

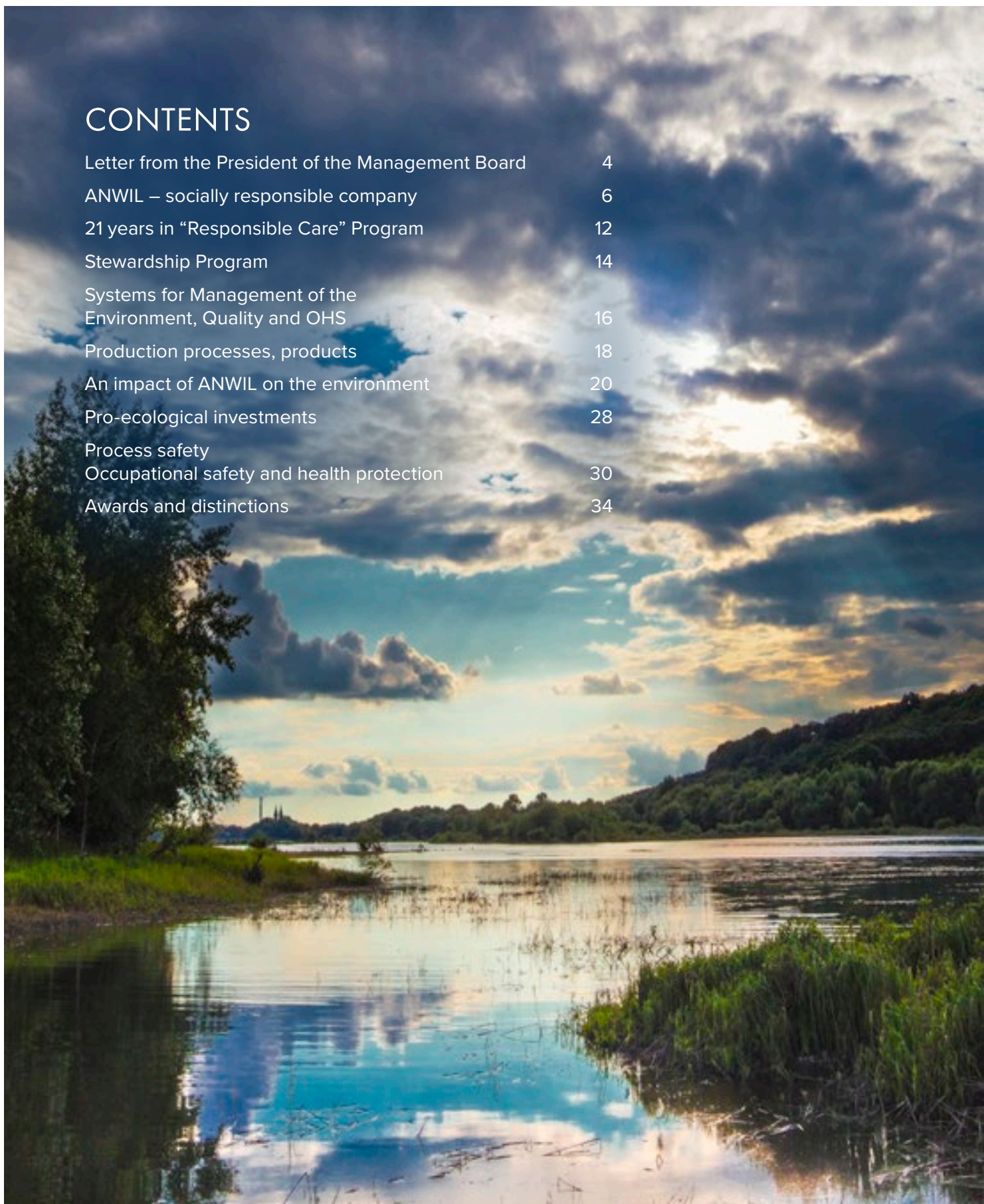


RESPONSIBLE BUSINESS REPORT



CONTENTS

Letter from the President of the Management Board	4
ANWIL – socially responsible company	6
21 years in “Responsible Care” Program	12
Stewardship Program	14
Systems for Management of the Environment, Quality and OHS	16
Production processes, products	18
An impact of ANWIL on the environment	20
Pro-ecological investments	28
Process safety	
Occupational safety and health protection	30
Awards and distinctions	34





RESPONSIBLE
BUSINESS
REPORT

2016



Dear Sir and Madam,

I am handing over the next Responsible Business Report to you with great satisfaction, presenting both data on our influence on the environment, Environment, Quality and OHS Management Systems, process safety, pro-ecological investments systems as well as selected corporate social responsibility activities. This way, you are receiving a compendium of information on our company. The compendium will allow, among others, becoming familiarized with the challenges which we have to face due to the specificity of the chemical production.

We strengthen the strong position of the ANWIL brand on the economic map of Poland and Europe assuming full responsibility for the impact exerted by us on all around, which is proven, inter alia, by our

active participation in the Responsible Care program (Polish: Odpowiedzialność i Troska), concentrating the largest chemical companies around pro-ecological initiatives or participation in the Product Stewardship program (Polish: Opieka nad Produktem). The scope of this initiative, implemented since 2003 by member companies of Fertilizers Europe (the European Fertilizer Manufacturers Association) goes far beyond the legal requirements in force, and its guidelines oblige producers of mineral fertilizers to take a number of actions guaranteeing that their products as well as any raw materials necessary for their manufacture are processed, transported, stored, distributed and used in a way that is safe to humans and the natural environment.

However, we fully realize that our company's strength is mainly a derivative of staff members' daily involvement, being the largest value of the enterprise. Therefore, responsibility towards them and providing them with a possibility of professional and personal development is one of the key objectives for the management staff.

We support our staff members in raising both professional qualifications and education level, offering them co-financing for post-graduate studies, ensuring participation in specialist courses, symposiums and sector-specific conferences. In view of our company's membership in ORLEN Group and mobility policy they have a chance to develop their careers not only in Włocławek but also in structures of ORLEN Group both in Poland and abroad. We motivate them to develop interests too. This is achieved by the ANWIL Passion program thanks to which staff members can apply for co-financing of their activities in leisure time. Whereas, for members of our company's crew, who like physical activities, we have created the ANWIL casually project within which we organize joint exercise under the eye of professional trainers.

Responsibility for environment in which ANWIL functions is a fixed element of our company's development strategy. Therefore, we encourage our staff members to take up joint volunteer actions. For this purpose, last year we initiated the program: I help because I like, within which employees of the company can apply for co-financing of signature initiatives forming support for local community. Applications, in substantive terms, are analysed by a team in charge of employee volunteer work, specially appointed for this purpose. Last year by way of its decision financial resources were granted to 9 projects, in which 224 staff members of ANWIL participated, accounting for nearly 18% of the crew.

Our operations in the field of corporate social responsibility are noticed and duly appreciated by experts. In 2016 as many as eight practices, executed by ANWIL, were honoured with publication in a report prepared by the Responsible Business Forum, whereas Polityka weekly and Deloitte consulting firm for the second time in a row granted the CSR White Leaf to us, which is received by enterprises declaring implementation of all most significant management categories recommended by ISO 26000 standard and continuously improving activities for effective management of their impact on environment.

The distinctions obtained are obviously a source of rejoicing for us but first of all an additional impulse to continue already conducted initiatives as well as to take up further initiatives for the common good and economic development of our country.

Hoping that the Report will be a source of interesting information for you, on behalf of all staff members of our company, I wish you pleasant reading.



Jacek Podgórski
President of ANWIL S.A. Management Board



CORE VALUES



RESPONSIBILITY
We respect our customers, shareholders, the natural environment and local communities.



PROGRESS
We explore new possibilities.



PEOPLE
We are characterised by our know-how, teamwork and integrity.



ENERGY
We are enthusiastic about what we do.



DEPENDABILITY
You can rely on us.



OUR AMBITION IS TO BE A GOOD AND RESPONSIBLE NEIGHBOUR OF RESIDENTS OF OUR REGION

ANWIL is one of the key enterprises for the Polish economy, a leading company in the sector of the Great Chemical Synthesis. The company is also an unquestionable leader of business in Kujawy and Pomorze employing over 1200 people, one of the largest employers in the region.

The company from Włocławek from ORLEN Group is the sole producer of polyvinyl chloride in Poland and eighth in Europe in terms of its production capacity in this area. With regard to mineral fertilizers it is the second in the country and tenth on the Old Continent. ANWIL offer also includes granulates and PVC sheets as well as a number of base chemicals e.g. sodium hydroxide (sodium lye) and ammonia. Thanks to such a rich portfolio the company exports its products to nearly 40 countries in the world.

Corporate Social Responsibility is a fixed element of the enterprise's strategy. In 2016 ANWIL was honoured - for the second time in a row - with the CSR White Leaf of Polityka weekly and Deloitte consulting firm which is granted to companies declaring implementation of all most significant management categories recommended by ISO 26000 standard and continuously improving activities for effective management of their impact on environment. In addition, eight CSR initiatives carried out by ANWIL have been appreciated by the Responsible Business Forum and described in the *Report: Responsible business in Poland 2015*. Good practices. ANWIL activities for staff members won recognition (*Safety Week, Report a hazard, ANWIL casualty*), for local community (*ANWIL Foundation for Włocławek, Reflected light straight into eyes, Letters to Santa Claus*), for education (*Myth Trackers*) and for the environment (*Mr. Carp stocks the Vistula with fry*).

CSR IN ANWIL

A broad scale of activities of the enterprise from Włocławek determines large responsibility.

For this reason, the primary objective of ANWIL is to keep balance between business effectiveness and social interest. Therefore, the obligations which the company has assumed towards social environment, go far beyond the generated financial results.

The company from Włocławek consequently implements subsequent initiatives in areas which - in accordance with ISO 26000 standard - are elements of corporate social responsibility.

ISO 26000 is a standard which systematizes knowledge about broadly understood corporate social responsibility (CSR) and defines its frameworks, indicating seven areas which it consists of. They are: **Governance, Work practices, Human rights, the Environment, Fair operational practices, Consumer issues, Social involvement and development of local community**. Below we are presenting examples of selected practices.

PRACTICES WITHIN THE SCOPE OF LABOUR LAW

REPORT A HAZARD

Due to a specific character of chemical production, staff members of ANWIL have contact on a daily basis with substances the use of which takes place in strictly determined conditions with observance of rigorous conduct rules. Responsibility for safety/security and health of colleagues and local community rests on their shoulders. Therefore, ANWIL is doing its best to strengthen the sense of responsibility among the crew. This is achieved inter alia through the





Report a hazard program. Staff members identify on their own places where potential hazards occur, proposing a way of eliminating them. Hazards are reported by means of a special form, available on the Intranet for each staff member. Its intuitive and user-friendly form allows reporting a hazard in an easy manner. In 2016, within the program, 375 potential hazards were identified, of which 357 were eliminated i.e. as much as 95%.

