

CSR Strategy for PKN ORLEN

03 February 2015



ORLEN. FUELLING THE FUTURE.



ORLEN VALUES constitute the foundation for the CSR Strategy of PKN ORLEN

Our values



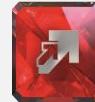
Responsibility

We respect our customers, shareholders, the natural environment and local communities



People

Our strong points are: competence, teamwork, and integrity



Progress

We explore new possibilities



Energy

We are enthusiastic about what we do



Dependability

You can rely on us

Our mission

We discover and process natural resources to fuel the future.

Our credo

ORLEN. Fuelling the future.

The document applicable at the Company:

White paper: "The Core Values and Standards of Conduct of PKN ORLEN S.A." defines and indicates values that we are committed to respecting in our company and in relations with the external environment. From the Values perspective, the white paper defines key stakeholders such as: Employees, Customers, Shareholders, Local Community, Natural Environment, Business partners, Competitors, Authorities, and Administration Bodies.



As part of our work on the Strategy, we defined how we understand corporate social responsibility in the Company

While implementing business strategy, we always remember that the growth of the company value should be compatible with the interests of the external environment in which we function, and should be based on sustainable and responsible use of resources





Three areas of the CSR Strategy – response to trends

CSR Strategy area at PKN ORLEN

CSR Strategy priorities at PKN ORLEN

Premises

ORGANISATION – we build relations

- Employee safety
- Development and diversity management
- Life balance and social involvement of employees

- High awareness and expectations towards the employer regarding basic issues connected with employees' rights and safety
- Y generation on the labour market, change of expectations towards the employer
- Demographic changes, ageing population
- Employees' expectations regarding participation in management and dialogue with the employer as well as possibilities of pursuing social passions

CLOSE ENVIRONMENT – we shape attitudes

- Image of a responsible company
- Involving stakeholders
- Social involvement

- Low level of social trust, lack of partnership, involvement and cooperation*
- Growing awareness of consumers who more and more often pay attention to responsible conduct of companies
- Deepening social divide both at the national, and global level

DISTANT ENVIRONMENT – we are a change leader

- Responsible development
- Ethical leadership
- New business areas and innovations

- Strong international social and political pressure related to minimisation of negative impact on the environment
- Development and growth of new technologies and their growing role in peoples' lives
- Growing expectations related to measuring and showing effects as well as influence of activities of the company on the environment
- Growing demand for energy



ORGANISATION: We build relations



Priorities

Actions

Employee safety

- We build safety culture based on employees' and subcontractors' responsibility for common safety both in and out of the workplace

Development and diversity management

- We inspire development, creativity and innovation using social dialogue and the potential offered by diversity

Life balance and social involvement of employees

- We promote active, healthy lifestyle and create conditions for the harmonious combining of professional challenges with the role of a family member
- We motivate to empathy and social sensitivity, and thus we integrate employees around important social goals

We are a good and responsible employer, which focuses on mutual trust, commitment and efficiency of employees, caring for their safety and supporting a balance between work and private life



CLOSE ENVIRONMENT: We shape attitudes

Priorities

Actions

Image of a responsible company

- We strive to be perceived by stakeholders (suppliers, customers, investors, contractors) as the leader of responsible business
- We require our suppliers to meet criteria of responsibility defined by us
- We build customer awareness of the benefits of community involvement, concern for the natural environment, healthy lifestyle, and safe driving
- We build in our customers awareness that we are the industry leader in environmental protection

Involving stakeholders

- We use the potential of sales network to involve customers in social initiatives of the Company

Social involvement

- We strive to be perceived as a member of the local community actively influencing positive changes in the environment

We develop social sensitivity of our business partners - customers, contractors, local communities, suppliers, shareholders



DISTANT ENVIRONMENT: We are a change leader



Priorities

Actions

Responsible development

- We are implementing the strategy of building PKN ORLEN goodwill 2014–2017 by actively strengthening energy security and supporting economic development of the region
- We maintain balance between efficiency and ecology

