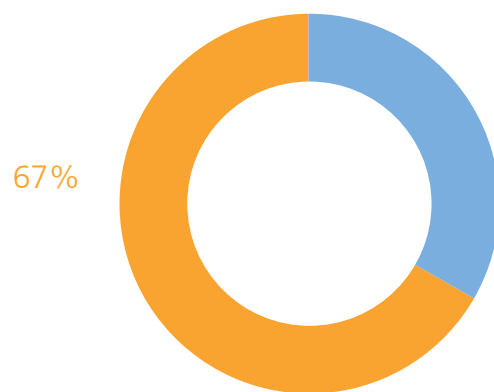
Percentage of women in general structure of employmen



Management positions by gender

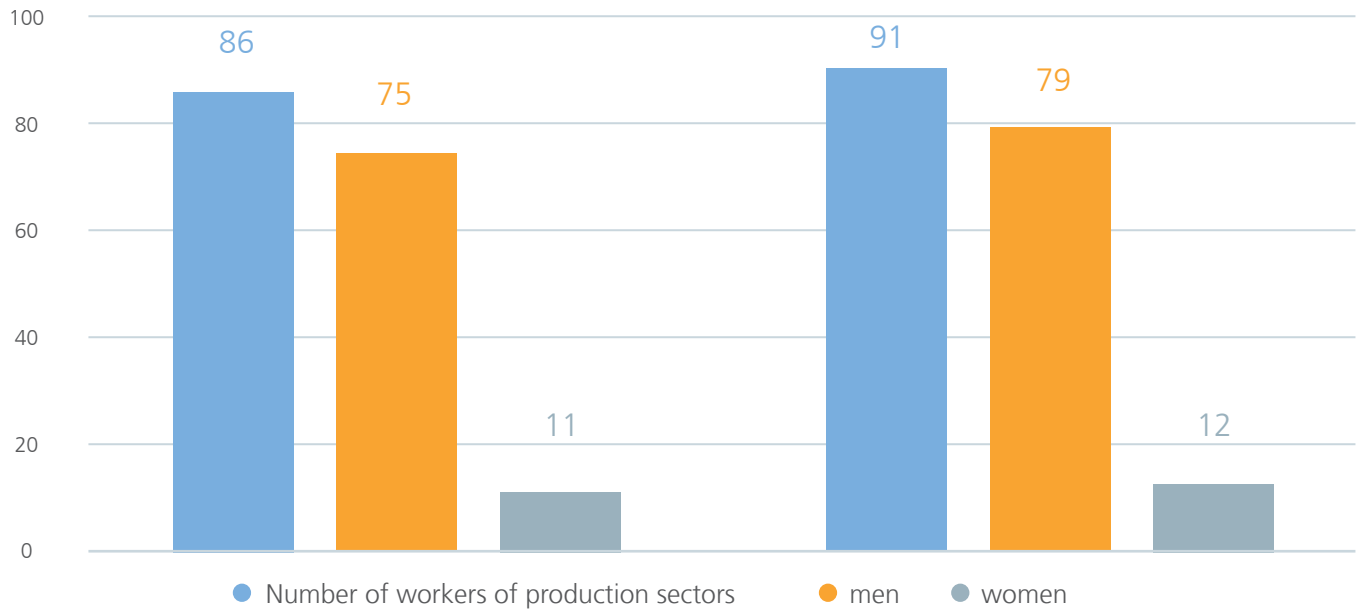


● women 2013

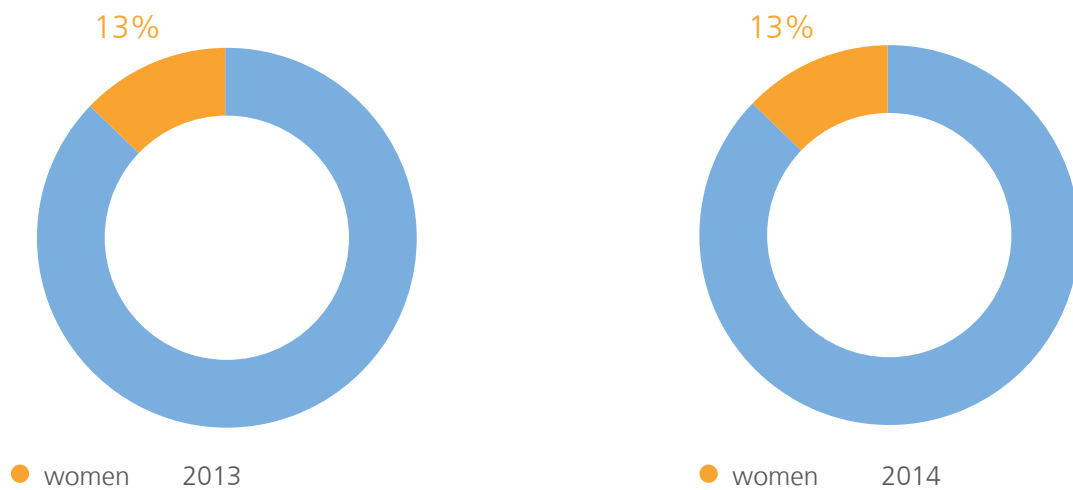


● women 2014

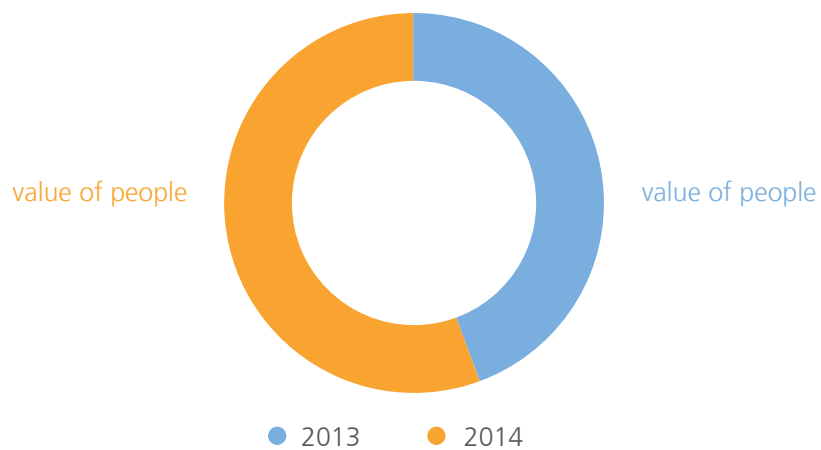
Percentage of women on managerial positions



