Unipetrol

ORLEN GROUP

JOINT REPORT ON OCCUPATIONAL HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION IN THE UNIPETROL GROUP 2014

CONTENTS PAGE

Fundamental data on the management of the Unipetrol Group in 2014, consolidated data

	2013	2014
Structure of assets and liabilities (mil. CZK)		
Total assets	49,999	48,517
Fixed assets	25,665	22,173
Current assets	24,334	26,344
Equity	28,300	28,462
Liabilities	21,699	20,055
Structure of profit (mil. CZK)		
Sales	99,415	124,229
Gross profit	2,303	5,986
EBITDA [1)]	1,522	1,273
EBIT [2)]	(893)	(997)
Net financial expenses	(450)	(365)
Profit / loss before tax	(1,343)	(1,362)
Net profit / loss	(1,396)	(556)
Profit / loss per share (CZK)	(7.70)	(3.07)
Operating ratios (in thous. tonnes)		
The volume of crude oil processed [3)]	3,607	5,130
Sales of refined products, including retail (Benzina petrol station network) [4)]	3,151	4,268
Sales of petrochemical products [5)]	1,578	1,773

1) EBITDA – Operating income before amortisation, financial result and taxes.

2) EBIT – Operating income before financial result and taxes.

3) The volume of crude oil processed represents the total amount of crude oil processed in Unipetrol refineries.

4) Sales of refined products, including retail (Benzina petrol station network), are the total external sales volumes of refined products outside the Unipetrol Group. These are primarily motor fuels (petrol and diesel).

5) Sales of petrochemical products are total external sales volumes of petrochemical products outside the Unipetrol Group.

I. THE UNIPETROL GROUP IN 2014

1.1. Brief History of the Unipetrol Group

1994

Unipetrol´s creation fulfilled one of the conceptual objectives of privatisation of the Czech petrochemical industry. Unipetrol was intended to joint selected Czech petrochemical firms in a group that would be able to compete with strong international groups. The majority shareholder (with 63 percent of the shares) was the Czech state represented by the National Property Fund. The rest of the shares shares were owned by investment funds and small shareholders. According to the original concept the State's share was to be privatised.

The following joint-stock companies were gradually incorporated into the Unipetrol company: Kaučuk, Chemopetrol, Benzina, Paramo, Koramo, Česká rafinérská, Unipetrol Trade, Spolana, and Unipetrol Rafinérie.

2003

Koramo merged with Paramo and the successor company Paramo was created.

Česká rafinérská shifted to the reprocessing mode.

2004

Agreement between PKN Orlen and the National Property Fund on the sale of 63% of shares of Unipetrol.

2006

Sell of the majority interest in the Spolana subsidiary to the Polish company Zaklady Azotowe ANWIL.

2007

Sell of the subsidiary Kaučuk to the Polish company Firma Chemiczna Dwory

Opening of a new subsidiary Unipetrol Services.

Change of the legal forms of Unipetrol Doprava, Benzina, and Petrotrans from join-stock companies to limited liability companies.

Creation of Butadien Kralupy, the shareholders of which are Unipetrol (51%) and Kaučuk (49%).

Merger of subsidiaries Chemopetrol and Unipetrol Rafinérie with Unipetrol RPA.

2008

Right at the beginning of the year the Board of Directors of Unipetrol approved an investment plan to expand the product portfolio of Unipetrol RPA.

On June 26, 2008 the Annual General Meeting of Unipetrol decided on payment of dividends from retained earnings in the total amount of CZK 3,200,558,584.60.

By buying 49,660 shares Unipetrol increased its stake in Paramo to 91.77 percent. In October, Unipetrol announced its plan to purchase the remaining shares from minority shareholders.

Based on the approved concept of implementation of an integrated management system in the entire Group, the pilot project including certification of five selected companies (Unipetrol, Unipetrol RPA, Unipetrol Doprava, Unipetrol Services, Benzina) took place from October 1 to October 17.

2009

Unipetrol became the one-hundred-percent owner of Paramo. Milan Kuncíř was appointed the new CEO of Paramo.

In late May, Unipetrol RPA announced a final shutdown of the unit producing oxo alcohols. The unit had been in operation since 1969.

In June, Transpetrol, Česká rafinérská and Paramo entered into agreement on transport and storage of crude oil in the Slovak Republic for 2009.

In September, Benzina introduced a significant enhancement of its fuel portfolio. As the first company on the Czech fuels market it began to sell a new formulation of the premium diesel with the cetane number 60. The product was named Verva and it was made available at 130 filling stations.

In the fourth quarter of 2009, Benzina began to withdraw from the sale the already unpromising petrol Special 91 which was significantly losing its market position. The withdrawal from the market was set to Q2, 2010.

On December 10, Unipetrol's Supervisory Board appointed Mr. Piotr Chełmiński, who was a member of the Board of Directors and the Chief Administrative Officer at that time, the new Chairman of the Board of Directors and CEO.

Artur Paździor became the new Executive Director of Unipetrol RPA.

The Unipetrol Group achieved the goals set in the optimisation plan. The company reported achievement of significant savings on fixed and variable costs. The capital expenditures of the Group were also reduced.

2010

Unipetrol and Unipetrol RPA decided to transfer their shares in Celio to TICATANOR Ltd. and B.E. Fin. Celio is engaged in waste management and its sale was in line with the Unipetrol Group´s strategy the aim of which is to focus more on strategic segments.

A joint venture of Unipetrol and Synthos Kralupy, Butadien Kralupy started production in its new butadiene unit. A CZK 1.2 billion investment replaced the production unit operated by Synthos Kralupy.

The new shall increase the production capacity from 90 to 120 kt per year, which ranks the company among the 10 largest producers of butadiene in Europe.

The shut-down schedule for T200 heating plant in Chempark in Záluží was introduced. T200 heating plant is an obsolete source of electricity and steam and its operation - from 2013 onwards - will not meet the legislative requirements.

The energy services unit belonging to Unipetrol RPA will thereafter continue to operate the newer T700 heating plant

The new member of the Board and Chief Financial Officer of Unipetrol was appointed Mariusz Kędra. Wojciech Ostrowski, the former Unipetrol´s CFO, resigned after three years in function.

Unipetrol will build a new teaching and research centre UniCRE. The centre shall connect research and scientific work with educational activities. It will be built in the coming years in the industrial area in Záluží. The total construction cost of the centre was estimated to nearly CZK 800 million. The project will be supported by the European Union by CZK 600 million.

Benzina started its co-operation with the fast-food chain Burger King which opened its first motorway restaurant in the Czech Republic at the Benzina Plus Filling Station on the third kilometre of the D11 motorway in the direction from Prague.

Paweł Kania became was appointed the new Executive Director of Benzina.

2011

At the beginning of the year, two new subsidiaries of Paramo were created within the restructuring process: Paramo Oil and Paramo Asfalt.

On September 27, 2011 was finished the liquidation of Unipetrol Trade which was also the part of the restructuring process.

At the turn of the 3rd and 4th quarter was performed the planned four-year cycle shutdown of the refinery and petrochemical plant in Litvínov.

The Unipetrol Group became the general partner of the International Year of Chemistry 2011 the Czech Republic. The International Year of Chemistry 2011 was announced by UNESCO and the International Union of Pure and Applied Chemistry.

Benzina launched the first fully self-service filling station in the Czech Republic named Expres 24.

Three companies of the Unipetrol Group managed to retain their certificates for a responsible approach to business in chemistry awarded by the Association of Chemical Industry of the Czech Republic. Thanks to this, Unipetrol, Unipetrol Doprava and Unipetrol RPA can use the Responsible Care logo.

In November, the production of high density polyethylene in Unipetrol RPA exceeded the value of 5 million tons.

The company has been producing polyethylene since 1976, the current production reaches 950 to 1000 tons of polyethylene per day.

Paramo introduced a new line of performance engine oils Mogul Professional.

Paramo obtained the European Technical Approval ETA for the roof waterproofing system Gumoasfalt.

2012

The Group decided to shut down the urea producing unit in Chempark Záluží in Litvínov to January 1, 2013. The urea producing unit was part of the division agro of the subsidiary Unipetrol RPA and its contribution to the profitability of the Unipetrol Group was negative in recent years and no change in this trend was expected.

The company decided to terminate permanently the processing of crude oil in the Pardubice refinery Paramo. The decision was made on the basis of a comprehensive analysis of the macroeconomic situation, including low refining margins compared to the period before the financial and economic crisis in 2008, weak demand for diesel, and excess of refining capacity in Europe. Another key factor was the low conversion capacity (less than 1 mil. tonnes per year) and low complexity of the Paramo refinery, which has negatively affected the profitability of this Group's asset in the past years. Furthermore, no analysed scenario showed a major improvement in the medium term.

2013

The Unipetrol Group strategy for the years 2013-2017 was published in June. This important document defines the key development trends for the coming years. Petrochemical segment is considered the key creator of the Group's profit and the majority of capital investments will be directed to this segment. Unipetrol will focus on achieving of a significant increase in efficiency and operational excellence across all company segments. Implementation of the Strategy should ensure a strong financial position of the company, both in terms of liquidity and financial debt.

The pivotal Unipetrol's agreement is a three-year contract with Rosneft on supplies of Russian export oil (REB). It was signed in June and it was the first long-term agreement entered into by Unipetrol´s majority shareholder PKN Orlen on behalf of Unipetrol. The agreement is valid from July 1, 2013 to June 30, 2016.

In addition to the Strategy for 2013-2017 it is worth mentioning the acquisition of a 16.335% share in Česká rafinérská by Shell Overseas Investments which was signed on November 7, 2013. The acquisition was successfully finished on January 31, 2014. Unipetrol´s share in the Česká rafinérská increased from 51.22% to 67.555% and the company gained a qualified majority with the threshold of 67.5%.

2014

On January 31, 2014 was successfully finished the purchase of 16.335% share in Česká rafinérská by Shell Overseas Investments, on the basis of which Unipetrol's share in the registered capital of Česká rafinérská increased from 51.22% to 67.555%.

Another important event was the exercise of the pre-emptive right to purchase the remaining 32.445% share in Česká rafinérská from Eni International. Acceptance of the bid was announced on July 3, 2014 and the acquisition was non-finally approved by the Office for the Protection of Competition on December 19, 2014. Upon completion of the transaction Unipetrol becomes the sole shareholder of Česká rafinérská with 100.00% share.

Also noteworthy is the significant strengthening of the long-term strategic cooperation with the University of Chemistry and Technology, Prague (UCT Prague), which was signed on November 12, 2014 and which resulted in creation of a new University Centre UCT Praha – Unipetrol. This connection represents a unique collaboration of industrial and educational sectors at the university level. Such intensive cooperation will enable students to use the scientific and research equipment in the research and educational centre UniCRE in Chempark Záluží with a maximum possible interconnection of research and educational activities.

1.2. Introducing the Unipetrol Group

The Group operates refineries and performs petrochemical production and sales in the Czech Republic and Central Europe. Group companies mainly produce and sell refinery products, chemical and petrochemical products, polymers, and specialty chemicals. The Group also operates its own transportation services and finances its own research and development. Unipetrol is the leading refinery and petrochemical group in the Czech Republic and a major player in Central and Eastern Europe. The Group focuses on three strategic business segments:

- Refining of crude oil and wholesale of the refined products.
- Petrochemical production.
- Retail sale of motor fuels.

Unipetrol is the 100% owner of the following companies:

- Unipetrol RPA - a manufacturer and distributor of refined, petrochemical, and agrochemical products.
- Benzina - operator of the largest network of filling stations in the Czech Republic.
- Unipetrol Doprava - professional railway transporter of chemical, petrochemical, and other products, including provision of related services.
- Paramo - the largest manufacturer of bitumen, lubricants, fuel oil, and other refined products.
- Unipetrol Services - support centre for all Group companies.

Other significant ownership interests:

- Česká rafinérská (67.555%), joint venture with ENI INTERNATIONAL B.V. (32.445%), the largest crude oil processor in the Czech Republic for a wide range of products with a total annual capacity of 8.7 million tons.

Part of the Unipetrol Group are two companies aimed at research and development which have achieved excellent results with with important practical applications:

- Výzkumný ústav anorganické chemie, (Research Institute of Inorganic Chemistry, abbr. VÚAnCh).
- Polymer Institute Brno.

The main products of the Unipetrol Group are refined and petrochemical products.

Refined products: gasoline, diesel (diesel), light fuel oil, aviation fuel, LPG, bitumen, naphtha, lubricating and fuel oils.

Petrochemical products: ethylene, propylene, C_4 fraction, benzene, high-density polyethylene, polypropylene, ammonia, high conductive carbon black.

1.3. Business profiles of main subsidiaries of Unipetrol

Unipetrol RPA

The logical continuation of implementation of the new management model which the Unipetrol Group gradually performs from the beginning of 2007 is the merger of Chemopetrol, Unipetrol Rafinérie, and Unipetrol RPA into Unipetrol RPA (refining, petrochemicals, agrochemicals).

The main advantages of the merger include simplified flows of intermediate products within a single company and a more efficient exploitation of existing synergies. Another positive aspect is a more efficient internal sourcing and sales of our own products within the Group. Last but not least, the change will allow better control over the entire production and sales chain, from the crude oil purchase to customer care. The merger created a single compact unit with a simplified organisational, personnel, administrative, and logical structure of activities.

The company has manufacturing, sales, and service units.

PETROCHEMICAL UNIT

The unit operates manufacturing units:

- Ethylene unit.
- Polypropylene production plant.
- Polyethylene production plant.

AGRO UNIT

Producition of Chezacarb (carbon black), hydrogen, and ammonia in the Agro section.

ENERGY SERVICES UNIT

The unit supplies the entire complex with energy (electricity and steam) and water and it also provides wastewater treatment for the entire complex.

SUPPLY CHAIN UNIT

Ensures production planning, margin and stockholdings optimisation, including management of the logistics cost plan. Ensures purchases of crude oil and other raw materials and manages the production process in the reprocessing refinery.

LOGISTICS UNIT

The unit provides logistics of plastics and Chezacarb (carbon black).

REFINERY SALES AND MARKETING UNIT

The unit ensures creation of sales plans and creation and implementation of refining segment strategies, including the sales and marketing strategy. It arranges sale of refined products and communication with customers, market development and development of new refinery products.

Main products of the unit:

Motor fuels (unleaded motor gasoline, Super 95, Super plus 98, kerosene, diesel fuel), heating oils (extra light heating oil, heavy heating oil R2), bitumen, road asphalts, liquefied petroleum products, propane, propylene, propane-butane , LPG, butane, N-butane, raffinate II, oil hydrogenates, stabilised oil hydrogenates, other refined products, naphtha, liquid sulphur, MTBE.

TRADE DEVELOPMENT UNIT

Ensures processing of price and business analyses, management of business projects and Market Intelligence

MONOMERS AND CHEMICALS UNIT

The unit operates in the field of petrochemical products and ammonia. It plans and controls the production following the crude oil processing of petroleum and supplies semi-finished products for the subsequent polyolefin segment. It is the key supplier of ethylene, propylene, benzene, ammonia, and other chemical and petrochemical raw materials for other chemical companies in the Czech Republic and Central Europe. Main activities:

- Securing raw materials for the production of polyolefins in the Unipetrol Group.
- Sales of petrochemical products, ammonia, and urea.
- Development and strategy of petrochemical and chemical production.

Main products of the unit:

Olefins and aromatics, ethylene for polymerisation, propylene for polymerisation, petroleum benzene, C_4 fraction, C_5 fraction, C_9 fraction - redistilled, naphthalene concentrate, pyrolysis fuel oil, agrochemicals, ammonia, ammonia technical water, carbon black and sorbents, highly conductive carbon black.

POLYOLEFINS UNIT

The unit operates in the segment of plastics - polyolefins. It plans production in the plants that produce polypropylene and high density polyethylene and ensures the sale of PP and HDPE products. BU III collaborates with the research and development base in the Polymer Institute in Brno. It provides the institute polyolefin products and also participates on modifications and development of new polyolefin products. BU III is the leading supplier of polyolefins on the Czech market and with regard to the 5% of European capacity in HDPE, or 2% in PP, it is a very important player in Central Europe. Main activities:

- Ensuring the sale of PP and HDPE products.
- Coordination of research and development in the field of polyolefins carried out by the Polymer Institute Brno.
- Provision of technical and consultancy services to the existing and potential customers.

