

People

THE FIRST PILLAR OF THE SOCIAL RESPONSIBILITY STRATEGY OF THE LOTOS GROUP

HUMAN BEING = SOCIAL RESPONSIBILITY

duty = establishing social values
working conditions, variety, human rights, counteracting exclusion

Employees

The human resource management policy of Grupa LOTOS is based on a strategic and complex approach. In accordance with the strategy of transforming human resources into the Company's capital, a qualitative and quantitative structure is being adapted to changing external conditions, an internal labour market is being developed, and employees are awarded for effective work with different incentive tools.

Employment in companies of the LOTOS Group	31.12.2007	31.12.2008	31.12.2009
The parent company			
Grupa LOTOS	1098	1246	1305
Direct subsidiaries			
Petrolbalt	486	446	421
LOTOS Norge	2	12	13
LOTOS Czech Republic	252	268	250
with			

subsidiar ies			
LOTOS	179	152	128
Jasło with subsidiar ies			
LOTOS	722	734	725
Serwis			
LOTOS	185	168	153
Lab			
LOTOS	75	72	76
Straż			
LOTOS	156	176	194
Ochrona			
LOTOS	118	31	15
Park			
Technol ogiczny			
LOTOS	272	244	261
Paliwa			
LOTOS	322	327	331
Oil			
LOTOS	176	214	249
Asfalt			
LOTOS	97	82	28
Gaz			
LOTOS	265	279	274
Parafiny			
LOTOS	345	407	504

Kolej		
LOTOS Tank	5	12
UAB LOTOS Baltija	9	8
Total	4764	4878

Major goals of the Human Resource Management policy of Grupa LOTOS are as follows:

- allocating and using human resources at the LOTOS Group in an optimal manner;
- establishing appropriate conditions for the fulfilment of duties at an expected level: improving the organisational culture (changing employee behaviours, boosting motivation and involvement, promoting team work, improving communication), ensuring a sense of employment security (health care package, social benefits, investment and pension fund, etc.);
- using employee skills and knowledge to the maximum extent;
- improving the periodical employee appraisal system by additionally defining development goals and tasks;
- establishing appropriate conditions for effective development and a practical use of knowledge and skills gained (training and development project: LOTOS Academy);
- improving incentive schemes: linking financial and non-financial incentives to performance;
- analyzing employees' reviews.

The Management Board of Grupa LOTOS establishes the Human Resource Management policy in the LOTOS Group with regard to recruitment, professional excellence and development, administration, incentive systems, and social issues. The major premise of the human resource management strategy is to treat the employees as the most valueable asset of the Company.

Conditions

In 2009, Grupa LOTOS continued the 10+ Programme, the biggest investment programme in Poland, which was connected with the development of new technologies and the expansion of the product range. These conditions had an impact on the Company's Human

Resource Management policy. Thanks to the 10+ Programme, the Company created new jobs, strengthened its cooperation with universities to promote among prospective students faculties connected with the industry, and initiated together with employees and students of technical universities R&D studies as well as technical and technological projects. The Company also expanded its cooperation with secondary schools to develop youth interest in the petrochemical industry through a system of scholarships, thematic competitions, and dedicated placements in the Company. All these actions contributed to the optimisation of employment at the LOTOS Group and the focused professional development of employees.

Remuneration

Grupa LOTOS tries to make remuneration in the Company competitive on the labour market and attractive to employees. For every job, a market median is determined, which is a target value for all employees whose incomes are below this level. The medians have been determined based on data received from external HR consulting agencies.

Every quarter, an analyses of employees' basic remuneration is carried out and compared with the market medians. Then, superiors can decide increase rates of their subordinates to the relevant level. As in 2009 the Company launched the Anti-Crisis Package, such an analysis was conducted only in the fourth quarter. Remuneration was adjusted in Grupa LOTOS in October 2009. In addition, in the second half of 2009, the basic salaries of employees of most LOTOS Group companies were raised.

Welfare benefits

Grupa LOTOS and its subsidiaries covered by the agreement on joint welfare activity have increased their basic contribution to the Company Welfare Benefits Fund pursuant to the Act of 4 March 1994 up to 100% of the average monthly remuneration in the national economy per every employee and 6.25% per every retired person and pensioner. As a result, almost 100% of the draft budget for 2009 as approved by the Management Board and corporate trade unions was fulfilled.

Grupa LOTOS provides welfare benefits to all its employees and their children, retired employees and pensioners and spouses of the deceased employees. The Regulations of the Company Welfare Benefits Fund in Grupa LOTOS allows the granting of various forms of social aid to entitled employees: such as co-financing their summer holiday, rehabilitation of disabled children, granting loans for housing purposes and providing non-returnable subsistence allowances to persons in difficult situation.

