

2011 HALF YEAR SUSTAINABLE DEVELOPMENT REPORT

MOL GROUP

Introduction and summary

This is the second time MOL Group has published an interim report about its sustainability performance.

Following our commitment to transparency and accountability, and as a complement to the financial flash report, with this document we aim to inform our stakeholders about the steps we have taken in environmental and social areas. In contrast to the annual report, this interim document is not 'integrated'. If you are looking for details on MOL's financial and economic performance please turn to the '[2011 Half Year Report of MOL Group](#)' - in this document you will find only a brief summary of our financial results.

Some of the highlights in the 6 sustainable development (SD) focal areas of MOL Group include:

Climate Change

- A 1-4 % decrease in specific GHG (Greenhouse Gas) emissions in business units;
- Continuation of our R&D project on the new generation of biofuels;
- Collection of 10 tonnes of used cooking oil from households at filling stations in Hungary as a result of a new initiative.

Environment

- VOC (Volatile Organic Compound) reduction projects have been completed in IES (a subsidiary in Italy) and are ongoing at other sites;
- In MOL Pakistan the quantity of generated waste was reduced by 30% in the reporting period due to waste reduction initiatives;
- A total of HUF 8.72 million HSE-related (Health, Safety and Environment) penalties were paid.

Health and Safety

- Work safety targets have been almost met (only 1.05 lost-time injury per million worked hours in most MOL Group units);
- The number of employees involved in our workplace health promotion program (STEP) increased;
- We achieved a significant improvement in contractor safety management;
- As part of its HSE cultural change initiative, INA launched its "Safe Driving Programme".

Communities

- MOL's 'BikePOINTS' scheme has been operating since April in more than a hundred filling stations, assisting cyclers on the road in Hungary;
- A total of HUF 313 million was donated in the frame of the social investments programme.

Human Capital

- Talent attraction programs continued with great success (Freshhh, Growww, Junior Freshhh);
- More than 600 actions have been defined for further increasing employee engagement.

Economic Sustainability

- Following 12 ethical investigations 2 cases of misconduct were found;
- Slovnaft, TVK, INA and MOL Pakistan have disclosed their sustainability performance in annual or SD reports or on websites.

Notes to the report

MOL uses the 'control' approach to consolidate information. The company accounts for 100 percent of sustainability data from operations over which it has control. This includes all companies/operations where MOL or one of its subsidiaries acts as operator.

In the case of HSE data, we include only those operations which might have a significant impact on health, safety or the environment. Noteworthy changes compared to H1 2010 are the inclusion of INA d.d.'s major subsidiaries and IES (Italy) and Russian operations data in 2011 accounts.

Employee data refers to all consolidated MOL Group companies (incl. INA d.d. and its subsidiaries).

As regards numerical data, only those indicators on which data is collected at least bi-annually at a group-level are disclosed.

This report is designed to follow the principles of the GRI G3 (Global Reporting Initiative). Full compliance with the GRI A-level has been reached only for our annual reports.

This report has not been subject to external verification.

For more information on MOL and sustainable development please visit www.mol.hu/sd.

Table of content

Introduction and summary	1
Notes to the report.....	2
Awards and recognitions	4
Overview of targets	5
Financial results	7
Climate Change.....	8
Environment.....	9
Health and Safety.....	12
Communities	15
Human Capital	17
Economic Sustainability.....	20
Performance Data	22
Abbreviations	24

Awards and recognitions

SAM Gold Class

MOL Group has qualified for the Gold Class category based on its corporate sustainability performance. It is the only company from the Central and Eastern European region to be recognised this way. This success was announced in The Sustainability Yearbook 2011, edited by [SAM \(Sustainable Asset Management\)](#) which conducts the assessment for the Dow Jones Sustainable Index.



Environmental Protection Award from the City of Százhalombatta

MOL (Danube Refinery) was recognised and decorated by the local government of [Százhalombatta](#) based on their positive impact towards improving the environmental culture of the city and also for their environmental protection activities concerning motivating inhabitants - especially children and the youth.

Award from The Coordination Centre for Transport Development

The [Coordination Centre for Transport Development](#) (KKK) recognised MOL in 2010 in the category of 'Complex service' for its high quality service and clean management in the left-hand side filling station on highway M0 at km 38 (Alacska, Hungary, which operates in cooperation with Marché). In the category of 'Filling station' an INA facility (operated by MOL, situated at the right-hand side of highway M7 at 193 km - Zalakomár, Hungary) - was awarded a prize.



Best Employer Award for FGSZ

FGSZ Zrt. was again awarded the title of "Best Employer" both in Hungary and in Central-Eastern-Europe as the result of a 2010-11 regional survey carried out by [Aon Hewitt](#). Hewitt conducted this research in eight countries of the region among employees and managers of around five hundred companies who gave their opinions about their employers. FGSZ finished fourth highest in its category for enterprises employing 250 – 1000 people and was the only company to be listed as being among the best in the region's energy sector.



Best Employer
Central Eastern Europe
2010/2011
conducted by Aon Hewitt

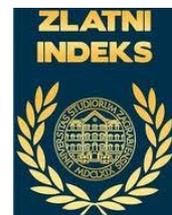
Employer Partner Certificate for INA

INA was officially awarded recognition with an Employer Partner Certificate for its excellence in human resource management. The primary purpose of the certificate is to identify and publicly acknowledge companies with high quality HR management. This Certificate is a confirmation of the progress that has been made through different programs and projects and that is already visible in the organization.



Zlatni Indeks Award 2010 for INA

At the 'Zlatni Indeks' Award Ceremony 2010, organized by the e-Student Association, INA received three awards (Best Company Image, Scholarship Award and Grand Prix Award) in May 2011. The aim of the index is to reward and promote those companies and institutions which throughout their work, actions and overall activities partake in student life, support the activities of student associations and participate in their projects.



TOP youth company for Slovnaft

Slovnaft ranked first place – similarly to previous years – among companies operating in the chemical industry field in Slovakia in a survey organized by the Junior Chamber. The award was based on a survey conducted among young people (students of 20 secondary schools and 20 universities). Approximately 1400 respondents were asked to name a company which represented to them a synonym of success and quality.

