

OUR ROAD

OF SUSTAINABLE DEVELOPMENT

Products that we manufacture, create ubiquitous world of chemistry for present and future generations. We want to keep on building this value in a responsible and sustainable manner.

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PCC EXOL in the world

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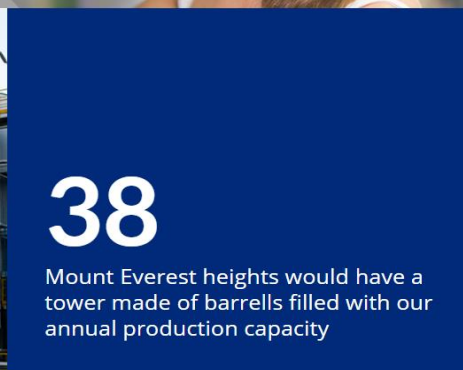
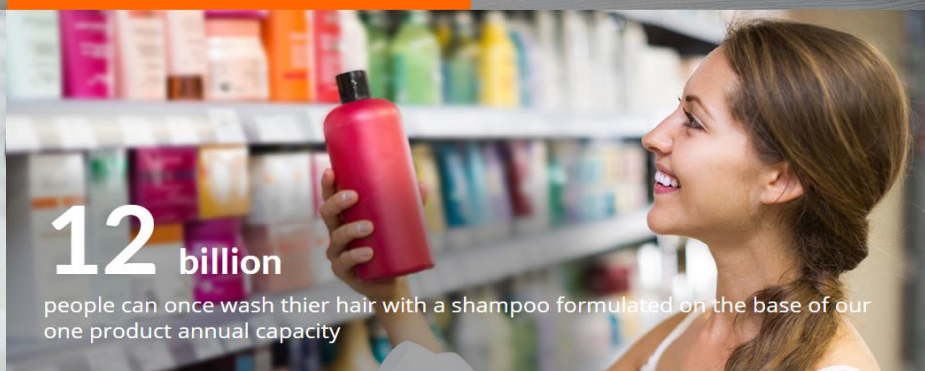
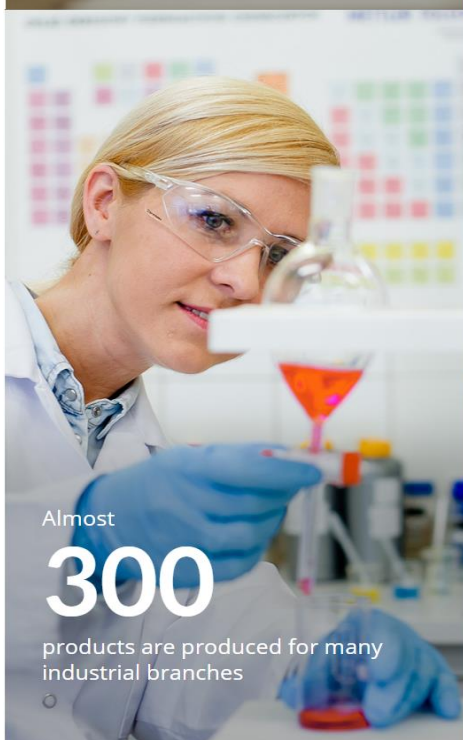
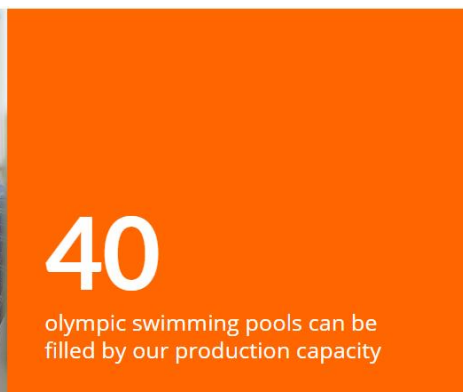
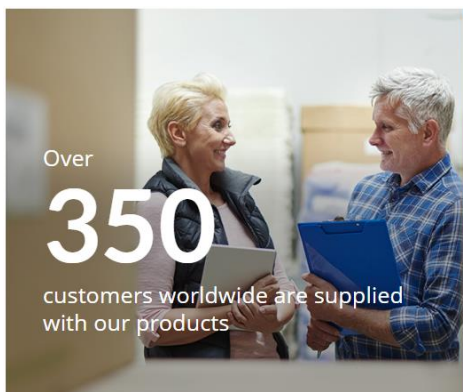
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PCC EXOL SA IN NUMBERS



LETTER FROM MANAGEMENT BOARD

Dear Sirs and Madams,

We are delighted to present you the second edition of the CSR Report made by PCC EXOL SA. On the basis of our experience, conclusions and remarks from the last year, we have created a compendium of knowledge on the subject of the activities undertaken by our Company and engagements in the context of widely understood Sustainable Development. The publication was created according to Global Reporting Initiative's 4.0 global norms and standards and it is a type of summary and evaluation of our activity in the scope of economic, social, and environmental initiatives.

Last year was very resourceful as far as global action for the Balanced Development is concerned. It brought a lot of interesting initiatives and events surrounding our organisation. On 25 September 2015, the Sustainable Development Summit took place in New York. The new Agenda 2030 was adopted and new global aims were set out in detail. As a new signatory to the worldwide Global Compact UN organization, PCC EXOL SA feels responsible for adapting our business activity step by step to the decision of the global Agenda. Implementing innovative solutions in the production of chemical goods on the basis of ethical values, social, and environmental responsibility allows us to raise standards that are applicable in our Company and its environment and, as follows, enables a sustainable and effective growth.

Our company's success is due not only to the financial results. Participating in social initiatives, active support of actions in favor of the protection of the environment, and promoting diversity are, in the face of new worldwide challenges, our duty to the contemporary business. As a Company of global scope, we are active in a difficult and highly-specialised field of surfactant production. Therefore we feel even more obliged to take a complex action in the fields that concern us directly, both on a social and environmental level. Dialogue with stakeholders, taking care of security, and responsible management are the priorities that we set out on our way to sustainable development. We hope that the presented publication will be a proof of PCC EXOL SA meeting all of these challenges.



Mirosław Siwirski
President of
PCC EXOL SA
Management Board



Rafał Zdon
Vice President of
PCC EXOL SA
Management Board

LONG-TERM GOALS

1.

Maintaining market leadership

in Central and Eastern Europe and further development by expanding markets in the Middle East, Africa and the Pacific

2.

Intensive development

of the production of specialty surfactants for industrial applications and the increased sales on new markets

3.

Manufacturing of products

offered to customers in accordance with all legal, economic, ethical, environmental and social standards.



4.

Increasing margins

in the portfolio of bulk products

5.

Improvement of Research & Development resources

for increasing Company's potential and promptness of new products' development and implementation

6.

Strengthening of own position

in currently supplied markets



7.

Investments in new production capacities

increase of amphoteric surfactant production capacity of 2,000 t to targeted level of 10,000 t

8.

Maintaining the growth rate

of customer satisfaction indicator (CSI)



OUR VALUES



**Development
through
Innovation**

+

we implement modern technology,
we are looking for new applications
for our products and develop new
solutions for our customers

-

we perform our work with passion,
joy and satisfaction of customers
encourage our creativity, we are
not afraid to plunge into bold
projects, we are open to new ideas
and we come up with our own
initiatives

-



**Passion for
creation**

+



**Honesty and
transparency**

+

we operate in a fair and
transparent way, always act in
accordance with applicable law, we
respect the laws, customs and
culture of all our stakeholders

-

OUR VALUES

operate in accordance with accepted principles of ethics, we respect human rights, promote diversity in the organization, we care about the environment, we support the local community

—



**Social
responsibility**

+



Safety

+

we care about safety in the workplace, identify risks and counteract potential threats, use good practices in the field of quality and safety of our products

—

complement our knowledge and share it with our colleagues, improve skills and eager to gain new experiences, learn about the latest trends and participate in their creation, we would use the knowledge and experience of our stakeholders

—



**Continuous
improvement**

+



PCC EXOL SA combines modern technology, experience and effective actions in the area of design, manufacturing and sale of surfactants.

ABOUT US

PCC EXOL SA combines modern technology, experience and effective actions in the area of design, manufacturing and sale of surfactants (surface active agents). The company's portfolio includes chemical products both for mass-production as well as specialised products. Within these two product groups, PCC EXOL SA offers anionic, non-ionic, amphoteric surfactants and chemical formulations for a multitude of industrial applications.

WHO WE ARE?

”

Matters of the sustainable production and consumption, as well as the social responsibility, are crucial on all levels of Company's activity.



Kamilla Spark

Member of Supervisory Board
PCC EXOL SA

As a technologically advanced company PCC EXOL SA concentrates on actions intended to increase the share of specialised surfactants in the sales revenue. The company consistently implements its long-term strategy connected in maintaining its place as a leader on the Eastern and Central-eastern European markets. It effectively intensifies its actions on the Western European, American and Asian markets.



Each year companies owned by the global concerns acting on varied markets become our customers.

We create the world of surfactants, innovations, we act responsibly.

What are surfactants?

Surfactants are surface-active agents used in many industries all over the world. They are present in our everyday life, even though we are not aware of their existence. We can find them in the products around us (e.g. clothes, plastics), as well as in cosmetics or laundry detergents used by us on daily basis.

PCC EXOL SA in numbers



We employ over **200** persons in Poland



We manufacture over **300** products used in many industries



We deliver our products to over **350** vendors all over the world



Poland – **117** recipients
Europe – **214** recipients
World – **20** recipients



Our production plants have capacity of **117** k tonnes per year!

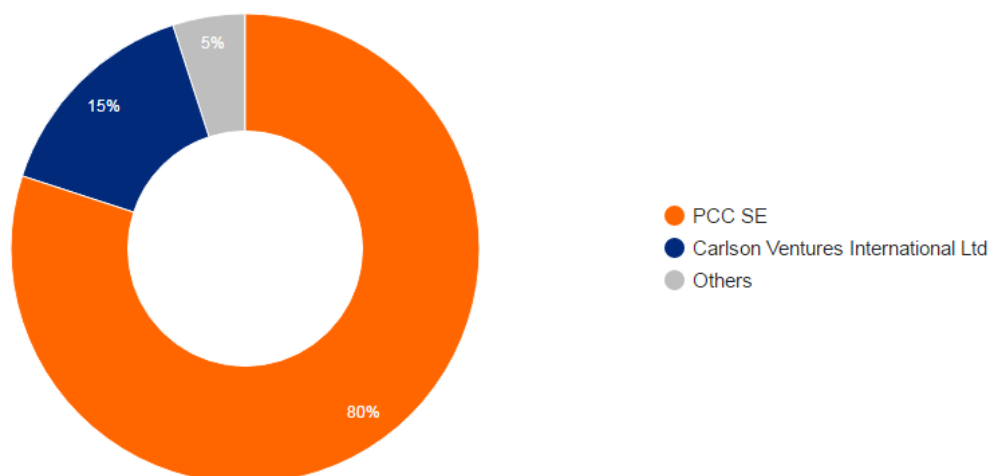
PCC EXOL SA IN POLAND

The seat of the Company is in Brzeg Dolny - a town with couple thousands of inhabitants, located near Wrocław, the capital city of the Lower Silesia. We are a Joint-stock Company listed on the Warsaw Stock Exchange since 03 August 2012. PCC SE is the controlling shareholder.

Ownership

With majority of votes on the General Meeting of Shareholders, PCC SE has significant impact on the policy of our Company and the decisions in the scope of corporate matters concerning its activity, for example changes in the Articles of Association, increase or decrease of the share capital, convertible bonds issue, payment of dividend and other activities requiring majority of votes, pursuant to the Code of PCC SE. It dismisses and appoints with majority of votes members of the Supervisory Board and decides upon the composition of the Management Board of the Company PCC EXOL SA.

Shareholders graph (capital held), 2015:



Total of PCC EXOL SA assets:

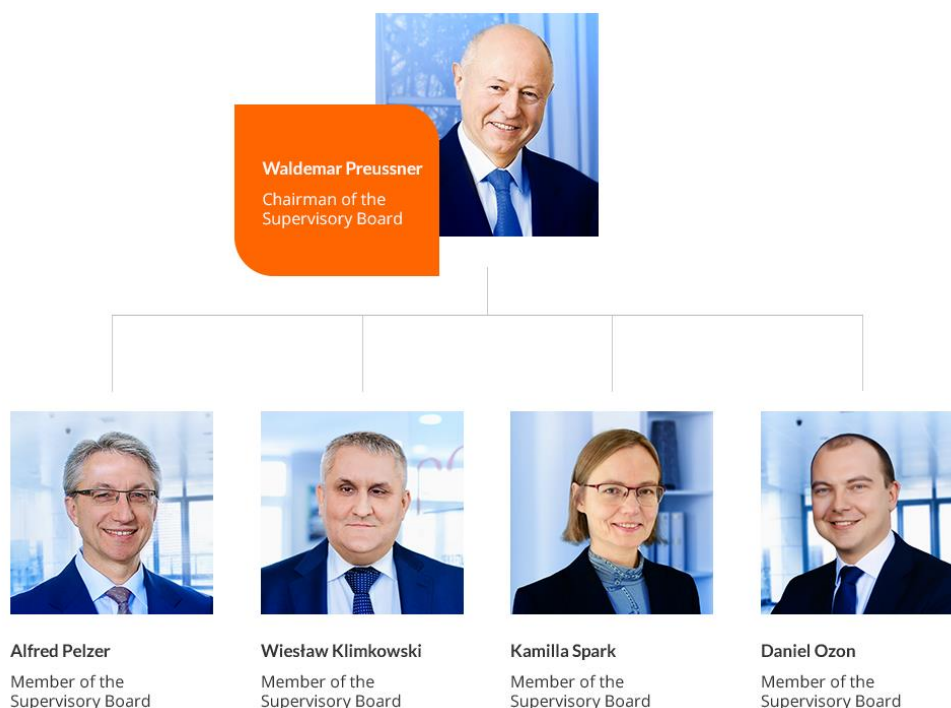
2014 – 500,513,103 PLN

2015 – 493,392,453 PLN

The Company's bodies

The Supervisory Board

The Supervisory Board of PCC EXOL SA is composed of five to seven members, appointed for 3-year term of office. The mandates of the Supervisory Board members expire on the day of the General Meeting confirming the financial report of the Company for the last full financial year of the common term of office. The mandate of the Supervisory Board member appointed before expiry of the common term of office expires with the mandates of the remaining members. The Supervisory Board is a collegial body and has constant control over the activity of the Company in all fields. Three-person Audit Committee is included in the Supervisory Board.



The Management Board

Pursuant to the Articles of Association the Management Board is composed of one to three persons, including the President of the Management Board, who is appointed by the Supervisory Board for three-year term of office. Number of members of the Management Board is determined by the Supervisory Board. Shareholders and persons who are not shareholders may be appointed to the Management Board. The newly appointed member of the Management Board continues the term of office of the former member of the Management Board, on whose place he or she was appointed. Members of the Management Board may be dismissed before the lapse of the term of office by the Supervisory Board and the General Meeting. The competences of the Management Board include all matters connected with running of the Company, which are not reserved by the provisions of law.



Organisational structure

(as at 10.2016)



Procurement of Raw Materials Division

**Purchasing
Manager**

Małgorzata Wrześcińska

**Marketing and Sustainable Development
Division**

**Marketing
and Sustainable
Development
Division Manager**

Beata Gruś

Investor Relations Division

**Head of the Public
Relations Department**

Marlena Matusiak

Planning and Logistics Division

**Planning
and Logistics
Manager**

Ewelina Jastrzębska

Managing Systems Division

**Managing
Systems
Representative**

Emilia Drzymała

Our production activity

We conduct our production activity in two Polish locations: in Brzeg Dolny and in Płock. Our products are manufactured in four specialised production units/installations. We have our own research and development department/facility, where thanks to which we design and implement surfactants tailored to individual needs of the recipients. In 2015 our yearly production the capacity of our installations reached 110 k tonnes.



Sulphonation Plant

ETS I (capacity of ca. 10 k t./yr), production: anionic surfactants

Ethoxylation Plant

ETE II (capacity of ca. 30 k t./yr), production: non-ionic surfactants

Sulphonation Plant

ETS II (capacity of ca. 30 k t./yr), production: anionic surfactants

Ethoxylation Plant

ETE I (capacity of ca. 30 k t./yr), production: non-ionic surfactants

Betaines Plant

ETE I (capacity of ca. 10 k t./yr), production: amphoteric surfactants

Formulation Plant

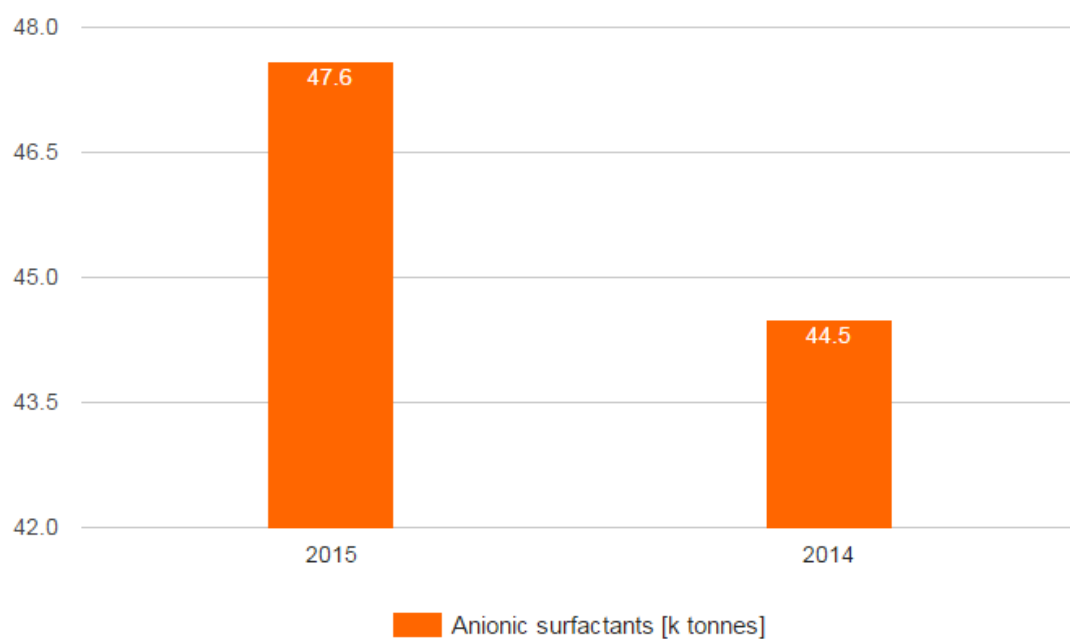
ETF (capacity of ca. 7 k t./yr), production: industrial formulations



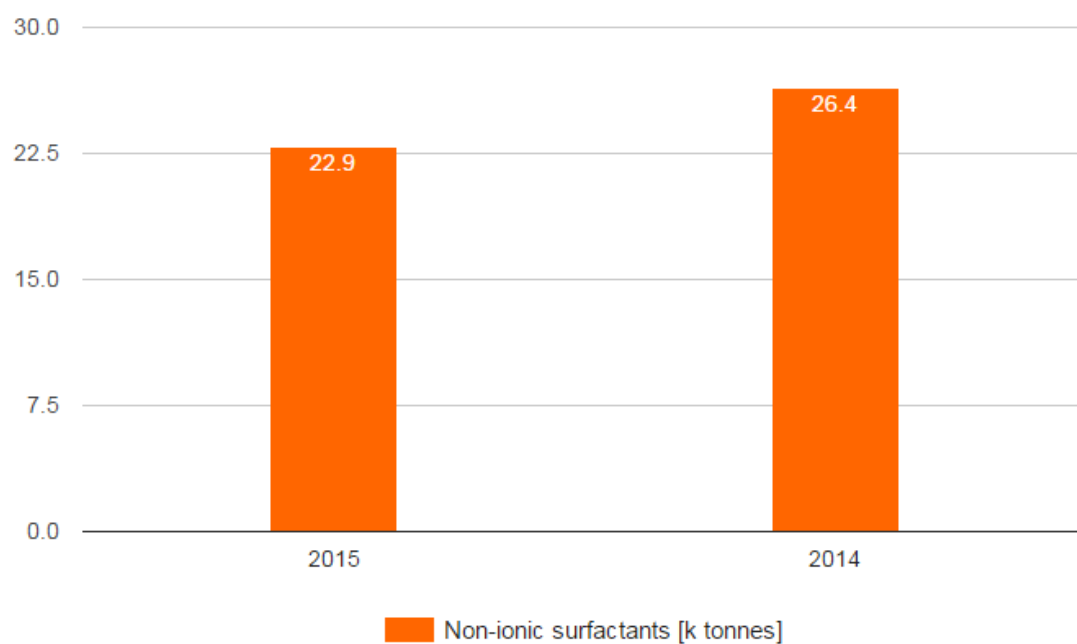
We are the only producer of surfactants in Poland.

Sales charts of surfactants by PCC EXOL SA (at the turn on 2014/2015)

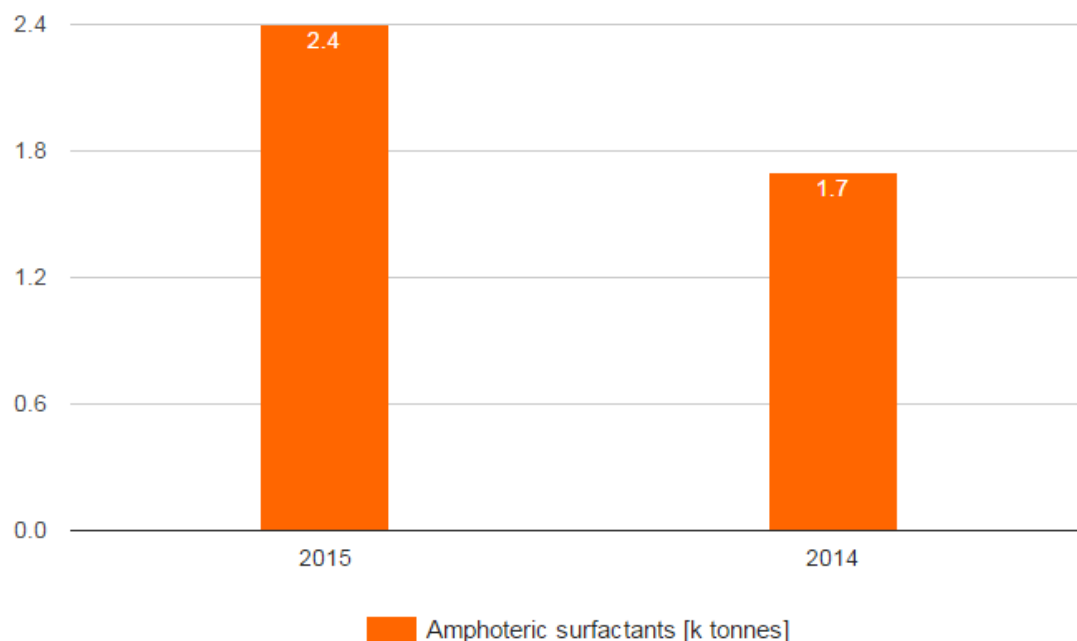
Anionic surfactants [k tonnes]



Non-ionic surfactants [k tonnes]



Amphoteric surfactants [k tonnes]



Financial year table

Financial year table (million PLN)	2014	2015
Revenue	433.5	422.8
Costs:		
- other operating	0.85	1.1
- employee benefits	12.8	15.1
Net profit (loss)	3.3	14.2



In 2015, the Company had the sales quantitative increase by 6% compared to the previous year and insignificant decrease in terms of value. The decrease in sales income results from lower prices of the products on the surfactant market. The prices on the surfactant market are correlated with the price level of main raw materials used for their production, that is lauryl alcohol and ethylene oxide.

