



People drive our **sustainability**

Our corporate mission is to make the energy of natural resources serve the interests of mankind



1

Company



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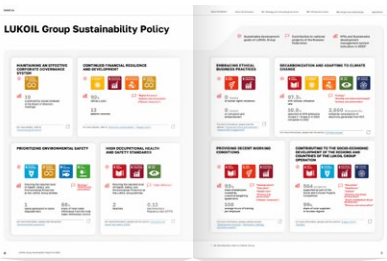
Sustainability



3

People

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LUKOIL Group Sustainability Policy

Sustainable development goals of LUKOIL Group

Contribution to national projects of the Russian Federation

KPIs and sustainable development management system indicators in 2023¹

MAINTAINING AN EFFECTIVE CORPORATE GOVERNANCE SYSTEM



19 sustainability issues reviewed at the Board of Directors meetings

For more details, please see the [Corporate governance](#) section

CONTINUED FINANCIAL RESILIENCE AND DEVELOPMENT



92% refinery yield

Digital Economy
Science and universities
Human resources

13 patents received

For more details, please see the [Economic sustainability](#), [Supply chain](#) sections

EMBRACING ETHICAL BUSINESS PRACTICES



0 cases of human rights violations

0 cases of corruption and embezzlement

For more details, please see the [Corporate ethics and behavior](#), [Stakeholder engagement](#) sections

DECARBONISATION AND ADAPTING TO CLIMATE CHANGE



97.3% APG rational utilization rate

Ecology
Housing and urban environment
Science and universities

10.8% reduction in GHG emissions (Scope 1 + Scope 2) in 2023 compared to 2022

3,660 thousand GJ industrial consumption of electricity generated from RES

For more details, please see the [Climate change](#) section

PRIORITIZING ENVIRONMENTAL SAFETY



Ensuring the required level of Health, Safety, and Environmental Protection at the LUKOIL Group entities

Ecology
Science and universities

1 waste generated to waste disposed ratio

66% share of fresh water withdrawal from the total water withdrawal volume

For more details, please see the [Environmental protection](#) section

HIGH OCCUPATIONAL HEALTH AND SAFETY STANDARDS



Ensuring the required level of Health, Safety, and Environmental Protection at the LUKOIL Group entities

Labor efficiency

2 fatalities

0.13 lost time injury frequency rate (LTIFR)

For more details, please see the [Occupational health and safety \(OHS\)](#) section

PROVIDING DECENT WORKING CONDITIONS



93% share of employees covered by collective bargaining agreements

Demographics
Education
Health care
Science and universities
Human resources

100 average hours of training per employee

For more details, please see the [Employment relations](#), [Motivation, training, and social support](#) sections

CONTRIBUTING TO THE SOCIO-ECONOMIC DEVELOPMENT OF THE REGIONS AND COUNTRIES OF THE LUKOIL GROUP OPERATION



564 projects supported as part of the Social and Cultural Projects Competition

Education
Healthcare
Culture
Housing and Urban Environment
Small and Medium-Sized Businesses
Science and universities

99% share of local suppliers in Russian regions

For more details, please see the [Supply chain](#), [Society](#) sections

¹ All the indicators refer to LUKOIL Group.

Our contribution to the UN Sustainable Development Goals in 2023

322 RUB bln

Total contribution to the UN Sustainable Development Goals (SDGs) in 2023



About the Report

PJSC LUKOIL is pleased to present the 14th Sustainability Report of LUKOIL Group (the “Report”) summarizing the Group’s performance for the period from January 1 to December 31, 2023.

The previous Report was published in July 2023 (for the reporting period from January 1 to December 31, 2022).

This Report was reviewed by the Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC LUKOIL and approved by the Board of Directors. You can find the audit report in [Appendix 8](#). The report has undergone a public assurance process.

The ESG Databook ([Appendix 7](#)) is part of the Sustainability Report. It includes quantitative indicators for five years describing the social and environmental impact of the LUKOIL Group entities’

operations and the Group’s corporate governance system. The Report comprises high-level quantitative indicators reflecting the Company’s main environmental, economic and social impacts.

A list of the reporting standards and guidelines used to prepare the Report and a description of the procedure for determining the Report’s material topics are given in [Appendix 3](#).

Throughout this document, the words “LUKOIL Group”, “LUKOIL”, “the Company”, “the Group”, the pronoun “we” and its forms refer to PJSC LUKOIL and other LUKOIL Group entities included in the reporting boundary ([Appendix 2](#)), unless specified otherwise.

The abbreviations, calculation formulas for indicators, and definitions of terms can be found in [Appendices 1](#) and [6](#).

