



Responsible and safe approach to business

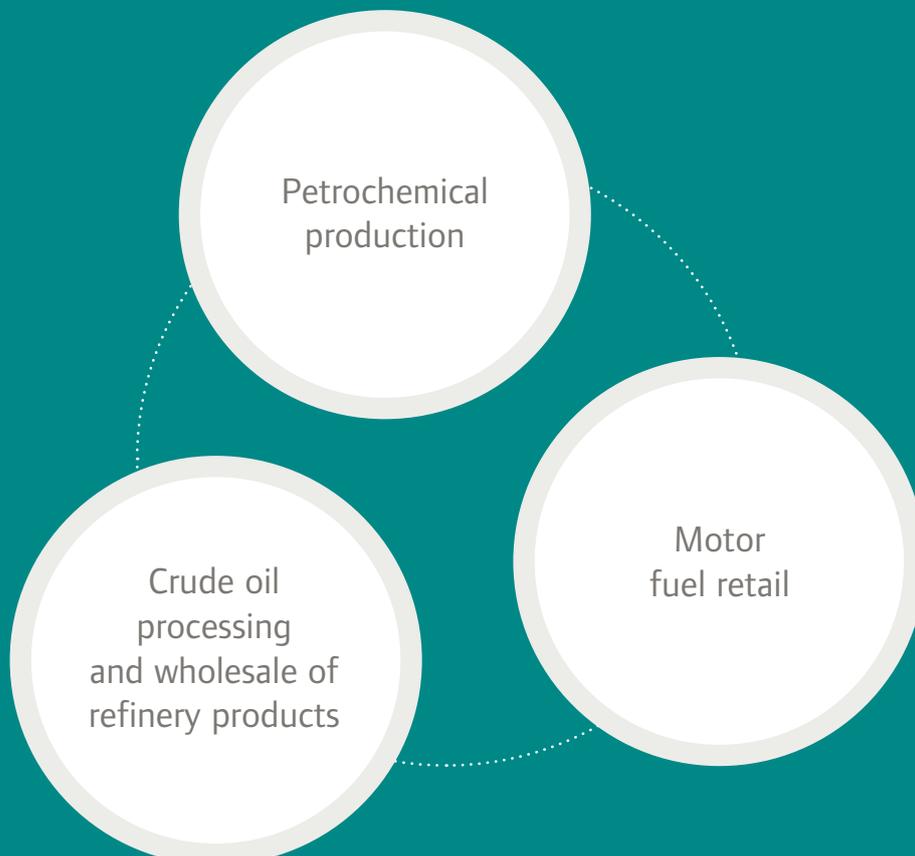
We invest in the future

It is our priority to develop, manufacture and distribute products and services safely and with a high level of responsibility to the environment.

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Through our activities we strive for ongoing and long-term growth of value for our shareholders. We aim to achieve this by focusing on three strategic business segments:



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Mission

We will always offer our customers the best quality products and services. All our operations are based on the principles of best available practices of corporate governance and operating excellence, with a focus on care for our employees and environmental protection.

Introductory remarks

In 2007 the UNIPETROL Group continued its restructuring. The KAUČUK company was sold, the activities of the headquarters of UNIPETROL, a.s. were reorganized, and UNIPETROL SERVICES was established concentrating on service related activities including occupational health and safety and environmental protection.

Environmental protection activities of the UNIPETROL Group in 2007 were focused on three key environmental areas.

The first was regulation of carbon dioxide emissions according to EU guidelines for greenhouse gas emission trading (EU ETS). The second area was meeting the requirements of Act no. 76/2002 Coll. and the environmental protection conditions for issue of an integrated operations permit. The third key area was preparation for meeting the requirements of the REACH Directives of the Parliament and the Council.

The permits awarded to the companies of the UNIPETROL Group based upon Government Order no. 315/2005 dating from 20. 7. 2005 on the National allocation plan for 2005–2007 covered the manufacturing needs of the firms and real emissions during the course of the entire business period of 2005–2007. Excess permits were traded.

2007 was the last year in which industrial firms could meet the legal obligation to obtain an integrated permit for operations for systems specified by Act no. 76/2002 Coll. Companies of the UNIPETROL Group met this requirement within the allotted deadline and have been issued a valid integrated permit for all plants falling under the competence of Act no. 76/2002 Coll.

On 1. 6. 2007 Regulation (EC) no. 1907/2006 of the European Parliament and Council went into effect concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), which is the new European legislative basis for activity in the chemical industry within the united EU market. Simultaneously REACH entered into the pre-registration phase where manufacturers have until 1. 12. 2008 to provide the European chemical agency with basic identification data about chemical substances and preparations subject to the REACH regime.

The UNIPETROL Group represents that portion of the chemical industry which is characterized by chemical substances manufactured in large volumes with production of over 1,000 tons/year. At the same time there is a limited number of substances which are subject to REACH obligations.

Intensive pre-registration preparations are underway in the UNIPETROL RPA, ČESKÁ RAFINÉRSKÁ and PARAMO companies. ČESKÁ RAFINÉRSKÁ has tentatively identified 33 substances, PARAMO 28 substances, and UNIPETROL RPA 30 substances (their parameters will be specified in conjunction with the prepared changes and additions of the REACH Appendices). The direct financial costs associated with the registration of substances according to REACH were estimated for UNIPETROL RPA to be 450 mil. CZK, 75 mil. CZK for ČESKÁ RAFINÉRSKÁ, and 100 mil. CZK for PARAMO.

It is anticipated however that the real costs for the registration of substances will be significantly lower due to the effect of the consortiums and SIEF's (Substances Information Exchange Forums), that will be established following the pre-registration phase.

A major factor in environmental protection consists of management systems. Companies of the UNIPETROL Group are gradually introducing and certifying environmental management systems (EMS), quality management systems (QMS) and occupational health and safety management systems. These activities are supplemented by participation in the national

“Safe Enterprise” program and the international “Responsible Care” program for the chemical industry, implemented in the Czech Republic under the name “Odpovědné podnikání v chemii”.

UNIPETROL RPA, ČESKÁ RAFINĚRSKÁ and PARAMO have introduced, repeatedly and successfully certified and operated integrated management systems meeting the standards of ISO 14000, quality management

according to ISO 9000 and management of occupational health and safety according to the technical standards of OHSAS 18000.

Following a successful public inspection, authorization to use the logo of the Responsible Care program was subsequently granted to all manufacturing plants of the UNIPETROL Group, as well as to Group headquarters – UNIPETROL, a.s.

In 2007 there were no accidents in UNIPETROL Group companies classified according to Act no. 59/2006 Coll. as serious accidents, i.e. accidents of a scope requiring the employment of exceptional capacity and resources for its elimination, or accidents resulting in the release of hazardous substances into surface or ground water beyond the manufacturing complex or the release of hazardous substances into the atmosphere.

Basic data about UNIPETROL Group operations in 2007, consolidated data

| | |
|------------------------------------------------------|------------|
| Equity (thous. CZK) | 42,138,069 |
| Registered capital (thous. CZK) | 18,133,476 |
| Total sales (thous. CZK) | 88,778,515 |
| Profit/loss – before taxes (thous. CZK) | 4,825,552 |
| Profit/loss – current accounting period (thous. CZK) | 1,221,140 |
| Dividends (CZK) | 0 |
| Average number of employees | 4,478 |

I. UNIPETROL Group in 2007

BRIEF HISTORY OF THE UNIPETROL GROUP

1995

- UNIPETROL, a.s. founded. The main members of the Group became CHEMOPETROL, a.s., KAUČUK, a.s., ČESKÁ RAFINÉRSKÁ, a.s. and BENZINA, a.s.

2000

- Beginning in 2000 additional major acquisitions were made. Added to the Group were PARAMO, a.s., SPOLANA, a.s., UNIPETROL TRADE, a.s. and UNIPETROL RAFINÉRIE, a.s.

2003

- Merger of KORAMO, a.s. and PARAMO, a.s., with the successor company becoming PARAMO, a.s.
- ČESKÁ RAFINÉRSKÁ converted to refinery reprocessing

2004

- Signature of contract between PKN ORLEN S.A. and the National Property Fund for the sale of 63% of shares in UNIPETROL, a.s.

2006

- Sale of the majority share in subsidiary company SPOLANA, a.s. to Polish company Zakłady Azotowe ANWIL S.A.

2007

- Sale of subsidiary company KAUČUK, a.s. to Polish company Firma Chemiczna Dwory S.A.
- Commencement of operations of new subsidiary company UNIPETROL SERVICES, s.r.o.
- Change in the legal form of UNIPETROL DOPRAVA, BENZINA and PETROTRANS from joint-stock companies to limited companies.
- Founding of Butadien Kralupy, a.s., the shareholders of which are UNIPETROL, a.s. (51%) and KAUČUK, a.s. (49%).
- The merger of subsidiary companies CHEMOPETROL, a.s. and UNIPETROL RAFINÉRIE, a.s. into UNIPETROL RPA, s.r.o.

INTRODUCING THE UNIPETROL GROUP

The UNIPETROL Group is involved in refining and petrochemical production and sale in the Czech Republic and the Central European region. Group companies concentrate in particular on the manufacture and sale of refining products, chemical and petrochemical products, polymers, fertilizers and special chemicals. The group also operates its own transportation services and finances its own research and development. UNIPETROL is the leading refinery and petrochemical group in the Czech Republic and a major player in Central and Eastern Europe. The Group focuses on three strategic commercial segments:

- Refinery processing of crude oil and wholesale of refining products
- Petrochemical manufacturing
- Retail sale of motor fuels

UNIPETROL, a.s. is a 100% owner of the following companies:

- UNIPETROL RPA, s.r.o., manufacturer and merchant of refining, petrochemical and agrochemical products
- BENZINA, s.r.o., operator of the largest network of filling stations in the Czech Republic
- UNIPETROL SERVICES, s.r.o., logistics and support center for all companies of the Group

- UNIPETROL DOPRAVA, s.r.o., professional railway transporter for chemical, petrochemical, and other products, including related services (99.88% of stock owned by UNIPETROL RPA, s.r.o.)
- UNIPETROL TRADE, a.s., operator of its own network of foreign affiliations and commercial representatives

Additional major holdings:

- ČESKÁ RAFINÉRSKÁ, a.s. (51%), joint venture with ENI INTERNATIONAL, B.V. and Shell Overseas Investment B.V., the largest processor of crude oil in the CR for a wide range of products with a total annual capacity of 8.8 mt
- PARAMO, a.s., the manufacturer of asphalts, lubricating and fuel oils, fuels, and other refining products. (88.03% – UNIPETROL, a.s., 3.73% – PKN ORLEN S.A.)

The UNIPETROL Group also includes two research and development companies, which have achieved excellent results with major practical applications:

- Výzkumný ústav anorganické chemie, a.s. (VÚAnCh – Research Institute for Inorganic Chemistry),
- POLYMER INSTITUTE BRNO, spol. s r.o.

The main products of the UNIPETROL Group are refining and petrochemical products.

Refining products: automobile gasoline, diesel, light fuel oil, aviation fuel, LPG, asphalts, naphtha.

Petrochemical products: ethylene, propylene, C4 fraction, benzene, high-density polyethylene, polypropylene, oxoalcohols, ammonia, urea.

BUSINESS PROFILES OF THE MAIN SUBSIDIARY COMPANIES OF UNIPETROL, A.S.

UNIPETROL RPA, S.R.O.

The logical continuation of the implementation of the new model of management to which the UNIPETROL Group has gradually shifted since the beginning of 2007 is the merger of CHEMOPETROL, UNIPETROL RAFINÉRIE and UNIPETROL RPA into UNIPETROL RPA (refining, petrochemistry, agrochemistry).

Among the main advantages of such a fusion is primarily the simplified flow of semi-finished products within the scope of a single firm and a better use of existing synergies. Another positive is the increased efficiency of the internal

purchase and sale of our own products within the Group. Last but not least this change allows for more pronounced control over the entire chain of production and sale, from the purchase of crude oil to customer care. The fusion has resulted in a single compact whole, simplifying the organizational, personnel, administrative and logistical structure of activities.

The company is divided into one manufacturing and three business units (BU I.–III.), according to the type of products.

Manufacturing unit

The manufacturing unit is comprised of three plants (the Chemical Manufacturing Plant, the Power Generation Plant, and the Services Plant).

The Chemical Manufacturing Plant operates the following manufacturing units:

- Ethylene unit (main products are ethylene, propylene, benzene)
- Polypropylene
- Polyethylene
- Alcohols and chezacarb soot production
- Hydrogen production
- Ammonia and urea production
- Production and supply of technical gases for the entire complex

I. UNIPETROL Group in 2007

The Power Generation Plant supplies the entire complex with energy (electricity, steam), water, and provides wastewater treatment for the entire complex.

The Services Plant administers the entire complex, operates the fire station for the complex, and arranges for the logistics of plastics, urea and Chezacarb.

BU I – UNIPETROL REFINERY

BU I operates in the crude oil processing industry. In accordance with the ownership rights of UNIPETROL it plans and manages the reprocessing of crude oil at ČESKÁ RAFINÉRSKÁ to create products depending on the production needs of the UNIPETROL Group. The company is the leading subject in the Czech market for the wholesale of crude oil products. Its main commercial operations are:

- Comprehensive supply of raw materials for petrochemical production in the UNIPETROL Group
- Wholesale of motor fuels and other refining products
- Purchase of crude oil for refining production in the UNIPETROL Group
- Optimizing combined refining and petrochemical production with an emphasis on maximum use of synergetic effects in technological processes
- Optimizing of refinery production in the UNIPETROL Group

Main products of BU I:

motor fuels (unleaded gasolines Normal 91, Super 95, Super plus 98, aviation kerosene, diesel), fuel oils (extra light fuel oil, R2 heavy fuel oil), asphalt, road asphalt, liquefied crude oil products, propane, propylene, propane-butane, LPG, butane, N-butane, raffinate II, oil hydrogenates, stabilized oil hydrogenates, other refining products, naphtha, liquid sulphur and MTBE.

BU II – MONOMERS AND AGROPRODUCTS

BU II operates in the field of petrochemical products, ammonia and urea. It plans and manages production in relation to crude oil processing and provides semi-finished goods for the subsequent polyolefin segment. BU II is a key supplier of ethylene, propylene, benzene, ammonia, and other chemical and petrochemical raw materials for other chemical firms in the Czech Republic and Central Europe. Main activities are:

- Providing raw materials for the manufacture of polyolefins at UNIPETROL
- Sale of petrochemical products, ammonia and urea
- Development and strategy of petrochemical and chemical production

Main products of BU II:

olefins and aromatics, ethylene for polymerization, propylene for polymerization, crude benzene, C4 fraction, C5 fraction, C9 fraction – redistilled, naphthalene concentrate, pyrolysis fuel oil, agrochemicals, ammonia, urea, alcohols, technical grade 2-ethylexanol (octanol), hydration refined specially denatured fermented alcohol, synthetic technical grade isobutanol, synthetic technical grade N-butanol, antifreeze, soot and sorbents, highly conductive soot and sorbents.