Employment in manufacturing sectors by gender



The proportion of women employed in the manufacturing sectors



The total number of newly employed workers

* Fluctuation level of employees according to age, gender and region

		2013 year	2014 year
age	<30	1,2	3,0
	30-50	6,1	8,3
	>50	1,2	2,4
gender	women	5,5	4,2
	men	3,7	9,5
region	Brzeg Dolny	3,7	7,1
	other	5,5	6,5

* fluctuation rate is calculated as follows: (number of employees laid off / total number of employees) × 100%.



- Employees residing outside the city and commune of Brzeg Dolny
- Employees residing in the city and commune of Brzeg Dolny

The structure of employment by place of residence

	Women	Man	In total
<30	13	28	41
30-50	32	69	101
>50	4	22	26
sum			168

Employment by age and sex

	2013 year	2014 year
Women	5	2
Men	0	1
Total	5	3

The number of employees on maternity/paternity leaves

	2013 year	2014 year
Women	5	2
Men	0	1
Total	5	3

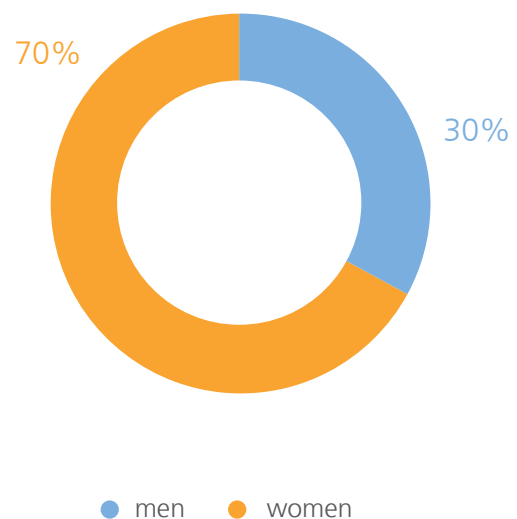
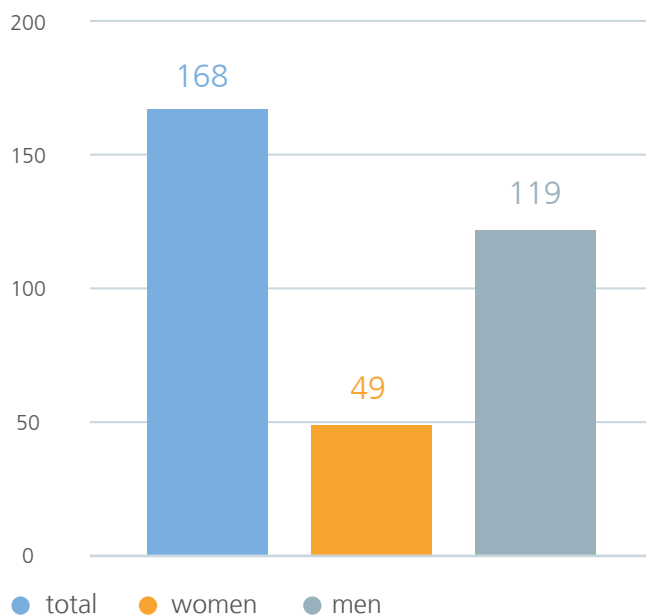
The number of employees that came back from the maternity/paternity leaves

[G4-LA9][G4-LA11][G4-DMA] We attach a great importance to the development of the competence of our employees through continuous training them, motivating an efficient use of knowledge and sharing it with others. We promote participation in a wide range of training, courses, conferences, seminars and language courses or co-finance a college education. We are depending on the needs of meeting information and training to enable the transfer

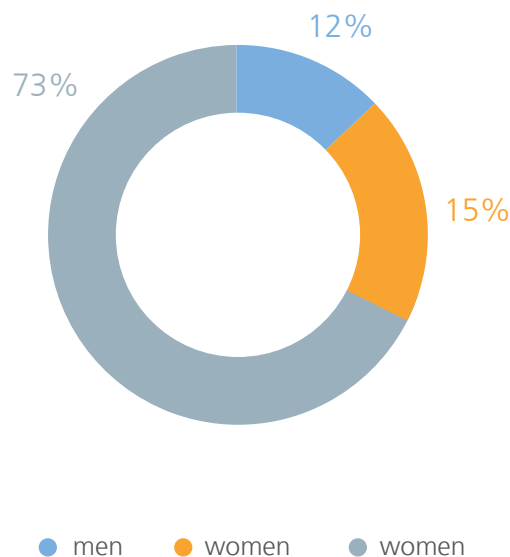
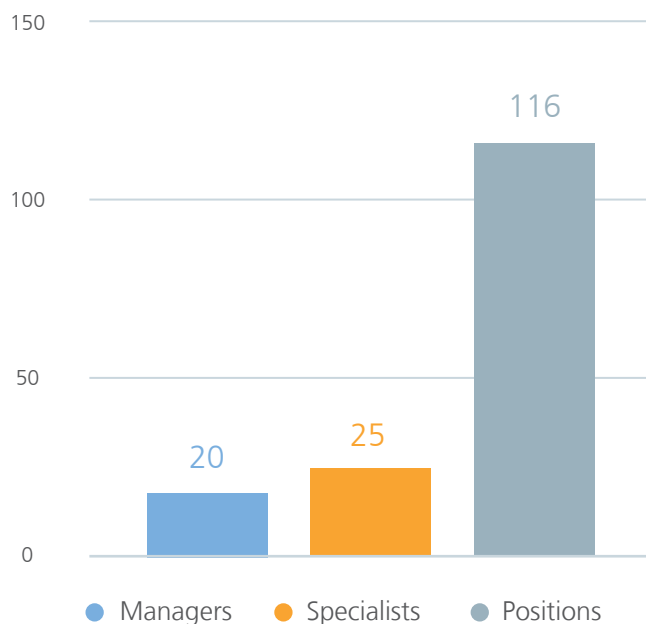
of necessary knowledge about our products by our Company, among others, persons undertaking the work.

