

Always moving forward

LITASCO SA

Sustainability Report

2023



A publication of LITASCO SA
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Contents

1	Message from the CEO	4
2	Reporting Scope and Business Description	6
3	Maintaining an Efficient Corporate Governance System	14
4	Acting on Climate Change	18
5	Prioritizing Environmental Safety	26
6	Providing Decent Working Conditions	44
7	Contributing to Socioeconomic Development	58
8	Embracing Ethical Business Practices	62
9	Appendices	70

Message from the CEO

GRI 2-22



Inna Dariy, Chief Executive Officer
LITASCO SA

Dear Reader,

I am pleased to present our Company's first Sustainability Report for 2023, marking an important milestone as the first publication of this kind that focuses solely on LITASCO SA and its subsidiaries. The timing for its issuance is no coincidence either: over recent months and years, our Company has been undergoing profound changes and reformed many of its trade and supply streams. A pivotal aspect of this change was the renewed focus on assets and product flows in Europe and North America.

With this Report, we take you through our business areas, governance structure, ethics framework, health and safety measures, and social and environmental agendas. As such, we wish to demonstrate our commitment to transparency and accountability in all aspects of our operations. We are dedicated to reviewing our environmental impacts and to continuously evaluate the use of new technologies and clean energy alternatives to fossil fuels. A second cornerstone of our commitment is to always uphold fully compliant and socially responsible business practices. The challenges we face are substantial, but they also present opportunities for innovation and to contribute to the transition towards a more sustainable and diversified energy future.

I would like to express my gratitude to our employees, business partners, and the public for their support, collaboration, and curiosity. The transformation of the energy sector towards renewable and circular economies is a collaborative and versatile effort, and we look forward to advancing sustainable practices together.

Thank you for taking the time to read our Sustainability Report. We welcome your feedback and look forward to continuing this journey with you.



2

Reporting Scope and Business Description

About the Report	8
Business model	9
Highlights of the year	11
Materiality assessment	12

LITASCO SA Sustainability Report 2023

Message
from the CEO

Reporting Scope and Business Description

Maintaining
an Efficient Corporate
Governance System

Acting on Climate
Change

Prioritizing
Environmental
Safety

Providing Decent
Working Conditions

Contributing to
Socioeconomic
Development

Embracing Ethical
Business Practices

Appendices

ABOUT THE REPORT

Approach to reporting

GRI 2-2, 2-3

The LITASCO SA Sustainability Report 2023 (the Report) is the first public non-financial report prepared by the LITASCO Group. Herewith, we address a wide range of stakeholders and disclose information on LITASCO's principles, objectives, and results in the fields of sustainability, ethics and compliance for the period from 1 January 2023 to 31 December 2023. The reporting period coincides with that of LITASCO's financial statements.

The present Report was prepared on a voluntary basis and with reference to the Global Reporting Initiative's Sustainability Reporting Standards (the GRI Standards), updated in 2021, and the GRI Oil and Gas Sector Standard.

The report includes links to the corporate website and other sources of corporate information, offering supplementary or more comprehensive data on sustainable development topics. The information on the website is updated on a regular basis.

Reporting boundaries

GRI 2-2

LITASCO SA (a private company limited by shares) is an oil & gas company headquartered in Geneva, Switzerland. Together with its subsidiaries, it forms the LITASCO Group (hereinafter referred to as LITASCO, the Company, the LITASCO Group or the Group) that comprises all entities included in LITASCO's consolidated financial statements.

For 2023, the Report discloses sustainability information on 17 organizations, in which LITASCO holds more than 50% share and has operational control. These comprise corporate offices (e.g. trading offices, including the Headquarters), retail entities that include gas station networks, and two refineries. In addition, the Report includes information about a refinery based in the Netherlands, in which LITASCO holds less than 50% ownership¹ due to its significant contribution to the Group's cumulative footprint and sustainability performance. A fourth refinery, based in Italy, was sold in 2023 and therefore was no longer considered for the purposes of the Report. The Report covers the Group's global operations and all assets that have significant economic, environmental and social impact; however, disclosure of most environmental indicators such as emissions, water consumption and waste management is restricted to the Group's refineries as they were found to be the most significant contributor to these parameters. The GRI indicator boundaries are specified in [Appendix 2](#).

¹ Hereinafter, referred to as the Dutch oil refinery or the oil refinery in the Netherlands. LITASCO Group has a minority share of 45% in this entity, but because it contributes significantly to the LITASCO Group's overall production and environmental impact, it was included in the scope of the present Report. The associated parameters (refinery emissions, headcount, water consumption, etc.) were weighted at 45% in the statistics, proportional to LITASCO's ownership share. The Dutch refinery is not included in the reporting boundaries of the LUKOIL Group Sustainability Report 2023, therefore contribution of this refinery is displayed separately in the appendix.

BUSINESS MODEL

Mission and Responsibility Statement

LITASCO SA's primary mission is to create value from trading and optimization of the Group's assets, providing flexible, efficient and responsible energy solutions to business partners and end consumers.

In our Company, we are aware of the environmental and social responsibilities associated with the energy industry. We are committed to the integration of sustainable practices across all parts of our business and recognize the urgent need to counter on global challenges such as climate change. In this spirit, we consider social and environmental responsibility a key aspect to create lasting, long-term value for our trade partners and end consumers, as well as our shareholders. The Group therefore aspires to minimize its environmental impact, to promote social responsibility through its actions and in its supply chains, and to uphold uncompromised standards for control and good governance. Compliance with legislation, regulations and intention to follow best industry practices are therein core to our philosophy.

LITASCO Company Profile

GRI 2-1, 2-6

Founded in 2000 with Headquarters in Geneva, Switzerland, LITASCO SA was set up as a trading arm of LUKOIL Group, a privately owned and publicly listed fully integrated international energy company.

Since then, LITASCO SA has established itself as a globally acting partner and supplier of crude oil, petroleum products, gas and biofuels. At present, with the consolidation of various national retail and refining entities under LITASCO SA that now form the LITASCO Group, the Company carries out retail and refining activities across Europe along with trading activities worldwide.

In 2022, the LITASCO Group was reorganized in terms of its commercial and legal structure into a new profitable business unit focusing on European and American assets. The Group comprises three trading hubs in Switzerland, Netherlands and the United States with different sectoral specialisations and focus. Together, LITASCO SA and its subsidiaries continue to operate and optimize the refineries and retail network in Europe and trade crude, biofuels and petroleum products globally in full compliance with all applicable legislative requirements. In 2023, LITASCO's assets were located in 14 countries.



BUSINESS MODEL OF THE LITASCO GROUP

SUPPLY CHAIN

100+
suppliers



crude oil and
petroleum products



focus on the
Atlantic Basin

OPERATIONS

1 System supply and asset optimization

The LITASCO Group handles and optimizes operations of its refineries and retail assets. All operations are rigorously monitored and executed in compliance with applicable regulations.

LITASCO provides economic support to its refineries and carries out planning, shipping and risk management. Through support and supply, the Company ensures the assets run most efficiently.

2 International trading

The LITASCO Group comprises several trading offices that carry out entrepreneurial crude oil, refined petroleum products and biofuels trading around the world. The Group's traders are likewise active on the derivative markets.

LITASCO creates incremental value and, in 2023, conducted commercial operations in over 70 countries. Largest sales by volume were done to Bulgaria, Italy, Belgium, the Netherlands and Romania. LITASCO SA traded over 100 different products and grades (petroleum and bio based).

3 Refining

Upon the sale of its Italian refinery, the LITASCO Group encompasses two refineries in Romania and Bulgaria, and a minority ownership in a refinery in the Netherlands. With these refineries, the Group processed 13 million tons of hydrocarbons in 2023.

4 Storage

Storage is a key activity and expertise of LITASCO's trading strategy. In 2023, the Company's trading subsidiaries had over one million m³ storage and blending capacities. By bulk breaking, making bulk and through blending activities, LITASCO leverages on logistical flexibility and is able to provide efficient and reliable supplies for its customers and trading partners. In 2023, the Company's storage portfolio included positions in the ARA region (Amsterdam, Rotterdam, Antwerp), Scandinavia, Spain as well as the Black Sea and the United States.

5 Gas and power wholesale trading

Gas and power constitute key strategic assets for portfolio diversification and the energy transition. LITASCO has been active on the European trading markets since 2019.

6 Retail

In 2023, LITASCO SA's retail subsidiaries were based in 11 countries and operated more than 2300 stations under different modes. The Group also incorporated 32 small wholesale terminals.

7 Biofuels

As a trading entity, LITASCO SA bulk purchases, blends and distributes biofuels, both within the Group and to third parties. LITASCO's traded biofuels are certified according to a variety of EU recognized and national sustainability schemes and are thus eligible for quota purpose all over Europe. Out of the Antwerp terminal, the Company also produces final biofuel blends for road use, which is mainly delivered to the Netherlands, as well as bio-bunker fuel blends that contribute to the decarbonization of the shipping sector.

Various countries where the Group's retail entities operate are subject to national biofuel mandates. The Company's refineries in Romania and Bulgaria blend and distribute fuels with biofuel components directly on-site. Some retail entities of the Group employ own blend operations at their depots.

HIGHLIGHTS OF THE YEAR

70+
countries



100+
suppliers

6,900+
employees

100+
different
products and grades



44 million tons
products sold
Group-wide

2,300+
gas stations controlled
by the LITASCO Group
in 2023



32
small wholesale
terminals

214 tons
of waste accepted
by the Bulgarian
Refinery from third
parties for reuse and
recycling



6%
less GHG emitted
by refineries
(Scope 1 + Scope 2)
in 2023 compared
to 2022



**> CHF 1.2
million**
invested in social
development, incl.

**> CHF 1
million**
in charity

**> CHF 1.1
million**
invested in employee
development programs



MATERIALITY ASSESSMENT

Materiality assessment approach

GRI 3-1

LITASCO's materiality assessment was conducted on the basis of the GRI Standards and derived from an analysis of impact on the environment, economy and people. In 2023, LITASCO compiled the list of impacts based on the Company's operational activities and the requirements of the GRI Sector standard for Oil and Gas. The impacts were then aligned with the parent company's material topics, results of stakeholder and external consultation, peer companies' practices, and further on grouped into material topics.

Steps	Description
Step 1 Identifying the list of impacts	• analysis of the Company's value chain; • analysis of the list of topics specified as material (or potentially material) by the GRI Sector Standard
Step 2 Selecting significant impacts	• analysis of the list of material topics disclosed by the parent company; • analysis of stakeholder feedback and consultation in the reporting period; • overview of the aspects recognized as material by peer companies
Step 3 Approving the list of material topics	• mapping the impacts and material topics; • approval of the list of material topics by the Company's management

More information on the materiality assessment is found in [Appendix 1](#).



3

Maintaining an Efficient Corporate Governance System

Corporate governance highlights	16
Corporate governance structure and composition	16
Alignment with sustainability standards and initiatives	17

LITASCO SA

Sustainability Report 2023

Message from the CEO

Reporting Scope and Business Description

Maintaining an Efficient Corporate Governance System

Acting on Climate Change

Prioritizing Environmental Safety

Providing Decent Working Conditions

Contributing to Socioeconomic Development

Embracing Ethical Business Practices

Appendices

CORPORATE GOVERNANCE HIGHLIGHTS

LITASCO SA's corporate governance framework is built on strategic planning, controls and commitment to transparency. It is based on the following key principles:

- observance of the rights and due regard for the interests of shareholders and other stakeholders;
- consistent and inclusive decision-making;
- proactivity and professionalism of the governance bodies' members;
- information openness and transparency;
- prompt response to external challenges;

- zero tolerance for any form of corruption;
- adherence to ethical standards;
- corporate social responsibility.

In addition, it incorporates aspects of the LUKOIL Group's [Sustainability Policy](#). Comprehensive documentation, including the Articles of Association and the Amended and Restated Internal Regulations of the Board of Directors (Internal Regulations), supports the corporate governance framework of LITASCO SA.

CORPORATE GOVERNANCE STRUCTURE AND COMPOSITION

GRI 2-9, 2-10, 2-12, 2-13, 2-14

The General Meeting of Shareholders is the governing body of LITASCO SA. It appoints members of the Board of Directors who are responsible for overall supervision of the Company's activities. The Board delegates the operational management to the CEO in adherence with the limits stipulated in the Internal Regulations. The CEO supervises the Directors of Legal, Operations, Refining, Finance, Human Resources, IT and Trading and Supply and thus exercises control over the day-to-day activities, including sustainability issues, whereas the Board of Directors sets the general strategic direction. As such, the Company's policies are approved by the Board of Directors or implemented by the CEO's orders.

GRI 2-11, 2-15

As a pivotal role in our governance framework, the CEO's authority is carefully defined and limited to guarantee adherence to our corporate objectives and compliance requirements. All strategic decisions are subject to the Board's approval in accordance with the Articles of Association and the Internal Regulations. The Board's decisions shall be made by a majority of the votes cast by members present, provided that they constitute a majority of the Board. In the event of a tie, the Chairman shall have a casting vote.

To avoid any conflict of interest, the Internal Regulations stipulate that the CEO shall work solely for the Company and in doing so shall not accept any positions on the Supervisory Board, the Board of Directors or such other corporate bodies of any other

company that carries out activities in competition with the main activities of the Company, with the exception of the companies belonging to the LUKOIL Group.

GRI 2-9, 2-10, 405-1

GRI 11.11.5

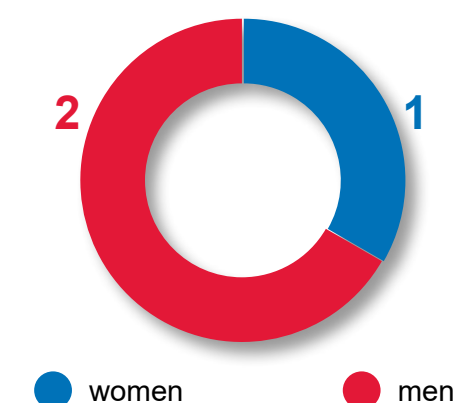
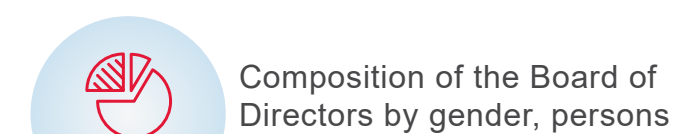
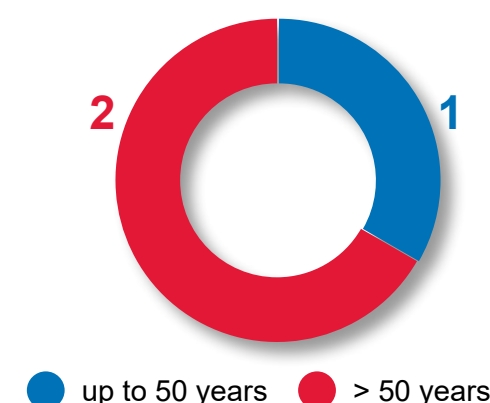
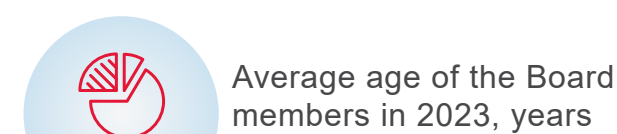
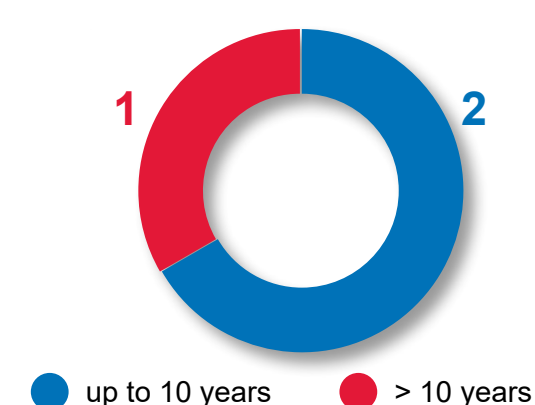
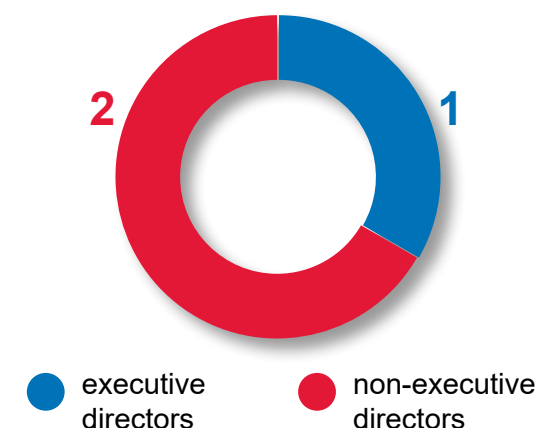
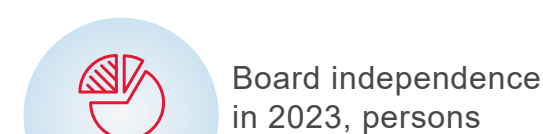
At year-end 2023, the LITASCO SA's Board of Directors was comprised of three members. Appointment to the Board of Directors is carried out in accordance with best practices and is based on an analysis of professional and industry-specific experience of candidates. The average length of service on the Board is nine years.

Meetings of the Board of Directors are held either in person, by means of telephone conference or similar communication equipment. The Board of Directors can also take decisions by way of written approval of a proposal (circular decision-making process), unless a Board member requires the issue to be discussed at a Board meeting. In 2023, the Board of Directors of LITASCO SA held one in-person meeting, and processed 18 circular decisions.

GRI 2-17

To improve the quality of the Board's activities, LITASCO SA intends to conduct various trainings for the Board members, these trainings to be aimed at advancing the Board members' collective knowledge, skills, and experience in sustainable development.

LITASCO SA adheres to fair and commensurate remuneration of the Board members involved in the activities of LITASCO SA.



ALIGNMENT WITH SUSTAINABILITY STANDARDS AND INITIATIVES

GRI 2-22, 2-24

At LITASCO, we strive to ensure that the governance steering our operations is guided by and aligned with broader sustainability initiatives. Our efforts relate to the UN Sustainable Development Goals, particularly those related to affordable and clean energy. We are further subject to the EU Renewable Energy Directive that defines, for example, biofuel blending mandates for many of our downstream refining and gas station operations. LITASCO's trading offices are likewise certified under the International Sustainability and

Carbon Certification (ISCC) EU scheme and as such audited both internally and externally on a yearly basis. The Group's refineries also ensure compliance with EU ETS, thus taking part in the European Union's strive for climate neutrality in 2050 that was set by the European Green Deal and related initiatives. We stay committed to the energy transition and diversification of energy products handled and marketed by our Company.

