

Circular Economy Policy of the ORLEN Group

The ORLEN Group, as an integrated multi-energy company operating primarily in Poland and Central Europe, is pursuing a long-term energy transition strategy towards a low-emission economy. One of the drivers of this transition is the implementation of circular economy principles, which is reflected in the Group's key strategic documents: the 'ORLEN Strategy to 2035', the 'ORLEN Group Sustainable Development Strategy 2025–2035' and the 'ORLEN Transition Plan'.

In accordance with ORLEN Group 2035 Strategy, ORLEN Group aims to meet its customers' energy, product and service needs whilst reducing emissions and using resources as efficiently as possible. The ORLEN Group is gradually pursuing these objectives through, i.a., the development of projects in the areas of circular and renewable raw materials, renewable hydrogen, biofuels and small-scale nuclear energy.

The **circular economy** – gradually implemented by ORLEN Group – is a production model in which products, materials and resources remain in circulation for as long as possible, waste is minimised and transformed into new resources. The circular economy supports the efficient use of resources, including energy and water, reduces the consumption of resources and, as a result, minimises the negative impact of industrial activity on the environment.

Furthermore, ORLEN Group is systematically implementing the circular economy to address global challenges and strengthen its business resilience and competitiveness. These measures include offering lower-emission products and those incorporating eco-design principles, reducing costs through the efficient use of resources, and developing new business areas. In this way, ORLEN Group creates value for shareholders, customers and society. The transition towards a circular economy model supports the ORLEN Group in fulfilling its commitments under the UN Sustainable Development Goals¹. The policy also aims to manage the ORLEN Group's material impacts, risks and opportunities related to the circular economy.

The following development directions, operating principles and key factors supporting the gradual implementation of the circular economy within the ORLEN Group are hereby established:

1. **Implementing circular economy principles** to maximise the raw material potential embodied in products, by keeping resources in the economic cycle for longer, recovering value from waste, and gradually replacing fossil-based raw materials with renewable, circular and secondary feedstocks.
2. **Implementing efficient resource management** by optimising processes to reduce the consumption of raw materials, water and energy, and promoting the reuse, recovery and recycling of waste in accordance with the principles of the circular economy.

¹ 6. Clean water and sanitation, in particular targets 6.3 and 6.4

7. Clean and accessible energy, in particular target 7.3

9. Innovation, industry and infrastructure, in particular target 9.4

12. Responsible consumption and production, in particular targets 12.2, 12.3, 12.5 and 12.6

3. **Striving to utilise waste** within the value chain, minimising its generation and seeking opportunities to further transform it into fully-fledged products – in accordance with the waste hierarchy.
4. **Seeking circular solutions throughout the entire life cycle of ORLEN Group's products and assets**, whether in new investments, existing processes or resources arising from the modification or decommissioning of operations, whilst taking into account the ORLEN Group's environmental management principles.
5. **Supporting partnerships and industrial symbiosis** by fostering cooperation between companies within the ORLEN Group and other entities, as well as suppliers, public administration, local government and local communities, with a focus on the efficient use of resources, the development of joint projects and the implementation of circular economy solutions within the value chain.
6. **Seeking new business opportunities** based on the principles of the circular economy and creating products and services in line with the concept of circularity.
7. **Expanding the potential of the circular economy** by identifying opportunities and risks, setting targets and monitoring progress.
8. **Promoting research and innovation** in the search for alternatives to conventional raw materials, eco-design and holistic management of production and product life cycles, in order to improve resource efficiency and reduce waste, emissions and negative environmental impacts.
9. **Supporting a responsible supply chain** by incorporating sustainability and circularity criteria into procurement processes.
10. **Circular economy capacity building** through training and educational campaigns in collaboration with representatives from academia, public administration and industry partners. Building an organisational culture based on the knowledge sharing, best practices and innovation.

