

Scope and reach

In determining the content of non-financial sections of the Annual Report, we were guided by the GRI Reporting Framework. The information contained in the Report was selected based on the materiality criterion, which we define as the potential to affect the LOTOS Group's compliance with the sustainable development principles, as well as to influence the Group's external stakeholders looking for reliable, comparable and accurate information and data, to inform their decisions and choices.

This Report, to the extent relating to non-financial information, was prepared using the full range of core indicators, including economic, environmental and social performance indicators, as well as the majority of additional indicators provided for in the GRI Guidelines. As no relevant Sector Supplement was established at the time of drafting this Report ("GRI Oil & Gas Sector Supplement"), no sector-specific performance indicators were applied except for those included in the core set. The methods used to calculate the figures presented in this Report were the same as those applied for the purposes of preparing the LOTOS Group's Consolidated financial statements for 2011, i.e. in accordance with the IFRS effective as at December 31st 2011.

For a vast majority of thematic areas, the facts and non-financial data presented in the Report pertain to Grupa LOTOS, the parent entity. However, all due care and consideration was given to account for the LOTOS Group's consolidated data where possible. In sections devoted to product and environmental responsibility, information relating to the marketing companies was disclosed as well, while in sections focusing on environmental responsibility, we provided data for LOTOS Petrobaltic. In each case, a clear distinction was made by specifically indicating the LOTOS Group's entity currently discussed.

In the previous reporting period, no material changes or other circumstances occurred with respect to the LOTOS Group's entities which would affect the overall assessment of the organization, both in terms of individual aspects of its activity and domestic peer comparison. After the end of the financial year 2011, in January 2012, Grupa LOTOS sold 100% of the shares in LOTOS Parafiny, one of its marketing segment companies. However, given that LOTOS Parafiny was a company of the LOTOS Group in the period covered by this Report, its performance for 2011 is also included.

A new wording for GRI LA13 was introduced in this Report, as its previous version was incorrectly translated. In accordance with the recommendation of an independent auditor and willingness to ensure full clarity of the Report, a new method of data presentation was applied with regard to GRI EC1 indicator.

GRI indicators as reported by the LOTOS Group companies: LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny and LOTOS Petrobaltic

GRI aspects	GRI indicators reported in 2010	Subsidiaries	GRI indicators reported in 2011	Subsidiaries
Products and services	EN26	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	EN26	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny, LOTOS Petrobaltic (group)
	EN27	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	EN27	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
Transport	EN29	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny, LOTOS Petrobaltic	EN29	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny, LOTOS Petrobaltic (group)
Customer health and safety	PR1	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	PR1	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
Product and service labelling	PR3	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	PR3, PR5	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
	PR5	LOTOS Oil, LOTOS		

Paliwa, LOTOS Parafiny				
Marketing communication	PR6, PR7	LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	PR6	LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
			PR7	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
Customer privacy	PR8	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	PR8	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
Compliance	PR2, PR4	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	PR2, PR4, PR9	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny
	PR9	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny		
Biodiversity	EN11, EN12, EN13	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	EN11	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa LOTOS Petrobaltic (group)
			EN12	LOTOS Asphalt, LOTOS Paliwa, LOTOS Petrobaltic (group)
	EN14	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny, LOTOS Petrobaltic	EN13	LOTOS Paliwa
			EN14	LOTOS Asphalt, LOTOS Oil, LOTOS Paliwa LOTOS Petrobaltic (group)
Indirect economic impact	EC9	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Parafiny	EC9	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa
Market position	EC5, EC6, EC7	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny	EC5, EC6, EC7	LOTOS Asphalt, LOTOS Kolej, LOTOS Oil, LOTOS Paliwa, LOTOS Parafiny

The Annual Report for 2011 accounts for a total of 76 GRI indicators, relative to 74 indicators in 2010. Grupa LOTOS decided to discontinue reporting of three indicators: the HR6 and HR7 core indicators, and the HR9 additional indicator, as the issues they cover were deemed immaterial for the organization. In 2011, as in previous years, we sought to increase the number of indicators reported by subsidiaries, depending on data availability. In the Report for 2011, LOTOS Petrobaltic included data of its subsidiaries: AB LOTOS Geonafra, Energobaltic and LOTOS E & P Norge.

An index designed to facilitate search for specific performance indicators and descriptive parts relating to specific issues discussed in this Report is included in the Table of Content of the GRI Performance Indicators and Global Compact Principles in the "Useful information" chapter of this Report. [Link → \(http://raportroczny.lotos.pl/en/useful-information/gri-performance-indicators-and-global-compact-principles/\)](http://raportroczny.lotos.pl/en/useful-information/gri-performance-indicators-and-global-compact-principles/)