BU III – POLYOLEFINS

BU III operates in the field of plastics – polyolefins. It plans the production of polypropylene and high-density polyethylene and arranges the sale of these finished products. In cooperation with the research and development plant at the Brno Polymer Institute BU III also takes part in the modification of existing polyolefin products and the development of new ones. BU III is the leading supplier of polyolefins on the Czech market and a major subject in Central Europe providing 5% of European HDPE capacity and 2% of PP respectively. Its main activities are:

- Arranging for the sale of PP and HDPE products
- Coordination of research and development in the field of polyolefins, conducted at the Brno Polymer Institute
- Provision of technical service and consultation to current and potential customers

Main products of BU III:

polyolefins, high-density polyethylene (HDPE), polypropylene.

BENZINA, S.R.O.

BENZINA, s.r.o., with 319 public filling stations operates the largest national network in the Czech Republic offering motor fuels and other goods and services to a broad range of customers. The BENZINA trademark has been on the market for nearly 50 years. In 2006 BENZINA's share of fuel sales rose 10 to 12% comparing with 2005. This was in spite of the fact that the number of filling stations on the market continues to increase, along with the percentage of filling stations at hypermarkets.

PARAMO, A.S.

PARAMO joint-stock company processes crude oil for refining and asphalt products, as well as for lubrication and process oil, including related and auxiliary products. Since 2003 the refinery has purchased and processed oil hydrogenates and hydrocrackates. The resultant semi-finished products are used in the production of basic and lubricating oils with a very low sulphur content. The company primarily sells its products on the domestic market.

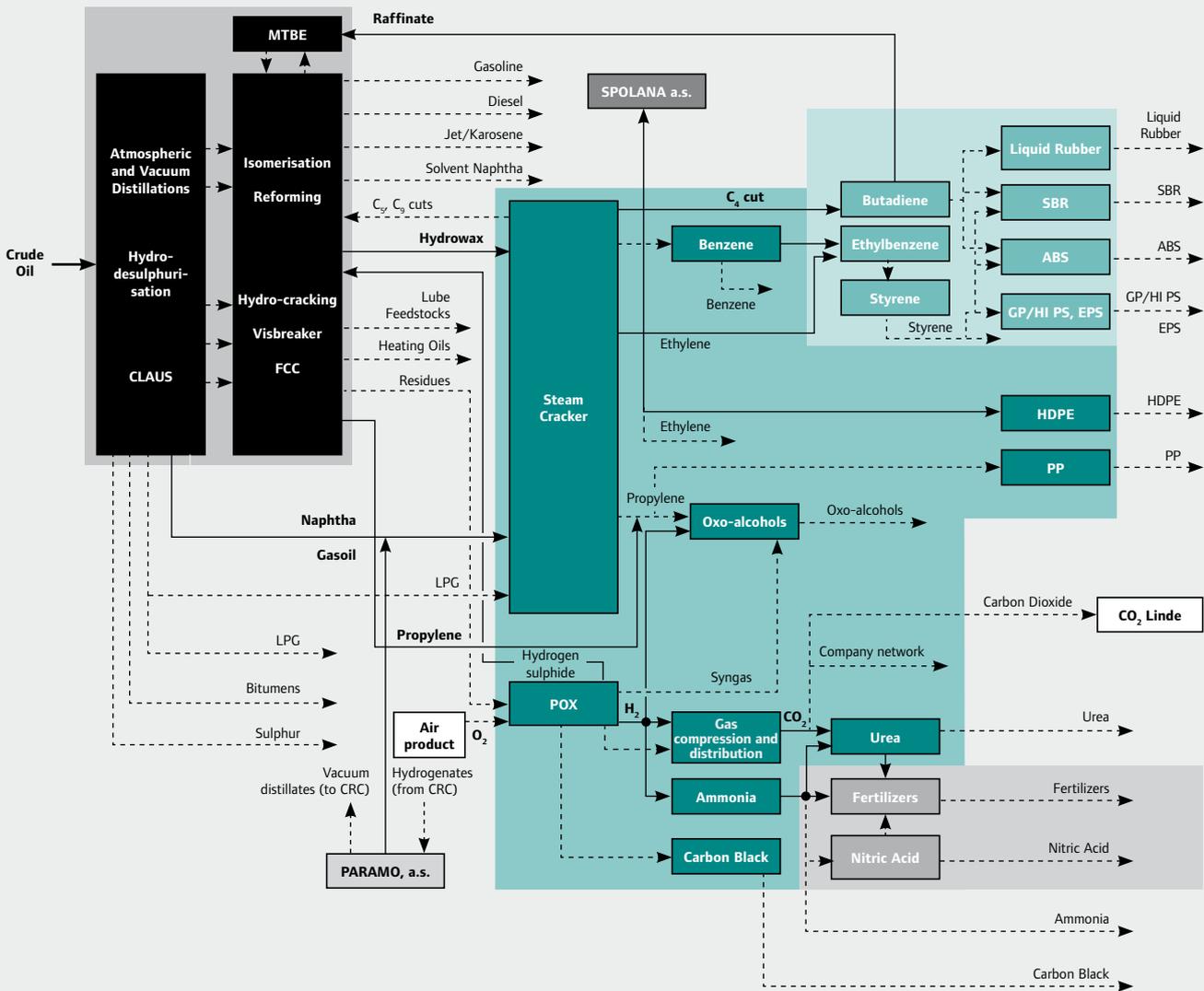
The primary commercial product of refining is diesel. With the gradual reduction of asphalt production at ČESKÁ RAFINĚRSKÁ PARAMO will become the leading producer of asphalts in the Czech Republic. One advantage of the company is its wide range of products and the state-of-the-art Biturox asphalt production unit which commenced operations in the third quarter of 2006.

UNIPETROL SERVICES, S.R.O.

The Shared Services Centre/SSC came into being on January 1st, 2007. It was created through the transfer of the administrative and support departments of UNIPETROL, CHEMOPETROL, UNIPETROL DOPRAVA, BENZINA and UNIPETROL TRADE. Later it was incorporated into the new company UNIPETROL SERVICES, s.r.o.

The mission of UNIPETROL SERVICES is to provide its services to the other companies, to increase the efficiency of their work, reduce costs, and increase overall productivity.

Diagram of the manufacturing relations of UNIPETROL RPA (formerly CHEMOPETROL), ČESKÁ RAFINÉRSKÁ and PARAMO in the UNIPETROL Group and their major customers, SYNTHOS (formerly KAUČUK), SPOLANA and Lovochemie



Explanatory notes

→ Main production links

| | |
|------------------------|------------------|
| ČESKÁ RAFINÉRSKÁ, a.s. | SPOLANA a.s. |
| UNIPETROL RPA, s.r.o. | Lovochemie, a.s. |
| SYNTHOS, a.s. | PARAMO, a.s. |

II. Joint Policy for Responsible Care and Integrated Management System of Occupational Health and Safety, Environmental Protection, and Quality Assurance

In November 2007 the Board of Directors of UNIPETROL, a.s. approved a new “Policy for Responsible Care and Integrated Management System of Occupational Health and Safety, Environmental Protection, and Quality Assurance”, which drew upon the previous “Joint Environmental Policy of the UNIPETROL Group” from 1999 and reflects the new structure of the UNIPETROL Group and new impetus of the Corporate Social Responsibility of the company.

POLICY FOR RESPONSIBLE CARE AND THE INTEGRATED MANAGEMENT SYSTEM OF OCCUPATIONAL HEALTH AND SAFETY, ENVIRONMENTAL PROTECTION, AND QUALITY ASSURANCE

The UNIPETROL Group is one of the leading Czech industrial corporations and a national leader in the fields of crude oil refining and petrochemistry.

The UNIPETROL Group endeavors to achieve long-term profitability and competitiveness, a high quality of products and services, and a high level of safety and environmental responsibility with respect to the manufacturing, commercial and logistical activities entailed in the refining of crude oil, petrochemical and agrochemical production, distribution, railway transportation and shipping services, and the wholesale and retail sale of motor fuels, oils and other products.

As a member of the ORLEN Group, the UNIPETROL Group adheres to the principles of the “Responsible Care” Global charter, sustainable development and social responsibility.

The UNIPETROL Group considers it a priority to develop, manufacture, and transport products with minimal risk of adverse impact on human health and the environment. To mitigate potential risks UNIPETROL is introducing the “Product Stewardship” program, which consists of product testing, provision of information to client chains regarding the broad spectrum of product attributes, and risk management measures in areas where potential safety, health, and environmental risks occur.

The UNIPETROL Group implements and maintains an integrated management system, comprised of the occupational health and safety system, the environmental system, and the quality assurance system. In accordance with the integrated management system the UNIPETROL Group has pledged to meet the following obligations:

PRODUCT SUPERVISION AND CARE

- To develop, manufacture and distribute products with minimal risk of adverse impact on human health and the environment.
- To test products and to provide information directly or through client chains to customers and the public regarding the broad spectrum of product attributes, and risk management measures in areas where potential safety, health, and environmental risks occur.

COMPLIANCE WITH LEGAL AND OTHER REGULATIONS CONCERNING OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENTAL PROTECTION:

- To meet the requirements of legal and other regulations binding for the company in the area of occupational health and safety, environmental protection, and the quality of products and services.
- To implement the best available technology wherever it is suitable and effective.

INTEGRATED MANAGEMENT SYSTEM

- To regularly examine the suitability and adequacy of the integrated management system policy.
- To monitor, change, and assess processes and applied measures to achieve and continually improve efficiency of the Integrated Management System.
- To record discrepancies and to analyze the causes of such discrepancies in processes and to take the appropriate corrective and preventive measures for their elimination.

- To continually improve efficiency in the areas of occupational health and safety, environmental protection, and quality assurance for products and services.
- To include suppliers in the management system (both legal and business persons), to acquaint them with the principles and procedures used by the company, and to demand their use.
- To secure necessary resources for implementing and maintaining the integrated management system and financing activities in the areas of its competence.

PREVENTIVE APPROACH

- To prioritize a preventive approach in the areas of occupational health and safety, environmental protection, quality assurance for products and services, and protection of property before eliminating the consequences of exceptional events; to maintain and train emergency and accident response systems.
- To operate facilities in a manner which is safe and protects the health of employees, suppliers, other companies and inhabitants of the region, and which has minimal impact on the environment, the quality of products, and their value.

MITIGATING RISK TO HEALTH, SAFETY AND THE ENVIRONMENT

- To apply a risk prevention and management systems to health, safety, and the environment with the goal of minimizing the adverse effects of such risks and accidents and to compensate for damages caused by such accidents to health, the environment, or property;
- To inform the public of the existence of health, safety, and environmental risks and of safety and preventive measures which have been taken.
- To continually identify dangers, assess risk, health and environmental impact, to adopt and implement measures for their elimination or mitigation, and to minimize negative impacts arising from accidents.
- To instruct employees to prevent adverse effects of their activities on occupational health and safety, the environment, product quality and property.

II. Joint Policy for Responsible Care and Integrated Management System of Occupational Health and Safety, Environmental Protection, and Quality Assurance

OPEN APPROACH

- To apply an open approach to all interested parties.
- To maintain contact with all concerned parties and to support an open stance to the public, especially neighboring cities and towns.

ASSESSMENT OF IMPACT ON SAFETY, HEALTH, AND THE ENVIRONMENT

- To assess impact on health, safety, and the environment before beginning new activities, projects, changes, or before closing operations, and to apply the results of the assessment so as to minimize adverse effects.

LOGISTICAL AND SHIPPING SERVICES

- To provide logistical and shipping services with regard to a high standard of safety, quality, and environmental efficiency; to implement and maintain the European Safety and Quality Assessment System (SQAS) for transportation services and assessment according to the European Cleaning Document (ECD) for the cleaning of transportation systems.

REMEDIATION OF OLD ECOLOGICAL DAMAGE

- To implement a long-term program for the remediation of old ecological damage.

FOCUS ON THE CUSTOMER

- To maintain high quality products and services; to modify the specifications of products and services to meet customer needs when possible and effective.
- To monitor information concerning the perception of customers regarding fulfillment of their needs. To meet their needs and expectations, including those of other interested parties (suppliers, employees and owners) to achieve their satisfaction and gain competitive advantages.

TRAINING AND EDUCATION OF EMPLOYEES

- To educate, motivate, and increase the knowledge of employees, suppliers, and other business partners with respect to occupational health and safety, the environment, and the quality of the products and services delivered.

PROTECTION OF COMPANY ASSETS

- To preserve and protect the assets of the company. To adequately insure risk which cannot be eliminated with the goal of reducing the impact on company assets.

III. Environmental Protection Initiatives of the UNIPETROL Group in 2007

ECOLOGICAL INVESTMENT

Ecological investment is defined as investment directly called for by the requirements of environmental protection regulations and closely related to the practical application of integrated pollution prevention. In 2007 the following major investments were made:

A new system was installed at **ČESKÁ RAFINĚRSKÁ** for the intake, storage, and distribution of biofuels. Units were constructed for the selective hydrogenation of gasoline from fluid cracking, low-emission NO_x burners were installed and a new sewage system for oily water was constructed at the Litvínov highway terminal. New sewage system for oily water was constructed for the Jiřetín tanking facility. The groundwater decontamination and monitoring system was expanded and a new cleaning area was constructed in the Litvínov refinery and emission noise was reduced.

During the shutdown of the Litvínov refinery, in the furnaces of the new refinery and furnaces for the hydrogenation of gaseous oil all existing burners were replaced with new ones with reduced production of nitrogen oxides. The same replacement of burners was carried out in the furnaces of the splitting units as part of the hydrocracking renovation project.

With the construction and operation of units for the selective hydrogenation of gasoline at the Kralupy refinery, the „Clean Fuel” program was completed and therefore enabling the production of motor fuels with a low sulphur content.

At **UNIPETROL RPA** several manufacturing units (plants for the production of polyethylene, urea, oxygen, gasified masut) were equipped with newly constructed or reconstructed water secure handling areas, catch basins and accident reservoirs, a new oil storage facility was constructed and preparations continued for the burning of biofuels (1st stage) and replacement of substrate at biological WTP. The independent measurement of desulphurized flue gas emissions was reconstructed at the T 700 heat plant.

