

Sustainable Development Report of the ORLEN Unipetrol Group for 2022



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foreword

1.1 FOREWORD FROM TOMASZ WIATRAK – CEO AND CHAIRMAN OF THE BOARD OF DIRECTORS

Dear readers,

Welcome to the 2022 Report on Sustainable Development of the ORLEN Unipetrol Group.

During the past years, affected by the global pandemic, we have shown that both our business and social responsibility contribute to the Czech Republic's stability and energy safety and the development of its environment and community life. We also confirmed this trend in 2022, when we had to face other unexpected global and macroeconomic shocks.

Without applying an integrated approach to our Group's management, combining our business goals and environmental and social aspects of our activities, we would be unable to cope with the current and future challenges. We see it as the fundamental principle for successfully developing our business and

relations with all parts of the expert and general public. With this approach, we can create added value both for our Group and contribute to developing living standards in the Czech Republic and the neighbouring regions.

We also want our business partners to share our responsible business and sustainability values.

We are convinced that only with joint steps we can successfully react to global changes and inspire others to build a sustainable future.

We gradually implement the strategy of our mid-term development until 2030, which is a milestone on our path to reaching net zero by 2050 at the latest.

The main areas of our transformation include decarbonisation of our production facilities, development of alternative energy sources, biofuel development,

digitalisation, and application of the circular economy principles enabling the return of plastics and natural waste into the production cycle.

When addressing everyday tasks on the path to net zero, we combine a solid economic background, expertise, and a responsible approach with an ability to react to unexpected challenges flexibly and innovatively. I am happy that the number of companies having a similar mindset and taking the same steps keeps rising. I believe the next generations will thank us for that.

I want to use this opportunity to thank our employees, business partners, and representatives of associations, state administration, and local government for cooperation, and wish you a pleasant and inspiring reading.

Tomasz Wiatrak



1.2 MESSAGE FROM KATARZYNA WOŚ – VICE-CHAIR OF THE BOARD OF DIRECTORS AND CHAIR OF THE BOARD OF TRUSTEES OF THE ORLEN UNIPETROL FOUNDATION

To us, sustainability means caring for our surroundings and society and improving our business as part of solutions amid climate change. Due to the war in Ukraine, we have never been closer to understanding our critical role in manufacturing oil-based products. We grasp this opportunity and make ESG an integral part of everyday life for many people. **We want to build solid foundations for transparency and reinforce our abilities and credibility.**

Therefore, the Sustainability Report is a vital aspect of our activities. By publishing the Sustainability Report, we provide an option to look at our activities. Using specific examples, we present the measures in business we have adopted so far.

With a step-by-step approach, we set the metrics to see how we manage to meet our targets. It includes, among other things, compliance with the EU requirements regarding taxonomy reporting. We have created several new job positions focused on the responsible business approach, sustainability, and circular economy. We have established a new division for decarbonisation, digitalisation, and innovations and expanded the CSR department with non-financial reporting activities.

We present our sustainability activities and report to enable you to understand to which extent our declared sustainability principles conform to what we will need to report in the future. We have formulated

our activities and gradually found out what we need to monitor and the important reporting criteria for a modern company that we believe we are.

We describe how we behave in practice to the public, partners, and our employees. This Report does not follow single instructions or methodology; we followed general parameters. We will appreciate any feedback that will move us forward and that we ask you to send to csr@orlenuipetrol.cz.

We want to thank you for your interest in our company and our efforts to progress into a more sustainable world.

Katarzyna Woś





**about ORLEN
Unipetrol Group**

2.1 ORLEN UNIPETROL GROUP

We are the only crude oil processing company in the Czech Republic. Annually, we process about 8.7 million tonnes of crude oil. Besides crude oil processing, we produce, distribute, and sell fuels, plastics and fertilisers in the Czech Republic and Central Europe. We own the largest network of filling stations, ORLEN Benzina. We also finance our own research and development and provide transport services. By revenue, we are among the top 10 largest companies in the Czech Republic. Information about the gradual development of our company is available here.

In 2005, we became a member of the ORLEN Group, an integrated multi-energy group ranked in prestigious global rankings such as Fortune Global 500 and Platts TOP250. It was one of the first companies to make a commitment to reaching the net zero target by 2050. With the recent acquisitions (Energia Group, LOTOS and PGNiG), the ORLEN Group has become one of the top 150 largest global corporations. The ORLEN Group is active in nine local markets: Poland, the Czech Republic, Germany, Lithuania, Slovakia, Hungary, Canada, Norway, and Pakistan. It owns state-of-

the-art integrated assets with an annual processing capacity of more than 40 million tonnes of various crude oil types, and its retail operations, run through the largest network in Central and Eastern Europe, comprise nearly 3,100 modern filling stations. ORLEN Group products are sold in more than 100 countries on six continents. The Group is also a significant player in the Polish electricity market with a generation capacity of 5.1 GW, including 1.7 GW in state-of-the-art gas assets and 0.7 GW in renewable energy sources. In the upstream segment, the company had oil and gas inventories estimated at 1.3 mboe at the end of 2022.

In compliance with the Group's updated strategy, the primary goal is to ensure an approach to stable energy, fuel, and gas supplies from green sources. By the end of this decade, the ORLEN Group plans to spend more than CZK 1,600 billion (PLN 320 billion) on strategic investment, including 40% to be allocated to green projects, including onshore and offshore wind energy, solar photovoltaic installations, biogas and biomethane, biofuels, e-mobility, and green hydrogen. It will also develop modern petrochemical assets and safe nuclear energy generation.



2.2 GROUP STRUCTURE



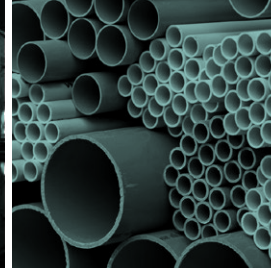




2.3 PRODUCTION SITES, DEVELOPMENT SITES, AND SALES AGENCIES

6 PRODUCTION PLANTS	4 SALES AGENCIES	3 RESEARCH SITES
<ul style="list-style-type: none"> LITVÍNOV KRALUPY N/VITAVOU NERATOVICE PARDUBICE BRNO OTROKOVICE 	<ul style="list-style-type: none"> PRAGUE LANGEN NERATOVICE BRATISLAVA BUDAPEST 	<ul style="list-style-type: none"> LITVÍNOV ÚSTÍ N/LABEM BRNO



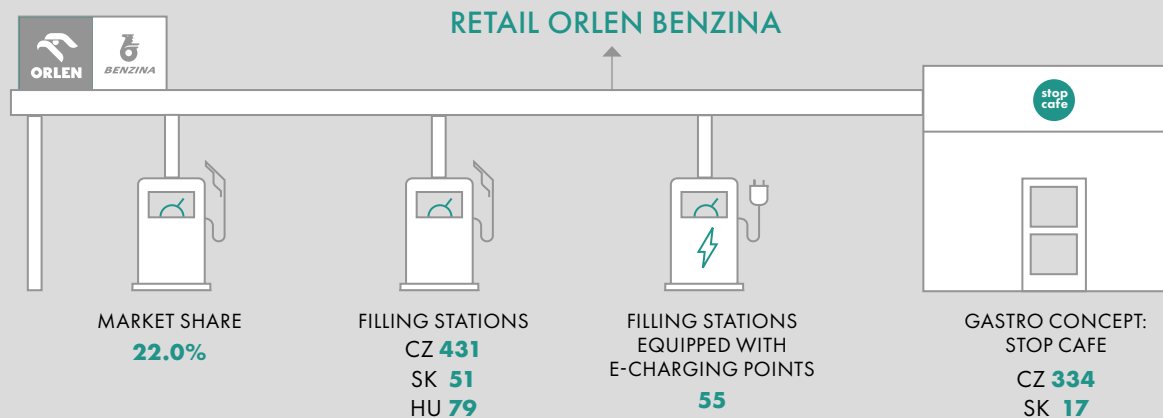
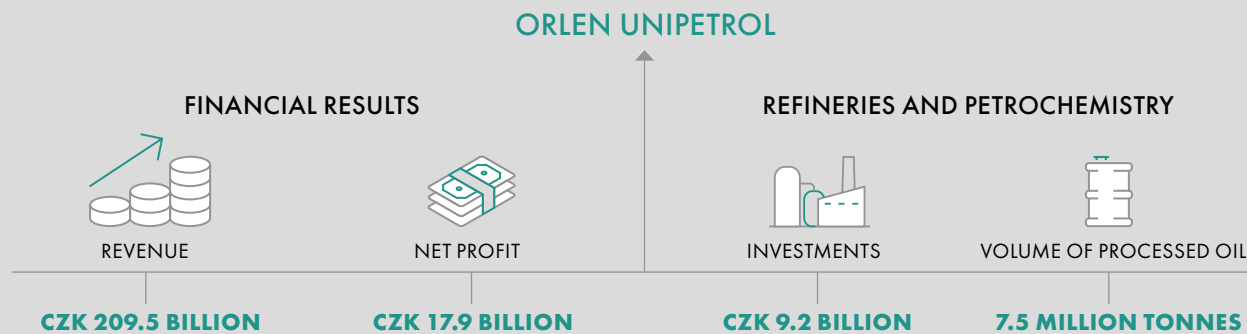
2.4 OVERVIEW OF ACTIVITIES

<p>THE LARGEST REFINING AND PETROCHEMICAL COMPANY IN CZECHIA</p>	<p>THE ONLY CRUDE OIL PROCESSING COMPANY IN CZECHIA</p>	<p>MANUFACTURER AND DISTRIBUTOR OF FUELS AND PETROCHEMICAL PRODUCTS</p>	<p>FILLING STATION OPERATOR IN CZECHIA, HUNGARY, AND SLOVAKIA</p>	<p>A MEMBER OF THE INTERNATIONAL ORLEN GROUP SINCE 2005</p>
				

2.5 CRUCIAL INVESTMENTS

<p>11TH STEAM CRACKER FURNACE</p>	<p>POX UNIT REVITALISATION</p>	<p>STEAM CRACKER GAS BOILER HOUSE</p>	<p>NEW PRODUCTION UNIT (DCPD)</p>	<p>RETAIL NETWORK EXPANSION</p>
<ul style="list-style-type: none"> • CZK 700M • COMPLETION: 2023 	<ul style="list-style-type: none"> • CZK 1.1BN • 2018-2022 	<ul style="list-style-type: none"> • CZK 1.2BN • COMPLETION: 2021 	<ul style="list-style-type: none"> • CZK 831M • COMPLETION: 2022 	<ul style="list-style-type: none"> • Rebranding to ORLEN • Stop Cafe concept expansion • Installation of charging and hydrogen pumps • Expansion in Slovakia and Hungary

2.6 GROUP RESULTS IN 2022





awards

3 AWARDS

In 2022, we received awards in various categories, which drives our progress and also acknowledges that we can value our work.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

TOP 6 – Czech national award for CSR and sustainable development

TOP 20 – Top responsible company in the Czech Republic

3rd PLACE – Ústí Regional Governor's CSR Award

EMPLOYER OF THE YEAR 2022

3rd PLACE – the best employer in CR

1st PLACE – the most sought-after employer among students in the Ústí Region

2nd PLACE – the best employer in the Ústí Region

ENVIRONMENT

1st PLACE – Michal Turek's journalist photo of a peregrine falcon chick on a chimney in the Litvínov chemical plant

1st PLACE – honey from the Spolana production plant

INTERNAL CORPORATE MAGAZINE AND NEWSPAPER

1st PLACE – employee magazine GO! in the Zlatý středník competition

MARKETING A ONLINE

1st PLACE – Staráme se o sokoly (We Care for Peregrines) project

3rd PLACE – Vodík – palivo současnosti

ORLEN BENZINA

1st PLACE – The best filling station in CR

1st PLACE – Pumpman of the year: the best attendant

1st PLACE – Mastercard obchodník roku (Merchant of the Year)



ACKNOWLEDGEMENTS

We want to thank for the rescue work during the extensive fire that hit the Bohemian Switzerland National Park at the turn of July and August 2022. Our firefighters from ORLEN Unipetrol RPA, who are also members of retained (volunteer) firefighting units in several municipalities, received a commemorative plaque from the Ústí Regional Governor. We highly value their engagement and efforts exerted to fight the fire. For the demanding firefighting action, the ORLEN Unipetrol Foundation arranged shipments of Stop Cafe refreshments from ORLEN Benzina filling stations to support the exhausted firefighters in the most affected locations. Miroslav Caba, Jan Ladma, Jaroslav Vlk, Matěj Kavan, and Martin Šťastný were among the firefighters engaged in Hřensko.



certifications

4 CERTIFICATIONS

4.1 POLICY OF INTEGRATED MANAGEMENT SYSTEM

We meet the strictest international management standards and encourage the company's daily endeavours to ensure professional services and maintain top-class quality, safety, health, climate, and environmental protection standards. The implemented integrated management systems are vital to us. They include all systematic activities, primarily those that are essential for the safety of people and the environment and follow the Group's strategy, considering the goal to optimise technological processes, reduce greenhouse gas emissions, reach climate neutrality and zero emissions and adhere to sustainable development principles.

Integrated management system policy (IMS) is based on the fundamental values of the ORLEN Unipetrol Group and ORLEN Group. **It comprises commitments related to occupational health and safety, environmental protection, energy management, ethical standards, and assets protection.** We publish the IMS on individual companies' websites. We have implemented and certified quality management systems (QMS), environmental management systems (EMS), and health and safety management systems (HSMS).

Thus, we guarantee a system-based approach to customers and their needs, product quality, services provided, environmental protections, and occupational health and safety. Most of our companies have implemented and certified the energy management system (EnMS), declaring the commitment to optimising energy utilisation and meeting the legislative requirements under the Energy Management Act. All systems are subject to regular audits.

WE HOLD THE FOLLOWING CERTIFICATES:

- QUALITY MANAGEMENT SYSTEM AS PER ISO 9001
- ENVIRONMENTAL PROTECTION MANAGEMENT SYSTEM AS PER ISO 14001
- OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AS PER ISO 45001
- ENERGY MANAGEMENT SYSTEM AS PER ISO 50001
- SYSTEM OF SUSTAINABILITY WHEN PRODUCING MOTOR FUELS WITH BIO COMPONENTS ISCC
- CERTIFICATION PROGRAMME OF SUSTAINABILITY, PRO BIO, CIRCULAR (RECYCLED) RAW MATERIALS ISCC PLUS
- SYSTEM OF ASSESSING SAFETY AND QUALITY FOR PROVIDERS OF LOGISTICS SERVICES SQAS

4.2 RESPONSIBLE CARE

Responsible Care (RC) is a voluntary global chemical industry initiative focused on supporting sustainable development in the industry with targeted improvements in plant safety and product transport and improved human health and environmental protection. The programme reflects a long-term strategy coordinated by the International Council of Chemical Associations and the European Council of Chemical Industry in Europe. The national version of RC is a responsible business in the chemical industry, officially announced in October 1994 by the Minister of Industry and Trade and the president of the Czech Association of Chemical Industry. Since 2008, the programme meets the conditions of the Charter of Global RCs. The right to use the logo of the Responsible Care programme is granted to ORLEN Unipetrol, ORLEN Unipetrol RPA, and ORLEN Unipetrol Doprava. Spolana defended the right to use the RC logo for the tenth time in 2022.





ESG strategy

5.1 OUR DEFINITION OF SUSTAINABILITY

The challenges related to climate change deserve our full attention, which is why we are determined to reach our ambitious goal of becoming carbon neutral by 2050 at the latest. To accomplish this target, **we must identify priority areas across ESG and elaborate them in our sustainability strategy.** We have organised a workshop with our key directors and defined the primary sustainability topics. The workshop aimed to identify ESG themes at a high level that can be relevant to us in terms of their impact or from the financial perspective. Based on the defined topics, we will assess dual significance based on the requirements of the European Sustainability Reporting Standards (ESRS). We will provide an internal definition of clear metrics and deadlines for each goal. Everything is prepared in line with the ORLEN Group's strategy.

When drawing up the list of priorities, we used the following inputs:

- **GRI STANDARDS** – topics, governed by the international standards for reporting non-financial information, including both general standards and standards specific to the oil and gas sector
- **SDGS** – themes governed by the UN Sustainable Development Goals
- **SASB** – themes governing sustainability accounting standards – standards specific to the oil and gas industry and the petrochemical sector

We are responsible guardians of the natural resources entrusted to humankind. Our mission is to **drive and fuel the future and innovations by providing energy for transport and high-quality polymers.** We are a leader in the energy transformation towards sustainability based on the principles of a low-carbon and circular economy. We comply with the strictest standards applicable to environmental protection and operational and personal safety. We provide our clients with products, services, and solutions with a high added value. We carry on our business considerately to all stakeholders, partners, employees, society, and the environment.

[Sustainable business until 2030](#)
[YouTube](#) 

5.2 VISION AND VALUES

Our Group's corporate-wide strategy includes corporate values with a supporting function when accomplishing our ambitious plans. We seek to provide our customers with the best products and services possible, care for our employees, motivate them and behave responsibly towards our surroundings and the environment. Complying with ethical standards as part of our everyday activities is one of the crucial factors of a successful and sustainable business.

We published our [Code of Conduct](#), summarising our corporate values and the main principles of a transparent and ethical business. It also provides a well-arranged framework for our mission and the forms of behaviour that we advocate. It is not a mere list of required behaviours. The Code of Conduct also serves as a guideline for everyone who may feel or observe behaviour that is in conflict with our ethical principles.