4

Acting on Climate Change

Climate agenda	20
Decarbonization program	21
GHG emissions accounting system	24
Prospective projects	25

LITASCO SA

Sustainability Report 2023

Message from the CEO

Reporting Scope and Business Description

Maintaining an Efficient Corporate Governance System

Acting on Climate Change

Prioritizing Environmental Safety

Providing Decent Working Conditions

Contributing to Socioeconomic Development

Embracing Ethical Business Practices

Appendices

CLIMATE AGENDA

GRI 3-3, 305-5

GRI 11.1.1, 11.2.1, 11.2.3, 11.2.4

As an industry that is rooted in the refining and trading of hydrocarbons, we are deeply aware of the sector's impact on the environment and its contribution to climate change. At LITASCO, we are therefore committed to reducing emissions, investing in renewable energy, and adopting innovative technologies to minimize our carbon footprint and to promote a greener, more responsible energy sector.

In our decarbonization goals, we closely align with the ambitions of the LUKOIL Group that in turn consider major initiatives, such as the Paris Agreement of 2015, the European Green Deal, the EU Renewable Energy Directive and the European Emission Trading System for CO₂ allowances.

ELEMENTS OF THE MANAGEMENT SYSTEM RELATED TO THE CLIMATE AGENDA

Strategic goal

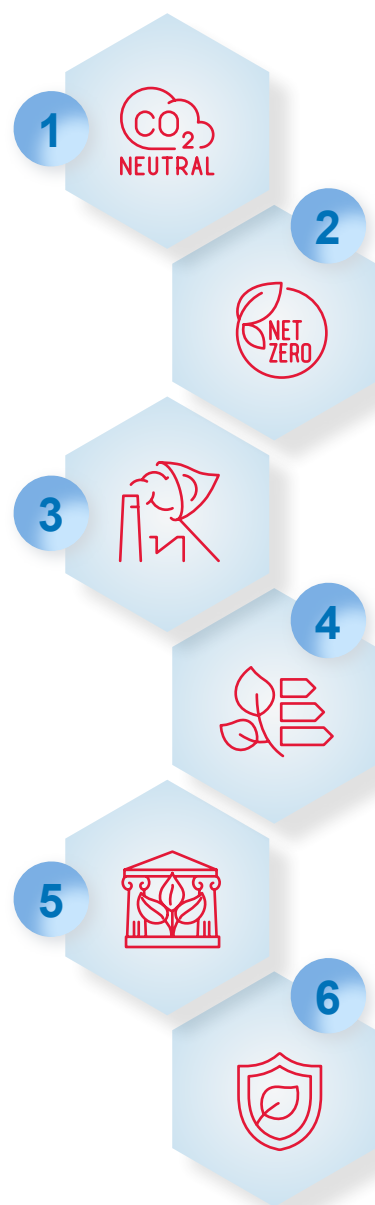
As a Company which is head-quartered and predominantly active in Europe, the LITASCO Group is committed to adhering to the national and EU goals and mandates, in particular, the EU Green Deal that aims to achieve climate neutrality by 2050

Strategy

During 2023, the Decarbonization Program for 2023–2025 was implemented by the LUKOIL Group². The refineries of the LITASCO Group developed and followed roadmaps in accordance with the Decarbonization Program

Governance

The Board of Directors ensures that sustainability is adequately considered across the Company's domains and plays a crucial role in approving investment decisions, including climate change initiatives. A major role in steering and delegating climate action also lies with the CEO of the Company



Objective

Our primary mid-term objective is shared with LUKOIL's target to reduce the regulated GHG emissions (Scope 1 and Scope 2) by at least 20% by 2030 against the 2017 levels

Programs

We adhere to LUKOIL's comprehensive set of programs, including:

- Environmental Safety Program (2023–2025)
- Decarbonization Program (2023–2025)³
- Industrial Safety and Occupational Health Program (2023–2025)
- Energy Conservation Program (2023, 2024–2025)

Risk Management

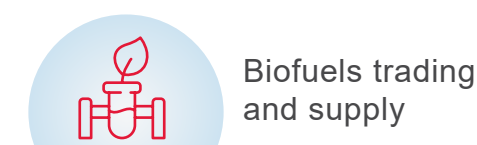
To take a systemic approach to identifying and managing climate-related risks, we update the Significant Health, Safety, and Environmental (HSE) Risk Register and the Significant Environmental Issues Register annually. PJSC LUKOIL's HSE Committee reviews these registers and informs strategic decision-makers at LITASCO

DECARBONIZATION PROGRAM

GRI 11.2.4

In 2023, we continued our path towards more sustainable Company practices with greenhouse gas emission reduction initiatives and establishing a foundation via strategic planning for the future. The Company took action in regards to climate change in four key areas.

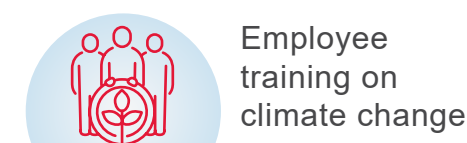
Main working areas



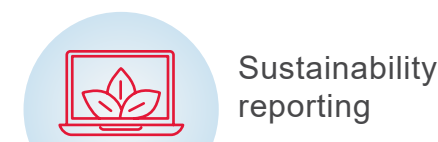
Biofuels trading and supply



Refinery Development



Employee training on climate change



Sustainability reporting

The LITASCO Group actions on Climate Change

- In 2023, LITASCO re-established bio-bunker supplies in the ARA region, a segment in which the Company strives to grow. Bunker fuels that are comprised of low-carbon, waste-based biogenic oils contribute to the decarbonization of the shipping sector
- In preparation of new Sustainable Aviation Fuel (SAF) mandates under Refuel EU Aviation that will come into force from 2025, by the end of 2023, LITASCO initialized infrastructure planning and sustainability certification for the key entities that could become part of SAF supply chains
- The Company implemented continued measures for energy efficiency and CO₂ emission reduction in adherence to applicable programs
- Preparations commenced for obtaining permits and certifications that allow for co-processing at the oil refineries in Bulgaria and the Netherlands. In co-processing, fossil feedstock and oils of recycling, waste or agricultural origins are simultaneously fed into refinery units to produce fuels and petrochemicals that contain a circular or renewable share
- The Company held trainings and attended conferences on EU regulatory frameworks, such as the Renewable Energy Directive and the EU Green Deal
- The CEO and selected employees received training in non-financial reporting matters, including those related to climate and the environment
- The Company commenced the process of compiling the first dedicated Sustainability Report for LITASCO SA

² Hereinafter referred to as the Decarbonization Program.

³ The Group's participants of the Decarbonization Program are the oil refineries in Bulgaria and Romania, and retail entities in Macedonia, Croatia, Bulgaria, Romania and Moldova.

Emission Reduction Projects

The Company aims to reduce greenhouse gas emissions throughout all stages of its operations. In 2023, LITASCO focused on making incremental and continuous improvements to energy efficiency. We further developed comprehensive road maps for our refineries and retail operations to guide these efforts.

Since its introduction in 2015, LITASCO's catalyst pool management system serves to lower the Company's carbon footprint through the application of an exhaustive and Group-wide catalyst reuse and recycle program. Emissions savings are achieved through avoidance of fresh catalyst production and reduced needs for raw material mining. The Company, however, also managed to greatly reduce the footprint of re-starting production units after catalyst change through the optimized material pre-treatment that cuts significantly on energy and chemical requirements for catalyst activation during the units' start-up.

Contributing to shaping international and industry-wide climate agendas

- The LITASCO Group as part of the LUKOIL Group was among the oil and gas companies that joined the **Charter for the Decarbonization of Oil and Gas** of the COP28 in Dubai. The signatories to the Charter voiced their approval for reaching net-zero greenhouse gas emissions (Scope 1 and Scope 2) by or before 2050, achieving near-zero methane emissions in oil and gas upstream operations and meeting the ambition of zero routine APG flaring by 2030.
- Collaboration with state bodies, industry associations and other relevant organizations is essential for our ongoing contribution to national climate strategies. In 2023, our trading, refining and retail operations closely collaborated with state-level authorities. For more information, see [chapter STAKEHOLDER ENGAGEMENT](#).

Climate Roadmap of the Dutch oil refinery

Under the 2021–2030 strategic plan the Group's Dutch oil refinery developed the Climate Roadmap that aims to contribute to low-carbon energy supply and high energy performance by 2030. It is based on the following pillars:

- Energy Efficiency for improving Scope 1 emissions, including waste heat recovery;
- Utilization of 'low-carbon' (via carbon capture and storage, CCS) and green hydrogen;

- Electrification – replacement of fired boilers with electric ones, onsite expansion of renewable energy generation;
- Circularity – co-processing of recycling, waste and vegetable oils in the existing units to produce renewable petrochemicals and biofuels.

All the solutions of the Roadmap underline the necessity to retrofit the existing refinery and include special areas for state-of-the-art equipment.



Energy efficiency

GRI 302-1

GRI 11.1.2

When developing its facilities, the company strives to improve energy efficiency and shift to renewable energy sources. Total energy consumption at our refineries reached 40.66 million GJ in 2023. The amount of renewable energy used at the refineries is still limited.

Fuel and energy consumption at LITASCO refineries

	Million GJ	2021	2022	2023
1. Fuel consumption from non-renewable sources		33.76	40.73	37.07
2. Fuel consumption from renewable sources		0.06	0.07	0.06
3. Consumption of purchased energy		2.73	3.32	3.67
	Electricity	2.73	3.32	3.67
4. Energy sold and supplied		0.14	0.13	0.13
	Electricity	0.13	0.13	0.13
	Heating	0.01	0.005	0.005
Total energy consumed (1+2+3-4)		36.42	43.98	40.66



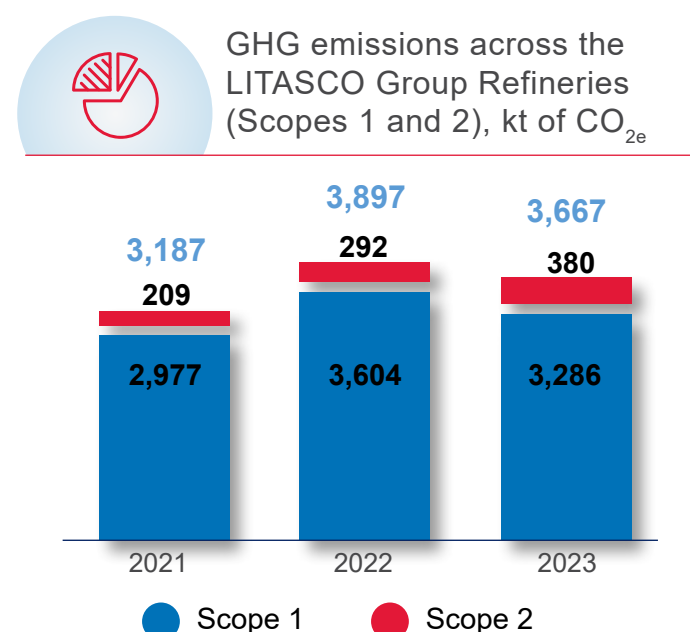
GHG EMISSIONS ACCOUNTING SYSTEM

GRI 305-1, 305-2, 305-4

GRI 11.1.5, 11.1.6, 11.1.8

From the operations of our Group, most significant sources of Scope 1 and Scope 2 emissions are the refineries. There, information on greenhouse gas emissions is collected through the use of special automated systems. The main greenhouse gas emitted as Scope 1 is carbon dioxide. The GHG emission quantitative assessment was based on the methodological approaches and recommendations of the GHG Protocol and the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

In 2023, LITASCO took continued strides towards greenhouse gas emission reduction focusing on incremental improvements in energy efficiency across the Company's operations. Group-wide, compared to 2022, refinery emissions were reduced by 6% to 3,667 kt of CO_{2e} in 2023, which is in parts the result of equipment upgrades and other measures.



Note: The reporting boundaries include: three oil refineries in Europe (Romania, Bulgaria and the Netherlands⁴)

Below table depicts the LITASCO Group refineries' intensity rate of GHG emissions (Scope 1 + Scope 2) for 2023 (per ton of processed product):

	Oil refinery in Bulgaria	Oil refinery in Romania	Oil refinery in the Netherlands
Intensity rate of GHG emissions (Scope 1 + Scope 2) for 2023 per ton of processed product (tCO ₂ /t)	0.37	0.34	0.15

Along with the improvements from the refining of fuels, LITASCO's traded and marketed biofuels contribute to energy transition and reduction of Scope 3 emissions. The Company's refineries in Romania and Bulgaria blend and distribute fuels with a biofuel component. Additionally, some of the Group's retail entities conduct their own blending operations at their depots. From its Antwerp terminal, the Company produces B7 (7% FAME in diesel) blends, mainly supplied to the Netherlands, and B30 bunker fuels that help decarbonize the maritime shipping sector.

Equipment modernization at the Bulgarian oil refinery

One of the examples of equipment modernization is retrofitting of two process heaters, including installation of newer airflow control valves at the oil refinery in Bulgaria in 2023. This led to the annual reduction of 340 tons of CO₂ per heater. Owing to the innovative solution that consisted in utilizing the heat from the gas-product flow, the Company achieved the reduction of additional 224 tons of CO₂ per annum.

⁴ For the refinery in the Netherlands the associated parameters were weighted at 45%, proportional to LITASCO's ownership share.

PROSPECTIVE PROJECTS

The Company is committed to its ambitious goals and further execution of projects designated to reduce GHG emissions. For 2024, the Company is dedicated to further improving the climate-related impacts management. A significant initiative in this regard is the implementation of a comprehensive system for regular monitoring and reporting on sustainability indicators, including those related to climate change.

We also monitor and fully align with regulatory changes, especially with those related to the Renewable Energy Directive and the European Green Deal. Looking ahead to 2024 and beyond, the LITASCO Group will continue to explore all the possibilities for the reduction of greenhouse gas emissions and to implement innovative solutions to reduce our climate-related impact.

LITASCO GROUP'S FUTURE PLANS FOR DECARBONIZATION



Refining

Continue decarbonization efforts through energy efficiency measures and projects to develop co-processing and low-carbon fuels production across the refineries



Trading and Supply

Intensify trading and supply activities in biofuels; expand in segments of low-carbon bunker fuels and renewable feedstock



Retail

Installation of electric chargers in gas station premises; expansion of solar panels; marketing of low-carbon fuels, including for the aviation sector



5

Prioritizing
Environmental Safety

Integrated Management System	28
Environmental Safety Program	28
Water resources	29
Emissions	33
Waste and land reclamation	35
Biodiversity	39
Industrial Safety Program	43

LITASCO SA

Sustainability Report 2023

- Message from the CEO
- Reporting Scope and Business Description
- Maintaining an Efficient Corporate Governance System
- Acting on Climate Change

Prioritizing
Environmental
Safety

- Providing Decent Working Conditions
- Contributing to Socioeconomic Development
- Embracing Ethical Business Practices
- Appendices

INTEGRATED MANAGEMENT SYSTEM

GRI 3-3

Within the LITASCO Group, compliance with national and EU environmental regulations and operating under the required ecological permits constitute the key metrics that guide environmental safety action. In 2023, all refineries of the LITASCO Group further had certification of the Environmental Management System according to ISO 14001:2015.

LITASCO harmonizes its environmental goals with the broader goals defined by the LUKOIL Group. The Geneva Head Office takes on a central advisory and coordination function for its subsidiaries.

The operational processes associated with the Group's industrial facilities are further encompassed in the Integrated HSE Management System that was voluntarily implemented by the LUKOIL Group. This system has been in operation for over 20 years and maintained by virtue of the following practices:

- actualization at least every five years, and whenever deemed required;
- annual re-assessment of identified risks and environmental issues;
- implementation of targeted functional programs (annually, with a three-year planning horizon);
- annual monitoring and assessment of performance results using KPI assessment, audits as part of corporate-wide control and supervision.

For more information about the Integrated HSE Management System, please visit the [website](#) of the LUKOIL Group.

ENVIRONMENTAL SAFETY PROGRAM

GRI 3-3

LITASCOs' environmental preservation approach is rooted in the values of the LUKOIL Group towards sustainability. These strategies are guided by a set of core principles that include:

- rational use of natural resources;
- reduction of industrial impact on the environment;
- increase in the level of automation of the process control to reduce the environmental risks associated with human errors.

Our industrial facilities therefore implemented the environmental protection measures under the LUKOIL Group Environmental Safety Program (ESP), which is updated annually. The ESP is foremost designated for ensuring compliance with respective legislative requirements. This entails obtaining environmental permits and installation of required measuring equipment at production facilities. However, the principal measures of the program also target emissions reduction, wastewater treatment and waste recovery. This includes the monitoring of the areas impacted by industrial operations where applicable.

WATER RESOURCES

GRI 3-3

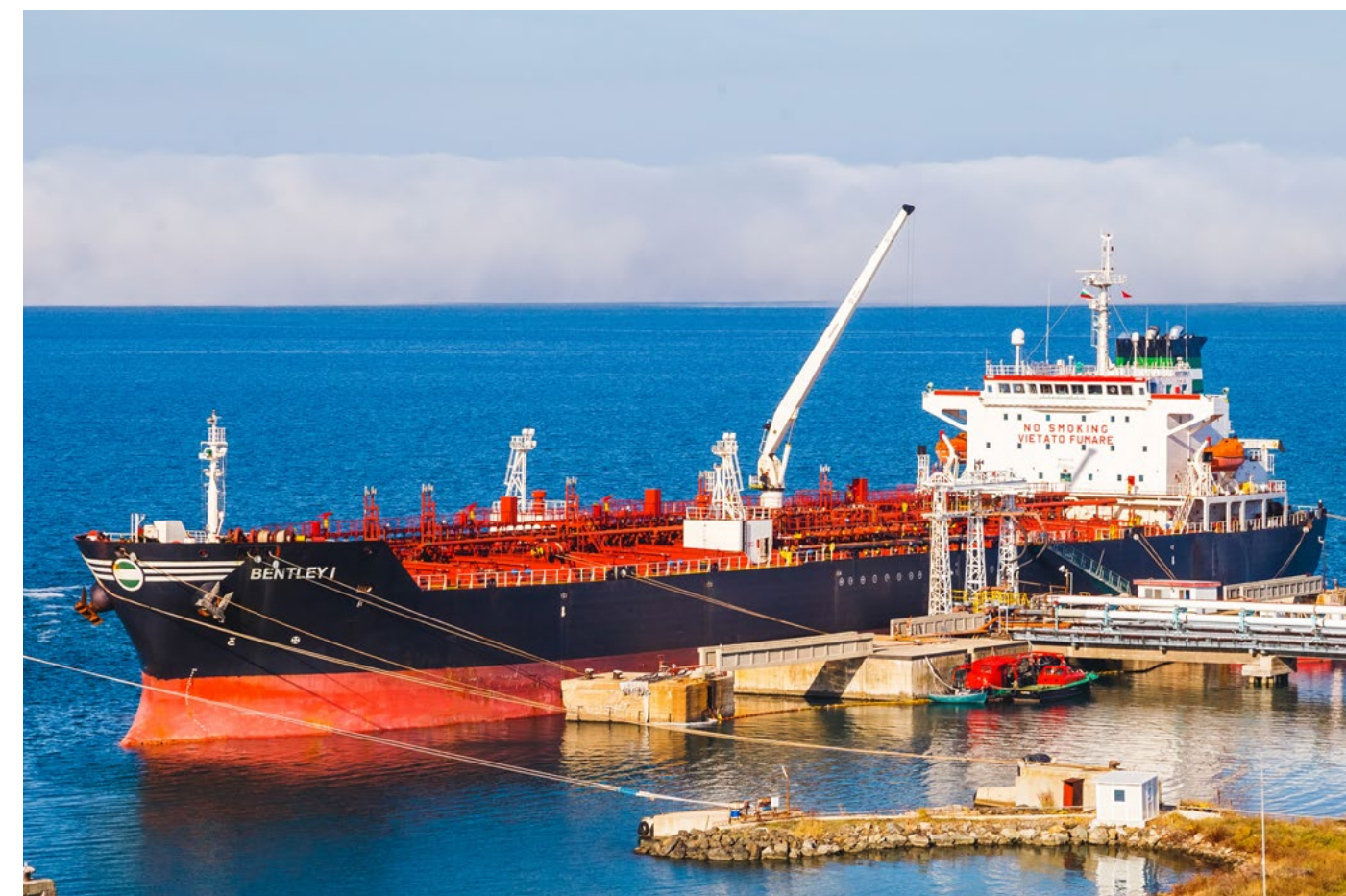
GRI 11.6.1

We are committed to the rational use of water resources. The Group's ESP thus contains a dedicated subprogram on water use, under which action is taken to optimize water consumption and management of wastewater discharge. These include construction, maintenance and technical upgrading of water and wastewater treatment systems.