The Report contains links to the corporate website and other sources of corporate information providing additional or more detailed information on sustainable development topics. Information on the website is updated regularly.

Sources of information on LUKOIL Group’s sustainable development activities

✓ “Sustainability” section of the corporate website

✓ [ESG Databook](#)

✓ [Document Center](#)

✓ [CDP Report](#)

✓ [Annual Report](#)

LUKOIL Group's Sustainability Report for 2022 gained recognition at Russian and international specialized competitions

HONG KONG ESG REPORTING AWARD

In 2023, LUKOIL took part in the Hong Kong ESG Reporting Awards competition for the first time. The Report was recognized as the best among the reports of the companies that are not listed on the Hong Kong Exchange.

THE GLOBAL CORPORATE SUSTAINABILITY AWARDS

The Company also participated in the Global Corporate Sustainability Awards competition for the first time. The Report received a bronze award in the 2023 Sustainability Reporting category.

LEADERS OF THE RUSSIAN BUSINESS: DYNAMICS, RESPONSIBILITY, SUSTAINABILITY

The Report received a nomination “For High Quality Sustainability Reporting/ESG” in the “Leaders of the Russian Business: Dynamics, Responsibility, Sustainability” contest.

ASIA SUSTAINABILITY REPORTING RATING-2023

The Report’s excellence was acknowledged with a silver award from the Asia Sustainability Reporting Rating 2023.

MOSCOW EXCHANGE ANNUAL REPORT CONTEST

The Report was recognized as the Best Sustainability Report in the Moscow Exchange Annual Report Contest.

AK&M RATING AGENCY

The Report received the highest rating from AK&M Rating Agency.

LUKOIL believes that participation in international and Russian initiatives and ratings is one of the valuable forms of stakeholder engagement, which helps to improve quality of sustainability and ESG management.

- In 2023, the Company participated in the following initiatives:
- ✓ Social Charter of Russian Business;
 - ✓ Interdepartmental Sustainability Working Group chaired by the Minister of Economic Development of Russia;
 - ✓ United Nations Global Compact;
 - ✓ Zero Routine Flaring by 2030;
 - ✓ Oil & Gas Decarbonization Charter.

In 2023, LUKOIL was included into a number of Russian and foreign [ESG ratings](#). The Company regularly submits information about its activities at the request of rating agencies and provides feedback regarding the Company’s positions and updates to the rating assessments methodology.

Position of the Company in ESG ratings as at December 2023

SUSTAINALYTICS ESG RISK RATING

37.1

MSCI

B

BLOOMBERG

68.9

ISS ESG

C

FTSE ESG SCORE

3.3

RBC AND NCR’S ESG INDEX

Highest level

NRA’S ESG RANKING OF RUSSIAN INDUSTRIAL COMPANIES

Group 1

SUSTAINALYTICS CLIMATE ISSUES MANAGEMENT

46.2 out of 100

About the Company: highlights of the year

LUKOIL, one of the largest oil and gas companies, has been supplying energy products to many countries around the world for more than 30 years. Public Joint Stock Company “Oil Company “LUKOIL” (PJSC LUKOIL) is the Corporate Center of LUKOIL Group. The Group's entities employ over 100,000 people in 30-plus countries.

LUKOIL Group’s operations and financial activities are coordinated by the head office located in Moscow (Russia) and organized into three business segments¹ covering the entire value chain, from mining to supplying products to commodity and consumer markets:



Exploration and Production

The Group has a portfolio of assets diversified by their geography and type of reserves. The Company explores for, develops and produces oil, natural gas, and by-products onshore and offshore.

Our proven oil and gas reserves are mostly conventional. In 2023, they amounted to 15.1 billion boe², with liquid hydrocarbons accounting for 76% and gas for 24%. Russia accounts for 91% of the Group's proven hydrocarbon reserves, the majority

of which are located in West Siberia. The Company's proven hydrocarbon reserves life is 20 years for Russian projects.

LUKOIL Group’s 2023 oil and gas condensate production³ totaled 82.6 million tonnes, down 2.8% year-on-year. The oil production dynamic was driven by the parameters of the OPEC+ agreement and additional voluntary commitments by some of the OPEC+

countries. Our gas production grew to 35.2 billion cubic meters, with 18.1 billion cubic meters produced in Russian and 17.0 billion cubic meters abroad.

In 2023, LLC LUKOIL-Komi was reorganized by joining LLC LUKOIL-Perm, and, as a result, both entities were under LLC LUKOIL-Perm.

Refining and Distribution

The business segment includes entities⁴ with operations relating to hydrocarbons refining; transportation, trading; wholesale and retail sales of oil and oil products, and gas refining products; production and distribution of lubricants, electricity, and heat.