Main products of the unit:

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

Česká rafinérská

Production company is processing crude oil and operating refineries in Litvínov and Kralupy nad Vltavou. It is a joint venture of two shareholders: Unipetrol (67.555%), Eni (32.445%).

The main products dispatched from both refineries are gasoline, diesel, aviation fuel, fuel oils, liquefied petroleum gases (LPG), bitumen, raw materials for petrochemical production and production of lubricating oils, and substances for further industrial use.

Since August 2003, Česká rafinérská operates as a processing refinery, which means that it processes crude oil supplied by its owners, or their domestic trading companies. These companies sell the products on the domestic and foreign markets in the amount corresponding to their ownership interest.

Benzina

In December 31, 2014 Benzina was operating 339 filling stations selling a wide range of fuels with additives. The selected segment offers a collection of VERVA premium fuels and a wide range of other goods, refreshments, and services. This network was gradually refurbished and modernised (mainly in the years 2006 - 2010) and currently it is profiled into three segments - the premium segment, which are 117 domestic filling stations called Benzina Plus, the standard segment with common Benzina filling stations, and the segment of unattended filling stations called Expres 24. At the end of 2014 Benzina operated three unattended filling stations, Expres 24. Overall, 95% of filling stations in all segments were modernised.

In 2014, Benzina´s market share increased to 15% from 14.5% that was recorded in 2013.

Paramo

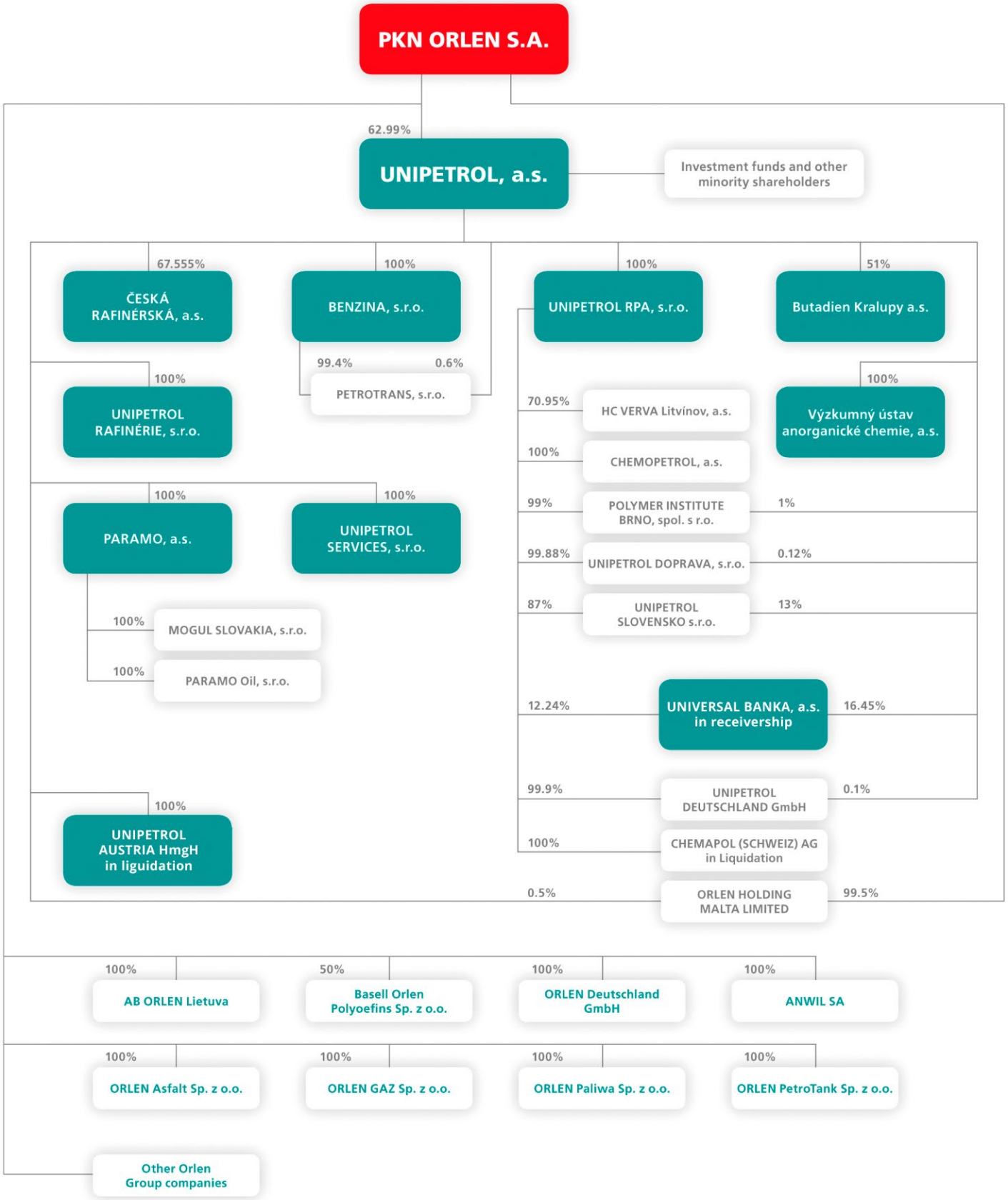
Paramo produces asphalt products and lubricating and process oils, including related and ancillary products. Since 2003, the refinery purchases and processes oil hydrogenates and hydrocrackates for the technology dislocated in Kolín. Intermediate products are used to produce base and lubricating oils with very low sulphur content. In 2012 was terminated oil processing in the Pardubice centre – the production is realised from imported intermediate products. The company places its products primarily on the domestic market.

Unipetrol Services

Shared Services Centre (SSC) was established on January 1, 2007. It was created by transferring administrative and support activities of Unipetrol, Chemopetrol, Unipetrol Doprava, Benzina, and Unipetrol Trade. The centre was then transferred to a new company: Unipetrol Services. The company is gradually expanding the number of serviced companies within and outside the Unipetrol Group.

The mission of Unipetrol Services is to provide its services to other companies within and outside the Group and to increase efficiency and reduce costs of services.

OWNERSHIP STRUCTURE OF UNIPETROL ON DECEMBER 31, 2014



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

In November 2007, the Board of Directors of Unipetrol approved the „Policy for Responsible Care and Integrated System of Occupational Safety and Health, Environmental Protection and Quality Management" which builds on the previous „Joint Environmental Policy of the Unipetrol Group" of 1999 and responds to the new Group structure and new Social Responsibility stimuli (Corporate Social Responsibility – CSR).

The Policy for Responsible Care and Integrated System of Occupational Safety and Health, Environmental Protection and Quality Management

Unipetrol Group is one of the leading Czech industrial corporations and a national leader in the fields of crude oil refining and petrochemicals.

The Group seeks long-term profitability, competitiveness, high quality products and services, a high level of safety and environmental responsibility in production, commercial and logistics operations, including oil refining, petrochemical and agrochemical production, distribution, services in the field of railway transport, wholesale and retail trade with motor fuels, oils, and other products

As a member of the industrial group Orlen, Unipetrol observes the principles of the Global Charter the "Responsible Care", sustainable development, and social responsibility.

Unipetrol Group´s priority is to develop, produce, and transport products with minimal risks of an adverse impact on human health and the environment. To mitigate potential risks, Unipetrol introduces the „Product Stewardship - Product supervision and care" which includes product testing, informing customer chains about a broad range of product features and risk management measures where there is a potential risk to health, safety, or environment.

The Group implements and maintains an integrated management system which includes management system of occupational health and safety, environmental management system, and quality management system. In accordance with the integrated management system, the Unipetrol Group agreed to adhere to the following commitments:

2.1. Product supervision and care

- Develop, produce, and distribute products with minimal risks of an adverse impact on human health and the environment.
- Test products, inform customers and the public on a wide range of product attributes and risk management measures where there is a potential risk to health, safety, or environment.

2.2. Compliance with legal and other requirements relating to occupational safety and health, product quality, and environmental protection:

- Fulfil legal requirements and other company-binding requirements in the field of occupational safety and health, environmental protection, and quality of products and services.
- Implement the best available technology wherever it is appropriate and efficient.

2.3. Integrated management system

- Regularly review the appropriateness and adequacy of the integrated management system policy.
- Monitor, measure, and evaluate processes and measures in order to achieve continuous improvement of the Integrated Management System´s efficiency.
- Record discrepancies and analyse the causes of process discrepancies, take appropriate corrective and preventive actions for their elimination.
- Continuously improve performance in the areas of occupational safety and health, environmental protection, and quality control of products and services.
- Include suppliers (both the legal and natural persons) in the management system, acquaint them with the principles and procedures used by the company and require their implementation.
- Provide the necessary resources for implementing and maintaining the integrated management system and for financing system-related activities.

2.4. Preventive approach

- The Group prefers a preventive approach in the areas of occupational safety and health, environmental protection, quality of products and services, and protection of assets from the consequences of emergencies; maintain and test emergency and rescue systems.
- Operate facilities in a safe manner that protects the health of employees, suppliers, other companies, and inhabitants of the region, and has a minimal impact on the environment, quality of products, and their value.

2.5. Limiting the risks to safety, health, and environment

- Implement a system of prevention and management of risks to health, safety and environment in order to minimise the adverse effects of such risks and accidents and compensate for damage caused by such accidents to health, the environment, or property.
- Inform the public about the existence of health, safety, and environmental risks and adopted safety and preventive measures.
- Continuously identify hazards, assess risks, health and environmental impacts, and adopt and implement measures to eliminate or reduce the risks, minimise negative impacts arising from emergencies.
- Teach employees how to prevent adverse impacts of their activities on health, occupational safety and environment, product quality and property.

2.6. Open approach

- Apply open approach to all parties involved.
- Maintain contact with all parties and promote an open attitude towards the public, especially the neighbouring towns and villages.

2.7. Evaluation of impacts on safety, health, and environment

- Evaluate the impacts on health, safety, and the environment before starting a new activity or project, implementing change, or before stopping an operation and apply the evaluation results so that adverse impacts are minimized.

2.8. Logistics and transport services

- Provide logistics and transport services with regard to a high standard of safety, quality, and environmental performance; implement and maintain the European "Safety & Quality Assessment System - SQAS" for transport services and assessment for cleaning transport facilities European Cleaning Document (ECD).

2.9. Remediation of old environmental burdens

- Implement long-term program of remediation of old environmental burdens.

2.10. Customer focus

- Maintain a high quality of products and services, adapt product specifications and services to customer requirements wherever it is possible and effective.
- Monitor information on customer satisfaction. Meet the needs and expectations of customers and requirements of other stakeholders (suppliers, employees, and owners) in order to achieve their satisfaction and gain competitive advantages.

2.11. Training and education of employees

- Educate, motivate, and raise awareness among employees, suppliers, and other business partners regarding security, occupational safety and health, environmental protection, and quality of supplied products and services.

2.12. Protection of company assets

- Preserve and protect the company's assets. Adequately insure against indelible risks in order to reduce their impact on the company's assets.

III. ACTIVITIES OF THE UNIPETROL GROUP RELATED TO ENVIRONMENTAL PROTECTION IN 2014

3.1. Environmental investments

Environmental investments are defined as capital investment projects caused directly by requirements of environmental protection legislation and closely related to implementation of integrated pollution prevention. Environmental investments include other investment projects with a significant positive effect on the environment.

In 2014, the Group implemented the following major environmental investments:

Česká rafinérská

Česká rafinérská implemented environmental protection investment projects in the total value of CZK 177.1 mil. The most important ones were:

- Reconstruction of wastewater treatment plant in Kralupy – the wastewater treatment plant in Kralupy reconstruction project was started in 2013. The reconstruction was required by the applicable integrated permit. When the project comes to completion the wastewater treatment will comply with the best available technology requirement (BAT). Project completion is scheduled to the end of 2015.
- Reconstruction of the sewer system in Kralupy – there are two projects for reconstruction of the existing sewer system. The first project addressed the parts with the potential occurrence of MTBE. This project was implemented and completed. The second project addresses reconstruction of the remaining part of the sewer system. This project currently is being implemented, it is scheduled for completion in 2015.
- A project for expansion of the remedial system in the tank station Jiřetínská and the road terminal in the Litvinov refinery was launched in 2014. The project´s completion is planned for 2015.
- A project for reconstruction of the visbreaking sewer unit. The project´s completion is planned for 2015.
- Modernisation of the MEA system in Litvínov – launch of the project of modernisation of the amine gas purification units, including regeneration of the units. The main part of the project will be implemented in the stopper 2016.
- A project of reconstruction of the gas boiler in the LPG warehouse was implemented in the Kralupy refinery.
- In the Litvínov refinery, preparations for a slop system renovation project were started.

Unipetrol RPA

In Unipetrol RPA, environmental protection investment projects had a total value of CZK 63.1 mil. The most important ones were:

- Segregation of sewage, 3rd and 4th stage.
- Preparation for installation of DeNOx technology in the T700 power plant.
- Reconstruction of sewer system and shafts in the area of the ethylene unit.
- Water supply and distribution for ethylene unit handling areas.
- Construction of facilities for cleaning tanks in the mechanical cleaning station.
- Replacement of filters on homogenisation silos of the polypropylene production plant.
- Feasibility study for reconstruction of the ethylene unit boiler house.
- A number of additional measures with a positive impact on the environment were implemented as part of the operating costs of the facility maintenance.

Paramo

In Paramo, environmental protection investment projects were implemented with a total value of CZK 9.8 mil. The most important ones were:

- Completion of reconstruction of the VR52 tank in the P02 plant (HS Pardubice).
- Swapping of the existing solvent in the selective refining plant (HS Pardubice) from the original cresol to the more environmental friendly N-Methyl 2-Pyrrolidone (BAT compliance).
- Energy Audit 2014.

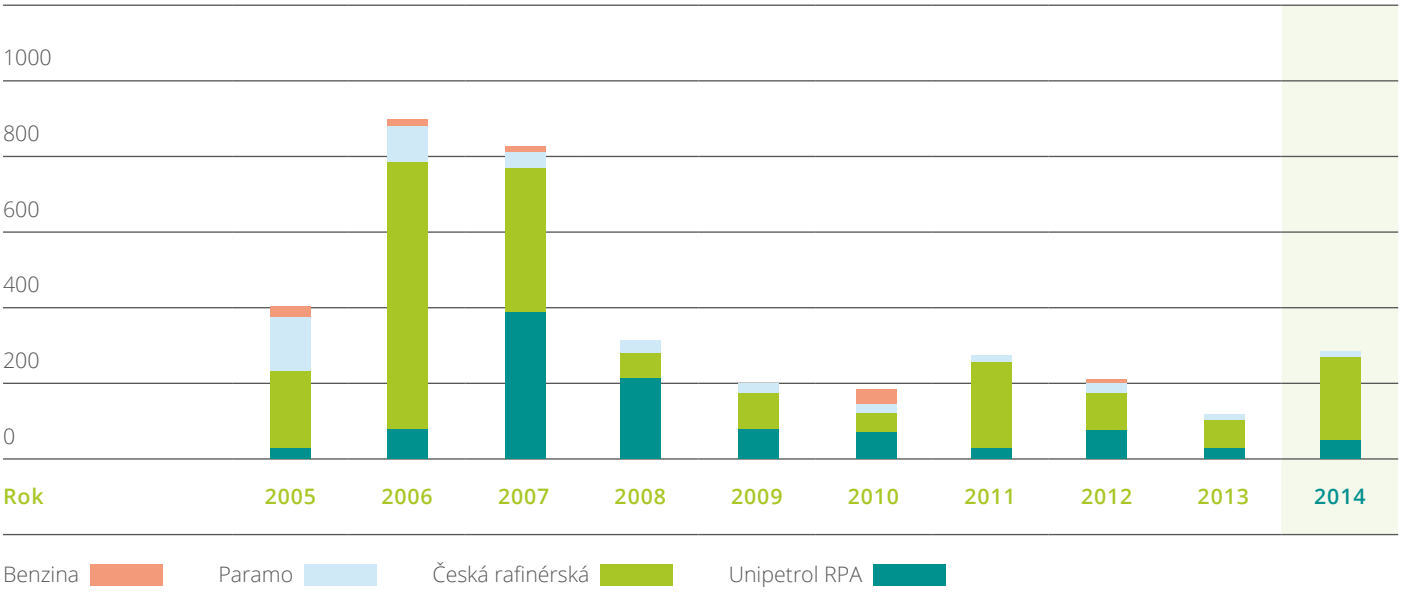
Benzina

In Benzina, environmental protection projects were implemented with a total value of CZK 2.0 mil. The most important ones were:

- Exchange of an unsatisfactory oil trap within the renovation of the FS 126 Dobřany.
- Transfer of waste water into the public sewer system in FSs Úvaly and Telč.
- Replacement of outdated single-shell pipes with double-shell pipes with continuous intra-shell indication in FSs Pelhřimov, Nová Paka, Písek, and Stará Ves nad Ondřejnicí.
- Continuation of the project to change the rainwater disposal method. The project has passed several stages of implementation – from the feasibility study to commencement of the construction permission procedure. This project includes 50 FSs in Benzina network.

