

A GUIDE TO BEST PRACTICES OF ORLEN Upstream

ABOUT THE COMPANY

ORLEN Upstream is a company owned by Polski Koncern Naftowy ORLEN S.A.



Six refineries in Poland, Czech Republic and Lithuania

An integrated refining/petrochemical facility in Płock

The largest chain of petrol stations in Central Europe (2700)

Oil and gas exploration licences

CCGT Unit in Płock (600 Mwe) and Włocławek (463 Mwe)

ORLEN Upstream specialises in prospecting, exploring and producing from deposits of hydrocarbons (natural gas and oil). The company operates on 27 exploration and appraisal licences in Poland (in Lubelskie, Mazowieckie, Małopolskie, Podkarpackie, Wielkopolskie and Pomorskie provinces) and explores together with partner within 7 licences. We work also in Canada, where we are an important operator in Alberta.

In order to carry out its field work, ORLEN Upstream subcontracts specialist companies with extensive expertise in selected exploration and appraisal activities (e.g. seismic tests, drilling, stimulation works). Their representatives would be happy to give you in-depth information on the planned course of their work.

OUR BUSINESS PHILOSOPHY



CERTIFICATES AND ACCOLADES OF ORLEN Upstream



In 2009 ORLEN Upstream received two ISO 9001:2008 Quality Management System certificates and an ISO 14001:2004 Environmental Management System for 'Management of prospecting and production'. Furthermore, in November 2011 ORLEN Upstream was awarded a CIPS certificate of excellence, which evidences that company's operations are professional and transparent. In 2012 ORLEN Upstream received a HSSE safety systems management certificate in compliance with the PN-N 19001:2004 standard. Five years after receiving a CIPS Certificate, after another detailed audit, ORLEN Upstream got recertification, which confirmed excellence of the purchase process.

ORLEN Upstream – SOCIALLY RESPONSIBLE COMPANY

ORLEN Upstream constantly pursues the principles of sustainable development and corporate social responsibility. The natural environment, as well as ethical and social issues, are an indispensable, long-term element of ORLEN Upstream strategy.

Ethics and Organisational Culture	We follow the principles of an organisational culture based on the values defined in <i>The Core Values and Standards of Conduct of PKN ORLEN</i> , PKN ORLEN's CSR Strategy and Best Practices Catalogue of ORLEN Upstream.	
Health, Safety and Environmental Protection	Comprehensive management of environmental protection and occupational health & safety is a priority for ORLEN Upstream. Therefore, all the operations are run according to the HSSE (Health, Safety, Security and Environment) system we have implemented, which follows the best practices and operating procedures in occupational health & safety.	
Open and Honest Communication	In line with the applicable standards and our rules of conduct, we pursue an open dialogue with local residents, employees, subcontractors and all other groups of stakeholders. We ensure that all interested parties can gain access to a relevant and thorough information.	
Trust and Partnership	We aim to develop friendly and long-lasting relationships with the public through dialogue and being responsible in what we say and do. We try to understand different needs and expectations of the communities among which we work. We treat local residents in a respectful, serious and responsible way.	
Science and Development	We want to influence the social and economic development of the country by increasing our employees' and partners' qualifications, popularising science and supporting interesting initiatives, but also through the creation of new jobs and continuous technological development.	

ORLEN Upstream expects that all its business partners, employees, contractors and all other parties that operate for or on behalf of the company, act in a professional and responsible manner while performing their professional duties and during informal contacts with the members of local communities. A breach or neglect of these principles may result in the suspension or even termination of the company's contractual relationship with a given business partner.

RIGHTS AND OBLIGATIONS OF THE PARTIES

Minerals of significant economic importance (e.g. coal, oil and natural gas) are covered by Polish mineral rights ownership, which means they are not part of one's real property and thus do not belong to the landowner, but to the State Treasury. The state grants permission (licence) to a company to carry out tests, exploration and/or the mining of the mineral. By and large, individual types of work (seismic tests, drilling stimulation) are carried out by specialised subcontractors on behalf of the investor.

1 A precondition for performing field work (e.g. seismic tests) is an agreement between the investor and the landowner. Only after obtaining the consent of the landowners involved, can the work and the locations of measurement devices be planned. It is impermissible for a subcontractor to deploy equipment and employees on private property without the consent of the landowner.

2 The parties define all rights, duties and privileges pertaining to the exploration work and the conditions of making the property available (including the exact dates of when the subcontractor may enter each plot of land) in a contract signed between the subcontractor and the landowner. The contract also includes provisions applicable in the case of a breach of the terms of contract by a party and for a situation where the landowner suffers damage.

3 If, as a result of the work carried out by the company, damage has been done to farm produce or infrastructure, due compensation is paid out to the owners. The landowner and the subcontracted company hold a meeting in order to discuss the procedure for claiming the damages.

4 The land is made available through signing a contract, which is tantamount to consent for the work to be carried out. Consent to seismic tests only pertains to this particular type of work and is in no way related to drilling or production. The agreement is entered into for a specified length of time.

Should the owners of the land have any further questions, or should they notice any irregularities at any stage of work, they may contact the representative of the company performing the work on site or the investor's office directly:

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