## Efficient and stable organization

The LOTOS Group is one of the largest enterprises in Central and Eastern Europe. We are also a leading employer in the Gdańsk Province, which allows numerous residents of the region and their families to earn a good living. We conduct our business with a great sense of responsibility, having in mind also the need to create value for other stakeholders of the organization.

## Responsible recruitment + professional development of employees + high security standards = competitive advantage

The employees are the most important capital of the LOTOS Group. Qualified staff are a source of competitive advantage on the market. Because of that, as a modern and dynamically growing business, we take proper care to ensure continuous professional development of employees. One of our priorities is the safety and health of our employees and those employed by our subcontractors who work for the LOTOS Group.

## Our key initiatives and achievements in building an efficient and stable organization in 2015:

- In response to the market challenges (oil price movements, risk of growing competition from outside Europe, and expected decline in fuel consumption), in 2015 we introduced a new organizational structure to the LOTOS Group. It was the most extensive change in the structure of our organization in many years.
- By the end of 2015, the LOTOS Group had achieved all its organizational security targets set for 2012-2015.
- We developed a 'Strategy for LOTOS as Employer Brand', together with an 'Operational Plan' and a set of efficiency measures. Our activities in this area are to help us find, hire and retain competent employees who will support us in the delivery of the LOTOS business strategy. The strategy is centered on the creation of an engaging and friendly workplace based on communication, positive relations and values.

# How do we create value for investors, employees and other stakeholders?

Key financial indicators	Key non-financial indicators
Key financial indicators  Training expenditure (PLN 4.9m per year)  Training expenditure per 1 employee: PLN 1,003.85	<ul> <li>Key non-financial indicators</li> <li>Number of employees: 4,850</li> <li>Number of training participants: 7,516</li> <li>Average number of training hours per employee: about 22 hours</li> <li>Number of applications submitted: 15,780, including 8,500 via www.kariera.lotos.pl service</li> <li>Number of internship and traineeships: 234</li> <li>LTIF index: 3.4</li> <li>Accident frequency and severity rates: severity rate: 47.39; frequency rate: 6.96</li> <li>Number of incidents, failures, fires per year. Total number of accidents at work: 33</li> </ul>
	■ Number of audits in the LOTOS Group in 2014–2015: <b>over 500</b>

### With high standards in mind

At the LOTOS Group, we combine efforts to improve employees' knowledge, skills and competences with efforts to create a friendly and stable workplace. We value open communication, teamwork, and partnership between the management and employees. In the area of safety, we attach particular importance to maintaining high safety standards, minimizing potential risks, and promoting a safe working culture.

#### What we gain through such approach:

Those activities have helped Grupa LOTOS to earn the reputation of an employer offering a safe, well-appointed, and well-organized workplace, with career development opportunities. As an attractive employer, we are able to retain valuable specialists and hire best professionals both in Poland and on foreign markets. Thus the organization's staff stability is guaranteed, which in turn ensures business stability and reduces operating expenses. It is also beneficial to our trading partners who, in their dealings with LOTOS, work with the best experts in their respective fields.