Investment costs of environmental protection in the Group (CZK mil. per year)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	17	65	389	85	76	81	25	62	26	63
Česká rafinérská	200	740	397	116	105	40	241	127	82	177
Paramo	168	87	26	59	14	20	7	18	7	10
Benzina	5	6	16	22	5	35	8	6	3	2
Unipetrol Group	**390**	**898**	**828**	**282**	**200**	**175**	**281**	**213**	**117**	**252**



3.2. The costs of environmental protection

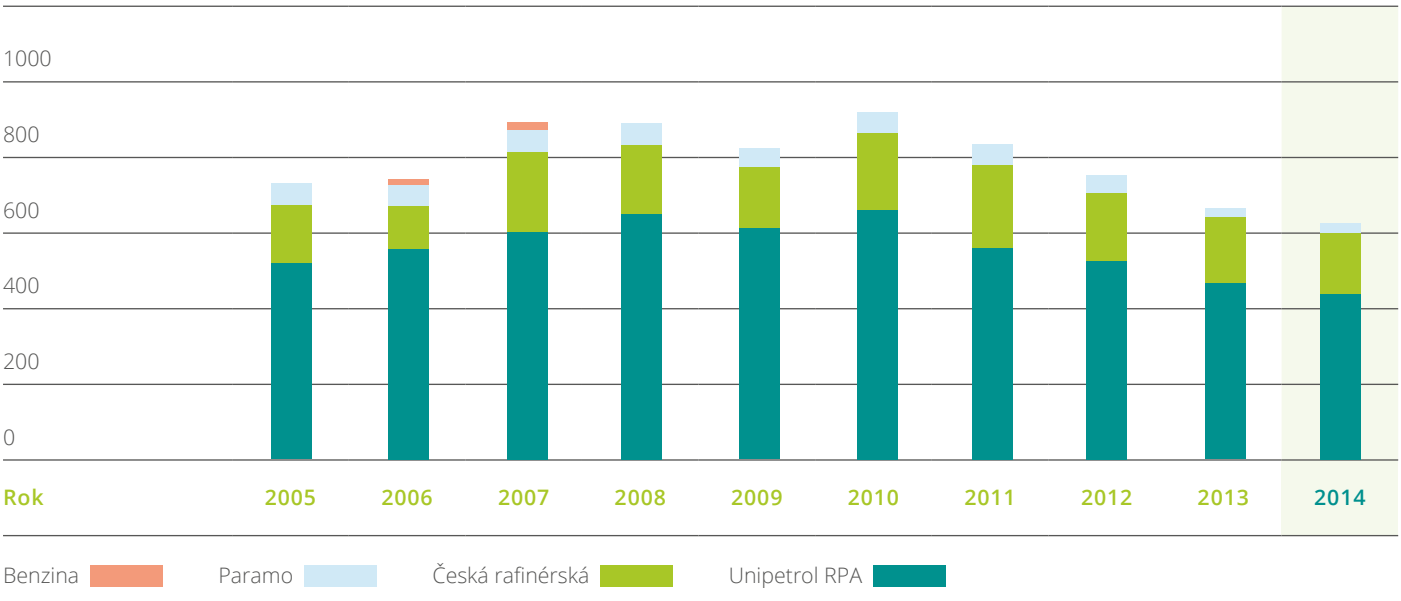
Environmental operating costs

Costs associated with the operation of installations for air protection, wastewater treatment, waste management, environmental management systems, emissions monitoring, evaluation of environmental impact (EIA process), integrated pollution prevention, and other related environmental activities are called environmental operating costs.

Newly installed modern technologies with high degree of raw material conversion, reduced amount of waste, and high energy efficiency have resulted in an overall reduction in environmental operating costs compared with the previous decade. The amount of environmental operating costs has been more or less stable in the last decade. Development trend of environmental operating costs between 2005 – 2014 is shown in the following table.

Operating costs of environmental protection in the Group (CZK mil. per year)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	561	590	606	654	624	652	544	511	486	433
Česká rafinérská	139	106	203	166	144	202	254	185	176	168
Paramo	38	47	48	44	35	44	40	34	15	13
Benzina	5	5	5	5	5	6	3	4	2	3
Unipetrol Group	**743**	**748**	**862**	**869**	**808**	**904**	**841**	**734**	**681**	**617**



Total costs of environmental protection

The total costs of environmental protection in the Unipetrol Group include the costs of environmental investments, operating costs of environmental protection, restoration costs of environmental damage, and also charges for air pollution, wastewater discharges, waste disposal in landfills, provisioning for landfill reclamation, and compensations for pollution damage to forests. Development of charges and payments for environmental pollution and the total costs of environmental protection in the years 2005 – 2014 is shown in the following table. The decrease in fees and charges in 2009 in comparison with 2008 in Česká rafinérská is due to a change in methodology.

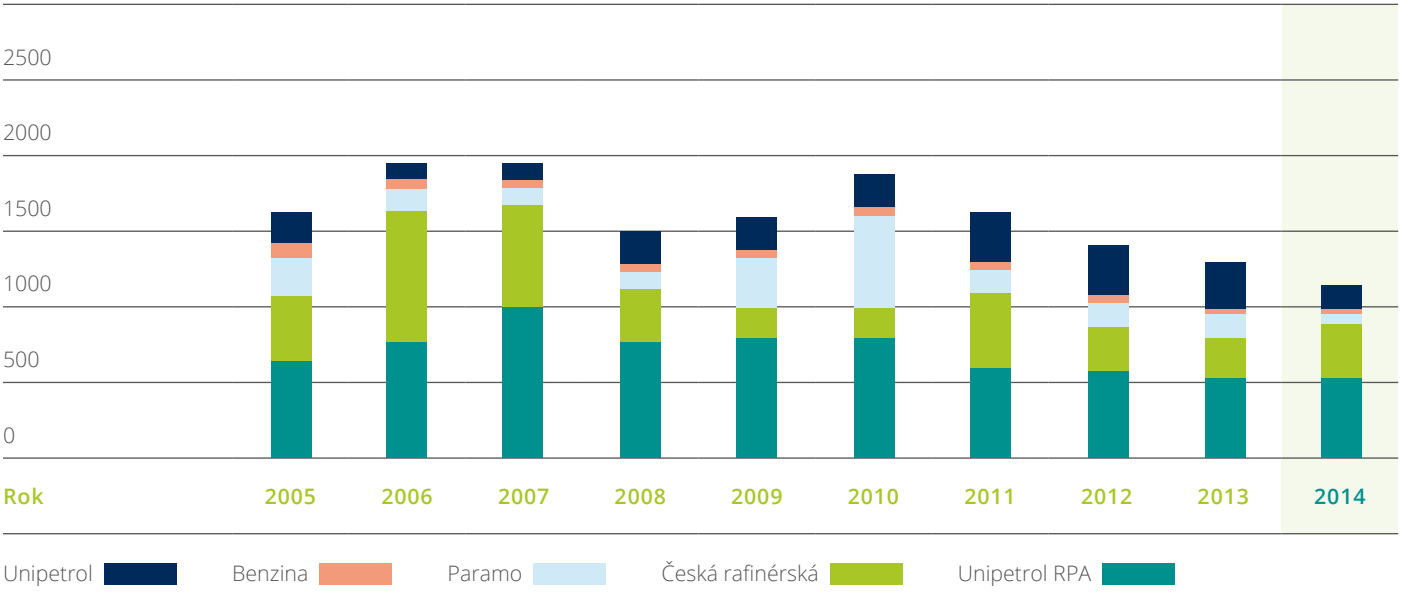
Fees and payments for environmental pollution in the Group (CZK mil. per year)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	50	44	16	18	41	32	27	30	25	25
Česká rafinérská	89	75	89	113	12	7	10	23	23.8	18
Paramo	2	2	1	2	1.7	2.5	2.6	1.7	1.2	1.3
Benzina	0	0	0	0	0	0	0	0,2	0	0
Unipetrol Group	**141**	**121**	**106**	**133**	**55**	**41**	**40**	**55**	**39**	**45**

The total costs of environmental protection in 2014 amounted to a total of CZK 1.2 billion. The increase in the total costs in 2009 and 2010 compared to 2008 was mainly due to the commencement of new projects in the field of remedial works at both Paramo locations, the decline in 2011-2012 related to the interruption of remediation of contaminated soil from the former rhododendron lagoons in HS Kolín. The drop in costs in 2014 compared to 2013 was mainly due to lower costs for remediation of old environmental burdens.

Total costs of environmental protection in the Group (CZK mil. per year)

Rok	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	628	699	1,011	757	741	764	596	603	537	521
Česká rafinérská	428	921	689	395	261	249	505	335	281	363
Paramo	291	176	85	119	346	591	179	114	158	79
Benzina	36	26	38	73	31	67	39	39	35	18
Unipetrol	202	147	148	144	159	148	256	343	306	182
Unipetrol Group	**1,585**	**1,969**	**1,971**	**1,488**	**1,538**	**1,820**	**1,576**	**1,434**	**1,317**	**1,163**



3.3. Management systems

Management systems are a very important factor in environmental protection, occupational safety and health protection, and fire protection. Companies within the Unipetrol Group have implemented and certified Environmental Management System (EMS), Health&Safety Management System (HSMS), and Quality Management System (QMS) in order to guarantee a system approach to environmental protection and other areas.

The systems are certified according to international standards ISO 14001, OHSAS 18001, and ISO 9001.

In the fourth quarter of 2014, Unipetrol, Unipetrol RPA, Unipetrol Doprava, Benzina, Unipetrol Services, and Petrotrans underwent the IMS recertification audit. The certification organization Lloyd's Register Quality Assurance confirmed compliance with the relevant system standards and extended the validity of certificates until October 2017.

In early 2014, SGS Germany performed certification audit of the International Sustainability & Carbon Certification System (ISCC) in Unipetrol RPA.

In June 2013 Česká rafinérská undergone the TMS recertification audit. The certification organisation Lloyd's Register Quality Assurance confirmed compliance with the relevant system standards and granted new certificates. At the turn of June and July 2014, the same company performed a regular inspection TMS audit and concluded that there were no significant findings that would prevent validity of the certificate granted.

In December 2014, TÜV SÜD Czech performed sustainability in the production of motor fuels with biofuels certification audit in Česká rafinérská.

In May 2014, Paramo underwent supervisory certification audit covering all three systems EMS, HSMS, and QMS. The integrated certificate issued in 2012 (Lloyd's Register Quality Assurance) is valid until 2015.

3.4. Program Odpovědné podnikání v chemii - Responsible Care

Responsible Care is a voluntary worldwide initiative of the chemical industry aimed at promoting the industry's sustainable development by increasing the safety of facilities, product transport, and protection of human health and the environment. The program represents a long-term strategy coordinated by the International Council of Chemical Associations (ICCA) and in Europe by the European Chemical Industry Council (CEFIC). The contribution of the Responsible Care program to sustainable development was acknowledged by an award of the United Nations Environment presented at the World Summit in Johannesburg.

In 2005, the continuation of the program in the form of 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 initiative which was officially launched in October 1994 by the Minister of Industry and Trade and President of the Association of Chemical Industry of the Czech Republic. Since 2008, the program meets the conditions of the Responsible Care Global Charter.

Details of the Responsible Care program and the conditions for its implementation can be found on the information server of the Association of Chemical Industry of the Czech Republic http://www.schp.cz.

In 2014, the permission to use the logo of the Responsible Care program was bestowed to Unipetrol, Unipetrol RPAUnipetrol Doprava, and Unipetrol Services was registered as a partner company of the Responsible Care program. Since Česká rafinérská and Paramo are no longer members of the Association of Chemical Industry of the Czech Republic, they do not use the authorisation, although they continue to meet the principles.

Management systems certified/verified in Unipetrol Group in 2014

Company	Verifier	Certification standard	Certification dates	Recertification outlook
Unipetrol RPA	LRQA	ISO 14001	2002, 2005, 2008, 2011, 2014	2017
Unipetrol RPA	LRQA	ISO 9001	1996, 1999, 2002, 2005, 2008, 2011, 2014	2017
Unipetrol RPA	LRQA	OHSAS 18001	2005, 2008, 2011, 2014	2017
Unipetrol RPA	SCHP ČR	Responsible Care	1996, 1998, 2000, 2002, 2004, 2008, 2011, 2014	2017
Unipetrol RPA	SGS Germany	ISCC	2011, 2012, 2013, 2014	2015
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	Sustainable Development Award	2008	-
Unipetrol Doprava	LRQA	ISO 14001	2007, 2008, 2011, 2014	2017
Unipetrol Doprava	LRQA	ISO 9001	2005, 2008, 2011, 2014	2017
Unipetrol Doprava	LRQA	OHSAS 18001	2008, 2011, 2014	2017
Unipetrol Doprava	MOODY International	SQAS	2006, 2009, 2012	2015
Unipetrol Doprava	SCHP CR	Responsible Care	2011, 2014	2017
Unipetrol Doprava	Rail Authority	ECM	2013	2018
Benzina	LRQA	ISO 14001	2008, 2011, 2014	2017
Benzina	LRQA	ISO 9001	1996, 1999, 2002, 2005, 2008, 2011, 2014	2017
Benzina	LRQA	OHSAS 18001	2008, 2011, 2014	2017
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 CR	Responsible Care	2000 / 2002, 2004, 2008, 2012	-
Unipetrol	LRQA	ISO 14001	2008, 2011, 2014	2017
Unipetrol	LRQA	ISO 9001	2008, 2011, 2014	2017
Unipetrol	LRQA	OHSAS 18001	2008, 2011, 2014	2017
Unipetrol	SCHP CR	Responsible Care	2000, 2003, 2005, 2007, 2011, 2014	2017
Unipetrol Services	LRQA	ISO 14001	2008, 2011, 2014	2017
Unipetrol Services	LRQA	ISO 9001	2008, 2011, 2014	2017
Unipetrol Services	LRQA	OHSAS 18001	2008, 2011, 2014	2017
Unipetrol Services	SCHP CR	Responsible Care	2014	2017

IV. COMPLIANCE WITH LAWS ON ENVIRONMENTAL PROTECTION

4.1. Integrated pollution prevention and control

Obligations of selected industrial companies in the area of integrated pollution prevention and control (IPPC) are regulated by the Act No. 76/2002, as amended. The scope of this act includes, among other things, all production companies in chemical and refining industries.

In 2013, an amendment to the Act on Integrated Pollution Prevention and Control and its implementing decree were issued within the framework of implementation of provisions of the Industrial Emissions Directive. Unipetrol Group participated on drawing up of of the two laws, including related methodologies, through the Association of Chemical Industry of the Czech Republic. During the year 2014, the underlying and basic reports were prepared for all manufacturing companies. The reports and the proposal of conditions for ensuring groundwater monitoring were subsequently submitted for approval to the relevant regional authorities.

Companies within Unipetrol Group, either directly or through industry associations and NGOs, participated in the preparation and consultation process of further new legislation of the Czech Republic and the EU and the related documents (e.g. BREF documents). The revision works of the BREF documents for large combustion plants, large volume organic chemicals, and wastewater and waste gases treatment continued in 2014. At the end of 2014, the Conclusions on BAT for oil and gas refineries was officially published in the Official Journal of the European Union.