LUKOIL produces and supplies energy products⁵, including oil and oil products, biofuel blends, gas motor fuel, and electricity generated, among other things, from renewable and low-carbon energy sources. The Company manufactures lubricants and components,

as well as petrochemical products, in an effort to fully recover useful components from extracted natural resources.

In 2023, ISAB Refinery in Italy was sold, resulting, together with the optimized utilization rates at the Group's European

plants, in the throughput at the Group’s own refineries going down to 60.7 million tonnes. The 2023 output of liquefied petroleum gases (LPG) and liquid hydrocarbons at the Group’s gas processing plants (GPPs) grew to 1.4 million tonnes. The marketable gas production also increased and amounted to 2.3 billion cubic

meters. The petrochemicals (polymers, organic synthesis products, and other petrochemicals) output was down to 985,000 tonnes due to the sale of ISAB refinery in Italy.

The Power Generation business sector covers a full production cycle, including commercial power generation

(for external consumers), supporting power generation (for internal needs), as well as heat and electricity transmission and sale. The aggregate installed capacity of our power generating facilities¹ was 11.4 GW² in 2023.

Corporate Center and Other Activities

The Corporate Center and Other Activities business segment consists of PJSC LUKOIL and other management entities. One of the main functions of the Corporate Center is to coordinate and manage organizational, investment and financial processes at the Company’s subsidiaries.

2021–2023 indicators

Financial	Unit of measurement	2021	2022	2023
Revenue	RUB billion	9,435	*	7,928
EBITDA	RUB billion	1,404	*	2,005
Research and development (R&D) costs	RUB billion	5	5.5	6.3
Number of patents received	items	26	18	13
Operational				
Oil and gas condensate production (w/o the West Qurna-2 project)	thousand tonnes	79,348	84,972	82,597
Gas production	mln cubic meters	32,176	34,625	35,156
including APG	mln cubic meters	9,120	10,944	11,325
Output of petroleum products at LUKOIL Group's own refineries	thousand tonnes	60,015	65,766	57,467
Production of base lubricants and components	thousand tonnes	856	797	696
Output of finished lubricants	thousand tonnes	646	661	524
Output of marketable petrochemicals	thousand tonnes	1,134	1,227	985

* **Note.** Information on these indicators was not disclosed.

¹ The segment breakdown used in this Report corresponds to the information provided in the Group's IFRS Consolidated Financial Statements.

² According to the classification of the Securities and Exchange Commission (SEC), 'boe' means barrels of oil equivalent.

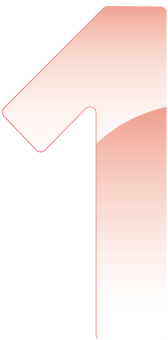
³ The data do not include the West Qurna-2 project.

⁴ The business segment comprises the following business sectors: Oil Refining in Russia, Oil Refining Abroad, Petrochemicals, Oil Product Supply in Russia, Oil Product Supply Abroad, Transportation, Power Generation, and Other Entities related to the Refining and Distribution Business Segment.

⁵ The details are provided in the [Climate change sub-section](#).

¹ The aggregate power generation capacity comprises, among others, facilities owned by the LUKOIL Group entities but leased out to other legal entities.

² The data are provided for generating assets operating on both traditional and renewable energy sources. The indicator includes the capacity of PJSC EL5-Energio but excludes the West Qurna-2 project.



Strategy and corporate governance



LUKOIL GROUP'S SUSTAINABLE DEVELOPMENT GOALS

- ✓ Maintaining an effective corporate governance system
- ✓ Continued economic sustainability and development
- ✓ Embracing ethical business practices



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Economic sustainability

LUKOIL Group’s sustainable development goal:
Continued economic sustainability and development



LUKOIL Group is focused on long-term sustainable development.

Energy security

Energy security and the energy markets stability have risen to the top of the post-2020 international agenda. The oil industry's global and competitive nature helped the world to prevent energy shortages, meet affordable energy needs, and maintain market integration potential in 2023.

Energy context

The challenges arising in recent years have brought to light the crucial importance of oil and gas that maintain a substantial proportion in the global energy balance and contribute to facilitation of ongoing economic advancement.

The journey towards energy security involves increasing the variety of energy sources utilized, phasing out some sources, and phasing in others.

The relationship between green and conventional energy sources is significantly impacted by the commercialization of new technology and the capacity of markets focusing on energy products and services with low greenhouse gas (GHG) emissions. The key elements are the willingness of other sectors of the economy, particularly those with high energy consumption, to decarbonize, and the tempo of their energy transition.