Overview of targets

Targets for 2011 in the six focus areas of sustainability	H1 2011 status
1. Climate change	
Reduce specific GHG emissions by 1% (baseline YE2010);	All business units (BUs) are on the right track to achieve their targets. At the half year stage BU reductions are 1% to 4% below 2010 YE. (Ref 1%; Pet 2%; E&P 4%).
Obtain geothermal concession for the pilot project and execution of geothermal related R&D activities;	Still waiting for geothermal concession but preparation of geotechnical plan for first geothermal pilot system has started.
Finalise the integration of the biogas plant into refinery systems and start construction work;	Endorsement of the biogas project is in progress. The planning of the plant is due to start in 2011 Q4.
Continue investigation into the potential to use renewable energy sources in refining:	
* Continue research on algae-based technology for CO ₂ fixation and biocomponent production;	Laboratory and open-air experiments are being conducted to enhance CO ₂ capture through technological development (mixtures, lighting, nutrient supply).
* R&D on new generation biofuels and further improvement of technology including algal biomass utilisation as biogas or biodiesel feedstock;	Testing of algae composition and biogas yield and determination of algae lipid and energy content are in progress.
* Increase the ratio of recycled vegetable oil (used cooking oil) in the fuel pool.	18,592 t of used cooking oil was recycled at our biodiesel joint venture company. As a result of the collection program at retail stations, 10 tonnes of used cooking oil have been collected since May 2011.
2. Environment	
Using a risk-based approach, decrease the amount of known (YE2010) environmental liabilities across MOL Group by 5%;	A decrease of 1.5% has been achieved due to the execution of (planned) non time-critical work. The yearly target is likely to be met.
Establish a group and business unit biodiversity system.	The working group has prepared a corporate biodiversity strategy; the following step is to build up a group level biodiversity action plan.
3. Health and Safety	
Ensure total reportable occupational illness frequency (TROIF) is zero;	No occupational illness cases have been recorded so TROIF is zero at present.
Achieve 15% 'Regularity Rate' in the STEP (WHP) Programme by the end of the year (MOL, TVK, SN - Slovnaft, SPC – Slovnaft Petrochemicals);	A 'Regularity Rate' of 11.2% has been achieved in H1 2011; the 15% target will be reached by the end of the year.
Achieve zero work-related fatal accidents across MOL Group (staff, contractors and third parties);	No own staff but 5 contractor and 3 third party fatalities occurred. (Note: The 5 contractors and one third party employee were fatally wounded in Pakistan during a fire fight initiated by local tribal forces).
Ensure LTIF (Lost Time Injury Frequency) is less than 1.0;	LTIF calculated for H1 2011 is 1.05 so the target has almost been met.
Ensure RAR (Road Accident Rate) is not higher than 1.6.	A successful reduction in RAR to 1.34 has been achieved.

4. Communities	
Define general rules valid for all MOL Group companies engaged in advertising to guarantee responsible marketing.	A Responsible Advertising Policy has been accepted and will be built into MOL Group's Regulatory System.
5. Human Capital	
Enhance employer branding (strategy and image design) based on the results of the Employer Branding Survey of 2010;	Results in Hungary were analyzed and harmonized with MOL's corporate brand project. In Slovnaft and INA preparatory work for the survey have been taking place.
Preparation for the extension of the Employee Performance Management System (EPMS) in INA;	Extension to INA is postponed due to a management decision.
Extend the Equal Opportunities Plan to major Hungarian subsidiaries;	Equal opportunity coordinators have been nominated and the transmission of MOL Plc.'s experience on the initiation of the Equal Opportunity Plan has started.
Continue the Professional Competency Development Program (Petroskills) in E&P and extend to R&M and HSE.	A measurement process has been taking place in order to define competency gaps. Development for the extended areas will start in 2012 as planned.
6. Economic Sustainability	
Issue a Business Continuity Management (BCM) regulation valid for the MOL Group, and roll out first phase;	During a pilot project the entire process (incident to production) was reviewed and modelled by Risk Management in one of the units at the Duna Refinery.
Increase awareness of ethics, improve ethics management at the Group level and implement all action planned for 2011.	A variety of activities are being implemented, some of them with minor delays; see details in the 'Ethics' chapter.

Financial results

In the first half of 2011 MOL delivered another strong result: HUF 350 Bn EBITDA (Earnings before interest, taxes, depreciation and amortization) and HUF 208 Bn operating profit (both excluding special items) are 30% and 55% higher, respectively, compared to H1 2010.

Exploration & Production delivered almost 80% of the total operating profit. The sector result was boosted by higher crude oil prices and elevated hydrocarbon production, but was negatively affected by the weak USD. A considerably increased operating profit in the Downstream division was supported by a higher volume of sales and an FX gain but the overall refining environment remained very challenging. The Gas Midstream division managed to maintain similar results to last year, despite the negative regulatory environment being in force in the closed gas-year which temporarily shrunk the profitability of the transmission business.

In Q2 2011 both EBITDA and operating profit, excluding special items, increased compared to the same period of last year, to HUF 164 Bn and HUF 87 Bn respectively. However, when compared to the first quarter of this year, both EBITDA and operating profit declined while Clean CCS-based (Current Cost of Supply) operating profits increased slightly.

In Q2 2011 Exploration & Production EBITDA remained at the Q1 level and increased by 16% compared to the same period of last year. This result was supported by higher realized hydrocarbon prices, but negatively affected by a weak USD. In the second quarter of 2011 the Clean CCS-based Downstream result turned to positive again on the back of higher sales volumes despite a still challenging refinery environment.

Net profits of the Group reached HUF 147 Bn in H1 2011 after a HUF 24 Bn loss in H1 2010. Besides boosting operating profit, the net financial gain also contributed to the increase mainly due to unrealized foreign exchange gains due to a strengthening in the HUF.

Operational cash flow before movements in working capital increased by 27% and amounted to HUF 340 Bn. Despite the need for a higher level of working capital in line with higher price levels, HUF 106 Bn of operational cash inflow was reached in H1 2011. A decrease in MOL's net debt position and a further improvement in the gearing ratio (27.7%) at the end of the period were derived from a strong operational result.

For more information please visit our [2011 Half Year Report](#).

Climate Change

In the first half of 2011 we defined SD&HSE strategic targets till 2015. The CO₂ emission reduction target reflects the latest legal developments in the EU and is based on benchmarking levels, thus ensuring that it is specific and measurable. We have also started to develop an implementation plan which will create preconditions for the fulfilment of the strategic target.

However, CO₂ emission reductions are not the only issue in our focus when dealing with climate change: our continued efforts towards geothermal projects and biofuels were maintained in H1 2011 as well (see summary in '[Overview of targets](#)').

Energy efficiency

Improving energy consumption efficiency is still one of MOL's priority activities and we are committed to reducing our energy losses. We have therefore taken several steps at our production facilities this year.

