



**Joint report on occupational health
and safety and on the protection of the
environment of the Unipetrol Group for 2013**



Unipetrol

ORLEN GROUP

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I. Unipetrol Group in 2013

1.1. BRIEF HISTORY OF THE UNIPETROL GROUP

1994

- The establishment of the Unipetrol joint stock company represented one of the gradual concept steps in the process of privatizing the Czech petrochemical industry. Unipetrol was supposed to merge selected Czech petrochemical companies into a formation that would be able to compete with strong supranational corporations. The Czech state with its 63% of the shares, represented by the National Property Fund, was the majority shareholder of the company. The remaining shares were owned by investment funds and small shareholders. Based on the original concept, the share of the state was supposed to be eventually privatized.
- The following joint stock companies had been gradually incorporated in the Unipetrol Group: Kaučuk, Chemopetrol, Benzina, Paramo, Koramo, Česká Rafinérská, Unipetrol Trade, Spolana and Unipetrol Rafinérie.

2003

- Merger of KORAMO, a.s., and PARAMO, a.s. - PARAMO, a.s. became the successor company.
- Česká Rafinérská began to revise its refinery.

2004

- The contract for selling 63% of the shares of UNIPETROL, a.s. was concluded between PKN ORLEN S.A. and the National Property Fund.

2006

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

2007

- Sale of the subsidiary KAUČUK, a.s., to the Polish Firma Chemiczna Dwory S.A.
- The new subsidiary UNIPETROL SERVICES, s.r.o. commenced its activities
- Change of the legal form of Unipetrol Doprava, Benzina and Petrotrans from joint stock companies to limited liability companies.
- Establishment of Butadien Kralupy, a.s., shareholders of which are UNIPETROL, a.s. (51%) and KAUČUK, a.s. (49%).
- Merger of the subsidiaries CHEMOPETROL, a. s., and UNIPETROL RAFINÉRIE, a.s. with UNIPETROL RPA, s.r.o.

2008

- In the beginning of the year, the Board of Directors of Unipetrol approved an investment intention to extend the product portfolio of Unipetrol RPA by new monomers.
- On June 26th, 2008, General Assembly of Unipetrol decided to pay dividends from the undistributed profit from previous years amounting to a total of 3,200,558,584.60 CZK.
- Unipetrol increased its share in Paramo to 91.77% by purchasing 49,660 of its shares. In October, Unipetrol announced its intention to purchase the remaining shares from the minority shareholders.

- Based on the approved concept of introducing the integrated management system throughout the entire group, a pilot project took place between October 1st and 17th. As a part of this project, five selected companies were successfully certified (Unipetrol, Unipetrol RPA, Unipetrol Doprava, Unipetrol Services and Benzina).

2009

- Unipetrol became the only owner of Paramo. Mr. Milan Kuncíř became the new general director of Paramo.
- Towards the end of May, Unipetrol RPA definitively closed down its oxo-alcohol production unit, which had been in operation since 1969.
- In June, a contract on transporting and storing crude oil in the Slovak Republic during 2009 was concluded by Transpetrol, Česká rafinérská and Paramo.
- In September, Benzina came with an important improvement of its fuel portfolio when, as the first company on the Czech fuel market, introduced a new formula of its premium fuel Verva with cetane number 60. Benzina began to sell this product at 130 gas stations.
- In the 4th quarter of 2009, Benzina began to discontinue the sale of the already outdated petrol Speciál 91, which had been rapidly losing its position on the market. The company plans to completely discontinue the sale of the product during the 2nd half of 2010.
- On December 10th, the Supervisory Board of Unipetrol named Mr. Pieter Chelmiński, until then a member of the Board of Directors of the company and administration director, to become the new Chairman of the Board of Directors and general director of the company.
- Artur Paździor became a new executive of Unipetrol RPA.
- The Unipetrol Group fulfilled the objectives of the optimization plan, resulting in significant savings of the fixed as well as variable expenses. Moreover, the investment expenses of the group were reduced as well.

2010

- UNIPETROL, a.s., and Unipetrol RPA decided to transfer its shares in Celio to TICATANOR, s.r.o. and B.E. Fin S.A. Celio conducted its business in the waste management area and its sale complied with the strategy of the Unipetrol group, objective of which was to focus more on individual strategic segments.
- The joint company of Unipetrol and Synthos Kralupy, Butadien Kralupy, a.s., commenced its production in its new butadiene units. Investments amounting to 1.2 billion CZK are supposed to replace the existing production unit operated by Synthos Kralupy.
- The new units increased its production capacity from the original 90 to 120 kt per year, which places the company among the 10 largest butadiene manufacturers in Europe.
- Unipetrol concluded a repeated cooperation contract with the Institute of Chemical Technology, Prague. The Unipetrol Group had been a strategic partner of ICT for nine years.
- A new time schedule for closing the T200 thermal power plant in the Chempark in Záluží was introduced. The T200 thermal power plant represented an outdated energy and steam source and its operation – starting in 2012 – is supposed to comply with the appropriate legislative requirements.

- After its closure, the energy service unit of Unipetrolu RPA will continue to operate the newer T700 thermal power plant.
- Mr. Mariusz Kędra became a new member of the Board of Directors and financial director of Unipetrol. After three years in the position of the financial director of the Unipetrol Group, Mr. Wojciech Ostrowski left.
- Unipetrol will build a training and research center UniCRE. The center, which will merge research and scientific work with training activities, is supposed to be built on the premises of the Záluží industrial facilities. The total cost related to building the center was estimated to reach almost 800 million Czech crowns. The project will be subsidized by the European Union by the amount of 600 million Czech crowns.
- Benzina commenced its cooperation with the fast food chain Burger King, which opened its first branch along a highway in the Czech Republic at the Benzina gas station on the third kilometer of highway D11 in the direction towards Prague.
- Paweł Kania became a new executive of Benzina.

2011

- In the beginning of the year, as a part of the restructuring process of the refinery segment, two new subsidiaries of PARAMO, a.s. were established: Paramo Oil, s.r.o., and Paramo Asphalt, s.r.o.
- As a part of the restructuring process of the Unipetrol Trade Group, dissolution of UNIPETROL TRADE, a.s. was completed on September 27th, 2011.
- At the end of the 3rd and beginning of the 4th quarters, the refinery and petrochemical operations in Litvinov were temporarily shut down in accordance with the plan. Such shutdowns take place every four years.
- The Unipetrol Group became the general partner of the 2011 International Year of Chemistry in the Czech Republic, announced by UNESCO and the International Union of Pure and Applied Chemistry.
- Benzina launched its first, fully self-serve gas station on the Czech market under the name of Expres 24.
- Three companies of the Unipetrol Group successfully defended their Responsible Care in Chemistry certifications, awarded by the Association of Chemical Industry of the Czech Republic. Unipetrol, Unipetrol Doprava and Unipetrol RPA are thus able to use the Responsible Care logo.
- In November, the value of the production of high-density polyethylene in Unipetrol RPA exceeded 5 million tons.
- The company has been manufacturing polyethylene since 1976 and currently produces 950 to 1,000 tons of polyethylene a day.
- Paramo introduced a new line of high-performance motor oils Mogul Professional.
- Paramo acquired the European ETA technical certificate for its hydro-insulation Gumoasfalt roof system.

2012

- In January, Paramo Asphalt, s.r.o. signed two 5-year contracts on delivering asphalt; the first one with PARAMO, a.s., and the second one with UNIPETROL RPA, s.r.o. The transfer of business activities related to asphalts within the frame of the Unipetrol Group formed a part of the restructuring strategy related to refinery assets.
- In June, the executives of UNIPETROL RPA, s.r.o., approved permanent closure of the urea production unit at the Záluží Chempark in Litvinov as of January 1st, 2013. The urea production unit was a part of the agro division of UNIPETROL RPA, s.r.o. Its results had a negative impact on the profitability of the entire Unipetrol Group during the previous years and, moreover, no change in this trend was expected.
- In July, the Unipetrol Group announced permanent closure of its crude oil processing unit at the Paramo's Pardubice refinery. The decision was adopted based on a complex analysis of the

macroeconomic situation, including low refinery margins in comparison with the period before the financial and economic crisis in 2008, weak demand for diesel and a surplus of the refinery capacities in Europe. Yet other key factors proved to be a low conversion capacity (less than 1 million tons per year) and a low complexity of the Paramo refinery, which had negatively influenced profitability of this asset of the group. Moreover, the analyzed scenarios came to a conclusion that no fundamental improvement from the medium-term perspective can be expected.

- In October, PARAMO, a.s. and ORLEN Asphalt Sp. z o.o. from the PKN Orlen mother group, concluded a purchase contract, based on which ORLEN Asphalt, as the purchaser, acquired from Paramo, as the seller, 100% business share in Paramo Asphalt, s.r.o. The purchase price for the 100% of the business share amounted to 116.1 million Czech crowns. The sale of Paramo Asphalt to ORLEN Asphalt represented yet another step in the restructuring process of Paramo and in optimizing refinery assets, a part of which was the transfer of the commercial activities of Paramo in the area of asphalt products to Paramo Asphalt in January 2012.

2013

- Mirosław Kastelik was elected to the office of Member of the Board of Directors of UNIPETROL, a.s. He also holds the position of Chief Financial Officer (CFO) from this date.
- Representatives of the Unipetrol Group and the Institute of Chemical Technology in Prague (VŠCHT) signed the contract on mutual cooperation for the year 2013. Within this contract, Unipetrol supported for example the realization of chemistry fairs in Prague and Most, organization of the chemistry Olympics, awarding successful students or the 'Hour of modern chemistry' project. The Unipetrol Group is a strategic partner of the Institute of Chemical Technology Prague for twelve years.
- Marek Świtajewski was elected to the office of Chairman the Board of Directors and was appointed to the position of Chief Executive Officer (CEO) of UNIPETROL, a.s. as well. At the same time, Andrzej Kozłowski was elected to the office of Member of the Board of Directors.
- ČESKÁ RAFINÉRSKÁ, a.s. and the Slovak national pipeline operator TRANSPETROL, a.s. signed a pipeline transportation contract that determined new tariffs for crude oil transportation to the Czech Republic through the Slovak branch of the Družba Pipeline for the year 2013.
- Announcement of the Unipetrol Group Strategy 2013–2017 on 11 June 2013, which determined clear strategic and development directions of all three business segments, i.e. refining, petrochemicals and retail distribution of fuels, till 2017.
- The Administration of State Material Reserves ("ASMR") and UNIPETROL RPA, s.r.o. signed an agreement on processing petroleum during oil crisis situations. This strategic agreement defines the conditions under which emergency oil reserves held by the ASMR would be processed at Unipetrol Group refineries, should a state of oil crisis is declared. The ASMR would then distribute the processed petroleum products to the crisis management authorities and the public.
- UNIPETROL RPA, s.r.o. signed a license agreement with INEOS, based on which it acquired the right to use a production process and technology for the new polyethylene unit (PE3). Construction of the new polyethylene unit is the key investment project within Unipetrol Group Strategy 2013–2017. Purchase of the license represents the first achieved milestone and official start of the project execution.
- UNIPETROL, a.s. signed a share purchase agreement with Shell Overseas Investments B.V. for Shell's 16.335% shareholding in ČESKÁ RAFINÉRSKÁ, a.s. with the acquisition price for the shares in the amount of 27.2 USD million.

- UNIPETROL, a.s. signed a contract with Severní energetická a.s. on long-term supplies of lignite to UNIPETROL RPA, s.r.o.

1.2. INTRODUCTION OF THE UNIPETROL GROUP

The group is engaged in refinery and petrochemical production and sales in the Czech Republic as well as in the entire Central Europe.

Individual companies of the group especially manufacture and sell refinery products, chemical and petrochemical products, polymers, fertilizers and special chemicals. The group also operates its own transportation services and finances its own research. Unipetrol is one of the leading refinery and petrochemical groups in the Czech Republic and an important player in the Central and Eastern Europe.

The group focuses on three strategic business segments:

- Refinery processing of crude oil and wholesale of refinery products;
- Petrochemical production;
- Retail of motor fuels.

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

- UNIPETROL RPA, s.r.o., manufacturer and trader of refinery, petrochemical and agrochemical products;
- BENZINA, s.r.o., operator of the largest network of gas stations in the Czech Republic;
- UNIPETROL DOPRAVA, s.r.o., professional railway transporter of not only chemical and petrochemical products, including all related services (UNIPETROL RPA, s.r.o. owns 99.88% of the shares);
- PARAMO, a.s., the largest manufacturer of asphalts, lubricating and heating oils and other refinery products;
- UNIPETROL SERVICES, s.r.o., support center for all companies of the group.
- Other significant assets:
- ČESKÁ RAFINÉRSKÁ, a.s. (67.555 %), joint company with ENI INTERNATIONAL, B.V.; the largest crude oil processor in the Czech Republic for a wide range of products, with an annual production capacity of 8.8 million tons.

The Unipetrol Group also includes two research and development companies, which achieve exceptional results with important application abilities in practice:

- Research Institute of Inorganic Chemistry, a.s., (VÚAnCh),
- POLYMER INSTITUTE BRNO, s.r.o.

The main products produced by the Unipetrol Group are refinery and petrochemical products.

Refinery products: petrol, motor diesel, light heating oil, aircraft fuel, LPG, asphalts, primary gasoline, lubricating and heating oils.

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

1.3. BUSINESS PROFILE OF THE MAIN SUBSIDIARY COMPANIES OF THE UNIPETROL GROUP

UNIPETROL RPA, S.R.O.

A logical continuation of the implementation of a new management module, to which the Unipetrol has been gradually transferring since 2007, is the merger of CHEMOPETROL, UNIPETROL RAFINÉRIE and UNIPETROL RPA into Unipetrol RPA (refinery, petrochemistry, agrochemistry).

Its main advantages include simplified the flows of intermediate products within the frame of a single company and a better exploitation of the existing synergies. Another positive aspect is a greater efficiency of internal purchases and sales of the company's

own products within the group. Last but not least, this change will enable a better control over the entire production and trade chain, from the purchase of crude oil to customer care. The merger created a single, compact unit, inside of which the organizational, personnel, administrative and logistic structure of individual activities was simplified.

The company is divided into production, trading and service units.

CHEMICAL PRODUCTION UNIT

The unit operates the following production units:

- Ethylene unit;
- Polypropylene production facility;
- Polyethylene production facility;
- Chezacarb production facility;
- Mazut gassing production facility;
- Ammonia and urea production facility;
- Gas compression and distribution production facility.

It also secures investment processes for the entire company and activities of the fire rescue unit and the control room.

UNIT OF ENERGY SERVICES

The unit supplies all facilities with needed energies (electricity, steam) and water; the unit also secures waste water treatment for the entire complex.

SUPPLIER CHAIN UNIT

The unit secures the logistics of plastic products, urea and Chezacarb.

REFINERY UNIT

The unit conducts business in the area of crude oil processing. In compliance with the ownership rights of Unipetrol, it plans and manages crude oil processing in Česká rafinérská into final products based on the needs of the related production units in the group. It is the most important entity in the wholesale area of crude oil products on the Czech market. Its main subjects of business are:

- Complex acquisitions of raw material for petrochemical productions of the Unipetrol Group;
- Wholesale of motor fuels and other refinery products;
- Purchasing crude oil for the refinery production facilities of the Unipetrol Group;
- Optimization of the connection between refinery and petrochemical production facilities with emphasis on a maximum utilization of synergies of individual technological units;
- Optimization of refinery production facilities of the Unipetrol Group.

Main products of the unit:

Motor fuels (lead-free petrol Normal 91, Super 95, Super plus 98, aircraft petrol, motor diesel), heating oils (extra light heating oil, heavy heating oil R2), asphalts, road asphalts, liquefied crude oil products, propane, propylene, propane-butane, LPG, butane, N-butane, raffinate II, oil hydrogenates, stabilized oil hydrogenates, other refinery products, primary gasoline, liquid sulphur, MTBE.