LUKOIL Group considers ensuring energy security a vital task, focuses on the customer interests, the dynamics and rate of changes in demand in key markets, and takes into account the economic effects of the decisions we make on local communities.

Supply chain variability

2023 saw LUKOIL Group continue restructuring supply chains amid trade restrictions and economic instability. The Company revised the supply strategy and logistics, capitalized on opportunities to tap new markets with the responsive trade flow adjustment, and established relationships with new clients, suppliers, and partners. To ensure the supply strategy flexibility,

the Company continues upgrading its trading and logistics infrastructure. The Company's trading geography has expanded significantly by adding new markets that maintain a solid demand for conventional energy sources.

Despite the continuing high uncertainty for business, the 2023 performance allowed LUKOIL Group to successfully

complete key projects and target programs, pay taxes, increase employee salaries, and provide social support in the regions of operation.

Technological reliability

Due to the advanced technological capabilities of the LUKOIL Group entities, the Company’s major focus in 2023 was on mitigating equipment-related risks and maintaining robust operational and production processes. The actions are being taken in several areas, including:

- ✓ developing own expertise and competencies through a system of industrial service centers (ISC), launching new R&D areas;
- ✓ ramping up in-house production of materials;
- ✓ strengthening R&D cooperation with universities and research centers;
- ✓ searching for new suppliers of equipment, materials, and services.

The Company applies a flexible approach to the procurement of equipment, materials, and services. As part of its systematic efforts, LUKOIL has established procurement lists for the medium term and designed new procurement solutions. Partner relationships are guided by the core principles outlined in the Company's policies, integrating ESG practices, such as counterparty due diligence;

health, safety, and environment (HSE) assessment (if applicable), and additional criteria¹.

The Company’s local regulations governing procurement provide for the principle of competitive and impartial selection of suppliers. The performance of contractual obligations by counterparties (suppliers of goods, work, and services) to the LUKOIL Group entities, as well as the parties’ interaction, are governed by the concluded contracts and the effective legislation.

In terms of equipment maintenance and technology use, key participants in the procurement process have been identified and the procedure for interacting with them has been developed, including the following stages:

- ✓ establishing a task force to select equipment and technology;
- ✓ drafting a roadmap and a testing program, including pilot tests;
- ✓ decision-making on the equipment or technology based on testing results;
- ✓ interacting with suppliers.

LUKOIL fosters cooperation with research and design organizations, as well as research centers of other oil and gas companies, to develop new technology and design new equipment. The Company has launched a new R&D area to develop proprietary technology and defined a list of the most promising projects. The Company expands own production of lubricants, reagents, and additives.

¹ For more details on ESG approaches in procurement, please see the [Business relations within supply chain](#) section.

Robust information systems

The use of digital technology and automation of business processes have a significant impact on the continuity and safety of production facilities, help with reducing operating costs and enhancing performance of the main business segments boosting economic indicators.

The Company’s main areas of the Company’s activities in the reporting year was to guarantee reliability of our IT landscape¹. In connection with the planned technical re-equipment, we continued the transition to new platforms with a view to availability of previously used technological solutions. LUKOIL addressed the following tasks to preserve the continuity of information technology support (ITS) processes:

The Company’s main areas of the Company’s activities in the reporting year was to guarantee reliability of

- ✓ to recover critical business applications within a timeframe sufficient to prevent unacceptable damage to business processes;
- ✓ to ensure sustainability of the key IT infrastructure components;
- ✓ to minimize IT risks that can lead to unacceptable events.

Technology, equipment, and services development

In 2023, the Group developed a methodology for ensuring sustainability of the Group’s IT landscape. LUKOIL implemented projects to replace the most critical elements of the corporate IT infrastructure and took measures to improve the efficiency of information management and information reliability.

Technology and equipment are replaced in order to ensure independence of the corporate data network, systems that control access to information resources, as well as means of operational control and investigation of information security incidents. Technical support services are substituted for the services

of in-house centers of excellence or companies specializing in supporting the software solutions used.

Functional program

LUKOIL Group’s Functional ITS Development Program for 2023–2025 is focused on maintaining business continuity and ensuring technological reliability and independence. 2023 saw the Company complete a number of projects to:

- ✓ provide the necessary equipment for the program of transition to the current version of the integrated management system;
- ✓ update key components of corporate data centers;
- ✓ improve the information security of LUKOIL Group and switch to independent solutions in terms of corporate IT infrastructure, including the creation of a system of corporate communications.