Integrated permits for refineries in Litvínov and Kralupy have been issued for the refineries as a whole, without any breakdown into individual plants. Changes of integrated permits were carried out in relation with new investment projects the scope of which required a change in the integrated permit.

The integrated permit for the refinery in Litvínov was issued by the Regional Authority of the Ústí Region on December 15, 2003. By the decision of the Regional Authority of the Ústí Region of July 20, 2006 was issued the amendment 1 to the integrated permit concerning the investment projects the objective of which was racking, storage, and use of LCO (light cycle oil from the Kralupy refinery) and racking, storage, and blending of RME (biofuel). By the decision of the Regional Authority of the Ústí Region on July 20, 2006, an amendment 2 was issued to the integrated permit concerning the investment projects the objective of which was the new hydrocracker fissile unit revamp and construction of the visbreaking unit recontacting system. On June 12, 2007, the regional authority issued the amendment 3 to the integrated permit concerning the investment projects of low-emission burners installation on new refinery furnaces, combustion air preheating installation, and installation of low-emission burners on the gas oil hydrogenation unit, and enhancement of the rich gas desulphurisation unit and MEA regeneration. On May 5, 2008, the regional authority issued the amendment 4 to the integrated permit concerning the investment project of oxygen economy for enrichment of the combustion air for the Claus units. On June 27, 2008, the regional authority issued the amendment 5 to the integrated permit concerning the investment project of construction of lightweight products racking. On June 8, 2009, the regional authority issued amendment 6 to the integrated permit within the project of change of the fuel used in furnaces catalytic reforming. On March 28, 2011, the regional authority issued the amendment 7 to the integrated permit concerning the investment projects of Editing refinery block flare system and Repair of the Claus unit chimney lining. The amendment also set conditions for the discharge of industrial wastewater into the complex sewage system. At the end of 2011, the company submitted applications for amendment of the integrated permit concerning the abolition of the oil economy for liquid fuel combustion and repairs of sulphur-production plant appliances. The respective amendments 8 and 9 of the integrated permit were issued on January 4, 2012 and February 28, 2012. The application for amendment 10 to the integrated permit was submitted in August 2014. The amendment was related to the Litvínov refinery and it implemented the requirements of the Act No. 201/2012, on air protection and some requirements of the Act No. 76/2002, on integrated prevention. The decision on the amendment to the integrated permit will be issued in 2015.

The integrated permit for the Kralupy refinery was issued by the Regional Authority of the Central Bohemian Region on February 9, 2004. Due to mainly procedural errors committed by the permitting authority during the IP issuance the decision was later overturned and the Regional Authority of the Central Bohemian Region issued a new decision on the integrated permit including all facilities of the Kralupy refinery on March 13, 2008. The integrated permit amendment due to installation of continuous analysers at the outlet of the Claus unit and change of the WWTP revamp deadline was issued on March 2, 2011. The integrated permit amendment No.2 for the Kralupy refinery on the atmospheric distillation furnace burners adjustments was issued on May 24, 2012. On September 10, 2013, the regional authority issued the amendment 3 to the integrated permit including new limits for wastewater discharge and a new range of monitoring pollution of the wastewater discharged from the Kralupy refinery. On December 9, 2013, the regional authority issued the amendment 4 to the integrated permit the reason to which was a change in the vacuum distillation unit emission monitoring caused by transferring the unit into a long-term backup. On April 2, 2014, the regional authority issued the amendment 5 to the integrated permit. The amendment eliminated the requirement to carry out pollution monitoring in Veltrusy. The application for amendment No. 6 to the integrated permit was submitted in August 2014. The amendment related to the Litvínov refinery and it implemented the requirements of the Act No. 201 / 2012, On air protection and some requirements of the Act No. 76/2002, on integrated prevention. The decision on the amendment to the integrated permit will be issued in 2015.

All Unipetrol RPA production units have valid integrated permits issued by the Regional Authority of the Ústí region. These permits are continuously updated in relation to the implementation of investment projects, changes in technological equipment or used substances, meeting of term conditions, or changes in legislation.

During 2014 were issued 8 amendments to integrated permits for Unipetrol RPA facilities (of which 1 was a substantial change).

The changes concerned, for example, an update of categories of air pollution sources according to the new legislation on air quality and changes in relevant conditions for use of resources under the new legislation, operating regulations approval, approval of the transfer of part of the emission ceiling for particles intended for the T700 power plant to another operator, approval of planned changes – application of the DeNOx technology to the T700 power plant, cancellation of permits for disposal/collection of hazardous waste in accordance with the amendment to the Waste Act, approval of the submitted baseline reports and setting conditions for the case of termination of operation, setting conditions for groundwater monitoring in the premises of individual facilities, PE3 floodplain emergency torch construction approval, setting conditions related to the construction and operation of the new PE3 plant, change in monitoring of wastewater from sand-traps I., II. and III. and monitoring of water overflow out of the sand-traps, change in monitoring of wastewater from the ethylene production unit and, last but not least, update of descriptions of individual facilities due to planned changes in these facilities.

All technologies operated by Paramo have valid integrated permits. HS Pardubice obtained integrated permits for the Energetika plant, Asfalty plant, Fuel plant, and Oil plant. The permits were issued by the Regional Authority of the Pardubice region. Since 2014, all plants in HS Pardubice have one common integrated permit. The integrated permit was updated twice during the year 2014 (approval of the baseline report, connection of the fuel storage to the distribution network ČEPRO). HS Kolín obtained one integrated permit issued by the Regional Authority of the Central Bohemian Region. In 2014, the integrated permit was updated due to the partial closure of the Tukárny plant. Permits are continuously changed according to the planned investments, closures in partial technologies, and changes in legislation.

Overview of valid integrated operating permits on December 31, 2014

Production unit	Integrated permit (issuer, date of issue)
Unipetrol RPA	
Production of polypropylene and polyethylene	Regional Authority of the Ústí Region; issued on December 16, 2003 for an indefinite period, 13 amendments
Ethylene unit incl. naphthalene concentrate production	Regional Authority of the Ústí Region; issued on February 21, 2005 for an indefinite period, 10 amendments
Production of ammonia	Regional Authority of the Ústí Region; issued on June 12, 2006 for an indefinite period, 6 amendments
POX unit	Regional Authority of the Ústí Region; issued on July 12, 2006 for an indefinite period, 8 amendments
Energy services unit	Regional Authority of the Ústí Region; issued on October 11, 2007 for an indefinite period, 22 amendments
Production of dicyclopentadiene and non-hydrogenated C_9 fraction	Regional Authority of the Ústí Region; issued on February 23, 2009 for an indefinite period, 1 amendment
Česká rafinérská	
Litvínov refinery	Regional Authority of the Ústí Region; issued on December 15, 2003 for an indefinite period, 9 amendments
Kralupy nad Vltavou refinery	Regional Authority of the Central Bohemian Region; issued on March 13, 2008 for an indefinite period with the exception of the part setting conditions for discharging waste water (this part is valid until December 31, 2019), 5 amendments
Paramo	
Refinery plant, division Pardubice	Regional Authority of the Pardubice Region; published in the version of the 6th amendment to the original IP Energetika of February 2, 2004 for an indefinite period. (Last modified on December 11, 2014)
division Kolín	Regional Authority of the Ústí Region; issued on May 31, 2005 for an indefinite period, 10 amendments

Integrated pollution register

In the Czech Republic, Integrated Pollution Register (IRZ) is kept under the Act No. 25/2008, as amended and in accordance with the Regulation of the European Parliament and of the Council No. 166/2006 establishing The European Pollutant Release and Transfer Register (E-PRTR).

Pollution registers (IRZ and E-PRTR) for individual companies and sectors register data on emissions of 93 reported substances into the air, water, and soil, on their transfers in waste and wastewaters, and transfers of hazardous and other wastes. Yearly data for IRZ and E-PRTR are obtained from companies through the Integrated system of reporting obligations. The companies must deliver the data by March 31 and the data are subsequently published on the IRZ server by 30 September. The legislation requires that companies report substances whose emissions have reached or exceeded a certain threshold value the to the Integrated pollution register.

4.2. Air pollution control, wastewater discharges, waste management

All companies within the Unipetrol Group maintain compliance of company operations with the requirements of laws on environmental protection. Air pollution sources are operated in accordance with the applicable operational rules. Authorised measurements of emissions are performed in legal terms. All facilities dispose of approved water management plans. Wastewater quality is regularly monitored. Emission limits for pollutants in sewage water are met. All facilities have disposed of approved waste management plans, waste is monitored and recorded in accordance with the legislation in force.

Compliance with legislation is monitored by the company management and by the Group headquarters. It is also independently verified by administrative authorities and certification bodies and in companies participating in the „Responsible Care" program also by the Association of Chemical Industry of the Czech Republic. In the case of deviations from the requirements of legal requirement, the appropriate corrective action are implemented without delay. Administrative authorities may impose fines for such deviations.

Wastewater discharges

Over the last five years, emissions of pollutants into the environment were stabilised due to massive environmental investments that were made over the previous decade.

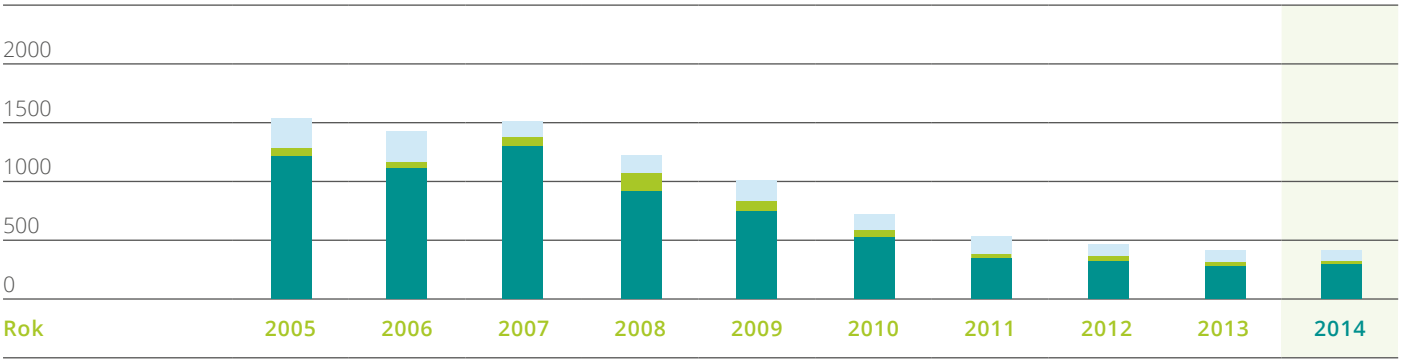
The amount of pollution discharged into wastewater is steadily declining. The decline was achieved through a number of investment and non-investment measures, e.g. an extensive reconstruction of biological wastewater treatment in Unipetrol RPA from 2007-2009, reconnection of municipal waste water to the newly built municipal waste water treatment plant in 2010, segregation of industrial water from the common sewerage system into the industry sewerage system, and many other measures.

Pollutants discharged in wastewater by the Group (t/year)

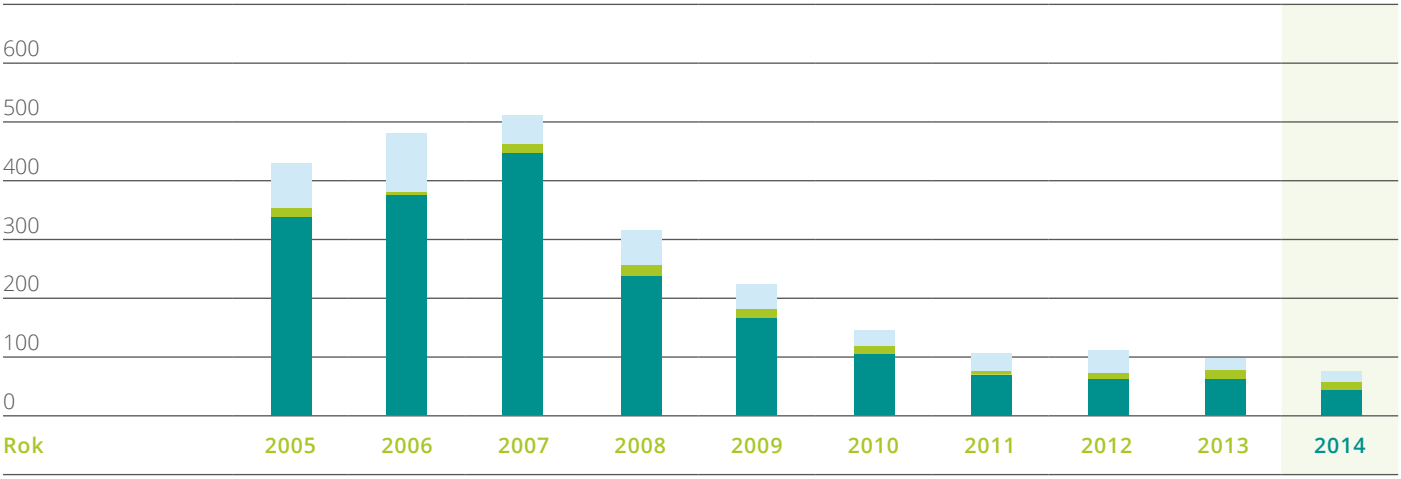
Year	Parameter	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	COD	1,197	1,107	1,261	932	780	500	329	311	277	290
	BOD_5	344	379	435	237	171	122	62	59	48	37
	undissolved substances	355	357	395	241	302	208	155	153	111	83
	Oil products	5	4	5	3	2	3	1	1	2	1.3
Česká rafinérská [1]	COD	83	69	66	71	49	37	37	37	38	38
	BSK_5	16	9	11	15	14	15	18	12	16	13
	undissolved substances	40	43	45	49	46	49	48	39	42	41
	Oil products	1	2	3	1	2	1	2	1	1	1
Paramo	COD	245	248	171	163	154	192	153	111	116	104
	BOD_5	79	92	65	59	35	38	32	36	26	24
	undissolved substances	59	38	27	27	26	32	50	34	39	25
	Oil products	8	9	6	8	6	7	6	4	3	1.33
Unipetrol Group	COD	**1,525**	**1,424**	**1,498**	**1,166**	**983**	**729**	**519**	**459**	**431**	**432**
	BOD_5	**439**	**480**	**511**	**311**	**220**	**175**	**112**	**107**	**90**	**73**
	undissolved substances	**454**	**438**	**467**	**317**	**374**	**289**	**253**	**226**	**192**	**148**
	Oil products	**14**	**15**	**13**	**12**	**10**	**11**	**9**	**6**	**6**	**4**

