

Social impact

In 2014, we carried out a wide-scale survey to engage our stakeholders in the evaluation of activities undertaken by the LOTOS Group under its Corporate Social Responsibility Strategy in terms of their intended outcomes. The survey covered local inhabitants and entrepreneurs in our key operating regions, i.e. the towns of Jasło and Czechowice-Dziedzice in the south of Poland, and the Gdańsk Province in the north.

Territorial scope of the survey



Key stakeholders of the LOTOS Group

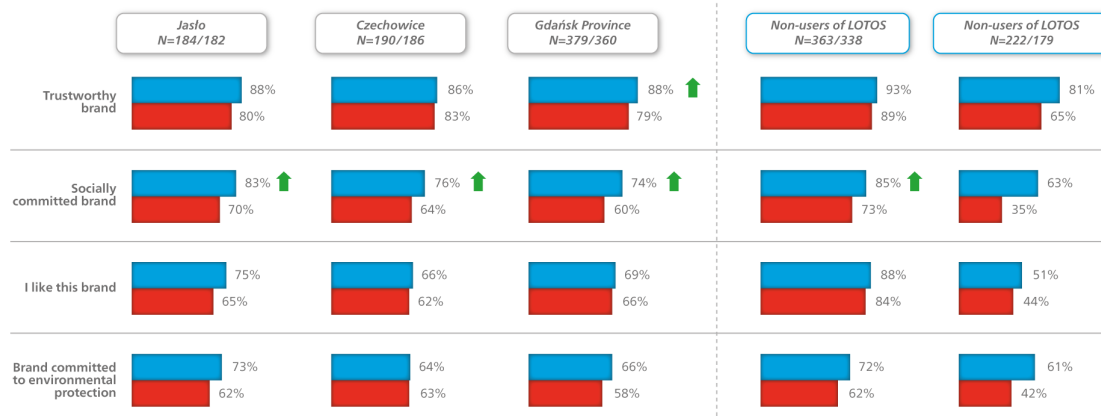
Internal stakeholders	Social environment	Market environment
Employees	Local communities	Contractors and subcontractors
LOTOS Group companies	NGOs	Suppliers
Trade unions	Local government institutions	Customers
Employee Council	Government administration	Trade partners
	Science and research institutes, and educational centres	Competitors
	Employer organizations	Industry organizations and international institutions
	Media	Regulatory and monitoring organizations
	Natural environment	Participants of the capital market

(more <<http://2012.raportroczny.lotos.pl/en/the-organization-and-its-report/stakeholders/stakeholders-involvement>>)

Opinion ratings of the LOTOS brand directly related to its mission of social responsibility were higher than in 2013. Questions about the perception of Grupa LOTOS's social and environmental commitment were answered affirmatively by 83% of the respondents in Jasło, 76% – in Czechowice-Dziedzice and 74% – in the Gdańsk Province. In each stakeholder group, we noted a more than 10% growth in affirmative responses compared with the previous year.

OPINIONS OF THE LOTOS BRAND

2015
2013



Q6. Please listen to the following opinions about the LOTOS brand. Indicate whether you agree or disagree with each of them. Basis: respondents familiar with the brand N=753/728

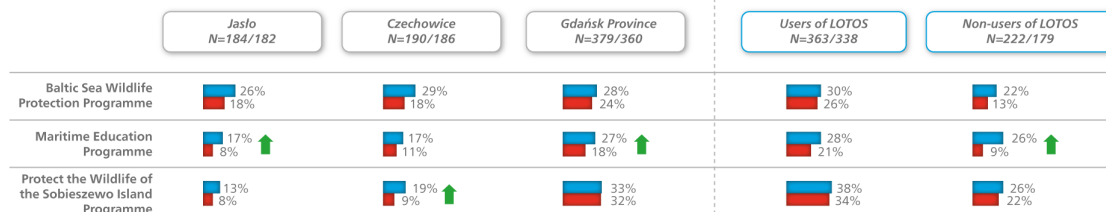
Data sorted by 2015 results for Jasło

CSR and environmental protection programmes

The awareness of our environmental protection programmes has grown compared with previous years. This means that the organization's activities have been recognised and appreciated by local communities, who are their direct beneficiaries.

LOTOS-RUN INITIATIVES – SOCIAL AND ENVIRONMENTAL PROTECTION PROGRAMMES

2015
2013



Q9. Please listen to the following examples of environmental and social programmes and campaigns. Indicate whether you have heard that LOTOS is engaged in any of them. Basis: respondents familiar with the brand N=753/728

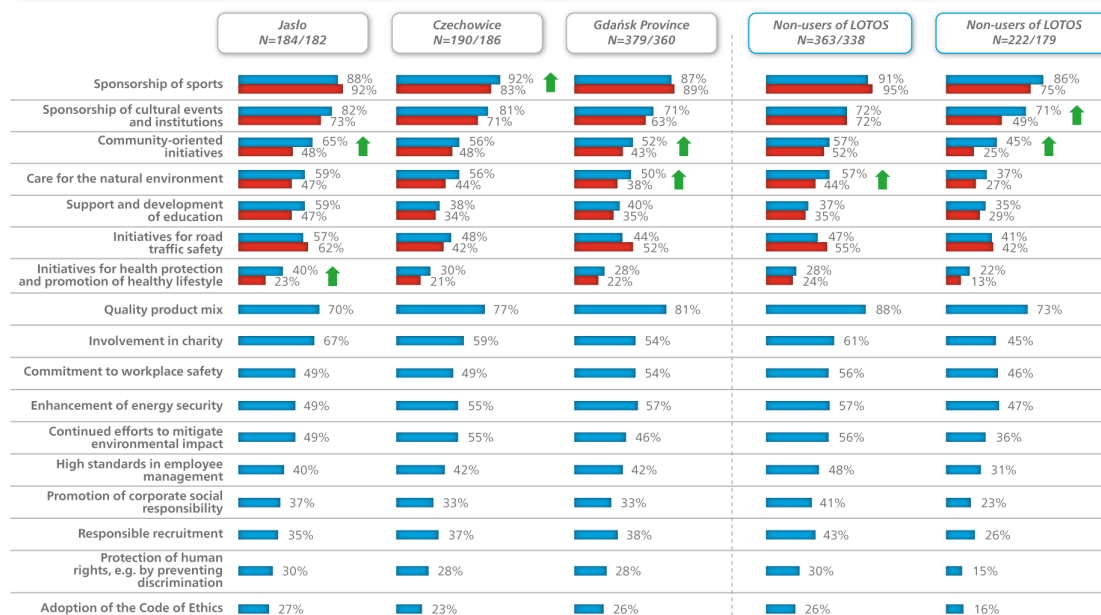
Data sorted by 2015 results for Jasło

Awareness of Grupa LOTOS's activities

The awareness of CSR activities undertaken by Grupa LOTOS was discussed with our stakeholders. Compared with 2013, a considerable growth in awareness of our key CSR programmes carried out for the benefit of local communities is seen in the Gdańsk Province and the towns of Jasło and Czechowice-Dziedzice (up by 10%, on average, in each group covered by the survey). An increase in the area of education has also been noted.