Investment for the renovation of facilities included the partial second degree reconstruction of biological WTP II, the goal of which was to replace the outdated aeration system with a fine bubble system and to further modify the sediment tank to increase capacity and new sludge collection.

At the same time a detailed study was completed on the state of the industrial sewage network, also proposing methods to make renovations and improve efficiency.

At **PARAMO** two storage tanks were reconstructed, two investment projects to reduce noise in the adjacent residential areas were carried out along with two investment projects to reduce the level of noxious odors in the surrounding area of both refineries. The installation of ammonia leak detectors increases the safety of paraffin removal using solvents.

III. Environmental Protection Initiatives of the UNIPETROL Group in 2007

Investment costs related to environmental protection in the Group (mil. CZK)



Overview of ecological investment and measures implemented by the company in 2007

| Measures | Environmental effect |
|-------------------------------------------------------------------------------------|------------------------------------------------------------|
| UNIPETROL RPA, s.r.o. | |
| Construction of impermeable handling areas on track 91 and by building 1,424 | Reduction of risk to groundwater and soil |
| Oil storage | Reduction of risk to groundwater and soil |
| Construction of impermeable areas by pump P 211 including drainage | Reduction of risk to groundwater and soil |
| Preparation and combustion of biofuels – 1st stage | Reduction in storage needs and pollution of surface water |
| Replacement of substrate in the biological water treatment plant | Securing COV operations after shutting down OXO production |
| Reconstruction of leaking handling areas for the polyethylene plant | Reduction of risk to groundwater and soil |
| Reconstruction of leaking handling areas at station 1,522, urea production | Reduction of risk to groundwater and soil |
| Construction of hardened space around three tanks on the west side of station 1,522 | Reduction of risk to groundwater and soil |
| Securing drainage of walkways and alcohol storage reservoirs of station 6,417 | Reduction of risk to groundwater and soil |
| Reconstruction of independent measurement of flue gas desulphurization 0 | More efficient management of boiler combustion processes |

| Measures | Environmental effect |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| ČESKÁ RAFINÉRSKÁ | |
| Biofuels – equipment for the intake, storage, mixing and distribution of biofuels | Use of renewable energy resources |
| Clean fuels – construction of units for the selective hydrogenation | Reduction of sulphur content in motor fuels |
| Installation of Low NOx burners | Reduction of nitrogen oxide emissions when burning fuel in pre-heating furnaces |
| Construction of new sewage system for oily water – Litvínov highway terminal | Protection of surface water and groundwater and soil |
| Construction of new sewage system for oily water – Jiřetín tanking facility – part 1. | Protection of surface water and groundwater and soil |
| Expansion of the decontamination and monitoring system for groundwater | Decontamination of groundwater pollution |
| Construction of new cleaning areas in the Litvínov refinery | Protection of surface water and groundwater and soil |
| Noise pollution – noise emission solutions | Reduction of noise pollution |
| PARAMO | |
| Continuation of the project for inertization and heating of asphalt tanks | This investment will lead to a reduction in the level of obnoxious odors for surrounding residents |
| Securing the area at the AVDR exchange yard | Elimination of risk to the subsoil at the AVDR exchange yard in the event any petroleum substances are released |
| Tank VR 11, VR 50 reconstruction | Elimination of the risk to groundwater in the event of any accidental release of petroleum substances |
| Implementation of noise reduction measures at facility 03 and PO1 | Reduction of noise pollution for adjacent residential buildings |
| Ammonia leak detector for paraffin removal using solvents | Increased operational safety for paraffin removal using solvents |
| Implementation of measures for the elimination of odors at the grease plant | Reduction of the level of obnoxious odors for the surrounding population |

COSTS RELATED TO ENVIRONMENTAL PROTECTION

ENVIRONMENTAL OPERATING COSTS

The operation of manufacturing systems is associated with environmental operating costs. These are costs associated with the operation of systems for preventing air pollution, treating wastewater, managing waste management, operating environmental management systems, monitoring substances released into components

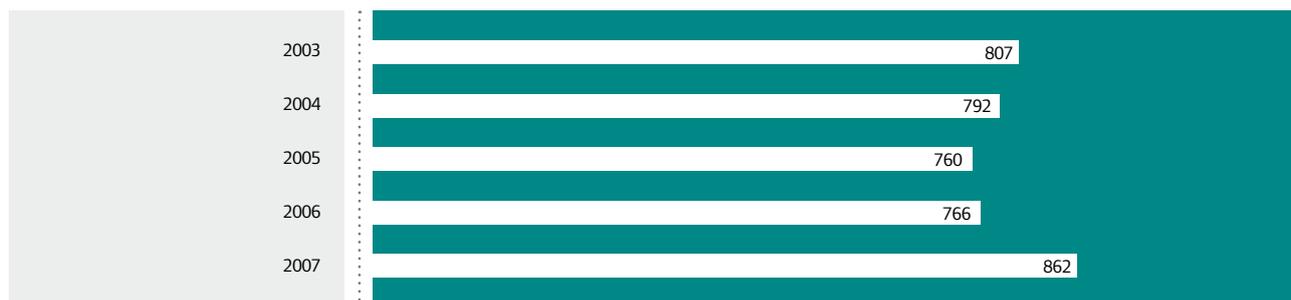
of the environment, environmental impact assessment, integrated pollution prevention (IPPC) and other related environmental activities.

Newly installed modern technology with a high level of conversion of raw materials, reduced waste volume and high energy efficiency have led to an overall reduction of environmental operating costs compared to the previous decade. In 2007 there was a marked year-on-year increase in environmental

operating costs compared to 2006 at ČESKÁ RAFINÉRSKÁ in conjunction with the technical modifications of the Claus units in Litvínov (roughly 90 mil. CZK), which were covered by operating costs for maintenance. The development of environmental operating costs from 2003–2007 is given in the following overview:

III. Environmental Protection Initiatives of the UNIPETROL Group in 2007

Operating costs for environmental protection in the Group (mil. CZK/year)



TOTAL COSTS FOR ENVIRONMENTAL PROTECTION

Total costs for environmental protection in the UNIPETROL Group include costs for ecological investment, operating costs for environmental protection, costs

for carrying out the decontamination of old ecological damage, as well as fees for air pollution, discharge of wastewater, dumping of waste at landfills, the creation of reserves for the recultivation of landfills and compensation for

emission damage to forests. Total costs of the Group for environmental protection in 2007 amounted to 1,990 mil. CZK

Total costs for environmental protection in Group companies (UNIPETROL, a.s., UNIPETROL RPA, PARAMO, BENZINA) (mil. CZK/year)



MANAGEMENT SYSTEMS

Management systems are a significant aspect of environmental protection and occupational health and safety. To guarantee a systematic approach to environmental protection, companies of the UNIPETROL Group are gradually implementing and certifying environmental management systems (EMS), quality management systems (QMS) and management systems for occupational safety ("Safe Plant" program, OHSAS). These activities encompass participation in the international "Responsible Care" program of the chemical industry, implemented in the Czech Republic under the title "Odpovědné podnikání v chemii".

In 2007 ČESKÁ RAFINÉRSKÁ became certified for its occupational health and safety management system according to the specifications of OHSAS18001:1999 and was repeatedly re-certified for the ISO 9001:2000 quality management system and the ISO 14001:2004 environmental protection management system.

In June 2007 PARAMO obtained joint certification according to ISO 14001:2004, ISO 9001:2000 and OHSAS.

In May 2007 UNIPETROL DOPRAVA successfully completed the level 2 EMS certification audit and subsequently obtained certification according to ČSN EN ISO 14 001:2005.

In October 2007 UNIPETROL RPA successfully retained the certification of its integrated system of quality management, environmental protection and safety according to ISO 14001:2004.

At the beginning of 2007 a comprehensive audit was carried out at BENZINA mapping the state of the company system. Based upon the results of these audits and based upon analysis of the state of system documentation a project was prepared for implementing an environmental management system. The process will be completed at the end of 2008 with certification (during the course of certification of the integrated system of quality management, environmental protection, and safety of UNIPETROL Group companies.

Environmental management systems in the UNIPETROL Group in 2007

| Company | Certifier/certification body | Basic certification/verification according to standards: | Certification/verification obtained | Outlook of certification/verification |
|--------------------|------------------------------|----------------------------------------------------------|-------------------------------------|---------------------------------------|
| UNIPETROL RPA | LRQA | ISO 14001 | 2002, 2005 | 2008 |
| PARAMO | TÜV NORD Czech | ISO 14001 | 2003, 2006 | 2009 |
| UNIPETROL DOPRAVA | TÜV SÜD | ISO 14001 | 2007 | 2010 (2008*) |
| BENZINA | LRQA | ISO 14001 | | 2008 |
| ČESKÁ RAFINÉRSKÁ | LRQA* | ISO 14001:1996/ISO 14001:2004 | 2001/2005, 2007 | 2010 |
| UNIPETROL | LRQA | ISO 14001 | | 2008 |
| UNIPETROL SERVICES | LRQA | ISO 14001 | | 2008 |

* within the course of planned certification of the integrated management system in UNIPETROL Group companies

III. Environmental Protection Initiatives of the UNIPETROL Group in 2007

Quality management system in the UNIPETROL Group in 2007

| Company | Certifier/certification body | Basic certification/verification according to standards: | Certification/verification obtained | Outlook of certification/verification |
|--------------------|------------------------------|----------------------------------------------------------|-------------------------------------|---------------------------------------|
| UNIPETROL RPA | LRQA | ISO 9001 | 1996, 1999, 2002, 2005 | 2008 |
| PARAMO | TÜV NORD Czech | ISO 9001 | 1996, 2000, 2003, 2006 | 2009 |
| UNIPETROL DOPRAVA | TÜV SÜD | ISO 9001 | 2005 | 2008 |
| BENZINA | LRQA | ISO 9001 | 1996, 1999, 2002, 2005 | 2008 |
| ČESKÁ RAFINÉRSKÁ | LRQA* | ISO 9001:2000 | 2001/2004, 2007 | 2010 |
| UNIPETROL | LRQA | ISO 9001 | | 2008 |
| UNIPETROL SERVICES | LRQA | ISO 9001 | | 2008 |

“Safe Enterprise” program and OHSAS 18001 in the UNIPETROL Group

| Company | Certifier/certification body | Basic certification/verification according to standards: | Certification/verification obtained | Outlook of certification/verification |
|--------------------|--------------------------------|----------------------------------------------------------|-------------------------------------|-------------------------------------------------------|
| UNIPETROL RPA | LRQA | OHSAS 18001 | 2005 | 2008 |
| UNIPETROL RPA | ČÚBP | Safe Enterprise program | 1999, 2002, 2005 | Was not renewed, “replaced” by the expansion of OHSAS |
| PARAMO | TÜV NORD Czech | OHSAS 18001 | 2007 | 2010 |
| BENZINA | LRQA | OHSAS 18001 | | 2008 |
| ČESKÁ RAFINÉRSKÁ | LRQA* | OHSAS 18001:1999 | 2007 | 2008 (transition to OHSAS 18001:2007)/2010 |
| ČESKÁ RAFINÉRSKÁ | State Labour Inspection Office | Safe Enterprise program | 2003/2006 | 2009 |
| UNIPETROL | LRQA | OHSAS 18001 | | 2008 |
| UNIPETROL SERVICES | LRQA | OHSAS 18001 | | 2008 |

“RESPONSIBLE CARE” PROGRAM

The Responsible Care Program (hereinafter R.C.) is a voluntary world-wide initiative adopted by the chemical industry aimed at supporting its sustainable development by increasing the safety of facility operations, product transportation and improving the protection of human health and the environment. The program represents a long-term strategy coordinated by the International Council of Chemical Associations (ICCA), and in Europe by the European Chemical Industry Council (CEFIC). The contribution of the R.C. program to sustainable development was recognized at the world summit in Johannesburg with an award from the UN Environmental Program.

At an international conference on chemical substances under the auspices of the UN in 2005 it was accepted as

a continuation of the Global Responsible Care Charter.

The national version of the R.C. program is the “Odpovědné podnikání v chemii” program, officially declared in October 1994 by the Minister of Industry and Trade and the president of the Association of the Chemical Industry of the CR (SCHP ČR); in 2008 a transition is planned from the program to the conditions of the Global R.C. Charter.

Details of the R.C. program and conditions for its fulfillment are given on the SCHP ČR information server <http://www.schp.cz>.

For successfully meeting the program conditions the firms within the UNIPETROL Group – UNIPETROL RPA, ČESKÁ RAFINÉRSKÁ, PARAMO and UNIPETROL were repeatedly authorized to use the program logo

(the “Responsible Care” Trademark, administered in Europe by the European Chemical industry Council).



“Responsible Care” program in the UNIPETROL Group in 2007

| Company | Certifier | Basic verification | Certification/ verification obtained | Outlook of certification/ verification |
|------------------|-----------|--------------------|--------------------------------------|----------------------------------------|
| UNIPETROL RPA | SCHP ČR | RC:CEFIC, SCHP ČR | 1996, 1998, 2000, 2002, 2004 | 2008 |
| UNIPETROL | SCHP ČR | RC:CEFIC, SCHP ČR | 2000, 2003, 2005, 2007 | 2011 |
| PARAMO | SCHP ČR | RC:CEFIC, SCHP ČR | 2001, 2003, 2005 | 2008 |
| ČESKÁ RAFINÉRSKÁ | SCHP ČR | RC: CEFIC, SCHP ČR | 2000/2002, 2004 | 2008 |

IV. Compliance with Environmental Protection Laws

INTEGRATED PREVENTION OF POLLUTION

The obligations of select industrial firms in the area of integrated prevention of pollution (IPPC) is governed by Act no. 76/2002 as currently amended. This Act covers, among other things, all manufacturing firms of the chemical and refining industry. 2007 was the last year in which industrial firms could fulfill the mandatory obligation to obtain an integrated permit for the operation of systems specified by Act no. 76/2002 Coll. Companies of the UNIPETROL Group have fulfilled this obligation within the given deadline and have valid integration permits issued for all facilities under the competence of Act no. 76/2002 Coll.

The integrated permit for the refinery in Litvínov and Kralupy was issued for the refineries as a whole without further specification for individual operations. Changes of integrated permits were carried out in accordance with new investment projects, the scope of which required a change in the integrated permit.