Ethical leadership

- We strive to be perceived as a promoter of business ethics and environmental protection

New business areas and innovations

- We support development of innovations and inspiring leaders acting with passion, energy, and commitment
- We strive to be perceived by the market environment as the leader of tomorrow, implementing innovative projects, including venture capital

We implement the Strategy of the Company and promote innovations setting the highest industry standards in the scope of business ethics and environmental protection



Vision and strategic priorities

Strategic area

ORGANISATION

CLOSE ENVIRONMENT

DISTANT ENVIRONMENT

Vision

We build relations

We are a good and responsible employer, which focuses on mutual trust, commitment, and efficiency of employees, caring for their safety and supporting a balance between work and private life

We shape attitudes

We develop social sensitivity of our business partners - customers, contractors, local communities, suppliers, shareholders

We are a change leader

We implement the Strategy of the Company and promote innovations setting the highest industry standards in the scope of business ethics and environmental protection

Strategic priorities within an area

- Employee safety
- Development and diversity management
- Life balance and social involvement of employees

- Image of a responsible company
- Involving stakeholders
- Social involvement

- Responsible development
- Ethical leadership
- New business areas and innovations

Values implemented under priorities

Responsibility, Progress, People, Energy, Dependability

Responsibility, Progress, Energy, Dependability

Responsibility, People, Progress



ORGANISATION – selected projects

Objective	Project	Indicator
Safety culture built on employees' and subcontractors' responsibility for common safety both in and out of the workplace	Implementation of the Indicator of Safety Culture in the Company*	Indicator of Safety Culture (ISC) >80%*
Promoting active, healthy lifestyle and creating conditions for the harmonious combining of professional challenges with the role of a family member	Development and implementation of the programme "Family-Friendly Employer"	Results of the evaluation survey regarding the programme, including opinions of employees on at least good level
Inspiring development, creativity and innovation using social dialogue and the potential offered by diversity	Inclusion of mandatory theme of diversity management in development programmes in specified companies of PKN ORLEN	10 key companies of PKN ORLEN included the questions of diversity management into development programmes

* ISC = (% value of the objective implementation for TRR) * 0.7 + (percentage value of the objective implementation for Risk Notification and Handling Indicator RNI) * 3



CLOSE ENVIRONMENT – selected projects

Objective	Project	Indicator
ORLEN suppliers meet defined criteria regarding ORLEN values and responsibility	Development of basic CSR criteria (including environmental criteria) for the suppliers and inclusion of these criteria into the requirements applicable to them	100% of suppliers are subject to qualification in terms of CSR criteria defined by ORLEN for suppliers
Customers of the Company are aware of values resulting from social involvement	Strengthening external communication to engage customers to a greater extent in social projects carried out under VITAY loyalty programme	Number of customers collecting VITAY points involved in social campaigns of the Company
PKN ORLEN perceived as a member of the local community actively influencing positive changes in the environment	Development of recommendations and programmes for support of selected towns/local communities/scientific institutions in selected towns/environments	Social projects implemented in accordance with developed recommendations



DISTANT ENVIRONMENT – selected projects

Objective	Project	Indicator
Implementation of the strategy of building PKN ORLEN goodwill 2014-2017 as part of active participation in strengthening energy security and supporting economic development of Poland	Implementation of business objectives while respecting the environment	Development of the Power Generation area based on energy sources which have the least harmful impact on the environment
Operations and investments of the Company implemented on the basis of principles of cooperation, trust, and partnership	Responsible selection of investment locations, conducting regular dialogue with local communities	Conducting exploration and production works based on highest environmental standards and with respect for environmental, social, and cultural heritage
PKN ORLEN perceived by market environment and the public as the leader of tomorrow. Supporting development of innovations and inspiring leaders acting with passion, energy, and commitment	Development of knowledge and technologies adapted to local needs, sharing knowledge at Polish and European level through cooperation with universities and institutions, partnership with world technological leaders	New technologies and solutions developed under knowledge sharing projects



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