[1] only in Kralupy

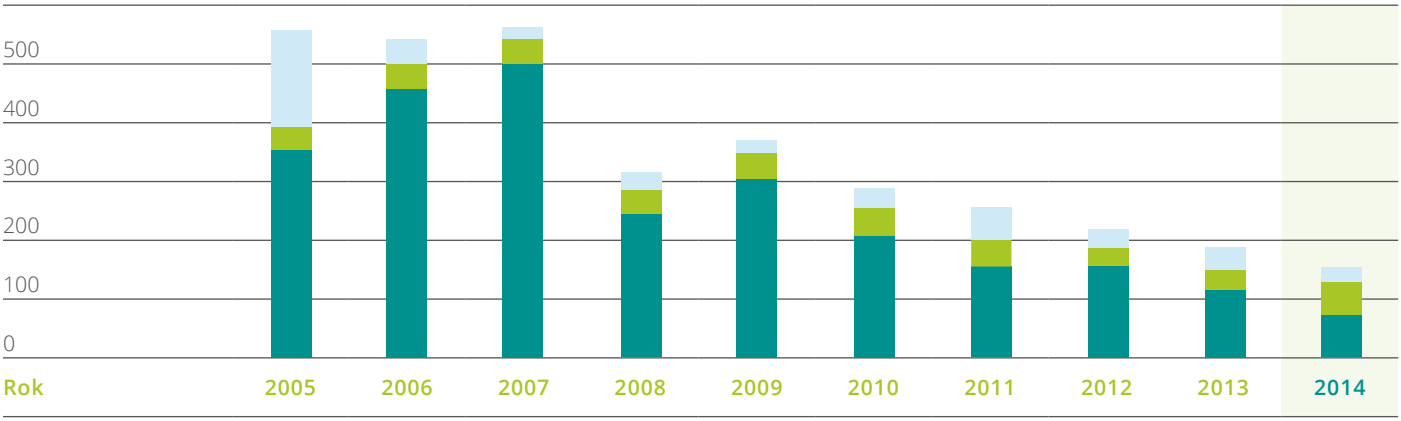
COD



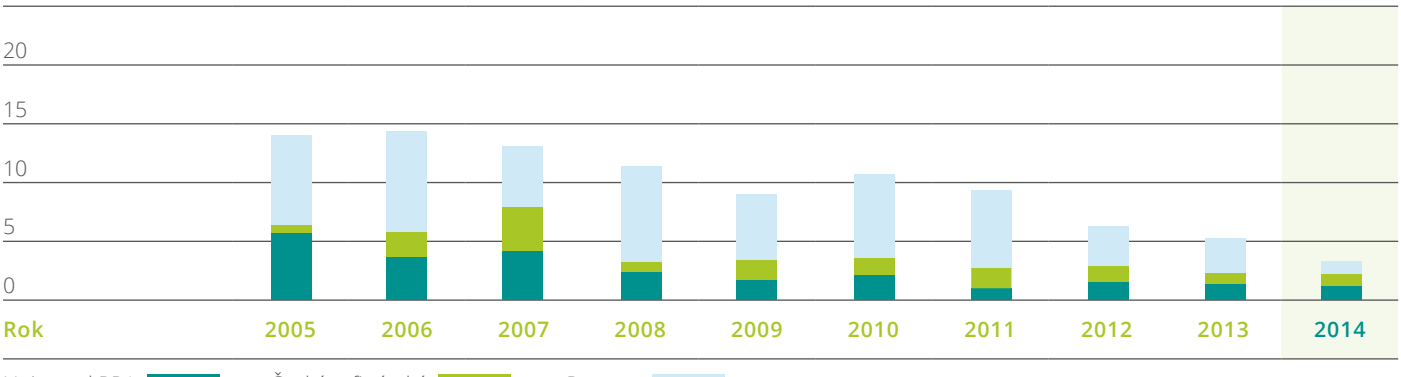
BOD_5



Undissolved substances



Oil products



Waste management

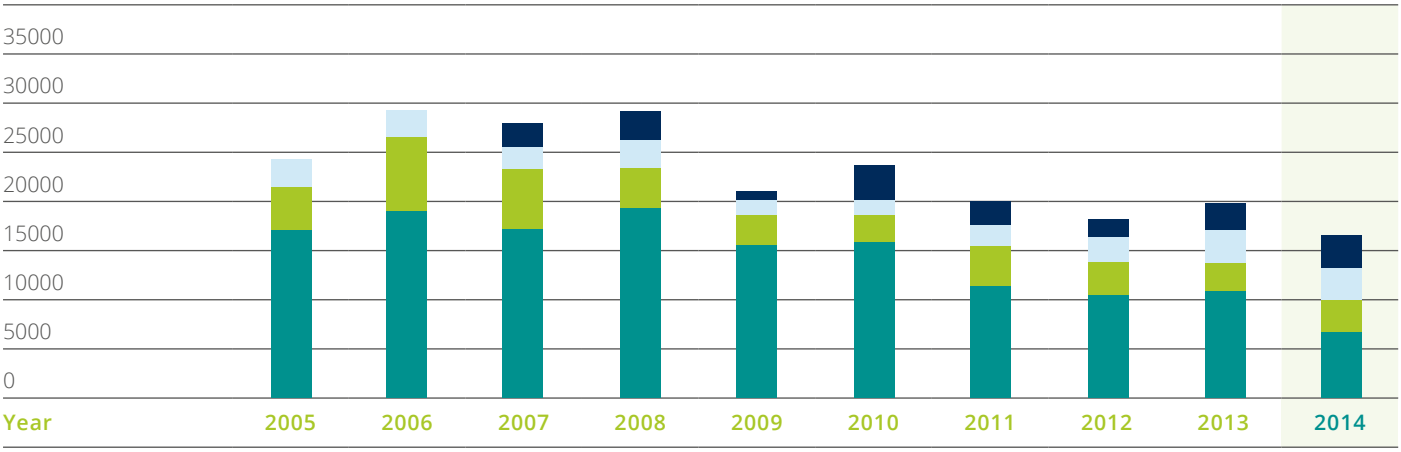
The Unipetrol Group managed to achieve significant reduction of volume of both overall and hazardous waste in the long term. In the period 2004 - 2010, the amount of waste was more or less stable with only minor fluctuations caused by stop works or major capital constructions. Between 2011 and 2012, there was a reduction in waste production compared to previous years, mainly due to the reduced amount of waste generated during demolition and construction works. Other waste reduction at Unipetrol RPA was achieved by improvements in the quality of plastic products, which no longer have to be classified under sub-wastes because they now meet the quality requirements on products. Increased production of hazardous waste in Paramo in 2013 was due to liquidation (selling) of larger volumes of waste slop oils.

Waste production in the Group (t/year)

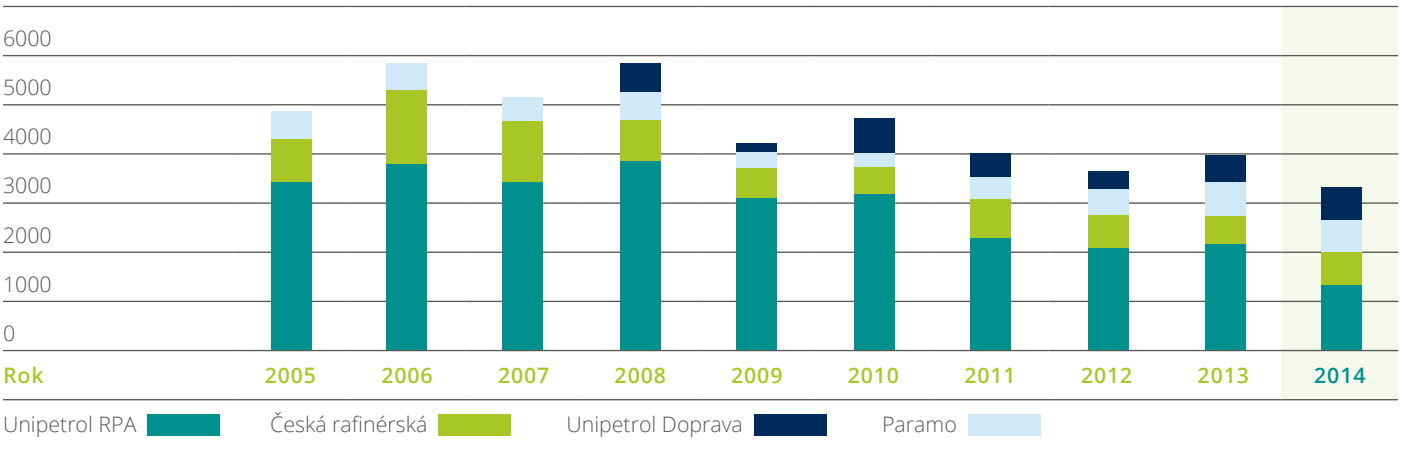
Year	Parameter	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	**Total**	**17,061**	**18,963**	**17,065**	**19,818**	**15,261**	**15,693**	**11,563**	**10,290**	**10,904**	**6,368**
	Amount of hazardous waste	1,215	1,620	1,309	1,661	914	1,067	1,644	1,067	1,002	1,038
Česká rafinérská [1)]	**Total**	**4,301**	**8,051**	**6,599**	**3,911**	**3,323**	**3,103**	**4,113**	**3,809**	**3,043**	**3,565**
	Amount of hazardous waste	2,628	2,253	1,932	1,985	1,663	1,078	1,936	1,534	806	1,075
Paramo	**Total**	**2,507**	**2,310**	**1,983**	**2,821**	**1,723**	**1,449**	**2,048**	**2,280**	**3,439**	**3,038**
	Amount of hazardous waste	963	665	1,115	939	1,060	629	1,151	1,465	2,957	2,307
Unipetrol Doprava	**Total**	**2,419**	**2,094**	**2,419**	**2,094**	**722**	**3,352**	**2,539**	**1,766**	**2,364**	**3,394**
	Amount of hazardous waste	527	214	527	214	344	393	906	400	532	361
Unipetrol Group	**Total**	**26,288**	**31,418**	**28,066**	**28,644**	**21,029**	**23,597**	**20,262**	**18,145**	**19,750**	**16,365**
	Amount of hazardous waste	5,333	4,752	4,883	4,799	3,981	3,167	5,632	4,466	5,298	4781

[1)] including investment activities

Total waste



Hazardous waste



Air protection

In Unipetrol RPA and in the Záluží part of Česká rafinérská the total amount of sulphur dioxide emissions increased in 2007 compared to 2006. The emission increase was due to replacement combustion of relief gases containing hydrogen sulphide from the POX unit in Unipetrol RPA and due to combustion of surplus refinery relief gases in the Záluží refinery that could not be processed in gas desulphurisation units. Realisation of investment projects "Desulphurisation unit renewal" and "Visbreaking unit recontacting construction" led to an increase in reliability and capacity of desulphurisation. In the following years was eliminated combustion of gases due to insufficient desulphurisation capacity.

The increase in emissions of sulphur dioxide and nitrogen oxides in the Litvínov refinery in 2009 was caused by a boiler failure on Claus III unit. In 2010, the operation was stabilised and the emissions decreased. Increased emissions of SO2 in 2011 are due to the combustion of part of hydrogen sulphide gases while repairing the sulphur production facility. The reduction of SO2 emissions in Česká rafinérská and Unipetrol RPA in 2013 compared to 2011 and 2012 was due to extensive repairs of the liquid sulphur production facilities and their subsequent trouble-free operation.

Since 2007, Unipetrol RPA has been steadily decreasing the total amount of pollutants released into the air. The decrease was caused by the gradual reduction of output of the older T200 power plant (shut down permanently in 2011), optimisation of operation of the newer T700 power plant and other pollution sources. A certain increase in emissions of particles in 2010 was mainly due to a lower quality of filters in the T200 power plant (before its shut-down). The reduction of SO2 emissions in 2013 was due to the increased rate of desulphurisation in T700. The reduction of VOC and NOx emissions in the years 2012 -2013 was due to shutdown of the T200 heating, due to the ongoing repairs of TG 11, and also thanks to use of a higher DNC+ control on the ethylene unit control system, and, last but not least, due to legislation change which modified VOC balancing. The amount of VOC was also influenced by changes in the composition of the fuel used in the T700 power plant.

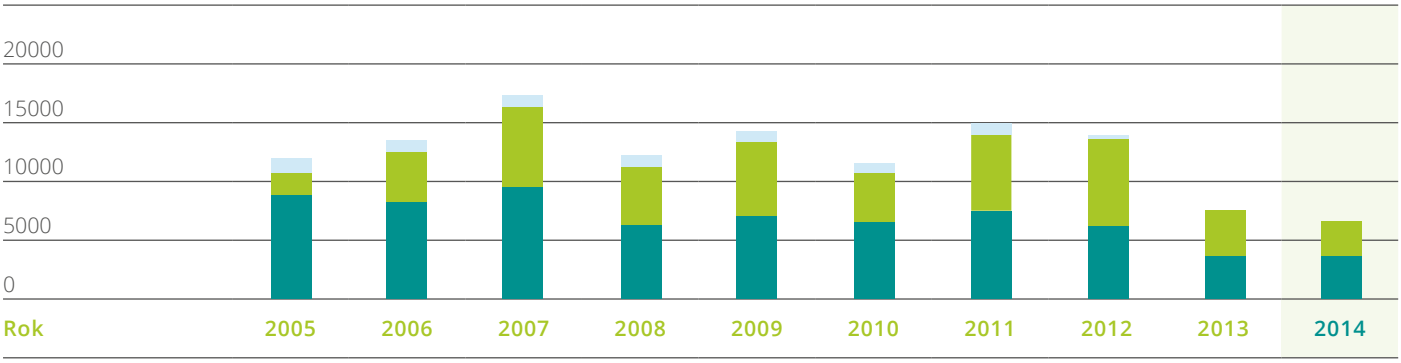
In Paramo and the Pardubice division and Kolín division, natural gas was burned exclusively in boilers which resulted in a further reduction of emissions of sulphur dioxide, particles, and nitrogen oxides in comparison with the previous years. The reduction of overall emissions from combustion processes has been achieved despite the increase in oil processing in division Kolín. The decrease in the amount of pollutants released into the air was also supported by a limited operation or dropping of some sources of air pollution in the Paliva unit in division Pardubice.

Pollution emitted into the atmosphere by the Group (t/year)

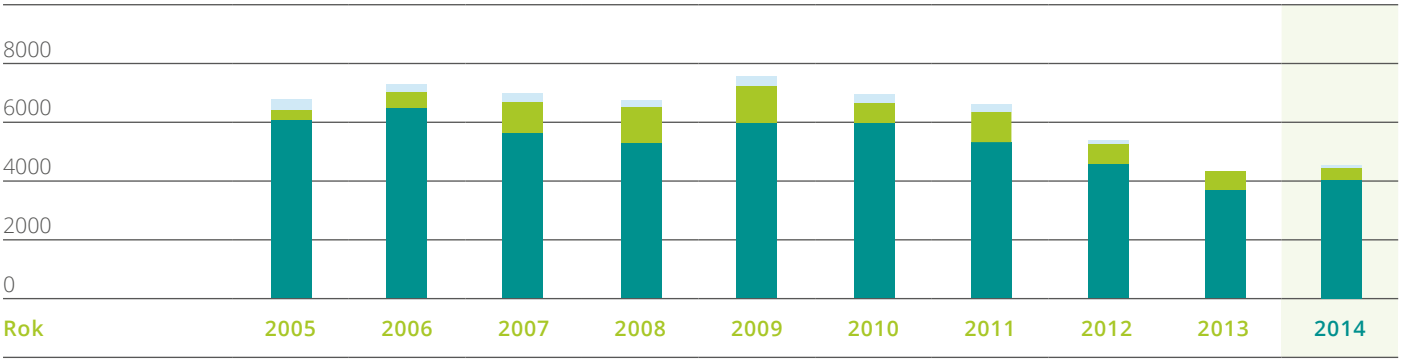
Year	Parameter	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	SO_2	9,197	8,409	9,691	6,143	6,397	6,290	7,039	6,235	3,700	3,973
	NO_x	5,945	6,346	5,839	5,695	5,959	5,954	5,388	4,541	3,755	3,958
	Particles	245	202	281	210	122	255	145	132	99	85
	VOC	341	420	381	400	379	367	334	281	33	31
Česká rafinérská	SO_2	1,910	4,107	6,469	5,166	7,121	4,234	7,220	7,481	3,375	2,334
	NO_x	545	593	604	567	1,259	612	906	665	532	563
	Particles	12	19	24	19	18	14	12	20	22	50
	VOC	103	110	113	127	111	117	118	121	119	124
Paramo	SO_2	835	704	749	721	742	546	389	44	9	0.41
	NO_x	276	213	208	212	239	219	175	74	33	27
	Particles	24	37	29	30	31	20	19	3	0	0.35
	VOC [1)]	225	200	304	293	231	178	520	413	343	318
Unipetrol Group	SO_2	11,942	13,220	16,909	12,030	14,260	11,070	12,690	13,760	7,084	6,307
	NO_x	6,766	7,152	6,651	6,474	7,457	6,785	6,469	5,280	4,328	4,548
	Particles	281	258	334	259	171	289	176	155	121	136
	VOC	669	730	798	820	721	662	972	815	497	473

[1)] 90% are fugitive emissions that are reported only on the basis of solvent purchases in the given calendar year