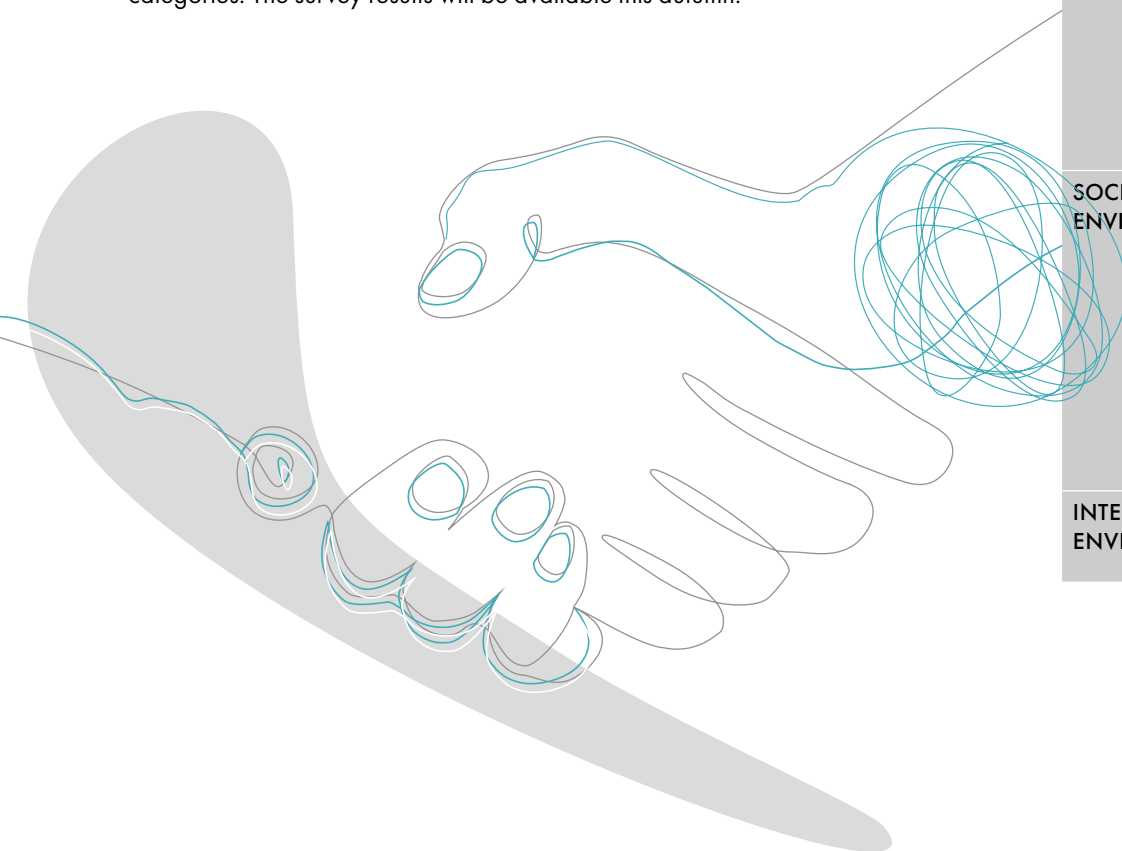
EVERYTHING WE DO AT THE ORLEN UNIPETROL GROUP STANDS FOR **OUR VALUES**



5.3 COOPERATION WITH STAKEHOLDERS

It is our social role to satisfy the needs of people. That is why we must know their attitude. To be sure that we articulate our visions that others accept, we have invited our stakeholders to a dialogue. Their perspective matters to us. It will enable us to consider various viewpoints, positions, and interests. The dialogue aims to provide feedback and priorities for our work so that it is relevant, credible, and broadly accepted. We have created a questionnaire that will be submitted to respondents through IPSOS in 2023. The respondents will assign priorities to topics in ESG categories. The survey results will be available this autumn.

STAKEHOLDERS	
BUSINESS ENVIRONMENT	CUSTOMERS
	STATE ADMINISTRATION, LOCAL GOVERNMENTS, AND REGULATORY BODIES
	SUPPLIERS
	COMPETITORS
	THE ENVIRONMENT
	BUSINESS PARTNERS
	PROFESSIONAL ASSOCIATIONS AND ORGANISATIONS
	CAPITAL MARKETS AND CREDITORS
	LOCAL COMMUNITIES
	MEDIA
SOCIAL ENVIRONMENT	TRADE UNION ORGANISATIONS
	NON-GOVERNMENTAL ORGANISATIONS
	POTENTIAL EMPLOYEES
	SCIENTIFIC AND RESEARCH ORGANISATIONS
	CZECH-POLISH ORGANISATIONS
INTERNAL ENVIRONMENT	EMPLOYEES
	TRADE UNION ORGANISATIONS



5.4 SDGS – SUSTAINABLE DEVELOPMENT GOALS

In the autumn of 2015, the United Nations General Assembly adopted an agenda setting **17 sustainable development goals (SDGs) as a global challenge to put an end to poverty, protect the planet and ensure that all people live in peace and prosperity by 2030.** The ORLEN Unipetrol Group supports the commitments related to the Paris Agreement. Together with climate-related initiatives, we have, therefore, identified areas in which we can positively contribute to sustainable development targets. We find each of the 17 SDGs very important and believe that we, at least partially, contribute to their fulfilment. In 2022, we worked with SDGs for the first time. We sought to choose those that are, as we believe, most significant to us and our stakeholders and can have a genuine positive impact on our industry and business. When choosing these goals, we considered both benchmarks of international companies active in refining and petrochemistry and the national priority goals selected by the Czech Republic.

We selected six main goals that are essential for us in our business and that we pursue in more detail:

E - THE ENVIRONMENT:

SDG 12 – Ensure sustainable consumption and production

Target 12.2 – By 2030, achieve the sustainable management and efficient use of natural resources

Target 12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

SDG 13 – Take urgent action to combat climate change and its impacts

Target 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries



S - SOCIAL AREA:

SDG 3 – Ensure healthy lives and promote well-being for all at all ages

Target 3.4 – By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being

SDG 4 – Quality Education – ensure equal access to inclusive education and encourage lifelong training for all

Target 4.4 – By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship



G - GOVERNANCE:

SDG 16 – Encourage peaceful and inclusive societies for sustainable development, ensure access to equality to all and create effective, responsible and inclusive institutions at all levels

Target 16.5 – Substantially reduce corruption and bribery in all their forms

SDG 17 – Revitalise the global partnership for sustainable development

Target 17.17 – Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

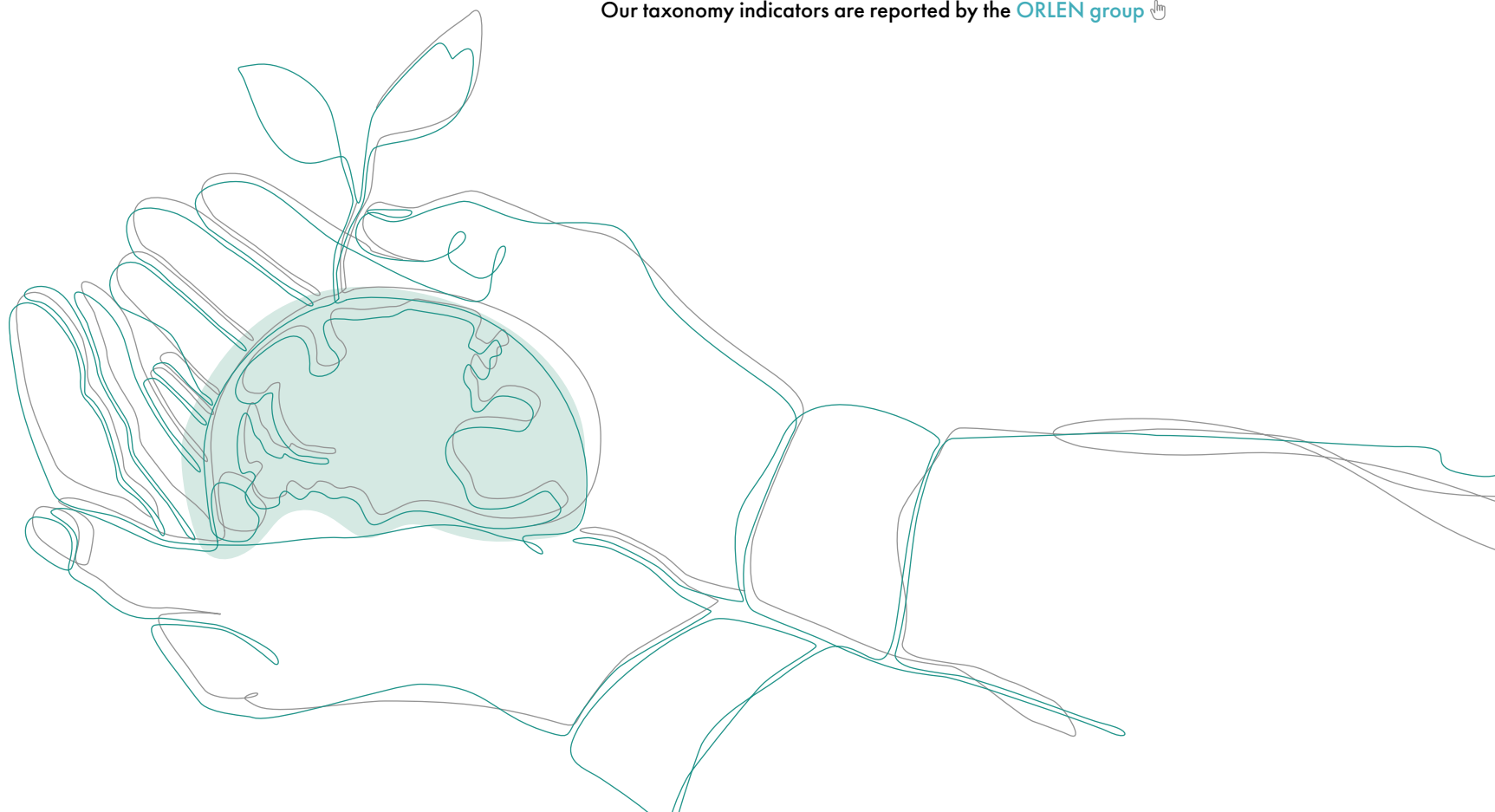


5.5 CLIMATE RISK MANAGEMENT 5.6 TAXONOMY

In 2023, we addressed senior employees – directors with the aim to develop all ESG aspects as part of strategic priorities. They determined an approach to managing climate risks, which enables us to identify and manage threats and opportunities in our business. The list of climate risks will be submitted in a format presumed to be required by the EU legislation, specifically the CSR directive: CSRD. This assessment includes the category of physical risks and risks associated with changed Green Deal legislation (transition risks). We will publish the assessment in 2023.

The regulation on taxonomy and the corresponding activities contains terms and criteria to be finally published in the new ESRS standards in 2023. They include technical verification criteria determining whether the given economic activity is regarded as environmentally sustainable, whether it is qualified as significantly contributing to mitigating climate change, or whether it adapts to climate change. We also determine if this economic activity does not cause any significant harm to other environmental goals.

Our taxonomy indicators are reported by the [ORLEN group](#)





eS the environment

12 RESPONSIBLE
PRODUCTION
AND
CONSUMPTION



13 CLIMATE
MEASURES



6.1 DECARBONISATION GOALS

Despite the ORLEN Unipetrol Group's strong position in the refining and petrochemical industry, the current world's development and direction cannot be overlooked. The customers' needs develop and change dynamically. Besides being able to react to these changes flexibly and fast, the ability to foresee the changes and be a driver and leader of changes is the key to success in such challenging conditions. Considering the commitment to reduce global warming by less than 2°C, we want to include the Scope 1, 2 GHG emissions for all our companies. We have drawn a strategic development plan until 2030, which focuses on the following main areas:

- IMPLEMENT GREEN HYDROGEN IN OUR TECHNOLOGIES AND TRANSPORTY
- INCREASE THE SHARE OF RECYCLED MATERIALS IN OUR PRODUCTS
- REACH THE REQUIRED SHARE OF BIO COMPONENTS IN LIQUID FUELS
- DECARBONISE ENERGY BY SWITCHING TO NATURAL GAS
- INTRODUCE RENEWABLE ENERGY SOURCES
- INCREASE EFFICIENCY OF EXISTING TECHNOLOGIES

As the ORLEN Unipetrol Group, we want to transform into a multi-energy, environmentally sustainable company.

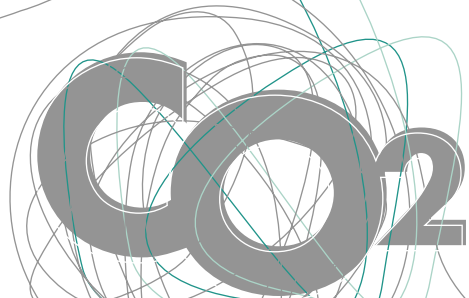
6.2 CARBON FOOTPRINT

As one of the industrial leaders, we manufacture products contributing to increased living standards of our citizens. The long-term decarbonisation strategy adopted in line with the emerging environmental trends contains our long-term commitment to reach net zero by 2050. Our company has been calculating our products' carbon footprint (CFP) since 2019 to identify measures that need to be implemented to reduce the company's overall carbon footprint. The CFP calculation includes the carbon footprint from the supply chain and the carbon footprint of our on-site production until the moment the product leaves the company's gates. We realise the importance of collaboration with our business partners regarding reducing the carbon footprint throughout the product's lifecycle. That is why we publish information to help the business partners quantify their Scope 3 emissions and determine the carbon footprint in their value chains. We calculate the CFP in accordance with the **Greenhouse Gas Protocol - Product Lifecycle Accounting and Reporting standard requirements** in the "Cradle to Gate" extent. The CFP assesses all impacts of Scope 1 and 2 emissions, i.e., direct

emissions from the production and fugitive leaks, emissions related to the actual energy generation. It includes emissions from the generation of purchased electricity; it does not include losses in the transmission and distribution of purchased electricity. Also, it assesses the following impacts of Scope 3 emissions:

- Purchased raw materials – total emissions from the supply chain: mining, transport, refining, and distribution of raw materials, partial coverage of emissions from additives and catalysers
- Production and distribution of clean water directly connected with a product's manufacture
- Waste and wastewater processing and transport directly related to the product's manufacture
- Energy used to store raw materials and semi-products directly related to the product's manufacture

Together with PwC Czech Republic, we gradually set the system for calculating the carbon footprint to be able to collect data for all direct and indirect emissions of the entire Group.




6.3 HYDROGEN FUTURE

Today, hydrogen is well-known colourless gas largely used in various industries. They include the petrochemical industry and refineries, where hydrogen is used both as an energy carrier and a hydrogenating agent in fuel production and the manufacture of other chemical products. We want to gradually replace hydrogen from fossil sources with renewable or low-carbon hydrogen, hence investing in hydrogen technologies.


Before 2022, we started monitoring and creating a strategy for our hydrogen future, which contributed to launching preparations for various projects across the entire Group. Our refineries produce over 80 kt of hydrogen from partial oxidation (POX) annually. We have already elaborated plans to produce hydrogen using electricity from environmentally clean sources such as the sun, wind, or heat in the earth's crust.

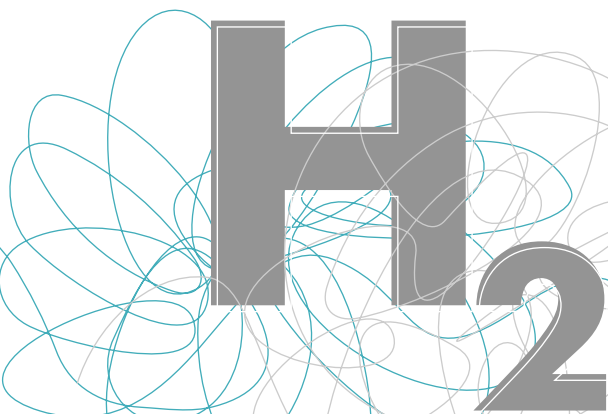
DECARBONISATION IN MOBILITY

Based on the indications from the implemented legislation on climate protection, which the EU started preparing and publishing in previous years, we have set the conclusions that will result in decarbonisation in mobility. To meet the mobility targets, we assume using 5.4 kt of RFNBO H₂ in hydrogen mobility per year and from 2030 at the latest. For this volume, we have designed at least three production H₂ HUBs covering hydrogen's availability for mobility across the Czech Republic. Hydrogen will meet the strictest carbon footprint levels and ensure zero direct CO₂ emissions in subsequent use. It is a promising technology of the future, and we continue its development. This project fits into the overall strategic concept of the ORLEN Group. [ORLEN - Hydrogen Eagle and ORLEN Unipetrol - Hydrogen road map](#) .

Being aware that hydrogen is important both for the energy sector and in

transport, we define the fundamental goal to be met by 2030: to build and operate 28 hydrogen filling stations in Czechia and 26 hydrogen filling stations in Slovakia. Currently, we also analyse the hydrogen demand in rail transport related to any plans of other distribution terminals in rail transport.

In 2023, our activities resulted in the opening of two [full-fledged hydrogen filling stations in Prague - Barrandov](#)  and in Litvínov. Both are designed as fully self-service stations that are accessible to the general public in 24/7 mode. They are suitable for filling passenger cars, trucks, and buses. Vehicle fuelling takes about the same time as with petrol- or diesel-powered cars. We believe hydrogen will, over time, supplement the current battery-powered e-mobility and will play an increasingly important role in passenger mobility, mainly in mass transport and transport services.



6.4 NEW ENERGY SOURCES

DECARBONISATION OF OUR INDUSTRY

We will update our hydrogen strategy at the turn of August and September 2023 in line with the tightened new EU legislation. We have already launched production projects in various stages of readiness to produce green H₂ on the Litvínov site, a potential installation of a hydrogen hub at Spolana Neratovice and use the land for a solar power plant and hydrogen at Paramo. We have also started extensive non-production activities related to science, research, and the national economy.

Decarbonisation in the petrochemical and refining industry gives several possibilities to reach and meet the target of producing **43.8 kt of RFNBO H₂***. We are checking the option of partial oxidation, looking into the production of low-carbon CO₂ using the technology of capturing carbon dioxide (CCU), and the possibility to produce RFNBO H₂. Compared to other technologies, it has the most positive economic aspects after the first studies (CAPEX, OPEX).

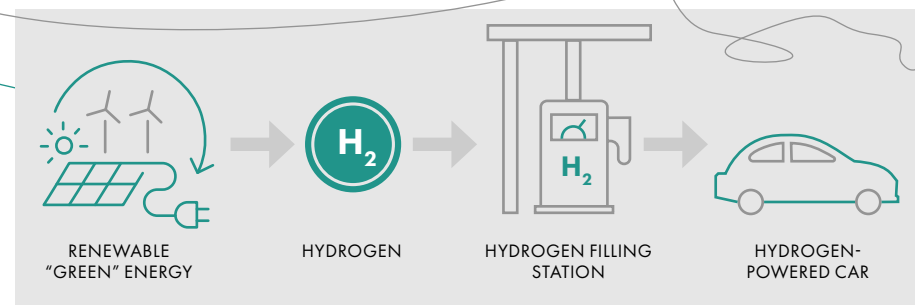
Our scenario includes feeding and operating an electrolyser to produce RFNBO H₂ from a mix of renewable energy sources (RES) for 8,000 operating hours per year. The RES mix is considered as a combination of solar, wind, and existing water energy because a mere solar source does not enable it to produce the required hydrogen volume.

[ORLEN Group Hydrogen Strategy 2030](#)

In the energy sector, our development targets also include developing and constructing renewable energy sources. In this respect, we want to gradually reduce our dependence on fossil sources by replacing them with solar, wind, and geothermal energy. The shift from coal to natural gas is crucial. Our energy source, T700, currently burns lignite from the nearby quarries. During the ongoing modernisation of energy sources, we intend to replace the coal-burning heating plant with a brand-new **steam-and-gas co-generation heating plant** to be complemented by a **photovoltaic installation with an electrolyser** with a minimum power input of 26 MW. The new energy source will significantly reduce carbon dioxide, sulphur dioxide, and fine dust emissions as a result of the coal exit. We plan to build it within the Litvínov - Záluží site, on an area created after the shutdown and demolition of the old heating plant, T200.

At our filling stations, we primarily focus on and regularly monitor water, electricity, and gas consumption. We obtain precise data on individual energies and assess opportunities to reduce consumption. **We implement low-energy appliances and technologies. In 2022, we started working on the project of solar panels at filling stations.**

THE STORY OF RENEWABLE HYDROGEN



*RFNBO H₂ (Renewable Fuels of Non-Biological Origin) - green hydrogen as fuel produced from renewable sources of non-biological origin.

