

Progress report on the "Responsible Care" program at Unipetrol, a.s. (2005 – 2007)

In 1999, Unipetrol, a.s. enrolled in the "Responsible Care" program* – the chemical industry's global voluntary initiative. In 2000, 2003 and 2005, the company was able to repeatedly prove that it had met its obligations associated with membership in the program and, based upon its successful public defense of its activities justifying its right to use this accreditation, the Association of the Chemical Industry of the Czech Republic (SCHP ČR) lent to the company the right to use the program's logo.

Due to the character of the company (acting as the managing entity of the UNIPETROL Group) Unipetrol, a.s. had to verify compliance with the program's policies, based on 16 mandatory criteria of the program. Additional 20 criteria, which focus on manufacturing type activities, were not evaluated by the company. However, the company did submit a report to SCHP ČR on the relevant activities carried out by the manufacturing entities of the Unipetrol Group, which confirmed that all of its subsidiaries have been properly attending to meeting their obligations under the program and it successfully verified that these subsidiaries had been meeting their commitments to the Responsible Care Program.

The current license for the use of the Responsible Care Program logo, as held by Unipetrol, a.s. expires in September 2007. In response to this approaching deadline, Unipetrol, a.s. is submitting to SCHP ČR a progress report on the program for the period from 2005-2007 and is requesting a review of this report, based on its public defense of its participation through documentation verifying its activities the company is requesting an extension of its right to the use of the program's logo for an additional period, from 2007-2009.

In the period from 2005-2007, the UNIPETROL underwent and number of important changes:

- The Czech government sold and 63% interest in Unipetrol, a.s. to the Polish group PKN Orlen.
- The Unipetrol/Orlen Partnership Program was launched.
- In November 2006, the company Spolana, a.s. was removed from the UNIPETROL Group upon being sold to the company ANWILL.
- In early 2007, an agreement was signed on the sale of Kaučuk, a.s. to the company Dvory.
- The companies Chemopetrol, a.s., Unipetrol Rafinérie, a.s., Unipetrol Doprava, a.s. and BENZINA, a.s. were transformed into limited liability companies.
- The new company Unipetrol Services, s.r.o. was established.

The above-listed changes within the Unipetrol Group have resulted in a smaller number of previously prevalent manufacturing type companies and a greater number of companies which never participated in the Responsible Care Program (Unipetrol Rafinérie, Unipetrol Doprava, BENZINA and Unipetrol Services). This has somewhat undermined the position of Unipetrol, a.s. in defending its fulfillment of the program's objectives. Also, Unipetrol, a.s. still doesn't have an official environmental management system – an important part of the Responsible Care Program.

With respect to the above, Unipetrol Services has prepared a proposal for the implementation of an integrated management system across the entire Unipetrol Group over the period from 2007-2009. The system would include and integrate the following standalone systems: EMS ISO 14 001, QMS ISO 9 002 and OHSAS 18 001/Safe Enterprise.

The implementation of an integrated management system across the entire newly restructured group during the above-referenced period should enable the group to participate in and defend its participation in the Responsible Care II Program after the year 2008. The Responsible Care II Program is a framework management system, which is to be introduced in Europe in early 2009 by Cefic.

Supplements:

- A. HSE Performance Indicators
- B. Summary of the Evaluation of the Fulfillment of the Responsible Care Program
- C. Progress Report on the Responsible Care Program
- D. Joint Environmental Report for the Unipetrol Group – 2006

* Known as 'Odpovědné podnikání v chemii' in the Czech Republic.

A. HSE PERFORMANCE INDICATORS (in accordance with SCHP ČR – Supplement No. 1 to the application):



Responsible Care Program

HSE Performance Indicators

Company:
UNIPETROL, a.s./Unipetrol Group

Year: 2006

No.	Indicator	Unit of Measure	Value
Occupational Health and Safety			
1.	Number of Fatal Injuries	fatalities / year	0
2.	Frequency of Injury Followed by Disability (data monitored in subsidiary entities)		
	2.1. Employees	injuries / 1 million work hours / year	N.A.
	2.2. Contractors	injuries / 1 million work hours / year	N.A.
3.	Frequency of Job-Related Illnesses	Illnesses / 1 million work hours / year	N.A.
Environmental Protection			
Waste Disposal			
4.	Hazardous Waste	tons / year	7,468
5.	Other Waste	tons / year	35,729
Air Pollution			
6.	Sulfur Dioxide	tons / year	15,276
7.	Nitrogen Oxides	tons / year	8,585
8.	Carbon Dioxide	tons ('000's) / year	10,096
9.	Volatile Organic Compounds		
	9.1. VOC	tons / year	851
	9.2. POPC	tons of ethylene equivalent / year	N.A.
Water Discharge			
10.	Phosphorous Compounds	tons / year	13
11.	Nitrogen Compounds	tons / year	621
12.	COD	tons O ₂ / year	3,160
13.	Heavy Metals – TOTAL (EQS factor)	tons / year	0.9
	13.1. Arsenic	tons As / year	N.A.
	13.2. Cadmium	tons Cd / year	N.A.
	13.3. Chromium	tons Cr / year	N.A.
	13.4. Copper	tons Cu / year	N.A.
	13.5. Lead	tons Pb / year	N.A.
	13.6. Mercury	tons Hg / year	N.A.
	13.7. Nickel	tons Ni / year	N.A.
	13.8. Zinc	tons Zn / year	N.A.
Other Potential Factors			
14.	Substances with Possible Impacts on Health and the Environment (data monitored in subsidiary entities)		
	14.1.	- air pollution	tons / year
		- water pollution	tons / year
Energy Usage			
15.	Energy Consumption & Usage Efficiency		
	15.1. Energy Consumption	tons of oil equivalent (TJ / year)	34,705
	15.2. Specific Energy Consumption	TOE / year / tons produced / year	N.A.
Distribution / Transportation			
16.	Accidents During Distribution / Transportation (data monitored in subsidiary entities)		N.A.
	16.1. Air	accidents / tons of material shipped	N.A.
	16.2. Rail	accidents / tons of material shipped	N.A.
	16.3. Road	accidents / tons of material shipped	N.A.
	16.4. Water	accidents / tons of material shipped	N.A.

16.5. Domestic Waterways	accidents / tons of material shipped	N.A.
16.6. Pipeline	accidents / tons of material shipped	N.A.

Note: Data processed in accordance with CEFIC - Responsible Care - Health, Safety and Environmental Reporting Guidelines, November 1998

Reference data:

1. **Number of Workers** **5,909 – Total for Unipetrol Group**
 - 1.1. Number of Own Employees (average): (data monitored in subsidiary entities), N.A.
 - 1.2. Number of Contractor Employees (average): (data monitored in subsidiary entities) N.A.
2. **Number of Hours Worked**
 - 2.1. Number of Hours Worked - Own Employees: (data monitored in subsidiary entities) N.A.
 - 2.2. Number of Hours Worked - Contractor Employees: (data monitored in subsidiary entities) N.A.
3. **Revenues – Revenues from Own Production** (CZK (millions) / year): **94,642 total for group**
4. **Product Distribution & Number of Accidents:** (data monitored in subsidiary entities)

Shipment Mode	Number of Accidents		Total Number	Quantity (tons)
	Bulk Shipping	Packaged Shipments		
Air			N.A.	
Rail			N.A.	
Road			N.A.	
Water			N.A.	
Domestic Waterways			N.A.	
Pipeline			N.A.	
TOTAL			N.A.	

5. **Health, Safety and Environment Costs (HSE)**
 - 5.1. HSE Investments - TOTAL (CZK (millions) / year): **1,167**
 - 5.2. HSE Share of Total Company / Branch Investments (%): **33.5%**
 - 5.3. HSE-Related Operating Expenses (CZK (millions) / year): **1,047**

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Date: 17th July 2007

Signature of Statutory Representative:

B. SUMMARY OF THE EVALUATION OF THE FULFILLMENT OF THE RESPONSIBLE CARE PROGRAM (Supplement No. 2 to the application):

NUMBER	CRITERIA REQUIREMENT	FULFILLMENT STATUS	ADDITIONAL OBJECTIVE & DEADLINE FOR ITS ACCOMPLISHMENT
1	One of Company's Priorities	3	
2	Delineates Objectives & Activities	3	
3	Central Coordination	3	
4	Importance of Logo and Accreditation	2	Include other companies in the group in the RC program. Deadline: 2009
5	Preventative, Integrated OHS + EP	unrated criterion	
6	Planning and Realization of Investments	unrated criterion	
7	Emissions, Waste – Measuring, Reduction	unrated criterion	
8	Motivation for Cleaner Production Processes	unrated criterion	
9	Tracking of Waste	unrated criterion	
10	Accidents – Risk Reduction, Information	unrated criterion	
11	Collaboration with Accident Zone	unrated criterion	
12	Employee Healthcare	unrated criterion	
13	Equipment – Preventative Maintenance	unrated criterion	
14	Risk Assessment, Identification of Hazardous Equipment	unrated criterion	
15	Reliable Storage or Ch.L.P.	unrated criterion	
16	Reliable Shipping	3	
17	Reliable Carriers	unrated criterion	
18	Product Safety Monitoring	2	
19	Customer Service – Products	3	
20	Customer Service – Packaging, Waste	2,5	
21	Regulatory Compliance	3	
22	Employee Training	unrated criterion	
23	R&D Planning Activities	unrated criterion	
24	Setting Out of Goals and Their Fulfillment	3	
25	Crisis Prevention	unrated criterion	
26	Workplace Audits	3	
27	Complete QEMS Documentation	2	Implementation of and comprehensive R.C. management system within the Unipetrol Group. Deadline: 2009
28	Information on OHS + EP Activities	unrated criterion	
29	Employees – Information, Collaboration	2,5	
30	Dialog with External Partners	3	
31	Reports on the Company's OHS + EP Impact	3	
32	Ch.P. – collaboration, partnership	2,5	Implementation of the R.C. partnership program within the Unipetrol Group. Deadline: 2009
33	Minimization of Environmental Problems	unrated criterion	
34	Efficient Use of Fuel & Energy	unrated criterion	
35	Knowledge of EU Regulatory Framework	3	
36	Employer / Union Agreements	unrated criterion	

Number of Rated Criteria **17**
 Fulfillment Status - Total **47.5**
 Average Fulfillment Status **2.79**

Evaluation summary: the average fulfillment status **justifies the request** for the renewal of the accreditation and the **right to use the R.C. logo by the company**. The company is applying for an accreditation for and period of two years (through 2009).

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In Prague, dated: June 12, 2007

Reviewed by the company's board of directors on: July 17th, 2007

C. PROGRESS REPORT ON THE RESPONSIBLE CARE PROGRAM (Supplement No. 3 to the application):

I. Introduction

The companies of the Unipetrol Group have been gradually implementing the "Responsible Care" program beginning with the program's launch in the Czech Republic in 1995. The subsidiary companies of the Chemopetrol Group and of Kaučuk, a.s. were among the founders of the program and they were among the first companies in the Czech Republic to be accredited for use of the RC logo. As and member of the Association of the Chemical Industry of the Czech Republic, UNIPETROL, a.s. recognized its involvement with the program in 1998 through its Environmental Policy Statement and in 1999, the CEO of UNIPETROL, a.s., Mr. Pavel Švarc, signed and 'Declaration' in which the company officially announced its participation in the RC Program. The company was able to successfully defend its fulfillment of the program's criteria in the years 2000, 2003 and 2005.

The submitted "Progress Report on the Responsible Care Program" is the result internal evaluation by UNIPETROL, a.s. of how the company has lived up to its commitments, which are part of its participation in the RC Program in the period since 2005, which was the last time that the company had to defend its participation in the program. The corporate "Environmental Report of the Unipetrol Group for 2006" is attached to this report as and supplement.

II. Brief History of the Company

Unipetrol is a group of industrial enterprises specializing in the refining of oil, petrochemicals, agrochemicals and the distribution of fuel. The Unipetrol Group associated the leading Czech refineries and petrochemical enterprises and the manufacturers of fertilizer, plastics and specialty chemical products.

The Unipetrol Group consists of the following companies:

Česká Rafinérská, a.s.; Unipetrol Rafinérie, a.s.; Chemopetrol, a.s.; Kaučuk, a.s.; Benzina a.s.; Paramo, a.s.; and, until November 2006, **Spolana, a.s.**

In addition to the above companies, the group also has a number of smaller entities with a distribution, service or R&D function. Amongst such companies are Unipetrol Trade, Unipetrol Doprava, Výzkumný Ústav Anorganické Chemie and others. In 2006, Unipetrol was also a major shareholder in the companies Agrobohemie, a.s. and Aliachem, a.s.

Unipetrol holds a leading position in the Central European market with respect to refinery and petrochemical products. On a long term basis, the group's annual revenues have been at a level equivalent to approximately 5% of the gross domestic product of the Czech Republic.

