

Environmental policy

The Company's objective is to deliver high quality products, leaving the smallest environmental footprint possible where they are used.

The LOTOS Group's core activity comprises exploration for and production of hydrocarbons, deep conversion of petroleum for the purpose of fuel production, and trading in high-value added petroleum products. As it has declared in its mission statement, the LOTOS Group is seeking to operate and develop all areas of its business in a sustainable manner, with due regard to all legally defined environmental requirements and in accordance with the principles of corporate social responsibility.

Aware of the scale and nature of its impact, the Company has made a commitment to observe all internationally recognised standards expected to be met by companies if they want to excel in actively managing their environmental impact. That commitment is expressed in the form of publicly proclaimed support to, and an undertaking to observe the rules defined by, the world's largest organization promoting the ideas of corporate social and environmental responsibility - United Nations Global Compact. As a member of the UNGS community, Grupa LOTOS declares that in its environmental policy it will seek to:

1. support a precautionary approach to environmental challenges,
2. undertake initiatives designed to promote environmental responsibility,
3. encourage development and diffusion of environmentally-friendly technologies.

The areas where the LOTOS Group's production facilities are located are not protected on account of their natural values or impact on biological balance. Still, the LOTOS Group's business is managed in a sustainable manner, in line with best practice, with a view to:

- meeting the environmental quality standards,
- meeting the emission standards,
- ensuring effective management of raw materials and other production inputs,
- ensuring efficient energy management,
- ensuring safe management of hazardous substances,
- protecting the environment against the effects of a major industrial failure.

That is connected with the Company's environmental policy, which is focused on clean production, understood as a constant process aimed at reducing consumption of materials and utilities, efficient waste management, and safe operation of industrial processes in such a way as to prevent failures.

The sustainability and corporate social responsibility principles also entail the delivery of high quality products, which leave the smallest environmental footprint possible in the location where they are used.

As part of its integrated management system, Grupa LOTOS takes and develops initiatives imposed by the requirements of the environmental management system. The environmental management system assumes the existence of procedures to identify environmental aspects at all stages of the Company's operations, determine environmental goals and objectives, manage waste and monitor the processes and operations which have an impact on the environment. A detailed environmental monitoring plan is developed, encompassing all areas of the Company's operations. Corrective action is initiated whenever it is found that any of the assumed parameters is not fully met. If a potential threat to the environment is detected, appropriate preventive action is taken.

Issues relating to environmental protection are managed within Grupa LOTOS by a dedicated organizational unit. Apart from monitoring how and to what extent the Company's production facilities impact the environment and reviewing the quantitative and qualitative compliance of emitted pollutants, produced waste, discharged wastewater and water and emitted noise, the unit is also tasked with the coordination of efforts aimed to ensure compliance with the environmental requirements imposed by law and establishment of LOTOS Group-wide environmental standards. In the context of the Company's operations, it is also necessary to monitor CO₂ emissions and conduct activities related to the EU Emissions Trading Scheme (ETS). The monitoring and reporting of CO₂ emissions from the Company's industrial facilities covered by the ETS is unobjectionable, as evidenced by positive annual assessments by an accredited verifier – a world leading provider of certification services.

The Company also places considerable emphasis on raising its staff's environmental awareness via internal communication channels, which involves education of staff on issues related to environmental protection, understood as an individual,

corporate, regional and global effort. Acting in cooperation with numerous partners, Grupa LOTOS takes a number of environmental initiatives focused on developing desired social attitudes to environmental protection.

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