The outlays for social purposes are growing due to the dynamic development of the Company and the increasing number of employees, who

are additionally attracted to work in the Company by good salaries and the rich social offer.

Recruitment under the 10+ Programme

In the recruitment process Grupa LOTOS always takes account of the high qualifications and skills of its employees and the necessity to provide them with development opportunities. Therefore, applications from the LOTOS Group's employees are given priority. This procedure allows for the effective transfer of knowledge between the LOTOS Group companies. At the same time, Grupa LOTOS runs external recruitment to attract new employees who will enrich the organisation with the qualifications necessary for performing the tasks ahead of the LOTOS Group.

Exceptional recruitment and training programmes, the "2009 Personnel – 10+ Programme" and "10+ Personnel", were completed in 2009. They were developed for the purpose of the 10+ Programme which was connected with the growth of Grupa LOTOS' processing capacity. As a result of this investment programme, the Company had to recruit, hire and prepare production and sales personnel. Project goals were achieved in accordance with the premises. Furthermore, in the context of human resource needs under the 10+ Programme, the Company popularised the idea of knowledge sharing in the organisation and the system of employee professional preparation via rotation. The recent appraisal of the competences of employees participating in the programmes let us assume that they are well prepared to new challenges related to increasing production and extending the offer. The project methodology developed and verified to this end will be used to carry out further such programmes efficiently.

The execution of the 10+ Programme required the recruitment of new operators. Therefore, the Company implemented the system of knowledge certification for the new production personnel. The objective of the training programme was to provide basic general knowledge necessary for the correct performance of the tasks of an operator. During the two-week training programme, employees get familiar with their work in the broad technical and technological context. Classes are given by a specially trained group of internal trainers including specialists/experts from specific areas.

Internships and scholarships

The LOTOS Group actively supports the academic and professional development of university and secondary school students. Every year, more than one hundred of them undergo training both at Grupa LOTOS, as well as its subsidiaries: LOTOS Serwis, LOTOS Lab, LOTOS Oil, LOTOS Kolej, and LOTOS Asphalt. The largest group of trainees are students of Gdańsk Technical University from the Faculties of Management and Economics, Electronics, Telecommunications and IT, Mechanics, Chemistry, Civil and Environmental Engineering,

Automation and Robotics, Technical Physics and Applied Mathematics. Other trainees come from the following universities: the University of Gdańsk, Gdańsk School of Banking, the Academy of International Economic and Political Relations, Gdynia Maritime University, the State Higher School of Vocational University in Elbląg, Gdańsk Higher School of Humanities, as well as Kraków University of Technology, the AGH University of Science and Technology, and Warsaw University of Technology. The Company also admits students of Tri-city secondary schools for training.

The Company tries to facilitate the transfer of students and graduates of Tri-city universities from the academic into the professional environment and helps them find their first job, for example by participating every year in the “Holiday Internship” programme organised by the City Office in Gdańsk under the patronage of the Mayor of Gdańsk.

In order to strengthen the cooperation between business and the academia, the Company signed a trilateral agreement with Gdańsk University of Technology and the AGH University of Science and Technology in Kraków aimed at supporting talented, committed and creative students. This cooperation is sealed with scholarships founded for the students.

To strengthen contacts between students and business, the Company sponsors 15-20 internships for students and graduates every year. In 2009, the LOTOS Group organised 129 internships in total.

Starting from the academic year 2004/2005, the Company granted over PLN 700 000 for scientific scholarships and awards for 130 students and PhD students at Gdańsk University of Technology and the AGH University of Science and Technology in Kraków.

Grupa LOTOS evaluated its cooperation with students who received scholarships from Grupa LOTOS by organising a survey. 15 persons responded to the survey. 12 of them stated that the scholarship sponsored by Grupa LOTOS contributed to their bigger motivation to learn and the achievement of the best results possible. 10 students responded that the scholarship influenced their scientific development and allowed for the performance and development of their scientific interests. 10 persons said that receiving a scholarship from the Company created better opportunities for job searching and was an advantage on the labour market. Among other effects resulting from the scholarship, students specified e.g. the possibility of focusing on work without the need to take up a paid job. Scholarships financed by Grupa LOTOS helped to motivate very good students to become even better in their field and contributed to the growth of their self-confidence.