An important focus for the Company was the creation of the Unified Monitoring Center to promptly obtain reliable data on key areas of activity of LUKOIL Group. The Impulse project introduced a new “Data Management” sub-process to the Information Technology Support business process. As the Functional ITS Development Program was implemented in 2023, the business process underwent transformation and local regulations were developed. The Company continues to improve the ITS management system.

Personnel training

The Company focuses on training and upholding the skills of employees in divisions that oversee information security and critical information infrastructure security.

New hires receive targeted training from experienced subject-matter experts at scheduled sessions organized by the Company. Training for other employees responsible for information security uses the Company-created courses, including those based on the case study of information security incidents.

Plans

The main objectives for 2024 are to ensure technological independence and dynamic scaling of the key elements of the LUKOIL Group IT landscape, to meet the requirements of government regulators, and to improve the fault tolerance of the server and network infrastructure. The Company’s top priority in the near future is to secure critical information infrastructure facilities against the backdrop of rapidly changing threats.

Our awards

- In 2023, LUKOIL was recognized with awards for its accomplishments in the realm of information technology:
- ✓ The Company won the 9th Best Digital Solutions in the Oil & Gas Industry award in the Best Digital Industrial Safety Solution category.
 - ✓ The HR electronic document management (EDM) won the Best Digital Solution in the HR EDM category of ComNews Awards, as well as in the Service of the Year category of Investment Leaders Award.



Management efficiency

The Company implements a large-scale project to transform management systems and processes in order to improve the performance of LUKOIL Group and build the potential for future development (the Impulse project). The improvements cover all business segments, functional areas, and management levels, leading to the establishment of a more contemporary organizational structure and corporate culture, along with modernized management techniques and tools. The key objectives of the current stage of the project include:

- ✓ further improving the employee incentive and development system;
- ✓ refining the target models of industrial service centers (ISC) and service model development;
- ✓ implementing a continuous improvement system (CIS);
- ✓ improving functional business processes and implementation of digitalization projects.

In 2023, the Group actively developed the process model through business process optimization, standardization, and unification. In particular, the business processes of procurement, power generation, internal audit, and industrial safety were reengineered. LUKOIL continued to develop a service management model, including an ISC based at LLC LUKOIL-Engineering, LLC LINK, LLC LUKOIL-Energoengineering, and LLC LICARD.

Progress on the CIS implementation is on track as per the roadmaps: the employees of the LUKOIL Group’s entities passed the CIS basics and tools training in 2023, the Company started accepting employee ideas, introduced in-house teachers, determined the CIS excellence centers based on the ISC, and approved the CIS performance indicators. The Group continued shaping its new management culture through providing training in standard management practices and introducing leadership mentoring.

Regular communication between employees and managers is a key aspect of performance management, where they discuss the progress towards corporate goals and identify any risks of failure, working together to make decisions.

Implementing IT systems for handling business processes and regulatory documents continued, the Business Process Management System went into pilot operation, and the Regulatory Document Management System passed functional testing in 13 pilot entities. In 2024, the Company plans to put both systems into commercial operation.

¹ IT landscape means all applications used in the system environment, as well as all network infrastructure components, data to be managed, and interfaces between components.

Corporate governance

LUKOIL Group’s sustainable development goal:
Maintaining an effective corporate governance system

The Company has built a corporate governance system appropriate to its operations scale and based on international standards of corporate conduct and business ethics, the requirements of Russian law, as well as the principles of the Corporate Governance Code recommended for use by the Bank of Russia.

Sustainability management

We link LUKOIL Group’s long-term development with meeting the society’s energy needs by using both low-carbon and conventional energy sources. Maintaining its position as a major supplier of energy resources, the Company responds to changes in the global market in the light of sustainability agenda.

Regulatory framework

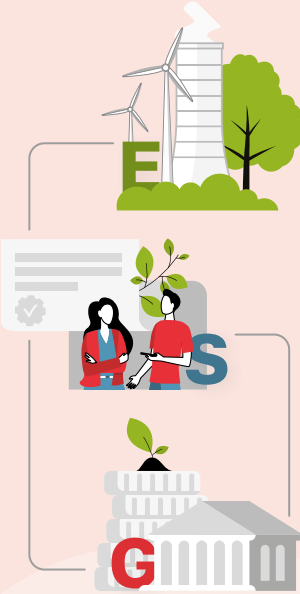
Our priorities are set forth in the [LUKOIL Group Sustainability Policy](#). They [correspond to 11 UN Sustainable Development Goals](#) and 15 targets as part of these goals. The business conduct of the Group’s entities is governed by corporate policies for functional areas and compliance control policies. The key documents are available on the website in the [Document Center](#) section.

