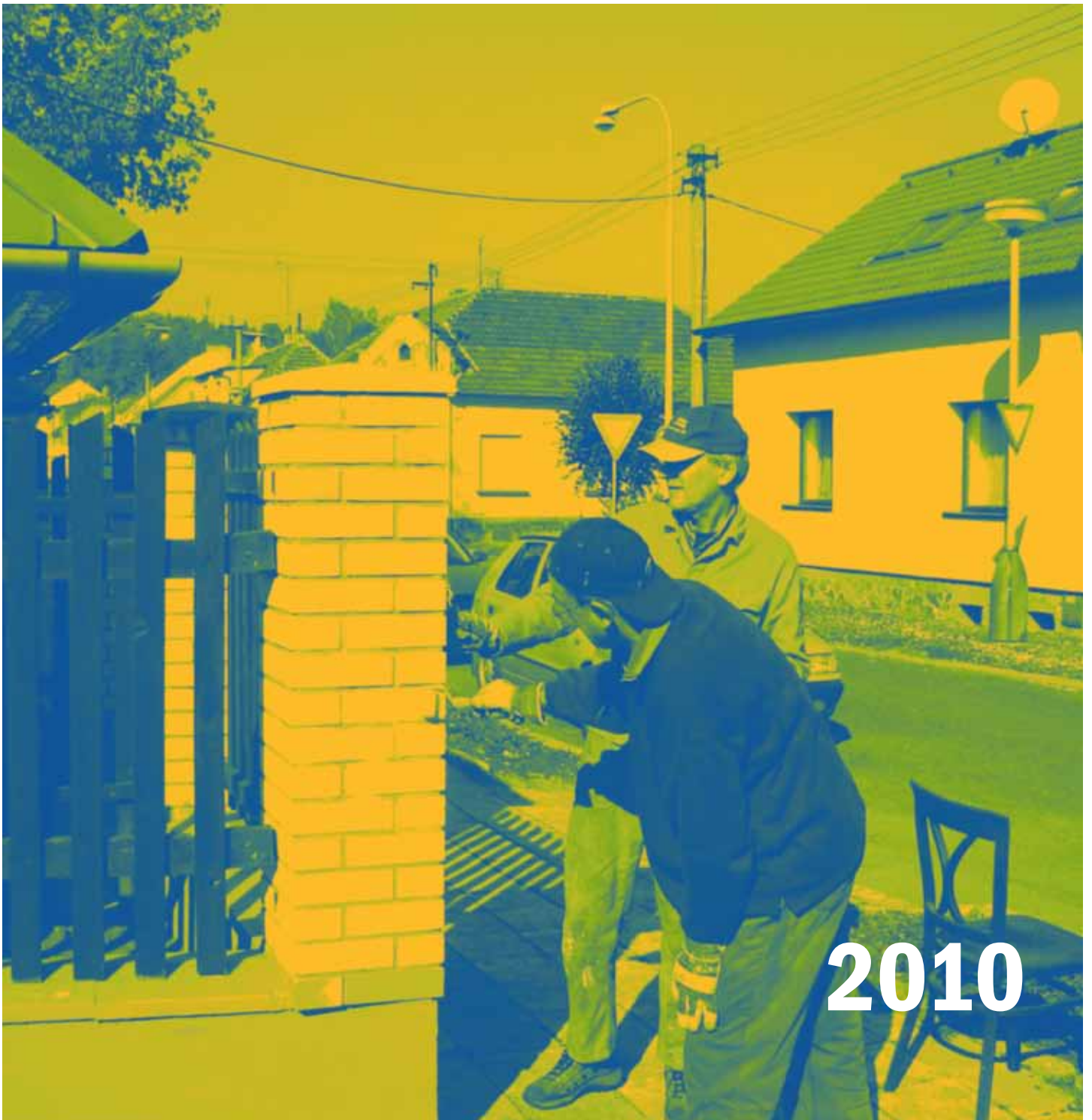


Corporate Social Responsibility Report



2010



Contents

Corporate Information	2
Corporate Social Responsibility	3
Cooperation with Municipalities and Other Stakeholders	4
Corporate Donations and Support to Non-Profit Organisations	6
Employee Care	9
Environment Protection	13
Communications	14
Examples of Projects and Activities in 2010	15
Contacts CSR	17



1 Company Information

Company name:	ČESKÁ RAFINÉRSKÁ, a.s.
Registered office:	Záluží 2, Litvínov 7, PSČ 436 70
Company Identification No.:	62741772
	Incorporated in the Register of Companies maintained by the Regional Court in Ústí nad Labem, Section B, File No. 696
Registered capital:	CZK 9,348,240,000
Issued securities:	934,824 ordinary registered shares, total issued CZK 9,348,240,000

ČESKÁ RAFINÉRSKÁ, a.s. (hereinafter Česká rafinérská) is a manufacturing company in the crude oil processing industry. It operates refineries in Litvínov and Kralupy nad Vltavou. Its main products include gasoline, diesel oil, aviation fuel, fuel oils, liquefied gas (LPG), bitumen, feedstock for petrochemical and chemical processes and for the production of lubricating oils, and substance for further industrial use.

Since August 2003, Česká rafinérská has been a processing refinery: it processes the crude oil delivered by its owners, by their business entities based in the Czech Republic, which sell the products in the Czech and foreign markets in quantities corresponding to their respective ownership shares.

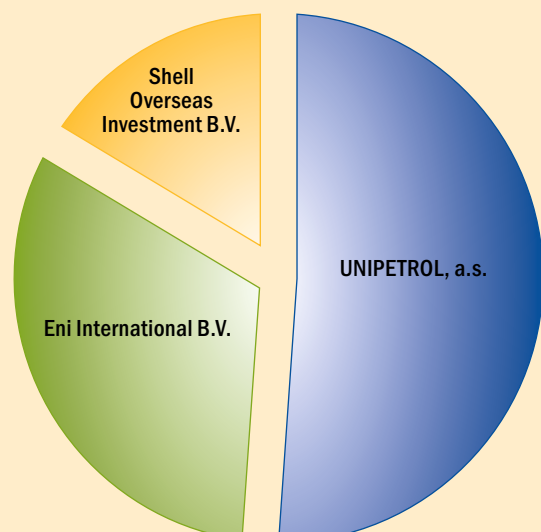
The company's financial position was stable during 2010. Its turnover was CZK 9.729 billion and its net income after tax CZK 333 million. To counter the economic recession, the fixed costs and the capital expenditure programme budget were reduced and a number of other measures were taken in accordance with the owners' requirements. The programmes focused on employee health care, occupational safety and protection of the workplace and the environment were further developed in accordance with the plan. Corporate social responsibility projects focused on the relationship with neighbouring municipalities and communication continued. The company's activities were appreciated both at the regional and national levels.