UNITS OF MONOMERS AND AGROPRODUCTS

The unit is engaged in the area of petrochemical products, ammonia and urea. It plans and manages the production that follows the crude oil processing procedures and supplies semi-finished products for the consequent segment of polyolefins. It is a key supplier of ethylene, propylene, benzene, ammonia and other chemical raw materials for other chemical companies in the Czech Republic and Central Europe. Main activities:

- Acquisition of raw materials for the production of polyolefins at the Unipetrol Group;

- Sale of petrochemical products, ammonia and urea;
- Development and strategy of petrochemical and chemical productions.

Main products of the unit:

Olefins and aromas, ethylene for polymerization, propylene for polymerization, petroleum benzene, C4 fractions, C5 fractions, C9 fractions – re-distilled, naphthalene concentrate, pyrolysis heating oil, agrochemicals, ammonia, ammonia technical water, urea, soot, sorbents and highly conductive soot.

POLYOLEFIN UNIT

The unit is engaged in the segment of plastic materials - polyolefins. It plans the production at the polypropylene and high-density polyethylene production facilities and secures the sale of finished PP and HDPE products. In cooperation with the research and development center at the Polymer Institute in Brno, BU III secures and participates in the modification of the existing and development of new polyolefinic products. BU III is the most important supplier of polyolefins on the market in the Czech Republic. Moreover, considering its 5% share of the European HDPE capacities and 2% share of European PP capacities, it is also an important player especially in Central Europe. Main activities:

- Sale of the PP and HDPE products;
- Coordination of the research and development activities in the area of polyolefins, implemented at the Polymer Institute in Brno;
- Technical services and consultations for the existing as well as potential customers.

Main products of the unit:

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

ČESKÁ RAFINÉRSKÁ, A.S.

ČESKÁ RAFINÉRSKÁ, a.s., Litvínov is a production company that conducts its business in the area of crude oil processing. It also operates refineries in Litvínov and Kralupy nad Vltavou. It is a joint enterprise of three shareholders: Unipetrol (51.23%), Eni (32.44%) and Shell (16.33%).

The main products shipped from both refineries are car petrol, motor diesel, aircraft fuel, heating oils, liquid gases (LPG), asphalts, raw materials for petrochemical production, for the production of lubrication oils and for products for other industrial use.

Since August 2003, Česká rafinérská is a processing refinery, which means that it processes crude oil supplied by its owners or its domestic trade companies. They sell products on the domestic as well as foreign markets in a volume that corresponds to their ownership share.

BENZINA, S.R.O.

As of December 31st, 2013, Benzina was operating 338 gas stations with a wide portfolio of fuels with additives. A selected segment of the gas station offers a collection of the premium VERVA fuels and also a wide assortment of other goods, refreshments and services. In 2006–2009, this network was gradually renovated and modernized. Currently, the network is profiled into three segments, a premium segment, represented by 116 Benzina Plus gas stations on the domestic market, a segment represented by the Benzina standard portfolio and segment of unmanned fuel stations concept Expres24. . At the moment Benzina operates three unmanned fuel stations.

Up to now, 95% of the Benzina fuel stations in all three segments were gradually renovated and modernized. Based on the available data, the company has a market share of 14%.

PARAMO, A.S.

The joint stock company Paramo manufactures asphalt products and lubrication and procedural oils, including related and auxiliary products. Since 2003, the refinery purchases and processes oil hydrogenates and hydrocrackates for the technology located in Kolín. The company uses the acquired intermediate products for the production of basic and lubricating oils with a very low content of sulphur. In 2012, crude oil processing was terminated at the center in Pardubice – production is implemented from imported semi-finished products. The company sells its products mainly on the domestic market.

An advantage of the company is its wide range of products and the most modern Biturox unit in the area of asphalts in the region, which was put into operation during the last quarter of 2006.

UNIPETROL SERVICES, S.R.O.

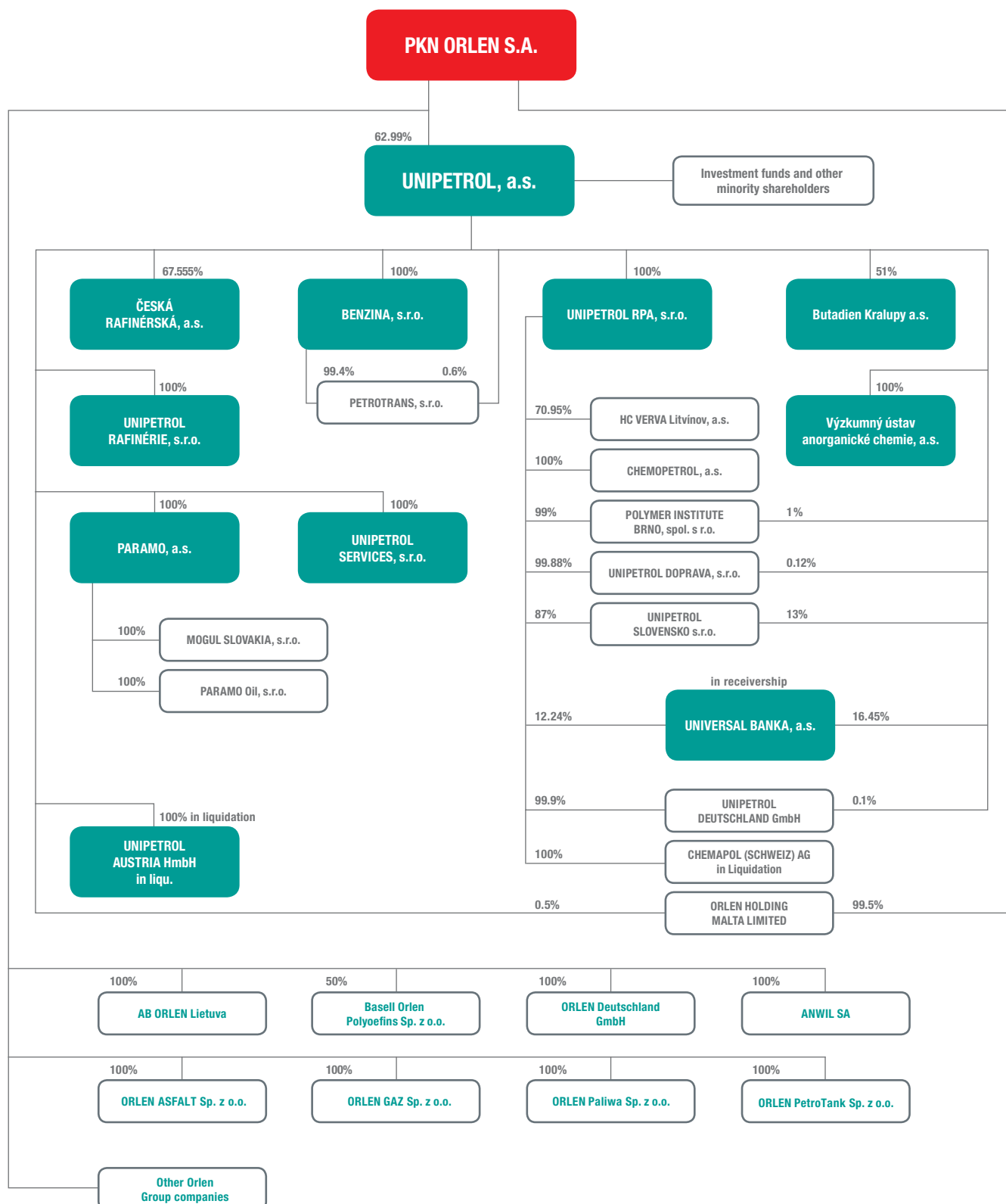
The Shared Service Centre/SSC was established on January 1st, 2007. It was mainly created by transferring administrative and support activities from the following companies: Unipetrol, Chemopetrol, Unipetrol Doprava, Benzina and Unipetrol Trade. Later on, it was incorporated into the new company UNIPETROL SERVICES, s.r.o. The company has been gradually expanding the number of serviced companies within the Unipetrol Group as well as outside of it.

The mission of Unipetrol Services is to provide its services to the other companies in the group and to companies outside of it, to make the provided services even more efficient and to reduce their expenses.

IMPORTANT MILESTONES OF UNIPETROL GROUP IN 2013 FROM THE PERSPECTIVE OF THE PROTECTION OF ENVIRONMENT, HEALTH AND SAFETY

BASIC ECONOMIC DATA OF THE UNIPETROL GROUP FOR 2013, CONSOLIDATED DATA

Own capital (thousands CZK)	28,299,228
Revenues total (thousands CZK)	99,414,790
Economic result before taxes (thousands CZK)	(1,343,555)
Economic result for the accounting period (thousands CZK)	(1,396,472)
Dividends (CZK)	0
Average annual re-calculated number of employees	3,647
Investments total (millions CZK)	2,404,000

Picture 1: Asset structure of UNIPETROL, a.s. as of December 31st, 2013

II. Joint policies of responsible business practices in chemistry and of the integrated occupational health and safety, protection of the environment and quality management system

In November 2007, the Board of Directors of UNIPETROL, a.s., approved the "Policies of responsible business practices in chemistry and of the integrated occupational health and safety, protection of the environment and quality management system," which followed the previous "Joint environmental policies of the Unipetrol Group" from 1999 and which reacts to the new structure of the group and new impulses in the area of social responsibility of the company (Corporate Social Responsibility – CSR).

POLICIES OF RESPONSIBLE BUSINESS PRACTICES IN CHEMISTRY AND OF THE INTEGRATED OCCUPATIONAL HEALTH AND SAFETY, PROTECTION OF THE ENVIRONMENT AND QUALITY MANAGEMENT SYSTEM

The Unipetrol Group is one of the most important Czech industrial corporations and a national leader in the area of refinery processing of crude oil and petrochemistry.

The group strives to maintain long-term profitability, competitiveness, high quality of its products and services, high level of safety and environmental responsibility related to production, commercial and logistic activities, which include refinery processing of crude oil, petrochemical and agrochemical production, distribution, services in the area of railway transport and transportation, and wholesale and retail of motor fuels, oils and other products.

As a member of the ORLEN Group, the Unipetrol Group complies with the principles of the Global Charter of the "Responsible Care" program, permanently sustainable development and social responsibility.

The Unipetrol Group considers the development, production and transport of individual products with minimized risks of negative impacts on the health of people and the environment to be its priority. In order to limit potential risks, Unipetrol has introduced the "Product

Stewardship – Product Supervision and Care," which includes product testing, providing retail chains with information about the wide spectrum of product characteristic and adopting measures related to risk management wherever there are potential risks related to safety, health and the environment.

The group has introduced and maintained an integrated management system, which includes an occupational health and safety system, environmental management system and quality management system. Pursuant to the integrated management system, the Unipetrol Group undertook to fulfill with the following pledges:

2.1. PRODUCT SUPERVISION AND CARE

- To develop, produce and distribute products with minimized risks of negative impacts on the health of people and the environment;
- To test product and to provide information to customers and the public, directly or via retail chains, about the wide spectrum of product characteristic and adopt measures related to risk management wherever there are potential risks related to safety, health and the environment;

2.2. COMPLIANCE WITH THE LEGAL AND OTHER REQUIREMENTS RELATED TO OCCUPATIONAL HEALTH AND SAFETY, QUALITY AND PROTECTION OF THE ENVIRONMENT:

- To comply with the appropriate legal and other binding requirements in the area of occupational health and safety, protection of the environment and quality of products and services;
- To introduce the best available technologies wherever it is suitable and effective;

2.3. INTEGRATED MANAGEMENT SYSTEM

- To regularly examine suitability and adequacy of the integrated management system policies;
- To monitor, measure and assess individual processes and measures with the objective to achieve permanent improvement of the efficiency of the integrated management system;
- To record discrepancies and analyze causes of the process discrepancies and to adopt appropriate corrective and preventive measures to eliminate them;
- To continuously improve performance in the area of occupational health and safety, protection of the environment and quality management of products and services;
- To include legal and physical supplier entities in the management system, to acquaint them with the principles and procedures used in the company and to demand their fulfillment;
- To secure sources that are necessary for enforcing and maintaining the integrated management system and for financing activities in the areas, to which the system applies;

2.4. PREVENTIVE APPROACH

- To favor preventive approach in the areas of occupational health and safety, protection of the environment, quality of products and services and protection of assets with regard to the consequences of extraordinary events; to maintain and test individual rescue and emergency systems;
- To operate individual devices in a way that is safe and protects the health of employees, suppliers, other companies and the population of the region, and that has minimal impacts on the environment, product quality and their value;

2.5. LIMITING RISKS RELATED TO SAFETY, HEALTH AND THE ENVIRONMENT

- To enforce the prevention and risk management system with regard to health, safety and the environment and with the objective to minimize negative impacts of such risks and accidents, and to compensate for damages caused by such accidents related to health, the environment and properties;
- To inform the public about the corresponding health, safety and environmental risks and about the adopted safety and preventive measures;
- To continuously identify dangers, to assess risks and health and environmental consequences, to adopt and introduce measures or limitations with the objective to eliminate them, to minimize negative impacts of arisen emergency situations;
- To educate employees on the prevention of negative impacts of their activities on their health, work safety and the environment, production quality and properties;

2.6. OPEN APPROACH

- To exercise open approach to all involved parties;
- To maintain contact with all involved parties and to support open approach to the public and especially to adjoining towns and communities;

2.7. ASSESSING IMPACTS ON SAFETY, HEALTH AND THE ENVIRONMENT

- To assess impacts on health, safety and the environment prior to the commencement of new activities, a new project or changes or prior to closing an operation, and to apply the corresponding assessment results in a way that reduces the negative impacts as much as possible;

2.8. LOGISTIC AND TRANSPORT SERVICES

- To provide logistic and transport services and, while doing so, to maintain high safety standards, quality and environmental performance; to introduce and maintain the European "Safety & Quality Assessment System – SQAS" for the transport services, and assessments for cleaning the transport devices – the European Cleaning Document (ECD);

2.9. REMEDIES OF OLD ENVIRONMENTAL BURDENS

- To implement a long-term program for rectifying old environmental burdens;

2.10. CUSTOMER ORIENTATION

- To maintain a high quality of individual products and services in an efficient way, if possible, and to adjust product specifications to given customer requirements;
- To monitor information related to customer perception, i.e. if their requirements are fulfilled. To fulfill their needs and expectations, including requirements of other involved parties (suppliers, employees and owners) with the objective to satisfy them and to gain a competitive edge;

2.11. EMPLOYEE TRAINING AND EDUCATION

- To educate, motivate and increase awareness of employees, suppliers and other business partners with regard to securing occupational health and safety, the environment and the quality of provided products and services;

2.12. PROTECTING COMPANY ASSETS

- To maintain and protect company assets. To reasonably insure risks, which cannot be completely eliminated, with the objective to reduce their negative impact on the company assets.

II. Environmental protection activities of Unipetrol Group in 2013

3.1. ENVIRONMENTAL INVESTMENTS

Environmental investments are defined as direct investment projects to meet the legal requirements of the environmental protection and are closely related to the implementation of integrated practices of pollution prevention. The environmental investments can also include other investment projects with a significant positive effect on the environment.