TIMELINE

1967

The production of first non-ionic surface-active agents starts in Brzeg Dolny.

1989

Start-up of the installation for production of anionic surfactants on the site of Zakłady Chemiczne Rokita.

2002

ZCH Rokita SA acquire PCC SE Company - the strategic investor.

2008

Start-up of the second installation for production of anionic surfactants in Brzeg Dolny. The production capacity was increased fourfold. PCC EXOL SA is established.

2011

PCC EXOL SA starts the production of non-ionic surfactants on the new plant in Płock. The Surfactant Business Unit of PCC Rokita S.A. has been incorporated to the Company. A modern and specialised Company has been established. It quickly becomes the leader in the scope of surfactants production in Central-Eastern Europe.

2012

PCC EXOL SA makes first appearance on the main list of Warsaw Stock Exchange.

2013

American company PCC Chemax, INC. has been incorporated into Company's structures. A new commercial unit PCC EXOL Kýmýa Sanayý Ve Týcaret Lýmýted Týrketý with seat in Istanbul, Turkey has been established.

2014

PCC EXOL SA joins the signatories of Global Compact. This organization's activity is the greatest worldwide initiative of corporate responsibility and sustainable development.

2015

Completion of extension works of the new installation for betaine production in Brzeg Dolny. As a result, the increase of production capacity of betaines meeting the highest world standards has been enabled.

PCC EXOL IN THE WORLD

PCC SE Capital Group

We are a part of the international PCC SE capital group which operates on many business areas - chemical raw materials, transport, fuels, energy, coal, coke, plastics and metallurgy. The total sales revenue in 2015 amounts to 571.7 m €*. PCC SE seat is located in Duisburg-Homberg in Germany, where the general international strategy for all the members of the capital group is decided on the head office level. By making adequate investment decisions, PCC SE creates and enhances the grounds for dynamic development of the entities included in the organisation.

* data based on the first consolidated financial report

PCC SE activity:



polyols



surfactants



chlorine



specialistic
chemicals



consumer goods



energy



logistics



holding



3,000 employees



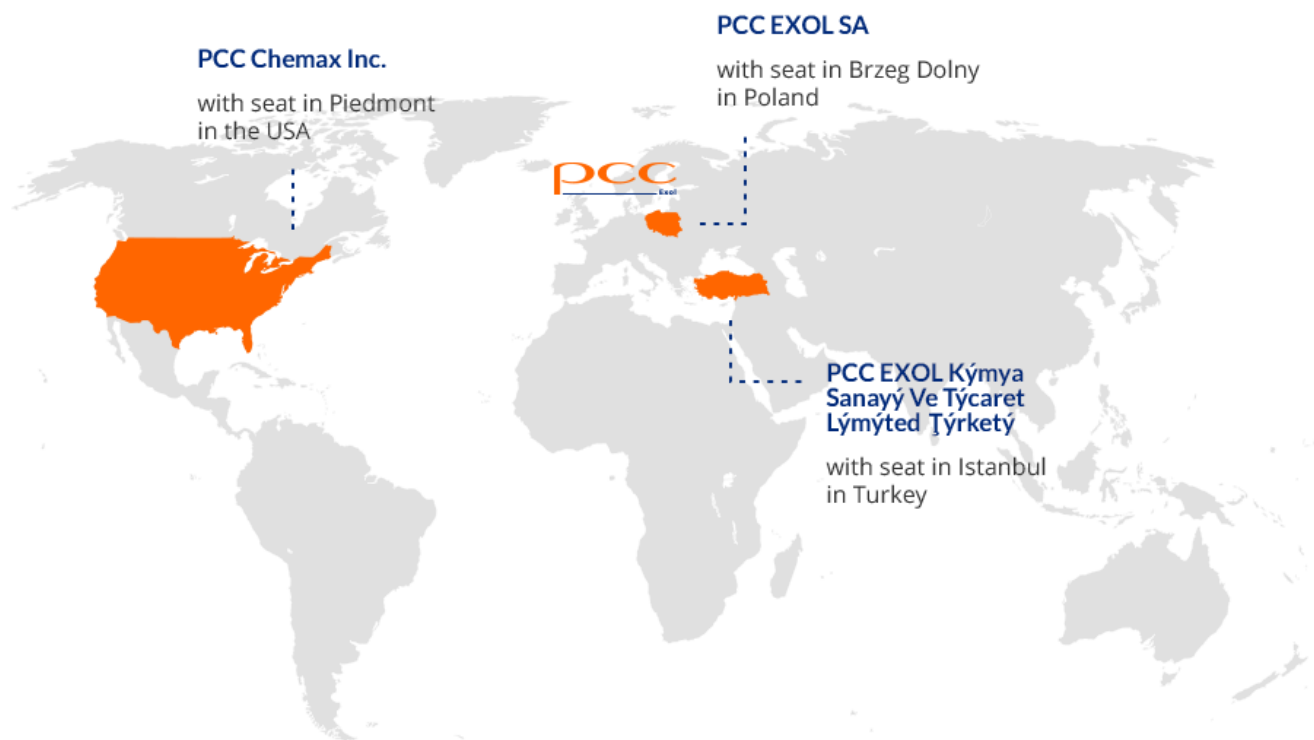
17 countries

(Germany, Bosnia and Herzegovina, Bulgaria, Ghana, Iceland, Latvia, Macedonia, Poland, Romania, Russia, Slovakia, Thailand, the Czech Republic, Turkey, Ukraine, the USA, Belarus)



39 locations

CAPITAL GROUP PCC EXOL



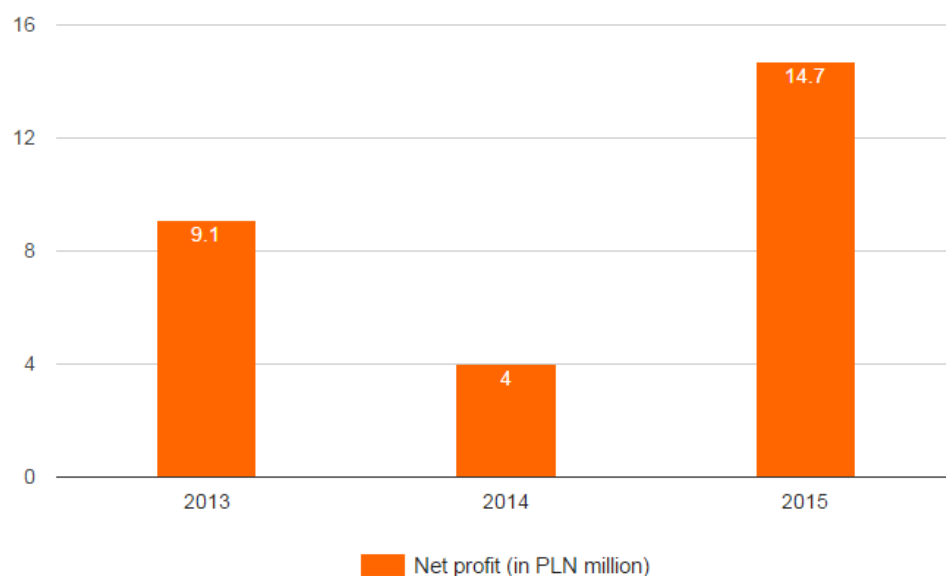
PCC EXOL SA is the dominant entity of the three subsidiaries which comprise PCC EXOL Capital Group.

The group includes:

- PCC EXOL SA – with seat in Brzeg Dolny and Płock in Poland
- PCC Chemax Inc. – with seat in Piedmont in the USA
- PCC EXOL Kýmýa Sanayý Ve Týcaret Lýmýted Týrketý – with seat in Istanbul in Turkey

In 2015 PCC EXOL Capital Group achieved the record net profit in the amount of PLN 14.7 million. The result is over 3 times better than in the previous year, with the Group's revenue similar to the one from 2014.

Net profit of the PCC EXOL Capital Group [in PLN million]



MEMBERSHIP IN ORGANISATIONS DECLARATIONS



UN Global Compact

As the signatory of UN Global Compact, we implement 10 rules of sustainable growth for the environmental protection, respecting human rights and counteracting corruption.



Diversity Charter

As the signatory of Diversity Charter, we promote diversity as a positive feature in the environment and we counteract discrimination in the workplace. We measure and analyse diversity aspects, mainly connected with gender and age.



Commission on Sustainable Development

In 2015, during the 2nd Polish Chemistry Congress, as a member of the Commission on Sustainable Development acting at the Polish Chamber of Chemical Industry, we signed a declaration of chemical industry concerning activities for the Sustainable Development.



Responsible Care

Since 2014 we have been the signatory of the member declaration of the Responsible Care programme, as part of which we undertook to work actively in the scope of environmental protection, monitor the undertaken actions and report the programme indicators.

ORGANISATIONS AND ASSOCIATIONS

Membership in many national and international organisations acting in the scope of sustainable development is a great privilege which enables us to implement good practices of responsible management of our organisation. They teach us how to be responsible towards the society and the environment.

As the leader in production of surfactants in Poland, we are a member of many international organisations including the most important chemical companies in the world.



CESIO

The purpose of European Organisation CESIO is to create new scientific knowledge in the scope of human health and environment in order to optimise the safe use of surface-active agents, and to provide industry's contribution to the beneficial development of the society. As the producer of surfactants associated in this organisation, we maintain an open dialogue initiated by the organisation, contributing to shaping trends and challenges of sustainable productions of surfactants.



CEFIC

As a member of European organisation CEFIC, we are a part of coalition of producers of chemicals playing a key role in the transformation of the current economy. Therefore, together with other members, we enhance sustainable foundations of the chemicals industry, which promote competitiveness, innovations and responsible production.



CDP

By participating in the Carbon Disclosure Project we counteract the climate change. The goal of our company is to reduce CO₂ emissions by 15% to the year 2020.



RSPO

As a certified member of RSPO (Roundtable on Sustainable Palm Oil) organisation we actively support sustainable global palm oil management.



ECOVADIS

Reporting the activities on the international platform ECOVADIS we have reached a golden level of Corporate Social Responsibility. We are one of the few Polish companies that have performed a comprehensive self-assessment as part of the CSR activity.



Good Manufacturing Practices

In 2014 as the first company in Poland we have implemented the Good Manufacturing Practices system, according to the guidelines of the European Federation of Cosmetic Ingredients. The Federation certificate of "Good Manufacturing Practices" is a credible and subjective proof of product quality for the manufacturers of cosmetics around the globe.



Pure Beauty

Since 2015 we are a member of the Polish Association of Cosmetics and Home Care Products Producers "Pure Beauty" (Czyste Piękno). The activity of the association is based on the cooperation of all signatories for the promotion of the scientific, economic and social progress, as well as the improvement of health and living conditions in accordance with global trends of sustainable production and consumption.

AWARDS AND DISTINCTIONS

Project of the
year 2015

PROJECT OF THE YEAR 2015

We have taken the 1st place in the Project of the Year contest organised by the PCC Rokita Capital Group for the Rosulfan A product.

Golden Level of
Responsibility

GOLDEN LEVEL OF RESPONSIBILITY

We have been awarded "The Golden level of corporate responsibility" by the international platform EcoVadis, for our actions in the field of Corporate Social Responsibility.

Business
Cheetah

BUSINESS CHEETAH

We have been ranked among the most dynamic enterprises in the chemical industry the value of which has increased by at least 10% between 2014 and 2015.

Expert's Laurel

EXPERT'S LAUREL

One of our products, Rokamina K30 B (amphoteric surfactant), was awarded the quality sign "Expert's Laurel" (Laur Eksperta) in the Industrial Chemistry category.

Business Creator

BUSINESS CREATOR

We have been awarded in the national competition Business creator in the "Manufacturing category" distinguishing the most creative and visionary companies characterised by above-average business results.

Pearls of Polish Economy

PEARLS OF POLISH ECONOMY

In November 2015 as the company in best financial standing, we have been awarded "The Grand Pearl" as part of the Pearls of Polish Economy (Perły Polskiej Gospodarki) contest.

Ethical Company

ETHICAL COMPANY

In 2015 as a company acting for organisational culture based on ethics we have been awarded the title of Ethical Company by Puls Biznesu.



Owing to our commitment and passion for creation, we make surfactants ubiquitous. It is the part of chemistry which surrounds us everywhere, always.

VISION AND STRATEGY

Our mission - we create the world of surfactants and innovations. We operate responsibly. Surfactants form an integral part of everyday life accompanying us no matter where we are or where we are heading. Owing to our commitment and passion for creation, we make surfactants ubiquitous. They define the trends of a modern lifestyle and shape the future. It is the part of chemistry which surrounds us everywhere, always.

OUR VALUES

”

Due to our innate curiosity, an urge to discover and explore new fields, the world hides less and less secrets from us.



Waldemar Preusner

Chairman of the Supervisory Board
PCC EXOL SA

Our strategic objective is to create a sustainable and responsible chemistry. We consistently implement this task on the basis of a number of values which define our identity and help in taking action. As the company operates globally, we require our all stakeholders to comply with fundamental values and consider it as the most important activity. Only through the implementation of common initiatives based on mutual trust and respect in relation to all layers of the business chain of relations, it is possible to effectively and efficiently pursue objectives resulting from the definition of Sustainable Development.



DEVELOPMENT THROUGH INNOVATION

- we implement modern technology
- we continue to search for new uses of our products
- we develop new solutions for our customers



PASSION TO CREATE

- we perform our work with passion
- joy and satisfaction of customers encourage our creativity
- we are not afraid to plunge into bold projects
- we are open to new ideas and we come up with our own initiatives



HONESTY AND TRANSPARENCY

- we act in an honest and transparent manner
- we always follow the applicable law
- we respect our Stakeholders' law, customs and culture



SOCIAL RESPONSIBILITY

- we operate in compliance with generally accepted ethical principles
- we respect human rights
- we encourage diversity in our organisation
- we care for the natural environment
- we support local communities



SAFETY

- we provide safe workplace
- we identify risks and prevent potential threats
- we apply good practices in relation to quality and safety of our products



CONSTANT IMPROVEMENT

- we constantly expand our knowledge and share it with our colleagues
- we enhance skills and reach out for new experience
- we learn about the latest trends and participate in setting them
- we are willing to learn from our stakeholders' knowledge and experience

ACTIONS FOR SUSTAINABLE DEVELOPMENT



The model of perceiving the business progress through the prism of one-way action, with future financial aims as indicators, is currently being overruled by the new concept of development as multidirectional action.



Beata Gruś

Manager of Marketing and Sustainable Development
The Management Board's Proxy for Corporate Social Responsibility
PCC EXOL SA

In 2015 we have implemented Sustainable Development Policy, which includes a long-term business strategy not only in terms of economy but also environment, social policy and ethics.

Our purpose is to achieve balance between economic viability of the business and a broadly defined public interest and responsible management. Interaction with stakeholders (employees, clients, suppliers, organisations and institutions, communities and investors cooperating with us) is one of the crucial issues of responsible management. A successful dialogue allows to determine further course of action towards sustainable development.

The strategy to implement by PCC EXOL SA new solutions concerning sustainable development policy is pursued through 4 basic pillars:



market



organisation



people



environment

Correct implementation of commitments is supervised by a team appointed to this task and reporting directly to the Management Board of the Company.

PRIORITIES FOR SUSTAINABLE DEVELOPMENT POLICY :

Market

- Compliance with the corporate governance standards and applicable law
- Respect for stakeholders' customs and culture
- Observance of legal regulations of the regions in which we conduct our business
- Fair and transparent implementation of business objectives
- Operation compliant with generally the principles of free-market competition
- Promotion of ethical conduct and anti-corruption
- Respect for rules of the Diversity Charter
- Ensuring high quality and highly secure products
- Risk management by application of appropriate regulations, tools and methods

Organisation

- Providing our employees and subcontractors with safe occupational environment
- Assessment of the vocational risk connected with particular job positions
- Education on health and safety at work
- Respect for employees' rights arising from the Labour Code, the Articles of Association and other rules and regulations
- Observance of the Code of Ethics
- Respect for human rights
- Respect for rules of the Diversity Charter
- Open communication with employees and stakeholders
- Ensuring equal opportunities regarding professional development
- Promotion of work-life balance
- Fair treatment for employees at all levels of the organization

Society

- Membership in national and international organizations and programmes in the field of corporate social responsibility and sustainable development
- Involvement in social initiatives and campaigns
- Provision of financial and in-kind support to events, campaigns and public campaigns
- Promotion of corporate volunteering
- Conduction of dialogue with local community
- Involvement in programme boards, committees and teams for social corporate responsibility

Environment

- Conducting business activities in compliance with applicable regulations, directives and standards regarding the environment
- Reduction of harmful impact on the natural environment through:
 - rational reduction of heat and electricity, paper and water consumption
 - monitoring and reduction of greenhouse gas emission
 - rational waste management
 - reduction of discharge of waste water
 - improvement regarding the above-mentioned areas
- Promotion of education on ecology and environmental actions
- Provision of support to environmental protection initiatives and projects
- Cooperation with stakeholders who apply pro-ecological solutions, respect any environmental regulations and principles of business ethics
- Provision of support to environmental organizations and participation in their activities

OUR OBJECTIVES

Defining long-term objectives is closely linked to priorities resulting from the adopted Sustainable Development Policy. Growth of the company and observance of rules of Sustainable Development intertwine with each other bringing a new quality to managing Company such as PCC EXOL SA that is modern and focused on innovations.

1.

Maintaining a leading position in Central and Eastern Europe and Eastern Europe and further growth through expansion to the markets of in Middle East, Africa and Pacific countries

In 2015 we were still the leading producer of surfactants in the region of the Central and Eastern Europe.

2.

The intensive development of production of surfactants for industrial applications and sales intensification on new markets

In 2015, among the products dedicated to the market for detergents and personal care products, the Company's product offer was expanded by introducing products from the group of ammonium salts, new types of betaine and anionic products without preservatives. In 2015 we increased the production of specialty surfactants by 5%, from 14,950 tonnes up to 15,670 tonnes

3.

The manufacture of the products offered to the clients in compliance with legal, economic, ethical, environmental and social standards.

Our products are manufactured in accordance with implemented standards of Good Manufacturing Practice, EFfCI, RSPO, ISO 9001, ISO 14001, OHSAS 18001 and other standards in this area.

4.

Increase margins in the portfolio of bulk products.

We have achieved an increase in margin to 13.9% YOY (i.e. 3.7 pp) which translated into increase in operating profit by PLN 11.9 million. Higher margins achieved in 2015 are the effects of political changes in trade and procurement policy of the Company, which were reflected raw material cost saving. An increase in average margin is also the result of the increase in the share of sales of specialty products.

5.

Development of research and development background which increases potential of the Company regarding opportunities and pace of development and implementation of new products

In 2015 we introduced 22 new products.

6.

Strengthening the position of the Company on markets currently served

In 2015 we strengthened our leading position on the market of Central and Eastern Europe and Poland increasing revenues derived from these markets respectively by 3.9% and 1.5% compared with 2014.

7.

Investments in new production capacity: an increase in capacity of amphoteric surfactants from 2,000 tonnes to 10,000 tonnes

In 2015, owing to the implementation of a new betaine production plant, we have increased the capacity of amphoteric surfactants up to 10,000 tonnes. It means that we have exceeded our initial assumptions.

8.

Sustaining the rise in Customer Satisfaction Index.

In 2015 CSI increased by 0.04 as compared to 2014.

New objectives of sustainable development

In 2015 an Agenda for Sustainable Development 2030 set for UN Member States new objectives to be achieved over subsequent years. As members of UN Global Compact, an international platform, we commit to continually adapt our business practices in order to implement the provisions of Agenda as efficiently as possible.

OUR COMMITMENTS:

We will update the Sustainable Development Policy of PCC EXOL SA on the basis of new global objectives of Agenda for Sustainable Development 2030

OUR OBJECTIVES FOR 2016:

- Increase of specialities in product portfolio to the minimum level of 32%
- Complaints quantity reduction by 3% comparing to 2015
- Market placement of 10 new chemical products and formulations available for industry
- Dynamic department development of sales and product marketing in the context of branch specialization



We move into new markets, explore new business areas. We promote sustainable chemistry oriented towards the rational use of resources and concern for the natural environment.

OUR BUSINESS

Our vision - as we are constantly striving to increase the value of our company, we can effectively use potential, innovation and resources. We hold strong position as producer of surfactants in Poland and Central and Eastern Europe. We move into new markets, explore new business areas. We promote sustainable chemistry oriented towards the rational use of resources and concern for the natural environment.

MANAGEMENT OF THE COMPANY

”

Good business relations should be based on not only satisfactory financial conditions, but also mutual understanding and common action to respect human rights and protect the environment.



Daniel Mucha

Sales Specialist
PCC EXOL SA

As a company listed on the Warsaw Stock Exchange we are required to follow the corporate governance principles set out in the document Code of Best Practice for WSE Listed Companies. The document was adopted by the Board of the Warsaw Stock Exchange in 2007. Detailed information on the corporate governance can be found on www.pcc-exol.eu (in the Company/Corporate Governance tab).