Financial performance and investments in CZK million

Turnover	9,729
Net income before tax	404
Net income after tax	333
Fixed operating costs	1,624
Investment costs	293
Volume of crude oil processed in millions of tonnes	7.3
Number of employees as at 31 December 2009	640
Corporate giving in CZK million	7.7

Shareholders

UNIPETROL, a.s.	51.220 %
Eni International B.V.	32.445 %
Shell Overseas Investment B.V.	16.335 %



2 Corporate Social Responsibility

Corporate Social Responsibility („CSR“) is the voluntary integration of social and ecological aspects into everyday corporate operations and interactions with the surroundings (European Commission, Green Book 2001).

Česká rafinérská as a joint venture with foreign capital participation, has been applying the principles of Corporate Social Responsibility since its establishment. Using the know-how of its foreign owners, the company has introduced modern employment standards and above-average care to its employees, and puts a great emphasis on health protection, occupational safety and environmental protection, with regard to both the money invested and the interconnection of individual system measures. In its external activity, the company has set up a system of cooperation with neighbouring municipalities, a system of granting financial donations pursuant to approved priorities, applied open communication with the public and the media and has always been receptive to the needs of its surroundings.

With the adoption of the concept of Corporate Social Responsibility in the European business environment, Česká rafinérská focused on all its three pillars – safety and environmental protection, employee care and corporate donorship. Thus CSR was linked organically to the company's existing policies and activities. Since 2005 Česká rafinérská has been publishing a Corporate Social Responsibility Report. In the same year the company was given a Special Award in the TOP Corporate Philanthropist competition. The company ranks among the best on the TOP Corporate Philanthropist list every year. In 2010 the company was rated 17th according to the absolute value of donations by companies in the Czech Republic, and took the 4th place in the relative proportion of the donated amount to the net profit.

2010 was also a significant year due to the implementation of the Corporate Social Responsibility concept. Important support was given to surrounding communities again; financial donations and material assistance were provided to various non-profit organisations even though, due to the economic recession, the financial volume was smaller than in previous years. After positive experiences in previous years, the Charity Day and various charity collections were organised for the fourth time, and our employees showed a high level of social conscience.

Česká rafinérská is prepared to continue to develop the concept of Corporate Social Responsibility, to add other projects and initiatives in occupational safety and employee care and in environmental protection, as well as in the perception and fulfillment of the needs of the surrounding area, in donorship and in open communication. The company has had significant support from the initiatives of its employees, which they demonstrated in numerous cases in 2010 as well. This report will illustrate concrete examples.

The correct selection of further steps in the area of CSR is a challenge for the Company to motivate its employees to take part in charity activities. Simultaneously, it is a challenge for our partners from neighbouring communities and the non-profit sector so that they are prepared to implement joint projects in the future.

Transmission collections for Shelter in Kralupy nad Vltavou



Cooperation with Municipalities and Other Stakeholders

A balanced relationship with municipalities in the surrounding area, cooperation and help in fulfilling the goals of local administrative authorities and perception of their needs form the basis of Česká rafinérská's external activity in the long term. In 2010 we also relied on the priorities of external activity on the basis of the business plan, taking into account the cost reduction required at that time.

In 2010 the priority of Česká rafinérská's external activity remained the two regions in which the company operates its industrial plants, i.e. the region of Litvínov and Most and the region of Kralupy nad Vltavou and its surroundings. The actual priorities included supporting health and social care, education, culture, communal infrastructure, purposeful use of leisure time by residents, in particular young people, within the cooperation with local administrative authorities. The documents on which the cooperation with the municipalities is based are long-term cooperation contracts which the company concluded with six municipalities in the region. The long-term cooperation contracts rely on the principle of mutual respect, taking into account the needs and possibilities of both parties. Annual implementation supplements are specified for every calendar year. In 2010 supplements to the long-term contracts were signed with all partner municipalities, and their contents, taking into account a lower volume of available financial means, defined not only direct cooperation with particular municipal offices but also the financial support and collaboration with various entities working in the respective towns or villages. The information on the conclusion and contents of the

annual supplements was given to both the company's employees and the public.

Furthermore, Česká rafinérská implemented several one-off activities with other entities in the region. On a national scale, the company supported the activities of universities, professional conferences and presented topics related to the company's line of business. The company rendered extraordinary help during the destructive floods in August 2010.



Signing an annual document on cooperation with Kralupy nad Vltavou

Partner municipalities and main shared events in 2010

Most	Horse-Racing Day at the Hippodrome in Most, held on 21/08/2010, and help to non-profit organisations
Litvínov	HC Litvínov, a civic society – support for the activities of ice hockey youth and junior teams Contribution for the reconstruction of the fountain in "Míru" Square in center of the town
Meziboří	Sports and cultural events
Kralupy nad Vltavou	Equipment of the information technology classroom of the primary school in "Komenského" Square with computer technology and contribution to the organisation of the Best Athlete of Kralupy award ceremony
Veltrusy	Completion of the project for the reconstruction of roads in the town and support for various events at the primary school and nursery school
Chvatěruby	Financial support for the repayment of a loan for the construction of a new building of the Municipal Office and for the repair of a cemetery wall



First aid instruction for children, teenagers and adults as part of the project of the regional Red Cross Organisation in Most



Seminar for teachers within the European Operational Programme held in laboratories in Kralupy nad Vltavou

The cooperation of Česká rafinérská with the surrounding area focuses not only on the provision of financial donations, materials and services but also on the communication with the public and the

media, organisation of corporate donorship events and other forms of cooperation as necessary in a particular location. Examples are given in the following chapters.



