

Commitment to sustainable development

The Supervisory Board took a stance on the Company's performance, opportunities and risks in the area of sustainable development.

Striving to comply with the international standards of sustainable development, which are a vital element of international legislation and which have received recognition by being incorporated into Art. 5 of the Polish Constitution, the Supervisory Board, in line with the principle of sustainable development, has extended the scope of its review activities to include areas key to Grupa LOTOS' operations: its access to natural resources and its environmental and social impacts.

In 2011, the Supervisory Board met six times and adopted 41 resolutions, including one in writing (the Supervisory Board of the seventh term held three meetings and adopted 27 resolutions, while the Supervisory Board of the eight term met three times and adopted 14 resolutions).

Key matters pertaining to the Company's performance, opportunities and risks in the area of sustainable development put under discussion by the Supervisory Board in 2011 included:

- upstream opportunities,
- financial results reported by Grupa LOTOS and its subsidiaries and performance against the 2011 budget,
- progress of work under the 10+ Programme,
- sale by Grupa LOTOS of its entire equity interest in LOTOS Parafiny Sp. z o.o.,
- financing of CSR projects, and
- corporate sponsorship.

The activities of the Supervisory Board are reviewed by the General Shareholders Meeting. Under Par. 9.2 of the Company's Articles of Association, the General Shareholders Meeting has the authority to grant discharge to members of the Supervisory Board in respect of performance of their duties. The basis for granting such discharge is the report containing an assessment of the Company's standing, covering sustainable development, which is presented annually by the Supervisory Board pursuant to Par. 3.2 of the Rules of Procedure for the Supervisory Board.