GRI 303-2

GRI 11.6.3

Most of the Company's footprint is in the regions with sufficient amount of fresh water resources and, most significantly, all of the refineries are located in areas classified as low water stress (<10%) areas⁶. In Romania, there are overlaps from the footprint of distribution and retail facilities in areas of water stress; however, regular operations of the LITASCO Group does not cause material impact on natural water bodies, groundwater levels, water quality, and overall availability of water resources.



⁶ Source: [Aqueduct Water Risk Atlas](#) of the World Resources Institute.

Water use indicators

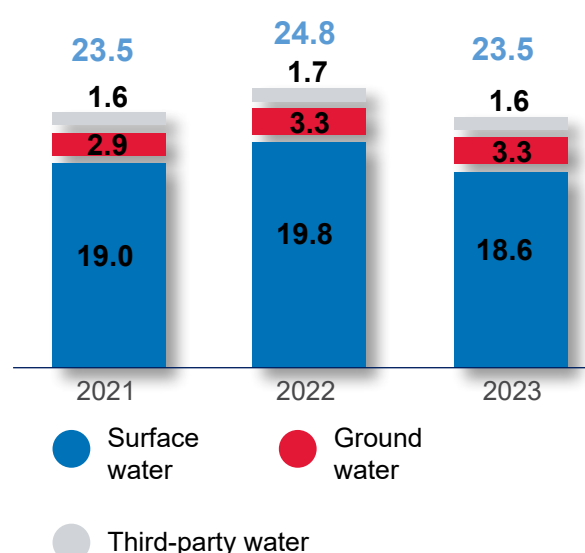
GRI 303-1, 303-3

GRI 11.6.2, 11.6.4

The overwhelming majority of water use within the LITASCO Group is attributed to refining processes. The total fresh water withdrawal of the Group's refineries in 2023 amounted to 23.5 mln m³, which is a 5.2% decrease against the previous year and was mainly due to fluctuation in amounts of crude processing at the oil refineries in Bulgaria and Romania.

In terms of origin, the majority of water was sourced from surface water objects. A substantial amount of the water withdrawn by the refineries is returned as water discharge after recovery and cleaning treatment.

Fresh water withdrawal of LITASCO Group refineries by water source, mln m³

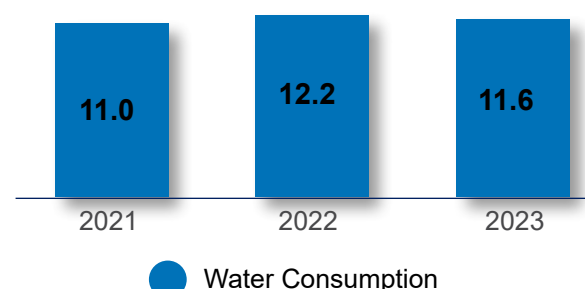


GRI 303-5

GRI 11.6.6

Considering all water consumed at the LITASCO Group refineries, over 99% of it is attributed to industrial consumption. Water in the form of steam is a crucial reactant in refinery processes to produce hydrogen from methane. To a lesser degree, water is also lost in form of evaporation in cooling towers. Water withdrawal, water consumption and water discharge dropped slightly in 2023 over the previous year.

Total water consumption by the LITASCO Group refineries, mln m³



Note. Water consumption measures the amount of water used by the organization that it is no longer available for use by the ecosystem or local community and includes evaporation. Data on water consumption is calculated in accordance with the requirements of GRI 303-5.

Wastewater discharge and wastewater quality

GRI 303-4, 303-2

GRI 11.6.5, 11.6.3

Returning properly treated, non-consumed water back to the reservoirs is integral for the sustainable water use practices at LITASCO's refineries. The quality of wastewater is monitored rigorously and with particular attention to its chemical, biological and physical properties. All the wastewater generated as a result of the production process is therefore forwarded to treatment facilities that use mechanical, biological and physicochemical treatment methods.

The Company implements measures for identifying and preventing potential negative consequences associated with discharge, including investments in facilities that enhance the quality of wastewater.

The wastewater and condensates generated during the operation of the oil refinery in Bulgaria are fed through the internal underground sewage system to the central wastewater treatment plant. The treated water is forwarded for discharge to the system of four lakes located in the area of Poda, where the final treatment of the water is executed before it flows into the Black Sea.

At the Romanian oil refinery, the wastewater streams are sent to the refinery sewage system for treatment, and part of this will be re-used in the refinery's processes. The remainder will be directed to the Teleajen River. Ensuring safe and responsible discharge, the quality of the treated water complies with Romania's standards for used water.

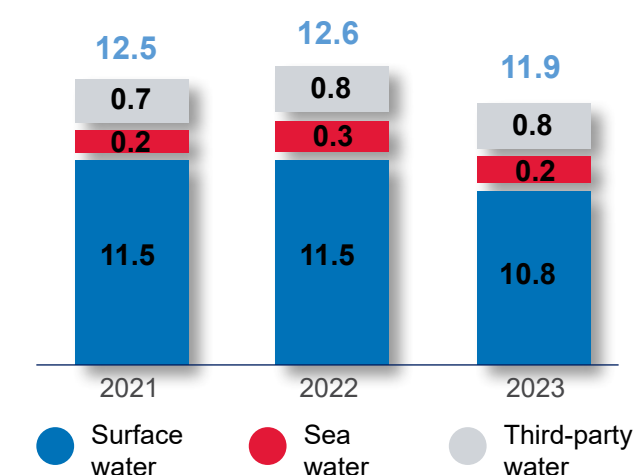
At the oil refinery in the Netherlands there are two water sewer systems, the oily water sewer and a rain water sewer. Both connect to a waste water treatment plant. The rain water is, after quality analysis, discharged to Van Citters harbor which is adjacent to the Westerschelde river. Waste water of process units and drained oil is routed via the oily water sewer. Oil is almost completely removed in the waste water treatment plant and to the extent possible reused in the refining processes. The part that cannot be reused is disposed as slops. Following quality analysis, cleaned water from the waste water treatment plant is directed to an external water purification plant, and finally discharged into the Westerschelde river.

The total amount of water recovered from processes and returned by the LITASCO Group refineries in 2023 was 11.9 mln m³. The majority of the refineries' wastewater is discharged into surface water bodies (82% of the entire wastewater volume).

The Company is committed to minimizing its negative impact on aquatic ecosystems and constantly monitors its environmental performance.

In the course of 2023, three incidents of non-compliance with discharge limits were recorded. All three incidents were on an effluent that after internal oil removal treatment was designated for external biological treatment. Because of this second treatment step, no off-spec water ended up discharged onto local water bodies. As a mitigation action, the water was stored for later treatment and plans were made for controlled spiking to prevent similar occurrences in the future.

Water discharge into water bodies by type of the receiving object across the LITASCO Group refineries, mln m³



The implementation of the LIFE WATEROIL project

Since its introduction in 2022, the Group's Bulgarian oil refinery is involved in the LIFE WATEROIL project that is aimed to reduce the fresh water intake from Lake Mandra. The project includes the construction of modern water treatment facilities to increase the share of recycled water.

In 2023, the construction of the closed system for polluted water supply to the electric desalting unit and the hydrocracking complex section was completed. This provides for the replacement of part of the water supplied to the production unit from natural water bodies with the treated process water.

To improve the wastewater quality and odor absorption, the formulation of powder bioactivator was enhanced by incorporating a microbial strain capable of hydrocarbon decomposition.

To ascertain the intensity of odor emanating from the wastewater, a technique based on the application of the dynamic olfactometry method was developed. Several tests of this technique were conducted, including odor distribution studies and direct method of organoleptic recognition. Volunteers from the local community and university students from Burgas were engaged in these tests.

In the future, the aeration system of the biological stage of the central treatment plant will be replaced and a closed pipeline for wastewater discharge from the primary oil refining unit of the treatment plant will be constructed. The activities will commence in 2024 and the combined impact will be a reduction in hydrogen sulphide and hydrocarbon emissions into the atmosphere, an increase in the level of wastewater treatment, and further improvement in the quality of water in the receiving water body.



EMISSIONS

GRI 3-3

GRI 11.3.1

Reduction of pollutant emissions into the atmosphere is a priority area of the ESP measures combined in a special subprogram. LITASCO's refineries are thus committed to minimizing the impact on air quality. The main emission reduction measures are:

- replacement or modernization of the production equipment;
- application of systems to capture pollutants and purify emissions generated by the production facilities;

- modernization and construction of new generation capacity at power plants with improved fuel combustion control systems.

These measures enable the Company's facilities to significantly reduce the content of sulfur oxides (SO_x), nitrogen oxides (NO_x), catalyst dust emissions, etc.

Reducing our industrial discharges

The total annual emissions of sulfur dioxide (SO₂) at the Dutch oil refinery have dropped sharply since the implementation of the measures from 2009 onwards, and achieved a reduction of 65% in 2023 since then, and even 83% compared to the 2008 baseline. The refinery also uses the innovative flue gas cleaning system on the petroleum distillation furnace, which enables the conversion of NO_x to nitrogen and water through the process of catalytic reduction. This resulted in an 80% reduction in the amount of NO_x in the flue gases of this distillation furnace since 2009.

The Bulgarian oil refinery uses two facilities to reduce the sulphur oxide emissions: Sulphur Recovery Unit-4 and furnace flue gases treatment systems on furnaces F-101 and F-2101. Sulphur Recovery Unit's output capacity is 300 tonnes of granulated sulphur per day, and the sulphur extraction level is no lower than 99,8%.

The furnace flue gases treatment systems purify furnace emissions from nitrogen oxides, sulphur oxides and particulate matter. The treatment systems made it possible to reduce the annual emissions of the two furnaces by 210 tonnes for SO_x, 90,000 kg for NO_x and 70 tonnes for dust particles.

The waste heat boiler П-401 and DAHLMANN filtration system are used at the catalytic cracking unit in Bulgaria. The system brought the catalyst dust emissions reduction down to 0.3 mg/nm³.

The oil refinery in Romania replaced a steam boiler in 2023 that led to the increase of steam production by recovery of flue gas waste heat and thus reduced the need of fuel consumption in its power plant. As a result, the refinery could lower the stack emissions of CO₂, SO_x and NO_x.

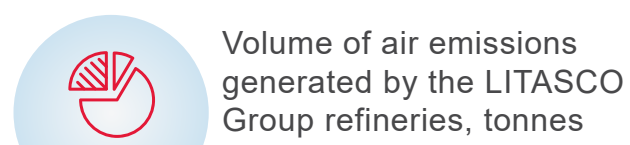


Indicators related to emissions

GRI 305-7

GRI 11.3.2

In 2023, the total amount of emissions generated by the LITASCO Group refineries decreased by 14% over the previous year. These differences are connected with throughput levels as well as optimization around type of fuel (natural gas vs. LPG).



The following table depicts the air emissions generated by the LITASCO Group refineries by pollutants, in tonnes:

	2021	2022	2023
NO _x	900.9	1,431.6	1,276.2
SO _x	836.3	954.1	695.0
CO	114.7	99.4	114.6
Persistent organic pollutants (POP)	0.0	0.0	0.0
Volatile organic compounds (VOC)	567.7	646.7	594.2
Particulate matter (PM)	32.4	38.4	37.8
Other	0.3	0.3	0.2
Total	2,452.2	3,170.5	2,718.1

WASTE AND LAND RECLAMATION

GRI 3-3

GRI 11.5.1

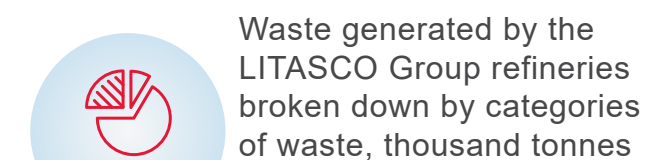
The Company's approach complies with the LUKOIL Group requirements to industrial waste management and includes prevention of waste accumulation at its facilities. The primary approach to managing industrial waste involves prevention of excessive buildup of low-risk waste at facilities owned by LITASCO Group, timely disposal of hazardous waste, and use of advanced technologies and integrated treatment methods that enable waste to be integrated into the production process. Additionally, waste that is not suitable for reuse is disposed of in specialized facilities that comply with modern standards.

Waste management

GRI 306-1, 306-2, 306-3

GRI 11.5.2, 11.5.3, 11.5.4

The total amount of wastes generated at the LITASCO Group refineries in 2023 was 70.8 thousand tons, which is 10% more than the previous year. The main increase was shown in the amount of hazardous wastes, which grew by 55% and reached the amount of 30.6 thousand tons (43% of all generated wastes) due to scheduled cleaning and shutdown turnarounds. For example, in 2023, the oil refinery in the Netherlands emptied sludge tanks which contributed upwards of 1000 tons of sludge waste over the previous year. This is a cyclic event that happens every 2-3 years and thus does not constitute a systematic increase. At the oil refinery in Bulgaria, likewise, 2023 marked a year of increased waste from sewage sludge and ash from waste incineration.



● Hazardous ● Non-hazardous

GRI 306-2, 306-4**GRI 11.5.3, 11.5.5**

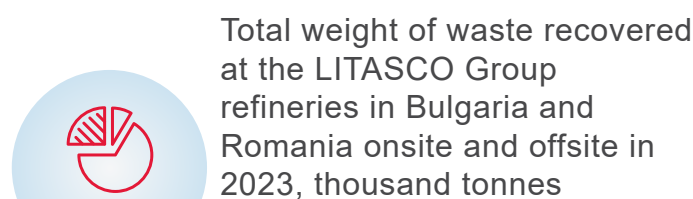
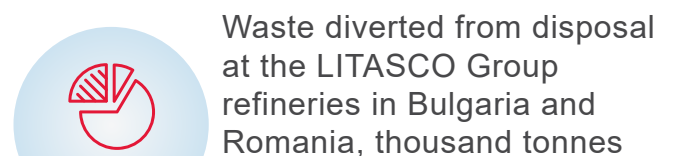
The Company is committed to reducing the amount of disposed waste of and for this purpose recycles its waste where possible. A concrete example for this endeavor is LITASCO's industry-leading catalyst pool management system for its European refineries. At the end of their life cycle, catalysts are removed from the units and sent to facilities in France or Germany for reactivation. Statistically, around 80% of the catalyst can be regenerated and subsequently re-installed at the refineries, from which they then begin a new cycle. The remaining 20% is replaced with catalyst that is also acquired from second-hand markets. The spent catalyst fraction that cannot be regenerated anymore is directed to a revalorization plant in France that, following stringent environmental standards, recovers the contained metals, which can then be reintroduced into the catalyst manufacturing loop. This continuous process of reuse and recycle substantially contributes to refinery waste reduction, and also mitigates the negative impacts that are associated with mining of raw materials and fresh catalyst production.

The amount of wastes diverted from disposal across the LITASCO Group refineries is constantly growing. In 2023, the refineries reused, recycled or neutralized 32.7 thousand tonnes of waste, which is 8% more than in the previous year.

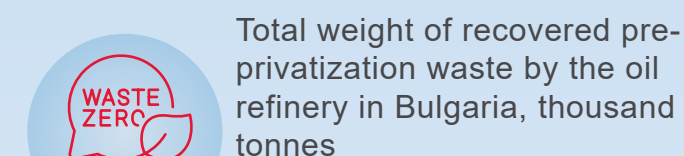
In 2023, the oil refineries in Bulgaria and Romania recycled or transferred for recycling more waste than that generated throughout the year, reducing the amount of the accumulated waste. In addition, the Bulgarian refinery accepted 214,1 tons of waste from third parties for reuse and recycling.

Where possible, the oil refineries in Bulgaria and Romania divert waste from disposal:

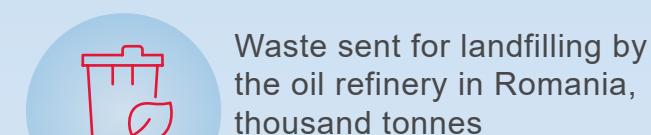
Tonnes per year	2021	2022	2023
Waste reused at the enterprise, total	329.3	147.7	490.2
Waste neutralized at the enterprise, total	11,606.6	8,537.3	13,574.6
Waste transferred to third-party organizations for neutralization	2,888.1	352.5	417.5
Waste transferred to third-party organizations for reuse (recycling)	13,958.4	21,156.6	18,180.8
Total	28,782.4	30,194.0	32,663.1

**Program for liquidation of old environmental damages**

The Company recovers the pre-privatization waste. The oil refinery in Bulgaria processed 69.3 thousand m³ of oil sludge as part of the Program for liquidation of old environmental damages in 2023. The Program implementation provided for the complete cleaning of one of the barns where the waste had been stored over several years. As, according to the Bulgarian national legislation, the state is the owner of this waste, its recovery was financed by the state. The activities scheduled for the next project stage are currently passing the environmental impact assessment and will be commenced afterwards.

**GRI 306-2, 306-5****GRI 11.5.3, 11.5.6****Waste management at the oil refinery in Romania**

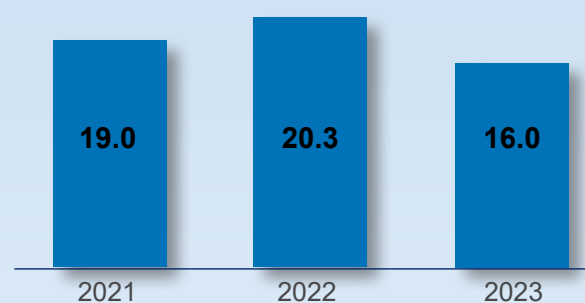
The only entity among LITASCO's refineries sending waste for landfilling is the oil refinery in Romania that sends it to a third-party organization. All the waste of other refineries is sent for recycling or neutralization (including incineration).



