

Ethics and anti-corruption

Ethical Conduct Programme

The Ethical Conduct Programme, which is the cornerstone of our activities, enables effective and ethical management of LOTOS Group's organisational culture. It builds value for our employees and external stakeholders.

THE ETHICAL CONDUCT PROGRAMME COMPRISES:



Code of Ethics



Ethics Officer



Channels for reporting breaches of the Code



Employee education



Easy communication

The Code of Ethics defines the system of ethical values and standards of conduct our employees are expected to uphold in the workplace and in relations with key stakeholder groups. Breaches of the Code of Ethics are reported to and handled by the Ethics Officer, who oversees compliance with the LOTOS Group Code of Ethics.

The Ethics Officer is available to each employee and trading partner of the LOTOS Group.

THE FOLLOWING METHODS CAN BE USED TO COMMUNICATE WITH THE ETHICS OFFICER:

- a meeting in person at a time convenient to the employee, arranged in advance by phone,
- telephone conversation with or voicemail to the Ethics Officer (phone: +48 58 308 80 70),
- by email: liniaetyki@grupaLOTOS.pl,
- online report form available at www.LOTOS.pl,
- by traditional mail.

We operate in compliance with the Code of Best Practice for WSE Listed Companies. Compliance with the Code helps us build the Company's ethical culture, which is vital for our relations with the market environment and for building our market position.



For more information on the LOTOS Group's Code of Ethics, go to

Misconduct prevention

The Group has in place a Misconduct Prevention Policy, designed to enhance the safety of our business processes through management of potential misconduct risks. The misconduct prevention system helps us reduce misconduct incidents, mitigate their detrimental effects and mobilise resources to accelerate the organisation's return to normal operations. Our stakeholders can report any suspected irregularities and/or misconduct at the LOTOS Group to the Grupa LOTOS Internal Audit Office.

In our organisation, we do not tolerate any instances of misconduct, including corruption. In 2014, we signed the United Nations Global Compact's Call to Action on Anti-Corruption, a global initiative where businesses join forces to fight corruption in all its forms. Both members of the management boards and all employees of the 13 Group companies are familiar with the anti-corruption policies and procedures. Each new hire is provided with information on the Misconduct Prevention Policy and employee responsibility during training.

To reduce the risk of misconduct, corruption and other irregularities, we have taken a number of steps to monitor compliance with our anti-corruption standards on an ongoing basis. We also place emphasis on educating our employees. In 2018, annual anti-corruption training sessions were carried out at LOTOS Group companies. Raising the management's and all employees' awareness and involvement reduces the organisation's vulnerability to potential risks.

PROGRAMMES AND POLICIES ADOPTED BY THE LOTOS GROUP TO PREVENT AND IDENTIFY INSTANCES OF MISCONDUCT:

- Misconduct Risk Management Programme, designed to educate on identifying misconduct risks, provide information about liability for corrupt behaviour and offences, and implement risk mitigation mechanisms. It also plays a role in carrying out investigation proceedings in response to suspected misconduct reports.
- The LOTOS Group Misconduct Prevention Policy, containing the Management Board's position on misconduct and specifying steps to be taken in case of suspected misconduct as well as misconduct reporting channels.
- Risk Management Card, defining the manner in which risk is managed and monitored, as well as a Risk Mitigation Plan.
- CSR clause and anti-corruption clause, used in requests for proposals and agreements/contracts concluded by the LOTOS Group.
- Misconduct Risk Management Team, set up within the Internal Audit Office.
- The LOTOS Group Trading Partner Vetting Department.

Misconduct prevention measures include the obligation for all Group companies to vet their trading partners in accordance with the procedure and to ensure compliance with the Misconduct Prevention Policy.