Our Exploration and Production division has continued its energy rationalization project ENRAC (Energy Rationalisation) in Hungary. As part of this, the creation and siting of a new steam generator has been completed at Hajdúszoboszló and the planning phase of the reconstruction of outdoor lighting system of the Algyő Main Gathering Station, using energy saving equipment, has been completed and tendering for construction is ongoing.

In our Petrochemicals division in the Olefin-1 plant at Tiszaújváros, TVK Nyrt. launched an energy efficiency initiative. The aim of the project is to reduce quench oil burning by installing new burners and other necessary equipment and substituting the oil fuel with pure natural gas. The engineering design works have been finished and commissioning is planned for the beginning of 2012.

Our Retail division has continued the "LED light for totem signs and canopy" initiative. This reconstruction work has been completed at 6 filling stations, while a further 4 are still to be implemented this summer. Motion sensors have been installed in toilets at 19 filling stations in Hungary and 43 in Croatia. In Bosnia at all renovated filling stations gas boilers were installed to replace electric ones.

Compared to the same period of the previous year, group level energy consumption increased due to the extended reporting scope (n.b. 2011 data includes INA d.d., its major subsidiaries and IES as well) and partly to a change in production patterns.

GHG emissions

In the first half year our installations emitted approximately 2.4 Mt CO₂, which is 6% more than in the same period of 2010 (excluding INA). This amount is roughly half of our yearly allocation under the ETS (Emission Trading Scheme).

All business units are on the right track to meet our 2011 target related to CO₂ emission intensity reductions. After the half year, business unit performance measured as specific CO₂ emissions (i.e. emission/production) are 1% to 4% below 2010 YE (Refining 1%; Petchem 2%; Exploration & Production 4% decrease).

Refining:

- A division-level specific CO₂ emission (t CO₂ / tCWT) reduction year by year at every refinery has been achieved (through, e.g., condensate collecting in the Rijeka Refinery and reconstruction of obsolete RS-3 DCS systems at the Zala Refinery).

Exploration and Production:

- Planning for the Algyő compressor unit reconstruction has been finished and implementation works are in progress. Electric engines have been ordered (8 in number); two of which have arrived and are already installed while installation of the third is in progress.

Petrochemicals:

- We have finished developing our Olefin-1 unit. Devices were installed and are now working. The aim of this project was to increase the ethane processing capacity of the unit and to utilize ethane as a pyrolysis feedstock instead of burning it in the fuel gas system.

Air emissions

As a reaction to the recently adopted industrial emission directive, as well as the ongoing revision of reference documents on Best Available Techniques in Refining, we established a cross-functional working team at a Group level which monitors related legal developments and their implications for our operations.

Refining:

- At our refinery in Mantova we have completed two projects (a Double sealing project and a VOC monitoring project) in order to reduce VOC emissions. Further VOC emission reduction projects are ongoing at our Danube, Tisza and Sisak (INA) refineries.

Petrochemicals:

- Data collection has started at TVK Olefin-1 to assist in investigation of the further utilization potential of boiler fuel gas. Implementation of the project will start in 2012.

Water management

In terms of water management the key focus remained the reduction of fresh water consumption and water losses and decreasing the environmental burden caused by waste water emissions along with increasing the proportion of reused water.

In 2011 we aim to realize small and medium-sized projects in order to decrease water losses and cooling water demand in the Exploration and Production division and reduce fresh water intake in the Retail car washers.

MOL Group's total water withdrawals amounted to 50.5 million m³ in the first half of 2011. Comparing this performance to H1 2010 data it can be seen that the significant decrease is mainly due to the revision of 2010 figures (the 2010 year-end report highlighted this revision). Based on a data comparison between the 2010 year-end figure (94.2 million m³) and present performance it is expected that total water withdrawals will be similar to last year's performance. Regarding Y2011 total water withdrawal, a slight increase is possible due to the new plants put into production in the INA Rijeka Refinery.

By inspecting current data we predict that our strategic target of a 5% reduction in water use by the end of 2015 is achievable.

Waste management

The quantity of hazardous waste produced in MOL Group amounted to more than 38 thousand tonnes, while non-hazardous waste reached 23 thousand tonnes. Compared to the same period of 2010, the amount of hazardous waste increased by 26 percent while the amount of non-hazardous waste did not change significantly. Changes in the amount of hazardous waste are mainly due to the inclusion of waste generated during recent remediation activities.

During the reporting period two significant improvement projects were running:

- At the Exploration & Production sites in Pakistan the quantity of generated waste decreased by 30% due to waste reduction initiatives.
- In certain Hungarian Retail sites (107 filling stations) we expanded the scope of our residential services with our 'used cooking oil program'. Until now, 10,000 kg of used cooking oil has already been collected at reception points; a great success. The used oil is reused as a feedstock in biofuel-component production. Following the success of this initiative this service will be extended to a further 57 filling stations. For more information please visit our [website](#).

Spills

In H1 2011, there were 18 spills into the environment (of over 1 m³) by the MOL Group – including 7 cases in INA – with a total spilled hydrocarbon quantity of 282.8 m³ (from this, 124.3 m³ came from our Croatian operations). This is an increase in the number of cases and also in the spilled amount compared to the same period last year.

In Exploration and Production the biggest spill was the consequence of a tanker accident transporting crude (loss of 30 m³), but several smaller spills occurred due to ruptures mainly on pipelines transporting oily water.

Some of the causes of the ruptures include the age of the pipelines, a modification of the fluid composition at oil fields and theft from pipelines as well. In order to prevent further spills, Exploration and Production has devoted great effort to replacing or repairing critical pipeline corridors: eight old HC (hydrocarbon) gathering pipelines with a total length of 11,085 m were slated to be replaced and seven lines out of these eight were in fact changed.

Furthermore, due to pipeline sealing problems and other technological reasons, additional spills occurred at Refining and Marketing (15 cases, totalling 249.8 m³). The biggest event at the Refining unit was a cca. 90 m³ HC escape due to a pipeline freezing, while at Logistics we discovered a leak while moving a tank which caused the loss of 24 m³ of material.

After detecting the incidents, all necessary measures for alleviating the damage and its consequences were immediately put into effect.

Remediation

MOL Group spent HUF 1.14 billion on the management of environmental damages in H1 2011. Division of expenditure was the following:

MOL: HUF 0.4 billion, Slovnaft: HUF 0.48 billion, TVK: HUF 0.04 billion, INA: HUF 0.14 billion, IES: HUF 0.08 billion.

According to our risk-based remediation strategy, during the planning process for remediation works aimed at soil and groundwater contamination or at optimization of the operating remediation system, we pay primary attention to elimination of human health risks and to stopping the spread of any contamination as quickly as possible.