INITIATIVES RUN BY LOTOS

2015
2013



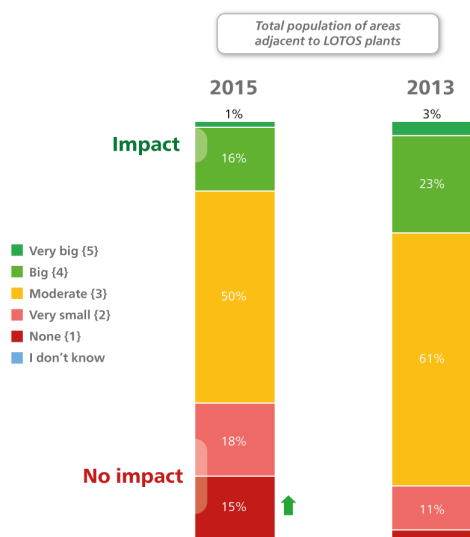
Q7. Please listen to the following examples of initiatives. Indicate whether you have heard that LOTOS runs any of them. Basis: respondents familiar with the brand N=753/728

Data sorted by 2015 results for Jasło

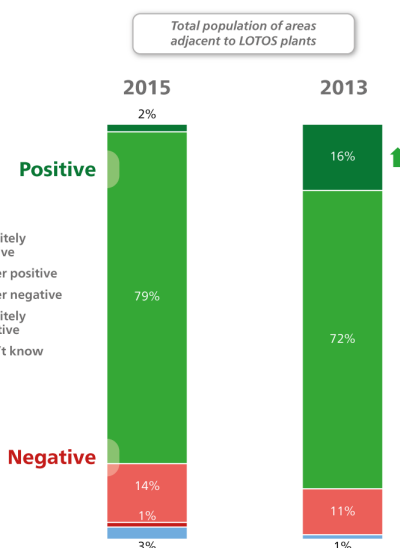
Impact of production plants' proximity on the quality of life

In 2014, local communities in the vicinity of the LOTOS Group's production facilities reported a perceived increase in their negative impacts. These survey results challenge us to intensify our efforts in working for the benefit of local communities and educating them on how we actually mitigate the impact of our operations on the quality of their lives.

IMPACT OF LOTOS PLANTS' PROXIMITY ON THE QUALITY OF LIFE



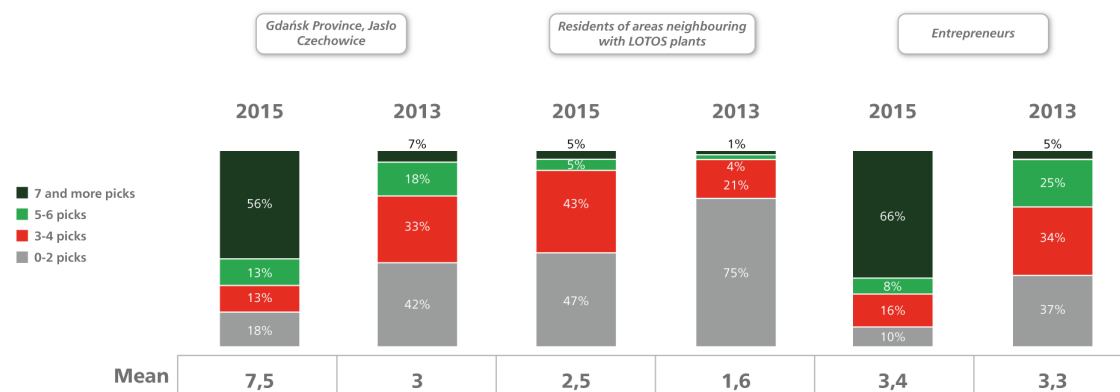
Q19. Please state what effect LOTOS Group's facilities have on the quality of your life. Basis: General N=204/203



Q20. Is that impact...? Basis: Persons declaring an impact related to LOTOS Group's facilities, N=164/181

Among all respondents, those living in direct vicinity of the plants declare the lowest awareness of the LOTOS Group's CSR activities – a result which has remained unchanged since 2011. These stakeholders tend to perceive LOTOS in terms of the nuisance of living near to a large industrial plant. However, the inhabitants of individual regions in general showed increased awareness of our activities for the benefit of local communities and the natural environment.

INDICATOR:
AWARENESS OF **CSR ACTIVITIES** OF THE LOTOS GROUP



Although the operation of the LOTOS Group's facilities does not have a considerable negative impact on the environment or local communities, we continually seek to minimise our overall influence and ensure prompt response to any possible incidents. All companies of the LOTOS Group hold the required environmental permits and meet their conditions by a wide margin. We have a dedicated, trained chemical response team, which is on stand-by in case of any incidents involving chemical substances. We are also in contact with relevant authorities, representatives of public utility facilities and of local communities, providing them with information on any incidents, both planned and unexpected, which may affect our environment. We respond to every nuisance reported (e.g. odour or noise) which may be caused by our plants. In response, we carry out an inspection of the relevant area, looking for sources and causes of the nuisance, and keep the reporting person posted on the progress of this work. If a complaint is found to be justified, we take action to eliminate the source of the nuisance or at least to minimise its impact.

In 2014, we completed an environmental impact assessment for the heavy residue processing unit, scheduled to be launched at the refinery in 2018. One of the requirements of the environmental impact assessment procedure was to give the public an opportunity to participate. In order to obtain the opinions and agreements required to be included in the environmental impact report from all groups of stakeholders, we carried out a series of public consultations with local communities, public officials and businesses in the neighbourhood.

In January 2015, we also consulted our key partners, who cooperate with us in our CSR programmes and initiatives, on the level of satisfaction with our dialogue, frequency of meetings and contacts, and quality of communication. The majority (93%) of the over thirty stakeholders, including representatives of NGOs, self-governments, universities and cultural institutions, rated the communication and flow of information as very good. Close to 100% of the respondents answered affirmatively to the question about fulfilment of Grupa LOTOS' commitments and obligations related to our cooperation in 2014.

Customer satisfaction

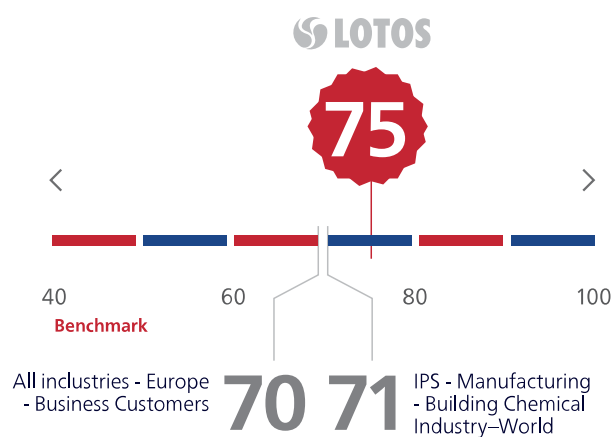
In line with our Corporate Social Responsibility Strategy, our primary objective is to build lasting customer relationships through a focus on understanding customer needs and delivering the expected product quality and safety, measured as the level of customer satisfaction with the LOTOS Group's marketing segment companies. Progress in this area is monitored by means of regular surveys on factors taken into consideration in the selection of supplier, supplier accessibility and competences, quality and availability of products, time of response to requests for proposal, price levels compared with other suppliers and the brand image.

Satisfaction surveys among the LOTOS Group's customers

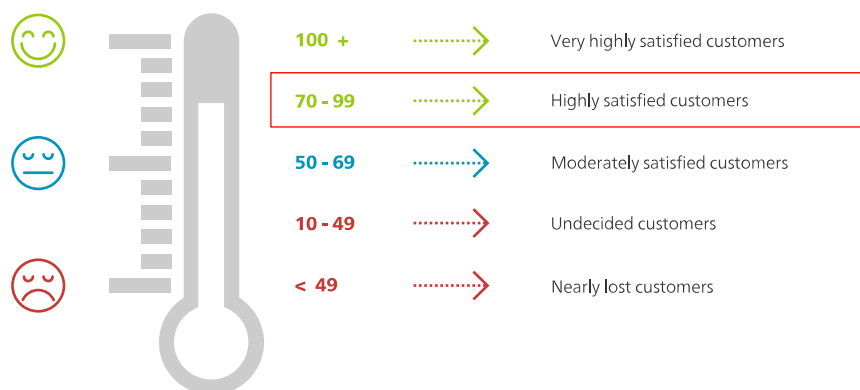
Company	Survey frequency (number / year)	Customer segments
Grupa LOTOS	1	B2B
LOTOS Asfalt	1	B2B – bitumen and heavy fuel oil
LOTOS Kolej	2	LOTOS Group, forwarding companies, direct customers
LOTOS Oil	1	B2B
LOTOS Paliwa	1	B2B

At most of the marketing segment's companies, satisfaction surveys are conducted using the CAWI (Computer-Assisted Web Interview) technique. The result analysis is based on the TRI*M methodology developed by TNS Polska, the TRI*M Index being a single number score which measures customer satisfaction and loyalty levels. The TRI*M Index questions relate to overall satisfaction, probability of recommendation, repurchase intent and competitive advantage. The TRI*M Index is a measure of customer retention levels – the higher it is, the more customers are attached to the brand and the less likely to transfer their business to competition.