History of the Unipetrol Group

The Unipetrol Group was established at the end of 1995, the beginning of 1996, when the National Property Fund of the Czech Republic formed the company UNIPETROL, a.s. and gave it ownership interests in Chemopetrol, Kaučuk and Benzina. The company Česká Rafinérská was established in early 1996 as a joint venture of UNIPETROL, a.s. and members of a consortium of international oil companies (Shell, AgipPetroli and Conoco).

In 1998, based on its ownership interest in the company Agrobohemie, a.s., UNIPETROL, a.s. acquired an ownership interest in the company Lovochemie and, in 2001, an ownership interest in the companies Aliachem and Koramo.

In 2001, the company Paramo became a member of the Unipetrol Group and in 2002, the company Spolana joined the group as its newest member to date. Both companies became members of the group through the purchase of their shares by Unipetrol. In 2003, the companies Paramo and Koramo merged into a single entity.

In 2003, the company Česká Rafinérská was transformed for its shareholders into a refinery entity for the refining of oil into a range of petroleum products. The trading in these products is handled by the owners of Česká Rafinérská. At the time of this transformation of Česká Rafinérská, Unipetrol set up a new subsidiary company – Unipetrol Rafinérie – as an entity that was to handle the purchasing of materials for Česká Rafinérská and for the trading in petroleum products.

In the middle of 2005, the Czech Republic sold 63.8% of its shares in Unipetrol, a.s. to the Polish refining and petrochemical group Orlen. The parties set up the Unipetrol/Orlen partnership program with a focus on the synergistic effects of the integration process involving the two companies. One of the results of this integration process was the sale of the companies Kaučuk and Spolana and the establishment of the service company UNIPETROL SERVICES, s.r.o. on April 1, 2007.

Other important changes in the structure of the group took place in the year 2007. Among these changes were the transformation of the corporations Chemopetrol, Unipetrol Rafinérie, Unipetrol Doprava and Benzina into limited liability companies and the subsequent merger of Chemopetrol and Unipetrol Rafinérie. The entire group is currently preparing for the implementation of an integrated management system, which is to include an EMS conforming to ISO 14 001, a QMS conforming to ISO 9 002 and an occupational health and safety system conforming to OHSAS 18 001/Safe

Enterprise Standard (target completion date = 2009) and the subsequent implementation of the 'Responsible Care II' Framework Management System.

Business Profiles of the Group's Companies

Unipetrol

The company Unipetrol acts as the supervising entity of the Unipetrol Group and it oversees the business of the subsidiary companies operating in the chemical industry sector – specifically, in the refining of oil, petrochemicals, agrochemicals and fuel distribution.

Chemopetrol

This company has a leading position in the local market in petrochemicals and selected agrochemicals. Among the company's main products are olefins (ethylene, propylene, C₄ fraction), polyolefins (high density polyethylene, polypropylene), aromatics (benzene), alcohols (ethanol, butanols, 2-ethylhexanol), ammonia, urea and technical gases. Most polymers are produced for export in the form of raw materials for the manufacturing industry. The production process is closely tied to the Litvínov Refinery. Chemopetrol's operations are located at the Záluží production facility.

Kaučuk

This company is the only manufacturer of synthetic rubber and polystyrene plastics in the Czech Republic. Part of the company specializes in the production of basic monomers – butadiene and styrene, which are used by the company for the production of various forms of polystyrene plastics, such as high-impact, crystal and expandable polystyrene and ABS co-polymer. Just as with Chemopetrol, most of the polymers produced by the company are exported as raw materials for the manufacturing industry. In 2002, Kaučuk acquired an ethylene benzene production plant in Litvínov, which the company fully renovated. The company's operations are located at the Kralupy nad Vltavou and the Litvínov production facilities.

Česká Rafinérská

This company operates oil refineries in Litvínov and in Kralupy nad Vltavou, which have a total capacity of 8.5 million tons of material per year. This makes it the largest oil refining entity in the Czech Republic. Primary products include gasoline, diesel, aviation fuel, heating oil, liquefied petroleum gases (propane-butane), road asphalt, naphtha, solvents, oil hydrogenates, sulfur, propylene, MTBE and other raw materials for the petrochemical industry. The company supplies roughly half of the fuel market within the Czech Republic. A substantial part of its production is exported, mostly to the neighboring markets – Germany, Austria, Poland, Hungary and Slovakia. The company's operations are located at the Kralupy nad Vltavou and the Litvínov production facilities, which it shares with Chemopetrol and Kaučuk.

In 2003, Česká Rafinérská was transformed into a processing refinery. In practical terms, this meant that the company processes petroleum for its shareholders and supplies them with finished products, which they then market.

Benzina

The company specializes in the purchase of goods for the purpose of resale and most of its business is involved with fuel products. Benzina also provides services in the area of vehicle maintenance and hospitality (food). The company operates a nationwide chain of gas stations, which is the largest in the Czech Republic (11.8% market share, 320 stations).

Paramo

Paramo is a company with more than a one-hundred-year-old history in the refining of oil and the manufacture of fuel, lubricants and asphalt. The company's main area of business is the refining of petroleum. PARAMO is a well-known producer of fuel, motor and industrial oils, machinery, technical and preservative products, synthetic and solid lubricants, asphalt, asphalt insulation products and paraffin.

In late 2003, the company, formerly known as Koramo, became a part of Paramo. Koramo was also a company with more than a century of tradition in the processing of petroleum and the production of motor, gear and industrial oils, paraffin, greases and synthetic lubricants. The company's MOGUL brand encompasses a variety of products, which hold nearly 30% of the Czech market.

Spolana

This company specializes in the manufacture of petrochemical and chemical products. Spolana is the only producer of suspension PVC in the Czech Republic and the company also manufactures small amounts of PVC granulate. Inorganic chemical compounds such as caustic soda, liquid chlorine, sodium hypochlorite and ammonium sulfate also represent important parts of the company's production. Another area in which the company specializes is the production of caprolactam, the raw material used for the production of polyamide fiber and engineering plastics.

Basic Financial Data on the Unipetrol Group – Consolidated Data for 2006

Shareholders' Equity (CZK '000's)	41,160,194
Registered Capital (CZK '000's)	18,133,476
Total Revenues (CZK '000's)	94,642,132
Pre-Tax Profit (CZK '000's)	3,189,662

Profit for Accounting Year (CZK '000's)	1,693,275 (profit allocated to shareholders of parent company: 1,599,827)
Dividends (CZK)	(to be voted on at general meeting; 2005 = 0)
Average Number of Employees	5,909 (FTEs as of Dec. 31, 2006)
Total Investment (CZK millions)	3,937

III. Corporate Environmental Policy of the Unipetrol Group

In 1999, Unipetrol, a.s. announced the Corporate Environmental Policy of the Unipetrol Group, which can be characterized with the following key objectives:

- i. Compliance with Environmental Protection Legislation
- ii. Implementation of an Environmental Management System
- iii. Abatement of Environmental Hazards
- iv. An Open Approach to Environmental Issues
- v. Environmental Impact Assessments
- vi. The Mitigation of the Impact of Old Environmental Damage
- vii. Support for Sustainable Development Policies

Compliance with the Corporate Environmental Policy in 2006

i. Compliance with Environmental Protection Legislation

- Achieve compliance with the requirements set out in the applicable legislation for the protection of the environment in all activities of the company and continuously maintain, monitor and test for such compliance.

All companies within the group are in compliance with the applicable regulatory requirements in the area of environmental protection. Such compliance is continually maintained and monitored by the senior management of the individual companies and the management of the group and this compliance is regularly tested by the relevant authorities. (In companies certified in conformity with ISO 14001, this testing is also done by the respective certification bodies and in the companies participating in the 'Responsible Care' program, the testing is done by the Association of the Chemical Industry of the Czech Republic.)

This corporate policy objective has been met.

- Make an effort to reach environmental standards that go beyond the current regulatory requirements wherever it is reasonable and possible to do so in an efficient manner.

Whenever it is reasonable to do so and can be done efficiently, the companies implement environmental standards that are stricter than currently required by the regulatory authorities. One example is Kaučuk, which has been able to maintain its emissions of volatile organic compounds (VOC) at extremely low levels, or Česká Rafinérská, which has been implementing a system for the reduction of VOC emissions from LDAR diffusion sources.

This corporate policy objective has been met.

- Use the best processes and technologies available, wherever feasible and effective in terms of cost.

The companies in the group apply the best procedures and technologies available wherever suitable and cost effective. New equipment has been installed in the Litvínov production plants for plastics and ethylbenzene, the Litvínov and Kralupy refineries and in the Kralupy styrene production plant, etc.

This corporate policy objective has been met.

ii. Implementation of an Environmental Management System

- Make an effort to implement an environmental management system at the companies of the Unipetrol Group and have the system certified in conformity with the ISO 14 001 international standard.

An environmental management system, certified in conformity with the ISO 14 001 international standard has been implemented at the following companies: Chemopetrol, Kaučuk, Česká Rafinérská, Spolana and Paramo.

This corporate policy objective has been met.

- Integrate environmental aspects into all corporate activities as an integral part of our corporate policies.

Environmental aspects have been integrated into all of the activities of the group's companies as an integral part of their corporate policies through the specific environmental policies applied by the member companies and through

the strategic goals defined by the management of the group.

This corporate policy objective has been met.

- Regularly review corporate environmental policies in terms of our ability to meet our environmental objectives and target values and coordinate such policies with the other aspects of our overall corporate strategies.

The boards of directors and supervisory boards of the companies of the group regularly discuss corporate environmental policies in terms of their ability to meet their environmental objectives and target values and they coordinate these policies with other corporate strategies. As required, they update and revise such environmental policies.

This corporate policy objective has been met.

- Demand the implementation of environmental management systems from our contractors and suppliers and share our experience in this area.

The companies of the group have been requiring that their contractors and suppliers use an environmental management system and that they share their experiences in this area.

This corporate policy objective is being met on a continuing basis.

- Apply the principles of the 'Responsible Care' international program for voluntary initiatives in the chemical industry.

As part of their activities, the companies of the group apply the principles of the 'Responsible Care' international program for voluntary initiatives in the chemical industry. All manufacturing members of the group, as well as the corporate entity managing the group, have regularly been recertified to use the program's prestigious logo, based on their compliance with the program's guidelines.

This corporate policy objective has been met.

iii. Abatement of Environmental Hazards

- Implement a system for the prevention and management of environmental hazards, major accidents, their remediation and for guaranteeing compensation for any damage (to the environment, health or property), which is caused by such an accident.

The companies of the group introduced a system for the prevention and management of environmental hazards, major accidents, their remediation and for guaranteeing compensation for any damage (to the environment, health or property), which is caused by such an accident, and they are in compliance with the requirements of Act No. 353/1999 Coll. on the prevention of serious accidents (SEVESO II).

This corporate policy objective has been met.

- Introduce an inventory system for hazardous substances.

The companies of the group have introduced a system for the inventorying of hazardous substances, in conformity with Act No. 59/2006 Coll. on the prevention of serious accidents and they have supplied additional required data on emissions and the transfer of substances to the Integrated Pollution Registry, in conformity with Act No. 76/2002 Coll. on the integrated prevention of pollution.

This corporate policy objective has been met.

- Inform the public about the existence of environmental hazards and the safety measures that have been put into place and the conditions that exist in operations that involve the handling of hazardous substances.

The companies of the group have put together the safety reports and related safety documentation in conformity with Act No. 59/2006 Coll. on the prevention of serious accidents, which includes a public section that was released to the general public. The companies regularly inform the public on the existence of hazards and the safety measures put into place and the conditions that exist in the operations involving the handling of hazardous substances. This information is distributed through corporate newsletters and environmental reports and it is posted on corporate websites.

This corporate policy objective has been met.

iv. An Open Approach to Environmental Issues

- Take an open approach towards the parties involved in the area of environmental protection.

By being in compliance with the guidelines of the 'Responsible Care' program and through other activities such as open house type events and regular meetings between the corporate management and local municipal officials, the companies of the group exercise an open approach towards the parties involved in the area of environmental

protection.

This corporate policy objective has been met.

- Increase the environmental consciousness of our own employees and of our business partners.

The companies of the group are taking action to increase the environmental consciousness of their own employees and of their business partners through the use of regular training courses, instruction sessions, contests and evaluations.

This corporate policy objective has been met.

- Build mutual trust through the transparent adherence to environmental commitments.

The companies of the group regularly evaluate their adherence to their environmental commitments and publish the results of such evaluations on their corporate websites. With respect to companies using a certified environmental management system, the adherence to their environmental commitments is monitored by an independent third party (the certification body); and, in the case of other companies participating in the 'Responsible Care' program, the evaluations are conducted by the Association of the Chemical Industry of the Czech Republic.

This corporate policy objective has been met.