In H1 2011 our four-year research project with TVK and consortium partners continued. In the scope of the project the remediation field-tests (which started in 2010) have continued at a high intensity. Evaluation of data will start in 2012. We expect that these results will be utilized at other remediation sites where we will be able to reduce the energy consumption of remediation significantly and decrease the quantity of wastes generated during the remediation process.

A project designed to improve petrol stations was started in INA. As part of these reconstruction works, MOL will try to remediate any environmental damage caused by these petrol stations in a systematic way.

Biodiversity

In the first half of 2011 a Biodiversity Working Group was set up in order to prepare the Group level Biodiversity Strategy and the Group level Biodiversity Action Plan. These documents shall be the basis of the Business Biodiversity Action Plan (to be implemented in 2012). Although our main focus is on the Group level framework, we continued implementing the Business level actions already in place. For example, employees at the Mantova refinery regularly plant different kind of trees and bushes around the installation in order to maintain biodiversity and to improve the aesthetics as well. At our Exploration and Production division we are cooperating with the National Park Directorates in Hungary and we have drawn up and implemented a program for daily operations to protect local species.

HSE compliance

MOL Group is committed to full compliance not only with HSE related laws and external regulations but to our internal standards as well. Despite all efforts and measures, due to minor breaches MOL Group companies had to pay a total of HUF 8.72 million HSE- related penalties in the first half of 2011, the majority in Refining SN (cca. HUF 4 million for a water pollution incident caused by a spill, and air pollution), Refining IES (cca. HUF 3.2 million because of a tank incident and flaring), Logistics SN (cca. HUF 0.7 million for a spill which happened in 2009) and Retail MOL Romania (HUF 0.5 million for waste documentation issues).

Considering the HSE sensitivity of the oil and gas industry, our level of compliance has clearly improved in recent years. However, we still are not satisfied with this improvement and our goal remains the reduction of all health, safety and environmentally related penalties to zero throughout the entire MOL Group.

MOL Group did not receive any HSE-related non-monetary sanctions in 2011.

REACH: In 2010, MOL Group submitted 165 registration dossiers to the ECHA (European Chemical Agency) by the due date in full compliance with the legal requirements of REACH regulation. MOL Group has started the updating of Safety Data Sheets and Exposure Scenarios as well to ensure further compliance with the aforementioned regulatory demands.

INA ahead of joining the EU: preparation for new regulations on IPPC (Integrated Pollution Prevention and Control), VOC (Volatile Organic Compounds) and LCP (Large Combustion Plants) are the primary challenges for the company, but the protection of waters, soil and groundwater – through continuing remediation activities – is of equal importance. National SEVESO-legislation (prevention of industrial disasters) has already been issued and INA operations meet first round obligations.

Work Safety

In 2011, as in previous years, we have maintained the challenging target of 1.0 for Lost Time Injury Frequency (LTIF, number of injuries / million worked hours), valid for the majority of MOL Group (excluding INA). In the first half of 2011, a total of 13 lost time injuries happened, resulting in an LTIF value of 1.05, practically meeting the target. With this result, we can say that LTIF at the end of the first half of this year is better than the last three years. When compared with the same period last year it can be seen that we achieved a significant decrease in the number of LTIs (from 20 to 13) and a drop in the LTIF (from 1.61 to 1.05). The majority of injuries (9 cases out of 13) that happened on our sites were not serious technology-related injuries, but rather slips, trips and falls.

INA d.d. with 19 LTI cases was able to achieve its own LTIF target of 2.1 as well. Unfortunately, the INA Group (i.e. including subsidiaries) with a total of 38 LTI cases could only achieve an LTIF of 2.8, which did not meet the target of 2.5.

In summary, all reporting companies, including all subsidiaries of MOL Group we can state that the total Group LTIF (2.26) is a good result, but our aim is to get closer and closer, year-by-year, with the wider group of companies to the challenging LTIF target of 1.

In order to achieve our targets we continuously put effort into improving HSE awareness and safety culture by extending and rolling out our HSE Management system and SD and HSE related projects and programs to both 'newcomers' and our most distant operations as well.

Unfortunately, we have to report on fatalities in connection with our operations:

- Five contractors and one third party employee were fatally wounded in Pakistan during a fire fight initiated by local tribal forces;
- Two third party fatalities happened in Hungary in a road accident caused by one of our transporter contractors.

Road Safety

We still aim to ensure that traffic accidents are prevented rather than managed; therefore our Defensive Driving Programme has been continued within MOL Group. Approximately 260 employees from MOL Group had participated in this training activity by the end of June. As a result of our efforts, we have achieved a RAR (number of accidents per 1 million km driven) of 1.34.

As an HSE Catalyst cultural change initiative INA launched its "Safe Driving Programme" to support the National Road Safety Program 2011-2020. This programme improves employee' awareness of traffic hazards and supports more responsible driving. The programme consists of a number of initiatives: policy & standards, communication, "drive safely" presentations, quick wins, training & testing, and near miss reporting. The results achieved over a period of two months exceeded expectations: 21 trained safe driving ambassadors and 269 commentary drives were undertaken by this time and 336 theory tests were passed. As a new element of the HSE cultural change, there is a major focus on Near Miss reporting. A total of 156 traffic-related near misses were reported in June alone. These reports permit the analysis of critical situations on the road to be able to avoid such kind of incidents in the future.

Process Safety and Risk Assessment

For the successful implementation of our HSE risk assessment framework, we have continued our COMPASS (comprehensive risk assessment) project with Phase II. The program uses 10 internationally-accepted risk assessment methodologies which fully cover the workplace, technological process and environmental related areas of risk analysis (e.g. HAZID, ENVID, JSA, EIA, etc.).

Main achievements until H1 2011:

- implementation was successful on the sites of MOL, Slovnaft and SPC where following the HSE risk assessment pilots all the qualitative analysis documents were prepared covering exploration and production, refining, logistics and retail activities;
- with regard to quantitative process-related risks, HAZOP assessments were executed, as a result cca. 85% of the critical operations are covered;

In the second part of 2011 the program will be extended to IES, MOL Austria, MOL Romania and MOL Pakistan. From 2012 the program will cover social risk assessments as well, which will help us manage social impacts more effectively. The full implementation of COMPASS at Group-level will be completed by the end of 2013.

Contractor safety

As a reaction to the serious HSE events that occurred in connection with sub-contractors' work performance in 2010, MOL Group has updated its risk management programme related to sub-contractor operations. The program contains various types of control covering every phase of the sub-contractors' 'life cycle' (pre-qualification, tender process, work performance and post implementation appraisal), specifically focusing on prevention, but also containing consequence-type elements (e.g. penalties).

