

ESG Impacts, Risks & Opportunities

ESRS ¹ Topics	Material sub-topics to ORLEN Unipetrol	Top rated Impacts, Risks & Opportunities
E1 Climate Change	<p>Climate change adaptation</p> <p>Climate change mitigation</p> <p>Energy</p>	<ul style="list-style-type: none"> • Risk of losing the current business thanks to energy transition of industry • Production of GHG emissions in scope 1,2,3 • Cost of decarbonisation leading to carbon neutrality including transition from coal to gas • Development of innovative fuels with lower carbon footprint • Declining revenues due to reduction in fossil production • Costs of complying with the stricter requirements for renewable fuels • Government policy in energy sector and regulations increasing the cost of CO₂ allowance prices • High energy consumption in own operations as well as in the value chain • More friendly sources of energy: replacement of heating recovery unit in Litvinov, recuperation in Kralupy
E2 Pollution	<p>Pollution of air</p> <p>Pollution of water</p> <p>Substances of very high concern</p> <p>Microplastics</p>	<ul style="list-style-type: none"> • Pollution of air by other emissions besides GHG - CRM substances, NOx, SOx, particulate matter, volatile organic compounds • Groundwater pollution and old environmental burdens • Negative impact of microplastics on environment and health and safety
E3 Water and Marine Resources	<p>Water consumption</p> <p>Water withdrawals</p> <p>Water discharges</p>	
E4 Biodiversity and Ecosystems	<p>Direct impact drivers of biodiversity loss</p> <p>Impacts on the state of species</p> <p>Impacts on the extent and condition of ecosystems</p> <p>Impacts and dependencies on ecosystem services</p>	<ul style="list-style-type: none"> • Impact of supply chain operations on biodiversity • Length of project approval phase (EIA) that could jeopardize the decarbonisation strategy
E5 Resource Use and Circular Economy	<p>Resources inflows, including resource use</p> <p>Resource outflows related to products and services</p> <p>Waste</p>	<ul style="list-style-type: none"> • Circular economy, waste sorting and processing for recycled feedstock for petrochemistry and refinery • Mechanical and chemical recycling • New business opportunities in the area of polymer products with long life • Reduction in demand for conventional fuels thanks to recycled fuels and electromobility • Waste management strategies decreasing long-term cost structure and mitigating the risk of remediation liabilities or regulatory penalties • Waste production in downstream
S1 Own Workforce	<p>Working conditions</p> <ul style="list-style-type: none"> • Secure employment • Adequate wages • Social dialogue • Freedom of association, the existence of works councils and the information, consultation and participation rights of workers • Collective bargaining, including rate of workers covered by collective agreements • Work-life balance • Health and safety <p>Equal treatment and opportunities for all</p> <ul style="list-style-type: none"> • Gender equality and equal pay for work of equal value • Training and skills development • Measures against violence and harassment in the workplace 	<ul style="list-style-type: none"> • Employment at a stable level in regions • Level of wages in context of labor market benchmark • Employee injuries with incapacity for work • Women are underrepresented in senior management positions • Employee development
S2 Workers in the Value Chain	<p>Working conditions</p> <ul style="list-style-type: none"> • Secure employment • Working time • Adequate wages • Social dialogue • Health and safety <p>Equal treatment and opportunities for all</p> <ul style="list-style-type: none"> • Gender equality and equal pay for work of equal value • Training and skills development • The employment and inclusion of persons with disabilities • Measures against violence and harassment in the workplace • Diversity <p>Other work-related rights</p> <ul style="list-style-type: none"> • Child labour • Forced labour • Adequate housing • Water and sanitation • Privacy 	<ul style="list-style-type: none"> • Contractor injuries with incapacity for work
S3 Affected Communities	<p>Communities' economic, social and cultural rights</p> <ul style="list-style-type: none"> • Water and sanitation • Land-related impacts • Security-related impacts 	<ul style="list-style-type: none"> • Negative impact on nearby communities - noise, light smog, smell • Oil dropout lasting longer than the capacity of the state material reserves
S4 Consumers and End-users	<p>Information-related impacts for consumers and/or end-users</p> <ul style="list-style-type: none"> • Privacy • Access to quality information <p>Social inclusion of consumers and/or end-users</p> <p>Access to products and services</p>	<ul style="list-style-type: none"> • Ensuring the continuous availability of goods and services, even in crisis situations – part of the critical infrastructure
G1 Business conduct	<p>Protection of whistle-blowers</p> <p>Political engagement</p> <p>Management of relationships with suppliers including payment practices</p> <p>Corruption and bribery</p> <ul style="list-style-type: none"> • Prevention and detection including training • Incidents 	<ul style="list-style-type: none"> • Effective system of supplier selection and evaluation • Opportunity for partnerships with waste management and sorting companies/public transport
Additional topics to ESRS methodology	<p>CSR projects – Nadace ORLEN Unipetrol</p> <p>Investment in development and modernisation of industry</p> <p>Technical education support</p> <p>Financial consequences of spear phishing</p>	<ul style="list-style-type: none"> • Especially cooperation with technical universities