LOTOS Academy

The key training and development project carried out since 2004 by the Capital Group is the LOTOS Academy. Its mission is the introduction of the work culture and management principles based on an employee model who participates consciously in creating the added value required by customers and shareholders. The purpose of the LOTOS Academy is to construct a partner team of employees establishing the structure of a transparent, modern, efficient and strong organisation, which is able to face its competitors, i.e. large companies in the European Union.

All planned and implemented training initiatives have to fulfil the key premises of the LOTOS Academy:

- **cohesion** – the system of training takes account of the mission and strategy of Grupa LOTOS, its long-term development plans, and its relations with other human resource management areas;
- **responsibility** – all participants of the process are responsible for the effects of training and development;
- **availability** – training is addressed to all groups of employees;
- **continuity** – the development planning is a continuous process connected with the outcome of periodical employee appraisals, career paths, succession plans, and development plans for individual groups of employees;
- **flexibility** – the plans for and performance of training is connected with the monitoring of the changing external environment of the Company and the changes in expectations regarding qualifications of the employees.

Under the LOTOS Academy, in 2009, the Company carried out dedicated programmes, including:

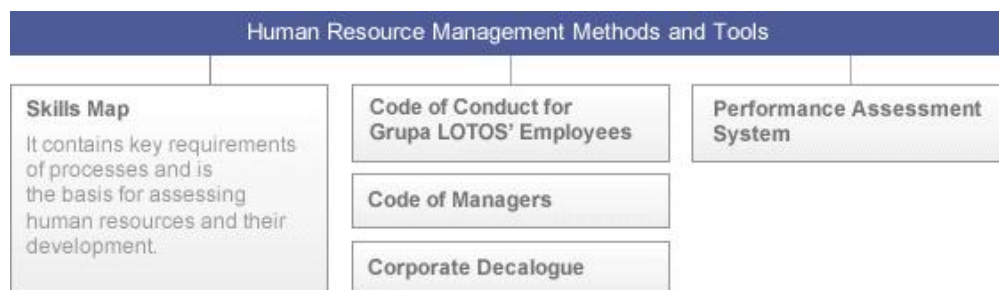
- Induction Programme for new employees: new employees of Grupa LOTOS are covered by the programme as part of their employment; the aim of the programme is to make them effectively familiar with their job, integrate them with a team, as well as present them with the

values and the organisational culture of the LOTOS Group, procedures and the operation of the refinery;

- Future Leader 2007-2009 Programme: a programme for the versatile development of employees with the greatest potential aimed at the selection of the most valuable employees of the Company and providing them with wide, but targeted, opportunities for intensive professional development;
- Corporate edition of the Master of Business Administration (MBA). The process of intensive development of the LOTOS Group is particularly demanding for management staff. In cooperation with the Gdańsk Foundation for Management Development, the Company prepared the corporate edition of the MBA course in accordance with a programme validated by RSM Erasmus University. Apart from gaining managerial qualifications corresponding to global requirements, the aim of the programme is also to facilitate the exchange of experiences and the integrating of managers of the entire LOTOS Group;
- Auditor School: the main aim of the programme is to prepare well-trained and experienced auditors who will carry out audit in all the companies of the LOTOS Group in compliance with highest uniform corporate standards. In 2009, the Company focused on internal workshops held by the Company's trainers. Auditors who obtained LOTOS Group Auditor Certificates after the cycle of training courses held in 2008 were invited to knowledge workshops on technology, products, trade, environmental protection, industrial safety, and the Company's audit rules. In addition, the Company prepared a cycle of improvement courses for its certified internal auditors. Classes will be held under a development project partially financed from the European Social Fund in 2010-2011.

More details on the Company's actions aimed at the improvement of the knowledge and skills of employees are presented in Polish [in the Internet portal of Grupa LOTOS](#).

Human Resources Management Methods and Tools



Employee Training and Improvement



Safety at work

Because of the character of its activity and, in particular, the scale of investments carried out under the 10+ Programme and the rate of construction and erection works, the LOTOS Group pays special attention to actions aimed at raising the awareness of employees of and their involvement in work safety continuously. The level of safety culture and the related responsibility of all employees are among the priorities of Grupa LOTOS. To achieve work safety goals, the Company takes up a number of non-standard initiatives aimed at promoting industrial safety issues in a legible manner and in a way that involves employees. This applies not only to duties that a production plant is obliged to fulfil by law, but actions arising from standards and the best world solutions relating to health care and work safety, as well. Some above-standard practices implemented by the Company in 2009 were as follows:

- using the best available techniques and top quality technical elements in production;
- informing employees about the situation of the Company, the world and domestic novelties by means of any available communication media. The most interesting initiatives taken to improve communication on industrial safety among employees of the LOTOS Group comprise:
 - publishing articles on safe work and health care in every issue of the employees' monthly;
 - publishing the industrial safety quarterly "Bezpiecznik";
 - dedicated „Safety at Work” displays cabinets promoting accident-free work, presenting dangerous situations reported by employees or answers to the questions received via industrial safety boxes or by e-mail;
 - "Accident Frequency" tables in the refinery, informing about the number of accidents at work, and registered dangerous situations within the territory of individual production plants and companies;
 - a „Safety at Work” panel in the Intranet that provides employees with access to e.g. materials promoting a healthy and hygienic lifestyle, training films, training materials, world novelties, knowledge competitions;
 - a „Safe Work” file at production plants with educational and teaching materials on safety;
- developing a system of training for employees, such as e.g.:
 - improvement exercises on adequate reactions to accidents at work, chemical alarm procedure, evacuation from buildings, practising emergency scenarios included in the Report on Safety, together with LOTOS Straż and Chemical Rescue;
 - training for a specialised production group on complex first aid to be provided before the arrival of medical help.

Trainers use, for example, training films, photos, multimedia presentations, educational games, practical workshops, based on individual and team work.

As regards safety at work, Grupa LOTOS enjoys a good reputation among representatives of world concerns, external auditors visiting the refinery, and representatives of insurance companies. The Company works to develop joint work safety standards for the whole Capital Group and achieve LTIF below the average for European refineries. The programme for the continuous improvement of working conditions applies its own ideas in this field, as well as world work, process and technical safety solutions.

Systematically, every year, Grupa LOTOS implements new technical and organisational solutions to improve employees' awareness and commitment and to ensure safe conditions at work for all persons staying or working within the territory of the Company.

Short-term plans:

- a programme motivating management staff to motivate employees to work in accordance with applicable safety rules and procedures;
- the promotion of a work safety culture by organising and encouraging employees to take part in the World Safety Day;
- the implementation of an incentive system for employees of third party companies aimed at awarding them for safe behaviour and promote adequate attitudes and behaviours.

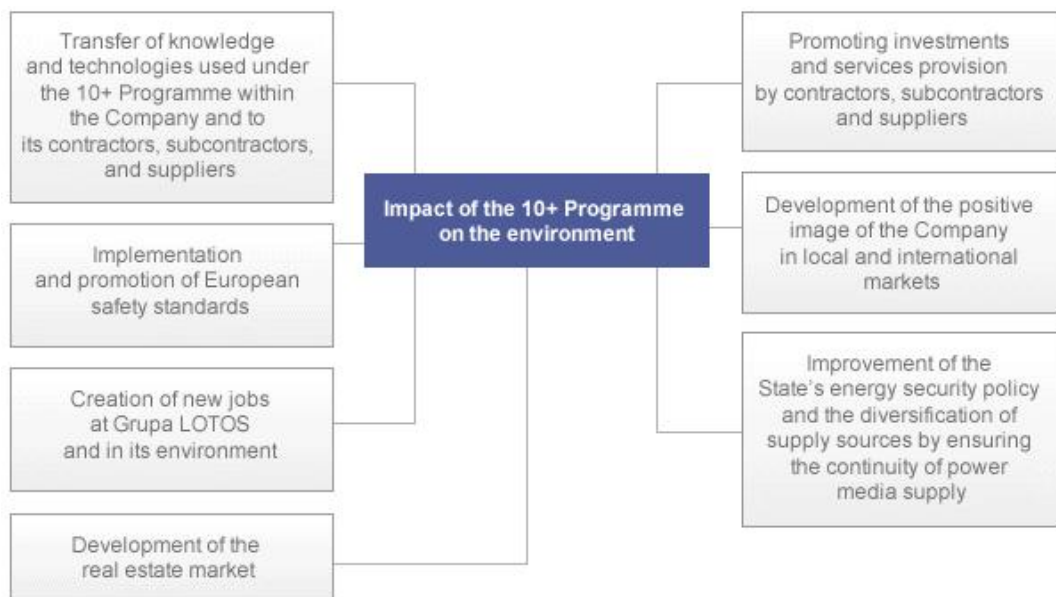
Mid- and long-term programmes:

- the establishment of a work safety culture by involving management and employees of lower levels;
- the unification of work safety standards at the LOTOS Group;
- the achievement of a below average LTIF amongst European refineries by eliminating the risk of accidents, and implementing projects related to the improvement of working conditions by use of the best world solutions and techniques in this field.