Management systems

Certified management systems support process management in PCC EXOL SA:

- Quality Management System in compliance with ISO 9001:2008 standard
- Environmental Management System in compliance with ISO 14001:2004 standard
- Occupational Health and Safety Management System in compliance with OHSAS 18001 standard
- Good Manufacturing Practice System in compliance with GMP EFfCI guidelines
- Roundtable on Sustainable Palm Oil - system concerning palm oil production and processing
- Framework Management System Responsible Care

Internal Audits

A team of Internal Auditors operates under implemented management systems and responsible for supervising the implementation of guidelines contained in instructions and other documents related to it. Audits are carried out regularly in accordance with an approved annual plan. Audit reports form basis for corrective and improving actions in areas tested.



In 2015 we carried out 28 internal audits (in 2014 – 15 audits).

An increased number of internal audits resulted, among other things, from preparing fields to certification of the Company in June 2016 in compliance with OHSAS 18001 standard. It allowed us to identify areas that are deemed as important elements of improvement process and implement an action plan relating thereto.

External Audits

There are two types of external audits:

- Second-party audits are conducted by the parties having an interest in the functioning of the Company. We have an open attitude towards stakeholders whose objective is to gain information necessary to carry out evaluation and classification of suppliers
- Third-party audits, conducted by external, independent auditing organizations, among which the most common form includes certification audits that confirm implementation and application of international guidelines and domestic standards adopted in the Company

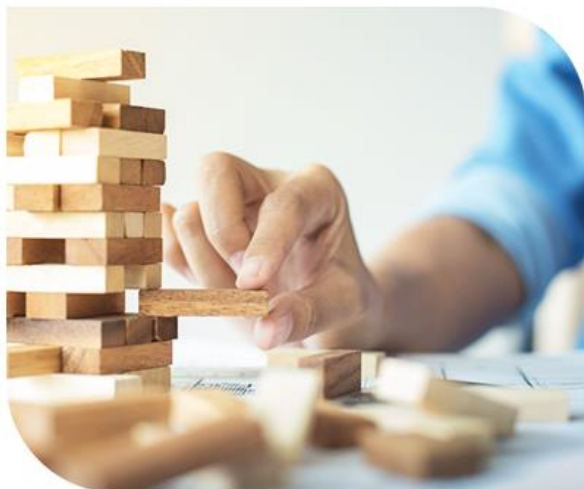
National Institutions and Inspection Bodies

Due to the specific nature of the industry in which PCC EXOL SA operates, genuine dialogue with government administration is necessary. Reporting, controls and inspections in this area support monitoring the quality of provided services, safety level and environmental impact. Most issued formulates by Public Institutions and Inspection Bodies concern safety and health of workers, quality assurance standards, environmental protection, human rights and process safety. Answers are provided directly or in a written form during periodic inspections or checks.



In 2015, 11 checks were carried out in the Company which revealed no inconsistencies or objections.

Risk Management



Our business activity is exposed to various risks including operational, financial and business risks linked to macroeconomic, political, legal, and environmental and reputation situation.

Identified risks are monitored at all levels of our business activity where risk analysis is strictly linked to internal control system. Comprehensive evaluation of analysed risks allows us to take early action to prevent unexpected events.

Risks related to the activity of the Company are reflected in the [Value Chain of the Company](#).

Responsibility

- The Management Board is supervised by the Supervisory Board
- Chief Financial Officer, who reports directly to the President of the Management Board, is responsible for economic matters in our Company
- A BoM Representative for CSR and Sustainable Development and a BoM Representative for Management Systems bear responsibility for environmental and social issues. Representatives are directly supervised by the President of the Management Board

Powers concerning economic, environmental and social issues are delegated on the basis of:

- power of attorney to represent the Company in particular matters granted by the Management Board on the grounds of a resolution adopted by the Management Board,
- extending professional duties included in a job description

Precautionary principle

Application of precautionary principle with respect to our activity ensures rapid responses to possible threats to health or conservation of the natural environment. In any case where it is possible to carry out a complete risk assessment, this principle allows for an immediate response which eliminates a hazard.

For more information on the application of precautionary method, please refer to section [Environment](#) and [Occupational health and safety](#).

VALUE CHAIN

Value chain management is a key challenge facing PCC EXOL SA as the business profile of the company, that is production of surfactants, is strongly specialised. Together with our stakeholders, we undertake measures to promote sustainable chemistry, by identifying risks and economic, social and environmental impacts. Recognition and understanding of these relations allows us to identify strengths and weaknesses of our organisation.

Research and developemnt



Economic impact:

- we develop and introduce innovative product lines of surfactants, we are searching for new application supporting the development of chemical industry
- we create demand for new and highly specialised solutions



Environmental impact:

- we design environment-friendly products, highly biodegradable
- we optimize design technology reducing consumption of utilities (water, energy, heat) and possible emissions during a design phase
- we purchase natural based materials from renewable and sustainable sources



Social impact:

- by enlarging R&D team we increase employment
- by introducing new technologies we have an impact on economic growth

Purchase and raw materials



Economic impact:

- we support economic development of our country through cooperation with national and local producers
- we raise economic importance of our country by purchasing raw materials from international suppliers
- we also support economic growth of developing countries by purchasing raw materials from suppliers from poorer regions of the world



Environmental impact:

- we use natural, biodegradable materials with a certified and transparent origin
- we use an integrated transfer system which connects production plant with infrastructure. It enables to supply a key raw material without using modes of transport



Social impact:

- we influence form of business and social relations in regions of our stakeholders, favouring suppliers who have implemented the Code of Ethics, comply with human rights and fight against corruption
- we support social development of developing countries by establishing trade relations with entrepreneurs from these countries

Manufacturing



Economic impact:

- we pay taxes for the benefit of local authorities
- we support economic growth of the region through investments
- we optimise technological processes through reduction in use of raw materials and utilities



Environmental impact:

- we have an optimal impact on environment through reduction of greenhouse gases and consumption of utilities (water abstraction, energy use) and consumption of natural raw materials
- we modernize plants limiting the consumption of electricity and utilities



Social impact:

- PCC EXOL SA is a part of PCC Group, the largest employer in the region of Lower Silesia Voivodeship

Logistics and transport



Economic impact:

- we support local transport companies
- we use intermodal services provided within the PCC Group



Environmental impact:

- we optimise transport routes in order to minimize impact on environment
- we use intermodal services limiting road transport



Social impact:

- we use services provided by local companies contributing to the development of local economy
- we use intermodal services, in order to reduce nuisance and volume of traffic on local roads

Sales and market



Economic impact:

- we affect GDP and economic growth through the sales of surfactants
- we contribute to the development of local economy by hiring national companies in connection with distribution processes



Environmental impact:

- we manufacture highly biodegradable surfactants
- we prefer selling products in tank trucks reducing the number of packages and transport connected with their carriage



Social impact:

- we promote the use of our products in many industrial branches that enables production of everyday goods (e.g. cosmetics, clothing, plastics etc.)

Consumption



Economic impact:

- we reduce costs by applying modern surfactants in production processes of different industries
- we optimize application of surfactants affecting significantly quality and effectiveness of the final product



Environmental impact:

- we increase efficiency of surfactants through production of concentrates



Social impact:

- we improve production of new, cheaper and safer products for everyday use
- thanks to our products we influence the more economic use of detergents and personal care products by people

RISKS:

- negative impact on health and environment as a result of failure to comply with the rules of use, transport and storage of substances manufactured by us
- loss of clients' trust

RESPONSIBILITY:

- we inform our customers about any danger related to the use of our products
- we keep technical documentation which, among other thing, includes safety data sheets
- we apply appropriate marking of products offered by us
- we have a reliable complaint system

OUR PRODUCTS

What are surfactants?

Surfactants, in other words surface active agents, are specialized chemical products used across a wide variety of industrial sectors around the world. An overwhelming majority of everything that surrounds us contains or is formed with beneficial participation of surfactants. We use them always when we applying favourite cosmetics, having a bath or shower, washing the dishes or clothes. They often play a key role in the processes of manufacturing daily consumer goods.

Surfactants improve the well-being of people making it better, healthier and more comfortable.

SURFACTANTS CAN BE DIVIDED AS FOOLOWS :



anionic



non-ionic



cationic



amphoteric

THE MOST IMPORTANT FUNCTIONS ARE :



cleaning and washing
(removal of dirt)



moistening (increase
of liquid solubility)



dispersing (shredding
larger particles of
substance into smaller
parts)



foaming (ability to
generate foam)



antifoaming (reduction
of foam)



solubilizing (enhancing
the solubility of
substance)



emulsifying (e.g.
Combining oil with
water)



demulsifying
(separating water from
oil)

WHERE CAN FIND SURFACTANTS ?

Multifunctionality of surfactants make them useful in many industrial branches. That is why they are omnipresent.



Did you know that, their natural equivalents can be found in the human body? Pulmonary alveoli are covered with them owing and do not stick together and help us breath.

PRODUCTS OF PCC EXOL SA

We hold a dominant position as a manufacturer of surfactants in Poland. We are also a leading producer in the Eastern Europe and Central and Eastern Europe. We offer over 300 different products and industrial formulations used in the following industries:



personal care products
and cosmetics



detergents



industrial laundering
and cleaning



plastics



paints, varnishes and
adhesives



metalworking



construction industry



extracting and drilling
industry



pulp and paper
industry



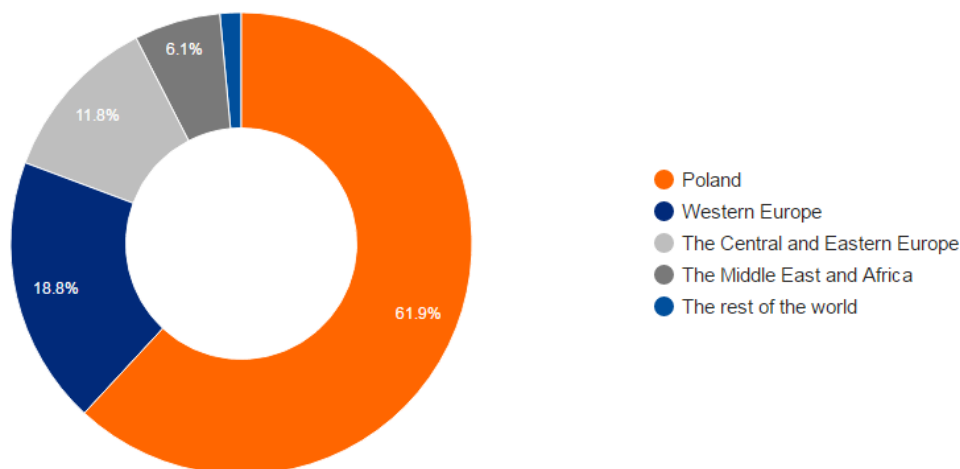
tanning and textile
industry



agrochemical industry

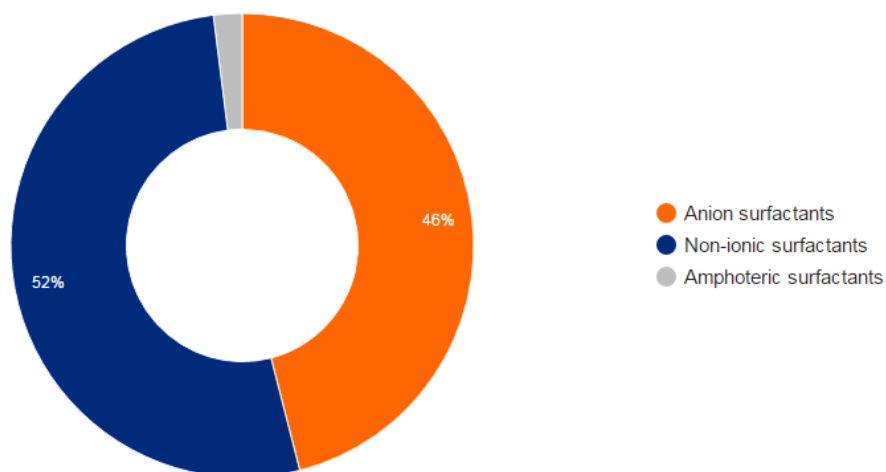
We manufacture and introduce innovative specialty surfactants by analysing consumption and eco-social trends in accordance with global trends of sustainable development. It is necessary to shift away from a traditional model of portfolio development in the direction of more advanced and innovative solutions.

Sales revenue by geographical breakdown in 2015



Due to geographical distribution the Company carries out its activity mainly in Poland and other European countries as well as the west part of Asia (Russia, Turkey). In 2015 regions of Western Europe and the Central and Eastern Europe generated an overwhelming part of foreign sales (80% of the value of revenue from foreign sales).

Revenue from the sale of surfactants acc. to product groups in 2015



The market of West Europe, mainly Germany, Netherlands and Italy, is the major recipient of surfactants manufactured by the PCC EXOL SA. The Middle East, Africa and the Rest of the World were together accounted for 20% of the value of revenue from foreign sales during this period. The Company reported an increase in sales revenue on both markets compared to last year. Turkish market is an important market for product of the Company as it constitutes 51% of total sales revenue.

In 2015 the Company achieved an increase in sales volume by 6% in all product groups. However, due to the decrease in prices in the surfactant market this has not translated into higher sales revenue. The value of sales is dependent mainly on the prices of basic raw materials which were lower in 2015 than last year.



Did you know that, an annual production of one of our products is sufficient to manufacture a shampoo that 12 billion people could wash their hair with.

Products offered by the Company may be divided into two main groups:

- surfactants used in the production of detergents and cosmetics
- surfactants for specialised industrial applications

Surfactants for use in detergents and cosmetics

Surfactants intended for market for detergents and cosmetics are mass goods, which due to cleaning and washing properties, are applicable in household chemistry products (laundry powder, laundry liquid, washing-up liquid and others) and in personal care products (shampoo, shower gel, bath foam, liquid soap and others).



Since 2014 we have been working hard on development of an offer of specialty products intended for detergents and cosmetics.

Growing competition in surfactant market requires higher quality of products in order to adjust to new trends set by industry leaders.

Three major product groups concerning surfactants used in detergents and cosmetics are:

- **Sulforokanols** – it is the largest group of anionic surface active agents manufactured by the Company; an ingredient of washing and cleaning agents and cosmetic products
- **ABS Acid** - a component of liquid and powder washing and cleaning agents
- **ABSNa (Sodium Salts of Benzenesulfonic Acid)** - a component of washing detergent

Industrial surfactants

In addition to application in the production of detergents and cosmetics, products we manufacture are suitable for a wide range of application in varied, specialized industries (chemical products for textiles, polymer additives, products for metal treatment, additives for agrochemicals and many others). For the last 3 years we have been multiplying efforts within the expansion of the product portfolio aimed for industrial applications. Owing to continuous cooperation with recipients at technical level and expansion of research and development, it is possible to keep introducing new, technically and technologically advanced products.

Three major product groups concerning industrial surfactants are:

- **Rokanols** – it is the largest product group among non-ionic surfactants manufactured by the Company; the wide variety of materials used in production process and use of diversified production technologies allows for adapting product to particular application function, e.g. Textiles, products for metallurgical industry
- **Rokanols LP** – a component of detergents for dishwashers or professional cleaning products
- **Rokafenols** – a component of products used in closed circuits in metal processing industry and as an emulsifier in the production of polyurethane polymers

Our production



The Company conducts production in two locations: Brzeg Dolny and Płock.

Production processes take place in five plants: ethoxylation (Ethoxylation Plant 1, Ethoxylation Plant 2 including plant of betaine), sulphonation (Sulphonation Plant 1, Sulphonation Plant 2) and in industrial formulations plant.

Ethoxylation:

Ethoxylation Plant 1 is located in Brzeg Dolny. The Plant was created in 1960s on the basis of the design and technology of Odra Organic Industry Plant "Rokita" and it is the oldest facility of the Company. The plant comprises two reactors of different sizes which enable manufacturing of a large range of products. The facility includes ethoxylation, alkanolamide and betaine plant with a total capacity of 40,000 tonnes/year (depending on the assortment).

In April 2011 a new ethoxylation plant in Płock was commissioned (Ethoxylation Plant 2). The unit is dedicated to the production of the best quality specialty products and its flexibility allow obtaining a broad surfactant portfolio depending on the recipients' needs. The current production capacity is 30,000 tonnes/year with possible extension to 60,000 tonnes/year.

Ethoxylation plants enable production of non-ionic surfactants comprising finished goods and semi-finished goods for the manufacture of anionic surfactants in Sulphonation Plant 1 and Sulphonation Plant 2.

Sulphonation process:

Sulphonation Plant 1 is located in Brzeg Dolny and was launched in 1989. Its capacity amounts to 10,000 tonnes/year. In 2015 a comprehensive modernisation of the facility was carried out.

In 2008 a new Sulphonation Plant 2 was opened, its production capacity is three times greater than the capacity of the Sulphonation Plant 1. Its capacity amounts to 30,000 tonnes/year and it is used in the production of bulk surfactants.

The production of industrial formulation takes place in plant previously belonging to Tensis Sp. z o.o. company which entered into the PCC EXOL SA structure in 2015. The capacity of this plant is 7 000 tonnes/year depending on the goods produced.

Research and Development Department

Research and Development Department (R&D) of the Company develops a number of new products and industrial formulations using the potential of experts, technologists and owned infrastructure.



The department own spacious laboratories with an area covering almost 400 m² which includes Application, Analytical and Technological Laboratory.

These laboratories, in addition to a standard infrastructure such as fume cupboards, weighing room and separated warehouses of raw materials, reagents and trails, are equipped with central units supplying nitrogen and demineralised water indispensable in everyday work. Research conducted in laboratories focuses mainly on agrochemical industry, textile industry, oil extraction industry, paints and varnishes and industrial washing and cleaning.

The objective of R&D Department is to provide the Sales Department and the Product Marketing Department of the Company with professional support through consultancy on matching products and various technological solutions to the clients' needs.

TRANSPORT

Our products are transported mainly by means of vehicles, among which road tankers are the most numerous. The products subject to international ADR * conventions, determine the participation from the level of PCC Group in the Rescue System in Transport of Hazardous Materials (SPOT) which objective is to assist in disaster and accidents recovery which may happen during transport.



In 2015, no accidents, which could pose a threat to the environment during transport, were reported. There was only one incident, the potential effects of which were mitigated before the transport left the premises of the PCC.

Subcontractors providing services are obliged to meet requirements specified in the General Terms and Conditions of Services and specific requirements defined for a particular route or a product. Transported services are provided via a logistic platform that allows for the conclusion of transparent transactions and optimisation of transport services which translates into financial savings and safety for environment. Apart from road transport we use railway and maritime transport. This type of transport is significant in case of non-European destinations but also in case of carriage of some raw materials where road transport wouldn't be economically justified or could entail an increased risk (hazardous materials).



Fleet of passenger cars of our company comprises of economic models with low emission engines based on specialised procedures related to the recycling of waste produced by vehicle usage.

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



The logistics and planning department is responsible for efficient transport.

Database, IT and system tools are constantly improved and modernised allowing for optimisation of the process of transport management and increasing of the scope of control. It helps to increase the level of security, reduce the number of complaints and transport costs.

INVESTMENTS IN PCC EXOL SA

In 2015, PCC EXOL SA Company incurred significant capital expenditures both on development of new technologies and modernising existing plants. These investments helped to improve operational efficiency and enabled expansion into next markets throughout Europe and world.

BETAINE PLANT



In 2015 modernisation of betaine unit being part of Ethoxylation Plant 1 was completed. The process started in 2013.

The objective of investment was to increase betaine production capacity from 2000 tonnes/year up to about 10,000 tonnes/year. The investment enabled production of new types of betaine with application of alternative raw materials such as acids of coconut and palm oil and other hydrocarbon fractions. In addition to an increase of production weight, the investment has significantly improved the quality of products manufactured until now.

One of key elements was to adapt the unit to load the product into road tankers, which facilitates the receipt of orders having considerable weight to our clients. As part of the investment, warehouse base was also expanded so that quantitative needs of strategic clients can be met, closer standardization can be carried out and quality product can be improved. An automatic dosage system for one of raw materials allowed to increase safety of process management in terms of employees and environment. Therefore, betaine production at new plants complies with the highest quality and safety standards.

SULPHONATION PLANT 1



In 2015 modernisation of Sulphonation Plant 1 was completed. Its objective was to adapt the plant to the production of ammonium salts.

At the same time the warehouse base of the unit has been expanded allowing the Company to manufacture new products, including but not limited to Rosulfan A or Rosulfan L/PH mainly used in the cosmetic industry.

PLANNED INVESTMENTS:

Future investment plans include a continuation of projects already underway and initiation of new projects.

Key projects include:

- The construction of a reactor for synthesis of glycines and additional reactor for ethoxylation of products with high molar concentration at the plant for production of Ethoxylates in Brzeg Dolny
- Extension of storage base
- Modernisations and investment purchases



To promote ethical culture, we have implemented a number of regulations binding on the employees, subcontractors and business partners.

ETHICS WITHIN THE COMPANY

To promote ethical culture, we have implemented a number of regulations binding on the employees, subcontractors and business partners connected with our organisation. Each document concerning ethics in the company is drawn up in both Polish and English.

CODES OF ETHICS IN THE COMPANY



The direct influence of ethics in our Company is linked to the common idea of social responsibility of business.

Emilia Drzymala

Marketing and Corporate Social Responsibility Manager
Management Systems Proxy
PCC EXOL SA

Code of Ethical Conduct for Employees

Since 2014 the Company has its own Code of Ethics which is a set of rules and standards of ethical conduct. It is disseminated to all stakeholders promoting mutual application of values. The content of the Code reflects our beliefs about honesty, transparency and ethical conduct in every aspect of business activity. The Code provides rights and obligations which we try to follow in order to maintain a high level of adopted standards.

Ethics Spokespeople

In the framework of communication of issues related to the ethics in our organisation, a team of Ethics Spokespeople has been appointed. The team's task is to settle any disputes and provide explanations with regard to the provisions of the Code of Ethics, their possible interpretations and ambiguities.



Each employee may ask Ethics Spokespeople for help or advice when they find an incident which offends or violates accepted ethical and social standards is taking place.

All reported incidents are strictly confidential. In the course of any investigation, personal data of a reporting person may be classified at this person's request. Despite the rule on classification of personal data, a person lodging complaint or a problem in a good faith does not have to hide their identity. However, we leave the issue of preserving anonymity to the employees. It is crucial to guarantee that no retaliatory measures will be taken against persons who in good faith make complaints related to the breach of human rights or principles of ethical culture in the Company.