The Group had carried out the following significant environmental investments in 2013:

Česká rafinérská

The environmental protection investment projects implemented in Česká rafinérská amount to a total of CZK 81.7m. In particular, these include:

- Reconstruction of the waste water treatment plant in Kralupy – the implementation of the waste water treatment plant project in Kralupy, required by the current IPPC (Integrated Pollution Prevention Control) was started in 2013. The Project is conducted in line with BAT (Best Available Technologies). The project is scheduled for completion by the end of 2015.
- Reconstruction of sewerage in Kralupy – 2 projects were prepared for the reconstruction of the existing sewerage system. Parts of sewerage with possible occurrence of MTBE were selected and attended to on preferential basis. This project has been implemented and completed. The second project dealing with the reconstruction of the remaining part of the sewerage is at the stage of the project documentation preparation and selection of a contractor. The project is scheduled for completion by 2015.
- The expansion of the GWP (HOPV) – Groundwater Protection – The project addresses the hydraulic groundwater protection in the northeast part of the Kralupy refinery to ensure protection against ingress of substances dissolved in water. A system consisting of a collecting drain, sub-horizontal wells and infiltration objects in so-called green belt was installed at the outskirts of the town of Veltrusy on its southeast side.
- A project for cleaning of some of the pumped groundwater in Kralupy refinery was implemented. The project is linked to the extension of the hydraulic barrier scheme.
- A project for the installation of analysers of continuous emission was implemented and included installation of a new flue at the sulphur production plant in Kralupy.
- Modification of the atmospheric distillation furnace burners was implemented in Kralupy refinery.
- A project for the replacement of the equalization tank at the waste water treatment plant was implemented.

Unipetrol RPA

The investment projects implemented in Unipetrol RPA in the field of environmental protection amount to a total of CZK 25.5m. In particular, these include:

- The "Sewerage segregation" scheme, the scope of which included completion of construction of SO 04 Gravity sewers for the final treatment, SO 05 Reconstruction of mechanical pre-treatment, SO 01

- Sewerage connections for the separation of sewage – part of block 28 connection,
- Reconstruction of sewerage including manholes in the area of the Ethylene unit,
- Water security management at the EJ handling areas,
- Purchase of a new H₂S emissions analyser for the POX production plant,
- Cleaning of tanks for mechanical secondary treatment of the integrated sewerage,
- Insulation and trace heating of piping from the CELIO phenolic waters receiver at B1.22, allowing year-round operation,
- Replacement of continuous measurement of polluting particulate matter after the T 700 heating plant boilers,
- Installation of CCTV at reflux for faster detection of accidental release of hazardous substances,
- Completion of the Environmental Impact assessment (EIA) in conjunction with the planned construction of the new Polyethylene 3 production plant,
- Feasibility study for the reconstruction of T700 heating plant and construction of a new energy source for the ethylene unit,

A number of other measures with a positive impact on the environment were implemented as part of the equipment maintenance operating expenses, and included repair of the sewerages, handling areas and reservoirs.

Paramo

The investment projects implemented in Paramo in the field of environmental protection amount to a total of CZK 6.8m. In particular, these include:

- Completion of the reconstruction of the R 622 tank, used for the storage of materials for Selective refining (HS Pardubice),
- Reconstruction of VR52 tank in the P02 Production unit (HS Pardubice),
- Commencement of reconstruction of the 563 tank in the RDH Production plant (HS Kolin).

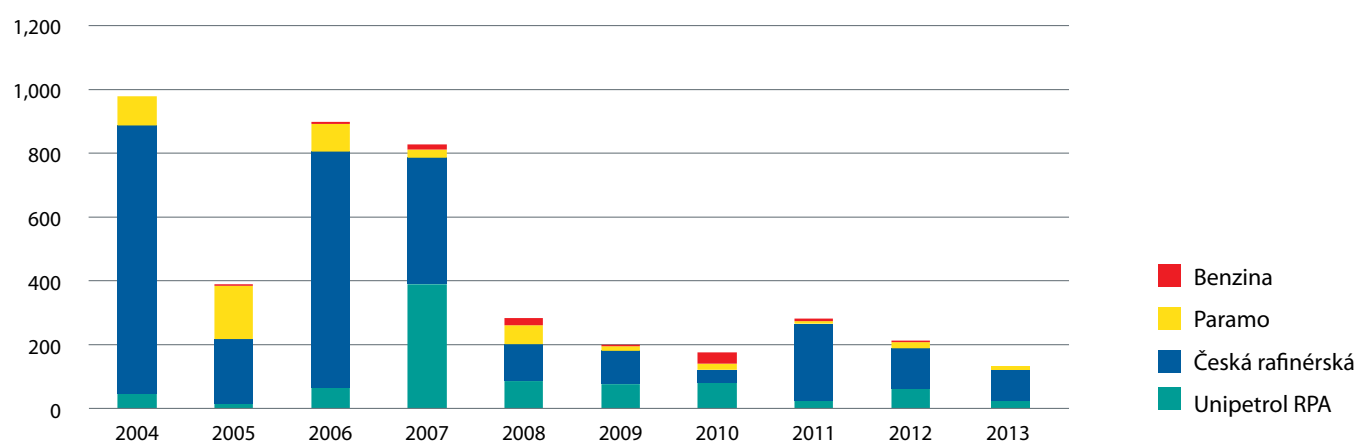
Benzina

The investment projects implemented in Benzina in the field of environmental protection amount to a total of CZK 3.2m. In particular, these include:

- Closure of the BWTP (BČOV) – Biological Wastewater Treatment Plant at Litvínov-Záluží PS (ČS) – Petrol Station and connection to the separate sewerage system of the complex,
- Connection of wastewater to public sewers at PS (ČS) Jičín-Robousy,
- Connection of the PS (ČS) to the water supply network (shutdown of unsatisfactory own source of supply) + Water preparation plant at PS (ČS) Brno-Bystrc,
- Installation of new plastic inserts in fuel (PHL) tanks at PS (ČS) Fulnek, Železný Brod and Slušovice,
- Preparation of PD for changing the method of disposal of rainwater at 45 PS (ČS).

GROUP'S INVESTMENT COSTS FOR ENVIRONMENTAL PROTECTION (CZK M/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	46	17	65	389	85	76	81	25	62	26
Česká rafinérská	841	200	740	397	116	105	40	241	127	82
PARAMO	92	168	87	26	59	14	20	7	18	7
BENZINA	1	5	6	16	22	5	35	8	6	3
UNIPETROL Group	980	390	898	828	282	200	175	281	213	117

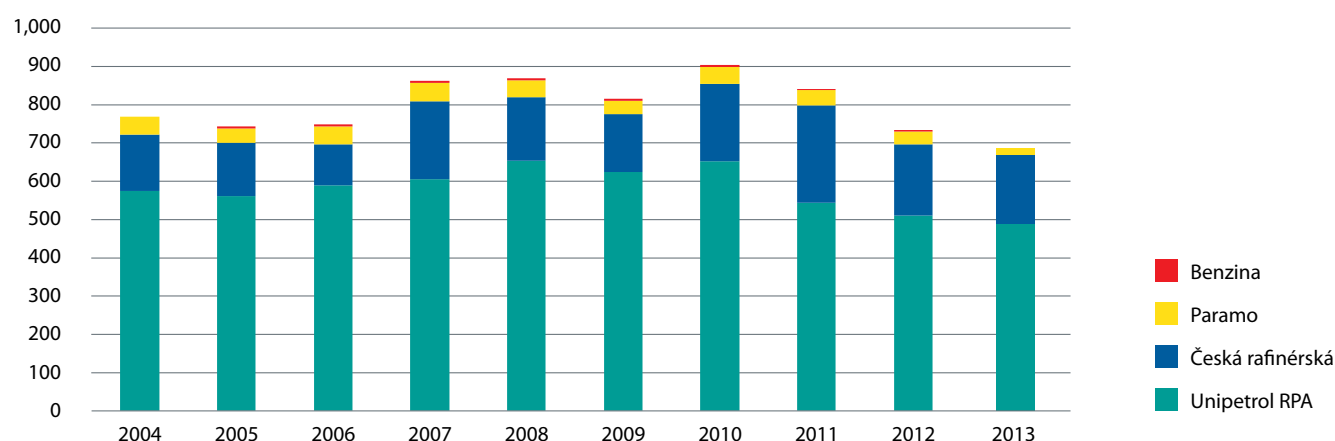
**3.2. THE COSTS OF ENVIRONMENTAL PROTECTION***Environmental operating costs*

The costs associated with the operation of equipment for air conservation, wastewater treatment, waste management, environmental management systems operation, monitoring of emissions discharged into environmental components, evaluation of Environmental Impact Assessment (EIA process), integrated pollution prevention and other related environmental activities are referred to as the environmental operating costs.

Newly installed modern technology with a high degree of conversion of raw materials, reduced waste volume and high energy efficiency have led to an overall reduction in environmental operating costs compared to the previous decade. The environmental operating costs in the last decade have been relatively stable. The development of the environmental operating costs for the years 2004–2013 is shown in the following table.

GROUP'S ENVIRONMENTAL OPERATING COSTS (CZK M/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	575	561	590	606	654	624	652	544	511	487
Česká rafinérská	147	139	106	203	166	144	202	254	185	176
PARAMO	47	38	47	48	44	35	44	40	34	15
BENZINA	-	5	5	5	5	5	6	3	4	2
UNIPETROL Group	769	743	748	862	869	808	904	841	734	681



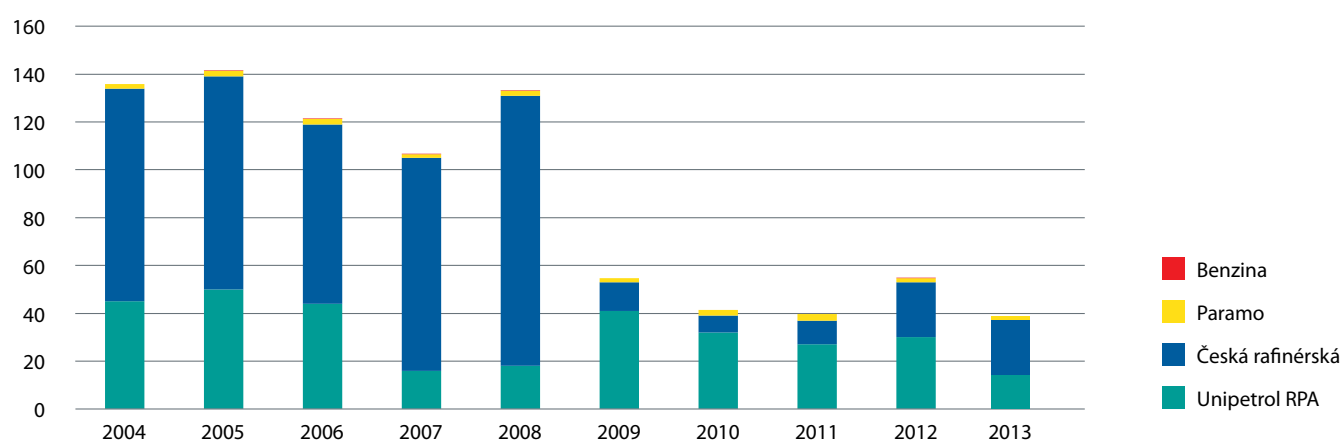
The total cost of environmental protection

The total cost of environmental protection in the Unipetrol Group include the costs of environmental investments, operating costs of environmental protection, the costs of remediation of past environmental damages and charges for air pollution, wastewater discharge, dumping of waste at landfills, creation of reserves for

landfill reclamation and compensation for pollution damage to forests. The development of fees and payments for environmental pollution and the total cost of environmental protection in the years 2004–2013 is shown in the following table. Decrease in fees and payments at Česká rafinářská in 2009 against 2008 is due to a change in methodology.

GROUP'S FEES AND CHARGES FOR ENVIRONMENTAL POLLUTION (CZK M/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	45	50	44	16	18	41	32	27	30	14
Česká rafinářská	89	89	75	89	113	12	7	10	23	23.8
PARAMO	2	2	2	1	2	1.7	2.5	2.6	1.7	1.2
BENZINA	-	0	0	0	0	0	0	0	0.2	0
UNIPETROL Group	136	141	121	106	133	55	41	40	55	39

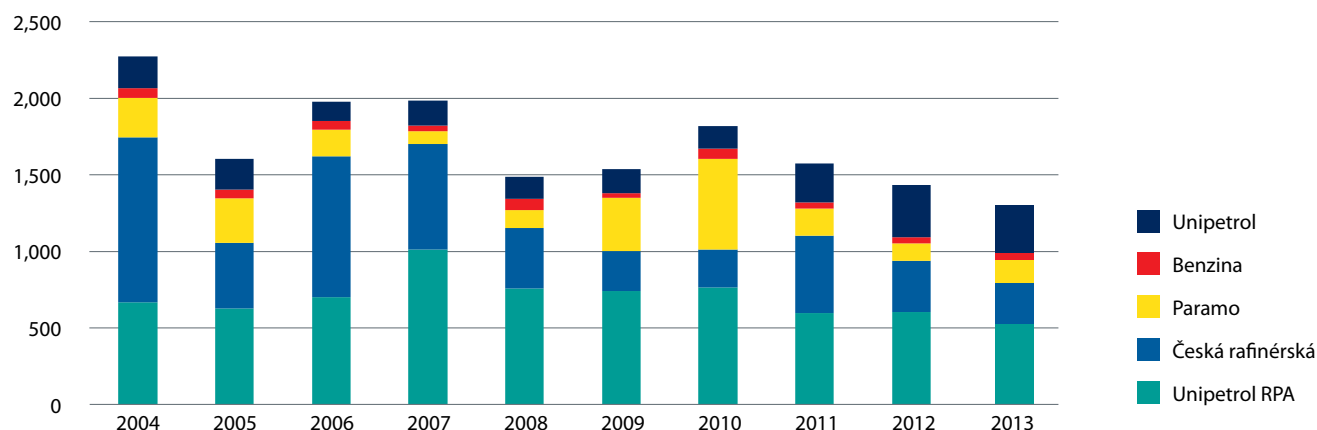


The Group's total cost of the environmental protection in 2013 amounted to a total of CZK 1.3 billion. The increase in the total costs between 2009 and 2010 compared to 2008 were mainly due to the commencement of new projects for the redevelopment work at both PARAMO, a.s. (JsC) localities, the drop in 2011–2012 relates to the interruption of remediation of contaminated soil from the

former acidic waste lagoons in HS Kolín. There was a slight increase in costs in 2013 due to the ongoing implementation of smaller projects (Zdechovice and Nová Ves localities) and implementation of the remediation drain in the locality U Trojice. The increase in costs in 2011 at Česká rafinářská was brought about by increased investment activity in the area of environmental projects.

GROUP'S TOTAL COST FOR ENVIRONMENTAL PROTECTION (CZK M/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	666	628	699	1,011	757	741	764	596	603	527
Česká rafinérská	1,077	428	921	689	395	261	249	505	335	281
PARAMO	260	291	176	85	119	346	591	179	114	158
BENZINA	41	36	26	38	73	31	67	39	39	35
UNIPETROL	206	202	147	148	144	159	148	256	343	306
UNIPETROL Group	2,250	1,585	1,969	1,971	1,488	1,538	1,820	1,576	1,434	1,307

**3.3. MANAGEMENT SYSTEMS**

Management systems are an important factor in the provision of the environmental protection, occupational safety and health and fire safety. Unipetrol Group companies have implemented a certified Environmental Management System (EMS), Health and Safety Management System (HSMS) and Quality Management System (QMS) as a guarantee of system approach to environmental protection and other areas.

Systems are certified in accordance with international standards ISO 14001, OHSAS 18001 and ISO 9001.

In the 4th quarter of 2013 the IMS surveillance audit was held at Unipetrol, Unipetrol RPA, Unipetrol Doprava, Benzina and Unipetrol Services. The certification organization Lloyd's Register Quality Assurance confirmed compliance with the system standards and validity of the certificates issued.

At the beginning of 2013 the SGS Germany organisation carried out in Unipetrol RPA an audit certification for sustainable production of engine fuels with biofuels (ISCC – International Sustainability & Carbon Certification System).

In June 2013 the IMS (Integrated Management System) recertification audit was carried out at ČESKÁ RAFINÉRSKÁ, a.s. (JsC). The Lloyd's Register Quality Assurance certification organization confirmed compliance with system standards and issued new certificates.

In May 2013 a supervisory certification audit took place in PARAMO, a.s. (JsC) covering all three systems, i.e. EMS, QMS and HSMS. The Integrated certificate issued in 2012 (Lloyd's Register Quality Assurance) is valid until 2015.