Česká rafinérská contributed to purchase of social service car for the Nursing Home in Kralupy nad Vltavou



Interactive table for the „Dvořákova“ Nursery School in Most was installed with financial help of Česká rafinérská

Volume of financial means realised within external activity in 2010

Region	On the basis of the annual supplements	Direct contractual relations	Total 2010	Total 2009	Total 2008
North-West Bohemia	2,650,000	321,000	2,971,000	3,990,000	4,427,000
Central Bohemia	3,345,000	670,000	4,015,000	3,779,300	5,339,001
Nationwide events, projects and donations	0	701,000	701,000	986,000	1,253,800
Total	5,995,000	1,692,000	7,687,000	8,755,300	11,019,801

Charity, Donorship and Support of Non-Profit Organisations

Donorship – expressed by the provision of financial donations, materials and services – is part of the external activity of Česká rafinérská and results from its priorities. Donorship focuses on helping people in need and non-profit organisations, associations and societies, above all in the two regions in which Česká rafinérská operates.

FINANCIAL DONATIONS

In 2010 a major part of financial donations consisted of annual supplements to long-term cooperation contracts with partner municipalities in both regions as stated in chap. 3. The financial donations were allocated as support of events and activities organised by municipal offices or entities operating in the respective town or village.

In addition to providing financial donations to partner municipalities, in 2010 Česká rafinérská also performed various donorship activities for entities that had asked the company for their provision. After discussing such applications in the Committee for Financial Donations and their approval by the company's Board of Directors, aid was provided, among others, to the Ústecký Region for the removal of flood damages, to Alergie o.p.s. Kralupy nad Vltavou for the operation of a short stay hospital, to the Red Cross regional organisation in Most for the project "First Aid Instruction for Children, Young People and Adults", and to the Student Foundation in Most for ensuring the studies of gifted students from poor families. Financial donations were also allocated outside the region, namely to the Institute of Chemical Technology in Prague and to the national Road Safety Foundation for the implementation of projects concentrated on road traffic safety. Financial donations were given to 22 different entities.

The report on financial donations provided in 2010 was discussed with the company's Supervisory Board.

MATERIAL ASSISTANCE

In 2010, similarly as in the previous years, assistance in the form of materials or services consisted in the provision of retired but still operational computer technology to organisations whose demands for the performance of such equipment are lower. In 2010 we continued the trend of providing big sets of technology to single recipients, mostly to primary schools. We provided such sets to the Primary School in Komenského Square in Kralupy nad Vltavou, Veltrusy Primary School

and the J. Matiegk Primary School in Mělník. In the Litvínov district, it was the Meziboří Primary School. As far as institutions providing social care services are concerned, it was the Centre of Social Services in Kralupy nad Vltavou in particular. Individual pieces of retired technology were also provided to sports and other leisure organisations or small municipalities in the region. We provided total 62 sets of retired computers and accessories in such a manner.

To support events of various leisure organisations based in the region, we also gave them advertising articles and handouts.



Informatics Classroom – J. Matiegka's Primary School Mělník with PC equipment from Česká rafinérská

ASSISTANCE FOR SCHOOLS

Česká rafinérská also provides specialised lectures for pupils and students. We regularly organise a discussion focused on oil refining at Veltrusy Primary School. Specialists from Česká rafinérská also gave lectures at the Institute of Chemical Technology in Prague. We continued the cooperation with the EDUCHEM Secondary School in Meziboří, Masaryk Chemical Secondary School in Prague and Secondary School of Chemistry in Kralupy nad Vltavou.

CHARITY

Philanthropy, i.e. voluntary help and charity, has had a certain tradition at Česká rafinérská and is supported by both the management and employees. Charity projects at the company enhance employees' awareness of the necessity to help, increase our social responsibility,



Charity Day 2010 in the "Lesan" Dog Shelter in Kralupy



Transmission collections for Shelter in Most
Collection for the Shelter in Most

and mainly help those in need. Last year together with our employees we organised more than ten charity activities; the participation in some of the events reached really record levels. The following list comprises some specific examples illustrating our help to non-profit organisations in areas that are important for them.

EMPLOYEE DONORSHIP

Within "Paleta", for the sixth time employees could donate part of their benefits to charity organisations and contribute a certain financial amount to them. The sum of CZK 34,470 was divided between the Children's Home in Kralupy nad Vltavou, the Civic Society for Hope in Most and to the Our Child Foundation.

CHARITY DAY

On Charity Day, our employees voluntarily help with activities demanded by a specific organisation, for which our company ensures financial support for the purchase of necessary materials. In 2010 we followed the trend of the Charity Days of the previous three years and addressed non-profit organisations situated in the area surrounding our company, i.e. in the regions of Most and Kralupy nad Vltavou, and offered them possible cooperation.

The motto of the fourth year of Česká rafinérská employees' voluntary help to non-profit organisations on the Charity Day was: "Come with us, and voluntarily do something good for the landscape, community,

or for people who need our help. Choose an organisation, make arrangements with your colleagues and have your Charity Day!" Our employees could form their own work groups, and choose the date and organisation for which they would like to work.

This year we helped paint interiors and fence plots of land, archive documents and clean computers, with landscaping and cleaning dog kennels, painting on silk with patients of the hospice, and many other activities. From 27 September to 1 October 2010, five Charity Days were organised, in the "Lesan" Municipal Dog Shelter and in the Children's Home in Kralupy nad Vltavou, in the Shelter House managed by Diakonia ČCE in Most, in the Children's Home in Hora Sv. Kateřiny and in the Hospice in Most. A total of 22 employees helped the organisations, who, apart from feeling that they did something good, gained new experiences and received gifts made in the sheltered workshop of Energie o.p.s. in Meziboří. In the second period, from 11 to 15 October 2010, 13 volunteers helped in the Hospice and the Shelter House managed by Diakonia ČCE in Most, and in the Children's Home and the Halfway House in Kralupy for four days.