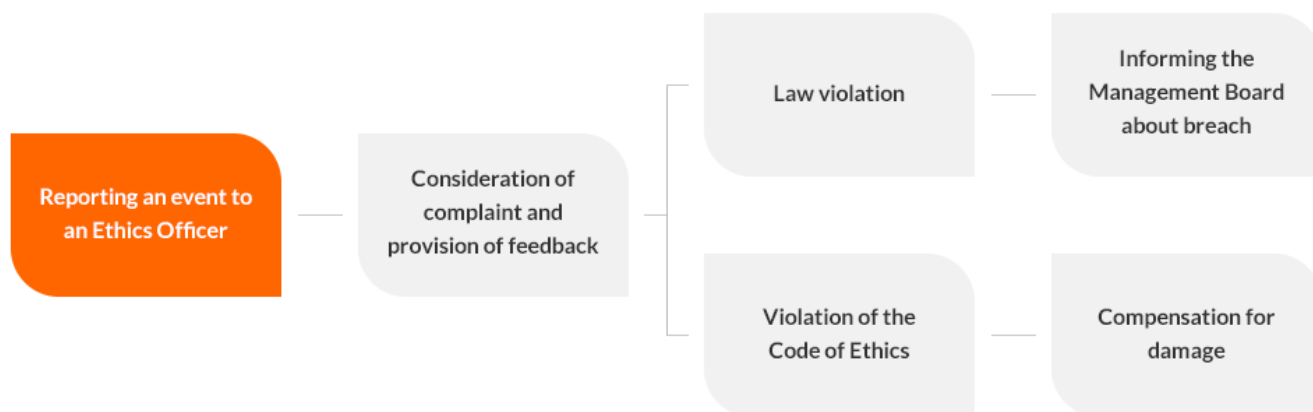
Number of complaints registered by Ethics Officers 2014/2015

Year	A number of recorded complaints	A number of complaints settled amicably
2014	3	3
2015	0	0

OUR COMMITMENTS

As a result of educational actions in the field of ethical conduct we expect to receive no complaints.

Scheme of reporting complaints to an Ethic Spokesperson



Reporting an event to an Ethics Officer

An open conversation between an Ethics Spokesperson and a reporting person and evaluation of circumstances (in confidence) is a basis for handling a complaint.

Consideration of complaint and provision of feedback

Solving the case and providing feedback to a reporting person. Upon the request of a submitting person, an Ethics Spokesperson shall provide solution to the matter in writing

Law violation

In cases involving breach of law, an Ethics Spokesperson shall inform the Management Board on found irregularities or lack thereof

Violation of the Code of Ethics

In cases involving breach of the rules of the Code of Ethics, an Ethics Spokesperson shall inform the Management Board on found irregularities or lack thereof.

Informing the Management Board about breach

A reporting person has an access to the results of the proceedings.

Compensation for damage

In case of violation of human rights or Code of Ethics, we can apply, individually or together, an obligation to compensate non-material damage, disciplinary conversations with supervisor a verbal or written reprimand and other consequences depending on the circumstances.



We haven't recorded any incidents regarding discrimination or violation of human rights in 2015.

Freedom of association is one of the fundamental freedoms, firmly established in the Polish legislation. The employees of PCC have the right to set up and join any trade union and conduct collective negotiations regarding remuneration. We have adopted an open attitude towards trade unions and their organizational measures. Representatives of trade unions are not discriminated and are free to perform representative functions at the workplace.



We have found no significant threats to freedom of association and collective bargaining.



A constitutional standard corresponds to a number of international conventions and Community law, regulations on the protection of children against exploitation and excessive workload.

We acknowledge the right of every child to be protected against economic exploitation, performing work which is dangerous, limits their opportunities for acquiring education, imposes a threat to health, physical, cognitive, spiritual, moral or social development. We do not accept child labour and follow all restrictions concerning the employment of persons under the age of 18.



We haven't found any significant risk for incidents of child labour.

The voluntary nature of employment is one of the most important features of the employment agreement. We do not benefit from involuntary, bonded, indentured labour or involuntary prison labour. All employees of the Company perform their tasks consciously and on the voluntary basis in accordance with their powers, skills and qualifications. We do not require employees to give back their identity documents. The Company's employees have the right to terminate employment at the end of the period of notice.



We haven't recorded any cases of forced or compulsory work.



The concern for safety of people and environment has been considered as our priority for a long time.

We provide employees with safe and healthy working environment, following the standards of chemical industry which include all identified hazards. We undertake a number of actions aimed at preventing accidents limiting the hazards at work. We widely promote rules on safety, protection of health and environment.



Rules arising from the implemented Code of Ethics apply to all employees of the Company bound by outsourcing agreements on protection of property shall follow.

We respect rights of indigenous people pursuant to the definitions defined in applicable legal regulations. Regarding the idea of sustainable palm oil production and a dialogue initiated by the RSPO organization (Roundtable of Sustainable Palm Oil), we support its efforts in further improvement of established mechanisms of acquiring and processing the palm oil in the entire supply chain. As a member of the RSPO we support total respecting of human rights, including respect for cultures and rights of local communities, thus their right to land ownership and measures in favour of small farmers by incorporating them into sustainable supply chains.



We have found no cases of violation of the rights of indigenous people.

The Supplier Code of Ethics

We are focused on conscious observance of social, ecological and ethical standards. One of the objectives of the Company is to promote these standards not only among employees but also among other stakeholders.



PCC EXOL Supplier Code of Ethics determines frameworks of standards of conduct required by us.

It is based on 3 basic pillars:

- Fairness and transparency in the conduct of business
- Safety, protection of health and environment
- Human rights

ANTI-CORRUPTION POLICY

Anti-corruption policy supports the Code of Ethics and sets out a series of principles related to fighting corruption and violation of law. The principles are based on 4 basic issues.

- Prohibition of corruption activity
- Prohibition of against accepting gifts, services or other forms of hospitality
- Rules of offering gifts, services or other forms of hospitality
- Conflict of interest



In 2015, there was no case of corrupt activity of the Company's employees. In 2015, there were no corruption cases against the Company.

OUR COMMITMENTS:

- To maintain the zero level of corruption activities in subsequent years
- To launch next cycle of training on rules of ethical conduct in the organisation, taking into account issues related to fighting corruption

OUR ACTIONS



Communication in the area of ethics - Newsletter of PCC Group "PCC News"

As part of newsletter issued by PCC Group, we publish articles that discuss issues related to ethics. Articles are written by the employees of the Company.

The following articles on ethics were issued in 2015:

- Corporate volunteering as a method for developing competences – October 2015
- Safety culture - good practices in PCC Group – June 2015
- PCC EXOL SA - our path to sustainable development – March 2015
- PCC EXOL SA appeared in the Polish Ranging of Responsible Companies for the first time – June 2015

OUR COMMITMENTS

We will publish more articles on ethics during 2016



Diversity charter

We have been a signatory of the Diversity Charter since 2014 while promoting diversity within the Company and its external environment. The Diversity Charter is an initiative of the European Commission, it is a written commitment of signatories to prohibit discrimination at the workplace. Within this initiative, we endeavour to involve all employees, business and social partners to fight against discrimination and promote diversity as a factor of creativity and development.



We are aware of the fact that our manufacturing activity heavily affects the environment, which is a source of resources used in manufacturing specialist substances and chemical formulations.

OUR IMPACT ON THE ENVIRONMENT

We are aware of the fact that our manufacturing activity heavily affects the natural environment. Its elements are the origin of components used in manufacturing processes of chemical substances. Therefore, in our activity we identify and monitor the operations that may possibly influence the environment. To fully reach it, we determine specific targets, set programs and use dedicated tools.

OUR ENVIRONMENTAL ACTIONS



Monitoring, emission reporting, and participating in activities aiming at protecting the environment are a permanent part of our basic strategy.



Paulina Sanecka

Marketing and Corporate Social Responsibility Specialist
PCC EXOL SA

OUR LONG-TERM COMMITMENTS:

- observance of legislation
- minimization of negative impact on the environment
- undergoing independent audits, verifications and certifications
- promotion of raising environmentally-friendly awareness of our stakeholders
- favouring suppliers who within their activity promote the use of natural resources



A Tree for a Bottle

As the Company implements the Programme Responsible Care (Odpowiedzialność i Troska), in 2015 we were one of the coordinators of the 13th edition of education campaign "A Tree for a Bottle". The main beneficiaries of the action were schools and kindergartens in Brzeg Dolny, and its objective was to collect as many PET bottles as possible which were forwarded to recycling companies. Owing to this action schools and kindergartens received tree seedlings which were planted on an area within facilities. The most active participants received rewards such as small gifts and diplomas. In addition, learning aids, office equipment and toys sponsored by our Company were forwarded to schools and kindergartens.

WE HAVE MANAGED TO:

- > collect **249,783** bottles which gives **186** bottles per one student!
- > plant **69** trees!

Optima

OPTIMA

As part of Optima programme, apart from education concerning improvement of the effectiveness of work and maintaining occupational health and safety standards, we educate employees on segregation of waste and reduction of energy and raw material consumption.



Odpowiedzialność i Troska®

Responsible Care

In July 2014 we joined the group of companies implementing the programme Responsible Care. Together with other representatives of the chemical industry, we are looking for sound and reliable basis of sustainable development in order to implement them within our own structures. This formal commitment to complete activities primarily involves continuous improvement of all aspects of business conducted, in particular, safety, health and environmental protection.



In 2015, we haven't found any significant incidents of emissions into the environment.

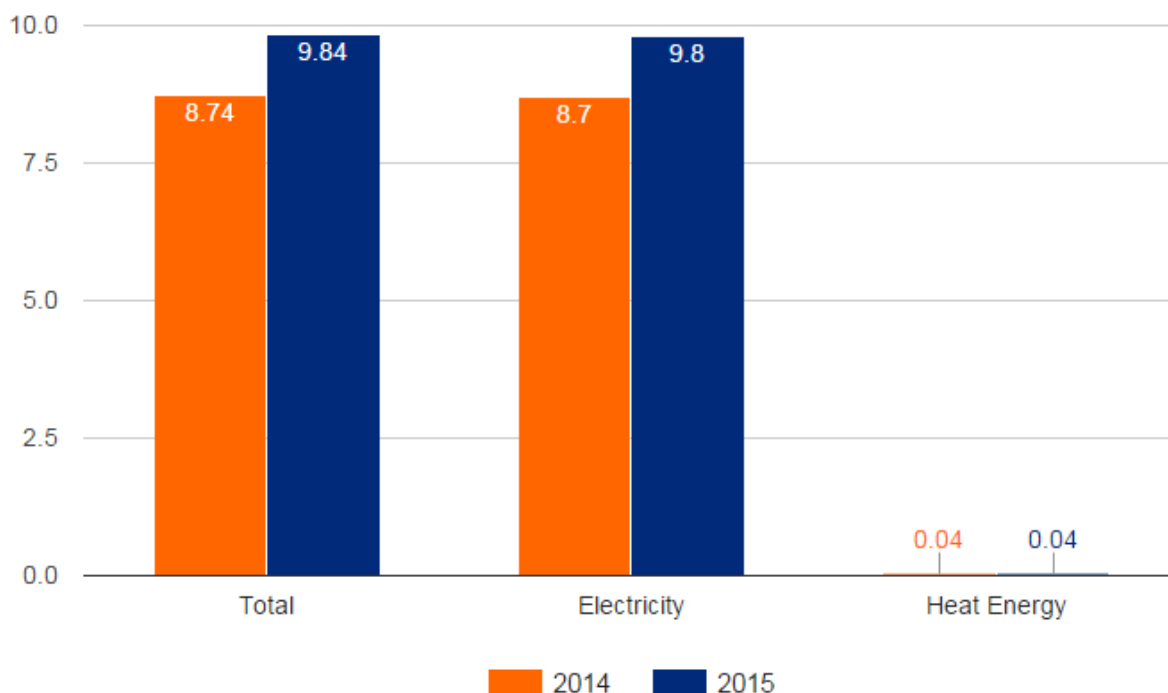
ENERGY



We continuously strive to optimize energy consumption.

This results mainly from the application of best available techniques (BAT), promoting good practices among employees concerning energy consumption and energy-saving solutions implemented in administrative buildings.

Energy consumption within the company [GWh]



EMISSIONS



PCC EXOL SA is an essential link in the supply chain of global economic tycoons operating in the industry of detergents, personal care products and cosmetics.

Individual standards and quality requirements, rate strategy or conditions of supply are, in many cases, key elements in cooperation with customers. However, added values focused on sustainable production and consumption are becoming increasingly important. More and more companies in the chemical business consider conducting a cost-effective business in harmony with the natural environment and good relations with social environment to be a key element of a strategy.

Involvement in global environmental and social projects allows the Company to measure, plan and control its impact on the environment. In this way, we have a unique opportunity to be evaluated by international, prestigious business, scientific, trade, environmental and social groups.



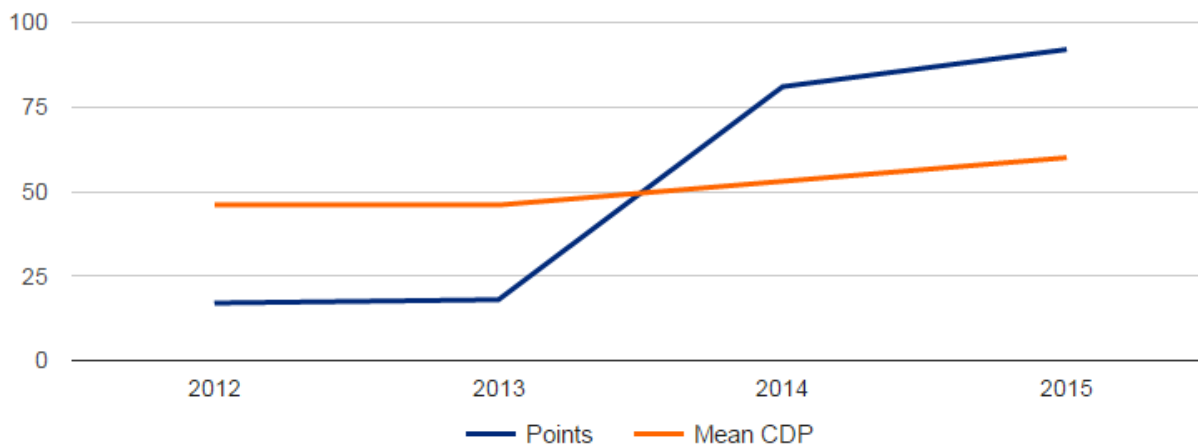
One of the prestigious initiatives includes broad reporting on greenhouse gas emissions and measures undertaken to reduce them within the international platform of CDP organisation (Carbon Disclosure Project).

Implementing the assumptions of this project, we are obliged to draw up a detailed report on emissions once a year. Our report is subject to assessment in terms of number of specific factors such as the quality and comprehensiveness of the data or effectiveness of measures undertaken to limit emissions concerning separate areas of the Company.

In 2015 we achieved a score of 81 points with an average score of 60 points for all participants of Supply Chain Module Data reported by CDP in 2015 cover the preceding year, 2014.

*CDP (Carbon Disclosure Project) is a non-profit organisation which cooperates with investors and companies and supports full transparency for the sustainable development of economy and prevention of climate change and protection of natural resources.

Carbon Disclosure Project progres 2012-2015

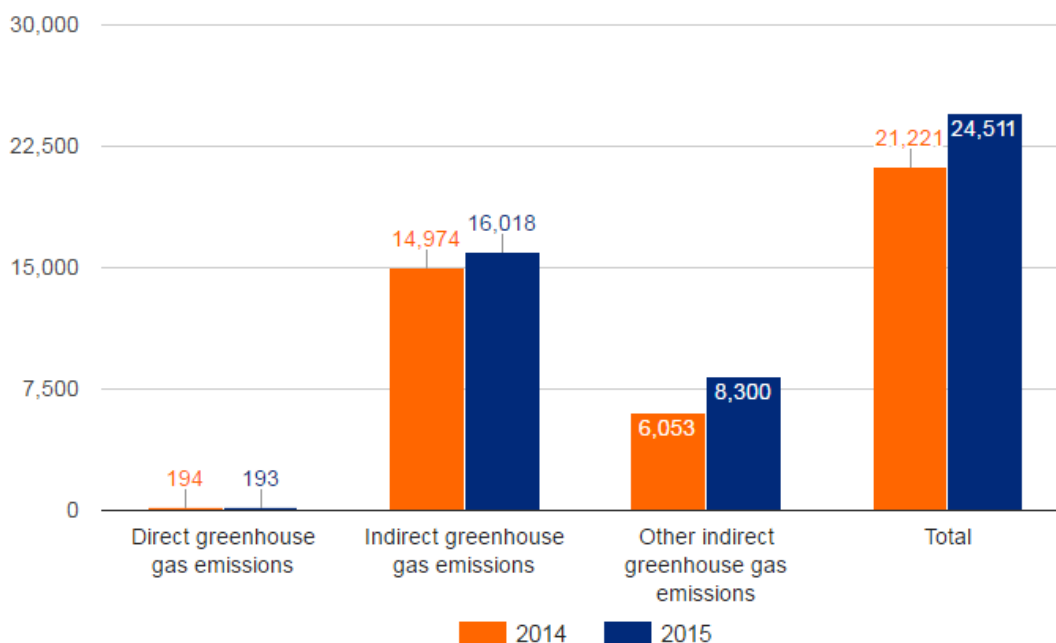


OUR LONG-TERM LIABILITIES FOR EMISSIONS:

Reducing emissions by 15% till 2020.

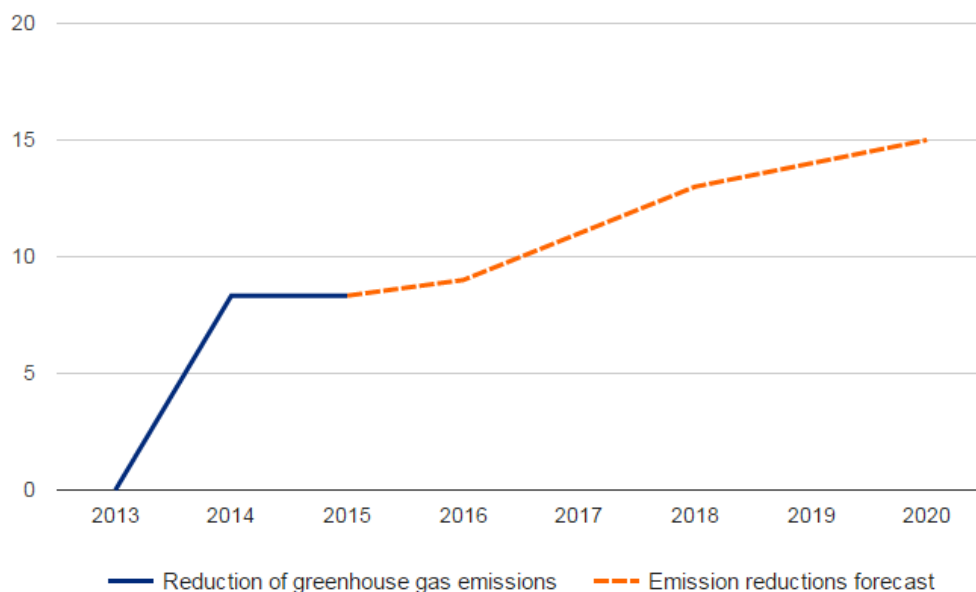
In our Company, the production area is the main source of CO₂. It uses considerable amounts of heat and electricity in technological processes. Emission of CO₂ from this source account for 70% of total emission of CO₂. There are emissions from external and internal transport which amounts for 30% of all emissions. Emission from administrative activities are marginal and connected mainly with utilities consumption.

Greenhouse gas emissions [tCO₂]



In reports submitted through CDP's reporting platform we are obliged to include yearly account of progress in greenhouse gas emissions. Between 2014 and 2015, progress in reduction stand at 8.33% compared to the base year, 2013. The level of reductions has been drawn up on the basis of identified sources of emission and the activities of the Company. Our key objective includes emission reductions within the following areas: electricity consumption, heat energy consumption during manufacture processes and in the means of transport used. The objectives are accomplished by, among other things, implementation of appropriate management systems and internal procedures concerning energy management.

Reduction of greenhouse gas emissions 2013-2020



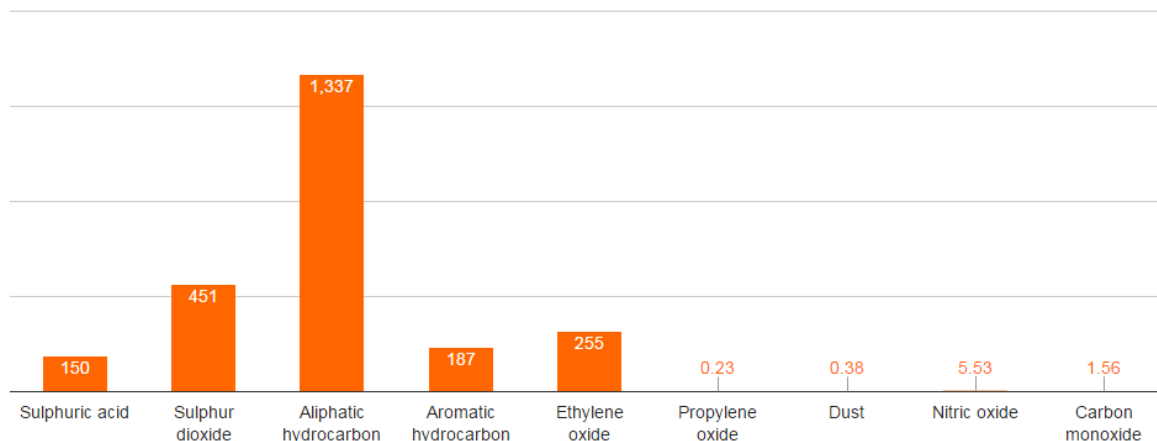
As part of CDP programme (Carbon Disclosure Project), we monitor CO₂ emissions related to transport. We make an annual inventory of emissions, including emissions related to transport across the whole cycle of production and sales. The scope of the analysis includes the fields relevant to transport of raw materials and materials for production, transport of goods manufactured, internal transport.

CO₂ emissions related the transport of goods and raw materials in 2015.

CO ₂ [Mg]	Road transport	Rail transport	Intermodal transport
Goods	1,723	83	2,774
Raw materials	722	530	2,433

As we emit different types of pollutants, we strive for reduction of their release and comply with requirements of permits and regulations that control emission into the air.