The 2014 overall customer satisfaction rating, as captured by the TRI*M Index, reached 75 points, which testifies to the high level of customer satisfaction. Moreover, the score improved slightly on last year's result.



* The aggregated score for the LOTOS Group has been calculated based on the ratings of separate LOTOS Group companies, as adjusted for the number of their customers.



The 2014 customer relations and loyalty rating indicates a high level of customer satisfaction among the customers of **Grupa LOTOS**. As compared to previous years, their readiness to recommend the Company's services has increased and now 84% would definitely recommend cooperation with Grupa LOTOS to other businesses. Moreover, a higher percentage of customers declare that they would definitely choose the Company again as their supplier. Grupa LOTOS customers tend to be very loyal and strongly attached to the LOTOS brand. That means that the percentage of customers who are mostly price-oriented in their purchasing decisions has shrunk.

In 2014, the satisfaction survey among **LOTOS Asphalt** customers was extended to include a sample of foreign customers. Also, the percentage of customers who took part in the survey increased almost fourfold. At present, the satisfaction and loyalty rating (as captured by the TRI*M Index) testifies to a high level of customer satisfaction with their cooperation with LOTOS Asphalt. The company's customers are satisfied and loyal, with almost half of them being classified as apostles, i.e. customers with strong emotional attachment to the brand. The high level of satisfaction finds is confirmed by the fact that most customers would recommend cooperation with LOTOS Asphalt to their business partners and choose the company again as their supplier. According to the respondents, the biggest strength of LOTOS Asphalt is timeliness of deliveries. Moreover, they believe that the company is reliable and trustworthy (score: 8.8 out of 10), has a comprehensive offer (8.5/10) and treats its customers fairly (8.4/10). Also, the customers perceive the company as concerned about environmental protection and eco-friendly.

LOTOS Oil conducts customer satisfaction surveys covering two primary areas of the company's operations: the indirect and the indirect sales channel. This year's satisfaction rating, as captured by the TRI*M Index, indicates a high level of satisfaction and loyalty among LOTOS Oil customers. The score is high both for the direct and indirect sales channel, with all TRI*M Index dimensions (general and for individual sales channels) improving year-on-year. The higher loyalty of LOTOS Oil customers is proven by the increase in customers declaring that they would definitely recommend the cooperation with the company to others (53%, up 13pp on previous year) as well as those who would choose LOTOS Oil again as their supplier. LOTOS Oil provides high quality products. Customers are also very satisfied with their availability. The image of the company in all dimensions is assessed positively.

The satisfaction survey among **LOTOS Paliwa** institutional customers has revealed a significant improvement of its customer service. A substantial increase in scores for almost all dimensions of service has been observed and the overall rating is higher than achieved by competitors. The customers tend to be very satisfied with their cooperation with the company; they are also strongly attached to the brand (brand apostles) and likely to recommend the cooperation with LOTOS Paliwa to other businesses. Moreover, customers are satisfied with consistency between their orders and deliveries, product availability and clarity of invoices.

The survey conducted at LOTOS Paliwa in 2014 among individual customers, including about their knowledge of fuel brands and use of the service stations and of advanced fuel brands, was prepared based on the OMNIBUS method. The results of the survey show that the LOTOS brand awareness remained virtually unchanged on 2013's ratings, at +/-5% compared to other oil companies with a similar number of service

stations. The awareness of the LOTOS Optima brand is still on a growing trend, and the use of the economy segment stations remains stable. The level of knowledge and use of the LOTOS Dynamic advanced fuel has also remained unchanged year-on-year.

For **LOTOS Kolej**, top quality of its freight services is of key importance. The level of customer satisfaction depends mainly on specialist staff, timely and predictable deliveries, service quality, up-to-date and reliable shipment status tracking, customer-oriented approach and flexible terms of business, adjusted to customer needs.

Customer satisfaction ratings are obtained by direct interaction with the customers. Another tool used for measuring customer satisfaction is a questionnaire-based evaluation system. Its results are analysed during the annual review of the Integrated Management System.

The new customer satisfaction survey form introduced in 2014 organizes the various aspects of the company's operation in a more systematic manner. In terms of overall satisfaction, LOTOS Kolej was rated 8.55 (good - very good). The individual areas were rated as follows: freight services 8.69, sales support 8.34, rolling stock and technical service 8.64. The survey covered 12 customers.

These results show that, despite certain issues related to commercial speed and frequent closing of railway lines in Poland, the service quality is still one of the company's fortes. Flexibility, willingness to respond to customer needs, consultation of delivery schedules and scope of service are the strengths on which the company builds its customer relations, order book and market reputation. In 2013–2014, LOTOS Kolej took over a lot of traffic from other carriers, in spite of quoting higher prices. The factors of key importance here were the high service quality and timely deliveries. One of the company's strengths is the availability and quality of its rolling stock.

Social aspects

Last year, we ran a number of initiatives to support local communities and entrepreneurship in close vicinity of the LOTOS Group's plants. Organized in the form of programmes implemented consistently for several years and compatible with our competence areas defined in consultation with stakeholders, they can make a real contribution to improving some aspects of life vital to the local communities.

2014 was:

- **outstanding in terms of the number of CSR programmes and campaigns as well as activities undertaken under the cross-sectoral cooperation model, for instance with the social economy, education and scientific sectors;**
- **a period of initiatives aimed to establish a responsible supply chain;**
- **an important period of strengthening the LOTOS brand reputation as a socially responsible brand.**

Road traffic safety

Commitment to increasing road traffic safety has always been one of the crucial elements of the LOTOS Group's Corporate Social Responsibility Strategy.



Social issue

Poland ranks among the countries with the highest risk of road traffic accidents. Last year, nearly 3.5 thousand road accidents were reported involving children aged up to 14, resulting in nearly 3.9 thousand casualties (including 90 fatalities), of which 72% were children aged up to 6 who accounted for as much as 58% of all under-aged casualties of road accidents. Findings of research institutes and checks performed by the Police have revealed numerous cases of incorrect fastening of safety belts or of under-aged passengers transported in child safety seats in an inappropriate manner.

Partners

The social partners of the LOTOS Safety Belt Champions programme are the National Road Traffic Safety Centre and the fotelik.info web portal. The project is run under the auspices of the Gdańsk Province Commandant of the State Fire Service and Chief of Police, the Head (Voivod) of the Gdańsk Province, as well as the Road Transport Institute and the National Road Safety Council.

Objective

The LOTOS Safety Belt Champions programme is meant to ingrain and strengthen the good habits of correct seat belt fastening, and to remind people just how important it is for their children's lives to transport them in correctly installed child safety seats. Through preventive and educational activities, we would like to draw the interest of all car users, both drivers and passengers.

Activities

The pilot edition of the programme, run in 2014 in the Gdańsk Province, showed how desirable the initiative was. The inspections at pit-stops, set up at selected LOTOS service stations and in other places, revealed that an astounding 70% of those inspected badly needed our expert advice on how to fasten their safety belts correctly. Additionally, we organized a series of seminars at which almost 4,000 people learned how to properly fasten their seatbelts and how to select and install a child safety seat. We also reached out to the youngest passengers, as more than

2,200 schoolchildren from over 100 schools entered our 'Fasten Your Seatbelt' road sign design competition.

Ensuring equal opportunities and preventing social exclusion

For many years, we have been committed to ensuring equal opportunities and preventing social exclusion, especially among children and youth.