- Propose and sign voluntary environmental protection agreements with the government, administrative bodies and local governments whenever such a voluntary agreement can lead to the achievement of our environmental protection objectives in a more effective manner, compared to the use of the standard government regulatory framework.

So far, no specific voluntary agreements at a governmental level have been prepared or signed by the Unipetrol Group. Spolana is part of the voluntary initiative of the Eurochlor Association to reduce environmental hazards that are associated with the use of mercury.

This corporate policy objective is being met on a continuing basis.

- Support international commitments of the Czech Republic in the area of environmental protection and direct the company's own environmental objectives and target values towards the achievement of these objectives.

The companies of the group have been working together with the International Commission for the Protection of the Elbe River. Our companies have been directing their own environmental objectives and target values towards the achievement of the commitments that the Czech Republic has made for the protection of the Elbe River.

This corporate policy objective has been met.

v. Environmental Impact Assessments

- Assess the impact of the company's activities on the environment before starting any new activities or projects and before abandoning any production site. This assessment should be carried out as necessary and in the form of internal procedures, even for projects and activities for which such assessments are not required under the law.

The above requirement of the corporate environmental policy is being taken care of on an ongoing basis not only as part of all of the group's investment projects but also when remediating old environmental contamination, which occurred prior to the privatization of the companies in 1992.

This corporate policy objective has been met.

- By 2004, implement an analysis of product lifecycles in terms of their environmental impact.

The companies of the group do not produce any products for the end consumer. The vast majority of the products that are manufactured by the group are semi-finished goods, which are then further processed by the chemical industry. So far, no life cycle analysis methodologies have been developed for these types of products in terms of their environmental impact. The meeting of such requirements is not realistic.

This corporate policy objective has not been met.

vi. The Mitigation of the Impact of Old Environmental Damage

- Implement a program for the remediation of old environmental contamination and restore such sites to conform to the remediation parameters that are currently being required by the respective environmental authorities.

The companies of the group signed a contract for the settlement of their environmental commitments with the National Property Fund of the Czech Republic and, based on these contracts, the companies have been gradually pursuing a program for the remediation of old environmental contamination and the restoration of such sites in order to meet the parameters that are currently being required by the respective environmental authorities.

This corporate policy objective has been met.

vii. Support for Sustainable Development Policies

- Adhere to the principles of sustainable development and integrate environmental protection initiatives into all activities of the companies.

The corporate environmental policy of the group, as well as the policies of the individual member companies, is put together in accordance with the principles of sustainable development and they integrate environmental protection initiatives into all of their activities.

This corporate policy objective has been met.

- Prefer the prevention of pollution over the implementation of retroactive (remedial) measures.

As part of their investment planning, the companies of the group prioritize pollution prevention over the use of retroactive (remedial) measures.

This corporate policy objective has been met.

- Focus the basic corporate strategic objectives on innovative approaches that lead to the minimization of energy and material input requirements and minimize the production of waste, as well as to a greater utility value for our products and services.

The basic corporate strategic objectives of the Unipetrol Group focus on innovative approaches that lead to the minimization of energy and material input requirements and minimize the production of waste, as well as to a greater utility value for our products and services. As an example, we can use a program for the reuse of fly ash and the byproducts of the 'desulphurization' process for construction purposes at Chemopetrol and the introduction of a closed cooling cycle system and the reduction of energy input requirements at Kaučuk.

This corporate policy objective has been met.

- Promote further improvements to the group's environmental initiatives.

Ongoing improvements to the group's environmental initiatives are a part of the environmental management systems that are used throughout the group and such improvements are regularly audited by third parties.

This corporate policy objective has been met.

IV. Environmental Investments

With total investments of CZK 740 million, Česká Rafinérská accounted for the greatest share of all of the environmentally targeted investments made by the UNIPETROL Group in 2006. These investments were primarily devoted to a set of initiatives for the 'biofuel' and 'selective hydrogenation of gasoline' programs and several smaller scale projects for the improvement of air quality and the protection of water resources.

The second largest investor in the environmental area within the UNIPETROL Group was Paramo, which invested a total of CZK 87 million in environmentally related projects to reduce the emission of odoriferous substances and to make improvements to the energy efficiency of its production processes.

Chemopetrol invested a total of CZK 65 million into a program for the use of the biological sediment from wastewater treatment plants as a source of energy, a program for the protection of surface water and a program for the utilization of the ash generated from incineration processes.

In 2006, Spolana invested a total of CZK 22 million in measures to protect the water supply, measures to recycle waste generated during the PVC production process and other measures, designed to reduce emissions.

After massive investments into environmental quality measures in earlier years, the companies Kaučuk and Benzina invested smaller amounts in further reductions in emissions, the cutting of pollution released into surface water and reductions in noise pollution in 2006.

A more detailed summary of environmental investments and measures of the Unipetrol Group of companies that were realized during 2006 can be found in the Corporate Environmental Report (Supplement No. 4 to this application).

Environmental Investments within the Group (CZK millions / year)

Year	2001	2002	2003	2004	2005	2006
Unipetrol Group	191	177	407	1041	473	938

V. Operational Costs Related to Environmental Protection

The operational costs related to environmental protection are closely tied into the operation of the group's environmentally-related investments and equipment. These are the costs that are related to the operation of equipment and systems for the protection of the air, the purification of wastewater, the disposal of waste, the operation of environmental management systems, the monitoring of agents released into the environment, environmental impact assessments (EIA), integrated pollution prevention and control (IPPC) systems and other-related environmental activities.

Newly installed modern equipment, with a high degree of raw material conversion, reduced amounts of waste and greater energy efficiency have allowed the group to cut its environmentally-related operating expenses in both 2005 and 2006. The following chart shows the trend in these expenditures from 2001 – 2006.

Operational Costs Related to the Environment within the Group (CZK millions / year)

Year	2001	2002	2003	2004	2005	2006
Unipetrol Group	1,252	1,505	1,092	1,480	1,051	1,047

VI. Management Systems

Management systems are important tools for environmental protection. On an ongoing basis, the companies of the Unipetrol Group implement and certify environmental management systems (EMS), quality management systems (QMS) and occupational health and safety management systems (the 'Safe Enterprise' program and OHSAS) as a way to ensure a proper approach to the issues related to environmental protection. These activities include participation of the Group in the international chemical industry program – 'Responsible Care' (known as 'Odpovědné podnikání v chemii' in the Czech Republic).

List of Management Systems Implemented / Certified / Verified at the Unipetrol Group in 2006

Company	Certification Body	Basic Certification / Verification Standard	Certification / Verification Years	Re-Certification / Re-Verification
CHEMOPETROL	LRQA	ISO 14001:1996 ISO 14001:2004	2002 2005	2008
	LRQA	ISO 9002:1994 ISO 9001:2000	1996 2002, 2005	2008
	ČÚBP	BP: ČÚBP	1999, 2002, 2005	2008
	LRQA	OHSAS 18001	2005	2008
	SCHP ČR	RC: CEFIC, SCHP ČR	1996, 1998, 2000, 2002, 2004	2008
KAUČUK	LRQA	ISO 14001:1996 ISO 14001:2004	1999, 2002 2005	2008
	LRQA	ISO 9002:1994 ISO 9001:2000	1993, 1996, 1999 2002, 2005	2008
	ČÚBP	BP: ČÚBP	2000, 2003, 2006	2009
	SCHP ČR	RC: CEFIC, SCHP ČR	1996, 1998, 2000, 2002, 2004	2007
ČESKÁ RAFINÉRSKÁ	LRQA	ISO 14001:1996 ISO 14001:2004	2001 (QEMS), 2004 2005	2007
	LRQA	ISO 9002:1994 ISO 9001:2000	2001 2001, 2004	2007
	ČÚBP	BP: ČÚBP	2003, 2006	2009
	LRQA	OHSAS 18001		2007
	SCHP ČR	RC: CEFIC, SCHP ČR	2000, 2002, 2004	2008
PARAMO	RW TUV	ISO 14001:1996 ISO 14001:2004	2003 2006	2009
	RW TUV	ISO 9001: 1994 ISO 9001: 2000	1996, 2000 2003, 2006	2009
		-	Implements a system conforming to OHSAS 18001	2007
	SCHP ČR	RC: CEFIC, SCHP ČR	2001, 2003, 2005	2008
SPOLANA	RW TUV TUV NORD	ISO 14001:1996 ISO 14001:2004	2001 2006	2009
	RW TUV TUV NORD	ISO 9001:1994 ISO 9001: 2000	1994, 1997, 2000 2003, 2006	2009
	SÚIP	BP: SÚIP	2006	2009
	SCHP ČR	RC: CEFIC, SCHP ČR	1996, 1998, 2000, 2003, 2005	2008
BENZINA	LRQA	ISO 9001: 1994 ISO 9001: 2000	1996, 1999 2002, 2005	2008
UNIPETROL	SCHP ČR	RC: CEFIC, SCHP ČR	2000, 2003, 2005	2007

VII. Current Status of the Preparations, Review and Issuance of Integrated Permits, in accordance with Act No. 76/2002 Coll.

In 2006, a new integrated permit was issued for the ammonia and urea production plants of Chemopetrol, a. s., the plant for the production of crystal polystyrene blocks of Kaučuk, a.s., the PVC plant of Spolana and the oil plant at the Pardubice Branch of Paramo, a.s.

The following was the status of the integrated permits at the UNIPETROL Group as of the end of 2006:

The companies **Česká Rafinérská** and **Paramo** have an integrated permit for all of their operations (the refinery in Litvínov, the refinery in Kralupy, Paramo (Pardubice Branch) – heating plant, asphalt plant, fuel plant, oil plant and the Paramo (Kolín Branch)).

Chemopetrol has integrated permits for the polymer plant, the ethylene unit, the energy unit of the ethylene unit, the plant for the production of naphthalene concentrate, the urea plant, the ammonia plant and the plant for the gasification of black oil (tar or mazut) (POX). Applications for integrated permits for the OXO plant and for the in-house power supply are still pending.

Kaučuk obtained an integrated permit for its new ethyl-benzene plant in Litvínov, the plant for the production of styrene, expandable polystyrene and block, high-impact polystyrene and for the operation of the Veltrusy II waste disposal site. Applications for integrated permits for the in-house waste incineration plant, the plant for the production of styrene-butadiene rubber (SBR) and the company's power supply operations are still pending.

Spolana has obtained an integrated permit for its olefin production plant (LIO), the caprolactam and sulfuric acid production plant and the PVC plant. Applications for integrated permits for the power supply operations, a waste disposal site and the plant for the production of chlorine and caustic soda through amalgam electrolysis are still pending.

Company / Production Unit	Application Filed	Integrated Permit (IP) Application Status
Chemopetrol		
Polymer Plant (new polyethylene and polypropylene production unit)	31/3/2003	12/2003 IP issued – Reg. Auth. Ústi nad Labem.
Ethylene Unit, Ethylene Unit Power Plant, Naphthalene Concentrate Plant	1/2004	02/2005 IP issued – Reg. Auth. Ústi nad Labem.
Urea Plant	12/2004	09/2005 IP issued – Reg. Auth. Ústi nad Labem.
Ammonia Plant	12/2005	07/2006 IP issued – Reg. Auth. Ústi nad Labem.
POX Plant	12/2005	07/2006 IP issued – Reg. Auth. Ústi nad Labem.
OXO Plant	12/2006	Application pending.
Power Plant	11/2006	Application pending.
Kaučuk		
Ethylbenzene II (Litvínov)	31/ 3/ 2003	1/3/2004 IP issued – Reg. Auth. Ústi nad Labem.
Styrene	31/3/2003	22/ 7/2004 IP issued – Reg. Auth. Central Bohemia, came into legal effect after appeal 9/3/2005.
Expandable Polystyrene	31/3/2003	22/ 7/2004 IP issued – Reg. Auth. Central Bohemia, came into legal effect after appeal 9/3/2005.
Block High-Impact Polystyrene (BHPS)	16/12/2004	29/6/2005 IP issued – Reg. Auth. Central Bohemia.
Block Crystal Polystyrene (BKPS)	23/11/2005	18/8/2006 IP issued – Reg. Auth. Central Bohemia.
Veltrusy II Disposal Site	16/1/2006	29/1/2007 IP issued – Reg. Auth. Central Bohemia.
Butadiene	26/10/2006	Administrative process underway.
Waste Incineration Plant	28/11/2006	Administrative process underway.
Styrene – Butadiene Rubber (SBR)	19/12/2006	Administrative process underway.
Heating Plant (and related equipment)	28/12/2006	Administrative process underway.
Spolana		
LIO Plant	31/3/2003	10/11/ IP issued – Reg. Auth. Central Bohemia, permit cancelled, production terminated before cancellation of the permit.
Caprolactam and Sulfuric Acid Plant (including Wastewater Treatment Plant)	1/6/2004	15/12/2004 IP issued.