Emissions of nitrogen and sulphur oxides and other emissions into the air in 2015 [kg]



WATER

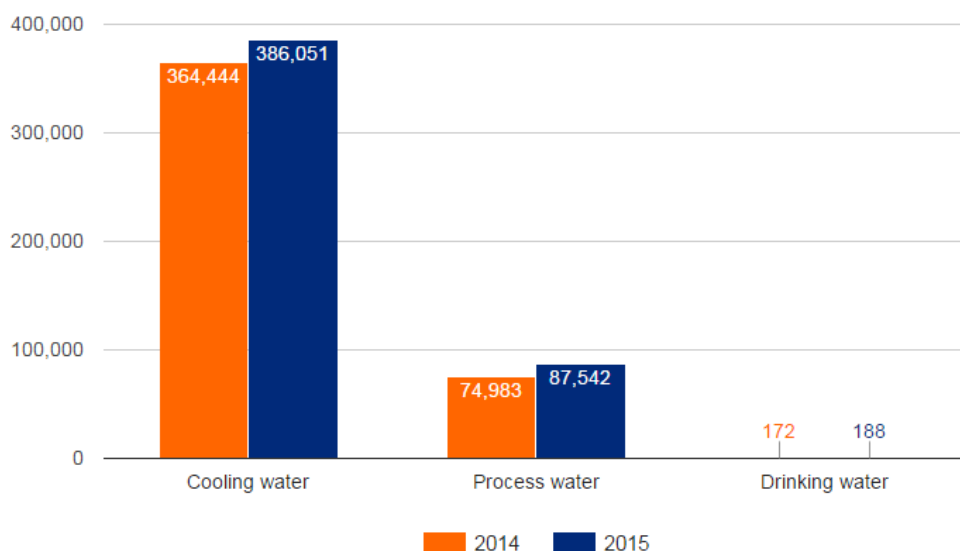


Water constitutes a very important resource in our operations as it is necessary in the processes of the production of surfactants.

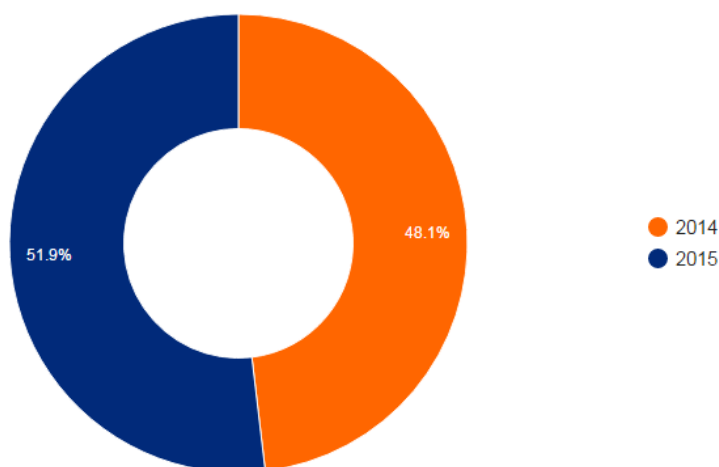
Water is also applied for cooling purposes and also as a social provisioning for employees. We use the river water intakes for industrial purposes, and deep water wells for utility purposes. In 2015 we used about **473,781 m³** of water for our purposes. We are constantly trying to use it more efficiently due to the fact that water abstraction and treatment is connected with energy consumption, and thus higher emission of CO₂ into the air.

In 2015 we increased water consumption for cooling purposes. Higher process water consumption results directly from the production capacity increase of our installations.

Total water consumption by source [m³]

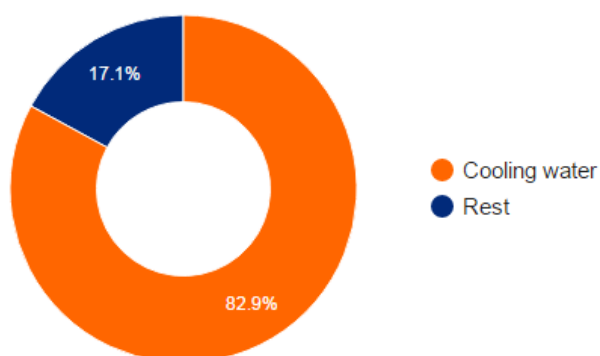


Total water consumption year to year [m³]

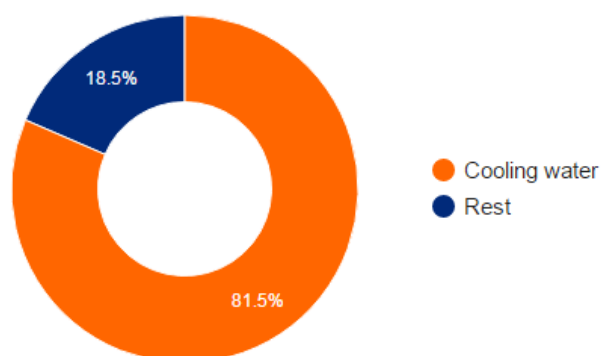


Cooling water is processed and reused in manufacturing processes of PCC EXOL SA. Circulation takes place in closed circuit. Annual volume of cooling water abstracted in 2015 was 386,051 m³. It represents 81% of total water abstraction.

Cooling water 2014



Cooling water 2015



WASTEWATER AND WASTE

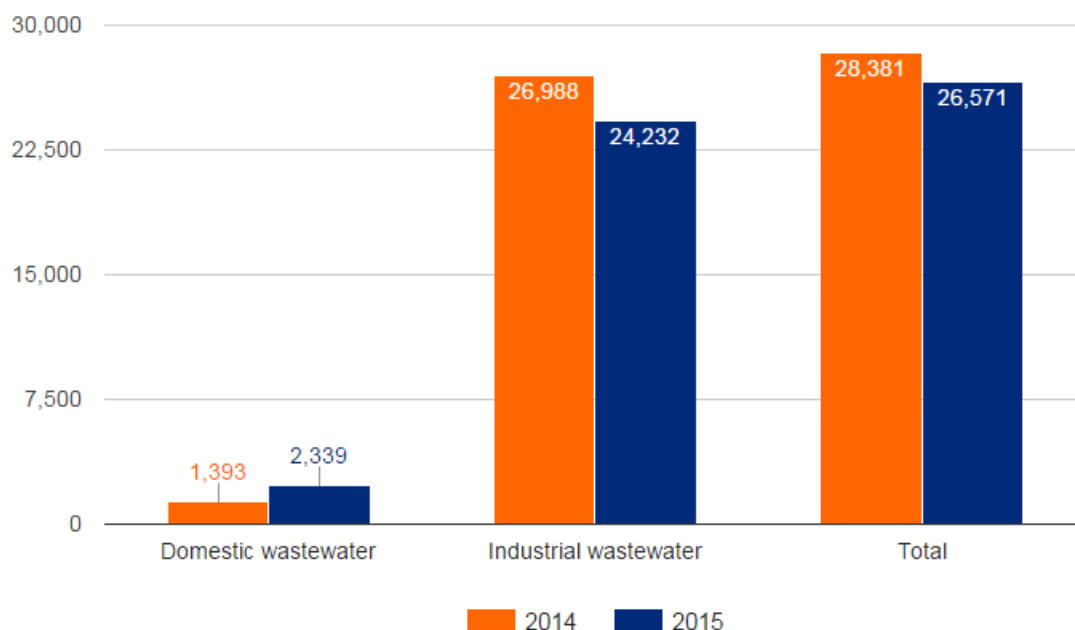


Our wastewater management is based on activities which do not deteriorate the ecological status of water and ecosystems dependent on the company.

Manufacturing processes connected with our activity generate, among others, industrial wastewater and spent cooling water. In the administrative area, domestic wastewater, which constitute 9% of the total amount of waste produced, is generated.

Any wastewater originating in the operation of our Company, located on the site of PCC GROUP in Brzeg Dolny, is discharged through the collective sewer system to the On-site Wastewater Treatment Plant. Wastewater is treated mechanically and chemically and biologically, then it is disposed directly to the Oder river. Wastewater generated by the production department in Płock is directed to the water treatment plant of PKN Orlen company, where it undergoes mechanical, chemical and biological treatment and after that discharged into the Vistula river.

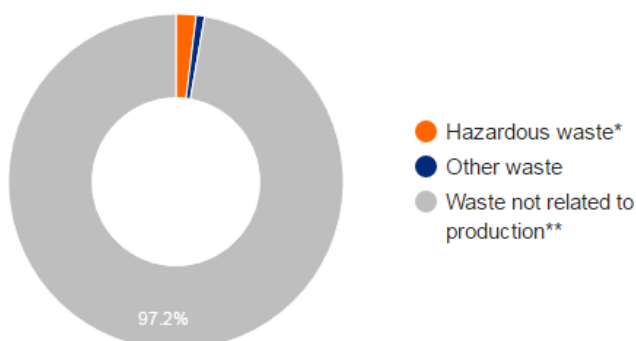
Total volume of wastewater by quality and final destination [m³/year]



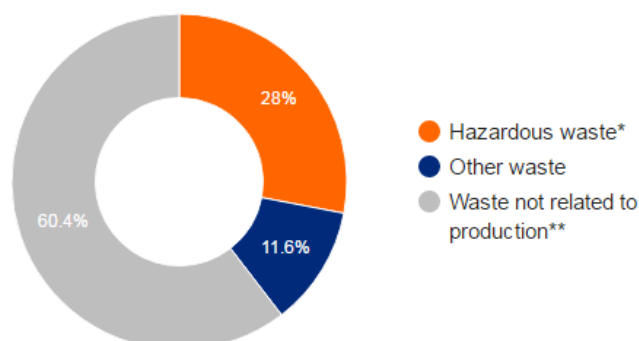
In 2015 we have decreased the total production of wastewater by 6% as compared to 2014. Growth of domestic wastewater production results from the increased employment.

Our business activity generates waste, which we are trying to limit it at the stage of designing products taking this factor into account even during the manufacture of products. Investment into modern technologies based on BAT's assumptions is aimed at reduction of waste while increasing production. Waste management is also linked to employees' awareness based on established internal rules regulated by internal procedures or legislative acts and training. We store the waste selectively in designated and marked places and pass them to the entities which are authorised by law. We meet the obligation to ensure recovery and recycling of packaging waste, as it is required by law, under the agreement concluded with a recovery organization.

Total weight of waste by type 2014 [Mg]



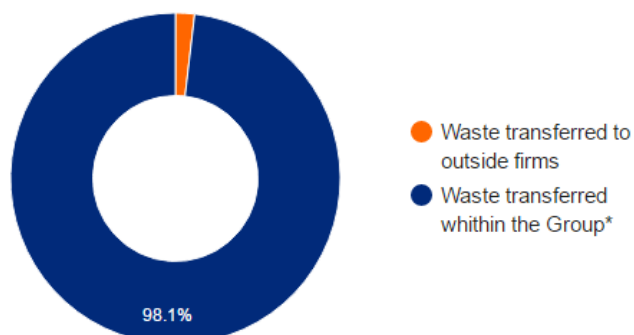
Total weight of waste by type 2015 [Mg]



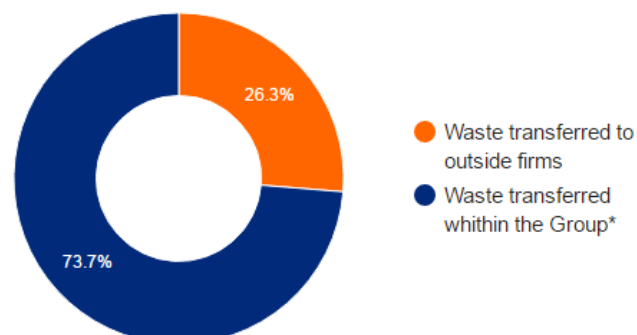
* an increased amount of hazardous waste results from by-product storage, generated in production process, in condition to be sold, but unattractive; the result is that the annual balance includes a mass of stored waste which passes for the following year

** concrete waste and concrete rubble from dismantling and renovation

Total weight of waste by disposal method 2014 [Mg]

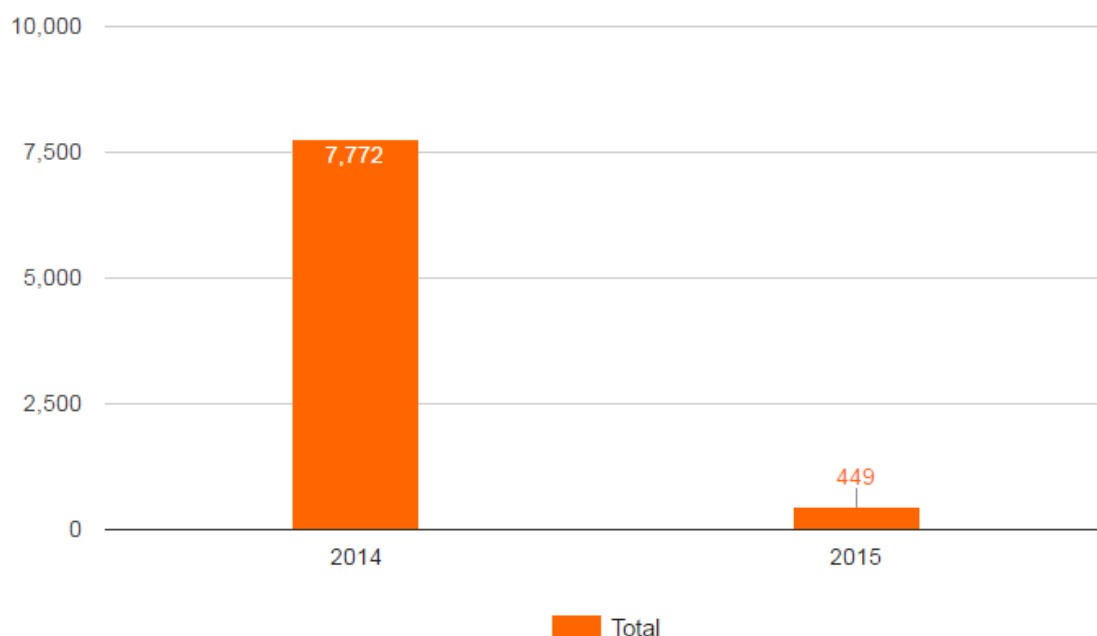


Total weight of waste by disposal method 2015 [Mg]



*PCC Exol S.A. doesn't stockpile waste on their own in the years 2014-2015

Total weight of waste by type and disposal method [Mg]



The total quantity of generated hazardous waste during the reporting period is 126 Mg, that is 16% less than the year before.

Hazardous waste is transported in cooperation with specialised companies for that purpose, which provide specialised logistics services, hold required authorisations to accept and process waste and are equipped with means of transport used for transportation of hazardous waste.

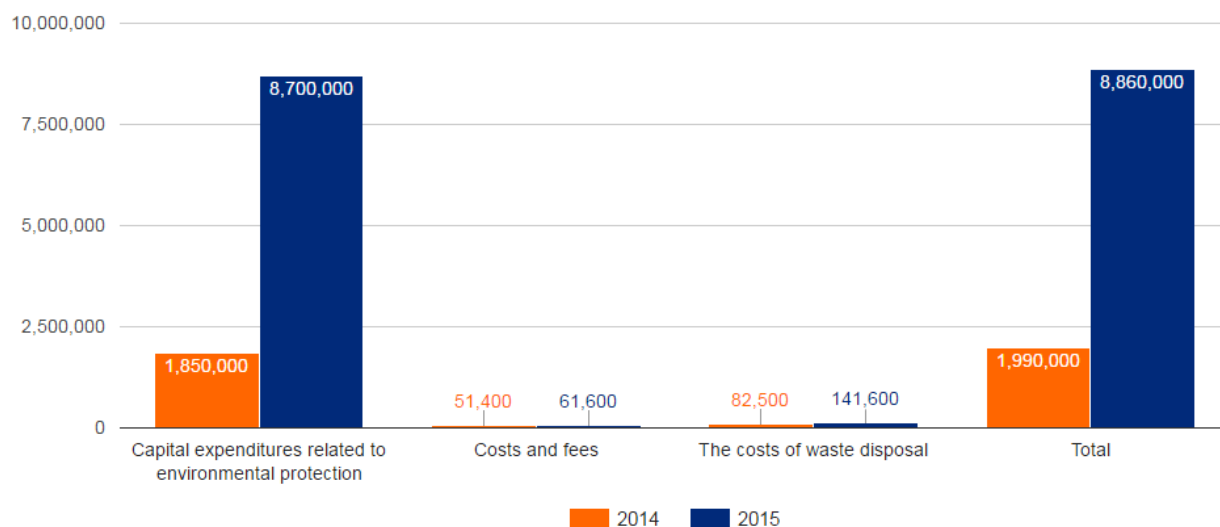


We have introduced a number of internal regulations and procedures to ensure compliance with the applicable regulations of environmental protection.

There was no infringement of laws and regulations in force in 2015. There are no legal proceedings pending against our Company with regard to environmental protection and no penalties have been accrued in this area.

We use the environment in a sustainable manner and we incur fees in compliance with legal requirements. We are planning to implement investments within the existing units taking into consideration environmental aspects. In 2015 our contribution to investment directly related to environmental protection was PLN 8.86 million. This includes investments connected with the extension of betaine production plant implemented in accordance with the BAT practices, investments connected with modernization of existing plants as well as environmental charges and costs resulting from waste treatment.

Total environmental protection expenditures and investments by type [PLN]



We regularly monitor environmental aspects, in compliance with the granted IPPC* permit. As a member of 'Responsible Care' programme, we provide information on how we affect environment and assess efficiency of measures undertaken to protect it. We maintain a complaints register with respect to the impact on the environment. A defined procedure to be followed enables a proper information flow and quick response to any complaints and incidents. The assumptions are described in the internal procedures operating as part of environmental management system compliant with ISO 14001: 2004 and the adopted acts of the Company.

* IPPC (Integrated Pollution Prevention and Control)



In 2015, two environmental complaints regarding the smell were registered. At the time of submitting complaints intervention measures were undertaken and interested parties were informed of activities carried out.



Building good relations with particular groups depends from their specific needs and profile of activity.

STAKEHOLDERS

Based on our business strategy and the analysis of the areas of direct and indirect impact of our activity we have identified 8 groups of stakeholders with which we maintain regular dialogue. Building good relations with particular groups depends from their specific needs and profile of activity.

GROUPS OF STAKEHOLDERS



Being aware of the importance of communication with stakeholders is one of the crucial factors of the modern and responsible business.



Alicja Nowak

Investors Relations Specialist
PCC Rokita SA



EMPLOYEES

- › Meetings with managers in the scope of operational activities
- › Management meetings with Manufacturing departments managers regarding process activities
- › informational bulletin PCC Chem News
- › PCT Proces system
- › Intranet IBM Notes network
- › Printed materials: leaflets, brochures, catalogues
- › Ethics spokespeople
- › Themed mailboxes
- › PCC Group employee forum
- › Employee voluntary work
- › Social media
- › Employee opinion survey
- › Chemist's day - event for the employees



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SUPPLIERS

- sales department meetings
- website www.pcc-exol.eu
- themed mailboxes
- informational materials and publications
- Ethics Code
- List of Qualified Suppliers
- conferences, fairs and industry events
- informational bulletin PCC Chem News
- e-invoice



SHAREHOLDERS AND INVESTORS

- Pager – regular newsletter devoted to the quarterly summary of the Company activity
- website www.pccinwestor.pl
- website www.pcc-exol.eu
- informational bulletin PCC Chem News
- informational materials, brochures, folders
- mailbox - Investor relations
- Investor's Day
- PCC open days
- media: television, radio, press
- Social media



PUBLIC ADMINISTRATION INSTITUTIONS

- meetings with the Management Board or particular departments in the Company
- mail correspondence
- audits, inspections, controls, regular reporting



LOCAL COMMUNITY

- PCC Group Open Days
- job fairs and career offices
- regular reporting
- meetings, trainings, conferences, commissions
- website www.pcc-exol.eu
- social media
- media: television, radio, press
- themed mailboxes
- informational materials, brochures, folders
- informational bulletin PCC Chem News
- Ethics Code
- helpline



RESEARCH

- PCC Group Open Days
- job fairs and career office
- regular reports - reporting
- press articles and interviews
- meetings, trainings, conferences, symposia, commissions
- website www.pcc-exol.eu
- themed mailboxes
- informational materials, brochures, folders
- informational bulletin PCC Chem News

METHODS OF COMMUNICATIONS



As a company with a global reach we maintain quality and high level of stakeholder relations.

By using the capabilities of the latest technology we constantly improve systems which enable us to build and maintain contacts with all groups of entities participating or interested in the company activities.

Our dialogue with stakeholders

The base for our dialogue with stakeholders are the key social and environmental challenges important for the implementation of our strategy. The existing and checked channels of communication with the stakeholders are constantly supplemented by new tools and manners of effective dialogue. This allows us to be aware of the expectations from particular groups connected to our company. These expectations compared to the trends on the surfactant market not only show us the direction for modelling our strategy, but also allow us to make another steps on the path to continuous improvement in accordance with the idea of sustainable chemistry.

OUR DUTY

Implementing the SA8000 standard in 2017.

	Employees	Customers	Supplier	Shareholders and Investors	Public Administration Institutions	Local community	Research
Direct meetings	☺	☺	☺	☺	☺	☺	☺
Intranet	☺						
Open days	☺			☺		☺	☺
Conferences, industry training	☺	☺	☺				☺
Audits, inspections	☺	☺	☺		☺		
Telephone, e-mail	☺	☺	☺	☺	☺	☺	☺
Internet, Press, TV		☺	☺			☺	
Social media		☺				☺	
Informational Bulletin	☺	☺	☺	☺		☺	

Identification of key issues of our Company

The analysis of significant issues has been conducted on the basis of industrial reports results and on the dialogue with representatives of environments related to our Company through business, legal, social and other relations.



The process of preparing the report involved contribution of stakeholders. Their opinions and expectations constitute a conclusion of current activities implemented by our Company and inspirations while planning other activities.

In the framework of a dialog, inter alia, individual consultations with leaders for particular areas of significant companies and industries have been conducted. In this way, significant matters which we tried to describe in this report have been identified.

Through the dialog with stakeholders, we focused on the areas which in the analysis of internal and external processes have been identified as essential ones.

