



BEST PRACTICES

An aerial photograph of an oil drilling site in a rural area. The site is a large, paved area with various pieces of equipment, including a tall drilling rig, several white trailers, and various vehicles. The site is surrounded by green and brown fields, with some houses and trees visible in the background.

CATALOGUE



1. BEST PRACTICES at ORLEN Upstream

ORLEN Upstream conducts every stage of its activity by the **principles of sustainable development and Corporate Social Responsibility**.

Representing the biggest company in Poland, ORLEN Upstream wants to not only actively participate in economic and civilization development of the country, but also aspires to the role of an active social partner, at both central and local level. Consistently implementing the business strategy of the ORLEN Group, ORLEN Upstream takes care of the environment and society in which it operates. Environmental, ethical and social issues are an integral element of the Company's long-term business activity.

Ethics and Organizational Culture

ORLEN Upstream team obeys the principles of organizational culture based on the values defined in the PKN ORLEN Code of Ethics, in particular:

- We respect the dignity of every human and do not discriminate anyone's gender, national origin, race, religion, political orientation, or other dimensions of diversity.
- We care about the good image of the company we work for, its products and services.
- We conduct our business in accordance with the law and high ethical standards that exclude any form of arrogant, abusive, dishonest or corrupt behaviour.

Protection of Natural Environment

ORLEN Upstream takes care of the environment. The Company abides the strictest environmental standards set by the Polish and European law with commitment, often going beyond requirements. We support environmental initiatives by participating in activities focusing on protection of the environment. We analyze and assess the risks associated with the impact of our activities on the natural and social environment, always trying to minimize them. In case of damage, we immediately respond by removing the effects of our activity and draw conclusions for the future.

Health and Safety

We follow strict health and safety rules, with the utmost care in preparing, enforcing and monitoring our activities. We care about the health and safety of employees and persons in the closest environment as well as their property by applying both preventive and remedial measures. We properly protect data and information.



BEST PRACTICES CATALOGUE



Open and honest Communication

We focus on an open dialogue with all employees and interested parties basing communication on concrete facts. We provide access to reliable information to all interested parties while respecting the established norms and rules of conduct.

Confidence and Partnership

In ORLEN Upstream, we aim to build friendly and stable relations with all interested parties, including local communities, by means of a dialogue and responsible words and actions. We try to understand the different needs and expectations of the communities in which we stay and work, including local communities, while referring to them with due respect, dignity and responsibility. We would like to actively participate in the life of local communities, acting to their benefit.

Science and Development

ORLEN Upstream influences the economic development of the country and regions by improving skills and upgrading qualifications of its employees and associates, as well as by popularization of science and cooperation with research and development centers, but also by creating new jobs, constant technological development, and cooperation with local suppliers.

In ORLEN Upstream, we believe that well-educated young generation is the most important element of economic development, and therefore we attach great importance to promoting education and popularization of scientific issues related to the energy industry, including in particular the technology of exploration and production of oil and natural gas.

Physical Culture

In ORLEN Upstream, we believe that healthy competition within the active amateur sports and daily physical activity beneficial for widely understood social development. This is especially important for the youth - promotes good practices and past-time activities outside the classroom, positively shaping young characters and is a chance to spend free time in a valuable way.

We support and engage in interesting local sport initiatives, often taking an active part in these events.

Certificates and Awards

In 2009, an audit and certification was conducted on the Company which resulted in the Company receiving two certificates: (1) Quality Management System according to ISO 9001:2008; and (2) Environmental Management System according to ISO 14001:2004 in the field of "Exploration and Production Management". Thanks to effective management and a cohesive team approach to All activities of the Company, all operations are performed at the highest professional level and in compliance with high quality standards. The certified Integrated Management System stimulates the Company's dynamic development and strengthens its position on the local and international market.



BEST PRACTICES CATALOGUE



In 2011 ORLEN Upstream was awarded the CIPS certificate of excellence. The certificate issued by the Chartered Institute of Purchasing & Supply confirms perfection of the purchase processes conducted and guarantees world quality of the standards applied by the company. ORLEN Upstream is the first Polish company awarded with this certificate. The certification procedure required a detailed audit in which corporate purchase policy, instructions and procedures were analysed. This award proves that the company acts in a professional, transparent and repeatable manner, entailing that external clients are supplied with goods and services complying with their quality requirements and ensuring the best economic value.

Corporate Responsibility

ORLEN Upstream ensures high standards of corporate responsibility, educates employees and other interested parties in the conduct of its business responsibly and expects business partners to act with integrity both in the performance of official duties, as well as during informal contacts with community among which they operate.

