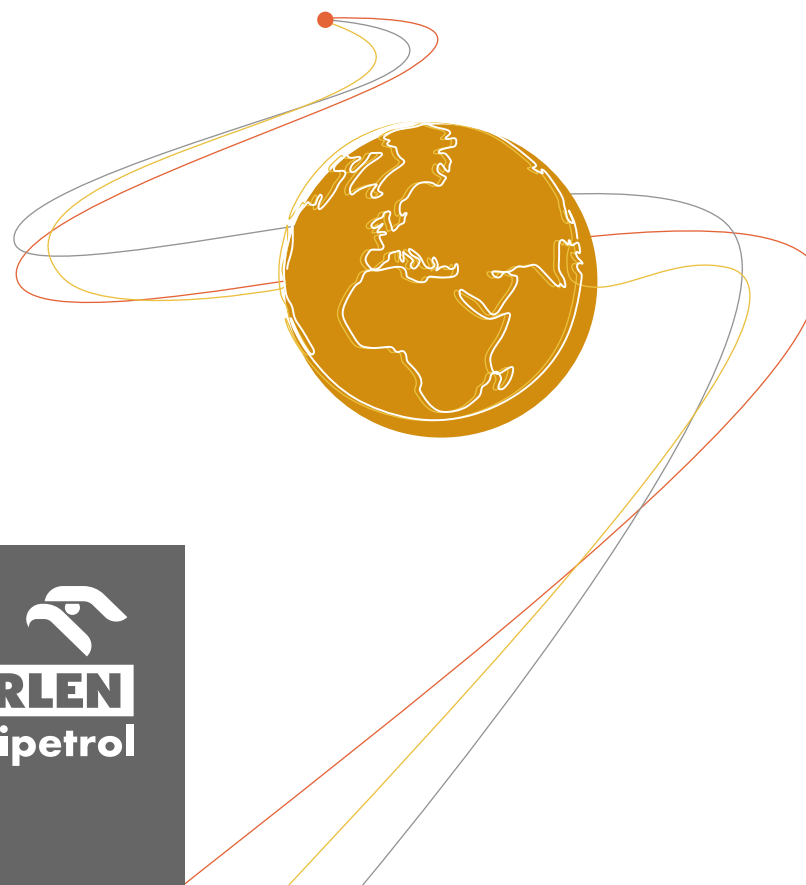




REPORT ON SUSTAINABLE DEVELOPMENT OF THE ORLEN UNIPETROL GROUP FOR 2023



ORLEN
Unipetrol

CONTENTS

1 FOREWORD	4	8 SUSTAINABILITY STRATEGY	35
2 ABOUT THIS REPORT	6	8.1 CLIMATE CHANGE	36
3 ABOUT ORLEN UNIPETROL GROUP	8	8.2 DOUBLE MATERIALITY PRINCIPLE	36
3.1 GROUP STRUCTURE	10	8.2.1 STAKEHOLDER DIALOGUE	36
3.2 CRUCIAL INVESTMENTS	11	8.2.2 DOUBLE MATERIALITY	37
3.3 GROUP RESULTS	11	8.2.3 SUMMARY OF THE ASSESSMENT PROCESS	
3.4 PRODUCTION SITES, DEVELOPMENT SITES		MATERIALITIES FOR 2023	37
AND SALES AGENCIES	12	8.2.4 RESULTS OF THE DOUBLE	
3.5 MAIN ACTIVITIES	12	MATERIALITY ASSESSMENT	37
3.6 CRUDE OIL IMPORT TO CZECHIA	13	8.3 HOW WE ACHIEVE DECARBONISATION RESULTS	38
3.7 OVERVIEW OF MAIN PRODUCTS	13	8.4 ENVIRONMENTAL OBJECTIVES OF THE EU TAXONOMY	39
3.8 CRUDE OIL PROCESSING	14	9 NETWORK OF ORLEN FILLING STATIONS	40
4 WHERE WE SCORED	15	9.1 CHARGING STATIONS	41
5 NON-FINANCIAL RECOGNITION SCHEME		9.2 PETROL QUALITY	41
FOR EMPLOYEES AND MUSEUM OF HISTORY	18	9.3 ALTERNATIVE FUELS	42
6 CERTIFICATIONS	20	9.4 SERVICE POINTS AND E-BIKE CHARGING STATIONS	42
6.1 INTEGRATED MANAGEMENT SYSTEM POLICY	21	10 THE ENVIRONMENT	43
6.2 RESPONSIBLE CARE	21	10.1 DECARBONISATION OF OUR INDUSTRY	44
7 CORPORATE GOVERNANCE	22	10.1.1 ENERGY SECTOR	44
7.1 VISION AND VALUES	24	10.1.2 HYDROGEN STRATEGY	46
7.2 COMPANY MANAGEMENT	26	10.1.3 BIOFUELS	46
7.3 SUSTAINABILITY MANAGEMENT	27	10.1.4 FLUE GAS HEAT RECOVERY	
7.3.1 COMPANY RISKS	27	IN KRALUPY NAD VLTAVOU	46
7.4 STAKEHOLDER RELATIONSHIPS	28	10.1.5 HEAT RECOVERY AT SPOLANA	47
7.4.1 SUPPLIER CHAIN	29	10.2 CIRCULAR ECONOMY	47
7.5 CORPORATE CULTURE	30	10.2.1 MECHANICAL RECYCLING	48
7.6 INNOVATIONS	31	10.2.2 MEMORANDUM OF COOPERATION –	
7.7 DIGITALISATION	31	WASTE TO CHEMICALS PROJECT	48
7.7.1 SIMULATOR FOR OPERATOR TRAINING	33	10.2.3 CHEMICAL RECYCLING	49
7.7.2 DIGITAL TWIN	33	10.2.4 PLASTIC WASTE	50
7.8 CYBERSECURITY	34	10.2.5 PYROLYSIS UNIT	50
7.9 PERSONAL DATA PROTECTION	34	10.2.6 OPERATION CLEAN SWEEP	51
		10.2.7 COLLECTING USED COOKING	
		OIL FROM HOUSEHOLDS	51

10.3 EMISSIONS INTO THE ENVIRONMENT	52	13.3 TRAINING AND EDUCATION	70
10.3.1 GHG EMISSIONS	52	13.3.1 TRAINING CENTRE	71
10.3.2 WASTEWATER DISCHARGE	52	13.4 HEALTH AND SAFETY	73
10.3.3 WASTE MANAGEMENT	53	13.4.1 IMPROVING THE SAFETY LEVEL	73
10.3.4 AIR PROTECTION	53	13.4.2 WORKING ENVIRONMENT QUALITY	74
10.3.5 CO ₂ EMISSIONS AND TRADING WITH GHG EMISSION ALLOWANCES	54	13.4.3 TRANSPORT INFORMATION AND ACCIDENT SYSTEM (TRINS)	74
10.3.6 OTHER GREENHOUSE GASES	54	13.4.4 OCCUPATIONAL SAFETY AND ACCIDENT PREVENTION	74
10.4 MANAGEMENT OF PRIMARY SOURCES OF RAW MATERIALS AND ENERGY	54	13.4.5 CONTRACTOR TRAINING	75
10.5 ENVIRONMENTAL INVESTMENTS	56	13.5 COOPERATION WITH UNIVERSITIES AND SECONDARY SCHOOLS	76
10.6 ENVIRONMENTAL OPERATING EXPENSES	56	13.5.1 LITVÍNOV UNIVERSITY CENTRE VŠCHT-FS ČVUT-ORLEN UNIPETROL	76
10.7 TOTAL COSTS OF ENVIRONMENTAL PROTECTION	57	13.5.2 VŠCHT – FS ČVUT – ORLEN	76
10.8 CHEMICAL SAFETY	57	13.5.3 TECHNICAL UNIVERSITY KOŠICE	77
11 ENVIRONMENTAL PROJECTS AND DECARBONISATION	58	13.5.4 SECONDARY SCHOOLS	77
11.1.1 STOCKING BÍLINA AND ELBE WITH FISH	59	13.6 APPROACH TO COMMUNITIES	77
11.1.2 NESTING OF PEREGRINE FALCONS	59	13.7 SPOLANA TO PEOPLE	77
11.1.3 BEES AT SPOLANA	60	13.8 FULFILLED WISHES – COOPERATION WITH NON-PROFIT ORGANISATIONS AND INSTITUTIONS	78
11.1.4 REVITALISING AND RENEWING FORESTS ON JEŠTĚD	60	13.9 CZECH-POLISH PROJECTS	78
11.1.5 PILOT OPERATION OF A HYDROGEN BUS	60	13.10 ENVIRONMENTAL CENTRE IN MOST AND ENVIRONMENTAL CENTRE IN KRALUPY NAD VLTAVOU	79
11.1.6 COLLECTING USED ELECTRICAL EQUIPMENT	61	13.11 VOLUNTEERING	79
11.1.7 LET'S TALK ABOUT IT	61	13.11.1 COMMUNITY	80
12 RESEARCH AND DEVELOPMENT	62	13.11.2 VOLUNTEER DAYS	81
12.1.1 CENTRE OF RESEARCH AND EDUCATION ORLEN UNICRE	63	13.11.3 EARTH DAY	81
12.1.2 POLYMER INSTITUTE BRNO	63	13.12 ORLEN UNIPETROL FOUNDATION	82
13 SOCIAL SEGMENT	64	13.12.1 GRANTS AND SCHOLARSHIPS	82
13.1 RESPONSIBLE EMPLOYER	66	13.12.2 SCIENTIFIC AND EDUCATIONAL PROJECTS, POPULARISATION OF SCIENCE	83
13.2 OUR EMPLOYEES	67	13.12.3 CHARITY ACTIVITIES	84
13.2.1 CHATBOT ARNOLD	67	14 IMPORTANT LINKS	85
13.2.2 DIVERSITY AND EQUAL OPPORTUNITIES	67	15 GRI INDEX	86
13.2.3 EQUAL PAY	68		
13.2.4 IDEA	69		



Foreword

1 FOREWORD

GRI 2-22

Dear ladies and gentlemen,

The year 2023 was the year of challenges affecting both people around the world and ORLEN Unipetrol Group's business. We are facing increased geopolitical tensions that influence not only financial markets but also the mood in the world in general. Climate change brings new patterns of how nature functions into our lives. We must adapt to these changes flexibly and be ready that in the long term, they can give rise to substantial changes in the demographic distribution in the world, thus contributing to another escalation of geopolitical and economic tensions.

The year 2023 was officially declared the warmest year in the history of measurements.

The average global temperature was about 1.48 degrees Celsius higher than in the pre-industrial era. The warming trend is mostly attributed to human activities. At such moments, it is even more important than ever to remain committed to our sustainability strategy, dedicate efforts to renewable energy sources, continue pursuing our goals aimed at reduced emissions, help our communities, focus even more on safety, and gradually adapt to the upcoming changes.

To remain on the right path, we will most probably need to do more because implementing our long-term strategy can become an even more challenging task in the coming years.

The European Commission has further tightened the decarbonisation targets, and our stakeholders will rightly expect us to maintain our product deliveries, ensure even greater safety, and continue implementing our long-term transformation goals. We have been very active in circular economy and recycling, energy efficiency, decarbonisation, digitalisation, utilisation of renewables, and implementation of hydrogen in the industry and transport. We are preparing and implementing many crucial and support projects to meet the gradual and specific targets of our 2030 development strategy on our path to net zero that we want to achieve in 2050 at the latest. Until then, we intend to reduce our CO₂ emissions by 25% compared with

2020 and create real prerequisites for gradually shifting from fossil sources in the coming decades. I am convinced that our affiliation with the parent ORLEN Group and our employees' extensive expertise and efforts will enable us to cope with these challenges and become one of the regional winners in the transformation towards a more sustainable future.

Amid these immensely turbulent times full of crucial and inspiring challenges, I wish you all the strength you need to implement your ideas with success and maintain the right direction and pace.

Radka Marková,
CSR and ESG Reporting Manager



About this report

2

2 ABOUT THIS REPORT

GRI 2-3

We have prepared this Sustainable Development Report for 2023 to provide information about the strategy, goals, achievements, opportunities, and risks related to sustainability. We are aware of our exceptional position in the Czech business environment.

We find it significant that our employees, business partners, all direct customers, and those in the supplier chain, as well as the public, view us as a successful and responsible company that openly provides information about its activities. We know that our company has had a long tradition and has long built its good reputation, which we see as a crucial value for the successful development of our business activities. The information below covers the reporting period from 1 January to 31 December 2023.

The ESG Reporting Unit has gathered information and prepared the Sustainable Development Report for 2023 in collaboration with all key units. We are not subject to any obligation of having the report verified by an independent auditor, but we count on external audit in the future. Under the European Sustainability Reporting Standards (ESRS), we are obliged to submit non-financial (or ESG) reports for 2025.

We are committed to following the recommendations of the European Financial Reporting Advisory Group (EFRAG), which provides technical counselling to the European Commission in the form of fully prepared draft EU standards for sustainability reporting, and we are inspired by the recommendations of the Global Reporting Initiative

(GRI) – an international normalisation organisation that helps businesses, governments, and other organisations understand and communicate their impacts on issues such as climate change, human rights, and corruption.

Preparatory work for this report included the following stages:

- confirmation of the key relevant sustainability issues and their materiality;
- internal and external research;
- collection of crucial data that is substantial for business partners, investors, and other stakeholders;
- preparation of the Sustainable Development Report for 2023 based on the gathered data.

We follow up on the Sustainable Development Report for 2022, which contained information on the particular steps in implementing the mid-term development strategy frame until 2030 to achieve net zero in 2050 at the latest. We want to comply with the EU Green Deal targets and the Fit for 55 package, adapt our investments, and meet the expectations of the supplier-customer chain. Stakeholders and other users can use this information to understand our expectations and assess how they can be affected by our activities.

If you are interested, please do not hesitate to contact us at esg@orlenunipetrol.cz



About ORLEN Unipetrol Group

3 ABOUT ORLEN UNIPETROL GROUP

GRI 2-1

Our company has significantly advanced since launching the chemical plant's construction in 1939 into the position of a leading player in the refining and petrochemical sector that modernises Czech society. The ORLEN Group entered Unipetrol as a majority shareholder in 2005 and became its 100% owner in October 2018. The change in business name to ORLEN Unipetrol in 2021 is a factual completion of the full affiliation with the international ORLEN Group, the largest company in Central and Eastern Europe.

We specialise in crude oil processing and manufacture, distribution, and sale of fuels and petrochemicals, mainly plastics and fertilisers. The term 'petrochemistry' covers many products of daily life that we might not connect to petrochemistry right away. We build the foundation both for plastics and solution agents and pharmaceuticals and textiles. We are a leading company in the Czech Republic and a broader Central European market in all our business segments. Our assets include refineries and production plants in Litvínov and Kralupy nad Vltavou,

Paramo in Pardubice, Spolana in Neratovice, REMAQ in Otrokovice, and two research facilities in Litvínov and Brno. We are also responsible for operating the network of ORLEN filling stations in Czechia, Hungary, and Slovakia. We are one of the largest companies in the Czech Republic in terms of revenues. We are an active socially responsible company, primarily with respect to supporting the sustainable development, education, local communities' development, and environmental initiatives.

We publish information about our financial results transparently in the annual report. We publish information about the impact of our activities on the surrounding environment, strategy, and sustainable activities in the Sustainable Development Report. We describe other relevant information in the Joint Report on Occupational Health and Safety and Environmental Protection.





3.1 GROUP STRUCTURE

GRI 2-2












3.2 CRUCIAL INVESTMENTS

GRI 203-1

11 TH STEAM CRACKER FURNACE	POX UNIT REVITALISATION	INVESTMENT PROJECTS DURING THE LITVÍNOV REFINERY TURNAROUND	FLUE GAS HEAT RECOVERY IN KRALUPY REFINERY	RETAIL NETWORK EXPANSION
<ul style="list-style-type: none"> • CZK 700m • Completion: 2024 	<ul style="list-style-type: none"> • CZK 1.1bn • 2018–2023 	<ul style="list-style-type: none"> • CZK 1.2bn • Completion: 2024 	<ul style="list-style-type: none"> • CZK 500m • Completion: 2025 	<ul style="list-style-type: none"> • ORLEN brand unification • Stop Cafe concept expansion • Instalation of charging and hydrogen pumps • Expansion in Slovakia and Hungary

3.3 GROUP RESULTS

ORLEN UNIPETROL	REFINERIES AND PETROCHEMISTRY	RETAIL
 <p>CZK 166.4BN REVENUE</p>  <p>CZK 5.2BN NET PROFIT</p>  <p>CZK 12.8BN INVESTMENTS</p>	 <p>7.5M TONNES VOLUME OF PROCESSED OIL</p>  <p>1.8M TONNES SALE OF PETROCHEMICAL PRODUCTS</p>  <p>6.3M TONNES SALE OF REFINING PRODUCTS</p>	 <p>CZ 436 / SK 90 / HU 78 NUMBER OF STATIONS</p>  <p>CZK 5.2BN GASTRO FACILITIES</p>  <p>CZ 27.5 / SK 5.2 / HU 2.6 MARKET SHARE (%)</p>

3.4 PRODUCTION SITES, DEVELOPMENT CENTRES, AND SALES AGENCIES GRI 2-1

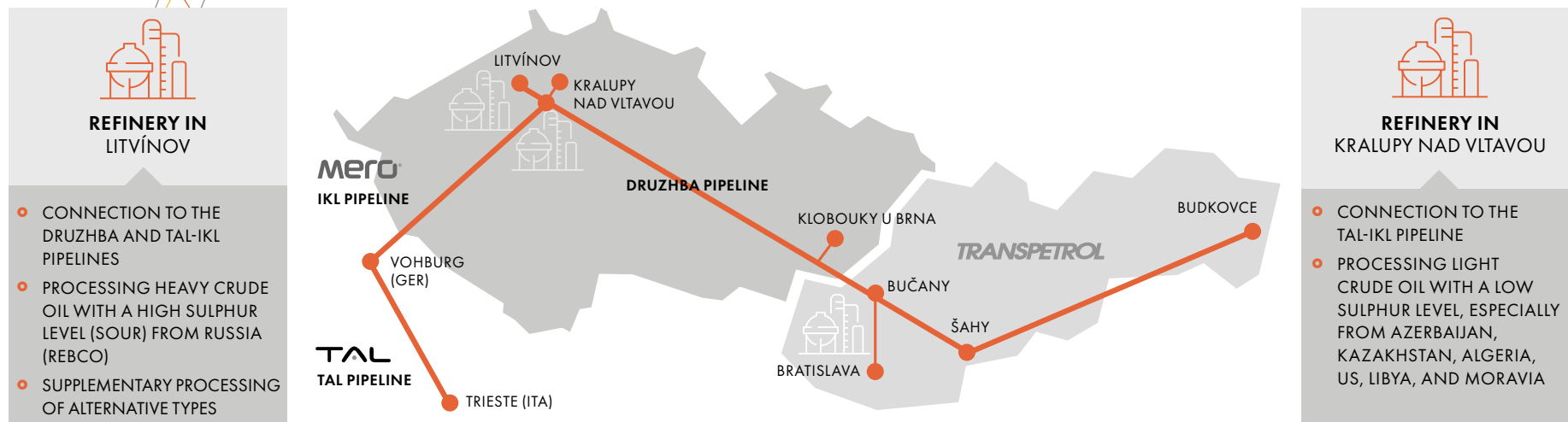
6 PRODUCTION PLANTS	4 SALES AGENCIES	3 RESEARCH SITES
<ul style="list-style-type: none"> LITVÍNŮV KRALUPY N/VLTAVOU NERATOVICE PARDUBICE BRNO OTROKOVICE 	<ul style="list-style-type: none"> PRAGUE LANGEN BRATISLAVA BUDAPEST 	<ul style="list-style-type: none"> LITVÍNŮV ÚSTÍ N/LABEM BRNO



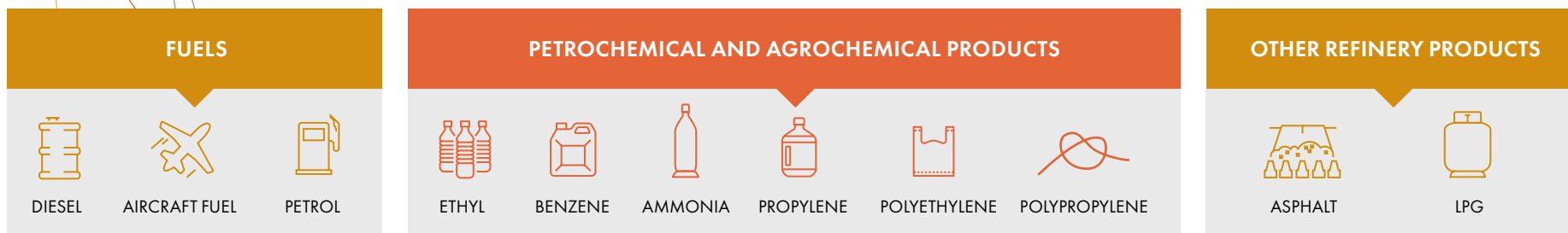
3.5 MAIN ACTIVITIES GRI 2-6

PRODUCTION			DISTRIBUTION AND SALE		
REFINERIES <ul style="list-style-type: none"> FUELS ASPHALTS CHEMICAL SUBSTANCES 	PETROCHEMISTRY <ul style="list-style-type: none"> PLASTICS CARBON BLACK ADDITIVES 	AGRICULTURAL CHEMICALS <ul style="list-style-type: none"> FERTILISERS CHEMICAL SUBSTANCES 	WHOLESALE <ul style="list-style-type: none"> CZECHIA EUROPE WORLD 	LOGISTICS <ul style="list-style-type: none"> ROLLING STOCK ROAD TRANSPORT 	RETAIL <ul style="list-style-type: none"> CZECHIA SLOVAKIA HUNGARY 