Average hours of training per one employee by employee category and gender in the reporting year amounted to:

- 22 hours for women and 20 hours for men employed in managerial positions,
- 9 hours for women and seven hours for male workers in other positions.



Percentage of employees receiving regular performance and career development reviews by gender and categories of workers



Percentage of employees receiving regular performance and career development reviews by gender and categories of workers

We submit all employees to regular performance assessment of competence covered by the scheme. The assessment does not concern employees occupying the position of Director. At the professional level we evaluate the effectiveness, suitability professional for your organization, as well as the development potential of our employees.

[G4-LA13][G4-DMA] The remuneration policy in our company is realized taking into account the current benchmark salaries. When determining individual compensation for an employee in a given position held by the Management considers his qualifications, professional experience or the results of employee assessment in the request for a salary increase. Regardless of the equitable remuneration, the Company provides employees social benefits. This could include funding for summer relaxation or MultiSport cards and expanded bonus system. Our remuneration policy does not differentiate between employees on grounds of sex, which is why cited indicator reflects only the percentage of women's wages to men and they operate at the level of 81.33%.

[G4-SO4][G4-SO5][G4-DMA] The phenomenon of corruption is a threat to business activities, violates the freedom of the market and negatively affects various levels of social life. As a result, we have developed and implemented the Anti-Corruption Policy, which is addressed to all employees of our Company and its Stakeholders.

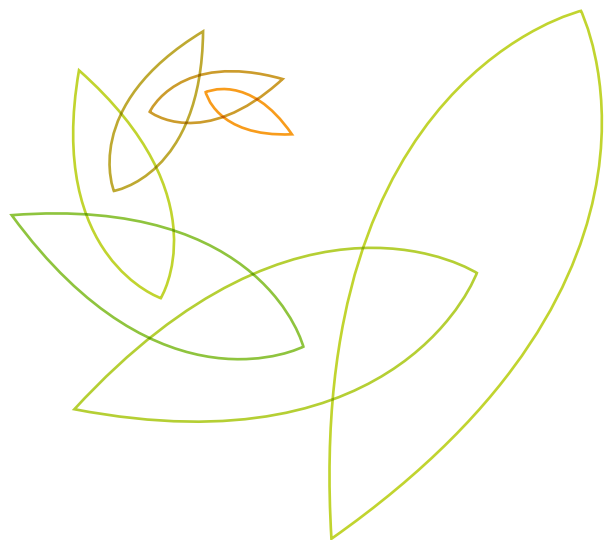
We have committed ourselves to run activities in accordance with applicable laws and industry regulations to comply with Polish and international anti-corruption legislation. We reject all forms of corruption and commit ourselves to conduct our business in a fair and transparent manner. We make sure that all transactions are in accordance with anti-bribery laws, including the requirement to conduct a complete and accurate accounting records. According to the Polish and international anti-corruption law, we not promise, do not offer, we do not pay, do not we give, or in any other way do not pass valuables and cash to government officials and stakeholders of the Company, if it is against the law or is illegal.

We allow the transfer of gifts and other words of politeness only when they are handed out for business reasons consistent with the regulations. Our employees are not allowed to drive or shape negotiable depending on obtaining a gift, service, or words of courtesy received from a customer, vendor, or other third party.

Managers participates in the training-moving business ethics issues, including tackling corruption. Annually participates in training sessions around 10% of employees in commercial sectors.

In the reporting year, there were no confirmed incidents of corruption and therefore it was not appropriate to take action in this area.

3. OUR STAKEHOLDERS (DIALOGUE AND RELATIONSHIP WITH THE ENVIRONMENT)



3. Our stakeholders (dialogue and relationship with the environment)

The dialogue with stakeholders is a process that helps us to better respond to the expectations of our customers, suppliers, investors, employees, business partners, organizations and institutions and the immediate surroundings.

[G4-26] The basis of our dialogue with stakeholders includes a key social and environmental challenges which are important for the implementation of our strategy. Existing and proven channels of communication with stakeholders are constantly complemented with new tools and ways of effective dialogue. Thanks to this, we are aware of the expectations of each environment associated with our company. These expectations in relation to market trends of surfactants not only show us the directions of modelling strategy in a way that meets the needs of the market but also let you put the next steps on the road to continuous improvement in line with the idea of sustainable chemistry.