Society

Impact of the 10+ Programme on the environment

By executing the 10+ Programme, Grupa LOTOS had a significant indirect economic impact on the Company's environment, including the following key areas:



1. Transfer of knowledge and technologies used under the 10+ Programme within the Company and to its contractors, subcontractors, and suppliers;

2. Implementation and promotion of European safety standards;

To ensure high levels of safety under the 10+ Programme, the Concern concluded an agreement with an international team of experts, the Project Managing Contractor (PMC), to coordinate all actions, including activities relating to health, safety and environment (HSE).

HSE procedures and instructions

Given the scale of actions carried out under the 10+ Programme and in order to ensure more efficient monitoring, the Company developed, together with the PMC, a number of HSE procedures and instructions. The purpose of these documents was to present both model and recommended solutions relating to the management of safety at work and environmental protection under such investments like the 10+

Programme. The documents were delivered in the form of appendices to agreements and orders.

Best HSE practices

To effectively promote issues relating to safety at work and environmental protection, the Company developed a number of booklets discussing such issues. They were delivered to all general contractors, which were obligated to make all their subcontractors familiar with the content thereof.

Safety boards

To shape the desired safety culture in the area connected with the 10+ Programme, the Company has to use relevant tools allowing for the monitoring and assessment of such a culture. To create an atmosphere of positive competition in safety at work among contractors, safety boards were fixed on construction sites.

HSE controls on sites

Under the monitoring of safety at work and environmental protection, the Company, together with the PMC, carried out weekly controls attended by construction management, contractors' HSE staff and supervisory inspectors. After every control, Grupa LOTOS drew up and sent a report to the contractor. If the protocol included duties to be performed by the contractor, the contractor returned the filled in report on amendments undertaken after the completion thereof.

HSE reviews

Pursuant to the requirements of procedures developed for the purpose of the 10+ programme, the Company, together with the PMC, carried out a cycle of HSE reviews among its major contractors to verify the actions taken by contractors and subcontractors based on documents developed for the purpose of the investment and actions implemented on sites.

Monthly HSE coordination meetings

To establish better cooperation between the investor and contractors, Grupa LOTOS, together with the PMC, organised meetings with personnel in charge of HSE monitoring. During the meetings, contractors delivered information on actions undertaken to improve HSE,

provided an overview of past month's actions and advancements and prepared further actions mainly aimed at safety improvement.

3. Creation of new jobs at Grupa LOTOS and in its environment;

New installations contribute to creating new jobs. To cover human resource needs connected with future operations of installations constructed under the 10+ Programme, Grupa LOTOS recruited and trained 120 new employees, including 30 engineers. In addition, the 10+ Programme has been supported by 3 450 employees from third party companies.

4. Promoting investments and services provision by contractors, subcontractors and suppliers;

PLN 4.8 billion were transferred to contractors under the 10+ Programme by the end of 2009 as a result of the design, supply and construction contracts concluded with the Group.

Value of services bought – P10+ (PLN billion)

31 December 2009

It is necessary to point out that 43% of Grupa LOTOS expenses relative to works performed under the 10+ Programme by third party companies were spent in Poland. Out of that, 24%, i.e. PLN 0.51 billion, were paid to enterprises from the Pomerania Region, while 76%, i.e. PLN 1.58 billion, to other domestic entities.

Value of services bought in Poland – P10+ (PLN billion)

31 December 2009

5. Development of the positive image of the Company in local and international markets;

The Concern carries out bilateral projects under the 10+ Programme in cooperation with recognised suppliers of the most advanced and effective technologies, including such world leaders as: Shell, Kellogg, Lurgi, Chevron. The Programme has been joined moreover by the American concern, Lockheed Martin, which, under the offset agreement with the Polish Government related to the purchase of F-16 fighters, co-finances the transfer of technology and supports the entire Programme. The Programme involves mainly leading companies from the industrial construction sector, which have long-lasting experience in designing and building refinery and chemical complexes the world over: Technip (Italy), ABB Lummus Global (Germany), Lurgi (Germany/Poland), Fluor (Netherlands/Poland). At the same time, companies from Pomerania and construction enterprises from all over Poland have a significant share, particularly as suppliers and contractors of particular investments.

6. Improvement of the State's energy security policy and the diversification of supply sources by ensuring the continuity of power media supply;

The Gdańsk refinery's ability to process various types of oil, access to own deposits, and the close distance to sea transshipment terminals all support the advancements in energy security policies and raw material diversification.

