

Employees

Management approach

Employees are the pillar of our organisation. We firmly believe that highly qualified, motivated and committed employees are essential for the entire Group, improving its efficiency and giving it a competitive advantage on the market. To attract the best candidates and retain the existing staff, we have in place a HR policy governing various aspects of the recruitment and employee management processes.

Our new employees are included in the **'Good start for beginners'** onboarding programme, helping them to learn about the Company's values and organisational culture under the supervision of experienced colleagues. The purpose is to facilitate their entry into the new work environment and integration with the team, as well as to reduce the stress involved in starting a new job.

The LOTOS Group employees are provided with a wide range of medical services. The Group takes care to protect their health and ensure safe and ergonomic conditions for their daily work.

High standards are also of paramount importance at the recruitment stage – transparent rules allow us to attract the best candidates (the LOTOS Group is a member of the Coalition for Friendly Recruitment).

Easy access to training and promotion opportunities, the possibility of reconciling professional duties with private and family life, as confirmed by the Top-Quality Human Resources Certificate issued by the Polish Human Resources Management Association (PSZK), as well as internal standards of protection against mobbing and discrimination increase loyalty towards the company, reduce employee turnover, and minimise the risk of loss of valuable employees.

For years now, we have been building an organisational culture that promotes innovativeness. Our employees have the opportunity to take part in the **'LOTOS Inspires' Innovation Support Programme**, as part of which the **'Turn an Idea into Reality'** competition allowing all employees to share their innovative ideas on how to enhance work efficiency is held. The purpose of the Programme is to develop products and services and to discover new business and organisational models.

The Collective Bargaining Agreement covers 97% of the Grupa LOTOS employees.



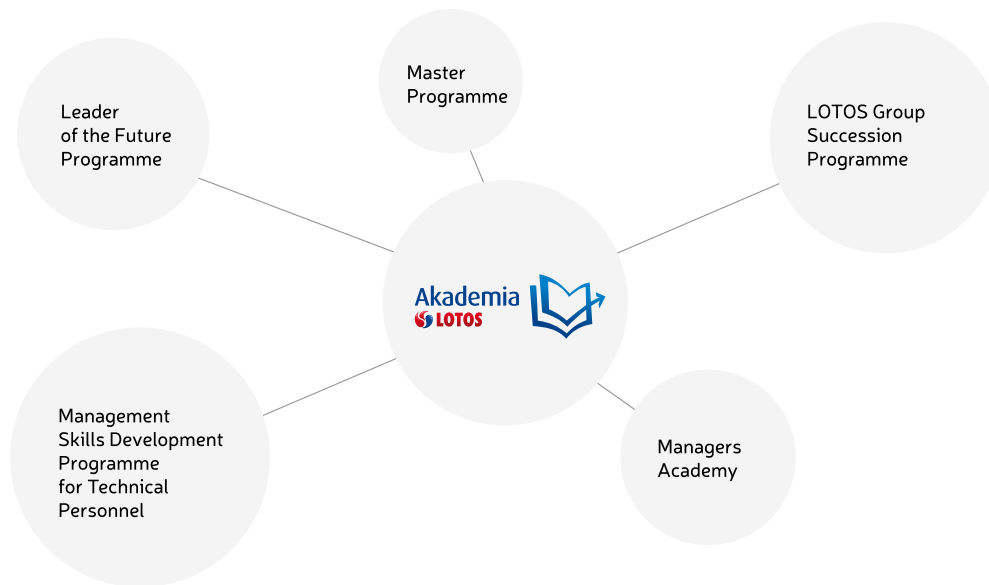
See our employee disclosures: Number of employees by gender, function, type of contract and region


Training and education

Our training policy provides each employee with the opportunity to increase their competencies and consolidate their strengths. It helps us discover talent within the organisation and support our experts. Well-selected training raises the LOTOS Group employees' satisfaction and engagement.

We conduct satisfaction surveys to best suit training themes to the needs of our employees. We also take into account each individual's and organisational units' development plans as well as development needs of the Company. Our employees' achievements are summarised and discussed using the Periodic Employee Evaluation System (PEES).

In 2004, we launched LOTOS Academy, our training and development programme.




 See our employee disclosures: Average number of training hours per year per employee

Diversity management

At the LOTOS Group, we value diversity – it is an integral part of both our business activities as well as HR policy and employee promotion. We place particular focus on equal treatment irrespective of gender, age, disability, health, race, nationality, ethnic origin, religion, religious denomination, irreligiousness, political beliefs, trade union membership, gender identity, family status, lifestyle etc. Our diversity policy allows us to maximise the employees' potential and use their experience and skills.

We highly value the experience gained during many years of service. Employees aged 50 or more provide support to new hires as part of induction processes (shadowing and mentoring meetings). Such relationships bring numerous advantages and benefits for both parties.

 See our employee disclosures: Supervisory Board members and workforce by gender, age, membership to a minority and by other diversity indicators

Occupational Health and Safety

The safety of our employees is a top priority for us. All LOTOS Group employees regularly take part in training and educational campaigns presenting potential risks at the workplace.