3.6 CRUDE OIL IMPORT TO CZECHIA

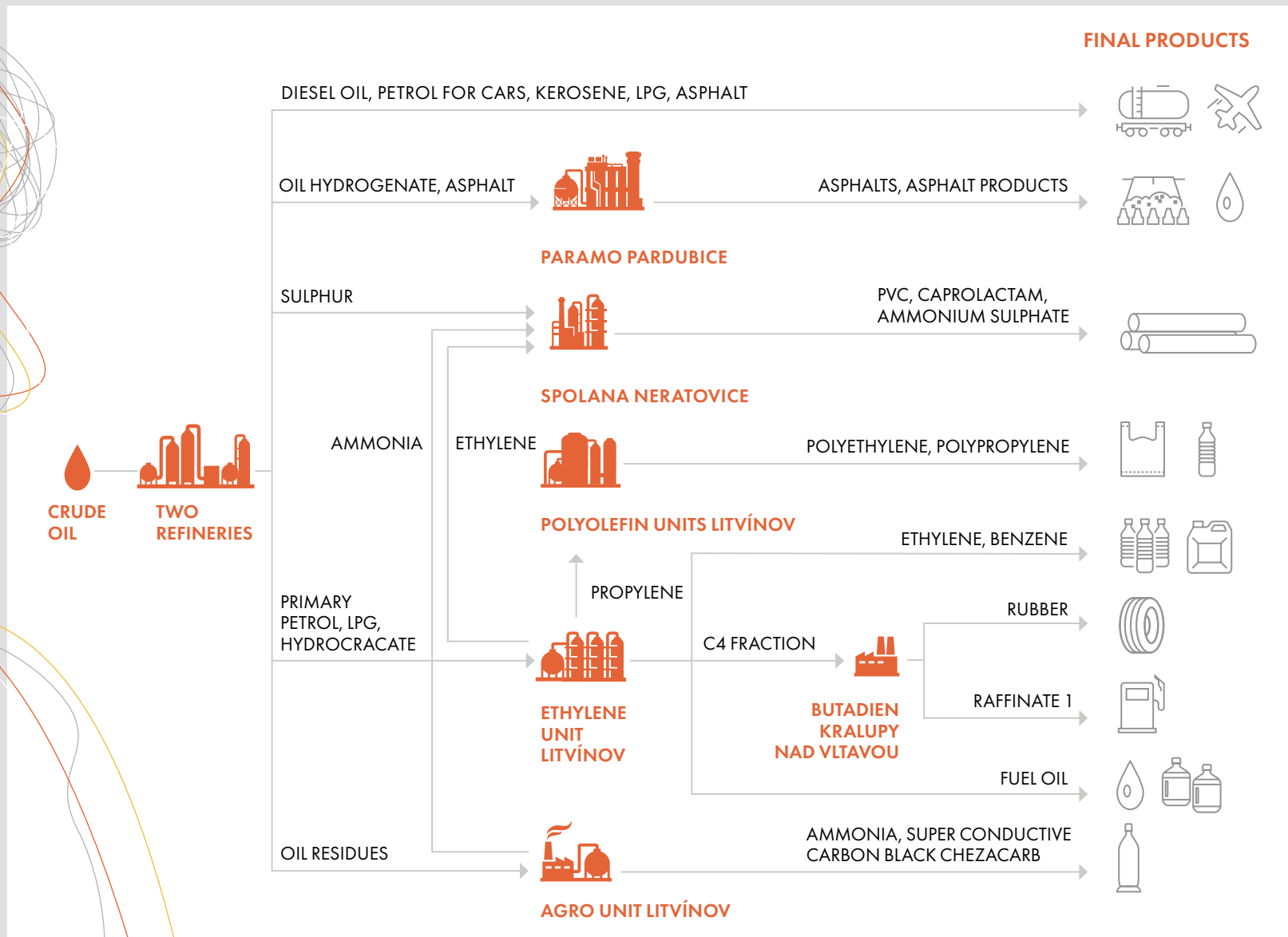


3.7 OVERVIEW OF MAIN PRODUCTS GRI 2-6



3.8 CRUDE OIL PROCESSING

GRI 2-6





Where we scored



4 WHERE WE SCORED

CORPORATE SOCIAL RESPONSIBILITY

GLOBAL ACKNOWLEDGEMENT AS THE BEST EMPLOYER

The Top Employers Institute awards certificates to companies based on their participation in and results of the HR Best Practices Survey. This survey covers six areas and 20 topics, including HR strategy, the work environment, talent acquisition, learning, diversity, equity and inclusion, and good living conditions.

THE BEST EMPLOYER IN CZECHIA AND THE ÚSTÍ REGION

This year, we dominated both in the regional evaluation, where we ranked first in the Ústí Region, and topped at the national level, too.

TOP 10 LEADERS

The strategic category of the **TOP Responsible Large Company** focuses on companies' overall setup and their development of a sustainable and responsible business. We beat the 90-point landmark and advanced among the best-rated large companies for the first time ever.

ÚSTÍ REGIONAL GOVERNOR'S CSR AWARD

We ranked first for high-quality employee care within an elaborate system of non-financial benefits, for supporting the environment, and for activities that support neighbouring communities.

THE ENVIRONMENT

HONEY FROM THE SPOLANA PRODUCTION PLANT

Spolana beekeepers harvested 60 kg of honey and were awarded a gold medal in the Czech Honey competition.

Spolana employees started keeping bees at the Neratovice production site in 2018. The award is presented by an accredited laboratory of the Beekeeping Research Institute for outstanding honey quality, taste, and other wholesome qualities.

MEDIA

INTERNAL MAGAZINE GO!

Our internal magazine, GO!, placed second in the Czech Top 100 competition. It captured attention for its content diversity in the Employee Magazine category.

CZECH INDUSTRY CHALLENGE

The prestigious nationwide competition organised under the auspices of the Czech Ministry of Industry and Trade acknowledges industrial companies in many categories each year. We ranked first in this challenge, which supports industrial companies' attractiveness, in five categories for the fourth consecutive year. The first place in two categories: in creative OHS/FS and in the category of a creative trade fair stand. A panel of experts awarded the second place, which was defended in three categories: industrial photography, corporate website, and an unusual promotional item.

FILLING STATIONS

Our network of filling stations in the Czech Republic, ORLEN, became the Most Trustworthy Brand of the Year.

MARKETING

Our project, 'F1 Single-seater Tour' around filling stations, ranked third in the annual LEMUR competition in the 'Consumer Goods' category.



Non-financial recognition of employees and museum of history

5

5 NON-FINANCIAL RECOGNITION OF EMPLOYEES AND MUSEUM OF HISTORY

Working at our company and in the chemical industry is very specific. Sophisticated manufacturing processes and a variety of information and experience needed to perform the assigned tasks require above-average skills, knowledge, and reliability. That is why it is typical of our Group that most people have been working for us for several decades. Everyone needs to find the right balance at work that will suit him or her. This is also why we focus on the non-financial recognition of those who have

worked at our Group for over 45 years. It is extraordinary that we even have colleagues with more than 50 years of working experience. Each has unique memories that they recall when thinking about their work. They might be achievements, happy moments with colleagues or a good feeling about the work done. As we want to encourage discussion and exchange of experience, we invited young colleagues to meet longtime employees to diffuse various generation groups.

We believe exchanging information and different perspectives provides all participants with new impulses and fresh and novel views. Our longtime employees received commemorative diplomas and a gift bag with a wristwatch from members of the Board of Directors. The wristwatch should remind them of the time spent at the company and their contribution.

In the 'Good Deed' category announced within the annual announcement of

Personalities of the Year in the Ústí Region, the following operators from the Litvínov plant were awarded: Petr Schůt, Michal Švarc, Libor Štírek, Filip Koželuh, and Miroslav Viktora. They proved to have an extraordinary presence of mind and courage when they gave first aid at work to their colleague who suffered from a sudden heart weakness. Their fast response was crucial to save their colleague's life and significantly contributed to increased awareness of the significance of first aid.



To keep memories alive, we must also maintain the environments where they arose. That is why we gave our employees the option to engage in creating a **museum of our company's history**. We collect period items, historical photographs, working clothes, items

with the company's logo, technologies, and other valuable items related to the Litvínov plant. Preparations for the museum, which will inform its visitors about the company's history from the very beginning of the chemical plants until now, are in full swing.





esg Certifications

6 CERTIFICATION

6.1 INTEGRATED MANAGEMENT SYSTEM POLICY

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

The Integrated Management System Policy (IMS) is based on our fundamental values. It comprises commitments related to occupational health and safety, environmental protection, energy management, ethical standards, and assets protection. We publish the IMS on individual companies' websites. We have implemented and certified quality management systems (QMS), environmental management systems (EMS), and health and safety management systems (HSMS).

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

WE COMPLY WITH THE STANDARDS THAT CONTRIBUTE TO STREAMLINING INDUSTRY AND TRADE.

- QUALITY MANAGEMENT SYSTEM AS PER **ISO 9001**
- ENVIRONMENTAL PROTECTION MANAGEMENT SYSTEM AS PER **ISO 14001**
- OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM AS PER **ISO 45001**
- ENERGY MANAGEMENT SYSTEM AS PER **ISO 50001**
- SYSTEM OF SUSTAINABILITY WHEN PRODUCING MOTOR FUELS WITH BIOCOMPONENTS **ISCC**
- SYSTEM OF SUSTAINABILITY WHEN PRODUCING MONOMERS AND PLASTIC FROM RAW MATERIALS CONTAINING BIOCOMPONENTS **ISCC PLUS**
- SYSTEM OF ASSESSING SAFETY AND QUALITY FOR PROVIDERS OF LOGISTICS SERVICES **SQAS**

6.2 RESPONSIBLE CARE

Responsible Care® is a voluntary initiative of the global chemical industry focused on health, safety, and the environment. It aims to support continuous performance improvements. Responsible Care is an ethical standard and a commitment adopted to create trust in the industry that is crucial for increasing living standards and the quality of life. It has gradually become a contribution to the sustainable development. The basic principles were formed in Canada in 1985. The Association of the Chemical Industry of the Czech Republic joined them in 1994. Through Responsible Care, we contribute to meeting the environmental protection principles specified in the UN Global Compact.



Corporate governance

7 CORPORATE GOVERNANCE

GRI 2-9; 2-26; 2-27; 205-2; 205-3

We have a sole shareholder, Polski Koncern Naftowy ORLEN Spółka Akcyjna, with its registered office at Chemików 7, 09-411 Plock, Poland. The general meeting is not held, and the sole shareholder acts in lieu of it. The company's bodies are the **Supervisory Board** and the **Board of Directors**.

Corporate governance contributes to ensuring responsible, qualified, and transparent management, creating prestige and reputation, focusing on long-term benefits, and legal culture, and protecting the interests of the relevant entities. In our actions, we follow applicable laws, regulations, and internal guidelines. Ethical conduct and behaviour described in our **Code of Conduct** 🖱 are an integral part of corporate governance. The principles, obligations, and commitments specified in this Code are valid for all – in and outside the Group. We inform and train employees about news in this segment.

Any suspected cases of unfair behaviour can be reported to our ethical standards ombudsman, or **any unlawful conduct** 🖱 (whistleblowing) can be reported under the Whistleblower Protection Act. We have set anti-corruption measures in the **Internal Anti-corruption Programme** 🖱. It contains the principles for receiving and giving gifts, process monitoring, anonymous reporting, verifying suppliers, declaring independence, and a contractual anti-corruption clause. Our employees and contractors regularly participate in training sessions regarding prevention of corruption behaviour. The training on the **Prevention of Corruption Behaviour and the Code of Conduct and the company values** are part of the initial training of employees and partners. The anti-corruption clause is part of concluded contracts. In fuel wholesale, no corruption behaviour is possible thanks to standardised contracts and matrix-based price calculations for customers.

EVALUATION OF CORRUPTION AND FRAUD PREVENTION

Complaints in the workplace addressed by the ombudsman	10
Total number of violations and breaches of the law	0
No. of people reporting breaches of the law	0
No. of identified conflicts of interest	0
No. of accepted registered gifts	11
No. of inspections carried out in connection with suspected corruption, incl. confirmed cases of corruption	0
No. of cases when an employee was dismissed or subject to a disciplinary sanction due to corruption	0
No. of employees trained in the fight against corruption (No. of persons/percentage)	330/7%
No. of members of the company's Board of Directors trained in the fight against corruption (No. of persons/percentage)	1/5%
No. of suppliers provided with the anti-corruption policy (No. of persons/percentage)	4,100/26%
No. of confirmed cases of terminated or not renewed contracts with business partners due to a breach of the corruption-related regulations	0
Public corruption-related actions filed against the company or its employees	0

7.1 VISION AND VALUES

RESPONSIBILITY

- We apply the system of risk prevention and management in the quality management system and its processes, occupational health and safety, and the environment to prevent emergencies and major accidents and minimise the negative impact of risks. We identify risks and environmental aspects. We evaluate risks resulting from technological processes and work activities. We minimise the negative impact on human health, safety, and the environment. We maintain and test safety and emergency systems;
- we ensure compliance with legislative and other requirements for OHS, environmental protection, and product and service quality. We meet the relevant legal and other requirements for energy management. We contribute to meeting the national targets for reducing GHG emissions and improve the energy efficiency;
- we meet the requirements regarding our commitments to voluntary activities in terms of occupational health and safety and the environment, to support continuous performance improvements in the given areas;
- we develop and manufacture products and provide services with respect to high standards of quality, safety, environmental performance, and energy efficiency;
- we protect our assets and values. We care for the entrusted assets and maintain them in an operationally efficient condition; we see to their due and proper use and storage and protect them against abuse;
- when modifying and implementing new production technologies, products and services, and when modifying other circumstances and conditions (internal and external), we assess their potential impact on occupational health and safety, the environment, energy management, and processes;
- we implement a long-term programme for remedying the old environmental burden;
- we communicate with all stakeholders, using all forms of internal and external communication, and we promote an open approach to the public, primarily to the neighbouring towns and municipalities. We cooperate with adjacent regions and contribute to their development;

- we develop and apply business culture in compliance with ethical standards.

DEVELOPMENT

- We monitor, measure, and evaluate processes and determine measures to increase their performance to improve management systems' efficiency constantly;
- we develop a culture of safety, improve performance in occupational health and safety, environmental protection, and product and service quality management;
- we monitor information regarding our perception by customers and stakeholders; we adopt measures with regard to their expectations and requirements. Based on such information and actions, we constantly increase customer satisfaction with our products and services;
- we support and develop innovations towards sustainability in all segments to become an even more sustainable company with a broader array of business activities.

PEOPLE

- We educate, motivate, and increase awareness of employees, suppliers, and customers about ensuring occupational health and safety, environmental protection, energy management, and the quality of supplied products and services;
- we educate employees on energy savings, new technologies, and their environmental impacts; we motivate them to engage in meeting the targets of the implemented energy management system;
- we engage our employees and employees of our suppliers in dealing with issues related to occupational health and safety, environmental protection, energy management, product and service quality, and in the continuous improvement process;
- we safely operate our facilities, protecting the health of employees, suppliers, customers, other companies and inhabitants of the relevant regions, and having a minimum negative impact on the environment, energy efficiency, product and service quality;

- we regularly check our employees' health condition when performing their work activities and improve professional training, development and satisfaction of employees;
- we create conditions for the safe and active performance of assignments by our employees and employees of our suppliers.

ENERGY

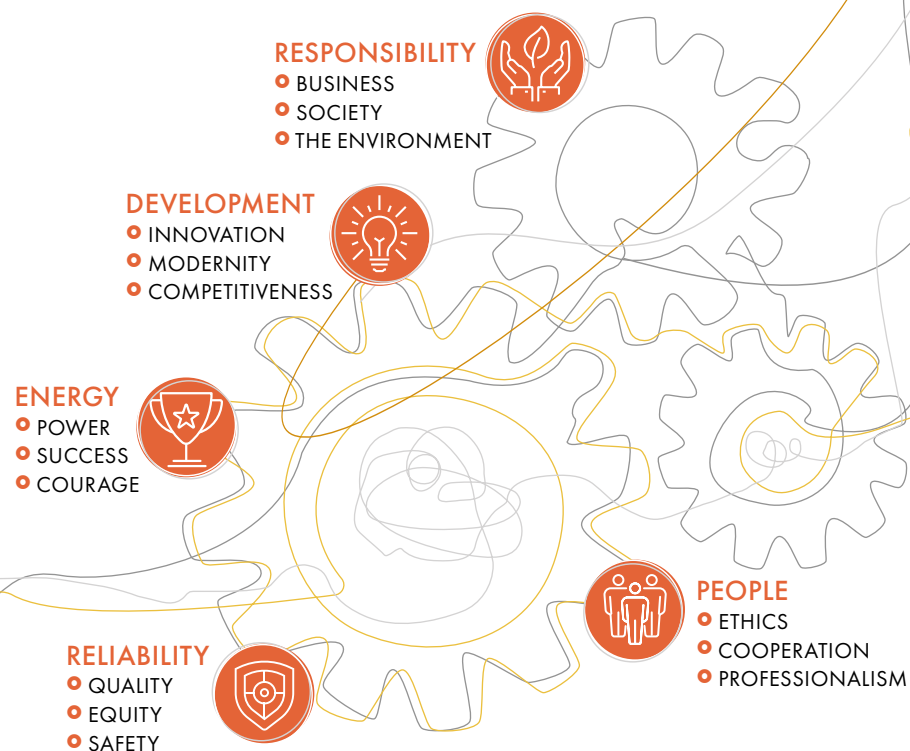
- We improve energy efficiency permanently and systematically and support purchases of energy-efficient products and services;
- we maintain a high quality of products and services whilst utilising materials, energy, and support media effectively;
- we ensure the availability of information and sources necessary to achieve our objectives and target values;

- when pursuing our objectives related to the implemented management systems, we cooperate with experts from the academia and other professionals;
- we seek new opportunities reinforcing competitiveness and sustainability.

RELIABILITY


- We deliver products and services in the agreed quality and condition and with the agreed parameter;
- we monitor changes and ensure business continuity;
- we cooperate with suppliers meeting the requirements for conformity to the well-established quality standards, environmental protection, energy management, occupational health and safety;
- we regularly verify our suppliers' performance.

EVERYTHING WE DO IS EXPRESSED IN OUR VALUES



7.2 COMPANY MANAGEMENT

The Board of Directors is the governing body managing the company and acting on its behalf. Their duties include determining the company's long-term strategic direction and supervising its operational management. The information about members of the Board of Directors and Supervisory Board of ORLEN Unipetrol a.s. as of 31 December 2023 is given in the consolidated financial statements for 2023, Chapter 1 – Company Characteristics. The Board of Directors acts in compliance with the company's Articles of Association, internal guidelines, and laws and regulations of the Czech Republic. The professional career and CVs of members of the Board of Directors are published on our website [ORLEN Unipetrol](#) .

The Supervisory Board supervises the Board of Directors' activities and business operations. Their duties include providing the prior consent to or approving the measures defined in the Articles of Association, internal guidelines, and laws and regulations of the Czech Republic. The Supervisory Board also has the right to provide comments in advance as regards some measures with substantial consequences. The information about members of the Supervisory Board is available here: [ORLEN Unipetrol](#) .

7.3 SUSTAINABILITY MANAGEMENT

GRI 2-13

We apply various principles and processes to comply with high ethical standards and promote transparency. Our Board of Directors constantly seeks to improve corporate governance in general. All division representatives meet regularly to align and make decisions regarding sustainability and meet our ESG objectives. Members include executive managers or authorised managers of given areas having a practical grasp of the strategic and operative issues who can coordinate functional and business topics to implement ESG objectives and sustainability. Our efforts on the path to sustainability are managed by sustainability leaders as we want to manage ESG effectively.

In 2023, two members of the Board of Directors were responsible for the key areas focused on sustainable transformation. These areas included decarbonisation, the environment, investments, occupational safety, digitalisation, innovations, procurement, asset management, and ESG reporting.

7.3.1 COMPANY RISKS

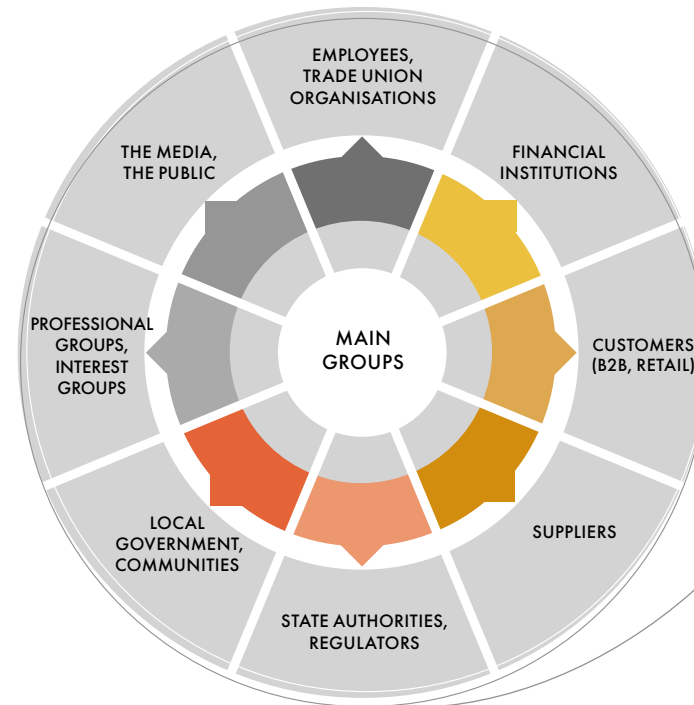
It is vital to foresee, recognise, and manage potential risks and opportunities arising from our activities in time to ensure long-term prosperity. To this end, we have an elaborate and complex risk management system in place to be able to adopt suitable measures or prevent potential damage. For example, in the production area, it involves our intensive preparations for a transition from processing Russian crude types in the Litvínov Refinery and performing operational tests to maintain the sales of refinery and petrochemical products. The corporate risk management system helps us support effective management of strategic objectives. It provides us with information about any risk and is operated under the policy for **Business Risk Management Procedures**. The Board of Directors is responsible for supervising the entire process and approving business risk management principles and risk assessment. Individual process owners regularly evaluate the risks. The main aim is to estimate whether the risk is imminent or long-term and what impacts it. For example, such risks may include the global and European economic conditions, the regional situation, legislation or the political situation in the countries with a war conflict. It means a constant threat of risks for our industry, for example, related to crude oil transport, a lack of crude oil, high prices, security risks, etc. In environmental legislation, we must expect tighter EU rules. Other risks include losing the key employees responsible for the company's most important processes. To ensure the competitive edge of a stable and flexible employer in the future, we focus on a high-quality HR strategy that covers the entire lifecycle, from HR planning through top-quality learning and leadership to employee motivation.