Company / Production Unit	Application Filed	Integrated Permit (IP) Application Status
PVC Plant	29/4/2005	16/1/2006 IP issued – Reg. Auth. Central Bohemia.
Power Plant and Waste Disposal Site	29/12/2005	Hearing held on 28/11/2006, decision pending.
Chlorine and Caustic Soda Amalgam Electrolysis Plant	30/6/2006	Pending.

Company / Production Unit	Application Filed	Integrated Permit (IP) Application Status
Česká Rafinérská		
Litvínov Refinery	31/3/2003	15/12/2004 IP issued – Reg. Auth. Ústi nad Labem.
Investment Plants for the Use of LCO and Biofuel	10/7/2006	20/7/2006 IP revision issued – Reg. Auth. Ústi nad Labem.
Investment Plant to Revamp the Hydrocracking Unit and the Recontacting System on the Visbreaking Unit	21/6/2006	17/10/2006 IP revision issued – Reg. Auth. Ústi nad Labem.
Kralupy Refinery	31/3/2003	9/2/ 2004 IP issued – Reg. Auth. Central Bohemia; based on a decision of the Ministry of the Environment regarding the appeal filed by a public initiative and the Veltrusy Municipality, the IP came into legal effect, May 2004.
Investment plan for the unit for the separation of gasoline from fluid catalytic cracking.	9/6/2004	27/9/2004 IP revision issued – Reg. Auth. Central Bohemia.
Investment plan for the unit for the selective hydrogenation of gasoline.	16/3/2006	26/8/2006 IP revision issued – Reg. Auth. Central Bohemia.
Paramo		
Heating Plant, HS Pardubice	10/2003	02/2004 IP issued – Regional Authority Pardubice.
Asphalt Plant, HS Pardubice	05/2004	10/2004 IP issued – Regional Authority Pardubice.
Fuel Plant, HS Pardubice	07/2004	12/2004 IP issued – Regional Authority Pardubice
HS Kolín	12/2004	05/2005 IP issued – Reg. Auth. Central Bohemia
Oils Plant, HS Pardubice	06/2005	01/2006 IP issued – Regional Authority Pardubice

VIII. Classification of the Companies of the Unipetrol Group in accordance with Act No. 59/2006 Coll. and the Status of the Review of the Safety Report, as of December 31, 2006

Company	Category	Safety Report
Chemopetrol Litvínov Plant	B	1/3/2005 – 1 st update approved, Reg. Auth. Ústi nad Labem
Kaučuk Kralupy Plant Litvínov Ethylbenzene II Plant	B B	16/6/2004 approved, Reg. Auth. Central Bohemia 22/8/2003 approved, Reg. Auth. Ústi nad Labem; ETB II, update 2005
Česká Rafinérská Litvínov Refinery Kralupy Refinery	B	16/2/2003 approved, Reg. Auth. Ústi nad Labem 8/10/2002 approved, Mělník District Authority
Paramo – Pardubice Branch	B	3/8/2004 approved, Regional Authority Pardubice 16/6/2005 approved update, Regional Authority Pardubice
Paramo – Kolín Branch	-	not subject to Act No. 59/2006 Coll.
Spolana	B	1/10/2003 approved, Reg. Auth. Central Bohemia
Benzina	-	not subject to Act No. 59/2006 Coll.

IX. Participation of the Companies of the Unipetrol Group in the TRINS (Transportation Information and Accident System)

Company	Participation in the TRINS System
Chemopetrol	national center, regional center
Kaučuk	regional center
Česká Rafinérská - Litvínov Refinery - Kralupy Refinery	regional center regional center
Paramo	regional center
Spolana	regional center

E. Evaluation of the Fulfillment of the Tasks in Responsible Care Program

The evaluation of the current status of the completion of the tasks that are part of the program is based on the following internal and independently verifiable evaluation completed by the senior management of UNIPETROL, a.s. Since UNIPETROL, a.s. is a 'non-manufacturing' company, which acts as the supervising entity of the Unipetrol Group of manufacturing, distribution and service companies, the company decided to focus – in accordance with the guidelines of the RC program on 16 mandatory criteria and 10 non-mandatory criteria, reflecting the business activities of the company. Notwithstanding, a brief description of the company's and the group's activities is also included for the non-mandatory criteria, which have not been included in the evaluation.

E1 – MANDATORY CRITERIA

1 - The preparation and fulfillment of the tasks that are part of the R.C. program (OPCH) is one of the top priorities of the company – receiving its constant attention.

The program has the strong backing of the senior management of the company and the fulfillment of the program's requirements is overseen by one of the members of the company's senior management. The management supports the completion of the tasks that are part of the program through effective organizational measures and through the use of management systems. The management promotes the importance of the program and the right to use the program's logo both within and outside of the company. The management set the medium and long-term objectives of the program, based on the outlook for the future growth of the company. The management keeps the respective regional authorities up-to-date on matters related to the R.C. program and maintains a dialog on the completion of the tasks that are part of the program.

***Status:** The program is strongly backed by the senior management of UNIPETROL, a.s. and the chairman of the company's board of directors and the CEO of the company are responsible for the oversight and monitoring of the progress in the fulfillment of the objectives that are part of the program.*

- *The management supports the completion of the tasks that are part of the program through effective organizational measures and through the use of management systems within the company itself as well as within the entire group.*
- *The management promotes the importance of the program and the right to use the program's logo within the company, as well as to use it within the rest of the group and in the companies of our business partners.*
- *Based on the company's long-term strategic plans, the management has set out medium and long-term strategic objectives for the group that are in accordance with the R.C. program and its priorities.*
- *The management keeps the general public up to date on matters related to the RC program by posting relevant information on its corporate website and it provides the Chemical Workers Union, the Ministry of the Environment, the National Property Fund and other government bodies with information on its progress in the fulfillment of the objectives, which are part of the program.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

2 - The R.C. program defines the activity framework and the objectives of the company in the area of health and safety, environmental protection, product safety and the efficient use of fuel and energy.

The company has an existing document that defines the objectives and the plan for the implementation of measures in the area of health, safety and environmental protection (the environmental policy). This document defines the requirements for compliance with the applicable legal regulations and decisions and promotes the exceeding of the regulatory requirements, based on the financial wherewithal of the company. The contents of this document are generally known throughout the company and it is available to corporate staff.

Status: UNIPETROL, a.s. has an existing "Environmental Policy", "Occupational Health and Safety Policy" and "Guidelines for the Mitigation of Risks within the Unipetrol Group". These policy statements and guidelines have been approved by the senior management and the board of directors of the company and the documents define the objectives and the plan for the implementation of measures in the area of health, safety and environmental protection within the group.

- *The Environmental Policy statement of the company defines the requirements for compliance with the applicable legal regulations and decisions and promotes the exceeding of the regulatory requirements, based on the financial wherewithal of the company.*
- *The contents of these documents are generally known within the company, the updated versions are available on the corporate website and these documents are an essential part of the annually published corporate environmental report.*
- *The Environmental Policy statement of the company undergoes regular revisions and updating and the policy statement is also binding on the subsidiary companies of Unipetrol, a.s.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

3 - The preparation, fulfillment and additional objectives of the program are coordinated on a centralized basis.

The company has its own program coordinator (or coordination group). This coordinator has experience with matters related to health, safety and environmental protection and matters related to the manufacturing and business activities that take place at the company. The coordinator regularly communicates with a member of the senior management and attends both internal and external meetings where matters related to the program are discussed. The coordinator plans their work based on other activities and plans of the company; actively supports the fulfillment of the program's objectives by the different sections of the company; works together with the individual sections of the company in preparing their own objectives, which are part of the program; and, acts as a liaison in dealing with regional authorities on matters related to participation in the R.C. program.

Status: *The group has set up the Environmental Committee for the Unipetrol Group (which acts to coordinate and work as an advisory body to the CEO of Unipetrol, a.s.). The committee deals with the preparation, fulfillment and monitoring of the tasks that are part of the program, relating to health, safety and environmental protection, along with the manufacturing and business activities, which take place within the group.*

- *The work of this committee is overseen by an employee responsible for environmental protection and industrial risks. Other senior employees, who are appointed by the managements of the subsidiary companies, are also involved in the work of this committee.*
- *The company also has a risk management committee. Both committees have the status of being advisory bodies to the senior management of the company.*
- *The senior management of the company regularly reviews the conclusions, suggestions and recommendations of the Environmental Committee, as related to the program, and applies these to the company's subsidiaries.*
- *The chairperson of the Environmental Committee acts as a liaison in dealing with central governmental authorities on matters related to participation in the R.C. program and coordinates the communications between the company's subsidiaries and regional authorities.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

4 - The company is constantly promoting the importance of the R.C. logo and accreditation.

The employees of the company are generally aware of the R.C. logo and its importance to the company and to the entire chemical industry. Those companies that of the group that are authorized to use the R.C. logo do so on every non-commercial occasion. Its employees

support the efforts of the senior management to obtain or renew the accreditation for the use of the R.C. logo.

Status: *The employees of the company are generally aware of the R.C. logo and its importance to the company and to the entire chemical industry.*

- *In 2006, the companies of the Unipetrol Group continued with their active participation in the 'Responsible Care' program – a prestigious international initiative of companies in the chemical industry.*
- *The group's companies have been able to maintain their accreditation to use the program's logo.*
- *Those companies within the group that are authorized to use the R.C. logo do so on all non-commercial occasions and the employees Unipetrol Group support the efforts of the senior management to obtain or renew the accreditation for the use of the R.C. logo.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion. The company plans to get other companies of the group involved in the R.C. program.

2 points

16 - The R.C. program requires the implementation of measures for the improvement of the reliability of transportation and the prevention and mitigation of the negative impacts of transportation-related accidents on people's health and the quality of the environment (SQAS).

The company undertakes measures to improve the reliability of transportation – especially with respect to the shipping of hazardous materials. The company is in compliance with the legal and technical regulations that apply to carriers and it is a member of the TRINS system – a voluntary transportation information and accident system. The company's operating centers are familiarized with and comply with the requirements associated with membership in TRINS. The company established the position of a 'safety advisor' for the loading, unloading and shipping of materials. The employee filling this position has been assigned a specific set of tasks and been given the opportunity to pursue further professional training. Recommendations for improvements to the reliability of transportation, which are submitted by the safety advisor are then reviewed by the senior management of the company. Employees involved in the loading and unloading of goods and the handling of transportation-related matters are given training on a regular basis and attend practical exercises. The company conducts an analysis of the risk of an accident and an analysis of the possible impact on health and the environment of any shipments of chemicals that are being shipped from the company. The company keeps track of all accidents occurring with external shipments containing the company's products and, using this collected data, the company makes decisions on the implementation of appropriate remedial measures. The company's logistical procedures have undergone a successful independent evaluation as part of the SQAS (safety and quality assessment system).

Status: *UNIPETROL, a.s. undertakes measures to improve the reliability of transportation-related activities undertaken by the companies within the group – especially with respect to the shipping of hazardous materials. The company makes sure that it is always in compliance with the legal and technical regulations that apply to carriers. Its subsidiaries are members of the TRINS system – a voluntary transportation information and accident system. The company's operating centers are familiar with and comply with the requirements associated with membership in TRINS. One of the company's subsidiaries acts as the TRINS national center and two subsidiaries act as regional centers for the system.*

- *UNIPETROL, a.s. conducts an analysis of the risk of an accident and an analysis of the possible impact on health and the environment of any shipments containing hazardous materials (chemicals) that are being shipped from the company.*
- *The group's companies keep track of all accidents occurring with external shipments containing the companies' products and, using this collected data, they make decisions on the implementation of appropriate remedial measures.*
- *The transportation activities taking place at the companies of the group are coordinated by the logistics manager of Unipetrol Services. The transportation activities within the group are gradually being centralized.*

- *The cistern steam cleaning station of UNIPETROL DOPRAVA has undergone an independent logistical audit as part of an SQAS audit (audit completed in October 2006 by MOODY International).*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

18 - The R.C. program requires the participating companies to offer and market products, which can be processed, distributed, used and disposed of in a safe manner – product tracking as part of the Product Stewardship Program.

The company is aware that between the time of its production and its disposal, any product can be misused or its improper usage or secondary impact can endanger people's health or the environment. The company possesses and adheres to a set of internal guidelines for the handling of products prior to their introduction onto the market. The company only markets products, the utility value of which significantly surpasses the risks associated with their harmful effects. The company continuously monitors reports on the effects of its own products and similar types of products on people's health and the environment – both during their use and after the end of their lifecycle. The company is ready to recall any product that has been proven to be harmful during any stage of its lifecycle, where such harmful effects significantly exceed the utility value of the product. The company selects and uses packaging for its products, keeping in mind the issues of safety and disposal options. In the event of any doubt as to the potential health or environmental hazards that might be associated with a product through its lifecycle, the company adheres to the principle of being better-safe-than-sorry.