We conduct the current dialogue with the various stakeholders in the course of the year, in the form and frequency adjusted to a specific relationship. For instance, once a year, customers of the company are subject to comprehensive study of satisfaction. This dialogue with our stakeholders is always based on mutual trust, transparency and business ethic. **Our goal for the years 2015-2016 is to create mechanisms that allow you to conduct a regular dialogue with the various stakeholders, according to the standard AA1000.** The implementation of the standard will allow us to create such communication tools that allow you to improve and deepen our values both in terms of environmental and social area as well as in business domain. It is extremely important for us to increase the statistical significance of information obtained from stakeholders. Therefore, in connection with the implementation of the standard AA1000 we will also increase the scale of conducted dialogue with the various stakeholders.

[G4-20] [G4-21] [G4-27] Identification of the key issues for our Company

An analysis of the relevant issues was carried out on the basis of the results of the sector reports, international and Polish research, as well as interviews with representatives of the environments connected with our company by legal, social and business relationships.

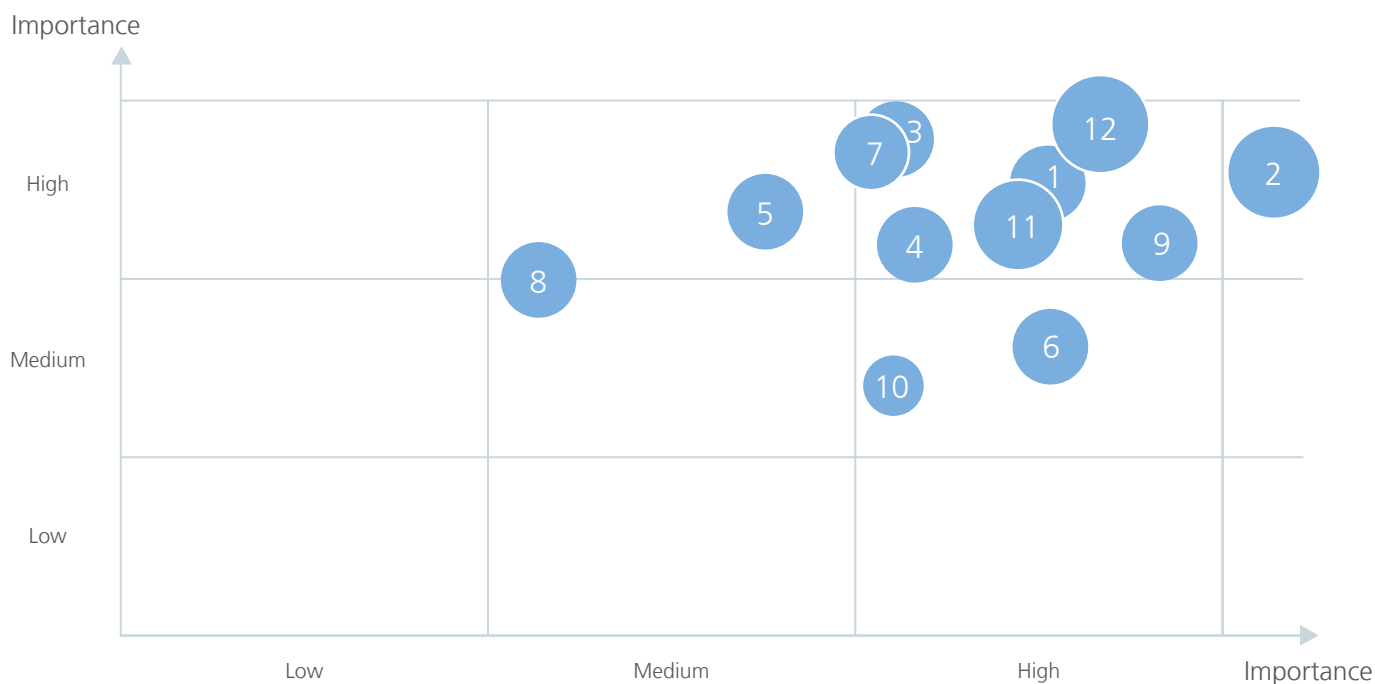
We have included stakeholders in the process of creating a report. Their opinions and expectations are for us a summary of existing activities and inspiration in planning. Within the dialogue we have carried out individual consultations with leaders for specific areas relevant to business and industry. In this way, we have identified the most important issues, what has been described by us in this report.

Conducting dialogue with stakeholders, we have focused on topics that, in the analysis of internal processes relating to the functioning of our company in its environment and external environment such as market trends and challenges, have been identified as key.

The most important of these include:

1. The safety and health of workers
2. Standards to ensure the quality and safety of products
3. Investments to increase the availability of products for customers
4. Customer service standards
5. The impact on the environment
6. Managing diversity
7. Process safety
8. Emissions of greenhouse gases
9. Human rights
10. Social influence
11. Sustainable value chain
12. Research and development of sustainable products

The matrix of relevances of issues for the company and its stakeholder



* The size of the blue spaces on the graph indicates the progress of the Company in the implementation of the objectives of the different areas

Stakeholder map (G4-24) (G4-25)

We care about the quality of the contacts and the level of relationships with stakeholders. In these activities we are effectively supported by Department of investor relations and Public Relations, working at PCC Rokita SA, utiliz-

ing the latest capabilities of modern communication. The forms of contact are tailored to the needs and characteristics of specific groups of stakeholders and the business profile of our company.

“Being responsible for the results of our activities, we aim to enable the stakeholders to actively participate in finding solutions and answers to issues related to the development and future of the Company. Our approach to value creation underlines the importance of an effective and constructive dialogue. In the PCC EXOL SA, we build relational capital based on the analysis of opinion and relevance of the areas of the Company for our stakeholders.”

Marlena Matusiak

IR/PR Manager
PCC Rokita

While working on this report, we have made the first map of our stakeholders. As a result of consultations, discussions and joint discussion we have identified among them

8 major groups. We have made this based on assumptions of the company's business strategy and an analysis of the areas of direct and indirect impact of our activities.