7.4 STAKEHOLDER RELATIONSHIPS

GRI 2-29; 308; 414

As a responsible corporation that aims to lead the transformation towards climate neutrality, it is a crucial point for us to be engaged in constructive and respectful communication with our internal and external stakeholders. We emphasise a regular exchange of information with the stakeholders to learn their opinions and concerns; we communicate our activities transparently. That helps us mitigate the risk potential in time or use an opportunity to cooperate. We use the following channels to communicate with the public:

- we apply CSR principles with respect to towns, municipalities, and communities surrounding our locations;
- we provide information about the company's impact on the environment around our sites through our management participation in public sessions of the councils of the neighbouring municipalities;
- we regularly meet the mayors of the municipalities around our production plants and inform them about all activities related to environmental protection or provide information about the occurrence of non-standard operational situations;
- we are engaged in operating a green line of ecological centres in Most and Kralupy nad Vltavou;
- on an internal level, we communicate with our employees through the corporate GO! magazine, the intranet, email, and employee events;
- we are in contact with the Police of the Czech Republic and municipal police for the needs of corporate alarm system reports;
- we send crisis text messages through an information channel;
- we operate emergency and warning signalling and sound systems on our production premises and around them;
- we provide information to the public through the Ecological Centre in Most for the Ore Mountains and the Ecological Centre in Kralupy nad Vltavou;
- we cooperate with Saxony within a joint working group and through the Ecological Centre in Most for the Ore Mountains;
- we create interactive and educational programmes for primary and secondary school students, such as the Journey to the Secret of Crude Oil;
- our sales representatives are in permanent contact with our customers;
- we receive feedback both through an employee satisfaction survey and a dialogue with our stakeholders;
- we are engaged in regular dialogues with employees and give feedback to each other;
- we support projects to encourage corporate culture;
- our employees can make contributions with their ideas and evaluate the happenings in the company using an internal forum;
- we are engaged in a permanent proactive dialogue with national and European surveillance and regulatory bodies;
- we hold managed discussions with academic institutions and non-governmental, non-profit organisations (NNOs);
- we use the internet and the following social media for communication: Facebook, X (Twitter), Threads, Instagram, LinkedIn, and YouTube.



7.4.1 SUPPLIER CHAIN

Cooperation with reliable, competitive, and verified suppliers is the prerequisite for providing our best products. We work on supporting respect for human rights and lowering the environmental impact in our supplier chain. We share the [Code of Conduct for ORLEN Group Suppliers](#)  with all suppliers and integrate all sustainability-related elements in our supplier chain management, procurement processes, and systems. For example, we seek opportunities for responsible resource acquisition, including the identification of the potential impact on human rights.

We remind everyone of our commitments; for example, our letter to suppliers reinforces the expectations that suppliers will take steps in line with the Green Deal objectives. We let them know that we are aware of the significance of cooperation with business partners with respect to

reducing the carbon footprint throughout a product lifecycle. We publish information aimed at helping our business partners quantify their emissions and the carbon footprint in their own value chain. The data about the carbon footprint of raw materials and products they provide to us will significantly particularise the calculation of the product carbon footprint in the supplier chain. The letter contains a statement on calculating our carbon footprint to provide information to help our suppliers meet our expectations.

We assess a potential supplier's operational, technical, and financial performance and check compliance with regulations. In addition to the due diligence process, we expect our suppliers to:

- comply with all applicable laws prohibiting the use of forced or mandatory labour;

- provide their employees with working conditions, including wages and benefits, compliant with all applicable laws and regulations;
- ensure that their employees meet the statutory requirements for employment age in the country of employment;
- comply with any and all applicable laws and regulations concerning employment, occupational health and safety, and the environment;
- apply similar conditions to their subcontractors.

Besides regular assessments, supplier evaluations can also take place throughout the year. We evaluate our suppliers using the Connect procurement platform. Suppliers are proposed for evaluation based on the invoiced financial amount in the previous calendar year or based on our direct requirement. We evaluate suppliers with regard to the following particular criteria: procurement,

occupational health and safety, applicant's satisfaction. The satisfaction level attained is calculated using a pre-set formula. Based on the assessment given by all evaluators of the given supplier, the result is expressed as a percentage with the assigned final status. The final assessment status serves as supporting information for subsequent negotiations with the supplier regarding future cooperation, removal of shortcomings, etc.

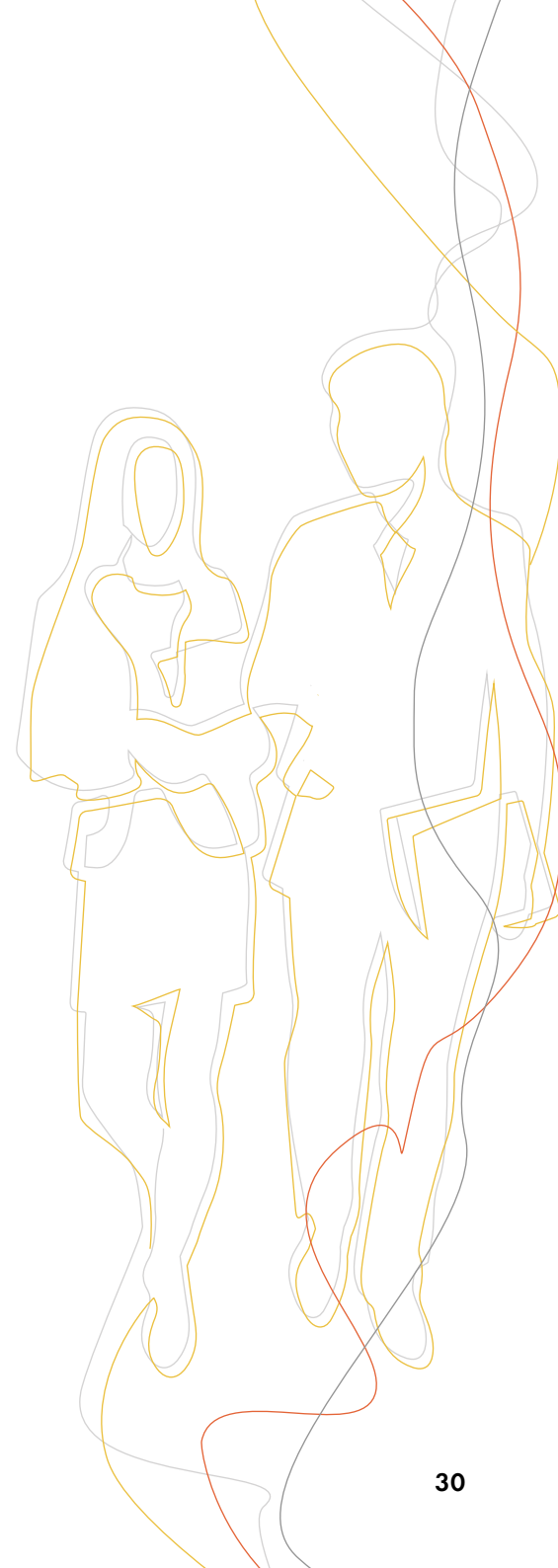
If a supplier does not meet our expectations, the respective contract may be terminated. Our commitments towards customers, employees and the environment (in product and service quality management, occupational health and safety, fire protection, environmental protection, energy management, prevention of major accidents, and protection of the company's assets) are defined in the [Integrated Management System Policy](#)  (IMS).

7.5 CORPORATE CULTURE

The Group's employees are a vital asset of a successful corporate culture. We apply an individual approach that is behind our success. We foster creativity, cooperation, and openness. We believe in natural diversity, relationship building, and joint achievement of the defined goals.

Responsibility, development, people, energy, and reliability are the values we pursue, and which reflect our behaviour and conduct at work. We set our culture to attain business goals that will benefit us all. We have very ambitious plans for the future. Considering the dynamic changes in environmental protection, legislation, and growing requirements of our suppliers and customers, we must constantly evolve and develop. Both at the level of our teams and on an individual level, we face the need to increase our skills and professional behaviour. We continue creating good conditions that support employee satisfaction and motivation as much as possible. **In 2023, we arranged several initiatives based on the results of the corporate satisfaction survey from the autumn of 2022 and the need to engage employees in understanding our strategy better:**

- we organised a workshop for managers to help them identify themselves with our strategic goal: **Where do we head: STRATEGY 2030;**
- we presented our employees with a **corporate strategic one-pager**, which unveils our strategy until 2030;
- all divisions and units prepared their own one-pager with goals based on the Group strategy;
- we continued with a thematic **Strategy Day**, inviting all managers and addressing the planned steps in individual divisions in more detail, with an emphasis on their involvement;
- we organised a webinar, **Change Management and Communicating Changes**, emphasising the significance of communication and building engagement always when a change occurs;
- we arranged a webinar about **Inclusive Decision-making**, which dealt with stereotypes and how to avoid pitfalls in the decision-making process;
- we prepared a workshop, **Psychological Safety in Change Management**, which accentuated the significance of mental safety in the corporate environment and its impact on the team's performance;
- we held a campaign for our employees entitled **A Thank-you Costs Nothing**, focused on acknowledgement and showing respect among employees;
- **we acknowledged longtime employees** and organised a **meeting between generations**;
- we acknowledged longtime employees and organised a meeting between generations;
- we communicated with our employees through a stakeholder dialogue when we asked in a survey which sustainability topics were crucial for our company;
- we invited key managers to a workshop, within which they jointly created scenarios of a possible future development in the socio-economic areas.



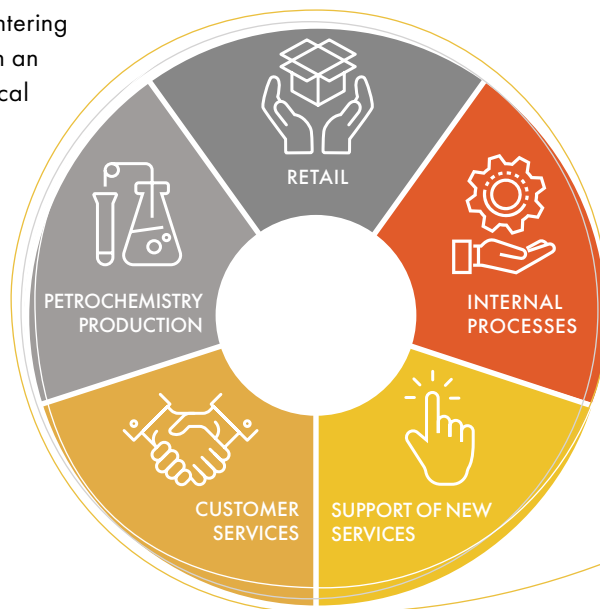
7.6 INNOVATION

GRI 203-2

The mission of the ESG principles is to bring sustainable and positive change through innovative technologies and projects. Innovative projects, respecting the ESG principles, are key aspects of modern companies. Innovative activities react to the challenges associated with the global transformation and regarding the sustainable development, decarbonisation, and digitalisation. As part of our Accelerator ORLEN Skylight programme, we look for startups and young technological companies in the Czech Republic and abroad, whose products and services offer solutions to our latest business challenges. We look for technological solutions in the following areas:

The selection procedure for entering the accelerator takes place on an ongoing basis; the technological calls are updated every two months. The acceleration process lasts six to eight months on average, and is divided into three stages:

- presenting a solution to a problem
- signing a contract
- launching a pilot project

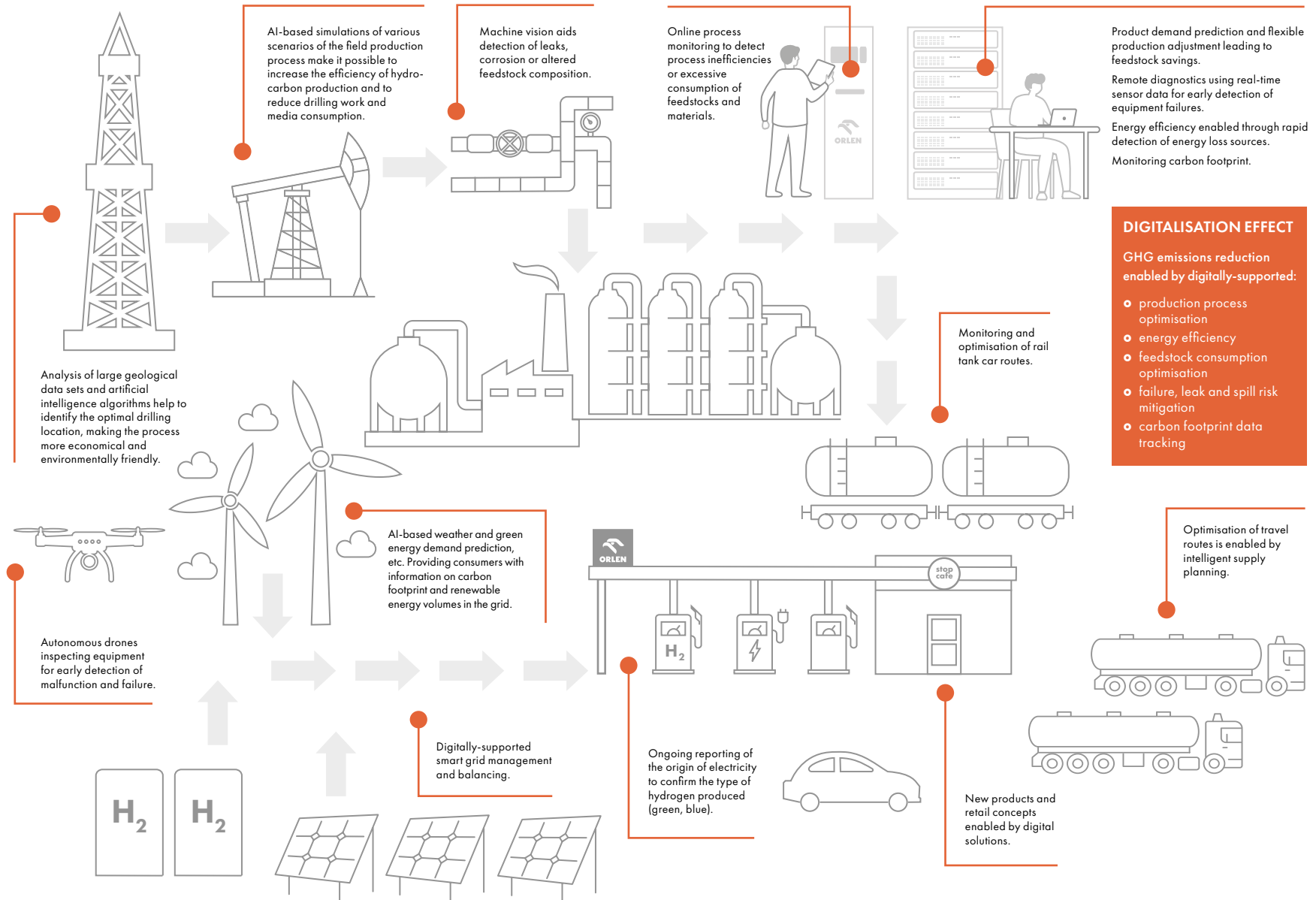


7.7 DIGITALISATION

GRI 203-1; 203-2

The digital transformation of all segments is an important element in our strategic development plan until 2030. As part of digitalisation, we implement new principles and digital solutions in production and other areas, such as planning, safety, productivity, sales, and other support functions. **We plan to spend up to CZK 5 billion in the coming years on digitalisation and digital solution implementation.** Digitalisation will substantially contribute to the entire Group's subsequent development and boost our competitiveness in the fast-changing world. It will help employees streamline their work and attain better results. We are already piloting several digitalisation-related projects. Thus, for example, **we work with augmented and virtual reality, digital leak monitoring, 3D printing and 3D scanning; we use state-of-the-art technologies that improve planning and resource use, and increase flexibility when using production capacities, thus contributing to a safer working environment.** All employees are gradually involved in the digitalisation process because it is the only way to ensure the project's success.

GREEN AND DIGITAL TRANSFORMATION



7.7.1 OPERATOR TRAINING SIMULATOR

The Operator Training Simulator is a computer training system using a dynamic industrial process simulation model, usually integrated with a distributed control system. At Chempark Záluží near Litvínov (Chempark Záluží), the Operator Training Simulator is installed at the DCPD unit (dicyclopentadiene). The simulator for the steam cracker is close to completion, and another is being prepared for the polyethylene unit, PE3. Simulators for the hydrocracking unit in the refinery part and the POX unit (partial oxidation) are underway. We prepare the training simulators by following the latest trends. **In practice, it means that we use a dynamic model for simulator preparation, which models, with high accuracy, the technological process, its changes, product flows, external effects influencing the technological process, etc.** Production simulators help us increase the quality of training for existing and future operators using a technological process with real-life representation, eliminating future error rates in real operations. We can also simulate the conditions for starting and shutting production units, fault conditions, etc.

7.7.2 DIGITAL TWIN

Creating a **digital twin in the Kralupy nad Vltavou Refinery** is one of the current significant projects involving digitalisation and state-of-the-art technologies. This modern solution is both environmentally friendly and sets an optimal operation method regarding safety and efficiency. The digital twin is a digital replica of a part of the technology unit of the Kralupy nad Vltavou Refinery. It is an exceptional and innovative project because it is the first application of such an extent to a technological and chemical process in our Group. Its implementation involves a team of employees from the investment unit, operational employees, and specialists from other units. **It is one of the crucial technological plans within our digital transformation.** The program uses real-world data to create a simulation that can forecast how the process will work. By comparing the real technology's current state and the twin's behaviour, we can unveil potential deviations from optimal operations in a timely manner, thus preventing production losses or failures of physical assets. The program in Kralupy will mirror the technological process in real time. This will enable a dummy run to verify technological processes and set an optimal operating method, both in terms of safety, efficiency and environmental impact.

In the long term, digital solutions will reduce the production's cost intensity, lower the error rate of the operational staff, improve the prediction for operating technologies, and increase operational safety. We plan to deploy the project in other technological units in the refinery and petrochemical segment in the coming years. **Currently, we are also considering implementing a digital twin for the Facility Management needs, with the final completion scheduled for the end of 2026. The estimated project costs are EUR 1.9 million.**

7.8 CYBERSECURITY

We are a part of the critical infrastructure. That is why our readiness in cybersecurity must be at the top level. We have been repeatedly exposed to attempts to break into our cybersecurity. Each year, we organise internal training and awareness-raising campaigns and provide relevant information to employees. We protect our ownership data, as well as the data of our customers, employees, and any third parties. Any cybersecurity breach could cause physical damage or destruction of our assets, result in lost or stolen ownership information, compromised information, or otherwise disturb our business operations. We could spend considerable amounts to remedy severe cybersecurity breaches, costs of litigation or harmed reputation. The IT Director is responsible for the Information and Cyber Security Policy.

7.9 PERSONAL DATA PROTECTION GRI 418-1

In conformity with EU legislation, we process and protect personal data fully respecting the privacy of our employees, customers, business partners, and the public (**data subject**). We monitor, evaluate, and modify the defined corporate processes and implemented measures, as necessary, in accordance with new methodologies or amendments to applicable laws and regulations. Specifically, we ensure that senior employees (superior officers) responsible for the given organisation unit and each employee respectively process personal data in line with the **'need to know'** principle. We take particular care to ensure that personal data processing is always in compliance with the principles defined in Article 5 of the GDPR. We collect, store, and process personal data only for the necessary period, to a limited extent, in compliance with a clearly defined purpose and based on a pre-defined legal title. We are particular about the transparency of personal data processing. Before starting the personal data processing and during its course, the data subject is always duly informed about the processing method, the respective rights and personal data protection principles and measures.

Most of our companies appointed a **Data Protection Officer** who provides support, increases awareness about the GDPR, supervises the legality of all personal data processing activities, resolves the application of data subject rights, cooperates with the Personal Data Protection Office and Information Protection Division of ORLEN Unipetrol RPA, and primarily deals with events and incidents involving any personal data security breaches. The Data Protection Officer prepares an annual report on personal data processing within his activities. Petrotrans, a member of the ORLEN Unipetrol Group, became a subject of interest of a preliminary inspection carried out by the supervision authority last year with respect to using biometric attendance and entry systems. According to the preliminary inspection, no administrative procedure was commenced, i.e., all requirements arising from laws and regulations were duly met. Neither Petrotrans nor any other company in the ORLEN Unipetrol Group was subject to any sanction, nor was any damage caused to them.

Last year, we did not record any incident related to personal data protection breaches, which would have to be reported to the supervision authority, the Personal Data Protection Office. The Personal Data Protection Office did not commence any administrative procedure against any of our companies.



