

At LOTOS, we develop together



THE GLOBAL GOALS
For Sustainable Development



The training and development policy of the LOTOS Group is focused on creating the best conditions for professional development of its employees, which involves learning and updating knowledge necessary to efficiently perform the current and future tasks.

Objectives of our training policy:

- Increase the company value through a continuous drive towards excellence and leveraging the potential of our employees;
- Secure resources necessary to perform the key tasks defined in our strategy;
- Focus on the current and future requirements for individual positions;
- Seek organizational excellence through productivity improvements and knowledge sharing;
- Identify and analyse training needs, plan new training and assess its effectiveness; • Improve the tools used in the training management process.

Features of the LOTOS Group's training policy:

- **Availability** – training is intended for all employee groups;
- **Cohesion** – the training system takes into account the mission and strategy of the LOTOS Group;
- **Responsibility** – all participants are responsible for training results and development;
- **Continuity** – training course planning takes into account results of the Periodic Employee Evaluation System (PEES), career paths, succession plans, and development programmes for particular employee groups; •
Flexibility – training courses are planned and organized to respond to the evolving external conditions and changes in employees' qualifications.

For a good start with LOTOS

Under the 'Good Start for Beginners' programme, we provide support for new employees of the LOTOS Group, to make sure they get to know the organization as soon as possible and feel comfortable in it. The programme includes a one-day induction training, during which employees with longer length of service share their knowledge on the operation of and work in our organization. New hires are provided with important employment-related information, learn the rules and regulations in place, get to know the systems and basics of crude oil processing and of the refining operations. They also learn the corporate values and receive the Code of Ethics from their managers. In 2015, we prepared electronic versions of the documents for new employees, to facilitate access to the most important content. During the first weeks of work at most of the LOTOS Group companies, new employees are assisted by a mentor, who coaches and supports them in learning new duties. In 2015, we conducted seven induction trainings for a total of 73 LOTOS Group employees.

LOTOS Academy

To respond to the challenges arising from changes within our organization and in its environment, in 2004 we launched LOTOS Academy, our proprietary training and development programme.

After 11 years of operation and improvements, LOTOS Academy has become a comprehensive staff education project highly valued in the world of science and business. Our training policy is centred around long-term, consistently implemented development plans, supported by renowned authorities, members of the LOTOS Academy Scientific Council, including Prof Witold Orłowski, Prof Janusz Rachoń, Prof Wojciech Rybowski, Dr. Mirosław Gronicki, Dr. Jan Szomburg, and Prof Edmund Wittbrodt.

At LOTOS Academy we:

- Develop the desired employee skills;
- Identify and develop talent;
- Share expertise;
- Foster culture conducive to increasing staff satisfaction and commitment.

1,250

employees of the LOTOS Group participated in workshops organized by LOTOS Academy in 2015

LOTOS Academy initiates and runs talent development programmes targeted at various employee groups, including:

- Leader of the Future Programme;
- Master Programme;

- Managers Academy;
- Management Skills Development Programme for Technical Personnel;
- LOTOS Group Succession Programme.

What else did we do at LOTOS Academy?

Initiatives undertaken as part of LOTOS Academy programme help us develop a culture of knowledge sharing. We have created an induction training programme, a certification process for production-related training, and 'On the Road to Perfection' training scheme, engaging in the development processes also experienced 50+ employees.

E- learning

The LOTOS Group promotes e-learning, to respond to the expectations of the growing proportion of employees aged 25-35, who prefer to use modern IT tools.

- As part of LOTOS Academy, an e-learning platform has been developed for the LOTOS service station staff, to support the process of improving safety and to maintain uniform service standards. Each training session is followed by a test; if the test is passed, the participant receives a certificate.
- All our employees may use for a fee an eTutor online platform for learning English. eTutor covers all language levels (from basics to advanced), with the general and business language. The multitude of software functionalities enables to develop different language skills, i.e. listening, reading, writing and speaking.

Master Programme

In 2015, the 2nd edition of the Master Programme was started, to select, prepare and train candidates for positions of supervisors at production plants. The programme helps us ensure e.g. continued availability of the necessary skills and talent at the LOTOS Group.