OCCUPATIONAL SAFETY AND HEALTH PROTECTION WEEK

ANWIL carries out activities which require to meet the highest safety/security standards in all stages of the production cycle. Therefore, the company applies safety/security systems and prevention measures including all organizational and technological levels, along with occupational health and safety.

ANWIL encourages staff members to prevent accidents in an active way, which contributes to building safety culture. This is achieved inter alia through the **Occupational Safety and Health Protection Week** organized on an annual basis. The major objective of the event is to deepen staff members' knowledge about broadly understood OHS, including correct assessment of hazards to health, life and the environment. Participants of the **Week** have an opportunity to gain these skills during specialist trainings e.g. in proper selection of personal protective equipment, in giving first aid as well as classes in resuscitation with the use of a phantom. There are also lectures delivered by specialists from the National Labour Inspectorate and by experts from the Central Institute for Labour. In addition, courses and crosswords concerning prevention

and OHS as well as labour culture are carried out and published on the Intranet every day. The **Week** ends with a **Safety/Security Picnic** for staff members and their families during which e.g. competitions checking knowledge, efficiency shows of the Company Fire Service and shows of giving first aid to victims of car accidents and in water take place. In 2016 - within the **Week** - ANWIL together with the Association of Fire Safety Engineers and Technicians - Kujawy and Pomorze Branch - organized a conference about spatial planning and development in the aspect of the SEVESO III Directive.

DEVELOPMENT OF STAFF MEMBERS

ANWIL supports its staff members in raising both professional qualifications and education level, offering them co-financing for post-graduate studies, ensuring participation in specialist courses, symposiums and sector-specific conferences. By means of periodic assessment a staff member together with his superior prepare an individual professional development path, determining subsequent steps making it possible for him to be promoted horizontally or vertically. Due to the fact that ANWIL belongs to ORLEN Group staff members may also evolve beyond structures of the company from Włocławek, benefiting from the mobility policy binding in ORLEN Group.

People who have hobbies are full of positive energy. Therefore, ANWIL supports staff members also after working hours. This is achieved by the **ANWIL Passion** program within which staff members may apply for co-financing of their activities in leisure time. The company also integrates staff members who like sport, making it possible for them, within the **ANWIL casually**



program, to jointly play e.g. volleyball, basketball, football, table tennis and to jog. The exercise is carried out by professional trainers, and volunteers recruited from among staff members of ANWIL are coordinators of particular groups. A considerable part of the program participants practice sport amateurishly. However, a little over 10% of the crew i.e. approx. 125 staff members are professionals who successfully start in external competitions under the joint brand: ANWILTEAM.

ANWIL is one of the largest employers in the Kujawy and Pomorze Region employing over 1200 people. The company remains open both to experienced experts with unique knowledge about production processes and to fledgeling graduates of technical schools. ANWIL - within the program: *The Young - We Fuel the Future* - invites pupils, students and graduates to undergo practices and traineeships.

FAIR OPERATING PRACTICES

CODE OF CONDUCT FOR SUPPLIERS OF ANWIL

The supply chain is one of the key factors of the market success. However, its role is far greater than only assurance of permanent reduction of costs connected with purchasing raw materials or services. Since transparency of the processes forming its part is one of the elements of perceiving a particular company. ANWIL cooperates with nearly 6000 counterparties and in this cooperation it sets a goal to itself so that its business partners will share its values. Exactly therefore, the company has implemented the *Code of conduct for Suppliers of ANWIL* which contributes to an increase in transparency of conducting processes forming a part of the supply chain. The document is

a vademecum of cooperation between ANWIL and suppliers. The company expects its business partners to perfect themselves on a permanent basis in the range of social, environmental, ethical standards, defined in the code, and in the range of governance. Implementation of the document and obligation of partners of purchasing processes to comply with the rules, included in it, will give the company confidence that suppliers, with which it cooperates, observe the standards being in force in the firm, and offerors who apply for a possibility of winning a contract will be fully aware of expectations towards them. At the same time ANWIL has undertaken to support its suppliers and contractors in raising awareness and promotion of the best CSR practices.

THE ENVIRONMENT

MR. CARP STOCKS THE VISTULA RIVER WITH FRY

Concern for the environment including e.g. protection of natural resources and promotion of ecological education is a fixed element of the enterprise's strategy. Therefore, the company engages in actions supporting development and protection of the natural environment, including care for quality of waters in the Kujawy and Pomorze Region. The action: *Mr. Carp stocks the Vistula river with fry* was an action thanks to which ANWIL has again made its contribution to raising ecological awareness of local community. The Fish Promotion Association with support of ANWIL organized in 2016, for the second time, the competition: *Mr. Carp stocks the Vistula river with fry*. Winners selected from among pupils and students of 15 schools and kindergartens from Włocławek and of 15 educational centres from six regions: Mazowsze, Pomorze



Zachodnie, Małopolska, Warmia-Mazury, Dolny Śląsk and Łódź Regions took part in the event. The project's assumption was to raise the level of pupils' and students' knowledge about the importance of fish for the eco-system and to popularize ichthyology. The main prize in the competition was participation of winners in an action of stocking the Vistula river with fry of eel, which took place on the coast of the Vistula river, in the territory next to ANWIL. Laureates of the competition, under supervision of an ichthyologist, fishermen and expert from the Fish Promotion Association stocked the Vistula river with over 10 thousand fries of eel. The initiative will contribute to improvement of purity of water in the river, which will increase population of predators in the Vistula. In 2015, thanks to this project, the Vistula river was stocked with over 13 thousand sheatfish fry.

SOCIAL INVOLVEMENT AND DEVELOPMENT OF LOCAL COMMUNITY

The company from Włocławek attaches particular importance to actions for the common good, initiating in the region numerous pro-social projects e.g. of education character (cooperation with the Ecological Education Centre in Włocławek), of upbringing character and artistic character (involvement for the benefit of the Polish Nationwide Final of the Sung Poetry Competition). The company also financially supports the YACHT CLUB ANWIL, ANWIL Włocławek Basketball Club, and Włocławek Aero Club.

PATRONAGE CLASS OF ANWIL IN THE COMPLEX OF CHEMICAL SCHOOLS IN WŁOCŁAWEK

Wishing not only to make young people interested in learning/science, but also to help them get into the labour market in the future, ANWIL has extended its patronage over the class of the **Chemical technology technician** profile in the Complex of Chemical Schools in Włocławek (ZSCH). Education in the patronage class of the company takes place in a dual system i.e. young chemists learn theory during classes in the ZSCH, and gain practical skills and professional experience during internships in the company. Its best graduates will be able to join the group of the enterprise's staff members.

ANWIL - apart from extending the patronage over the class in the Complex of Chemical Schools - for two years has also been a sponsor of a chemical competition organized by Maria Konopnicka Secondary School in Włocławek, addressed to students of junior secondary schools from Włocławek and its vicinity.

With students in mind, whose passion is learning chemistry, last year the company became the main sponsor of the 63rd Chemical Olympiad for students of secondary schools from the Kujawy and Pomorze Region in the Toruń district - one of thirteen, in which it is organized by the Polish Chemical Society.

THE ANWIL FOR WŁOCŁAWEK FOUNDATION

Establishment of the **ANWIL for Włocławek Foundation** in 2014 was an example of particular efforts made by ANWIL to be a good neighbour of local community. Its entire budget is allocated for implementation of local initiatives thanks to which the founder of the **Foundation** - ANWIL contributes to improvement of



the life quality of residents of Włocławek. Thanks to grants of the **Foundation** local organizations of the 3rd sector can, more fully than so far, use their potential for the good of residents.

Only in 2015/2016 the **ANWIL for Włocławek Foundation** supported initiatives for the benefit of local community in the amount of over PLN 1 500 000.

In 2016 more than 24 thousand residents of Włocławek i.e. every fourth citizen of the city were beneficiaries of grant competitions announced by the **ANWIL for Włocławek Foundation**. 8 large programs were completed, within which from several to several dozen projects were held, and their budgets reached from 40 thousand to even half a million zloty.

ANWIL, through the **Foundation**, co-finances e.g. projects whose aim is creative, innovative, and ipso facto more effective education in exact science as well as takes up signature initiatives, thanks to which students have a chance to develop their passions and interests connected with chemistry. One of them was the announcement, by the **ANWIL for Włocławek Foundation** in 2016, of the grant program: *I learn with ANWIL* whose major assumption is popularization of learning the sciences among youths from Włocławek. Not only non-governmental organizations, operating

in the city, could apply for award of grant, but also schools: higher education schools (public and non-public), primary schools, junior secondary schools and upper secondary schools as well as non-formal groups (e.g. group of teachers, scientific circle or council of parents). Financial support in the total amount of nearly half a million zloty made it possible to realize 43 educational initiatives.

ANWIL together with its corporate foundation also appreciates overachievers from Włocławek. Since 2015 the **ANWIL for Włocławek Foundation** has been running a **scholarship program for students of junior secondary and upper secondary schools in Włocławek**. So far 70 students in total have been in the group of scholarship holders of two editions of the program, who can pride themselves on excellent school results, outstanding achievements in education, sports and art, as well as engaged in volunteer work.

EMPLOYEE VOLUNTEER WORK

Concern and responsibility for the surroundings, in which the company functions, are very significant elements in the development strategy of ANWIL. Therefore, the company encourages its staff members to take up joint volunteer actions. For this purpose, in 2016, the program: **I help because I like** was initiated, within which employees of the enterprise can apply for co-financing of signature initiatives to support local community. Applications, in substantive terms, are analysed by a team in charge of employee volunteer work, specially appointed for this purpose. Last year by way of its decision financial resources were granted to 9 projects, in which 224 staff members of ANWIL participated, accounting for nearly 18% of the crew.

Another example of staff members' involvement may be the action: **Letters to Santa Claus - make your dream come true**, organized for the second time in 2016. The period preceding Christmas is the time when the company particularly encourages staff members to provide aid and spread a bit of holiday cheer to those for whom the lot has not been too favourable. **Letters to Santa Claus - make your dream come true** is an initiative consisting in encouraging staff members to impersonate Santa Claus and make dreams of children from orphanages in Włocławek come true. In 2016 staff members of the company fulfilled wishes of 110 children. 140 employees i.e. over 10% of the crew were involved in the action.