7. Development of the real estate market;

The execution of the 10+ Programme has indirectly contributed to the growth of demand for apartment rental in the local market since employees hired by contractors/inspectors/PMC staff needed close-by accommodation.

Pro-social actions

The LOTOS Group's sponsoring and charity activity focuses mainly on pro-social actions consistent with the Concern's mission and development strategy, as well as values represented by the LOTOS brand in areas important for life of customers and residents of production plant surroundings. The Company achieves its business goals taking into consideration material social goals. Pro-social activities are carried out in two priority areas:

- environmental protection and ecology: initiatives relating to environmental protection and ecology, including, in particular, the protection of the natural assets of the Baltic Sea;
- people and their environment: support for health care institutions, actions to the benefit of the disabled, the development of science and education, physical culture and sports education of the young generation.

Key social programmes carried out in 2009:

LOTOS Safety Academy

A programme comprising a number of actions aimed mainly at preventing road accidents involving children through educational actions and the promotion of road safety rules among children and adults. In 2009, these actions included the following elements:

- the "LOTOS – Safe Way to School" Programme;
- "Free Reflectors" art competition;
- joining the initiative of the European Commission "European Road Safety Charter";
- participation in the Automotive and Road Safety Picnic in Sopot;
- communication actions addressed to adults.

In 2009, Grupa LOTOS joined the European Road Safety Charter. This is a social initiative which purpose is to convince as many entities as possible to undertake active actions to the benefit of road safety. By joining the initiative, the Company declares to implement road safety initiatives for the next 3 years. In its membership declaration, Grupa LOTOS stated that it would continue its educational and prevention programme "LOTOS – Safe Way to School".

Actions taken under the LOTOS Safety Academy are addressed to External recipients (children youth and adults), as well as to employees of the LOTOS Group. In 2009, the Company's media published articles on road safety. Employees may verify their knowledge on road safety in specially prepared competitions announced in the corporate media. Similarly, the Tri-city press published addenda promoting the problems of safety. The purpose of these actions was mainly to improve adults' awareness of safe behaviour on roads and the significance of the education of the youngest road users.

"LOTOS – Safe Way to School" is an educational and prevention programme carried out together with the Police and road safety experts. It is to prevent road accidents involving children of an early school age. Actions addressed to pupils of first classes of primary schools are to turn their attention to road safety issues and teach the relevant behaviours and attitudes on roads. The safety of, in particular, pedestrians on Polish roads is a serious social problem. The programme includes classes held by policemen and road safety instructors to discuss safe movement on roads and appropriate places for children to play. All participants of these classes receive reflectors and road safety educational packages financed by the Concern.

The programme is carried out within the operating territory of selected entities coming within the LOTOS, i.e. in the Pomerania Region and counties directly influenced by LOTOS Czechowice and LOTOS Jasło. In the Pomerania Region, such actions have been taken since 2001, in Jasło since 1998 and in Czechowice since 2004.

For the last 4 years, the Company has distributed around 48 000 reflectors and 25 000 road safety packages to pupils.

LOTOS Safety Academy – the Year 2009 in figures

- participants of "LOTOS – Safe Way to School": 12 000 children, including 8 000 in the Pomerania Region and 2 000 both in Jasło and Czechowice-Dziedzice;
- participants of the art competition "Free Reflectors": 60 schools;
- participants of the Automotive and Road Safety Picnic in Sopot: 5 000 persons.

"Good Neighbour" Programme

This social programme commenced in 2006 and took place in the direct surroundings of Grupa LOTOS in Gdańsk. It is based on the problem of the co-existence of the refinery and residents of districts and settlements located in the direct neighbourhood. Residents consider the refinery's emission of gases to be a nuisance, which is felt in the form of unpleasant smells.

Social pathologies existing in the districts covered by the programme, as well as the fact that these are some of the poorest districts show that educating on the Company's specific character and organisation of the production plant may prove insufficient. Informing about the quality of installations protecting against the emission of hydrocarbons does not convince most inhabitants that the smells they feel are harmless. The Company has to get involved in actions supporting local communities, in order to compensate for the social differences visible in comparison to other city districts, by way of supporting actions taken mainly for the sake of children.

The strategic goal of the Good Neighbour programme is to enhance the awareness of the essence of environmental protection and actions by supporting the education of children. Such a goal proves that the Company is interested in problems relating to environmental protection and ecology and confirms that it is committed to the idea of sustainable development and wants pro-environmental messages to reach adults through children.