Good Neighbour programme

Objective

We take responsibility for the wellbeing of children and young people growing up in the vicinity of our plants, especially the refinery in Gdańsk. The programme's objective is to tackle social inequalities, prevent social exclusion, engage and integrate local communities and support education of the youngest through equal access.

Selected activities

Science Children's Day

In 2014, we held the Science Children's Day family festival in the refinery's neighbouring district of Przeróbka. The thematic scope of the event, which attracted about one thousand people, included experiments, new technologies and crude oil processing at the refinery.

Partners

The event was co-organized by LOTOS Lab, Vocational and Lifelong Learning Centre No. 2 in Gdańsk, basketball players of LOTOS Trefl and Primary School No. 11 in the Gdańsk district of Przeróbka.

Results

Almost all (95%) parents, teachers and local inhabitants who attended the festival expressed their overall satisfaction with its quality. 88% of them admitted that Grupa LOTOS cared for its neighbourhood, and 80% expressed an opinion that the event met social needs and expectations.

Supporting the needy

Under the Good Neighbour programme, we cooperate with NGOs working in our immediate vicinity to support people in need, with a special focus on children and youngsters. The key projects run in 2014 included our activities for the benefit of participants of the 'Osiedle Sitowie' project.

Best practice

'Osiedle Sitowie' is a project run in the Gdańsk district of Rudniki, located in the vicinity of the LOTOS Group refinery. It promotes social inclusion, helps find employment and provides housing to over 40 persons socially excluded due to temporary incapacity for work, loss of means of support, problems with social adjustment or disability. Osiedle Sitowie has become home to single mothers, young people who have left residential institutions and begin to live on their own, as well as persons suffering from mental disorders. The project is run by the Family Support Centre (Miejski Ośrodek Pomocy Rodzinie) of Gdańsk, in association with NGOs acting for socially-excluded persons. Each organization employs a coordinator supervising a specific group of participants. The overall objective of the project is to prepare its participants, within two years, for self-reliant living and create jobs for them both in the social economy sector and on the open labour market.

Grupa LOTOS has supported the programme since 2013 with in-kind (used computer hardware) and financial donations (financing summer holidays for children). It has also helped five permanently unemployed persons return to the labour market through its cooperation with Ambra (a long-term subcontractor of Grupa LOTOS providing comprehensive cleaning and maintenance services in the facilities of the LOTOS Group) and coordinators of the Osiedle Sitowie project.



Large Family Card

We support people with low incomes by making our products more affordable to the less well-off. In 2014, we joined the government-sponsored Large Family Card scheme, the first nationwide programme of support to large families. Thanks to the Polish government's cooperation with businesses and institutions, each family with at least three children can obtain special discounts and offers. The chain of LOTOS service stations offers high quality products and services at affordable prices to almost 630,000 Polish families with many children, of whom many are car users.

Contribution to society

We support initiatives aimed to improve the quality of life for members of our local communities. Selection of projects is usually preceded by consultations with local governments or our social partners.

The funds we provided in 2014 were spent on medical equipment for public health facilities, equipment necessary for ecological and environmental protection, educational equipment for schools, and investment projects improving security of local communities and road traffic safety. All these investments were on a pro bono basis.

Involvement of the LOTOS Group in initiatives for the benefit of local communities in 2014

No.	Entity	City/town	Purpose of grant
1	Foundation for the Development of the Gdańsk University (FRUG)	Gdańsk	Co-financing of research projects
2	Ornithological Station, Museum and Institute of Zoology of the Polish Academy of Sciences	Gdańsk	Co-financing of activities set out in the charter, including purchase of educational materials
3	Stowarzyszenie Przyjaciół Wyspy Sobieszewskiej (Association of Sobieszewo Island Lovers)	Gdańsk	Co-financing of sports and leisure infrastructure
4	University Clinical Centre	Gdańsk	Purchase of medical equipment
5	Copernicus Sp. z o.o.	Gdańsk	Purchase of medical equipment
6	Długie Ogrody Housing Cooperative	Gdańsk	Co-financing of purchase and installation of a platform for transport of the disabled
7	Fundacja z Pompą – Pomóż Dzieciom z Białaczką (Help Children with Leukemia Foundation)	Gdańsk	Purchase of medical equipment
8	Vocational and Lifelong Learning Centre No. 2 in Gdańsk	Gdańsk	Purchase of educational equipment
9	Fundacja Bezpieczni w Ruchu Drogowym (Safe in Road Traffic Foundation)	Gdańsk	Purchase of specialist equipment
10	Fundacja Innowacji Społecznej (Social Innovation Foundation)	Gdańsk	Purchase of hostel furniture and fittings under a social economy project
11	Primary School No. 29	Bielsko-Biała	Purchase of educational equipment
12	Public Junior High School No. 1	Czechowice-Dziedzice	Purchase of educational equipment
13	Public Junior High School in Przejazdowo	Przejazdowo	Co-financing of school infrastructure renovation
14	Fundacja Dla Dzieci Niepełnosprawnych 'Nadzieja' ('Hope' Foundation for Disabled Children)	Ślupsk	Purchase of equipment for therapeutic sessions
15	Volunteer Fire Brigade	Szymbark	Purchase of specialist equipment

Development of intellectual capital

Given the nature of our business and the key role we play in ensuring Poland's energy security, we share our knowledge and experience with students, because we feel committed to securing the future of our industry by training the next generation of experts. We carry out such projects in approximately 40% of the LOTOS Group's locations.

Since 2013, we have been implementing the 'Talent with LOTOS' project consisting of two programmes – 'Pomeranian Talent' in the Gdańsk Province and 'Jasło Science League with LOTOS' in the administrative district of Jasło.

'Jasło Science League with LOTOS' is a unique educational initiative aiming to find Jasło's most able schoolchildren and give them an opportunity to foster their talents. The project encourages schoolchildren to seek for their own answers to a given set of questions, through a number of research activities carried out under the eye of their teachers, with their work evaluated by a panel of experts and prominent academics. During the 2013–2014 school year, it was joined by 248 schoolchildren from 10 of Jasło's primary schools, 5 junior high schools and 8 municipal preschools, as well as 496 parents and 45 teachers, who registered a total of 93 research projects.

The 'Pomeranian Talent' programme supports Pomerania's teachers and nearly 1,200 pupils exceptionally gifted in mathematics, physics, and IT, by providing them with opportunities for comprehensive development. The pupils attend after-school classes and meetings held at universities or in science and technology parks, and participate in competitions as well as task-oriented events. The most talented of them are covered by mentoring programmes run by academic staff. In 2014, the programme featured a summer science camp, after-school classes, teacher training, mentoring programmes and academic meetings.

As part of our cooperation with higher education providers, we also offer unpaid internships and summer work placements, giving students an opportunity to expand their knowledge under the supervision of a tutor – an industry expert. In 2014, we continued to cooperate with the Gdańsk University of Technology, the University of Gdańsk, AGH University of Science and Technology of Kraków, the Cracow University of Economics and the Cracow University of Technology. Considering our business profile, we offered opportunities mainly for students of the faculties of chemistry, drilling, oil and gas, electrical engineering and automatics, electronics, telecommunications and informatics, mechanical engineering as well as finance and accounting.

In 2012–2014, we offered 512 internships and work placements at Grupa LOTOS, LOTOS Petrobaltic, LOTOS Serwis, LOTOS Lab, LOTOS Oil, LOTOS Kolej and LOTOS Asfalt.

Internships and work placements at the LOTOS Group	2012	2013	2014
STUDENT INTERNSHIPS	135	145	131
WORK PLACEMENTS OUTSIDE OF PROGRAMMES	8	16	15

GRASZ O STAŻ (PLAY TO WIN INTERNSHIP)	-	-	3
SUMMER WORK PLACEMENT	12	20	23
AKADEMIA ENERGII (ENERGY ACADEMY)	-	2	2
TOTAL	155	183	174

In 2011–2014, we sponsored scholarships and awards to undergraduate and postgraduate students of the Gdańsk University of Technology and AGH University of Science and Technology in Kraków, in the total amount of PLN 195,000.