Waste recycling at the LITASCO SA Geneva Office



Waste generated at the LITASCO SA Geneva Office, tonnes



Following the principle of leading-by-example, the LITASCO head office monitors and conducts recycling collection campaigns for its own waste. PET bottles, glass and paper are collected separately from other garbage and sent for recycling. Dedicated bins for separate waste collection are installed on each office floor. LITASCO takes pride in a low waste footprint and encourages employees to reduce paper waste by implementing 'paperless office' routines.

Land resources

GRI 304-3

GRI 11.4.4

No land remediation and reclamation were carried out at the Company's facilities in the reporting year. However, in previous years the oil refinery in Romania implemented land restoration projects on the territory of the former refinery waste lagoons with a total area of more than 20 ha.

BIODIVERSITY

GRI 3-3

GRI 11.4.1

LITASCO acknowledges the critical importance of biodiversity conservation and is firm in ensuring that there are no material negative impacts from its operations. Where we can make a difference, we are committed to prioritizing conservation and minimizing any potential damages.

A detailed description of the biodiversity conservation management system and the measures taken by the LUKOIL Group including best practices of LITASCO organizations is given in the [Conserving Biodiversity brochure](#).

GRI 304-1, 304-2, 304-3

GRI 11.4.2, 11.4.3, 11.4.4

By nature of industrial refining processes, within the territories of the Company's enterprises, biodiversity may be exposed to chemical (pollutant emissions) and physical (noise, vibration, light) impacts resulting from the production processes. Therefore, our objective is to protect the diversity of natural ecosystems and to guarantee their sustainable use in a way that does not endanger their capacity to regenerate. We aim to avoid work in the habitats of valuable and specially protected plant and animal species, or to minimize such impacts where they cannot be avoided.



Flora & Fauna of the Dutch oil refinery

Since 2010, the Netherlands-based refinery has been pursuing its nature management policy focused on the biodiversity preservation and stimulation within and around the refinery's site. This policy is implemented through various projects carried out by flora and fauna specialists. All of these projects and actions are collectively represented by the Flora & Fauna project. The list of implemented measures according to this project includes:

- protection and monitoring of oystercatcher breeding sites;
- orchid protection;
- insect- and bee-friendly planting around solar panels;
- birds monitoring;
- management of wetlands within the factory premises;
- construction of a new nature reserve on the former agricultural site off the impact area;
- partridge field protection.

The oil refinery maintains populations of rare plants, including orchids, within its territory. The refinery's mowing policy is to not interfere with reproduction cycles. There are also rare and thus special orchids growing throughout the site. This is mainly due to the fact that the soil is not fertilized, which created a niche for orchids. When orchids are spotted, they are marked, and flowering orchids are avoided during the mowing process.

Orchids within the territory of the oil refinery in the Netherlands



The flowering meadow in front of the solar power plant



The refinery strives to enhance the attractiveness of its territory to wildlife, including birds, insects, and amphibians. In order to achieve this, certain areas within the Company's territory are withdrawn from industrial use (permanently or temporarily) and instead utilized as habitats for wild flora and fauna and, specifically, serving as nesting sites for birds. One of the projects to increase biodiversity affects the unused land around the enterprises' solar power plant. It involves planting meadow vegetation around the solar panels and maintaining the colony of bees in this area. To maintain and increase the population of pollinators, the flowering plants are planted within the entire territory of the Refinery.

The Dutch oil refinery conducts annual monitoring of nesting and migrating birds, which enables tracking the dynamics of their populations within the territory of the Refinery. Special attention is paid to the nesting sites of Eurasian oystercatchers, herons and partridges.

In order to conserve biodiversity, the Refinery intends to establish a temporary nature reserve on the former agricultural site off the impact area. This will include sowing flowering plants to attract pollinators, planting fruit trees for bird feeding and nesting, and using an abandoned farmhouse as a bat shelter. This will also increase the aesthetic appearance of the area for the local community. A special viewing platform is planned to be installed for observation of the territory.

Bird species nesting within the territory of the Refinery



View of the proposed nature reserve from the viewing platform



Biodiversity conservation within the territory of the Bulgarian oil refinery

The refinery in Bulgaria operates at two industrial facilities. The primary facility is approximately ten kilometers from the smaller port terminal located on the coast of the Black Sea in the southern part of the Burgas Bay. The Bay is classified as a Ramsar Wetland site. The port facility is partially situated within the area of the Baklaka protected zone. One of the three primary migratory bird routes in Europe, the Via Pontica, crosses both sites.

In order to increase awareness among refinery employees and partner organizations, the Company holds frequent information campaigns and events about the significance of biological species present at the production sites and nearby factory areas. The Bulgarian refinery issued an information pamphlet that describes the types of birds and marine creatures found in the vicinity of the facility, their habitat, and guidelines for appropriate behavior. All employees of the plant, port terminal, and contractors working on the refinery site receive this information.

Conservation of Lesser Kestrel

In 2014, the sole natural colony of Lesser Kestrel in Bulgaria was discovered to have settled on the territory of the enterprise. That was after almost 50 years of absence of this species in the country. Ever since, the oil refinery has been implementing a project for conserving this local population.

The Lesser Kestrel (*Falco naumanni*) is a small falcon species that is, due to its local rarity, included in the Red Book of the Republic of Bulgaria. The main contribution to stabilizing its local population lies in the provision of nesting houses.

Female lesser kestrel within the territory of the oil refinery



Panther patronaged by the Bulgarian oil refinery

Raising awareness to rare wild cats, the Refinery also took on the patronage of a young male black panther named Khalil living at the local Burgas Zoo.



INDUSTRIAL SAFETY PROGRAM

GRI 3-3, GRI 11.8.1

The LITASCO Group industrial entities develop and implement corporate health, safety and environmental protection programs, such as the Industrial Safety Program, committed to the [HSE Policy](#) and minimization of operational and occupational risks of the LUKOIL Group.

All industrial entities implement a comprehensive range of measures for ensuring stable functioning of the IMS⁶, introducing the tools and measures that promote a safety culture and maintain a continuous improvement system. On a mandatory basis, the enterprises assess the risks of potential oil spills using scenario modelling at the stage of elaborating the production activities as well as during the production facilities' operation.

The Company takes comprehensive measures to mitigate risks and prevent incidents and emergencies in accordance with legislative requirements and in line with the voluntary commitments set forth in the HSE Policy.

More information on HSE is provided in the *Occupational Health and Safety Risk Management* section of *Providing Decent Working Conditions* chapter.

Maritime Emergency Response Plan

For safety aspects pertaining maritime operations, LITASCO maintains a Maritime Emergency Response Plan (MERP). The Plan was established to limit the consequences from maritime accidents, and for the purpose of safeguarding lives, to protect the environment, and to protect the Company's and third party assets.

The Plan involves 24/7 reachability and availability at LITASCO to receive and act on reports of emergencies. There is a rigorous reporting and command chain to coordinate an appropriate response in accordance to the severity of a reported case, which is classified as either an incident, an emergency, or in most severe cases, a crisis. If local presence is needed, LITASCO is ready to deploy representatives globally from the Geneva, Rotterdam, or Houston offices.

In 2023, 9 reports were made to the LITASCO Maritime Emergency Response Team, all of which were of minor incidents and required no further action under the MERP.

The Company's industrial safety priorities align with those of the LUKOIL Group and include the following areas:



Technical improvements

Continuous improvement of industrial safety, inclusive of reducing the risk of accidents at hazardous production facilities, increasing the reliability of their operation and preserving the integrity of the process equipment and infrastructure.



Management

Ensuring the readiness of the management bodies of the Company's organizations, employees and personnel of emergency rescue services and formations (ERS) to respond to potential accidents, fires and other incidents.



Procedure refinement

Enhancement of the procedures for preparation and implementation of programs addressing the most critical industrial, fire, environmental, occupational safety, and emergency prevention issues.

⁶ The [Integrated Management System](#) of Industrial, Fire, Radiation Safety, Emergency Prevention and Liquidation, Protection of Civilians, Occupational Safety and Environmental Protection.

6

Providing Decent Working Conditions

Occupational health and safety (OHS)	48
Labor relations	52
Payroll and social support	54
Employee trainings and development	55

LITASCO SA

Sustainability Report 2023

Message from the CEO
Reporting Scope and Business Description
Maintaining an Efficient Corporate Governance System
Acting on Climate Change
Prioritizing Environmental Safety
Providing Decent Working Conditions
Contributing to Socioeconomic Development
Embracing Ethical Business Practices
Appendices

GRI 3-3

GRI 11.9.1, 11.10.1

At LITASCO, we place a high priority on personnel well-being and strive to create conditions that enable employees to succeed both in their careers and beyond. We thus see to establish a balanced working environment and to support the staff in professional and personal growth, including through ongoing training and development opportunities, health and well-being courses and an inclusive social environment.

Aside personnel management and engagement in the recruitment and hiring process, the Company's human resources (HR) management structure is therefore tasked to also provide:

- help with the on-boarding process;
- training and development;
- work permit and housing assistance;
- career progression based on regular feedback and performance management;
- recognition and rewards through salary review and incentive compensation as well as non-monetary incentives;
- leadership and personal growth opportunities.

The Group further implements a comprehensive risk management system encompassing employee-related aspects. One of the key tasks for the Company is ensuring occupational safety and preserving employee health. Therefore, regular training sessions are held on a range of related topics, including safety and security in the workplace (e.g. fire evacuation exercises, first aid), resilience, harassment prevention, and other relevant issues.

Detailed information is provided in the "Occupational Health and Safety Risk Management" section of this chapter.

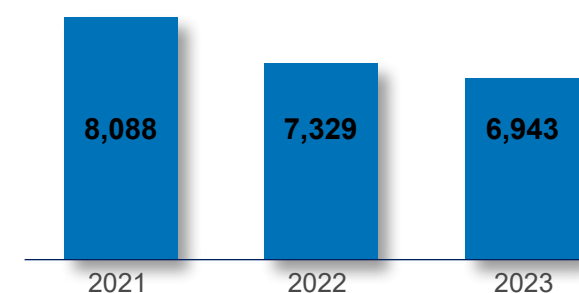
Personnel overview

GRI 2-7

By the end of 2023, the LITASCO Group encompassed more than 6,900 people. The majority of employees had permanent employment contracts (86%) and full-time contracts (99%). The personnel structure has remained stable over the last three years in terms of employees' age categories and gender ratio; however, the number of employees of the subsidiaries covered in the present Report decreased by 5% over the same period. The largest contribution to this reduction stems from subsequent changes of operating modes of gas stations that switched from Company ownership to independent licensing. Under the latter mode, the employees of a gas stations are no longer counted under the Group's own headcount. A smaller contribution to the headcount reduction is due to re-organization, which incorporated outsourcing of several services and withdrawal of some business areas in the Headquarters. In 2023, the employee turnover rate fell by four percentage points to 15%.



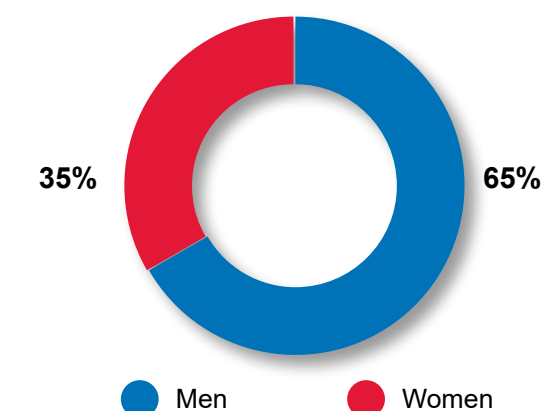
The LITASCO Group headcount, people



Note. As per reporting boundaries, the headcounts of the Italian refinery are not reflected in this statistic. The headcount of the Dutch refinery is attributed at 45% in accordance to LITASCO's ownership share.



Employees by gender, 2023



Detailed information on personnel characteristics is given in the Performance indicators ([Appendix 3](#)).



OCCUPATIONAL HEALTH AND SAFETY (OHS)

LITASCO's uncompromised objective is to provide a safe work environment and protect the health and well-being of Company employees and contractor personnel working at the Group's production facilities. In order to minimize occupational risks, the Company strives to ensure that all personnel are aware of the safety rules and procedures in effect and participate in OHS training and emergency exercises.

GRI 403-1, 403-8

GRI 11.9.2, 11.9.9

Pursuing the objective to protect the health and safety of employees, each LITASCO Group entity that owns and operates industrial facilities develops its occupational health and safety management system in compliance with national regulations and the LUKOIL Group Integrated HSE Management System requirements. Across these entities, 95% of employees are covered by the occupational health and safety management system⁷.

The LITASCO Group entities whose activities are associated with major health and safety risks undergo certification in order to ensure compliance with the OHS requirements. In 2023, two entities – the oil refineries in Bulgaria and Romania – were certified for compliance with ISO 45001:2018.

Moreover, internal and external inspections are carried out at the LITASCO Group entities on a regular basis, which facilitates continuous improvement of the OHS management system, thereby ensuring compliance with the legislation and corporate standards. For instance, the oil refinery in Bulgaria undertook a comprehensive OHS audit in 2023 with 1,892 preventive checks (HSE on-site supervision, audits and inspections carried out by government control authorities and internal departments) and 72 monitoring reviews conducted.

Occupational health and safety risk management

GRI 403-2, 403-3

GRI 11.9.3, 11.9.4

The LITASCO Group companies take a risk management approach that identifies potential hazards and determines relevant actions to be taken in order to ensure safe working conditions and preserve the health of employees and contractors.

The Company's processes for identifying hazards and assessing occupational risks are derived from legislative requirements in the countries of presence as well as from the LUKOIL Group's corporate standards. The occupational health and safety risk assessment is an ongoing process with regular reviews (a one- to five-year review period depending on the entity) and is subject to revision upon occurrence of significant regulatory or organizational/ structural changes. The efficiency of the risk management processes is monitored through regular internal audits and inspector supervision conducted by OHS specialists in accordance with LUKOIL's corporate standards.

The risk assessment identifies specific areas for the control system enhancement and labor protection measures' efficiency. Based on the results of the risk assessment and depending on the risk level, the Company elaborates programs for preventive measures and improvements in the work and production methods to enhance employee health and safety. The said measures include the following:

- **hazard elimination:** removal of carcinogenic and mutagenic substances, modification of production technologies or work process;
- **engineering controls:** installation of physical barriers, application of prevention, detection and alert technologies on the occurrence of dangerous contact with a harmful factor;
- **organizational measures:** continuous risk assessment, safety assessments of the working conditions, regular internal and external audits of the OHS management system;
- **administrative controls:** multiple level control, continuous human supervision and video surveillance, safety briefings, OHS trainings; and
- **personal and collective protective equipment** for elimination, limitation or reduction of a harmful factor's impact.

To manage occupational risks in an efficient and timely manner, the Company encourages its employees to immediately report work-related hazards and unsafe situations via various channels. Any employee may inform his or her immediate superior, workplace OHS supervisor or the Working Conditions Committee about potential risks. The Company guarantees its employees the right to report hazards, incidents, cases and ideas without any negative consequences for their jobs and careers. This right is stipulated in the Code of Business Conduct and Ethics of the LUKOIL Group and in the internal corporate documents of its entities.

Safety culture development and training

GRI 403-4, 403-5, 403-6, 403-7

GRI 11.9.5, 11.9.6, 11.9.7, 11.9.8

Within the LITASCO Group, it is recognized that promoting the safety culture and increasing employee knowledge of the safe working practices constitute an integral part of an efficient HSE management system. To improve the safety culture, LITASCO implements various programs and measures to maintain the high level of employee involvement in OHS issues.

Every employee and visitors of LITASCO's industrial facilities receive mandatory induction and on-site and online OHS training. The LITASCO Group entities organize regular OHS attestations of their personnel and conduct retraining. The employees whose work involves high risks, such as working at heights, with fire, electricity, chemicals, etc., receive special training on how to safely carry out such activities.

To maintain the high level of health and safety awareness and brush up employee knowledge in a timely manner, the Company uses a variety of communication tools, i.e., safety agitation cards, brochures on the core safety rules, video presentations, and information stands.

Also, the Company encourages its employees to play an active part in improving the health and safety system and therefore supports the work of the health and safety committees (or working conditions committees). The committees comprise representatives of the employer, trade unions and employees, including health and safety specialists. The aim is to give employees an opportunity to make suggestions on how to improve the working conditions, to participate in investigating the causes of occupational injuries and diseases, to provide feedback on medical examination scopes and other issues related to the working conditions and safety.

Safety performance

GRI 403-7, 403-9

GRI 11.9.8, 11.9.10

The entities keep records of injury cases and continuously monitor the labor protection indicators, such as the Total Recordable Injury Frequency Rate (TRIFR)⁸. TRIFR increased by 60% compared to 2022 and reached 0.092. Despite this increase, these levels are still considered low for our industry.

In 2023, two work-related injury cases among Company employees and three cases among contractors were registered.

On the fatality that occurred in the oil refinery in the Netherlands 2023

During the reporting year, a tragic incident occurred at the Dutch oil refinery in the Netherlands involving a contractor's employee. The accident happened during a catalyst unloading process, which typically requires human entry into reactors. Despite the presence of a safety team and a comprehensive pre-check list, the incident resulted in a fatality. In response, the refinery conducted a thorough review with contractors and health, safety, and environment specialists to explore alternative procedures for catalyst changes that would eliminate the need for human entry into reactors. A safer method was identified and implemented, despite its complexity, longer time requirements, and higher costs. This new protocol was applied to subsequent catalyst replacements in 2023.

Also in other areas, the LITASCO Group entities are focused on reducing the number and types of potentially hazardous operations as well as on preventing incidents and reducing recurrent violations of safety. This is achieved through online and on-site training, replication of best practices, and technical solutions and control mechanisms to reduce the risks from human error.

⁷ The disclosure perimeter does not include trading and wholesale offices, nor entities in Croatia and Montenegro.

⁸ Total Recordable Injury Frequency Rate (TRIFR) = Number of employees injured in workplace accidents and who suffered microtraumas x 200,000 man-hours / Number of man-hours worked by all employees.

Indicators related to occupational injuries at LITASCO Group:

	2021	2022	2023
Total Recordable Injury Frequency Rate (TRIFR) among all Group employees	0.054	0.057	0.092

Number of employees with work-related injuries across the LITASCO Group entities and contractor organizations:

		2021	2022	2023
Employees	Number of employees injured in workplace accidents	1	0	2
	Number of fatalities	0	0	0
	Number of high-consequence injuries	0	0	0
	Number of minor injuries	1	0	2
	Number of employees who suffered microtraumas	3	4	4
Contractors⁹	Number of employees injured in workplace accidents	0	6	3
	Number of fatalities	0	2	1
	Number of high-consequence injuries	0	0	0
	Number of minor injuries	0	4	2

⁹ The Company does not collect information on the number of employees of contractor organizations who suffered microtraumas.

