

Value creation model

Six capitals, one model

Our responsible approach to doing business is expressed by the way we handle everyday challenges faced by our organization and by the way our achievements and plans are communicated. To address the upcoming changes in the reporting process defined at the European Union level, in 2015 we improved the methods and procedures we apply to create reports, define key areas for our company and its stakeholders, and present an integrated approach to building value for our stakeholders. As a result of our efforts, we developed a value creation model for the LOTOS Group and the related way of doing our business.

The model reflects the values considered as key for our company and its stakeholders, as well as the respective value drivers. We also identified the related financial and non-financial indicators to measure progress in achieving long-term goals in particular segments of our business.

The capitals used to define the value creation model were chosen by reference to the guidelines of the International Integrated Reporting Council (IIRC). They include:



Financial capital



Manufactured capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital

Advantages resulting from the adoption of the value creation model for the LOTOS Group

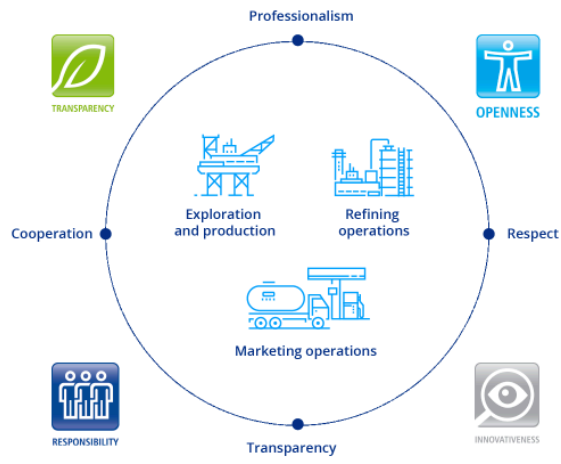
We have more knowledge of how to effectively use the capitals and relations between them in order to build value for our company and its stakeholders. This follows from better understanding of the relations between activities focused on the sustainable development of the LOTOS Group and activities undertaken to generate value in such areas as revenue and operating margin growth, asset efficiency improvement, or satisfaction of our owners' and other stakeholders' expectations.

How do we build value at the LOTOS Group?

OUR CAPITALS



BENEFITS



OUR RESULTS 2015

Selected indicators showing progress towards our long-term goals under each capital.

[See our interactive value creation model](#)