The integrated permit for the Litvínov refinery was issued by Ústí Regional Office (KÚ Ústeckého kraje) on 15. 12. 2003. The same office granted a change in the integrated permit on 20. 7. 2006 in

conjunction with the investment project for the intake, storage and use of light cycle oil from the Kralupy refinery, and the intake, storage and blending of MEŘO (biofuel). The ruling of the Ústí Regional Office on 17. 10. 2006 granted a change in the integrated permit in conjunction with the investment project for renovating the splitting units for the new hydrocracking and constructing a recontacting system at the visbreaking unit. On 12. 6. 2007 a change was granted in the integrated permit in conjunction with the investment project for replacing the burners with low-emission technology in furnaces of the new refinery, installing pre-heating for combustion air and replacing burners with low-emission technology in the unit for the hydrogenation of liquid oil, and intensifying units for the desulphurization of rich gases and MEA regeneration.

The integrated permit for the Kralupy refinery was issued by the Central Bohemian Regional Office (KÚ Středočeského kraje) on February 9th, 2004. Due primarily to processing errors during the issue of the permit, the ruling was later nullified and the Office issued a new ruling in March 2008 for the integrated permit covering all facilities of the Kralupy refinery.

All technologies operated by PARAMO a.s. (fuel, lubricants and asphalt production units, heat plant in

Pardubice and Kolín premises) have a valid integrated permit. Reporting of emissions to the Integrated Pollution Register (IRZ) will be carried out according to current legislation.

In 2007 UNIPETROL RPA s.r.o. was issued two integrated permits by the Ústí Regional Office for the production of oxoalcohols, the T 200 and T 700 plants and the wastewater and wastepant.

In 2007 requests were submitted for changes in the integrated permit for the manufacturing of polymers based upon the findings of the Czech Environmental Inspectorate (ČIŽP), and in conjunction with the intensification of production, the installation of new technology, and possibly other technological modifications in systems along with legislative changes. A change in the integrated permit was also requested for the ethylene unit due to intensification of production and legislative changes. Also due to legislative changes was the request for a change in the integrated permit for the manufacturing of urea, ammonia and the gasification of masut.

Overview of integrated permits issued for operations

| Manufacturing unit | Integrated permit (issued by whom, when) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| UNIPETROL RPA | |
| Polypropylene and polyethylene plant | Ústí Regional Office, Department of the Environment and Agriculture; issued on 16. 12. 2003 for an indefinite period. |
| Ethylene unit including the production of naphthalene concentrate | Ústí Regional Office, Department of the Environment and Agriculture; issued on 21. 2. 2005 for an indefinite period. |
| Urea production | Ústí Regional Office, Department of the Environment and Agriculture; issued on 22. 9. 2005 valid until 2015 |
| Ammonia production | Ústí Regional Office, Department of the Environment and Agriculture; issued on 12. 6. 2006 for an indefinite period. |
| Masut gasification plant (POX unit) | Ústí Regional Office, Department of the Environment and Agriculture; issued on 12. 7. 2006 for an indefinite period. |
| Oxoalcohol production | Ústí Regional Office, Department of the Environment and Agriculture; issued on 16. 7. 2007 valid until 30. 6. 2009. |
| T200 and T700 plants and the wastewater and waste plant | Ústí Regional Office, Department of the Environment and Agriculture; issued on 11. 10. 2007 for an indefinite period. |
| ČESKÁ RAFINÉRSKÁ | |
| Litvínov Refinery | Ústí Regional Office 15. 12. 2003 |
| Investment plan for the storage, intake, and injection of light cycle oil and biofuels | change in IP – Ústí Regional Office 20. 7. 2006 |
| Investment plan to revamp the hydrocracking unit and construct a recontacting system for the visbreaking unit | change in IP – Ústí Regional Office 17. 10. 2006 |
| Investment plan to replace the burners for refinery furnaces, replace the burners and install pre-heating for the hydrogenation of liquid oil and modification of the MEA system for the gas desulphurization unit | change in IP – Ústí Regional Office 12. 6. 2007 |
| Kralupy nad Vltavou Refinery | Central Bohemian Regional Office, April 2008 |
| PARAMO, a.s. | |
| Heat plant, HS Pardubice | 2. 2. 2004 IP issued – Pardubice Regional Office |
| Asphalt operations, Pardubice premises | 12. 10. 2004 IP issued – Pardubice Regional Office – in the wording of 3rd change |
| Fuel operations, Pardubice premises | 7. 12. 2004 IP issued – Pardubice Regional Office – in the wording of 2nd change |
| Oil operations, Pardubice premises | 23. 1. 2006 IP issued – Pardubice Regional Office – in the wording of 1st change |
| Kolín premises | 31. 5. 2005 IP issued – Central Bohemian Regional Office – in the wording of 2nd change |

IV. Compliance with Environmental Protection Laws

INTEGRATED POLLUTION REGISTER

The integrated pollution register (IRZ) is operated in the CR based upon Act no. 25/2008 Coll. and in accordance with the regulations of the European Parliament and Council no. 166/2006, establishing the European Pollutant Release and Transfer Register (E-PRTR).

The pollution registers (IRZ and E-PRTR) keep data on individual firms and industry branches concerning the emission of 93 reported substances into the air, water and soil, their transfer in wastes and wastewater and the transfer of hazardous and other wastes. Data for the IRZ and E-PRTR for the previous year must be submitted by firms jointly by March 31st and subsequently published on the IRZ server by September 30th. Information for 2004, 2005, and 2006 is published for individual firms at www.irz.cz, information for 2007 will be published by September 30th, 2008. In accordance with legislative requirements, substances were reported to the IRZ integrated pollution register which were emitted at or in excess of the established threshold values.

PREVENTION OF AIR POLLUTION, WASTEWATER DISCHARGE, AND WASTE MANAGEMENT

All Group companies have maintained long-term compliance of company activities with the legal requirements for environmental protection. Sources of air pollution are operated in accordance with planned operating guidelines. Authorized measurement of emissions has taken place as legally mandated. All facilities have prepared and approved water management plans according to Order no. 450/2005 Coll. Regular monitoring of wastewater quality takes place. Emission limits of wastewater pollution are respected. All facilities also have prepared and approved waste management plans. Waste is monitored and recorded in accordance with current legislation.

This compliance is monitored by the management of the companies and the Headquarters of the Group and is independently verified by administrative offices as well as certifying bodies for companies certified according to ISO 14001 and in companies participating in the "Responsible Care" program of the Association of the Chemical Industry of the CR. In the event that any deviations from the legal requirements

are identified, corrective measures are implemented immediately, and fines possibly assessed by administrative offices.

Trend in emissions and production of wastes

Emissions of pollutants into the environment have thanks to massive ecological investments over the past four years been stabilized at levels seen during the course of the preceding decade. In the UNIPETROL Group there has been stabilization of the emission of nitrogen oxides. A reduction has been achieved in the release of pollutants into surface water in COD (Chemical Oxygen Demand) indicators, and total waste volume has been reduced along with hazardous wastes. The emission limits for wastewater pollutants have been met with the exception of the reconstruction period of the wastewater treatment plant in July 2007 when there was a two-day oxygen deficit in the flow regime for the Bílina river in conjunction with the reconstruction of the UNIPETROL RPA biological WTP and the permitted limited operation of the wastewater treatment plant. UNIPETROL RPA and Povodí Ohře quickly cooperated to eliminate this unhealthy state by increasing the through flow of the Bílina river.

COD pollution released by companies (t/year)

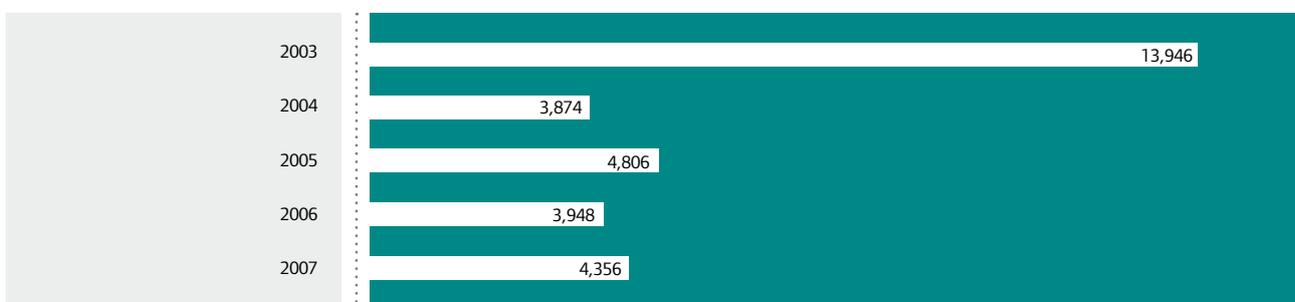


The UNIPETROL Group has achieved a long-term reduction in the volume of both overall and hazardous waste.

Due to work during stoppages and the removal of old equipment in 2007, there was a certain increase from 2006 in the

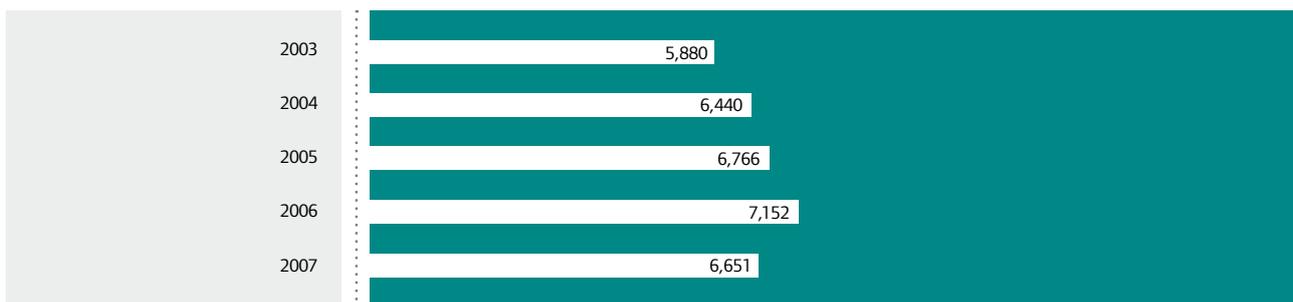
total amount of waste at the Litvínov manufacturing complex (from 13,651 t to 17,065 t).

Volume of hazardous waste (t/year)



IV. Compliance with Environmental Protection Laws

Nitrogen oxide emissions in Group companies (t/year)

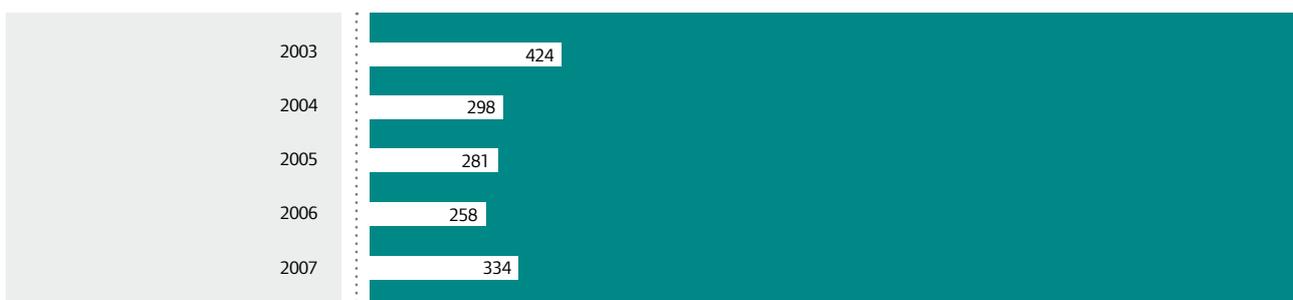


In the operation of the power generation plant for UNIPETROL RPA there was an increase in particulate emissions matter by roughly 39% compared to

2006 (from 202 t to 281 t). The reason for this was the malfunction of a valve before the combustion gas draw ventilator from 2. 4. 2007 to 4. 4. 2007

at heat plant T 700 and the operation of desulphurization unit no.1 through the by-pass.

Particulate emissions in Group companies (t/year)



In UNIPETROL RPA and in the Litvínov refinery of ČESKÁ RAFINÉRSKÁ there was an year-on-year growth in the total amount of sulphur dioxide emissions compared to 2006. This increase in emissions was caused in part by the compensatory burning of out-gas with a sulphide content from the masut gasification plant of UNIPETROL RPA, and in part by the compensatory burning of the residual refining out-gases of the

Litvínov refinery. These were not able to be processed in the Claus units due to the high volume of crude oil processing and capacity use of technological units at ČESKÁ RAFINÉRSKÁ, a.s. The situation was immediately addressed by commencing the investment project "Modification of the desulphurization unit for rich gases and regeneration of monoethanolamine (MEA)" which led to an increased capacity of the

desulphurization unit and was carried out during the stoppage of 2007. Other related investments included "Construction of recontacting for the Visbreaking unit" which was commenced in 2007 and should be completed in June 2008. This project will outfit the visbreaking unit with an entirely new recontacting system for the desulphurization of low pressure gases from this unit.

Sulphur dioxide emissions in Group companies (t/year)



IV. Compliance with Environmental Protection Laws

ENVIRONMENTAL IMPACT ASSESSMENT

In 2007 preliminary studies were commissioned for the planned decontamination of the UHLODEHTA disposal site, lime slag, and solid industrial waste within the project scope of OSEZ UNIPETROL, a.s. – Litvínov. In other Group companies no environmental impact assessment procedures took place in 2007.

FINES FOR VIOLATING THE REQUIREMENTS OF ENVIRONMENTAL LAWS

Thorough adherence to environmental protection regulations is evident in the low number of cases of partial violation of environmental regulations which occurred as a result of non-standard operating conditions from 2004–2007.

Over this period Group companies were issued a total of 9 fines, only 2 of which were of a more serious nature (water protection violations) and exceeded 100,000 CZK.

Overview of fines for violation of environmental protection regulations for 2004–2006

| Company | Year | Reason for fine | Amount of fine (thous. CZK) | Note |
|------------------|------|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------|
| CHEMOPETROL | 2006 | Failure to meet deadline for stopping discharge | 100 | Delay of approx. 4 months caused by adverse weather and technical problems at the end of 2005 |
| UNIPETROL RPA | 2007 | Unauthorized discharge of wastewater during reconstruction of the treatment plant (WTP) | 1 000 | Paid, without appeal |
| BENZINA | 2004 | Violation of water use regulations | 130 | |
| BENZINA | 2005 | Violation of water use regulations | 42 | |
| BENZINA | 2006 | Violation of water use regulations | 20 | Malfunction in WTP operations (Ostrov n/O.) |
| BENZINA | 2006 | Violation of water use regulations | 48 | Unauthorized WTP operations (Šlovice) |
| BENZINA | 2007 | Unauthorized discharge of oily water from the trap at Libhošť filling station | 15 | Paid, without appeal |
| ČESKÁ RAFINÉRSKÁ | 2005 | Exceeding emissions limit in 2004 | 20 | |
| ČESKÁ RAFINÉRSKÁ | 2006 | Exceeding emissions limit for NO _x in 2005 | 100 | |

V. Mitigation of Environmental and Operational Risks

PREVENTION OF SERIOUS ACCIDENTS ACCORDING TO ACT NO. 59/2006

The Group's firms have long paid great attention to preventing serious accidents. The cornerstone for preventing accidents from occurring is the reliable and error-free operation of the manufacturing systems which are designed, operated, controlled and maintained in accordance with the legislation of the CR and internal firm regulations. Certain regulations even go beyond the legislative requirements and are based on the best experience of Group firms.