Sustainability strategy

8 SUSTAINABILITY STRATEGY

The 21st century will determine the course of measures aimed against climate change. Decarbonisation plans are a critical element in our business strategy. We encourage personal responsibility and a healthy and safe working life. By building the position of a regional leader in sustainable transformation, we get ready for innovative, environmentally friendly technologies and energy based on low- and zero-emission production sources. Our sustainability development is driven by efforts to minimise the impact on climate, protect nature, ensure good working conditions, cooperate with local communities, and manage our operations responsibly. **The aim is to build long-term value for all stakeholders. Our approach enables us to leverage the opportunities arising from changes around us and create values in socially fair transformation.**

8.1 CLIMATE CHANGE

Climate change is a term that is an essential part of negotiations of many institutions, including the UN. As this trend is very strong, it may initially seem to be a relatively new idea; nonetheless, it originated much deeper in history. The first legally binding international treaty on climate change adopted by 195 parties, which agreed to limit the growth of the average global temperature to less than 2°C or even 1.5°C, is the **Paris Agreement**. Its purpose is to cut emissions as soon as possible to reach a balance between releasing and absorbing emissions by 2050. The connecting link is the persuasion about the need to respect natural resources. This step requires economic and social transformation based on the best available scientific knowledge. **Our long-term goals are in line with global trends, such as the growing role of renewable energy sources and the production of advanced petrochemical products by adopting new technologies that support the long-term objective of getting to net zero by 2050.**

8.2 DOUBLE MATERIALITY PRINCIPLE GRI 2-29; 3-1; 3-2

To provide information about significant targets, we performed a double materiality evaluation. That helped us identify the most important sustainability problems in our business. Considering the development of the past years and the overall growing significance of the sustainability agenda, we want to control our environmental impact with active and innovative projects. We work to remain a competitive and attractive employer also in the future. Our partners' needs and expectations help us determine the right direction for our future initiatives. To maintain a dialogue with our stakeholders, we use well-established communication channels. In addition to these regular interactions, we also conducted a comprehensive survey on sustainability in 2023 among our stakeholders.

8.2.1 STAKEHOLDER DIALOGUE

The dialogue with our stakeholders involved an online survey and individual interviews with the nominated representatives. Our stakeholders are individuals or groups impacted by our Group's activities. They include our employees, suppliers, business partners, local governments, communities, non-governmental, non-profit organisations, trade unions, consumers, customers, state organisations, professional associations, regulators, and the media. The survey aimed to identify our stakeholders' opinions on sustainability and their expectations of our Group. The survey was divided into several categories, including environmental, social, and management issues, which we should consider when planning sustainable development. The survey among stakeholders meets the duty of involving stakeholders in materiality assessment.

8.2.2 DOUBLE MATERIALITY

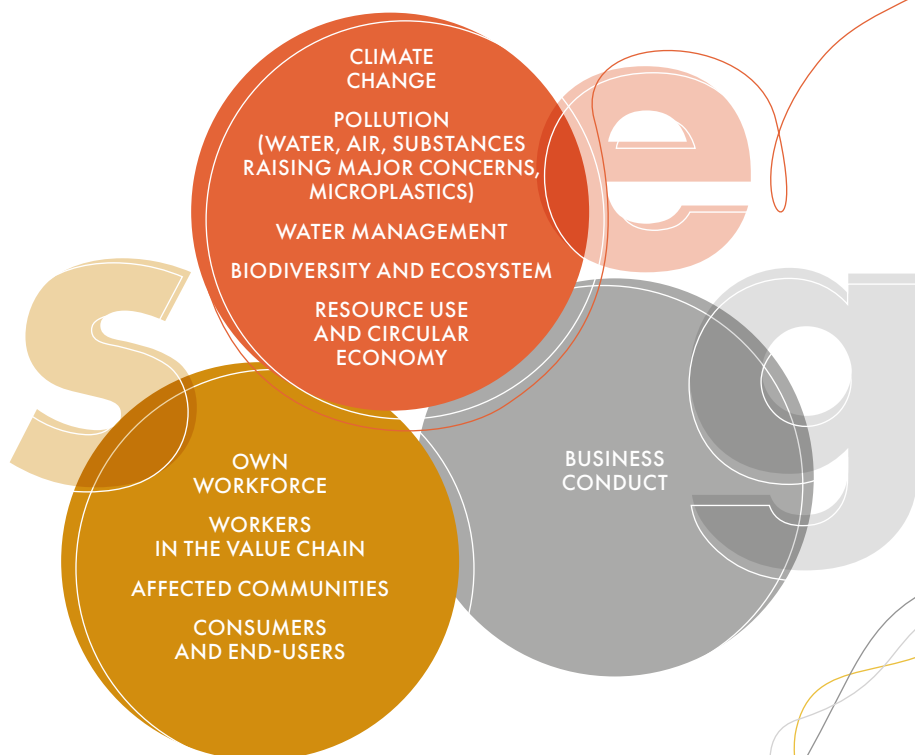
In the ESG context, materiality assessment is an objective process for setting evidence based priorities. This process is expected to identify and verify the Group's most significant impact on its surroundings and determine risks and opportunities for the Group. Both internal and external stakeholders must be engaged in the assessment.

8.2.3 SUMMARY OF THE MATERIALITY ASSESSMENT PROCESS FOR 2023

- We prepared an analysis of inputs for the potentially material issues, such as environmental aspects and impacts or risk management;
- we created a value chain map summarising our most important business inputs and outputs;
- we carried out a survey – dialogue with stakeholders and representative groups;
- we organised workshops with crucial managers to discuss potential impacts, risks, and opportunities in our value chain;
- we organised several meetings with key managers to determine the priority topics for a synthesis of all inputs and a subsequent final verification workshop;
- we compared the results and then unified the results of the parent company, ORLEN S.A.

8.2.4 RESULTS OF THE DOUBLE MATERIALITY ASSESSMENT

The double materiality assessment took place between November 2023 and March 2024. We aim to deal with all 67 out of 92 topics set out by the ESRS, where we have a clear impact on people or the environment, which also forms a basis for the financial assessment. The results are visually presented in an overview as the main areas containing all 67 materiality topics.



8.3 HOW WILL WE ACHIEVE DECARBONISATION RESULTS

GRI 305

SUSTAINABLE DEVELOPMENT AREAS AT THE ORLEN UNIPETROL GROUP UNTIL 2030

KEY STRATEGIC AREA	WASTE AND CIRCULAR ECONOMY
OBJECTIVE	RECYCLED POLYMERS AND BIOPOLYMERS
AREA	PETROCHEMISTRY
KPI	50 KT OF MECHANICALLY RECYCLED AND 150 KT OF CHEMICALLY RECYCLED; 3.5 KT OF BIOPOLYMERS
HOW WILL WE ACHIEVE IT?	BY INCREASING THE SHARE OF RECYCLED MATERIALS IN OUR PRODUCTS

KEY STRATEGIC AREA	GHG EMISSIONS, NET ZERO
OBJECTIVE	REDUCING THE CARBON FOOTPRINT
AREA	REFINERIES& PETROCHEMISTRY
KPI	25% REDUCTION OF CO ₂ EMISSIONS, SCOPE 1 AND 2 FOR THE ORLEN GROUP
HOW WILL WE ACHIEVE IT?	BY IMPLEMENTING RENEWABLE ENERGY SOURCES, TRANSFORMING OUR BUSINESS, FOCUSING ON ENERGY EFFICIENCY, MEASURING THE CARBON FOOTPRINT

KEY STRATEGIC AREA	SUSTAINABLE PRODUCTS
OBJECTIVE 1	RENEWABLE HYDROGEN
AREA 1	REFINERIES & RETAIL
KPI 1	20 KT OF RENEWABLE FUELS OF NON-BIOLOGICAL ORIGIN, E.G., H ₂
HOW WILL WE ACHIEVE IT?	BY INTRODUCING AND IMPLEMENTING GREEN HYDROGEN
OBJECTIVE 2	BIOFUEL PRODUCTION
AREA 2	REFINERIES & RETAIL
KPI 2	55 KT OF ALTERNATIVE RAW MATERIALS
HOW WILL WE ACHIEVE IT?	BY PRODUCING BIOFUELS AND ALTERNATIVE FUELS

KEY STRATEGIC AREA	ENERGY TRANSFORMATION AND SUSTAINABLE TECHNOLOGIES
OBJECTIVE 1	RENEWABLE HYDROGEN
AREA 1	RETAIL
KPI 1	BUILDING CHARGING STATIONS AND HYDROGEN STATIONS – 25% MARKET SHARE
HOW WILL WE ACHIEVE IT?	BY SELLING ALTERNATIVE FUELS (HYDROGEN) AND ENERGY
OBJECTIVE 2	ELECTRICITY AND ELECTRICITY GENERATION
AREA 2	ENERGY SECTOR
KPI 2	BUILDING A NEW NATURAL GAS SOURCE AND RES
HOW WILL WE ACHIEVE IT?	BY BUILDING A NATURAL GAS SOURCE AND DECARBONISING ENERGY BY SHIFTING TO NATURAL GAS AND IMPLEMENTING RENEWABLE ENERGY SOURCES

KEY STRATEGIC AREA	OCCUPATIONAL HEALTH AND SAFETY
OBJECTIVE	PERSONAL SAFETY, RISK ASSESSMENT AND ANALYSIS, PROCESS SAFETY, FIRE PREVENTION, TRANSPORT OF HAZARDOUS ITEMS
AREA	REFINERIES, PETROCHEMISTRY, ENERGY SECTOR, RETAIL
KPI	TRR < 1,7 PSER T1< 03
HOW WILL WE ACHIEVE IT?	BY OPERATING OUR FACILITIES SAFELY, INCREASING EMPLOYEE AND CONTRACTOR AWARENESS OF RISKS

8.4 ENVIRONMENTAL OBJECTIVES OF THE EU TAXONOMY

Applying the EU taxonomy allows us to be transparent within our sustainable economic activities. The taxonomy serves as a classification system for economic activities regarded by the European Union as sustainable. Considering the defined objectives, it provides single and unified definitions for sustainable economic activities. At the same time, it is not a list of activities in which entities would be obliged to invest, nor does it set out any investment restrictions. In fiscal year 2023, we verified and updated our list of business activities identified in the previous year for the first two objectives. The European Parliament approved a new delegated act setting out the technical control criteria of all six environmental objectives, the KPIs of which we report **through the Taxonomy Report of the entire ORLEN Group. The ORLEN Unipetrol Group does not report taxonomy objectives separately for now.** The taxonomy's environmental objectives:

- CLIMATE CHANGE MITIGATION
- CLIMATE CHANGE ADAPTATION
- PROTECTION OF WATER AND MARINE RESOURCES
- RESTORATION OF BIODIVERSITY AND ECOSYSTEMS
- TRANSITION TO A CIRCULAR ECONOMY
- POLLUTION PREVENTION AND CONTROL





Network of filling stations

9 NETWORK OF FILLING STATIONS

GRI 2-6

We operate filling stations in three countries – Czechia, Hungary, and Slovakia. The ORLEN network in Czechia comprises 434 filling stations. At our filling stations, we primarily focus on and regularly monitor water, electricity, and gas consumption. We obtain precise data on individual energies and assess opportunities to reduce consumption. We implement low-energy appliances and technologies.

9.1 CHARGING STATIONS

GRI 203-1; 203-2

Building the infrastructure for alternative drives is one of the strategic decarbonisation objectives. In addition to traditional fuels, we also offer alternative fuels - CNG and LPG. Although conventional fuels will still prevail for at least 15 years, we will continue developing the infrastructure for electric and hydrogen-powered vehicles. We offer 267 charging points at 66 filling stations. We intend to continue expanding the infrastructure for e-mobility. Besides the existing charging stations of external partners, we want to start building our own high-speed charging infrastructure. By 2030, we plan to install 900 high-speed charging stations with 1,800 high-speed charging points. We will also begin modernising our Stop Cafe concept, which offers, among other things, freshly ground fair-trade coffee roasted in Belgium.

9.2 PETROL QUALITY

GRI 305

As part of our efforts to reduce CO₂ emissions and meet emission targets defined by EU legislation, we were preparing for the option to start distributing the BA95 petrol designated as E10 in the Czech market from 2024. This type of petrol significantly reduces GHG emissions because it contains up to ten per cent renewable fuel produced from mass or waste of organic origin. It does not mean any substantial technological change for our refineries because we have supplied petrol of this quality to Germany, Hungary, and Slovakia for many years. We had previously transferred the high-octane petrol sold in the ORLEN network under the trade designation Verva 100 to the E10 quality. We started distributing the basic petrol fuel designated as Efecta 95 in the E10 quality at the beginning of 2024. This modification meets the requirements of the RED III directive approved by the EU Council, which increases the target for reducing GHG from the current 6% up to 14.5% in 2030. By changing the petrol quality to E10, we also harmonise our supplies in the Central European region. Slovakia and Hungary introduced E10 in 2019; Austria in 2023. Czechia and Poland switch to E10 in 2024. E10 is a mixture consisting of standard petrol and up to 10% of ethanol, which might also be represented in the form of ethyl tertiary-butyl ether (ETBE). This ethanol is acquired from renewable sources, which reduces GHG emissions and helps protect the environment. The E10 petrol can be refilled in nearly all petrol-fuelled cars manufactured after 2005, when the Euro 4 standard became effective.

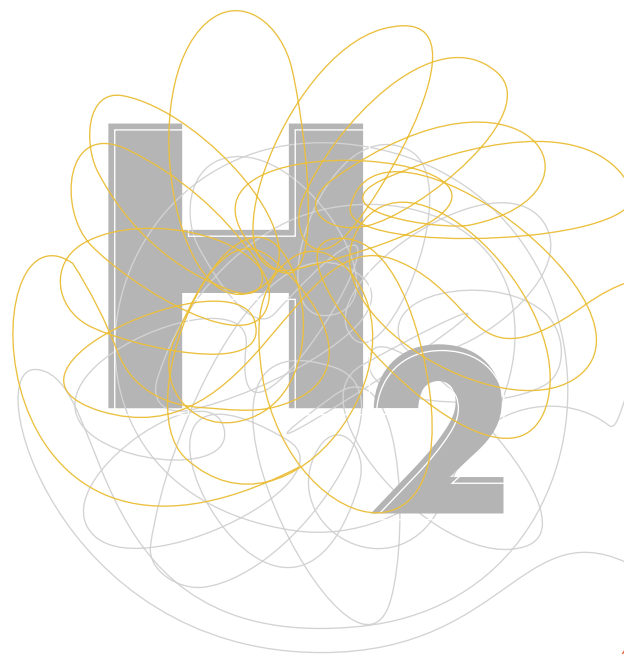
9.3 ALTERNATIVE FUELS

GRI 305

Crude oil remains a substantial energy source for mobility and petrochemical products, mainly plastics. Thus, classic fuels will continue to play a significant role. In personal mobility, we will shift away from fossil fuels slowly unless new technology development, regulatory measures, or geopolitical and social upheavals cause a substantial change. Besides the booming battery- and hydrogen-powered e-mobility, the future can be affected by synthetic fuels. However, their production still remains cost- and energy-intensive. **In 2023, we opened two full-fledged hydrogen refuelling stations in Prague-Barrandov and Litvínov** 🖱️. Both are designed as fully self-service stations that are accessible to the general public in the 24/7 mode. They are suitable for filling passenger cars, trucks, and buses. Vehicle fuelling takes about the same time as with petrol- or diesel-powered cars. We believe that hydrogen will supplement the current battery-driven e-mobility over time and play an ever more significant role both in personal mobility and mass and cargo transport. **We focus on developing projects allowing to really reduce emissions in transport. It means we develop charging stations for renewable electricity and will replace current grey hydrogen produced from fossil sources with renewable hydrogen of non-biological origin (RFNBO, Renewable Fuels of Non-Biological Origin).**

9.4 SERVICE POINTS AND CHARGING STANDS FOR E-BIKES

We expand the portfolio of services related to active leisure time activities. In 35 locations with tourist attractions, we offer service stands for bicycles that are, in some cases, supplemented with charging stands for e-bikes. Cyclists will find service stands at tourist attractions close to cycle paths across the Czech Republic. Ten of these stands offer both high-quality basic service tools and a charging station. The standard equipment for bike stands includes top-quality tools from renowned German and US producers to enable all basic service actions.





The environment

10

10 THE ENVIRONMENT

GRI 305-1; 305-2

We are strongly committed to environmental protection and supporting the social and economic needs of the communities where we operate. We take steps that will contribute to meeting emission-related and environmental requirements in advance. **By 2030, we intend to reduce Scope 1 and Scope 2 emissions by 25% (Scope 1 - direct emissions produced directly as a result of the company's activities, Scope 2 – indirect emissions associated with the consumption of purchased energy).**

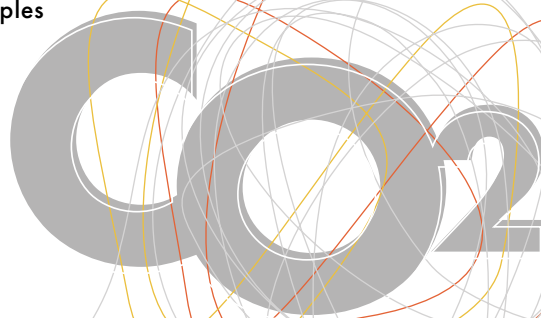
10.1 DECARBONISATION OF OUR INDUSTRY

GRI 203-2

A successful transformation towards a sustainable future requires agreement on the fundamental principles and support across the political spectrum, including the formation of a legislative framework that takes into account the current situation and challenges in the industry and transport. **Challenges in the chemical industry alone include decarbonisation, generation, utilisation, and storage (if necessary) of electricity from renewables, more intensive use of renewable hydrogen in our technologies and transport, and implementation of circular economy principles with emphasis on recycling.**

10.1.1 ENERGY SECTOR

One of our main tasks is to shift from coal to gas sources and gradually reduce the dependence on fossil fuels in this respect, i.e., using biomethane and renewable or low-emission hydrogen. Our energy source (T700) in the Litvínov Refinery currently burns lignite from the surrounding quarries. During the ongoing upgrade of our energy sources, we analyse various approaches to reducing CO₂ emissions. **Either by using a new technology and building a steam-and-gas cogeneration heating plant, T600, or by modifying the current T700 unit to a gas source. The new energy source will enable to significantly reduce emissions of carbon dioxide, sulphur dioxide, and fine dust as a result of the transition from coal.**



CO₂



BENEFITS OF PHOTOVOLTAIC INSTALLATIONS



ENVIRONMENTAL PROTECTION

REDUCING GHG EMISSIONS AND OUR DEPENDENCE ON FOSSIL FUELS, WHICH CONTRIBUTES TO CLIMATE PROTECTION.



FINANCIAL SAVINGS

SAVING ELECTRICITY COSTS IN THE LONG TERM, WHICH HAS A POSITIVE IMPACT ON OUR RESULTS.



REAL-TIME ENERGY PERFORMANCE MONITORING

THE PANELS ARE EQUIPPED WITH STATE-OF-THE-ART MONITORING SYSTEMS, ALLOWING US TO MONITOR EACH PANEL'S PERFORMANCE IN REAL TIME. THAT MEANS THAT WE CAN PROMPTLY REACT TO ANY FAILURES OR LOWER PERFORMANCE, THUS ENSURING THE OPTIMUM OPERATION OF THE SOLAR INFRASTRUCTURE.



ENERGY INDEPENDENCE

WE ARE GETTING INDEPENDENT OF THE UNSTABLE ENERGY MARKET AND RELY ON A RENEWABLE SOURCE.

10.1.1.1 PHOTOVOLTAIC PANELS ON CORPORATE BUILDINGS

Installing photovoltaic panels on our buildings is another project reflecting our sustainability efforts. Our buildings become a place for transforming solar radiation into electricity. **Currently, we register several locations for installing land and roof photovoltaic (PV) panels with a potential power generation of more than 520 GWh/year.** PV installations on suitable buildings at individual company sites are subject to strict safety requirements of Chempark Záluží. In September 2023, we launched an invitation to tender for processing a PV installation project on two roofs at the Chempark site. PV installations can be placed on the canteen and operational maintenance workshop rooftops. Here, we could **install about 646 PV panels with a total output of 261.63 kWp and the expected annual generation of renewable electricity of approx. 230 MWh.** All renewable electricity could be used in the place of generation, and any tiny excessive volumes will be consumed within the site's local distribution network. The actual PV installation on the buildings is expected to take place in 2024-2025. We plan to install PV panels on other buildings at Chempark Záluží in the coming years. Also, we seek to leverage the potential of roofs at ORLEN filling stations.



10.1.2 HYDROGEN STRATEGY

We are the largest hydrogen producer in Czechia. In manufacturing, hydrogen is an essential gas to produce ammonia and fertilisers. It can also be used to generate electricity, heat, and steam at steam-and-gas cogeneration units. Renewable hydrogen is expected to play a significant role. It is necessary to update the respective laws and regulations, define hydrogen needs in Czechia's energy mix, and identify the actual needs of individual industries and their operations.

We produce about 110,000 tonnes of hydrogen per year when refining crude oil in both refineries. Although this hydrogen could also be used to partial decarbonisation within decarbonisation measures, European legislation prefers RFNBO hydrogen (Renewable Fuels of Non-Biological Origin), which we produce using electricity from renewable sources. **On the premises of our Chempark Záluží plant, we intend to build an electrolyser in the coming years that will be powered by renewable energy from the PV installation on the adjacent land with an output of 60 megawatts. The annual renewable hydrogen capacity will be up to 4,500 tonnes.** The electrolyser will also generate so-called green hydrogen using renewable energy sources. The total capital expenditure on this investment is about CZK 4 billion. We will use this hydrogen to decarbonise production technologies and at hydrogen refuelling stands at filling stations. **By 2030, we want to generate 20 kt of hydrogen from renewable sources.**

Aspirations by 2030:

- developing new generation sources based on electrolysis units and renewable sources;
- building and operating hydrogen refuelling stations in Czechia and Slovakia.

10.1.3 BIOFUELS

Supporting the use of renewable fuels of biological and non-biological origin is fully in compliance with our strategy aimed at reducing the intensity of GHG emissions from fuels by using renewable energy sources in transport. We combine various non-fossil

energy sources with regard to the specific national conditions, and we will contribute to decarbonising transport effectively. Recycling used cooking oil is one of the projects. It is based on unused waste material from used vegetable oils or animal fats that is reprocessed together with the fossil raw material (co-processing method) into diesel fuel.