Status: UNIPETROL, a.s. is aware that between the time of its production and its disposal, any product can be misused or its improper usage or secondary impact can endanger people's health or the environment. The company has incorporated this aspect of its business into its Environmental Policy.

- *The group's companies possess and adhere to a set of internal guidelines for the handling of products prior to their introduction onto the market. The companies only market products, the utility value of which significantly surpasses the risks associated with their harmful effects.*
- *UNIPETROL, a.s. continuously monitors reports on the effects of its own products and similar types of products on people's health and the environment – both during their use and after the end of their lifecycle. The group's subsidiaries stand ready to recall any product that has been proven to be harmful during any stage of its lifecycle, where such harmful effects significantly exceed the utility value of the product. When evaluating their products, the companies of the group adhere to the principle of being better safe than sorry.*
- *The group's subsidiaries select and use packaging for their products with safety and the packagings' disposal options in mind and they are in compliance with the regulatory requirements related to the disposal and collection of packaging / products and their further handling (the act on waste and the act on packaging materials).*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion. Unipetrol, a.s. plans to introduce the Product Stewardship Program's guidelines throughout the entire Unipetrol Group.

2 points.

19 - The R.C. program requires participating companies to provide customer services that focus on safety, health and the protection of the environment.

The company provides its customers with information and consulting services related to its products and packaging, their use and handling in a manner that is safe for both persons and the environment and the potential consequences arising from their misuse. The company also provides information on proper disposal methods (e.g. the disposal of products at the end of their lifecycle) and it assists its customers with the disposal of products (or their additives) that are hazardous to health and the environment.

Status: *In accordance with the group's corporate Environmental Policy, the companies of the group provide their customers with information and consulting services related to its products and packaging, their use and handling in a manner that is safe for both persons and the environment and the potential consequences arising from their misuse.*

- *The companies provide information on proper disposal methods (e.g. the disposal of products at the end of their lifecycle).*
- *The companies assist their customers with the disposal of products (or their additives) that are hazardous to health and the environment.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

2.5 points

20 - The R.C. program requires participating companies to assist their customers with any problems related to packaging and waste, as they relate to the company's products.

The company provides its customers with all required information related to the disposal of its products and packaging in a manner that is safe for persons and for the environment. Under certain circumstances, the company is able to collect damaged or unused product from customers and to dispose of such materials using its own resources.

Status: *The group's companies provide their customers with all required information related to the disposal of their products and packaging in a manner that is safe for persons and for the environment. Under certain circumstances, the companies are able to collect damaged or unused product from customers and to dispose of such materials using their own resources.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

21 - The R.C. program requires that the activities undertaken by the participating company be in compliance with the applicable legal regulations and decisions issued by the authorities (this includes any permits and licenses for the respective activities).

The company regularly and systematically verifies the conformity of its activities with the requirements established under the applicable legislation and the decisions issued by authorities, related to the safety of its operations and its personnel and to the protection of health and the environment. The company promptly responds to any legal and regulatory changes and incorporates such changes into its internal guidelines and directives and it adjusts its activities in order to make sure that the company is in compliance with all applicable regulatory requirements by the required date. The company actively seeks information on the subject and the timing of newly planned regulatory requirements in the area of safety, health and the protection of the environment. The employees of the company participate in the submission of comments and suggestions regarding proposals for new regulatory requirements. Being aware of the fact that the official deadlines for responding to new regulatory requirements are usually set at the latest possible date, the senior management of the company supports the concept of voluntary agreements on the meeting of deadlines ahead of time and on the exceeding of minimum regulatory standards.

Status: *UNIPETROL, a.s. regularly and systematically verifies the conformity of the activities of the group's subsidiaries with the requirements established under the applicable Czech legislation related to environmental protection and the decisions issued by authorities, related to the safety of their operations and their personnel and to the protection of health and the environment.*

- *UNIPETROL's own specialists conduct safety and risk assessment audits at the companies of the group – focusing on the safety and reliability of equipment, its operations and maintenance, occupational health and safety issues, emergency preparedness and on fire prevention. The auditors monitor compliance with the applicable Czech legislation and regulatory requirements as well as with the internal guidelines of the company. They oversee the implementation of recommendations, made based on the best practices within the group as well as from other companies around the world. In this area, UNIPETROL closely cooperates with the risk managers of its respective insurance companies and insurance brokers.*

- *The company promptly responds to any legal or regulatory changes and regularly discusses their integration into the internal guidelines and directives of its subsidiaries.*
- *Any relevant regulatory requirements are reflected in the group's planning (this includes planned investments) in order to make sure that the subsidiary companies are in compliance with all applicable regulatory requirements by the required dates.*
- *The company actively seeks information on the subject and the timing of newly planned regulatory requirements in the area of safety, health and the protection of the environment.*
- *The company's experts and the members of its Environmental Committee participate in the submission of comments and suggestions regarding proposals for new regulatory requirements. In doing so, they work together with the relevant industry representatives – SPD, SCHP and CEMC – and they directly work with the Ministry of the Environment.*
- *The company's own expert participated as a third-party member of a team overseen by the Deputy Prime Minister of the Czech Republic in relation to an audit of Czech environmental legislation.*
- *Unipetrol has been actively involved in the European Parliament's discussions related to the REACH legislation.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

24 - The R.C. program requires the participating companies to set forth objectives, which can be easily evaluated and verified, and to lay out the steps that need to taken in order to achieve these objectives. The companies are also required to evaluate and verify the fulfillment of such objectives and to use the results as a spur to further efforts in the future.

The company considers the idea of sustainable development to be one its top priorities. The company sets forth objectives for individual activities, with the aim of improving operational and occupational safety and the protection of health and the environment. This is done using indicators that can be easily evaluated and verified. Specific objectives are set for the individual sections of the company as well as objectives being set for the company overall. Employees are familiarized with the purposes behind and values sought for the respective indicators being tracked. The senior employees of the individual sections of the company agree on the specific indicators that will be used in their sections and they are then responsible for these indicators – their tracking and evaluation. The performance results of each section, with respect to meeting the target values for the different indicators, are then discussed within the respective sections of the company, along with the representatives of the employees. The ability of the different sections of the company to meet their individual objectives and the company's ability to meet the desired values for the various indicators being tracked are used as one of the sources for the evaluation of the company's staff and sections.

Status: *UNIPETROL, a.s. considers the sustainable development efforts of the entire group one of its top priorities. The company reflects this priority in its Environmental Policy, in its strategic planning and in specifically quantified targeted values in the area of environmental protection. The group's joint environmental objectives and target values are adjusted for each one of the group's subsidiaries and they are the subject of regular monitoring and reporting to the management of the group.*

- *Employees are familiarized with the meaning and the value of the different indicators.*
- *The management of the different professional sections of the company and the management of the company's subsidiaries agree on the specific indicators that will be used in their sections and they are then responsible for these indicators – their tracking and evaluation. The performance results of each section, with respect to meeting the target values for the different indicators, are then discussed within the respective sections of the company, along with the representatives of the employees.*
- *The ability of the different sections of the company to meet their individual objectives and the company's ability to meet the desired values for the various indicators being tracked are used as one of the sources for the evaluation of the staff and sections of both the company and its subsidiaries.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

26 -The R.C. program requires that participating companies periodically inspect their workplaces, facilities and buildings and identify any risks related to health, safety and environmental protection.

The company conducts regular inspections, the purposes of which are to identify any existing problems and the causes and location of any potential problems that might have a negative impact on health or the environment. The results of such inspections are recorded, evaluated and archived and the employees responsible for the inspected area, the management of the company and the representatives of the employees are informed about the results of such inspections. As necessary, the problems discovered during the course of the inspections lead to the implementation of the appropriate corrective measures. In such cases, the implementation of such remedial measures is verified by conducting a follow-up inspection. The management of the company is briefed on the findings uncovered during the inspections and the subsequently ordered corrective measures.

Status: *The company conducts regular inspections of its subsidiary entities. These inspections are conducted either directly (shareholder audits) or indirectly, through the use of selected professional sections of the subsidiary entities (internal audits). The purpose behind these audits is to identify any existing problems and the causes and location of any potential problems that might have a negative impact on health or the environment.*

- *The results of the inspections (shareholder and internal audits) are recorded, evaluated and archived and the employees responsible for the inspected area, the management of the subsidiary entities, the senior management of the managing entity of the group and the representatives of the respective employees are informed about the results of such inspections.*
- *The problems discovered during the course of the inspections lead to the implementation of the appropriate corrective measures. The implementation of such remedial measures is verified by conducting a follow-up inspection.*
- *The management of the individual subsidiary entities and of the managing entity are briefed on the findings uncovered during the inspections and the subsequently ordered corrective measures.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

27 -The R.C. program requires that participating companies maintain complete documentation of the systems used for the management of safety, physical protection, health protection and environmental protection.

The company manages its activities using a comprehensive set of manuals (guidelines and directives), which are used by the different sections and employees of the company, covering the issues of health, safety and environmental protection. This collection of manuals is in compliance with the quality, health, safety and environmental protection management standards implemented at the company. These manuals are available to all employees and their contents and their format ties into other documents covering the activities of the company. The employee responsible for health, safety and environmental protection is also responsible for making sure that these manuals are current and up-to-date. Adherence to the guidelines and directives contained in this collection of manuals is subject to periodic audits that take place at the various workplaces and sections of the company.

Status: *The group's managing entity manages its activities using a comprehensive set of guidelines and directives (the management manual). The manual includes the following basic policy documents of the company related to the issues of environmental protection, safety and health: Environmental Policy, Personnel Policy (includes health protection), Occupational Safety Policy and Risk Management Guidelines.*

- *These documents are in compliance with the quality, health, safety and environmental protection management standards implemented at the company (QEMS).*

- For the individual subsidiary companies of the group, these documents have been used to create a set of manuals that conform to the requirements of the ISO 9001 and 14001 standards and various related standards.
- These documents are available to all employees of the subsidiary entities and their electronic versions are available on the intranets of the respective subsidiaries. The contents and the format of these manuals tie into other management documents of the managing entity and its subsidiary companies.
- Each subsidiary company has an employee who is responsible for making sure that these manuals are current and up-to-date. Adherence to the guidelines and directives contained in this collection of manuals is subject to periodic audits that take place at the various workplaces and sections of the company.

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion. The company is planning on the implementation of a framework R.C. management system, based on the CEFIC documentation.

2 points

29 - The R.C. program requires that participating companies make sure that their employees are kept informed about the matters and initiatives related to this program in a proper and a timely manner, so that they can properly represent the company before the public and work with their management on further improvements to the company's results in this area.

In addition to the information contained in its annual reports, the company provides its employees with additional information on the company's activities and future plans in the area of health, safety and environmental protection – this information is distributed through such channels as production group meeting, corporate newsletters, occasional flyers and union meetings. The company encourages its employees to submit their own suggestions and technical and organizational ideas for improving the company's performance with respect to the program. The company tries to make it easy for employees to submit their ideas by organizing anonymous polling, the installation of posting boxes at the entrance areas to buildings and through the training of its management to be open and receptive to the ideas of their staffs.

Status: In addition to the information contained in its annual reports, UNIPETROL, a.s. provides its employees, shareholders, business partners, potential investors and the general public with additional information on the company's activities and future plans in the area of health, safety and environmental protection.

- On an annual basis, the company publishes the Corporate Environmental Report for the entire group and detailed information related to this area is available on the corporate website and in the corporate newsletter.
- The company's subsidiary entities regularly discuss issues related to health, safety and environmental protection during their production group meeting, in their corporate newsletters and at union meetings.
- The companies of the group encourage their employees to submit their own suggestions and technical and organizational ideas for improving the companies' performance with respect to the program. The companies try to make it easy for employees to submit their ideas (open and receptive attitude of the management, financial motivation and other moral and material incentives).

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion. The company has been gradually introducing a set of incentives that are designed to get the group's employees involved in the R.C. program.

2,5 points

30 - The realization of the R.C. program is based on the results of a dialog that includes all partners.

The company is in regular contact with its external partners, which include various authorities, the general public, the representatives of various associations, initiatives and interest groups, customers, suppliers and the media. The company regularly organizes open house types of events, discussion forums and panels for these external partners. The results and the ideas produced during broader discussions or individual conversations regarding

health, safety and environmental protection are used by the company as a guide for the future shaping of its objectives for the R.C. program and the speed, with which they can be realized. A representative of the senior management of the company participates in such broad discussions and the management regularly reviews the results of these discussions.

Status: UNIPETROL, a.s. is in regular contact with its external partners, which include various authorities, the general public, the representatives of various associations, initiatives and interest groups, customers, suppliers and the media. An overview to these activities is published in each Corporate Environmental Report of the group.