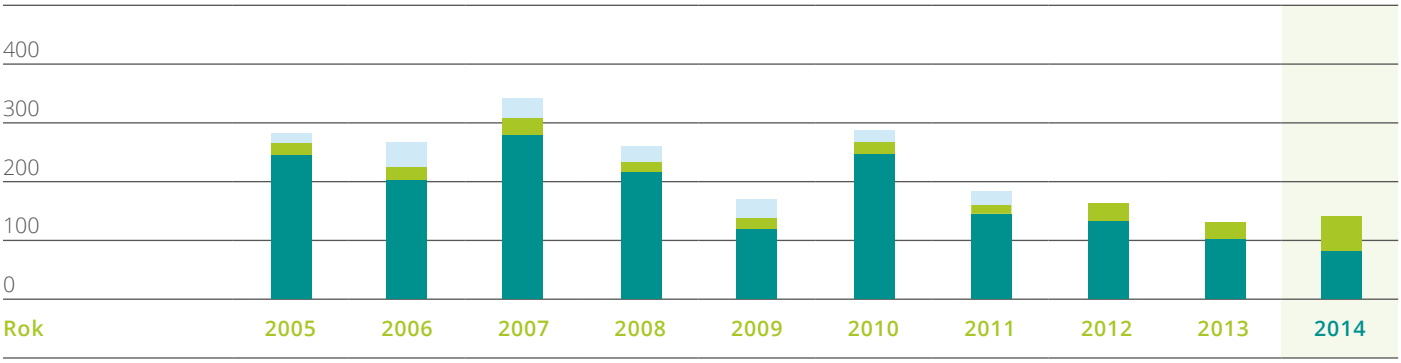
SO_2



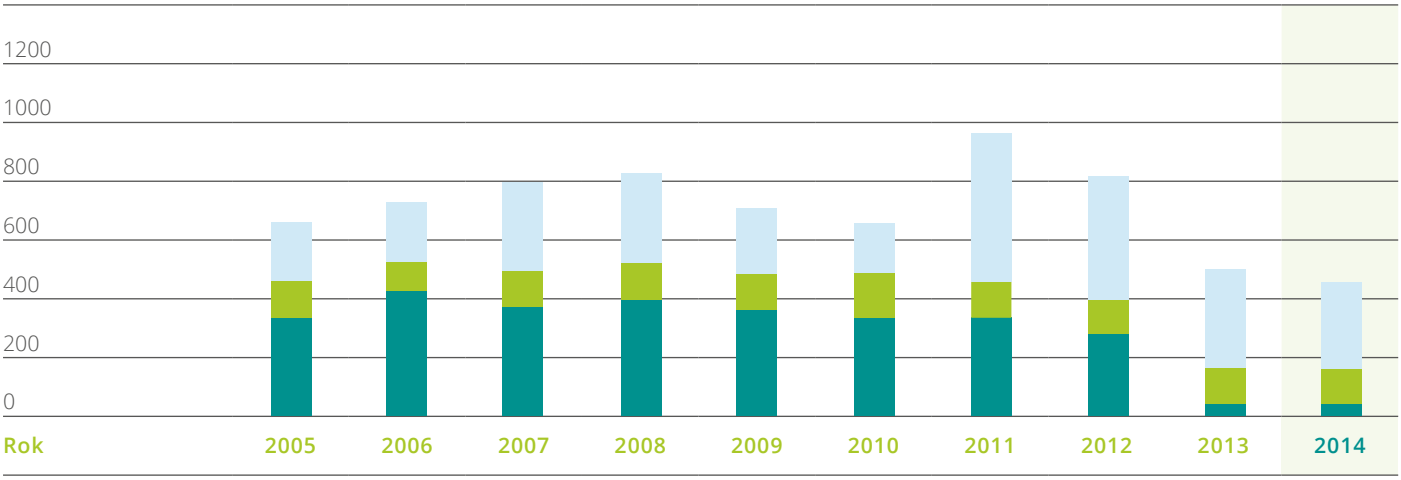
NO_x



Particles



VOC



4.3. Environmental impact assessment

In connection with the DeNOx technology implementation plan in the T700 power plant, the Regional Authority was notified of the underlimit project "Preparation and storage of reagent for the DeNOx technology" according to the Sec. 6, Subsec. 2 of the Act No. 100/2001, on the environmental impacts assessment . The Regional Office subsequently decided that the project is not subject to declaratory proceedings pursuant to the Act No. 100/2001. According to the Ministry of Environment, DeNOx technology does not constitute a significant change in the current operation of the T700 power plant and therefore is subject to environmental impact assessment according to the Act No.100/2001.

No environmental impact assessments (EIA) were performed in the remaining companies of the Group in 2014.

4.4. Penalties for breaching the requirements of environmental laws

The consistent effort to comply with the regulations on environmental protection is evidenced by the low number of cases of partial breaches of the requirements of environmental laws which occurred due to abnormal operating conditions in the last five years, i.e. in 2010 – 2014. During the same period, the Group companies received nine fines only four of which were for serious breaches of water-protection duties and exceeded CZK 100,000.

Overview of fines imposed for breaching the environment-related duties between 2010 and 2014

Company	Year	Reason for sanction	Amount of sanction (thous. CZK)	Note
Unipetrol RPA	2010	Breach of duties related to handling hazardous materials (PyBi leak into the river)	1,750	Paid
Unipetrol RPA	2011	Exceeding the AOX "m" indicator limit in the wastewater discharged in 2010	120	Paid
Česká rafinérská	2013	Violation of provisions of the Water Act	350	Paid
Paramo	2010	Incorrect labelling of the product Mogul Traktol Utto	30	Paid
Paramo	2010	Excessive noise level at the boundary of the residential area	12	Paid
Paramo	2011	Incorrect labelling of retail packaging	31	Paid
Paramo	2011	Violation of provisions of the Water Act	6	Paid
Paramo	2012	Incorrect labelling of retail packaging	6	Paid
Paramo	2013	Overfilling of the VR10 tank with diesel fuel	350	Paid

V. REDUCING ENVIRONMENTAL AND OPERATING RISKS AND PREVENTION OF MAJOR ACCIDENTS

5.1. Prevention of major accidents

The companies belonging to the Unipetrol Group pay much attention to the prevention of major accidents in the long term. The basis for prevention of accidents is a reliable and trouble-free operation of production facilities. The facilities are designed, operated, inspected, and maintained in accordance with Czech legislation and internal regulations. Some of the regulations contain requirements beyond legislation and are based on the best practices of companies within the Group.

Production plants are equipped with control systems that signal deviations from standard operating parameters. Some plants performing hazardous operations are equipped with automatic unit shut-down systems in case of exceeding the specified operating parameters. Depending on the type of the type of the hazardous substances, the plants are equipped with modern detection systems (detection of flame, smoke, or releases of hazardous substances) connected to signalling panels in the control rooms and operation centres of the fire brigade. In the plants are installed stable, or semi-stake extinguishing systems and fire monitors.

Regular internal audits of security and risk prevention of accidents take place in all Group companies. Furthermore, state technical supervision bodies perform regular external audits and inspections. The bodies include CEI, Inspectorate of Work, FRS, professional organizations, insurance brokers, insurers, and foreign reinsurers. Recommendations and findings of these audits are incorporated 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 throughout the year through simulations of both emergency and crisis situations. The testing is performed in cooperation with own and external riot forces. They include emergency exercises (in individual plants + complex emergency exercises performed in cooperation with the companies managing the industrial premises or businesses in their neighbourhood). The emergency exercises in the Unipetrol Group companies are carried out according to the defined plan. The exercises serve for practical training of employees´ adequate response to a possible disaster. The aim is also to verify the validity of emergency plans and procedures and improve the knowledge of all participants. If an exercise reveals shortcomings, adequate corrective measures are adopted within the evaluation of the exercise, including setting deadlines for the shortcomings´ removal and designation of persons responsible for implementation of the measures.

The risk management of major accidents includes liability insurance in accordance with the Act No. 59/2006, as amended.

The safety level of the Group companies is significantly influenced by new investments in production facilities the projects of which are addressed the possible operational risks by the use of generally accepted methods of analysis of the major accident risks. Each new facility is equipped with the most modern safety systems which meet the legal requirements of the Czech Republic and the European Union.

Production group companies have their own fire brigade with top-level equipment and training. The fire brigade is capable of highly specialised interventions in accidents with releases of hazardous substances. Česká rafinérská utilises the services of the Unipetrol RPA (Litvínov) fire brigade and the Synthos (Kralupy nad Vltavou) fire brigade.

Most manufacturing companies in the Group have the "B" classification which means that they are subject to the strictest regime defined in the Act No. 59/2006, On the prevention of major accidents in the handling of selected hazardous chemical substances/ mixtures.

On the basis of the recommendations issued by reinsurers, Unipetrol RPA launched a project aimed at processing HAZOP studies for all production sites in 2014. Completion of the project is scheduled for 2016.

Within the preparation of the project documentation for the planning procedure of the new PE3 production plant of Unipetrol RPA the Risk analysis and assessment for this new plant has been drawn up.

Overview of classification of companies into groups according to the Act No. 59/2006, as amended, and the state identified in the Safety report of December 31, 2014

Company	Groups	Safety report
Unipetrol RPA	B	March 1, 2005, approval of the first SR update (Act No. 353/1999) / Regional Authority of the Ústí Region January 18, 2008, approval of the second SR update (Act No. 59/2006) / Regional Authority of the Ústí Region The third SR update is currently undergoing the approval process / Regional Authority of the Ústí Region
Unipetrol Doprava - Operating department, Pardubice facility, Semtín, Railway facility Pardubice	B	April 2, 2008, approval of the first SR update / Regional Authority of the Pardubice Region, Ref. no. 36470-16/2007/OŽPZ/BT April 22, 2014, approval of the second SR update / Regional Authority of the Pardubice Region, Ref. no. KrÚ 26142/2014/OŽPZ/FI
Unipetrol Doprava - Operating department, Pardubice facility, Semtín, Railway siding Semtín	B	April 2, 2008, approval of the first SR update / Regional Authority of the Pardubice Region, Ref. no. 36472-18/2007/OŽPZ/BT April 29, 2014, approval of the second SR update / Regional Authority of the Pardubice Region, Ref. no. KrÚ 28262/2014/OŽPZ/FI
Unipetrol Doprava - Operating department, Railway siding Litvínov	B	August 7, 2012, approval of the second SR update / Regional Authority of the Ústí Region, Ref. no. 2582/ZPZ/2011/H-20.3
Unipetrol Doprava - Operating department, Kralupy facility, Neratovice, Railway facility Kralupy	B	October 11, 2012, approval of the SR update / Regional Authority of the Central Bohemian Region, Ref. no. 239899/2011/KUSK OŽP Bo
Unipetrol Doprava - Operating department, Kralupy facility, Neratovice, Railway facility Neratovice	B	December 5, 2008, approval of the SR update / Regional Authority of the Central Bohemian Region, Ref. no. 119423/2007/KUSK OŽP Oh The second SR update is currently undergoing the approval process / Regional Authority of the Central Bohemian Region
Česká rafinérská Litvínov refinery	B	Approved on February 16, 2008 / Regional Authority of the Ústí Region June 3, 2009, approval of the RA update of the Ústí Region Ref. no. 23/09/ZPZ/H-02-2a/stát The update was approved by the Mělník District Authority on October 8, 2002
Kralupy refinery	B	October 10, 2008, approval of the RA update of the Central Bohemian Region, Reg. no. 83689/2007KUSK OŽP
Paramo HS Pardubice	B	August 3, 2004, approval of the Safety report - Regional Authority of the Pardubice Region June 16, 2005, approval of the updated Safety report October 10, 2008, approval of the updated Safety report October 16, 2009, approval of the updated Safety report Operator´s safety report – approved on March 8, 2012 the updated Safety report approved on January 23, 2013 the updated Safety report approved on November 19, 2013 the updated Safety report approved on January 13, 2015
Paramo HS Kolín	-	Not subject to the Act No. 59/2006. Report on the non-inclusion according to the law was updated and submitted to the Regional Authority
Benzina	-	Not subject to the Act No. 59/2006. Reports on the non-inclusion FS into groups according to the law was updated and submitted to the Regional Authority

5.2. Transport Information and Emergency System TRINS

Transport Information and Emergency System (TRINS) is a system providing help with accidents associated with the transportation of hazardous substances. TRINS was created by the Association of Chemical Industry of the Czech Republic as part of the "Responsible Care" program in 1996. Under the agreement between the Association and the Headquarters of the Fire and Rescue Service, it was included as one of the support schemes in the Integrated Rescue System. TRINS is similar to the British system CHEMSAFE, for example, or the German TUIS, which served as the model for building TIES. Similar systems were implemented also in the Slovak Republic (DINS), Hungary (VERIK) and they have been also utilised in many EU countries.

TRINS centres provide (in cooperation with the Fire Brigade of the Czech Republic) urgent consultations concerning information about chemical substances and products, their safe transportation and storage, and practical experience with the handling and disposal of hazardous materials and with emergency situations associated with their transport. TRINS centres provide also practical assistance in liquidation of emergency situations, such as the removal of the subsequent environmental damage.

Currently there are 27 regional centers TRINS in the Czech Republic. The centres are provided by 21 companies operating in the chemical industry. Unipetrol companies are founding members of TRINS. Moreover Unipetrol RPA acts as the national coordination centre.

Overview of the Unipetrol Group companies participating in TRINS

Company	Participation in the emergency system " TRINS "
Unipetrol RPA	National Centre, Regional Centre
Unipetrol Services	Representation of ACI CR - ensuring the operation of the whole system, reporting and support of the National Centre in Unipetrol RPA

5.3. Serious accidents in the Unipetrol Group in 2014

In 2014, there were no accidents in the Unipetrol Group companies classified as serious accidents by the Act No. 59/2006. In connection with the emergency situation caused by overfilling of the VR10 tank with diesel fuel which occurred in Paramo on October 17, 2013 was imposed a fine of CZK 350 thousand. On 5 - 6 November 2014, the supervisory authority (CEI) was informed on fulfilment of the sub-measures set out in the final report on a major accident within the integrated control pursuant to Act No. 59/2006. It was concluded that the measures taken are being implemented and are functional. The general protocol of integrated control includes also Paramo´s disapproval of the methodological assessment of the event that led to its classification to conditions set in the Act On prevention of serious accidents.

Other operating accidents that occurred during the year were managed in-house or by the company's fire departments. They were adequately responded in order to prevent their recurrence. The effects of small operating accidents did not extend beyond the Group.

VI. AN OPEN APPROACH TO ENVIRONMENTAL ISSUES

6.1. Role of employees in environmental protection

Employees of the Unipetrol Group are considered the key bearers of environment, health and safety, and fire protection activities. Therefore, the individual companies have implemented effective training systems for all employees. Training and education of employees is part of the established management systems. It is subject to regular reviews, evaluations and completions in terms of ISO 9001, ISO 14001, and OHSAS 18001 standards.

All employees are actively and continuously engaged in the creation and protection of the environment. They are acquainted with policies in the areas of environmental protection, health and safety protection, fire protection, environmental aspects of their activities, and the objectives and programs defined for their workplaces at regular reconditioning trainings.

The proper training applies to both internal employees and employees of external companies operating in industrial complexes. Liabilities related to environmental protection, health and safety protection, and fire protection are included in agreements with individual contractors.

6.2. Communication with the public

Information openness is one of the principles of the "Policy for Responsible Care and Integrated System of Occupational Safety and Health, Environmental Protection and Quality Management" of the Unipetrol Group, which is the basic policy document of the Group.

Detailed information on the status and development of effect of the Group´s activities on the environment are regularly published in the "Joint Report on Health, Safety and Environmental Protection in Unipetrol Group" (until 2006 it was the "Joint Environmental Report") and on the Group's website.

The companies publicly discuss their reports on implementation of the "Responsible Care" program with representatives of trade unions, local, and regional authorities. An overview of their activities in the field of environmental protection and health and safety protection can be found on the website of the Unipetrol Group.

Unipetrol Group companies apply corporate social responsibility principles (CSR) to the towns and villages in their vicinity. Part of the cooperation with the public is informing about the company's impact on the environment in the area through the participation of representatives of Unipetrol´s management in public sessions of councils of the neighbouring municipalities. The companies organise "Open Days" for the public. The companies hold regular meetings with the mayors during which the participants are familiarised with all activities, including environmental protection. When a non-standard operating situation occur, mayors of neighbouring municipalities are preventively immediately informed. The need for immediate communication with the public and employees of companies is met via a "green line". Employees are informed through internal communication sources (radio, printed materials, intranet).