Risk management

The Company has a Risk Management and Internal Control System with general corporate principles and approaches to organization determined by the Board of Directors. The risk management process affects all activities of the LUKOIL Group entities and is a mandatory component of the Company’s strategy development, planning the LUKOIL Group entities’ activities, and implementing decisions made. The Company identifies, describes,

assesses, and monitors risks on an ongoing basis and develops measures to mitigate their negative impact on the Company’s operations.

Sustainability and ESG risks are integrated into the risk management system. Given the nature and geography of LUKOIL Group’s operations, seven key sustainability risks have been identified.



- ✓ Public health and epidemic spread risks
- ✓ Health, safety, and environmental risks
- ✓ Climate change risks
- ✓ Human rights risks
- ✓ Risk of shortage of qualified personnel
- ✓ Risks of losing business reputation (reputational risk)
- ✓ Risks of new international restrictions, including those related to using information technology

Information on risks is recorded in the Corporate information system for risk management automation, internal control, and internal audit processes. In accordance with corporate risk management requirements, information on the most significant sustainability risks, including climate change risks; health, safety, and environmental risks, may be brought to the attention of the Board of Directors as necessary.

Allocation of responsibility

The organizational structure of sustainability management ensures that the matters underlying strategic decision-making are thought through in depth.

Board of Directors and Board committees

The Board of Directors plays a key role in determining the strategic objectives of LUKOIL Group and in shaping the Company’s position on issues related to global sustainability trends. The Board of Directors [monitors implementation](#) of the Group’s strategic development program and functional programs based on an assessment of KPIs and subject-matter reports.

The Board committees perform significant work to prepare recommendations on priority areas and making sustainability-related decisions. The Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC LUKOIL (the SISCAC) makes prominent contribution to enhancing activities of the Board of Directors related to sustainability and ESG factors.

The governance bodies assess the compliance with legal requirements and expand the practice of regular communication of stakeholder expectations and external changes to Board members, including in connection with sustainable development objectives.

Executive level

The Chief Executive Officer is the single-person executive body of PJSC LUKOIL. The CEO supervises the planning process, submits the plans to the Board of Directors for approval, and then ensures their implementation, with such plans integrating sustainability objectives.

Corporate compliance

The Internal Audit Service of PJSC LUKOIL (the Internal Audit Service, IAS) evaluates the compliance of the LUKOIL Group entities with the requirements of legislation, local regulatory acts (LRAs) and corporate norms. Internal audits and consultations are performed in accordance with the requirements of the LRAs governing the Internal Audit business process. The audit findings and results of consultations are provided to the Audit Committee of the Board of Directors¹, the Board of Directors and management of the Company.

Operational level

LUKOIL’s HSE Committee, Sustainability Task Force, Decarbonization and Climate Change Adaptation Task Force, as well as heads of the structural divisions of PJSC LUKOIL and heads of the Group’s entities, analyze the Company’s activities and develop proposals on an operational level.