- The group's subsidiary entities regularly organize open house type events focusing on issues related to environmental protection, they are involved in the activities of the Krušnohoří EuroRegion and the activities of other special interest groups (chambers of commerce, economic and social councils, etc.).
- As a result of the initiatives undertaken by the group's subsidiaries (Česká Rafinérská and Chemopetrol), the Most Environmental Center has been in operation since the year 2000. This center focuses on the distribution of information related to environmental protection, the spreading of environmental awareness and education and the supply of feedback to the manufacturing companies operating in the region. In 2006, a similar environmental center opened in Kralupy na Vltavou. The results and the ideas produced by the Most Environmental Center are used by the group's companies as a guide for the future shaping of their objectives for the R.C. program and the speed, with which they can be realized.
- A representative of the senior management of the company participates in such broad discussions and the management regularly reviews the results of these discussions.

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

31 -The R.C. program requires that participating companies publish annual reports containing accurate information on the companies' impact on safety, health and the environment.

The company either publishes a standalone annual report dedicated to its objectives in the area of health, safety and environmental protection and the company's results in this area; or, alternatively, such data is included in a separate chapter of the company's annual report on its financial results. The information published in these reports also includes the health-related aspects and the environmental impact of newly launched company products. The company evaluates the results of its activities at least to the extent of the indicators that are listed in the Reporting Manual. It also analyses its medium term (3-5 year) development results. The information published in these reports must be unbiased and credible, requiring the company to disclose any negative data. In its annual report, the company discusses and explains its future plans and strategies.

Status: UNIPETROL, a.s. publishes standalone annual reports dedicated to its objectives in the area of health, safety and environmental protection and the company's results in this area. These reports are reviewed on a regular basis by another party (the auditor and the review group of SCHP ČR).

- The information published in these reports also includes the health-related aspects and the environmental impact of newly launched company products. A detailed assessment of the health aspects at the company is subject to separate reports that are published by the company's subsidiaries.
- The company evaluates the results of its activities at least to the extent of the CEFIC indicators. It also analyses its medium term (3-5 year) development results.
- In its annual report, the company discusses and explains its future plans and strategies.
- Similar reports are also regularly (every one to two years) published by the subsidiary companies of the group.

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

32 - The R.C. program encourages the exchange of expertise and mutual support among companies in the chemical industry – members of SCHP ČR and associated organizations – as part of the R.C. partnership (the partnership program of SCHP ČR).

The company actively supports the regular exchange of expertise in the area of occupational and operational safety and health protection and environmental protection, both within the company as well as with external partners. The company supports bilateral and multilateral discussions with representatives of other chemical companies in relation to the results of participation in the R.C. program and the activities impacting the ability to meet the programs objectives (asset management, fuel and energy economics, logistics – including the shipping of hazardous materials, etc.). A representative of the company is in contact with SCHP ČR and provides suggestions for improvements to areas that are part of the R.C. program and to improvements in the prestige of the different branches of the overall chemical industry. The company's spokesperson and employee representatives are always kept informed about any important developments. As a member of an international professional industry group for the chemical industry (EURO CHLOR, EFMA, APME, etc.), the representative of the company oversees adherence to the health, safety and environmental protection guidelines of the R.C. program. Any new ideas obtained in such work are used for the enhancement of the R.C. program.

Status: UNIPETROL, a.s. actively supports the regular exchange of expertise in the area of occupational and operational safety and health protection and environmental protection, both within the company as well as with external partners.

- *The company supports bilateral and multilateral discussions with representatives of other chemical companies in relation to the results of participation in the R.C. program and the activities impacting the ability to meet the programs objectives (asset management, fuel and energy economics, logistics – including the shipping of hazardous materials, etc.).*
- *A representative of the company is in contact with SCHP ČR and provides suggestions for improvements to areas that are part of the R.C. program and to improvements in the prestige of the different branches of the overall chemical industry. The company's spokesperson and employee representatives are always kept informed about any important developments.*
- *Representatives of the group's member companies serve as members of the board of directors and professional bodies of the Association of the Chemical Industry of the Czech Republic and they are among the initiators of many important activities of the association in the areas of environmental protection, health and safety.*
- *As a representative of the Association of Industry and Transportation of the Czech Republic in BIAC (OECD Business and Advisory Committee), the representative of the company oversees adherence to the health, safety and environmental protection guidelines of the R.C. program. Any new ideas obtained in such work are used for the enhancement of the R.C. program.*
- *Representatives of the group's subsidiary entities and its managing entity use their experience obtained through participation in the R.C. program in their work with European professional associations (EUROCHLOR, etc.).*
- *A representative of the group's managing entity is a member of the R.C. European Chemical Employers Group (ECEG) and the R.C. Core Group Cefic.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion. The company plans to get its partners involved in the R.C. Partnership Program.

2,5 points

35 - The R.C. program requires a knowledge of the requirements and consequences of any related EU legislation (both the legislation already in force and pending legislation).

The company and its management realize that a timely and complete knowledge of the legislation and the practices regulating the activities of chemical companies in the countries within the EU will allow for the mitigation of the consequences of the 'approximation impact' caused by new regulatory requirements that affect businesses in the chemical industry and that are being put into place as part of the Czech Republic's membership in the EU. The

management of the company has designated a section / employee to be responsible for the tracking of EU directives and legislation, which relate to health, safety and environmental protection, and for assessing the conformity between these EU requirements and the currently applicable domestic legislation. The company allows this designated section / employee to participate in discussions on the harmonization of Czech and EU legislation. The company's management regularly discusses the material requirements, timing and financial consequences of the harmonization of legal regulations in the area of health, safety and environmental protection as well as other related legislation affecting the chemical industry that could impact the running of the company.

Status: *The company and its management realize that a timely and complete knowledge of the legislation and the practices regulating the activities of chemical companies in the countries within the EU will allow for the mitigation of the consequences of the 'approximation impact' caused by new regulatory requirements that affect businesses in the chemical industry and that are being put into place as part of the Czech Republic's membership in the EU.*

- *The management of the company has designated an environmental specialist who is to be responsible for the tracking of EU directives and legislation, which relate to health, safety and environmental protection, and for assessing the conformity between these EU requirements and the currently applicable domestic legislation.*
- *The latest developments in European environmental legislation are constantly monitored through the 'EU Environmental Issue Manager' newsletter. The company has completed (either on its own or through the use of external consultants) a number of studies dealing with the impact of the Czech Republic's membership in the EU on the financial status of the group's companies.*
- *The company's management regularly discusses detailed analyses of the material requirements, timing and financial consequences of the harmonization of legal regulations in the area of health, safety and environmental protection that could impact the running of the company.*
- *Representatives of the company actively participate in discussions with members of the European Parliament in areas related to the preparation of new EU legislation impacting the chemical industry.*

Rating:

The fulfillment of the program's objectives and commitment to the further support for these objectives are in accordance with the requirements of this criterion.

3 points

E2 – NON-MANDATORY CRITERIA

5 - Participation in the program requires that companies respect the preventative, integrated health, safety and environmental protection guidelines.

Decisions made by the company with respect to new production processes (development projects and investment programs) must conform to the guidelines for the prevention of the possible negative impact of the respective process or product on people's health or the quality of the environment. The possible impact of any potential water or air pollution and any waste generated must be fully considered. The reuse and recycling of waste is preferred over its disposal. There are existing plans for dealing with the impact of existing buildings and equipment and equipment disassembly in terms of environmental protection for the production facilities that are both currently operated and being planned by the company. If the precise impact of the respective production process or product is not clear, the company follows the 'better-safe-than-sorry' rule.

Status:

- *Decisions made by the group's managing entity with respect to development projects and investment programs must conform to the guidelines for the prevention of the possible negative impact of the respective process or product on people's health or the quality of the environment.*
- *Its potential environmental impact is carefully considered prior to the launch of the preparations for a project or program.*
- *The priorities are outlined in the group's Corporate Environmental Policy statement and other policy documents of the company (e.g. "Investment Procedures and Guidelines for the Subsidiary Companies of the Unipetrol Group").*

This criterion has not been rated.

6 - The R.C. program required participating companies to seek out and prefer environmentally friendly solutions in the preparation and completion of investment programs.

The selection of the best option to be used in the preparations for and the completion of investment projects is based on a consideration of the reliability and efficiency (in terms of components and raw materials) of the technologies and technical processes to be employed. When choosing and evaluating between different production technologies, the best available solutions, which conform to or approach the parameters published and analyzed by BAT-BREF, are given a preference. The analyses and data used in the making of the final decision on the preferred investment option are documented in writing and archived.

Status: *The selection of the best option to be used in the preparations for and the completion of investment projects is based on a consideration of the reliability and efficiency (in terms of components and raw materials) of the technologies and technical processes to be employed.*

- *When choosing between different production technologies, the best available solutions, which conform to the parameters that have already been published or analyzed by BAT, are given a preference ("Investment Procedures and Guidelines for the Subsidiary Companies of the Unipetrol Group").*
- *The analyses and data used in the making of the final decision on the preferred investment option are documented in writing and archived.*

This criterion has not been rated.

7 - The R.C. program requires that participating companies regularly measure, record and reduce air and water pollution, noise emissions, emissions of odiferous substances and waste.

The company regularly monitors and tracks its water and air pollution, noise emissions and emissions of odiferous substances and maintains the appropriate records. Records are maintained in such a manner as to allow for the preparation of the appropriate technical,

organizational and investment measures, focusing on a reduction in the overall levels of such emissions and waste and the effective implementation of such measures. The company is ready to comply with the requirements of Act No. 76/2002 Coll., as related to the collection of data for the registry of pollutant emissions, and it sees the quantification of data on emissions and waste and their impact on the environment as the initial steps to be taken in producing an integrated plan for the reduction in overall levels of pollution.

Status: The requirements which are part of this criterion are taken care of by the manufacturing subsidiaries of the company, which regularly monitor and track their water and air pollution, noise emissions and emissions of odiferous substances and they maintain the appropriate records.

- Records are maintained in such a manner as to allow for the preparation of the appropriate technical, organizational and investment measures, focusing on a reduction in the overall levels of such emissions and waste and the effective implementation of such measures.
- The group's companies regularly report their data on air, water and soil pollution and on transfers to the Integrated Pollutant Registry.

This criterion has not been rated.

8 - The R.C. program requires that participating companies motivate their employees to assist with the reduction of material and energy usage, with the introduction of cleaner production processes and with the safer and more environmentally friendly disposal of necessary waste.

The company has a system and set of rules, which are known to its employees. The existence of such a system and rules attests to the company's commitment to get its staff involved in the planning and implementation of production processes and individual measures that can lead to reductions in the volumes of waste and to its safe disposal.

Status: In accordance with the group's Personnel Policy statement and Compensation Rules, the group's subsidiaries have a system and set of rules, which are known to its employees. The existence of such a system and rules attests to the companies' commitment to getting their staffs involved in the planning and implementation of production processes and individual measures that can lead to reductions in the volumes of waste and to its safe disposal.

This criterion has not been rated.

9 - The R.C. program requires the participating companies to track their waste from its creation until its final disposal and to make sure that this is done in a safe and in an environmentally friendly manner.

The originator of waste always verifies that any external contractors that might be used are credible firms that meet any requisite professional qualifications. This is done in an attempt to prevent any damage to people's health or the environment by making sure that waste is disposed of in a manner, which is in conformity with the applicable regulatory requirements.

Status: As the originators of waste, the group's subsidiaries always verify that any external contractors that might be used are credible firms that meet any requisite professional qualifications. This is done in an attempt to prevent any damage to people's health or the environment by making sure that waste is disposed of in a manner, which is in conformity with the applicable regulatory requirements.

This criterion has not been rated.

10 - The R.C. program requires that participating companies minimize the risk of an accident (and not just serious accidents) and to forthrightly face the consequences of an accident. They are to provide timely and accurate information on preventive measures taken and to immediately report any accidents that have occurred. The company is to keep records of so-called 'close calls' and is to respond by taking appropriate preventative measures. The company's personnel who are in charge of securing and guarding its facilities and property are to be aware of the risk factors associated with the various pieces of equipment and with the inventories of hazardous substances and part of the job responsibilities of these employees is to prevent any malicious tampering with any of the above noted equipment and inventories.

The general preparedness for the possibility of an accident and a related crisis situation – either within or outside of the company – includes the existence of up-to-date written instructions that are available at the company's workplaces (this includes emergency response and evacuation plans), the preparedness of a fire response unit and a tested, centralized coordination of activities during crisis situations, regular drills for the fire response unit in cooperation with employees, based on realistic accident scenarios. The knowledge acquired during such drills must be effectively used to address any shortcomings in the existing procedures.

Status: The groups' managing entity coordinates the activities that are part of the accident preparedness of the individual subsidiary companies, as required under Act No. 59/2006 Coll. on the prevention of serious accidents. The ongoing preparatory activities carried out by the group provide a good likelihood that the group will be able to meet the requirements established under the above-noted act and its implementing regulations within the statutorily delineated deadlines.