Injury prevention program at the oil refinery in the Netherlands

The oil refinery in the Netherlands maintains its comprehensive Risk Assessment and Mitigation Program that is dynamically updated by H&S specialists based on the feedback from employees. Through preventive safety measures, it aims to minimize the identified high-consequence injuries that may occur at the Company's production facilities. The **We Intervene** program aims at improving the behavioral and cultural safety of all employees. It includes the commitment that anyone has the authority to stop any task that is believed unsafe for people, assets or the environment. Intervening or raising a question or concern will not result in any repercussions.

Below are the main types of high-consequence injuries and the measures implemented in 2023.

 Hand safety incidents Introduction of five Hand Safety Rules to apply the occupational hygiene and safety strategy.	 Falling objects The STOPTHEDROP campaign to raise awareness, improve scaffolding construction with brick yards and lanyards use.
 Falling from height Reinforcement of scaffolding construction with an additional third rail at approximately 1.5 meters and introduction of the mandatory use of a hard hat with a chin strap, even on roofs.	 Electrical safeguarding - Actualization of the training program on safe organization of electrical works by introducing a new online course. - Introduction of new practical training for all employees involved in electrical works. - Introduction of digital tools for monitoring employee compliance with the safe electrical work practices.

Occupational diseases

GRI 403-10

GRI 11.9.11

The frequency of occupational diseases among the LITASCO Group employees is low due to the absence of facilities with arduous working conditions. In 2023, no cases of work-related diseases were registered.

The risk of contracting occupational diseases is primarily faced by employees of the LITASCO Group refining entities. The main work-related hazards that present the risk of ill-health include exposure to hazardous substances (e.g. dust and chemicals) and excessive noise levels.

The Company takes actions to eliminate these hazards and minimize the risks by conducting regular surveillance of the work environment and workers' health, providing mandatory personal protection equipment, introducing measuring (alerting) equipment or systems. Additionally, we perform exposure scenario assessments (through simulations and based on observations and measurements) and a periodic review of the hazardous substances list.

Following the years of COVID pandemic, the Company also established protocols to prevent the spread of contagious diseases in office environments. Measures include prevention of crowding, provision of protection masks and equipment for remote work.

LABOR RELATIONS

LITASCO follows the principles set forth in the [Human Capital Management Policy of PJSC LUKOIL](#), that defines the strategy and main principles of HR management. Likewise, the Group adheres to the unified principles of employee relations in all countries of its presence, factoring in local cultural and legislative specifics. Also, on a regular basis, it updates the local Staff Regulations.

Staff attraction and onboarding

LITASCO is committed to providing its employees with an excellent working environment in order to attract and retain the best talent. The Company offers competitive compensation and benefits, including professional development opportunities, recognition and rewards, open communication channels, leadership and growth opportunities, and a strong corporate culture.

To facilitate new employees' transition to their new roles and the Company as such, LITASCO's HR representatives provide an onboarding program on the first working day. New recruits also receive regularly updated onboarding manuals.

Young employees

LITASCO places a high priority on attracting and developing young specialists as they play an essential role in company evolution and operational continuity. We organize a number of events for students in order to encourage them to consider making a career with our Company.

The key areas of young specialist development are:

- trainings and rotation;
- career progression;
- program and internship for students;
- participation in contests for young employees.

The Company regards collaboration with educational institutions as an essential element of its strategic plan.

In Geneva, LITASCO SA is engaged in multiple educational programs provided by various institutions, e.g. the University of Geneva offers the Master in Commodity Trading program and the Diploma of Advanced Studies (DAS) in Commodity Trading.

More information is provided in the Contributing to the Socioeconomic development chapter.

Children's Day at LITASCO Headquarters

LITASCO SA conducts events not only for students but also for Company employees' children. Every year, LITASCO SA organizes a special day for children aged between 11 and 13.

On the designated day, schoolchildren visit their father's, mother's or family-related person's workplace. This provides an invaluable opportunity for them to gain a deeper understanding of their parents' professional environment. We also aim to promote equality by demonstrating that all professions can be done regardless of gender and background.

Inclusive environment

LITASCO SA undertakes to treat its employees in a fair and impartial manner, without discrimination based on race, gender, age, religion, disability or other such characteristics. This is reflected by the Group's policies and Staff Regulations. The non-discrimination commitment ensures that all decisions related to recruitment and employment adhere strictly to the principle of qualification, skill, experience and job suitability.

Inclusive and ergonomic office at LITASCO SA

LITASCO SA Headquarters relocated to a new, fully accessible building in 2020. This makes sure the office can accommodate individuals with various physical or cognitive impairments and enable them to navigate the premises in a comfortable and independent manner. For all employees, workstations are adaptable; for example, workspaces are fitted with electric height adjustable desks. The screens and chairs can be regulated to provide for best posture.



PAYROLL AND SOCIAL SUPPORT

We strive to maintain a beneficial and competitive employee remuneration system in order to facilitate social stability and to improve the quality of life of our employees. The Company's compensation package provides benefits that usually exceed those required by local regulations.

Employee remuneration is governed by the Staff Regulations that set out the main terms and conditions related to annual salaries, discretionary bonuses, benefits and pensions. The Company continues to develop the motivation system to retain employees and attract new talent.

The Group offers its employees an opportunity to rotate both between departments, countries and even business areas. Such mobility represents a significant advantage as it facilitates the exchange of experience and knowledge. This contributes to every individual's professional development and reinforces the Company's corporate culture and values.

Social support

GRI 401-2

GRI 11.10.3

LITASCO SA offers a competitive employee benefits package to ensure the well-being of employees and their families. Access to such benefits is available regardless of an employee's position.

The said benefits package includes:

- health insurance;
- accident insurance;
- income protection insurance;
- occupational pension plan;
- transportation or sports contribution;
- employee birthday and childbirth gift vouchers;
- parental leave;
- home shifting leave;
- relocation allowance where applicable.

Some of the LITASCO Group entities provide their employees with material aid and health resort treatment and vacation. In addition, employees can benefit from discounts negotiated by the Company, which can comprise for example certain products and gym memberships.

Where applicable, employees are free to join the Company's collective health insurance. LITASCO assumes most of the costs associated with health insurance, and consequently only a relatively small amount is chargeable to employees. Moreover, employees are entitled to retirement benefits beyond local requirements.

In 2023, LITASCO continued to implement its initiatives aimed to enhance employee well-being. In order to promote a healthy lifestyle and sports culture among the staff, the Headquarters organized a series of events, including yoga sessions, chess contests, annual running races and more. Furthermore, the Company encouraged its employees to utilize non-motorized mobility to commute to the office (e.g. bicycles).

GRI 2-30

Employee rights and guarantees are reflected in the collective agreements of the LITASCO Group entities and apply equally to their personnel. In 2023, collective bargaining agreements were in effect at eight entities of the LITASCO Group. The share of employees covered by the LITASCO Group entities' collective agreements constituted 74.5% in the reporting period.

EMPLOYEE TRAININGS AND DEVELOPMENT

Training

GRI 404-2

GRI 11.7.3, 11.10.7,

The Company regards employee training and development as a priority investment. Knowledge and expertise are considered to be the foundation for achieving high quality deliveries, visionary leadership, technological innovation, and thus to ultimately benefit customers and end consumers.

The Company is committed to fostering motivation and improving performance as an integral part of a cohesive team, which helps to achieve individual and corporate goals. LITASCO's employees are encouraged to take advantage of opportunities to grow and maximize their abilities.

In 2023, in addition to a range of in-house trainings, LITASCO invested more than CHF 1.15 million in various external development programs, which demonstrates the Company's commitment to employee growth.

Employee training is carried out both in-person and remotely. It includes taking various courses and programs to master new areas of knowledge and skills, acquiring modern competencies and obtaining professional certifications. The Company provides regular mandatory training for relevant employee categories as well as additional training programs for professional and personal development.

LITASCO carefully selects providers for external training. Trainings take place both at the Company's premises or at other locations. The Company's HR specialists consider employees' individual requests for professional development and offers appropriate options.

External training for Company employees is organized in a wide range of areas, including:



In addition, the Company provided soft-skills trainings in 2023, such as negotiation, communication and coaching to improve employees' interpersonal and leadership skills.

For many of such trainings, employees are requested to complete tests to evaluate the training programs' efficiency. They also complete feedback forms on the attended courses that are reviewed by the management and HR.

GRI 404-1
GRI 11.10.6, 11.11.4

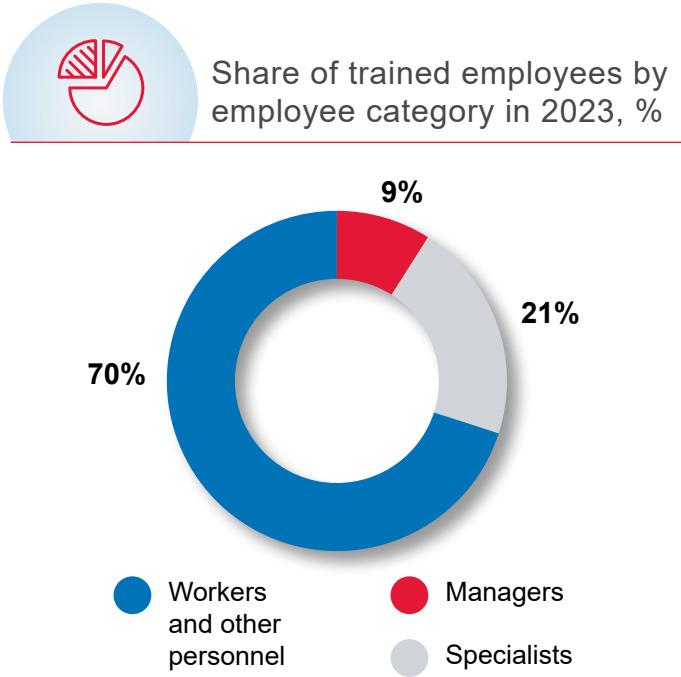
Employee training at the LITASCO Group entities:

Indicators	Unit of measurement	2021	2022	2023
Average number of training hours per employee	hours	30.8	25.1	21.0
Average external annual training costs per employee	CHF	146.0	177.0	165.9

Performance management

The performance management process is regulated by the Company’s Performance Management Policy and is designed as an objective, consistent and unified tool to maximize employees’ potential and their further career growth. The above is achieved by setting individual business goals, evaluating the progress based on objective criteria, and then receiving and providing formal feedback on the strengths, development areas and training needs. The process encourages performance development discussions between employees and their direct managers, providing employees with an opportunity to talk through the issues they may be facing as well as their future development expectations.

Employee performance is formally assessed on a regular basis. Individual performance and availability of career opportunities within the Company structure are the key factors in determining the career growth prospects. Employees are also given an opportunity to engage in constructive mutual feedback with their supervisors and to share their expectations.



7

Contributing to Socioeconomic Development

Community engagement and partnerships 60

Diligence in regards to the supply chain 61

LITASCO SA

Sustainability Report 2023

Message from the CEO

Reporting Scope and Business Description

Maintaining an Efficient Corporate Governance System

Acting on Climate Change

Prioritizing Environmental Safety

Providing Decent Working Conditions

Contributing to Socioeconomic Development

Embracing Ethical Business Practices

Appendices

COMMUNITY ENGAGEMENT AND PARTNERSHIPS

GRI 2-28, 3-3, 203-1, 203-2

GRI 11.14.4, 11.14.5, 11.15.1

At LITASCO, we are strongly committed to socio-economic development, actively participating in local initiatives and establishing strong community ties.

In 2023, the LITASCO Headquarters spent over CHF 700,000 on charity and local sponsorships. Group-wide, donations exceeded CHF 1.2 million in social development, inclusive of over CHF 1.0 million allocated for charity.

Within the LITASCO Group, we consider it a matter of course to render support and to engage in local events in areas where the Company operates. At the Geneva Headquarters, we participate, for example, in the Escalade Race and the Geneva Marathon to add further credence to the Company's commitment to inclusivity and community building.

LITASCO SA is a founding member of [SUISSENÉGOCE](#) formerly known as STSA (Swiss Trading & Shipping Association). Established in 2006, SUISSENÉGOCE stands as the primary commodity trading association in Switzerland, initially founded as GTSA (Geneva Trading & Shipping Association) by the companies and banks operating within the sector. To date, SUISSENÉGOCE spans over 190 member entities.

As an important payer of Geneva's applicable social and profit taxes, LITASCO SA also engages with Groupement des Entreprises Multinationales (GEM), a non-political, non-profit association affiliated with the Fédération des Entreprises Romandes, Genève. Comprising over 90 members, GEM functions as a high-level network of multinational companies. Its objectives include the development, promotion, representation, and maintenance of liaison with stakeholders, including local authorities, while also

safeguarding the collective interests of its members.

LITASCO SA is a proud member and supporter of the Fondation pour Genève established in 1976. Since then, the Foundation in Geneva has been serving as a public service entity dedicated to providing diverse forms of assistance to the Geneva authorities in facilitating the city's international development. As such, Fondation pour Genève actively fosters, promotes, coordinates, and supports the initiatives that uphold Geneva's longstanding traditions of hospitality and its reputation as an open and hospitable global hub.

LITASCO SA also holds membership in the Geneva Chamber of Commerce, Industry and Services known as [CCIG](#) (Chambre de Commerce, d'Industrie et des Services de Genève). This private independent organization unites over two thousand companies of all sizes and is committed to representing their interests, supporting their ongoing activities and fostering a resilient economy.

GRI 202-2

GRI 11.11.2, 11.14.3

Internationality and cultural diversity are in the nature of the LITASCO Group. In 2023, 69% of the Headquarters' staff was comprised of non Swiss citizen employees, yet where possible and suitable we prioritize local hiring.

The Geneva Chamber Orchestra

Since 2000, LITASCO has been partnering with the Geneva Chamber Orchestra, a first rank orchestra that enriches the musical landscape off Lake Léman.

Being its sponsor, LITASCO is proud to be represented as a member of the Foundation Council of the Geneva Chamber Orchestra.

Together with the Geneva Chamber Orchestra, LITASCO participates in landmark musical events, such as the Christmas Concerts that are already considered a local tradition.



Educational Programs

LITASCO SA participates in various educational programs offered by Geneva's reputable institutions, including the Master in Commodity Trading and Diploma in Advanced Studies (DAS) in Commodity Trading programs provided by the University of Geneva.

These academic initiatives are developed in collaboration with industry professionals and are tailored to accommodate the needs of working professionals pursuing further education.

Students enrolled in these programs engage in a part-time arrangement, where they work at LITASCO's Geneva Office while pursuing their studies part-time. This dynamic structure enables them to gain valuable practical experience alongside with their academic pursuits.



DILLIGENCE IN REGARDS TO THE SUPPLY CHAIN

The cornerstone of the Group's activities is its strong commitment to ethical business practices and sustainable development. With careful attention to detail, LITASCO established its organizational structure for procurement management, with comprehensive procedures to identify the risks across the supply system and stringent requirements for each aspect of its business.

The Group is strongly committed to processing requests related to observance and protection of human rights from employees, customers, partners,

shareholders and local communities. These requests can be submitted via telephone lines, email, and the contacts provided on the company website. Additionally, LITASCO expects its supply chain members to set up dedicated feedback channels that enable their stakeholders to submit any complaints or suggestions.

Complaint handling is a crucial part of LITASCO's commitment to stakeholder engagement. The Group guarantees confidentiality while verifying complaints and concerns, ensuring fairness and impartiality in responding to these.

Business ethics	64
Anti-corruption	65
Human rights	67
Stakeholder engagement	68

Message
from the CEO

Reporting Scope and
Business Description

Maintaining
an Efficient Corporate
Governance System

Acting on Climate
Change

Prioritizing
Environmental
Safety

Providing Decent
Working Conditions

Contributing to
Socioeconomic
Development

**Embracing Ethical
Business Practices**

Appendices

BUSINESS ETHICS

GRI 2-23, 3-3

GRI 11.11.1, 11.12.1

The LITASCO Group adheres to the ethical principles set forth in the [Code of Business Conduct and Ethics of PJSC LUKOIL](#). This Code was last updated in June 2023 and governs all aspects of business conduct and relations with partners, suppliers and contractors. The core values that steer our business practices include:

- **excellence and efficient technologies** as key success drivers for our business and striving for continuous improvement;
- **people**, constituting our key value and whose well-being and talent development are our core priorities;
- **safety and environmental stewardship**, following rigidly the requirements of the health, safety and environment (HSE) standards applicable in the countries where the Group operates;
- **social responsibility**, pursuing a socially responsible policy in the areas of labor, employment, and industrial management;
- **partnerships**, where we strive for long-term relations, and
- **ethics**, highlighting that our activities are not only guided by the operational goals but that these goals are also to be achieved in an honest, fair and responsible manner.

We take great care to ensure that employees are aware of the Code. We thus made it a standard procedure that all new employees hired by the LITASCO Group are presented with the document to familiarize themselves with the content and acknowledge their understanding by signing it.

GRI 2-16, 2-26

For the trading entities of LITASCO SA, any suspected wrongdoing or danger at work, including breaches of the law, the Code of Business Conduct and Ethics, and other internal policies or procedures, can be reported by addressing the Compliance Group in person or by using the email address compliance@litasco.com. The Whistleblowing Policy of LITASCO promotes an environment where employees can express their concerns via a dedicated whistleblowing portal, ensuring they can do so without fear of victimization, subsequent discrimination or disadvantage.

We take violations of the Code of Business Conduct and Ethics very seriously; however, no concerns related to business ethics were raised to the Headquarters in 2023.

The description of corporate conduct standards, including the business ethics principles, Antitrust Policy, anti-corruption measures and other issues, is available on the corporate website in the [Sustainability / Ethics and Statutory Compliance section](#).

ANTI-CORRUPTION

GRI 3-3

GRI 11.20.1

There is a zero tolerance policy against all forms of corruption and disapproval of any incentives that can be seen as corrupt practices, even if they do not violate local laws. The Company takes active steps to prevent corruption, including educational trainings to raise awareness among the staff and monitoring of its business partners.

Limiting gifts

While we acknowledge that gifts constitute a token of appreciation, it is crucial to ensure that they do not lead to bribery or corruption, or create a conflict of interest. Our Anti-Corruption Policy prohibits cash donations or any gifts that might be perceived as directly or indirectly influencing a decision. There are also limits to the value of gifts that employees may give or receive. For the LITASCO SA Headquarters where much of the Group's trading and supply business is anchored, the limit is set to USD 100. This is also stipulated in the Headquarters' Staff Regulations handed over to each new employee and circulated for every update.

GRI 2-16, 2-26, 205-3

GRI 11.20.4

The Company's stance on corruption is detailed in the [Anti-Corruption Policy of PJSC LUKOIL](#). The Policy outlines the key principles, goals and objectives in this area and defines the most important activities to reduce the risk of corruption.

