

# How we reduce the probability of risk materialising

Operating in a largely volatile macroeconomic environment, the LOTOS Group adopts a precautionary approach. Where possible, risk is reduced to a level considered economically acceptable.

## We give effect to this precautionary approach through:

- The ERM system, which supports the safe operation of our organisation and the achievement of business goals with due respect for our environment and its values.
- The *Code of Ethics*, which sets the standards of conduct in line with the LOTOS Group ethical values.
- Environmental protection and OHS standards, which ensure the highest standard of people's and process safety. With regard to HSE, we apply the ALARP (As Low As Reasonably Practicable) principle.
- Standardised contract forms, which lay down proper terms and conditions for cooperation with trading partners.
- Other policies and operating procedures, which define the acceptable risk levels in business processes.

### More information

[Directors' Report on the operations of Grupa LOTOS S.A. and the LOTOS Group in 2016](#)

Chapter 6. Grupa LOTOS S.A.'s and the LOTOS Group's business risks

[Note 28. Objectives and policies of financial risk management](#) in Consolidated Financial Statements for 2016