

Employment relations

The Collective Bargaining Agreement in place at Grupa LOTOS covers 95.18% of all its employees. The percentage is similar at the LOTOS Group subsidiaries.

Providing employees with access to information on planned changes to the corporate strategy or other important events with an impact on the Company's situation represents an important building block of our corporate culture.

In keeping with the existing legal requirements, the LOTOS Group makes every effort to ensure that any major operational change within the organisation is presented for discussion at least 30 days in advance. It also seeks to provide opportunities for employee representatives to become involved in the negotiation and implementation of changes which affect the Company's functioning. As part of good corporate practice, meetings are held with members of the Employee Council and Union representatives. The meetings provided a forum for detailed discussion of the LOTOS Group's strategy for 2011–2015 along with development directions until 2020.

The time limits for and methods of communicating important operational changes are defined in applicable laws. However, Grupa LOTOS has for many years worked to develop an internal communication model that would foster the culture of dialogue and facilitate information flow between different structures and levels within the organisation. The conventional top-down one-way communication model has been departed from in favour of multi-directional, open and feedback-oriented communication. Accordingly, a range of advanced communication solutions have been implemented, such as internet kiosks, which were installed at selected production workstations in 2011 to keep shift workers abreast of current developments.

In addition to electronic communication channels, we attach much importance to in-person meetings between employees and management, during which company affairs are discussed. The meetings are often essential to winning employees' understanding and acceptance of difficult decisions.

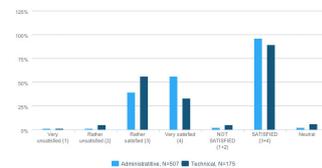
An initiative designed to increase the involvement of employees, as the Company's stakeholders, in the decision-making process was implemented in 2011. Representatives of key operating segments attended strategic workshops held to identify new objectives for the updated LOTOS Group Corporate Social Responsibility Strategy for 2012–2015. The workshops were attended by 90 in-house specialists. It was the first strategy-oriented project relying exclusively on the knowledge, competence and experience of our employees. The initiative gave them real power to influence the quality of processes in many areas, from HR management, to health and safety, to customer and business partner relations.

The strategic workshops, preceded by an employee survey conducted at the LOTOS Group, were designed to deliver results that would best accommodate employee needs and expectations. In line with our HR policy, employees were asked in the survey to rate their job satisfaction and the quality of internal communication.

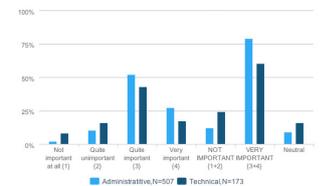
The survey was conducted in September 2011. Presented below are some of the results.

Employees were asked about their needs and expectations regarding access to information, including information required to perform their duties. Opinions were also sought on what kind of educational, social, research, market and other initiatives and projects employees would expect the Company to undertake. The survey results underpinned the work on updating the CSR strategy, which is a comprehensive document addressing a wide range of matters, including HR investments, safety, integration with local communities, management of natural resources in the production processes, ethics and abuse prevention, market partnerships, communication of changes and access to information.

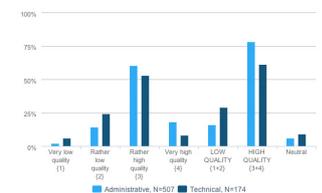
Assessment of job satisfaction at the LOTOS Group. (%)



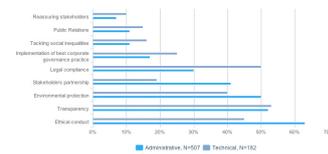
Assessment of the importance of the fact that the LOTOS Group has implemented best practices in the CSR area from the point of view of its employees. (%)



Assessment of the quality of internal communication at the LOTOS Group. (%)



The way the LOTOS Group's employees understand the notion of corporate social responsibility.



Related content:

Freedom of association and collective bargaining

Stakeholders' involvement

Impact on the society