Another voluntary activity initiated by employees within the Charity Days programme was their participation and help during the removal of damages by the floods, supported by the company management and by a financial donation to the Ústecký Region of CZK 100,000. In August five volunteers went to the Liberecko Region to help; they cleaned houses, gardens and their surroundings in cooperation with Adra and under the auspices of voluntary fire brigades.

List of organisations supported and activities done on Charity Day in 2010

Location of help	Nature of help	Number of volunteers
Hospice, Most	Painting on silk with patients	6
Shelter House, Most (Diakonie ČCE)	Computer vacuuming and cleaning (removal of dirt and dust)	1
	Sorting and filing documents in the centre's archive	2
Children's Home, Hora Sv. Kateřiny	Painting fence and pales, removal of old bathroom equipment and tiles	7
Halfway House, Kralupy (ADCH Prague)	Minor repairs to walls before painting and painting of the interior	3
"Lesan" Municipal Dog Shelter, Kralupy	Painting dog kennels, landscaping	8
Children's Home, Kralupy	Painting fence bases	8
Floods	Cleaning houses and gardens	5



Christmas Tree of Fulfilled Christmas Wishes for the Shelter for Mothers with Children in Kralupy



Charity Day 2010 took place in the Hospice in Most

COLLECTIONS WITH “DOBRUŠKA”

“Dobruška” is our company’s mascot who supports the organisation of collections for shelter houses, halfway houses, low-threshold facilities and other organisations helping the needy. We organised collections for the fourth time, and during 2010 more than a hundred employees brought clothing, household equipment and toys for the Shelter for Mothers and Children in Most, and for the Halfway House and Shelter for Mothers and Children in Kralupy nad Vltavou.

As part of the help to flooded areas, our employees also reacted to the appeal of the Municipal Office in Veltrusy, which organised a financial and material collection for Chrastava in the Liberecko Region which was heavily affected by the flood, and provided plastic utensils, hygienic necessities and other tools.

CHRISTMAS TREE OF FULFILLED WISHES

The Christmas Tree of Fulfilled Wishes project covered employees’ voluntary help connected with purchasing Christmas presents for abandoned children, children without parents or children from poor families in the regions where Česká rafinérská operates. At Christmas 2010 we helped for the fourth time. We helped make enjoyable and rich Christmas for fifteen children of the Shelter for Mothers with Children in Most, managed by Diakonia of the Evangelical Church of the Czech Brethren, and for six children of the Shelter for Mothers with Children in Kralupy nad Vltavou, managed by the Archdiocese Caritas Prague. Their lists of Christmas wishes included dolls, games, clothes, art or sports needs, toys and other presents. Last the Christmas Tree of Fulfilled Wishes was supported by 28 employees who either bought a present or gave a financial contribution. We collected almost three thousand Czech crowns for which we bought board games and puzzles for playrooms to be used by all the children. The children opened the presents under the Christmas Tree at parties organised in the Shelters.

CHARITY WHIST

Whist is a sporting tournament at which employees gather together to have a good time and to support a good thing. The proceeds from the tournament are always donated to an endowment fund. We collected CZK 995 at the tournament in December. The amount was

credited to the account of the Sense and Sensibility Endowment Fund, which has helped foster families raising abandoned children since 1996, allowing them to grow in a natural, safe and stimulating environment.

SUPPORT FOR SHELTERED WORKSHOPS

We have been collaborating closely with the “Energie” Sheltered Workshop in Meziboří for several years; the workshop provides long-term beneficial services to mentally ill and disabled citizens, supports their integration into everyday life and strengthens their independence. The sheltered workshop focuses on cardboard products, sewing, ceramics and flower arrangements. Their products are used as presents, which are given to our employees for winning the photo competition or the Echo Quiz, and for participation in charity projects and other activities, or are included in Christmas boxes. For example, for participation in the Christmas Tree of Fulfilled Wishes project, the participants were given a ceramic Christmas tree decoration copying the project logo, and a floating candle shaped like the sun and placed in a ceramic bowl for supporting Charity Day. Employees can also buy original decorations in the intranet e-shop which we run for them before holidays.

Workers of the “Energie” Sheltered Workshop in Meziboří, where Česká rafinérská purchased the items



5 Employee Care



In 2010 Česká rafinérská continued to be an important employer with a stable work force structure. The fluctuation remained very low in the long term which, together with targeted recruitment and selection of employees, enabled the company to focus on effective use of resources. The company reviewed its processes and applied modern methods of human resource management. Employee care is an inseparable part of the company's strategy and culture.

EDUCATION

The company realises that educated employees are its key power, which enhances its success and competitiveness. Therefore the company concentrates consistently on developing work skills and training employees.

Training employees is realised pursuant to the company's training plans and cross-sectional development projects. In 2010 the company focused on spending costs on training effectively. As regards