- We want to be a reliable partner for the local community who improves the quality of their lives and support their initiatives.
- We want to provide the highest quality products and services for the inhabitants of Poland
- We want to be a trustworthy cooperator for business partners, offering attractive terms of cooperation while maintaining the highest standards of professionalism.
- We want to be a company that provides decent and friendly working environment for employees.

ORLEN Upstream encourages and requires its employees, associates, contractors, subcontractors and all other persons acting on behalf of and for ORLEN Upstream to obey the principles contained in this document. Their misconduct or neglect may lead to suspension of further cooperation, or even termination of contracts.

2. BEST PRACTICES of procurement practices

A key value for ORLEN Upstream is to act according to international standards in all areas of business. One of the key areas having a significant impact on the ability of the Company to achieve business goals is the process of managing procurement and logistics operations. From the beginning, we put great emphasis on the development of competencies of our employees and our suppliers, improving procedures and instruments used. Implemented projects and modifications in the area of **Supply Chain Management** were designed for realization of these measures according to the latest international purchasing process management standards. Our actions are professional, transparent and repeatable, and contribute in supplying internal customers with products and services that meet their quality requirements while ensuring the best economic value.



The Vision of the Purchasing Process

The vision of the purchasing process is to add value to activities in the field of hydrocarbon exploration and production by providing products and services for all internal customers pursuing projects around the world, at competitive prices, on time, with the best available quality.

The Mission of the Purchasing Process

Establishing a network of key suppliers, consistent and sustainable supply chain of all E&P services and categories of materials and services, including specific purchase regulations of a given country, and establishing a set of skills, which guarantees the necessary know-how and expertise to ensure the transparency of the process as well as standardization and harmonization of trade, legal, technical and HSEQ requirements in order to contribute to the implementation of cost-effective solutions.

Suppliers Cooperation Policy

Our goal is to work with suppliers in order to achieve mutual benefit from cooperation.

Our suppliers:

- provide products, services and processes of high quality and implement reliable and quality management methods
- are competitive on the international market and constantly seek opportunities for growth in competitiveness
- use innovative technologies and their products and services meet international standards for environmental protection and safety
- provide reliable services and take full responsibility for their products and services
- work in a professional manner, applying high ethical standards
- seek long-term cooperation with ORLEN Upstream
- use high-quality methods and techniques of communication

ORLEN Upstream declares that the purchasing processes are conducted according to transparent, consistent and unambiguous rules. We evaluate our suppliers on a regular basis and inform them of the results.

Health and Safety Policy of the Purchasing Process

ORLEN Upstream ensures health and safety, and general welfare of its employees and employees of contractors.

Contracts for the supply of goods or services may be granted only to those contractors who meet our requirements in terms of resources as well as health and safety measures. The scope of the requirements in the area of health and safety depends on the type and level of risks that may arise during the implementation of a particular order.

The basic requirement for each supplier is declaration of compliance with legal requirements relating to occupational health and safety measures.



The Environmental Policy of the Purchasing Process

ORLEN Upstream is aware of the impact of its activities on the environment and implements them in an environmentally friendly way through the continuous improvement of the Integrated Management System. Implementation of the Integrated Management System requires us to conduct the following actions in the purchasing process:

- prefer suppliers which apply to the Environmental Management System according to ISO 14001 and who declare the implementation of pro-environmental operations
- oblige suppliers to the execution of contracts in accordance with the applicable requirements of environmental protection
- oblige suppliers to the execution of contracts in accordance with the requirements of ORLEN Upstream Integrated Management System policy
- buy environmentally friendly materials
- application of criteria for environmental assessment at the stage of office equipment purchasing (trade energy efficiency)

The above policy is known and implemented by all employees of the company and is publicly available to all interested parties.

3. Code of Conduct for ORLEN Upstream employees

Each employee must accept the below Code of Conduct:

As an employee:

- I will maintain the highest standards of integrity in all my business relationships
- I will reject any business practices that could be regarded as unacceptable
- I will not use my entitlements or position for own personal gain
- I will increase performance and professional skills by acquiring and applying knowledge in the most appropriate way
- I will promote the highest standards of professional competence among those for whom I am responsible
- I will optimize use of resources, which I have influence on to the benefit of my organization
- I will conduct myself in accordance with the requirements and intentions:
 - legal
 - contract
 - CIPS guidelines regarding purchasing practices
- I declare that any personal interests, will not affect my impartiality or decision-making process
- I assure that the information I give in the course of my work is accurate
- I keep the information that I receive confidential and never use it for personal gain
- I strive for true, fair and transparent competition
- I do not accept incentives or gifts, other than items of small value



BEST PRACTICES CATALOGUE



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