We chose 32 candidates for the Master Programme based on the competence profile prepared at the end of 2014. The profile includes 10 core supervisor competencies and serves as a basis for developing training modules. In October 2015, the candidates started training in three groups. They will complete it in Q4 2016.

10 Master competencies:

1. Knowledge of and compliance with procedures;
2. Decision-making skills;
3. Commitment and focus on results;
4. Teamwork management;
5. Leadership;
6. Strategic thinking;
7. Building team potential;
8. Teamwork;

9. Communication skills;
10. Resistance to stress.

Training to meet employees' needs

To find out the developmental needs of, every year we conduct employee evaluation as part of the Periodic Employee Evaluation System (PEES). The selection of the optimum development plan for an employee is formulated based on a catalogue of development activities, i.e. a set of "tips" on the PEES e-form.

When choosing training subject areas, we take into account findings of employee satisfaction and engagement surveys, employee development plans for particular units, and development needs of the organization.

In 2015, LOTOS Academy covered a variety of subjects, including change management, art of conducting effective business meetings, and coping with stress.

Training and development at the LOTOS Group companies:

- **LOTOS Petrobaltic:**
the company coordinated internal workshops on knowledge sharing conducted by experts in various areas. Some of the subjects covered were exploration for oil and gas and risk assessment in the context of social responsibility.
- **LOTOS Paliwa:**
the company worked to prepare e-learning training for the service station staff to improve their organizational culture.
- **LOTOS Lab:**
as part of activities taken to prepare its management staff for organizational changes, LOTOS Lab sent its managers to management courses (First Time Manager (ICAN) and Management Course (GFKM)) which had proved successful for other companies of the LOTOS Group.
- **LOTOS Ochrona:**
the company carried out the 'Manager as a Team Leader' development programme aimed at developing soft skills in managing of a diversified team of employees, learning and choosing the most effective team management techniques, overcoming motivation difficulties, and enforcing, building and maintaining leader's authority. The programme was targeted at shift foremen, their deputies and office managers (14 staff in total).
- **LOTOS Kolej:**
the management staff participated in a workshop devoted to motivating oneself and others held for the participants of both editions of the Managers Academy at LOTOS Kolej. It was preceded by the seminar given by Mateusz Kusznierewicz.

What else did we do?

We continued also the activities promoting employees' development in expertise. Expertise was acquired and the on-site qualifications were improved based on the Employee Training Plan for 2015. The specialist training and the costs of post-graduate studies were 100% reimbursed by the employer, with 50% reimbursements of the employees' university studies to complement their education, and 50% of learning foreign languages.

Average hours of training per year per employee by gender, and by employee category

In 2015, we provided nearly 103,000 hours of learning and skills improvement training. The average training time per employee of the LOTOS Group was almost 22 hours. Men (representing a majority of our personnel) accounted for a higher percentage of the training hours.

2015			
LOTOS Group	 Women	 Men	 Total
Total number of training hours by gender	21,100 	81,815 	102,915 
Average number of training hours by gender	19.4 	22.7 	22.0 

2015				
LOTOS Group	Senior management (Management Board and directors)	Medium management (other managers, e.g. head of office, Team manager, foreman etc.)	Other employees	Total
Total number of training hours by the employment structure	2,272 	19,698 	80,945 	102,915 
Average number of training hours by the employment structure	25.8 	26.3 	21.04 	22.0 

2015			
LOTOS Group	 Women	 Men	 Total
Total number of training hours by gender	10,445 	24,779 	35,224 
Average number of training hours by gender	24.2 	26.6 	25.8 

2015				
LOTOS Group	Senior management (Management Board and directors)	Medium management (other managers, e.g. head of office, Team manager, foreman etc.)	Other employees	Total
Total number of training hours by the				

Total number of training hours by the

employment structure	841 ✓	7,898 ✓	26,485 ✓	35,224 ✓
Average number of training hours by the employment structure	27.1 ✓	37.3 ✓	23.6 ✓	25.8 ✓