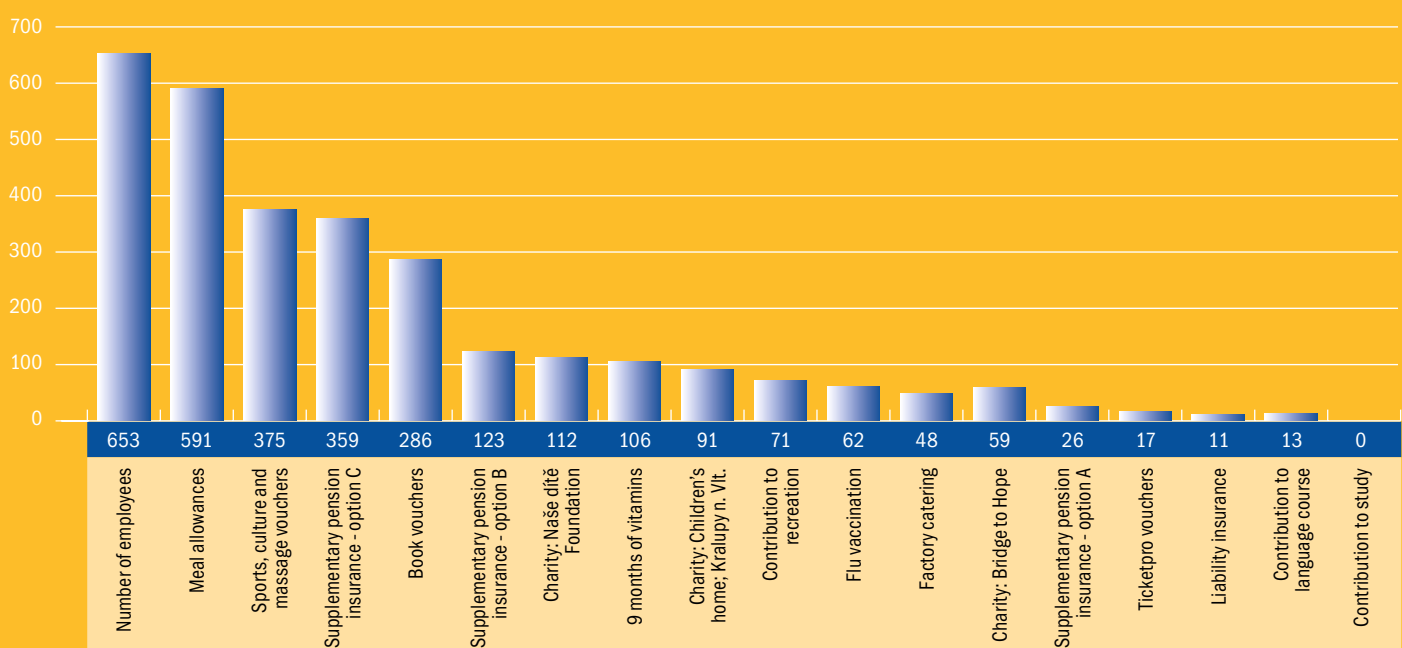
training operators, emphasis is put on learning from various situations occurring during the production process, both in our company and in the companies of our shareholders, as well as on personal exchange of experience and best practices.

On the basis of personal training plans adjusted to the need of every work position, employees join various forms of training, such as professional conferences, seminars, workshops and other training programmes, mostly selected in cooperation with them. The company also uses e-learning in employees' training. In 2010 the company organised 283 individual training sessions, covering 8,433 hours of training.

EMPLOYEE OPTIONAL BENEFITS

The "Paleta" system of benefits has been used by the employees of Česká rafinérská for 11 years. Employee benefits help balance the work and personal lives of employees and enhance their satisfaction and motivation. Therefore they are perceived as an effective tool of

Utilisation of individual benefits from the "PALETA" system





Badminton tournament for employees took place in Kralupy nad Vltavou



Meeting of the Central Team for Health, Safety, Security, Environmental protection and Quality took place every month

personnel management. The system enables employees to choose from a wide selection of benefits according to their individual needs and preferences, extends the offer of leisure activities and health support elements, and is updated regularly pursuant to the comments and requirements of employees.

In 2010 popular benefits included meal subsidies, vouchers for sports, culture and massages in participating facilities and contributions to the pension scheme. Compared with the previous year, the frequency with which individual benefits were used did not change much.

HEALTH SUPPORT PROGRAMME

In 2009 we focused within the “Drugs? No!” project on testing in our workplaces, which should have confirmed or denied the presence of people who had come into contact with drugs. All testing results were negative and our workplaces were designated drug-free. In 2010 we also addressed other areas connected with keeping to the principles of occupational safety, namely alcohol in the workplace. Within this project, more than three hundred alcohol tests were performed during the year in both refineries, focused on employees working in production and laboratories as well as on employees in administrative buildings. Two findings were established in the testing. Both cases were solved under labour laws; employment was terminated in one case, while in the second case the employee was given a notice of work discipline violation and a financial fine.

In 2010 one sports tournament was organised in every company location under the health support programme. A badminton tournament of individuals was organised in Kralupy on 19 June. A record number of eighteen players from both locations joined the tournament, which is already in its fourth year. It was very nice to watch male and female players, all of them playing with enthusiasm and enjoyment, and fighting for every point till the last shuttlecock in the game.

For the fourth time, inline skating was organised for the company’s employees and their families in the hall of untraditional sports in Most on 16 October. A good atmosphere was set thanks to recorded music. Two helpful instructors helped children and adults take their first skating steps or advised the more experienced on how to improve

their technique. Around forty skaters joined the event. Children left the hall with diplomas and sweets for passing the slalom on skates.

INTERNAL COMMUNICATION TOOLS

MEETINGS, NEGOTIATIONS

Communication is a key tool of the good functioning of every company, and therefore great attention is paid to it by the management as well as by individual departments, sections and operations. Apart from regular meetings organised by sections, departments and operations, cross-company meetings are also organised at which employees of various departments and divisions meet. One of the meetings with the biggest attendance is the meeting of the Central Team for occupational health and safety, environmental protection, quality control and protection of property, which is held regularly every third Wednesday of the month. Besides that a management meeting is held regularly, in which managers of the company’s divisions exchange information, as well as other working meetings.

CORPORATE MONTHLY PERIODICALS

Echo, the company newsletter, is published twice a year, reflecting events occurring at the company and featuring the Managing Director’s views on the past period and near future. In 2010 the newsletter also contained news from our workplace and Human Resources Department, information on cooperation with other entities, on charity projects, employee events, and sporting events, as well as on the hobbies of our employees, on correct procedures in the area of environmental protection, or on intranet presentations of individual sections and departments in the company. Its supplement remains Impuls, a newsletter prepared by the business support section, focusing on occupational health and safety protection at work, fire protection, quality control, protection of property and environmental protection.

INTRANET, NOTICE BOARDS

The use of the intranet for information sharing is common at our company, and the intranet portal informs employees on current



Echo newsletter



Desk calendar with employee photos



Impuls – supplement to Echo

company events; it is a source for broadening knowledge and the entry point for starting up numerous applications for all or only authorised users. All company departments are represented, and every employee can retrieve useful information, or their individual training plan, goals, tasks, holidays, attendance and much more data in the employee self-service section. Another frequently visited item is RaCeK – Rafinérské Centrum Komunikace (Refinery Communication Centre), providing important news about the whole company to employees.

