

## Investment and procurement practices

To date, Grupa LOTOS has not incorporated human rights concerns into its investment agreements. However, in line with the assumptions underlying the LOTOS Group's Corporate Social Responsibility Strategy and the principle of cleanliness, understood as counteracting human rights abuse, one of the key social values underpinning our corporate culture, we plan to incorporate a relevant human rights clause into such agreements. When this report was being prepared, work was under way on the draft wording of the clause.

For the time being, a human rights clause is inserted into RFPs to bidders participating in contract award procedures. Bidding firms are required to present a statement to the effect that they are not in arrears with any taxes, charges or social security contributions, and that their owners have not been convicted by a final court decision of an offence against paid workers' rights.

Given the absence of human rights clauses in procurement agreements and procedures, Grupa LOTOS has not yet undertaken human rights screening when selecting suppliers and contractors, or during the ensuing cooperation.

The LOTOS Group seeks to ensure that human right concerns are addressed during training sessions for employees.

We place special emphasis on promoting desirable attitudes among new employees. Hence, as part of the Induction Programme, a considerable amount of time is spent familiarising new employees with our core values and organisational culture of the LOTOS Group, as well as modelling positive employee behaviour, particularly in relations with business partners. The sessions are run by senior staff with adequate experience. Topics covered include the LOTOS Group's policies in the area of human rights protection.

During induction sessions, highlights are presented of our human rights policy embodied in the corporate mission, vision and strategy, as well as in the Code of Conduct for Grupa LOTOS' Employees, which sets out the standards of work and communication, organisational culture, model patterns of behaviour, and key employee values. Employee matters, such as the benefits package, working hours and medical care schemes, are also discussed in the light of the Corporate Collective Bargaining Agreement and the Rules of Participation in the Company Social Benefits Fund, with which newly employed staff are acquainted. In addition, human rights are covered during the Periodic Employee Evaluation System training, concerning procedures, key competencies and rules for preparing and conducting periodic employee performance reviews, as well as during training devoted to the Company's Integrated Management System.

A total of 2,090 hours of human rights-related training were provided at Grupa LOTOS in the period 2008–2011. The proportion of training participants relative to total headcount ranged from 11% (in 2009) to 23% (in 2008).

Even though there is no separate procedure in this respect, training under the Induction Programme is also held outside Grupa LOTOS – at LOTOS Serwis, LOTOS Petrobaltic, LOTOS Oil, LOTOS Straż, LOTOS Asphalt and LOTOS Lab.

### Procedures and policies concerning human rights – total number of training hours and percentage of Grupa LOTOS employees trained in 2011

Total headcount (as at December 31st 2011)	Number of employees trained on human rights	Total number of training hours	Number of human rights training hours	Percentage of employees trained on human rights
1,329	291	31,504	724	21.9

Human rights issues are an important aspect of the security area within our organisation. The responsibility for ensuring security and providing property and personal protection services to all members of the LOTOS Group lies with the personnel of LOTOS Ochrona.

In accordance with the policy and procedures concerning human rights aspects relevant to the LOTOS Group's operations, in 2011 training was provided to 88.8% of all LOTOS Ochrona security personnel. Nearly all security operatives (security staff) receive relevant training once every three months.