ORLEN Group Circular Economy Policy (the Policy) covers all business segments of ORLEN Group's operations: Upstream & Supply, Downstream, Energy, Consumers & Products, and Corporate Functions.

The provisions of this Policy apply to ORLEN S.A. and all the companies of ORLEN Group.

The Policy is subject to periodic review, at least once every three years.

Glossary of circular economy terms

Term defined	Definition
Longevity	Designed for maintenance and durability in such a way that encourages longer use than the industry standard in practice and at scale and in such a way that does not compromise circular treatment at the end of functional life.
Eco-design¹	Design ensuring longevity, reparability, reuse, repurposing, disassembly and refurbishment of products, aimed at optimising the use of resources.
Circular economy (CE)²	A production model in which products, materials and resources remain in use for as long as possible, waste is minimised and transformed into new materials. CE supports efficient use of resources, including energy and water, reduces consumption of materials and limits negative environmental impacts.
Waste management hierarchy	The order of priority for waste prevention and waste management (Article 4(1) of Directive 2008/98/EC on waste): i. prevention; ii. preparation for reuse; iii. recycling; iv. other recovery methods, e.g. energy recovery; and v. disposal.
Principles of the circular economy²	The circular economy principles (9R hierarchy) present priority actions for preserving the value of product: 0. REFUSE – making the product unnecessary; 1. RETHINK – increasing product use intensity; 2. REDUCE - increasing production efficiency; 3. REUSE – using a product in the same function again; 4. REPAIR – repairing faulty products to its previous condition; 5. REFURBISH – product modification and update; 6. REMANUFACTURE – replacing parts and/or reusing them; 7. REPURPOSE – using product in new function; 8. RECYCLE – process in which waste becomes materials; 9. RECOVER – energy recovery.
Value chain	The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates. A value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of- life. Relevant activities, resources and relationships include: i. those in the undertaking's own operations, such as human resources; ii. those along its supply, marketing and distribution channels, such as materials and service sourcing and product and service sale and delivery; and iii. the financing, geographical, geopolitical and regulatory environments in which the undertaking operates. Value chain includes actors upstream and downstream from the undertaking. Actors upstream from the undertaking (e.g., suppliers) provide products or services that are used in the development of the undertaking's products or services. Entities downstream from the undertaking (e.g., distributors, customers) receive products or services from the undertaking. ESRS use the term 'value chain' in the singular, although it is recognised that undertakings may have multiple value chains.
Waste	Any substance or object which the holder discards, intends to discard, or is required to discard.
Recovery	Any operation the principal result of which is waste serving a useful purpose by replacing other materials which would otherwise have been

Term defined	Definition
	used to fulfil a particular function, or waste being prepared to fulfil that function, in the plant or in the wider economy.
Resource use optimisation	The design, production and distribution of materials and products with the objective to keep them in use at their highest value. Eco-design and design for longevity, repair, reuse, repurposing, disassembly, remanufacturing are examples of tools to optimise resource use.
Reuse	Any operation by which products and components that are not waste are used again for the same purpose for which they were conceived. This may involve cleaning or small adjustments so it is ready for the next use without significant modification.
Products²	Products, as defined by the ORLEN Group, are the outputs of production processes resulting from the processing of resources, which are intended for further use by customers – whether in the form of energy, fuels, chemicals or other finished goods.
Recycling	Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes. It includes the reprocessing of organic material but does not include energy recovery and the reprocessing into materials that are to be used as fuels or for backfilling operations.
Materials	Primary or recycled materials used for the production of goods.
Industrial symbiosis	Cooperation between entities whereby the waste of one entity becomes a raw material for another, reducing the demand for primary resources.
Resources²	Within ORLEN Group, resources include all components used in production processes, such as water, energy, materials, products and recovered waste.

Glossary is based on Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards with amendments, as published in Official Journal of the European Union L, 2024/90241.

1. Definition based on "Resource use optimisation".

2. Definitions developed for the purpose of the Policy by ORLEN's Sustainability and Energy Transition Office.