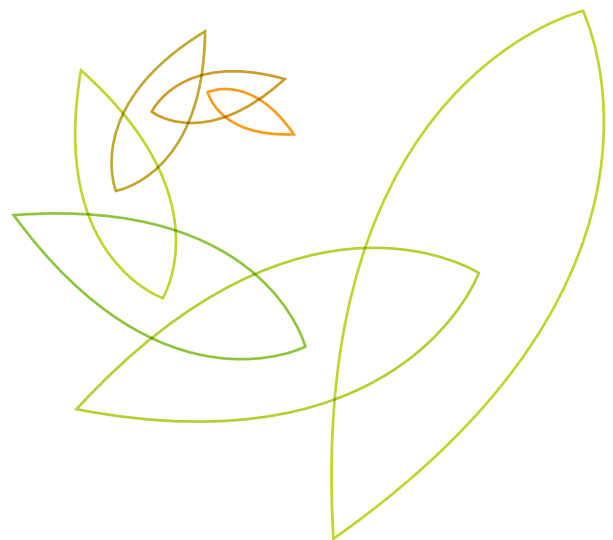
Stakeholders	The impact of direct	Indirect impact
Employees	x	
Customers	x	
Suppliers	x	
Shareholders o	x	x
Environment		x
Community	x	
Regulatory environment x		
Science	x	

Channels of communication with stakeholders

Stakeholders	Characteristics Of Group	Channels Of Communication
Employees	Building organizational culture, we are building the identity of our company. Employees of the company are our greatest resource, not only results but also image depend on them. Employees work in compliance with the applicable law and the code of ethics, which the Foundation will learn during organized training. Every year we carry out actions designed to improve working conditions, safety of workers and raise their professional qualifications.	Information portal PCT Process System Intranet IBM Notes Leaflets Posters Brochures Advocates Of Ethics Themed Inboxes Employee PCC Group Forum PCC newsletter Chemnews
Customers and markets	National clients Foreign clients Global customers Distribution company Other business partners Customer within the Group Governmental and non-governmental organizations Consumer organizations The competitive companies Industry organizations: CESIO and CEFIC	Home page www.pcc-exol.eu Direct contacts: Sales Managers, Customer Service Department Platform for the exchange of information: SEDEX, EcoVadis, CDP, Achilles, KnownSources, SurveyMonkey Themed Inboxes in which contact box of the Company Management Information materials and publication materials Meetings Customer Satisfaction Survey Conferences and industry events PCC newsletter Chemnews

Supplier	National and foreign suppliers in which global companies Suppliers of materials and services Business partners Suppliers within the PCC Group	Home page: www.pcc-exol.eu Direct contacts: Themed Inbox Information materials and publications Meetings Code Of Ethics Vendor Card Conferences and industry events PCC newsletter Chemnews
Shareholders and investors	Institutional investors, including the related capital companies Individual investors The shareholders Credit rating agencies Brokers and Analysts Media (journalists) GPW The capital market supervisory institutions (eg. THE FSC, KDPW)	Pager-cyclical newsletter dedicated to the company's business summary Internet portals: www.pccinvestor.pl , www.pcc-exol.eu/investor , www.pcc-exol.eu PCC newsletter Chemnews Informational materials, brochures, folders, Press releases E-mail registration-investor relations Institutional Investor Day Individual Investor Day PCC open days
The environment	National and international organizations acting for ecology and environmental protection, the State administration bodies Institutions regulating in the field of safety and environmental protection	Business meetings, trainings, conferences, commissions Home page www.pcc-exol.eu Platform for the exchange of information, the RSPO CDP Reporting environmental indicators: KOBIZE, Responsible & Care, UN Global Compact, the RSPO Themed email inbox, Informational materials, brochures, folders, ChemNews newsletter
Community	Local communities State administration bodies Local and regional authorities Non-governmental institutions and organizations Foundations and Public Organizations Media Colleges and academic environment	Open days PCC Group Job fairs and career Office Cyclical reports-reporting Newspaper articles and interviews Meetings, trainings, conferences, commissions www.pcc-exol.eu website Themed email inbox Informational materials, brochures, folders, ChemNews newsletter Code of ethics
Regulatory environment	Regulators: Echoes, the State health Inspection The Ministry Of Internal Affairs Military Health Inspection Environmental Auditing The State Labour Inspectorate Commercial Inspection The State Fire Department the Customs authorities UOKiK, GIODO, GUS, KOBIZE, WIOŚ and others	Accounting-interim reports and inspections Consultation Working meetings industry conferences forums and congresses home page www.pcc-exol.eu Direct communication-Office security and prevention and the Environmental Protection Agency at PCC Rokita (outsourcing services for PCC ROKITA SA)
Science	Universities Colleges Institutes and research laboratories Organizations and trade associations	Job fairs and career Office Cyclical reports-reporting Newspaper articles and interviews Meetings, trainings, conferences, symposia, commissions website www.pcc-exol.eu Themed email inbox, Informational materials, brochures, folders, ChemNews newsletter

4. ABOUT THE REPORT



[G4-18] [G4-19] [G4-20] [G4-21] [G4-22] [G4-23] [G4-28] [G4-29] [GR-30] [G4-32][G4-33] We have developed this report in relation to the key objectives of sustainable development in our industry.

In this report, we have tried to put the defined areas, which form an important aspect for our stakeholders and which have been largely identified thanks to the dialogue conducted with them on a regular basis.

Due to the high level of significance, the most often indicated aspect was the following:

1. Sustainable value chain
 2. Research and development of sustainable products
- In addition, we have included 10 other aspects which should be reported in the first place.