In 2010 the intranet menu was modified. The goal of the modification was to update and arrange the items in each menu, so that the content will match the topic of the menu and users could find individual items later and start up the requested link.

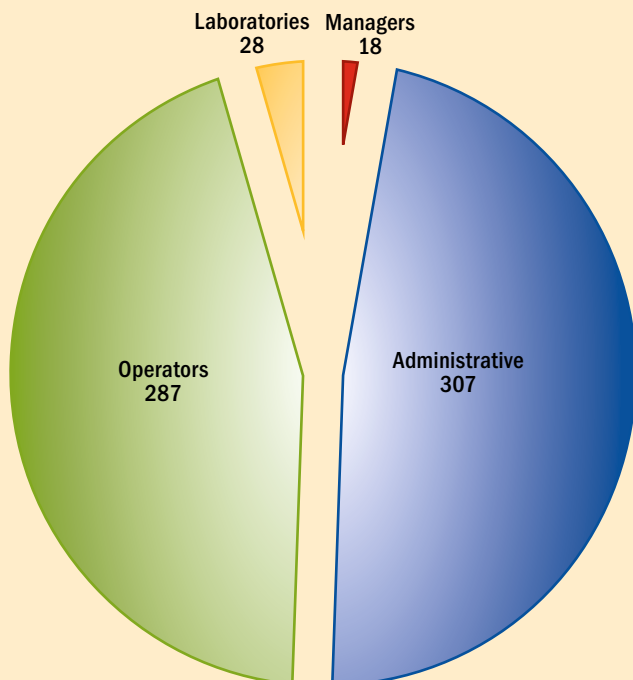
Important information, including corporate newsletters, company projects, vacancies, invitations for participation in sports, charity

and other projects and other important news, is also published on company notice boards that are located in numerous buildings; their list is published on the intranet, including electronic versions of the boards.

PHOTO COMPETITIONS AND CALENDARS

An integral part of internal communication is the involvement of the company's employees in competitions and projects, including creating the company image. Therefore a very successful amateur photo competition on selected topics continued, which is popular with employees. 2 rounds on 6 different topics were organised, including weather, abstract, detail, castles and chateaus, windows and doors or trees. In 2010, 33 employees took part in the competition. The best photos were published in the company's 2011 desk calendar.

Number of employees in individual categories as of 31/12/2010



Structural breakdown of employees according to education

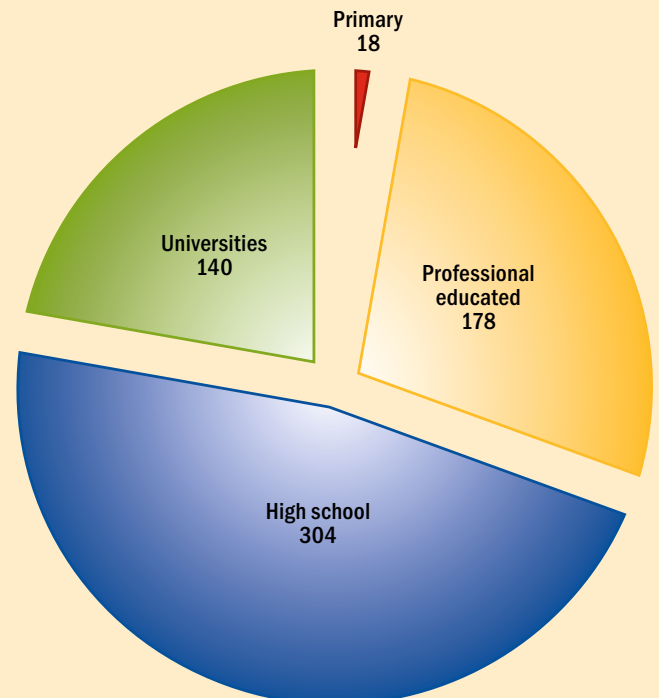




Photo seminar for participants of the photo competition



"The Rafinérská Trail" in Nelahozeves Castle

EVENTS FOR EMPLOYEES

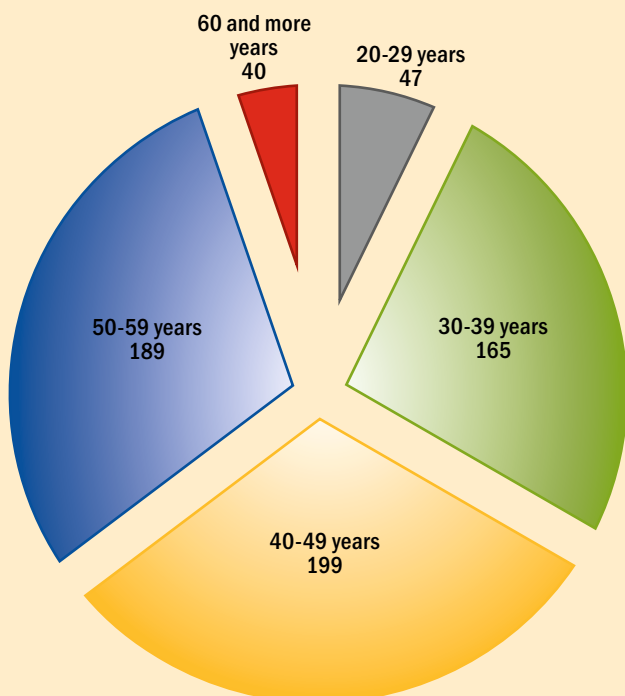
The organisation of informal social events for employees, at which employees from all corners of the company can meet, including management representatives, middle management, as well as other employees, is a highly appreciated communication tool. They come to have a good time, relax or do something good for their health, but even on such occasions they talk a lot, strengthen their working relationships and establish new contacts. In 2010 the company organised a lot of events for employees to meet up at. These were, for example, Charity Days, meetings of former employees, horse racing days at the Hippodrome in Most, sports tournaments, a St. Nicholas's party and others.