3.4. RESPONSIBLE CARE PROGRAM

Program Responsible Care is a voluntary, worldwide initiative in the chemical industry aimed at promoting its sustainable development by improving the safety of operation of its facilities, product transport as well as the protection of human health and the environment. The Program is a long-term strategy coordinated by the International Council of Chemical Associations (ICCA) in Europe by the European Chemical Industry Council (CEFIC). The contribution of the Responsible Care Program for sustainable development was acknowledged at the World Summit in Johannesburg by the UN Environment Programme Achievement Award.

In 2005, the Responsible Care Global Charter was adopted under the auspices of the United Nations at the International Conference on Chemicals.

The National version of the Responsible Care Program is the Responsible Care Program aimed at and applicable to activities in the chemical industry, and was officially launched in October 1994 by the Minister of Trade and Industry and the President of the Association of Chemical Industry of the CR; The program meets the conditions of the Responsible Care Global Charter since 2008.

Details of the Responsible Care and the conditions for its implementation are listed on the information server of the Association of Chemical Industry of the CR <http://www.schp.cz>.

The concession to use the Responsible Care logo was based on the successful public defence in 2011, once again granted to companies UNIPETROL, a.s. (JsC), UNIPETROL RPA, s.r.o. (Ltd) and for the first time to UNIPETROL DOPRAVA, s.r.o. (Ltd) Company. Companies ČESKÁ RAFINÉRSKÁ, a.s. (JsC) and PARAMO, a.s. (JsC) do not use the concession due to the fact that they are no longer members of the Association of Chemical Industry of the CR, although they continue adhering to the principles thereof.

CERTIFIED/VERIFIED MANAGEMENT SYSTEMS IN THE UNIPETROL GROUP IN 2013

Company	Verifier	Certification according to standard	Certification dates	Planned future certifications
Unipetrol RPA	LRQA	ISO 14001	2002, 2005, 2008, 2011	2014
Unipetrol RPA	LRQA	ISO 9001	1996, 1999, 2002, 2005, 2008, 2011	2014
Unipetrol RPA	LRQA	OHSAS 18001	2005, 2008, 2011	2014
Unipetrol RPA	SCHP ČR	Responsible Care	1996, 1998, 2000, 2002, 2004, 2008, 2011	2014
Unipetrol RPA	SGS Germany	ISCC	2011, 2012, 2013	2014
Paramo	LRQA	ISO 14001	2003, 2006, 2009 2012	2015
Paramo	LRQA	ISO 9001	1996, 2000, 2003, 2006, 2009 2012	2015
Paramo	LRQA	OHSAS 18001	2007, 2009 2012	2015
Paramo	SCHP ČR	Responsible Care	2001, 2003, 2005, 2008 2012	-
Paramo	SCHP ČR	Award for Sustainable Development	2008	-
Unipetrol Doprava	LRQA	ISO 14001	2007, 2008, 2011	2014
Unipetrol Doprava	LRQA	ISO 9001	2005, 2008, 2011	2014
Unipetrol Doprava	LRQA	OHSAS 18001	2008, 2011	2014
Unipetrol Doprava	MOODY International	SQAS	2006, 2009, 2012	2015
Unipetrol Doprava	SCHP ČR	Responsible Care	2011	2014
Unipetrol Doprava	Rail Authority	ECM	2013	2018
Benzina	LRQA	ISO 14001	2008, 2011	2014
Benzina	LRQA	ISO 9001	1996, 1999, 2002, 2005, 2008, 2011	2014
Benzina	LRQA	OHSAS 18001	2008, 2011	2014
Česká rafinérská	LRQA	ISO 14001	2001/2005, 2007, 2010, 2013	2016
Česká rafinérská	LRQA	ISO 9001	2001/2004, 2007, 2010, 2013	2016
Česká rafinérská	LRQA	OHSAS 18001	2007, 2010, 2013	2016
Česká rafinérská	SCHP ČR	Responsible Care	2000/2002, 2004, 2008, 2012	-
Unipetrol	LRQA	ISO 14001	2008, 2011	2014
Unipetrol	LRQA	ISO 9001	2008, 2011	2014
Unipetrol	LRQA	OHSAS 18001	2008, 2011	2014
Unipetrol	SCHP ČR	Responsible Care	2000, 2003, 2005, 2007, 2011	2014
Unipetrol Services	LRQA	ISO 14001	2008, 2011	2014
Unipetrol Services	LRQA	ISO 9001	2008, 2011	2014
Unipetrol Services	LRQA	OHSAS 18001	2008, 2011	2014

IV. Compliance with legislation for protection of environment

4.1. INTEGRATED POLLUTION PREVENTION

Duties of selected industrial companies in the field of Integrated Pollution Prevention Control (IPPC) are regulated by Act No. 76/2002 as amended. The scope of this Act applies, among others, to all manufacturing companies in the chemical and refining industries.

In 2013, an amended Act on integrated prevention and its implementing directive were issued within the framework of the implementation of the provisions of the Industrial Emissions. UNIPETROL Group, through the Association of Chemical Industry of the Czech Republic participated in the preparation of both parts of the legislation, including the related methodologies. A selection procedure for the processor of the background data and basic report was performed at the end of the year and their preparation will require 8–9 months in 2014.

The UNIPETROL Group companies are involved either directly or through industry associations and non-governmental organizations in the preparation and consultation process of further new legislation of the Czech Republic and the EU and related documents (e.g. BREFs). In 2013, work continued on the revision of the BREF applicable to large combustion plants, oil and gas refineries, large-scale production of organic matter and wastewater and gas treatment.

Integrated permits for the refinery in Litvinov and Kralupy were issued for the refineries as a whole without further divisions into individual operations. Changes in the integrated permits were carried out in connection with new investment projects, the scope of which did require a change in the integrated permit.

The integrated permit for the refinery in Litvinov was issued by the Regional Authority of the Ústí Region on 15 December 2003. On the basis of the decision of the Regional Authority of the Ústí Region of 20 July 2006 an amendment No.1 of the integrated permit was issued in connection with investment projects for unloading, storage and use of LCO (Light Cycle Oil) from the Kralupy refinery and unloading, storage and blending of FAME – Fatty Acid Methyl Ester (ME₂O) (biofuel). On the basis of the decision of the Regional Authority of the Ústí Region of 17 October 2006 an amendment No. 2 of the integrated permit was issued in connection with investment projects for the revamp of the new hydrocracking plant's fissile unit and for the construction of a recontacting system at the visbreaking unit. On 12 June 2007 an amendment No. 3 of the integrated permit was issued in connection with the investment project for the replacement of the new refinery's existing furnace burners by the low-emission types, the installation of preheating of combustion air and the replacement of existing burners in the gas oil hydrotreating unit by the low-emission types, intensification of rich gas desulphurisation and MEA system regeneration. On 5 May 2008 an amendment No. 4 of the integrated permit was issued in connection with the investment project for the oxygen system for enrichment of the Claus units' combustion air. On 27 June 2008 an amendment No. 5 of the integrated permit was issued in connection with the investment project for the construction of light products' unloading. On 8 June 2009 an amendment No. 6 of the integrated permit was issued within the scope of the project for

the change of fuel used in the catalytic reforming process furnaces. On 28 March 2011 an amendment No. 7 of the integrated permit was issued in connection with the implementation of the projects for the Modification of the refinery block flare system and repair of the Claus unit's smoke-stack lining and conditions established for the discharge of industrial wastewater into the sewer of the complex. At the end of 2011 the applications for the amendment of the integrated permit were made in connection with the closure of the oil system for the liquid fuels burning and making repairs to the equipment at the sulphur production plant. Relevant amendments No. 8 and No. 9 of the integrated permit were issued on 4 January 2012 and 28 February 2012.

The integrated permit for the Kralupy refinery was issued by the Regional Office of the Central Region on 9 February 2004. The decision to issue the integrated permit was later rescinded primarily due to procedural errors of the licensing authority and the Regional Office of the Central Region issued on 13 March 2008 a new decision to issue the integrated permit, valid for all facilities of the Kralupy refinery. On 2 March 2011 an amendment of the integrated permit was issued due to installation of continuous analyzers at the output side of the Claus unit and adjustment to the deadline date of the WWTP (ČOV) revamp. On 24 May 2012 an amendment No. 2 of the integrated permit for the Kralupy refinery was issued, which allowed adjustments to be made to the burners of the atmospheric distillation furnaces. On 10 September 2013 an amendment No. 3 of the integrated permit was issued, which specifies new limits for wastewater discharge and sets a new monitoring range of the wastewater pollution discharged from the Kralupy refinery. On 9 December 2013 an amendment No. 4 of the integrated permit was issued due to the modification in emission monitoring of the vacuum distillation unit in conjunction with putting the unit into a long-term standby service.

All production units of Unipetrol RPA are in the possession of a valid integrated permit issued by the Regional Authority of the Ústí Region. These permits are continually updated in line with any legislative changes, implementation of investment projects, changes in technological equipment, substances used and waste substances produced.

In the course of 2013 a total of eight amendments of the integrated permit were issued for the Unipetrol RPA facilities.

The amendments related for example to: update of the categories of the air pollution sources under the new Clean Air Act and amendments to the relevant conditions for use of resources according to the new legislation, approval of operating rules and emergency plans of production plants, cancellation of permits for disposal/collection of hazardous waste in accordance with the amendment to the Act On Waste, withdrawal of the conditions stipulating obligations to ensure the impermeability of certain handling areas, sewers and reservoirs, which were completed in due time, the determination of the frequency of checks for periodic cleaning of sedimentation basins situated before the integral sewerage discharge structures, leaving the original annual limit for vanadium in the effluents from biological wastewater treatment plant according to schedule till the end of the

validity of permits for wastewater discharges into surface waters, leaving the original annual limit for AOX in the effluents from sewerage system in the period to the end of validity of the permit for discharge of wastewater into surface waters with the obligation to carry out activities leading to the elimination of sources of AOX in wastewater, the change in the frequency of monitoring water flow in terms of pH indicators and dissolved oxygen, withdrawal of the conditions associated with the closure of the facility "Terplárna T200" ("Heating Plant T200") and terminating the operation of the "Výrobná Močoviny" ("Urea production plant") facility referred to in chapter No.3 of the relevant integrated permit.

All the technological equipment operated by PARAMO Company, a.s. (JsC) are in possession of a valid integrated permit. HS Pardubice obtained integrated permits issued by the Pardubice Regional Authority for the following operations and plants: 'Energetika' (energetic), 'Asfalty' (asphalts), 'Paliva' (fuels) and 'Oleje' (oils). HS Kolín received one integrated permit issued by the Central Region Authority. These permits are continuously amended in accordance with the planned investments, closure of certain parts of the technological facilities and as a result of changes in legislation. As from 2014, one common integrated permit will be valid for all HS Pardubice operations.

OVERVIEW OF EXISTING INTEGRATED PERMITS FOR OPERATION AS AT 31 DECEMBER 201

Production Unit	Integrated Permit (Issued by and Date of issue)
Unipetrol RPA	
Production of polypropylene and polyethylene	Ústí Region Authority; issued on 16 December 2003 for an indefinite period of time, 11 amendments
The ethylene unit incl. production unit of of naphthalene concentrate	Ústí Region Authority; issued on 21 February 2005 for an indefinite period of time, 8 amendments
Production of ammonia	Ústí Region Authority; issued on 12 June 2006 for an indefinite period of time, 6 amendments
Mazut gasification unit	Ústí Region Authority; issued on 12 July 2006 for an indefinite period of time, 8 amendments
Energy Services Unit	Ústí Region Authority; issued on 11 October 2007 for an indefinite period of time, 19 amendments
Production of dicyclopentadiene and non-hydrogenated C9 fraction	Ústí Region Authority; issued on 23 February 2009 for an indefinite period of time, without amendments
Česká rafinérská	
Refinery (Rafinerie) Litvínov	
ČESKÁ RAFINÉRSKÁ, a. s. (JsC) Refinery (Rafinerie) Litvínov	Ústí Region Authority; issued on 15 December 2003 for an indefinite period of time, 9 amendments
Refinery (Rafinerie) Kralupy nad Vltavou	
ČESKÁ RAFINÉRSKÁ, a.s. (JsC) Refinery (Rafinerie) Litvínov	Central Region Authority; issued on 13 March 2008 for an indefinite period of time with the exception of the section specifying the conditions for the discharge of wastewaters with validity until 31 December 2019, 4 amendments
Paramo	
Energetika, Cost Centre Pardubice	Pardubice Region Authority; issued on 2 February 2004 for an indefinite period of time, 4 amendments
Operation Asfalty (asphalts), Cost Centre Pardubice	Pardubice Region Authority; issued on 2 October 2004 for an indefinite period of time, 6 amendments
Operation Paliva (fuels), Cost Centre Pardubice	Pardubice Region Authority; issued on 7 December 2004 for an indefinite period of time, 5 amendments
Cost Centre Kolín	Central Region Authority; issued on 31 May 2005 for an indefinite period of time, 8 amendments
Operation Oleje (oils), Cost Centre Pardubice	Pardubice Region Authority; issued on 23 January 2006 for an indefinite period of time, 4 amendments

Integrated Pollution Register

Integrated Pollution Register – IPR (IRZ) is operated in the Czech Republic under Act No. 25/2008 Coll., as amended and in accordance with Regulation No. 166/2006 of the European Parliament and of the Council, establishing a European register of releases and transfers of pollutants (E-PRTR).

Pollution Registers IPR and E-PRTR (IRZ a E-PRTR) register for individual firms and industry branches 93 reported substances of emissions to air, water, soil, their transfers in waste and wastewater, and transfers of hazardous and other wastes. The IPR (IRZ) and E-PRTR data are passed along by the firms jointly through an integrated system of performance reporting obligations (ISPOP) for the previous year by 31 March and subsequently published on the IPR (IRZ) server by 30 September. Substances of which emissions have reached or exceeded the amount established as the threshold are reported in the Integrated Pollution Register IPR (IRZ) in accordance with the requirements of the legislation.

4.2. CLEAN AIR, WASTEWATER DISCHARGES, WASTE MANAGEMENT

All Companies of the Group has long maintained compliance with the legislative requirements related to the protection of the environment in terms of all activities the Companies are involved with. Air pollution sources are operated in accordance with the applicable operating rules. The emission measurements are performed in accordance with statutory deadlines. All production plants have available approved water management plans. An ongoing regular monitoring of waste water quality is in place. Emission limits for contamination in wastewater are being met. All facilities have also prepared and approved waste management plans, and the waste is monitored and recorded in accordance with the applicable legislation.

Implementation of the legislative rules is monitored by the Management of the Companies and the Group headquarters and is independently verified by Administrative Authorities, Certification Bodies and the Authorised Representatives of the Association of Chemical Industry of the CR in those Companies of

the Group, which participate in the "Responsible Care" program. Where deviations from the required standards occur corrective measures are implemented without delay or fines imposed by the Administrative Authorities.

Wastewaters discharge

Emissions of pollutants into the environment have been stabilised in the last five years at the level attributable to massive environmental investments made over the previous decade.

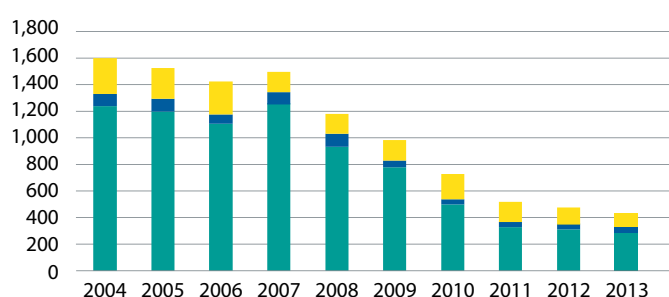
The amount of discharged pollutants in wastewater continues dropping. The decreasing trend has been achieved by a number of investment and non-investment measures, such as the extensive reconstruction of the Biological Wastewater Treatment Plant of Unipetrol RPA in the period between 2007–2009, reconnection of the urban wastewater into a newly built Sewage Treatment Plant in 2010, segregation of industrial water from an integrated sewerage system into the industrial sewerage system, and a number of other measures.