For ten years motor-cyclists from Włocławek, members of an informal group **Motórzyści**, have been organizing the **Motomikołaje** action (Motor Santa Clauses). Within

it they collect gifts for children from the Educational Care Facility in Brzezie, which are delivered to them on their mechanical horses on 6 December, dressed up as Santa Claus from Lapland. Also staff members of ANWIL who provide the children from Brzezie with gifts founded by the company take part in the action every year.

REFLECTED LIGHT STRAIGHT INTO EYES

In 2016 ANWIL, already for the third time, organized the action: **Reflected light straight into eyes** aimed at popularizing the habit of wearing reflective elements by the youngest road traffic users. Within it staff members of the company together with police officers from the Municipal Police Station visited 20 non-public kindergartens in Włocławek and its vicinity and distributed 860 reflective vests and bands to children, at the same time explaining to them why it is so important to be visible on a road.

In 2014-2015 ANWIL handed over 20 thousand reflective bands and 2 thousand vests in total, visited 34 centres in Włocławek, including 17 public kindergartens and 17 primary schools and junior secondary schools.

THE PATRON OF CULTURE

The **CANTO Choir**, established a quarter of a century ago, **whose activities have been financially supported by ANWIL since 2015** is an inherent element of cultural landscape of Włocławek. Musicians maintain their clear presence on the Polish nationwide and international choral scene, which is proven by numerous laurels, won by them during many festivals and contests.

The described projects are not all initiatives within CSR carried out by ANWIL. However, they are an example that the company makes all efforts not only to be one of the leaders of Polish economy, the largest employer in the region, but mainly to deserve the name of a good neighbour of local community in which it functions.



WE IMPLEMENT A STRATEGY, ENSURING OPTIMAL SAFETY/SECURITY, ENVIRONMENTAL AND STAFF MEMBERS' HEALTH PROTECTION CONDITIONS

21 YEARS OF ANWIL IN THE RESPONSIBLE CARE PROGRAM

ANWIL runs its activities with full awareness of the fact that they exert a considerable influence all around and therefore sustainable development, implemented in line with the philosophy of corporate social responsibility (CSR), is mainly treated as a commitment towards the natural environment, staff members and local community.

ANWIL has drawn up and implements a strategy, ensuring optimal conditions for safety/security, protection of the environment and health of staff members, adapting technologies and organisations of production processes to the highest standards.

Holding permanent dialogue with its customers, suppliers, cooperators and with local community is one of the most significant operation areas of companies belonging to a group of implementers of the **Responsible Care Program**, which has already been executed by ANWIL for more than 20 years. This arises from the fact that the essential element of the pro-ecological policy adopted also by ANWIL is its publicness and informational openness with regard to an impact of the enterprise on the environment. This also gives rise to the Company's involvement in the project: **I take care of the environment** initiated in 2016 by the Secretariat of the Program. The main objective of meetings within the project is exchange of experiences of the program implementers within the scope of protection of the environment and familiarisation with achievements in this field in the company's registered office - host of the meetings. In 2016 ANWIL as one of the first two companies, apart from PKN ORLEN S.A., was a host of such a meeting in September 2016.

The most significant objective of this program is constant searching for modernisation solutions, leading to energy saving, decrease of waste and sewage, reduction of emission of pollutants and improvement

of process safety as well as health of staff members. The most significant pro-ecological investments implemented in the space of over 20 years of ANWIL's operations for the benefit of the environment include: **modernization of a factory of chlorine and soda lye consisting in a change of technology for production of chlorine from diaphragm to membrane, modernisation of a central industrial sewage treatment plant, installation for catalytic reduction of nitric oxides in a factory of nitric acid, implementation of a technology for catalytic reduction of nitrous oxide, drying chamber of sediment from biological treatment of sewage, installation for recovery of hydrogen chloride from waste organochlorine compounds.**



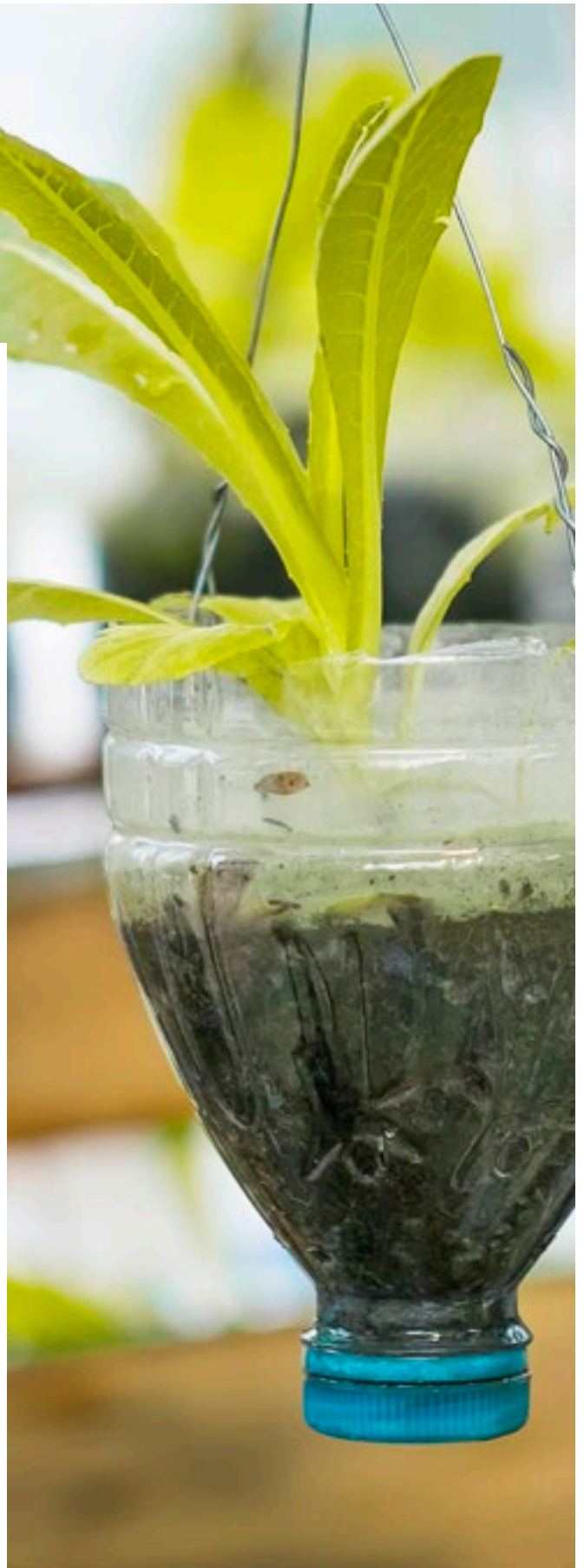
Education of young generation is an important area of ANWIL's involvement in pro-ecological activities. For 15 years the company has been successfully coordinating the action: **Tree for a bottle**, engaging young generation in the trend of social activity and responsibility for condition of the environment in which we live. Rivalry in the form of games between classes of primary schools and groups of kindergartners in towns and cities where signatories of the program conduct their production activities consisting in collection of the largest possible number of empty PET bottles is the idea of the action. Collected bottles are sent for recovery and planted trees are their symbol. In all fifteen editions children from Włocławek have collected

5 866 616 PET bottles. In this range we organise so-called *Open doors*, enabling groups of youths to visit ANWIL as well as chemistry lessons organised on the premises of and by specialists from ANWIL, during which students from schools in Włocławek can also gain solid knowledge about actions taken by the Company to minimise an influence of technological processes on condition of the natural environment. A photo competition: *Catch a hare and Catch a hare junior* is one of the initiatives, in the *Responsible Care Program*, aimed at raising awareness of environmental aspects among staff members of companies employed in firms which execute the program. Every year ANWIL encourages its staff members to participate in this project.



At present, from the perspective of past over 20 years it can be stated that the Responsible Care program has contributed to changes not only in the context of an attitude to protection of the environment understood in a broad sense.

For more than 20 years concern for the environment consisting in protection of natural resources and systematic minimisation of an impact of the activities conducted on the environment has been a fixed element of ANWIL's development strategy. This process will be continued in ANWIL to the benefit to the natural environment and local community.





WE GROUND ON INTERNATIONAL PROVISIONS AND QUALITATIVE STANDARDS

PRODUCT STEWARDSHIP PROGRAM

In its concern to improve the safety of its nitrogenous products, and to meet the requirements of the European Fertilizer Manufacturers Association, “Fertilizers Europe” to which it belongs, ANWIL joined the Product Stewardship Program in 2008. This program obliges a manufacturer to take a number of actions aimed at ensuring that produced fertilizers and all raw materials necessary for their production, auxiliary materials and semi-finished products are processed, transported, stored, distributed and used in a manner that is safe to the surroundings, that is unharmed to the health of those people in contact with fertilizer products, and unharmed to the natural environment.

The scope of the program exceeds the existing legal requirements and includes all actions connected with the generation of nitrogenous products in the entire

chain of values from the acquisition of raw materials to the final use of a fertilizer. In order to meet the constantly growing social requirements in the range of the nitrogenous products offered to its customers that are safe, of the highest quality and effective in use, ANWIL adopted and undertook to propagate a set of rules determined by “Fertilizers Europe” and based on international provisions and qualitative standards and undertook.

The implementation of this program has established a new quality in customer cooperation through the common concern of both manufacturer and recipient to maintain the highest quality products, while adhering to the highest safety and environmental protection standards.



PRODUCT STEWARDSHIP POLICY OF ANWIL S.A.

ANWIL S.A. as one of the largest and most modern enterprises of chemical industry in the country implements a sustainable development program adopted in ORLEN Group.

Awareness of the influence exerted by our nitrogenous products on human health, safety/security and the environment contributes towards realisation of these projects.

In order to meet the growing social requirements in the range of offering nitrogenous products to our Customers, safe, of the highest quality and effective in use, we adopt a set of rules determined by Fertilizers Europe and implement the “Product Stewardship” Program.

The scope of the Program includes all actions connected with development and generation of nitrogenous products in the entire chain from raw materials to final use and exceeds the legal requirements in force.

ANWIL S.A. RECOGNISES THE FOLLOWING VALUES:

- **Responsibility as a supplier of products necessary for life**

As a manufacturer of products indispensable for life we acknowledge our responsibility towards our shareholders, customers, staff members, general public and future generations. Our commitment and activity are effective.

- **Sustainable supply of values**

We provide our customers, suppliers, shareholders and staff members with optimum of values in a sustainable manner.

- **Activity for protection of health, safety/security and the environment**

We strive for achieving the highest standards on ensuring safety/security, protecting health and the environment. In compliance with the principles of the Responsible Care program, we run our business in a way which supports the objective of sustainable development.