In the report, we have shown our approach to corporate social responsibility. We have defined objectives, development trends and the effects of the current activities of our company. We have identified strengths and weaknesses, we have evaluated the risks and the potentials for further development.

4.1 Key aspects of reporting

In our company, this Sustainable Development Report of PCC EXOL SA is one of the tools to communicate in non-financial way defined aspects of the functioning of the company.

Our report includes data for the period from 1 January 2014 to 31 December 2014 and this is the first standalone Sustainable Development Report PCC EXOL SA which has been prepared on the basis of the guidelines of the international standard Global Reporting Initiative G4, on the level of the application CORE. We have also included in this study the principles of the Global Compact.

In view of the fact that this is the first non-financial report of our company, it does not contain significant changes to the scope, extent or measurement methods in relation to the report for the previous year or corrections to the information contained in the previous report.

We have decided that the Sustainable Development Report of PCC EXOL SA will be issued once a year and another will be released in 2015.

Included financial data are part of the data presented in the financial statements of our company. All other data result from inventory of individual reporting units areas of the company.

The scope of this report includes PCC EXOL SA based in BRZEG DOLNY and the branch office in Plock.

While working on this Sustainable Development Report of PCC EXOL SA 2014 we have used the following stages:

I. The preparation

At this stage, we have defined the key recipients of our report and its contents and access to the data needed for the preparation of its content.

II. Collecting data

At this stage, we have made verification of conducted dialogues with stakeholders, on the basis of which we have collected data for the report.

III. The development

At this stage, we have identified ways to present our activities and we chose the gauges, in accordance with the adopted standard.

IV. Review

At this stage, we have checked internally stored data based on the best available method for verifying their reliability.

V. Reporting

At this stage, we have developed this report in its entirety, which after the artwork is ready to be submitted to our stakeholders.

4.2 The Content Index GRI 4.0

DETAILED INDICATORS (Specific standard disclosure)					
Area	Indicator		UN Global Compact's principles	External verification	Page in the report
STRATEGY AND ANALYSIS					
	G4-1	Statement by the President of the Management Board or other person of equivalent positions on the importance of sustainability to the organization and its strategy.		NO	4
	G4-2	Description of key impacts, risks and opportunities.		NO	25, 29
ORGANIZATIONAL PROFILE					
	G4-3	Name of organization		NO	11
	G4-4	Main brands, products and/or service.		NO	11, 12
	G4-5	Localization of main office		NO	11
	G4-6	The number of countries in which the organization conducts operations.		NO	8, 13
	G4-7	Form of ownership and legal structure of the organization.		NO	14
	G4-8	Markets with geographic coverage, supported sectors, the characteristics of customers / beneficiaries.		NO	8, 13
	G4-9	The scale of the organization.		NO	8, 11, 13
	G4-10	Total workforce by employment type, employment contract and region, divided by gender.		NO	64
	G4-11	Percentage of employees covered by collective bargaining agreements.		NO	64
	G4-12	Characteristics of the organization supply chain.		NO	30
	G4-13	Significant changes during the reporting period regarding size, structure or ownership.		NO	14
	G4-14	Explanation of whether and how the organization applies the precautionary principle.		NO	40, 10
	G4-15	Economic, environmental and social declarations, Principles and other initiatives adopted or endorsed by the organization.		NO	39, 40
	G4-16	Membership in associations (such as industry associations) and/or a national advocacy/ international organizations.		NO	39
IDENTIFICATION OF SIGNIFICANT ASPECTS AND THEIR LIMITS					
	G4-17	Operational structure of the organization, including main divisions, subsidiaries, affiliates and joint ventures joint venture with an explanation of which ones are not covered by the report.		NO	13, 17
	G4-18	The process of defining report content and the limits reported significant aspects.		NO	76
	G4-19	Relevant aspects identified in the process of defining report content.		NO	76
	G4-20	Limits set for each of the important aspects within the organization.		NO	71, 76
	G4-21	Limits set for each of the important aspects outside the organization.		NO	71, 76

DETAILED INDICATORS (Specific standard disclosure)					
Area	Indicator		UN Global Compact's principles	External verification	Page in the report
	G4-22	Explanation of the effect of any adjustments to the information contained in previous reports, and the reasons for their introduction and their impact (e.g.. mergers, acquisitions, change of base years/periods, nature of business, measurement methods).		NO	76
	G4-23	Significant changes compared to previous reporting periods in scope, boundary or measurement methods applied in the report and the limits of aspects.		NO	76
INVOLVEMENT OF STAKEHOLDERS					
	G4-24	List of stakeholder groups engaged by the organization.		NO	9, 13, 40, 72
	G4-25	Basis for identification and selection of stakeholders.		NO	9, 13, 14, 40,72
	G4-26	The approach to stakeholder engagement, including frequency and type of involvement by stakeholder groups with an indication of whether the involvement of stakeholders was undertaken in preparation for the reporting process.		NO	71
	G4-27	Key issues and concerns raised by stakeholders and the response from the organization, including by indicating their report the stakeholder groups that have reported various issues and problems.		NO	71
REPORT PROFILE					
	G4-28	Reporting period.		NO	76
	G4-29	Date of the last report.		NO	76
	G4-30	Reporting cycle.		NO	76
	G4-31	Contact person		NO	84
	G4-32	a. Indication of reporting options selected by the organization		NO	76
		b. Table identifying the location of standard information in the report.		NO	
		c. the references to external verification (if such verification has taken place.		NO	
	G4-33	Policy and current practice in the field of external verification of the report. If no such data included in an independent report certifying clarify the scope and basis of any external verification and the relationship between the organization and the assurance provider.		NO	76
ORGANIZATIONAL GOVERNANCE					
	G4-34	The structure of the organization, including committees under the highest governance body, indicating the units that are responsible for making decisions regarding the influence of economic, environmental and social.		NO	14
	G4-36	Report whether the organization has appointed senior management level position or positions with responsibility for economic matters, environmental and social as well as provide information on whether the post-holders report directly to the highest authority supervision.		NO	14, 15
ETHICS					
	G4-56	The values, principles, standards, norms of behaviour in organizations, collected in codes of conduct and codes of ethics.		NO	59
	G4-57	Internal and external mechanisms for seeking an opinion on the ethical conduct and consistent with the law and issues related to maintaining reliability organizations, such as hotlines or helplines.		NO	60
	G4-58	Internal and external mechanisms for reporting concerns about unethical behaviour or illegal, and issues related to maintaining reliability of such organization. By signalling the problem of immediate supervisor, mechanisms and hotlines for reporting irregularities.		NO	60