Top management remuneration system

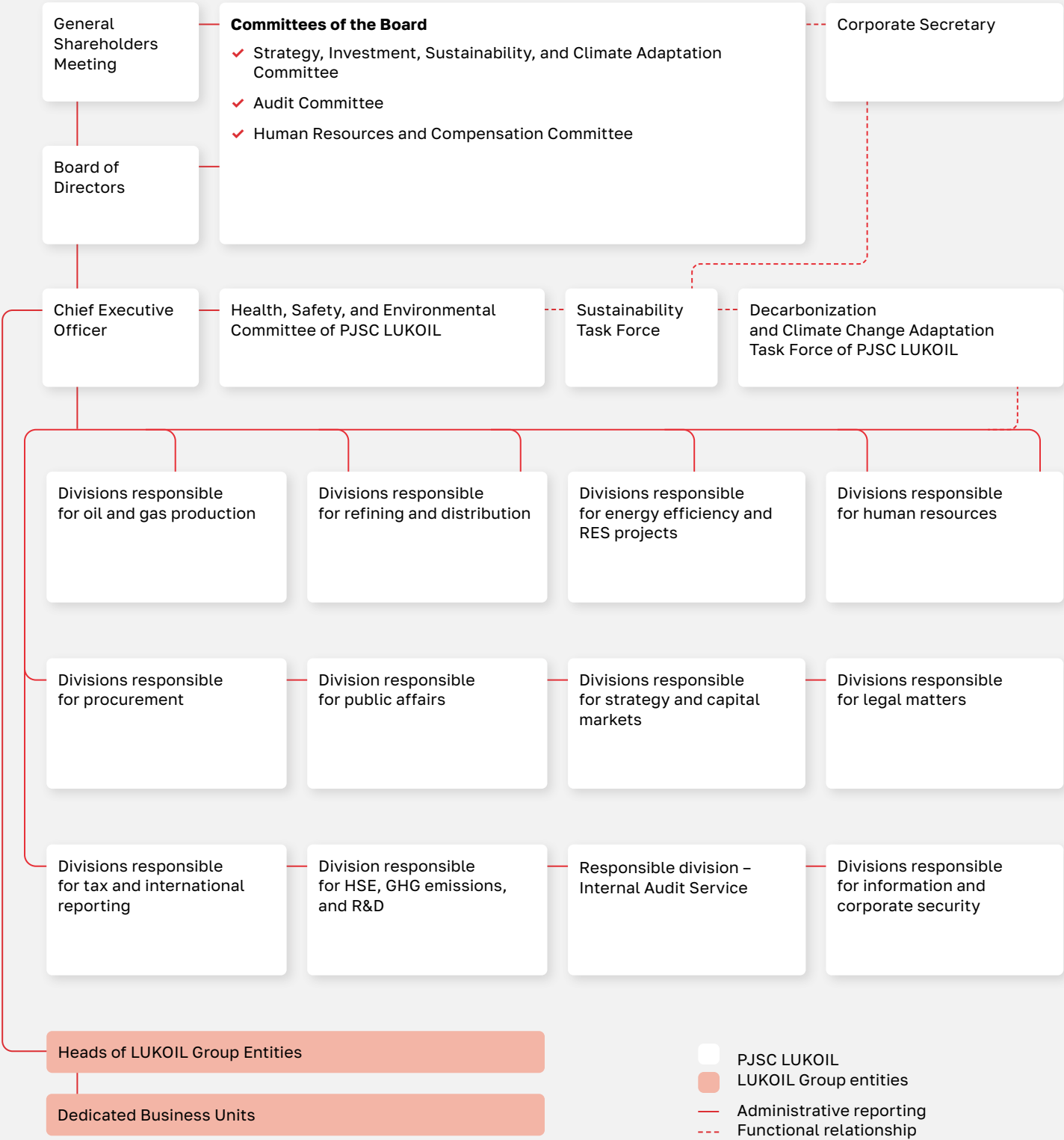
To boost performance and ensure that management is most involved in achieving the strategic objectives, a remuneration system¹ that takes into account sustainability matters and ESG factors is in place. The [motivating KPIs](#) include HSE indicators, resource saving and energy efficiency indicators with

the standard levels set by a relevant organizational and administrative document of PJSC LUKOIL.

In their turn, the LUKOIL Group's entities ensure compliance with the enterprise-wide requirements and inform their employees and partners about it.

regulatory framework. Employees from various functions join the task forces to ensure that the matters considered are addressed in depth.

Organizational structure of the sustainability management system at LUKOIL Group



¹ The results of work of the Internal Audit Service are presented in the [Business ethics and anti-corruption sub-section of the Report](#).

Functional management

Policies, corporate standards, and target programs are in place at the operational level; annual KPI assessment is performed, and reports on the

implementation of programs and KPIs are submitted for the Board of Directors consideration. The LUKOIL Group entities with production facilities have

implemented management systems certified for compliance with international and Russian standards.

Coverage of employees of the LUKOIL Group entities with certified management systems

Management systems	Standards	% of LUKOIL Group's headcount		
		2021	2022	2023
System of management of industrial, fire, radiation safety, emergency prevention, and liquidation, the protection of civilians, occupational safety, and environmental protection (IMS)	ISO 14001:2015 ISO 45001:2018	81	85	82
Energy management system	ISO 50001:2018	68	68	71
Quality management system	ISO 9001:2015	–	68	68

Note. With regard to the quality management system, the table shows the share of employees covered by the certified management system in the total number of employees in the Refining and Distribution business segment.

Our awards



PJSC LUKOIL was honored with the top prize in the ESG Investment category at the annual Investment Leaders Award for its project “30 Years of Sustainable Development at LUKOIL Group”. This award is given to the most successful participants of the investment market.

More details can be found on the corporate website in the [Sustainability / Sustainable Development Management](#) section.

Work of governance bodies in 2023

In 2023, internal corporate procedures and practices continued to be improved. In particular, amendments were approved to the regulations on

each of the committees of the Board of Directors and the Corporate Secretary, taking into account the requirements

of effective legislation and the Corporate Governance Code approved by the Bank of Russia¹.