Manufacturing plants are equipped with control systems which signal deviations from standard operating parameters. Certain dangerous operations are equipped with automatic shutdown systems if certain established operating parameters are exceeded. Plants are equipped according to the type of hazardous substance handled with modern detection systems (to detect flame, smoke, or the leak of hazardous substances) with outputs routed to control centers and the fire station of the particular firm. Plants are equipped with fixed and semi-fixed sprinkler systems and fire monitors.

Group firms undergo regular internal safety and accident risk prevention audits. Additionally, there are regular external audits and inspections by professional bodies such as ČIŽP, OIP, professional organizations of the CR, insurance brokers, insurers and foreign underwriters. The recommendations and conclusions of these audits are incorporated into appropriate implementation plans.

An important component for preventing serious accidents is the regular instruction and training of employees. The function of the accident prevention system is tested throughout the year with training for accident and crisis situations in cooperation with internal and external emergency crews through emergency drills (at individual manufacturing plants + emergency drills for the entire complex with the participation of all companies operating in UNIPETROL, a.s. complexes or their direct proximity).

Part of risk management for serious accidents also includes damage liability insurance according to Act no. 59/2006 Coll.

The level of safety at Group firms considerably influences new investment into manufacturing systems, where at the design stage possible operational risk is assessed using recognized methods of risk analysis for serious accidents. New operations are always equipped with the most modern safety systems known at the time and which meet the requirements of CR and EU regulations.

Each manufacturing plant in the Group has its own company fire department, trained and equipped at the highest level enabling highly specialized intervention for accidents with the release of hazardous substances.

The majority of Group manufacturing plants in group B are subject to Act no. 59/2006 Coll. on the prevention of serious accidents in the handling of hazardous substances. In accordance with new implementation guidelines for this Act, safety reports were updated in 2007. Act no. 59/2006 Coll. does not apply to BENZINA, which, as required by law, drafted new protocols in 2007 for its 319 filling stations which were submitted to the appropriate Regional Offices.

V. Mitigation of Environmental and Operational Risks

Overview of group classification of firms according to Act no. 59/2006 Coll. and the state of negotiations of the Safety Report as of 31. 12. 2007

| Company | Group | Safety Report (SR) |
|------------------------------------------------------------------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNIPETROL RPA, s.r.o. | B | 1. 3. 2005 – 1st update of SR (according to Act no. 353/1999 Coll.) approved/Ústi Regional Office/Submitted for approval on 18. 5. 2007 of 2nd update according to Act no. 59/2006 Coll. |
| UNIPETROL DOPRAVA, s.r.o. – Eastern operations area, Pardubice rail line | B | Update of SR submitted on 31. 7. 2007/Pardubice Regional Office/no ruling issued yet |
| UNIPETROL DOPRAVA, s.r.o. – Eastern operations area, Semtín rail line | B | Update of SR submitted on 31. 7. 2007/Pardubice Regional Office/no ruling issued yet |
| UNIPETROL DOPRAVA, s.r.o. – Western operations area, Litvínov rail line | B | Update of SR submitted on 31. 7. 2007/Pardubice Regional Office/no ruling issued yet |
| UNIPETROL DOPRAVA, s.r.o. – Western operations area, Kralupy rail line | B | Update of SR submitted on 31. 7. 2007/Pardubice Regional Office/no ruling issued yet |
| UNIPETROL DOPRAVA, s.r.o. – Western operations area, Neratovice rail line | B | Update of SR submitted on 31. 7. 2007/Pardubice Regional Office/no ruling issued yet |
| ČESKÁ RAFINÉRSKÁ, a.s. Litvínov refinery Kralupy refinery | B | 16. 2. 2003 approved/Ústi Regional Office 8. 10. 2002 approved OkÚ Mělník |
| PARAMO, a.s., Pardubice complex | B | 3. 8. 2004 approved Pardubice Regional Office, 16. 6. 2005 updated safety report approved |
| PARAMO, a.s., Kolín complex | - | Not subject to Act no. 59/2006 Coll. |
| BENZINA, s.r.o. | - | Not subject to Act no. 59/2006 Coll. Updated protocol on the different classification of filling stations submitted to appropriate Regional Offices. |

TRINS TRANSPORTATION AND INFORMATION SYSTEM FOR ACCIDENTS

The TRINS transportation and information system for accidents is a system to provide assistance in the event of accidents associated with the transportation of hazardous substances. TRINS was founded by SCHP ČR (Association of the Chemical Industry

of the Czech Republic) as part of the “Responsible Care” program in 1996 based upon an agreement between SCHP ČR and the HQs of the Czech Fire Service as one of the support systems incorporated into the Integrated emergency response system of the CR. Foreign equivalents of TRINS are for example the British system CHEMSAFE and the German TUIS, which was the model for the creation of TRINS. Similar

systems have also been established in Slovakia (DINS), in Hungary (VERIK) and for many years in a number of other EU countries.

The TRINS centers work in cooperation with the Czech Fire and Rescue Service to provide urgent consultation concerning information about chemical substances and products, their safe transportation and storage, practical

experience with handling hazardous materials and the liquidation of exceptional events associated with their transportation. The TRINS centers also provide practical assistance in the liquidation of such exceptional situations

and the elimination of subsequent ecological damage.

At present time in the CR there are 35 regional TRINS centers in operation provided by 28 companies active in the

chemical industry. The companies of the UNIPETROL Group are founding members of TRINS. UNIPETROL RPA, s.r.o. Litvínov even serves as the national coordination center of the system..

Overview of participation of UNIPETROL Group companies in TRINS

| Company | Participation in the "TRINS" accident system |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| UNIPETROL RPA, s.r.o. | National center, regional center |
| ČESKÁ RAFINÉRSKÁ, a.s. | |
| - Litvínov refinery | Regional center |
| - Kralupy refinery | Regional center |
| PARAMO, a.s. | Regional center |
| PETROTRANS, s.r.o. | Regional center |
| UNIPETROL SERVICES, s.r.o. | SCHP ČR representative – arrangements for activities of the entire system, statements, and support of the national center at UNIPETROL RPA, s.r.o. |

ČESKÁ RAFINÉRSKÁ has joined the European Charter for Road Safety and taken on specific obligations for the period of 2007–2009. This was a response of the company to the initiative of the European Commission which announced a campaign aimed at increasing road safety and specifically reducing by half fatalities caused by traffic accidents by 2010, i.e. by 10,000.

SERIOUS ACCIDENTS WITHIN THE UNIPETROL GROUP IN 2007

In 2007 no major accidents occurred in UNIPETROL Group companies which could be classified as serious accidents according to Act no. 59/2006 Coll. Thus there were no accidents of such scope which would require the employment of

exceptional capacity and resources for its elimination, or for accidents resulting in the release of hazardous substances into surface or ground water beyond the manufacturing complex or the release of hazardous substances into the air.

VI. An Open Approach to Environmental Issues

THE ROLE OF EMPLOYEES IN ENVIRONMENTAL PROTECTION

Employees at UNIPETROL Group companies are considered to be a key component for environmental protection and occupational health and safety. Therefore individual companies have implemented an effective system for training all employees. The training and education of employees is part of the implemented management systems and is subject to regular inspection, assessment and updating according to ISO 9001, ISO 14001 and OHSAS 18001.

All employees are actively and permanently engaged in the creation and protection of the environment. At regular training sessions they are acquainted with the policy for environmental protection, occupational health and safety, the environmental aspects of their activities and the goals and programs established for their workplaces.

Regular training is not only for our own employees but also for employees of external firms contracted to work within the manufacturing complexes. The obligations of environmental protection and occupational health and safety are incorporated into the contracts concluded with individual contractors.

PUBLIC RELATIONS

Transparent and freely available information is one of the principles of the "Policy for Responsible Care and the Integrated Management System for Occupational Health and Safety, Environmental Protection, and Quality Assurance" of the UNIPETROL Group, a fundamental conceptual document of the Group.

Detailed information on the state and development of Group activities impacting on the environment is regularly published in the "Joint report on occupational health, safety and environmental protection of the UNIPETROL Group" (up to 2006 the „Joint Environmental Report), and on the website of the Group companies. The Group companies publish their own partial reports every two years.

The companies publicly meet with representatives of labor organizations and local and regional government to discuss the report on the "Responsible Care" program. On their websites, UNIPETROL Group companies provide overviews of their activities regarding occupational health, safety and environmental protection.

With regard to the surrounding cities and towns, UNIPETROL Group companies apply the principles of Corporate Social Responsibility (CSR). Part of public cooperation is providing information on the company's impact on the surrounding environment through the participation of UNIPETROL Group representatives in the public council meetings of surrounding towns. Every year "Open House" days are held with town mayors where participants can become acquainted with all activities including environmental protection. In the event of non-standard operational situations, mayors of surrounding towns are preventively and immediately informed by text message. For immediate communication with the public and with employees the companies use a "green line", current information is disclosed through firm periodicals.

Another example of active and open information regarding environmental protection is the work of the Most Ecological Center, which has been in operation since 2000 with the support of UNIPETROL RPA and ČESKÁ RAFINÉRSKÁ. The center plays a major role in the dialogue on environmental protection between the industrial firms and the general public.

In cooperation with the Most Ecological Center, in 2007 a project was completed for the preparation of the "Chemistry and the Environment" educational program aimed at educating elementary and secondary school students. The goal of the project was in particular to promote issues of environmental

protection in relation to chemical production and to present the positive and negative aspects associated with chemical production and to present the activities of UNIPETROL RPA in the area of environmental protection. The project was well received by schools which have in turn requested a continuation of the

program for 2008. In 2007 the Ecological Center in Kralupy nad Vltavou was established, which performs a similar function for the Kralupy region.

Overview of corporate periodicals of UNIPETROL Group companies, which provide regular information on environmental protection activities (updates)

| Firm | Publication | Contact person |
|------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|
| UNIPETROL, a.s. | UNI, employee news for the UNIPETROL Group | Miroslav Tuček, tel.: +420 225 001 437, miroslav.tucek@unipetrol.cz |
| UNIPETROL, a.s. | Company website | http://www.unipetrol.cz |
| ČESKÁ RAFINÉRSKÁ, a.s. | Echo, information sheet for ČESKÉ RAFINÉRSKÉ | Aleš Soukup, tel.: +420 315 718 579 |
| ČESKÁ RAFINÉRSKÁ, a.s. | Impuls, report on occupational health and safety, fire safety, quality, and the environment | Michaela Freyová, tel.: +420 476 164 041 |
| ČESKÁ RAFINÉRSKÁ, a.s. | Company website | http://www.ceskarafinerska.cz |
| PARAMO, a.s. | Company website | http://www.paramo.cz |
| PARAMO, a.s. | RAMOVÁK | Jana lovlevová, tel. +420 46 6810 348, lovlevova@paramo.cz |

VII. Mitigating the Impact of Old Ecological Damage

PROGRAM FOR ELIMINATING OLD ECOLOGICAL DAMAGE

Based upon decree of the government of the CR in association with privatization, the companies of the UNIPETROL Group have concluded the following contracts with the MF ČR for fulfilling ecological obligations arising before privatization (Ecological contract):

- UNIPETROL, a.s. (the successor organization of CHEMOPETROL Group, a.s.) contract no. 14/94 as amended by addendum no. 3 of 25. 1. 2005;
- UNIPETROL, a.s. (the successor organization of KAUČUK Group, a.s.) contract no. 32/as amended by addendum no. 1 of 4. 7. 2001;
- PARAMO, a.s. contract no. 39/94 as subsequently amended and contract no. 58/94 as subsequently amended (formerly KORAMO, a.s.);
- BENZINA, a.s. contract no. 184/97 as amended by addendum no. 7 of 18. 1. 2007.

Defined in the contracts above are the conditions of participation of the Czech Republic in the financing of projects to clean up ecological damage which had occur before the privatization of the given company.

The question of liability for old ecological damage from the refining operations

of the former CHEMOPETROL and KAUČUK companies, incorporated into the ČESKÁ RAFINÉRSKÁ company, is governed by a special Ecological contract between UNIPETROL, a.s. and ČESKÁ RAFINÉRSKÁ, a.s.

OVERVIEW OF OLD ECOLOGICAL DAMAGE IN COMPANIES OF THE UNIPETROL GROUP

The records of the UNIPETROL Group show the following old ecological damage, the clean up of which is being financed by the MF ČR based upon concluded ecological contracts:

UNIPETROL, LITVÍNŮV SITE AND OTHER SITES ADMINISTERED BY UNIPETROL SERVICES

- ethylbenzene pipeline from Litvínov to the KAUČUK plant in Kralupy nad Vltavou: In the town of Milečice u Velvar: contamination of ground water and bedrock from an ethyl benzene leak;
- a chain of gas stations, formerly operated by the company TOROL, a.s. contamination from petroleum products, cleanup work completed;
- manufacturing complex Záluží (Unipetrol RPA, ČESKÁ RAFINÉRSKÁ) and adjacent storage area:

- Růžodol liquid sludge disposal site: disposal sites for liquid waste of petroleum and tar origin:
- Disposal site for sludge from wastewater treatment plant: sludge produced from an industrial wastewater treatment plant, cleanup work completed.
- K1-K4 ash disposal sites: ash created by the company's power generating operations, leaching of heavy metals, ammonia ions, etc., cleanup work at disposal sites K1 and K2 completed.
- Protection of the Bílina river in the area of the wastewater treatment plant sludge disposal site: contamination of the river bank by petroleum products, cleanup work completed.
- Entrapment of the groundwater between the factory and the waste disposal area, with the entrapment of groundwater from the Růžodol disposal sites: contamination of groundwater by waste of a petroleum or tar origin – cleanup work completed.
- Reclamation of soil along the banks of the Bílina river through in-situ biodegradation: contamination of river bank with petroleum products, cleanup work completed.