We work with vocational schools, student organizations and scientific institutions to support technical faculties and help young people entering the labour market. Our activities in 2014 included:

- a work placement programme launched by Grupa LOTOS in association with the Foundation of Economy and Public Administration (GAP) at the Department of Economy and Public Administration of the Cracow University of Economics;
- LOTOS Serwis's patronage over the industrial automatics class at the Communications School Complex (Zespół Szkół Łączności) in Gdańsk;
- LOTOS Kolej's patronage over special classes training students to become railway transport technicians at Technical Secondary School No. 3 of the K. Kałużewski and J. Sylla School Complex in Zduniska Wola;
- cooperation of Grupa LOTOS with the Vocational and Lifelong Learning Centre No. 2 in Gdańsk;

Best practice

In 2014, Grupa LOTOS in association with Kaszubski Uniwersytet Ludowy (the Kashubian Folk University) held a workshop entitled 'How to cope on the labour market? The secrets of recruitment', addressed to participants of the 'My goal - work' project. It was designed to help the unemployed under 30, primarily from the administrative districts of Kartuzy and Kościerzycze, re-enter the labour market.

The meeting was an opportunity to present the Company as an employer, explain its work culture and requirements expected of candidates. At the workshop, participants could learn about the recruitment process – what to pay attention to when reading a job offer, how to write a CV and covering letter and how to prepare for a job interview. They took part in interesting exercises and, in an open discussion, willingly shared their experience and talked about problems they encountered while looking for a job. The knowledge they have gained will help them cope on the labour market.

(See more <<http://raportroczny.lotos.pl/en/results-and-prospects/sustainable-development/responsible-employer>>)



E(x)plory Festival

Objective

The nationwide E(x)plory Festival is a programme supporting scientific innovations, creativity and curiosity about the world. It promotes the achievements of science among children and youngsters, while addressing the challenges of modern times, such as the need for innovation and development of the next generation of professionals.

Activities

In 2014, Grupa LOTOS acted as a patron of the festival, which featured a competition for young scientists, technology fair, engineering design shows, workshops for students and teachers, lectures for representatives of business and science and scientific conferences. The festival stimulates the development of Polish science, while fostering links between business and science.

Results

So far, the festival has attracted more than 12,000 participants. Winners of the E(x)plory competition for young scientists succeed in international competitions, promoting Polish science. In 2014, a 17-year-old female winner of E(x)plory came fourth in the prestigious Intel International Science and Engineering Fair (Intel ISEF), the world's largest international pre-college science competition held in the United States.



Our Research Group brings together some 40 students in various fields of study and from various universities. A primary focus of our activities has long been on community projects.

President of the 'Strateg' Student Research Group in 2013-2014, and Piotr Wróbel, Supervisor of the 'Strateg' Student Research Group

participants of the ENACTUS Poland Programme, awarded in the 'Responsibly with LOTOS' grant contest



This has made students attentive to social needs around them. But, even when we think we have identified a problem that needs to be tackled, we always put a great deal of effort to better understand the circumstances of the people involved. Things are rarely the same on the inside as they look on the outside.

The project called 'Give waste a second chance' can serve as a perfect example here. Our task was to collect PET bottles at schools and have them recycled into 300 duvets and 300 pillows, which were then donated to night shelters in the cities of Gdańsk, Gdynia and Sopot. Before we got down to work, we consulted our plans with the City Office of Gdańsk and the Gdańsk Materials Recovery Facility to get a better insight into the challenges we could face in promoting selective waste collection among members of the public. We also engaged in talks with the St. Brother Albert's Aid Society to understand who the homeless people are and what they need.

It is worth emphasising that we seek assistance from knowledgeable partners, mainly from the NGO sector, for the majority of our projects. We are well aware that complex problems require cooperation from different parties. Our key partner is Grupa Lotos, which co-sponsored the 'Give waste a second chance' project last year. Also, Grupa LOTOS employees helped us fine-tune the project's details by sharing their experience and ideas.

Dialogue with project beneficiaries and participants is vital for us. At schools, we were telling children about the benefits of selective waste collection. Our campaign was run as a competition, which got whole families engaged in collecting plastic containers. This was our way of promoting pro-environmental behaviours. At the ceremony marking the end of the project, children met with a representative of the St. Brother Albert's Aid Society to learn more about the lives of the homeless.

ENACTUS Poland

Objective

In the 2013–2014 academic year, Grupa LOTOS became a partner of ENACTUS Poland, the Polish branch of an international organization bringing together students, tutors and representatives of the business world. Students in the programme compete on business projects designed to support local communities. Their activities are a response to economic, environmental and social challenges, with the objective of improving the living conditions and standards of the target group. The best projects are entered into the Polish finals of the competition, and may go on to compete in the ENACTUS world cup. As part of the programme, students are mentored by their tutors, as well as business managers, who offer assistance and advice.

Activities

In Poland, there are currently 15 university teams implementing about 40 projects in an academic year. In 2014, there were nearly 60 jury members and about 200 students in the Polish edition.

As part of the cooperation, we announced the 'Responsibly with LOTOS' grant contest, with the purpose of selecting the best CSR projects prepared by students of Polish universities whose objectives would be consistent with those of the LOTOS Group's Corporate Social Responsibility Strategy. 2014 saw the first edition of the contest and implementation of the winning project. Thanks to our engagement, students associated within the Strateg Scientific Society of the University of Gdańsk were able to spread their wings, using the awarded grant to implement the Ekorywalizacja (Eco-competition) project. Also known as SLOW – Second Life Of Waste, the project is aimed primarily to encourage pro-environmental behaviour among pupils in Gdańsk primary schools. The students carried out a series of classes and competitions on waste sorting and processing. The collected plastics and waste-paper were processed into filling for duvets, which were handed over to the needy and to charities. More than 200 duvets made from the collected plastic waste were donated to night shelters in Gdańsk.

The second edition of the contest was announced in November 2014. The jury awarded a grant in the total amount of PLN 10,000 to two student organizations winning jointly: the ENACTUS Group of the Warsaw University of Life Sciences SGGW, for the Aphasia project, and the Enactus Group of the University of Gdańsk, who developed a cross-sectoral project 'Furniture Anew' ('Meble od Nowa').

Best practice

The theme of the project prepared by students of Warsaw's SGGW ENACTUS Group for the 'Responsibly with LOTOS' grant contest was aphasia, and its target group – people suffering from aphasia, their families and friends. Aphasia is a loss of the previously acquired skill of speaking and/or impairment of the ability to understand speech, read and write, usually as a result of a cerebral stroke. The greatest challenge for aphasics is the lack of ability to communicate. To overcome it, the students have designed a prototype application which enables aphasics to communicate by means of simple symbols and signs. Its users can create simple notes and share them on a specially simplified version of Facebook. The application will be freely available to download from official mobile stores to all platforms. Additionally, the project envisages the construction and promotion of a multilingual website which will be a source of knowledge for the families and friends of aphasics. In Poland alone, about 50,000 people have a stroke every year, with one in every three of them suffering from aphasia.

The other project selected by Grupa LOTOS has been developed by students associated within the ENACTUS Group of the University of Gdańsk. It combines a labour-market re-entry plan for the disabled with recycling of plastics and used furniture and with road safety education of children in the Province of Gdańsk. The students reached out to the coordinators of the 'Osiedle Sitowie' programme, implemented by the Family Support Centre of Gdańsk together with Grupa LOTOS. The project is addressed to several groups at risk of social exclusion, such as people with mental disorders, single mothers and challenging adolescents, and aims to help them re-enter the labour market and/or integrate into society. To increase the chances of employment for inhabitants of the 'Osiedle Sitowie' housing estate, the students have developed a long-term project to establish a furniture repair shop, where old furniture would be renovated, and new pieces designed and constructed under the supervision of an experienced professional and creative students of the Academy of Fine Arts in Gdańsk. Moreover, the project participants would produce safety reflectors from recycled plastics, enhancing the safety of children on the roads. The reflectors would be delivered to schools in small municipalities and villages of the Gdańsk Province.