6.5 BIOFUELS

In fuel production and distribution, we work in accordance with the working and social conditions customary in the European Union. We ensure and guarantee that we comply with the fundamental sustainability conditions when producing motor fuels with added biocomponents:

- Reducing GHG emissions
- Sustainable soil management
- Protection of natural habitats
- Minimising the risk of using forest biomass coming from non-sustainable production
- Conditions of social sustainability

We consider only biofuels meeting the sustainability criteria and the criteria of GHG emissions savings. We continuously monitor the reached share of advanced biocomponents, the minimum amount of energy from a renewable source in motor petrol and diesel fuel and the achieved level of GHG emission savings to optimise the costs associated with meeting these obligations.

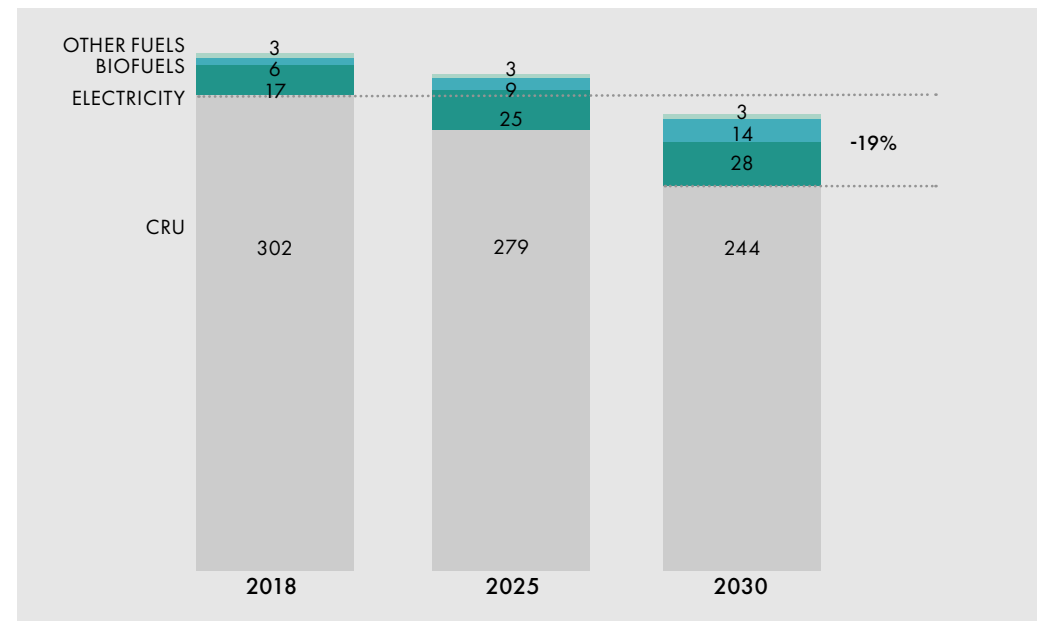


BIOFUEL PRODUCTION THROUGH CO-PROCESSING

We are highly active in circular economy and recycling research. Recycling cooking oil waste is one of the projects we addressed. We can produce a so-called hydrogenated vegetable oil (HVO) that we consequently use as biofuel when making diesel fuel. We use unused waste material from used vegetable oils or animal fats. Together with a fossil raw material, this material is re-processed through co-processing into diesel fuel. The HVO production through co-processing contributes to reaching the goal of reducing CO₂ emissions and the required minimum content of renewable sources in fuels distributed in our refineries.

DEMAND FOR ENERGY IN TRANSPORT IN THE EUROPEAN UNION


(Mtoe = million tonnes of oil equivalent)




6.6 RESEARCH AND DEVELOPMENT

Our research projects cover green hydrogen, chemical and mechanical plastic recycling, biofuel production, decarbonisation, and digitalisation. For these purposes, we intensively cooperate with two organisations that are part of our Group.

In 2022, **ORLEN UniCRE** focused on advanced biofuels with particular attention paid to biomass and municipal waste, including analyses of raw material availability. In this part, we received the necessary information for the possibility of continuing the already initiated projects. Another priority area: We tested chemical recycling at a pilot research unit and are currently about to select the most suitable supplier of licence and technical evaluation. The research activities aimed to obtain materials and subsequently raw materials suitable for processing at our steam cracker in Litvínov. The research team's primary objective is to test these materials in real conditions, which fits into the vision to build a plastic waste pyrolysis facility in the Czech Republic and integrate it into the circular economy chain. We can produce bioplastics thanks to the ISCC Plus re-certification for processing hydrogenated vegetable oil (HVO) at the steam cracker. Thanks to the ISCC EU certification, we can process biomaterials (e.g., used cooking oil, vegetable oils) at the hydrogenation unit. It allows us to produce HVO through co-processing to produce advanced biofuel. The research team also focused on the possible generation of renewable energy, mainly geothermal energy. In hydrogen mobility, **ORLEN UniCRE** and the Czech Technical University are preparing to develop a high-capacity mobile hydrogen station and implement hydrogen sampling equipment from hydrogen filling stations.

In 2022, we held the **CHEMTECH NEXT**  programme for the first time, focused on supporting and collaborating with small enterprises and start-ups. We selected projects supporting digitalisation, operational safety, enhancing efficiency, and reducing energy losses in operations. These projects are an excellent opportunity for small companies with a strong vision and capable of reacting to our decarbonisation needs and all challenges aimed at reducing the climate change impact.

Polymer Institute Brno (PIB) concentrates on developing its product portfolio of advanced polymers, polyethylene, and polypropylene. The PIB intensively supports the certification of new products, is involved in the mechanical recycling of plastics and their use and focuses on new types of polymerising catalysts.

In autumn, a brand-new unit producing dicyclopentadiene (DCPD) was commissioned in cooperation with the Czech Technical University. Thus, we became one of the four largest DCPD producers in Europe. Simultaneously with opening this new **unit, we continued researching options for producing DCPD derivatives**  to expand the product chain with other demanded products.



6.7 CIRCULAR ECONOMY

We keep developing recycling activities with which we will be able to acquire and process plastic waste and bio-waste effectively and make new petrochemical products and biofuels from it. How can we recycle waste materials, and how can we successfully enforce the environmental yet cost-effective circular economy of plastics? From the development of this unique material, our attention also focused on where it can be used to advantage.

Designing products so they can be recycled or thinking about what happens when a plastic product has reached the end of its life and become waste has not been a priority for many people for a long time. Striving for a circular economy has gained momentum only in recent years. It will be possible to fully use all positive qualities of plastics once the circular economy is introduced, as the benefits go farther beyond the mere price/performance ratio. Our industry is aware of that; we combine our know-how and gradually find answers to the questions like "How to preserve natural resources?", "How to reduce waste, which pollutes soil and water in many places", "How can we reduce GHG emissions?". That is our key in the fight against climate change.

PROCESSING ALTERNATIVE WASTE MATERIALS

We have committed ourselves to investing CZK 35 billion in developing sustainable projects, including digitalisation, by 2030. We want over 15% of our petrochemical products to be made from recycled and renewable sources. Used cooking oil recycling is one of the projects addressed by the scientists in the Litvínov Refinery. After the initial tests, we have now launched an operational test of adding hydrogenated vegetable oil (HVO), i.e., an organic material, into the production process at the steam cracker.

The first tests of using HVO in the production process took place in 2020 and 2021. We verified that HVO could be processed, so we could proceed to the **ISCC+ certification** for the production procedure in 2021 to produce a certified renewable product precisely in line with the legislative standards. We successfully obtained the internationally recognised certification in 2021. At the end of 2021, we conducted another fully certified production test, making the first batch of certified recycled plastic – polypropylene. This bio-circular material has an absolutely identical quality as the material made from fossil raw materials. This way, we can produce polypropylene, polyethylene, ethylene, and benzene.

MECHANICAL RECYCLING

We continue meeting our strategic development objectives. As part of this plan, we focus on circular economy principles and sustainability. We develop it by building a broad portfolio of recycling competencies with which we will be able to acquire and process plastic waste and bio-waste effectively and make new plastics and biofuels from it. We follow our current activities, namely in chemical recycling, by entering the mechanical recycling segment by acquiring REMAQ, a leader in Central and Eastern Europe in this field.

It primarily concerns the recycling of post-industrial polypropylene and polyethylene. Now, it produces about 40 kt with a prospective increase of up to 50 kt. Our ambition is to combine all waste recycling methods suitably and set up a comprehensive and fully functional chain with effectively cooperating municipalities, waste distributors, and final processors. **In line with our strategy, we want our plastic recycling capacity to be up to 200,000 tonnes per year in 2030. With this acquisition, we contribute to building our Group's value and protecting the environment at the same time.**

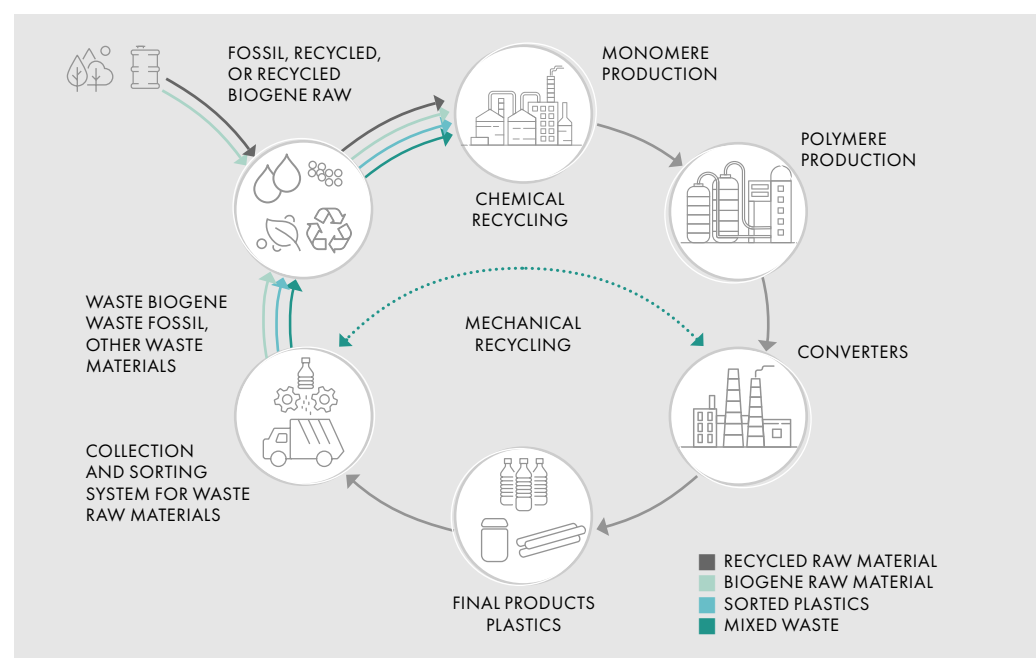
CHEMICAL RECYCLING

According to the Ministry of the Environment, the Czech Republic produces more than 265,000 tonnes of plastic waste annually. Of this volume, about 37% is used for material recycling and 18% for energy, i.e., to generate heat or electricity. Almost half of the plastic waste produced in Czechia remains unused because mechanical recycling is either technology-intensive or not economically viable. Our projects in the chemical recycling of plastics will allow us to implement circular economy principles, use another share of plastic waste, and move us towards meeting the net zero target by 2050. Technologies based on the thermic fissure of mixed plastic waste, i.e., pyrolysis technology in general, are among the future-proof technology directions in chemical recycling that are ready to be deployed in industrial conditions. These processes can decompose mixed plastics, using heat without the presence of oxygen, into gaseous, liquid, and solid products that may be further used in conventional petrochemical processes as raw materials to produce monomers, their precursors, or polymers. Thus, chemical recycling using the pyrolysis principles seems to be an efficient technology for reusing plastic waste. It streamlines the utilisation of existing plastic waste and significantly reduces the carbon footprint. **Our ambition is to use chemical recycling for waste materials at our units in the coming years, both in the surrounding areas and the entire Czech Republic, in the amount of up to 70 kt. For us, it means supplying up to 100 kt of plastic waste suitable for chemical recycling. External purchases of pyrolysis oil will make up another share.**

We focus on pyrolysis both in research and in development. Therefore, it was pivotal for us to commission **a testing pyrolysis unit** in our chemical plant in Litvínov. This unit tests plastic waste processing, primarily the influence of process conditions and composition of the input raw material on the quality of the produced gaseous, liquid, and solid products. At the same time, we learn technological and operational restrictions that we may expect with these new materials. In this research project, we cooperate with the University of Chemistry and Technology in Prague and the Centre of Research and Education, ORLEN UniCRE. The costs of acquiring the testing technology have already totalled CZK 18 million. They are also covered by contributions of the Ministry of Industry and Trade of the Czech Republic from the Enterprise and Innovation for Competitiveness (OP PIK) programme. The costs of the research project total nearly CZK 72 million.

The Technology Agency of the Czech Republic contributed CZK 50 million from the TREND subsidy programme.


In development, we work on the project of building our own processing capacities for chemical recycling through licensed pyrolysis technology. In 2023, we plan to organise an invitation to tender procedure for the supplier of a licence for this technology in the annual amount of at least 20,000 tonnes of produced liquid pyrolysis condensates. The technology will be part of the Litvínov production site, and we expect to commission it in 2027. The facility will work with modified mixed plastic waste rich in polyolefins (polyethylene, polypropylene). It will be operated as a facility for the material use of waste. The produced liquid components will be used as raw materials for the already operating petrochemical units.



MEMORANDUM OF COOPERATION – WASTE TO CHEMICALS PROJECT

Using waste sources as raw materials for petrochemical production is one of the crucial general plans for reducing carbon footprint. In short, they include activities we call Waste to Chemicals (W2C). The principles and technologies used in this project represent a way allowing us to use waste sources as raw materials for chemical production. Hence, using waste sources is becoming an effective way to substantially improve the management of limited natural resources, reduce landfilling and use waste in energy, contribute to the transition from linear economic models to circular models, and a way to increase self-sufficiency related to raw materials within **RePower EU***. The project aims to build a comprehensive technology solution for using mainly plastic waste and the plastic component of municipal waste from the separated collection. As part of the next stage, we will focus on municipal waste as a whole to produce chemical substances. We continually enter into memoranda of cooperation with some towns and municipalities, especially in the Ústí Region. The planned cooperation also concerns the collection of used cooking oil from which biofuels can be made. Together, we are setting the process of advanced utilisation of waste raw materials as raw materials for petrochemical production, thus contributing to increasing the Czech Republic's self-sufficiency in raw materials.

6.8 DIGITALISATION

Digital technologies penetrate all areas of human life. Each new operator must be able to learn to work with innovative technologies. To be able to enable smart maintenance at the **new Litvínov unit producing dicyclopentadiene**  a crucial raw material for making resins, we had to train operators at a newly installed simulator in the Training Centre first. The entire know-how, including the mathematical model, was devised by our experienced experts. Operator training was performed using a digital twin. It is a model of the actual production unit. Yet, it is not only a simulation. It precisely replicates the real system's functioning and behaviour. It allows end-to-end and detailed training for controlling and managing the entire technology. Operator training is also significantly accelerated by virtual reality, the control system's simulator, and other digital widgets. Besides the training simulator, the entire DCPD unit is equipped with state-of-the-art measurement and regulation (M&R) elements. Operators can control the operations remotely using special tablets. It makes the whole production process much easier. We want to use state-of-the-art technologies as much as possible to increase efficiency, safety, and quality of production. Thus, we will speed up technological efforts, save time and energy, and cut production costs. All of this will have a positive impact on the environment.

6.9 EMISSIONS INTO THE ENVIRONMENT

We have stabilised pollutant emissions into the environment over the past five years thanks to massive environmental investments made in the previous decade. Individual emissions into the elements of the environment are described in the following chapters.

* REPower EU is a European Commission plan of how to make Europe independent of Russian fossil fuels before 2030 due to Russia's invasion of Ukraine. 85% of Europeans believe that the EU should reduce its dependence on Russian gas and oil and thus support Ukraine.

WASTEWATER DISCHARGE

The amount of wastewater we discharge corresponds to the long-term average of the discharged amount partially affected by the precipitation amount. The pollutant concentration in wastewater has been steady over a long term, and the pollutant amount is directly proportional to the discharged wastewater amount. The 2022 values were not much different from previous years. In 2013–2015, we conducted an extensive refurbishment of the wastewater treatment plant (WWTP) in the Kralupy Refinery. When assessing the 2022 results, we met all operational limits and conditions. Spolana reports steady levels except for mercury, where the discharged amount went significantly down. At Paramo, they saw a moderate pollution increase due to the changed mode in operating the system of reporting surface water collection, the intensive production of oxidised asphalts and a smaller share of fluxing water. When evaluating our filling stations, we did not register any exceeded parameters.

OVERVIEW OF CONTAMINATION DISCHARGED INTO WASTEWATER (T/YEAR)

	INDICATOR	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	BIOCHEMICAL OXYGEN CONSUMPTION	110	82	62	81	88
	CHEMICAL OXYGEN CONSUMPTION	866	789	771	764	733
	HAZARDOUS SUBSTANCES	312	268	140	178	179
	OIL SUBSTANCES	1.9	3.3	2.3	1.7	4.4

WASTE MANAGEMENT

In 2022, the amount of waste produced was lower than in the previous years. At the Kralupy Refinery, we saw a moderate increase in waste production due to a technology shutdown. Paramo reported lower waste production. The higher hazardous waste production at Spolana was caused by the decommissioning, decontamination, and gradual disassembly of selected technological entities of the former amalgam electrolysis operations and disposal of metal waste.

WASTE PRODUCTION (T/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	19,790	21,264	28,859	23,997	21,145

WASTE PRODUCTION - HAZARDOUS WASTE ONLY (T/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	4,144	5,152	6,367	5,335	4,469

AIR PROTECTION

The total emissions were similar to the previous years. The Litvínov Refinery reported a substantial reduction of sulphur dioxide thanks to the maximum utilisation of technologies for reducing SO_x at the T700 heating plant. The steam cracker saw higher NO_x emissions due to more intensive boiler operations. Paramo boilers burnt natural gas and fuel oil for some months. We ensured the overall reduction in the emitted air pollution by terminating or significantly limiting the operation of incineration sources. At Spolana, we ended the operation of coal-fired boilers, thus substantially reducing emissions.