- Reclamation of groundwater: contamination by petroleum products, phenols, and products of tar chemistry.
- Reclamation of soil: contamination by petroleum products, phenols, and products of tar chemistry.
- Monitoring of groundwater.
- Disposal site for solid industrial waste, disposal site for lime sludge by the factory rail line and lime sludge II and the "UHLODEHTA" disposal site: solid industrial waste from chemical plants, lime sludge contaminated with phenols, project documents prepared for the cleanup work (EIA documentation missing);
- Location south of the K1-K4 ash disposal sites: ammoniac pollution of groundwater and tar "pools", a feasibility study has been prepared for the treatment of ground and surface water.

UNIPETROL, KRALUPY SITE AND OTHER LOCATIONS OPERATED BY KAUČUK (SINCE 1. 1. 2008 UNIPETROL SERVICES)

- ground beneath KAUČUK, a.s. and ČESKÁ RAFINÉRSKÁ, a.s. production facilities in Kralupy: contamination with petroleum substances, petrochemical products, and the acidic by-products of the oil refining process;
- Nelahozeves industrial waste disposal site: a site for the disposal of styrene scrap enclosed in steel barrels, based on the recent risk assessment the Czech Environmental Inspection Agency in Prague ordered a cleanup of the site by removing the former disposal site by 2010; a ten-year monitoring process was completed in 2006 and a reclamation project has been prepared;
- a chain of 24 gas stations formerly owned by the company K Petrol: contamination by petroleum products, cleanup work completed.

BENZINA

- reclamation of contaminated sites (102 gas stations): contamination with petroleum products.
- reclamation of contaminated sites (15 former fuel distribution warehouses): contamination with petroleum products.

PARAMO

Pardubice premises

- contamination of the ground beneath the plant (petroleum substances and dichloroethane, benzene) and two small localities in the close neighborhood of the Pardubice premises.
- five liquid waste disposal sites for acidic refinery waste: acidic sludge, bleaching clay, oil sludge, petroleum

waste from asphalt production, and waste generated from the wastewater treatment plant (in total this is approximately 90,000 m³ of liquid and semi-solid waste).

- two sites in the immediate vicinity of the plant.
- winter port (sediment contamination).

Kolín premises

- liquid waste disposal site for waste generated during the refinery process.
- four industrial waste disposal sites for waste generated during the refinery process, clean up work completed.
- contamination of the bedrock and groundwater at the Kolín manufacturing plant, clean up work completed.

PROGRESS OF CLEANUP WORK IN 2007

In 2007 active cleanup work was carried out at the Litvínov manufacturing plant in the form of groundwater remediation, pumping of underground drains and elimination of sludge in the R4 Růžodol lagoon. At other sites in the Litvínov complex preparation work took place. In the Kralupy complex there was only preparation work and likewise at the PARAMO complex in Pardubice. At the

VII. Mitigating the Impact of Old Ecological Damage

Časy disposal site remediation pumping was performed. Work at the PARAMO complex in Kolín was interrupted. In the

BENZINA chain of petrol stations active remediation took place at the stations in Žatec Podměsti and Králíky. At other

localities preparations were made and work was completed and cleanup work monitored.

Overview of funding guaranteed under the agreements with the Ministry of Finance (National Property Fund of the Czech Republic) and the costs of remediation work at the UNIPETROL Group in 2007

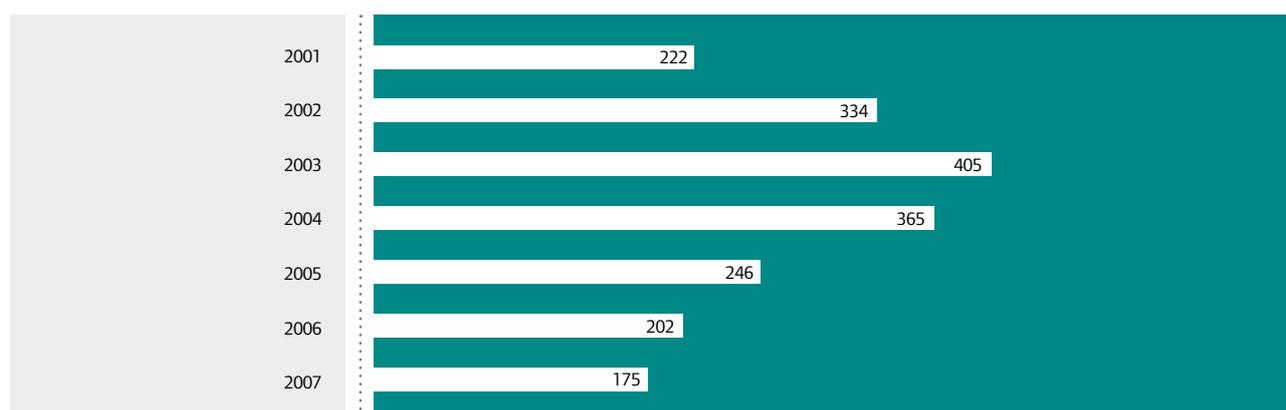
| Indicator | UNIPETROL/ Litvínov | UNIPETROL/ Kralupy | PARAMO Kolín | PARAMO Pardubice | BENZINA | UNIPETROL Group total |
|----------------------------------------------------|------------------------|-----------------------|-----------------|---------------------|---------|--------------------------|
| Guaranteed funding: Ministry of Finance (mil. CZK) | 6,012 | 4,244 | 941 | 1,242 | 1,349 | 13,788 |
| Total costs incurred since start of work | 1,850 | a) 11 | 931 | 98 | b) 262 | 3,152 |
| Total costs in 2007 | 146 | 2 | 1 | 9 | 17 | 175 |
| Estimated future costs | 1,500 | 2,000 | c) 910 | 1,150 | 1,080 | 6,640 |

a) excluding costs of cleanup already completed of the chain of gas stations formerly owned by KPetro 1995–1999 approx. 40 mil. CZK;

b) excluding costs covered by BENZINA, a.s. from its own resources for remediation work up until 1997 of approximately 500 mil. CZK

c) Ministry of Finance asked for increasing of the state guarantee funding

Development of financial costs for cleanup work in the UNIPETROL Group (UNIPETROL, a.s., UNIPETROL RPA, BENZINA, PARAMO) from 2001–2007



VIII. Sustainable Development

GLOBAL ASPECTS OF ENVIRONMENTAL PROTECTION

REGULATION OF CARBON DIOXIDE EMISSIONS ACCORDING TO THE EU PLAN FOR GREENHOUSE GAS EMISSION TRADING ALLOWANCES (EU ETS)

Based on Act no. 695/2004 Coll., on the conditions for greenhouse gas emission allowance trading and the related European Parliament and Council Directive no. 2003/87/EC, the Czech government issued tradable allowances for the release of carbon dioxide emissions for select companies through

Government Order no. 315/2005 dated 20. 7. 2005 on the National Allocation Plan for 2005–2007 (Appendix no.2 to the Government Order).

Allocation of emission allowances to the companies of the UNIPETROL Group according to the National Allocation Plan for 2005–2007 and 2008–2012 and actual CO₂ emissions from 2005–2007

| Allocation of emission permits, actual emissions | CHEMOPETROL | ČESKÁ RAFINÉRSKÁ | PARAMO | UNIPETROL Group total |
|--------------------------------------------------|-------------|------------------|--------|-----------------------|
| NAP 2005–2007, allocation of permits / year | 3,495 | 1,100 | 270 | 4,865 |
| 2005: actual CO ₂ emissions (t/year) | 3,071 | 803 | 194 | 4,068 |
| 2006: actual CO ₂ emissions (t/year) | 3,092 | 910 | 196 | 4,198 |
| 2007 actual CO ₂ emissions (t/year) | 2,889 | 904 | 191 | 3,984 |
| NAP 2008–2012, allocation of permits /year | 3,121 | 867 | 199 | 4,187 |

Allowances allocated to UNIPETROL Group companies (including the “bonuses” awarded for the implementation of preliminary measures for the reduction of carbon dioxide emissions and the combining of heat and electricity production) covered the production needs of the companies and the actual emission levels during the course of the first trading period of 2005–2007. Excess permits were traded.

The companies of the Group have met all of the requirements established under

Act No. 695/2004 and its implementing regulations. They have prepared emission monitoring plans and they have met the requirement of auditing the reported emission levels with the use of an independent auditing body.

PROTECTION OF THE OZONE LAYER

All companies of the Group operate their facilities in accordance with the requirements for protection of the Earth’s ozone layer and in accordance with applicable international agreements. In 1999, ČESKÁ RAFINÉRSKÁ replaced

halon in its fire protection system with an environmentally friendlier substance. CHEMOPETROL had already replaced refrigerants used at its low-temperature-chemical operations with more environmentally friendly ones in previous years.

CHEMICAL SAFETY

All companies in the Group handle chemical substances and compounds in full accordance with the applicable laws

VIII. Sustainable Development

on chemical substances and compounds. The system of training employees in the handling of chemical substances and compounds is part of established corporate environmental management systems.

The companies databases contain basic information on the characteristics of products, intermediates stages of production, auxiliary substances as well as purchased and imported feedstock used in the respective production technologies along with complete material safety data sheets (MSDS) for the products. All of this information is available on the corporate websites. All safety data sheets (SDS) have been amended to comply with the new legislation effective as of the date of the Czech Republic's entry into the EU. All of the companies continuously monitor the handling of all chemical substances and preparations used in the processing of raw materials or in the final products and ensure that the appropriate products have the necessary product safety certifications. The companies have a customer service group that provides information on their products and their safe handling and disposal.

The companies of the Group are monitored by the international inspection authority of the United Nations (UN-OPCW), which monitors

the observance of the Chemical Weapons Convention. All existing international inspections of the Group's companies have confirmed our strict adherence to the obligations of the Convention.

PREPARATION TO MEET THE REQUIREMENTS OF REGULATION (EC) NO. 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL (REACH)

On 1. 6. 2007 Regulation (EC) no. 1907/2006 of the European Parliament and of the Council went into effect concerning the registration, evaluation, authorization and restriction of chemicals (REACH). It represents a new European legislative basis for the activity of the chemical industry within a unified EU market.

The UNIPETROL Group represents that part of the chemical industry which is characterized by chemical substances manufactured in large volumes with production over 1000t/year. At the same time, there are a limited number of substances which are subject to REACH regulations.

On June 1st 2007 REACH entered into force. On June 1st 2008 REACH has entered into the pre-registration phase, in which manufacturers have until 1. 12. 2008 to provide the European Chemical Agency with

basic identification data of chemical substances and compounds subject to the REACH regime. Since January 2009 only pre-registered or registered substances will be allowed to be placed on the EU Common Market.

Pre-registration preparations are intensively underway at UNIPETROL RPA, ČESKÁ RAFINÉRSKÁ and PARAMO. ČESKÁ RAFINÉRSKÁ has tentatively identified 33 substances, PARAMO 28 substances, and UNIPETROL RPA 30 substances (their parameters will be specified in conjunction with the prepared changes and additions to the REACH Appendices). To fulfill REACH requirements, UNIPETROL is cooperating closely with PKN ORLEN and through it with CONCAWE, while ČESKÁ RAFINÉRSKÁ is working directly in this area with SHELL and Agip.

Initial estimates of the direct financial costs associated with the registration of substances according to REACH are 450 mil. CZK for UNIPETROL RPA, 75 mil. CZK for ČESKÁ RAFINÉRSKÁ and 100 mil. CZK for PARAMO. However, it is expected that the real costs for registering substances will be significantly lower due to the effect of consortiums and agreements concluded in substance information and exchange forums (SEIF), which will be established after the pre-registration phase.

MANAGEMENT OF PRIMARY ENERGY AND RAW MATERIAL SOURCES

In conserving primary sources of raw materials and energy, the UNIPETROL Group acts according to the principles of sustainable development and with the strategic objective of using innovative approaches to minimize energy use and material inputs and it pursues a policy of continuously improving its environmental performance. Energy audits have been carried out in the companies of the Group with the aim of achieving further energy savings.

Major savings have been achieved through a better utilization of primary materials. As an example, we can look

at ČESKÁ RAFINÉRSKÁ, which came up with an extensive upgrade program which focuses on the greater processing of crude oil in favor of lighter products, particularly motor fuels.

In 2006, ČESKÁ RAFINÉRSKÁ started, through a series of projects (jointly referred to as "The Biofuels Program"), a program for a more efficient use of non-renewable resources by using selected agricultural byproducts, which are considered renewable resources, as fuel additives. The first batch of biodiesel was produced in late 2006.

Continuous attention has been paid to saving on the consumption of water in the UNIPETROL Group. Particularly significant results in this area have been

achieved by the PARAMO company achieved through implementing closed cooling loops systems. The newly installed chemical water treatment facility at PARAMO reduces the amount of leach water, which effectively reduces the consumption of added water.

The Group's ability to not increase its consumption of energy has been accompanied by a remarkable growth in production volumes. The enhancement of the energy efficiency of the Group's production processes is evidenced in the following table of the specific energy consumption requirements, expressed as an energy consumption coefficient in tons of oil equivalent (TOE), related to tons of production per year:

Specific energy consumption (TOE/t production per year) in the UNIPETROL Group

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------|-------|-------|-------|-------|
| UNIPETROL RPA | 0.196 | 0.171 | 0.166 | 0.173 | 0.163 |
| ČESKÁ RAFINÉRSKÁ Litvínov | 0.035 | 0.038 | 0.037 | 0.038 | 0.035 |
| ČESKÁ RAFINÉRSKÁ Kralupy | 0.056 | 0.051 | 0.053 | 0.056 | 0.056 |
| PARAMO Pardubice Premises | 0.087 | 0.079 | 0.093 | 0.096 | 0.087 |
| PARAMO Kolin Premises | 0.294 | 0.384 | 0.227 | 0.303 | 0.297 |

IX. Products and Services

PRODUCT CARE

The basic UNIPETROL strategy with respect to products and services is to focus on innovative ways to enhance the value of using the Group's products and services while reducing their potential negative environmental impacts.

Companies of the Group provide their customers with material safety data sheets (MSDS) for all of their products and services and provide consulting on how to safely and effectively use these products.

The companies provide information on the handling of new, as well as used, products and packaging through product labels, MSDS and corporate websites. On an ongoing basis, the service departments of the various companies provide service support and assistance to customers, contractors and the general public in matters regarding environmental issues and the company's products.