Another example of active openness of information in the field of environmental protection is the Environmental Centre Most which has been created in 2000 with the support of Unipetrol RPA and Česká rafinérská. The centre contributes significantly to the dialogue on environmental protection between companies and the general public, it also ensures cross border communication with the neighbouring Saxony. In 2007 the Environmental Centre was created in Kralupy and Vltavou which performs similar functions for the Kralupy region.

In 2007, the Environmental Centre Most participated in completion of a training program project "Chemistry and the Environment" aimed at educating primary and secondary school students. The primary aim of the project was to popularise environmental protection issues in relation to chemical production, present the positive and negative aspects of chemical production and present activities of Unipetrol RPA in the area of environmental protection. The project had a very positive response from schools and therefore, on the basis of the schools´ interest, it continued also in 2008. In 2011, the Environmental Centre Most participated in preparation of an interactive educational program "Journey to the secret oil" for elementary and secondary schools. Česká rafinérská together with University of Chemistry and Technology, Prague and other partners operates the information portal Petroleum.cz which contains extensive information on oil and oil products and impacts on the environment. The information is intended for the general public.

Overview of the Unipetrol Group´s corporate periodicals bringing regular information on activities in the field of environment, safety, and fire protection

Company	Publication	Contact person
Unipetrol	Uni, newspaper for Unipetrol´s 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 newsletter on occupational safety and fire protection	David Marek, tel. +420 476 164 105
Unipetrol Doprava	Company website	http://www.unipetroldoprava.cz
Unipetrol Doprava	Monthly newsletter on occupational safety and fire protection	David Marek, tel. +420 476 164 105
Česká rafinérská	RaCeK - newspaper published by Česká rafinérská	Hana Bulejová, tel. + 420 736 508 558
Česká rafinérská	Impuls, bulletin on safety, occupational health, safety, quality, and environment protection	Ing. Michal Šulc, tel. +420 315 718 538
Česká rafinérská	Company website	http://www.ceskarafinerska.cz
Paramo	Company website	http://www.paramo.cz

VII. REMEDIATION OF OLD ENVIRONMENTAL BURDENS

7.1. Program for remediation of old environmental burdens

Based on the privatisation-related decision of the Government of the Czech Republic, Unipetrol Group companies entered into the following agreements on solving ecological commitments incurred before the privatisation (Ecological Agreement):

1) Ecological Agreement No. 14/94, as amended by the amendment 3 on January 25, 2005, entered into by Unipetrol.

2) Ecological Agreement No. 32/94, as amended by the amendment 1 on July 4, 2001, entered into by Unipetrol.

3) Ecological Agreement No. 39/94, as amended by the amendment 2 on July 4, 2001, entered into by Paramo.

4) Ecological Agreement No. 58/94, as amended by the amendment 3 on September 26, 2008, entered into by Paramo.

5) Ecological Agreement No. 184/97, as amended by the amendment 7 on January 18, 2007, entered into by Benzina.

7.2. Overview of old environmental burdens in the Unipetrol Group

There were no changes in the extent of old environmental burdens in 2014 compared to the previous period. Below is an overview of the Unipetrol Group´s old environmental burdens.

Unipetrol, Litvínov – industrial complex and other locations

Ethylbenzene pipeline route Litvínov – Kralupy nad Vltavou, location Miletice u Velvar

- Groundwater and soil contamination by ethylbenzene
- Remediation work were completed, groundwater is being monitored

Litvínov industrial complex and the surrounding landfills

- Liquid sludge landfill Růžodol
  - Pollution from tar residue and waste from oil refining
  - Waste from all landfills was drawn
  - Construction of rehabilitation drain was completed, a new remediation system will be built
- Ash dumps K1-K4
  - Remediation of ash dumps K1 and K2 was completed
  - Documentation for the issuance of a building permit for construction and operation of the hydraulic protection system at the K4a landfill was drawn up and the building permit was issued
- Sewage treatment plant sludge dump
  - Remediation works were completed
- Protection of Bílina river in the area of the sewage treatment plant dump
  - Remediation works were completed
- Intercepting and separator drain
  - Remediation works were completed
- Solid industrial waste landfill, lime sludge landfill II, lime sludge landfill at the siding
  - Pollution by solid waste, oil products, and lime sludge with phenols
  - Protective remediation drainage of water from lime sludge dumps was performed

- Uhlodehta landfill
  - Pollution by coal slack, ash, fly ash, lime sludge, and lignite tars
- Ash dump south foreland
  - Pollution by ash and sludge oil, pumping of contaminated water
  - Oil sludge was drawn and removed
- Remediation of groundwater in the contamination clouds in the complex
  - Pollution of groundwater by petroleum hydrocarbons and phenols
  - A remediation system was constructed in the contamination clouds no. 4, 11
  - Remediation works were completed in contamination clouds no. 3, 6, 9
- Groundwater monitoring
- Remediation of soil in the complex as part of ecological services within investment projects
  - Pollution of soil by petroleum hydrocarbons and phenols

Unipetrol, Kralupy – industrial complex and other locations

- Block 19 (goudrons)
  - Acidic residues from the process of refining gasoline
  - The "goudrons" remediation Feasibility Study was presented and approved
  - CEI issued a decision to rehabilitate the location
- Nelahozeves landfill
  - Styrene residues stored in steel barrels
  - AAR addendum was drawn up
  - CEI issued a decision regarding changes to the deadline for completion of remediation and implementation Of the "pre-remediation monitoring"
  - The "pre-remediation monitoring" took place
- Industrial complex in Kralupy
  - Contamination by refined and petrochemical products
  - The final draft of the "Supplement no. 1 to the updated risk analysis of the industrial complex in Kralupy nad Vltavou" was drawn up
  - The Protective remedial pumping of the contamination cloud E took place

Benzina

- Remediation of 58 contaminated areas pertaining to filing stations
  - Contamination by motor fuels
- Remediation of 13 contaminated areas of the former fuel distribution warehouses
  - Contamination by motor fuels

Paramo, Pardubice

- Landfill in Časy
- Hlavečník Blato, Zdechovice, and Nová Ves landfills
- The main plant of Paramo and its surroundings
- Acid resin landfill (LIDL, ČSAD BUS area)

Paramo, Kolín (former Koramo)

- Remediation of soil and groundwater.
- Liquidation of acid resin repository (rhododendron lagoon).

7.3. The course of works in 2014

The following remedial works were performed within the removal of old environmental burdens in 2014:

Unipetrol, Litvínov:

- Groundwater remediation was performed in 4 areas of contamination clouds in the plant´s premises. Extraction from underground drains was performed in 6 areas of contamination clouds.
- Environmental services (supervision) – monitoring and bioremediation of soils were performed within 2 investment projects.
- Remediation of the block 32 – remediation groundwater pumping and performance of exploration works.
- Liquidation of the lagoons in Růžodol – completion of construction of the remediation drain, commencement of project works for a new rehabilitation system.
- Draft version of the report on research carried out in within the updated risk analysis, draft version of the updated risk analysis.
- Protective remediation drainage of water from lime sludge dumps was performed.
- Ethylbenzene pipelines in Miletice – water monitoring was implemented under the new decision of CEI.

Unipetrol, Kralupy:

- Protective remediation drainage of the contamination cloud E in blocks 14 and 15 (II. stage) consisting in preventing pollution migration (the pollutants are ethylbenzene and styrene) into the environment.
- Addendum 1 to the Updated risk analysis for the industrial complex in Kralupy, Aecom 2014.
- Negotiations with the Ministry of Finance on the main framework conditions for issuance of decision on measures to remedy old environmental burdens in the Kralupy complex.
- Four rounds of "pre-remedial" monitoring on the location "Landfill Nelahozeves" took place.
- Cancellation of the tender on rehabilitation of the landfill "Nelahozeves" due to mistakes in the tender documentation.
- Tender on the revision of the project documentation "Landfill Nelahozeves".

Paramo, Pardubice/Kolín:

- Remediation works at the Zdechovice location were completed.
- Ongoing protective remediation pumping and monitoring at the location Časy.
- Ongoing remediation pumping and monitoring at the location LIDL, ČSAD BUS.
- Ongoing remediation at the location U Trojice, i. e. remediation pumping in the borehole system HOPV, incl. use of redevelopment drains.
- Updated redevelopment project of the location Hlavečník, ongoing protective pumping of meteoric water.
- Approved update of the redevelopment project of the main plant in Pardubice. The Ministry of Finance, however, has not announced a tender for the remedial works contractor.
- Remediation takes place on the Nová Ves dump – collection of petroleum hydrocarbons, neutralisation of water and sorbent surface overlay.
- Finished remedial pumping of petroleum hydrocarbons from the rock environment in the HS Kolín.

Benzina:

- Maintenance remedial works (protective remediation pumping) in distribution stores Nový Bohumín, Šumperk, and Točník. Ongoing remedial works in the filling station Čáslav, in-site remediation in the filling station Mikulov - Brněnská was completed. In the filling stations Tachov, Nová Ves, Frýdek-Místek – Beskydská and Zábřeh were physically finished and will soon arrive at the final control day where the final report CEI will be drawn up. In other locations additional surveys are now being performed, redevelopment projects are being prepared, and protective pumping tenders, monitoring, or post-remedial monitoring is taking place.
- Remedial maintenance works (protective remedial pumping) took place in the filling stations Pardubice, Přelouč, Vysoké Mýto, and in distribution stores in Bartošovice, Jičín, Liberec, Nový Bohumín, Šumperk, Točník and Žamberk. Remedial work took place in the filling stations Tachov, Polička, Mikulov, and in DS Havířov-Suchá (pipeline).

Other remedial works performed in 2014

Pumping and purifying of groundwater financed by Česká rafinérská in the Litvínov complex (2 centres of contamination in the area of warehouses and terminal) and in the Kralupy complex (deployment of hydraulic barrier).

Underground drain pumping in Petrochemie in the Litvínov complex financed by Unipetrol RPA.

7.4 Disbursement of funds in 2014

Overview of financial guarantees from the Ministry of Finance and disbursement of funds in the Unipetrol Group (mil. CZK) to December 31, 2014

	Unipetrol Litvínov	Unipetrol Kralupy	Paramo Kolín	Paramo Pardubice	Benzina	Group toal
Financial guarantee by the MoF	6,012	4,244	1,907	1,241	1,349	**14,753**
Costs paid by the MoF in 2014	180	2	34	21	13	**250**
Costs paid by the MoF since the commencement of works	3,868	51	1,728	500	471 [1)]	**6,618**
Expected cost of future works	2,839	766	277	2,815	888	**7,585**
Total (estimated) remedial costs	**6,707**	**817**	**2,005**	**3,315**	**1,359**	**14,203**
Balance of the financial guarantee by the MoF	(695)	3,427	(99) [2)]	(2,073) [2)]	(10)	**550**

[1)] Benzina – without the costs of BENZINA, s.r.o., spent on remedial works to 1997 in the approximate amount of CZK 500 mil.

[2)] Paramo – requests to increase the guarantees for HS Pardubice and Kolín were submitted to the Ministry of Finance.

VIII. SUSTAINABLE DEVELOPMENT

8.1. Global aspects of environmental protection

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

Commencement of the second trading period from January 1, 2008 involved stricter conditions for monitoring and reporting greenhouse gas emissions after the expiry of certain exemptions applicable in the first period. The new allocation plan issued in the form of Decree No. 80/2008 for the trading period 2008 to 2012 also allocated allowances to the Unipetrol Group companies.

Group companies, in accordance with the rules of the European Parliament and the Council 2009/29 on trading with allowances for emissions of greenhouse gases within the Community and in accordance with the specific instructions, applied in 2012 through the MoE for allocation of allowances for the period 2013 – 2020. Most facilities operated by Unipetrol RPA, Česká rafinérská and Paramo fall into the category of "sectors with a risk of carbon leakage". Allocation of allowances should correspond to "benchmarks" and should be maintained throughout the third trading period. At the end of 2013, the European Commission approved the final amount of the allocation. At the same time, enterprises update monitoring plans in accordance with the new rules and ensured their approval through the Ministry of Environment. The new auditors for annual verifications of emissions in the new seasons were also appointed.

Thus the third trading period started in 2103. The period will last until 2020. There was a significant increase in the number of monitored sources of CO_2 emissions in the third period. Also the method of calculating, monitoring, and reporting of CO_2 emissions changed. The calculation of allocation of free allowances has also undergone a significant change.

Allocation of allowances to the Unipetrol Group companies according to the National Allocation Plan for the periods 2005 – 2007, 2008 – 2012, 2013 – 2020 and actual CO_2 emissions between 2005 and 2014.

Allocation of allowances (thous. pcs.) Actual emissions (kt/year)	Unipetrol RPA	Česká rafinérská	Paramo	Unipetrol Group
The annual allocation under NAP 2005-2007	3,495	1,100	270	4,865
2005: The real emissions of CO_2	3,071	803	194	4,068
2006: The real emissions of CO_2	3,092	910	196	4,198
2007: The real emissions of CO_2	2,889	904	191	3,984
The annual allocation under NAP 2008-2012	3,121	867	199	4,187
2008: The real emissions of CO_2	2,762	910	176	3,848
2009: The real emissions of CO_2	2,558	806	172	3,536
2010: The real emissions of CO_2	2,468	883	170	3,521
2011: The real emissions of CO_2	2,136	835	148	3,119
2012: The real emissions of CO_2	1,944	856	95	2,895
The total allocation for the period 2013-2020	10,351[1)]	6,494	445	17,290
2013: The real emissions of CO_2	3,062	772	47	3,881
2014: The real emissions of CO_2	3,138	877	37	4,052

[1)] In the period 2013-2020, there was a significant increase in the number of GHG sources included in the EU ETS. The allocation may further change due to changes in the operation of facilities.

Based on the audit of the annual reports for 2014 it can be stated that the annual quantity of allowances allocated to Unipetrol RPA covers about 42% of annual emissions. To cover the deficit allowances in 2014 it will be necessary to partly use surplus allowances from the previous period, the remaining deficit will be covered by allowances that will be bought on the market.

Protection of the Ozone Layer

All group companies operate their production facilities in accordance with the requirements for the ozone layer protection and in accordance with applicable international agreements. Česká rafinérská stopped using halons in fire protection system and implemented environmentally friendlier solutions already in 1999. Chemopetrol (today Unipetrol RPA) replaced refrigerants used in low-temperature petrochemical operations with environmentally friendlier fillings already in the previous years.

The original refrigerant consisting of partially halogenated chlorine-containing refrigerant used in the cooling unit of the C4 fraction was replaced by a environmentally friendlier chlorine-free refrigerant.

8.2. Chemical safety

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

Companies classify all their marketed chemical products in accordance with the Regulation of the European Parliament and of the Council No. 1272/2008 (CLP) and on the basis of characteristics of the products they issue safety data sheets the format and content of which meet the requirements of Annex II of REACH. The safety data sheets are provided for free to all customers and they can be also found on the company website. In compliance with REACH, Unipetrol RPA makes the safety data sheets of both produced and purchased hazardous chemical substances and mixtures available to all employees through the intranet network. Česká rafinérská makes the safety data sheets of manufactured products available on the company's intranet. The company also operates an extranet portal for shareholders and processors on which the safety data sheets are available in three languages. In accordance with the Act No. 258/2000, On public health protection, companies process Rules for handling hazardous chemical substances and mixtures and conduct regular trainings of employees.

All companies continuously monitor handling of chemical substances and mixtures from raw materials to finished products and ensure compliance with applicable laws, including obtaining certificates for specific applications of selected products – e.g. the certificate of health for contact with food, drinking water, for medical use etc. The companies have 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 United Nations (UN-OPCW) which monitors the observance of the "Convention on the Prohibition of Chemical Weapons". All the previous controls carried out by state authorities and international inspections in the group companies showed a thorough fulfilment of the "Convention".

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

Unipetrol companies that produce or import chemical products had to, in accordance with the Regulation of the European Parliament and of the Council No. 1907/2006 concerning the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH), register all substances that are contained in these products. In the first registration wave the companies submitted to ECHA a total of applications from the original number of 152 pre-registered substances.