The goals of the Policy are to promote transparency, to encourage honesty and to secure compliance with applicable anti-corruption laws. These goals entail the objectives of:

- determining risk-susceptible business areas and defining the activities to mitigate such risks;
- managing conflicts of interest;
- raising the awareness of corruption throughout the Company;
- training the employees and governing bodies, maintaining anti-corruption monitoring systems;
- communicating violations, if verified, to law enforcement agencies.

The LITASCO Group conducts diversified activities including refining, retail, trading and supply. Among these, trading and supply are particularly prone to corruption and bribery risks. To ensure and promote compliance of LITASCO SA and its trading subsidiaries with applicable anti-corruption and bribery laws and regulations, the Company can rely on the Compliance Group in the Geneva Headquarters. The Chief Compliance Officer of LITASCO SA leads the Group, reporting to the Director of Legal, and, eventually, to the CEO. The team is furthermore supported by the Head of Legal of the Houston office for counsel on regional matters. Within the organization, the Compliance Group is tasked to consult and train on matters of compliance, to inform of regulatory changes, and to maintain related policies. Employees are encouraged to report related concerns to compliance@litasco.com, whistleblowing@litasco.com or via the dedicated whistleblowing portal on the Company's Intranet.



Signifying the effectiveness of corruption prevention policies in relation to trading and supply, the LITASCO Compliance Group did not receive any corruption-related submissions in 2023.

Upon joining the Company, new employees of any subsidiary governed by the LITASCO Compliance Group are required to read the Anti-Corruption Policy and acknowledge their understanding by signing a confirmation. There are regular trainings related to combating bribery and corruption.

As part of the comprehensive anti-corruption strategy, new service providers or trading partners of LITASCO SA and its trading subsidiaries are subject to the Know Your Counterparty (KYC) procedure. Thereby, we assess potential third-party risks that may be linked to corruption, bribery, money laundering, fraud, antitrust, conflict of interests, sanctions and reputational damage. The KYC procedure is implemented consistently across the board, ensuring that every new counterparty undergoes screening without exception.

As a separate pillar to anti-corruption action, LITASCO established the Internal Audit Department. This function is considered to be essential as it supports effective risk management and not only ensures compliance with regulations but also enhances the operational efficiency and control processes. It thus serves to safeguard assets and promotes good governance. The Internal Audit Department of the Headquarters is responsible for conducting audits of LITASCO SA and its subsidiaries. As part of its remit, the Internal Audit Department reviews the implemented policies of the LITASCO Group entities, monitoring their progress and identifying any ethical and corruption risks. It also oversees the implementation of measures to eliminate any identified deviations and shortcomings.



HUMAN RIGHTS

GRI 2-23

At LITASCO, we are diligent in the observance of human rights throughout the entire value chain and steadfastly adhere to compliance with all applicable laws and conventions. This commitment is underscored by our alignment with a wide range of fundamental documents, including:

- the International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights;
- the UN Guiding Principles on Business and Human Rights;
- the Convention for the Protection of Human Rights and Fundamental Freedoms;
- The UN Declaration on the Rights of Indigenous Peoples;
- the UN Global Compact;
- the OECD Guidelines for Multinational Enterprises;
- the International Labor Organization Declaration on Fundamental Principles and Rights at Work;
- the Extractive Industries Transparency Initiative (EITI) voluntary principles;
- the IFC's Performance Standards on Environmental and Social Sustainability.

The aforementioned [Code of Business Conduct and Ethics of PJSC LUKOIL](#) also promotes compliance with the fundamental human rights principles and international labor standards. Furthermore, the [LUKOIL Group Human Rights Policy](#) serves as our guidepost for managing and protecting human rights. The Policy is disclosed in respect of the following aspects:

- the rights associated with employment relations;
- the rights to safety and health protection;
- the right to freedom of association and collective bargaining;
- economic, social, and cultural rights;
- the rights of local communities and indigenous peoples.

The Policy also stipulates the Company's obligations, confirming its commitment to the principles of respect for human rights, e.g.:

- the right of employees to union representation and collective bargaining;
- zero tolerance towards forced labor and child labor;
- provision of a safe and favorable work environment;
- promoting equal employment opportunities and non-discrimination in hiring, training, remuneration, and career growth.

PJSC LUKOIL monitors the observance of human rights on a regular basis. LITASCO SA and its subsidiaries take an active role in this process by organizing regular meetings, training sessions on labor rights, and engaging with the trade union representatives to address human rights issues. This approach ensures that fair working conditions and social security rights are upheld. We also participate in Professional Training Days for managers twice a year focusing on current human rights and labor issues.

We collaborate with personnel representatives, state authorities, and other stakeholders to enhance security and implement best practices. External stakeholders can contact us through various channels, including hotlines and online via LITASCO's [website](#).

GRI 406-1

GRI 11.11.7

LITASCO also established mechanisms for filing complaints and proposals concerning human rights violations that are handled and carefully processed by LUKOIL's Business Ethics Commission. We ensure that all complaints are thoroughly investigated to determine the factual basis and response measures, and the results are reported to stakeholders in a clear manner. No complaints were filed in 2023.

Individuals whose rights are violated may seek compensation through legal procedures following the applicable laws and international standards. LITASCO ensures compliance with court judgements and does not obstruct individuals from exercising their right to seek legal redress.

Transparency and accountability are a clear commitment to respect the rights and concerns of all stakeholders.

STAKEHOLDER ENGAGEMENT

GRI 2-29

LITASCO engages with numerous stakeholder groups in order to manage and balance concerns, interests and expectations. The Company recognizes the significance of maintaining constructive relationships with all stakeholders to cultivate long-term and mutually beneficial connections. The principles that underlie the Company’s interaction with stakeholders are outlined in the [Code of Business Conduct and Ethics of PJSC LUKOIL](#). LITASCO’s website, being updated regularly, and press releases serve as principal channels for disseminating information about the Company’s operations to stakeholders. In addition, we value and promote exchanges with regulators to define ambitious and practical goals for regulatory frameworks, for example, in the area of renewable energy.

Examples of stakeholder and regulatory engagement in 2023 are provided below and in the relevant sections of this Report:

- the oil refinery in the Netherlands participated in a consultation with the Dutch Ministry of Economic Affairs and Climate Policy (MEAC) and Ministry of Infrastructure & Water Management (MI&W) on the implementation of different aspects of the Renewable Energy Directive (RED) III;
- the oil refinery in Bulgaria presented at the Roundtable on Sustainable Aviation Fuels and Low-carbon Transition in Varna, Bulgaria;
- LITASCO Geneva collaborated with the European Bulk Oil Traders’ Association to address feedback relating to sustainability certification under the Renewable Energy Directive in joint letters, calls and roundtable discussions with representatives of the European Commission and select sustainability certification schemes.

Outlook and Feedback

Our commitment to sustainability improvement remains firm as we advance into 2024 and beyond. The present report establishes a baseline against which we will measure future progress. Furthermore, this report enables us to benchmark our ESG performance against industry peers, facilitating the identification of areas for enhancement and the adoption of best practices.

Feedback to this report can be provided via the contacts on our [website](#) or via email to ESG@litasco.com.

 Stakeholder	 Main purpose of engagement	 Principal engagement channels
Clients, suppliers and contractors	Business opportunities	Phone and electronic communication, face-to-face meetings, conferences
Trade unions and employees	Employment	Town hall meetings, Roundtables, HR agencies, press releases
National and local authorities	Consultations, compliance	Roundtables, conferences, electronic submissions, on-site visits
Shareholders and financial institutions	Income and dividends	Consolidated financial reports, website, electronic communications, press releases
Society	Environmental and social agenda	Website, Sustainability Report, roundtables, press releases



Appendix 1. List of material topics	72
Appendix 2. GRI Content Index 2021	74
Appendix 3. Performance indicators	96
Appendix 4. Glossary	108

Message
from the CEO

Reporting Scope and
Business Description

Maintaining
an Efficient Corporate
Governance System

Acting on Climate
Change

Prioritizing
Environmental
Safety

Providing Decent
Working Conditions

Contributing to
Socioeconomic
Development

Embracing Ethical
Business Practices

Appendices

LITASCO SA

Sustainability Report 2023



APPENDIX 1. LIST OF MATERIAL TOPICS

List of material topics from materiality assessment

GRI 3-2, 3-3

Material topics	Compliance with the GRI Sector Standard	Impacts of LITASCO's activities	Impact management
Environmental			
• GHG emissions • Implementation of a decarbonization program • Climate adaptation	11.1 GHG emissions 11.2 Climate adaptation, resilience, and transition	– GHG emissions + Voluntary actions and initiatives aimed at decarbonization	Section in the Report: • Decarbonization and Climate Adaptation
• Water resources • Emissions • Wastes and land resources • Biodiversity • Integrity of facilities and management of critical incidents	11.6 Water and effluents 11.3 Air emissions 11.5 Waste 11.4 Biodiversity 11.8 Asset integrity and critical incident management	– Negative impact of the Company's operations on the environment (air emissions, fresh water intake, wastewater discharges, waste, disruption of natural ecosystems) + Implementation of measures aimed at improving the reliability of technological processes and equipment operation	Section in the Report: • Prioritizing Environmental Safety
Social			
• Human rights • Employment, work with the youth • Employee motivation and training • Occupational health and safety of Company employees and contractors' personnel	11.11 Non-discrimination and equal opportunity 11.12 Forced labor and modern slavery 11.13 Freedom of association and collective bargaining 11.10 Employment practices 11.9 Occupational health and safety	+ Creation/preservation of jobs in the Company and throughout the supply chain + Influence of the Company's internal social policy on staffing and employee well-being and creation of decent working conditions – Negative impact (potential and actual) of the working conditions on the health of Company employees and counterparties' personnel	Sections in the Report: • Providing Decent Working Conditions • Human Rights

Material topics	Compliance with the GRI Sector Standard	Impacts of LITASCO's activities	Impact management
• Maintenance of socioeconomic stability in the regions of presence • Support to public organizations and vulnerable groups • Interaction with local residents in the regions of presence	11.15 Local communities	+ Supply of affordable energy, contribution to improving the quality of life and economic potential of the regions of presence + Implementation of external social programs + Training of local professionals – Potential negative impact on local communities due to environmental impacts in the regions of presence	Sections in the Report: • Regional Development and Support • Human Rights • Stakeholder Engagement
Economic			
• Ethics and corporate governance • Sustainability management • Responsible supply chain	11.19 Anti-competitive behavior 11.20 Anti-corruption 11.22 Public policy	+ Implementation of programs and projects that facilitate the achievement of internal goals and national or EU objectives towards 2030 and beyond ● Compliance with laws, voluntary commitments, corporate ethical principles – Potential deviations in compliance with mandatory and optional requirements	Sections in the Report: • Maintaining Efficient Corporate Governance System • Embracing Ethical Business Practices
• Economic resilience in uncertain times. • Reliability of energy supply	11.14 Economic impacts	+ Capital investments to ensure the availability of energy resources + Contribution to the gross domestic product + Payments to shareholders, employees, investors, suppliers. ● Involving mineral resources in the economy	Section in the Report: • Business Model

APPENDIX 2. GRI CONTENT INDEX 2021

Statement of the use of the GRI Standards: The data in the LITASCO Group Sustainability Report for 2023 (for the period from January 1 to December 31, 2023) were prepared with reference to the Global Reporting Initiative Standards (GRI Standards 2021).

GRI 1 Standard: Foundation 2021 – used.

Sector standard: GRI 11: Oil and Gas Sector – used.

GRI 2 Standard: General Disclosures 2021 were made for LITASCO Group.

General disclosures

GRI Standards	Disclosure	Sources of 2023 information	Comments
GRI 2: General Disclosures 2021	2-1 Organizational details	Business model, p. 9	
	2-2 Entities included in the organization's sustainability reporting	About the report, p. 8	The Report covers all assets that have significant economic, environmental and social impacts
	2-3 Reporting period, frequency and contact point	About the report, p. 8	For the questions about the report or reported information contact via: ESG@litasco.com
	2-4 Restatement of information		The report is prepared for the first time
	2-5 External assurance		The Company does not use external assurance
	2-6 Activities, value chain and other business relationships	Business model, p. 9	
	2-7 Employees	Providing decent working conditions, p. 46 Performance indicators, p. 97	
	2-8 Workers who are not employees		The information on employment agreements is consolidated by the Company without a breakdown by permanent and temporary employees. Permanent employees include persons who have concluded an employment contract with the employer. The employees legally recognized as self-employed and persons not employed by the LITASCO Group entities either permanently or temporarily perform an insignificant amount of work

GRI Standards	Disclosure	Sources of 2023 information	Comments
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate governance highlights, p. 16	
	2-10 Nomination and selection of the highest governance body	Corporate governance highlights, p. 16	
	2-11 Chair of the highest governance body	Corporate governance highlights, p. 16	
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate governance highlights, p. 16	
	2-13 Delegation of responsibility for managing impacts	Corporate governance highlights, p. 16	
	2-14 Role of the highest governance body in sustainability reporting	Corporate governance structure and composition, p. 16	The list of material topic is approved by the Company's management.
	2-15 Conflicts of interest	Corporate governance highlights, p. 16	
	2-16 Communication of critical concerns	Business ethics, p. 64 Anti-corruption, p. 65	
	2-17 Collective knowledge of the highest governance body	Corporate governance highlights, p. 16	
	2-18 Evaluation of the performance of the highest governance body		Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
	2-19 Remuneration policies		Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
	2-20 Process to determine remuneration		Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information

GRI Standards	Disclosure	Sources of 2023 information	Comments
<i>GRI 2: General Disclosures 2021</i>	2-21 Annual total compensation ratio		Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
	2-22 Statement on sustainable development strategy	Corporate governance highlights, p. 16	
	2-23 Policy commitments	Business ethics, p. 64 Human rights, p. 67 Code of Business Conduct and Ethics of PJSC LUKOIL LUKOIL Group Human Rights Policy	
	2-24 Embedding policy commitments	Corporate governance highlights, p. 16	
	2-25 Processes to remediate negative impacts		Preventing and eliminating the negative impacts is addressed through targeted policies
	2-26 Mechanisms for seeking advice and raising concerns	Business ethics, p. 64 Anti-corruption, p. 65 LUKOIL Group Human Rights Policy	
	2-27 Compliance with laws and regulations	Code of Business Conduct and Ethics of PJSC LUKOIL	Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
	2-28 Membership associations	Community engagement and partnerships, p. 60	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, p.68	
	2-30 Collective bargaining agreements	Payroll and social support, p. 54 Performance indicators, p. 101	

Material topics

<i>GRI 3: Material Topics 2021</i>	3-1 Process to determine material topics	Materiality assessment, p. 14
	3-2 List of material topics	List of material topics (Appendix 1), p. 72
	3-3 Management of material topics	Material topics are analyzed based on a particular procedure (see GRI 3: 3-1) The systems for or approaches to managing impacts related to material topics are specified below List of material topics (Appendix 1), p. 72

Sector standard

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.1. Greenhouse gases				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.1.1.	Climate agenda, p. 20	LITASCO Group	The Company does not collect data for the supply chain
<i>GRI 302: Energy 2016</i>	302-1. Energy consumption within the organization	11.1.2	Decarbonization program, p. 23 Performance indicators, p. 102	LITASCO Group	
	302-2. Energy consumption outside of the organization	11.1.3			The indicator is not used by the Company for reporting purposes
	302-3. Energy intensity	11.1.4			The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 305: Emissions 2016</i>	305-1. Direct (Scope 1) GHG emissions	11.1.5	GHG emissions accounting system, p. 24 Performance indicators, p. 102	LITASCO Group	
	305-2. Energy indirect (Scope 2) GHG emissions	11.1.6	GHG emissions accounting system, p. 24 Performance indicators, p. 102	LITASCO Group	
	305-3. Other indirect (Scope 3) GHG emissions	11.1.7			The indicator is not used by the Company for reporting purposes
	305-4. GHG emissions intensity	11.1.8	GHG emissions accounting system, p. 24	LITASCO Group	The indicator is not used by the Company for reporting purposes
<i>GRI 11: Oil and Gas Sector 2021</i>	11.2. Climate change adaptation, resilience and energy transition				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.2.1.	Climate agenda, p. 20 HSE Policy of LUKOIL Group	LITASCO Group	The indicator is not used by the Company for reporting purposes
<i>GRI 201: Economic Performance 2016</i>	201-2. Financial implications and other risks and opportunities due to climate change	11.2.2			The indicator is not used by the Company for reporting purposes
<i>GRI 305: Emissions 2016</i>	305-5. Reduction of GHG emissions	11.2.3	Climate agenda, p. 20		
	Approach to participation in public policy and lobbying on climate change issues	11.2.4	Climate agenda, p. 20 Decarbonization program, 21	LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.3. Air emissions				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.3.1.	Emissions, p. 33	LITASCO Group	
<i>GRI 305: Emissions 2016</i>	305-7. Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	11.3.2	Emissions, p. 34 Performance indicators, p. 104	Refineries of the LITASCO Group	
<i>GRI 416: Customer Health and Safety 2016</i>	416-1. Assessment of the health and safety impacts of product and service categories	11.3.3			The indicator is not used by the Company for reporting purposes
<i>GRI 11: Oil and Gas Sector 2021</i>	11.4. Biodiversity				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.4.1	Biodiversity, p. 39	LITASCO Group	
<i>GRI 304: Biodiversity 2016</i>	304-1. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	11.4.2	Biodiversity, p. 39 Brochure: Conserving biodiversity	Refineries of the LITASCO Group	
	304-2. Significant impacts of activities, products, and services on biodiversity	11.4.3	Biodiversity, p. 39 Brochure: Conserving biodiversity	Refineries of the LITASCO Group	
	304-3. Habitats protected or restored	11.4.4	Biodiversity, p. 39 Brochure: Conserving biodiversity	Refineries of the LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 304: Biodiversity 2016</i>	304-4. IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5	Brochure: Conserving biodiversity	Refineries of the LITASCO Group	The Eurasian oystercatcher included on the IUCN Red List of Threatened Species as Near Threatened inhabits the Company's territory
<i>GRI 11: Oil and Gas Sector 2021</i>	11.5. Waste				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.5.1	Waste and land reclamation, p. 35	LITASCO Group	
<i>GRI 306: Waste 2020</i>	306-1. Waste generation and significant waste-related impacts	11.5.2	Waste and land reclamation, p. 35	Refineries of the LITASCO Group	
	306-2. Management of significant waste-related impacts	11.5.3	Waste and land reclamation, p. 35	Refineries of the LITASCO Group	
	306-3. Waste generated	11.5.4	Waste and land reclamation, p. 35 Performance indicators, p. 105	Refineries of the LITASCO Group	
	306-4. Waste diverted from disposal	11.5.5	Waste and land reclamation, p. 36	Refineries of the LITASCO Group	
	306-5. Waste directed to disposal	11.5.6	Waste and land reclamation, p. 37	Refineries of the LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.6. Water consumption and wastewater discharge				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.6.1	Water resource, p. 29	LITASCO Group	
<i>GRI 303: Water and effluents 2018</i>	303-1. Interactions with water as a shared resource	11.6.2	Water resource, p. 30	Refineries of the LITASCO Group	
	303-2. Management of water discharge-related impacts	11.6.3	Water resource, p. 29, 31	Refineries of the LITASCO Group	
	303-3. Water withdrawal	11.6.4	Water resource, p. 30 Performance indicators, p. 103	Refineries of the LITASCO Group	
<i>GRI 303: Water and effluents 2018</i>	303-4. Water discharge	11.6.5	Water resource, p. 31 Performance indicators, p. 104	Refineries of the LITASCO Group	
	303-5. Water consumption	11.6.6	Water resource, p. 30 Performance indicators, p. 103	Refineries of the LITASCO Group	
<i>GRI 11: Oil and Gas Sector 2021</i>	11.7. Closure and rehabilitation				The Company did not close any of its assets in 2023. Therefore, no relevant impacts were identified
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.7.1		LITASCO Group	
<i>GRI 402: Labor/ Management Relations 2016</i>	402-1. Minimum notice periods regarding operational changes	11.7.2		LITASCO Group	In accordance with regulatory and operational requirements