Reports and data on the impact of the products manufactured by the UNIPETROL Group of companies on health and the environment are tracked and evaluated on an ongoing basis, both during and after the useful life of the products. Should any negative environmental impact be discovered and verified, which exceeds the utility value of any of these products, the companies are ready to pull any such products from the market.

RESEARCH AND DEVELOPMENT ON ENVIRONMENTALLY FRIENDLY PRODUCTS

The companies of the UNIPETROL Group pay constant attention to the impact of their products on the environment and human health throughout the products' entire lifecycle and the environmental aspects associated with the use of these products are an important factor in their development. The following examples can be looked at as results of such R&D activities:

ČESKÁ RAFINÉRSKÁ, in cooperation with VŠCHT (Institute of Chemical Technology) in Prague has carried out research of the qualities of diesel in relation to the use of FAME (Fatty Acid Methyl Esters) biocomponents to be mixed with diesel. The subject of the study was the optimal composition of a carbon base for mixing diesel with a biocomponent, stability of the diesel mixture and MEŘO (methyl ester rapeseed oil), low temperature qualities of the mixture and other characteristics. The project built upon the first part of the study "motor fuels and biocomponents" examining the attributes of gasoline mixtures with bioethanol additives, which was carried out from 2005–2006.

ČESKÁ RAFINÉRSKÁ has carried out a number of essential investment projects which allow for direct mixing of FAME/MEŘO into diesel and bioethanol into automobile gasoline in quantities required by current legislation.

Aside from this the company is intensively studying the technical problems associated with the application of biocomponents and devotes considerable resources to the research of this subject. The production of diesel containing FAME has taken place at Litvínov since the beginning of 2007 for export purposes, and since September has been supplying the domestic market with this diesel together with Kralupy refinery.

The refinery is also preparing sufficiently in advance for the situation in 2009 when only motor fuel with a sulphur content up to 10 mg/kg will be allowed on the market. This year the "Clean Fuel" project was entirely completed allowing both refineries of ČESKÁ RAFINÉRSKÁ to produce only low sulphur fuel. Such production was already taking place in 2007 at the Litvínov refinery, where all diesel fuel and approximately one quarter of automobile gasoline were "2009 grade" fuel, produced for export and the State Material Reserves.

PARAMO is preparing a production of diesel fuels with sulphur less than 10 ppm. In 2007 the project which is going to provide for low sulphur diesel production was completed. The company also implemented projects that allow direct mixing of bio-components in diesel.

In 2007 PARAMO introduced on the market MOGUL ALFA BIO biodegradable oil intended for chainsaw lubrication, a rubber softener for Triumf RAE tires having a below-the-limit amount of PAU according to EU regulations, a new modification of the Katebit PSM asphalt emulsion, intended for coating recycled material from old asphalt coverage and its use in construction layers of road beds with a higher resistance to grooving (the coating of recycled material is performed cold at the construction site). In advance, a design was implemented to reduce the content of organic solvent in 4 types of asphalt coating materials to meet the emission limits of organic hydrocarbons to take effect in 2010.

X. Occupational Health and Safety

UNIPETROL, a.s. considers occupational health and safety one of the highest values of its corporate policy. Companies of the UNIPETROL Group:

- improve the quality of working conditions and measures to protect the health and safety of workers in accordance with applicable regulations and standards;
- improve methods of risk assessment and prevention of occupational injuries and illnesses;
- introduce measures to improve work productivity;
- develop the skills of its employees and introduce measures intended to improve the work environment;
- inform their employees and the public of current internal standards to ensure occupational health and safety and their impact.

ACCIDENT RATE

The high level of work safety maintained for many years in the UNIPETROL Group is shown by a comparison of the incidence of injury as one parameter of the accident rate in the UNIPETROL Group and the national average in the manufacturing industry and the national average of all segments of the national economy.

Incidence of injuries in the UNIPETROL Group and in select fields of the national economy in the CR
(Incidence of injuries (number of injuries/100 x number of employees))

| Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------|------|------|------|------|------|------|
| UNIPETROL Group | | | | | | |
| BENZINA | 0 | 1.04 | 0.52 | 0.61 | 0 | 0 |
| PARAMO | 1.23 | 1.11 | 0.11 | 0 | 0.7 | 0.49 |
| UNIPETROL DOPRAVA | 1.34 | 1.24 | 1.34 | 2.33 | 0.58 | 0.81 |
| ČESKÁ RAFINÉRSKÁ | 0 | 0 | 0.4 | 0.3 | 0 | 0.3 |
| UNIPETROL RPA | 0.41 | 0.48 | 0.27 | 0.24 | 0.17 | 0.27 |
| Czech Republic | | | | | | |
| Construction | 3.6 | 3.43 | 3.38 | 3.22 | 3.19 | * |
| Manufacturing ** | 3.45 | 3.26 | 3.26 | 3.23 | 3.15 | * |
| Finance, insurance | 0.27 | 0.25 | 0.22 | 0.22 | 0.24 | * |
| CR average | 2.03 | 1.87 | 1.86 | 1.85 | 1.83 | * |

* data not available

** relevant industrial branch

In 2007 the UNIPETROL Group continued to show a decline in all recorded work injuries although there was a slight increase in the number of work injuries resulting in disability of over three days compared to 2006. However, there was one fatality in power generating operations.

OCCUPATIONAL ILLNESS

After many years without the incidence of any new cases of occupational illness, in 2007 one new case was diagnosed at UNIPETROL RPA in relation to occupational exposure to polycyclical condensed hydrocarbons. Other companies in the Group continued to show no incidence of occupational illness.

PREVENTION, PROTECTIVE WORK EQUIPMENT AND AIDS

Work safety is ensured by professionally qualified employees in the field of risk assessment who carry out inspections of individual workplaces. Personal protective gear is issued to company employees based upon its own risk assessment.

QUALITY OF THE WORK ENVIRONMENT

Quality of the work environment is regularly checked in UNIPETROL

Group companies by measuring work environment factors especially occupational exposure to chemicals, the intensity of lighting and noise. The most recent inspection have again confirmed the low personal exposure of employees to harmful chemicals and noise.

At particular workplaces these risk factors were measured and a proposal drafted to place them into individual categories. Based upon this proposal the competent Regional Health Inspectors have decided to categorize the given workplaces as risk workplaces. These workplaces are given increased attention and the company is implementing measures to reduce risk factors.

MEDICAL CARE AND PREVENTION

Companies of the UNIPETROL group have concluded contracts with physicians for the provision of preventive medical examinations established by legal regulations and by ruling of Health Inspectors.

A number of health programs emphasizing prevention are run in the UNIPETROL Group companies. As an example we may look at the activities of ČESKÁ RAFINÉRSKÁ.

In 2007 ČESKÁ RAFINÉRSKÁ achieved a sick rate of 1.5%. Such low short-term illness may be attributed to the long-term implementation of programs to foster health. The main pillar of the health support program in 2007 was the "Záda – žádná zrada" [Back on track] project. 60 employees participated in the 6 mini-courses of the preventive fitness program under the guidance of experienced physical therapists, mastering the principles of prevention and treatment of physical problems caused by unbalanced work loads, reduced variability of movement, hypokinesia and mental stress.

Part of the program to promote movement included 12 firm-wide athletic tournaments and other events which were attended by over 250 employees and their family members. In 2007 ČESKÁ RAFINÉRSKÁ was also one of the first companies in the CR to sign on to the "Move Europe – Evropa v pohybu" project. The organizer, the "National contact center of the European network to promote health in the workplace," declared ČESKÁ RAFINÉRSKÁ the company of the month for May.

Important Milestones of the UNIPETROL Group in 2007

UNIPETROL, A.S.

- Sale of the KAUČUK company as part of the divestment program and restructuring of the Group
- Change in the legal form of CHEMOPETROL, UNIPETROL RAFINÉRIE, BENZINA and UNIPETROL DOPRAVA to limited liability companies
- Concentrating service activities including HSE activities into the Shared Services Center and subsequently founding UNIPETROL SERVICES, s.r.o.
- Founding of the Butadien company
- Adoption of the concept of implementing an Integrated Management System for the entire UNIPETROL Group
- Adoption of new HSE and Responsible Care Policies

UNIPETROL RPA

- Issue of 2 integrated permits for the production of oxoalcohols and power generation (plants T 200, T 700, water management and waste management) and thus acquiring an Integrated permit for all relevant manufacturing of UNIPETROL RPA
- Accident training to test the effectiveness of the Internal Emergency Plan of UNIPETROL RPA, s.r.o. and the Physical Protection plan.

UNIPETROL DOPRAVA

- EMS certification according to ISO 14001 (Steaming station for tankers)

BENZINA

- New conception for inspection activities of water management works and care for them by filling station partners
- Gradual implementation of the BENZINA Plus program

ČESKÁ RAFINÉRSKÁ

- Completion of the "Clean Fuel" program – construction of selective hydrogenation units
- Implementation of projects related to the "Biofuels" program
- Certification according to OHSAS 18001
- Recertification according to ISO 14001 and ISO 9001
- Stoppage at the Litvínov refinery with renovation of the hydrocracking unit and implementation of other environmental projects aimed at increasing the reliability of production systems, increasing energy efficiency, and reducing CO₂ and NO_x emissions
- Award of the "Sustainable Development Prize" by the Association of the Chemical Industry of the CR.

- Fulfillment of the Standard "Odpovědný podnik" (Responsible Enterprise)
- Signing on to the "European Charter for Road Safety" announced by the European Commission

PARAMO

- OHSAS 18001 certification, ISO 9001 and ISO 14001 recertification.
- Completion of low sulphur and biodiesel fuels projects

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

AIR POLLUTION

Tab. no. 1: Sulphur Dioxide Emissions of Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| CHEMOPETROL/UNIPETROL RPA | 7,825 | 9,334 | 9,197 | 8,409 | 9,691 |
| ČESKÁ RAFINÉRSKÁ | 3,543 | 2,530 | 1,910 | 4,107 | 6,469 |
| PARAMO | 1,290 | 717 | 835 | 704 | 749 |
| UNIPETROL Group | 12,658 | 12,581 | 11,942 | 13,220 | 16,909 |

Tab. no. 2: Nitrogen Oxides (NO_x) Emissions of Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| CHEMOPETROL/UNIPETROL RPA | 5,110 | 5,678 | 5,945 | 6,346 | 5,839 |
| ČESKÁ RAFINÉRSKÁ | 530 | 518 | 545 | 593 | 604 |
| PARAMO | 240 | 244 | 276 | 213 | 208 |
| UNIPETROL Group | 5,880 | 6,440 | 6,766 | 7,152 | 6,651 |

Tab. No. 3: Particulate Emissions of Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 331 | 255 | 245 | 202 | 281 |
| ČESKÁ RAFINÉRSKÁ | 46 | 29 | 12 | 19 | 24 |
| PARAMO | 47 | 14 | 24 | 37 | 29 |
| UNIPETROL Group | 424 | 298 | 281 | 258 | 334 |

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

Tab. no. 4: Volatile Organic Compound Emissions of Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 339 | 356 | 341 | 420 | 381 |
| ČESKÁ RAFINÉRSKÁ | 95 | 94 | 103 | 110 | 113 |
| BENZINA | 55 | 20 | | | |
| PARAMO | 214 | 230 | 225 | 200 | 304* |
| UNIPETROL Group | 703 | 700 | 669 | 730 | 798 |

Note: *90% are fugitive emissions which are shown solely on the basis of solvents purchased in a given calendar year.

WASTEWATER DISCHARGE

Tab. no. 5: COD Discharged by Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
| CHEMOPETROL/UNIPETROL RPA | 1,270 | 1,239 | 1,197 | 1,107 | 1,261 |
| ČESKÁ RAFINÉRSKÁ | 73 | 92 | 83 | 69 | 66 |
| PARAMO | 247 | 269 | 245 | 248 | 171 |
| UNIPETROL Group | 1,590 | 1,600 | 1,525 | 1,424 | 1,498 |

Tab. no. 6: BOD5 Discharged by Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 433 | 381 | 344 | 379 | 435 |
| ČESKÁ RAFINÉRSKÁ | 13 | 19 | 16 | 9 | 11 |
| PARAMO | 86 | 89 | 79 | 92 | 65 |
| UNIPETROL Group | 532 | 489 | 439 | 480 | 511 |

Tab. no. 7: Suspended Solids Discharged by Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 437 | 398 | 355 | 357 | 395 |
| ČESKÁ RAFINÉRSKÁ | 23 | 17 | 40 | 43 | 45 |
| PARAMO | 59 | 54 | 59 | 38 | 27 |
| UNIPETROL Group | 519 | 469 | 454 | 438 | 467 |

Tab. no. 8: Petroleum Substances Discharged by Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| CHEMOPETROL/UNIPETROL RPA | 6.2 | 2.8 | 5.4 | 4.0 | 4.6 |
| ČESKÁ RAFINÉRSKÁ | 2.8 | 2.7 | 0.6 | 1.5 | 2.5 |
| PARAMO | 8.6 | 4.8 | 8.2 | 9 | 6 |
| UNIPETROL Group | 17.6 | 10.3 | 14.2 | 14.5 | 13.1 |

WASTE MANAGEMENT

Tab. no. 9: Total Waste Generated at Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------------------------|----------------|---------------|---------------|---------------|---------------|
| CHEMOPETROL/UNIPETROL RPA | 348,292 | 16,411 | 17,061 | 13,651 | 17,065 |
| ČESKÁ RAFINÉRSKÁ (including investment projects) | 4,628 | 4,192 | 4,301 | 8,051 | 6,599 |
| PARAMO | 2,364 | 1,718 | 2,507 | 2,310 | 1,983 |
| UNIPETROL Group | 355,284 | 22,321 | 23,869 | 24,012 | 25,647 |

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

Tab. no. 10: Hazardous Waste Generated at Companies of the Group (t/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|---------------|--------------|--------------|--------------|--------------|
| CHEMOPETROL/UNIPETROL RPA | 9,430 | 1,059 | 1,215 | 1,030 | 1,309 |
| ČESKÁ RAFINÉRSKÁ | 2,619 | 1,895 | 2,628 | 2,253 | 1,932 |
| PARAMO | 1,897 | 920 | 963 | 665 | 1,115 |
| UNIPETROL Group | 13,946 | 3,874 | 4,806 | 3,948 | 4,356 |

