

# The environment

## LOTOS's environmental impact

The scale of the LOTOS Group's operations places on the Group high responsibility for its impact on the environment and local communities living in the vicinity of our refinery and plants. In order to properly manage this impact and avoid potential risks, we have developed a set of environmental responsibility principles to follow in our day-to-day operations.

### PRINCIPLES OF ENVIRONMENTAL RESPONSIBILITY

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- First, we minimise the environmental impact of our company. In addition to fulfilling applicable legal requirements, we take proactive measures in managing environmental issues.
- Second, we apply our approach to environmental protection in transactions with our trading and business partners. We take responsibility for the environmental impact of the companies we work with. Our partners are only those entities which hold appropriate environmental permits and operate in compliance with the legal requirements on waste management and storage of hazardous substances.
- Third, we ensure compliance with environmental protection requirements at each step of our operations: starting from the day-to-day operation of our production units and applying the most environment-friendly technological solutions to rational use of natural resources. We prevent pollution already on the plant premises by complying with the most stringent environmental standards.

Another important aspect of our pro-environmental initiatives is raising the environmental awareness of our employees. Through internal communication and training, we familiarise our employees with environmental protection issues and their relevance in the context of the LOTOS Group's local and global operations.

 [More about our approach to the environment](#)

## Our strategy in view of climate change

The LOTOS Group is a dynamically growing business which carries out research on new, more eco-friendly energy solutions.

We focus on natural gas, whose low emission intensity makes it a widely used fuel at the LOTOS Group's plants. At our CHP plant, we have replaced fuel oil with natural gas, making it the main energy raw material in steam generation. It is also the main component of fuel gas at our refinery.


We also use natural gas as feedstock for hydrogen generation (previous, we used LPG and naphtha to produce hydrogen, both more emission intensive than natural gas). Thanks to these changes, we are able to maintain carbon dioxide emissions at a stable, low level.

## Environmental management areas

Sustainable development is consistent with the LOTOS Group's strategy, and mitigating our environmental impact is our constant objective. We strive to deliberately manage environmental issues by reducing the consumption of energy, raw materials, feedstocks and materials, controlling and reducing gas emissions and waste and wastewater generation, and promoting biodiversity. As the LOTOS Group's operations affect various components of the ecosystem, we monitor and analyse our environmental impact on an ongoing basis.

Year after year, we have been reducing air emissions, and in the exploration and production segment we reduce waste volumes and improve water and wastewater management. Given its environmental aspect, energy management is equally important. We analyse energy consumption at each stage of the value chain, monitor the technical condition of our equipment, and identify and eliminate sources of energy losses. All these aspects are also considered when working on new investment projects.

We also take care to mitigate our impact on local communities. Despite the lack of any legal regulations binding on us in this respect, we reduced the odour nuisance of our wastewater treatment plant in Gdańsk (recirculation of treated wastewater and steam condensate, and flare gas recovery). During the refinery upgrade, we connected neighbouring towns and villages to the gas distribution network.

 [See our environmental disclosures: The environment](#)

## LOTOS programmes supporting environmental protection

The protection of biodiversity of the Baltic Sea is very important for the LOTOS Group due to the coastal location of our refinery and the areas of high natural value located in the immediate vicinity of the Company's premises. In partnership with the Foundation for the Development of the Gdańsk University (FRUG) and the Marine Station of the Gdańsk University's Institute of Oceanography in Hel, we are implementing the **'Direction: Baltic'** project, which provides for a wide range of measures to protect the fauna and flora species on the verge of extinction in the Baltic Sea, including the extremely rare porpoises. As part of the programme, educational campaigns are organised to raise the environmental awareness of the local community and tourists visiting the Pomerania region.

The project features two live streamings: from the Seal Centre in Hel and from the falcon nest on the refinery's premises.