POLLUTANTS DISCHARGED IN WASTEWATER IN THE GROUP (T/YEAR)

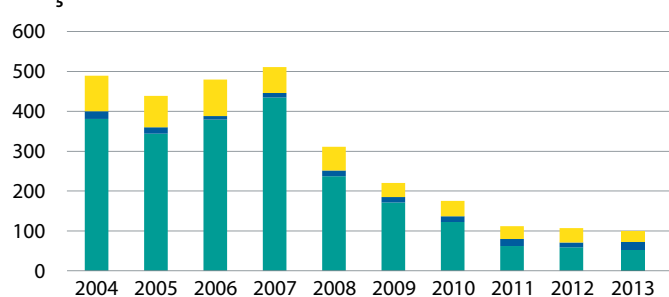
Year	Parameter	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	CHSK	1,239	1,197	1,107	1,261	932	780	500	329	311	277
	BSK ₅	381	344	379	435	237	171	122	62	59	48
	NL	398	355	357	395	241	302	208	155	153	111
	Petroleum substances	3	5	4	5	3	2	3	1	1	2
Česká rafinérská ¹⁾	CHSK	92	83	69	66	71	49	37	37	37	38
	BSK ₅	19	16	9	11	15	14	15	18	12	16
	NL	17	40	43	45	49	46	49	48	39	42
	Petroleum substances	3	1	2	3	1	2	1	2	1	1
PARAMO	CHSK	269	245	248	171	163	154	192	153	111	116
	BSK ₅	89	79	92	65	59	35	38	32	36	26
	NL	54	59	38	27	27	26	32	50	34	39
	Petroleum substances	5	8	9	6	8	6	7	6	4	3
UNIPETROL Group	CHSK	1,600	1,525	1,424	1,498	1,166	983	729	519	459	431
	BSK ₅	489	439	480	511	311	220	175	112	107	90
	NL	469	454	438	467	317	374	289	253	226	192
	Petroleum substances	10	14	15	13	12	10	11	9	6	6

¹⁾ only Kralupy locality

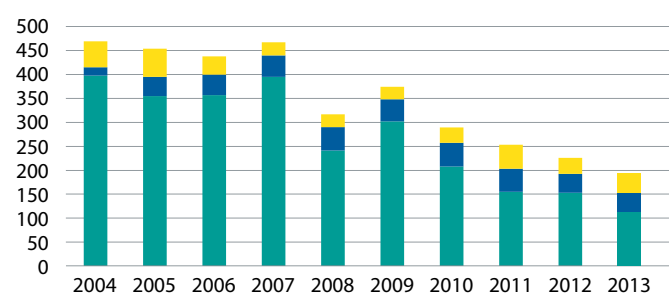
CHSK



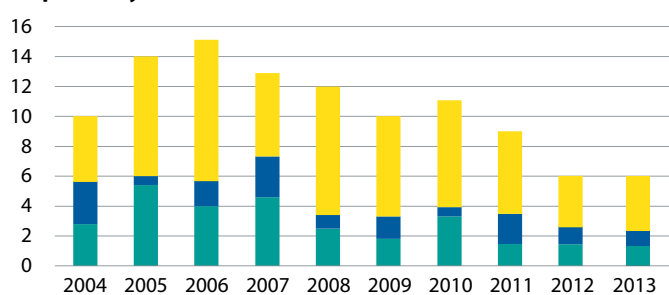
BSK₅



NL



Ropné látky



■ Paramo ■ Česká rafinérská ■ Unipetrol RPA

Waste Management

Unipetrol Group achieved a marked reduction in both, in the total volume of general waste as well in the volume of the hazardous waste. The amount of waste in the period 2004–2010 is relatively steady, with only minor fluctuations caused by work stoppages or a larger capital investment construction. There was a reduction

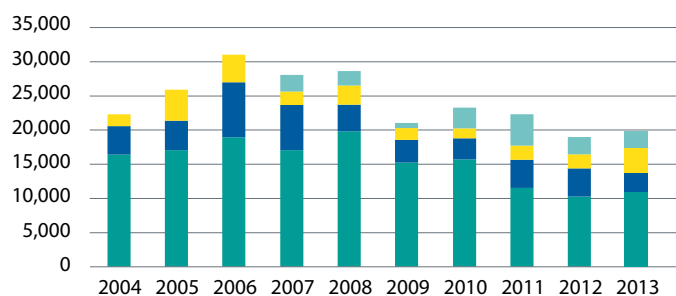
in waste production between 2011 and 2012 compared to the previous year mainly due to the reduced amount of waste generated during demolition and construction work. Increased production of hazardous waste at Paramo in 2013 occurred as the result of disposal (sale) of larger volumes of waste oils.

WASTE GENERATION IN THE GROUP (T/YEAR)

Year	Parametr	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	Total	16,411	17,061	18,963	17,065	19,818	15,261	15,693	11,563	10,290	10,904
	of it hazardous	1,059	1,215	1,620	1,309	1,661	914	1,067	1,644	1,067	1,002
Česká rafinérská ¹⁾	Total	4,192	4,301	8,051	6,599	3,911	3,323	3,103	4,113	3,809	3,043
	of it hazardous	1,895	2,628	2,253	1,932	1,985	1,663	1,078	1,936	1,534	806
PARAMO	Total	1,718	2,507	2,310	1,983	2,821	1,723	1,449	2,048	2,280	3,439
	of it hazardous	920	963	665	1,115	939	1,060	629	1,151	1,465	2,957
UNIPETROL DOPRAVA	Total		2,419	2,094	2,419	2,094	722	3,352	2,539	1,766	2,364
	of it hazardous		527	214	527	214	344	393	906	400	532
UNIPETROL Group	Total	22,321	26,288	31,418	28,066	28,644	21,029	23,597	22,333	18,145	19,750
	of it hazardous	3,874	5,333	4,752	4,883	4,799	3,981	3,167	5,632	4,466	5,298

¹⁾ including investment activities

Total Amount of Waste



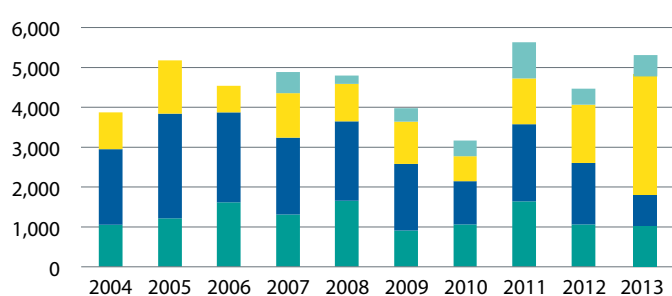
■ Unipetrol RPA ■ Česká rafinérská ■ Unipetrol Doprava ■ Paramo

Air protection

In Unipetrol RPA and Záluží of the Czech refinery the total amount of sulfur dioxide emissions increased on a year-on-year basis comparison of 2006–2007. Increase in emissions was due to the replacement combustion off-gases containing hydrogen sulphide from the Unipetrol RPA mazut gasification unit and incineration of residual refinery off-gases of the Záluží refinery, which could not be processed in the rich gas desulphurisation units. Implementation of the investment projects titled “Modifications to rich gas desulphurisation unit”, which led to an increase in the unit’s desulphurization capacity and the “Construction of recontacting of Visbreaking unit” (allowing low-pressure desulfurization of gases coming from this unit) led to reaching a state where all gases were processed in the respective technological process units without being burned. In 2008, no burning of gases was carried out because of insufficient capacity to process them.

The increase in emissions of sulfur dioxide and nitrogen oxides in the Litvinov refinery in 2009 was caused by the failure of the Claus III boiler unit, which necessitated its repiping. Hydrogen sulphide gas containing ammonia was burned during the repairs, emissions of which are converted to nitrogen oxides on the flare. The

Hazardous Waste



operation was stabilized in 2010 which led to decreased emissions. Increased emissions of SO₂ in 2011 are the result of the combustion of some hydrogen sulphide gases during the equipment repair at the sulphur production plant in Litvinov refinery in 2012 as a result of lower efficiency of the plant at the time of the repair of the Claus 4 apparatus and the thermal incinerator. The reduction of SO₂ emissions at Česká rafinérská and Unipetrol RPA in 2013 when compared with the amount of emissions in 2011 and 2012 occurred as the result of extensive repairs to the equipment for the production of liquid sulfur and its subsequent trouble-free operation.

There is an overall steady decrease in the amount of pollutants released into the air at Unipetrol RPA Company since 2007. The decrease is achieved by gradual phasing out of the older T200 heating plant (in 2011 it was shut down permanently), optimization of the newer T700 heating plant operation and of other sources of air pollution. Some increases in emissions of particulate matter in 2010 were mainly due to lower quality filters, prior to shutting down the production of the T200 heating plant. The increase in SO₂ emissions was due to high sulfur content in the raw materials – lignite. The reduction of emissions in 2012 was achieved by

increased desulfurization at T700 heating plant. The reduced emissions of VOC and NO_x for the last two years have been achieved by the shutdown of the T200 heating plant and also by higher utilization of the higher level DNC + control system of the ethylene unit. Furthermore the amount of VOC was also influenced by changes in the composition of the fuel at the T700 heating plant.

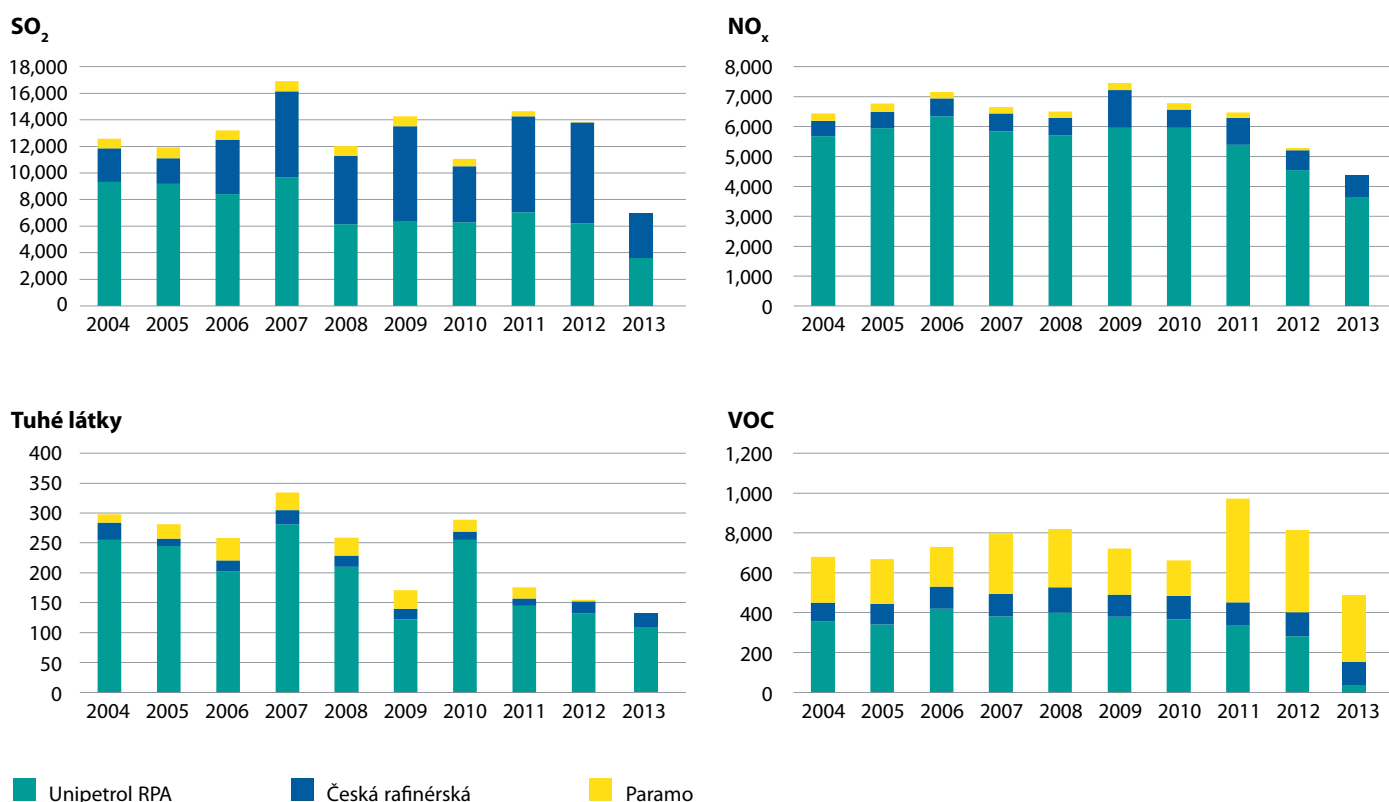
Only natural gas was burned in Paramo and in the boiler plants of HS Pardubice and HS Kolín, resulting on a year-on-year comparison

basis in further reduced emissions of sulfur dioxide, particulate pollutant matter and nitrogen oxides. The reduction in the total emissions caused by combustion processes has been achieved despite the increase in oil processing in HS Kolín. The decrease in the amount of pollutants discharged into the air was also achieved by limiting or cutting out altogether the operation of some sources of air pollution in the Paliva operation in HS Pardubice.

POLLUTION EMITTED INTO THE ATMOSPHERE IN THE GROUP (T/YEAR)

Year	Parameter	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
UNIPETROL RPA	SO ₂	9,334	9,197	8,409	9,691	6,143	6,397	6,290	7,039	6,235	3,700
	NO _x	5,678	5,945	6,346	5,839	5,695	5,959	5,954	5,388	4,541	3,755
	Solid substances	255	245	202	281	210	122	255	145	132	99
	VOC	356	341	420	381	400	379	367	334	281	33
Česká rafinérská	SO ₂	2,530	1,910	4,107	6,469	5,166	7,121	4,234	7,220	7,481	3,375
	NO _x	518	545	593	604	567	1,259	612	906	665	532
	Solid substances	29	12	19	24	19	18	14	12	20	22
	VOC	94	103	110	113	127	111	117	118	121	119
PARAMO	SO ₂	717	835	704	749	721	742	546	389	44	9
	NO _x	244	276	213	208	212	239	219	175	74	33
	Solid substances	14	24	37	29	30	31	20	19	3	0
	VOC ¹⁾	230	225	200	304	293	231	178	520	413	343
UNIPETROL Group	SO ₂	12,581	11,942	13,220	16,909	12,030	14,260	11,070	12,690	13,760	7,084
	NO _x	6,440	6,766	7,152	6,651	6,474	7,457	6,785	6,469	5,280	4,328
	Solid substances	298	281	258	334	259	171	289	176	155	121
	VOC	680	669	730	798	820	721	662	972	815	497

¹⁾ 90% are fugitive emissions that are reported only on the basis of purchase of solvents in a given calendar year.



4.3. ASSESSMENT OF ENVIRONMENTAL IMPACTS

An assessment documentation was prepared in 2012 in connection with the plan of building a new unit to manufacture PE3 polyethylene in Unipetrol RPA. Based on the assessment presented in the document and the received comments the Ministry of Environment decided to evaluate the proposed scheme in accordance with Act No.100/2001 Coll., on Environmental Impact Assessment. The scheme continued in 2013 in line with the standard process on environmental impact assessment, which culminated by the release of a concurring standpoint of the ME on the investment scheme. Accordingly the new PE 3 production unit should in future replace the existing PE production unit.

There was not any other environmental impact assessment scheme (EIA) carried out in 2013 in the remaining Companies of the Group.