POLLUTION EMITTED INTO THE AIR (T/YEAR)

	INDICATOR	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	NOX	3,487	3,168	2,763	2,709	2,798
	SULPHUR DIOXIDE	5,352	4,122	3,073	4,020.9	3,195.35
	SOLID SUBSTANCES	107.3	107.5	121.4	72.3	55.7
	VOLATILE ORGANIC SUBSTANCES	540	481	438	439	356.7

CO₂ EMISSIONS AND GHG EMISSION ALLOWANCE TRADING

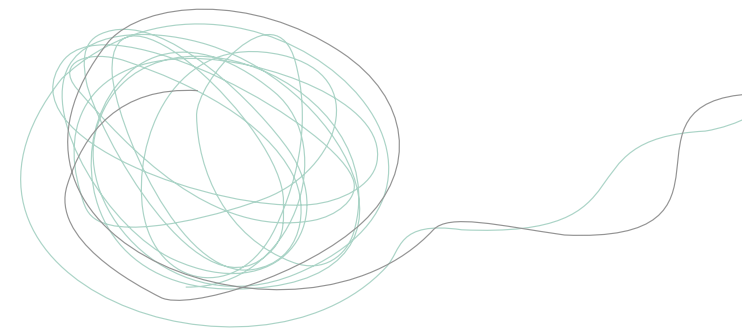
Based on the emissions calculations for 2022, we can say the assigned annual amount covers about 40% of annual emissions. We address the EUA deficit with our parent company, PKN ORLEN, responsible for all EUA trading. We were assigned available allowances after the value updates and audit of operating data. Compared to the previous years, Paramo recorded a lower production of CO₂ emissions due to terminated operation of production units. Spolana has substantially reduced CO₂ emissions since 2020 due to the terminated operation of coal-fired boilers.

ALLOCATION OF FREE ALLOWANCES (THOUSANDS OF PCS) REAL EMISSIONS (KT/YEAR)	ORLEN UNIPETROL GROUP
TOTAL ALLOCATION FOR THE YEARS 2021-2025	8,460
2021: REAL CO ₂ EMISSIONS	4,365
2022: REAL CO ₂ EMISSIONS	4,250

OTHER GREENHOUSE GASES

We operate production facilities in accordance with the requirements for our planet's ozone layer protection and valid international treaties and conventions. We replaced cooling media with environmentally friendlier fills in the previous years.

6.10 MANAGEMENT OF PRIMARY SOURCES OF RAW MATERIALS AND ENERGY



In savings of primary sources of raw materials and energy, we use sustainable development principles and focus on innovative procedures resulting in optimised energy and material inputs. We enforce improved environmental performance and increased energy efficiency. We continuously monitor steam leakages at all production units and monitor the leaks through piping valves. We execute a large part of these activities through investment projects. At the same time, we launch digitalisation, which also contributes to optimised energy utilisation. **Last year, we continued the project of a new steam-and-gas heating plant, which means a shift from coal. Combined with the latest technologies, it will contribute to significantly reducing the emission production and release into the air.**

We continue advanced production control (APC) methods at the T700 heating plant, which will substantially contribute to enhanced operations and primary raw material savings, especially lignite. The system focuses on the incineration process and its optimisation.

For proper energy consumption and utilisation, we use the Visual MESA tool on a daily basis. This system allows us to use all energy sources across the entire Chempark Záluží site, from energy generation at the T700 heating plant to consumption at all production units. The created model assesses all operated technologies as a whole and seeks an optimal solution within the entire site. It also makes it possible to identify other suggestions to improve the process. In innovative projects, we continue preparing to use low-energy waste heat. In 2022, we completed the creation of project documentation.

We continue the project of energy utilisation of medium-pressure steam at the steam cracker. We also look into the possibilities of installing a circuit for heat recovery, the Organic Rankin Cycle (ORC). In case of positive outcomes, we will develop these projects further to the implementation stage and be involved in pilot installations.

Our sites regularly monitor energy consumption and continuously install meters capable of detecting any anomalies faster. We gradually replace old lights with new, low-energy ones and install energy-efficient equipment.

We implement activities that reduce steam consumption for product- and pumping route heating. We minimise heat losses in piping and install thermal insulation at selected tanks. We install new feeding pumps wherever possible. To ensure electricity distribution's reliability and safety, we started renovating substations at Paramo.

At Spolana, we installed a humidity analyser for the cracking furnace to reduce the energy intensity of heat energy generation and approved new gas boiler houses. We want to substantially upgrade the production of sulphuric acid by 2026. Last year, we started by processing critical documentation to modernise polyvinylchloride production with significant savings of heat generated from natural gas and electricity. We also prepared the collection of supporting documentation to innovate the wastewater treatment plant.

In transport, we focus on optimising fuel, electricity, technology and heat steam consumption. We have modernised the locomotive fleet, thus reducing the emission load. We installed electric meters on prime movers, which also measure recovery. Thanks to locomotives, 1.471 MWh of electricity was returned to the distribution system in 2022. We continuously adapt sidings and install energy-saving lights and electric eyes on the yard's lighting towers.

WATER CONSUMPTION (MILLION M³/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	36.8	36.8	30.4	32.4	32.6

ENERGY CONSUMPTION (THOUSANDS TJ/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	30.1	30.6	26.63	30.80	29.08

6.11 ENVIRONMENTAL INVESTMENTS

Our environmental investments follow the legislative requirements for environmental protection that are closely associated with applying integrated prevention of pollution in practice or a significant positive impact on the environment.

CAPITAL EXPENDITURE ON ENVIRONMENTAL PROTECTION (CZK MIL/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	718	770	490	364	599.4

6.12 ENVIRONMENTAL OPERATING EXPENSES

The costs associated with operating facilities for air protection, wastewater cleaning, waste management, operation of environmental management systems, monitoring of substances discharged into the elements of the environment, environmental impact assessment (EIA process), integrated pollution prevention, and other related environmental activities are designated as environmental operating expenses.

Newly installed state-of-the-art technologies with a high degree of raw material conversion, a lower volume of waste and high energy efficiency have resulted in the overall reduction of environmental operating expenses compared to the previous decade. The environmental operating expenses have been more or less stable in the past decade.

OPERATING EXPENSES RELATED TO ENVIRONMENTAL PROTECTION (CZK MIL/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	767	862	855	909	944.6

6.13 TOTAL COSTS OF ENVIRONMENTAL PROTECTION

The total costs of environmental protection in our Group include the costs of environmental investment, operating expenses related to environmental protection, costs of decontaminating environmental damages, and fees for air pollution, wastewater discharge, waste landfilling, creating a reserve for landfill reclamation, and compensation for damages caused by polluting matters in forests.

FEES AND PAYMENTS FOR POLLUTING THE ENVIRONMENT (CZK MIL/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	30	22	26	24	22.6

TOTAL COSTS OF ENVIRONMENTAL PROTECTION (CZK MIL/YEAR)

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	1,871	2,251	1,986	1,686	2,065




6.14 CHEMICAL SAFETY


Our company produces or uses chemical substances and mixtures in accordance with applicable legislation. We devote significant attention to communication in supplier and customer chains. We process safety data sheets for the products displaying hazardous qualities and provide these data sheets free of charge to all customers and our employees at specific locations. We maintain updated documentation in our software application, in which we process information for registered and notified substances. We monitor and apply changes resulting from specified processes associated with the registration and classification of chemical substances and reflect them in safety data sheet updates.

We continuously monitor the management of chemical substances and mixtures, from raw materials to end products and ensure compliance with valid laws and regulations, including internal and external testing and subsequent publication of statutory statements and declarations for specific applications of selected products, e.g., for contact with food, drinking water, medical use, etc. We provide customer services, including detailed information about product qualities in relation to their specific use.

We are subject to the international UN inspection focused on checking compliance with the commitments in the Chemical Weapons Convention. The checks conducted by state authorities and international inspections to date have always proved that we meet this Convention's commitments.

All detailed information about chemical substances, their permits and registrations last year is available in the [Joint Report for 2022](#)  on occupational health and safety and environmental protection on our website.

OPERATION CLEAN SWEEP

Another step towards implementing our strategy on environmental protection and circular economy principles involves signing the international declaration, [Operation Clean Sweep](#)  (OCS). Based on this declaration, we have applied the programme's principles focused on preventing plastic leaks into the environment coordinated by the European association [PlasticsEurope](#)*. By continuously improving and upgrading production activities, we strive to minimise our activities' impact on the environment. We assume responsibility for preventing plastic expansion into the environment and join a significant global activity that allows us to take additional pivotal steps on our path to sustainability. The international OCS project reacts to the adverse development in the environment's pollution with plastics. The project aims to prevent leaks of plastic particles of all sizes into the environment throughout the entire production lifecycle. The OCS programme provides businesses active in the plastic industry with instructions and measures to mitigate the risk of leaks into the environment during standard handling and in any emergencies, at any time during processing or transport. By signing the declaration on accessing the OCS programme, we are committed to adopting effective measures and control mechanisms to prevent plastic leaks in the form of pellets, powder, or dust into the environment. We have implemented the OCS programme principles in all production, operating, and logistics activities where we work with plastics. We also include them in the implementation of all new investment projects.

*The organisation committed to ensuring that plastics continue to provide the necessary social benefits and minimise their environmental impact. It includes the support of the EU's Green Deal and ambitions related to climate neutrality and the Paris climate agreement.

6.15 PROJECTS RELATED TO NATURE CONSERVATION

Natural capital includes natural resources contributing to people's welfare, societal and economic development. Thus, we accentuate the significance of environmental protection and our behaviour towards the ecosystem. Our sustainability requirements for using safe and proper technologies are a natural part of our strategy. We cooperate with local communities and regional authorities regarding life in the towns, especially with local inhabitants, to learn more about their needs. We understand their expectations regarding the environmental behaviour on our part. We participate in educational and awareness-raising projects on the environment or initiate them.

STOCKING BÍLINA AND ELBE WITH FISH

We show that the time when our production sites and their surroundings were referred to as polluted areas are a matter of the past. Nature around our production premises thrives. We create long-term projects focused on the environment, such as care for waste management. We care for the rivers Bílina and Elbe every year. Although Bílina runs through the Czech Republic's most industrial area, its water pureness has significantly improved in the past decades.

We support the Czech Anglers' Union, with which we have organised fish releases since 2010. Together, we manage to increase the fish population's diversity in both rivers.

During the fish-stocking of the Bílina in 2022, we released about 600 kg of various fish species, for which the river represents the natural environment. The white fish prevail, including the roach, rudd, bream or spindle. We are also one of the founding members of the [Environmental Centre in Most](#), which initiates public awareness activities and informs the public about what is going on in our Záluží production plant in Litvínov. The centre is also involved in our other activities. For instance, it prepares a competition and educational programme for children participating in stocking the Bílina with fish.



[Releasing fish into the Bílina | Spring 2022 - YouTube](#) ▶

[Stocking the Elbe with fish continues! - YouTube](#) ▶

At Spolana, we have been releasing fish into the Elbe for eight years. We cooperate with local anglers and invite schoolchildren from local primary schools. **In 2022, we released nearly one tonne of fish into the Elbe.** We also engage the [Environmental Centre in Kralupy nad Vltavou](#). Hence, the children get broader information, and the trip to the river is fun for them and raises their interest in the environment. The best thing about this engagement is the perfect condition of the fish population, which is proved by the results of the regular water cleanliness monitoring in the vicinity. The thriving of fish is also attested by the laboratory test results saying the discharged water is all right. Among other things, it is confirmed by the appearance of Eurasian otter, European teal, common kingfisher, or common trout, which are very sensitive to the quality of the environment. Spolana's final sedimentation tanks have become a sought-after shelter for many animals, and ornithologists even organise cognitive walks for waterfowl fans. We release fish into both rivers twice per year – in spring and autumn. **In 2022, our corporate programme helped release 1.6 tonnes of fish into the Elbe and Bílina, worth approximately CZK 120,000.**

PEREGRINE FALCON NESTING

The peregrine falcon is one of the endangered species. It lives up to 20 years and returns to the popular nesting sites all life long. The bird has been at the centre of human interest since the Middle Ages because they were used in falconry. On the one hand, it has brought them respect, recognition, and protection. Still, on the other hand, it was also endangered because people took chicks for falconry purposes. That is also why we pay major attention to this species. These raptors use safe nesting sites at the chemical plants in Litvínov, where we have two nesting boxes at the 100-meter height. The first box is on the heating plant's chimney, and the other is on the steam cracker's chimney since 2011. Peregrine nests are monitored by an online camera, and those interested can watch them live at www.starameseosokoly.cz. Besides the online broadcast, the website also contains photo and video galleries of the most interesting events from the peregrine nesting. Each spring, our employees and **ALKA Wildlife** ornithologists check and clean the boxes on the chimneys. Besides the Litvínov site, peregrine falcons also favour the chimneys at the Kralupy Refinery and Spolana Neratovice.



BEEES AT SPOLANA

Thanks to the Elbe, the area around Spolana Neratovice is rich in varied fauna and flora. The idea of keeping bees in the original chocolate and saccharine production location quickly got a footing in 2018. The excited employees and local beekeepers currently care for ten colonies. Nice and sunny weather sets the vegetation around beehives well. To collect wort for 1 kg of honey, the bee must come to the hive up to 15,000 times, i.e., fly 360,000 to 460,000 kilometres! By the way, this distance is 11 times longer than the equator. That means being diligent as a bee is not only an empty phrase. In 2022, beekeepers harvested about 80 kg of floral honey from the hives located on Spolana premises, which was 20 kg more than in the previous years. Honey from Spolana meets both standards according to expert tests of the Bee Research Institute and is regularly awarded the gold medal of top quality in the Czech Honey competition. Its quality is also a reliable indicator of the environmental cleanliness of the site and its vicinity. **Enthusiasts at Spolana have been keeping bees** for six years. Honey harvesting is always attended by primary school pupils, thus experiencing non-traditional forms of instruction. Honey harvesting at Spolana is the highlight of the year-long efforts of all bee enthusiasts who are as diligent as our bees at Spolana.

[Honey harvesting 2022 | Spolana Neratovice - YouTube](#)

LET'S TALK ABOUT IT

We give ourselves to activities that explain the actual sustainable future. We highlight the topics that are attractive for producers, consumers, and individuals. We have created the project entitled **Let's talk about it** (LTAI), to explain the complexities associated with the changes heading to the circular economy and their expected impact on the supplier chain. We open discussion, offer possible solutions, and provide space for it. The programme is hosted by Dr Michael Londesborough, a British scientist and researcher at the Institute of Inorganic Chemistry of the Czech Academy of Science in Řež. Besides recorded interviews with our guests, LTAI also inspires with supporting articles, recommended readings and mediates debate with other programme fans.



social segment

3 HEALTH AND HIGH-QUALITY LIFE



4 HIGH-QUALITY EDUCATION



7 SOCIAL SEGMENT



Our aim is to consider social and environmental issues arising from our business activities. We build and develop our company responsibly and sustainably in accordance with the ESG plan.

We systematically choose activities that reinforce our ambitions related to sustainable development. We constantly realise the significance of our cooperation with partners and our ability to impact our surroundings actively. Environmental issues and societal interests are an integral part of our everyday activities. All this forms the basis of our sustainability strategy, comprising four fundamental pillars:

- EDUCATION
- THE ENVIRONMENT
- LOCAL COMMUNITIES
- EMPLOYEES

In 2022, our support included:

EDUCATION

 <p>CZK 4 MILLION FOR 65 STUDENTS, 38 SCHOOLS AND 18 TEACHERS</p>	 <p>58 SCHOOLS RECEIVED PLASTÍK A JEHO KOUZELNÝ KUFŘÍK</p>
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THE ENVIRONMENT

 <p>1 CHICK OF PEREGRINE FALCON</p>	 <p>GOLD MEDAL IN THE CZECH HONEY COMPETITION FOR SPOLANA</p>
 <p>1,6 TONNES OF NEW FISH TO BÍLINA AND ELBE</p>	 <p>AMONG TOP 20 IN THE COMPETITION FOR RESPONSIBLE COMPANY IN CR</p>



TOP CSR ACTIVITIES 2022



CZK 25.2 MILION
FOR CSR
PROJECTS AND
ACTIVITIES

204
SUPPORTED
PROJECTS

LOCAL COMMUNITIES

 <p>27 TOWNS AND MUNICIPALITIES RECEIVED CZK 3.2M IN DONATIONS FROM US</p>	 <p>7 ORGANISATIONS RECEIVED CZK 505,000 IN THE EMPLOYEE COLLECTION, "FULFILLED WISHES"</p>
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EMPLOYEES

 <p>EMPLOYEE SATISFACTION SURVEY EVERYONE CAN HAVE A SAY</p>	
 <p>3RD PLACE THE BEST EMPLOYER IN CR</p>	 <p>PARTICIPATION OF EMPLOYEES IN VOLUNTEER DAYS IN 6 LOCATIONS</p>

7.1 ACCESS TO DONATIONS

We are involved in charitable activities through financial or material donations. In 2022, our monetary donations totalled CZK 18.1 million.

Health and safety in the regions where we operate are our top priority. It is important to us that people can contact us at any time and give us feedback. We understand their expectations of our approach and behaviour. Only respecting collaboration with local groups can play a material role for our short- and long-term projects to be successful. We must understand priorities and address the concerns that people may have. As part of our responsibility towards stakeholders, we consider the needs and specifics of local communities, participation in solving their problems, creating and maintaining employment, respect for the environment, and last but not least, the involvement in financial investments improving the quality of life of the locals. In the regions where we operate, we respect local ways and specifics requiring close cooperation. We are involved in discussions with all partners. We regularly organise joint meetings with the representatives of towns and municipalities near our production plants and provide them with comprehensive information.

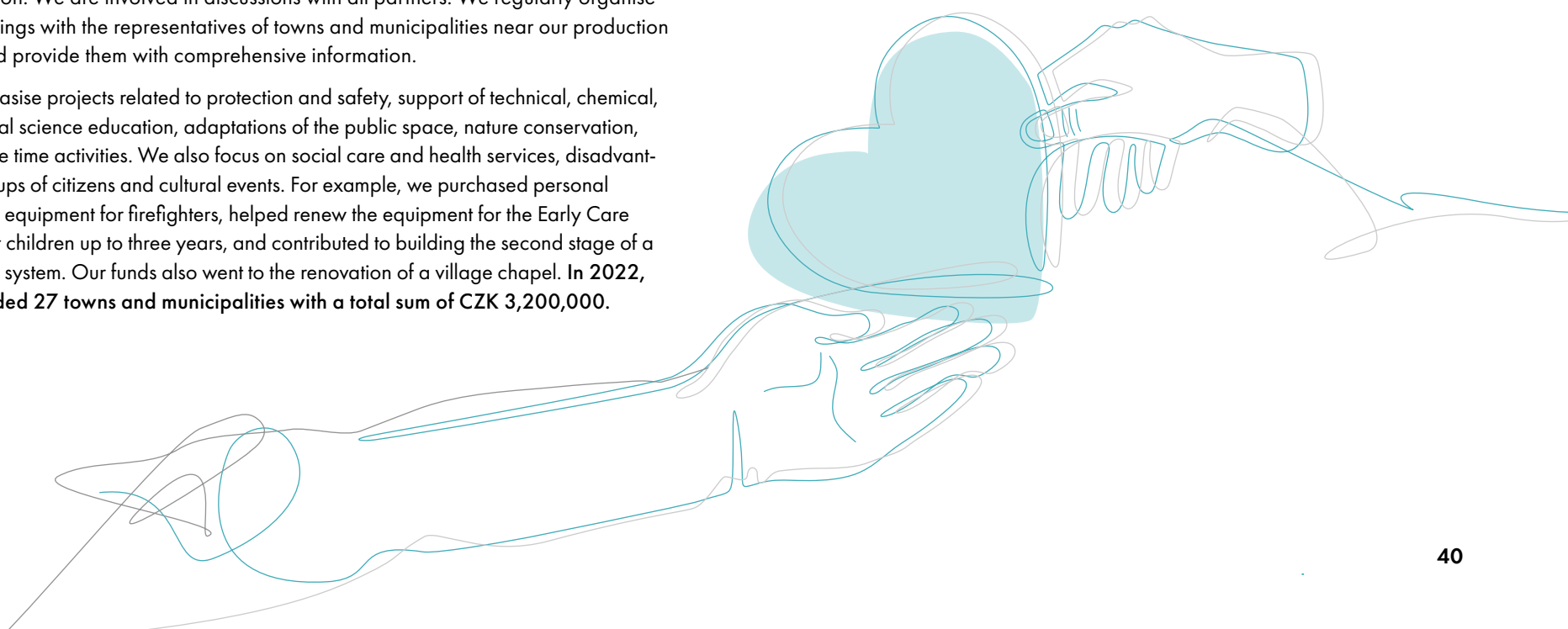
We emphasise projects related to protection and safety, support of technical, chemical, and natural science education, adaptations of the public space, nature conservation, and leisure time activities. We also focus on social care and health services, disadvantaged groups of citizens and cultural events. For example, we purchased personal protective equipment for firefighters, helped renew the equipment for the Early Care Centre for children up to three years, and contributed to building the second stage of a sewerage system. Our funds also went to the renovation of a village chapel. In 2022, we provided 27 towns and municipalities with a total sum of CZK 3,200,000.