The most important of these include:

1. Safety and health of employees
2. Quality assurance and safety of products standards
3. Investments for increasing the availability of products for customers
4. Customer service standards
5. Impact on the environment
6. Diversity management
7. Process safety
8. Greenhouse gas emissions
9. Human rights
10. Social influences
11. Sustainable value chain
12. Research and development of sustainable products

The issue significance matrix for the Company and its stakeholders



*Size of orange fields on the graph means level of advancement of the Company concerning implementation of purposes connected with particular areas



Our employees significantly contribute to the success of our Company. We are able to meet established objectives owing to their full cooperation and involvement.

EMPLOYEES

Our employees significantly contribute to the success of our Company. We are able to meet established objectives owing to their full cooperation and involvement. That is why we make sure that we employ workers with high qualifications and professional experience. We enable and help them to acquire additional education, improve qualifications and acquire new skills.

OUR RELATIONS



As a responsible employer we endeavour to provide our employees the best conditions for improving qualification, an open dialogue and conditions allowing to maintain work-life balance and pursue hobbies after work.

The effect of our activities is a range of initiatives addressed to our employees, including very often cyclical programmes dedicated to the staff and their families.

Work-Life Balance

As part of our work-life balance concept we help our employees to find an optimal proportion between private and professional life. Such approach increases employees' level of self-fulfilment and consequently their life satisfaction. Main solutions promoted by us within work-life balance policy include:



enabling a flexible working time, it is especially suitable for employees who have young children



improvement of professional qualifications and career development in compliance with interest and skills

Dialogue with employees

Taking responsibility for our employees, we continuously implement and improve efficient and effective communications methods.

Meetings with Management Staff and Heads of Production Departments

The key issues related to manufacturing processes, methodology of work, ongoing tasks, employment and safety at work are discussed during regular, weekly meetings with the Management Staff and Heads of production departments. All comments expressed are examined and solved.

An Ethics Officer

Acting in compliance with the Code of Ethics, each employee may consult with an Ethics Officer in case of doubt in the interpretation of the provisions of the Code and on its violation. Methods of communication and matters in this area are described in details in the Ethics section.

OUR COMMITMENTS:

We will continue to organize regular meetings in accordance with PCC EXOL SA employees' expectations.

EMPLOYMENT

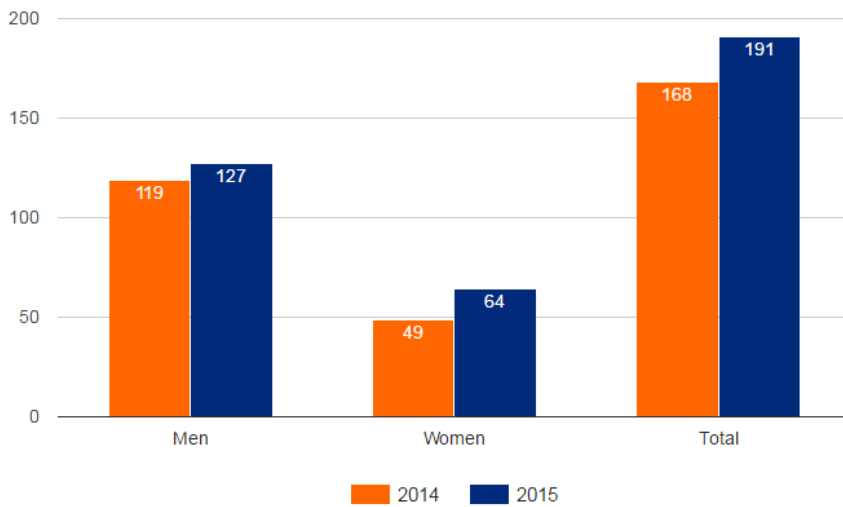


In 2015 we employed 191 people.

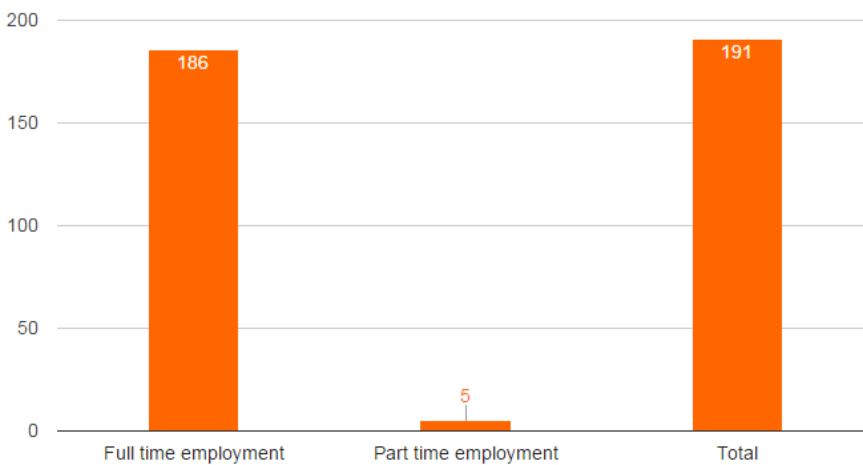
In connection with the development of the Company we will recruit new employees.

Our employees are not covered by collective agreements.

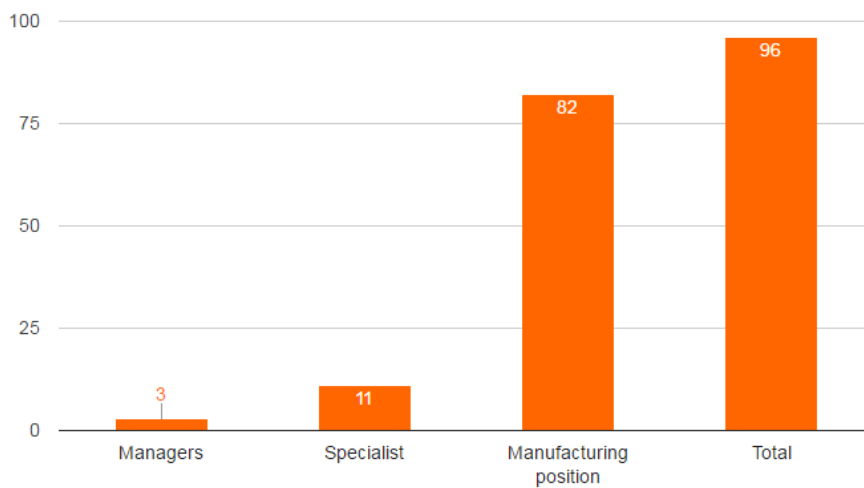
Total number of employees divided by gender



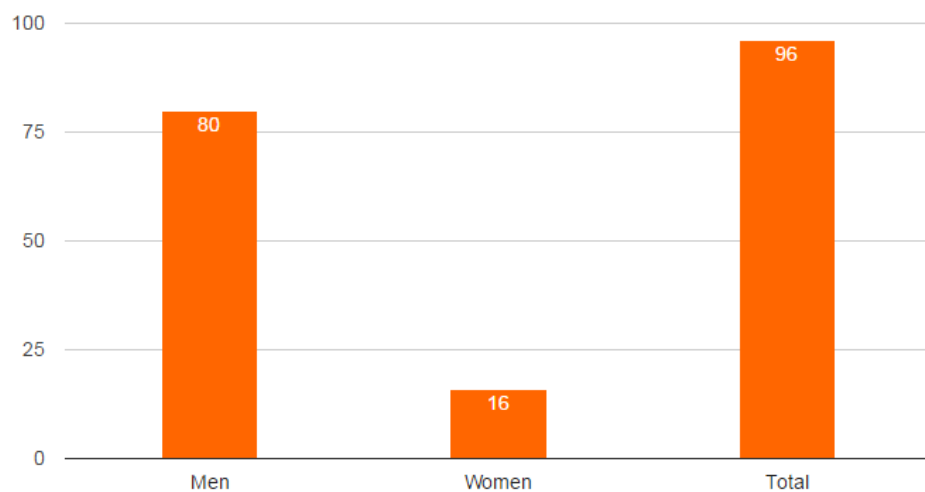
Total number of employees divided by type of employment



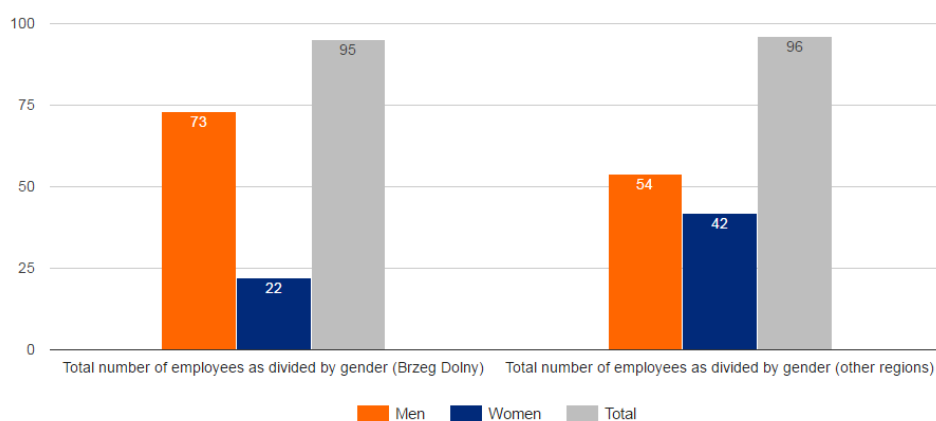
Total number of employees with contracts for unspecified period divided by type of employment



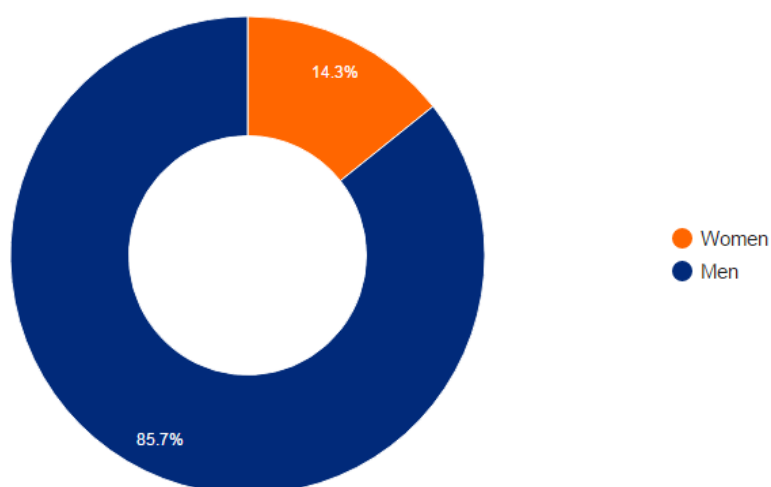
Total number of employees with contracts for unspecified period divided by gender



Number of employees in regions as divided by gender



Composition of management divided by gender in 2015



BREAKDOWNS OF EMPLOYEES PER CATEGORY ACCORDING TO GENDER IN 2015 :



managers - **22**



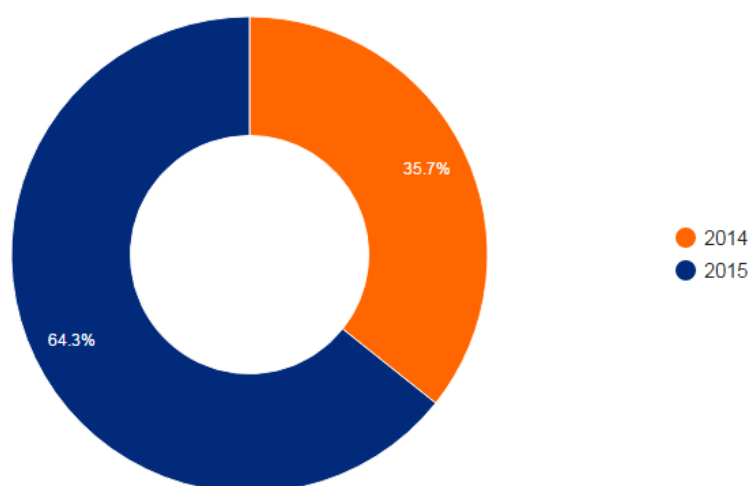
experts - **46**



manufacturing positions -
123

	Managers	Experts	Manufacturing positions
Breakdown by gender:			
- women	55%	87%	9.7%
- men	45%	13%	90.3%

Total number and rate of new employee hires



	2014	2015
Total	30	54
Breakdown by gender:		
- women	12	19
- men	18	35
Breakdown by age:		
< 30	18	27
30 - 50	11	23
> 50	1	4
Breakdown by region:		
- Brzeg Dolny (town)	29	53
- outside the city	1	1

Staff turnover in 2015

	2014	2015
Total	168	191
Breakdown by gender:		
- women	10.2	7.8
- men	14.3	16.5
Breakdown by region:		
- Brzeg Dolny (town)	22.3	27.4
- outside the city	1.4	0

We operate in a responsible manner. In our strategy, in addition to economic aspects, we are taking into account areas connected with social responsibility, sustainable development and respect for environment. We achieve business objectives with the full cooperation and involvement of our employees. We ensure high standards of employment by the application of rules resulting from the Labour Code as well as the use of standards going beyond the statutory obligations of an employer. Through the values and guidelines contained in the Company's Code of Ethics we endeavour to maintain a high level of ethical and business culture in the organisation.



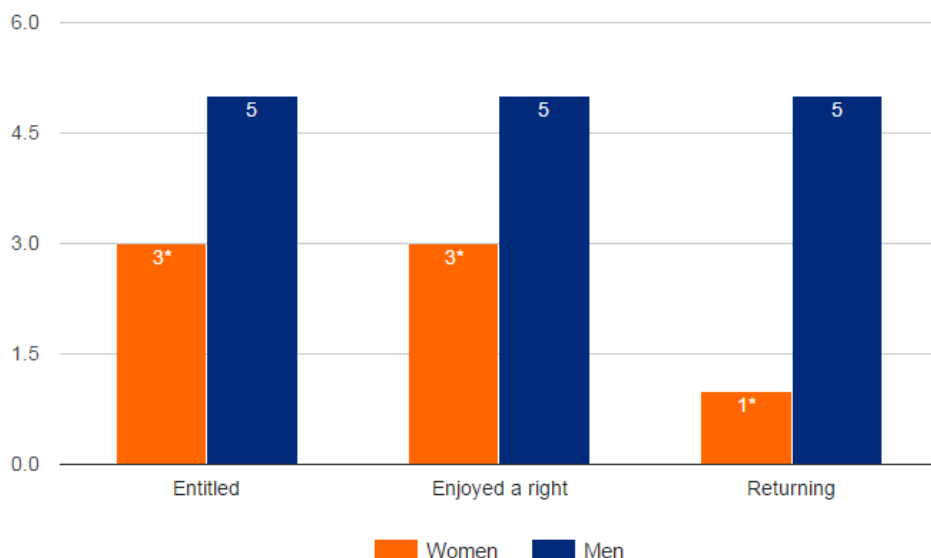
We also offer our employees an extensive additional benefits resulting not only from the basic national and European standards.

In the interests of our employees we provide social benefits, which include subsidies for holiday breaks, cultural and educational activity in the form of co-financing special events and other benefits set forth in the Company Social Benefits Fund. We promote the benefits, that include, among other, 2.5 hour breaks for feeding a child, or two days off for child-care. We also provide our employees with co-funding preventive vaccinations against flu.

Caring for principles of Corporate Social Responsibility we maintain good relation with former employees of our Company, which include those who do not work because of age (pensioners) and who do not work because of health reasons (disability pensioners). We co-organize workplace birthday celebrations or occasional meetings and provide social protection in accordance with Company Social Benefits Fund.

We are consistent in our efforts to fairly treat and evaluate all employees regardless of sex, age, position, length of service, trade union membership, religion, nationality, belief, physical appearance or sexual orientation.

Total number of employees entitled, using and returning from maternity/paternity leave divided by gender



*in case of two women the time of returning to work from maternity leave has been set for 2016



Return to work rate for the reporting year amounted to **100%**.

Remuneration

The remuneration policy in our Company is implemented with regard to the current benchmark of salaries. When determining an individual level of salary for an employee, his qualifications, professional experience or the results of individual evaluation of the employee are taken into account. Regardless of the equitable remuneration, we provide social benefits including subsidies for holiday breaks, a MultiSport card and an extensive awarding bonuses system.

Our remuneration policy does not differentiate between employees with regard to sex.

Cited rate reflects the percentage share of women's remuneration in relation to men's remuneration

The ratio of remuneration of women to men:



managers - **93%**



experts - **110%**



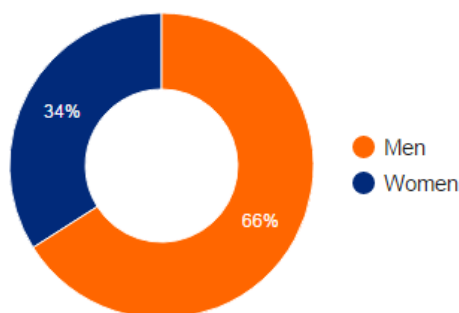
manufacturing positions -
87%

Performance appraisal

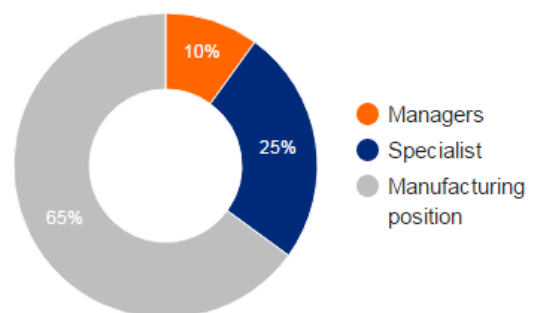
We regularly assess the performance of employees included in the competence system. At the professional level we review the effectiveness, professional suitability and the development potential. Employees holding the position of a Director in the Company are excluded from assessment.

The following data illustrate percentage of employees receiving regular performance and career development reviews, by gender and employee category.

Percentage of employees subject to regular assessment divided by gender in 2015



Percentage of employees subject to regular assessment by work type in 2015



OCCUPATIONAL HEALTH AND SAFETY



We provide employees with safe and healthy working environment, following the standards of chemical industry.

The concern for safety of people and environment has been considered as one of the objectives. We undertake a number of actions aimed at preventing accidents reducing different types of hazards at work.

We are focused on providing safety to employees and process safety on production departments. The management of occupational health and safety is our priority: we follow the policy implemented in this field, identify and assess the risk, participate in activities of the PCC Group aimed to carry out operations in a way that protects employees, facilities and equipment against negative impact of various risks.

We belong to a group of plant with a high risk of occurrence of industrial breakdown, therefore, we aim at minimizing the negative impact on the surrounding environment, taking into account the hazards that could have an impact on employees, local community, and environment. We have implemented programs preventing accidents and take all measures related to reporting in this field. Owing to modern technological solutions applied within production departments, the manufacturing processes are performed in a responsible and safe way under strictly controlled conditions.

As a responsible employer, we provide all employees with mandatory and regular training on occupational health and safety.

We do not give consent to arrive to work under the influence of alcohol, drugs or other abusive substances.

If no adequate measures protecting health and life appropriate to the particular activity are provided, workers are entitled to refuse to execute an order of a superior.



We continuously undertake actions to achieve one of our objectives that is no accidents at work.

OUR COMMITMENTS:

In 2016 we are starting a certification procedure of Workplace Health and Safety Management System in compliance with OHSAS 18001 standard.

Our initiatives for OHS

Occupational Health and Safety Policy

Occupational Health and Safety Policy, implemented in 2014, forms a basis for all activities aimed at improving and ensuring safe working conditions. It contains several declarations in order to improve effects of our activities in the following areas:

- raising of occupational health and safety
- increasing the importance and relevance of prevention
- ensuring work environment where risk to health and safety is controlled in such a way as to prevent injuries and occupational illnesses
- complying with legal regulations and other requirements for safe operation of the company
- improving organization and working conditions
- enhancing qualifications and taking into account the role of employees and their involvement in OHS activities

The Policy has been approved by the President of PCC EXOL SA and each new employee is obliged to become familiar with the policy guidelines.

Chemical Rescue Groups

In the area of PCC Group in Brzeg Dolny and in Plock there are Chemical Rescue Groups, consisting of employees from individual production departments, who are the first to respond to the risk to health and life.

PCC Rokita SA Rescue Team

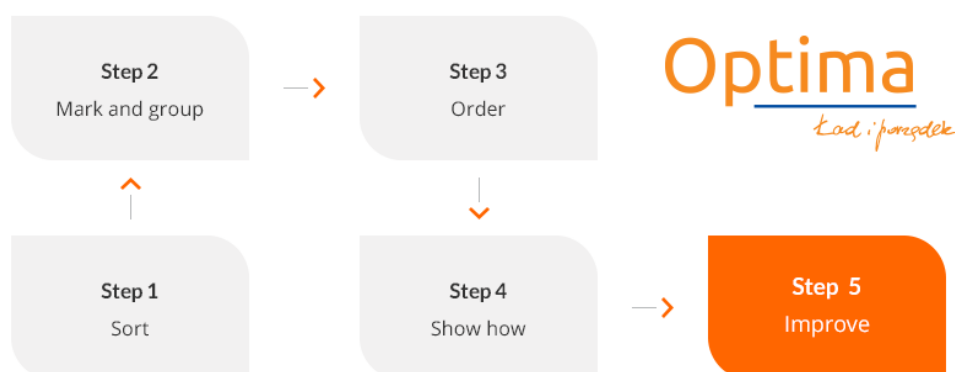
The area of process safety is also supported under outsourcing agreements by a trained and experienced PCC Rokita SA Rescue Team. In case of companies belonging to PCC Group located in Brzeg Dolny, a team comprises of 32 people. Its tasks cover coordination and performance of all rescue actions in the area of PCC Group. As a preventive measure, evacuation drill is conducted regularly for production workers and employees from administrative buildings.

Protection of property

Property security services are provided under the outsourcing agreements by trained and qualified teams of security companies which protect Companies of the entire PCC Group located in Brzeg Dolny and PCC EXOL SA production department in Plock.

OPTIMA Programme

Optima is a programme conducted by PCC Group in Brzeg Dolny. Its purpose is to ensure an adequate level of security and order at the workplace and eliminate loss and waste as well as continuously improve applied solutions. Within the implementation of the programme we aim at optimising processes related to the separate areas of Company's activity, reducing failures, maximizing safety, communicate in an efficient and transparent manner and improve continuously.





In 2015 we have implemented 1st step. Effects of the initiative are visible in the form of improvement of the employees' approach to order and organization at the worksite.

OUR COMMITMENTS:

In 2016 we will progressively implement next steps of the Optima programme.