Development Initiation Forum

Objective

In 2014, we continued our cooperation under the Development Initiation Forum, which supports development of the Pomerania region, where most of the LOTOS Group companies are based. The Development Initiation Forum is an initiative born out of experience and needs of three sectors: local self-governments, businesses and NGOs. Aimed to drive the social and economic development of the region, the initiative is to be implemented through cross-sectoral projects. The binding element for all its activities is an annual conference.

In 2014, a grant fund - Development Initiation Fund – was launched. The idea of the Fund is to support cross-sectoral projects which respond to the actual needs of the Pomerania region, thus contributing to its development. Cooperation with the Development Initiation Foundation of the Development Initiation Forum in the launch of the Grant Fund resulted in the appropriation of a total of PLN 140,000 for cross-sectoral projects. Three of the five grantees are social enterprises which employ socially excluded individuals.

Activities

The Development Initiation Forum is a long-term initiative, successfully implemented since 2011. Its key results include cross-sectoral partnership of about 20 entities, represented by the Programme Board comprising representatives of NGOs, businesses and public institutions; three conferences on cross-sectoral cooperation (the 2014 edition saw a turnout of 300), and more than ten direct partnerships between entities.

50 projects submitted for the 2014 Grant Contest organized by the Development Initiation Forum confirm that social activity and cross-sectoral cooperation in the province are on the rise. In line with the cross-sectoral character of the project, Grupa LOTOS supported it not only financially, but first and foremost by providing expert knowledge during the contest, including in the evaluation of entries.

Best practice

The Development Initiation Fund, inaugurated in October 2014, is a cross-sectoral partnership programme, directed at businesses, public institutions and NGOs. Only non-governmental entities were eligible to lead a partnership and apply for grants. The winners would receive up to PLN 25,000 as financing for their project. The jury awarded grants to the following entities: Spółdzielnia Socjalna Dalba of Puck, Fundacja Mamy z Morza of Gdynia, Pomorski Inkubator Przedsiębiorczości of Kościerzyna, Stowarzyszenie Grupa Kolarska Starogard Gdański, and Spółdzielnia Socjalna Kooperacja of Sopot.

This means that in 2015 the Development Initiation Fund will fuel a variety of interesting cross-sectoral initiatives, important to local communities and the entire Gdańsk Province. For example, the Fund will finance the next edition of the Kociewie Szlakiem MTB marathon, which is a unique initiative combining elements of sports, tourism and cultural heritage. The Fund will also help young parents through Pomorskie Kluby Rodzica (parents' clubs), which will be set up in new areas – Puck, Kartusy and Kościerzyna. The jury decided the initiative was of vital importance given the demographic challenges faced by the region. It also resolved that the Fund would help finance initiatives aimed at promoting entrepreneurship, employment and social inclusion. Among the projects which can address these challenges in a particularly original and effective way is the Kashubia Business Academy (Kaszubska Akademia Przedsiębiorczości), where partners will engage in cross-sectoral collaboration to promote the spirit of entrepreneurship in the region of Kashubia. Deserving of special recognition are two projects to promote employment and social inclusion of those affected by long-term unemployment or disabilities: the Luk Luk Charity Shop ('Luk Luk Sklep Charytatywny') and a cooperative brewery ('Browar Spółdzielczy - kooperatywa, która warzy więcej').

Responsibility in the supply chain

Management of the supply chain at Grupa LOTOS consists in coordinating the procurement process for raw materials and components, production planning and logistics associated with the delivery of raw materials and distribution of products. These business processes underlie the Company's value chain. Grupa LOTOS follows an integrated approach to managing its supply chain. This philosophy is implemented in such a way as to maximise the integrated economic effects of our operations, while meeting the expectations of all our stakeholders.

The supply chain is an international environment where Grupa LOTOS connects with its suppliers and customers. Given the large scale of the Company's operations, our network of relationships with suppliers and customers is a complex structure spanning various aspects, both at the operational and, in the case of certain partners, strategic levels. When engaging in long-term business relationships, Grupa LOTOS pays attention to the market position and CSR records of its prospective partners. Many of our partners are international oil companies which have pioneered the industry's commitment to corporate social responsibility and business ethics.

As a vertically-integrated oil company, we take active steps to control the flow of raw materials, products, information, and cash within the organization, from the moment a raw material is extracted, through production and distribution, to consumption of the final product by its end user. We seek to strengthen our vertical integration by pursuing key strategic objectives and striving to enhance our position both in the upstream segment and in the retail market. This approach supports our ability to ensure equally high CSR standards across all levels of the supply chain.

Aware of the importance of working with a local supplier base, we strive to partner with companies which offer the expected competencies and meet our standards of cooperation. For instance, we seek to minimise the negative impact of fossil fuels in transport by sourcing 72% of the biocomponents (bioethanol and FAME) we use to produce our fuels from local suppliers.

We observe the highest quality and safety standards. Entities, including local businesses, which render services at our production facilities are provided with technical standards applicable to the works they are to perform, containing detailed information on the relevant technologies. Also, personnel employed by those companies undergo regular, mandatory training in safety awareness. Our trading partners are invited to meetings at which they learn about the standards and values we adhere to and the rules of conduct applicable at the LOTOS Group. (See more <<http://raportroczny.lotos.pl/en/ethics-and-corporate-governance/ethics/system-of-values>>)

For example, in 2014 we held meetings with medium-sized and small enterprises at the Pomerania science and technology parks, where start-up companies often operate. The purpose of the meetings was to demonstrate that, as the region's largest company, we are open to collaboration with smaller enterprises, building such relations based on the principle of partnership. We also share our best practice and information when choosing a trading partner, and in the course of day-to-day business relations.

In 2014, we made consistent efforts to increase the scale of our operations through dynamic expansion of the LOTOS service station chain, thus creating further new jobs. The station chain's expansion involved both the construction of new service stations and acquisition of existing sites. After taking over existing service stations, LOTOS Paliwa, which is responsible for the development of the retail network, significantly expands their business with the addition of new services, introduction of modern management methods and improvement of customer service quality. In the end, all these efforts translate into increased staffing levels, which is of particular importance in regions affected by high unemployment.

At CODO stations staff are employed by the Dealer who has entered into a station management agreement with LOTOS Paliwa, whereas at DOFO stations they are employed by the Franchisee running the station. Employees working at the existing and newly acquired stations attend a series of courses to raise their qualifications.

For the last four years, we have also been gradually expanding our economy service station chain, which offers less expensive fuels, with 17 new locations added to the chain in 2014. Since 2011, we have launched a total of 169 LOTOS Optima service stations, both under the CODO and Franchise models, with a total headcount of approximately 1,440 persons.

Such strong expansion of the chain also translates into higher demand for our general construction work.

As a result of both legal and procedural considerations, including the principle of equal treatment of all business entities, the selection of suppliers is chiefly based on their business profile, contract delivery potential, knowledge and experience, lead times and pricing. The Polish law precludes any explicit preference for local suppliers, understood as trading partners based in the provinces where companies of the LOTOS Group are located, i.e. principally in the Gdańsk Province. Accordingly, local suppliers who take part in competitive bid procedures may only do so on terms equal with other bidders. Nevertheless, we keep monitoring the markets, including local markets, as a result of which we invite and

select local suppliers to do business with. We evaluate them on the basis of their work, creating a list of eligible suppliers of goods and services that meet our requirements.