10.1.4 FLUE GAS HEAT RECOVERY IN KRALUPY NAD VLTAVOU

We launched the project of recovering flue gas heat at the Kralupy nad Vltavou production plant. **We included this project among our top five strategic initiatives. We expect to reduce emissions by up to 15 kt per year and increase the flexibility and energy self-sufficiency of the Kralupy Refinery.** The unit is expected to be completed halfway through 2025. The investment exceeds CZK 0.5 billion. Building the recovery unit is another specific step on the journey to net zero. The project focuses on using flue gas waste heat to produce feeding water and reusing the turbine condensate acquired through high-pressure steam condensation. This steam powers the turbines that drive the key equipment of the fluid catalytic cracking (FCC) unit. After removing the undesired substances and oxygen and modifying pH, the condensate is heated to the required temperature with heat from flue gas. In the final phase, high-pressure pumps increase the pressure of the modified condensate to the necessary value, thus getting feeding water with the required parameters. This hot, high-pressure feeding water is used to produce steam needed to drive steam turbines. This process aims to use water and thermal energy effectively. Using the heat from the burning process to a maximum increases energy efficiency and operational efficiency.

This investment is also interesting due to the installation of special polymer acid-resistant exchangers, which is why they were used in this application. The innovative exchanger technology in the gas-liquid variant is now a new technology in the refining industry. The main aim is to maximise the use of the heat generated and increase the process energy efficiency related to lower emissions.

10.2 CIRCULAR ECONOMY

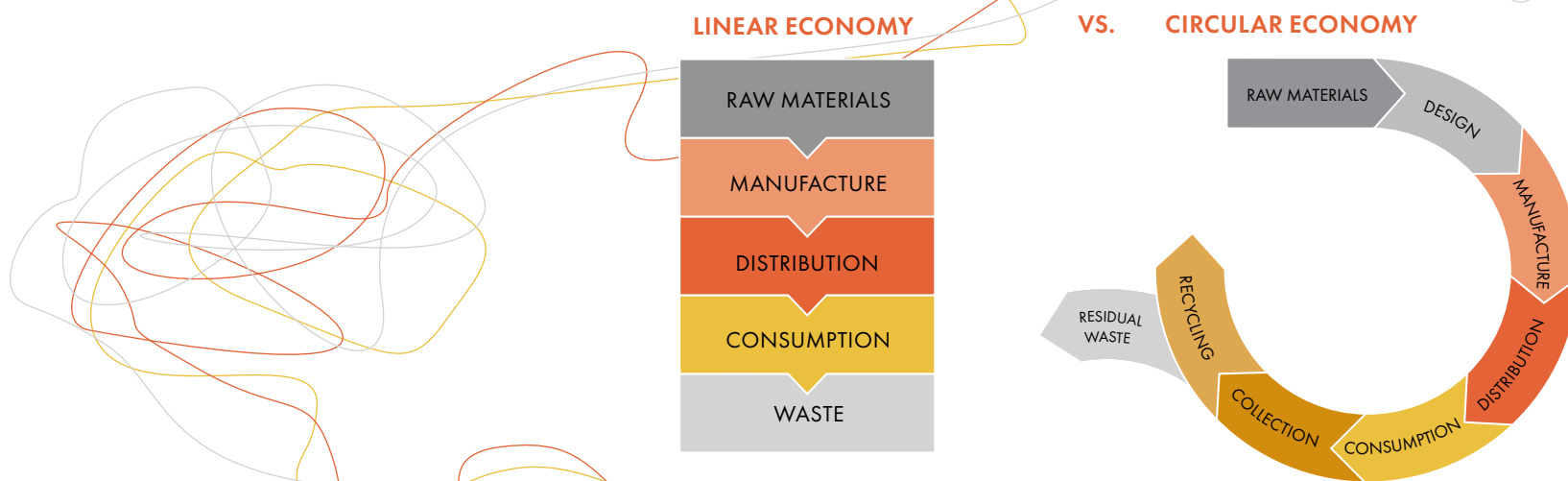
GRI 203-2

10.1.5 HEAT RECOVERY AT SPOLANA

Spolana Neratovice launched work to upgrade the sulphuric acid production unit. The first step in this major investment worth CZK 1 billion involved planning the installation of an exchanger (weight: 62 t; length: over 10 m) for waste heat recovery. It will serve to produce steam by cooling waste heat that will be used in subsequent production processes. The ongoing modernisation is distributed over three years because the sulphuric acid production upgrade is possible only during planned production shutdowns.

Sulphuric acid is also used when extracting and processing some ores and minerals, producing car batteries or treating some surfaces with etching. It is also used in industrial cleaning and in laboratories as a chemical substance, of course. Concentrated sulphuric acid is also used to produce caprolactam to make nylon or perlon and in subsequent use, primarily in the textile and clothing industry. Thanks to its elasticity, it can be used in making sports clothes and other sporting goods for water and winter sports or alpinism and mountaineering.

Manufacturing, selling, consuming and throwing away - it is the fundamental principle in the linear economy. A multitude of products end up in landfills. However, our planet has limited resources, and this approach cannot work endlessly. **The circular economy** is a counterpoint to linear economy. This manner of manufacture and consumption uses the value of the existing products, materials, and raw materials with a clear goal – to extend their lifecycle and thus reduce the waste produced. Striving for circular economy has gained momentum only in recent years. The main motivation is to use and manage raw materials effectively and with a lower negative impact on the environment. We are very well aware of that, so we devote both our research and development efforts to the circular economy. The test **pyrolysis unit** commissioned at our chemical plant in Litvínov tests plastic waste processing, primarily the influence of process conditions and feedstock composition on the quality of the produced gaseous, liquid, and solid products. At the same time, we examine technological and operational restrictions that we may expect with these new materials.



10.2.1 MECHANICAL RECYCLING

Mechanical recycling is already a widespread method and is immediately available. Although it is less energy-intensive, mechanical recycling poses higher requirements for the feedstock quality (primarily due to the requirement for one material type at the input). In general, the re-granulate is used in undemanding applications that are not seen, where it can meet the basic conditions. Thus, the re-granulate from mechanical recycling can be regarded, to some extent, as secondary plastics, which can, in some cases, replace more costly primary plastics. This recycling method aims to reduce the impact on any changes in the plastics chemical structure, i.e., to recover a product from plastic waste without using a chemical reaction of the recycled material. **Last year, we completed the acquisition of Otrokovice-based REMAQ, one of the leading companies in Central Europe involved in mechanical recycling of plastics.** We are working to increase the recycling capacity and develop the company further. Once the final mixture of sorted, crushed, and washed plastics is melted, the produced dried crumbings are processed at granulation lines, and the final material is delivered to the customer once it meets the qualitative parameters. The customer can then use it to produce new packaging, plastic bags, car parts, and other recycled products.

10.2.2 MEMORANDUM OF COOPERATION – WASTE TO CHEMICALS PROJECT

The Waste to Chemicals (W2C) project is aimed at the advanced use of waste sources as raw materials for petrochemical production, i.e., building a comprehensive technological solution for using the plastic component of municipal waste from the separated collection and the actual mixed municipal waste for manufacturing petrochemical products. As part of this project, we entered into memoranda with partners, who thus expressed their interest in collaborating to set the process of using waste as a raw material.

10.2.2.1 AGREEMENTS FOR RESIDUAL PLASTIC PROCESSING

MEMORANDUM WITH THE CITY OF PRAGUE

Prague councillors approved a memorandum of cooperation between the City of Prague, as the owner of municipal company Pražské služby, and ORLEN Unipetrol. The cooperation aims to maximise the processing of residual plastic waste (the plastic scrap) and waste vegetable oil and use them effectively. The plastic scrap will be used (not only) to make oil for the re-production of plastics.

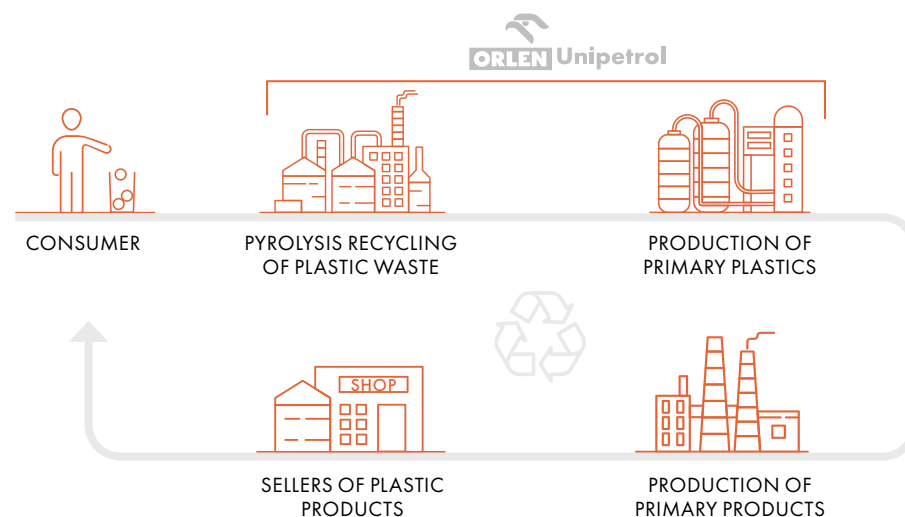
MEMORANDA WITH OTHER TOWNS AND MUNICIPALITIES

We entered into memoranda with towns and municipalities in the Ústí Region, including Osek, Bílina, Most, Horní Jiřetín, Mariánské Radčice, and others. These efforts aim to support the transition from the linear to circular economy, gradual waste management decarbonisation and transformation, and mutual use of waste management expertise, waste processing and subsequent use.

10.2.3 CHEMICAL RECYCLING

Chemical recycling is a set of technologies, including pyrolysis, solvolysis, and gasification. Pyrolysis is the degradation of compounds resulting in a mixture of hydrocarbons. Pyrolysis is the first technology currently implemented in chemical recycling at our sites. The chemical recyclate is then used as a raw material to produce high-quality polymers, allowing their use in more sophisticated applications, such as the food industry, cosmetics and pharmaceuticals, etc. It is a newer method using several technologies simultaneously. The plastic waste that is difficult to recycle in mechanical recycling is gradually transformed into a mixture of hydrocarbons that are subsequently used to produce new plastics, fuel, and other products. The main benefits of chemical recycling include the option to process hardly recyclable plastics, e.g., multi-layer materials. **In several years, our units will use chemical recycling for waste materials from the surrounding areas and the Czech Republic in the amount of up to 70 kt. We must ensure up to 100 kt of plastic waste suitable for chemical recycling. Externally purchased pyrolysis oils from other recycling units will form another share of the raw material input in our technologies.**

CHEMICAL RECYCLING OF PLASTIC WASTE THROUGH THERMAL DEGRADATION WASTE IS A RAW MATERIAL IN THE CIRCULAR ECONOMY CONCEPT



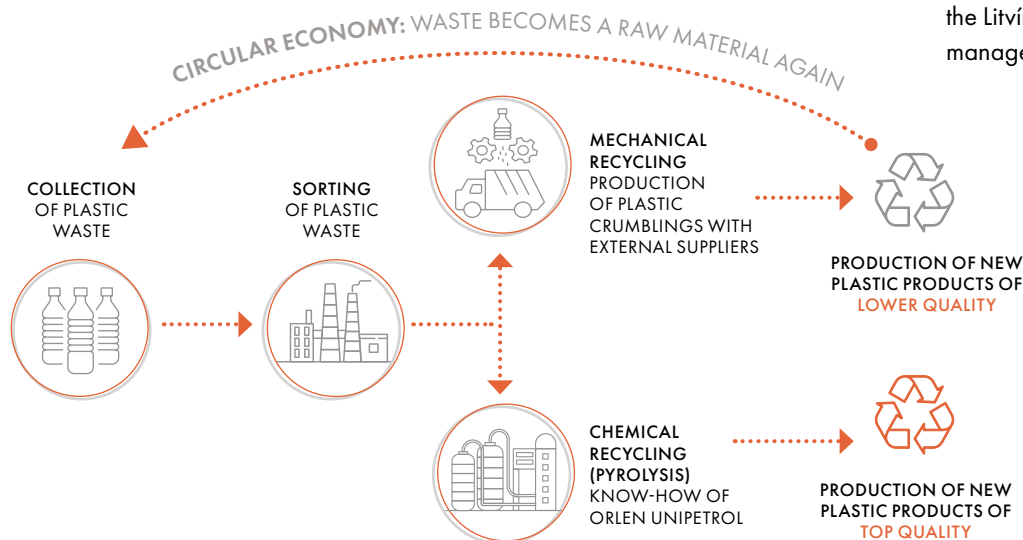
PYROLYSIS ENABLES:

- LOWER LANDFILLING
- LOWER INCINERATION
- LOWER EMISSIONS
- EFFICIENT RECYCLING

10.2.4 PLASTIC WASTE

We have the potential for cooperation both with respect to sorted waste (primarily waste polypropylene and polyethylene) and plastic scrap (residuals from sorting). Both methods offer their benefits and have an irreplaceable position in the waste treatment hierarchy, also with future prospects. Generally, it cannot be said if one recycling method is better than the other because it always depends on the quality and type of plastic waste. Both methods have their strengths and weaknesses. The aim is always to maximise the added value that can be regained from plastic waste, both from the financial perspective and in terms of lowering CO₂ emissions. That can be achieved only with a suitable combination of all available tools. **By 2030, we plan to achieve a 20% share in our petrochemical production of plastics through plastic waste recycling.**

HOW DO WE GET A TREASURE OUT OF WASTE?



10.2.5 PYROLYSIS UNIT

For a third consecutive year, we have been testing a technology procedure for chemical plastics recycling at a test pyrolysis unit in the chemical plant in Litvínov. During pyrolysis, we gain a high utilisation of the original waste and transform it into hydrocarbons that can be re-integrated into petrochemical production. It does not require extra sorting efforts because this method enables the recycling of most plastics. **By 2030 at the latest, we intend to commission a large-scale pyrolysis unit with an annual processing capacity of up to 30,000 tonnes of plastic waste.** Currently, we are evaluating a tender for purchasing the licenced technology. The investment is estimated at two to three billion Czech korunas. Mixed plastics will be the feedstock material in the pyrolysis unit. They primarily include polyethylene, polystyrene, and polypropylene. We have created a platform through which we would shortly like to cooperate on waste collection and sorting both with the towns and municipalities near the Litvínov Refinery and the City of Prague. The initiative also involves leading waste management companies.

10.2.6 OPERATION CLEAN SWEEP

Signing the international declaration, **Operation Clean Sweep** 🖐️ (OCS), is another step towards implementing our strategy on environmental protection and circular economy principles. Based on this declaration, we have been applying the programme's principles since 2021, which focus on preventing plastic leaks into the environment coordinated by the European association **Plastics Europe**. By continuously improving and upgrading operational activities, we strive to minimise our activities impact on the environment. We assume responsibility for preventing the spread of plastics into the environment and join a significant global activity that allows us to take additional pivotal steps on our path to sustainability. The global OCS project reacts to the adverse development in the environment's pollution with plastics. It aims to prevent leaks of plastic particles of all sizes into the environment throughout the entire production lifecycle. The OCS programme provides businesses active in the plastic industry with instructions and measures to mitigate the risk of leaks into the environment during standard handling and in any emergencies, at any time during processing or transport. By signing the declaration on accessing the OCS programme, we are committed to adopting effective measures and control mechanisms to prevent plastic leaks in the form of pellets, powder, or dust into the environment. We implemented the OCS principles in all production, operational, and logistics activities where we work with plastics. We also include them in the implementation of all new investment projects.

10.2.7 COLLECTING USED COOKING OIL FROM HOUSEHOLDS

With the centre of research and education, ORLEN UniCRE, and the Czech University of Life Sciences, we launched a **pilot project** 🖐️, focusing on the collection of used cooking oil from households. This project examines the use of waste oil to make biofuels or other products with a low carbon footprint. Thus, the aim is to develop a procedure allowing to refine this waste substance into high-quality motor fuel. This advanced admixture is expected to replace biofuel components produced from food sources, e.g., from rape and sunflower oil.

We placed collection boxes at selected filling stations. Anyone can place used oil there on a 24/7 basis in a special collection bottle available free of charge at the filling station. The collection is linked to the ORLEN app, which helps analyse the situation and will serve to evaluate the overall potential of the household cooking oil collection system within research in the Czech Republic. The project also includes developing a fully autonomous collection box, Smartbox, which would, over time, streamline and expand the collection to other filling stations.



10.3 EMISSIONS INTO THE ENVIRONMENT

GRI 305-1; 305-2; 305-7; 306-1; 306-3

We have stabilised pollutant emissions into the environment over the past five years thanks to massive environmental investments made in the previous decade. Individual emissions into the elements of the environment are described in the following chapters. **From March 2023, Spolana can declare its product properties and their environmental impact in the Environmental Product Declaration (EPD).**

10.3.1 GHG EMISSIONS

Direct GHG emissions (Scope 1) include CO₂ emissions reported for the EU Emissions Trading System (EU ETS). We calculate GHG emissions in accordance with the GHG protocol instructions for the oil and gas industry. Calculations of indirect emissions (Scope 2) are based on two methods differentiating between localisation and market emissions. Accordingly, the disclosures include direct emissions from our production processes and those generated by suppliers, and emissions related to the use of the Group's products by end users. The calculation is made in accordance with the Greenhouse Gas Protocol - Product Lifecycle Accounting and Reporting standard requirements. **We collect data for the entire ORLEN Unipetrol Group; the calculation is at the competence of our parent company, ORLEN.**

10.3.2 WASTEWATER DISCHARGE

The amount of wastewater we discharge corresponds to the long-term average of the discharged amount partially affected by the precipitation amount. The pollutant concentration in wastewater has been steady over a long term, and the pollutant amount is directly proportional to the discharged wastewater amount. When evaluating the results of the Kralupy Refinery, we fulfilled all limits and conditions for operations, and we saw a moderate decline in the hazardous waste production compared with the previous year. Spolana reports steady levels except for mercury, where the discharged amount went significantly down. At Paramo, they saw a moderate pollution increase due to the changed mode in operating the system of reporting surface water collection and due to the intensive production of oxidised asphalts and a smaller share of fluxing water. No monitored parameters were exceeded in the evaluation of our filling stations.

OVERVIEW OF CONTAMINATION DISCHARGED INTO WASTEWATER (T/YEAR)

	INDICATOR	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	BIOCHEMICAL OXYGEN CONSUMPTION	110	82	62	81	88	74
	CHEMICAL OXYGEN CONSUMPTION	866	789	771	764	733	666
	HAZARDOUS SUBSTANCES	312	268	140	178	179	149
	OIL SUBSTANCES	1.9	3.3	2.3	1.7	4.4	3.4

10.3.3 WASTE MANAGEMENT

The amount of waste in the Litvínov Refinery was higher than in the previous years due to the need to deliver waste sulphide lye. Kralupy and Paramo saw a moderate decrease in the production of hazardous waste. Higher hazardous waste production at Spolana has, in recent years, been connected with the shutdown, decontamination and gradual disassembly of selected technology units of the former amalgam electrolysis operations and disposal of metal waste. Lower hazardous waste production at ORLEN Unipetrol Doprava is associated with lower use of steam station capacities in Litvínov and the fact that we did not dispose of any discarded rolling stock. ORLEN filling stations gradually implement new waste management systems. We are currently a municipal waste producer, including its sortable components and hazardous waste from customers. The remaining waste production falls upon the filling station lessees as separate business entities.

WASTE PRODUCTION (T/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	19,790	21,264	28,859	23,997	21,145	26,444

WASTE GENERATION – ONLY HAZARDOUS WASTE (T/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	4,144	5,152	6,367	5,335	4,469	3,727

10.3.4 AIR PROTECTION

In 2023, we did not record any significant fluctuations in emission amounts like in previous years. Emissions of all pollutants from the refineries stabilised; minor fluctuations are caused by the changing operational conditions. The Litvínov Refinery reported a substantial reduction of sulphur dioxide emissions thanks to the maximum utilisation of technologies for reducing SO_x at the T700 heating plant. Boiler rooms at Paramo burnt natural gas and also heating oil in some months, which is related to a slight rise in SO₂ and NO_x emissions. At Spolana, we stopped operating coal-burning boilers, thus significantly reducing emissions compared with the emissions of solid substances in 2021 caused by the leakage of substances through the end facility. The amount of volatile organic substances from the cleaning and steaming station for tank trucks at ORLEN Unipetrol Doprava was similar as in the previous two years. At ORLEN filling stations, we introduced new stands with an automated system to check the recovery of petrol vapours.

POLLUTION EMITTED INTO THE AIR (T/YEAR)

	INDICATOR	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	NO _x	3,487	3,162	2,763	2,709	2,798	2,449
	SULPHUR DIOXIDE	5,352	4,122	3,073	4,020.9	3,195.35	3,264
	SOLID SUBSTANCES	107.3	107.5	121.4	72.3	55.7	52.5
	VOLATILE ORGANIC SUBSTANCES	540	481	438	439	356.7	314.8

10.3.5 CO₂ EMISSIONS AND GHG EMISSION ALLOWANCE TRADING

In 2019, an independent verifier verified applications for a free allocation of allowances, which we obtained, and the respective applications were submitted to the Ministry. Based on the emissions calculations in the previous year, we can say the allocated annual amount covers about 45% of annual emissions. We address the EUA deficit with our parent company, ORLEN, which is responsible for all EUA trading. For the years 2020-2023, audits were conducted with respect to operational data to submit a request for compensating indirect costs as a consequence of reflecting the emission-related costs in electricity prices. Compared to the previous years, Paramo recorded a lower production of CO₂ emissions due to the terminated operation of production units. Spolana has substantially reduced CO₂ emissions since 2020 due to the terminated operation of coal-fired boilers and production shutdowns last year.