"MY IDEA FOR..."



"My idea for..." is an initiative of employees of PCC Group in Brzeg Dolny, that aims to change the working environment for the better and safer and introduce solutions which allow to perform duties in a more effective way.

Main objectives of the programme are:

- improvement of working conditions
- enhancing quality of products
- elimination of waste
- environmental protection
- improvement of other fields

Each employee can submit an idea. The best ones are rewarded and implemented to be applied as a standard



In 2015, 68 ideas were submitted out of which: 27 were implemented, 1 was approved, 30 were rejected and 9 were abandoned.

OHSAS 18001

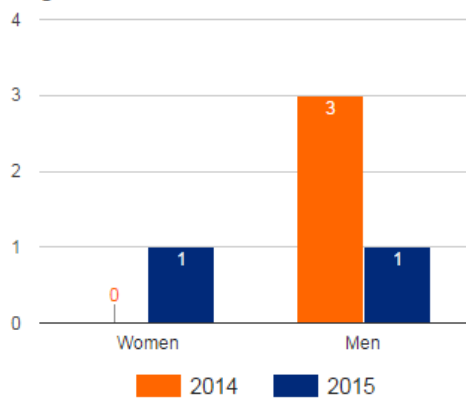
In 2015 we undertaken comprehensive measures in the field of implementation of the European Workplace Health and Safety Management System in compliance with OHSAS 18001 standard. As part of that work we have organised a series of training sessions and implemented rules resulting from OHSAS.

OHS indicators

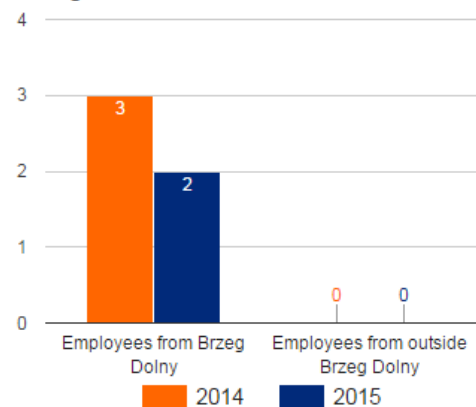
We include broadly understood working environment, measuring and assessing the functioning of the Company in the area of health and safety, including in particular indicators of accidents, absence resulting from accidents and rates of frequency, severity and TRR. Indicators used are leading indicators, and their results form basis for measuring results obtained.

		Number of accidents				Absence (days)	Rate		
		Total	fatal	severe	collective		frequency	severity	TRR
2014	An employee from Brzeg Dolny	3	0	0	0	29	20	9.66	12.57
	An employee from outside Brzeg Dolny	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			
2015	An employee from Brzeg Dolny	2	0	0	0	115	10.58	57.5	13.6
	An employee from outside Brzeg Dolny	0	0	0	0	0	0	0	0
	Women	1	0	0	0	78	5.3	78	no data
	Men	1	0	0	0	37	5.3	37	no data
	Total	2	0	0	0	115			

Number of accidents divided by gender



Number of accidents divided by regions



EDUCATIONS AND TRAINING



We pay exceptionally much attention to the development of the competence of employees through continuous training, motivating them to use knowledge in an efficient manner and share it with others.

We encourage participation in a wide range of training, courses, conferences and seminars or co-finance language courses or education at universities. Depending on the needs, for example for people taking up a job, we organise information and training meetings during which we provide necessary facts on products offered by our Company.

By participating in a series of different training courses, an average number of hours of training per one employee by employee category and gender was as follows:

NUMBER OF TRAINING HOURS BY EMPLOYEE CATEGORY :



Managers



Experts



Manufacturing
positions



Total

	Managers	Experts	Manufacturing positions	Total
Total number of hours	208	293	846	1,347
Average number of hours	9.4	6.3	6.8	7.0

NUMBER OF TRAINING HOURS BY GENDER :



Women



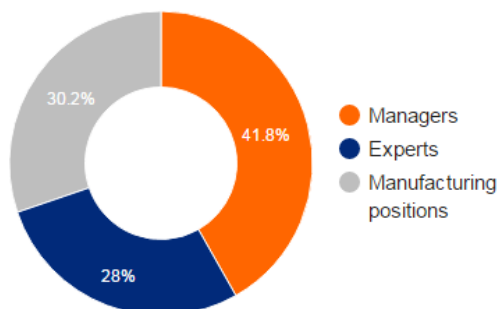
Men



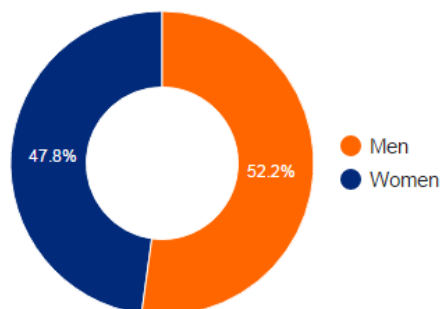
Total

	Women	Men	Total
Total number of hours	424	923	1,347
Average number of hours	6.6	7.2	7.0

Average number of hours per employee divided by work type in 2015



Average number of hours per employee divided by gender 2015



TRAINING COURSES

OUR COMMITMENTS:

We will prepare and launch an employee education campaign for saving energy, water and paper.

Mentoring

Mentoring is intended for a newly employed person who receives support of an experienced employee of a team. The role of the mentor is to properly familiarize a new employee with rules of operation of the Company, provide technical support enabling workers to adapt faster to the structure of the workplace.

Internal training

As part of the cooperation with CWB Partner Sp. z o.o. we provide an opportunity to undergo training within a training programme predefined for a given year and concerning specified employee groups.



We consider training as a substantial motivating factor that takes into account real needs of employees and makes them feel appreciated through interest in Company's investment in their development.

Internal training sessions conducted within the Company's annual plan of internal training are carried out by the employees of Marketing and Sustainable Development Department and they cover, among others, rules of ethical conduct, human rights, rules of diversity or anti-corruption policy.

External training

The nature of position and consistent willingness to extend competence inspire employees to submit a request to the Management Board for undergoing training. For this type of training, information acquired can be put into practice after the end of training. From among various types of training courses, the Company prefers the following one:

- dedicated training courses including specialised acquisition of competences in the domain concerned;
- conferences, where workers expand their knowledge on selected field and establish contact with experts;
- seminars allowing employees from other organizations to meet and hold methodological discussions;
- e-learning, that allows for reduction of costs and significant degree of flexibility with regard to updating the content of training programme and possibility to individualise learning time

Support in improving professional qualifications

The Management Board, having regard to support in improving professional qualifications understood as acquiring or supplementing knowledge and skills, has introduced rules on this matter. The rules require an employee and an employer to meet certain guidelines which govern cooperation in co-financing. A system of financial aid is based on mutual benefits which include rising of professional qualifications by an employee and with respect to an employer maintaining a stable employment structure.

Education

Scholarship Programme

Scholarship programme is one of methods to reach the best students and potential employees at the beginning of their professional career. This programme is mainly targeted at graduates of Chemistry at Wrocław University of Technology, University of Wrocław and Warsaw University of Technology.



During the scholarship students conduct the research and prepare selected topic of master diploma.

The Programme lasts 10 months. Apart from qualitative support students receive remuneration and are provided with a packet of interpersonal training courses.

Apprenticeship Programme

An apprenticeship programme is carried out annually and is for students and graduates who would like to learn about PCC Group and pursue their interest in the chosen area. During apprenticeship interpersonal training courses are organised and after graduation students very often apply for a job in PCC Group.

"Bionanomaterials-BioNam"

A programme 'Bionanomaterial-BioNam' is a graduate training scheme, co-financed by the European Union and addressed to the students of the Wrocław University of Technology who study on the Faculty of Chemistry. The main objective of this programme is to promote a multi-disciplinary doctoral study at the Faculty of Chemistry of the Wrocław University of Technology and provide an internship for students of the 1st, 2nd and 3rd years. Within the whole PCC Group we started cooperation with 24 interns.

Internship

We have been organising training scheme since 2014. Contrary to the apprenticeship, interns receive remuneration from the company which requires full availability for at least three months.



Candidates are selected during recruitment process.

During programme interpersonal training is organised for participants.

Information Day

Information Day for students is a form of presenting the nature of activity of PCC Group Companies, recruitment rules and expectations towards potential employees.

Vocational education

Vocational education is a three-year programme of oriented education where PCC Group encourages pupils from the Basic Vocational School in Brzeg Dolny and Wołów to choose a profession such as an electrician, a welder or a chemical industry devices operator. The objective of this programme is to improve local labour market. A high percentage of pupils stay in PCC Group after finishing the programme and gain further professional experience.

Mutual understanding of our needs and expectations is a starting point for effective communications and thus fruitful cooperation.

CUSTOMERS

Building lasting relations with customers is one of the most important foundations of our activity. Mutual understanding of our needs and expectations is a starting point for effective communications and thus fruitful cooperation. By producing chemical substances, we are obliged to provide highest standards of quality and safety to our customers.

CUSTOMERS RELATIONS

We are producing agents for mass use as well as specialised products, often at individual orders of our customers, based on their specific requirements and specially adjusted parameters. Among our customers you will find a number of leading international companies, working in the detergent branch, personal hygiene products, cosmetics as well as other branches of the industry. New, fast-growing international companies, from different branches of the industry join our strategic customers every year.

CUSTOMER SATISFACTION INDEX (CSI)



As part of improvement and identification of our Customers' expectations and needs, we conduct the Customer Satisfaction survey.

The survey which constitutes the research tool is conducted regularly, once a year. On the basis of information included in surveys, a report presenting the results, which constitute a starting point for introducing changes in the cooperation with customers including standards of their, is prepared.

By filling out the survey the customer can rate the cooperation with PCC EXOL SA with regard to: compliance of the delivered product with the technical specification, degree to which the product meets the expectations, timely delivery, packaging quality, documentation completeness, reaction time to requests for quotation, complaints, etc., access to technical information on the product, general level of satisfaction with the Company relations, commercial service quality, employee competence level or the quality of proposed offers.

ANALYSIS OF CUSTOMER SURVEY RESULTS IN 2015 :



Average CSI result in 2015 was 0.39 whereas in 2014 was about 0.35.

The most important issues for our customers were:

- The compliance of the delivered product with the technical specification
- Timely delivery
- Reaction time to requests for quotation, complaints, etc

Less important issues for our customers were:

- Packaging quality
- General level of satisfaction with the Company relations
- Complaint handling

The highest level of customer satisfaction was connected to:

- The compliance of the delivered product with the technical specification
- Documentation completeness
- Commercial service quality, employee competence level

The lowest level of customer satisfaction was connected to:

- Packaging quality
- Complaint handling
- General level of satisfaction with the Company relations

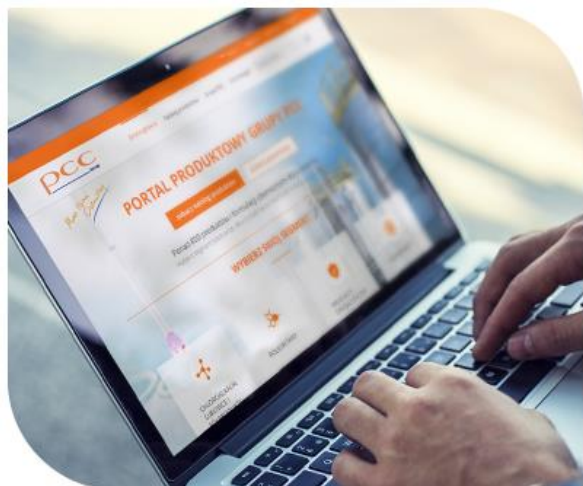
OUR COMMITMENTS:

We will continue to conduct the Customer Satisfaction Index and improve these areas of our activity that are of special value to our customers.

Customer dialogue

Product portal

In November 2015 we launched the PCC Group Product Portal (www.products.pcc.eu). It is an on-line catalogue of chemical division products of PCC Group offering over 800 products and chemical formulation used as raw materials, additives, reagents or preparations ready to use.



The intuitive structure of the website allows to identify the products by specifying the group of compounds to which they belong and by the index for the branch where they are used.

With the filter system, the customer can quickly and easily select the right product which meets his needs. In 2015 we have conducted a series of tests, internal and external audits preparing the Product Portal for the proper service of our customers.

OUR COMMITMENTS:

We will continue the development of Product Portal with the benefit for our stakeholders by publishing reliable information on our products, their parameters and usefulness.

Sales Department

The Sales Department of the Company reacts to any suggestions and issues raised by the customers. The contact is made via telephone, e-mail or during direct meetings, organized both in the registered office of our company as well as at the office of particular customer. The issues raised by the customers regard few basic areas: product quality, implemented investments, current product prices or complaints. Responses are given by e.g. the qualified sales or marketing department staff, in person during meetings, by phone or by e-mail.

In 2015 we have registered 76 complaints, including 64 recognized complaints – recognised as appropriate, 8 – rejected and 2- partly recognized. This number constitutes an increase by 13% with regard of 2014. The increase of the amount of complaints is a result of increase of the product portfolio with new original products, as compared to 2014.

CUSTOMER SAFETY



We constantly update the adjustable practices in the cycles of chemical products existence in order to eliminate any potential hazard



Marcin Wilczyński

REACH and Sustainable Development Manager
PCC EXOL SA

Manufacture and sale of chemical substances require taking a number of important actions for the customer health protection. Safety of people and environment is a key parameter in the entire product life cycle. Informing customers about risks and rules for the use of our products is a basic action during each order implementation.



Assessment of the health and safety impact is performed for all products manufactured by the Company. In 2015 we have not recorded any instances of incompatibility with rules and voluntarily used codes, regarding the impact on health and safety with regard to products, which would result in imposing penalties, fines or warnings. In 2015 we have not recorded any instances of non-compliance with law and regulations regarding the delivery and use of products.

Type of information about products and services required under the procedures of organisation.

	Yes	No
Origin of the product components	😊	
Composition, especially for substances which may affect the environment or the community	😊	
Product safety	😊	
Product waste and environment or community impact	😊	
Others:		
- list of first-aid measures	😊	
- toxicity and environmental performance	😊	
- conditions of storage and transport	😊	

REACH Regulation

As a manufacturer in the chemical industry, we meet all the requirements imposed by the Regulation (EC) no 1907/2006 of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). In order to effectively implement the provisions of the regulation we have appointed a REACH team, which task is to collect regulatory data regarding products, look for novelties and acquire information internally in the company.

PCC EXOL SA performs actions directed to meet the requirements of the REACH Regulation by:

- cooperating with suppliers and customers in order to secure the initial registration of the substances that we introduce to trading
- register substances which we manufacture or import
- check our products for content of particular substances included, according to the conditions imposed by the REACH Regulation and other related legal acts



Pursuant to the applicable REACH Regulation we have registered all required substances. Documents are updated on an on-going basis.

Certificates

Due to maintaining high manufacturing standards our products have a number of certificates proving, for example their high quality.

Biodegradability certificates

Majority of the surfactants that we manufacture is intended for manufacturing detergents and personal hygiene products. These are products for daily use, that is why the matter of biodegradation, in their case, is very important. As part of research and certifications in this scope we cooperate with the Industrial Chemistry Research Institute, which conducts biodegradability tests according to the rules of Good Laboratory Practices. In case biodegradability exceeds 60% the product is considered biodegradable and receives the biodegradability certificate.

In 2015, 71% surfactants from the Company offer presented susceptibility to oxygen biodegradability.



Among the amphoteric surfactants, **100%** is oxygen biodegradable and **50%** of them has a certificate.



Among the anion surfactants, **100%** is oxygen biodegradable and **60%** of them has a certificate.



Among the non-ionic surfactants, **66%** is oxygen biodegradable and **45%** of them has a certificate.

OUR COMMITMENTS:

We will continue to work on increasing the contribution of biodegradable products in the product portfolio of the Company.

EcoCert Certificates

In 2015, four of the substances manufactured by the Companies, have received the prestigious quality mark EcoCert and EcoCert Cosmos, granted to cosmetics and raw materials used in their manufacturing. It is the most important and most widely recognised quality and environmental safety certificate in Europe.

Kosher Certificate

In September 2014 we have received Kosher certificates for five products selected to be certificated. For the above reasons, we had to meet a number of rigorous requirements regarding the manufacturing, storage, raw materials' acquisition and transport. Holding the certificate allowed us to cooperate with new receivers and expand the offer in the scope of sale of certified products to regular contractors.

Marking products and services

Marking chemical products is governed by the regulation of the European Parliament. As part of our commitment to maintain customer safety, we adhere by all recommendations resulting from the applicable law. Proper marking of our products constitutes an important element in customer relations.

Labels are a part of the proper marking of products, where we provide basic information about the product name, manufacturer's name and address data as well as information on product mass. Moreover, under the Regulation of the European Parliament and of the Council (EC) no 1272/2008 of 16 December 2008 on classification, labelling and packaging of substances and mixtures, the packaging includes:



information on the name of the substance and the identification number



pictograms indicating or stating the type of hazard



hazard statements



caution measure statements



All products manufactured in the Company are subject to proper marking.

SAFETY DATA SHEET



For all of offered products, the Material Safety Data Sheets (MSDS) have been performed. Those of products that REACH Regulation applies directly, Exposure Scenarios (the extensions of Material Safety Data Sheets) have been performed.

MSDSes constitutes a source of information about the physical and chemical parameters of the substance and the potential threats that it may cause.

The document is divided into 16 sections which contain information on: substance identification, company data, hazard identification, substance composition, list of first-aid measures, actions in the event of a fire and the unintentional emission of the substance to the environment, ways of storage and handling the substance, exposure control and individual protection measures, physical and chemical properties and stability and reactivity of the substance, toxicity and environmental performance, waste disposal, transport, legal provisions and others.



In 2015 we have not recorded any instances of incompatibility with rules and voluntarily used codes, regarding the impact on health and safety with regard to product marking, which would result in imposing penalties, fines or warnings.

Customer Privacy

In order to protect the privacy and the personal data of customers, under the Resolution of the Management Board of 2014, an Information Safety Administrator (ABI) was appointed, whose duties are regulated by the Information Safety Policy. The highest priority of the Policy is to ensure personal data protection, adequate to threats and regulating the manners of safe personal data processing, according to the legal provisions applicable in this respect.



In 2015 we have not recorded any breaches in Customer privacy and we have not recorded any irregularities related to the personal data protection.



The basic activity of the Company is manufacturing and processing of chemicals. Most of the products in the offer require specialised and often hardly available resources.

SUPPLIERS

The basic activity of the Company is manufacturing and processing of chemicals. Most of the products in the offer require specialised and often hardly available resources. Thus, procurement is one of the most strategically important fields of business for PCC EXOL SA.

OUR RELATIONS

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We take care that the raw materials used by us come from reliable sources, and that the suppliers cooperating with us respect the codes of ethics.



Monika Bazak

Purchasing Manager
PCC EXOL SA

In 2015 we worked with over **60** suppliers from all over the world.



Did you know, that we work with multiple raw material and transport service providers. Thanks to our cooperation, min. 1000 people may be employed.

Communication with our suppliers is conducted through the intercompany Procurement and Planning and Logistics Departments. The role of these organisational units is to cooperate with current contractors as well as seek alternative supply of raw materials and logistic services. Contact with suppliers is maintained continuously by standard communication channels, including: by e-mail, phone calls, meetings between employees and supplier representatives. The cooperation is based on a clear and reliable dialogue. It allows to raise standards of the offered products and is the key to maintain long-term relations.

Procurement platform

In order to improve supplier communication a special procurement platform was launched, it is dedicated for contractors willing to begin cooperation with PCC EXOL SA. The platform operates within the homepage of PCC Group. The most important information regarding the framework of cooperation principles, requirements concerning the suppliers and raw materials or services which we are currently looking for on the market.

OUR COMMITMENTS:

To create a supplier audit system in 2016.

LOCAL SUPPLIERS



The registered office of the Company is Brzeg Dolny (Lower Silesian Voivodeship). Local suppliers are all our contractors, conducting activity in the Lower Silesian Voivodeship.

Even though we work with many internal companies as part of the PCC Group, which are located in Brzeg Dolny, our biggest suppliers of raw materials in the territory of Poland are companies from other regions.

SUPPLY CHAIN

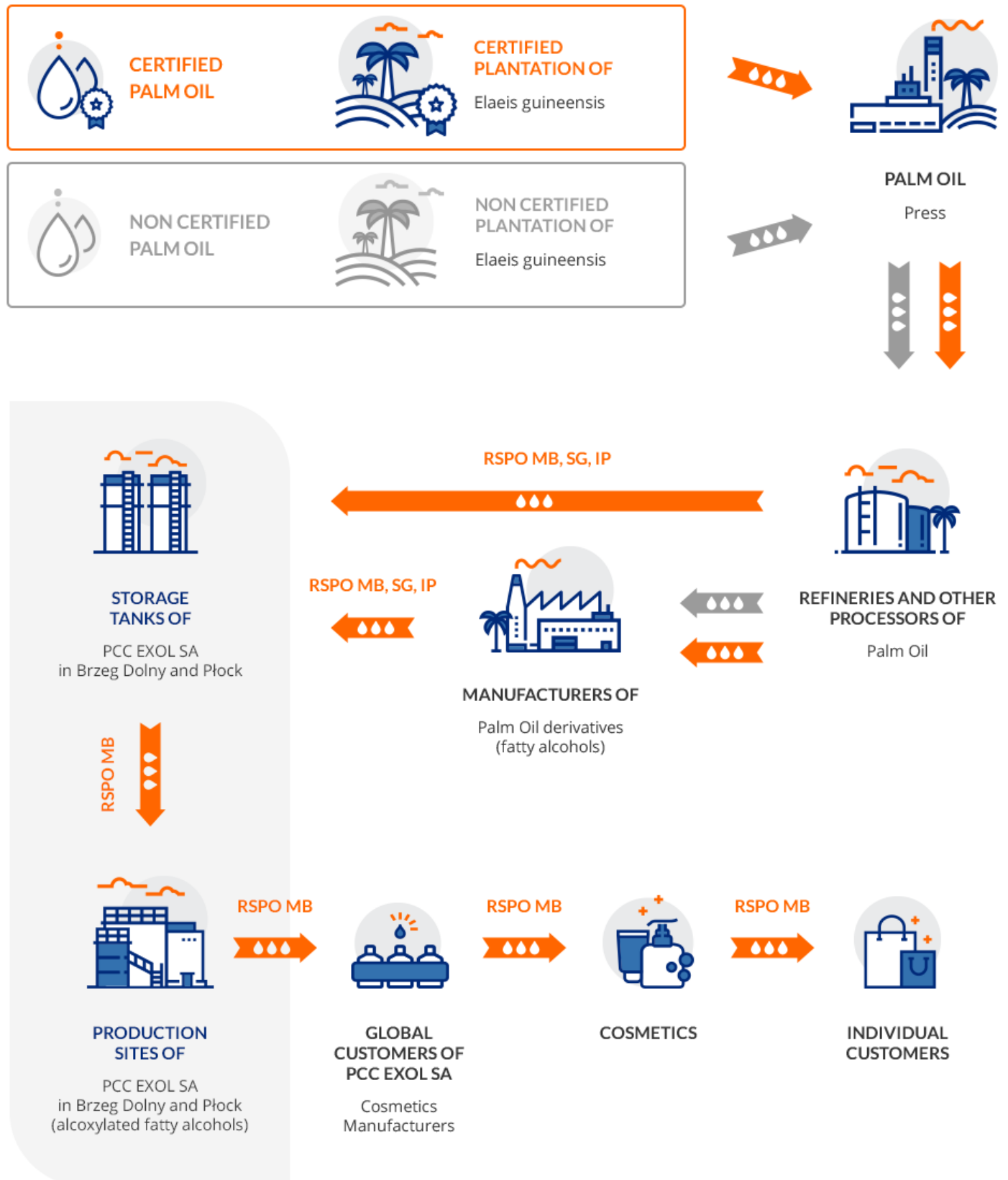


RSPO

Since 2013, we have been implementing the guidelines of the RSPO (Roundtable on Sustainable Palm Oil) organisation. This means that the palm oil used in manufacturing comes from certified plantations. The RSPO strategy intends to transform the market in such a way that using the ecological palm oil will become a standard for the entire supply chain, starting from plantations, through oil presses, refineries and manufacturers of chemicals, ending with ready products for end users.

