



LOTOS Group  
Integrated Annual Report 2015

07

## Our Report

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# Integrated reporting at the LOTOS Group

The 2015 Integrated Annual Report of the LOTOS Group presents the organization's operations in the 2015 financial year, which coincides with the calendar year. The previous integrated annual report was released in 2015. As part of the new reporting process, the 2014 report was reviewed for its adherence to the IIRC guidelines. Based on the review, recommendations were produced to improve the process. **This 2015 report is the seventh integrated report of the LOTOS Group.**



## What sets it apart?

- The LOTOS Group's non-financial report participated in eight of the nine editions of the CSR Reports contests held so far.
- In 2008, Grupa LOTOS was the winner of the CSR Reports competition, and in 2009, 2010 and 2015 its reports were awarded distinctions.
- Grupa LOTOS was one of the first companies (both in the industry and among the contest participants) to adopt integrated approach to reporting. In the nine editions of the CSR Reports competition, from 2007 to 2015, 13 integrated reports were presented, including three from Grupa LOTOS.

The 2015 Report is the first to cover all direct subsidiaries, where it is relevant, of Grupa LOTOS S.A.:

- |                            |                             |
|----------------------------|-----------------------------|
| ■ LOTOS Petrobaltic S.A.   | ■ LOTOS Infrastruktura S.A. |
| ■ LOTOS Oil Sp. z o.o.     | ■ LOTOS Terminale S.A.      |
| ■ LOTOS Asphalt Sp. z o.o. | ■ LOTOS Kolej Sp. z o.o.    |
| ■ LOTOS Serwis Sp. z o.o.  | ■ LOTOS Ochrona Sp. z o.o.  |
| ■ LOTOS Paliwa Sp. z o.o.  | ■ LOTOS Straż Sp. z o.o.    |
| ■ LOTOS Lab Sp. z o.o.     |                             |

Additionally, the following indirect subsidiaries were included in the reporting of certain indicators because of their special role, nature of business, and scale of environmental impacts:

- AB LOTOS Geonafta
- LOTOS Biopaliwa Sp. z o.o.
- RCEkoenergia Sp. z o.o.
- Energobaltic Sp. z o.o.
- LOTOS Exploration and Production Norge AS.

However, the scope of reported data for LOTOS E&P Norge AS is limited compared with other companies as LOTOS E&P Norge is a licensee, so all environmental (and operational) matters are reported by the licence operators.

A consequence of these changes are differences in presentation of certain indicators and their limited comparability.

# Stakeholders' say – important element of reporting process

## Why are stakeholders important to us and how do we identify them?

Our strategic approach to corporate social responsibility is best expressed in building positive relations with all stakeholders, which – to our satisfaction – leads to their growing engagement. We want decision-making processes concerning economic, social and environmental matters to take into account the interests of various stakeholder groups, which are important to our business. We also make sure that our stakeholders have access to timely information that meets their various needs.

We are aware of how important relations with stakeholders are in building company value. By working together with them and being open to communication, we gain valuable understanding of how to develop our organization and build its positive corporate image.

### Our key stakeholders are identified based on:

- their influence on the organization,
- the organization's influence on them,
- our key business regions: Gdańsk Province in the north of Poland, and Czechowice-Dziedzice and Jasło regions in the south.

## Our stakeholders

Internal stakeholders	External stakeholders	Market environment
<b>Employees</b>	<b>Local communities</b>	Contractors and subcontractors
LOTOS Group companies	Non-governmental organizations	Suppliers
Trade unions	Local government institutions	<b>Customers</b>
Works Council	Government administration	<b>Trading partners</b>
	Scientific and research institutions, education centres	Competitive companies
	Employer associations	Industry organizations and international institutions
	The media	Regulatory and monitoring organizations
	Natural environment	<b>Capital market participants</b>
	<b>Potential employees</b>	

- The group marked in blue has been defined in this year's process as a priority.

## How do we engage our stakeholders?

Discussions with the stakeholders about our organization's influence on the community and environment give us valuable hints on how to improve our performance and better understand the needs of our environment. To gain extensive knowledge of these matters, we conduct surveys among our stakeholders, both internal (employees) and external.

In late 2015 and early 2016, we carried out an opinion survey among the key stakeholder groups of the LOTOS Group. Its ultimate goal was to provide information which would help prepare the new Corporate Social Responsibility Strategy of the LOTOS Group.