ALLOCATION OF FREE ALLOWANCES (THOUSANDS OF PCS) REAL EMISSIONS (KT/YEAR)	ORLEN UNIPETROL GROUP
TOTAL ALLOCATION FOR THE YEARS 2021-2025	8,460
2021: REAL CO ₂ EMISSIONS	4,365
2022: REAL CO ₂ EMISSIONS	4,250
2023: REAL CO ₂ EMISSIONS	4,031

10.3.6 OTHER GREENHOUSE GASES

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

10.4 MANAGEMENT OF PRIMARY SOURCES OF RAW MATERIALS AND ENERGY

GRI 302-1; 303-5

In savings of primary sources of raw materials and energy, we use sustainable development principles and focus on innovative procedures resulting in optimised energy and material inputs. We promote improved environmental performance and increased energy efficiency. Continuous reductions in energy losses are one of the essential steps. The programme entitled Increasing the **Reliability and Efficiency of Steam-condensate Systems** is a key activity performed to reduce energy losses. We monitor steam leaks at all production units on an ongoing basis and initiate their elimination. The energy leak monitoring concerns the replacement of non-functional condensate dischargers, removal of steam leaks, and replacement of damaged or addition of lacking insulation. We also monitor leaks through piping valves. We continuously implement energy-efficient and innovative solutions to optimise energy use. We execute a large part of these activities through investment projects. **We continue developing higher control methods at the T700 heating plant, which will significantly contribute to improved operations and save primary raw materials, especially lignite. The system focuses on the incineration process and its optimisation. The energy use of medium-pressure steam on the steam cracker to reduce the energy lost in steam reduction through injection reduction remains another project we implement.** As part of our Energy Efficiency programme, we are considering replacing standard reducers with rotating reducers and using flue gas heat and other heat sources.

At ORLEN filling stations, we primarily focus on water, electricity, and gas consumption, which we have regularly monitored since 2017. We installed IoT (Internet of Things) meters to monitor consumption, which we gradually install at other filling stations. **As a pilot project, we launched the task manager application to evaluate and monitor deviations in energy consumption.** We also optimise electricity use by implementing energy-efficient appliances and technologies.

The Polymer Institute Brno conducts regular energy consumption monitoring. It installs ancillary meters (primarily water meters) to specify the individual consumption monitoring and unveil any differences better and faster. We also replace old lights with new, energy-efficient ones (LED).

In 2023, we saved 31.5 MWh of electricity compared with 2022, and reduced water consumption to historic-low 7,380m³. We saw significant savings in the case of natural gas, as well.

At Paramo, we implement projects that contribute to lower steam consumption for product and pumping route heating. **As part of the Zero Tolerance project, we pay major attention to insulations regarding steam leaks, missing or damaged insulations, and non-functioning condensation sets.** We installed new supply pumps and launched the renovation of high-voltage and low-voltage substations.

At Spolana, we commissioned a gas boiler room and are modernising sulphuric acid production, which is one of our strategic goals until 2026. **We launched water-saving projects and are working on the key initial documentation for the PVC upgrade project with major savings of heat generated from natural gas and electricity.** We prepare documents to modernise a wastewater treatment plant using the potential of waste heat from treated water to regenerate heat with a heat pump.

At ORLEN Unipetrol Doprava, we invested hundreds of millions of korunas in fleet modernisation. At the end of 2023, the fleet included seven multi-system locomotives Siemens Vectron MS. We installed electric meters on prime movers, which measure recovery. Last year, the locomotives recovered 28.52% more MWh of electricity than in the previous year. **We continue to renew the fleet. In the future, we want to boost our competitiveness in the market by focusing on modern, energy-efficient locomotives, minimising the energy intensity of transport, and reducing the emission burden.**

WATER CONSUMPTION (MILLION M³/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	36.8	36.8	30.4	32.4	32.6	29.8

ENERGY CONSUMPTION (THOUSANDS TJ/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	30.1	30.6	26.63	30.80	29.08	28.6

10.5 ENVIRONMENTAL INVESTMENTS

GRI 203-1

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

ENVIRONMENTAL INVESTMENTS IN 2023

ORLEN UNIPETROL	RPA- CZK 34M
	FLOW METER TO MEASURE CO ₂ EMISSIONS
	TECHNICAL RECLAMATION OF THE VENUŠE ASH LANDFILL
PARAMO	CZK 46.6M
	BOILER REPLACEMENT
	OXYGEN ANALYSER
	RENEWAL OF LOW-TEMPERATURE CONTACTING
	RENEWAL OF SENSORS OF OIL SUBSTANCES IN WASTEWATER
SPOLANA	CZK 182M
	OPTIMISING THE AIR USE FOR OXYCHLORINATION
	SEWERAGE RENOVATION, RENOVATION AND ADDITION OF THE WASTEWATER TREATMENT TECHNOLOGY
	NEW FILLING POINT FOR DISPATCHING SULPHURIC ACID
	RENOVATION OF COOLING SYSTEMS
	REPLACEMENT OF TANKS FOR WATER-HARMING SUBSTANCES
ORLEN FILLING STATIONS	CZK 188.1M
	SEWERAGE RENOVATION
	INSTALLATION OF NEW CLEANING STATIONS ON CLEANING LINES
	REPLACEMENT OF SUMPS, TANKS, AND PIPES THAT WERE IN A STATE OF DISREPAIR
	MODIFICATION OF DEWATERING OF AREAS SECURED BY WATER MANAGEMENT

CAPITAL EXPENDITURE ON ENVIRONMENTAL PROTECTION (CZK MILLION/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	718	770	490	364	599.4	450.7

10.6 ENVIRONMENTAL OPERATING EXPENSES

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

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

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	767	862	855	909	944.6	1,391

10.7 TOTAL COSTS OF ENVIRONMENTAL PROTECTION

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

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

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	30	22	26	24	22.6	45

TOTAL COSTS OF ENVIRONMENTAL PROTECTION (CZK MILLION/YEAR)

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	1,871	2,251	1,986	1,686	2,065	2,435

10.8 CHEMICAL SAFETY GRI 416

We produce or use chemical substances and mixtures in accordance with applicable legislation. We devote significant attention to communication in supplier and customer chains.

We process safety data sheets to the products displaying hazardous properties and provide these data sheets free of charge to all customers and our employees at specific locations. We maintain updated documentation in our software application, in which we process information for registered and notified substances. We monitor and apply changes resulting from specified processes associated with registering and classifying chemical substances and reflect them in safety data sheet updates.

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

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

Last year, we continued the activities aimed at gradually registering selected chemical substances under the local REACH regulations in the United Kingdom and Turkey. It is a long-term process, and these activities will also continue in the coming period. **We updated registration documents for all active substances at Paramo.**

All detailed information about chemical substances, their permits and registrations for the last year is available on our website in the Joint Report for 2023 on occupational health and safety and environmental protection.



Environmental and decarbonisation projects

11 ENVIRONMENTAL AND DECARBONISATION PROJECTS

GRI 304-2; 304-3

We accentuate the significance of environmental protection and our behaviour towards the ecosystem. Our sustainability requirements for using safe and right technologies are a natural part of our strategy. We cooperate with local communities and regional authorities on issues regarding life in towns and outside towns, as well as with the locals. We understand the expectations of our parties regarding environmental behaviour. We are engaged in educational and awareness-raising projects about the environment and exercise nature and landscape conservation activities.

11.1.1 STOCKING BÍLINA AND ELBE WITH FISH



We help maintain the water ecosystem and diversity of life under the water level. We release fish into the rivers Bílina and Elbe twice per year and engage children from primary schools in the given locations in this event. We increase the fish population and raise awareness about nature conservation among children from primary schools and children's homes. We stock the rivers with fish in collaboration with the Czech Anglers' Union and the Ecological Centres in Most and Kralupy nad Vltavou. The events are accompanied by educational activities for children, such as anglers showing children various interesting things about the water world, and children can also try various quizzes and competitions. **During the fish release in 2023, the rivers Bílina and Elbe were stocked with about 1,600 kg of various fish species worth almost CZK 160,000.**

11.1.2 NESTING OF PEREGRINE FALCONS

Since 2011, we have cooperated with the ALKA Wildlife association and monitor **peregrine falcons** nesting on our production premises where they have ideal living conditions: peace and enough food. Currently, two nest boxes are placed on the chimney stacks of the heating plant and steam cracker at Chempark Záluží; others are located on chimney stacks at Spolana Neratovice, Pardubice Paramo, and the Kralupy nad Vltavou Refinery. **Peregrine families have raised 49 chicks on our stacks so far.**



11.1.3 BEES AT SPOLANA

We have been keeping bees at Spolana Neratovice since 2018. Honey from these bees meets all standards according to expert tests of the Bee Research Institute and is regularly awarded the gold medal of top quality in the Czech Honey competition. **In 2023, we harvested 60 kg of honey.** Children from local primary schools regularly take part in honey harvesting. The beekeepers show them the steps to be taken when harvesting honey and present interesting facts about beekeeping. **Honey harvesting** is the highlight of their all-year efforts. **In 2023, the beekeepers, supported by Spolana, also opened a new nature trail that starts at Spolana's production site and ends in the municipality of Libiš.**

11.1.4 REVITALISING AND RENEWING FORESTS ON JEŠTĚD



In the autumn of 2023, we joined the **planting of new trees** on Ještěd to help revitalise the forest stand. Both our employees and the locals joined this project. We planted 2,000 seedlings of fir, beech, maple, and spruce on the given day.

11.1.5 PILOT OPERATION OF A HYDROGEN BUS

By commissioning a hydrogen refuelling station, we paved an ideal way for testing hydrogen in public transport, which is an opportunity to really advance on the path to developing low- and zero-emission mobility. In July 2023, **Prague Transit Company (Dopravní podnik hl. m. Prahy, DPP), together with the City of Prague, Škoda Group, and ORLEN Unipetrol launched a pilot operation of a hydrogen bus, Škoda H'CITY,** on Line 170 (Jižní Město – Pražská čtvrť /South Town - Prague Quarter/). Thus, Prague became the first city in the Czech Republic with a hydrogen-powered bus in regular mass transport operations with passengers. Under the respective memorandum, the pilot operation will continue for two years, with an option to extend it by two more years.

In collaboration with the towns of Most and Litvínov, we started a test operation of a hydrogen bus, which ran on selected lines during the summer months. The bus capacity is 68 passengers. The range of the fully air-conditioned, hydrogen-powered bus is up to 350 km. It can run on a battery for another 100 km. The total capacity of four hydrogen tanks is 10.5 kg, and it takes ten minutes to refuel them.



11.1.6 COLLECTING USED ELECTRICAL EQUIPMENT

Every day, we are surrounded by electronic equipment that makes our lives easier and more pleasant. However, home appliances, smartphones, computers, notebooks, battery-driven tools and toys become electric waste once they are out and may pose a danger to the environment. Old electronic equipment is currently the fastest-growing waste category in the world. Correct sorting, take-back, and environmentally friendly recycling are a solution. How specifically did we contribute to increasing material reuse and environmental protection? That is declared in the environmental bill, which we received from REMA Systém, a collective system ensuring the collection of electronic waste. **Thanks to our employees, we delivered 108,423 kg of e-waste last year**, thus contributing to the fact that this waste does not accumulate in landfills or is burned in incinerators. We reduced the environmental impact of e-waste and generated savings that can be shown in specific examples:

11.1.7 LET'S TALK ABOUT IT

To help explain the complexity related to forming a sustainable future, we created the project **Let's talk about it** 🖐️. We provide space for discussion about the upcoming changes heading towards the circular economy and their expected impact on producers and consumers. We take notice of innovations through a reasonable discussion, searching for creative solutions and collaborating at all levels. The programme is hosted by Dr. Michael Londešborouh, a British scientist and researcher at the Institute of Inorganic Chemistry of the Czech Academy of Science in Řež since 2002.

70,380 KG OF PRIMARY RAW MATERIALS

Primary raw materials include all non-processed natural resources extracted and used in manufacturing and operating products. Recycling one refrigerator weighing 50 kg saves 34 kg of primary raw materials, which would otherwise have to be extracted or processed from natural resources with weight exceeding several hundred kilograms.

21,086 M³ OF WATER

Water consumption in the manufacture of any product includes the amount of water needed to acquire raw materials, cooling, cleaning, and other activities associated with the product's manufacture. The delivery of one LCD TV set for recycling prevents pollution of 3 m³ of water. For you to get the picture, this amount is enough for one man for over a month.

62,404 L OF CRUDE OIL

Crude oil is consumed both in manufacturing products and in connection with extracting primary raw materials. As crude oil is a non-renewable energy source, it is highly important to save it from the environmental impact perspective.

149,270 KG OF CO₂

We can demonstrate a lower production of greenhouse gases using an example of a washing machine whose recycling saves 68 kg of CO₂. One passenger car with a petrol engine produces the same amount of CO₂ on a route about 436 km long.



Research and development

12

12 RESEARCH AND DEVELOPMENT

GRI 203-2

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

12.1.1 ORLEN UNICRE - CENTRE OF RESEARCH AND EDUCATION

Our colleagues from the Centre of Research and Education, ORLEN UniCRE in Litvínov, focused on developing sustainable technologies. Research activities within the development of plastic waste chemical recycling (pyrolysis) primarily focused on determining and removing heteroatoms from liquid products and testing commercial sorbents and additives to optimise pyrolysis products for further processing in petrochemical operations. The Centre's employees also launched research activities into modern recycling trends, such as solvent techniques, which could be applied in recycling special waste material types in the future. They focused on comprehensive hydrogen mobility, from the methods of producing green hydrogen over its transport to the hydrogen infrastructure. They developed sampling methods, analytical quality determination, and separate mobile sampling equipment to ensure sufficient hydrogen quality in the entire chain. They also concentrated on decarbonisation options and reducing the share of fossil fuels in Chempark Záluží, primarily by using plasma gasification as the crucial waste treatment technology. This procedure makes it possible to use the waste of various origins, including non-recyclable residuals from pyrolysis plastics. Our colleagues were also involved in implementing a pilot test of processing alternative oil types. These activities aim to find new majority oil blends and evaluate their impact on the considered processing after 2024.

12.1.2 POLYMER INSTITUTE BRNO

Polymer Institute Brno (PIB) concentrated on developing the product portfolio of advanced polymers, polyethylene, and polypropylene. Their research, conducted in collaboration with the Business Development Unit, involves implementing new Mosten and Liten product types in the production programme, with which the company reacts to customer demand. It also enters new market segments, including lightweight plastics for e-mobility, plastics complying with new food packaging requirements, energy transport, modern agriculture, and the construction industry. It also intensively supports the certification of new products and deals with the mechanical recycling of plastics and other recovery of waste. The PIB provides technical support to all polymer production units. It was involved in launching the polyethylene unit (PE3) in the technical optimisation of the product portfolio, and it continuously seeks to intensify production and minimise losses.

The PIB expands the services of an accredited test room for testing plastics and plastic products, focusing on automotive, food packaging, construction industry, and plastic recycling. In plastic recycling, it closely cooperates with REMAQ on a new direction of the production portfolio of recycled plastics, which is opening thanks to new legislative requirements for the content of recycled plastics in various application areas, including car bumpers, which have so far been dominated by virgin plastics. The PIB also produces a wide array of additives for plastics. In combination with an accredited test room, it provides customers with end-to-end services related to virgin and recycled plastics. Thus, we completely cover the requirements for raw materials and services for customers, strengthening our market position and enabling us to face competition importing commodity plastics better.



Social segment

13

13 SOCIAL SEGMENT

GRI 413-1

EMPLOYEES



1. PLACE
THE BEST
EMPLOYER
IN CR



146 EMPLOYEES
PARTICIPATED IN
VOLUNTEER DAYS IN
9 LOCATIONS

THE ENVIRONMENT



8 CHICKS
OF PEREGRINE
FALCON



GOLD MEDAL
IN THE CZECH
HONEY
COMPETITION

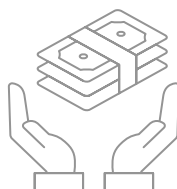


1,4 TONNES
OF NEW FISH
INTO THE BÍLINA
AND THE ELBE



RANKED AMONG
TOP 12
IN THE TOP
RESPONSIBLE COMPANY
IN CR COMPETITION

TOP CSR ACTIVITIES 2023



**CZK 26
MILLION**
ON CSR PROJECTS
AND ACTIVITIES

211
SUPPORTED
PROJECTS

LOCAL COMMUNITIES



27
TOWNS AND
MUNICIPALITIES
RECEIVED
CZK 4 MILLION



9 ORGANISATIONS
RECEIVED CZK 654,000
IN THE EMPLOYEE
COLLECTION,
FULFILLED WISHES

EDUCATION



**CZK 5,6
MILION**
FOR 53 STUDENTS,
45 SCHOOLS AND 20 TEACHERS



**72 SCHOOLS, INSTITUTIONS,
AND ASSOCIATIONS**
RECEIVED THE EXPERIMENTAL SET,
'PLASTÍK A JEHO KOUZELNÝ KUFŘÍK'

13.1 RESPONSIBLE EMPLOYER

GRI 2-7; 2-8; 401-2; 401-3

Our employees can use benefits in 14 categories: health, sports, travelling, culture, care for employees' children, leisure time activities, etc. We offer financial benefits that keep increasing every year. For our employees, we reimburse above-standard rooms in hospitals throughout the Czech Republic. To those working with self-contained breathing apparatuses, we cover recovery stays. We provide above-standard medical examinations, meal vouchers, or refuelling discounts at ORLEN filling stations. Employees get paid time off beyond the government regulation (child's birth, child's first school day). We provide a financial contribution upon an employee's child's birth and contributions to child recreation/stays in nature. We offer significant contributions to the Multisport card for employees. Our weekly working hours are 37.5 hours. After an agreement with the manager, our employees can use a flexible model of working hours (3:2), i.e., they can work from home three days per week. Considering the character of work, we seek to enable flexible working hours (flexitime) and part-time opportunities. Our employees are entitled to five weeks of holidays per year as a standard. Employees working in nonstop operations have six weeks of holidays. We provide a financial bonus for recommending a new colleague. We reimburse the day spent volunteering at a non-profit organisation within our Volunteer Days. Through the ORLEN Unipetrol Foundation, we financially support and promote the phone line providing psychological counselling and run by the non-profit organisation, Most k naději. This non-profit organisation operates a nonstop anonymous line providing psychological help. We provide affected employees with immediate psychological assistance in case of any emergency. We regularly organise thematic training sessions and preventive programmes about burnout syndrome and setting a work-life balance. We know that for our successful growth, creating a friendly and safe climate at work is crucial.

We provide our employees with fair working conditions, encourage their development, and help them balance their personal, career, and social life. We want to employ people who desire to contribute to the positive development of the entire Group.

As a recognition of the best practice in HR solutions and processes, we are among the best employers in the Czech Republic, which is also attested by the acknowledgements we received: **1st place for the best employer in the Czech Republic and the 1st place for the best employer in the Ústí Region.**

HEALTH PREVENTION SUPPORT	2021	2022	2023
SPORTS/TEAM ACTIVITIES – SPORTS CLUB	250	290	320
RECOVERY STAYS FOR EMPLOYEES	25	61	54
ABOVE-STANDARD HEALTHCARE SERVICES	3,393	3,487	260*
MEDICAL CONSULTATIONS	3,685	3,732	1,950
CONTRIBUTION TO ABOVE-STANDARD HOSPITAL CARE	3,773	4,451	57

*This number differs from previous years because of the changed methodology for including items in reporting above-standard healthcare services.

13.2 OUR EMPLOYEES

GRI 405-1; 2-20; 2-30

13.2.1 CHATBOT ARNOLD

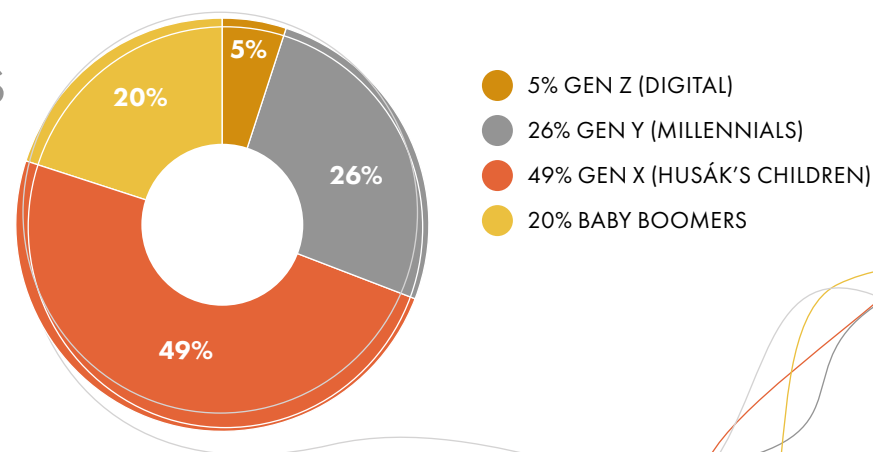
The insufficiently performed employee integration process is one of the reasons why people leave companies voluntarily. New employees may feel lost in the new working environment. Our chatbot, Arnold, should facilitate the onboarding process and adaptation of newbies in the company and ease their first steps. It smartly maps the adaptation process and helps new employees feel like part of the team from the very beginning. Thus, newbies forget about any useless stress and uncertainties associated with adaptation. How does Arnold work? First, the conversation robot addresses the new employee twice before they actually commence their work at the company. Then, it writes to the new colleague five times in the first three months and asks him or her for a three-minute chat about a selected topic. The results are sent to the HR department, which gives feedback to the manager. The aim is to share thoughts and experiences through an interactive chat. Arnold provides feedback during the first three months. Thus, it ensures a smooth start and even notifies about potential problems that might emerge.

13.2.2 DIVERSITY AND EQUAL OPPORTUNITIES

We are aware that we must be knowledgeable in the complexity of various social and cultural conventions and approaches to diversity and inclusion. We support values, principles, and ethical standards aimed at building an atmosphere of acceptance and deepening the understanding of diversity and its significance for employers. Our conduct and actions create conditions for an open and tolerant workplace. **We encourage an inclusive working environment that provides all employees with equal opportunities, regardless of their sex, personal status, parenthood, ethnicity, national or social origin, religious belief, political affiliation, age, disability, or trade union membership.** We recognise the employees' right to honestly and openly speak about issues that bother them and their right to privacy. We do not interfere with their private and family affairs.

All employee rights are codified in our [Principles of Human Rights Protection](#). Our companies conclude individual collective bargaining agreements to improve the specific conditions for collective relations in employment, wage, social, and OHS conditions. We signed the Charter of Diversity, i.e., we conduct and update measures adopted based on equal opportunities in the workplace.