DETAILED INDICATORS (Specific standard disclosure)

CATEGORY: ENVIRONMENTAL INDICATORS

Area	Indicator	GRI G4 Guidelines	UN Global Compact's principles	External verification	Page in the report	Grade of reporting
Raw materials/ materials	G4-DMA	The approach to the management aspect of the "procurement practices".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN1	Used materials / materials by weight and volume.		NO	44	Partial. Data about weight have been reported
Energy	G4-DMA	The approach to the aspect of "Energy" Management.		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN3	Direct energy consumption by primary energy sources.		NO	45, 47	Full
	G4-EN6	Reduction of energy consumption.		NO	45, 47	Full
Water	G4-DMA	The approach to the aspect of "Water" Management.		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN8	Total consumption of water according to the source.		NO	51	Full
Emissions	G4-DMA	The approach to the aspect of the "Emissions" Management.	Principle 9	NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN15	The total direct greenhouse gas emissions.	Principle 8	NO	45, 47	Full
	G4-EN16	The total indirect greenhouse gas emissions.	Principle 8	NO	45, 48	Full
	G4-EN19	Reduction of greenhouse gases emission.	Principle 8	NO	45, 49	Full
	G4-EN21	Emissions of NOx, Sox, and other significant air emissions by type and weight.		NO	45, 50	Full
Wastes and Sewage	G4-DMA	The approach to the aspect of "Sewage and waste" Management.		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN22	The total volume of waste water by quality and final destination.		NO	52, 53	Full
	G4-EN23	Total weight of waste by type of waste and methods of dealing with waste.		NO	52, 53	Full
Level of conformity with regulations	G4-DMA	The approach to the aspect of "The level of compliance with the regulations" Management		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for not observing laws and regulations relating to environmental protection.		NO	54	Full
Transport	G4-DMA	The approach to the aspect of the "Transport" Management.		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN30	Significant environmental impacts of transport of products and other goods and materials used by the organization in its activities and transport workers.	Principle 8	NO	54	Full
General	G4-DMA	The approach to the aspect of the "General" Management.	Principle 7, 9	NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN31	Total expenditure and investments devoted to environmental protection by type.	Principle 7, 9	NO	57	Full
The mechanisms for handling complaints related to the impact on the environment	G4-DMA	The approach to the management aspect of the "mechanisms for handling complaints related to environmental impact."		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-EN34	The number of complaints related to the environmental impact of complex, studied and resolved through formal mechanisms for handling complaints.		NO	58	Full

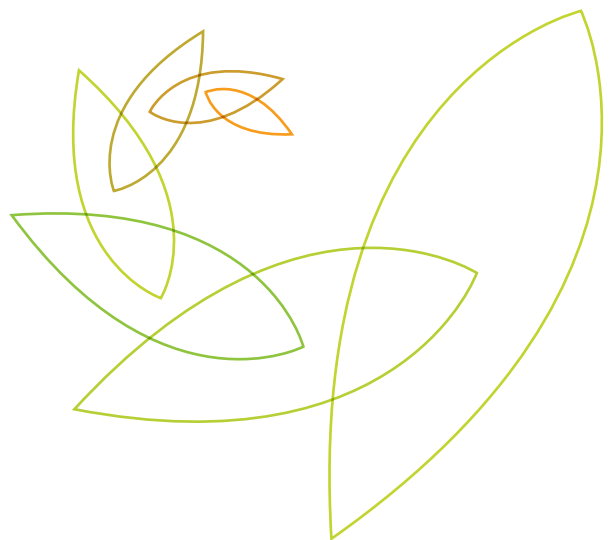
DETAILED INDICATORS (Specific standard disclosure)						
CATEGORY: SOCIAL INDICATORS						
Area	Indicator	GRI G4 Guidelines	UN Global Compact's principles	External verification	Page in the report	Grade of reporting
EMPLOYMENT PRACTICES AND DECENT WORK						
Employment	G4-DMA	The approach to the management aspect of the "Employment".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-LA1	The total number of new employees in the reporting period by age, gender, and region, and the level of employee turnover by age, gender and region.		NO	64	Full
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time basis, by major operations.		NO	64	Partial. NO division into main organizational units.
	G4-LA3	Return to work and employee turnover rates after parental leave by gender.	Principle 6	NO	64	Full
Safety and Health at Work	G4-DMA	The approach to the management aspect of the "Health and Safety".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-LA6	Rates of injury, occupational diseases, lost days, and absenteeism, and number of fatal accidents related to work, by gender and regions.		NO	62	Full
Education and trainings	G4-DMA	The approach to the management aspect of "Training and education".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-LA9	Average hours of training per year per employee by employee.		NO	68	Full
	G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and categories of workers.		NO	68	Full
Diversity and equal opportunities	G4-DMA	The approach to the management aspect of the "Diversity and equal opportunities".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-LA12	Composition of governance bodies and breakdown of employees into categories by gender, age, minority and other indicators of diversity.	Principle 1, 6	NO	14, 64	Full
Equal remuneration of men and women	G4-DMA	The approach to the management aspect of "Equal pay for women and men".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-LA13	Ratio of basic salary of men to women by employee.	Principle 6	NO	69	Partial. NO division into occupied positions.
HUMAN RIGHTS						
Against discrimination	G4-DMA	Approach to the aspect "Anti-discrimination" management.		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR3	Total number of incidents of discrimination and actions taken in this regard.	Principle 2, 6	NO	60	Full
Freedom of association and the right to collective bargaining	G4-DMA	The approach to the management aspect of the "Freedom of association and the right to collective bargaining".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR4	The organization and its suppliers identified as likely to pose a threat to the right to freedom of association and right to collective bargaining, and initiatives to support these rights.	Principle 1, 2, 3	NO	61	Full
Child Labour	G4-DMA	The approach to the management aspect of the "child labour".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR5	The organization and its suppliers identified as having significant risk for incidents of child labour, and measures taken to eliminate such cases.	Principle 1, 2, 5	NO	61	Full