In addition, we gained information on how our CSR approach and initiatives were received and assessed. We also learned what our stakeholders expect and need from the LOTOS Group's business.

This qualitative study used in-depth interviews with representatives of the following key stakeholders of the LOTOS Group:

- Public administration and local governments
- Employer associations
- Non-governmental organizations
- Entrepreneurs
- Consultancy firms
- Non-profit public organizations.

The qualitative study complemented the quantitative one carried out in 2015 and 2016 among:

- Inhabitants of Jasło, Czechowice-Dziedzice, and the Gdańsk Province
- Entrepreneurs in the Gdańsk Province
- Residents of districts located in the vicinity of the LOTOS Group's plants in Gdańsk, Jasło and Czechowice-Dziedzice
- Employees of the LOTOS Group companies.

Furthermore, during the 'CSR Day', we talked with representatives of the management staff about the LOTOS Group's approach to CSR issues and other matters significant to our sustainable development.

# Process of defining the Report content

This year's report is based on the Global Reporting Initiative's Sustainability Reporting Framework and Guidelines (GRI G4, core level), together with the Oil and Gas Sector Supplement. This represents a change in Grupa LOTOS's approach to reporting – the previous report was based on the GRI G3.1 guidelines at application level A+ (so all GRI indicators were reported, including 43 profile indicators and 98 subjects). Currently, in accordance with the GRI G4 framework, we report only significant topics (39 profile indicators and 42 subjects).

In the process of defining the content of the 2015 Integrated Annual Report of the LOTOS Group, we consulted many key stakeholder groups, internal and external, and thoroughly analysed the external sources. This helped draw up the final list of GRI aspects to be included in this Integrated Report.

In accordance with GRI guidelines, the process had three steps:

**1. Identification** – determination of key topics in corporate social responsibility and business. Internal documents and materials of the LOTOS Group were analysed, including in particular reports from opinion surveys conducted among employees.

We also reviewed many external publications and media information about our company. We took into account the trends and guidelines of international standards for corporate social responsibility and non-financial reporting and made an in-depth analysis of the challenges, opportunities and risks facing the industry and its players. We analysed:

- GRI Sustainability topics for sectors
- Sustainability Yearbook 2016
- Findings of CSR survey carried out among local communities and entrepreneurs
- Comparison of fuel companies.

**2. Prioritization** – in a dialogue with internal stakeholders, the materiality of key aspects for the organization was identified.

**3. Validation** – during validation workshops with management staff, we defined the final list of material aspects to be included in the 2015 report. 49 persons representing 11 companies participated in the workshops. The following matrix shows the significance of these issues divided into aspects (economic, social and environmental) and simultaneously leads directly to the chapter describing our approach and activities connected with the subject. The size of the tile indicates whether a subject has been defined as an important or very important.

## Materiality Analysis

<b>Aspects:</b>	Economic aspects	Environmental aspects	Social aspects
<b>Significance:</b>	significant	very significant	

Financial standing, stock exchange performance, condition of LOTOS companies	Charitable activity – LOTOS Foundation Employee volunteering	Supply chain	Consumption of raw materials and consumables
Communication with and support to local communities Spending on social initiatives	Reserves and consumption of oil and gas	Development of local supply chains, employment at local level	The organization's stance on shrinking natural resources (oil and gas)

		Spills, explosions, accidents – prevention, crisis management	Anti-corruption Corporate governance – ethics
Energy security	Indirect economic impacts (infrastructure, services, impact on local economy)		Support to research and science development
Impact on biodiversity and ecosystem services (water and land)		CO <sub>2</sub> emissions management Air emissions	Managing the risk of water contamination in drilling, refining, transport and other processes
Cooperation with suppliers – ethical, social and environmental criteria taken into account in procurement processes	Public policy – relations with public administration		
	Overall reduction of environmental impacts	Key investment projects – innovation potential	Ensuring highly-qualified staff, acquiring and retaining talents
Ensuring highly-qualified staff, acquiring and retaining talents		HR policy, future of employment Dialogue with staff Diversity and equal opportunities, non-discrimination	Fuel quality
Employee training and development	Safety and accident prevention Health protection and promotion measures	Fines and sanctions for non-compliance with environmental protection laws	
			Sponsorship – support to sports, culture and education