4.4. PENALTIES FOR BREACH OF STATUTORY ENVIRONMENTAL REQUIREMENTS

The uncompromising effort to comply with the regulations to protect the environment is evidenced by the low number of cases of partial breach of the requirements of environmental laws that have occurred as a result of abnormal operating conditions in the last five years, i.e. in the period 2009–2013. During the same period the Group companies received a total of 10 fines of which only 4 were classified as more serious breaches of obligations to protect waters and which exceeded the amount of CZK 100,000. In one case the administrative proceedings to impose a fine have not been finalised yet.

OVERVIEW OF FINES IMPOSED FOR BREACH OF OBLIGATIONS IN PROTECTING THE ENVIRONMENT DURING PERIOD 2009–2013

Company	Year	Reason for fine	Fine amount (in CZK th.)	Comment
Unipetrol RPA	2010	Breach of duty in use of harmful substances (PyBi leak into river)	1,750	Paid without appeal
Unipetrol RPA	2011	Exceeding the limit „m“ indicator of AOX in the effluents in 2010	120	Paid without appeal
Česká rafinérská	2009	Failure to comply with the law in terms of waste records	30	Paid without appeal
Česká rafinérská	2009	Violation of the provisions of the Water Act	323.9	Appeal to the Regional Office, the appellate authority confirmed the fine, paid
Česká rafinérská	2013	Violation of the provisions of the Water Act	350	Paid without appeal
PARAMO	2010	Mislabeled product Mogul Traktol Utto	30	Paid
PARAMO	2010	Exceeding noise levels at the boundary of a residential area	12	Paid
PARAMO	2011	Incorrect labeling of packaging for retail	31	Paid
PARAMO	2011	Violation of the provisions of the Water Act	6	Paid
PARAMO	2012	Incorrect labeling of packaging for retail	6	Paid
PARAMO	2013	Filling up tank VR10 with diesel fuel		Initiated administrative proceeding (in process)

V. Reducing environmental and operational risks and prevention of major accidents

5.1. PREVENTION OF MAJOR ACCIDENTS

The Companies of the Group have been paying much attention to the prevention of major accidents in the long term. The basis of prevention of accidents is a reliable and trouble-free operation of production facilities which are designed, operated, inspected and maintained in accordance with the legislation of the Czech Republic and Companies' internal regulations. Some of the regulations contain requirements beyond the legislation requirements and are based on the Group's Companies best practices.

Plants are equipped with control systems to signal deviations from standard operating parameters. Some hazardous areas are equipped with an automatic shutdown of the operating units when exceeding the specified operating parameters. Production plants are equipped with modern detection systems (detection of flame, smoke or leaks of hazardous substances), according to the type of hazardous substances handled, with outputs brought out into the control room and the operating centres of the respective company's fire brigade. The production plants are equipped with stationary or semi-stationary extinguishing systems and fire monitors.

Group companies are subject to regular internal safety audits and risk prevention of accidents. There are also regular external audits and inspections by state expert supervision bodies. These include CEI (ČIŽP), RLI (OIP), FRS (HSZ), professional organizations of the CR, insurance brokers, insurers and foreign reinsurers. Recommendations and conclusions of these audits are included in the respective implementation plans.

An important component of prevention of serious accidents is the regular training of employees. Functionality of the serious accident prevention system is tested year-round by training in both emergency and crisis situations in conjunction with the intervention of own or external bodies in the form of emergency

drills (at individual production plants + emergency drills within the complex and conducted in cooperation with the companies that manage industrial estates or enterprises in their neighbourhood). The emergency drills at the Companies of the Unipetrol Group are carried out according to a plan. The drills are used for practical training of appropriate staff response to a possible accident to verify the validity of the prepared emergency plans and procedures and to improve the knowledge of all concerned. Any shortcomings picked up during the drills and exercises are attended to and adequate measures are taken to ensure their remedy by set deadlines and by naming persons responsible for their implementation.

A part of the risk management of major accidents is a liability insurance taken in accordance with Act No. 59/2006 Coll., as amended.

The safety level of the Group is significantly improved by new investments in production facilities; possible operating risks are dealt with already at the design stage using generally acceptable methods for risk analysis of a major accident. New plants are always equipped with the most modern safety systems known at the time and meet the regulation requirements of the Czech Republic and the European Union.

Each manufacturing Company of the Group has its own company fire brigade whose equipment and training are second to none and allows performing highly specialized interventions in the accidental release of hazardous substances.

Most manufacturing companies are classified as falling under group "B" and are subject to the strictest mode in accordance with Act No. 59/2006 Coll., on the prevention of major accidents caused by selected dangerous chemical substances or chemical preparations.

OVERVIEW OF DIFFERENTIATION OF THE COMPANIES INTO GROUPS ACCORDING TO THE ACT NO. 59/2006 COLL., AS AMENDED, AND THE STATE OF DISCUSSIONS OF THE SAFETY REPORT AS AT 31 DECEMBER 2013

Company	Groups	Safety report – SR (BZ)
UNIPETROL RPA, s.r.o. (Ltd)	B	1 March 2005 approved 1st update of SR (BZ) (according to Act No.353/1999 Coll.)/Ústí Region Authority 18 January 2008 approved 2nd update of SR (BZ) (according to Act No.59/2006 Coll.) approved/Ústí Region Authority 3rd update of SR (BZ) in approval procedure/Ústí Region Authority
UNIPETROL DOPRAVA, s.r.o. (Ltd) – Operating department, Plant Pardubice, Semtín, Rail operation Pardubice	B	2 April 2008 approved 1st update of SR (BZ)/Pardubice Region Authority, under ref. no. 36470-16/2007/OŽP/BT 2nd update of SR (BZ) in approval procedure/Pardubice Region Authority
UNIPETROL DOPRAVA, s.r.o. (Ltd) – Operating department, Plant Pardubice, Semtín, Siding Semtín	B	2 April 2008 approved 1st update of SR (BZ)/Pardubice Region Authority under ref. no. 36472-18/2007/OŽP/BT 2nd update of SR (BZ) in approval procedure/Pardubice Region Authority
UNIPETROL DOPRAVA, s.r.o. (Ltd) – Operating department, Litvínov siding plant	B	7 August 2012 approved 2nd issue BZ/Ústí Region Authority, under ref. no. 2582/ZPZ/2011/H-20.3
UNIPETROL DOPRAVA, s.r.o. (Ltd) – Operating department, Plant Kralupy, Neratovice, Rail operation Kralupy	B	11 October 2012 approved update of SR (BZ)/Central Region Authority, under ref. no. 239899/2011/KUSK OŽP Bo
UNIPETROL DOPRAVA, s.r.o. (Ltd) – Operating department, Plant Kralupy, Neratovice, Rail operation Neratovice	B	5 December 2008 approved update of SR (BZ)/Central Region Authority, under ref, no. 119423/2007/KUSK OŽP Oh in approval procedure Report on assessment of the Safety Report/Central Region Authority
ČESKÁ RAFINÉRSKÁ, a.s. (JsC) Refinery Litvínov	B	16 February 2003 approved/Ústí Region Authority 3 June 2009 approved update Ústí Region Authority ref. no. 23/09/ZPZ/H-02-2a/stat
Refinery Kralupy	B	8 October 2002 approved by Mělník District Office 10 October 2008 approved update Central Region Authority Ref. No. 83689/2007KUSK OŽP
PARAMO, a.s., (JsC), Cost Centre Pardubice	B	3 August 2004 approved Safety Report – Pardubice Region Authority 16 June 2005 approved updated Safety Report 10 October 2008 approved updated Safety Report 16 October 2009 approved updated Safety Report Operator's Safety Report assessment processed – approved 8.3.2012 23 January 2013 approved updated Safety Report 19 November 2013 approved updated Safety Report
PARAMO, a.s. (JsC), Cost Centre Kolín	-	Not subject to the mode of Act No. 59/2006 Coll. Updated protocol on non-inclusion in accordance with law and handed over to Regional Authority
BENZINA, s.r.o. (Ltd)	-	Not subject to the mode of Act No. 59/2006 Coll. Updated protocols on non-inclusion of ČS in accordance with law into groups and handed over to relevant Regional Authorities.

5.2. TRANSPORT INFORMATION AND ACCIDENT SYSTEM TIAS (TRINS)

Transport Information and Accident System TIAS is a system to assist in accidents related to the transportation of hazardous substances. TIAS was founded by the Association of Chemical Industry of the Czech Republic as part of the "Responsible Care" in 1996 under an agreement reached between the Association and the Headquarters of the Fire and Rescue Services of the Czech Republic and is, as one of the support systems, included in the Integrated Rescue System of the Czech Republic. Foreign equivalent to TIAS is for example the British system CHEMSAFE or German TUIS, which was the model used for compiling TIAS. Similar systems were also established in the Slovak Republic (DINS), Hungary (VERIK) and have been working for a long time in many EU countries.

The TIAS centres in conjunction with the Fire and Rescue Services of the Czech Republic provide necessary urgent working consultations

regarding data on chemical substances and products, their safe transport and storage, practical experience with handling and disposal of hazardous materials and handling of incidents associated with their transport. The TIAS centres also provide practical assistance in the liquidation of such emergency situations and removing subsequent environmental damage.

Currently, there are 27 TIAS regional centres operating in the Czech Republic provided by 21 companies in the chemical industry. Companies of the Unipetrol Group are founding members of TIAS. Unipetrol RPA additionally acts as the national coordination centre of the system.

OVERVIEW OF PARTICIPATION OF THE UNIPETROL GROUP COMPANIES IN TIAS

Company	Participation in accident system "TIAS" (TRINS)
UNIPETROL RPA, s.r.o. (Ltd)	National Centre, Regional Centre
UNIPETROL SERVICES, s.r.o. (Ltd)	Representation in ACI CR (SCHP ČR) – ensuring activity of the entire system, reporting and support of the National Centre at UNIPETROL RPA, s.r.o. (Ltd)

5.3. MAJOR ACCIDENTS IN UNIPETROL GROUP IN 2013

In 2013, no accident occurred at Unipetrol Group companies which would be classified in terms of the Act No. 59/2006 Coll. as a serious accident. Classification of the incident caused by overfilling the VR10 tank with diesel at Paramo on 17 October 2013 as a major accident is being presently discussed with the competent administrative authorities (currently, appeals are under way against a fine, incorrect methodological assessment of an event and against the inclusion under the wording of the Act on the Prevention of serious accidents).

Other operating accidents occurring in the course of the year were managed in-house or by the companies fire departments and they were responded to adequately in rectifying them and preventing their recurrence. The effects of small operating accidents did not extend beyond the territory of the Group companies.

VI. Open approach to environmental issues

6.1. THE ROLE OF EMPLOYEES IN ENVIRONMENTAL PROTECTION

Employees in the Companies of the Unipetrol Group are considered the key holders of the activities in the environmental protection, health and safety, and fire protection. Therefore, individual companies have implemented an effective system of training of all staff. Training and education of employees is part of the established management systems and is, in terms of standards ISO 9001, ISO 14001 and OHSAS 18001, subject to regular reviews, evaluation and completion.

All employees are actively and continuously engaged in the creation and protection of the environment. They are made familiar with the policies in the areas of environment, health and safety, fire protection, and the environmental aspects of their activities as defined by objectives and programs at their workplace at regular reconditioning training.

Proper training does not only apply to the company employees, but also to employees of external companies engaged with work in the manufacturing complexes. Obligation to protect the environment, health and safety and fire protection are included in contracts concluded with individual contractors.

6.2. COMMUNICATION WITH PUBLIC

Information openness is one of the principles of the Unipetrol Group in terms of "Responsible business policies in chemistry and the integrated management of health and safety at work, environmental protection and quality" and forms part of its basic policy document.

Detailed information on the status and development impacts of the Group's activities on the environment are regularly published in the "Joint Report on the protection of health, safety and environment of Unipetrol Group" (until 2006 "Joint Environmental Report") and on the website of the Group.

The Companies publicly discuss their reports on the implementation of the "Responsible Care" program with representatives of trade unions, and the local and regional government bodies. The website of the Unipetrol Group companies consistently features an overview of the activities of the Companies in the field of environmental protection, health and safety.

Unipetrol Group companies apply the principles of corporate social responsibility (CSR) towards towns and villages in their vicinity. Part of the cooperation with the public is giving information about the company's impact on the environment in the forms of participation of representatives of the Unipetrol Group Companies management in public meetings held by the councils of the neighbouring municipalities. There are also "Open Days" organised for the public. Companies hold regular meetings with the mayors of municipalities in the region, during which they acquaint the participants with all activities, including those in environmental protection. In case of abnormal operating situations the mayors of surrounding municipalities are preventatively and without delay duly notified. Immediate communication with the public and the employees of companies is facilitated by means of the "Green Line", and the employees are given current information through internal communication sources (radio, printed materials, intranet).

Another example of active openness of information in the field of environmental protection are the activities of the Environmental Centre at Most operated since 2000 with the support of Unipetrol RPA and the Česká rafinérská Companies. The centre significantly contributes to the dialogue in the field of environmental protection between industry and the general public, and also provides cross-border communication with the neighbouring Saxony. Inauguration and activity of the Environmental Centre in Kralupy nad Vltavou took place in 2007, and fulfils a similar function for Kralupy region.

A project for the preparation of a learning programme titled "Chemistry and the Environment", aimed at training students in primary and secondary schools was completed in 2007, and included popularisation of environmental concerns in relation to chemical production, presentation of positive and negative sides of chemical production as well as presentation of the activities of Unipetrol RPA in the field of environmental protection. The project was met by the schools and the students with a very positive response and will continue in 2008 based on its popularity and demand. An interactive learning program "Journey after the secret of crude oil" was presented in 2011 in collaboration with the Environmental Centre at Most for elementary and secondary schools. Česká rafinérská Company together with The Institute of Chemical Technology (VŠCHT) and other partners runs the information portal Petroleum.cz, which contains extensive information on crude oil and petroleum products, and its impact on the environment. The information is intended for the general public.

OVERVIEW OF CORPORATE PERIODICALS OF UNIPETROL GROUP COMPANIES WHICH PROVIDE REGULAR INFORMATION ON ACTIVITIES IN THE FIELDS OF ENVIRONMENT, SAFETY AND FIRE PROTECTION

Company	Publication	Contact person
Unipetrol	UNI, Newspaper of the Unipetrol Group employees	Ing. Jitka Němečková, Tel. +420 225 001 467
Unipetrol	Company website	http://www.unipetrol.cz
Unipetrol RPA	Company website	http://www.unipetrolrpa.cz
Unipetrol RPA	Monthly information bulletin on work safety and fire protection	David Marek, Tel. +420 476 164 105
Unipetrol Doprava	Company website	http://www.unipetrolodoprava.cz
Unipetrol Doprava	Monthly information bulletin on work safety and fire protection	David Marek, Tel. +420 476 164 105
Česká rafinérská	RaCeK – newspaper of Česká rafinérská	Ing. Věra Koubová, Tel. +420 476 164 038
Česká rafinérská	Impuls – bulletin on safety and health protection at work, fire protection, quality and environment	Ing. Michal Šulc, Tel. +420 315 718 538
Česká rafinérská	Company website	http://www.ceskarafinerska.cz
Paramo	Company website	http://www.paramo.cz

VII. Reducing consequences of old environmental burdens

7.1. PROGRAM FOR REMOVAL OF OLD ENVIRONMENTAL BURDENS

Based on the decision of the Government of the Czech Republic in respect of the privatisation the Companies of the Unipetrol Group concluded with the Ministry of Finance the following contracts to address environmental liabilities prior to privatization (Environmental Contract):

- 1) Environmental Contract No. 14/94, as amended by Amendment No. 3 dated 25 January 2005, UNIPETROL, a.s. (JsC).
- 2) Environmental Contract No. 32/94, as amended by Amendment No. 1 dated 4 July 2001, UNIPETROL, a.s. (JsC).
- 3) Environmental Contract No. 39/94, as amended by Amendment No. 2 dated 4 July 2001, PARAMO, a.s. (JsC)
- 4) Environmental Contract No. 58/94, as amended by Amendment No. 3 dated 26 September 2008, PARAMO, a.s. (JsC)
- 5) Environmental Contract No. 184/97, as amended by Amendment No. 7 dated 18 January 2007, BENZINA, s.r.o. (Ltd).

