

X. The LOTOS Group Integrated Report

In 2010, we were the first company in Poland to introduce a new reporting model meeting the requirements of both financial reporting and sustainability reporting. So this is how our continuing adventure with integrated reporting began. We have been fully convinced since day one that transparency of our activities is crucial to our business growth. The process of collecting and publishing relevant data is additionally an important part of the LOTOS Group's business and CSR strategies, which both provide for active stakeholder dialogue.

This year, we have the pleasure of presenting the tenth jubilee LOTOS Group Integrated Annual Report, summarising the operations of the organisation as a whole throughout 2018. The publication, just like in the past years, is meant to provide our stakeholders with insights on the Group's way of functioning, its business model, strategy, value creation process, and to share our results and achievements from the perspective of all of our capitals.

The information given in the report covers the period from January 1st to December 31st 2018 and describes the situation at year-end (or a different period, as stated in the report, in isolated cases). Reporting takes place on an annual basis. The latest LOTOS Group Integrated Annual Report was published in 2018 and concerned the year 2017.

IN ADDITION TO GRUPA LOTOS S.A., THE 2018 REPORT COVERS ALL DIRECT SUBSIDIARIES:

- LOTOS Upstream Sp. z o.o.
- LOTOS Petrobaltic S.A.
- LOTOS Oil Sp. z o.o.
- LOTOS Asphalt Sp. z o.o.
- LOTOS Serwis Sp. z o.o.
- LOTOS Paliwa Sp. z o.o.
- LOTOS Lab Sp. z o.o.
- LOTOS Infrastruktura S.A.
- LOTOS Terminale S.A.
- LOTOS Kolej Sp. z o.o.
- LOTOS Ochrona Sp. z o.o.
- LOTOS Straż Sp. z o.o.

IN ADDITION, DUE TO THEIR PARTICULAR SIGNIFICANCE, NATURE OF OPERATIONS AND SCALE OF ENVIRONMENTAL IMPACT, REPORTING ON SOME DISCLOSURES INCLUDES SELECTED INDIRECT SUBSIDIARIES:

- AB LOTOS Geonafta
- LOTOS Biopaliwa Sp. z o.o.
- RCEkoenergia Sp. z o.o.
- Energobaltic Sp. z o.o.
- LOTOS Exploration and Production Norge AS.*
- SPV Baltic Sp. z o.o.

* The scope of data reporting for LOTOS E&P Norge AS is limited in relation to other companies because the company is the licensee, and therefore all environmental matters (and other operational matters) are reported by operators.

This year's LOTOS Group Integrated Annual Report has been prepared relying on the guidance of the International Integrated Reporting Council (IIRC), the Global Reporting Initiative (GRI) guidelines and the corresponding sector supplement for the fuel and gas industry "GRI 4 Sector Disclosures Oil & Gas". Until 2017, the company reported based on the GRI G4 Guidelines, whereas in the 2018 report, the core level of the current GRI Standards was used for the first time.

In this year's edition of the report, we again refer to the UN Sustainable Development Goals, pointing to the specific efforts we make to address global social and environmental challenges. The report also reflects the latest directions in the EU legislation on disclosure of non-financial and diversity information.