Innovative technological solutions, eco-efficiency Energy consumption, energy efficiency of processes and products	Business strategy, future growth forecasts	Key investment projects in the exploration and production and refining segments	
		Customer relations	Climate change strategy (opportunities and risks)

## Our value creation model

The [value creation model](#) presented in the report was developed as a result of internal consultations and workshops with the management. One of the objectives of the workshops was to identify the value drivers at the LOTOS Group under the six capitals defined by IIRC, and to determine what benefits to the LOTOS Group and its stakeholders can be derived from the adopted business model. Moreover, last year, we decided to supplement our business model with indicators which allow us to reliably measure our impact on the environment. The choice of indicators was subject to internal consultations. We want to use the experience gained this year while developing the model in the future, presenting our impacts in the most transparent and measurable manner possible.

Benefits to both the LOTOS Group and its stakeholders are presented on the basis of six capitals. We are aware that some of the benefits are generated as part of more than one capital. For the sake of transparency of our model, we have decided to present such benefits only once and attribute them to the capital to which they are most specific.

# Assurance letter

**To ensure appropriate transparency and reliability of the non-financial data, independent limited-scope external assurance was carried out.**

The 2015 Integrated Annual Report is our fifth report to undergo independent assurance of CSR data. Non-financial data, which have been externally verified, were marked in the report with a check symbol .

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## TRANSLATION ONLY


**Limited assurance report**
**To the Management Board of LOTOS Group S.A.**
***Subject matter and criteria***

We have been engaged by the Management Board of LOTOS Group S.A. ("the Company") in accordance with our agreement dated 4 February 2013 (the "Agreement") to perform a limited assurance engagement of selected non-financial data presented in the "Integrated Annual Report 2015, Innovation-Driven Growth" ("2015 Integrated Report") prepared for the period of 1 January 2015 to 31 December 2015 and marked with a check symbol ☑ in a column "Review" in GRI Index table, that is selected general standard disclosures and specific standard disclosures : G4-10, G4-EC5, G4-EN8, G4-EN15, G4-EN16, G4-EN21, G4-EN22, G4-EN25, G4-LA1, G4-LA6, G4-LA9, G4-LA11, G4-LA12, G4-HR7, G4-PR5 ("Reviewed Indicators"). Indicators definition and reference to the place of presentation can be found in GRI Index table in the 2015 Integrated Report.

The subject to our review are only Reviewed Indicators for the period ended 31 December 2015 and we did not perform procedures in respect of any other data or information that is contained in the 2015 Integrated Report and that is why we do not express an opinion or conclusion on the 2015 Integrated Report as a whole.

The Company's management prepared 2015 Integrated Report ensuring its adherence to the Sustainability Reporting Guidelines of the Global Reporting Initiative version 4 Core ("GRI G4 criteria").

***Management's Responsibility***

The Company's Management is responsible for the preparation of the 2015 Integrated Report in accordance with the GRI 4 criteria.

The responsibility of the Company's Management includes the selection and application of appropriate methods to prepare the non-financial data and the design, implementation and maintenance of systems and processes which ensure the adherence to the GRI G4 criteria relevant for the preparation of the non-financial data using assumptions and estimates which are reasonable in the circumstances.

***Our Responsibility***

Our responsibility is to formulate a limited assurance conclusion as to the Reviewed Indicators presented in 2015 Integrated Report. We chose performed procedures based on our judgment and taking under consideration our assessment of the risk of material misstatement of the Reviewed Indicators and general assessment of presentation of these indicators.

We conducted our work in accordance with International Standard on Assurance Engagements 3000 "Assurance engagements other than audits or reviews of historical financial information" („ISAE 3000") issued by International Auditing and Assurance Standards Board. The standard requires us to plan and perform procedures in order to obtain limited assurance that Reviewed Indicators do not contain material misstatements.

***Summary of work performed***

Our limited assurance procedures included:

*PricewaterhouseCoopers Sp. z o.o.,  
Al. Armii Ludowej 14, 00-638 Warszawa, Poland  
T: +48 (22) 523 4000, F: +48 (22) 523 4040, www.pwc.com*

PricewaterhouseCoopers Sp. z o.o. is entered into the National Court Register maintained by the District Court for the Capital City of Warsaw, under KRS number 000044655, NIP 526-021-02-28. The share capital is PLN 10,363,900. The seat of the Company is in Warsaw at Al. Armii Ludowej 14.

