

Public Information Summary

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| Host Country | Poland |
| Name of Guaranteed Party | DFC will provide a guarantee to Goldman Sachs Bank Europe SE (“Goldman Sachs”) for payment obligations of PKN Orlen with respect to derivatives executed between PKN Orlen and Goldman Sachs. |
| Project Description | DFC guaranty covering potential derivative obligations owed by PKN Orlen to Goldman Sachs in the context of PKN ORLEN's hedging activity in relation with its US-EU LNG exposure. |
| Proposed DFC Loan/Guaranty | \$500,000,000; up to 7-year tenor |
| All-Source Funding Total | \$1,500,000,000 |
| Policy Review | |
| Developmental Objectives | <p>The Project is expected to have a positive but limited development impact in Poland by helping to address the country’s growing demand for natural gas after Russia, which accounted for approximately 55% of the Poland’s gas imports and 42% of total gas supply, halted gas exports to the country.</p> <p>Specifically, DFC considers the Project will enable PKN Orlen to limit its commodity price risk exposure, reduce its liquidity constraints and facilitate higher volume of US LNG imports in a highly volatile gas market, by increasing the amount of LNG related hedges available to PKN Orlen through Goldman Sachs.</p> <p>Furthermore, the Project will facilitate the continued supply of gas to Poland, which is an important component to the country’s energy policy of reducing the carbon intensity of its energy supply through, in part, moving away from coal-fired power towards the increased use of natural gas and renewables.</p> |
| Environment and Social Assessment | <p>DFC has reviewed the Project against its categorical prohibitions and has determined it to be categorically eligible. Guarantees to support hedges are screened as Category C projects under DFC’s environmental and social guidelines and DFC considers the Project’s environmental and impact concerns to be minimal. Because the Project involves providing a financial service, DFC assess that the Project’s activities are not expected to be vulnerable to physical climate change and therefore a climate change resilience assessment is not needed.</p> <p>The Project is subject to DFC’s Environmental and Social Policy and Procedures (January 2020). DFC’s environmental and social due</p> |

diligence indicates that the Project will have impacts which must be managed in a manner consistent with the following of the International Finance Corporation's ("IFC") 2012 Performance Standards ("PS"):

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts; and
- PS 2: Labor and Working Conditions

DFC's desk-review due diligence assessment indicates that the Project involves providing a guaranty that supports increased hedging activity. Therefore, the Project is not anticipated to involve adverse impacts with respect to pollution, community health and safety, land acquisition, biodiversity, Indigenous Peoples, or cultural heritage, and PS's 3 through 8 are not triggered by the Project at this time.

PKN ORLEN has an Integrate Management System ("IMS") in place which includes the following components: Quality Management System based on ISO 9001 and AQAP 2110; Environmental Management System based on ISO 14001; Occupational Health and Safety Management System based on ISO 45001; Energy Management System based on the ISO 50001; Information Security Management System based on ISO/IEC 27001; International Sustainability & Carbon Certification System (ISCC EU); Sustainability Certification System for Biomass and biofuels (KZR INiG); Factory Production Control System (ZKP); HACCP Food Safety Management system complaint with Codex Alimentarius standard; Quality Management System based on ISO/IEC 17025 standard; and Risk Based Inspection Management System (RBI).

PKN ORLEN states that collective bargaining agreements regulate the employer-employee relationship, with a focus on hiring, promotion, and remuneration systems (including pay scale, base pay, and bonus system). Additionally, PKN ORLEN asserts that its Human Resources Management Policy addresses corporate culture, segment-based management, employee development, employee benefits, and performance management. Finally, the PKN ORLEN Supplier Code of Conduct encourages suppliers to develop and perfect responsible business practices.