

Management Approach

The LOTOS Group has been pursuing the development strategy adopted in 2006 and revised in 2008. The revision was made in connection with a re-definition of the key strategic programmes and initiatives undertaken by the Capital Group to increase the energy security of the State.

The adopted strategy defines the basic activity as oil exploration and exploitation, comprehensive oil processing for fuels, and trading in petroleum products. In its pursuit of continuous [sustainable development](#), the LOTOS Group is open to innovative solutions resulting from new trends in the energy policy of Europe and flexibly responds to changing economic conditions.

The strategy of the LOTOS Group assumes:

- **an increase in the economic effectiveness of oil processing following optimum utilisation of the existing refinery plant and completion of the 10+ Programme,**
- **the development of activities related to oil exploration and exploitation,**
- **an increase in sales effectiveness,**
- **strengthening of the market position in the retail and wholesale fuel market.**

The ultimate strategic goal of the LOTOS Group is to build value for shareholders by means of the optimum use of the existing potential and the implementation of development programmes in the operating, sales and exploration-exploitation areas.

The strategic goal of the operating segment is the Group's optimal and effective use of the current assets located in Gdańsk, Jasło and Czechowice, as well as the assets acquired in the course of development activities. The 10+ Programme is the leading investment project. Evaluation of the operating activity and identification of areas which require activities related to improvements in safety and effectiveness are performed regularly by independent external auditors.

Strategic goals are achieved in the sales area by means of developing the sales of products with the highest qualitative parameters and focusing on the most profitable operating areas.

The goal of the exploration and exploitation activity is to create an international segment with a portfolio of assets carrying diversified risk, at various stages of development, operating mainly in the Baltic Sea, North Sea and Norwegian Sea areas. Selection of projects in various segment areas depends on their economic value and capital availability.