Program implementation has been continuously progressing, and during the first half of 2011, in MOL Plc., Slovnaft a.s., TVK Plc. and in the so-called maintenance companies (Petrolszolg and SMAO) we were able to introduce the following key control elements:

- A pre-audit of sub-contractors with an HSE-focus
This is a pre-screening function. Each sub-contractor performing work at any of the MOL Group sites should comply with this HSE audit conducted in accordance with a pre-determined criteria system. This is also a pre-condition for contracting.
- Minimum requirements for the HSE plan
This method supports the assessment and management of HSE risks that can be foreseen and expected before or during the carrying out of work. The need for preparation of the HSE plan and its minimum content is identified.
- Unified permit to work (PTW) system
This tool can support the control of the specific work performance under the given circumstances. We introduced a standardised permit form for every HSE-critical operation.
- HSE audit during execution of work
This method is partly to call attention (give a warning) and partly a performance assessment (possibly followed by negative consequences, e.g. penalties): we audit and assess the sub-contractor's work performance and its HSE aspects based on a pre-defined criteria system.
- Supplier HSE forum
We organise such forums for our partners where we provide information about the HSE expectations of MOL Group, and we receive regular feedback related to the operation and application of our systems.

In the second half of 2011 we are going to continue the introduction of various elements, simultaneously involving new members of MOL Group.

Emergency preparedness and response

Even though the mainstay of our fire safety strategy is prevention, modern and effective fire-detection and built-in fire-fighting systems, renewal of fire water networks as well as the most modern fire fighting agents and equipment have contributed even further to the improvement of MOL Group's fire fighting efficiency.

In H1 2011, a total of 18 fires were reported within the MOL Group, including INA and its subsidiaries. The majority of the blazes were caused by some small leakages where the escaping hot hydrocarbons self-ignited; 7 such cases happened at filling stations, mainly caused by customers' cars.

The most serious fire happened at the Sisak Refinery in a pipeline trench situated between processing units and a tank farm. Immediately after the start of the fire all processes and the majority of off-site units were required to stop and the entire refinery was shut-down. The firefighting intervention was executed professionally although six firemen and one operator were slightly injured.

To maintain our capabilities, not only of prevention but of fighting any fires, emergency drills and exercises are conducted regularly on all significant sites, especially in refineries and on petrochemical sites.

Occupational Health

The protection of employees from occupational health hazards is assured by our internal Occupational Health Management system in MOL Group and a high quality operating staff. Similarly to 2010, no occupational illnesses were recorded in H1 2011. According to the psycho-social risk levels assessed in the COMPASS Workplace Risk Assessment we introduced tailor-made stress reduction training for dedicated groups of employees. MOL's production unit staff is regularly monitored through biological tests to minimize occupational exposures (to less than 50% of the legally required limit).

Our cytogenetics program – the leading monitoring program known in the oil industry - was also enlarged: a total of 110 employees were examined in H1.

Workplace Health Promotion

In the MOL Group Workplace Health Promotion Program ('STEP-take a step for your health') we also registered progress in H1 2011. Due to a decentralization process, each business unit completed a yearly STEP program based on the local initiatives of employees. In addition to medical screenings, the plans contain more and more movement-based activities, local sports competitions, outdoor sport events, etc. with the goal of achieving the targeted Regularity Rate of 15% by the end of 2011. Beside this, we are continually focusing on the prevention of musculo-skeletal disorders in our office employees who work in front of visual displays.

The key performance indicator for the programme, the STEP Regularity Rate, reached 11.2% in H1 2011 (n.b. Regularity rate: ratio of employees participating at least 3 times in STEP programs).

Community relationships

With the involvement of local communities we managed to continue many of our previously successful programs. We organised an open day and a visiting tour of the refineries of the MOL Group as well as at the industrial TVK site in Tiszaújváros, demonstrating the environmental impacts of our industrial activities and the related measures taken.

Furthermore, the regular stakeholder forums have taken place one by one with the participation of the executive management of MOL Group's European Workers' Council (EWC) representing our employees, environmental associations (Hungarian NGOs, environmental authorities, national parks, governmental agencies), and the prominent representatives of the higher educational institutes, civil groups, consulting agencies and the private sector. TVK organised similar events among their own stakeholders in Tiszaújváros.

MOL's new initiative 'We are all on the same way' addresses all users of transport. The first part of the programme concerns cyclers, for whom we designed bikePOINTS (operational from April 2011) in more than a hundred filling stations. At these points all the basic equipment needed for biking is made available, arrivals can freshen up with food and beverages suitable for participating in sporting activities and, where necessary, tools for repairing bikes are also accessible. At certain bikePOINT stations resting points and bike washes will be built.



Social Investment

As we operate in more than 40 countries and are one of the leading companies of the region it is important for MOL Group that its corporate giving is based on a structured, transparent and regulated donation policy, allowing us to avoid responding in an ad hoc way to requests. Our principles ensure that we support foundations in different SD related areas (environment, minorities, culture, sport, health & safety, etc). For example, in 2011 we took part in re-launching the BOZSIK – Childrens' Training Program – which provides a life-line to Hungarian football. In addition, during the first half of 2011, MOL Group Corporate Communications received nearly two thousand applications from individuals, associations, institutions and foundations of all kinds.

The most important pillars of our decision making process:

- cross-border initiatives;
- value creation and Sustainable Development;
- compatibility with the interests of society in general;
- stakeholder relations;
- environmental interests.

As an example, in Hungary, Slovakia and Romania, MOL developed and implemented:

- The New Europe Foundation, which supports wide-ranging charitable initiatives
- The Green Belt Programme, together with Ecopartnership Foundation

MOL, Slovnaft and MOL Romania

New Europe Foundation - Grant Programmes

In the first half of 2011 a total of HUF Mn 63.5 was allocated in the following format:

- HUF 30 million to Hungary for 141 talented young athletes
- EUR 67,500 (HUF 18.2 Mn) to Slovakia for 35 talented children
- RON 240,000 (HUF 15.3 Mn) to Romania for 178 young athletes and artists

New Europe Foundation - MOL Child Healing Programme

- In Hungary, the plans of the winning applications from 2010 (therapeutic projects and summer camps) were implemented in the first half of the year. We have announced invitations from applications for 2011 (to the amount of HUF 45 million).
- In Romania the programme will be announced in autumn to the value of RON 300,000 (HUF 19.4 Million).