- **Science and innovation**

Our activities are based on solid scientific foundations. We strive for innovation and continuous perfection.

- **Free and fair trade**

We believe in, apply, protect and support the principles of free and fair trade.

- **Ethical behaviour**

Our acts are ethical, genuine, open and transparent.

The text of this policy is available to the public and communicated to staff members of the enterprise.

Jacek Podgórski
President of the Management Board,
Chief Executive Officer

ANWIL S.A. QUALITY AND HSE POLICY

We are a part of ORLEN Capital Group and cooperate with all its Companies on improving and developing the Management Systems compliant with the requirements of the following standards: PN-EN ISO 9001, PN-EN ISO 14001 and PN-N-18001/OHSAS 18001.

We give great consideration to quality of our products and process thus focusing on the satisfaction of our Clients. Mindful of the safety of the personnel, we care about their working environment. We are aware that our operations require the use of natural resources and affect the natural environment.

With all this in mind, we consider the following as our priority goals:

- developing the company taking into account the principles of sustainable development,
- producing and supplying products compliant with applicable requirements and expectations of Clients
- strengthening our market position,
- striving for optimization of production costs,
- taking efforts to sustain the condition, order and harmony of the natural environment,
- preventing pollution and potential threats and consistently reducing the negative impact on the surroundings,
- constantly improving the level of safety and hygiene at work.

IMPLEMENTATION OF OUR PRIORITIES HAS BEEN BASED ON THE FOUNDATION, WHICH ARE VALUES AND CODE OF CONDUCT OF THE ORLEN GROUP

RESPONSIBILITY

- identifying the factors affecting or likely to affect quality, environment and safety and precisely determining and supervising any related operations and actions,
- demonstrating concern about the natural resources, manifested in particular in a rational use of raw materials, materials, water, and energy,
- limiting the potential impact on the environment at the pollution source.

PROGRESS

- implementing projects both improving the quality and safety levels and reducing the impact on the environment, in particular by revamping the equipment and searching for new solutions,

- providing a flexible commercial offer accommodating the changing needs of Clients.

PEOPLE

- clearly defining the competences of individual personnel members and constantly developing and expanding their knowledge in the field of quality and HSE,
- maintaining honest and benevolent relations with stakeholders,
- preventing injuries, accidents at work, occupational diseases and near-miss incidents.

ENERGY

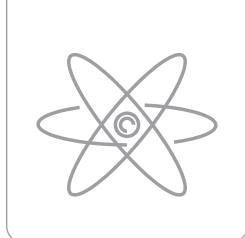
- raising the awareness and commitment of all the personnel members to the process of continuous improvement of the work-related methods, organization and environment,
- selecting the Suppliers and developing the mutual communication in order to ensure continuous supply of raw materials and services compliant with our requirement.

DEPENDABILITY

- running business operations subordinated to pre-determined financial parameters,
- adhering to legal regulations and other requirements concerning the sphere of HSE and carrying out a periodic assessment of the compliance,
- diligently monitoring the company impact on the surrounding environment, including people's safety,
- The image of ANWIL S.A. as a reliable, stable, and socially responsible company is strengthened through the implementation of the Responsible Care initiative.

All the personnel members know, understand, and respect our Policy. As it is publicly available, we feel bound and obliged by its contents towards our Clients, the Shareholder, and community as a whole.

Jacek Podgórski
President of the Management Board,
Chief Executive Officer



JOINTLY WORKED-OUT VALUES ARE THE SIGNPOSTS FOR DAILY DECISIONS

SYSTEMS FOR MANAGEMENT OF THE ENVIRONMENT, QUALITY AND OHS

The policy for quality, environment and OHS is established and maintained in ANWIL. Its text is characterized by full integration with the list of values binding in the ORLEN Group. The policy includes our obligation to meet requirements and to continuously perfect the integrated management system, and the priorities stipulated in it, and to define directions for the establishment of detailed objectives within the scope of quality, environment and OHS.

- precise determination and continuous supervision of factors which have, or may have, an influence on quality, environment, and OHS;
- determination of objectives within the scope of quality, OHS, and environmental management as well as tasks leading to their achievement;
- control and supervision of operations which have, or may have, a considerable influence on quality, environment, and OHS;

THE INTEGRATED MANAGEMENT SYSTEM IN ANWIL CONSISTS OF THREE ELEMENTS:

<p>Quality management system consistent with the requirements of the PN-EN 9001 standard certification since 1997</p>	<p>Environmental management system consistent with the requirements of the PN-EN ISO 14001 standard certification since 2001</p>	<p>Occupational health and safety management system consistent with the requirements of the PN-N-18001 & OHSAS 18001 STANDARDS certification since 2013</p>
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Particular elements of the Integrated management system (ZSZ) are an organizational and technical instrument of significant support for:

- pro-quality actions aimed at increasing customer satisfaction;
- shaping pro-ecological attitudes of the personnel ;
- adopting programs and tasks intended to reduce ANWIL's impact on the natural environment;
- ensuring a friendly working environment;
- building and strengthening security culture.
- The most significant operational elements of our integrated management system include:
- identification and interpretation of applicable legal requirements and other requirements as well as systematic assessment of conformity to these requirements;

- raising awareness and knowledge within the scope of quality, security, and the protection of the natural environment.

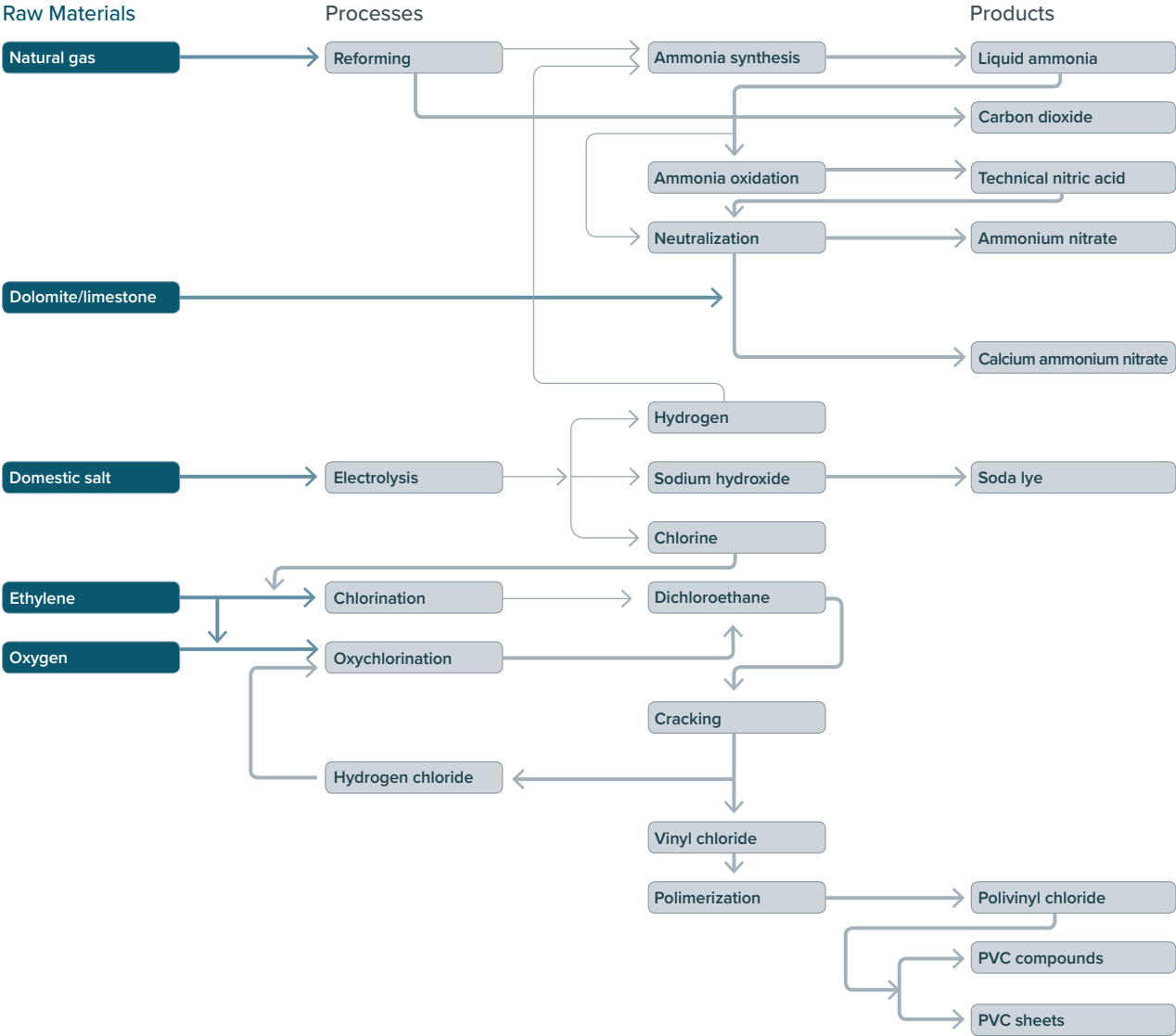
ENERGY MANAGEMENT SYSTEM

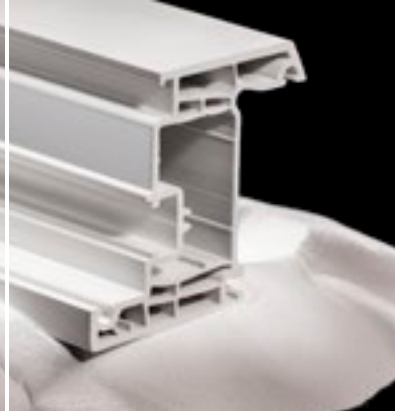
By way of the Chief Executive Officer's official order a team has been appointed to carry out an analysis of ANWIL's energy state in view of new obligations arising from the Act on energy efficiency of 20 May 2016 (OJ of 2016 item 831) which came into force on 1 October 2016. Within the Order ANWIL conducted a comprehensive energy audit of the enterprise.

At the same time in 2017 the Company submitted eight applications to the Energy Regulatory Office for issuing energy efficiency certificates for projects completed in ANWIL which contributed to considerable improvement of energy efficiency.



BASIC PROCESSES





CHEMISTRY FROM A TO Z

Our innovativeness and consistency have given us a leading position in the chemical industry in Poland. In response to our Client's expectations, we are successively extending our offer of advanced products for processing industry and means of production for agriculture.

We are one of the leading manufacturers of nitrogenous fertilizers in Poland. Our fertilizers, including ammonium nitrate and calcium ammonium nitrate (CANWIL), our most popular products – are certified by the Polish Centre for Testing and Certification with the highest quality certificate Q.