Implementing the RSPO guidelines in the Company allowed us to balance out the use of raw material based on the certified palm oil and tracking its flow through the entire supply chain. The Company is currently a holder of the RSPO certificate in the Mass Balance (MB) model. That is why we can sell surfactants manufactured on the base of palm oil or its derivatives, thus excluding the raw material identification process. Identification of palm oil and its derivatives in the RSPO MB model is made based on the mass balance which covers the register of raw material entry and finished product exit, after calculating with specific consumption factors resulting from the manufacturing technology.

SUPPLY CHAIN OF PCC EXOL SA ON EXAMPLE OF PALM OIL



PROCUREMENT PRACTICES

The raw material supply procurement process is often connected with making many difficult decisions. They affect the manufacturing costs as well as the final quality of our products. Cooperation with suppliers is based on General Terms and Conditions for Procurement of PCC EXOL SA, which are available at the Company's website. Selection and verification of the suppliers takes place according to internal procedures, under which we set forth the most important aspects of cooperation in the field of quality, logistics and the rules for conducting procurement transaction. The implementation of the procurement in the Company is handled by the Department of Raw Material Procurement.

The document supporting the procurement practices is the Supplier Code of Ethics, which regulates additional, non-business aspects of supplier qualifications.

Since 2015 as part of the intensified actions in the CSR area, we have developed a questionnaire for the suppliers which goal is to enforce practices for:



local community



employees and
the work place



natural
environment



other activities

The questionnaire also covers questions regarding the certified management systems that have been implemented and the supported initiatives. Results of the questionnaire are used to evaluate good CSR practices applied by the raw material suppliers and are one of the accepted methods of communication and maintaining dialogue with interested parties.

The results of the questionnaire may affect the evaluation and the verification of the given supplier in the event that the supplier does not conduct any other activities or initiatives in the field of good CSR practices.

STRATEGIC RAW MATERIALS IN THE COMPANY

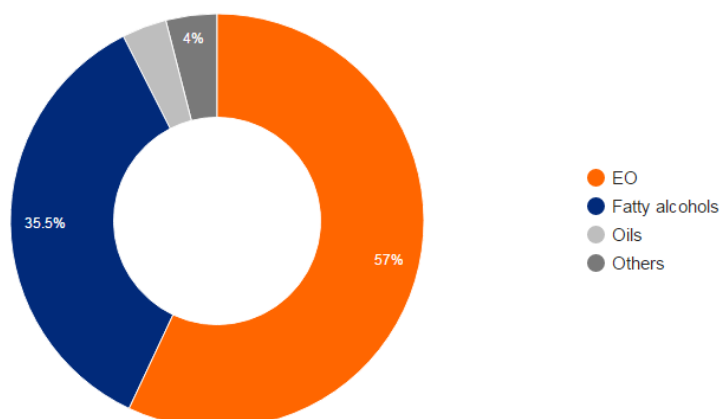
Ethylene Oxide (EO)

The Company procurement strategy, in the scope of raw material supply, is based on long-term procurement contract with the main supplier. In 2015 deliveries from other European contractors have also been executed, under spot contracts, in order to diversify and ensure safety of the deliveries in the event of brief stops of the main supplier.

Natural fatty alcohols

The deliveries of natural fatty alcohols in 2015, have been implemented under short term contracts. Currently, the suppliers of the Company are manufacturers from South-East Asia, as well as Western Europe, which allows to diversify the supply sources and optimize purchase costs and delivery time. The factor influencing the price of this group of raw materials are the CPKO (crude palm kernel oil) ratings.

USE OF PARTICULAR RAW MATERIALS BY PERCENTAGE IN 2015



Procurement risks

Chemical manufacturing is connected with a demand for specific and often hardly available raw materials. The competition on the market of certain raw materials is therefore very small. Constant looking for new sources of supply is one of the greatest challenges which we need to face in our everyday activity.

OUR COMMITMENTS:

We will implement the PCC EXOL SA Supplier Manual.



Our experience, resources and great involvement of our employees, allow us to support and organize many initiatives intended to develop business as well as charitable events and volunteer work.

LOCAL COMMUNITY

We conduct the activity not only in the business field, but also in charitable and social endeavours. Our experience, resources and great involvement of our employees, allow us to support and organize many initiatives intended to develop business as well as charitable events and volunteer work.

OUR RELATIONS

OUR DIALOGUE WITH LOCAL COMMUNITY



The manufacturing of chemical products is a particular kind of activity which requires maintaining constant and transparent dialogue with the local community.

Systematic monitoring of the environment, informing about potential threats, responding to the questions of the local residents and a public discussion form the foundation of our mutual relations, based on trust and respect for the interests of all parties. This dialogue is conducted via the representatives of the PCC Group which who stand for all subsidiaries and affiliates.

The most important issues for the local community are the matters of local environment protection, safety and prevention as well as employment. Answers to particular questions depend on the form of dialogue. The most often they take the form of phone calls or e-mails.

Committee proceedings

One of the most important ways of maintaining the dialogue with the local community by the PCC Group is to have the representatives of the Safety and Prevention Office and the Office of Environment Protection participate in the proceedings of the Committee at the City Council in Brzeg Dolny. The meetings which take place few times a year are a good opportunity to listen and to clear any doubts that the local authorities of residents may have. During these meetings, decisions are made regarding the optimisation of the risk of negative impact of the plant on the local environment, by both local authorities and the Companies.

Open door day

Open door day takes place once a year, at the premises of the PCC Group in Brzeg Dolny, it is an important part of the dialogue with the community. This event is organised for the residents of Brzeg Dolny and other local towns, it allows them to see how the plant works for themselves. During the day, walking tours are organised for the visitors as well as discussion panels devoted to the development strategy of the Company.

OUR COMMITMENTS:

To continue to meet with the local community in 2017.

Helpline

In the course of proceedings regarding the rapid response to emerging threats, a special phone line was opened for the residents from nearby areas in the direct field of the plant's influence.



Residents, without any obstacles, can file their complaints and remarks regarding the plant's operation.

The duty of the Plant Dispatcher, handling the helpline, is to check and verify each reported problem and to provide feedback to the party reporting the issue or filing a complaint.

COMMUNITY ACTIVITIES

Polish School of Chemistry

In 2015 we were one of the honorary patrons of the Polish School of Chemistry, regarded as one of the most prestigious events for students and PhD students from chemistry faculties from the universities from Poland.



The slogan of the Autumn edition is "Chemistry gained with knowledge" which reflects the educational aspect of the event.

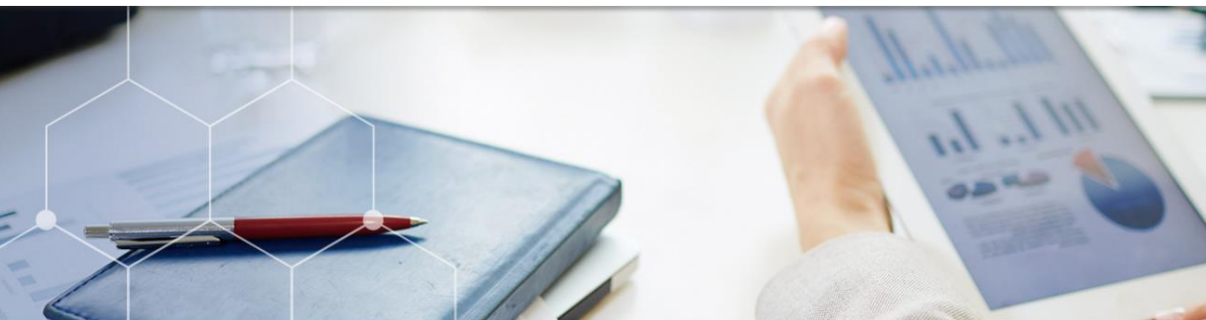
This time our Company together with PCC Rokita SA funded the voucher for the scientific conference of your choice and the meeting with the Head of the Research and Development Department in the laboratories of PCC Group.

PREVENTION, BUR DIFFERENT



As part of the social responsibility of business we strongly support local communities.

The company regularly gets involved in many initiatives for children which promote for instance safety "Prevention, but different", funding rewards in the form of bikes for pupils of elementary schools.



This is our second edition of the report which we publish on an annual basis. First PCC EXOL Sustainable Development Report was prepared in December 2014.

THE REPORT

The Report covers the period from 1.01.2015 to 31.12.2015 and has been prepared in compliance with the guidelines of latest version of the Global Reporting Initiative GRIC G4 and CORE level. This is our second edition of the report which we publish on an annual basis. First PCC EXOL Sustainable Development Report was prepared in December 2014.

ABOUT THE REPORT

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Due to the requirements of the adjuster, as well as the needs of customers and other stakeholders, more and more companies decide to draft nonfinancial reports.



Liliana Anam

CSRInfo Manager

Identification of Company's material aspects was based on the implemented Sustainable Development Policy and the resulting objectives and priorities as well as conclusions we have drawn from dialogues with individual groups of stakeholders. We have determined importance of aspects with respect to the nature of the chemical industry in the context of economic, environmental and social impact inside and outside the company.

Material aspects	Impact inside	Impact outside
Economic		
- Economic results	✓	
- Purchase practices	✓	
Environmental		
- Raw materials/ Materials and supplies	✓	✓
- Energy	✓	
- Emissions		✓
- Water		✓
- Wastewater and waste	✓	✓
- Compliance with regulations	✓	
- Transport		✓
- General	✓	
- Grievance mechanisms	✓	✓
Social		
- Employment	✓	
- OHS	✓	✓
- Training and education	✓	
- Equality and diversity	✓	✓
- Grievance mechanisms regarding employment	✓	
- Investments	✓	
- Non-discrimination	✓	✓
- Child labour	✓	✓
- Forced labour	✓	
- Practices in relation to safety	✓	
- Rights of indigenous people		✓
- Grievance mechanisms regarding human rights		✓
- Anti-corruption	✓	
- Customer Health and Safety	✓	
- Product labelling	✓	
- Client's privacy		✓
- Compliance with regulations	✓	✓

Stage of reporting

➤ Identification of Material Aspects

The first stage of Report preparation included identification of issues under which we have determined material aspects of environmental, social and economic impact.

➤ Prioritisation

On the basis of assessment of materiality and owing to genuine dialogue with stakeholders, we have specified range of aspects in so far as our actions affect relations with individual groups of stakeholders and are the most significant in our activity. Context of these actions is of the main prioritisation indicators regarding materiality.

➤ Development

Development of indicators was based on cooperation of involved employees of individual departments of the Company regarding the area of aspects collection, processing and description.

➤ Verification

All outcomes and data collected for the purposes of reporting have been analysed and assessed using the best available methods.

➤ Reporting

The stage of preparing the Report consisted of final development of the data, systematising collected information and preparation of graphic design.

In relation to the previous edition of the Report we have introduced significant changes in the scope and aspect boundaries. Changes mostly concern identification and description of new areas not included in the previous year.

New aspects	Description
Customer Health and Safety	Production and trading of chemicals obliges us to implement above-standard principles and behaviours in order to ensure safety to our customers.
Product labelling	Labelling of chemical products is subject to strict, international regulations within economic, environmental and social context.
Customer privacy	As a result of production and sales largely of semi-finished products which are part of customers' final products we are obliged to protect customer privacy.

ACKNOWLEDGMENTS



Special thanks to the Management Board of the Company and all employees of PCC EXOL SA who contributed to the preparation of the second edition of Sustainable Development Report.

Your assistance and conceptual support allowed us to draw up a rich compendium of knowledge concerning essential areas of the conducted activity of our company, taking into account environmental, social and economic indicators. We would like thank our stakeholders owing to whom we were able to fairly define relevant reporting areas and could look at our organisation from the point of view of customers, suppliers, employees or the local community.

GRI INDEX

Indicators	Guidelines	Global Compact Principle	External Verification
PROFILE			
Strategy and Analysis			
G4-1	A statement of the highest level of management on the importance of sustainable development for the organization's development and strategy	-	Not specified
Organizational profile			
G4-3 Who we are? G4-3 Our relations	Name of the organization.	-	Not specified
G4-4 Who we are? G4-4 Our products G4-4 Our relations G4-4 Occupational health and safety	Primary brands, products and services.	-	Not specified
G4-5 Who we are? G4-5 PCC EXOL in Poland G4-5 Our relations G4-5 Occupational health and safety	Location of the organization's headquarters.	-	Not specified

G4-6	The number of countries where the organization operates.	-	Not specified
G4-7	The nature of ownership and legal form.	-	Not specified
G4-8 Who we are? G4-8 PCC EXOL in the world G4-8 Our products G4-8 Our relations G4-8 Occupational health and safety	The markets served, including geographic breakdown, sectors served, and types of customers/consumers and beneficiaries.	-	Not specified
G4-9 PCC EXOL in Poland G4-9 Who we are? G4-9 Our products	The scale of the organization.	-	Not specified
G4-10	Total workforce by employment type, employment contract, and region, broken down by gender.	-	Not specified
G4-11	The percentage of total employees covered by collective bargaining agreements.	-	Not specified
G4-12	Description of the organization's supply chain.	-	Not specified
G4-13 Employment G4-13 Occupational health and safety	Any significant changes during the reporting period regarding the organization's size, structure, ownership.	-	Not specified
G4-14 Management of the company G4-14 Employment	Explanations whether and how the precautionary principle is addressed by the organization.	-	Not specified
G4-15 Membership in organisations G4-15 Occupational health and safety	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	-	Not specified
G4-16	Memberships of associations and/or national/international organizations	-	Not specified
Identified material aspects and boundaries			
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents.	-	Not specified
G4-18 OHS G4-18 About the report	The process for defining the report content and the Aspect Boundaries.	-	Not specified
G4-19	The material aspects identified in the process for defining report content	-	Not specified

G4-20 Methods of communications G4-20 About the report	Any specific limitation regarding the Aspect Boundary within the organization	-	Not specified
G4-21 Methods of communications G4-21 About the report	Any specific limitation regarding the Aspect Boundary outside the organization	-	Not specified
G4-22	Explanation regarding the effect of any restatements of information provided in previous reports, mentioning the reasons for such restatements and their impact	-	Not specified
G4-23	Significant changes from previous reporting periods regarding the scope, boundary or measurement methods applied in the report or aspect boundaries.	-	Not specified
Stakeholder engagement			
G4-24 Groups of stakeholders G4-24 Methods of communications	A list of stakeholder groups engaged by the organization.	-	Not specified
G4-25	The basis for identification and selection of stakeholders.	-	Not specified
G4-26 Methods of communications G4-26 Our relations	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	-	Not specified
G4-27 Methods of communications G4-27 Local community: Our relations G4-27 Customers: Our relations G4-27 Suppliers: Our relations	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	-	Not specified
Report profile			
G4-28	Reporting period.	-	Not specified
G4-29	Date of most recent previous report	-	Not specified
G4-30	Reporting cycle	-	Not specified
G4-31	Contact person.	-	Not specified

G4-32	The table of standards in the Report.	-	Not specified
G4-33	Internal verification.	-	Not specified
Governance structure			
G4-34 PCC EXOL in Poland G4-34 Management of the company	The governance structure of the organization and committees responsible for decision-making.	-	Not specified
G4-35	The process for delegating authority for economic, environmental and social topics	-	Not specified
G4-36	Has the organization appointed at a senior management level a position or positions liable for economic, environmental and social topics	-	Not specified
G4-38	The composition of the highest governance body and its committees	-	Not specified
Ethics			
G4-56	The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	-	Not specified
G4-57	the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	-	Not specified
G4-58	The internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	-	Not specified

DETAILED			
ECONOMIC CATEGORY			
Economic results			
G4-DMA	Management approach in terms of economic results.	-	Not specified
G4-EC1	Direct economic value generated and distributed.	-	Not specified
Procurement practices			
G4-DMA	Management approach to procurement practices.	-	Not specified
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	-	Not specified

ENVIRONMENTAL CATEGORY			
Raw materials/ Materials and supplies			
G4-DMA	Management approach to procurement practices.	-	Not specified
G4-EN1	Raw materials/materials used by weight and volume.	-	Not specified
Energy			
G4-DMA	Management approach to energy.	-	Not specified
G4-EN3	Energy consumption within the organization.	-	Not specified
Water			
G4-DMA	Management approach to water.	-	Not specified
G4-EN8	Total water withdrawal by source.	-	Not specified
G4-EN10	Percentage and total volume of water recycled and reused.	7	Not specified
Emissions			
G4-DMA	Management approach to emissions.	9	Not specified
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	8	Not specified
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	8	Not specified
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	8	Not specified
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	7,8	Not specified
G4-EN21	NO _x , SO _x and other significant air emissions.	8	Not specified
Wastewater and waste			
G4-DMA	Management approach to wastewater and waste.	7,9	Not specified
G4-EN22	Total water discharge by quality and destination.	-	Not specified

G4-EN23	Total weight of waste by type and disposal method.	-	Not specified
G4-EN24	Total number and volume of significant spills.	-	Not specified
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention.	-	Not specified
Compliance with regulations			
G4-DMA	Management approach to compliance with regulations.	7	Not specified
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	-	Not specified
Transport			
G4-DMA Transport G4-DMA Emissions	Management approach to transport.	-	Not specified
G4-EN30 Transport G4-EN30 Emissions	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	-	Not specified
Overall			
G4-DMA	Management approach to total expenditure on environmental protection.	7	Not specified
G4-EN31	Total environmental protection expenditures and investments by type.	7	Not specified
Mechanisms for dealing with complaints regarding environmental issues.			
G4-DMA	Management approach to grievances about environmental issues.	7	Not specified
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	-	Not specified

SOCIAL CATEGORY			
Employment			
G4-DMA	Management approach to employment.	6	Not specified
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	6	Not specified
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	-	Not specified
G4-LA3	Return to work and retention rates after parental leave, by gender.	6	Not specified
OHS			
G4-DMA	Management approach to occupational health and safety.	-	Not specified
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	-	Not specified
Training and education			
G4-DMA	Management approach to training and education.	-	Not specified
G4-LA9	Average hours of training per year per employee by gender, and by employee category.	6	Not specified
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	6	Not specified
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	6	Not specified
Diversity and equal opportunity			
G4-DMA	Management approach to diversity and equal opportunity.	1,6	Not specified
G4-LA12	Composition of governance bodies and breakdown of employee per employee category according to gender, age, minority and other indicators of diversity.	6	Not specified

Labour practices grievance mechanisms			
G4-DMA	Management approach to labour practices grievance mechanisms.	-	Not specified
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms.	-	Not specified
Investments			
G4-DMA	Management approach to investments.	-	Not specified
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	1	Not specified
Non-discrimination			
G4-DMA	Management approach to non-discrimination.	6	Not specified
G4-HR3	Total number of incidents of discrimination and corrective actions taken.	6	Not specified
Freedom of association and collective bargaining			
G4-DMA	Management approach to freedom of association and collective bargaining.	3	Not specified
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	3	Not specified
Child labour			
G4-DMA	Management approach to child labour.	5	Not specified
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	5	Not specified
Forced or compulsory labour			
G4-DMA	Management approach to forced or compulsory labour.	4	Not specified
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	4	Not specified

Security practices			
G4-DMA	Management approach to security practices.	-	Not specified
G4-HR7	Percentage of staff responsible for ensuring safety, trained with regard to policies and procedures of the organization concerning human rights.	-	Not specified
Rights of indigenous people			
G4-DMA	Management approach to rights of indigenous people.	1,6	Not specified
G4-HR8	Total number of incidents of violations involving rights of indigenous people and actions taken.	1,6	Not specified
Labour practices grievance mechanisms			
G4-DMA	Management approach to human rights grievance mechanisms.	-	Not specified
G4-HR12	Number of grievances about human rights filed, addressed, and resolved through formal grievance mechanisms.	-	Not specified
Anti-corruption			
G4-DMA	Management approach to anti-corruption.	10	Not specified
G4-SO4	Communication and training on anti-corruption policies and procedures.	10	Not specified
G4-SO5	Confirmed incidents of corruption and actions taken.	-	Not specified
Customer Health and Safety			
G4-DMA	Management approach to customer health and safety..	-	Not specified
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	-	Not specified
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	-	Not specified

Products and services labelling			
G4-DMA	Management approach to training and education.	-	Not specified
G4-PR3	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	-	Not specified
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	-	Not specified
G4-PR5	Results of surveys measuring customer satisfaction.	-	Not specified
Customer privacy			
G4-DMA	Management approach to consumer privacy.	-	Not specified
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	-	Not specified
Compliance with regulations			
G4-DMA	Management approach to compliance with regulations.	-	Not specified
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	-	Not specified

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