

Process safety management

The LOTOS Group places a strong focus on ensuring and maintaining a high process safety culture across the organization. The LOTOS Group companies monitor incident rates on an ongoing basis and eliminate all potential threats.

Grupa LOTOS has for many years been following best practices in preserving the integrity of its technical infrastructure. The practices include predictive and preventive maintenance, an inspection and supervisory test programme, non-destructive testing programme, risk-based inspection programme, regular repairs of process units, repair quality control, and a corrosion prevention programme.

To ensure process safety and thus prevent plant failures and limit their consequences, Grupa LOTOS maintains an Industrial Accident Prevention Programme. In addition, as part of supervision of infrastructure and instrumentation and control systems we apply regulations that define the procedures for:

- Selection and purchase of plant and equipment as well as instrumentation and control systems;
- Oversight of their operation, planning and execution of inspections and repairs;
- Control and certification of instrumentation and control systems and steps to be taken if any damage to the equipment is identified.

Energobaltic holds periodic preventive inspections with a frequency defined in the technical documentation for particular equipment. The operation and parameters of the equipment are constantly monitored by the company's employees.

At its facilities, LOTOS Infrastruktura has deployed CCTV, tank bottom leak tightness monitoring, tank loading monitoring to prevent overfilling, as well as monitoring of tank outflow trays to prevent soil contamination.

LOTOS Asphalt attaches great importance to identifying potential safety hazards. Its employees responsible for process control undergo training courses, and the company incorporates best engineering practices in its technological and job instruction manuals.

To ensure quick and effective crisis management, LOTOS Oil has introduced an accident and crisis response procedure. The procedure is designed to mitigate the effect of accidents on human health and life as well as the environment, ensure quick and effective management of the organization during an accident and a smooth return to normal operation, and also to limit and minimize loss of LOTOS Oil assets.

LOTOS Petrobaltic holds periodic preventive inspections with a frequency defined in the technical documentation for particular equipment and introduced into the SAP system. This inspection regime facilitates ongoing checks of key system elements and removal of weak links in the units. Platform crews also ensure ongoing supervision of the operating parameters of the units. If the permitted operating limits are exceeded, the system operators take appropriate steps to eliminate pressure overrun.

For the purpose of fire prevention, rules to minimize the risk of accidental fire during work and rest time on platforms have been implemented. For example, one of the rules is that works entailing a potential risk of fire are permitted only upon authorization. Such authorizations are issued in accordance with a special procedure. Smoking is prohibited on platforms and in port facilities, outside of designated areas, and use of open fire is prohibited in all buildings. All rules applicable at the facilities are consolidated in the Safety Policy manual for the organization.

To mitigate risks related to the activities of subcontractors, each subcontractor agreement includes a Safety Annex, binding on all subcontractor representatives working in the port facilities and on the organization's platforms.

Process safety incidents reported in 2015

In 2015, Grupa LOTOS reported one incident classified as Tier 1 process safety event and two incidents classified as Tier 2 process safety event under Standard RP 754 of the American Petroleum Institute (API). Both events occurred in refining operations and had no environmental impact.

LOTOS Paliwa reported two Tier 2 safety events. The events were related to an LPG installation damage at the company's service stations. The following hazardous situations were also reported: 10 customer car fires at or near service stations, 2 fires, and 2 fuel spills.

All hazardous situations, and the above cases in particular, are reported by the station operators to the LOTOS Paliwa OHS staff. Next, the risk of similar situations occurring in the future and potential requirement for preventive measures are analysed.

In addition, three Tier 2 safety events were also reported at LOTOS Kolej. The events involved railcar and locomotive derailling without any environmental impact.

At LOTOS Kolej, an emergency preparedness and response procedure was put in place. It imposes the requirement to report the type of hazard, the place of incident, threat to human life, materials and objects involved in the accident, and their possible effect. The procedure lays down detailed rules to follow in case of emergency.