7.2 ORLEN UNIPETROL TO PEOPLE

We launched a campaign for a better town in February 2022. Together with the towns of Kralupy nad Vltavou and Veltrusy, we prepared proposals to improve the residential areas' surroundings. Inhabitants of each town chose one project to be funded by ORLEN Unipetrol and implemented by the respective town. **An outdoor gym won in Kralupy nad Vltavou and an expanded children's playground in Mikovice.** It was built and started to be used in the autumn of 2022. The inhabitants of Veltrusy chose the construction of a **children's playground and outdoor gym** in the park behind the cemetery.

ORLEN Unipetrol contributed CZK 1 million to implement each project.

[ORLEN Unipetrol to People | Responsible Company Project](#)



7.3 FULFILLED WISHES - COOPERATION WITH NON-PROFIT ORGANISATIONS AND INSTITUTIONS

Experts and motivated professionals among inhabitants are a valuable source of inspiration for our subsequent help. They help us get to the merit of the thing. Together, we can focus on activities with a positive social impact. We co-shape opportunities for specific projects, learn more about people's needs, build trust and strive for a positive change at the local level. For example, this collaboration helped create new jobs for disabled people in a closing room; we purchased a special computer for disabled people, purchased didactic aids and, last but not least, provided scholarships to students from socially weak families. We fulfil these needs through a **charity collection among employees, Fulfilled Wishes**. In 2022, it was held for the 12th time. This traditional collection helps non-profit organisations that care for those in need. **In 2022, our employees helped fulfil the wishes of clients from non-profit organisations with CZK 253,000.** The yields were distributed among seven non-profit organisations in six locations where the ORLEN Unipetrol Group is active. Each employee chooses an organisation for their donation – they choose an area close to them. Then, the ORLEN Unipetrol Group matches each sum donated. **In the collection at the turn of 2021/2022, we and our employees contributed over CZK 505,000 to non-profit organisations.**



7.4 CZECH-POLISH PROJECTS

We seek to support Czech-Polish relations over the long term based on trust, meaningful interests, and open communication. We devote our attention to cultural development and support activities that cement the partnership between these two countries. Also, we strive to ensure stability through collaboration. In 2022, we honoured the memory at the memorial of Ryszard Siewiec, who was the first to burn himself in protest against the occupation by the Warsaw Treaty troops. The father of five succumbed to his injuries on 12 September 1968. The event took place at the memorial in Siwiewcova Street, near the Institute for the Study of Totalitarian Regimes in Prague. This event also presented a mural – a large-format painting by visual artist Ondřej Vyhnánek thanks to ORLEN Unipetrol's financial support. This large-format painting was initiated by the **Polish Institute in Prague**. The **Polish Day in the gardens of the Embassy of the Republic of Poland** was held in June. Each year, it offers a unique opportunity to visit the picturesque Fürstenberg Gardens located under Prague Castle, which are not open to the public under normal circumstances. Representatives of Polish regions provide visitors with information about the most interesting sights in Poland. This time, the Polish Day presented the cities of Lodz, Wroclaw, Lower Silesian and Holy Cross Voivodships. The traditional "Kravařský odpust" (Kravaře Feast) was another event that we supported together with the **Consulate General of the Republic of Poland in Ostrava**. It is more than a 100-year-old tradition paying tribute to the patron of the local parish cathedral of St. Bartholomew. The programme also hosted a stand entitled "Chemistry Is Fun". We demonstrated various ways of making chemistry fun thanks to experiments focused on fuels, refining products, and plastics.

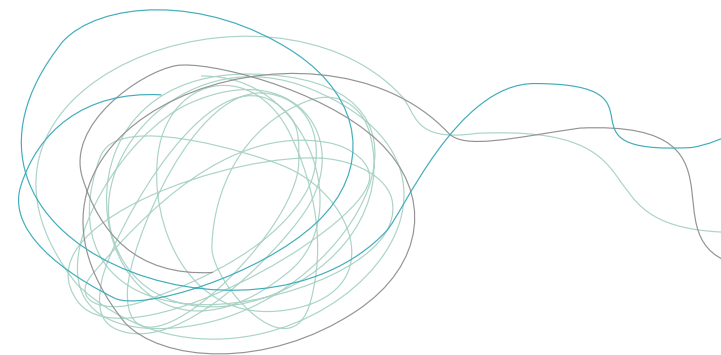
7.5 ENVIRONMENTAL CENTRES IN MOST AND KRALUPY NAD VLTAVOU

Environmental education and awareness-raising events enjoy a crucial position in our activities. [The environmental centre for Most](#) 🖱️ is an expert division of the Research Institute for Lignite in Most, and we were one of its founding members. In 2006, the Centre expanded its activities to the Central Bohemian Region through the [Environmental centre Kralupy nad Vltavou](#) 🖱️. In their work, the centres focus primarily on children and youth. They offer environmental instruction programmes for schools and various events for the public. They are involved in many publication and promotional activities. In cooperation with our Group, they are involved in releasing fish into the rivers Bílina and Elbe; they help distribute 'Plastikův kouzelný kufřík' to schools (for details, see Chapter 7.7.2) and last but not least, they organise educational activities and were involved in updating the interactive programme, [The path to the secrets of oil](#) 🖱️, in 2022, promoted by the ORLEN Unipetrol Foundation at schools as a didactic aid.

7.6 VOLUNTEERING

We are proud of our employees who help and welcome the help of everyone creating both high-quality professional work and the value characterised by the time spent by human interest in others. It is unselfish voluntary help. With our philanthropic activities, we could:

- HELP MORE THAN 40 LOCAL ORGANISATIONS
- ENGAGE 253 EMPLOYEES
- SPEND 2,770 HOURS ON VOLUNTEERING EVENTS



KOMUNITA

The volunteering platform, komUNIta (commUNItY) was devised by ORLEN Unipetrol employees. It has been used for their volunteering activities since the summer of 2020. Each employee can get a financial donation for their volunteer project for a selected organisation. Thus, they can support the non-profit organisation and various sports, interest, and educational associations, schools, and kindergartens. The funds may be allocated to diverse activities such as repairing benches in a park, painting and cleaning premises in the selected organisation, mowing grass, planting trees, or organising an event for children or senior citizens. komUNIta was launched only with a few projects in 2020. Still, the number of projects increased, and volunteering in our organisation made a big leap forward in 2022. Volunteer projects were highly varied. For instance, they provided an **educational house** for a primary school or supported **the nationwide meeting of water scouts, Navigamus**. The 'We can give joy' project gave joy to seniors in a nursing home. The project entitled 'Become a little artist' was also successful. It was an intergeneration Christmas performance of two generations – children and seniors. We also provided an **outdoor classroom for children, a roof for trainers, a children's playground, PE lessons for kindergartens, and equipment for a starting club**. We also helped create the **Garden of Friendship** and many other inspiring projects.

In 2022, the highest number of employees joined komUNIta since its launch. The number of hours worked nearly tripled to 1,470 hours of volunteer work for others! We managed to implement 46 projects, up by 84% compared to the previous year. A total of 73 engaged volunteers helped 36 entities, which used up the entire allocated budget of CZK 1 million.

[komUNIta in 2022 - YouTube](#) ▶

VOLUNTEER DAYS

The desire to help, show respect and roll up shirt sleeves – that is what connects our employees during volunteer days. We regularly follow this tradition, which has been one of ORLEN Unipetrol’s principles for many years. Participation in volunteer days allows our employees to show their fondness for a selected organisation, a possibility of self-realisation, and contribute by providing a helping hand. They have exceptional conditions for it because they can become a part of a unique community and deep dive into work for another organisation for one day. Each spring, we announce one volunteer day in all locations where we operate. Each employee can choose one date in the location and non-profit organisation that suits them best. To thank them for their support and work for someone else, we always establish close contact with the given organisation. It is no accident that the same people regularly sign up for individual organisations. They want to know about the well-being of children in the children’s home or how vegetation in the castle park grows. In 2022, our employees could choose from eight organisations, which the employees joined for one day and looked into the backstage of the non-profit organisations’ work. **In 2022, 180 volunteers met at eight volunteer projects in seven locations across the Czech Republic.**



[Volunteer days 2022 - YouTube](#)

NUMBER OF EMPLOYEES INVOLVED		2021	2022
	KOMUNITA EMPLOYEE VOLUNTEER ACTIVITIES, FINANCIALLY SUPPORTED BY THE EMPLOYER	41	73
	FULFILLED WISHES THE EMPLOYER MATCHES THE YIELDS AND DELIVERS THEM TO SELECTED NON-PROFIT ORGANISATIONS.	236	256
	VOLUNTEER DAYS EMPLOYEES HELP IN SELECTED ORGANISATIONS, E.G., SPRING PARK CLEANING, CLEANING THE BANKS OF A POND, MAKING DIDACTIC AIDS, PAINTING ROOMS, ETC.	139	180

7.7 ORLEN UNIPETROL FOUNDATION

GRANTS AND SCHOLARSHIPS

The ORLEN Unipetrol Foundation launched its activities in 2017. Its primary mission is to support education and popularise science, especially natural and technical disciplines. The modern world draws from the network of scientific discoveries. Even the smallest discovery in one part of the globe can accelerate another. We wish to make science available and understandable and help build it as successive chains in the innovation cycle. Our children will inherit this world and must be ready for future challenges. With our support, we guide the younger generation to education in chemistry. Thus, they can test various ways of problem-solving options, which may, in the upshot, help them get ready for challenges in life.

SCHOLARSHIP PROGRAMME

The scholarship programme is intended for secondary school and university students with excellent study results and talents in natural sciences with an emphasis on chemistry and technology. The study results are the main, yet not the only, criterion for getting financial support. We put emphasis on how the students spend their free time, whether they are actively engaged in society and scientific activities. **In 2022, our Foundation presented scholarships worth CZK 815,000 to 44 secondary school and university students to support their education. It also supported four talented students of the youth team of HC VERVA Litvínov with CZK 80,000.**

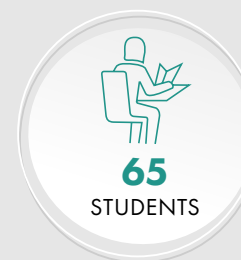
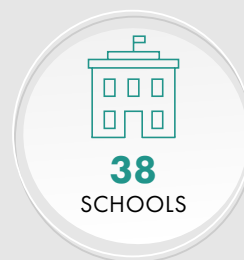
GRANT PROGRAMME FOR SCHOOLS

We support schools and education for the fifth consecutive year. This programme is designed for kindergartens, primary and secondary schools to develop educational activities and implement attractive scientific projects. Thus, the grant can be used to purchase technical equipment or implement projects led by students within school clubs and workshops. The donations are used to equip chemical laboratories, organise research clubs or school projects associated with natural sciences. **In 2022, a total of 38 schools or institutions received CZK 2.3 million in school grants.**

GRANT PROGRAMME FOR TEACHERS

We appreciate teachers of natural sciences with an above-standard approach, who motivate their students to continuous interest in the study and are actively involved in continued self-learning to make lessons more attractive. **Through grants for teachers, we help deepen teachers' activities for the fourth year, thus allowing them to create new projects or clubs for children and encourage them to self-education in their fields. Last year, the Foundation rewarded 18 teachers with CZK 400,000 as part of the grant programme for teachers.**

IN **2022**
THE ORLEN UNIPETROL
FOUNDATION
DISTRIBUTED
CZK 4,000,000



SCIENTIFIC AND EDUCATIONAL PROJECTS, SCIENCE POPULARISATION

As part of the Foundation's support of education and related activities, many educational materials and instructive videos (tutorials) were created. They are available at www.nouonline.cz. Thus, students and teachers can find all documents well-arranged and divided into themes in one place.

PLASTÍK A JEHO KOUZELNÝ KUFŘÍK

The educational programme **Plastík a jeho kouzelný kufřík** is a unique project opening up the world of chemistry to children through entertaining experiments. It should arouse children's interest in natural sciences thanks to experiments with plastics. We bought this project's licence in Germany. In the Czech Republic, this programme is exclusively provided to selected schools by our Foundation. During this project, primary schools receive an educational package comprising a suitcase with an experimental set, workbooks for children, manuals for teachers, and other materials. **In 2022, our experimental suitcase was provided to 58 schools throughout the Czech Republic.**

[ORLEN Unipetrol Foundation - workshop Plastíkův kufřík - YouTube](#)

FLYING TEACHER

We help selected schools with chemistry lessons. Thus, we seek to comply with the wishes of the schools that lack a qualified chemistry teacher among their teaching staff. "Flying teachers" prepare attractive chemistry lessons with exciting experiments for pupils based on the given school's educational programme. The project was expanded to include Vividbooks. These digital textbooks help physics and chemistry teachers offer modern and meaningful instruction in scientific subjects in primary school. Children learn in a way inspiring them to be active during lessons – they discuss problems, look for the context, and learn to think about the world around them. The textbooks contain vivid animations, texts, a workbook, methodical inspiration for each lesson, and other valuable tools for instruction.

STUDENT SCIENTIFIC CONFERENCES

The ORLEN Unipetrol Foundation, University of Chemistry and Technology in Prague, ORLEN UniCRE and the ORLEN Unipetrol Group annually award the best secondary school students and their research projects as part of the Student Scientific Conference since 2015.

For secondary school students throughout the Czech Republic, they prepared a special competition focused on technical and natural sciences with a special emphasis on chemistry and engineering – Student Scientific Conference. **The awarded students received a financial scholarship in the seventh year of the conference.**

SUMMER WORKSHOPS FOR TEACHERS

The workshops aim to provide topics based on the school educational programme, how teachers can inspire schoolchildren even with minimum classroom equipment, and how to make lessons more fun and thus have happier students. **The workshop is always held in the summer. Last year, it was attended by 15 teachers.**

[ORLEN Unipetrol Foundation - Summer workshops for primary school and kindergarten teachers in the Training Centre - YouTube](#)

ELIXIR TO SCHOOLS

The Foundation is a partner of the chemistry centre that supports the development of technical and natural science education in Czechia through teachers and regional centres. The centres provide space for teachers in the regions to meet. Under the

leadership of an experienced colleague, they share their experience and learn from each other. The Elixir to Schools project was introduced by the Česká spořitelna Foundation. The new partner is also the Eduzměna Endowment Fund. The chemistry centres are formed in cooperation with the University of Chemistry and Technology in Prague, with which our Foundation collaborates on this project. **Last year, the Foundation provided CZK 90,000.**

HORIZON HYDROGEN GRAND PRIX

The Horizon Hydrogen GRAND PRIX instruction programme is based on project lessons. It provides students with insights and relevant scientific, technological, and engineering knowledge. The programme combines practical experiments with a flexible study plan. Thus, students get hands-on experience in building cooperation, presentation skills, project and team abilities, design, prototyping, and advanced production. The aim of the several months of student efforts is to build an electric car model powered by a hydrogen fuel cell and subsequently take part in a race. **The Foundation supports selected school teams in this programme each year with CZK 968,000.**

CHARITY ACTIVITIES

The ORLEN Unipetrol Foundation collaborates with many non-profit organisations. It also reacts to current events in society and emergencies, such as assistance provided after the tornado in South Moravia, support of firefighters fighting the extensive fire in the Bohemian Switzerland National Park or aid for war-affected Ukraine totalling CZK 4.5 million.

ORLEN UNIPETROL SPORTS CLUB

It has been seven years since we have supported our employees in motion. Together with them, we swap the kilometres of sports for financial support for non-profit organisations or people facing a challenging life or health situation. In 2022, our employees' sports activities managed to earn CZK 220,000 for charity. The sum was donated to six entities through our Foundation. A total of 253 Sports Club members joined the challenge. Besides running, walking, and cycling, we added new disciplines to the Sports Club portfolio last year, i.e., more employees can help. Last year, the original sports

portfolio was expanded to include rambling, cross-country skiing, downhill skiing, and indoor activities such as aerobic exercises, yoga lessons, and indoor and ball sports. The rules were the same for all disciplines. Employees recorded their motion activities in any app and sent a summary to the Sports Club email at the end of the month. With sports and motion activities that cannot be measured with a distance, they only send the time spent on the given activity. Each kilometre or minute of sporting helped a good cause. The Sports Club members choose which charities or people should receive financial support.

GRACEFUL RIDE

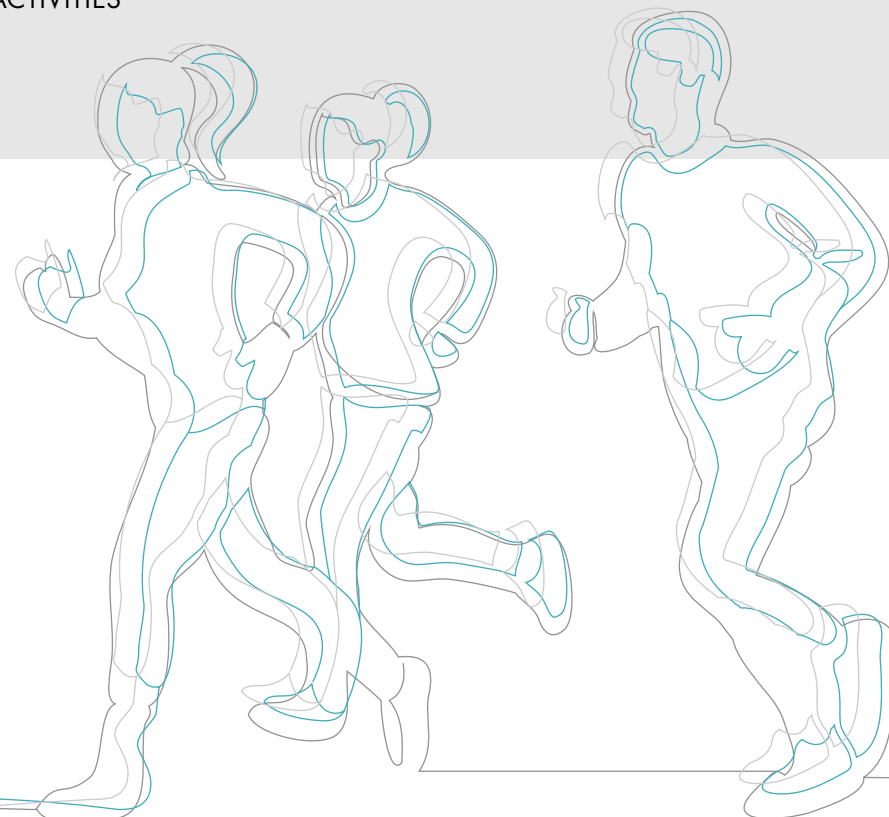
The Foundation organises the Graceful Ride charity together with the Uniriders motorbike club. The charity event always includes a financial collection to help a good cause, especially ill children. In 2022, the charity helped eight-year-old Štěpánka with CZK 100,000.