This criterion has not been rated.

11 - The R.C. program requires that participating companies actively cooperate with the external authorities, elements of the integrated rescue system bodies, private individuals and other legal entities that might possibly be affected by an accident.

Based on its own risk analysis of possible accidents, the company informs the authorities and other affected parties about the potential extent of such an accident and the preventative measures that have been taken by the company and its preparedness for crisis situations that might arise in the event of an accident occurring internally or externally to the company. The company regularly holds discussions with and tests its cooperative arrangements with the elements of the integrated rescue system and the functioning of its emergency warning system within the company. The company also regularly participates in practical exercises of the coordination between the different emergency response units, including warning signals, emission monitoring and evacuation procedures.

Status: The companies of the group, on the basis of their own risk analyses, inform the authorities and other affected parties about the potential extent of accidents and the preventative measures that have been taken by the companies and their preparedness for crisis situations.

- *The companies regularly hold discussions with and test their cooperative arrangements with the elements of the integrated rescue system and the functioning of their emergency warning systems within each company.*
- *The groups' managing entity coordinates the activities that are part of the accident preparedness of the individual subsidiary companies.*

This criterion has not been rated.

12 - The R.C. program requires that participating companies constantly care for the health of their employees and the proper condition of the work environment.

The guidelines related to employee healthcare are established in an internal policy statement, which also includes the objectives of any related activities and the measures taken in order to achieve these objectives. The conditions at the company's workplaces are monitored (in hazardous workplaces, these conditions are monitored on a continuing basis) and the results are reviewed in terms of the employees' exposure to any possible health- or safety-related hazards. The results of this evaluation process are used to plan and implement remedial measures. The company and the representatives of its employees jointly oversee the proper usage of any appropriate protective gear. The company regularly monitors all of its hazardous worksites and it has a program for reducing the number of such sites and for the mitigation of related risks. The health of the employees working at such hazardous sites is monitored by a contracted physician. The company is always interested in the suggestions and recommendations of this partner medical professional and often consults with this person with regard to additional improvements in this area. The company keeps track of any job-related illnesses among its employees and collects information on the progress of their recovery. The company continually monitors the latest medical information

regarding the effects of especially hazardous chemical substances and products that are handled at the company.

Status: The guidelines related to employee healthcare are established in the company's Personnel Policy, which also includes the objectives of any related activities and the measures taken in order to achieve these objectives. The conditions at the workplaces of all of the group's subsidiaries are monitored (in hazardous workplaces, these conditions are monitored on a continuing basis) and the results are reviewed in terms of the employees' exposure to any possible health- or safety-related hazards. The results of this evaluation process are used to plan and implement remedial measures.

- Those attributes of the workplace involving occupational safety are addressed in the group's Occupational Safety Policy, which is also binding on the individual subsidiary companies, which incorporate this policy into their own internal policies and directives.
- The companies of the group and the representatives of their employees jointly oversee the proper usage of any appropriate protective gear.
- The companies regularly monitor all of their hazardous worksites and they have programs for reducing the number of such sites and for the mitigation of related risks.
- The health of the employees working at hazardous sites is monitored by contracted physicians and healthcare facilities. The company is always interested in their suggestions and recommendations and often consults them with regard to additional improvements in this area. The company continually monitors the latest medical information regarding the effects of especially hazardous chemical substances and products that are handled at the company.

This criterion has not been rated.

13 - The R.C. program requires that participating companies conduct any maintenance of especially hazardous equipment, which might pose a serious risk to health or the environment if malfunctioning, in accordance with their preventative maintenance program.

The company has an effective preventative maintenance system for selected pieces of hazardous equipment, machinery and instruments. The selection of such items is subject to a vigorous analysis of the risks of failure and the extent of any possible consequences (damage). This system is used to determine the extent and the frequency of the procedures that are part of the preventative maintenance work that is carried out by the responsible sections and employees of the company. A record on the procedures performed and any problems discovered, along with other practical and theoretical knowledge, is used to improve and amend the directives covering preventative maintenance.

Status: The group's companies have effective preventative maintenance systems for selected pieces of hazardous equipment, machinery and instruments. The selection of such items is subject to a vigorous analysis of the risks of failure and the extent of any possible consequences (damage). These systems are used to determine the extent and the frequency of the procedures that are part of the preventative maintenance work that is carried out by the responsible sections and employees of the companies. The records that are maintained on the procedures performed and any problems discovered, along with other practical and theoretical knowledge at the level of the subsidiary company and their technical and production units, are used to improve and amend the directives covering preventative maintenance.

- Working together with its insurers and brokers, UNIPETROL regularly audits its equipment maintenance procedures and it conducts physical inspections of the equipment and the documentation maintained by its subsidiary companies.
- The results of such audits and inspections are reported to the managements of the individual subsidiary companies. UNIPETROL's representatives oversee that the recommended measures are implemented in the respective companies in a timely manner.
- The Maintenance Committee, consisting of representatives of the individual subsidiaries and experts from the managing entity and directed by a member of the company's management, acts as an advisory body of the executive management of the UNIPETROL Group.
- All maintenance work is carefully coordinated within the group and any information or experience with new procedures and best practices is shared with others.

This criterion has not been rated.

14 -The R.C. program requires that participating companies identify any hazardous equipment that might pose a serious risk to either health or the environment if it malfunctioned and that they reduce the failure rate of all such equipment to a minimum.

The company has the results of the risk analyses of equipment and processes, which could – in the event of an operating failure – pose a serious risk to health or the environment, due to the particular characteristics of the equipment or process (such as the presence of hazardous substances, particular operating parameters, a not-totally-reliable supply of energy or coolants or available information on similar equipment and processes). Such risk analyses are conducted and documented in accordance with recognized methodological guidelines. The procedures used for the conducting of such analyses and their results are regularly tested and, whenever there are any changes in the input data, the analyses are updated. Using the applicable internal regulations, the company ensures that any equipment or processes, which might pose a risk to either health or the environment in the event of a failure, are properly identified and that such equipment and processes are never modified in any manner such that these risks would increase. Improvements that are made on the basis of such risk analyses are part of the company's regular planning activities.

Status:

- *The group's subsidiaries have the results of the risk analyses of equipment and processes, which could – in the event of an operating failure – pose a serious risk to health or the environment, due to the particular characteristics of the equipment or process.*
- *The appropriate risk analyses are conducted and documented in accordance with recognized methodological guidelines. The procedures used for the conducting of such analyses and their results are regularly tested and updated.*
- *Using the applicable internal regulations, the group's subsidiaries ensure that any equipment or processes, which might pose a risk to either health or the environment in the event of a failure, are properly identified and that such equipment and processes are never modified in any manner such that these risks would increase. Improvements that are made on the basis of such risk analyses are part of the subsidiary companies' regular planning activities.*
- *The group is currently working on updates to the individual procedures and their harmonization with the requirements of the domestic legislation covering serious industrial accidents. The group's managing entity is in charge of the coordinating and overseeing of these activities.*
- *Working together with the experts from the different companies, UNIPETROL has been working on risk analyses of the different technologies that involve hazardous substances. The company has been issuing orders for the completion of such risk analyses, based on certain completed audits, and it has been overseeing the completion of such analyses. The company has special training courses on the broader implementation of the risk analyses at a practical level.*
- *One of the newly introduced requirements is the use of risk analyses in the evaluation and approval of any changes*
- *Different aspects related to operational safety are also regularly checked over by a third party (as part of safety audits conducted by insurance companies and underwriters).*

This criterion has not been rated.

15 -The R.C. program requires that participating companies continually enhance the reliability of the systems and procedures used for the storage of chemical substances and products.

The company's own storage facilities, as well as the storage facilities leased by the company, conform to the applicable legal safety and technical regulations and any applicable legal decisions. The company operates its storage facilities in a manner that is in accord with the applicable regulatory requirements. The personnel assigned to these facilities undergo regular training, which focuses on the prevention of crisis- type situations and the procedures to be followed in the event of such a situation occurring. The company regularly inspects its storage facilities in terms of their physical condition and the condition of the materials stored in them. The results of such inspections are documented by the

company. The company takes remedial measures as necessary in response to these inspections. The company has assigned one of its employees to act as an expert in this area. This 'Warehousing Safety Officer' has specific assigned tasks and options for further professional advancement. The recommendations made by warehousing safety officer for the mitigation of hazards in storage facilities are reviewed by the senior management of the company.

Status:

- *The storage facilities owned by the group's subsidiary companies, as well as any leased storage facilities, conform to the applicable legal safety and technical regulations and any applicable legal decisions. The companies operate their storage facilities in a manner that is in accord with the applicable regulatory requirements.*
- *The personnel assigned to these facilities undergo regular training, which focuses on the prevention of crisis-type situations and the procedures to be followed in the event of such a situation occurring.*
- *The companies regularly inspect their storage facilities in terms of their physical condition and the condition of the materials stored in them. The results of such inspections are documented by the companies and they take remedial measures as necessary in response to these inspections.*
- *The storage of chemical substances and products is in full conformity with the requirements established under the act on chemical substances and products at all subsidiary companies of the group.*

This criterion has not been rated.

17 - The R.C. program requires that participating companies select a reliable shipping carrier.

When making arrangements for the shipment of its products, the selection of routes and the choosing of a contracted carrier, the company's priorities are health, safety and environmental protection. When choosing a shipping carrier, the company asks for references attesting to the reliability and professional standing of the contracted company and its drivers. When negotiating contract terms and conditions, the company adheres to the principles of the 'Responsible Carrier Code' (SCHP 1999). These procedures also include an audit of the respective carrier.

Status:

- *When making arrangements for the shipment of their products, the selection of routes and the choosing of a contracted carrier, the group's subsidiary companies' priorities are health, safety and environmental protection.*
- *When choosing a shipping carrier, the companies ask for references attesting to the reliability and professional standing of the contracted company and its drivers.*
- *When negotiating contract terms and conditions, the companies adhere to the principles of the 'Responsible Carrier Code' (SCHP 1999). These procedures also include an audit of the respective carrier.*

This criterion has not been rated.

22 - The R.C. program requires that participating companies conduct the systematic and targeted training of their employees with a focus on improvements in the areas of health, safety and environmental protection.

The company has a training plan for the employees of all sections, which has been discussed with the representatives of the employees. The contents and the length of the training courses are based on the fixed program that corresponds to the position and the job description of the participating employees. This training plan includes a definition of the objectives of the courses, the teaching methods to be used, the demonstration and practical training methods to be used and the methods to be used for the testing of the knowledge acquired in the area of operational and occupational health, safety and environmental protection. Before any newly hired employee or external contractor starts to work for the

company, the company requires that they verify the completion of the initial training on possible risks, protection methods, emergency warning procedures, etc. The company also organizes such training courses for companies and external contractors temporarily assigned to work at the company's facilities (for example, this is sometimes done in a compressed and highly focused manner). The company makes sure that these training requirements are covered in the contracts with external contractors.

Status: The group's managing entity has put together a 'Personnel Policy' – a policy-type document that is binding on the group's subsidiary companies, which includes the guidelines for the training of employees across the companies of the group.

- The group's subsidiaries have an existing plan for the training of employees in all sections of the company in the area of environmental protection, accident prevention and preparedness and occupational safety.
- The training plan includes a definition of the objectives of the courses, the teaching methods to be used, the demonstration and practical training methods to be used and the methods to be used for the testing of the knowledge acquired in the area of operational and occupational health, safety and environmental protection. The completion and results of such training courses are documented in a prescribed manner and recorded in the personal files of the respective employees.
- The group's subsidiary companies are currently holding employee training courses on environmental protection as part of the implementation of their EMS and training courses on accident prevention and preparedness.
- Before any newly hired employee or external contractor starts to work for the any of the group's companies, the company requires that they verify the completion of the initial training on possible risks, protection methods, emergency warning procedures, etc. The companies also organize such training courses for other companies and external contractors temporarily assigned to work at any of the group's companies' facilities. The companies make sure that these training requirements are covered in the contracts with any such external contractors.
- In partnership with external experts, UNIPETROL organizes training events on risk management (risk analysis, insurance) for its specialists and technical workers.

This criterion has not been rated.

23 - The R.C. program requires that participating companies respect the issues of health, safety and environmental protection as part of their research and development efforts.

The company directs its own research and development efforts, as well as similar activities carried out by its external facilities, such that any results of these R&D projects support new products that are friendly towards people's health and the environment and such that any newly introduced production processes conform to the requirements for the integrated prevention of pollution and operational safety. Part of the focus of the company's R&D activities is the objective of obtaining the 'environmentally friendly' product label for its own new products and products with which the company has been involved, which are launched by other manufacturers.

Status:

The group's managing entity directs the research and development efforts within the group such that any results of these R&D projects support new products that are friendly towards people's health and the environment and such that any newly introduced production processes conform to the requirements for the integrated prevention of pollution and operational safety.

