

# Ethical supply chain


The LOTOS Group's operations affect many social and environmental aspects, so we ensure that our supply chain, from exploration of deposits through production to sale of finished products and services, is sustainable.

## SUPPLY CHAIN AT THE LOTOS GROUP



## WE SUPPORT VALUE BUILDING THROUGHOUT THE LOTOS GROUP'S SUPPLY CHAIN BY:

- striving for efficient use of assets throughout the value chain,
- actively managing opportunities and risks,
- creating technological innovations to enhance competitiveness,
- improving processes to ensure the safety of people and the environment.

 [See our business model and strategy for 2017-2022](#)

## **We build value for the environment in the E&P, refining and marketing segments.**

### **WE BUILD VALUE FOR THE ENVIRONMENT IN THE E&P SEGMENT BY:**

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- contributing to ensuring Poland's energy security,
- reducing negative environmental impact.

### **WE BUILD VALUE FOR THE ENVIRONMENT IN THE REFINING SEGMENT BY:**

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- ensuring safety in the surroundings of production plants,
- mitigating any negative environmental impact.

### **WE BUILD VALUE FOR THE ENVIRONMENT IN THE MARKETING SEGMENT BY:**

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- managing a network of 495 service stations,
- selling 11,689 thousand tonnes of products in 2018,
- achieving a 31.4% share in the domestic fuel market in 2018,
- developing products and services,
- introducing product and service innovations that meet customer needs.

## **We build an ethical supply chain**

In building an ethical supply chain, we select our trading partners with care. We work only with companies and organisations which, like the LOTOS Group, comply with the principles of responsible business. We audit the implementation of standards and requirements that we impose on our suppliers, as well as their process improvement activities.

## **Human rights – impact on the value chain**

At any stage of the supply chain, there are people who create, transport or sell the product. The LOTOS Group respects human rights. Therefore, it cooperates only with legally operating companies, and pursues business activities in an environment where human rights are governed by a legal system in force. The LOTOS Group's trading partners are obliged to comply with the generally accepted system of values, respect their employees, and respect their dignity. Observing these principles makes it possible to create an ethical supply chain.

The LOTOS Group seeks to ensure that all requests for proposals in the process of selecting a trading partner, and contracts concluded with both new and existing suppliers, contain CSR clauses regarding: OHS, rules and standards of conduct, ethics, absence of conflicts of interest, anti-corruption, environmental protection, respect for human rights, and social impacts. Inclusion of such clauses in contracts signed by the LOTOS Group companies is mandatory.

The LOTOS Group's CSR strategy in the supply chain has been developed based on the Corporate Human Rights Benchmark project methodology.