[Graceful Ride of ORLEN Unipetrol Foundation and Uniriders 2022](#)

[YouTube](#) 

IN 2022,
OUR EMPLOYEES RAISED
CZK 220,000
FOR CHARITABLE PURPOSES
THROUGH THEIR PHYSICAL
ACTIVITIES

253
SPORTS CLUB MEMBERS
JOINED THE
CHALLENGE



COMPETITIONS

AUTTALK ENDOWMENT FUND

Our Foundation provides funding for educational aids for children with autism. This year, we started cooperating with Kateřina Sokolová's endowment fund, AuTalk, which supports the education of children with autism. **We supported the endowment fund with CZK 150,000.**

ENDOWMENT FUND OF LIVIE KLAUSOVÁ AND VÁCLAV KLAUS

The Fund focuses on supporting the education of children and students from socially weak conditions. The Foundation contributes to scholarships for university students from socially weak conditions. **In 2022, the Foundation supported the Fund with CZK 255,000 for 17 students.**

BRIDGE TO HOPE — A LINE PROVIDING PSYCHOLOGICAL HELP

It is a nonstop anonymous psychological consulting phone line. **Our Foundation provides financial contributions to the consulting service's operations in the annual amount of CZK 30,000.**

KONTO NAŠEHO SRDCE HC VERVA LITVÍNOV

'Konto' is a charity project covering two accounts – a collection and a transparent account. It primarily supports children and youth where necessary. The supported areas include sports, health, schools, entertainment, culture, and generally beneficial projects. They encourage children to do sports, cooperate with children's homes, and support education or cultural projects. They also continue supporting para-ice hockey players and children with diabetes mellitus together with Dia Help Most. They prepare recovery stays and cooperate with retirement. **In 2022, the collected sum totalling CZK 742,000 helped 371 children and ill people.** In cooperation with the 'Nové Háro' association, three more children who lost their hair due to chemotherapy received a wig from true hair.

CHALLENGE FOR A CHEMIST

Spolana Neratovice and the secondary school in Slaný (Gymnázium Václava Třebízského), and the Central Bohemian firefighting unit organise a chemistry competition for eighth- and ninth graders at primary schools. It is called **Challenge for a Chemist**. The competition aims to raise curiosity, team spirit, and interest in the discipline of the future, which chemistry without question is. The competition has three rounds. Both the students and their school can win valuable prizes. In June 2022, the five best teams made it to the finals. The assignments focused on sharp-wittedness, general chemistry knowledge, and safe handling of chemicals. **The 'Ozoňáci' team from the Third Primary School in Neratovice won the competition in 2022.**

[Challenge for a Chemist 2022 | Spolana 13. 6. 2022 - YouTube](#)

A YOUNG CHEMIST

The Foundation supports the national chemistry competition, **We Look for the Best Young Chemist in CR**, organised by the Association of Chemical Industry, which enjoys broad interest. The competition starts at schools in September and continues with regional rounds. The regional finals choose the national finalists who demonstrate their knowledge on the premises of **the Faculty of Chemical Technology of the University of Pardubice**. Their theoretical knowledge is tested in writing, and practical knowledge in laboratory work. **The tenth annual national finals took place in June 2022 among 38 finalists from all regions. They put up their strengths in a test of theoretical knowledge and a laboratory test of practical skills.**

7.8 ATTRACTIVE EMPLOYER

ORLEN Unipetrol is aware that it is crucial to create a friendly and safe climate at work for its successful growth. We give our employees fair working conditions, support their development, and help them balance their personal, career, and social life. We want to contribute to employing people desiring to contribute to the positive development of the entire Group.

We respect diversity and provide everyone with equal opportunities and fair pay. We strive to build permanent and close relations with our employees. We prohibit any discrimination in employment relations. We adopt the fundamental principles of our daily cooperation based on equity, respect, dialogue, teamwork, and determination to create a corporate culture that will align with our corporate values. We make a working environment based on integrity, mutual respect, tolerance, and collaboration. We refuse any form of discrimination and bullying, including harassment, intimidation, or humiliation, and we are firmly determined always to intervene against such behaviour. We are against all forms of sexual harassment and are determined to proceed against them. We do not accept any offensive behaviour and comments.

All employee rights are embodied in our [Code of Conduct](#). We consistently comply with applicable labour laws. All our companies conclude collective agreements setting out individual employee requirements and specific conditions for collective relations in employment, wage, social, and OHS conditions.

As a recognition of the best practice in HR solutions and processes, we are among the best employers in the Czech Republic, which is also attested by the acknowledgements we received: 3rd place as the best employer in Czechia and 2nd place for the best employer in the Ústí Region.

RESPONSIBLE EMPLOYER

The ORLEN Unipetrol Group employs over 6,000 people we care intensively for. Our employees can choose from over **50 benefits** related to culture, sports, health and beauty, travelling, care for children, automotive, leisure time, etc.

For instance, we provide **regular medical checks**, meal vouchers, and discounts for ORLEN Benzina fuel cards. Employees get paid time off beyond the government regulation (child's birth, child's first school day). We also provide a financial contribution upon a child's birth or to the child's recreation/stays in nature. We make significant contributions to the Multisport card for employees. In benefits, we offer free family entrance to ZOO, Aquapalace Praha, and selected cultural facilities. We have agreed to above-standard care in hospitals throughout the Czech Republic. Employees can find an end-to-end list of benefits in a special brochure and on the intranet.

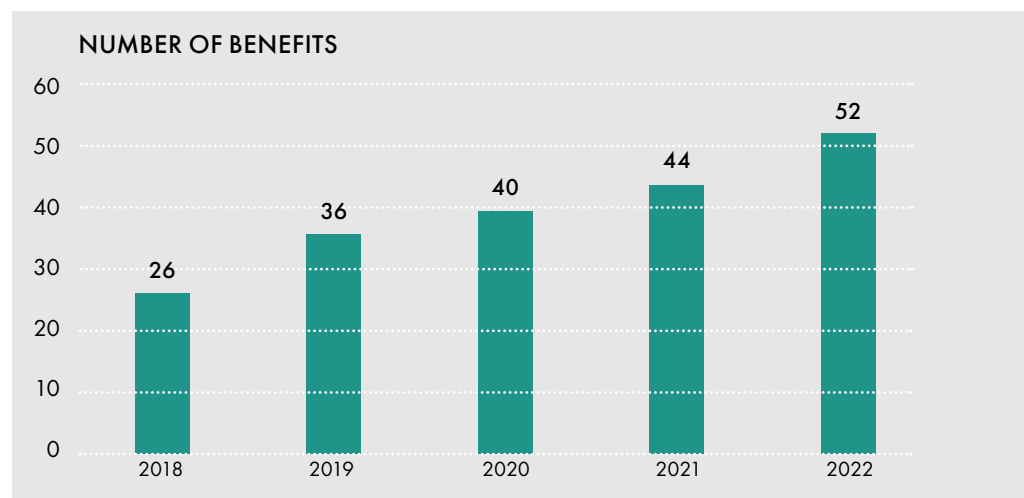
HEALTH PREVENTION SUPPORT	2021	2022
SPORTS/TEAM ACTIVITIES - SPORTS CLUB	250	290
RECOVERY STAYS FOR EMPLOYEES	25	61
ABOVE-STANDARD HEALTHCARE SERVICES	3,393	3,487
MEDICAL CONSULTATIONS	3,685	3,732
CONTRIBUTION TO ABOVE-STANDARD HOSPITAL CARE	3,773	4,451

Our weekly working hours are 37.5 hours. A flexible working hours model (3:2) could be used in 2022 where possible, i.e., employees could work from home three days per week. Considering the character of work, we enable even working hours, flexible working hours, unevenly scheduled working hours, and reduced working hours. Our employees are entitled to five weeks of holidays per year as a standard. Employees in nonstop operations get six weeks of holidays as compensation for harder working and living conditions. We provide a financial bonus for recommending a new colleague. We compensate for the day spent volunteering in a non-profit organisation as part of Volunteer Days. Through the ORLEN Unipetrol Foundation, we financially support and promote the phone line providing psychological counselling and run by the non-profit organisation, Most k naději. This non-profit organisation operates a nonstop anonymous line providing psychological help. We provide affected employees with immediate psychological assistance in case of any emergency. We regularly organise thematic training sessions and preventive programmes about burnout syndrome and setting a work-life balance.

The number of benefits provided to ORLEN Unipetrol Group employees keeps increasing. We seek to provide as wide an offer as possible, emphasising health, sports, and relaxation with family. We have an extensive benefits programme focused on self-care. For instance, we regularly hand out vitamin packages to everyone. We pay for above-standard rooms for our employees in hospitals throughout the Czech Republic and provide full reimbursement for recovery stays of our employees working with self-contained breathing apparatuses.

Other activities for employees:

- ORLEN Unipetrol Awards – we annually award the best employees nominated by other employees
- Karlovy Vary International Film Festival – we organise a competition for a stay at the festival for three employees and their guests
- Employee photo competition – the winning photographs are part of the corporate desk calendar
- We organise employee competitions on the intranet and in the corporate magazine GO!
- On 24 December, we give a gift package to employees in the shift
- We organise regular skating for employees and their families at the winter stadium of HC Verva Litvínov



EMPLOYEE SATISFACTION SURVEY

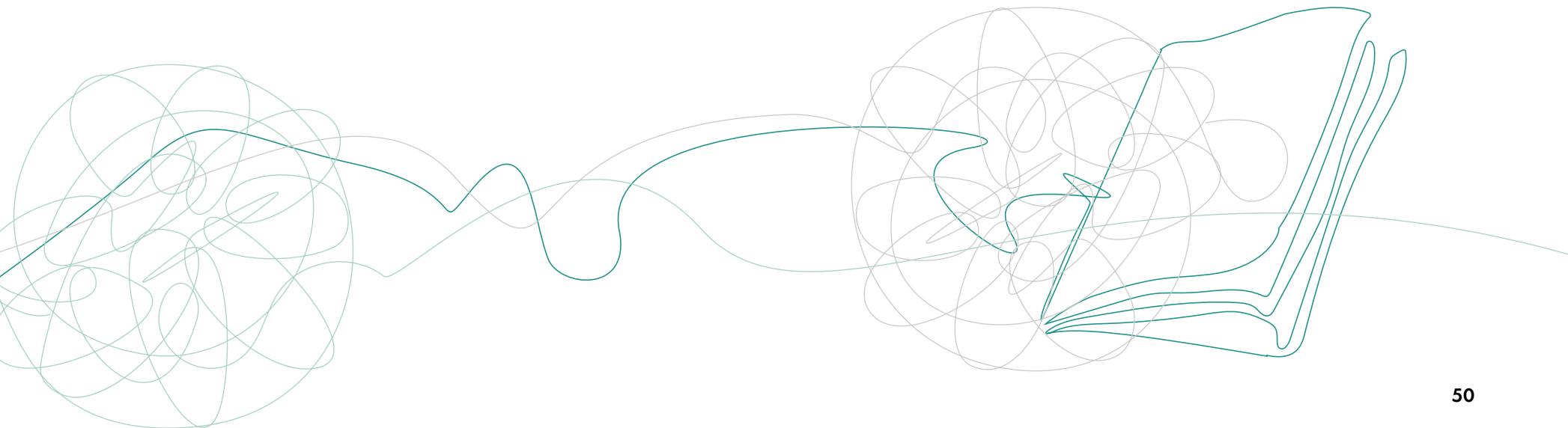
At the ORLEN Unipetrol Group, we wish and want each employee to have a say. Once in three years, we conduct employee surveys to find out about the employee climate and level of corporate culture. The most recent was held in September 2022. The previous one was in 2019. The actual employee involvement in completing and delivering the questionnaire was a success. The survey took place in September – online and in paper form. **More than 3,000 employees, i.e., 64%, joined the survey,** which is a representative result (over 60%) with which we can work. Compared to 2019, when only 36% of employees joined, we can see that our employees' will, willingness, determination, and readiness to express their opinion rose in 2022. After evaluating the survey, we informed our employees about its results. Then, we invited them to register in a working group that prepares draft activities and projects aimed to improve our employees' working life in the areas that pain them most, according to the survey. **Thus, we allow our employees both express their views in the survey and come up with their own suggestions, therefore being actively involved in changes through a web-based discussion forum, the IDEA innovation platform, and the corporate ombudsman.**

PAPERLESS OFFICE

Digital transformation helps streamline the entire Group's processes significantly. Considering nature conservation, especially forests and greenery, we appeal to our employees through the **'Print less, save trees'** campaign so they effectively reduce printing of corporate documents and work with electronic versions more. We want to be dependent on paper processes to the minimum extent possible and rely on digitised documents more.

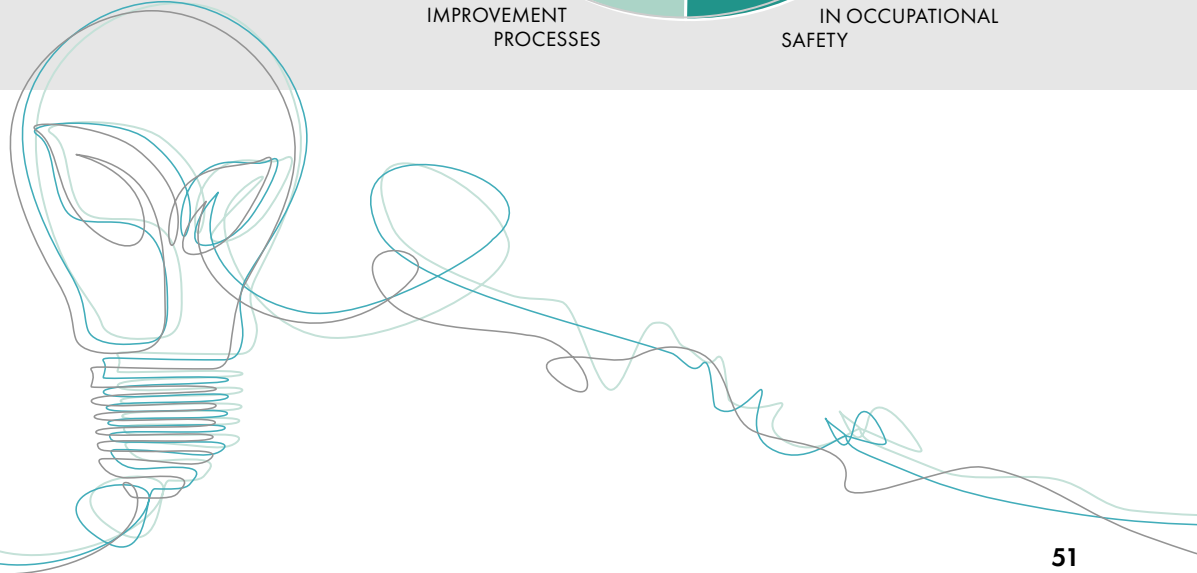
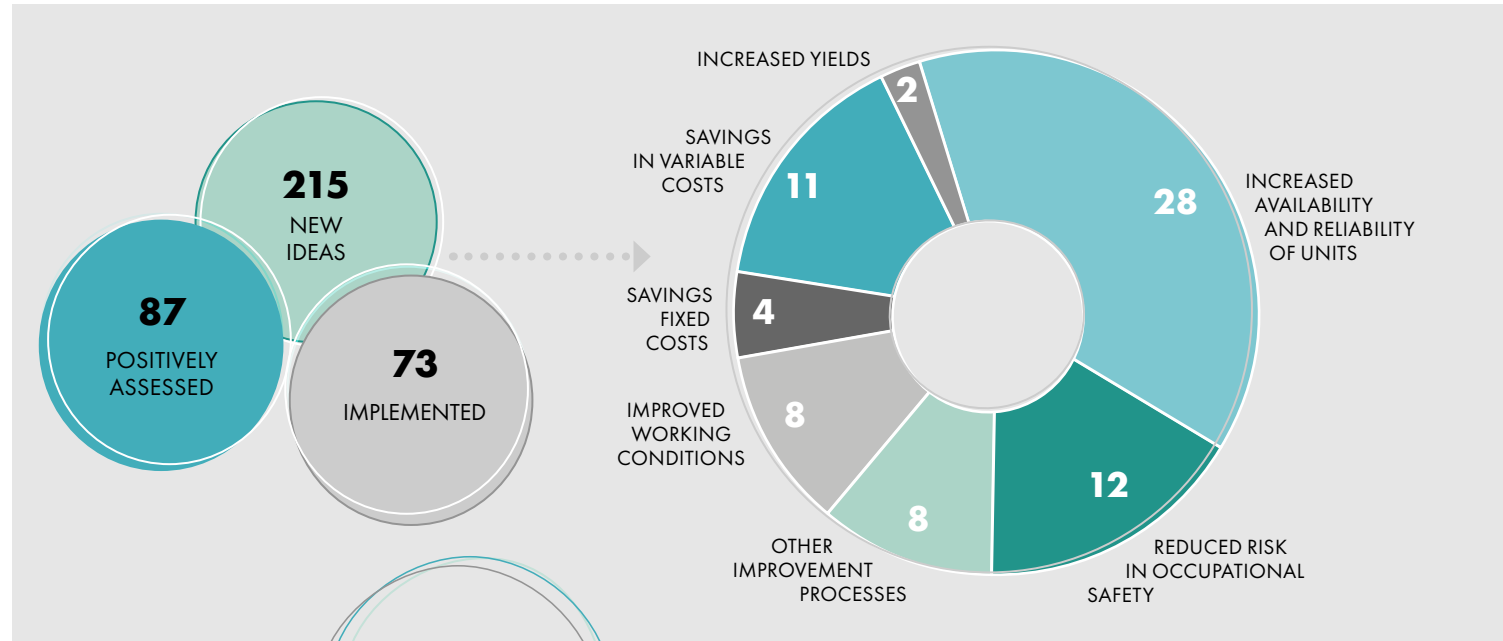
Besides financial savings, we can reduce the negative impact on the environment by reducing paper printing effectively. Our employees are regularly informed about how they can minimise corporate paper printing:

- Using duplex printing
- Printing only the final document versions
- Printing only selected pages
- Employees can enter other ideas to reduce printing using the IDEA platform



IDEA

We support the employees' active role through the **IDEA platform**. It motivates employees to submit their own suggestions for improvements or changes. Thus, employees can get involved in developing the ORLEN Unipetrol Group with their ideas. IDEA is available on the website, also for the public. Each year, we reward the best initiatives and their implementation. Selected employees get a financial bonus for their innovation suggestions. In 2022, we positively assessed 82 ideas and implemented 73 ideas. For example, they included a proposal for heat oil incineration instead of natural gas, modification of the existing pump's connection, or creation of a piped diesel connection.