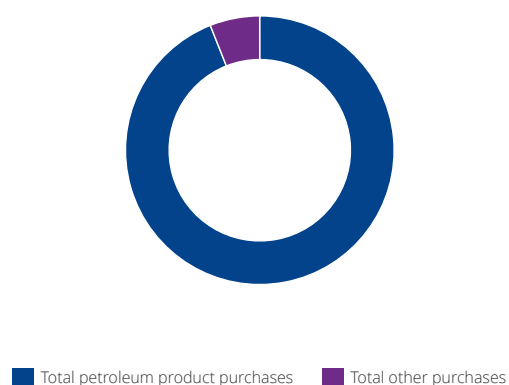
In the process of executing contracts for products and services, Grupa LOTOS takes into account all business entities, including those operating locally in the Province of Gdańsk. Purchases from local suppliers accounted for 4.69% of all purchases made in 2014, while purchases from related entities located in the Province of Gdańsk represented 58.42% of total purchases made from all related entities. It needs to be emphasised, though, that the products which are essential to the Company's operations and represent the largest proportion of its procurement costs (94%) are not available on the Gdańsk Province's local market (crude oil, petroleum products and specialist equipment). It is also true for companies of the marketing segment, such as LOTOS Asphalt, LOTOS Oil and LOTOS Kolej (rolling stock), as well as those of the upstream segment, such as LOTOS Petrobaltic. These companies rely on the local markets only for non-strategic products and services.

Share of local companies of the Gdańsk Province in total supplies procured in 2014 (%)	
Grupa LOTOS (main location)	
Other entities	1.40
Related entities	58.42
Total	4.69
LOTOS Kolej (main location)	13.00
LOTOS Petrobaltic*	42.00

* Data from the SAP system since 2014

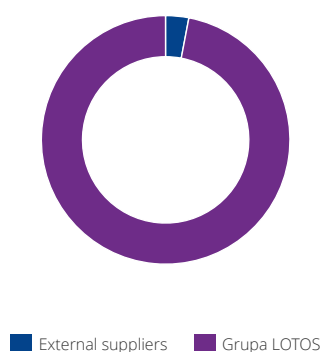
In purchases of energy utilities, such as electricity and gas, favourable terms of business are the primary factor behind the choice of a supplier. It is worth noting that a significant amount is allocated to purchase electricity, all of which was supplied by Energa Obrót, a company based in the Province of Gdańsk, while all gas purchases, associated with PGNiG, were made in the Province of Warsaw.

Purchases of Grupa LOTOS in 2014.

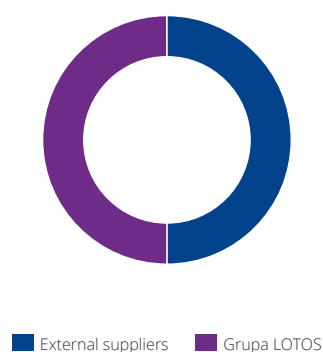


Given the nature of their businesses, suppliers working with LOTOS Asphalt and LOTOS Oil have their offices throughout Poland and the European Union.

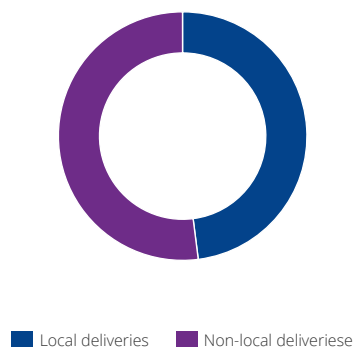
Bitumen components purchased by LOTOS Asphalt in 2014, by origin



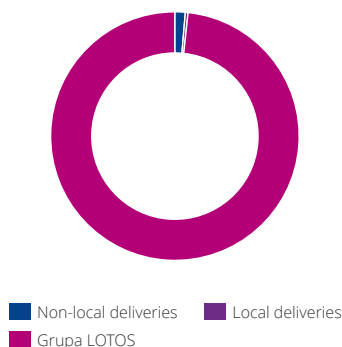
LOTOS Asfat suppliers of heavy fuel oil in 2014, by share



Supplies of raw materials and packaging to LOTOS Oil in 2014, excluding Grupa LOTOS



Supplies of raw materials and packaging to LOTOS Oil in 2014, including Grupa LOTOS



LOTOS Paliwa purchases 100% of its fuel stocks from Grupa LOTOS, with the vast majority of the fuel being produced domestically, at the refinery in Gdańsk. Rail transport of fuels is handled entirely by LOTOS Kolej, also based in Gdańsk, while road transport is fully outsourced to third parties. In the case of fuel shipments to LOTOS service stations, the company works with entities with a countrywide presence, specialised in supplying service stations. Fuel deliveries to wholesalers are additionally handled by local carriers, because they are familiar with their regions and local transport considerations. LOTOS Paliwa's wholesale deliveries were outsourced to local freight service providers in the Provinces of Wrocław, Rzeszów, Gdańsk, Szczecin and Olsztyn (where local carriers handle all deliveries).

In the business environment in which we operate, human rights issues are governed by a legal framework. We maintain relations only with entities that operate legally and are required to comply with law, including regulations on human and employee rights. An agreement is considered material if it meets one of the following criteria:

- the relationship with the trading partner is long-term,
- the agreement has additional risks associated with it, e.g. access to sensitive data,
- the value of the contract is linked to a given procurement category,
- the agreement is related to a key area of the Company's operations.

In 2014, we sought to include provisions ensuring the highest standards of legal compliance in all our agreements with suppliers. We also amended our internal regulations so that relevant audits could be carried out to verify our trading partners. This approach was recommended to all companies of the LOTOS Group.

Due to the priority we give to occupational health and safety, fire safety and physical security, agreements executed with our suppliers include mandatory provisions requiring these entities to comply with the relevant regulations. For instance, in the course of choosing our trading partners, we require that all candidates provide documents certifying that they pay the required social insurance contributions for their employees. In 2014, this requirement was met by all trading partners carrying out contracts on the premises of our key production plants.

In 2014, we carried out 18 supplier audits. Having been audited, each supplier received a report, which included our comments on any identified failings. No gross violations of human rights were identified in the course of these audits. All our comments and recommendations were provided to the suppliers.

In 2015, Grupa LOTOS wants to carry out more supplier audits, through measures such as mandatory provisions included in our agreements. (See more <<http://raportroczny.lotos.pl/en/ethics-and-corporate-governance/approach-to-management/management-systems>>)

STATEMENT

The LOTOS Group's business operations are inextricably linked with its trading partners, who are all treated on equal footing.

Halina Stasiewicz

Business Process Management Office Director, Grupa LOTOS



We aim to make our key values – such as mutual respect and understanding of each other's business needs and objectives, mutual support, especially during economic downturns, and the principles of ethical conduct, including respect for fair competition and human rights – equally important to all companies we work with.

It is equally vital that trading partners meet our quality standards. We also seek to ensure and promote occupational safety and environmental protection. Even when calling for tenders, we clearly communicate our requirements, building good market practice. We wish to partner only with entities that make every effort to observe our rules of conduct in areas where we set the bar very high for ourselves. As we hope to encourage our trading partners to do the same, we monitor all entities contracted to do work for the Company.

We also promote safety at work, which is why our agreements with trading partners include appropriate provisions on compliance with the Company's internal safety regulations. Our requirements are openly communicated to customers and trading partners through a dedicated website 'Grupa LOTOS' Requirements for Contractors'. We release relevant publications and organize training for our trading partners to promote these standards and ensure they are observed, thus contributing to creating higher standards in safety and environmental protection. We wish to promote good practice that we have ourselves tried and tested. Audits are an important tool in this respect, as they allow us to evaluate our suppliers, identify areas that need to be improved and communicate with them about the required work. Our suppliers and trading partners have our support at every stage of the process. This approach has a positive effect on the local market, promoting appropriate conduct along our value chain.

Socially committed brand

Fostering the image and strength of the LOTOS brand is one of Grupa LOTOS's top priorities. Our goal is to enhance the LOTOS brand value by building its image as a brand which:

- relies on the key values of modernity, development and partnership,
- has secured an international presence,
- represents top quality products,
- stands for corporate social responsibility.