Green Belt Programme

HUF 79.2 Mn has been allocated in the following format:

- HUF 19 Mn has been allocated to the Ökotárs Foundation in Hungary,
- EUR 68.000 (HUF 18.3 Mn) in Slovakia to the Ekopolis foundation
- RON 648.687 (HUF 41.9 Mn) in Romania to Partnership Foundation

Follow up with the supported projects revealed that their realized value is 3-4 times the amount of the monetary support they received.

INA

Humanitarian

The Croatian centre for mine clearance was supported in their project "Croatia without mines". It is known that after the Balkan Wars Croatia still suffers from the effects of undiscovered mines.

INA, as a socially responsible company, has taken the role of strongly supporting the Centre's initiative for dealing with this problem that affects the lives of people living in the vicinity of areas covered with mines.

SOS Children's Village Lekenik - from each purchase of INA Autoglas (windshield cleaning liquid), INA will donate 0,20 HRK to the SOS Children's Village Lekenik.

MOL Pakistan

Medical Camps

During the first half of 2011, MOL Pakistan organized and sponsored two local medical camps. Almost 800 hundred patients were supported with necessary drugs to the value of USD 1,163 (HUF 200,000).

Construction of Examination Hall

A new Examination Hall was built for the Government Boys High School in the Village of Teri. The total estimated cost of the project was USD 107,000 (HUF 20.6 million).

IES

Mantoverde

IES has promoted cleaning of the shores of the Mantova Lakes to celebrate Earth Day. IES invested EUR 8,000 (HUF 2.2 million) into this event.

Corporate giving by country in the first half of 2011:

Indicator	Unit	Hungary	Slovakia	Croatia	Romania	Pakistan	Italy	Total
Donations in cash	Mn HUF	125.4	37.1	35.0	81.8	0	2.2	281.5
In-kind giving (Products and services)	Mn HUF	7.0	1.4	2.2	0	20.8	0	31.4
Corporate volunteering	Hours	160	380	0	0	0	0	540

More information: http://www.mol.hu/en/about_mol/social_investments/

Attracting employees

Secondary school concept

During the past years several initiatives were launched in order to make natural sciences more popular among secondary school students and identify future talents at an early stage. In the first half of 2011 the previously implemented programs continued.

Secondary school teachers in Hungary and in Croatia were given grants for their outstanding efforts in promoting subjects in the natural sciences. In 2011, more than 300 nominations arrived from Hungarian university students (almost twice as many as last year) and ultimately 10 teachers - one from abroad - received the **MesterM Award** (My Master) in June 2011 from MOL Plc. and from their former students who are now studying at natural science faculties. In Croatia the same award, the **NajMentor/ica Award** (Best Mentor), was distributed by INA for the first time in order to draw public attention to the importance of mentoring in the education of young talent. More than 80 nominations arrived for the appreciation of more than 50 teachers. Three Croatian secondary school professors received the Awards in the field of physics, mathematics and chemistry. In addition, the most inspiring student nomination was also presented with an award.

Junior Freshhh, a natural science competition for Hungarian secondary school students, was launched with great success at the end of 2010. A total of 900 three-member teams took part in the competition and the best 6 teams were invited to the Live Final at Duna Refinery, Százhalombatta, Hungary. MOL offered a Leonar3Do 3D virtual reality device to the school from which the most teams participated. MOL aims to promote the introduction of the 3D device – an invention of a Hungarian young talent – into secondary and higher education, as it supports the internalization of natural science studies.

The first **Dialogue Conference** was organised in February 2011 with the participation of more than 170 people – among them teachers, state institutes and companies all concerned with natural science education. Participants started a dialogue about the possible role of companies in promoting natural science as well as engineering career paths. The suggestions raised at the conference might be implemented through the forming of partnerships between MOL and educational institutes. Such a partnership would hopefully influence professional forums and decision-makers and will start a country level dialogue.

Furthermore, MOL Plc. sponsors several secondary school competitions in mathematics, physics and chemistry. In the spring of 2011 MOL handed out many valuable prizes at award ceremonies to the most successful students. Most of them won a visit to the Duna Refinery. By June 2011 almost 350 students from secondary schools and universities had visited the Refinery.

Freshhh - MOL Group's international contest

The 5th jubilee Freshhh international online competition was organized in spring 2011 with the participation of 1800 registered students in 596 full (3-member) teams. Participants came from 62 countries from all over the world, representing more than 200 universities. The competition, starting with an online round, was technically-oriented (with a pinch of strategy) and focused on oil and gas industry. In the second 'creative' round teams had to write an essay about current issues (e.g. the long term impact of the Fukushima disaster on the energy sector, or MOL's role / opportunities in this new environment). The Live final for the TOP 10 teams was held in Budapest where the competitors had to complete challenging professional tasks and had the opportunity to present their ideas to the top management of MOL. In the past five years the number of registered participants has doubled; now 5 times as many countries are represented in the competition as in the first year.

	2007	2008	2009	2010	2011
Number of teams	271	273	342	580	596
Number of countries	12	29	35	25	62
Number of universities	35	60	95	117	over 200

The success of this competition as a recruitment program is proved by the high number of former Freshhh Live Final participants who have joined MOL Group since 2007.

Freshhh for Professionals

In parallel with the jubilee Freshhh an internal competition was organized for MOL Group employees. In the so-called Freshhh for Professionals game 73 (3-member) teams participated from 10 MOL Group countries. The company game consisted of an online round of the Freshhh competition and the top 5 teams were rewarded with an off-shore site visit in Croatia.

Growww – MOL Group’s fresh graduate program

The Growww program, our one-year-long fresh graduate program, is ongoing also in 2011. The expected number of new hires is around 300 (similarly to previous years). We have already received more than 7,000 applications from the 7 participating countries (Croatia, Hungary, Iraq, Italy, Romania, Russia, and Slovakia). Originally the program was designed to attract and recruit fresh graduates with a maximum of two years of professional experience in the field of engineering, but there are also other vacancies available for various disciplines. The retention rate for the past four years is over 90%.

Retaining employees

Performance management

In previous years we created a complex Performance Management System (PMS), which ensures a unified, harmonized way of obtaining regular performance feedback which is used to define bonus payouts and salary increases, and also provide input for career and development plans. From 2010 the extension and fine-tuning phase has been taking place: until the end of 2010 we increased the coverage of our Employee Performance Management System (EPMS) to 10,700 employees, and in the first half of 2011 another 460 employees were involved.

The extension of the managerial Performance Management System (PMS) is also in progress, especially in INA where 820 managers are already involved. Some changes were also implemented in the system to increase its reliability.