We are the only manufacturer of suspension PVC (trade name: Polanvil) in Poland, a raw material used in production of granulates, construction profiles, water and wastewater pipelines and medical equipment (with relevant certificates). Almost half of manufactured Polanvil is exported to the demanding European markets.

We manufacture PVC cable compounds, PVC dry blends and hard technical compounds for wall panels, construction profiles and electrical conduits, and we have been manufacturing PVC sheets since 1998.

We are the largest manufacturer of sodium hydroxide in Poland, sold as soda lye and various chlor-alkali products (chlorine, oxochlorate(I), sodium chloride, hydrochloric acid) and chemicals (ammonia, ammonia solution, liquid nitrogen and liquid oxygen).

- > Ammonium nitrate
- > Calcium ammonium nitrate – CANWIL with magnesium, CANWIL S with sulphur
- > Suspension polyvinyl chloride – Polanvil
- > Soda lye
- > PVC compounds
- > PVC sheets
- > Ammonia
- > Other chemicals







WE MINIMIZE OUR IMPACT ON THE ENVIRONMENT WITH FULL AWARENESS

AN IMPACT OF ANWIL ON THE ENVIRONMENT

ANWIL formal and legal status in the range of using the environment is fully regulated. It is vested with the total number of 12 basic administrative decisions, including 5 integrated permits (to run installations forming a part of the Fertilizers Production Business Unit, to run installations forming a part of the Plastics Production Business Unit, to run installations forming a part of the Power Engineering and Water and Sewage Management Business Unit i.e. installations for combustion of fuels - Heat and Power Plant, installations for Storage of non-hazardous waste and inert waste with separated quarters for hazardous waste and installations for treatment of sewage - Industrial Sewage Treatment Plant). The pro-ecological policy, consequently implemented by the Company, causes that successive intensification of production does not entail an increase in negative impact of technological processes on the environment.

ADMINISTRATIVE PECUNIARY PENALTIES

A pecuniary penalty in protection of the environment is the means of administrative responsibility for objective illegal conduct of an organisational unit, which results or may result in degradation of the environment.

In 2016 a control authority - the Regional Environmental Protection Inspectorate in Bydgoszcz (Branch in Włocławek), during carried out controls, did not identify infringements by Anwil of requirements for using the environment

which could result in imposing administrative pecuniary penalties on the Company.

EMISSION OF POLLUTION INTO AIR

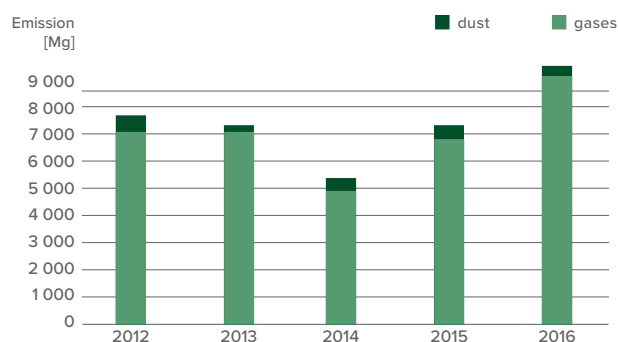
Emission of substances into air from installations belonging to Anwil takes place through two hundred and seventy-five emission sources of which three are in the Power Engineering and Water and Sewage Management Business Unit, eighty-one in the Fertilizers Production Business Unit, one hundred and ninety-one in the Plastics Production Business Unit.

The scale of emission of substances from particular emission sources was controlled in the reporting year mainly through periodic measurements. With regard to the Installation for recovery of hydrogen chloride from waste organochlorine compounds of the Heat and Power Plant and Installation for production of nitric acid (in terms of emission of nitrous oxide and ammonia) measurements of concentration and emission of the substances were carried out with the use of the continuous measurements system.

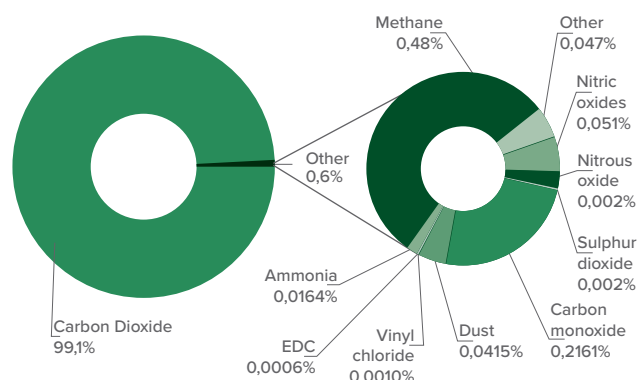
In 2016 in relation to the previous year it was recorded:

- decrease in emission of dust pollution by 9.46%,
- increase in emission of gas pollution by 34.8%.

EMISSION OF GAS AND DUST SUBSTANCES



SUBSTANCES EMISSION STRUCTURE IN 2016 (IN CONSIDERATION OF CO₂ EMISSION)



SYSTEM FOR TRADING IN RIGHTS TO EMISSION OF CO₂

ANWIL has been participating in the community system for trading in rights to emission of greenhouse gases UE-ETS since 2005. At the beginning only the company's Heat and Power Plant was covered by the system, but since 2013, also the following chemical installations have been also incorporated into the system: ammonia, nitric acid, vinyl chloride and caustic soda. These installations, consistent with binding provisions, have

permits arising from the functioning system.

Emissions management in ANWIL consists of:

- reporting actual emissions on a monthly basis,
- planning emissions for subsequent years,
- purchasing rights necessary to cover emissions (in cooperation with PKN ORLEN).

BALANCE OF CO₂ EMISSIONS AND FREE RIGHTS IN ANWIL

year	CO ₂ emission [Mg]	Allocation of free rights [Mg]	Use of free rights [%]	Surplus/shortage of free rights
2013	983 825	1 033 611	95	49 786
2014	1 103 438	987 843	112	-115 595
2015	1 187 779	963 387	123	-224 392
2016	1 151 673	942 858	122	-208 815

WATER AND SEWAGE MANAGEMENT

With regard to sewage management, 2016 was mainly characterised, in relation to 2015, by:

- decrease in the quantity of discharged sewage (by approx. 14%),
- within the scope of pollution discharged through W-1 outlet into the Vistula river:
 - in proportion to the scale of the stream of

sewage discharged through W-1 outlet there was a decrease in pollutant loads such as:

- > metals,
- > Chemical Oxygen Demand,
- > antrate nitrogen,
- > chlorides,
- > organochlorine substances.

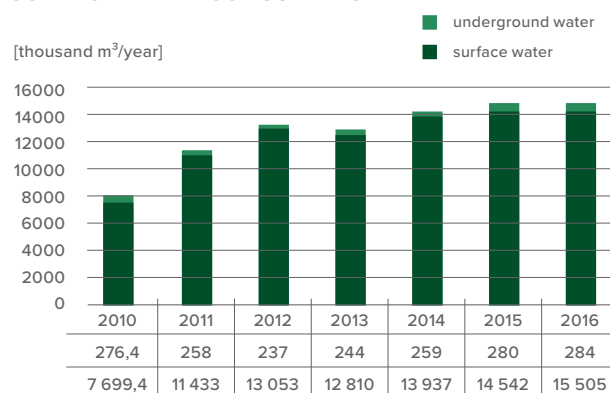
DISCHARGE OF SEWAGE

QUANTITY OF SEWAGE DISCHARGED FROM ANWIL IN 2012-2016

Kind of influence	Unit	2012	2013	2014	2015	2016
Sewage discharged to the collector	thousand m ³	8 092,3	8 481,4	7 377,9	9 607,2	8 224,6

In 2016, in relation to 2015, there was an increase by approx. 6.62% of the scale of surface waters consumption, and by approx. 7.19% of the consumed underground waters scale.

SCALE OF UNDERGROUND AND SURFACE WATER CONSUMPTION



LOAD OF BASIC POLLUTION IN SEWAGE DISCHARGED TO THE COLLECTOR - OŚLA RIVER/VISTULA RIVER

Kind of influence	Unit	2012	2013	2014	2015	2016
Chemical Oxygen Demand	Mg	804,4	653,1	640,6	793,0	744,3
Antrate nitrogen		84,2	100,3	80,3	102,0	114,0
Ammonia nitrogen		25,4	8,1	8,62	29,0	23,1
Chlorides		7 773,5	8 891,3	7 168,9	10 429,0	7 984,5
Sulphates		1 453,2	1 653,9	1 768,25	4 574,0	11 052,1
Total suspension		105,0	103,47	127,6	53,0	52,4
Metals*		2,88	1,44	1,40	1,9	1,5
Organochlorine substances**		0,57	0,35	0,93	0,6	0,59

* chromium, zinc, cadmium, copper, nickel, lead, vanadium.

** tetrachloromethane, hexachlorobenzene, hexachlorobutadiene, trichloromethane, 1,2-dichloroethane, trichloroethylene, tetrachloroethylene.

WASTE MANAGEMENT

Waste management carried out in ANWIL is based on the basic rules on management of generated waste and meets binding standards of conduct, consisting in:

- prevention of generation of waste,
- material and energy recycling (over 72.48% of hazardous waste was subject to recovery in the Installation for recovery of hydrogen chloride from waste organochlorine compounds),
- recovery of secondary raw materials e.g. waste paper, scrap, plastics etc.,
- neutralisation, in the end, through storage (to the Storage yard of non-hazardous waste and inert waste with separated quarters for hazardous waste approx. 8.64% of the total quantity of generated waste was sent (only non-hazardous waste was subject to storage).

GENERATED WASTE MANAGEMENT DIRECTIONS IN 2016



There was a considerable decrease (by 62.75%) in the deposited quantity of waste on the company storage yard. This was caused by an increase in the quantity of waste handed over to an external recipient. Below there are those kinds of waste which considerably influenced the total quantity of deposited waste on the company storage yard:

a) post-saline water deposits - quantity of deposited waste was 1 589.06 Mg,

b) worn-out insulation materials - quantity of deposited waste was 25.1 Mg,

c) solid waste from preliminary filtration and screening - quantity of deposited waste was 10.72 Mg,

d) waste molecular sieves of adsorbers and air dryers - quantity of deposited waste was 9.6 Mg.

QUANTITY OF WASTE STORED IN 2012-2016

Kind of influence	Waste storage	Unit	2012	2013	2014	2015	2016
Storage yard of non-hazardous waste and inert waste with separated quarters for hazardous waste	998,2/2	Mg	0,00	413,08	2,82	9,42	0,000
	997,2		3 483,41	3 160,42	2 917,26	4 379,98	1 634,48
	997,1		—	—	—	—	—

MANAGEMENT OF PACKAGING AND PACKAGING WASTE

An obligation to achieve a relevant level of recovery and recycling for packaging made of plastics, metal, paper and cardboard etc. for ANWIL is fulfilled by INTERSEROH Organizacja Odzysku S.A. [Polish Recycling System & Packaging Recovery Organisation Joint-Stock Company]. With regard to multi-material packaging and after hazardous substances an obligation to organise the system of their collection and ensure recovery, including recycling on behalf of Anwil, based on an agreement, shall be fulfilled by the Polish Chamber for Recovery and Recycling of Packaging with its registered office in Łódź.