On 4 September, "The Rafinérská Trail" was organised for employees for the fourth time in the Nelahozeves Castle and in the Marina port. Hiking and cycling trails were prepared for the participants. The participants could see the rooms of the castle in Nelahozeves. The programme was organised in the castle yard. Spectators could see,

for example, performances of period dancers, the Briganti historical group and the Knights of Fortuna with short scenes for both adults and children. A country band played for us during the whole afternoon, conducted by our employee Jakub Gleich again. At the end was a draw where twenty winners-participants of the event were drawn. They won a voucher for two for wine tasting in the castle cellar. Thanks to beautiful weather, all employees could enjoy a pleasant afternoon.

An integral part of internal communication is also the involvement of employees in competitions and various projects. We appreciate the aid employees provide within our charity projects, for example in collections of necessary materials for shelters, halfway houses, other non-profit organisations and other projects, as well as employees' activities in the amateur photo competition and topics which affect them. Again, the photos were used in the company's materials and the desk calendar, which only contained photos by employees.

Structural breakdown of employees according to age



"The Rafinérská Trail" – a boat trip on the Vltava River for children and parents



6 Environmental Protection

Environmental protection has ranked among the main priorities of the activities of Česká rafinérská since its establishment, and the company has done a lot for environmental protection and achieved concrete results. Environmental impacts can be divided into two types: overall and local impacts.

The overall impacts arise out of the use of company's products, i.e. chiefly emissions into the air. By systematic measures and implementation of various investment actions reaching several billion Czech crowns over the almost fifteen years of independent business of Česká rafinérská, several milestones have been achieved, the most important of which were:

- Elimination of leaded petrol from production for the market in the Czech Republic in 1999
- Reduction of the sulphur content in motor fuel to the level of 10ppm in 2008
- Reduction of the content of smelly substances in motor fuel, and specifically of benzene in motor petrol
- Addition of bio-components to motor fuel from 2007/2008
- Significant increase in the production of motor fuel and on the other hand reduction in the production of sulphur fuel oil
- Application of REACH

The fact that the measures, with the exception of REACH, have a real impact on the quality of air is mainly demonstrated by the improved quality of air in cities and places with heavy road traffic by reducing the content of pollutants. The currently still relatively high concentrations of nitrogen oxide and dust particles are not primarily due to fuel, but due to the quality of engines, or more precisely due to the condition and age of the fleet of vehicles used on Czech roads.

Local impacts, on the other hand, are caused by industrial plants which affect individual parts of the environment. But during the existence of Česká rafinérská, a significant improvement has been achieved even in this area. First of all, the requirements of the legislation, which fulfils all requirements of the European Union after its harmonization, have been fulfilled and Česká rafinérská has set even more demanding goals in many parameters than those required by European and national regulations. Gas emissions, primarily hydrocarbon vapours, and volumes of solid waste, have been reduced

significantly. We managed to reduce the volume of waste water, and its quality from the sewage treatment plant of the Kralupy nad Vltavou refinery before its outlet to the recipient normally reaches a very high level. Waste water from the Litvínov refinery is treated by a contractual partner. Leakages of noxious liquid substances outside the facility are removed without delay so that their impact is reduced to the minimum. All new installations are equipped with the protection at the base and precise catching in case noxious substances leak so that the pollution of surface and ground water is prevented.

System measures of environmental protection were re-certified pursuant to ISO 14001 in 2010. The company pays great attention to training employees in all aspects of environmental protection, realised by production workers. Permanent fulfillment of the environmental protection principles is also a condition for the conclusion of contracts with suppliers of maintenance to and construction of refinery equipment.

You will find details on environmental impacts, measures taken with regard to the quality of products or the protection of air, water and subsoil, or waste treatment in 2010 in the 2010 report on occupational health and safety protection, protection of property, impact on the environment and on quality.

Sewage treatment plant in the Kralupy nad Vltavou refinery



7 Communication

Česká rafinérská regards communication and providing information to the public as one of the parts of the concept of a socially responsible company, which refers not only to issues of economic performance and environmental impacts, but must also include information on employment, working conditions and cooperation with the surrounding areas. An important part is so-called emergency communication, i.e. communication of various non-standard or emergency circumstances.

For that purpose, Česká rafinérská uses the available communication tools and channels in order to provide information and realise the principles of an open information company. Simultaneously, the company monitors development in this area, as well as standards that are expected from industrial companies of its importance. Further, the procedures and experiences of shareholders' companies are used as well. In 2010 information given out by the company included that on activities of shareholders, economic results and technological measures, including testing alternative raw oil, results of bio-component additions in motor fuel. Press releases also focused on the information on cooperation with neighbouring municipalities, employee charity and public awards, such as PETROLawards '10.

Open Door Day at the industrial plant in Litvínov was visited by wide public



The plant in Litvínov together with partners operating on the industrial premises organised a Open Door Day within the programme of open communication with the region. The programme included a bus tour of the plant and various entertainment and educational activities for visitors and their children in front of the plant. The tour of Česká rafinérská comprised a visit to the production facilities of various parts of the refinery, a visit to the new central control room and a display of company products, carried out by laboratory workers. More than 600 visitors came to see the industrial premises, many of them young people who used the opportunity to see modern technological equipment.

The cooperation with Ecological Centres in Most and Kralupy nad Vltavou continued. The centres cover a significant area of information on the condition of the environment, help residents behave ecologically, help ecological legislation, and with their continuous activity, they are an important part of providing information to the public on non-standard situations in both industrial complexes operated by Česká rafinérská. In 2010 the managers of both the centres changed and Česká rafinérská supported uninterrupted continuation of the existing cooperation.

The modern communication tool that ranks among most important of Česká rafinérská's communication tools is the internet. Special attention was paid to its updating and technical improvement. The modern internet environment was also used for the information and educational portal Petroleum.cz, which offers a compendium about oil, its exploitation, transport and storage, refinery processing and production of products in a modern format. The project was developed in 2010 and gained the well-deserved attention of users, demonstrated by the increased number of visitors from 207,287 in 2009 to 260,676 visits the in 2010 year.

In 2010 the new format of the annual report was appreciated as well.

Information and education portal Petroleum.cz



Examples of Projects and Activities Implemented in 2010

Important events and activities focused on communication, donorship and cooperation with municipalities and non-profit organisations in 2010.