We respect conformity to the equal pay principle and equal working conditions for the same or equal work. We seek to ensure suitable conditions for our employees coming back from maternity or paternity leave and aligning their personal and professional lives. We work in a strongly differentiated environment, with employees of various age and experience. As for the generation structure, nearly one-half of our employees are in Gen X, i.e., so-called Husák's children. The younger generation of millennials follows with 26%. The oldest generation (Baby boomers) makes up 20%. The youngest generation (Gen Z) is only starting their first employment and represents the smallest group (5%).




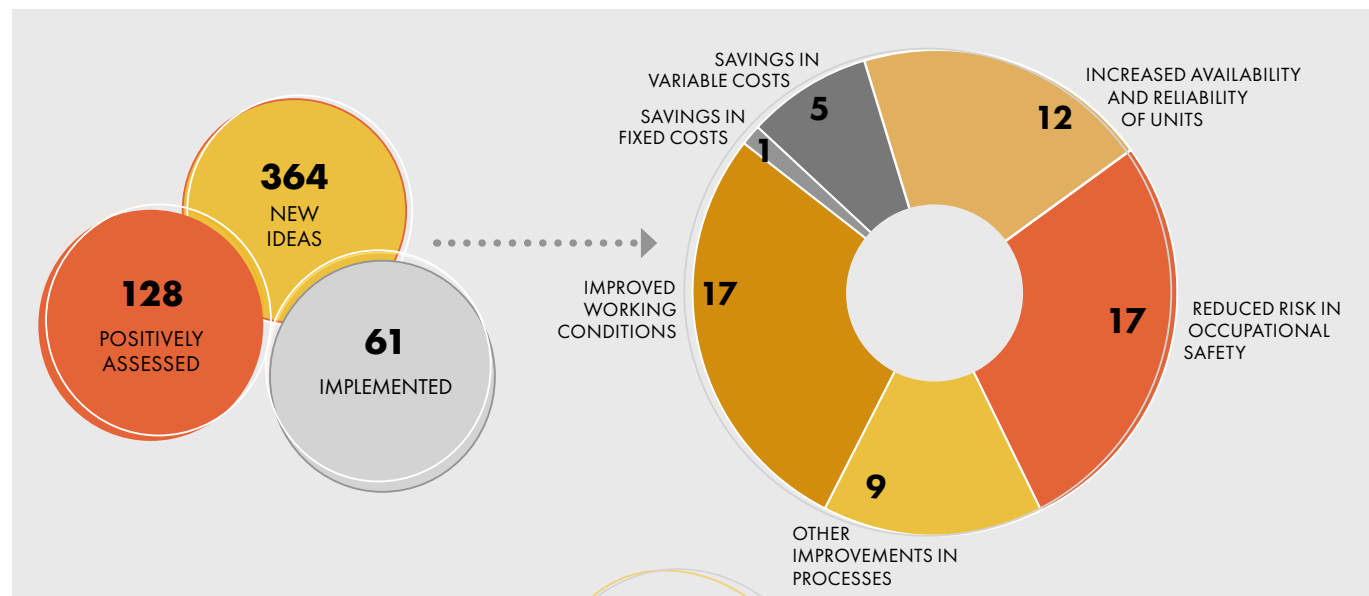
EMPLOYEE DIVERSITY		2021	2022	2023
EMPLOYEES		4,866	5,513.5	5,485
EMPLOYEES BY AGE	18–29 YEARS	595	556	914
	30–44 YEARS	1,346	1,354	1,648
	45–59 YEARS	2,261	2,186	2,229
	59+ YEARS	522	497	662
EMPLOYEES BY GENDER	WOMEN	1,171	1,161	1,531
	MEN	3,553	3,432	3,954
EMPLOYEES BY THE TYPE OF EMPLOYMENT CONTRACT	FULL-TIME EMPLOYMENT	4,420	4,354	4,931
	DPP + DPČ	306	239	554
WOMEN IN MANAGERIAL POSITIONS		115	121	123
EMPLOYEES BY THE LEVEL OF EDUCATION	SECONDARY EDUCATION	2,002	1,998	1,895
	VOCATIONAL EDUCATION	1,297	1,224	1,171
	UNIVERSITY EDUCATION	978	987	998
RETIREMENTS		57	81	68
DISABLED EMPLOYEES		84	79	72

13.2.3 EQUAL PAY

Many parts of the world still witness significant differences in remunerating men and women. Pay differences in Czechia are substantially higher than the EU average. According to government documents, women in the Czech Republic earn 17% less than men. Varied abilities, experience, and viewpoints are immensely important to us. We believe that diversity makes us successful and resilient. We provide all employees with a transparent remuneration system, including many benefits, to encourage alignment of their work and private life. **Our main aim is to develop the employer's prosperity and simultaneously satisfy the growth of needs and interests of all employees. We target fair remuneration and increased employee motivation. The equal pay principles are embedded in the collective bargaining agreement, which sets out clear rules for attitudes regardless of gender, age, colour, sexual orientation, language, faith, and religion.**

13.2.4 IDEA

Our employees are, without question, our greatest assets, primarily those who can do something extra beyond their standard work. For example, those coming up with a fantastic new gimmick like streamlining internal processes or improving production tools. Employee ideas can reduce costs, improve working conditions, reduce OHS risks and save time. We support this active approach with the **IDEA platform** , where employees can submit suggestions for improvements or changes. IDEA is also available to the public on our website. The means of motivation include rewards (fuel cards, gift items, money) for the authors of ideas, persons responsible for their implementation, and assessors of ideas. Each year, we reward the best initiatives and their implementation. In 2023, positive assessment was given to 128 ideas, and 61 ideas were implemented. For example, they included a proposal to digitise the process of recordkeeping electrical appliances, improve pumps' operation, or use highly pure nitrogen from evaporation.



13.3 EDUCATION

GRI 404-2

Learning and training possibilities for employees are one of the factors resulting in better professional performance. Continuous learning contributes to the learning organisation principles. We have a systematic approach in place to meet legislative requirements and individual training plans determined for the given position. In addition to mandatory training, we offer a wide range of optional activities to employees for their personal development and expanded professional qualifications. We use internal and external lectures. For managers, we ensure personality coaches and the possibility to develop their managerial skills. We believe education is a genuine key to an attractive, rewarding, sought-after, and sustainable career after graduation.



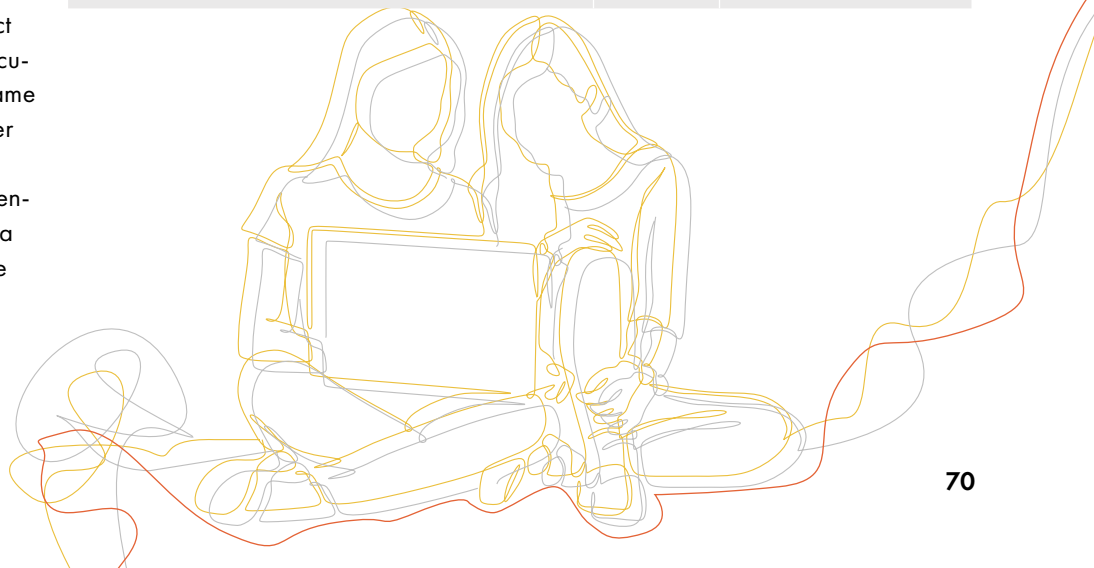
We have several project manager types across the Group that are subject to different, sometimes very specific requirements. In practice, we differentiate project managers involved in project management as part of their job description and those nominated as project managers only for a particular project. All need the same basis for all roles and other specific knowledge and

competencies, depending on their focus. That is why we have developed a competency model that can be used in various departments and units. Each competency has a description of its meaning, what it serves, and what the guiding questions are for the candidate to determine his or her level of skills.

Our employees can also study at a university directly on Chempark Záluží premises, at the **University Centre VŠCHT Praha – FS ČVUT – ORLEN Unipetrol in Litvínov** thus increasing their qualifications and education.

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

TRAINING COURSES – SOFT SKILLS, PROFESSIONAL TRAINING	2021	2022	2023
MANAGEMENT	306	1,258	1,984
MANAGERIAL POSITIONS	406	661	837
ADMINISTRATIVE AND OFFICE EMPLOYEES	2,061	3,510	4,186
PRODUCTION EMPLOYEES	4,505	5,233	6,289
TOTAL ANNUAL EXPENDITURE ON TRAINING	17.4M	25.9M	29.5M



13.3.1 TRAINING CENTRE

Newly hired operators newly undergo a three-month training in our training centre. They pass the essential training in OHS, fire safety, environmental protection, first aid, process safety, and other occupational safety issues. This training is followed by technical subjects that operators must know to perform their job. Internal lecturers from among our professionals teach about various topics, including piping, flanges and fittings, technological equipment, machines and lubrication, measuring and regulation, PID schemes, operators in practice, and others. After this theoretical training, operators start practical training in the training unit under the supervision of training centre lecturers. The unit represents a simple, functional operation, teaching them the fundamentals of the technology startup, operation, shutdown, and control from the control centre. Thus, new operators can try real operator work in chemical production

for four weeks. The practical training at this training unit ends with a competency examination to be performed by all operators to advance to the next training part in the training centre. Training at the training unit is also supplemented with practical minor maintenance training at the multiskilling site, where they learn, for example, how to disassemble and re-assemble flanged connections correctly, start, move and cut off safety valves or perform a leak test correctly.

Operators use this knowledge when cooperating with the maintenance staff for whom they prepare the equipment for repairs and take it back after repairs. A training laboratory is another site where they can test the essential work of a laboratory worker with whom they cooperate in real operations when delivering samples and acquiring measured values that operators use to adjust production parameters. Operators also undergo a two-day placement under the leadership of the corporate firefighting unit. In addition to gaining theoretical knowledge about fire readiness and prevention, they also pass practical training in extinguishing various types of fire.



Completion of this part of training in the training centre is followed by other theoretical training sessions, where operators perfect their theoretical knowledge and learn about individual technological units in more detail. In connection with these insights, operators start deepening their practical skills during a placement at the distillation unit, a more sophisticated training technology, where they practice the operation and control of an atmospheric and vacuum column. Operators also perfect their control skills at the OTS site (operator training simulator), a simulator of production at the real DCPD unit launched 1.5 years ago.

Therefore, the operators undergoing the entire theoretical and practical training are perfectly prepared for their future jobs.

In 2023, we trained 543 new and existing employees in the training centre and organised excursions for 658 students.

Individual training centre parts:

- a standard classroom for theoretical instruction provided by the training centre and internal lecturers;
- an OHS hall for practical training focused on first aid, personal protective equipment (PPE), and working at heights;
- a hall for multiskilling – theoretical and practical training in minor maintenance tasks;
- a training unit controlled from the control room;
- a distillation unit controlled from the control room;
- a training laboratory;
- a fire safety polygon;
- a room with virtual reality and an educational unit;
- a simulator of the training unit control room and OTS (Operator Training Simulator).

NO. OF TRAINING SESSIONS IN THE TRAINING CENTRE	2021	2022	2023
NEW EMPLOYEES	121	76	107
EXISTING EMPLOYEES	122	87	436
POLYGON FOR FIREFIGHTERS	176	610	818
EXCURSIONS FOR STUDENTS	121	790	658
TOTAL ANNUAL EXPENDITURE ON TRAINING AT THE TRAINING CENTRE	2.23M	2.18M	2.7M



13.4 HEALTH AND SAFETY

GRI 403-1; 403-2; 403-3; 403-4; 403-5;
403-6; 403-7; 403-8; 403-9

In 2023, we continued fulfilling our strategy in occupational health and safety, process safety, and transport of hazardous goods. **We have defined our strategy for the years 2022-2026.** The main safety strategy objective is to constantly improve processes by focusing on leadership, personnel safety, risk assessment and analyses, technical safety, fire prevention, and transport of hazardous goods. We elaborate on these directions in particular activities. We have an established unified system for monitoring selected performance indicators related to safety, including the monitoring of target values. The main monitored indicators include the frequency of injuries, i.e., TRR (Total Recordable Rate), and **the frequency of process safety events, Level 1, i.e., PSE Tier 1 (Process Safety Event).** In 2023, the TRR for injuries (i.e., the number of injuries resulting in incapacity for work per one million hours worked) for the entire ORLEN Unipetrol Group is at 1.637.

OVERVIEW OF PROCESS SAFETY EVENTS, LEVEL 1

	2018	2019	2020	2021	2022	2023
ORLEN UNIPETROL GROUP	6	7	4	3	5	4

13.4.1 IMPROVING THE SAFETY LEVEL

We pay maximum attention to occupational health and safety. All employees must observe internal guidelines that are binding for everybody. We regularly organise internal safety campaigns. Each year, we hold a **Safety Week** with presentations of a combined vehicle of the corporate firefighting unit, demonstrations of personal protective equipment, rescuing people from vehicles, and first aid in case of burn injuries, collapse or massive bleeding. Also, we provide information about a healthy lifestyle, first aid, ergonomics, and other issues. Throughout the year, we organise

an information campaign focused on safety, which highlights the significance of complying with safety rules and reactions to emergencies. Last year, we continued the **practical training in the safety culture** for operational and maintenance staff in the training centre in Litvínov. This programme aims to increase the culture of safety in topics such as emergencies, multiskilling, safety valves, first aid, LOTO (Lock out/ Tag out) system, and risk identification. We also checked the system to select and assess contractors and subcontractors in terms of safety. To increase the employees' awareness about process safety, we published a Czech version of the regular monthly, Process Safety Beacon, on the intranet and distributed the Almanac of Instructions.



13.4.2 QUALITY OF THE WORKING ENVIRONMENT

We regularly monitor the quality of the working environment by measuring the working environment factors, primarily the noise level, and exposure limits of chemical substances and dust, based on work categorisation. We have contracted doctors to provide occupational medical services. Employees also receive above-standard medical care under the valid collective bargaining agreement.

13.4.3 TRANSPORT INFORMATION AND ACCIDENT SYSTEM (TRINS)

Through its centres within the Integrated Rescue System of the Czech Republic, TRINS provides nonstop assistance when dealing with emergencies associated with transport, production or storage of hazardous substances in the territory of the Czech Republic. TRINS was established by the Association of Chemical Industry of the Czech Republic as part of the Responsible Care programme in 1996 based on an agreement between the Association, the Ministry of the Interior, and the General Directorate of the Fire Rescue Service of the Czech Republic. Among the TRINS variations abroad, we can name the UK's CHEMSAFE or German TUIS, which served as a model for building TRINS. Similar systems were also formed in Slovakia (DINS) and Hungary (VERIK), and they also work in many EU countries. With assistance from the Fire Rescue Services of the Czech Republic, TRINS centres provide information or advice over the phone. They can send an expert to the place of the accident or provide a workforce and funds to support the liquidation of emergency consequences. The TRINS system currently covers 21 companies in the Czech Republic. There are 36 TRINS centres helping at individual levels throughout the Czech Republic. We are one of the founding members. In addition, we act as the system's national coordination centre with regard to other similar assistance systems associated with and coordinated within the European Chemical Industry Council (CEFIC).

13.4.4 OCCUPATIONAL SAFETY AND ACCIDENT PREVENTION

Our safety level is significantly influenced by new investment in production facilities. During the engineering phase, we have dealt with the possible risks by applying the generally recognised methods of assessing major accident risks. We always equip new operations with state-of-the-art safety and security systems known at the given time that meet the requirements of the Czech Republic's and EU legislation. Most of our production companies are governed by the strictest requirements of Act No. 224/2015 Sb., on the Prevention of Major Accidents when Handling Selected Hazardous Chemical Substances/Mixtures. The prevention of accidents is based on reliable and fail-safe operations of the production facilities we operate and maintain in accordance with the Czech Republic's legislation and internal guidelines. Some regulations contain even requirements beyond the scope of legislation and are based on our best practices and experience. We equip our production units with controllers, signalling deviations from standard operational parameters. Some hazardous operations are equipped with automated shutdown systems for operational units if the pre-set operational parameters are exceeded. Depending on the type of hazardous substances handled, we equip production units with state-of-the-art detection systems (flame, smoke, and hazardous substance leak detection) with outputs in control rooms and operating centres of the firefighting units. Production units are equipped with stable and semi-stable fire-extinguishing systems and fire monitors. We regularly conduct internal audits focused on safety and accident risk prevention. Also, we undergo regular external audits and inspections carried out by the state expert supervision authorities. We include the recommendations and conclusions from these audits in our implementation plans.



We check the functionality of the major accident prevention system all year round by training the operational staff for emergency and crisis situations and cooperating with internal and external forces. We also perform emergency drills at individual production units and with companies administering industrial sites or carrying on business in the vicinity of our plants.

These exercises serve as practical training for adequate employee reactions to potential accidents, verification of the validity of processed emergency plans and perfection of the knowledge of all participants. If any shortcomings are unveiled during the drills, we evaluate the exercises and adopt corresponding measures to eliminate them, determining deadlines and persons responsible for implementing them.

We have our own corporate firefighting units. They have top-class equipment and training, which allows them to respond to accidents associated with leaks of hazardous substances in a highly specialised manner.

In 2023, we carried out 238 emergency drills in Litvínov, 21 exercises in the Kralupy Refinery, and four emergency drills at ORLEN Unipetrol Doprava. At Paramo, we performed 13 emergency drills, and 55 exercises took place at Spolana.

In 2023, one emergency occurred in one ORLEN Unipetrol Group building subject to Act No. 224/2015 Sb., on Prevention of Major Accidents, which was reported as a major accident to the Ústí Regional Authority. On 11 May 2023, the polypropylene production unit in Litvínov saw a leak of the TEAL mixture (waste catalysts and mineral oils), which resulted in a fire in the leakage sump of the collection vessel. No injuries were reported, nor did we record any negative impact on the environment. The fire caused only local damages without requiring active external units to respond. As part of the investigation, we approved measures to prevent any similar accidents in the future.

We monitor the respective indicators and on-the-job accident rates. Based on the results obtained, we update the methodology for keeping the records of industrial accidents of employees and suppliers. **In 2023, 29 industrial accidents were reported, which resulted in incapacity for work, 7 accidents required medical treatment, and 34 accidents required first aid. No fatalities were recorded.**

13.4.5 CONTRACTOR TRAINING

We also train employees from other organisations in the regulations and rules valid at our company. We provide regular training for all their employees working for them on our premises. Training courses for employees from other organisations also serve as the initial training for entering the company's sites. They take part in the training personally. Employees from other organisations showing a valid attendance list from the training get an entrance card to access our premises after passing the training.

13.5 COOPERATION WITH UNIVERSITIES AND SECONDARY SCHOOLS

GRI 203-2; 413-1

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

13.5.1 UNIVERSITY CENTRE LITVÍNŮV VŠCHT – FS ČVUT – ORLEN UNIPETROL

We have been a strategic partner of the University of Chemistry and Technology in Prague (VŠCHT). This cooperation culminated in 2015 by establishing the **University Centre** right on the production premises in Záluží near Litvínov. During their study, students learn about manufacturing operations and link theory with practice easily. Many of them are involved in our company's research activities already during their study and thus get a suitable job more easily after graduation. The University Centre in Litvínov provides a growth opportunity for a new generation of specialists. It is probably the first case when a Czech state university is located on private industrial premises. The Centre offers a unique connection of top-quality university study at the Bachelor, Master, and PhD levels with projects, tasks, and challenges of industrial operations. Thus, it gives a fantastic opportunity to our employees who can study at the university and improve their qualifications or teach there.

13.5.2 UNIVERSITY OF CHEMISTRY AND TECHNOLOGY IN PRAGUE (VŠCHT)

The partnership with the University of Chemistry and Technology in Prague (VŠCHT) in popularising chemistry and supporting education has lasted for 22 years without any interruption. In 2023, we supported selected projects with CZK 1.5 million. They primarily included traditional educational projects, which have received great responses from students and teachers. We contribute both to diverse educational activities and projects focused on students and chemistry teachers. **Besides developing the University Centre Litvínov VŠCHT - FS ČVUT - ORLEN Unipetrol, we also support student accommodation at the Javorka dormitory and develop educational activities related to organising chemistry Olympiads.** We contribute to creating, piloting, and photo-documenting laboratory assignments and worksheets for the prepared translation and publication of a chemistry textbook for secondary school students and teachers. At the end of summer, the University of Chemistry and Technology organises summer schools for secondary school teachers of chemistry and students. This partnership allows us to offer many awareness-raising and infotainment events and support the education of the coming generations. This collaboration also bears fruit in joint research and development and when submitting draft scientific and research projects in the Czech Republic and abroad, including the EU programme calls. We have jointly implemented over 35 research and development projects that have had a direct impact on the development of the chemical industry. The most recent projects include pyrolysis plastic recycling and production of biofuels or synthetic fuels. **Each autumn, we organise Student Scientific Conferences for students of the 3rd and 5th years, and the best competitors among students are supported with scholarships.**

13.5.3 TECHNICAL UNIVERSITY KOŠICE

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

13.5.4 SECONDARY SCHOOLS

Almost 50% of our Group's employees work at Chempark Záluží. That is why this site is engaged in the most intensive collaboration with primary and secondary schools. The closest cooperation among secondary schools is with **Educhem in Meziboří and Schola Humanitas in Litvínov**. Their students are offered scholarships and two-week practical training on the production premises. They can also earn some money through temporary summer jobs. These partner schools and other schools can use the opportunity to go on an excursion around the production site. We always strive to provide cohesion and complexity. **Our production sites were visited by 46 secondary school students as part of a study stay or they had a temporary job there.** They are always mostly interested in study opportunities, job offers in our company, and wage conditions.