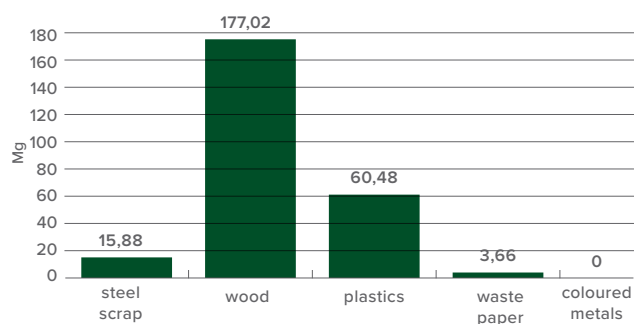
In 2016 Anwil marketed 2 751.83 Mg of packaging with a product of which 82% accounted for packaging placed on the domestic market, and 18% accounted for packaging placed on the market of the European Community. The total quantity of packaging produced by the Plant was 400.986 Mg.

Just as in previous years in the territory of the entire Plant selective collection of waste was carried out,

which could be a secondary raw material, or the proper conversion of which makes it possible to recover a raw material or semi-finished product of full value.

The quantity of secondary raw materials generated in the system for selective collection of waste in 2016 is presented by the following diagram.

QUANTITIES OF SECONDARY RAW MATERIALS GENERATED IN 2016



COMPARISON OF DATA ON THE QUANTITY OF PACKAGING IN 2012-2016

Year	Quantity of packaging placed on the domestic market together with a product [Mg]	Quantity of packaging exported together with a product [Mg]	Quantity of produced packaging [Mg]
2012	2 486,45*	with a product [Mg]	1007,78
2013	2 261,14*	810,72*	841,39
2014	2 303,31*	595,88*	909,802
2015	2 330,08*	536,07*	841,34
2016	2 256,40*	495,43*	400,986

* the quantity of packaging placed on the market does not include wooden pallets

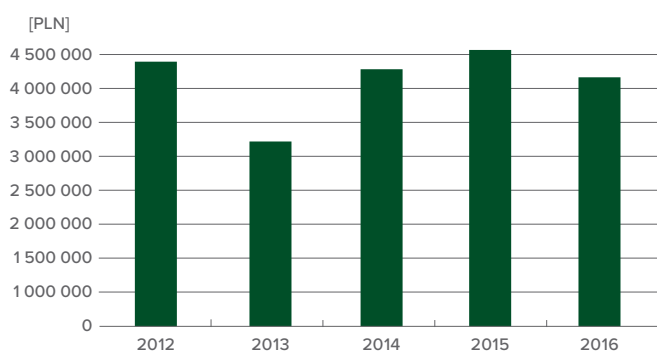
FEES FOR USING THE ENVIRONMENT

The binding system of environmental protection instruments characterises coexistence of direct regulation instruments (legal and administrative) and indirect regulation instruments (economic). The economic and market instruments applied in the ecological policy are used with reference to those levels, scopes and conditions of using resources of the environment which have been determined by legal and admini-

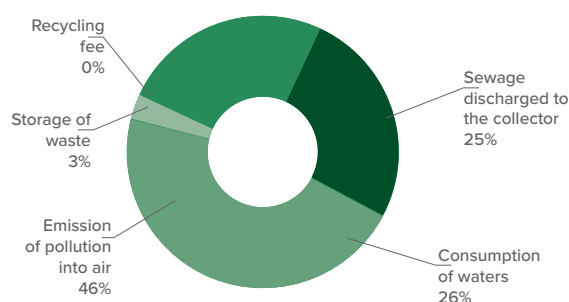
strative permits, standards and other means of direct regulation.

In 2016 there was a summary decrease in fees for using the environment at the level of 7.2%. Release of gases and dust into air remains a dominant element of using the environment in the structure of fees just as in last 5 years.

SCALE OF FEES IN 2012-2016



STRUCTURE OF FEES IN 2016



SCALE OF FEES IN 2012-2016, DIVIDED INTO PARTICULAR OBLIGATIONS [PLN/YEAR]

No.	Kind of obligation	2012	2013	2014	2015	2016
1	Consumption of waters	886 275	854 146	1 025 335	1 079 433	1 106 431
2	Sewage discharged to the collector	1 175 142	507 401	1 051 427	1 094 731	1 034 062
3	Emission of pollution into air	2 113 719	1 676 464	2 053 713	2 070 607	1 944 592
4	Storage of waste*	128 776	228 171	165 851	267 474	101 382
5	Recycling fee	24 085	12 589	21 266	18 048	15 456
Total		4 327 997	3 278 771	4 317 592	4 530 293	4 201 953

*value referring to 2012-2016 concerns only costs for storing waste on the storage yard of non-hazardous waste and inert waste with separated quarters for hazardous waste, managed by the Power Engineering and Water and Sewage Management Business Unit.

CONTROLS OF ABC COMPANIES

Works connected with control of Companies with their registered offices in the territory of ANWIL were continued in 2016. The following elements related to safety/security in a broad sense were subject to the control just as in past years: Occupational Health and Safety, Fire Protection and Environmental Protection and elements of Chemicals Management.

However, since 2014 promotion of acts and control of compliance with provisions on safety/security and protection of the environment have not been limited only to staff members of ANWIL and contractors of ordered works but also have included other entities

with their registered offices in the immediate vicinity of ANWIL. These entities, due to their activities, affect ANWIL and at the same time remain exposed to an impact from ANWIL. Determination of the scale of this influence and exposure as well as verification of the risk arising from observance of safety/security and environmental protection standards by these entities laid down and maintained in ANWIL and PKN ORLEN is the major task for a team of specialists, assigned by ANWIL for this purpose. This team, appointed on the basis of M2 guidelines of PKN ORLEN and in cooperation of the OHS Office of PKN ORLEN, in 2014 divided

the entities into three groups, depending on the scale of the interaction, prepared assumptions for drawing the control schedule, checked and supplemented three lists of control questions in the range of OHS, fire protection, environmental protection and management of chemicals (in total over 400 questions). It also prepared assumptions to the Disposition issued in ANWIL within this scope and started the controls.

The controls are carried out by representatives of the Prevention Business Unit of ANWIL (Company Fire Service, OHS, Environmental Protection, REACH and CLP). Within the specified time staff members of controlled entities sent answers to questions included in control lists, which in turn were subject to verification during a site inspection in the companies' registered offices by staff members of ANWIL. The controls ended with reciprocal signing of a Report from the controls, which is discussed in detail during a closing meeting before final approval.

In 2016 there were carried out controls in six entities operating in the territory of ANWIL, as a result of which

87 observations together with recommendations for improvement of the noticed irregularities were recorded. Their performance, in principle, is to contribute to a decrease in the number of events and accidents (also the potential ones) in the Companies, and ipso facto to an increase of safety/security in ANWIL and other entities as a whole.

Identification of information needs of the companies within the scope of hazards caused by chemicals being in the territory of ANWIL was an interesting additional effect of the controls. As a result, staff members shared a number of materials and databases created by and being in possession of the Company such as: safety data sheets of substances and mixtures, information on a new classification of chemicals, ways of alarming, rules on evacuation and other.

Also the fact that as a result of annual controls in two companies from the group of entities, classified so far as those which have a considerable impact on ANWIL a decision on downgrading was made due to an increasingly high level and safety culture in these



entities as well as in view of considerable progress in implementation of good practices, aimed at improving the safety culture is worthy of attention.

F-GASES

In 2016 significant legislative changes took place, concerning ozone-depleting substances (ODSs) and fluorinated greenhouse gases (so-called F-gases). Fulfilment of the new requirements entailed obligatory registration of air-conditioning and refrigeration equipment by ANWIL, containing 3 kg of or more refrigerant in the Central Register of Operators (CRO). The Prevention and OHS Business Unit is an administrator of the account and database, whereas persons assigned to a given group of the equipment on particular installations are responsible for physical maintenance of device cards.

THE MAJOR TASKS OF PERSONS SUPERVISING THE EQUIPMENT INCLUDE:

- creation of device cards in the CRO,

- setting up a schedule for obligatory frequency of controls over device tightness,
- making relevant entries in an electronic device card such as: control of tightness, repairs, maintenance, filling a refrigerant etc.,
- liquidation of a device card in the event of liquidation of a device.

THE ADMINISTRATOR'S TASKS INCLUDE:

- granting authorisations to the account in the CRO,
- tracking legislative changes with relation to the said topic.

It must be emphasised that ANWIL replaces air-conditioning or refrigeration equipment on a current basis, containing ODSs which are replaced with devices containing a refrigerant that is much more friendly to the natural environment.





WE COMBINE ECONOMIC ASPIRATIONS WITH RESPONSIBILITY FOR THE CONDITION OF THE NATURAL ENVIRONMENT

PRO-ECOLOGICAL INVESTMENTS

We have adopted and implemented our mission of corporate social responsibility, by integrating economic aspirations with environmental responsibility.

Over the last few years ANWIL has invested in and carried out a number of modernization projects with the aim of decreasing the company's impact on the natural environment. The most significant of these include:

- increased energy-saving and production in the fertilizer complex. The project has also received co-financing from the National Fund for Environmental Protection and Water Management and entailed carrying out a number of projects the most important being,
- construction of a Gas Expander with a power generator,
- construction of a synthesis gas drying installation for the production of anhydrous ammonia (line A),
- depositing ceramic fibres on an insulation layer of a reforming furnace (line A of ammonia),
- reconstruction of flow systems of a number of rotating machines in the ammonia and nitric acid plants.

The realized projects resulted in:

- achieving a reduction in the impact on the environment by decreasing emissions into the air of: carbon dioxide CO₂ by 41 450 Mg/year, nitric oxides NO_x by 25.88 Mg/year and carbon monoxide CO by 15.59 Mg/year,
- achieving a reduction in the demand for energy to 48 313 MWh/year.

Expenditure on the implementation of the foregoing investment amounted to over PLN 40 million. Co-financing for this task came from the resources of the National Fund for Environmental Protection and Water Management amounted to over PLN 10 million.