7.2. OVERVIEW OF OLD ENVIRONMENTAL BURDENS IN UNIPETROL GROUP COMPANIES

There were no changes in 2013 to the extent of the old environmental burdens compared to the previous period. Below is an overview of the old environmental burdens of Unipetrol Group.

UNIPETROL, Litvinov – industrial area and other locations

The Ethylbenzene Pipeline route Litvínov – Kralupy nad Vltavou, locality Miletice near Velvary

- pollution of groundwater and soil with ethylbenzene
- remediation work has been completed, the groundwater is being monitored

Industrial area Litvinov and surrounding landfills

Liquid sludge landfills Růžodol

- Pollution and waste tarry residues from oil refining
- The excavation of waste dumps carried out
- Construction of the rehabilitation drain has started

Ash landfills K1-K4

- Rehabilitation work on ash landfills K1 and K2 completed
- documentation for the issuance of a building permit for the construction and operation of hydraulic protection system at the landfill K4a was prepared and the building permit was issued

Landfill of sewage sludge from WTP (ČOV)

- Remedial work was completed

Protection of river Bílina in the area of the landfill of sewage sludge from WTP (ČOV)

- Remedial work was completed

Detection and separation drain

- Remedial work was completed

Landfill of solid industrial waste, landfill of lime sludge II, landfill of lime sludge at siding

- pollution by solid waste, petroleum substances and lime sludge with phenols
- protective remediation pumping of drainage water, lime sludge landfill

Landfill UHLODEHTA

- Pollution by coal slack, ash, fly ash, lime sludge and lignite tars

South foreground of ash dumps

- pollution by ash and oil sludge, pumping of contaminated water
- oil sludge reclaimed and disposed

Remediation of plumes – groundwater contamination in the complex

- groundwater contamination with petroleum hydrocarbons and phenols
- carried out construction of sanitation systems in the plumes No. 2, 4
- Remedial work was completed in the plumes No. 3, 6, 9

Monitoring of groundwater

Remediation of soil in the complex in the context of environmental services as part of investment projects

- soil contamination with petroleum hydrocarbons and phenols

UNIPETROL, Kralupy – industrial complex and other localities

Blok 19 (tar)

- Acidic residue from petroleum refining
- submitted and approved feasibility study for redevelopment of "tar" sites
- CEI issued a decision to rehabilitate the site

Landfill Nelahozeves

- styrene residues stored in steel drums
- Processing supplement AAR
- CEI issued a decision on amendment of the completion of remediation and implementation of the "pre-remediation monitoring"
- pre-remediation monitoring" took place on site

Industrial complex Kralupy

- contamination with refinery products and products from petrochemical production
- prepared final draft of "Supplement No. 1 of updated risk analysis of industrial complex Kralupy nad Vltavou"
- conducted operation of Protective redevelopment pumping of plume E

BENZINA**Remediation of 58 contaminated petrol station areas**

- contaminated with engine fuels

Remediation of 13 contaminated areas of the former fuel distribution depots

- contaminated with engine fuels

PARAMO, Pardubice

- Landfill Časy
- Landfills Hlavečnick, Blato, Zdechovice and Nová Ves
- PARAMO main plant and its surroundings
- Landfill of acid resin (LIDL location, CSAT (ČSAD) BUS)

PARAMO, Kolín (former Koramo)

- Remediation of soil and groundwater
- Acid resin storage site disposal (acid sludge lagoon)

7.3. COURSE OF WORK IN 2013**The following remedial work was carried out in 2013 within the scope of the Remediation of Contaminated Sites RCS (OSEZ)****Unipetrol, Litvínov:**

- Remediation of groundwater in the area of the plant was carried out in areas of 5 plumes, including pumping of underground drains in areas of 6 plumes,
- Environmental services (supervision) – was implemented monitoring and bioremediation of soils within 3 investment projects,
- Redevelopment of the block 32 – completed excavation of contaminated materials and implemented their disposal in landfills, completed construction of rehabilitation drains, conducted remediation pumping of groundwater,
- Disposal of lagoons in Růžodol – Post-remedial monitoring was conducted after further cleaning of the space between the sheet pile wall and drainage inflow object of Růžodolská dump, including making three layer cuts of the remediation drain,
- Submitted draft versions of the report on research carried out within the scope of the updated risk analysis,
- Protective remediation pumping of drainage water of lime sludge dump was carried out,
- Ethylbenzene pipeline in Miletice – implemented monitoring of water according to the new CEI (ČIŽP) decision.

Unipetrol, Kralupy:

- Protective remediation pumping of plume E in blocks 14 and 15 (Stage I) carried out,
- Released decision on the continued operation of the protective remediation pumping in plume E (stage II).
- Following stage I Stage II of protective remediation pumping of contamination plume E continues.
- Four rounds of "pre-monitoring" at "Nelahozeves landfill" locality took place.
- Call for tender for the rehabilitation of barrels landfill in Nelahozeves.

Paramo, Pardubice:

- Decontamination of the Blato site completed,
- Protective monitoring and remediation pumping at the Časy locality is taking place,
- Monitoring and remediation pumping at the LIDL site, CSAT (ČSAD) BUS is taking place,
- Remedial intervention is taking place at location U Trojice, i.e. remediation pumping systems of HGP – Hydraulic Groundwater Protection (HOPV) wells and construction of remediation drains was completed (commencement of operations is expected in 1Q 2014),
- Location Zdechovice: excavation and recultivation of the locality completed, remediation monitoring is taking place.
- Development update of project for the remediation of the main plant Pardubice is approved – negotiations with the Ministry of Finance about the call for tenders for the contractor of the remediation work on the site are expected to take place in 2014
- Redevelopment of the stockpile Nová Ves started – including collection of petroleum hydrocarbons, water neutralization and covering of the surface with sorbent.

Benzina:

- Maintenance remediation work (protective remediation pumping) took place at petrol stations, Pardubice, Přelouč, Vysoké Mýto and distribution warehouses Bartošovice, Jičín, Liberec, Nový Bohumín, Šumperk, Točnick and Žamberk, remedial work on PS (ČS) Tachov, Polička, Mikulov and DS Havířov-Suchá (pipeline).

Other remediation work carried out in 2013:

- Pumping and treatment of groundwater on Litvínov site financed by Česká rafinérská (2 focal points of contamination in the area of warehouses and terminals) and the Kralupy complex (operation of the hydraulic barrier),
- Underground drain at the Petrochemie in the Litvínov complex funded by Unipetrol RPA.

7.4 USE OF FUNDS IN 2013

FINANCIAL GUARANTEES FROM THE MINISTRY OF FINANCE OF THE CR AND THE DISBURSEMENT OF FUNDS IN THE GROUP (CZK M) AS AT 31 DECEMBER 2013

	Unipetrol Litvínov	Unipetrol Kralupy	Paramo Kolín	Paramo Pardubice	Benzina	Group total
Financial guarantees of MF of CR	6,012	4,244	1,907	1,242	1,349	14,754
Reimbursed costs by MF of CR in 2013	293	1	43	92	28	457
Reimbursed costs by MF of CR since the start of the works	3,688	49	1,694	479	458 ¹⁾	6,368
Expected costs of future works	3,017	1,255	311	2,830	895	8,308
Total (estimated) cost of remediation	6,705	1,304	2,005	3,309	1,353	14,676
Balance of financial guarantees by MF	(693)	2,940	(99) ²⁾	(2,067) ²⁾	(4)	77

¹⁾ Benzina – no costs BENZINA, s.r.o. (Ltd), spent on remediation works up to 1997 an approximate amount of CZK 500m.

²⁾ Paramo – request to increase guarantees for HS Pardubice and Kolín were submitted to the Ministry of Finances.

VIII. Sustainable development

8.1. GLOBAL ENVIRONMENTAL ASPECTS

Regulation of carbon dioxide emissions according to the EU's scheme for trading carbon dioxide emission allowances (EU ETS).

Start of the second trading period from 1 January 2008 was associated with the tightening of conditions for the monitoring and reporting of greenhouse gas emissions after the expiry of certain exemptions applicable to the first period. The new allocation plan issued in the form of Government Regulation No. 80/2008 for the trading period 2008–2012 included allocation of allowances also to Unipetrol Companies.

In 2012 the Group companies requested through the ME and in accordance with the rules of Directive 2009/29 EC of the European Parliament and of the Council on the trading of Community greenhouse gas emissions and the specific instructions an allocation of allowances for equipment operated in the 2013–2020 period.

Majority of plants operated by Unipetrol RPA, Česká rafinérská and Paramo falls into the category of industries at risk of carbon leakage. The allocation should correspond to the so-called benchmarks and should be maintained throughout the third trading period. At the end of 2013 the European Commission approved the final allocation amount. At the same time enterprises updated monitoring plans and ensured their approval through the Ministry of Environment in accordance with the new rules. Auditors for the audit of the annual emissions in the new period were also selected.

Thus the third trading period started in 2013 and will last until 2020. There was a significant increase in the number of monitored sources of CO₂ emissions and the method of calculating monitoring and reporting of CO₂ emissions changed in the third period. The calculation of the free allocation of allowances also underwent a significant change.

ALLOCATION OF ALLOWANCES TO COMPANIES OF THE UNIPETROL GROUP IN THE NATIONAL ALLOCATION PLAN FOR THE PERIOD 2005–2007, 2008–2012, 2013–2020 AND ACTUAL CO₂ EMISSIONS FROM 2005 TO 2013.

Allocation of allowances (th. pcs)				
Actual emissions (kt/year)	Unipetrol RPA	Česká rafinérská	Paramo	Unipetrol Group
Annual allocation according to NAP 2005–2007	3,495	1,100	270	4,865
2005: Actual CO ₂ emissions	3,071	803	194	4,068
2006: Actual CO ₂ emissions	3,092	910	196	4,198
2007: Actual CO ₂ emissions	2,889	904	191	3,984
Annual allocation according to NAP 2008–2012	3,121	867	199	4,187
2008: Actual CO ₂ emissions	2,762	910	176	3,848
2009: Actual CO ₂ emissions	2,558	806	172	3,536
2010: Actual CO ₂ emissions	2,468	883	170	3,521
2011: Actual CO ₂ emissions	2,136	835	148	3,119
2012: Actual CO ₂ emissions	1,944	856	95	2,895
Total allocation for the period 2013–2020	10,351¹⁾	6,494	680	17,525
2013: Actual CO ₂ emissions	3,062	772	47	3,881

¹⁾There has been a significant increase in the number of sources of greenhouse gas emissions included in the EU ETS in the period 2013–2020. Due to changes in the operation the allocation may be subject to further change.

Based on the audit of the annual reports for the year 2013 it may be said that the allocated annual allowances in Unipetrol RPA covers about 45% of annual emissions. Surplus allowances from the previous period will be used to cover the deficit of allowances during 2013. In subsequent years, the shortage of allowances will be covered by their purchases on the market. Small surpluses in the Česká rafinérská Company or Paramo are due to the shutdown of Kralupy refinery and slow down of the production units.

Protection of the Ozone Layer

All Group companies operate production facilities in accordance with the requirements of the protection of the ozone layer of the Earth and in accordance with applicable international agreements. Česká rafinérská Company started using already in 1999 environmentally preferred solutions in place of halon based fire prevention systems. Chemopetrol (today Unipetrol RPA) replaced in previous years the cooling medium used in the low-temperature petrochemical operations with more environment-friendly substitute.

The original refrigerant of the refrigeration unit C4 fraction at the NTN production unit with partially halogenated refrigerant containing chlorine was replaced by environmentally preferred refrigerant free from chlorine.

8.2. CHEMICAL SAFETY

All Group companies handle chemical substances and mixtures in accordance with the applicable Act on chemical substances and mixtures and with Regulation No. 1907/2006 of the European Parliament and of the Council (REACH).

The Companies classify all their chemical products, which are marketed under Regulation No. 1272/2008 of the European Parliament and of the Council Regulation (CLP) and based on the characteristics of the products prepare Safety Data Sheets of which format and content meets the requirements of Annex II of the REACH Regulation. The Safety Data Sheets are provided free to all customers and are also placed on the Company's website. In accordance with the REACH Regulation, the Safety Data Sheets of produced and purchased hazardous chemical substances and mixtures at Unipetrol RPA are made available to all employees via the intranet network. ČESKÁ RAFINÉRSKÁ, a.s. (JsC) makes the Safety Data Sheets of products manufactured at the company available on the company's intranet and runs an extranet portal for its shareholders and its products' processors, where the Safety Data Sheets are available in three language versions. In accordance with Act No. 258/2000 Coll., on the protection of public health, the companies prepare rules for the handling of hazardous chemical substances and mixtures and conduct regular training for their employees.

All companies continuously monitor the handling of chemical substances and mixtures from raw materials to finished products stages and ensure compliance with applicable laws and regulations, including obtaining certificates for specific applications of selected products – such as a certificate of health for contact with food, drinking water, medical use, etc. The companies have a customer service that provides detailed information about the characteristics of the products in relation to their specific use.

Group companies are subject to international inspection of the UN (UN- OPCW), which monitors the observance of the "Convention on the Prohibition of Chemical Weapons". So far the checks carried out in the Group companies by national authorities and international inspections demonstrated consistent compliance with the obligations "of the Convention".

Fulfilling the obligations of Regulation No. 1907/2006 of the European Parliament and of the Council (REACH)

Unipetrol Group companies that manufacture or import chemical products have to comply with Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) to register all substances that are contained in these products. Of the original number of 152 pre-registered substances the companies submitted to the ECHA in the first wave of registrations a total of 63 applications for registration.

The registration process was followed by a stage of assessment of compliance and completeness of the submitted registration dossiers. In the event of finding a non-compliance with the REACH requirements or insufficient quality of reviewed data ECHA publishes, within its powers, decisions requesting additional data. In 2013, the Agency examined a total of 1,130 documents, of which 61% were not in compliance with the information requirements under REACH, and mostly consisted of insufficient information in the area of substance identification, the physico-chemical properties and exposure assessment.

Since 2010, ECHA performs periodically an automatic batch-IT-screening of the submitted technical documentation, after which it sends notices to those registrants whose documentation does not meet the requirements, and invites them to adjust the monitored data. After a follow-up screening the registrants who did not adjust their documentation in accordance with the notice will receive a binding decision; if the registrant fails to comply with such binding decision the Agency sends a notification of infringement for further resolution to the competent national authority responsible for enforcement. At the end of 2012 the IT- screening took place to analyze the declared use of substances registered as intermediates. Total of 5,500 documents was examined, nearly half of which did not meet the requirements.

Also, Unipetrol RPA Company has received notice about incorrectly stated use of some of their registered intermediates and had to amend the registration dossier. During the subsequent follow-up screening in 2013 were all updated documents of the company accepted by ECHA. In 2013, Unipetrol RPA in accordance with the updated ECHA Guidance on intermediates prepared documents for all seven of its registered intermediates on risk management in their production and use, added them to the registration dossiers and sent to ECHA.

Česká rafinérská addressed in 2013 in collaboration with CONCAWE a request by ECHA to complete the registration dossier in chapter 3.3.1 for the "Hydrocarbons, C3 -11, catalytic cracker distillates" substance (CAS 68476-46-0, EC 270-686-6, registration number 01-2119530186-44-0000) of which it is the principal registrant, by an estimate of the PNEC values (an estimated concentration at which no adverse effects of a substance take place) in freshwater and marine environments. Further it collaborated with PKN Orlen when processing data for completing the FERC questionnaire.