More detailed information on the results of any environmentally-conscious research and development activities, which are carried out by the group's R&D facilities, is regularly published in the group's 'Corporate Environmental Report' and it is presented at professional conferences in both the Czech Republic and other countries.

This criterion has not been rated.

25 - The R.C. program requires that participating companies minimize the potential risk of crisis situations developing at the company and their negative impacts on people's health and the environment.

The company conducts an identification and assessment of potential risks with the objective of analyzing its operations in terms of real-time operational safety (both under the currently existing conditions as well as after the completion of any new projects). The company also completes these risk analyses to look at potential hazards to health and the environment. The company's management is aware of the fact that any crisis situations, which have a severe negative impact on health or the environment, are harmful – both financially and in terms of the reputation of the business – to the company itself as well as to the entire chemical industry. The company has created a safety management system and employed the related organizational and technical measures – all of which have been designed to minimize any possible risks down to an acceptable level, which is the subject of ongoing discussions with the respective authorities and insurance carriers.

Status:

The management of the group's managing entity and its subsidiaries are aware of the fact that any crisis situations, which have a severe negative impact on health or the environment, are harmful – both financially and in terms of the reputation of the business – to the company itself as well as to the entire chemical industry.

- *The group's subsidiaries conduct an identification and assessment of potential risks with the objective of analyzing their operations in terms of real-time operational safety (both under the currently existing conditions as well as after the completion of any new projects). The companies also complete these risk analyses to look at potential hazards to health and the environment.*
- *The companies of the group have created a safety management system and employed the related organizational and technical measures – all of which have been designed to minimize any possible risks down to an acceptable level, which is the subject of ongoing discussions with the respective authorities and insurance carriers.*
- *At the level of the group's managing entity, these activities are coordinated by the Risk Management Committee. Negotiations with insurance companies take place at the level of the group's managing entity, which handles these matters for the entire group.*
- *The UNIPETROL Group has a shared crisis information system, which is currently in its primary stage of development. It allows the companies of the group (UNIPETROL, CHEMOPETROL, KAUCUK and SPOLANA) to warn one another about potential crisis situations on a real-time basis.*

This criterion has not been rated.

28 - The R.C. program requires that participating companies track data (qualitative and quantitative data) on the company's impact on safety, health and the environment and that they disclose the results of such monitoring.

By taking the appropriate measurements and undertaking the related necessary studies, the company is able to monitor the impact of its activities on safety, health and the environment. As required under the applicable legal regulations and decisions, the company reports the results of this monitoring to the authorities, while carefully considering the amount of data that needs to be designated as 'confidential – sensitive business information'. The company submits the CEFIC required data to the Association of the Chemical Industry of the Czech Republic, where it is used as source data for the association's national reporting on the R.C. program. The company provides the general public with an overview of the scope and range of its activities and their impact on safety, health and the environment in its annual reports. The company holds regular meetings with the members of the community and representatives of various authorities in order to listen to their comments and suggestions related to the data being released by the company and suggestions for future consideration.

(Note: A supplement to the handbook contains a list of the data that is subject to mandatory reporting requirements – i.e. the handbook on the reporting of corporate data.)

Status:

By taking the appropriate measurements and undertaking the related necessary studies, the group's subsidiary companies are able to monitor the impact of their activities on safety, health and the environment. As required under the applicable legal regulations and decisions, the companies report the results of this monitoring to the authorities,

while carefully considering the amount of data that needs to be designated as 'confidential – sensitive business information'.

- All of the group's companies submit the CEFIC required data to the Association of the Chemical Industry of the Czech Republic, where it is used as source data for the association's national reporting on the R.C. program.
- The subsidiary companies hold regular meetings with the members of the community and representatives of various authorities in order to listen to their comments and suggestions related to the data being released by the companies and suggestions for future consideration.
- The group's managing entity provides the general public with an overview of the scope and range of the group's activities and their impact on safety, health and the environment in its annual reports.
- The group's 'Corporate Environmental Report', as well as the environmental reports published by the individual subsidiaries respect the "R.C. Health, Safety and Environmental Reporting Guidelines", released by CEFIC in November 1998.
- When evaluating and reporting on the results of its participation in the R.C. program, the group uses the R.C. handbooks on the reporting of corporate data, published by SČP ČR, last amended in 2004.

This criterion has not been rated.

33 - The R.C. program requires that participating companies minimize the impact of any pre-existing and any newly occurring environmental contamination (partly based on the planning for and the implementation of the measures required under Directive 2004/35/EC – Environmental Liability).

The company keeps track of any existing and potential sources of environmental pollution caused by the company or its predecessors. It constantly monitors and evaluates the intensity and impact of such pollution, based on its knowledge of the hydrogeological conditions in the respective area, its knowledge of any contamination of buildings and equipment located in the area and on its knowledge of any possible impact that the presence and spreading of hazardous substances, which are in the area, could have on people's health and the quality of the environment at the company's premises and in the surrounding areas. The company has an existing environmental remediation program, which is being implemented on an ongoing basis. The individual sections of the company – the originators of the environmental problems – participate in regular discussions regarding the scope of these problems and the application of the appropriate remediation efforts. The company has designated an employee or section, which is responsible for the tracking of the different sources of these problems and for the ongoing monitoring and evaluation of all such problems. Included are the planning for and the effective implementation of any necessary remediation efforts. The management of the company reviews the existence of any such problems and the related planning and implementation of the appropriate remediation efforts on a regular basis. It reports the information necessary in this regard to the company's employees, the authorities and to the general public.

Status:

Both the group's managing entity and its subsidiaries keep track of any existing and potential sources of environmental pollution caused by the companies or their predecessors. They constantly monitor and evaluate the intensity and impact of such pollution, based on their knowledge of the hydrogeological conditions in the respective areas, their knowledge of any contamination of buildings and equipment located in the areas and on their knowledge of any possible impacts that the presence and spreading of hazardous substances, which are in the areas, could have on people's health and the quality of the environment at the companies' premises and in the surrounding areas.

- Based on the completed privatization environmental audits, environmental risk assessments and the decisions on remediation issued by the respective authorities, UNIPETROL, a.s. has prepared – as the owner of the land used by the group's production facilities – a remediation program, which is being implemented on an ongoing basis in coordination with the Czech National Property Fund (FNM).
- The company has appointed an environmental expert who is in charge of the planning and implementation of the appropriate remediation measures.

- *The management of the company reviews the existence of any such problems and the related planning and implementation of the appropriate remediation efforts on a regular basis. Twice a year, the management releases a report on the progress of the environmental remediation efforts within the group.*

This criterion has not been rated.

34 - The R.C. program requires that participating companies use fuel and energy in an efficient manner.

The company keeps track of and regularly evaluates the consumption and losses of fuel and energy at its power plants, distribution grids and through the use of its equipment. The company has an existing set of guidelines and measures designed to make an efficient use of secondary sources of fuel and energy (e.g. the program for the responsible use of fuel and energy and the preliminary and final energy audits). The company constantly works to make improvements to its existing systems, which are used for the measurement of fuel and energy demand and consumption for the individual technical systems and facilities of the company. Employees participate in the implementation of this program and in the evaluation of its results. The company has appointed a section/employee who is responsible for coordinating the preparation and the implementation of specific fuel and energy saving measures. This section/employee works closely together with the section/employee responsible for the implementation of the overall R.C. program.

Status:

By conducting regular energy audits, the group's managing entity evaluates the consumption and losses of fuel and energy at the power plants, distribution grids and equipment in use at the facilities of the group's companies.

- *The group's subsidiary companies keep track of and regularly evaluate the consumption and losses of fuel and energy at their power plants, distribution grids and through the use of their equipment.*
- *The group's managing entity has defined its objectives for the utilization of secondary sources of raw materials, fuel and energy. These objectives are being incorporated into specific programs by its subsidiary companies.*

This criterion has not been rated.

36 - The successful fulfillment of the objectives of the R.C. program requires that the employer and the employee cooperate with each other.

The management of the company regards the involvement of the employees in the shaping of the program's objectives and the steps required for their achievement as a necessary component to the success of the program. Such cooperation is consistent with the shared efforts of the employer and the employees in terms of maintaining the sustainable growth of the company and the maintenance of employment at a satisfactory level, the efforts to improve the professional skills of the employees and to increase their levels of responsibility and the efforts to achieve improvements in the area of safety and the health of the employees and their families. The management of the company and the individual sections of the corporation have signed and regularly amend the agreement on a common strategy between the employer and the body representing the employees (the union committee). This common strategy applies to areas such as the setting of objectives and the evaluation of progress in the R.C. program, in the area of training as it relates to health, safety and environmental protection, in the area of medical supervision, a reduction in the number of hazardous workplaces, etc. A representative of the company's union committee participates in the annual evaluation of the company's progress with the fulfillment of the program's objectives.

Status:

The management of UNIPETROL, a.s. regards the involvement of the employees in the shaping of the program's objectives and the steps required for their achievement as a necessary component to the success of the program..

- *Such an open and cooperative approach is consistent with the shared efforts of the employer and the employees in terms of maintaining the sustainable growth of the company and the maintenance of*

employment at a satisfactory level, the efforts to improve the professional skills of the employees and to increase their levels of responsibility and the efforts to achieve improvements in the area of safety and the health of the employees and their families.

- *The management of the company has been promoting this policy at both the level of the group's managing entity as well as within the group's subsidiary companies.*
- *The group's subsidiary companies have signed and regularly amend their agreements on a common strategy between the employer and the body representing the employees (the union committee). This common strategy applies to areas such as the setting of objectives and the evaluation of progress in the R.C. program, in the area of training as it relates to health, safety and environmental protection, in the area of medical supervision, a reduction in the number of hazardous workplaces, etc.*
- *Representatives of the companies' union committees participate in the annual evaluation of the company's progress with the fulfillment of the program's objectives.*

This criterion has not been rated.

F. **List of Unipetrol, a.s. Additional Objectives, as Part of the R.C. Program**

1. Expansion of the scope of responsibilities of the environmental committee by including issues related to health, safety and environmental protection (HSE) and the coordination of the activities that are part of the R.C. program. Deadline: 2006
Status: *Completed*
2. Introduce 'Product Stewardship' procedures at the Unipetrol Group. Deadline: 2007
Status: **Not Completed.** *The vast majority of the products that are manufactured by the group are semi-finished goods, which are then further processed by the chemical industry. So far, no life cycle analysis methodologies have been developed for these types of products in terms of their environmental impact. The meeting of such requirements is not realistic.*
3. Make the documentation, which is part of the R.C. program accessible on the intranet pages of UNIPETROL, a.s. Deadline: 2005
Status: *This task is being completed as part of the R.C. certification renewal process.*
4. The implementation of the R.C. partnership program with the Unipetrol Group. Deadline: 2006
Status: **Not Completed.** *The implementation of the R.C. partnership program has not been possible due to the fact that the group is not ready to comply with the program requirements of CEFIC and SCHP ČR. New Deadline: 2009*
5. Get other companies within the group to participate in the R.C. program / R.C. partnership program (non-manufacturing and distribution-type companies – UNIRAF, UNITRADE, UNIDO, BENZINA, VÚAnCH). Deadline: 2009
Status: **Not Completed.** *Due to the existing program for the integration of the UNIPETROL Group into the ORLEN Group and the related changes to the group's structure, the completion of this task has been postponed. New Deadline: 2009*
6. The Safety and Quality Assessment Systems (SQAS) program for the safe transportation of products – introduce an independent evaluation of the logistics procedures that exist within the group. Deadline: 2007
Status: *Completed. The cistern steam cleaning station of UNIPETROL DOPRAVA has undergone an independent logistical audit as part of an SQAS audit (audit completed in October 2006 by MOODY International).*

G. **Schedule for the Implementation of Individual Steps that are Part of the R.C. Recertification Process of UNIPETROL, a.s.**

1. Review of materials for the R.C. recertification process by the management of UNIPETROL, a.s. Deadline: July 17, 2007
2. Posting of the 'R.C. Program Progress Report' and the 'Corporate Environmental Policy of the Unipetrol Group' on the www.unipetrol.cz website. Deadline: July 30, 2007
3. Discussion of the recertification report with the employees of UNIPETROL, a.s. – *per rollam*. Deadline: August 15, 2007
4. Put together information for the presidents of the Ústí nad Labem, Central Bohemia and Pardubice Regions on the recertification for the program, with a request to submit suggestions for the recertification report. Deadline: August 20, 2007
5. Submit the recertification application to SCHP ČR. Deadline: August 20, 2007
6. Discuss the application with the SCHP ČR auditor. Deadline: September 5, 2007
7. Publicly defend participation in the program in front of the review group of the HSE Committee of SCHP ČR. Deadline: September 10, 2007
8. Review of the matter by the board of directors of the SCHP ČR. Deadline: September 20, 2007