An investment including construction of new boilers K3 and K4 and reduction and cooling station at the fuel combustion plant – thermal-electric power. This installation was to adapt ongoing heat load to ANWIL current needs arising from a change in the ANWIL heat acquisition source from the steam and gas block of PKN ORLEN S.A.

The new steam boilers operate with lower power and will reduce emission of gases into the air, as well as ANWIL impact on the environment.

Expenditure for the construction of the new boilers K3 and K4 amounted to over PLN 36 million.

Projects effected in Water and Sewage Management:

- CHP unit was built-up and supplied with bio-gas produced in a sewage treatment plant. The unit generates electric energy, and heat from the cooling unit is used for drying sediment,
- a sediment drying chamber was installed, decreasing at the same time hydration of dried sediment from 80% to 10%. Decrease in sediment hydration also resulted in reducing its weight from 25.00 to 5.55 Mg/d,
- Investment expenditures connected with the building-up of the CHP unit and construction of sediment drying chamber were PLN 13 million,
- a new system for discharging treated sewage into the waters of the Vistula river was built, making it possible to meet the requirements stipulated for consolidated parts of surface waters,
- Investment expenditures for this project were PLN 5.5 million,
- a final sewage tank was modernized, ensuring a more complete distribution and averaging of sewage in the tank. This operation ensured that the tank worked regularly and increased the operational reliability of the industrial sewage treatment plant.

Investment expenditures for the modernized final sewage tank were PLN 1.3 million.

The task connected with modernization of the cooling and freon system in the Vinyl Chloride Division. For this project the coolant was replaced by propylene, thus eliminating the negative impact of used freon R-22 on the natural environment.

In the last few years, ANWIL has spent over PLN 160 million in total on the foregoing pro-ecological investments.

ANWIL medium- and long-term plans include further projects and investments which will allow the Company to

meet the increasingly strict provisions on environmental protection, and will lead to a decrease in ANWIL impact on the environment. In the next five years, ANWIL plans to acquire over PLN 125 million for this purpose. It must be mentioned that, the construction of a new installation for the recovery of hydrogen chloride from organochlorine waste, and recovery of vinyl chloride from sewage or air-tight sealing of sewage system, are among the planned investments.

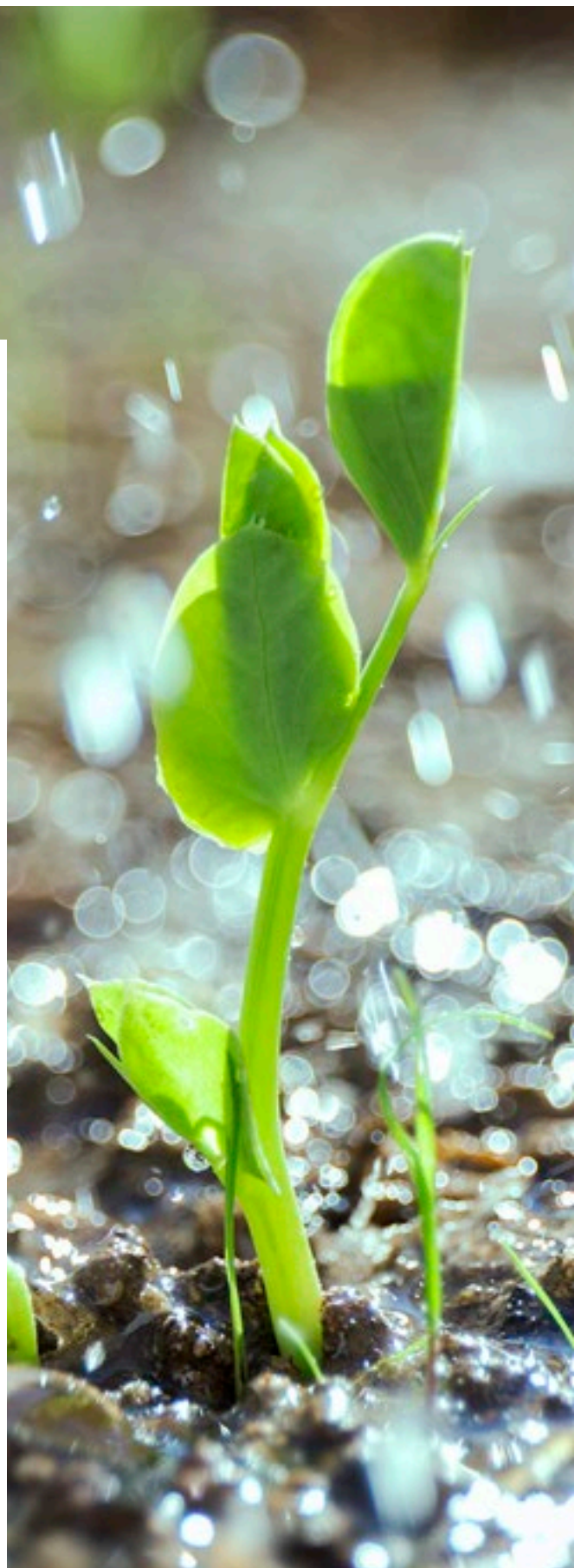
The plans to adapt ANWIL to the changing provisions also include adapting to the requirements stipulated in BREF – BAT (best available techniques) Reference documents and BAT conclusions. These documents determine values of admissible emission levels, and their achievement will ensure the minimization of corporate impact on the natural environment.

Currently the following BAT reference documents and BAT conclusions, which have a direct influence on production installations of ANWIL, have been identified:

- conclusions concerning the best available techniques (BAT), in accordance with the Directive of the European Parliament and of the Council 2010/75/EU on industrial emissions, with reference to chlor-alkali production (CAK),
- conclusions concerning the best available techniques (BAT) with reference to common systems for treatment of sewage/off-gases and their management in the chemical sector in accordance with the Directive of the European Parliament and of the Council 2010/75/EU (CWW).

The European Union's BAT conclusions for works on large-volume organic compounds (LVOC) are being finalized, and the BAT conclusions for the installation of a waste combustion unit (WI) have been started; works on which ANWIL, in cooperation with the Ministry of the Environment, is engaged.

ANWIL continually monitors works in progress against BAT conclusions, identifying both business risks and the necessity for investment and modernization, which will ensure that ANWIL conforms not only to the BAT stipulations, but to all other legal requirements.





ISSUES ON SAFETY/SECURITY, HEALTH AND PROTECTION OF THE ENVIRONMENT ARE TREATED IN THE COMPANY AS A PRIORITY

PROCESS SAFETY

ANWIL is aware of hazards connected with processing, storage and transport of chemical substances existing in complex production, energy, storage, dispatch and auxiliary processes carried out in the Company. Therefore, issues on safety, health and protection of the environment are treated in the Company as a priority. The main objective of the activities is to achieve the best business effects in a safe manner for people staying in the territory of the plant and in its surroundings, for the Company's property as well as natural environment.

The basis of all actions concerning process safety in ANWIL is the Process Safety Management System. The safety assurance evaluation based on an analysis and assessment of process risk is the major instrument supporting fulfilment of the obligations arising from the use of the System. The Process Safety Management System is subject to a permanent analysis and updated on a systematic basis. Conclusions drawn from regularly conducted hazard and operability studies (HAZOP) and works of the Fire and Technical Commissions are used during the analysis of the System.

Continuous development of technology and perfection of existing technologies, occurrence of new and betterment of existing analytical and diagnostic instruments as well as ability to draw conclusions from events which have taken place both on own and other installations require a constant increase in resource of knowledge in the range of process safety. The position of leader in process safety requires that ANWIL extends its competences within this scope on a constant basis. To the greatest possible extent the Company benefits from the possibilities arising from membership in ORLEN GROUP consisting in exchanging knowledge, experience and implementing uniform process safety standards. ANWIL is an active member of the OHS and Process Safety Commission

of the Polish Chamber of Chemical Industry. Special importance is attached to the raising of knowledge level among the Company's staff members and obtaining of diplomas by nearly fifty employees, students of post-graduate studies "Industrial Processes Safety", organised at the Faculty of Process and Environmental Engineering of the Lodz University of Technology, is its real proof. ANWIL has also actively supported organisation of the Scientific and Technical Conference "Spatial planning and development in the aspect of the SEVESO III Directive" which was held on 6-7 September 2016 in Wieniec Zdrój.

ANWIL meets the requirements of the applicable law as well as technical and organisational domestic and foreign standards adopted for use in Poland with reference to the full spectrum of issues related to designing, operating and handling all types of installations on the premises of the production plant.

The company is qualified for a category of enterprises with a high risk of a serious industrial breakdown. Therefore, in the first half of 2016, ANWIL finalised the transfer of amended requirements of the Act of 27 April 2001 - Environmental protection law onto the level of the plant and executive acts concerning this category of plants, arising from implementation of the Directive of the European Parliament and of the Council 2012/18/EU of 4 July 2012 into the Polish law, on controlling hazards caused by serious breakdowns connected with hazardous substances (so-called: SEVESO III Directive).

OCCUPATIONAL SAFETY AND PROTECTION OF STAFF MEMBERS' HEALTH

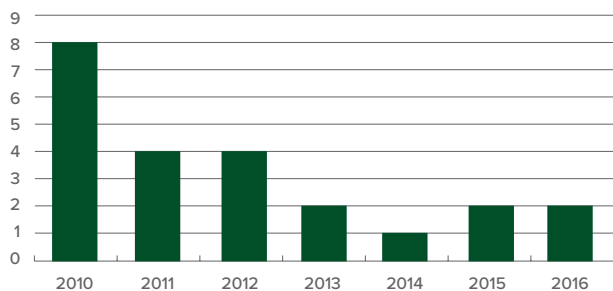
A high culture of broadly defined safety in ANWIL enables the company to achieve its business objectives with a very low accident rate in recent years. The company's activity in this scope was appreciated, among



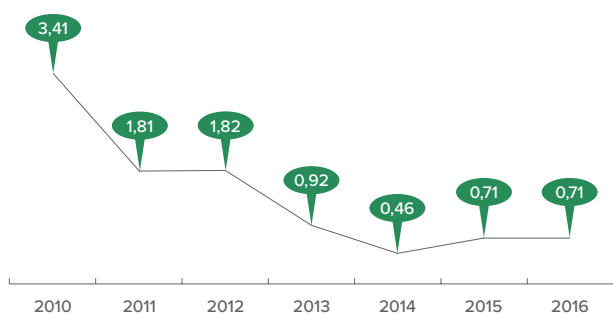
others, by the National Labour Inspectorate, Ministry of Family, Labour and Social Policy and Responsible Business Forum. Successes achieved by the enterprise from Włocławek are an effect of consistently implemented procedures, principles, good practices and standards being in force in the entire ORLEN Group as well as implementation of initiatives aimed at increasing the level of responsibility, among staff members, for own safety and safety of colleagues.