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- Interviews with management and persons responsible for the reporting of the non-financial data,
- Analytical procedures for the selected non-financial information,
- Agreeing of the values to the summary documents such as internal reports of the entities within LOTOS Group that have been a basis for preparation on the Reviewed Indicators, as well as analysis of these documents, and where it was justified, their connection to the source documents such as external reports or invoices.

In a limited assurance engagement, the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

***Our Independence and Quality Control***

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1 and accordingly maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory.

***Conclusion***

Based on performed procedures, nothing has come to our attention that causes us to believe that the Reviewed Indicators as presented in the 2015 Integrated Report have not been prepared, in all material respects, in accordance with the GRI G4 criteria.

***Limitation of use and distribution***

Our limited assurance report prepared by PricewaterhouseCoopers Sp. z o.o. („PwC”) for LOTOS Group S.A. in respect of the Agreement is directed to sole use of the LOTOS Group S.A. Management Board. It should not be used to other purposes.

PwC does not take any responsibility in respect of this report (contractual, tort (including that for negligence) or any other) in respect of any parties other than LOTOS Group S.A. Respectively, regardless of the form of the actions, whether in contract, tort or other, within the capacity allowed by the law, PwC does not take any responsibility, and any consequences coming out of the report for any person (excluding the Company, based on rules described above) or for any other decision taken based on this report.

The 2015 Integrated Report should be read together with the Sustainability Reporting Guidelines GRI G4 Core.

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PricewaterhouseCoopers Sp. z o.o.  
Warsaw 14 September 2016

# Contact

Additional information about the economic activity as well as the social and environmental aspects of the LOTOS Group's activities are available on the Grupa LOTOS website - [www.lotos.pl/en](http://www.lotos.pl/en)

Please contact the Company at its main office under the following address:

**Grupa LOTOS S.A.**  
ul. Elbląska 135  
PL 80-718 Gdańsk

Please direct your questions concerning the CSR of the Company to Grupa LOTOS to:  
**Patrycja Zbytniewska**  
**Head of CSR Team**  
e-mail: [csr@grupalotos.pl](mailto:csr@grupalotos.pl)

Please direct your questions about investor relations of the Company to Grupa LOTOS to:  
**Investor Relations Office**  
e-mail: [ir@grupalotos.pl](mailto:ir@grupalotos.pl)

Please send your questions concerning media relations of the Company to Grupa LOTOS to:  
**Communication Office**  
e-mail: [media@grupalotos.pl](mailto:media@grupalotos.pl)

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# GRI Index

## Strategy and analysis

Indicator	Section of the report	Global Compact principles	Review	Comments
<b>G4-1</b>	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	<a href="#">Letter from the President of the Board</a> <a href="#">Letter from the Chairwoman of the Supervisory Board</a>		

## Organizational profile

Indicator	Section of the report	Global Compact principles	Review	Comments
G4-2	Description of key impacts, risks, and opportunities	Our approach to risk management		
G4-3	Name of the organization	Scale of operations		
G4-4	Primary brands, products, and services	Scale of operations		
G4-5	Location of the organization's headquarters	Scale of operations		
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Scale of operations		
G4-7	Nature of ownership and legal form	Scale of operations More than 10 years of Grupa LOTOS' presence on the WSE		
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Scale of operations		
G4-9	Scale of the organization	Scale of operations		
G4-10	Total number of employees by employment contract and gender	Our specialists make us more competitive and innovative		
G4-11	Percentage of total employees covered by collective bargaining agreements	Our specialists make us more competitive and innovative		
G4-12	Organization's supply chain	The LOTOS Group value chain		
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Scale of operations		
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Our approach to risk management Ethics and integrity		
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	The LOTOS Group as an active participant of the fuel market and initiator of regional development		
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organizations	The LOTOS Group as an active participant of the fuel market and initiator of regional development		

## Identified material aspects and boundaries

Indicator	Section of the report	Global Compact principles	Review	Comments
G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	<a href="#">Integrated reporting at the LOTOS Group</a>		
G4-18	Process for defining the report content and the aspect boundaries and how the organization has implemented the reporting principles for defining report content	<a href="#">Process of defining the report content</a>		
G4-19	Material aspects identified in the process for defining report content	<a href="#">Process of defining the report content</a>		
G4-20	Aspect boundary within the organization for each material aspect			All aspects have been identified as material in terms of activities and impact of all or certain Grupa LOTOS companies. The relevance for selected companies has been appropriately marked in the report.
G4-21	Aspect boundary outside the organization for each material aspect			The indicator has been reported except for emissions intensity ratio – it has not been included because of incomparability of data between the companies.
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements			No restatements were made.
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	<a href="#">Integrated reporting at the LOTOS Group</a>		