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 404: Training and Education 2016</i>	404-2. Programs for upgrading employee skills and transition assistance programs	11.7.3	Employee trainings and development, p. 55	LITASCO Group	
	List the operational sites that: have closure and rehabilitation plans in place; have been closed; are in the process of being closed	11.7.4		LITASCO Group	The Company did not close any of its assets in 2023.
	List the decommissioned structures left in place and describe the rationale for leaving them in place	11.7.5			Not relevant in 2023
	Report the total monetary value of financial provisions for closure and rehabilitation made by the organization, including post-closure monitoring and aftercare for operational sites	11.7.6			Not relevant in 2023
<i>GRI 11: Oil and Gas Sector 2021</i>	11.8. Integrity of facilities and management of critical incidents				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.8.1	Prioritizing environmental safety, p.43	LITASCO Group	
<i>GRI 306: Effluents and Waste 2016</i>	306-3. Significant spills	11.8.2		LITASCO Group	The Company did not have any significant spills in 2023
	Information on Level 1 and 2 incidents	11.8.3			The indicator calculation technique is to be detailed
	Information on shale oil production	11.8.4			The Company does not produce shale oil

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.9. Occupational health and safety				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.9.1	Providing decent working conditions, p. 46	LITASCO Group	
<i>GRI 403: Occupational health and safety 2018</i>	403-1. Occupational health and safety management system	11.9.2	Occupational health and safety, p. 48	LITASCO Group	
	403-2. Hazard identification, risk assessment, and incident investigation	11.9.3	Occupational health and safety, p. 48	LITASCO Group	
	403-3. Occupational health services	11.9.4	Occupational health and safety, p. 48	LITASCO Group	
	403-4. Worker participation, consultation, and communication on occupational health and safety	11.9.5	Occupational health and safety, p. 49	LITASCO Group	
	403-5. Worker training on occupational health and safety	11.9.6	Occupational health and safety, p. 49	LITASCO Group	
	403-6. Promotion of worker health	11.9.7	Occupational health and safety, p. 49	LITASCO Group	
	403-7. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8	Occupational health and safety, p. 49	LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 403: Occupational health and safety 2018</i>	403-8. Workers covered by an occupational health and safety management system	11.9.9	Occupational health and safety, p. 48 Performance indicators, p. 97	LITASCO Group	
	403-9. Work-related injuries	11.9.10	Occupational health and safety, p. 49 Performance indicators, p. 97	LITASCO Group	
	403-10. Occupational diseases	11.9.11	Occupational health and safety, p. 51	LITASCO Group	
<i>GRI 11: Oil and Gas Sector 2021</i>	11.10. Employment practices				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.10.1	Providing decent working conditions, p. 46	LITASCO Group	
<i>GRI 401: Employment 2016</i>	401-1. New employee hires and employee turnover	11.10.2	Performance indicators, p. 100, 101	LITASCO Group	
<i>GRI 401: Employment 2016</i>	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	Payroll and social support, p. 54	LITASCO Group	
	401-3. Parental leave	11.10.4			The indicator is not used by the Company for reporting purposes
<i>GRI 402: Labor/ Management Relations 2016</i>	402-1. Minimum notice periods regarding operational changes	11.10.5		LITASCO Group	In accordance with regulatory and operational requirements

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 404: Training and Education 2016</i>	404-1. Average hours of training per year per employee	11.10.6	Employee trainings and development, p. 56 Performance indicators, p. 107	LITASCO Group	
	404-2. Programs for upgrading employee skills and transition assistance programs	11.10.7	Employee trainings and development, p. 55	LITASCO Group	
<i>GRI 414: Supplier Social Assessment 2016</i>	414-1. New suppliers that were screened using social criteria	11.10.8			The indicator is not used by the Company for reporting purposes
	414-2. Negative social impacts in the supply chain and actions taken	11.10.9			The indicator is not used by the Company for reporting purposes
<i>GRI 11: Oil and Gas Sector 2021</i>	11.11. Non-discrimination and equal opportunities				No discrimination cases were discovered in LITASCO Group in 2023
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.11.1	Business ethics, p. 64	LITASCO Group	
<i>GRI 202: Market Presence 2016</i>	202-2. Proportion of senior management hired from the local community	11.11.2	Community engagement and partnerships, p. 60 Code of Business Conduct and Ethics of PJSC LUKOIL LUKOIL Group Human Rights Policy	LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 401: Employment 2016</i>	401-3. Parental leave	11.11.3			The indicator is not used by the Company for reporting purposes
<i>GRI 404: Training and Education 2016</i>	404-1. Average hours of training per year per employee	11.11.4	Employee trainings and development, p. 56 Performance indicators, p. 107	LITASCO Group	
<i>GRI 405: Diversity and Equal Opportunities 2016</i>	405-1. Diversity of governance bodies and employees	11.11.5	Performance indicators, p. 97	LITASCO Group	
	405-2. Ratio of basic salary and remuneration of women to men	11.11.6		LITASCO Group	The base salary does not depend on the employee's gender
<i>GRI 406: Non-discrimination 2016</i>	406-1. Incidents of discrimination and corrective actions taken	11.11.7	Human rights, p. 67	LITASCO Group	
<i>GRI 11: Oil and Gas Sector 2021</i>	11.12. Forced labor and modern slavery				No forced labor cases were discovered in LITASCO Group in 2023
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.12.1	Business ethics, p. 64 LUKOIL Group Human Rights Policy	LITASCO Group	
<i>GRI 409: Forced or Compulsory Labor 2016</i>	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labor	11.12.2		LITASCO Group	The indicator is not used by the Company for reporting purposes
<i>GRI 414: Supplier Social Assessment 2016</i>	414-1. New suppliers that were screened using social criteria	11.12.3			The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.13. Freedom of association and collective bargaining				No violations of freedom of association were identified in LITASCO Group in 2023
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.13.1	LUKOIL Group Human Rights Policy	LITASCO Group	
<i>GRI 407: Freedom of Association and Collective Bargaining 2016</i>	407-1. Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2			The indicator is not used by the Company for reporting purposes
<i>GRI 11: Oil and Gas Sector 2021</i>	11.14. Economic impacts				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.14.1		LITASCO Group	Material topics are addressed through targeted policies
<i>GRI 201: Economic Performance 2016</i>	201-1. Direct economic value generated and distributed	11.14.2			The indicator is not used by the Company for reporting purposes
<i>GRI 202: Market Presence 2016</i>	202-2. Proportion of senior management hired from the local community	11.14.3	Community engagement and partnerships, p. 60	LITASCO Group	
<i>GRI 203: Indirect Economic Impacts 2016</i>	203-1. Infrastructure investments and services supported	11.14.4	Community engagement and partnerships, p. 60	LITASCO Group	
	203-2. Significant indirect economic impacts	11.14.5	Community engagement and partnerships, p. 60	LITASCO Group	
<i>GRI 204: Procurement Practices 2016</i>	204-1. Proportion of spending on local suppliers	11.14.6			The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.15. Local communities				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.15.1	Community engagement and partnerships, p. 60	LITASCO Group	
<i>GRI 413: Local Communities 2016</i>	413-1. Operations with local community engagement, impact assessments, and development programs	11.15.2			The indicator is not used by the Company for reporting purposes
<i>GRI 413: Local Communities 2016</i>	413-2. Operations with significant actual and potential negative impacts on local communities	11.15.3			The indicator is not used by the Company for reporting purposes
	Number and content of complaints from local communities, including: - the percentage of complaints that were considered and resolved; - the percentage of complaints that were resolved by rectifying the situation	11.15.4			The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.16. Land and resource rights				
					For the purposes of this Report, the topic is not material (see comment on indicator 11.16.1)
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.16.1		LITASCO Group	The Company does not resolve land allocation issues and is not involved in making such decisions
	The location of the sites of activity that caused the need for involuntary resettlement of local residents or their resettlement continues	11.16.2		LITASCO Group	In 2023, there were no facts of involuntary resettlement of local residents at the Company's initiative
<i>GRI 11: Oil and Gas Sector 2021</i>	11.17. Rights of indigenous peoples				
					For the purposes of this Report, the topic is not material (see comment on indicator 11.17.1)
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.17.1		LITASCO Group	The Company does not have operations in proximity to indigenous communities
<i>GRI 411: Rights of Indigenous Peoples 2016</i>	411-1. Incidents of violations involving rights of indigenous peoples	11.17.2		LITASCO Group	The Company does not have operations in proximity to indigenous communities
	Places of residence of indigenous people whose interests are affected or may be affected by the entity's activity	11.17.3		LITASCO Group	The Company does not have operations in proximity to indigenous communities

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 411: Rights of Indigenous Peoples 2016</i>	Report if the organization has been involved in a process of seeking free, prior and informed consent (FPIC) from indigenous peoples for any of the organization's activities, including, in each case: whether the process has been mutually accepted by the organization and the affected indigenous peoples; whether an agreement has been reached, and if so, if the agreement is publicly available	11.17.4		LITASCO Group	The Company does not have operations in proximity to indigenous communities
<i>GRI 11: Oil and Gas Sector 2021</i>	11.18. Conflicts and security				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.18.1		LITASCO Group	For the purposes of this Report, the topic of security services is not material as no relevant impacts have been identified
<i>GRI 410: Security Practices 2016</i>	410-1. Security personnel trained in human rights policies or procedures	11.18.2	LUKOIL Group Human Rights Policy	LITASCO Group	The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.19. Anti-competitive behavior				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.19.1	Antimonopoly Policy	LITASCO Group	
<i>GRI 206: Anticompetitive Behavior 2016</i>	206-1. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11.19.2		LITASCO Group	Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
<i>GRI 11: Oil and Gas Sector 2021</i>	11.20. Anti-Corruption				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.20.1	Anti-corruption, p. 65 Corruption Policy of PJSC LUKOIL	LITASCO Group	
<i>GRI 205: Anticorruption 2016</i>	205-1. Operations assessed for risks related to corruption	11.20.2			The Report presents a general approach to corruption risk management
	205-2. Communication and training about anti-corruption policies and procedures	11.20.3			The Report presents a general approach to corruption risk management
	205-3. Confirmed incidents of corruption and actions taken	11.20.4	Anti-corruption, p. 65	LITASCO Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 205: Anticorruption 2016</i>	Approach to the public nature of contracts concluded: - whether the contracts and licenses are public, and if so, where they are published; - if the contracts or licenses are not publicly available, indicate the reason for this and the actions taken to make them available in the future	11.20.5			Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information
	List of beneficial owners of the organization. How the organization identifies beneficial owners of business partners, including joint ventures and suppliers	11.20.6			The indicator is not used by the Company for reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.21. Payments to government				For the purposes of this Report, the topic is not material as no relevant impacts have been identified
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.21.1		LITASCO Group	
<i>GRI 201: Economic Performance 2016</i>	201-1. Direct economic value generated and distributed	11.21.2			The indicator is not used by the Company for reporting purposes
	201-4. Financial assistance received from government	11.21.3		LITASCO Group	The Company did not receive any financial aid from government in 2023
<i>GRI 207: Tax 2019</i>	207-1. Approach to tax	11.21.4		LITASCO Group	The Company strictly complies with requirements of the applicable tax legislation of the international treaties and laws of foreign jurisdictions where entities of the LITASCO Group operate

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 207: Tax 2019</i>	207-2. Tax governance, control, and risk management	11.21.5		LITASCO Group	The Company's system of tax relation management aims at minimizing tax risks and ensuring that tax obligations are fulfilled in full and in a timely manner.
	207-3. Stakeholder engagement and management of concerns related to tax	11.21.6		LITASCO Group	Concerns about the Company's business conduct and the its integrity in relation to tax can be raised to compliance@litasco.com
	207-4. Country-by-country reporting	11.21.7			The indicator is not used by the Company for reporting purposes
	In respect of oil and gas purchased from the state or from third parties appointed by the state for sale on its behalf, the following information should be provided: - volumes and types of oil and gas purchased; - the name of the buyer and the recipient of the payment; - purchase payment	11.21.8			Information is not disclosed due to corporate guidelines on disclosure of sensitive and confidential information

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/ rationale for excluding reporting data
<i>GRI 11: Oil and Gas Sector 2021</i>	11.22. Public policy				
<i>GRI 3: Material Topics 2021</i>	Management of material topics	11.22.1		LITASCO Group	The Company is not involved in any political activity, does not exert, either directly or indirectly, any influence on any decisions of public officials. The Group provides no financing for political parties and movements or any other activity benefiting political parties and their representatives
<i>GRI 415: Public Policy 2016</i>	415-1. Political contributions			LITASCO Group	The Company did not provide any political contributions or incentive payments to government officials in 2023

APPENDIX 3. PERFORMANCE INDICATORS

Integrated HSE Management System

GRI 403-8

Workers covered by HSE management systems

Indicators	Unit of measurement	2021	2022	2023
Share of employees of the LITASCO Group entities with industrial facilities covered by their HSE management systems ¹⁰	%	89	89	95
<i>at the oil refinery in the Netherlands</i>	%	92	91	89
Share of employees of the LITASCO Group entities with industrial facilities covered by certificates confirming their HSE management systems' compliance with ISO 14001 and ISO 45001 standards	%	25	27	29
Number of the LUKOIL Group entities that hold certificates confirming their HSE management systems' compliance with ISO 14001 and ISO 45001 standards	Entities	2	2	2

GRI 403-9

Indicators related to occupational injuries among employees at the LITASCO Group

	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR) ¹¹	0.014	0	0.031
<i>at the oil refinery in the Netherlands</i>	0	0	0
Fatal Injury Frequency Rate (FIFR) ¹²	0	0	0
<i>at the oil refinery in the Netherlands</i>	0	0	0
Rate of high-consequence injuries (net of fatalities) ¹³	0	0	0
<i>at the oil refinery in the Netherlands</i>	0	0	0
Total Recordable Injury Frequency Rate (TRIFR) ¹⁴	0.054	0.057	0.092
<i>at the oil refinery in the Netherlands</i>	2.774	2.642	1.726

¹⁰ The disclosure perimeter does not include trading and wholesale offices, entities in Croatia and Montenegro.

¹¹ Lost Time Injury Frequency Rate, LTIFR = Number of employees injured in workplace accidents, including fatalities x 200,000 man-hours / Number of man-hours worked by all employees.

¹² Fatal Incident Frequency Rate (FIFR) = Number of fatalities x 200,000 man-hours / Number of man-hours worked by all employees.

¹³ Rate of High-Consequence Work-Related Injuries = Number of high-consequence work-related injuries (excluding fatalities) x 200,000 man-hours / Number of man-hours worked by all employees.

¹⁴ Total Recordable Injury Frequency Rate (TRIFR) = Number of employees injured in workplace accidents and who suffered microtraumas x 200,000 man-hours / Number of man-hours worked by all employees. Cases where only first aid is administered are counted in the calculation of the indicator in accordance with the LUKOIL Group's accounting system

Employee details

GRI 2-7, 405-1

GRI 11.11.5

The LITASCO Group headcount as at December 31 of each reporting year

Indicators	Unit of measurement	2021	2022	2023
The LITASCO Group	people	8,088	7,329	6,943
<i>at the oil refinery in the Netherlands</i>	people	180	182	186
Europe	%	99.5	99.4	99.4
of which Bulgaria	%	45.7	49.7	52.9
North America	%	0.5	0.6	0.6

Personnel characteristics by gender as at December 31 of each reporting year

Indicators	Unit of measurement	2021	2022	2023
Headcount of the LITASCO Group	people	8,088	7,329	6,943
Employee breakdown by gender				
• Men	people	5,108	4,719	4,509
<i>at the oil refinery in the Netherlands</i>	people	166	167	169
• Women	people	2,980	2,610	2,436
<i>at the oil refinery in the Netherlands</i>	people	14	15	17
Share of men/women headcount				
• Men	%	63	64	65
<i>at the oil refinery in the Netherlands</i>	%	92	92	91
• Women	%	37	36	35
<i>at the oil refinery in the Netherlands</i>	%	9	8	9

GRI 405-1

GRI 11.11.5

Personnel characteristics by age as at December 31 of each reporting year

Indicators	Unit of measurement	2021	2022	2023
Headcount of the LITASCO Group	people	8,088	7,329	6,943
Employee breakdown by age				
• 35 and younger	people	2,275	1,885	1,573
at the oil refinery in the Netherlands	people	47	47	48
• 36 to 40 years	people	1,183	1,014	894
at the oil refinery in the Netherlands	people	16	16	17
• 41 to 50 years	people	2,701	2,486	2,306
at the oil refinery in the Netherlands	people	38	39	39
• 51 and above	people	1,929	1,944	2,170
at the oil refinery in the Netherlands	people	79	80	82
Share of employees in each age group in the headcount				
• 35 and younger	%	28	26	23
at the oil refinery in the Netherlands	%	26	26	26
• 36 to 40 years	%	15	14	13
at the oil refinery in the Netherlands	%	9	9	9
• 41 to 50 years	%	33	34	33
at the oil refinery in the Netherlands	%	21	21	21
• 51 and above	%	24	27	31
at the oil refinery in the Netherlands	%	44	44	44

GRI 2-7

Personnel characteristics by type of employment as at December 31 of each reporting year

Indicators	Unit of measurement	2021	2022	2023
Employee breakdown by type of employment				
• Full-time	people	8,016	7,267	6,878
at the oil refinery in the Netherlands	people	146	146	153
• Part-time	people	72	62	65
at the oil refinery in the Netherlands	people	34	36	33
Share of employees in each employment category in the headcount				
• Full-time	%	99	99	99
at the oil refinery in the Netherlands	%	81	80	82
• Part-time	%	1	1	1
at the oil refinery in the Netherlands	%	19	20	18

GRI 2-7

Personnel characteristics by employment contract as at December 31 of each reporting year