THE KEY ONES INCLUDE:

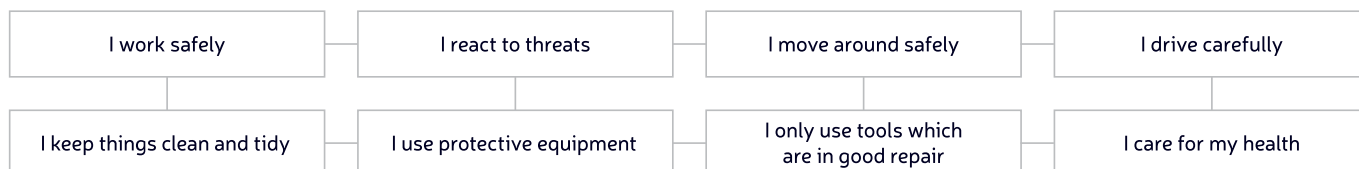
- ✓ stress management training,
- ✓ initiatives focused on:
 - ✓ healthy eating habits,
 - ✓ quitting smoking,
 - ✓ safety when handling heavy objects,
 - ✓ physical exercise and activity,
 - ✓ office ergonomics,
 - ✓ organisation of work at the workstation, safe use of chemicals,
 - ✓ noise protection.

Safety at work and health protection take precedence in our business. Our key principle states that 'no job is too important or urgent that it cannot be done safely'. We attach particular importance to maintaining high safety standards, minimising potential risks, and raise employee awareness regarding safe working culture.

To improve safety at work, we have formulated a set of golden OHS rules to be followed by the LOTOS Group employees, based on applicable laws and internal regulations. The rules were defined following an analysis of risks and hazards which occurred over the last decade. They aim to reduce the risk of accidents and incidents posing threat to employees' life and health, set high occupational safety standards, and foster the right behaviour among employees.

In June 2018, an awareness campaign for employees using the intranet was held, featuring short films explaining each of the 'golden rules'.

GOLDEN RULES OF OCCUPATIONAL SAFETY FOR A LOTOS GROUP EMPLOYEE











In order to better familiarise the employees with occupational safety issues, an 'OHS Day' is organised at our Gdańsk refinery each year. During the event, which has been held nine times, employees receive free medical examinations and consultations, attend healthcare workshops, and participate in OHS competitions. During the 2018 OHS Day, employees took part in the First Run around the Refinery.

In 2018, our employees also participated in the 100-day Global Challenge competition designed to promote good physical activity and eating habits. This was also an excellent opportunity to strengthen relations within the team. The programme had 273 participants making up 39 teams. In total, they ran almost 290,000 km.

Over the previous year, we carried out a number of additional initiatives aimed at improving occupational safety and educating our employees in OHS matters.

THE MOST IMPORTANT INITIATIVES WERE:

-  OHS reviews conducted by the management;
-  tests of new protective clothing made with materials providing greater comfort than those currently in use (in terms of flexibility, summer thermal properties, and style). The test results will be used to analyse whether it is reasonable to replace the currently used clothing with new, more comfortable and offering better protective features;
-  e-learning OHS training for contractors, in five languages;
-  purchase of a fire training simulator for practical drills in the use of fire extinguishers and in fire fighting;
-  purchase of first-aid phantoms for educational purposes;
-  purchase of new protective footwear for employees (with anti-puncture insoles, anti-slip soles, lighter toecaps, etc.);
-  'Minute for Safety' – an initiative consisting in starting various meetings/training/briefings with the organiser's discussion of an OHS issue.








 See our OHS disclosures: Injury, occupational diseases, lost days and absenteeism rates and number of work-related fatalities by region

Employee volunteering



At the LOTOS Group, there are numerous socially engaged employees. It is for them that the Employee Volunteering Programme has been established, under which employees may apply for co-funding for their projects. In 2018, 12 projects received minigrants from the LOTOS Foundation and assistance from our employees reached **1,283** people. This was the second competition organised under the Employee Volunteering Programme at the LOTOS Group.

The projects carried out as part of the programme were very diverse. Our employees worked for hospice patients, the disabled, children, and local communities.

THE HIGHEST NUMBER OF OUR EMPLOYEES' PROJECTS WERE ADDRESSED TO CHILDREN:

-  **'Dynamic Parents'** – playground restoration,
-  **'Preschoolers' Parents'** – programming workshops,
-  **'LOTOS for Straszyn'** – creation of rest areas and corridor game zones at schools to make school breaks more attractive,
-  **'Together We Play'** – football training for children from the Ostaszewo area,
-  **'Tleniak'** – educating children and youth on safe use of firearms and related risks,
-  **'Children from Stogi'** – trips for youth to places of national memory,
-  **'Happy to Help'** – Children's Day event for preschoolers from Przejazdowo.

INITIATIVES ADDRESSED TO THE DISABLED INCLUDED:

-  **'Against the Odds'** – a space development project on the premises of the Mimo Wszystko (Against the Odds) Foundation to create a garden for the disabled.
-  **'Life Boat'** – one-day trip to the Hel peninsula and Władysławowo for students of Special School Complex No. 2 and members of the Łódź Ratunkowa (Life Boat) Association. Photos taken during the trip were displayed at the school's exhibition devoted to the 100th anniversary of Poland regaining independence.

We also supported the **'#Turn on Patriotism on for Independent Poland'**. This cross-generational project, with the youngest participant being a five-year old and the oldest one – 95 years old, adding up to a 100, was organised to celebrate 100 years of Poland's independence in 2018.

The LOTOS Group employees may also participate in sports and recreational programmes and events organised by **TKKF LOTOS** (LOTOS Physical Culture Promotion Association). The Association runs sports training programmes, such as the **LOTOS Running Team**, which combines the promotion of physical culture with the concept of employee volunteering: our runners participate in charity runs.

In 2018, **62 employees** of the LOTOS Group participated in employee volunteering initiatives, devoting to them a total of **331 hours**.