## Stakeholder engagement

Indicator	Section of the report	Global Compact principles	Review	Comments
<b>G4-24</b>	List of stakeholder groups engaged by the organization	Stakeholders' say – important element of reporting process		
<b>G4-25</b>	Basis for identification and selection of stakeholders with whom to engage	Stakeholders' say – important element of reporting process		
<b>G4-26</b>	Organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Stakeholders' say – important element of reporting process		
<b>G4-27</b>	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Process of defining the report content		

## Report profile

Indicator	Section of the report	Global Compact principles	Review	Comments
<b>G4-28</b>	Reporting period for information provided	Integrated reporting at the LOTOS Group		
<b>G4-29</b>	Date of most recent previous report	Integrated reporting at the LOTOS Group		
<b>G4-30</b>	Reporting cycle	Integrated reporting at the LOTOS Group		
<b>G4-31</b>	Contact point for questions regarding the report or its contents	Contact		
<b>G4-32</b>	GRI content index	GRI Index		
<b>G4-33</b>	Organization's policy and current practice with regard to seeking external assurance for the report	Process of defining the report content		

## Governance

Indicator	Section of the report	Global Compact principles	Review	Comments
G4-34	Governance structure of the organization, including committees of the highest governance body			
G4-38	Composition of the highest governance body and its committees			
G4-39	Information whether the Chair of the highest governance body is also an executive officer			

## Ethics and integrity

Indicator	Section of the report	Global Compact principles	Review	Comments
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics			
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines			
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines			

## Economic aspect

Indicator	Section of the report	Global Compact principles	Review	Comments
ECONOMIC PERFORMANCE	Financial performance of the LOTOS Group in 2015			
<b>G4-EC1</b> Direct economic value generated and distributed	Summary of 2015			
MARKET PRESENCE	Our strategy			
<b>G4-EC5</b> Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Our specialists make us more competitive and innovative			
INDIRECT ECONOMIC IMPACTS	LOTOS Group's Corporate Social Responsibility Strategy			
<b>G4-EC7</b> Development and impact of infrastructure investments and services supported	Our social impact			
<b>G4-EC8</b> Significant indirect economic impacts, including the extent of impacts	Our indirect economic impacts			
PROCUREMENT PRACTICES	Cooperation with suppliers			
<b>G4-EC9</b> Proportion of spending on local suppliers at significant locations of operation	Cooperation with suppliers			
RESERVES	What are the focal points of our sustainable development efforts?			
<b>OG1</b> Volume and type of estimated proved reserves and production	LOTOS Group's reserves			

## Environmental aspect

Indicator	Section of the report	Global Compact principles	Review	Comments
MATERIALS	Eco-friendly growth			
<b>G4-EN1</b> Materials used by weight or volume	Production of hydrocarbons	8		
ENERGY	Eco-friendly growth			
<b>G4-EN3</b> Energy consumption within the organization	Reduction of energy consumption	8		
<b>G4-EN6</b> Reduction of energy consumption	Reduction of energy consumption	8		
WATER	Eco-friendly growth			
<b>G4-EN8</b> Total water withdrawal by source	Water and wastewater management	8		