Indicators	Unit of measurement	2021	2022	2023
Employee breakdown by type of employment contract				
• Permanent contract	people	7,181	6,360	5,961
at the oil refinery in the Netherlands	people	173	171	175
• Fixed-term contract	people	907	969	982
at the oil refinery in the Netherlands	people	7	11	11
Share of employees in each employment category in the headcount				
• Permanent contract	%	89	87	86
at the oil refinery in the Netherlands	%	96	94	94
• Fixed-term contract	%	11	13	14
at the oil refinery in the Netherlands	%	4	6	6

GRI 401-1

The employee turnover rate at the LITASCO Group

Indicators	Unit of measurement	2021	2022	2023
The LITASCO Group	%	12	19	15
<i>at the oil refinery in the Netherlands</i>	%	2	7	3
• Men	%	11	17	13
<i>at the oil refinery in the Netherlands</i>	%	2	7	3
• Women	%	14	24	19
<i>at the oil refinery in the Netherlands</i>	%	7	7	6

GRI 401-1

Information on newly hired employees at the LITASCO Group

Indicators	Unit of measurement	2021	2022	2023
The LITASCO Group	people	1,459	1,681	1,624
<i>at the oil refinery in the Netherlands</i>	people	12	18	14
• Men	people	1,157	1,081	1,052
<i>at the oil refinery in the Netherlands</i>	people	11	17	11
• Women	people	302	600	572
<i>at the oil refinery in the Netherlands</i>	people	1	1	3
Share of men hired	%	79	64	65
<i>at the oil refinery in the Netherlands</i>	%	92	94	79
Share of women hired	%	21	36	35
<i>at the oil refinery in the Netherlands</i>	%	8	6	21

GRI 401-1

Information on dismissed employees at the LITASCO Group

Indicators	Unit of measurement	2021	2022	2023
The LITASCO Group	people	1,789	2,437	1,890
<i>at the oil refinery in the Netherlands</i>	people	4	13	6
• Men	people	1,037	1,427	1,192
<i>at the oil refinery in the Netherlands</i>	people	3	12	5
• Women	people	752	1,010	698
<i>at the oil refinery in the Netherlands</i>	people	1	1	1
Share of men dismissed	%	58	59	63
<i>at the oil refinery in the Netherlands</i>	%	75	92	83
Share of women dismissed	%	42	41	37
<i>at the oil refinery in the Netherlands</i>	%	25	8	17

GRI 2-30

Share of employees covered by collective bargaining agreements at the LITASCO Group, %

Indicators	Unit of measurement	2021	2022	2023
Share of employees covered by collective bargaining agreements at the LITASCO Group	%	75.2	74.4	74.5
<i>at the oil refinery in the Netherlands</i>	%	49.4	48.9	47.8

Energy efficiency

GRI 302-1

GRI 11.1.2

Fuel and energy consumption at LITASCO refineries

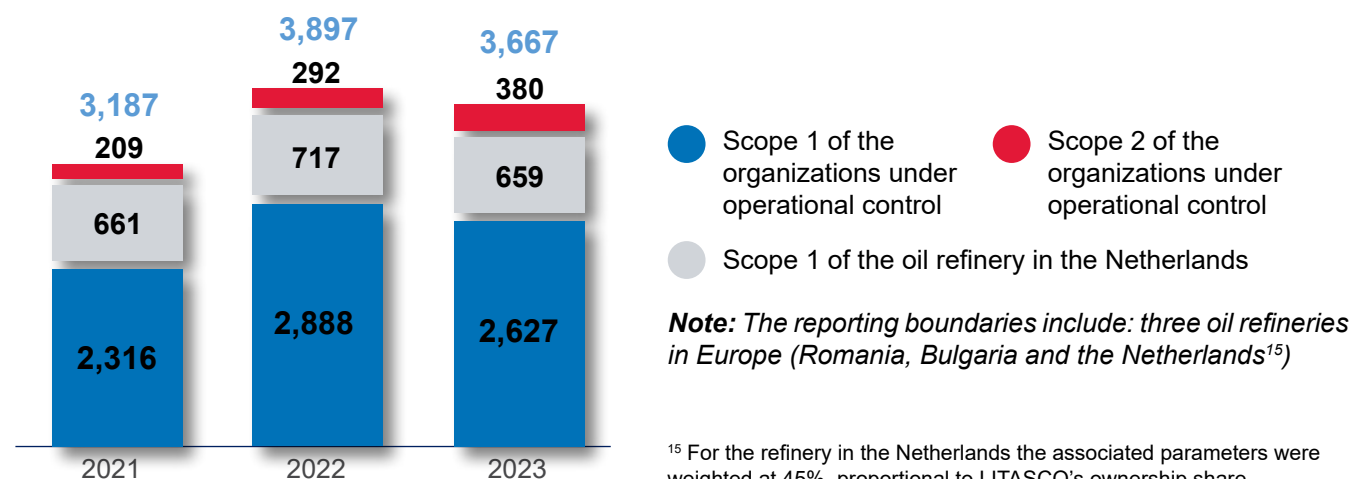
Million GJ	2021	2022	2023
1. Fuel consumption from non-renewable sources	33.76	40.73	37.07
<i>at the oil refinery in the Netherlands</i>	8.32	8.49	8.13
2. Fuel consumption from renewable sources	0.06	0.07	0.06
<i>at the oil refinery in the Netherlands</i>	0.02	0.02	0.02
3. Consumption of purchased energy	2.73	3.32	3.67
<i>Electricity</i>	2.73	3.32	3.67
<i>at the oil refinery in the Netherlands</i>	0.59	0.60	0.58
4. Energy sold and supplied	0.14	0.13	0.13
<i>Electricity</i>	0.13	0.13	0.13
<i>at the oil refinery in the Netherlands</i>	0.00	0.00	0.00
<i>Heating</i>	0.01	0.005	0.005
<i>at the oil refinery in the Netherlands</i>	0.00	0.00	0.00
Total energy consumed (1+2+3-4)	36.42	43.98	40.66
<i>at the oil refinery in the Netherlands</i>	8.92	9.11	8.73

GHG emissions accounting system

GRI 305-1, 305-2

GRI 11.1.5, 11.1.6

GHG emissions across the LITASCO Group Refineries (Scopes 1 and 2), kt of CO₂e

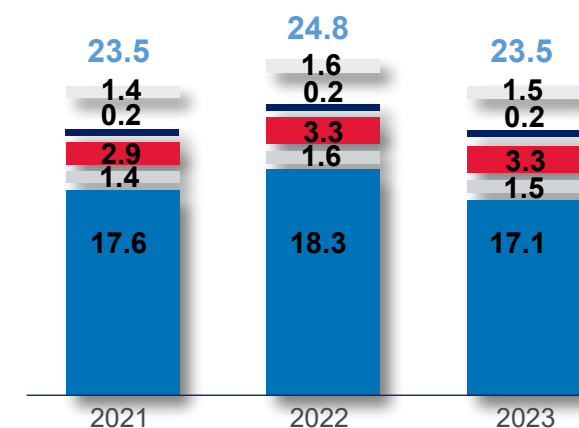


Water use indicators

GRI 303-3

GRI 11.6.4

Fresh water withdrawal of LITASCO Group refineries by water source, mln m³

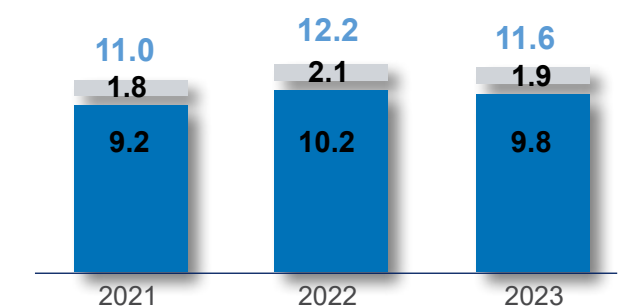


- Surface water of the organizations under operational control
- Surface water of the oil refinery in the Netherlands
- Ground water of the organizations under operational control
- Thirdparty water of the organizations under operational control
- Thirdparty water of the oil refinery in the Netherlands

GRI 303-5

GRI 11.6.6

Total water consumption by the LITASCO Group refineries, mln m³

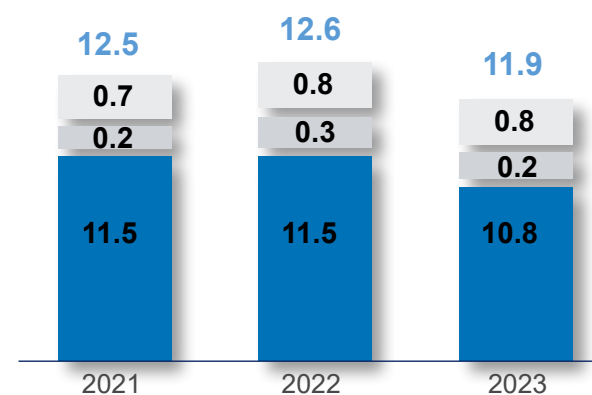
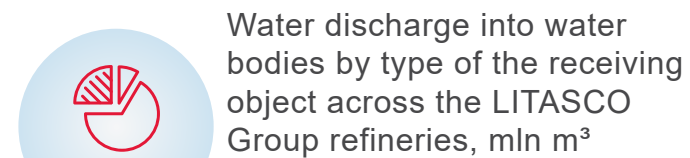


Note. Water consumption measures the amount of water used by the organization that it is no longer available for use by the ecosystem or local community and includes evaporation. Data on water consumption is calculated in accordance with the requirements of GRI 303-5.

Wastewater discharge and wastewater quality

GRI 303-4

GRI 11.6.5

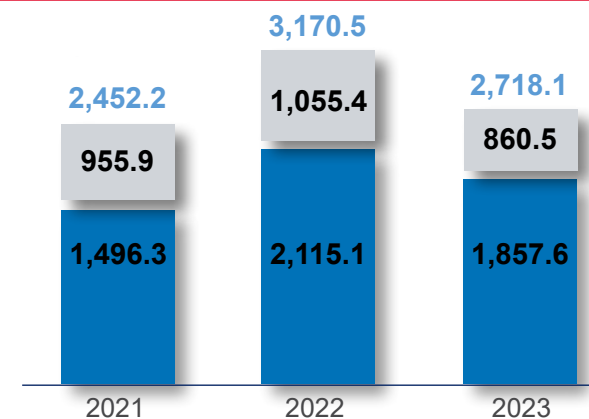
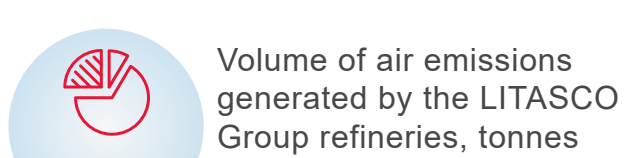


- Surface water of the organizations under operational control
- Seawater of the oil refinery in the Netherlands
- Third-party water of the oil refinery in the Netherlands

Indicators related to emissions

GRI 305-7

GRI 11.3.2



- The organizations under operational control
- The oil refinery in the Netherlands

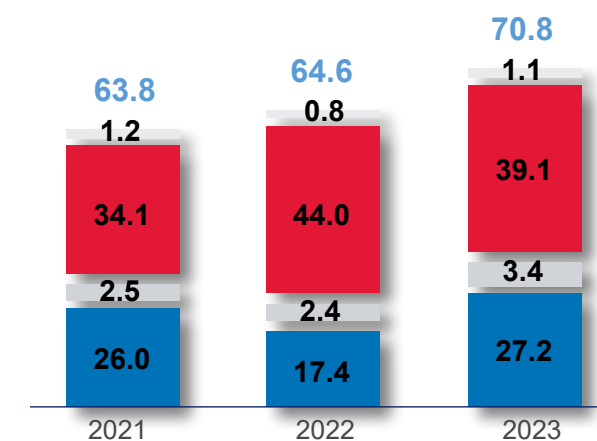
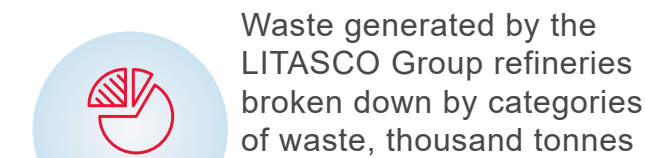
The following table depicts the air emissions generated by the LITASCO Group refineries by pollutants, in tonnes:

	2021	2022	2023
NO _x	900.9	1,431.6	1,276.2
at the oil refinery in the Netherlands	243.5	322.9	267.8
SO _x	836.3	954.1	695.0
at the oil refinery in the Netherlands	571.8	612.3	474.1
CO	114.7	99.4	114.6
at the oil refinery in the Netherlands	0.0	0.0	0.0
Persistent organic pollutants (POP)	0.0	0.0	0.0
at the oil refinery in the Netherlands	0.0	0.0	0.0
Volatile organic compounds (VOC)	567.7	646.7	594.2
at the oil refinery in the Netherlands	126.1	108.0	104.9
Particulate matter (PM)	32.4	38.4	37.8
at the oil refinery in the Netherlands	14.2	11.9	13.5
Other	0.3	0.3	0.2
at the oil refinery in the Netherlands	0.3	0.3	0.2
Total	2,452.2	3,170.5	2,718.1
at the oil refinery in the Netherlands	955.9	1,055.4	860.5

Waste management

GRI 306-3

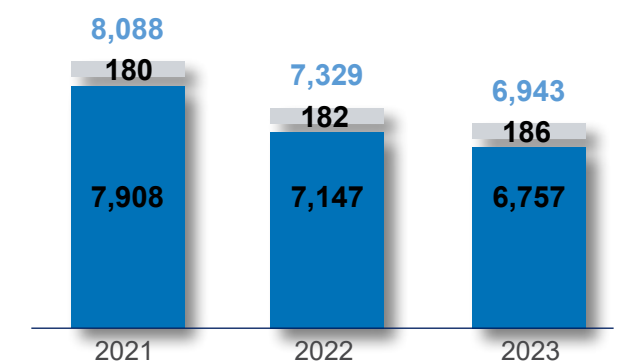
GRI 11.5.4



- Hazardous in the organizations under operational control
- Hazardous the oil refinery in the Netherlands
- Non-hazardous in the organizations under operational control
- Non-hazardous the oil refinery in the Netherlands

Personnel overview

GRI 2-7



- The organizations under operational control
- The oil refinery in the Netherlands

Safety performance

GRI 403-9

GRI 11.9.10

Number of employees with work-related injuries across the LITASCO Group entities and contractor organizations:

		2021	2022	2023
Employees 	Number of employees injured in workplace accidents	1	0	2
	Number of fatalities	0	0	0
	<i>at the oil refinery in the Netherlands</i>	0	0	0
	Number of high-consequence injuries	0	0	0
	<i>at the oil refinery in the Netherlands</i>	0	0	0
	Number of minor injuries	1	0	2
	<i>at the oil refinery in the Netherlands</i>	0	0	0
	Number of employees who suffered microtraumas	3	4	4
	<i>at the oil refinery in the Netherlands</i>	3	3	2
Contractors¹⁶ 	Number of employees injured in workplace accidents	0	6	3
	Number of fatalities	0	2	1
	<i>at the oil refinery in the Netherlands</i>	0	0	1
	Number of high-consequence injuries	0	0	0
	<i>at the oil refinery in the Netherlands</i>	0	0	0
	Number of minor injuries	0	4	2
	<i>at the oil refinery in the Netherlands</i>	0	0	1

¹⁶ The Company does not collect information on the number of employees of contractor organizations who suffered microtraumas.

Training

GRI 404-1

GRI 11.10.6, 11.11.4

Employee training at the LITASCO Group entities:

Indicators	Unit of measurement	2021	2022	2023
Average number of training hours per employee	hours	30.8	25.1	21.0
<i>at the oil refinery in the Netherlands</i>	<i>hours</i>	20.3	26.8	35.6
Average external annual training costs per employee	CHF	146.0	177.0	165.9
<i>at the oil refinery in the Netherlands</i>	<i>CHF</i>	1,596.0	1,720.3	1,449.8

APPENDIX 4. GLOSSARY

Units of measurement

CO₂e – CO₂ equivalent

m³ – cubic meters

mg/nm³ - milligram/cubic nanometer

Nb – number

NO_x – nitric oxides

SO_x – sulfur oxides

SO₂ – sulfur dioxides

Other abbreviations

ESP – Environmental Safety Program

GHG – greenhouse gases

HR – human resources

HSE – health, safety and environment

IMS – integrated management system

OHS – occupational health and safety

PJSC – public joint stock company

Names of organizations and initiative:

CCIG – Chambre de Commerce, d'Industrie et des Services de Genève

DAS – Diploma of Advanced Studies

EBOTA – European Bulk Oil Traders' Association

EITI – The Extractive Industries Transparency Initiative

EU ETS – European Union Emission Trading Scheme

GEM – Groupement des Entreprises Multinationales

GRI – Global Reporting Initiative

GTSA – Geneva Trading & Shipping Association

IFC Performance Standards – The International Finance Corporation Performance Standards

ISCC – International Sustainability and Carbon Certification

IUCN – The International Union for Conservation of Nature

LPG – Liquefied Petroleum Gas

MEAC – Dutch Ministry of Economic Affairs and Climate Policy

MI&W – Ministry of Infrastructure & Water Management

RED – Renewable Energy Directive

Indicators, calculation formulas

Lost Time Injury Frequency Rate (LTIFR) = Number of employees injured in workplace accidents, including fatalities x 200,000 man-hours / Number of man-hours worked by all employees.

Fatal Incident Frequency Rate (FIFR) = Number of fatalities x 200,000 man-hours / Number of man-hours worked by all employees.

Rate of High-Consequence Work-Related Injuries = Number of high-consequence work-related injuries (excluding fatalities) x 200,000 man-hours / Number of man-hours worked by all employees.

Total Recordable Injury Frequency Rate (TRIFR) = Number of employees injured in workplace accidents and who suffered microtraumas x 200,000 man-hours / Number of man-hours worked by all employees. Cases where only first aid is administered are counted in the calculation of the indicator in accordance with the LUKOIL Group's accounting system

The employee turnover rate is defined as the ratio of the number of employees dismissed due to turnover to the average headcount for a reporting period. The number of employees dismissed due to turnover includes employees dismissed for absenteeism and other violations of labor discipline, as well as due to the employee's unsuitability for their position because of lack of skill; those who left on their own without serious cause (due to relocation, retirement, care for a child under 14 years of age, etc.) or by agreement between the parties (except for employees who were re-employed on the next day).

Definitions

Key performance indicators are a set of indicators characterizing the key success factors of LITASCO Group, taking account of the industry specifics and determining the level of achievement of strategic goals.

Microtrauma is an event resulting in abrasions, hematomas, soft tissue bruises, flesh wounds and other injuries of employees and other individuals engaged in the employer's operating activities in the course of performance of their respective job duties or any work on instruction from the employer (their representative), and also in carrying out other lawful activities arising from employment relations with the employer or performed in the best interests thereof, where such events do not cause health impairment or temporary disability.

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