The registration process continued by compliance and completeness assessments of the submitted registration dossiers. Upon detection of non-compliance with REACH requirements or insufficient quality of the reviewed data ECHA issues a decision on data completion. In 2014, the Agency focused on examination of testing proposals which are part of the submitted registration dossiers. From the amount of 129 reviewed proposals were 112 (i.e. 87%) accepted, in the remaining proposals ECHA modified at least one of the tests. In addition, ECHA continued with the controls of the registration dossiers compliance with the REACH requirements. 172 of the 283 dossiers did not comply with requirements of the REACH directive, which is the same 61% share as in the last year. Also the identified shortcomings remained the same – the lack of information regarding substance identification, physico-chemical properties, and exposure assessment.

Since 2010, ECHA regularly performs batch automatic IT-screenings of the submitted technical documentations and sends alerts to those registrants whose documentation did not met the requirements and urges them to adjust the monitoring data. After the subsequent inspection screening is performed the registrants who did not adjust their documentations in accordance with the notice receive a binding decision and if they fail to meet it, the Agency sends a notice on infringement to the national competent authority responsible for enforcement of regulations. The IT-screening aimed at identification of substances took place in 2014. A total of 1,350 notifications were sent and more than 80% of registrants responded to them. The registrants updated their documentations and added or edited the required data.

In 2014, Unipetrol RPA revised the registration dossiers of all its registered substances in accordance with the updated version of IUCLID and according to the new ECHA guidelines. At the same time, the inaccuracies found in the original documentation

submitted upon registration were corrected. Adjustments related to the composition of substances, analytical data, supplementing protocols, revision of description of the substances´ lifecycle according to the new IUCLID format, specifying guidelines for safe use, adding chemical safety reports.

In 2013, Česká rafinérská in cooperation with CONCAWE addressed the request of ECHA to complement the Section 3.3.1 of the registration dossier for "Hydrocarbons, C3-11, catalytic cracker distillates" (CAS 68476-46-0, EC 270-686-6, registration number 01-2119530186-44-0000) for which the company is the principal registrant. The point was to add the PNEC estimate (predicted concentrations at which no adverse effects of the substance occur) in freshwater and marine environments. Furthermore, the company cooperated with PKN Orlen in processing data for completing the questionnaire for FERC.

In accordance with the current legislation, Paramo implemented the necessary registrations of substances and isolated intermediates. Paramo´s registration dossier underwent an IT-screening by the European Chemicals Agency ECHA in Q2/2014. Paramo was asked to update some registration documents in five of the registration dossiers (correction in the section Substance Identity). As part of the registration dossier update was also cancelled the authorisation for one of the intermediates - the "atmospheric rest" (due to the termination of production of the Paramo´s refinery). Safety data sheets of substances and mixtures are continuously updated and, if needed, supplemented by exposure scenarios. Paramo is still the main registrant in the SIEF for the substance "Lubricating oils – EC 278-012-2" with all the obligations that this entails.

All companies continue to pay great attention to communication in the supply chains, which is the basis for implementation of measures to protect workers' health and environmental protection measures when using hazardous chemicals alone or in mixtures. The companies monitor and apply in practice the changes that occur as a result of refining the concepts and processes associated with the registration and classification of chemicals and they reflect the changes when updating their safety data sheets. Processors of safety data sheets attend regular training courses, seminars, or workshops in order to meet the condition of professional competence. Finally, the companies continuously fulfil the requirement of REACH – continuously update registration dossiers and therefore they must also ensure that their software application IUCLID, in which is processed the technical documentation for both registered and notified substances, is in line with the latest version published on ECHA website. This IT tool is adjusted and updated at least once a year, the latest version in 2014 was IUCLID 5.6.0.

8.3. Management of primary sources of raw materials and energy

Regarding the savings of primary sources of raw materials and energy, the Unipetrol Group adheres to principles of sustainable development and focuses its basic strategy on innovative approaches that lead to the minimisation of energy and material inputs and promotes continuous improvement in environmental performance. Group companies have undergone energy audits in order to achieve further energy savings.

Significant savings are achieved through better use of primary materials. For example, Česká rafinérská implemented an extensive modernization program, the aim of which was to deepen processing of crude oil in favour of "light products", particularly motor fuels.

In 2006, Česká rafinérská launched a series of projects with the common name "Biopaliva" (Biofuels). The projects are part of the program for more efficient use of non-renewable resources through adding certain agricultural products, falling into renewable resources, to motor fuels. The Biopaliva program was implemented with aim to ensure logistics, reception, storage, and adding bio-components and storage and distribution of biofuels. Both refineries currently produce automotive gasoline and diesel fuel with biofuel additives in accordance with legislative requirements and requirements of processors.

In Česká rafinérská, Litvínov refinery was implemented a project of reconstruction of air preheating units on atmospheric-vacuum distillation units and the hydrotreating chamber 5/6. The project increased the efficiency of furnaces and reduced fuel consumption and costs of heating the pipeline branches. The compliance with the operating parameters defined for the individual operating units to optimize energy consumption and utilities was examined in both refineries. Investment projects for the period 2014-2018 are being prepared in both refineries. The projects are aimed at increasing reliability of the equipment and optimising the energy performance of production units.

Unipetrol RPA continuously implements diverse investments and technological changes that have directly or indirectly resulted in reduced consumption of energy, raw materials, and production of waste and wastewater, as well as a re-use of by-products or raw materials, etc. in the operator´s facilities.

Attention is constantly paid to saving water in the Unipetrol Group. Significant results in this field were achieved especially by Paramo which implemented closed cooling circuits. The newly installed chemical water treatment facility in Paramo leads to reduction in the amount of leach and thereby to reduction of additional water consumption.

In the area of reducing energy intensity, Paramo implemented projects of reduction of steam consumption for heating and pumping products and traffic routes in the Asfalty unit (utilisation of heat from steam produced at its own incinerator), optimisation of length of steam pipeline routes (reduction of heat loss in the pipeline) and installation of thermal insulation the five tanks in the Oleje (oils) unit.

Water consumption in the Group (mil. m3/year)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	22.5	23.7	22.2	24.5	23.0	22.0	20.0	19.4	21.4	17.8
Česká rafinérská	0.8	2.0	1.7	1.8	1.8	2.9	2.7	2.8	2.7	3.0
Paramo	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7	0.5	0.3
Unipetrol Group	24.3	26.7	24.9	27.3	25.8	25.8	23.7	22.9	24.5	21.1

The stabilised energy consumption in the Unipetrol group is accompanied by a significant growth in production volumes. Development of production processes´ energy efficiency can be therefore better seen in the following table of specific energy consumption. The efficiency is expressed by the energy consumption coefficient calculated as tonnes of oil equivalent (TOE) related to tons of production per year:

Energy consumption in the Group (thous. TJ/year)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	5.1	5.6	5.3	4.8	9.8	10.1	9.4	9.9	8.8	8.4
Česká rafinérská	13.8	15.1	13.6	16.8	16.6	14.6	12.6	13.7	16.1	16.8
Paramo	1.0	2.8	2.7	2.7	2.6	2.4	2.9	1.8	1.0	0.9
Unipetrol Group	19.9	23.5	21.6	24.3	29.0	27.0	24.9	25.4	25.9	26.1

Note: Paramo´s data for 2004 and 2005 without the former Koramo

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

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	0.167	0.173	0.159	0.153	0.163	0.163	0.166	0.163	0.166	0.145
Česká rafinérská Litvínov	0.037	0.038	0.035	0.032	0.034	0.049	0.053	0.043	0.047	0.043
Česká rafinérská Kralupy	0.053	0.056	0.056	0.057	0.053	0.058	0.056	0.057	0.060	0.055
Paramo division Pardubice	0.093	0.096	0.087	0.086	0.097	0.106	0.115	0.151*)	0.202	0.124
Paramo division Kolín	0.227	0.303	0.297	0.221	0.355	0.333	0.245	0.221	0.227	0.184

*) oil processing was shut down in Q2 2012 was shut down oil processing – the value thus lacks continuity with data between 2004 and 2011

IX. OCCUPATIONAL SAFETY AND HEALTH AT WORK AND FIRE PROTECTION

Unipetrol Group considers occupational safety and health at work and fire protection as one of the priorities of its corporate policy. Unipetrol Group companies:

- Improve the quality of working conditions and measures to protect health and safety at work and fire protection in accordance with the relevant regulations and standards.
- Improve the quality of methods of risk assessment and prevention of accidents and occupational diseases.
- Introduce measures to improve work efficiency.
- Develop the skills of their employees and introduce measures aimed at improving the working environment.
- Inform their employees and the public about the applicable internal standards to ensure occupational safety and health and fire protection and impacts of these standards.

Accident rate

The total number of accidents recorded in 2014 in Unipetrol Group in comparison with 2013 increased by 4 occupational accidents. The number of occupational accidents resulting in incapacity for work was similar. This is a short-term fluctuation, in the long term can be seen the positive impact of short-term, development and conceptual systematic measures adopted in 2011.

In 2013, the Board of Directors of Unipetrol, a.s. approved Corporate HSE strategy as part of the comprehensive strategy for the period 2013-2017. Each company has approved its Action plans for improving the HSE. The Action plans follow the approved strategy.

In 2014, no Unipetrol employee suffered a fatal occupational accident.

The safety of work achieved in the long term in the Unipetrol Group can be seen from the following data.

The frequency of accidents in the Unipetrol Group (number of injuries per 100 employees)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	0.24	0.17	0.27	0	0.24	0.26	0.06	0.06	0.19	0.13
Česká rafinérská	0.3	0	0.3	0.14	0.45	0.15	0	0.16	0.16	0.32
Paramo	0	0.7	0.49	0.39	0.28	0.3	0.92	0.17	0	0
Benzina	0.61	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	2.33	0.58	0.81	0.41	0.22	0.46	0	0	0.24	0.24

Total Recordable Rate (number of accidents/mil. of hours worked)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	1.46	1.02	1.71	0	1.45	1.53	0.33	0.36	1.15	0.78
Česká rafinérská	1.7	0	1.7	0.8	2.8	0.89	0	0.9	0.89	1.84
Paramo	0.68	4.21	2.94	2.31	1.65	1.74	5.39	2.02	0	0
Benzina	3.55	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	13.01	3.28	4.54	2.25	1.18	2.42	0	0	1.36	1.35

The number of fatal accidents

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	1	0	0	0	0	0	0	0
Benzina	0	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	1	0	0	0	0	0	0	0	0	0
Unipetrol Group	1	0	1	0	0	0	0	0	0	0

The number of registered occupational accidents

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	14	11	13	10	14	14	7	8	6	8
Česká rafinérská	9	9	10	3	4	7	4	4	3	8
Paramo	8	20	14	8	3	2	13	5	4	1
Benzina	1	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	22	10	11	9	1	8	3	2	1	2
Unipetrol Group	54	50	48	33	23	31	27	19	14	19

The number of occupational accidents resulting in more than three-days´ incapacity for work

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	6	4	6	0	5	5	1	1	3	2
Česká rafinérská	2	0	2	1	3	1	0	1	1	2
Paramo	1	6	4	3	2	2	6	1	0	0
Benzina	1	0	0	0	0	0	0	0	0	0
Unipetrol Doprava	11	3	4	2	1	2	0	0	1	1
Unipetrol Group	21	13	16	6	11	10	7	3	5	5

Occupational diseases

In 2014, there was one case of an occupational disease in Paramo. Centre of Occupational Medicine has been recognized the Allergic rhinitis as an occupational disease. The Centre further recognized the Bronchial asthma as a threatening occupational disease.

The number of new cases of occupational disease

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Unipetrol RPA	0	0	1 [1)]	1 [1)]	0	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	1
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	1	1	0	0	0	0	0	1

[1)] a disease caused by condensed polycyclic hydrocarbons

Prevention and personal protective equipment and tools

Prevention of occupational safety hazards is ensured by employees qualified in risk assessment who carry out inspections of individual workplaces. Personal protective equipment is issued to employees on the basis of the performed risk assessment.

The quality of the work environment

On the basis of categorisation of works working conditions in Unipetrol Group companies are regularly checked by measuring work environment factors, especially the exposure of workers to noise, chemicals and dust. Measurements carried out in 2014 confirmed the decreasing number of exceeded permissible exposure limits and highest permissible concentrations.

Health care and prevention

Unipetrol Group companies have concluded agreements with physicians on provision of occupational health services. Preventive medical examinations are conducted in compliance with the relevant laws and in accordance with decisions of the Hygiene Service.

IMPORTANT MILESTONES OF THE UNIPETROL GROUP IN 2014 FROM THE PERSPECTIVE OF ENVIRONMENT, HEALTH, AND SAFETY PROTECTION

Unipetrol RPA

- In the course of 2014, Unipetrol RPA requested issuance of a total of eight changes to the integrated permits (including 1 substantial change – to build and operate the new modern polyethylene production plant PE3).
- Due to the change in the integrated permit the regional authority approved the project of implementation technologies for reducing NOx emissions from the T700 power plant.
- Within the change of the integrated permits the regional authority ordered monitoring of quality of the groundwater which may be adversely affected due to the operation of the facility.
- The preparatory phase for the implementation of projects to reduce air emissions from the T700 power plant T700 and the Steam cracker Boiler house was commenced so that the facility can meet the stricter emission limits set by the current legislation after the end of the transitional national plan in mid-2020.

- A major part of objects included in the project of segregation sewage from storm sewers and conversion of the sewage to biological treatment was completed.
- Continuing cooperation with the Czech Fishing Union on increasing fish population in river Bílina till end of 2016.
- Active participation in the consultation process to the new legislation of the Czech Republic and the EU and related documents (e.g. BREF documents for large combustion plants, large volume organic chemicals and waste water and waste gases treatment, amendment to the law on the prevention of major accidents, amendment to the law on environmental impact assessment and related methodologies, and others).

Unipetrol Doprava

- The company performed emergency drills the aim of which was to verify the functionality of the internal emergency plan pursuant to the Act No. 59/2006, On the prevention of major accidents in all plants. The drills were performed in cooperation with fire brigades of the owners of complexes.

Benzina

- Tender for contractor for remediation of the distribution warehouse Točník.
- Remedial works on filling stations Mikulov and Čáslav.
- Remedial works in filling stations Tachov, Nová Ves, Frýdek-Místek - Beskydská and Zábřeh were completed.
- Ensured continuation of protective remedial pumping financed by the MoF.

Česká rafinérská

- In the course of 2014, the amendment 5 to the integrated permit was issued. The amendment eliminated the requirement to carry out pollution monitoring in Veltrusy.
- In August 2014, the company submitted applications for amendments of the integrated permits for the Litvínov and Kralupy refinery. The amendments implemented the requirements of the Act No. 201 / 2012, On air protection and some requirements of the Act No. 76/2002, On integrated prevention.
- In Kralupy plant continued the operation of the extended hydraulic barrier the result of which was a significant decrease in groundwater pollution. Part of the barrier is the unit for removing MTBE from the pumped groundwater.
- Česká rafinérská has actively participated in the amendment of the BREF process BREF the BAT in the refinery sector. Conclusions regarding to the BAT for the refinery sector were issued in October 2014.
- In 2014, an independent verifier confirmed that Česká rafinérská complied (for the first time) with the new legislative requirement - the obligation to reduce greenhouse gas emissions from fuels per unit of energy.
- Update of the Safety report and the Internal Emergency Plan Kralupy.
- Continuation of the reconstruction project of the wastewater treatment plant in the Kralupy refinery. The wastewater treatment plant will ensure achievement of the parameters corresponding to the best available technologies.

Paramo

- Successful supervisory certification audit LRQA related to meeting the requirements of ISO 14001, ISO 9001, and OHSAS 18001.
- Completion of reconstruction of the R 622 tank and the VR52 tank in the P02 plant (HS Pardubice).
- Commencement of reconstruction of the 563 tank in the oils plant (RDH – HS Kolín).
- Processing of update of the documentation of remediation of in the Pardubice complex and continuation of negotiations with the Ministry of Finance on initiation of the remediation phase 1A.
- Submission of application for amendment to the integrated permit – consolidation of four partial permits for plants in division Pardubice into one integrated permit.
- Update of the Safety report and the Internal Emergency Plan.
- Connection of the fuel storage Paramo to the distribution network Čepro (pipeline).
- Exchange of the existing solvent cresol that was used in selective refining in division Paramo Pardubice for a greener solvent N-Methyl 2-Pyrrolidone.

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