<b>G4-EN10</b>	Percentage and total volume of water recycled and reused	<b>Water and wastewater management</b>			
BIODIVERSITY		<b>Eco-friendly growth</b>			
<b>G4-EN11</b>	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<b>Biodiversity</b>	8		
<b>G4-EN14</b>	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	<b>Biodiversity</b>			
<b>OG4</b>	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	<b>Biodiversity</b>	8		
EMISSIONS		<b>Eco-friendly growth</b>			
<b>G4-EN15</b>	Direct greenhouse gas (GHG) emissions	<b>Emissions management</b>	8		
<b>G4-EN16</b>	Energy indirect greenhouse gas (GHG) emissions	<b>Emissions management</b>	8		
<b>G4-EN18</b>	greenhouse gas (GHG) emissions intensity	<b>Emissions management</b>	8		
<b>G4-EN21</b>	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	<b>Emissions management</b>	8		The indicator has been reported except for emissions intensity ratio – it has not been included because of incomparability of data between the companies.
<b>OG-6</b>	Volume of flared and vented hydrocarbon	<b>Emissions management</b>	8		
EFFLUENTS AND WASTE		<b>Eco-friendly growth</b>			
<b>G4-EN22</b>	Total water discharge by quality and destination	<b>Water and wastewater management</b>	8		
<b>OG5</b>	Volume and disposal of formation or produced water	<b>Water and wastewater management</b>			
<b>G4-EN23</b>	Total weight of waste by type and disposal method	<b>Waste management</b>	8		
<b>G4-EN24</b>	Total number and volume of significant spills	<b>Process safety management</b>	8		
<b>OG7</b>	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal	<b>Waste management</b>	8		
<b>G4-EN25</b>	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	<b>Waste management</b>	8		
COMPLIANCE		-			

<b>G4-EN29</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		8	The only fine payable by the LOTOS Group companies in 2015 was a fine of PLN 5,344 imposed on LOTOS Paliwa in connection with exceeding the noise limit from a service station. Relevant proceedings are currently pending before the Provincial Inspectorate for Environmental Protection (WIOŚ) for postponement of the fine until a project intended to reduce the noise is completed.
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OVERALL	<b>Eco-friendly growth</b>
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<b>G4-EN31</b>	Total environmental protection expenditures and investments by type	<b>Eco-friendly growth</b>	8
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PRODUCTS AND SERVICES	<b>Sustainable products</b>
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<b>OG8</b>	Benzene, lead and sulfur content in fuels	<b>Sustainable products</b>
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## Social aspect

Indicator: labor practices and decent work	Section of the report	Global Compact principles	Review	Comments
EMPLOYMENT		Our specialists make us more competitive and innovative		
<b>G4-LA1</b>	Total number and rates of new employee hires and employee turnover by age group, gender and region	Our specialists make us more competitive and innovative [1, 2]	6	
<b>G4-LA4</b>	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Our specialists make us more competitive and innovative	3	
OCCUPATIONAL HEALTH AND SAFETY		Personnel safety management at the LOTOS Group		
<b>G4-LA6</b>	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Results: number of accidents	6	
TRAINING AND EDUCATION		Our specialists make us more competitive and innovative		
<b>G4-LA9</b>	Average hours of training per year per employee by gender, and by employee category	At LOTOS, we develop together	6	
<b>G4-LA11</b>	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	The way to achieve the goal: how do we motivate and develop our staff?	6	
DIVERSITY AND EQUAL OPPORTUNITY		Our specialists make us more competitive and innovative		
<b>G4-LA12</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Diversity	6	

## Human rights

Indicator	Section of the report	Global Compact principles	Review	Comments
SECURITY PRACTICES		Safety first		
<b>G4-HR7</b>	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Personnel safety management at the LOTOS Group	1,2	

## Society

Indicator		Section of the report	Global Compact principles	Review	Comments
ANTI-CORRUPTION		<b>Misconduct Prevention Policy of the LOTOS Group</b>			
<b>G4-S03</b>	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<b>Misconduct prevention policy of the LOTOS Group</b>	10		
<b>G4-S04</b>	Communication and training on anti-corruption policies and procedures	<b>Misconduct prevention policy of the LOTOS Group</b>	10		
<b>G4-S05</b>	Confirmed incidents of corruption and actions taken	<b>Misconduct prevention policy of the LOTOS Group</b>	10		
ASSET INTEGRITY AND PROCESS SAFETY (OG)		<b>Process safety</b>			
<b>OG13</b>	Number of process safety events, by business activity	<b>Process safety</b>			

## Product responsibility

Indicator		Section of the report	Global Compact principles	Review	Comments
CUSTOMER HEALTH AND SAFETY		<b>With customer safety in mind</b>			
<b>G4-PR1</b>	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<b>With customer safety in mind</b>	10		
PRODUCT AND SERVICE LABELING		<b>With customer satisfaction in mind</b>			
<b>G4-PR5</b>	Results of surveys measuring customer satisfaction	<b>With customer satisfaction in mind</b>			
FOSSIL FUEL SUBSTITUTES (OG)		<b>Sustainable products</b>			
<b>OG14</b>	Volume of biofuels produced and purchased meeting sustainability criteria	<b>Sustainable products</b>			