To achieve the programme goals, in 2009 Grupa LOTOS initiated the educational project "Sobieszewska Island and the Nature 2000 Area. Protection of birds and their habitats". The project was carried out together with the Ornithological Station of the Museum and Zoology Institute of the Polish Academy of Science. It provided for 15 lectures at the offices of the Ornithological Station to be ended with a competition for children and youths from schools subject to the "Good Neighbour" programme. The purpose of the project was to make the young generation

interested in ecology and nature protection, promote the European Environmental Network Nature 2000, including, in particular, the role of protected sites on the Sobieszewska Island for the maintenance of world biological diversity. The project covered lectures that were attended by 349 students from 13 schools and a competition on knowledge gained during the lectures. The competition was entered by representatives from 12 schools.

Ecological projects

Pursuant to the assumptions of its social responsibility strategy, Grupa LOTOS supports ecology, i.e. widely understood actions connected with the structure and operation of nature. As a part of its environmental actions, the Company runs and supports initiatives aimed at enhancing the awareness of the essence of environmental protection and environment-friendly actions by supporting the education of children and youths. Some of its activities include the organisation and co-finance of environmental competitions and events addressed mainly to the Company's closest neighbourhood.

Protection of the biological diversity of the Baltic Sea

In 2009, Grupa LOTOS undertook cooperation with the Development Foundation of the University of Gdańsk and the Sea Station of the Oceanography Institute at the University of Gdańsk on the Hel Peninsula for the sake of the protection of the biological diversity of the Baltic Sea. These actions are to help to stop the extinction of the most endangered sea species, mainly the porpoise, called the Baltic dolphin. Apart from actions protecting endangered species, the cooperation covers educational actions and the promotion of knowledge about the biological diversity of the Baltic Sea, and information about methods of protecting endangered species. The Company provided funding for the purchase of apparatus supporting the protection of porpoises against by-catch. Actions are carried out in the Pucka Bay under the "Active protection of porpoises against by-catch" project. The porpoise is the only whale permanently living in the Baltic Sea. Scientific studies show that these animals are dying faster than they are reproducing. Under joint actions for the sake of the protection of the natural resources of the Baltic Sea, in 2009, the Company participated in the organisation of the Porpoise Day, the purpose of which was to make people familiar with the life and protection of the Baltic porpoise. This is important since a lot in this field depends on the education of Polish fishermen. The Company's cooperation with partners resulted in the project "Let's get familiar with and protect the biological diversity of the Baltic Sea", which is to popularise knowledge about the protection of natural resources and problems of sea mammals living in this basin. Joint actions covered, for example, training for biology teachers, educational trips for children living in the vicinity of the refinery. The Company also initiated thematic articles in the regional press.

Since this is the first year that Grupa LOTOS has taken such active social actions for the sake of the protection of the biological diversity of the

Baltic Sea, the project effectiveness has been measured by frequency, i.e. the scale of social interest. This, particularly, refers to learning and educational activities contributing to a change in awareness of and attitude to identified environmental problems. Studies show that the actions are greatly appreciated both by residents of the Pomerania region and tourists.

The "Let's get familiar with and protect the biological diversity of the Baltic Sea" project in figures:

- 14 000 persons visited information points in the second half of 2009;
- 20 000 copies of information and educational materials were distributed;
- 100 copies of an educational movie were prepared;
- the web site www.morswin.pl was visited 1 400 times during six months;
- 70 biology teachers from secondary schools in the Pomerania region were trained;
- a competition held for secondary school students in March 2010 was attended by 53 persons;
- 60 children from children's homes and dysfunctional families being in the custody of non-governmental organisations from the nearest vicinity of the Concern took part in educational trips to the Hel Peninsula.

Earth Day and International Baltic Clean-Up Day

In 2009, the Concern got involved in the organisation of the Earth Day in Gdańsk. The idea of this cyclical event is to promote environment-friendly attitudes in the community. The Company also co-organised an initiative under the International Baltic Clean up Day. The project was initiated by the Our Earth Foundation. The purpose of the Day is to encourage Baltic states and all Polish communes located around the Baltic Sea to organise sea cleaning actions. On that Day in Gdańsk, a Tri-city partnership was established by the Municipal Office in Gdańsk, Grupa LOTOS, the State Fire Brigade, MOSiR, the Sea Office in Gdynia, and the Our Earth Foundation.

The purpose of the action was to clean beaches, coasts and the sea bottom, and, in particular, to stimulate the community's responsibility for the Baltic Sea. The sea bottom cleaning action was attended by the Company's employees and skin divers of LOTOS Straż. As far as the youngest participants were concerned, Grupa LOTOS prepared a special interactive educational programme with awards being granted for advanced knowledge on the Baltic Sea and the protection of its nature and biological diversity.