Technical safety and improvement of conditions at workstations are a priority in ANWIL. In the year 2016, there were 2 minor accidents at work recorded.

NUMBER OF ACCIDENTS AT WORK REGISTERED IN 2010-2016



TRR IN 2010-2016



Occupational, fire and technical safety guarantees - in accordance with BAT philosophy (Best Available Technique) - the latest technologies and technical solutions. The safety system binding in ANWIL also includes technical means and organisational procedures, activated in emergency situations, and perfected during exercises.

Key importance is attached to preventive and corrective actions. The company implements a number of initiatives, raising awareness and practical knowledge about occupational health and safety, resulting from the law. The program: **Safe ANWIL**, implemented since May 2011, is addressed to staff members with the aim of improving the safety of all employees in the company. As part of the co-creation of the Program, employees are encouraged to share their comments, questions, ideas, proposals, information, etc. on work safety and fire safety issues.



The program: **"Report a hazard"** was continued in 2016, which aims at improving working conditions by reporting all hazards in the territory of the plant by staff members. 375 danger situations reported by employees shows that the crew feels responsible for the security of them and their colleagues, and 357 having been realized provides of the fact that the employer quickly and very effectively implements the initiatives they have submitted.

Also the **Safety Walk** program is evidence of how important assurance of safe working conditions to staff members is for the company's management staff. This includes regular visits of managers on the premises of the production plant, promoting a safety culture. They became an inherent part of the program of meetings of the company's Supervisory Board and Management Board.

To raise the culture and safety work and create safer workplaces in Production Areas, in 2014 there were appointed employees as health and safety animators.

Their main task is reporting and cooperation with Director of Production in the scope of health and safety at work in subordinate organizational departments.

Apart from the programs: **Safe ANWIL, Report a hazard and Safety Walk** as well as appointment

of **OHS animators**, ANWIL also takes a number of actions aimed to achieving an above-standard level of occupational safety. While perfecting production technologies, it does not only improve parameters of the process but also, where possible, it eliminates hazardous substances.

The Company Fire Service plays a significant role in the safety system, fitted with modern rescue and extinguishing equipment. Also chemical rescuers gain experience in the modern training base.

ANWIL also takes care of transport safety - an important part of activity in the chemical sector. The company is a member of SPOT i.e. a system for informing and providing technical aid in case of breakdowns or road accidents with chemical products. It also complies with international safety provisions in road and rail transport (ADR and RID).

For several years, a competition has been organized in ORLEN Capital Group **Good Health and Safety Practices**. The major purpose of the competition is promotion of good practices which effectively support a pro-active occupational safety culture. The competition promotes a pragmatic and modern attitude to OHS, including e.g. any technical, qualitative, effectiveness-oriented, communicative, organisational and infrastructural solutions, helping this way to perfect and enhance elements of occupational safety management as well as to raise staff members' motivation.

Already for the second time running the good practice entered by ANWIL staff members into the competition was recognised by jury assessing initiatives reported by companies from ORLEN Group in the range of occupational safety. In 2016 an initiative referred to as "Trolley-lift for replacing the cylinder in a powder car" won second place in the category "most interesting" technical good practice.

The use of a special lift reduces the workers effort and the risk of accident with the fall of cylinders with nitrogen or carbon dioxide in Company Fire Service.

ANWIL propagates a safety culture not only amongst its employees but it also encourages its contractors to promote safe attitudes. This is achieved by the **Safe Renovation** competition, organised since 2014, addressed exactly to contractors performing annual renovations on the premises of the company. Its objective is to popularise and promote good OHS practices and to raise awareness of safe work among employers and staff members of external enterprises. OHS service staff members, based on controls at work stations of renovation team members, assess their compliance both with provisions of the law and with

internal requirements binding in the firm, including they assess work organisation safety by supervision services on the part of their executors. Distinctions granted by ANWIL are the confirmation of the highest standards in safety management, applied by its counterparties.

MAINLY PROPHYLAXIS

Along with activities for safety at work, the Company takes care of staff members' health.

In total in 2016 within prophylaxis examinations 940 people were examined. The examinations are carried out in accordance with guidelines of the Minister of Health of May 1996. Frequency and methodology of the examinations are dependent on factors causing exposure or inconvenience arising from performed work.

Within prevention of civilization and occupational diseases in the facility a number of health-promoting programs were implemented, for example: Program for Early Detection of Cervical Cancer. Within the National Heart Protection Program staff members over 40 years of age undergo additional analytical examinations of blood (level of glucose and cholesterol), ECG. The employer has also proposed anti-influenza vaccinations as well as continues additional insurance of staff members within the scope of a commercial medical package.

In 2016 during the Safety Week a group of employees underwent TSH, PSA, spirometry examinations, measurements of body weight and for them individual educational talks were held. The Safety Week ended with a picnic during which staff members could benefit from a mobile consulting point. Measurements of arterial pressure, measurements of glucose level in blood, measurements of fatty tissue were conducted. A qualified dietician gave advice on healthy eating principles to interested persons. The consulting point generated massive interest among ANWIL's staff members.

Prophylaxis activities, carried out on a systematic basis among employees, contribute to taking up proper actions in order to maintain a good level of health of the crew.

NEW MARKING IN ANWIL

In September 2016 the first stage of a project connected with a change of marking of access roads to production and auxiliary installations in ANWIL was completed. The change in the marking resulted from a necessity to update the national law in 2015, enabling the use of marking consistent with requirements in force in the European Union i.e. pictograms describing chemical hazards, congruent with the **Regulation of**

the Parliament and of the Council No. 1272/2008 commonly referred to as **CLP**.

The process was initiated in September 2015 through a training for the management staff, carried out by the Prevention and OHS Business Unit in the said topic. Task forces in charge of marking particular installations were appointed. After having conducted a site inspection, 148 places for fixing free standing boards by roads leading to installations were selected.

THE BOARDS INCLUDE INFORMATION ON:

- chemical and physical hazards characteristic of a given area/installation,
- personal protective equipment obligatory directly behind a board,
- information for drivers and staff members of external companies on emergency procedures binding in case of unintentional release of a chemical substance from a production installation.

In the next stage of the project pipelines on flyovers, crossing roads along which staff members of ANWIL or other external entities may move will be marked. In the last stage of the project buildings and storage tanks will be marked.

The main objectives of the project consisting in marking the enterprise are:

- standardisation of the marking on the entire premises of the Company,
- optimisation of communication about chemical hazards, characteristic of a given installation and ways of minimising the risk by using personal protective equipment,
- determination of clear and transparent rules on using personal protective equipment on a particular area,
- liquidation of the majority of current markings of installations (as out-dated from the perspective of the law). The entire project in logistical and substantive terms is supervised by the Prevention and OHS Business Unit in consultation with the management staff in charge of production or auxiliary installations, and the whole project was financed from the **SAFE ANWIL** budget.



SELECTED AWARDS AND DISTINCTIONS RECEIVED BY ANWIL IN 2015-2016

AREA: BUSINESS ACTIVITY

- **Quality International**

A distinction awarded by the “Forum Biznesu” of the daily newspaper, Gazeta Prawna, in the “Quality International” competition; the Highest Quality International, is conducted under the patronage of the Ministry of Economy, the Polish Agency for Enterprise Development, the Polish Forum ISO 9000 Club and the European Organization for Quality.

- **The title of Export Eagle in the “The best exporter in Kujawy and Pomorze Region” category**

This distinction was granted by the competition jury representing the Ministry of Economy, Marshal Office of Kujawy and Pomorze Region, the Regional Export Centre of the Chamber of Commerce and Industry in Toruń, Employers of Poland, and partners of the competition, Raiffeisen Polska, Dachser Polska, and the Rzeczpospolita editorial committee.

- **The Business Innovation Award 2015 bestowed by the Polish Market magazine**

Since 2010, the editorial committee of the Polish Market magazine has awarded companies whose strategies focus strongly on innovation. The competition jury has recognized ANWIL as one of the most important and modern chemical companies in Poland, who attaches particular importance to the actions it takes for the protection of the natural environment.

- **The title of Solid Employer**

For several years the “Solid Employer of the Year” competition has been organized by Kowalski ProMedia, publisher of promotion and information materials: Rzecz o Biznesie, Strony Rynku, and Monitor Gospodarczy broadcast in TV Polsat. ANWIL has been recognized as role model in respect of labour law and OHS provisions, creating possibilities for professional development and initiative programs for staff members.

AREA: CORPORATE SOCIAL RESPONSIBILITY

- **The CSR White Leaf awarded by Polityka weekly and Deloitte consulting company**

In 2014, ANWIL was honoured for its activities in promoting corporate social responsibility and sustainable development.

- **CSR Leader title in the competition “Diamonds of Polish Chemistry” organized by the Executive Club and PwC Poland consulting company**

ANWIL has obtained a prestigious distinction for the establishment of the ANWIL Włocławek Foundation and for its contribution to the local community.



- The “Philanthropy Leader” title in a competition organized by the Donors Forum in Poland. ANWIL won the category of “Debuts – company that donated the most funding for social purposes”

The “Philanthropy Leaders” competition under the auspices of the Warsaw Stock Exchange was set up to promote the concept of company social commitment and to popularize actions in this area in a transparent and responsible manner. Companies that receive this title have made the highest contributions to pro-social initiatives. The selecting of winners is monitored by the PwC, which ensures that the results of the contest are credible and reliable.

AREA: OCCUPATIONAL HEALTH AND SAFETY

- Mecum Tutissimus Ibis statuette award (a nationwide contest organized by the National Labour Inspectorate) for “Employer – Organizer of Safe Work” and an entry in the National Labour Inspectorate’s Gold List of Employers, which comprises the elite of the best-managed, safest and most profitable businesses in Poland.



- The best organizer of safe work in Kujawy and Pomorze title was given by the District Labour Inspectorate in Bydgoszcz – a regional prize for the “Employer – Organizer of Safe Work” contest.
- “The Most Active Company Social Labour Inspector” award was bestowed by the District Labour Inspectorate in Bydgoszcz to Piotr Stokfisz, a member of the company’s staff.

“Employer – Organizer of Safe Work” is one of the most important contests to be organized by the National Labour Inspectorate. The aim of this project is to promote employers who ensure a high level in the implementation of occupational health and safety regulations and labour law regulations, and who constantly improve the protection of their employees health and lives. ANWIL achieved a triple win in this contest.

- Honourable mention in the 44th National Competition Improvement of the Working Conditions of the Ministry of the Family, Labor and Social Policy - for the study entitled "Occupational risk assessment in one-off permits taking into account the work particularly dangerous".



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