Employee engagement

The latest round of the bi-annual Employee Engagement Survey ended in the summer of 2010. Approximately 9,200 employees responded to the questionnaires, sharing their opinions about our workplace. This response ratio of 64% showed a remarkable increase in comparison to previous results.

We were glad to see that at INA (and its three subsidiaries) - which were taking part in the survey for the first time – more than 6,000 employees gave feedback about their working conditions, allowing us to attain a response rate of 46%. The next survey will be conducted in 2012.

The survey showed that general engagement with the MOL Group was increasing despite the economic recession. MOL Group was seen as a stable workplace where there is trust towards top management and cost awareness is strengthening. After the survey, senior management of all business and functional units dedicated meetings to analyzing divisional and unit results and to localizing and discussing organizational problems. Overall in MOL Group more than 600 individual follow-up activities were defined by top-middle and direct management (this number has increased by 20% since the last survey).

Employee engagement survey	2006*	2008*	2010*	2010 INA Group	2010 Total MOL Group
Coverage (%)	90	90	90	81	85
Response rate (%)	34	50	64	46	50
Engagement level (%)	65	67	70	69	69,5

* MOL Group without INA

Commitment to fair employment

The Equal Opportunity Board established in 2010 held its first yearly evaluation meeting at the beginning of 2011. The members of the Board agreed that most of the actions defined in the Equal Opportunity Plan (EOP) of MOL Plc. have been realized during the past year. In 2011, we aim to extend EOP to major Hungarian subsidiaries. The necessary guidelines for implementing EOP at subsidiaries have already been compiled.

In 2011 a Rehabilitation Board was also established at MOL Plc. Employees with reduced capacity to work can contact the Board in those cases when their rehabilitation process cannot be guaranteed at their actual workplace. In these cases the Board investigates possible rehabilitation options.

The new Collective Agreement ensures that employees with reduced capacity to work are entitled to a health insurance fund allowance, the amount of which equals the national minimum wage, with consideration given to applicable regulations.

Economic Sustainability

Ethics

In the first half of 2011 we focused on the introduction and communication of the modified Code of Ethics within the framework of Ethics management.

The number of notifications and ethical investigations (without INA data) has increased, compared to 2010. The leading topic is still ethical issues related to employees, especially discrimination. The table below shows categories of ethical notifications and investigations and the result of those ethical investigations according to stakeholders.

Stakeholders	Type of Notification	Type of Investigation	Ethical misconduct
Customers, external buyers	-	-	-
Stockholders	Fuel theft	Security investigation	No
	Preparation of derogatory document	Ethical investigation	Yes
Employees	Discrimination (7)	Ethical investigation (4)	No
	Intimidating behaviour	Ethical investigation (3)	No
Health, security and environment	Alcohol problems	Security investigation	No
	Safety	-	-
Governmental relations, political activity	-	-	-
Local communities and society	-	-	-
Suppliers, business partners	Corruption	Security investigation	Yes
	Conflict of interest	Security investigation	No
Competitors	-	-	-
Sum	13*	9*	2

* Several notifications have concerned more stakeholders.

Transparency

In addition to the MOL Group integrated annual report, all major companies of the group have also disclosed their sustainability performance in annual or sustainability reports or on the company website (Slovnaft, TVK, INA, MOL Pakistan). Moreover, INA's and TVK's report fulfils the requirements of the GRI (Global Reporting Initiative) reporting guideline at the highest (A) level.

MOL Group also responded to questions from the Carbon Disclosure Project which aims to make transparent to investors efforts to manage the risks and opportunities related to climate change.

In order to receive systematic feedback from our stakeholders, we continued our stakeholder dialogue program in 2011, namely:

- the executive management of European Workers' Council (EWC) - together with MOL experts – analysed workforce-related information published in the MOL Group Annual Report and web page;
- a roundtable discussion on the topic of the environment with its relevant stakeholders (e.g. environmental authorities, national parks and green NGOs) was organised;
- Sustainability professionals representing external stakeholders (such as universities, NGOs, businesses and consultancies) had the chance to analyze and provide feedback on MOL Group's sustainability performance and reporting practices.

Compliance

A Compliance Team was established at the end of 2010 which is responsible for the execution of the group-level Compliance Programme. The main tasks of the team are to reveal compliance risks mainly from competition law point of view that have happened in the past, and to improve compliance awareness across the MOL Group. Until the first half of 2011 'competition law and compliance' training events were organised for 900 employees at an advanced level and for 4800 employees at a basic level. The team has also issued the main part of compliance regulations to the MOL Group and analysed several markets in relevant fields.

Direct economic value generated and distributed

Data in this chapter is calculated according to GRI definitions about economic sustainability reporting (see in details on the [MOL website](#)).

MOL Group **revenues** increased by 31% in H1 2011 compared to revenues in H1 2010, primarily reflecting higher commodity prices, resulting in higher average sales prices.

Operating costs increased by 30% compared to the same period of the previous year mainly as a result of increasing raw material costs due to an increase in the crude oil purchase price (of 44%). This improvement was partly offset by cost cutting other operating costs.

Company cash added value increased by 33% compared to the same period of the previous year because increases in revenues were higher than cost increases.

Employee wages and benefits decreased by 1% in spite of a salary increase due to the lower average headcount (MOL Group average headcount was 31,899 people in H1 2011 vs. 33,567 in H1 2010) and a change in managerial incentives.

Capital investors decreased by 70% mainly due to an improvement in net financial gain, of which the main item is a foreign exchange gain of HUF 44.7 Bn on credit in H1 2011 compared to a loss of HUF 93.1 Bn in H1 2010 (the major part of the recognised foreign exchange gain is unrealised - the value of gain/loss on re-evaluated credit takes place at the end of the reporting period).

Payment to governments increased by 7% mainly due to the crisis tax on the domestic energy sector.

Economic value retained tripled compared to the previous year as a result of the doubling in profit from operations and a significant increase in foreign exchange gains (as opposed to former losses). Profit from operations was increased in the Upstream segment due to a higher crude oil price and increased production volumes from Croatian off-shore and Syria driven by a recently completed major investment program. At Downstream profits increased due to higher sales volumes, more efficient operations and FX gains on debtors and creditors (details of the changes in Income Statement are contained in the 2011 half year Stock Exchange Flash Report of MOL Group).