7.9 EMPLOYEE TRAINING

Similarly to other industrial sectors, which increasingly need new graduates, we also battle a chronic lack of employees having expertise in natural and technical sciences. That is why we seek ways to help bridge the students' insufficient interest in these disciplines. We believe education is a genuine key to an attractive, rewarding, sought-after, and sustainable career after graduation.

If the employees are interested, they can choose from various training programmes. We post them to various types of training and workshops throughout and outside the Czech Republic. We use internal and external lecturers and offer to our employees: statutory training sessions – occupational safety, training for drivers, professional workshops, etc., and programmes targeting soft skills' development – language lessons, training and development programmes, education and development of internal lecturers. For managers, we ensure personality coaches and the possibility to develop managerial skills.

Our employees can also study university right in Chempark Záluží at the [University Centre VŠCHT Praha - FS ČVUT - ORLEN Unipetrol in Litvínov](#) (for more details, see Chapter 7.11.1.). Thus, they can expand their qualifications and education.


We also pay maximum attention to occupational and health safety. All employees must observe a safety guideline that is binding for everybody. We regularly organise an internal safety campaign and a **Safety Week** each year (for more details, see Chapter 7.9.4).

We have an elaborate training system for people working at ORLEN Benzina filling stations. They are provided with an e-learning programme containing customer service standards, OHS and product training sessions. It is also supplemented with two training buses touring around filling stations and training their staff in mental hygiene and an active approach to customers.



TRAINING COURSES - SOFT SKILLS, PROFESSIONAL TRAINING	2021	2022
MANAGEMENT	306	1,258
MANAGERIAL POSITIONS	406	661
ADMINISTRATIVE AND OFFICE EMPLOYEES	2,061	3,510
EMPLOYEES	4,505	5,233
TOTAL ANNUAL EXPENDITURE ON TRAINING	CZK 17.4M	CZK 25.9M

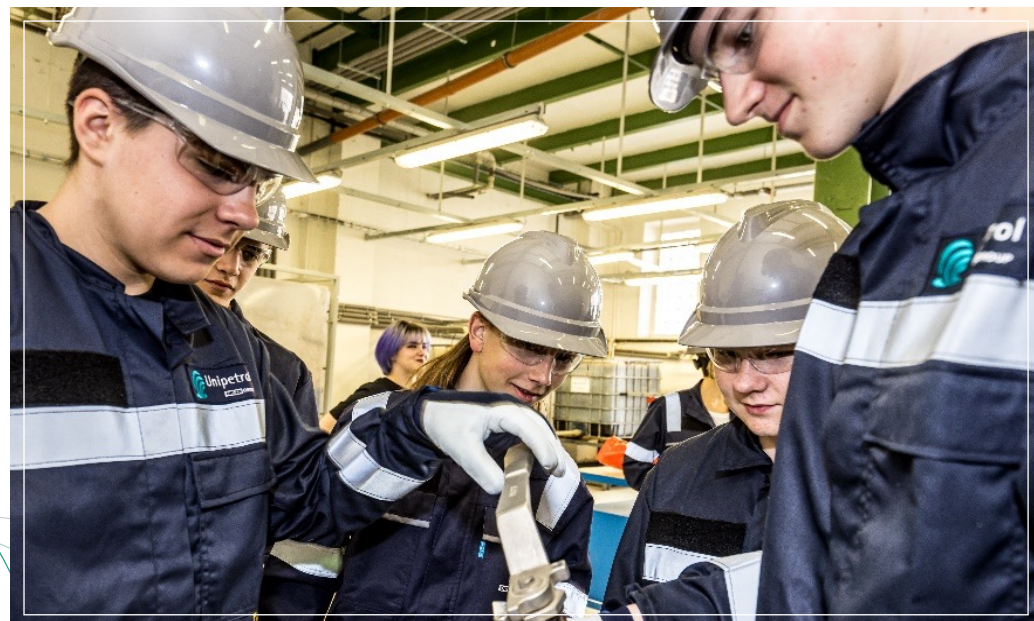
TRAINING CENTRE

The newly hired employees – operators – participate in three to six months of training in our [unique Training Centre](#) , where they learn theory and practice using miniaturised models. The Training Centre mainly uses the expertise and experience of our internal lecturers. We use a training unit, simulators, and virtual reality. **In 2022, we trained 163 employees in the Training Centre and organised excursions for 790 students.**

The individual Training Centre parts:

- Hall with first aid, protective clothing and working aids – occupational health and safety
- Multiskilling/minor maintenance – theoretical and practical training
- Fire safety polygon
- Room with virtual reality and educational unit
- Biological wastewater treatment plant
- Standard classroom with internal lecturers and supervisors
- Trial laboratory
- Testing pyrolysis unit
- Training and distillation unit – operators get acquainted with all equipment and its operation
- Control room to monitor processes at the training unit

NO. OF SESSIONS IN THE TRAINING CENTRE	2021	2022
MANAGEMENT	121	76
MANAGERIAL POSITIONS	122	87
ADMINISTRATIVE AND OFFICE EMPLOYEES	176	224
EMPLOYEES	121	790
TOTAL ANNUAL EXPENDITURE ON TRAINING	CZK 2.23M	CZK 2.18M



SAFETY AND HEALTH

In 2022, we continued fulfilling our strategy in occupational health and safety, procedural safety, and transport of hazardous goods. **We have defined our strategy for the years 2022-2026.** In safety, we strive to constantly improve processes by focusing on leadership, personnel safety, risk assessment and analyses, technical safety, fire prevention, and transport of hazardous goods. We elaborate on these directions in particular activities.

UNIFYING RULES AND PROCESSES

We have implemented standards that we put into practice through Safety+ and Logistika+ projects. For successfully implementing the Safety+ project, **we received acknowledgement in an audit conducted by PKN ORLEN in April 2022.** We have already completed implementing standards as part of the Logistika+ project and continue at Spolana and Paramo in accordance with the approved schedule.

NO. OF EVENTS AT THE PROCEDURAL SAFETY LEVEL

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	6	7	4	3	4

IMPROVING THE SAFETY LEVEL

We realise the significance of the human factor in preventing unwanted emergencies and the impact of leadership and corporate culture on it.

We implemented many projects to improve the safety level. For instance, we built a fire safety polygon as part of the Training Centre. In employee training, we emphasise risk awareness and the knowledge of risk management.

In September 2022, we organised a **Safety Week** through various lectures, training for securing people working at heights, demonstrations of personal protective equipment, presentation of the combined firefighting engine, and other issues. The experience days offered demonstrations of rescuing people from vehicles and first aid related to burns, collapse, or massive bleeding. Online lectures dealt with the behaviour of rescuers, helpful information about healthy lifestyles, first aid, and ergonomics. It also involved e-learning related to several safety issues. We also made available tutorials about safe behaviour behind the wheel and the use of personal protective equipment.

During the year, we implemented an information campaign about safety, pinpointing safety measures in case of emergency and compliance with safety rules at all workplaces.

In the autumn of 2022, we launched a programme for operational and maintenance staff in the Training Centre in Litvínov. **The Practical Training in Safety Culture** aimed to increase safety culture and awareness. The main topics included crucial emergencies, multiskilling, safety valves, first aid, LOTO (Lock out/Tag out) system, and risk identification. **We also checked the system for selecting and assessing suppliers and subcontractors in terms of safety.** To increase the employees' awareness of procedural safety, we published a Czech version of the regular monthly Process Safety Beacon on the intranet and distributed the Almanac of Instructions.

PERFORMANCE INDICATORS IN SAFETY

The ORLEN Unipetrol Group has an established unified system monitoring selected performance indicators related to safety, including monitoring target values. The main monitored indicators include the frequency of injuries, i.e., TRR (Total Recordable Rate), and the frequency of process safety events, Level 1, i.e., PSE Tier 1 (Process Safety Event). In 2022, we included the safety segment among an assessment category as part of the satisfaction survey. Our employees view this area as one of the best provided.

NO. OF PROCESS SAFETY EVENTS, LEVEL 1

	2018	2019	2020	2021	2022
ORLEN UNIPETROL GROUP	6	7	4	3	5

PREVENTION AND PERSONAL PROTECTIVE EQUIPMENT

Applying the prevention and risk management system is the essential commitment of our Group. Prevention is our main priority. We identify risk conditions within standard activities and during planned checks and audits and implement projects aimed at improving the occupational safety level. The aim is to remedy risk conditions immediately and prevent unwanted emergencies as part of precautions. Occupational safety and prevention activities are provided by the employees qualified in risk assessment.

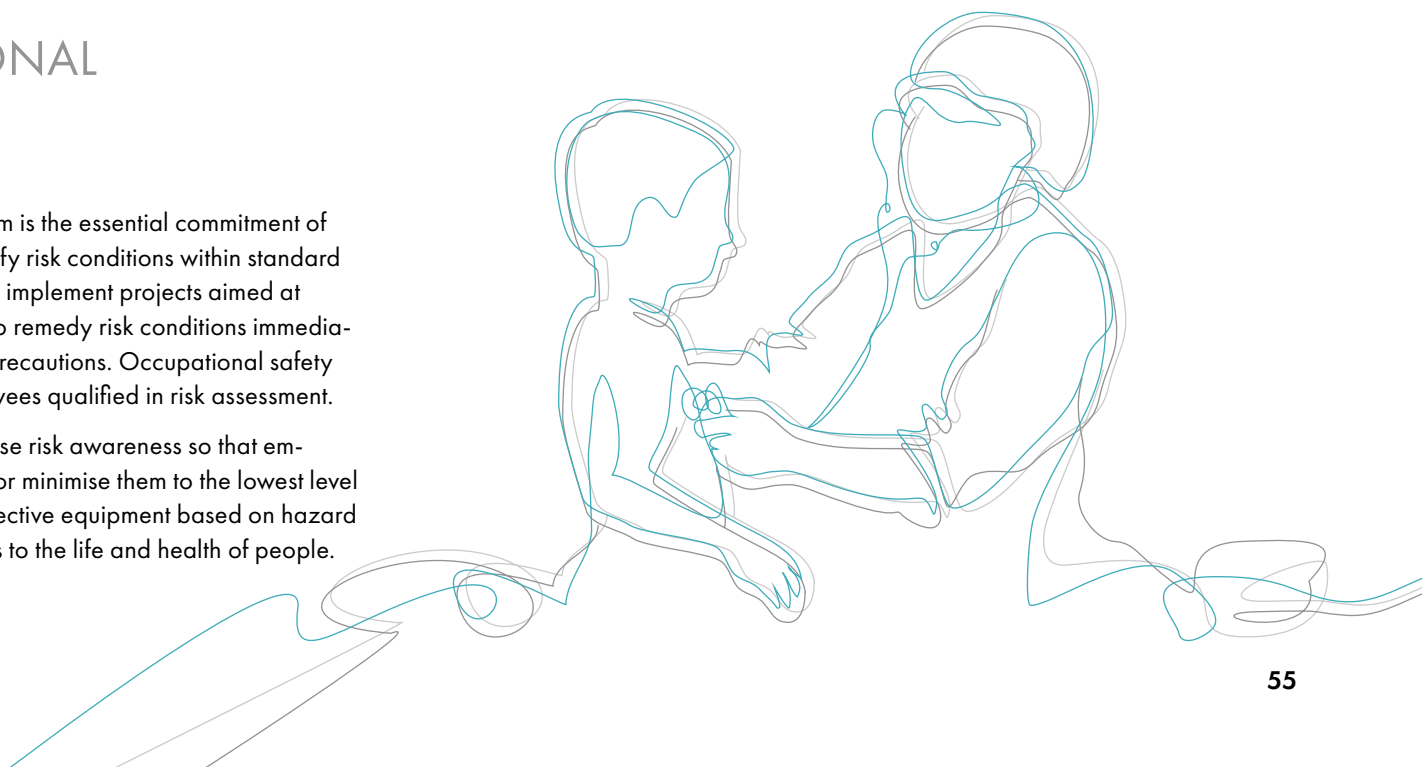
Nonetheless, during employee training, we emphasise risk awareness so that employees and suppliers can assess risks on their own or minimise them to the lowest level possible. We provide employees with personal protective equipment based on hazard identification and risk assessment of potential threats to the life and health of people.

QUALITY OF THE WORKING ENVIRONMENT

We regularly monitor the quality of the working environment by measuring the working environment factors, primarily the noise level, exposition limits of chemical substances and dust based on work categorisation.

HEALTH CARE AND PREVENTION

We have contracted doctors to provide occupational medical services. We provide preventive medical checks in accordance with applicable laws and regulations and internal guidelines.



7.10 OCCUPATIONAL SAFETY AND ACCIDENT PREVENTION

In 2022, no major accident was reported in any of our buildings governed by Act No. 224/2015 Sb., on the Prevention of Major Accidents. We managed to resolve other operational accidents recorded during the year on our own or with the assistance of corporate firefighters. We always react adequately to remedy the situation and prevent them from repeating. The effects of minor operational accidents did not exceed our Group's territory.



TRANSPORT INFORMATION AND ACCIDENT SYSTEM (TRINS)

The Transport Information and Accident System is a system of assistance providing a framework for cooperation in the following areas of collaboration:

- Accidents related to the transport of hazardous substances
- Cooperation in the liquidation of emergencies during accidents at stationary facilities
- Cooperation with member companies within the Czech Association of Cleaning Stations

TRINS was established by the Association of Chemical Industry of the Czech Republic as **part of the Responsible Care programme** in 1996 based on an agreement between the Association and the General Directorate of the Fire Rescue Service of the Czech Republic. It was included in the Czech Republic's Integrated Rescue System as one of the support systems. Among the TRINS variations abroad, we can name the UK's CHEMSAFE or German TUIS, which served as a model for building TRINS. Similar systems were also formed in Slovakia (DINS), Hungary (VERIK), and they also work in many EU countries.

TRINS centres, in cooperation with the Fire Rescue Service of the Czech Republic, provide the necessary urgent working consultations about chemical substances and products, their safe transport and storage, practical experience with handling hazardous substances and addressing emergencies associated with their transport. TRINS centres also offer practical help with liquidating emergencies and removals of subsequent environmental damage.

The TRINS system currently covers 21 companies in the Czech Republic. There are 36 TRINS centres helping at individual levels throughout the Czech Republic. We are among its founding members and also act as the system's national coordination centre.

PREVENTION OF MAJOR ACCIDENTS

Most production companies in our Group are governed by the strictest requirements of Act No. 224/2015 Sb., on the Prevention of Major Accidents when Handling Selected Hazardous Substances/Mixtures.

We pay significant attention to preventing major accidents on a long-term basis. The prevention of accidents is based on reliable and fail-safe operations of the production facilities we operate, control, and maintain in accordance with the Czech Republic's legislation and internal regulations. Some regulations contain even requirements beyond the scope of legislation and are based on our best experience. We equip our production units with controllers signalling deviations from standard operational parameters. Some hazardous operations are equipped with automated shutdown systems for operational units if the pre-set operational parameters are exceeded. Depending on the hazardous substances handled, we fit production units with state-of-the-art detection systems (flame, smoke, and hazardous substance leak detection) with outputs in control rooms and operating centres of the respective company's firefighting unit. We install fire-extinguishing equipment and fire monitors in the production units.

We regularly conduct internal audits focused on safety and accident risk prevention. We are also audited by external companies. We include the recommendations and conclusions from these audits in the respective implementation plans.

Regular training courses and employee training are an essential part of the prevention of major accidents. **We verify the functionality of the prevention of severe accidents system throughout the year by training accident and crisis situations** both by operational employees and in cooperation with internal and external intervention components through emergency training at individual production units and entire sites conducted in collaboration with companies managing industrial sites or carrying on business in their surroundings. We have long-term emergency drill plans. These exercises serve as practical training for adequate employee reactions to potential accidents, to verify the validity of processed emergency plans and procedures and to

perfect the knowledge of all participants. If we identify any shortcomings during the drills, we adopt adequate measures to eliminate them and determine deadlines and people responsible for their implementation. **At the Litvínov site, we conducted 180 drills last year, including 40 exercises in cooperation with the corporate firefighting unit. The Kralupy site organised 20 drills, all in collaboration with the corporate firefighting unit.**

The Group's safety level is significantly influenced by new investment in production facilities. Already during the engineering phase, we deal with the possible risks of the facilities' operation, using the generally recognised methods of assessing major accident risks. We equip new operations with state-of-the-art security systems known at the given time that meet the requirements of the Czech Republic's and EU legislation.

We have our own corporate firefighting units. They have top-class equipment and training, which allows them highly specialised interventions in accidents associated with leaks of hazardous substances. The Kralupy Refinery uses the services of the firefighting unit of SYNTHOS Kralupy.

SUPPLIER TRAINING

We also train employees from other organisations in the regulations and rules valid at our company. **We train all their employees working on our premises once per year.** Training for employees from other organisations also serves as the initial training for the Chempark Záluží site in Litvínov and the chemical production site in Kralupy nad Vltavou. They take part in the training personally. Employees from other organisations showing a valid attendance list from the training get an entrance card for permanent access after passing the training.

7.11 COOPERATION WITH UNIVERSITIES AND SECONDARY SCHOOLS

Our mission is to support and popularise technical fields. We seek and implement activities developing student competencies for the 21st century. Our entire Group, headed by the ORLEN Unipetrol Foundation, has long supported education. We support selected projects prepared by schools, from primary schools to universities. We meet with them to summarise the current collaboration and develop plans for the next year. The Foundation supports primary and secondary schools, secondary school and university students and teachers. We target talented students to increase their interest and motivation in studying technical fields, continuing and completing their studies, improving their professional training, raising awareness about technical disciplines, and simultaneously building and reinforcing our brand as a potential employer. The schools included in the programme are selected with regard to their connection with our production locations. Alternatively, they are schools with which we have been engaged in long-term collaboration.