"Energy wealth of nature"

Under cooperation with the Respect for Energy Foundation, in 2009, Grupa LOTOS got involved in the organisation of the second edition of

the “Energy wealth of nature” competition, which was addressed to secondary and high schools to activate local environments to the problem of renewable sources of energy. The competition was accompanied by a number of seminars, studio visits and meetings with experts. The competition was attended by 1 480 students from the entire voivodship.

Sports education

The major goal of sports and social projects carried out by Grupa LOTOS is youth education through sport. All so-called “small sports” projects are to encourage young people to practise sport actively and to identify sportsmen who will later on develop their skills in professionally managed sports clubs and unions. The biggest sports education programme of this type in Poland and CEE is “LOTOS Cup – Looking for Champion Successors” under the National Programme for the Development of Ski Jumping, which Grupa LOTOS organises together with the Polish Skiing Association.

National Programme for the Development of Ski Jumping

The programme “Looking for Champion Successors” under the National Programme for the Development of Ski Jumping was created in 2004. In subsequent seasons, it was a great organisational, sports and media success and became one of Poland’s major sports and social projects. Key ideas of the project are to promote ski jumping among children and young people on a unique scale and search for the biggest talents among ski jumpers.

The basic objective of the programme is to launch a system of active support for young people training at clubs offering youth ski jumping. In the years 2004-2009, the Company financed 185 ski sets with bindings, 161 suits, 100 helmets and 150 pairs of shoes for the most skilled young ski jumpers from nineteen clubs of Poland. Through the delivery of 596 pieces of professional sports equipment, the programme allowed for the full training of the youngest groups. In such a manner, Grupa LOTOS launched the biggest social programme supporting able ski jumpers from Polish sports clubs. In addition, 60 ski sub junior and junior jumpers who won the first six places in the general classification of the LOTOS Cup in seasons 2004-2009 received annual sports scholarships.

In 2005-2009, over 150 ski jumpers competed in forty individual youth competitions of the LOTOS Cup organised in the form of the World Cup at ski jumps in Szczyrk, Wisła, Zagórze and Zakopane. In the third year of its existence, the “Looking for Champion Successors” programme trained the first ski jumper who was appointed for the national senior team. Maciej Kot from Start Krokiew Zakopane took part in the team competition of the FIS World Cup in Lahti, Finland (2007) thus bringing to life one of the major assumptions of the programme. In the 2009 season, 9 out of 20 ski jumpers training in the A and B teams of the Polish Skiing Association were former or present scholarship holders

under the “Looking for Champion Successors” programme.

Sports sponsoring

Grupa LOTOS' participation in sports sponsoring is based on a strategic and long-term approach. Consistent actions bring about measurable effects for individual trade segments and support the communication of desired properties of the LOTOS brand. Grupa LOTOS' activities focus on motor sports, basket ball and winter sports: ski jumps and races.

Basket ball

For over 10 years, Grupa LOTOS has been a titular sponsor of the women's basket ball team LOTOS Gdynia, which was the Champion of Poland 10 times, the winner of the Polish Cup three times, the winner of the Polish Super Cup, the club vice-champion of the World League, the vice-champion of Europe in 2002 and 2004, and has been in the Euroleague since 1998.

Skiing

Since 5 years, the Concern has been the General Sponsor of Polish Skiing. Under its cooperation with the Polish Skiing Association, the Company supports ski jumpers in the A and youth team, as well as competitors of the A and youth ski race team and the Nordic team combined. Grupa LOTOS supports such prize-winning sportspersons like: Justyna Kowalczyk, two-time world champion and winner of the World Cup 2009 and Adam Małysz, Olympic medallist, four-time individual world champion, four-time World Cup winner, three-time winner of the Summer Grand Prix.

Motor sports

Since 5 years, the Concern has been the titular sponsor of the speedway team LOTOS Wybrzeże Gdańsk. As a result of its activity, the Company is involved in motor sports. In 2009, Grupa LOTOS organised the yearly LOTOS Baltic Cup race and the cycle of car races KIA LOTOS Cup and Cee'd LOTOS Cup, whose titular sponsor is LOTOS Oil. The Cup holds the rank of the Championship of Poland, is organised together with the Polish Motor Association, and constitutes the most exhaustive racing class in Poland.

All the above sports disciplines, projects and clubs represent the top sports and organisational level.

More information about the Company's pro-social activities is presented [in the Internet portal of Grupa LOTOS](#).