DETAILED INDICATORS (Specific standard disclosure)

CATEGORY: SOCIAL INDICATORS

Area	Indicator	GRI G4 Guidelines	UN Global Compact's principles	External verification	Page in the report	Grade of reporting
Forced labour and compulsory labour	G4-DMA	The approach to the management aspect of "forced labour".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR6	The organization and its suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures taken to eliminate such cases.	Principle 1, 2, 4	NO	61	Full
Security practices	G4-DMA	The approach to the management aspect "safety practices".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR7	Percentage of staff responsible for ensuring safety, trained in the policies and procedures of the organization concerning aspects of human rights relevant to operations.	Principle 1, 6	NO	61	Full
Indigenous People's Rights	G4-DMA	The approach to the management aspect of the "Rights of Indigenous Peoples".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR8	The total number of cases of violation of rights of indigenous people and actions taken.	Principle 1, 2	NO	62	Full
The mechanisms for handling complaints concerning human rights violations	G4-DMA	Approaches to the management aspect of "mechanisms for handling complaints of human rights".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-HR12	The number of complaints concerning violation of human rights, submitted, settled and solved by official complaint handling mechanisms.	Principle 2, 6	NO	60	Full
IMPACT ON SOCIETY						
The local community	G4-DMA	The approach to the management aspect of the "local community".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-SO1	The percentage of operations aimed at the local community involved, assessment of the impact of these activities and development programs.	Principle 1	NO	62	Partial. NO indication of the percentage of carried out operations.
	G4-SO2	Measures having actual and potential negative impact on the local community.	Principle 1, 2	NO	62	Full
Anti-Corruption	G4-DMA	The approach to the management aspect of the "Anti-Corruption".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-SO4	Communication and training in the field of anti-corruption policy of the procedures of the organization.	Principle 10	NO	69	Full
	G4-SO5	The number of confirmed incidents of corruption and taken action in this regard.	Principle 10	NO	69	Full
Regulatory Compliance	G4-DMA	The approach to the management aspect of the "Regulatory Compliance".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-SO8	Monetary value of fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		NO		Full
Evaluation of suppliers in terms of their impact on society	G4-DMA	The approach to the management aspect of the "Assessment of suppliers in terms of their impact on society".		NO	44, 45, 51, 52, 54, 57, 58, 60, 61, 62, 64, 68, 69	Full
	G4-SO10	Significant actual and potential negative effects associated with the impact on society in the supply chain and taken actions.		NO	62	Full

5. ACKNOWLEDGEMENTS



Dear Sirs/Madams,

We want to thank you for the fruitful outcome of the work of many people, which is this Sustainability Development Report, PCC EXOL SA 2014.

This is the opportunity for us to share acquired knowledge and achievements of our company. This experience surely will affect positively to a better understanding of a sustainable mission of our company. The information and data are a valuable source of knowledge, which makes this work more valuable lesson.

We thank our colleagues and collaborators from PCC EXOL SA and those of the companies in the Group PCC, who have devoted their time and helped to prepare the data, shared advice, ideas, and also spoken in this report. Thanks to you I was able to get and prepare the data and information on the interesting areas of our company. A special thanks also to our stakeholders who gave us their support in identifying key areas raised in our publication.

The following people have participated in preparing this report: **Jacek Jabczyński, Anita Żurek-Kubacka, Monika Bazak, Anna Drożdż, Małgorzata Plichta, Magdalena Maciołek, Joanna Gacke, Paweł Szala, Beata Stasiak, Tadeusz Gilewicz, Anna Więclawska, Agnieszka Szajna** and many other people that in a very conscious way and with great commitment have contributed to create the content of the individual chapters.

Thanks to all of you, our first Sustainable Development Report is a comprehensive review of the over-financial company's business. We have created it together for employees, investors and shareholders, clients, suppliers, social partners, media, public opinion and all other stakeholders. We hope that from year to year our work on the report will make it even more interesting and inspiring.

Beata Gruś

Marketing & Sustainable Development Manager
PCC EXOL SA

Emilia Drzymała

Management System Supervisor
PCC EXOL SA



www.pcc-exol.eu

PCC Exol SA

Sienkiewicza 4
56-120 Brzeg Dolny
www.pcc-exol.eu

[G4-31] Contact person on the Sustainable
Development Report PCC EXOL SA 2014:

Beata Gruś

Marketing & Sustainable Development Manager
PCC EXOL SA
beata.grus@pcc.eu

Emilia Drzymała

Management System Supervisor
PCC EXOL SA
emilia.drzymala@pcc.eu

csr_exol@pcc.eu