Direct economic value generated and distributed (GRI EC1 indicator)

	H1 2010	H1 2011
	HUF bn	HUF bn
Revenues (net sales + revenues from financial investments and sales of assets)	1,966.4	2,574.5
Operating costs (payments to suppliers + other operating expenses)	1,495.3	1,948.9
Company cash (Cash added value = revenues - operating costs)	471.2	625.5
Employee wages and benefits (personnel expenditure)	128.6	126.9
Capital investors (paid dividend/interest)	113.0	32.5
Payments to governments (gross taxes)	128.7	138.2
Economic value retained (profit available for the future growth)	100.9	328.0

Notes: data above is non-audited.

Performance Data

“n.a.” indicates where no data is available.

Indicator	Unit	2008	2009	2010	2010 H1	2011 H1	GRI Code
Economic data*							
Revenues	bn HUF	3,669.5	3,383.1	4,350.4	1,966.4	2,574.5	EC1
Financial assistance received from government	bn HUF	0.4	0.5	2.0	0.5	0.4	EC4
Operating cost	bn HUF	2,881.7	2,592.8	3,300.8	1,495.3	1,948.9	EC1
Employee wages and benefits	bn HUF	139.7	200.9	272.0	128.6	126.9	EC1
Payments to capital investors	bn HUF	164.2	31.8	80.7	113.0	32.5	EC1
Payments to governments	bn HUF	249.3	197.7	278.4	128.7	138.2	EC1
Economic value retained	bn HUF	234.5	359.8	418.6	100.9	328.0	EC1
Energy Consumption Data**							
Total primary energy consumption	GJ	n.a.	74,867,779	103,837,442	33,764,918	46,012,593	EN3
Total indirect energy consumption	GJ	n.a.	16,680,887	19,226,722	10,177,804	9,052,775	EN4
Total energy consumption	GJ	n.a.	91,548,666	123,064,164	43,942,722	55,065,368	

* The INA Group has been consolidated since 1 July 2009.

** INA d.d. has been consolidated since 1, Jan 2010 to energy data, except 2010 H1 which consists of MOL Group excluding INA

Indicator	Unit	2008	2009	2010	2010 H1	2011 H1	GRI Code
Air***							
CO ₂ under ETS	mn tonnes	6.4	5.13	4.87	2.25	2.39	EN16
CO ₂ INA	mn tonnes	2.27	2.33	2.13	0.97	1.25	EN16
Water***							
Total water withdrawal	th m ³	86,045.8	68,417.5	94,162.1	59,118.4	50,439.5	EN8
Waste***							
Hazardous waste	tonnes	98,791	66,782	92,918	30,088	38,881	EN22
Non-hazardous waste	tonnes	57,619	66,872.5	77,604	23,973	23,097	EN22
Spills and discharges							
Number of spills***	pieces	12	17	26	10	18	EN23
Volume of spills****	m ³	912.2	244.7	186	25.6	282.8	EN23
HSE related expenditures*****							
Provisions released	mn HUF	3,390.94	2,011.90	2,477.71	548.70	1,136.29	
HSE related penalties	mn HUF	92.23	14.68	11.06	4.20	8.67	EN28
Number of environmental non-monetary sanctions	pieces	1	0	0	0	0	EN28

*** 2009: Including INA d.d. ; 2010 H1: including INA d.d.; 2011: including INA Group;

**** 2009: Including INA d.d. ; 2010 H1: without INA d.d.; 2011: including INA d.d.;

***** Without INA;

Indicator	Unit	2008	2009	2010	2010 H1	2011 H1	GRI Code
Safety							
Lost Time Injury (LTI)	pieces	24	28	104	33	63	LA7
Lost Time Injury Frequency (LTIF)		0.99	1.13	2.25	2.31	2.26	LA7
TROIF (Total Reportable Occupational Illnesses Frequency)		0.0	0.0	0.0	0.0	0.0	LA7
Number of fatalities for employees	pieces	0	1	1	1	0	LA7
Number of fatalities for contractors	pieces	2	1	2	2	5	LA7
Number of fatalities for 3rd parties	pieces	2	0	1	0	3	LA7
LTI for contractors	pieces	n.a.	n.a.	42	20.42	28	
Number of fires*	pieces	14	12	29	7	18	
Fire damage	mn HUF	49.4	55.8	975.4	537.4	71.5	
Number of road accidents	pieces	n.a.	129	108	45	74	
Road accident rate (RAR)		n.a.	1.60	1.22	1.09	1.34	LA7
Employees							
Total workforce	pple	17,338	34,241	32,601	34,673	32,004	LA1
Number of part-time employees	pple	125	151	191	185	232	LA1
Number of full-time employees	pple	17,213	34,090	32,410	34,488	31,772	LA1
Leavers	pple	1,136	1,304	3,243	105	229	LA2
Employee turnover rate	%	6.6	3.8	9.9	0.3	0.72	LA2
Other Social							
Ethical notifications**	pcs	13	8	11	6	24	
Ethical investigations**	pcs	7	6	7	3	12	
Ethical misconducts**	pcs	1	4	4	0	2	
Donations	mn HUF	752.0	1,158.2	1,861.1	282.1	281.3	EC8
In-kind giving (products and services)	mn HUF	n.a.	23.1	47.1	14.3	31.4	EC8
Corporate volunteering	hours	n.a.	3,508.0	2,303.5	1,493.0	540.0	EC8

*Including INA d.d. 2009 full year data

**Employee data includes total MOL Group (incl. INA d.d. and its subsidiaries)

*** Without INA

Exchange rate based on H1 2011 average, source: [MNB](#)

1 HRK = 36.42 HUF

1 EUR = 269.40 HUF

1 USD = 192.20 HUF

1 RON = 64.46 HUF

Abbreviations

BU = Business Unit

COD = Chemical Oxygen Demand

CoE = Code of Ethics

CWT = Carbon Weighted Tonnes

ECHA = European Chemicals Agency

EIA = Environmental Investigation Agency

ENVID = Environmental Impact Identification

EPMS = Employee Performance Management System

EWC = European Works Council

ETS = Emission Trading Scheme

EOP = Equal Opportunity Plan

FTE = Full-time Equivalent

GHG = Greenhouse Gas

IPPC = Integrated Pollution Prevention and Control

HAZID = Hazard Identification

GRI = Global Reporting Initiative

HC = Hydrocarbons

HSE = Health, Safety and Environment

LCP = Large Combustion Plants

LTI = Lost Time Injury

LTIF = Lost Time Injury Frequency

NGO = Non-Governmental Organisation

PMS = Performance Management System

PSM = Process Safety Management

R&D = Research and Development

RAR = Road Accident Rate

SD = Sustainable Development

SN = Slovnaft

SPC = Slovnaft Petrochemicals

TROIF = Reportable Occupational Illness Frequency

VOC = Volatile Organic Compound

YE = Year end