Efforts are always made to increase consumer awareness of the brand and to position Grupa LOTOS as an organization recognised for its professional management style that builds on its quality, innovation, environmental awareness and security. This objective is supported by the Company's lasting commitment to sponsorship. (See more <<http://raportroczny.lotos.pl/en/business-strategy-and-model/brand>>)

In accordance with the sponsorship rules adopted by Grupa LOTOS and its subsidiaries, we act as sponsors mainly in those administrative districts and provinces where our offices are located and where LOTOS Group companies conduct their business. Sponsorship may be also carried out abroad, in locations where the LOTOS Group or its key social and business partners are particularly active.

Sponsor of culture and social initiatives

We are actively involved in initiatives of vital importance to the communities living in areas where LOTOS Group companies are located, i.e. in the Gdańsk Province and the districts of Jasło and Bielsko-Biała. Such events often reach beyond regional borders. The key criterion based on which we choose to support a cultural event is its social, artistic and promotional effect.

In 2014, the majority of cultural events sponsored by the LOTOS Group were ongoing projects from previous years. Working with the same partners under a proven model was a guarantee of successful and consistent implementation of goals. Because of their cyclical nature and repetitive formats, such events allowed us to reinforce our promotional message to specific groups of stakeholders which are key to the LOTOS Group's development.

Our actions help us establish and strengthen the image of a socially committed business investing in the future and good relations with our social environment. Furthermore, by sponsoring culture and arts and by becoming engaged in social outreach and environmental initiatives, we also implement the LOTOS Group's Corporate Social Responsibility Strategy. One of its key objectives is to integrate with local communities, by ensuring favourable attitudes among locals and strengthening the Company's reputation as a socially committed business, for instance by undertaking initiatives designed to provide lasting solutions to the locally relevant social and environmental issues.

Our social and environmental efforts focus on three key areas, as defined in the Corporate Social Responsibility Strategy:

- **environmental and ecological protection, with a special focus on conservation of the environment and natural values of the Baltic Sea, and protection of areas directly adjacent to our plants,**
- **road traffic safety,**
- **ensuring equal opportunities through initiatives for children and youth at risk of social exclusion.**

In 2014, the LOTOS Group sponsored 29 cultural and artistic initiatives, including several major projects in the Gdańsk Province, especially in Gdańsk, Sopot and Gdynia, by becoming a Strategic Partner of the Baltic Opera House and the Baltic Sea Culture Centre in Gdańsk, and supporting events such as the Solidarity of Arts Festival, World Gdańsk Reunion, Siesta Festival, Sopot Street of Art, Two Theatres Festival of the Polish Radio and Polish Television and the Daisy Chain Wonders - Summer Begins in Gdynia event.

In Southern Poland, key events sponsored by LOTOS included LOTOS Jazz Festival – Bielska Zadymka Jazzowa, Jasło Days, Czechowice-Dziedzice Days, Autumn Theatre Days, and the international Łemkowska Watra Lemko Culture Festival.

Also, in 2014 Grupa LOTOS collaborated with the Adam Mickiewicz Institute on the 'I, CULTURE Orchestra' project, supporting a group of talented young musicians from Poland and Eastern Partnership countries. Since its inception in 2011, the project has focused on culture as a medium for strengthening relations between the European Union and Eastern Partnership countries. In addition, sponsorship activities of the LOTOS Group include LOTOS Petrobaltic's support for cultural events in Lithuania.

Sponsor of sports

In the eyes of external parties, our continuing involvement in sponsorship of sports and sports projects with a social agenda is proof of our social outreach, availability and commitment to supporting different forms of activity, not necessarily related to sport. The aim is to project the Company's values and enhance the LOTOS brand by associating it with dynamic change, action, growth and victory. This strategy reinforces the attributes of our products more credibly than any traditional form of advertising. The brand's image relies to a large extent on its ability to invoke empathy and familiarity, as well as on the image of the LOTOS Group as a socially responsible organization which develops its business while seeing people as its top priority.

With our sponsorship projects, which are consistent with our CSR approach, we promote physical activity, healthy lifestyles, recreational sport and sports education for children. In terms of business, we benefit from these initiatives financially through strong media coverage (advertising value equivalent).

Grupa LOTOS's sports sponsorship is used to showcase the Company's mission and values, while strengthening the association between our product brands and quality. In this area, we focus on sports embodying the values which are of particular importance to the market and social positioning of the LOTOS brand.

Sponsorship activities related to sports are consistent with the LOTOS Brand Strategy and the LOTOS Group's Corporate Social Responsibility Strategy, forming part of the Company's wider communication and promotional efforts.

In 2014, we continued to build and foster the LOTOS brand's image by engaging in sponsorship of professional and amateur sports. We also became involved in sports projects combined with social themes, as well as the most important sporting events in Poland, Europe and the world. Relative to 2013, the number of LOTOS-backed initiatives decreased from 27 to 25, falling into the following categories:

- **Motor rallying** – continuation of certain motorsports projects, particularly the support of Robert Kubica, for whom LOTOS became an Official Partner during the World Rally Championship. Another rally initiative involved the LOTOS Rally Team, comprising European Rally Championship contender Kajetan Kajetanowicz. Apart from rally drivers, we also sponsored the largest motoring event in Poland – the 71st LOTOS Rally Poland, a qualifying round for the World Rally Championship, as well as the Polish Rally Championship and the Barbórka Rally.
- **Sporting initiatives at regional and national level** – like in previous years, we were involved in football projects carried out with the Lechia Gdańsk club, and supported LOTOS Trefl Gdańsk and Trefl Sopot volleyball and basketball teams. We also became the General Sponsor of Poland's Nordic Skiing, and sponsored Tour de Pologne, the largest national cycling event, the Polish Rugby Association and several golf tournaments. As regards local initiatives, we supported the LOTOS Baltic Cup International Dance Festival, Sopot Athletics Club, Małgorzata Dydek Memorial Tournament and Saint Dominic's Run.
- **Physical education among children and teenagers** – as a socially committed business we continued our involvement with sports projects with a social agenda, addressed to children and teenagers, focusing mainly on football ('White and Green Future with LOTOS' programme organised together with the Lechia Gdańsk Football Academy), winter sports (National Ski Jumping Development Programme – 'In Search for the Champion's Successors' programme implemented together with the Polish Ski Association), basketball (Gdynia Basketball Talents), mini speedway (GKŻ Wybrzeże) and sailing (Gdańsk Sailing Club).

In our sponsorship, we adhere to standards spelled out in voluntary codes of conduct, e.g. those published by business organizations of which we are members. The quality of our communications with the market is also subject to the standards of conduct defined in the LOTOS Group's Code of Ethics. We do not engage in any events which might cause damage to objects or facilities of historical or artistic value, or events which could have an adverse environmental impact. We conduct our operations without using any discriminatory or controversial content that might offend certain social groups or abuse the trust of recipients of our communications, and without inciting negative emotions.

The above corporate practices in marketing communications are applicable to Grupa LOTOS and all its marketing companies, i.e. those companies which, given their business profiles, target their messages regarding products and services at wider audiences.

RELATED CONTENT:

Key objectives

We achieve our business objectives with due regard to corporate social responsibility and sustainable development by the best possible use of the organization's resources and capabilities to generate economic and social value for the benefit of the Company and its environment.

Go to the page » <http://raportroczny.lotos.pl/en/business-strategy-and-model/key-objectives>

Awards and distinctions

According to the Chapter of the ninth edition of 'The Best Annual Report' contest, the 2013 Integrated Annual Report of Grupa LOTOS exemplifies a publication based on which investment decisions can be made at a relatively minimal risk.

Go to the page » <http://raportroczny.lotos.pl/en/the-organization-and-its-report/awards-and-distinctions>

Brand

Our strategic goal is to build lasting customer relationships by focusing on understanding customers' needs and ensuring expected product quality and safety. Our ambition is to create a brand that is dynamic and competent, friendly and trustworthy for our customers.

Go to the page » <http://raportroczny.lotos.pl/en/business-strategy-and-model/brand>