Paramo complemented the necessary registration of substances and isolated intermediates in accordance with applicable legislation, while at the same time it became the main registrant for the substance (Lubricating oils - EC 278-012-2). In 2013, the registration was made of a substance (Lithium-12 hydroxy stearate) with a tonnage of 1,000 tons – the registration was conducted in cooperation with consortium ERGTC. There were also updates of selected dossiers in accordance with ECHA requirements.

The Material Safety Data Sheets of mixtures and substances are continuously updated and supplemented by exposure scenarios as and when required. In the course of 2013 an inspection was carried out by CEI of Hradec Králové in the area of chemicals and REACH (no errors).

All companies continue to pay close attention to communication in suppliers and purchasers chain, which is the basis for the application of measures to protect the health of workers and the environment in the use of hazardous chemical substances on their own or contained in mixtures. They are monitoring and applying in practice changes that occur as a result of refinement of the concepts and processes associated with the registration and classification of chemical substances and reflect the changes when updating their safety data sheets. Processors of the safety data sheets participate in regular trainings, seminars or workshops in order to meet the requirement of professional competence. Finally, the companies are complying on an ongoing basis with the requirement of the provision of REACH – to keep the registration dossier up to date, and therefore also have to ensure that their IUCLID software application in which it handles the technical documentation for both registered and notified substances, is in accordance with the latest version published on ECHA's website. The IT- tool is adjusted and updated at least once a year, and its latest version in 2013 was the IUCLID 5.5.1 version.

8.3. MANAGEMENT OF THE PRIMARY SOURCES OF RAW MATERIALS AND ENERGY

In the area of saving of primary sources of raw materials and energy, Unipetrol Group approach is based on the principles of sustainable development and focuses its basic strategy on innovative practices that lead to the minimization of energy and material inputs and promotes continuous improvement in environmental performance. Energy audits have been carried out in the Group companies in order to achieve further energy savings.

Significant savings are achieved by making better use of primary materials. For example, Česká rafinérská Company carried out an extensive modernization program which aims at a deeper oil processing in favour of so-called light products, mainly in the line of fuels.

Česká rafinérská Company launched in 2006 a series of projects under a common name "Biofuels", a programme of more efficient use of non-renewable resources by mixing certain products of agricultural production, which belong to the renewable resources, into engine fuels. The Biofuels programme was implemented with the aim to provide logistics, reception, storage and blending of bio-components and the storage and distribution of biofuels. Both refineries currently produce automotive petrol and diesel fuel with biofuel additives in accordance with the statutory and processors' requirements.

A project was implemented in the Česká rafinérská in Litvínov for the reconstruction of preheated air at the Atmospheric and vacuum distillation units and the hydrogenation chamber 5/6, thereby increasing the efficiency of the furnaces and reducing the fuel consumption, and in conjunction with that also reducing the cost of bottom heating of the branch piping. Compliance with operating parameters defined for the individual operating units to optimize energy consumption and utilities were examined in the process of production management at both refineries. Investment projects in both refineries are being prepared for the period 2014–2018 aimed at increasing equipment reliability and to optimize the energy performance of production units.

A variety of investment actions or technological changes are continuously implemented at Unipetrol RPA that directly or indirectly have the effect of reducing the consumption of energy, raw materials and waste and wastewater, as well as re-use of by-products or raw materials, etc. in the facilities of the operator.

A constant attention is paid to water saving in the Unipetrol Group. Significant results were achieved in this area especially in Paramo by implementation of closed cooling circuits. The newly introduced chemical treatment of cooling water in Paramo leads to a reduction of a continuous blowdown, thereby reducing the consumption of additional water.

In the area of reducing energy consumption, the Paramo Company implemented projects for the reduction of steam consumption used for heating products and pumping routes in the Asfalty Plant (heat from own steam produced at the incinerator is used there), optimization of the steam piping routes (reduction of heat loss piping) and installation of thermal insulation on five tanks at the Oleje Plant.

WATER CONSUMPTION IN THE GROUP (IN MILLIONS OF M³/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	24.2	22.5	23.7	22.2	24.5	23.0	22.0	20.0	19.4	21.4
Česká rafinérská	1.4	0.8	2.0	1.7	1.8	1.8	2.9	2.7	2.8	2.7
Paramo	1.6	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.5
Unipetrol Group	27.2	24.3	26.7	24.9	27.3	25.8	25.8	23.7	22.9	24.5

Its consumption of energy in the group Unipetrol is accompanied by a significant increase in production volume. Development of energy efficiency of production processes therefore better the

following table specific energy consumption by a factor of energy consumption in tonnes of oil equivalent (TOE) based on tons of production per year:

ENERGY CONSUMPTION IN THE GROUP (THOUSANDS OF TJ/YEAR)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	6.0	5.1	5.6	5.3	4.8	9.8	10.1	9.4	9.9	8.8
Česká rafinérská	12.0	13.8	15.1	13.6	16.8	16.6	14.6	12.6	13.7	16.1
Paramo	0.8	1.0	2.8	2.7	2.7	2.6	2.4	2.9	1.8	1.0
Unipetrol Group	18.8	19.9	23.5	21.6	24.3	29.0	27.0	24.9	25.4	25.9

Note: Paramo data for 2004 and 2005 exclude former Koramo data

SPECIFIC ENERGY CONSUMPTION IN THE GROUP (TOE/T ANNUAL PRODUCTION)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	0.171	0.166	0.184	0.159	0.153	0.163	0.163	0.166	0.163	0.166
Česká rafinérská Litvínov	0.038	0.037	0.038	0.035	0.032	0.034	0.049	0.053	0.043	0.047
Česká rafinérská Kralupy	0.051	0.053	0.056	0.056	0.057	0.053	0.058	0.056	0.057	0.060
Paramo HS Pardubice	0.079	0.093	0.096	0.087	0.086	0.097	0.106	0.115	0.151*)	0.202
Paramo HS Kolín	0.384	0.227	0.303	0.297	0.221	0.355	0.333	0.245	0.221	0.227

*) in 2Q 2012 crude oil processing shut down – therefore the listed value does not have the continuity with dates 2004–2011

IX. Occupational safety and health at work and fire protection

Unipetrol Group considers the safety and health at work and fire protection as one of the high values of their corporate policy. Unipetrol Group companies are:

- improving working conditions and measures to protect the health and safety at work and fire protection in accordance with the relevant regulations and standards;
- improving the quality of methods of risk assessment, prevention of accidents and occupational diseases;
- introducing measures to improve work efficiency;
- developing the skills of their employees and introducing measures aimed to improve the working environment;
- informing their employees and the public about the current internal standards and about their impacts and to ensure the health and safety at work and fire protection awareness.

Accident rates

The total number of accidents recorded in 2013 in the Unipetrol Group when compared with 2012 showed a slight increase by one injury resulting in incapacity for work. It is a short-term variation, as the long term results show positive impacts of systematic measures, adopted in 2011.

In 2013, the Board of Directors of Unipetrol (JcC) approved a strategy for the HSE as part of a comprehensive strategy for the period 2013–2017. Each company has an approved Action plan to improve HSE, which corresponds with the overall approved strategy.

There were no fatal injuries of the Group's employees recorded in the Unipetrol Group.

The level of safety achieved over a long period of time by the Unipetrol Group is illustrated by the following data.

FREQUENCY OF ACCIDENTS IN THE UNIPETROL GROUP (NUMBER OF INJURIES PER 100 EMPLOYEES)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	0.27	0.24	0.17	0.27	0	0.24	0.26	0.06	0.06	0.19
Česká rafinérská	0.4	0.3	0	0.3	0.14	0.45	0.15	0	0.16	0.16
Paramo	0.11	0	0.7	0.49	0.39	0.28	0.3	0.92	0.17	0
Benzina	0.52	0.61	0	0	0	0	0	0	0	0
Unipetrol Doprava	1.34	2.33	0.58	0.81	0.41	0.22	0.46	0	0	0.24

FREQUENCY OF OCCUPATIONAL ACCIDENTS (NUMBER OF ACCIDENTS/MILLION WORKING HOURS)

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	1.62	1.46	1.02	1.71	0	1.45	1.53	0.33	0.36	1.15
Česká rafinérská	2.4	1.7	0	1.7	0.8	2.8	0.89	0	0.9	0.89
Paramo	0.63	0.68	4.21	2.94	2.31	1.65	1.74	5.39	2.02	0
Benzina	3.15	3.55	0	0	0	0	0	0	0	0
Unipetrol Doprava	7.67	13.01	3.28	4.54	2.25	1.18	2.42	0	0	1.36

NUMBER OF FATAL ACCIDENTS

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	0	0	0	0	0	0	0	0	0	0
Česká rafinérská	0	0	0	0	0	0	0	0	0	0
Paramo	0	0	0	1	0	0	0	0	0	0
Benzina	0	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	0	1	0	0	0	0	0	0	0	0
Unipetrol Group	0	1	0	1	0	0	0	0	0	0

NUMBER OF REGISTERED ACCIDENTS AT WORK

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	28	14	11	13	10	14	14	7	8	6
Česká rafinérská	7	9	9	10	3	4	7	4	4	3
Paramo	12	8	20	14	8	3	2	13	5	4
Benzina	1	1	0	0	0	0	0	0	0	0
Unipetrol Doprava	25	22	10	11	9	1	8	3	2	1
Unipetrol Group	73	54	50	48	33	23	31	27	19	14

NUMBER OF ACCIDENTS WITH THE INABILITY TO WORK OF MORE THAN 3 DAYS

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	7	6	4	6	0	5	5	1	1	3
Česká rafinérská	3	2	0	2	1	3	1	0	1	1
Paramo	1	1	6	4	3	2	2	6	1	0
Benzina	1	1	0	0	0	0	0	0	0	0
Unipetrol Doprava	7	11	3	4	2	1	2	0	0	1
Unipetrol Group	19	21	13	16	6	11	10	7	3	5

Occupational Diseases

Not one Company of the Unipetrol Group companies registered a single case of occupational disease in 2013.

NUMBER OF NEW CASES OF OCCUPATIONAL DISEASES

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Unipetrol RPA	0	0	0	1 ¹⁾	1 ¹⁾	0	0	0	0	0
Česká rafinérská	0	0	0	0	0	0	0	0	0	0
Paramo	0	0	0	0	0	0	0	0	0	0
Benzina	0	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	0	0	0	0	0	0	0	0	0	0
Unipetrol Group	0	0	0	1	1	0	0	0	0	0

¹⁾ Disease linked to the effects of condensed polycyclic hydrocarbons

Prevention, personal protective equipment and aids

Observance of occupational safety is ensured by competent professionals in the field of risk assessment, carrying out inspections of individual workplaces. Personal protective equipment is issued to the employees of the Company on the basis of the actual assessment of the risks.

Quality of the work environment

The working conditions in the Unipetrol Group companies are based on the categorization of work and are regularly checked by

measuring work environment factors, especially the exposure of workers to noise, chemicals and dust. Measurements carried out in 2013 confirmed the decreasing number of overruns of permissible exposure limits and of the maximum permissible concentrations.

Health care and prevention

Unipetrol Group companies have entered into contracts with physicians to provide occupational health services. Preventive medical examinations are conducted in accordance with established laws and the decisions made by the Health Authorities.

Important milestones of unipetrol group in 2013 from the perspective of the protection of environment, health and safety

Unipetrol RPA

- There were a total of 8 integrated permit amendments issued in 2013 upon the request of Unipetrol RPA.
- Closure and discontinuation of operation of the outdated urea production plant on 2 January 2013. On 14 January 2014 the Regional Authority issued a decision of cancellation of the integrated permit for the urea production plant.
- Completion of EIA proceedings to assess the environmental impact by building a new and modern polyethylene PE3 production plant – the Ministry of the Environment issued a concurrent decision
- The new monitoring plan for monitoring and reporting of greenhouse gas emissions in the period 2013–2020 according to the revised legislation were prepared and submitted to the Ministry
- Cleanup was carried out on a single sewerage lagoons
- Segregation of sewage from storm drains and its redirection for biological treatment is currently taking place
- Co-operation with the Czech Fishing Union to improve the stocking of Bílina River in the period 2013–2014 is continuing
- Active participation in the consultation process of the new legislation of the Czech Republic and the EU and related documents (e.g. BREF documents for large combustion plants, large-scale production of organic matter and waste water and gas treatment, the amendment to the Act on integrated prevention and related methodologies and more.

Unipetrol Doprava

- Implemented emergency exercise to verify the functionality of the Internal emergency plan pursuant to Act No. 59/2006 Coll., on the prevention of major accidents caused by selected dangerous chemical substances or chemical preparations/the exercise applicable to all plants, in cooperation with FB (HZSP) of the complexes' owners

Benzina

- Selection of contractors for rehabilitation of distribution warehouse Tocník
- Redevelopment of PS (ČS) Tachov, Polička and Mikulov, completion of redevelopment of DS Havířov – Suchá (pipeline)
- Ensuring the continuity of the protective remediation pumping covered by the MF funds

Česká rafinérská

- Two amendments to the integrated permit for the Kralupy refinery were issued in the course of 2013, based on the application of Česká rafinérská. The decisions set new limits and extent of pollution monitoring for wastewater discharge and the requirement of monitoring emissions at vacuum distillation source was adjusted.
- Operation of the extended hydraulic barrier continued in Kralupy, which resulted in a significant decline in groundwater contamination. Part of the extended barrier is a unit for removing MTBE from pumped groundwater.
- The company Česká rafinérská participated actively in processing the amendment of the referential BREF document for best available techniques in the refining sector.
- It was the first time in 2013 that monitoring and evaluation of the reduction of greenhouse gas emissions from fuels per unit of energy was verified by an independent verifier at ČESKÁ RAFINÉRSKÁ, a.s. (JsC).
- The project for the Wastewater Treatment Plant reconstruction started in Kralupy refinery with the aim to ensure attainment of parameters corresponding to the best available techniques.

Paramo

- Supervisory certification audit of the LRQA organization related to the fulfilment of the requirements of ISO 14001, ISO 9001 and OHSAS 18001 was successful.
- Completion of the reconstruction of the tank R 622 and reconstruction of tanks VR52 at the P02 Production plant (HS Pardubice).
- Commencement of reconstruction of tank 563 in the Oleje Plant (RDH-HS Kolín)
- Processing of documentation updates for the redevelopment of the Pardubice complex and continued negotiations with the Ministry of Finance to initiate the remediation phase 1A.
- Submitting application for the integrated permit amendment – to combine four separate permits for the HS Pardubice Production plants into one common IP.
- Updating of the Security report and the Internal emergency plan

CONTACT PERSONS FOR THE ENVIRONMENTAL MATTERS IN THE COMPANIES OF THE UNIPETROL GROUP

Contact person		Telephone	Fax	E-mail
Ing. Pavel Sláma	UNIPETROL, a.s. (JsC)	+420 476 164 515	+420 476 164 906	zivotni.prostredi@unipetrol.cz
	UNIPETROL RPA, s.r.o. (Ltd)			
	UNIPETROL DOPRAVA, s.r.o. (Ltd)			
	BENZINA, s.r.o. (Ltd)			
	UNIPETROL SERVICES, s.r.o. (Ltd)			
Ing. Pavel Fobl	ČESKÁ RAFINÉRSKÁ, a.s. (JsC)	+420 476 166 530	+420 476 164 858	pavel.fobl@crc.cz
Ing. Klára Kloučková	ČESKÁ RAFINÉRSKÁ, a.s., (JsC) Kralupy	+420 315 718 713	+420 315 173 809	Klara.Klouckova@crc.cz
Ing. Eva Horská	ČESKÁ RAFINÉRSKÁ, a.s., (JsC) Litvínov	+420 476 164 422	+420 476 164 858	eva.horska@crc.cz
Martin Macháček	PARAMO, a.s. (JsC)	+420 466 810 125	+420 466 335 019	martin.machacek@paramo.cz
Ing. Lubomír Tomek	PARAMO, a.s. (JsC)	+420 466 810 306	+420 466 335 019	lubomir.tomek@paramo.cz