AID TO FLOOD VICTIMS IN 2010

It has become a tradition at Česká rafinérská to support victims of natural disasters (the floods in Moravia in 2007, the floods in the Central Bohemia and Ústecký Regions in 2002, aid provided to Horní Jiřetín after a gale in 2005). Therefore the company decided to give a financial donation to the accounts of flood victims via the Regional Office of the Ústecký Region. Besides that several employees took part in voluntary shifts in the heavily affected areas, organised by non-profit organisations.

RECONSTRUCTION OF ROADS IN VELTRUSY

Veltrusy, a town located in the area surrounding the refinery in Kralupy, has been implementing an ambitious project to reconstruct all road surfaces in the town for several years. For example, in 2005 a pedestrian zone (a zone with restricted traffic) with interlocking paving was built at the crossing of two inner roads, followed by the reconstruction of other roads. Česká rafinérská has supported the systematic project since 2007. In 2009 the construction of paved roads with quality bitumen surfaces in Tomkova, Františka Novotného and Karla Čapka Streets was implemented. The municipality gained a grant from structural funds for the project funding and Česká rafinérská co-financed the project. The program finished in 2010.

HORSE-RACING DAY AT THE HIPPODROME IN MOST

As part of the traditional cooperation with the modern Hippodrome in Most, the Česká rafinérská horse racing afternoon was organised for the 13th year. Lots of visitors, a high level of sport and a live television broadcast contributed to the success of the event and promoted the company's reputation in the Most area. The horse racing society at the Hippodrome in Most broadens the range of leisure time activities for residents and helps create a positive image of the Mostecký Region.

YOUTH HOCKEY IN LITVÍNŮV

The most popular sport in Most and Litvínov is ice hockey played in Litvínov. Numerous winners of the Olympic Games or World Championships are players who trained in Litvínov since childhood, who are the basis for the tradition and success of the sport here. To maintain the tradition, it is necessary to ensure adequate resources for the growth of young players. Therefore Česká rafinérská has been supporting HC Litvínov, a civic society focused on training student and junior teams, for several years. The support of youth ice hockey in Litvínov is appreciated not only by the town's management but also by the company's employees.



2010 BEST ATHLETE OF KRALUPY

Kralupy nad Vltavou is a town with a rich sporting past and no less rich present. Athletes from Kralupy achieve very good results in many sports both in the Czech Republic and at an international level, in teams or as individuals. The care of young people is also very important, as well as the related achievements of teenage athletes. Therefore it was natural that the Municipal Office in Kralupy nad Vltavou decided to award best athletes of the town in individual

categories, and after the fashion of others, founded a so-called Hall of Fame. For the gala meeting, winners of individual categories and the Personality of the Year were invited. The winners were awarded the mascot of the competition, made in a sheltered workshop. Česká rafinérská supported the organisation of the gala meeting, trying to promote the results of people who spend their free time productively and who represent their town.

INFORMATION TECHNOLOGY CLASSROOM AT THE PRIMARY SCHOOL IN „KOMENSKÉHO“ SQUARE IN KRALUPY N. VLT.

As part of the cooperation with the surrounding area, the company sells retired but functional computers at a symbolic price. A special procedure for schools has been developed according to which a class can be equipped with retired computers and their accessories. One such action realised in 2010 was the equipment of an information technology classroom at the primary school in „Komenského“ Square in Kralupy nad Vltavou with 20 desktop computers and 7 laptops for school teachers.



2010 PETROL AWARDS

Within PETROLsummit 10, held in Prague in October, a professional conference and thematic exhibition were organised and prestigious prizes in the market sector of oil, fuel and petrol stations were awarded. The participation of Česká rafinérská in the event was strong, corresponding to its position in the industry. Company representatives helped organise the professional conference and were ranked high in the rating of the initiative of the year. In the Technology and Operation category, the public appreciated the project to increase the energetic efficiency of vapour production from waste gases of the FCC complex in the refinery in Kralupy. On the occasion, Ing. Ivan Ottis, former Managing Director of Česká rafinérská, was awarded the title of Personality of the Year. He is currently a member of the Unipetrol Board of Directors, a majority shareholder of Česká rafinérská, and chairman of the Board of Directors of the Czech Association of Petrol Industry and Trade.

NEW FORMAT OF ANNUAL REPORT

The Česká rafinérská 2008 Annual Report, including all reports and other information in Czech and in English, was issued in a compact electronic form for the first time. It was awarded a certificate at the „rated“ professional level in the category of annual reports in „Zlatý střevlík“, a competition of printed and electronic communication products. The new format was also appreciated by the company's owners and partners due to its clear structure, large content capacity and saving of costs on its release. The company will follow the trend set this year.



Information Leaflet Petroleum.cz

PETROLEUM.CZ

The internet is a phenomenon of the present time and is used increasingly as an information source. Predominantly students, motorists and journalists wish to get new information about oil and products made of oil. Therefore Česká rafinérská, together with the Institute of Chemical Technology, MERO, PARAMO and ČAPPO, established a portal named Petroleum.cz, located at www.petroleum.cz. The portal was launched in 2008 and since then has been modified and improved to keep up with the virtual environment, and has gained its regular users. The goal of the joint project is to gather together an integral set of information and data in Czech regarding oil, its exploitation, transport and storage, to describe the refinery and production of oil products in detail, and to provide an overview of everything that can be made of oil. Simultaneously, the portal offers information from the professional world (articles and conference lectures), contains vocabulary and an FAQ with responses from the best Czech specialists. In 2010, 261 thousand entries were registered on the portal.

2011 CALENDAR: PAVEL LAKOMÝ – SELECTED WORKS

Česká rafinérská wants to express its support of culture and important artists who come from or work in the area where the refinery is located by publishing thematic calendars. So far the works of J. Kars – 1999, M. Houšť – 2004, B. Kopecký – 2007, M. Paříčňý – 2009 have been displayed. For the 2011 calendar, the works of painter Pavel Lakomý were selected; he lives and paints in Litvínov and ranks among the best-reputed artists in the Czech Republic.

First Page the calendar 2011 – Pavel Lakomý



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