UNIVERSITY CENTRE LITVÍNŮV VŠCHT – FS ČVUT - ORLEN UNIPETROL

We have been a partner of the University of Chemistry and Technology in Prague for 22 years. This cooperation culminated in 2015 by establishing the [University Centre](#) right on the production premises in Záluží near Litvínov. During their study, students learn about manufacturing operations and link theory with practice easily. Many of them are already involved in our company's research activities during their study and thus get a suitable job more easily after graduation. The University Centre in Litvínov provides a growth opportunity for a new generation of specialists. It is probably the first case when a Czech state university is located on private industrial premises. The Centre offers a unique combination of high-quality university bachelor study, follow-up master study and PhD study with projects, assignments, and challenges from manufacturing operations. Thus, it gives a fantastic opportunity for our employees who can study at the university and improve their qualifications or even teach there. **In 2022, there were 34 students enrolled.**



VŠCHT

The partnership with the University of Chemistry and Technology in Prague (VŠCHT) in popularising chemistry and supporting education has lasted uninterruptedly for 21 years. In 2022, we supported selected projects with CZK 1.3 million. They primarily included traditional educational projects, which have received great response among students and teachers. We contribute to diverse educational activities and projects focused on students and chemistry teachers. Besides developing the University Centre Litvínov VŠCHT - FS ČVUT - ORLEN Unipetrol, we also support student accommodation at the Javorka dormitory, and develop educational activities related to organising chemistry Olympiads. We contribute to creating, piloting, and photo-documenting laboratory assignments and worksheets for the prepared translation and publication of a chemistry textbook for secondary school students and teachers. At the end of summer, the University of Chemistry and Technology organises summer schools for secondary school teachers of chemistry and students. **In autumn, they organise Student Scientific Conferences for students in their 3rd to 5th years. The best competitors among students are supported by scholarships.**

TECHNICAL UNIVERSITY KOŠICE

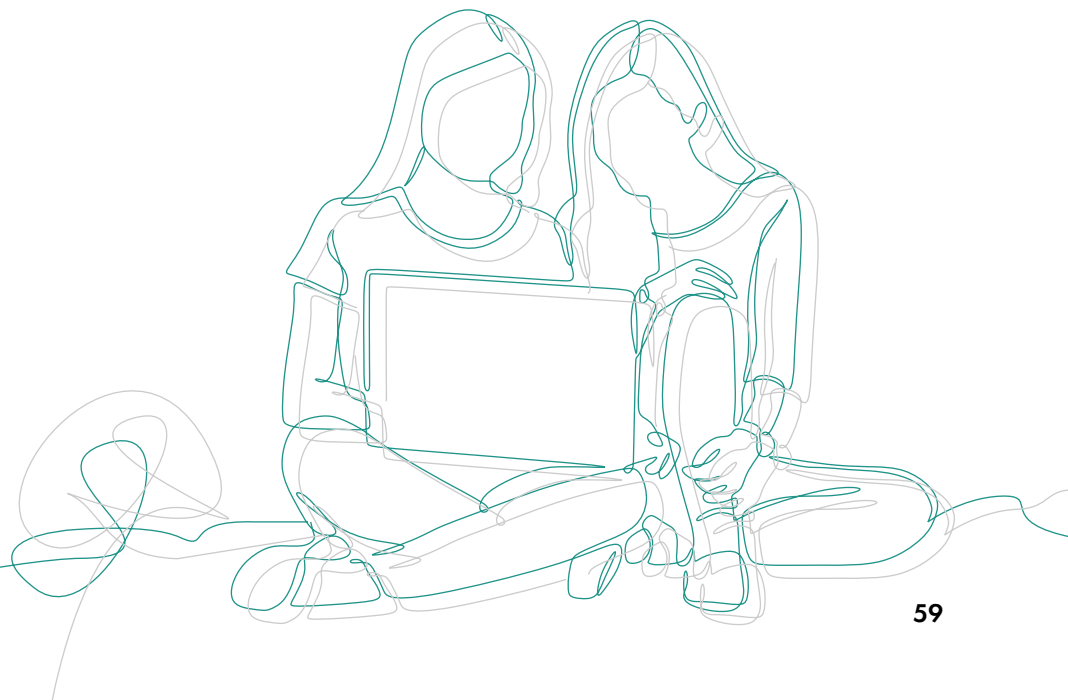
We develop cooperation with the academic world in education, research, and development in Slovakia. The Technical University in Košice emphasises the scientific and technical knowledge base, innovation, and workforce aimed at creating a healthy and sustainable future. That is also why we signed a memorandum of understanding and cooperation. The signed agreement continues the work launched in 2021, forming a basis for hydrogen research and development. We expect scientific cooperation and exchange of information, especially related to emissions reduction, large-capacity storage, transport and distribution or technical drilling. We entered the Slovak market in 2019 with plans for greening the industry and public mobility. We plan to build 26 hydrogen stations and one hydrogen distribution terminal in Slovakia by 2030.

SECONDARY SCHOOLS

Almost 50% of our Group's employees work at Chempark Záluží near Litvínov. That is why this site is engaged in the most intensive collaboration with primary and secondary schools. The closest cooperation among secondary schools is with **Educhem in Meziboří and Schola Humanitas in Litvínov**. Their students are offered scholarships and two-week practical training on the production premises. They can also earn some money through temporary summer jobs. Both these partner schools and other schools can use the opportunity for an excursion around the production site. We always strive to provide cohesion and complexity. **Last year, our production sites were visited by 29 secondary school students.** They are always mostly interested in study opportunities, job offers in our company, and wage conditions.

Other secondary schools with which we cooperate:

- Masaryk Secondary School of Chemistry, Prague
- Secondary Technical and Vocational School in Neratovice





ESg governance

16 PARTNERSHIP
TO FULFIL
GOALS



17 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



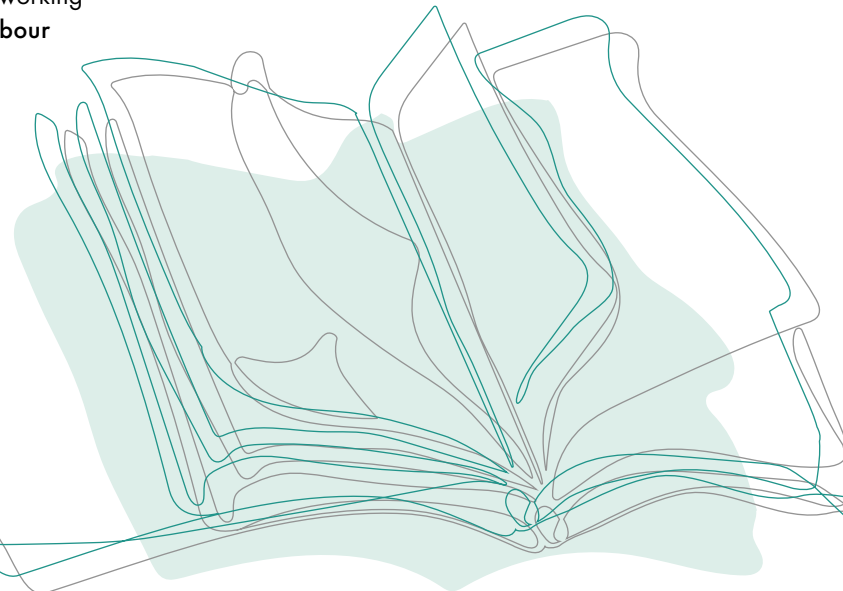
8.1 RESPECT FOR HUMAN RIGHTS

We live at times urging us to act more responsibly and behave in a way to preserve peace, respect for the human, human rights, and sense for community. We witness an escalation of the crisis in Ukraine and follow it with great concern. The war has needlessly destroyed human lives and worsened international relations. Yet, it also arose strength in people and motivation to look for the common good. The ORLEN Unipetrol Group has close ties to Ukraine. Together with our colleagues, we launched an initiative to raise funds to support the citizens affected by the conflict. We donated materials, supported initiatives for Ukrainian children, and our employees also accommodated Ukrainians in their homes. Since the beginning of the crisis, we closely cooperated with the Czech government and our partners to reinforce Europe's safety by looking for alternatives to Russian oil supplies. In this respect, we have a clear goal – we want to work on the safety and sustainability of the refining industry and simultaneously radically focus on the transition to greater sustainability. If we manage to accelerate decarbonisation through effective investments, we can accomplish the Paris Agreement's objectives. To attain these goals, we must also respect human rights, acknowledge the value of each human, and ensure human dignity and equal working conditions. **We refuse any abuses of human rights, such as child or forced labour and any form of slavery or human trafficking.**

CODE OF CONDUCT

We declare our attitude to human rights in the [Code of Conduct](#), whose observance is part of our corporate culture. We are particular about ensuring that our employees and business partners know and comply with our standards. When selecting suppliers, we want them to adhere to the laws and free market rules while securing full transparency of their business procedures. We do not ignore cases of unfair behaviour of our partners.

All employees and partners are familiarised with the Code of Conduct; they are bound to observe it, not only in customer contact. We inform and train our employees with respect to innovations in this area. The Code of Conduct is available on our website. We utterly emphasise the protection of information we encounter when performing our daily duties, including personal data and cooperating partners. We collect only such data to the extent necessary for our correct operations. We are highly cautious if we work with information protected by the law, internal regulations, or the applicable provisions of agreements with the business partners of the companies within the Group. We do not act in conflict with Czech laws and our internal regulations.




ETHICAL STANDARDS OMBUDSMAN

The ethical standards ombudsman is an important part of fair working conditions and our corporate culture. The main task is to supervise compliance with the values set out in the Code of Conduct. The ethical standards ombudsman also effectively deals with any violations of ethical standards and ensures the adoption of remedies. The ethical standards ombudsman also encourages good relations among employees. Employees trust this person and can turn to the ethical standards ombudsman with confidence with their problems. Employees choose the ethical standards ombudsman from nominated representatives. The election has two stages. The nomination stage, in which candidates register based on determined rules, and the election stage, when employees choose their ombudsman from selected candidates in voting. **In 2022, the entire Group dealt with ten various levels of conflict cases, which involved the newly elected ombudsman.**

Besides the ethical standards ombudsman, employees can report violations of corporate values or the Code of Conduct in other ways. For example, they can report their concerns to their immediate supervisor or another manager. If there is a serious reason that they cannot turn to their immediate supervisor or another manager with a requirement for help in dealing with ethical problems, they can contact the safety and control director – by mail, by email, over the phone or in person.

8.2 DIVERSITY AND EQUAL OPPORTUNITIES

We operate in a field dominated by men, mainly due to the character of work: three shifts, work outside, at heights, in warehouses, i.e., this is physically demanding work. We use older and more experienced colleagues as mentors and instructors, especially in the Training Centre. We offer work to people with disabilities and provide them with suitable working conditions and career opportunities. Also, we seek to remove all social barriers, thus supporting their integration among other employees. We have been a member of Byznys pro společnost since 2021, when we signed the [Charter of Diversity](#) .

EMPLOYEE DIVERSITY		2021	2022
EMPLOYEES		4,724	4,593
EMPLOYEES BY AGE	18-29 YEARS	595	556
	30-44 YEARS	1,346	1,354
	45-59 YEARS	2,261	2,186
	59+ YEARS	522	497
EMPLOYEES BY GENDER	WOMEN	1,171	1,161
	MEN	3,553	3,432
EMPLOYEES BY THE TYPE OF EMPLOYMENT CONTRACTS	FULL-TIME EMPLOYMENT	4,420	4,354
	DPP (AGREEMENT TO PERFORM A JOB)	137	88
	DPČ (AGREEMENT TO PERFORM A JOB)	169	151
WOMEN IN MANAGERIAL POSITIONS		115	121
EMPLOYEES BY THE LEVEL OF EDUCATION	UNIVERSITY EDUCATION	978	987
	SECONDARY SCHOOL	2,002	1,998
	SECONDARY SCHOOL (WITHOUT SCHOOL-LEAVING EXAM)	1,297	1,224
EMPLOYEES ON MATERNITY/PARENTAL LEAVE		61	70
RETIREMENTS		57	81
DISABLED EMPLOYEES		84	79

We enforce values, policies, standards, and behaviours in line with the principle of equal treatment of employees; we increase awareness and understanding of the significance of diversity and create conditions for an open and tolerant workplace. We appreciate different approaches arising from diversity as a value when various viewpoints can stimulate positive results. We give an opportunity to varied people and seek to create a pleasant and motivating working environment.

8.3 EQUAL PAY

We provide all employees with a transparent remuneration system, including many benefits, to encourage alignment of their work and private life. We aim to develop the employer's prosperity and simultaneously satisfy the growth of needs and interests of all employees. We target fair remuneration and increased employee motivation. The equal pay principles are embedded in the collective agreement, which sets out clear rules for attitudes regardless of gender, age, colour, sexual orientation, language, faith, and religion. We are neutral to political or other thinking, membership in political parties or movements, trade union organisations, and other associations. We do not accept any form of discrimination and bullying, including harassment, intimidation or humiliation. We respect conformity to the equal pay principle and equal working conditions for the same or equal work, which we strive to accomplish.

8.4 SUPPLIER RELATIONSHIPS

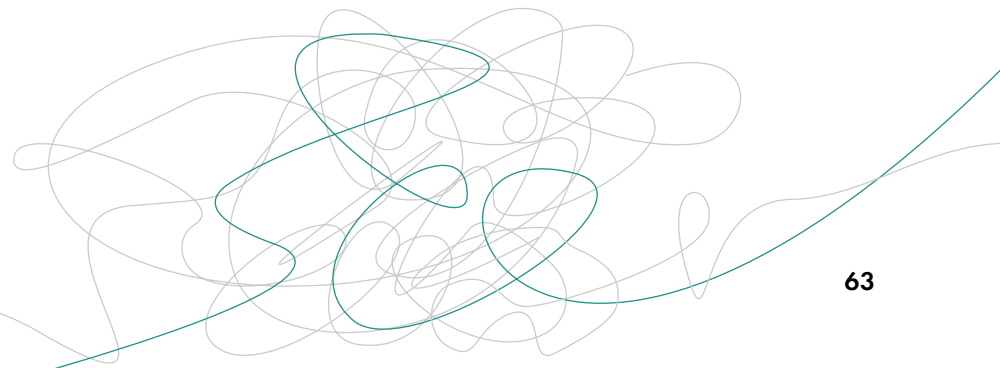
We implement a business strategy that is in accordance with the interests of the environment around us and is based on the responsible use of available sources. We aim to ensure the maximum possible quality of supplied goods and services. Cooperation with reliable, competitive, and proven suppliers is the basic prerequisite. Our commitments towards customers, employees and the environment (in product and service quality management, occupational health and safety, fire protection, environmental protection, energy management, prevention of serious accidents, and protection of the company's assets) are defined in the [Integrated Management System Policy](#) (IMS). We select our suppliers while strictly observing the principles of transparency, equal treatment, and prohibition of discrimination. As for the impact on energy consumption, the procurement process in selected areas (e.g., investment projects) also assesses the energy intensity of supplies. Tender procedures take place through our procurement platform, Connect, which is the only tool for launching tender procedures and inquiries.

CODE OF CONDUCT FOR SUPPLIERS

In line with the expectations and targets set out in our strategy, we have updated the sustainable business and development principles in our procurement procedures. [The Code of Conduct for ORLEN Group's Suppliers](#) is one of the pivotal elements of cooperation with suppliers, including the process of their qualification and assessment. Together with suppliers, we observe sustainable business and development principles. We support our suppliers in building awareness and developing the best business practices in this area. We are convinced that through dialogue and cooperation with suppliers focused on business and sustainable development, we can successfully develop our business and have a positive impact on our suppliers. We believe this approach will benefit us, our suppliers, and our social and business environment.

OUR EXPECTATIONS REGARDING SUPPLIERS

We cooperate with suppliers who constantly improve their business to be able to react to increasing market expectations. We encourage them to develop and enhance responsible business practices. We want to cooperate with those who understand and share our approach to responsible business and sustainable development. We seek to improve and develop their best practices in the areas where we, too, have our ambitious goals.



ADAPTING OUR EXPECTATIONS REGARDING SUPPLIERS

Larger companies have larger options to systematise their CSR activities through specialised teams and offices. That is why we have the largest expectations in relations. We also want to cooperate with smaller entities, and the presence of smaller and local suppliers is our objective. It is part of our understanding of responsible business. We are aware that activities related to sustainable development in smaller companies are implemented effectively, although less formally. Therefore, we categorise our expectations regarding suppliers into three levels:

- Large companies with more than 251 employees – we expect full maturity in corporate governance
- Mid-sized companies with 51–250 employees – clearly defined and published directions of pro-social and pro-environmental activities are important to us, as well as readiness to demonstrate examples of the positive impact on their surroundings, not burdened by any significant controversies in the company's acts related to the environmental and social area and corporate governance
- Small companies with up to 50 employees – it is crucial to recognise our Group's fundamental values and be ready and able to present examples showing that they respect them

SUPPLIER ASSESSMENT

The statements and documents submitted by suppliers are the basic materials for assessment. There, we reserve the right to verify them in publicly accessible sources. Until 2025, we will systematically prepare a catalogue of indicators related to the crucial environmental issues (CO₂ emissions, product carbon footprint, water consumption per unit, OHS indicators), which will increasingly determine pending cooperation. Besides regular assessment, supplier assessment can also be performed during the year and in ad hoc situations. We perform supplier assessments in the Connect procurement platform.

Suppliers are proposed for assessment based on the invoiced financial amount in the previous calendar year or based on our direct requirements. We assess suppliers by individual areas: procurement, occupational health and safety, applicant satisfaction, etc., including the respective evaluation criteria. The satisfaction level attained is calculated using a pre-set formula. Based on the given assessment by all evaluators of the given supplier, the assessment result is expressed as a percentage with the assigned final status. The final assessment status serves as supporting information for subsequent negotiations with the supplier regarding future cooperation, removal of shortcomings, etc.

BUSINESS BEHAVIOUR

We are particular about ensuring that our business partners know and comply with our standards. When selecting suppliers, we want them to adhere to the laws and free market rules while securing full transparency of their business procedures. We do not ignore cases of unfair behaviour of our partners. Large companies have a rule that cooperating firms require the application of sustainable development rules.

Transparent rules, including ethical business principles, are applied throughout all activities. All employees and partners are familiarised with the [Code of Conduct](#), they are bound to observe it, not only in customer contact. We inform and train employees about news in this segment. As regards complaints, we follow internal guidelines and use approved workflows.

We have a special policy for anti-corruption measures – [Internal Anti-corruption Programme](#). It includes the principles for accepting and giving donations, principles

of monitoring processes, principles of anonymous reporting (whistleblowing), principles of supplier screening, declaration of independence, and a contractual anti-corruption clause. Our employees and suppliers regularly participate in training sessions to prevent corruption behaviour. **The training on the Prevention of Corruption Behaviour, the Code of Conduct, and the company values are part of the initial training of employees and partners. The anti-corruption clause is part of the delivery terms. In fuel wholesale, no corruption behaviour is possible thanks to standardised contracts and matrix-based price calculations for customers. We have not registered any corruption cases either. About 350 business partners and 2,000 of their employees have participated in the training over the past year.** As regards complaints, we follow internal guidelines and use approved workflows.



IMPORTANT LINKS

[Joint Report on Occupational Health and Safety and Environmental Protection](#)

[Integrated Management System Policy](#)

[Code of Conduct](#)

[Code of Conduct for ORLEN Group Suppliers](#)

[Internal Anti-corruption Programme](#)

[Non-financial Report of the ORLEN Group and PKN ORLEN for 2022](#)

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