Tab. no. 11: Waste Management Indicators at Companies of the Group in 2007

| (t/year) | UNIPETROL RPA | ČESKÁ RAFINÉRSKÁ | PARAMO | UNIPETROL |
|-----------------------------------------------------|---------------|------------------|--------|-----------|
| By category of waste | | | | |
| Other | 15,756 | 4,667 | 868 | 21,291 |
| Hazardous | 1,309 | 1,932 | 1,115 | 4,356 |
| Total | 17,065 | 6,599 | 1,983 | 25,647 |
| By type of waste | | | | |
| Industrial | 16,247 | 6,329 | 1,947 | 24,523 |
| Energy-related | 134 | 0 | - | 134 |
| Municipal | 684 | 270 | 36 | 990 |
| By disposal method | | | | |
| In-house facilities | | | | |
| Dumping | - | 0 | 0 | 0 |
| Incineration | - | 0 | 0 | 0 |
| Recycling | 19 | 0 | 0 | 19 |
| Storage | - | 0 | 0 | 0 |
| External facilities | | | | |
| Dumping | 5,423 | 3,618 | 1,062 | 10,103 |
| Incineration | - | 22 | 420 | 442 |
| Non specified | 11,642 | 2,959 | 501 | 15,102 |
| Construction, development, maintenance waste | | | | |
| Hazardous | 390 | 0 | 228 | 618 |
| Other | 709 | 3,525 | 253 | 4,487 |
| Total | 1,099 | 3,525 | 481 | 5,105 |
| Secondary use, sale | 11,624 | 2,960 | 221 | 14,805 |

EXPENSES RELATED TO ENVIRONMENTAL PROTECTION

Tab. no. 12: Environment-Related Capital Investments by Companies of the Group (mil. CZK)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 63 | 46 | 17 | 65 | 389 |
| ČESKÁ RAFINÉRSKÁ | 267 | 841 | 200 | 740 | 397 |
| BENZINA | 23 | 1 | 7 | 18 | 16 |
| PARAMO | 28 | 92 | 168 | 87 | 26 |
| UNIPETROL Group | 381 | 980 | 392 | 910 | 828 |

Tab. no. 13: Operating Costs Related to Environmental Protection within the Group (mil. CZK/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 611 | 575 | 561 | 590 | 606 |
| ČESKÁ RAFINÉRSKÁ | 134 | 147 | 139 | 106 | 203 |
| BENZINA | 23 | 23 | 22 | 23 | 5* |
| PARAMO | 39 | 47 | 38 | 47 | 48 |
| UNIPETROL Group | 807 | 792 | 760 | 766 | 862 |

*Change of methodology

Tab. no. 14: Total Environmental Protection Expenditures by Companies of the Group (mil. CZK/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Remediation | 386 | 360 | 301 | 202 | 175 |
| Investment | 381 | 980 | 392 | 910 | 828 |
| Operating Expenses | 807 | 792 | 760 | 766 | 862 |
| Environmental Charges and Fees | 219 | 155 | 162 | 142 | 125 |
| Total | 1,793 | 2,287 | 1,615 | 2,020 | 1,990 |

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

Tab. no. 15: Environmental Charges and Fees at Companies of the Group in 2007 (mil. CZK/year)

| Company | Air | Water | Waste | Compensation | Total |
|------------------------|-----------|---------------|-----------|--------------|---------------|
| UNIPETROL RPA | 13 | 10 | 0 | 1 | 24 |
| ČESKÁ RAFINÉRSKÁ | 2 | 81 | 7 | 0.1 | 90.1 |
| BENZINA | - | 0.01 | 0 | 0 | 0.01 |
| PARAMO | 1 | 19 | 4 | 0.1 | 24.1 |
| UNIPETROL Group | 16 | 110.01 | 11 | 1.2 | 138.21 |

Tab. no. 16: Environmental Charges and Fees at Companies of the Group 2003–2007 (mil. CZK)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------------|------------|------------|------------|------------|
| CHEMOPETROL/UNIPETROL RPA | 107 | 45 | 50 | 44 | 15 |
| ČESKÁ RAFINÉRSKÁ | 87 | 89 | 89 | 75 | 90 |
| PARAMO | 25 | 21 | 23 | 23 | 20 |
| Total fines | 219 | 155 | 162 | 142 | 125 |

Tab. no. 17: Cost of environmental remediation work in the UNIPETROL Group (UNIPETROL, a.s., UNIPETROL RPA, BENZINA, PARAMO) from 2001–2007 (mil. CZK/year)

| Year | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|
| UNIPETROL/Litvínov | 89 | 178 | 195 | 206 | 199 | 147 | 146 |
| UNIPETROL/Kralupy | 1 | 0 | 0 | 0 | 3 | 0 | 2 |
| BENZINA | 22 | 55 | 40 | 40 | 26 | 15 | 17 |
| PARAMO/Kolín | 110 | 99 | 155 | 104 | 65 | 37 | 1 |
| PARAMO/Pardubice | 0 | 2 | 15 | 15 | 18 | 3 | 9 |
| UNIPETROL Group | 222 | 334 | 405 | 365 | 246 | 202 | 175 |

CONSUMPTION OF WATER AND ENERGY

Tab. no. 19: Water Consumption at the Companies of the Group (million m³/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| CHEMOPETROL/UNIPETROL RPA | 23.4 | 24.2 | 22.5 | 23.7 | 22.2 |
| ČESKÁ RAFINÉRSKÁ | 1.1 | 1.4 | 0.8 | 2 | 1.7 |
| PARAMO | 0.8* | 1.6 | 1 | 1 | 1 |
| UNIPETROL total | 25.3 | 27.2 | 24.3 | 26.7 | 24.9 |

*before the KORAMO merger

Tab. no. 20: Energy Consumption at the Companies of the Group (GJ/year)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------------|-------------|-------------|--------------|-------------|
| CHEMOPETROL/UNIPETROL RPA | 5.9 | 6 | 5.1 | 5.57 | 5.3 |
| ČESKÁ RAFINÉRSKÁ | 11.3 | 12 | 13.8 | 15.1 | 13.6 |
| PARAMO | 2* | 2.8 | 3.1 | 2.8 | 2.7 |
| UNIPETROL total | 19.2 | 18.8 | 19.9 | 23.47 | 21.6 |

OCCUPATIONAL SAFETY AT UNIPETROL

Tab. č. 21: Number of fatal injuries

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|----------|----------|----------|----------|----------|
| CHEMOPETROL/UNIPETROL RPA | 0 | 0 | 0 | 0 | 0 |
| ČESKÁ RAFINÉRSKÁ | 0 | 0 | 0 | 0 | 0 |
| PARAMO | 0 | 0 | 0 | 0 | 1 |
| BENZINA | 1 | 0 | 0 | 0 | 0 |
| UNIPETROL DOPRAVA | 0 | 0 | 1 | 0 | 0 |
| UNIPETROL Group | 1 | 0 | 1 | 0 | 1 |

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

Tab. no. 22: Number of recorded occupational injuries

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| CHEMOPETROL/UNIPETROL RPA | 41 | 28 | 14 | 11 | 13 |
| ČESKÁ RAFINÉRSKÁ | 5 | 7 | 9 | 9 | 10 |
| PARAMO | 38 | 12 | 8 | 20 | 14 |
| BENZINA | 2 | 1 | 1 | 0 | 0 |
| UNIPETROL DOPRAVA | - | 25 | 22 | 10 | 11 |
| UNIPETROL Group | 86 | 73 | 54 | 50 | 48 |

Tab. no. 23: Number of occupational injuries resulting in more than 3 days disability

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| CHEMOPETROL/UNIPETROL RPA | 13 | 7 | 6 | 4 | 6 |
| ČESKÁ RAFINÉRSKÁ | 0 | 3 | 2 | 0 | 2 |
| PARAMO | 16 | 1 | 1 | 6 | 4 |
| BENZINA | 1 | 1 | 1 | 0 | 0 |
| UNIPETROL DOPRAVA | 7 | 7 | 11 | 3 | 4 |
| UNIPETROL Group | 37 | 19 | 21 | 13 | 16 |

Tab. no. 24: Incidence of occupational injuries
(number of injuries/100x number of employees)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------|------|------|------|------|
| CHEMOPETROL/UNIPETROL RPA | 0.48 | 0.27 | 0.24 | 0.17 | 0.27 |
| ČESKÁ RAFINÉRSKÁ | 0 | 0.4 | 0.3 | 0 | 0.3 |
| PARAMO | 1.76 | 0.11 | 0.11 | 0.71 | 0.49 |
| BENZINA | 1.04 | 0.52 | 0.61 | 0.00 | 0.00 |
| UNIPETROL DOPRAVA | 1.27 | 1.35 | 2.33 | 0.58 | 0.81 |

Tab. no. 25: Frequency of occupational injuries
(number of injuries/mil. hours worked)

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------|------|-------|------|------|
| CHEMOPETROL/UNIPETROL RPA | 2.95 | 1.62 | 1.46 | 1.02 | 1.71 |
| ČESKÁ RAFINÉRSKÁ | 0 | 2.4 | 1.7 | 0 | 1.7 |
| PARAMO | 11.61 | 0.63 | 0.68 | 4.21 | 2.97 |
| BENZINA | 6.32 | 3.15 | 3.55 | 0.00 | 0.00 |
| UNIPETROL DOPRAVA | 7.47 | 7.67 | 13.01 | 3.28 | 4.54 |

Tab. no. 26: Number of new cases of occupational illness

| Year | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|------|------|------|------|------|
| CHEMOPETROL/UNIPETROL RPA | 0 | 0 | 0 | 0 | *1 |
| ČESKÁ RAFINÉRSKÁ | 0 | 0 | 0 | 0 | 0 |
| PARAMO | 0 | 0 | 0 | 0 | 0 |
| BENZINA | 0 | 0 | 0 | 0 | 0 |
| UNIPETROL DOPRAVA | 0 | 0 | 0 | 0 | 0 |

* illness from polycyclical condensed hydrocarbons

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

OVERVIEW OF ENVIRONMENTAL PROTECTION INDICATORS FOR 2007

| Indicator | UNIPETROL RPA | ČESKÁ RAFINÉRSKÁ | PARAMO | BENZINA | UNIPETROL |
|----------------------------------------------|---------------|------------------|--------|---------|-----------|
| I. Air | | | | | |
| 1. SO ₂ (t/year) | 9,691 | 6,469 | 749 | – | 6,909 |
| 2. NO _x (t/year) | 5,839 | 604 | 208 | – | 6,651 |
| 3. CO (t/year) | 1,024 | 260 | 18 | – | 1,302 |
| 4. Particulate emissions | 281 | 24 | 29 | – | 334 |
| 5. VOC | 381 | 113 | 304 | 22 | 820 |
| II. Wastewater | | | | | |
| 1. COD (t/year) | 1,261 | 66 | 171 | – | 1,498 |
| 2. BOD5 (t/year) | 435 | 11 | 65 | – | 511 |
| 3. Suspended solids | 395 | 45 | 27 | – | 467 |
| 4. Dissolved inorganic substances (t/year) | 12,986 | 1,134 | 734 | – | 14,854 |
| 5. P – total (t/year) | 7.7 | 0.5 | 0.3 | – | 8.5 |
| 6. N – total (t/year) | 272 | 16 | 11 | – | 299 |
| 7. Heavy metals (t/year) | 8 | N | 0 | – | 8 |
| 8. Petroleum substances (non-polar) (t/year) | 4.6 | 2.5 | 6 | – | 13.1 |
| 9. AOX (t/year) | 2.4 | 0.1 | 0.4 | – | 2.9 |
| III. Waste | | | | | |
| Total (t/year) | 17,065 | 6,599 | 1,983 | – | 25,647 |
| Hazardous waste (t/year) | 1,309 | 1,932 | 1,115 | – | 4,356 |

| Indicator | UNIPETROL RPA | ČESKÁ RAFINÉRSKÁ | PARAMO | BENZINA | UNIPETROL |
|-----------------------------------------------------|---------------|------------------|--------|---------|-----------|
| IV. Natural resources and energy | | | | | |
| 1. Total energy consumption | | | | | |
| TJ/year | 5,276 | 13,556 | 2,789 | – | 21,621 |
| - electricity | | | | | |
| GWh/year | 1,241 | 295 | 36 | – | 1,572 |
| 2. Total water consumption | | | | | |
| mil. m ³ /year | 22 | 2 | 1 | – | 25 |
| V. Global aspects | | | | | |
| 1. Total CO ₂ emissions | | | | | |
| thous. t/year a) | 3,933 | 1,102 | 190 | – | 5,225 |
| 2. Traded emission credits | | | | | |
| thous. t/year b) | 2,889 | 904 | 190 | – | 3,983 |
| VI. Investment | | | | | |
| 1. Total investments | | | | | |
| mil. CZK | 2,132 | 638 | 138 | 501 | 3,409 |
| 2. Environmental investments | | | | | |
| mil. CZK | 389 | 397 | 23 | 17 | 826 |
| 3. OHS investments | | | | | |
| mil. CZK | 143 | 241 | 3 | 15 | 402 |
| Operating costs related to environmental protection | | | | | |
| (mil. CZK) | 606 | 203 | 48 | 5 | 862 |

a) Based on Integrated Pollution Register (IRZ) methodology

b) Based on EU ETS methodology

Appendices: Overview of Environmental Protection Occupational Health and Safety Indicators

CONTACT PERSONS IN UNIPETROL GROUP COMPANIES FOR ENVIRONMENTAL MATTERS

| Contact person | | Telephone | Fax | E-mail |
|------------------|----------------------------|------------------|------------------|-------------------------------|
| Vladimír Novotný | UNIPETROL, a.s. | +420 225 001 026 | | vladimir.novotny@unipetrol.cz |
| Pavel Sláma | UNIPETROL RPA, s.r.o. | | | |
| | UNIPETROL DOPRAVA, s.r.o., | | | |
| | BENZINA, s.r.o. | | | |
| | UNIPETROL SERVICES, s.r.o. | +420 476 164 515 | +420 476 164 906 | pavel.slama@UNIPETROL.cz |
| Milan Vitvar | ČESKÁ RAFINÉRSKÁ, a.s. | +420 476 164 477 | +420 476 164 858 | milan.vitvar@crc.cz |
| Pavel Fobl | ČESKÁ RAFINÉRSKÁ, a.s. | +420 476 166 530 | +420 476 164 858 | pavel.fobl@crc.cz |
| Hana Čermáková | Kralupy | +420 315 713 455 | +420 315 173 809 | hana.cermakova@crc.cz |
| Eva Horská | Litvínov | +420 476 164 422 | +420 476 164 858 | eva.horska@crc.cz |
| Eva Laštovičková | PARAMO, a.s. | +420 466 810 161 | +420 466 810 108 | lastovickova@paramo.cz |
| Eva Skálová | PARAMO, a.s. HS Kolín | +420 321 750 144 | | eva.skalova@paramo.cz |