Other secondary schools with which we cooperate:

- Masaryk Secondary School of Chemistry, Prague
- SOŠ a SOU Neratovice (Secondary Technical School in Neratovice)
- Střední Průmyslová Škola a Střední Odborná Škola Gastronomie a Služeb, Most, P.O. (Secondary Technical School and Secondary Vocational School of Gastronomy and Services in Most)

13.6 APPROACH TO COMMUNITIES

GRI 413-1

We have a significant impact on the development of communities around our production sites and throughout the Czech Republic. We offer job opportunities – **in 2023, we became the Employer of the Year in the Ústí Region and in the Czech Republic and won the Ústí Regional Governor's CSR Award**. Considering our significant position, we find it important to lead constructive and upright communication with all stakeholders. We emphasise a regular exchange of information and transparent communication. Health and safety are our top priorities. Anyone can contact us and give us feedback. We want to be a good neighbour, who is actively and consistently engaged in supporting and developing the community's life. We respect local communities and focus on projects related to the environment, health and safety, and social and health care. We support culture, leisure time activities, and education in technical and chemical disciplines and natural sciences.

In 2023, our financial donations totalled CZK 26 million.

13.7 SPOLANA TO PEOPLE

GRI 413-1

Last year, we launched a campaign for a better town, **Spolana to People** 🙌. This project follows the projects of the same name in Most, Litvínov, and Kralupy nad Vltavou. We prepared proposals for improving the environment together with the town of Neratovice. The inhabitants chose one project, for which we provided financial support, and the town implemented it. The inhabitants of Neratovice chose the project of the fountain renovation in the square into a relaxation zone. **We donated CZK 1 million to implement this project.**

13.8 FULFILLED WISHES – COOPERATION WITH NON-PROFIT ORGANISATIONS AND INSTITUTIONS

GRI 413-1

We are engaged in specific projects to learn and encourage ideas that make sense, positively impact people and the environment, and reduce social inequalities. Experts and motivated professionals from non-profit organisations are a source of our inspiration. They help us focus on specific projects; we learn about the needs of people, build an atmosphere of trust, and strive to implement changes in specific places. Thus, we could purchase new mountain equipment for children from the children's home, buy armchairs for seniors, or ergo-therapeutic aids for a nursing home, a new pony for animotherapy and hipporehabilitation, etc.

13.9 CZECH-POLISH PROJECTS

GRI 413-1

We are dedicated to cultural development and supporting activities within Czech-Polish relations that cement the partnership between the two countries. The beautiful gardens of the Polish embassy under Prague Castle are regularly open to the public during summer months. This traditional event, **Polish Day in the Gardens**, presents Polish regions. Last year, it was Greater Poland, Lesser Poland, and Warmia-Masuria. People can taste Polish food, such as pierogi or Zurek, and beer from craft breweries. The programme traditionally includes our demonstrations with chemical experiments.

As for other 2023 events, we can mention creating a **video cycle promoting Polish Studies and the Congress of Polish Studies** because we celebrated the 100th anniversary of Polish Studies at Charles University in Prague. Polish Studies are an important element in building mutual understanding, and graduates from Polish Studies often play a crucial role in developing Czech-Polish relations. We were engaged in **awarding the best Master's and Bachelor's theses about Poland** in any field defended at Czech universities. We also directed our support to the event entitled **Movies on the Border**. It is a film festival held on the border between Poland and the Czech

We fulfil these needs through the employee's **charity collection, Fulfilled Wishes**. This traditional event helps non-profit organisations that care for the needy. Employees can donate any amount to up to seven non-profit organisations. **The money raised is provided to all selected non-profit organisations, and the ORLEN Unipetrol Group matches each sum donated. In the 13th annual collection held at the turn of 2023/2024, we and our employees contributed over CZK 654,000 to non-profit organisations.**



Republic in the town divided by the border river, Olza. Therefore, films are screened in both countries. This event represents an opportunity to get a feel for the Czech and Polish culture, including films, literature, music, and cuisine.

13.10 ECOLOGICAL CENTRE IN MOST FOR THE ORE MOUNTAINS AND ECOLOGICAL CENTRE IN KRALUPY NAD VLTAVOU

GRI 413-1

We are one of the founding members of the **Ecological Centre in Most for the Ore Mountains (Ekologické centrum Most pro Krušnohoří)** 🖐️, an expert unit of the Brown Coal Research Institute (VUHU) in Most. Its main mission is to provide free available counselling related to the communal environmental protection and sustainable consumption for the general public. The **Ecological Centre Kralupy nad Vltavou** 🖐️ operates in a similar manner in the Central Bohemian Region. In their work, both centres primarily focus on sharing ecological information and working with children and young people. To pursue these activities, they use the ecological educational

programmes for schools, events for the public, and extensive publication and promotional activities. As part of the cooperation with our company, the centres are regularly engaged in stocking the rivers Bílina and Elbe with fish. They were also involved in updating the interactive programme, **The Journey to the Secret of Oil (Cesta za tajemstvím ropy)** 🖐️, which we promote as a teaching aid. **Since 2023, we have participated in the environmental project, Bridge to the Nature (Most k přírodě)** 🖐️, which aims to arouse interest in nature conservation and respect for nature.

13.11 VOLUNTEERING

GRI 413-1



Whether it involves cleaning a healthcare centre, tree planting, landscape revitalisation, cleaning windows, painting rooms, or cleaning cellars in the children's home - we are really happy to give a helping hand. It gives us peace of mind, which is why we are willing to devote time to and engage in volunteering. Many people also naturally help people affected by the war conflict in Ukraine. We are proud of them all and welcome assistance from everyone. They fulfil their time for themselves and through selfless voluntary aid for others.

WITH OUR PHILANTHROPIC PROGRAMMES, WE COULD:



HELP NEARLY **170** LOCAL ORGANISATIONS



ENGAGE MORE THAN **500** EMPLOYEES



SPEND **2,214** HOURS ON VOLUNTEERING

13.11.1 KOMUNITA

The employee platform, **komUNIta** 🖱️ is an exceptional project because it was devised by employees themselves. Each year, we see an increasing number of colleagues involved. They come up with new ideas for receiving a financial donation for a preferred organisation and volunteering project. We support sports, interest and educational associations, schools, and kindergartens. The funds can be allocated to various activities.

Last year, this project helped revitalise and adapt gardens at schools and kindergartens, organise a preview of pictures created by people with mental disabilities, build a protective shelter for a children's summer camp, clean horse boxes and paint windows in a stable, renew equipment at sports clubs, organise an afternoon with games for hospitalised children, and many other things. The platform was launched in 2020, starting with only three projects. In 2021, we implemented 25 projects. An enormous boom came a year later when komUNIta recorded 46 volunteer projects implemented by employees. This trend continued in 2023 when we successfully completed a fantastic 56 projects.



KOMUNITA IN 2023:



56

IMPLEMENTED
PROJECTS



100

VOLUNTEERS
AMONG
COLLEAGUES



1,111

HOURS
WORKED



51

ENTITIES
ENGAGED



25

NEW VOLUNTEERS
FROM AMONG OUR
COLLEAGUES



DONATIONS
EXCEEDED

CZK 1,440 000

13.11.2 VOLUNTEER DAYS



The desire to help connects people. All employees have the option to devote one working day in the year to **volunteering activities**. We regularly follow this tradition, which has been one of ORLEN Unipetrol's principles for many years. With their help, our employees express their support of a selected organisation chosen in the given location, and give a helping hand. In 2023, a total of 146 people used this option, devoting 1,022 hours to volunteering at nine locations. They are, of course, provided with wage compensation as a thank-you for supporting and registering to work, but they also make new contacts with the given organisation and the colleagues also registered for the same event.

OVERVIEW OF SUPPORTED EVENTS AND NO. OF EMPLOYEES INVOLVED	2021	2022	2023
KOMUNITA A VOLUNTEER-EMPLOYEE CHOOSES AN ENTITY TO HELP AND BE SUPPORTED WITH A FINANCIAL DONATION.	41	73	100
FULFILLED WISHES ANNUAL EMPLOYEE CHARITY; THE EMPLOYER MATCHES THE YIELDS AND DELIVERS THEM TO SELECTED NON-PROFIT ORGANISATIONS.	236	256	352
VOLUNTEER DAYS EMPLOYEES HELP IN SELECTED ORGANISATIONS—E.G., SPRING CLEANING IN THE PARK, CLEANING AROUND THE PRODUCTION PREMISES, CREATING TEACHING AIDS, PAINTING AREAS, ETC.	139	180	146

13.11.3 EARTH DAY



More than one billion people in 193 countries worldwide celebrate Earth Day. We, too, decided to join the global environmental protection efforts. Our employees showed their responsible approach to the environment and voluntarily cultivated our company's working environment by joining the cleaning event on the premises of Chempark Záluží. First, they received instructions and were divided into work groups. Then, the teams cleaned the area under the backbone bridges and roads in the old plant, collected waste and other dirt, which they dropped into a waiting large-scale container.

13.12 NADACE ORLEN UNIPETROL (ORLEN UNIPETROL FOUNDATION) GRI 413-1

We create the future now. Natural sciences, emphasising chemistry and technology, are the areas that can significantly change and affect the future. That is why we focus on talented students, schools, and scientists in their activities and development. We aim to perform individual activities ethically and responsibly, continuously develop ourselves and others, and support projects for our employees over the long term. We focus on all levels of education, deal with environmental protection, and develop relationships with the communities with ties to the areas and locations of our business. We pursue activities having a significant impact on the regions where we operate our plants and our society in general. The Foundation launched its activities in 2017. Through the Foundation, we are engaged in science popularisation, primarily regarding natural sciences and technical fields. We want to bring the young generation closer to chemistry education, where they can try various problem-solving options, which can, consequently, help them prepare for life challenges.

YEAR
2023




13.12.1 GRANTS AND SCHOLARSHIPS

The scholarship programmes are intended for secondary-school and university students with excellent study results and talents in natural sciences with an emphasis on chemistry and technology. We put emphasis on how the students spend their free time, whether they are actively engaged in society and involved in scientific activities. We support schools and education for the sixth consecutive year. This programme is designed for kindergartens and primary and secondary schools to develop educational activities and implement attractive scientific projects. The grants are allocated to equip chemical laboratories, science clubs or school projects related to natural sciences. We acknowledge educators teaching subjects related to natural sciences who have an above-standard approach and motivate their students to continue their studies and who are also actively involved in continued self-learning to make lessons more attractive. Through grants for teachers, we help deepen teachers' activities for the fourth year, thus allowing them to create new projects or clubs for children and encourage them to self-educate in their fields.


IN **2023**,
THE FOUNDATION
DISTRIBUTED



SCHOLARSHIPS TO **53**
SECONDARY-SCHOOL
AND UNIVERSITY STUDENTS
TO SUPPORT THEIR LEARNING
AND EDUCATION WORTH
CZK 770,000



IN SCHOOL GRANTS
TO **45** SCHOOLS
OR INSTITUTIONS
IN TOTAL:
CZK 4,200,000



20 EDUCATORS
WITHIN GRANTS
FOR TEACHERS
THE AMOUNT OF
CZK 620,000

13.12.2 SCIENTIFIC AND EDUCATIONAL PROJECTS, SCIENCE POPULARISATION

As part of the Foundation's support of education and related activities, many educational materials and instructive videos (tutorials) were created. They are available at www.nouonline.cz. Thus, students and their teachers can find all documents well-arranged and divided into individual themes in one place. By popularising science, we want to bring chemistry closer to primary and secondary school students in an entertaining way and show them that chemistry is a modern and attractive discipline whose study paths the way to an endless world of discoveries and is a fantastic opportunity for future realization.

The educational programme, **Plastík a jeho kouzelný kufřík**, is a unique project opening up the world of chemistry to children through entertaining experiments. The Foundation provides this programme to selected schools in the Czech Republic. Its aim is to arouse children's interest in natural sciences through experiments with plastics. During this project, primary schools receive an educational package comprising a suitcase with an experimental set, workbooks for children, manuals for teachers, and other materials. **In 2023, our experimental suitcase was provided to 72 schools throughout the Czech Republic.**

The project entitled **A Wonderful Day with Chemistry** is popularising and educational. **In 2023, we held three wonderful days for more than 1,000 children from the regions of Ústí nad Labem, Plzeň, and Moravia and Silesia.** This project aims to bring chemistry closer to students at primary schools and multi-year upper-secondary schools in an entertaining way and show them that chemistry is a modern and attractive discipline whose study paths the way to an endless world of discoveries and is a fantastic opportunity for future realization.

The ORLEN Unipetrol Foundation, University of Chemistry and Technology in Prague, ORLEN UnCRE (ORLEN Unipetrol Centre of Research and Education), and the ORLEN Unipetrol Group annually award the best secondary school students and their research projects as part of the **Student Scientific Conference** since 2015. In 2023, the eighth annual conference took place, where the students tried their presentation skills in front of

an expert panel and could receive a financial reward from the Foundation for their work. **The finals were attended by 30 students from across the Czech Republic, who presented 25 high-quality papers. The best of them were rewarded with scholarships from the ORLEN Unipetrol Foundation.**

The Foundation is a partner of the **Chemistry Centre** that supports the development of technical and natural science education in Czechia through teachers and regional centres. The centres provide space for teachers in the regions to meet and share their experience under the leadership of an experienced colleague.

EDUbus is a unique mobile polytechnic laboratory where schoolchildren can try out a variety of chemical experiments in a funny way and take a peek at modern teaching of chemistry. The Foundation has been a partner of the project since its inception and was present at its launch in April 2018. **In 2023, this mobile laboratory visited ten schools thanks to the Foundation's support.**

The Horizon Hydrogen GRAND PRIX instruction program is based on project lessons. It provides students with insights and relevant knowledge from scientific, technological, and engineering fields. The programme combines practical experiments with a flexible study plan. Thus, students get hands-on experience in building cooperation, presentation skills, project and team abilities, design, prototyping, and advanced production. School teams spend several months building an e-car model fuelled by a hydrogen fuel cell. Then, they take part in a race of these cars. **We supported seven student teams in 2023, including five teams in the Czech Republic and newly two teams in Slovakia.**

Together with Hydrogen Educational, we arranged **hydrogen workshops** for primary schools, where we presented fuels of the 21st century to pupils from selected primary schools in Litvínov and Most.

Fridays with Science is a joint project organised by the ORLEN Unipetrol Foundation in collaboration with the Upper-secondary School of Josef Jungmann in Litoměřice. It supports student interest in science and the world around us through regular lectures held by outstanding scientists and inspiring experts about current issues. All lectures are recorded and are available at www.nouonline.cz. **Nine lectures were held and recorded in 2023.**

13.12.3 CHARITY ACTIVITIES

The ORLEN Unipetrol Foundation collaborates with many non-profit organisations, including VIZE 97 Dagmar and Václav Havel Foundation, Foundation of Livie and Václav Klaus, Foundation of Police Officers and Firefighters, and AutTalk. **The Foundation also often reacts to current events in society and emergencies, e.g., aid to Ukraine that also continued in 2023.**

In collaboration with Uniriders, a motorbike club of ORLEN Unipetrol Group employees, **the Foundation organises the Graceful Ride charity**, which connects people with enthusiasm for motorbikes and their willingness to help those in need. This event always includes a financial collection to help a good cause. Thanks to the funds raised, we help ill children. **In 2023, we collaborated with the municipal festival in Neratovice, i.e., bikers from among the general public could join the parade. Also this time, the Graceful Ride was connected with a charitable collection to support three ill children from Neratovice.**

As part of the company's Sports Club, employees both scale own records and help others' wishes come true through the Foundation, which changes their sports performance into financial help to those in need. **In 2023, our employees helped 11 individuals or organisations with movement activities.** In addition, we held a running event with the 'Cesta za snem' organisation and the town of Most on the Benedikt Most sporting ground. It was intended for experienced sportspeople and beginners in all age categories. The money raised from starting fees was allocated to charity.

Based on the suggestions from our employees, we launched cooperation with the Department of Paediatric Haematology and Oncology of the Second Faculty of Medicine of Charles University and Motol University Hospital in Prague and the Ronald McDonald House. They provide comprehensive care for child patients with haematology and oncology diseases from birth until 18 years. The Ronald McDonald House offers stays for families who can spend time together during their child's challenging treatment at Motol Hospital. Therefore, the Foundation adopted a room

in the house for three years. Also, we held a collection of children's books in all locations where we operate. **We collected 22 boxes with children's books, colouring books, and coloured pencils. The books were subsequently distributed to the Department of Paediatric Haematology and Oncology of Motol University Hospital and the Ronald McDonald House.**

We have a new grant programme supporting volunteer firefighters. **Thirteen units of volunteer firefighters received CZK 1 million from the Foundation.** The programme is designed for volunteer fire units and brigades located near our production plants and included in the alarm plan. The funds are intended to purchase the necessary equipment, especially firefighting equipment, aids to fight natural disasters, and to buy equipment necessary when responding to environmental and traffic accidents and other emergencies.



14 IMPORTANT LINKS

GRI 2-23; 2-28

Joint Report on Occupational Health and Safety and Environmental Protection

Integrated Management System Policy

Code of Conduct

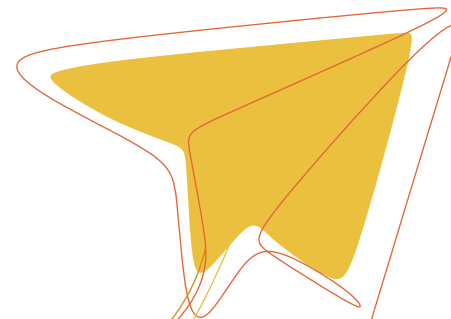
Human Rights Protection

Code of Conduct for ORLEN Group Suppliers

Internal Anti-corruption Programme

Membership in associations

Annual Report for 2023



ORLEN
Unipetrol

15 GRI INDEX

Statement on use: The ORLEN Unipetrol Group reported the information given in this GRI Index for the period from 1 January 2023 to 31 December 2023, with reference to GRI Standards.

Applied standard GRI 1: Foundation 2021

GRI STANDARD		POSITION
GRI 2: GENERAL DISCLOSURES	2-1 Organizational details	Chapter 3; Subchapter 3.4;
	2-2 Entities included in the organization's sustainability reporting	Subchapter 3.1
	2-3 Reporting period, frequency and contact point	Chapter 2
	2-6 Activities, value chain and other business relationships	Subchapter 3.5; 3.7; 3.8; Chapter 9
	2-7 Employees	Subchapter 13.2
	2-8 Workers who are not employees	Subchapter 13.2
	2-9 Governance structure and composition	Chapter 7
	2-13 Delegation of responsibility for managing impacts	Subchapter 7.3
	2-20 Process to determine remuneration	Chapter 13.2
	2-22 Statement on sustainable development strategy	Chapter 1
	2-23 Policy commitments	Chapter 14
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 7
	2-27 Compliance with laws and regulations	Chapter 7
	2-28 Membership associations	Chapter 14
	2-29 Approach to stakeholder engagement	Subchapter 7.4; 8.2
	2-30 Collective bargaining agreements	Subchapter 13.2
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Subchapter 8.2
	3-2 List of material topics	Subchapter 8.2
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	Subchapter 3.2; 7.7; 9.1; 10.5;
	203-2 Significant indirect economic impacts	Subchapter 7.6; 7.7; 9.1; 10.2; Chapter 12; Subchapter 13.5

GRI STANDARD		POSITION
GRI 205: ANTI-CORRUPTION 2017	205-2 Communication and training about anti-corruption policies and procedures	Chapter 7
	205-3 Confirmed incidents of corruption and actions taken	Chapter 7
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	Subchapter 10.4
GRI 303: WATER AND EFFLUENTS 2021	303-5 Water consumption	Subchapter 10.4
GRI 304: BIODIVERSITY 2017	304-2 Significant impacts on biodiversity	Chapter 11
	304-3 Habitats protected or restored	Chapter 11
GRI 305: EMISSIONS 2016	305 Topic management disclosures	Subchapter 8.3; 9.2; 9.3
	305-1 Scope 1 emissions	Chapter 10; Subchapter 10.3
	305-2 Scope 2 emissions	Chapter 10; Subchapter 10.3
	305-7 NOx, SOx, and other significant air emissions	Subchapter 10.3
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Subchapter 10.3
	306-3 Waste generated	Subchapter 10.3
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308 Topic management disclosures	Subchapter 7.4
GRI 401: EMPLOYMENT 2017	401-2 Benefits provided to full-time employees	Subchapter 13.1
	401-3 Parental leave	Subchapter 13.1

GRI STANDARD		POSITION
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Subchapter 13.4
	403-2 Hazard identification, risk assessment, and incident investigation	Subchapter 13.4
	403-3 Occupational health services	Subchapter 13.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Subchapter 13.4
	403-5 Worker training on occupational health and safety	Subchapter 13.4
	403-6 Promotion of worker health	Subchapter 13.4
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Subchapter 13.4
	403-8 Workers covered by an occupational health and safety management system	Subchapter 13.4
	403-9 Work-related injuries	Subchapter 13.4
GRI 404: TRAINING AND EDUCATION 2017	404-2 Programs for upgrading employee skills and transition assistance programs	Subchapter 13.3
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1 Diversity of governance bodies and employees	Subchapter 13.2
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Chapter 13; Subchapters 13.5-13.12
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414 Topic management disclosures	Subchapter 7.4
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416 Topic management disclosures	Subchapter 10.8
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Subchapter 7.9