

## Brand

### STATEMENT

A strong brand is a valuable corporate asset, playing an important part as a source of competitive advantage and value growth. Higher shareholder value is delivered by companies with strong brands, which are associated with good offering for customers, fair treatment of employees and positive CSR performance.

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Appropriate management of customer relationships, good relations with stakeholders and community outreach initiatives may yield measurable benefits to a company by strengthening its reputation and image.

Fostering the image and strength of the LOTOS brand is one of the priorities for Grupa LOTOS. Our ambition is to create a brand that is dynamic and competent, friendly and trustworthy, and associated not only with offering top quality goods and services, but also with striving to meet the expectations of its stakeholders so they can pursue their own goals and dreams. The LOTOS brand has been consistently supporting promotion of product brands by establishing lasting relations with customers and linking the respective brand messages with areas of our core expertise as an oil company.

We support every area of the LOTOS Group's activities, be they of strategic importance, such as the '2013–2015 Effective and Rising' Programme, or non-strategic outreach and sports projects. Seeking to associate the LOTOS brand with positive emotions, we sponsor the National Ski Jumping Development Programme for the youngest ski-jumping hopefuls, entitled 'In Search of the Champion's Successors'. We are proud to say that last year its beneficiaries proved their worth by competing successfully during the winter Olympics. Another ambitious and exciting initiative spearheaded by the LOTOS brand is the newly launched cooperation with the Polish Football Association and the support for the Polish national football team, whose attitude and successful performance unite all Poles.

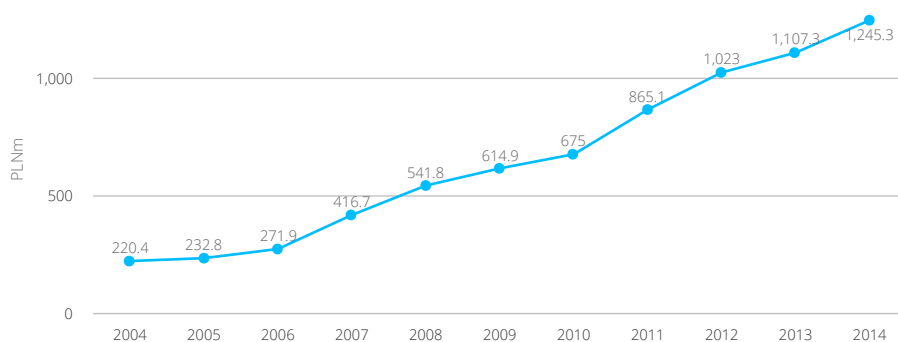
The 2014 image campaign 'LOTOSTORY – The world of the LOTOS brand' shows the brand's close relationship with people and their needs. Our story combined the spectacular scale of the Company's operations with sincere human feelings, because we want our customers to see that the LOTOS brand is more than the refinery, service stations and drilling rigs – it is also an innovative, helpful and friendly business supporting people in their everyday travels.

All of these image-building initiatives are reflected in the brand's value. In the 11th edition of Poland's Most Valuable Brands ranking, published by the Rzeczpospolita daily, the LOTOS brand was valued at PLN 1.245bn. Since 2014, its value has increased by over one billion zloty, driven by our consistent efforts to maximise the brand's strength, and our innovative approach to image building. LOTOS entrenched its position among Poland's top ten most valuable brands.

In monitoring the brand's standing and the progress of our CSR strategy, we also measure the social capital index which indicates whether the LOTOS Group is considered an environmentally-minded business, supporting culture and engaging in community outreach projects.

Our policy of enhancing brand value and image was fully acknowledged in 2014, when Grupa LOTOS received two Superbrand titles for the strongest and most recognisable brands in Poland – the Business Superbrand award for the best business brand, and the '2013/2014 Created in Poland' award, given to Polish brands that have developed an outstanding public image enabling them to compete against foreign brands.

Value of the LOTOS brand (PLNm)



Source: Rzeczpospolita daily, November 2014.

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### Social impact

2014 was outstanding in terms of the number of CSR programmes and campaigns as well as activities undertaken by the LOTOS Group under the cross-sectoral cooperation model. It was also a period of initiatives aimed to establish a responsible supply chain.

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### Marketing operations

The expansion of the LOTOS service station chain and increased efficiency of sales strengthened our presence on the retail market, pushing our share up to 9% at the end of 2014 (against 8.5% in 2013).

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