Updating corporate documents

The Board of Directors amended the Risk Management and Internal Control Policy of PJSC LUKOIL and the Regulations on Risk Management of PJSC LUKOIL and approved the Regulations on the Information Policy of Public Joint Stock Company “Oil Company “LUKOIL”. To improve methodological support for the internal audit function and improve

the effectiveness of auditing, the Board of Directors approved amendments to the Regulations on Internal Control of PJSC “LUKOIL”. The document was approved in a new version, taking into account the recommendations of the Bank of Russia. PJSC LUKOIL approved an updated Code of Business Ethics incorporating the amendments related

to the amendments to the Charter of PJSC “LUKOIL” that were approved in 2022. The details are provided in the [Annual Report](#).

Shareholder and investor relations

Interaction with shareholders and investors in 2023 continued to focus on responding to changes in the external environment.

Given the growing role of retail investors in the Russian market, the Company enhanced its focus in this area by ensuring prompt responses to all received requests and inquiries.

In accordance with legal requirements, PJSC LUKOIL published consolidated financial statements for the 6 and 12 months of 2023.

The Company continued working with credit rating agencies. In July 2023, ACRA gave PJSC LUKOIL the highest rating at AAA(RU) with a stable outlook. In September 2023, Expert RA confirmed the Company's credit rating at ruAAA.

Three General Shareholders Meetings were held during the year, where important corporate decisions were taken.

¹ Corporate Governance Code. Letter of the Russian Ministry of Finance No. 06-52/2463 dated April 10, 2014.

Sustainability matters

Sustainability matters are consistently discussed during Board of Directors meetings, ensuring timely responses to both risks and opportunities.

In 2023, the Board of Directors held 19 meetings and considered 68 issues, of which 19 were related to sustainability. An independent director and the SISCAC Chairman presented a strategic report titled “Sustainable Development Priorities and Climate Agenda in the Early 2020s in Russia and Globally” at one of the meetings.

Besides, in the reporting year, the Board of Directors discussed, among others, the following:



✓ **LUKOIL Group’s preliminary results for 2022 and priorities for 2023 under the Strategic Development Program of LUKOIL Group for 2022–2031**

✓ **Reliability and performance of the Company’s risk management and internal control system**

✓ **PJSC LUKOIL’s investor and shareholder relations in 2023**

✓ **Approval of LUKOIL Group Sustainability Report for 2022**

✓ **HSE performance of LUKOIL Group in 2022**

✓ **LUKOIL Group HR Management Report**

✓ **Modification of the supply strategy in the context of trade restrictions**

All matters were considered in advance at meetings of the relevant committees of the Board of Directors.

LUKOIL’s HSE Committee

LUKOIL’s HSE Committee discussed amendments to the Russian health and safety legislation, creation of target HSE programs, and key measures to improve the safety culture, including in contracting

organizations. It also updated the calculation methodology for the KPI “Ensuring the Required Level of HSE at the LUKOIL Group Entities”.

Corporate Secretary

The Corporate Secretary of PJSC LUKOIL focuses significantly on advancing the Company’s sustainability initiatives, engages with the Board of Directors and its committees, and encourages leveraging the expertise of Board members with robust skills in this field. As a member of the Sustainability Task Force, the Corporate Secretary:

- ✓ analyzes current trends in the field of sustainable development within their competence;
- ✓ interacts with members of the Board of Directors on sustainability issues;
- ✓ organizes interaction between members of the Board of Directors and stakeholders on these issues;

- ✓ interacts with specialized structural divisions of PJSC LUKOIL, as well as members of the SISCAC and other committees;
- ✓ participates in the development of approaches to the formation of the management system and improvement of quality of sustainable development management;
- ✓ participates in coordinating preparation of LUKOIL Group’s non-financial reports;
- ✓ participates in interaction with stakeholders on sustainable development.

The Corporate Secretary is the head of the Working Group on Sustainable Development of the National Corporate Secretaries Association (NCSA). In 2023, the Corporate Secretary held meetings to discuss ESG practices in Russia, interaction with government authorities regarding non-financial disclosures, including key trends and measures of Russian sustainability regulation, disclosure of non-financial information, digitalization and optimization of business processes; climate risk assessment and management, etc. The results of the expert discussion are used to develop sustainable development activities of the LUKOIL Group entities.

Quality of corporate governance

LUKOIL is committed to conducting business in good faith and takes measures on an ongoing basis to prevent non-compliance with legislation and other mandatory and recommended corporate behavior rules and principles. In 2023, no rulings were issued against the Company by state authorities¹ with regard to the following:

- ✓ significant cases related to violations of anti-corruption and anti-trust laws;

- ✓ penalties for significant breaches of social law and regulations, including in the area of human rights.
- During the reporting period, there were no instances of product quality non-compliance with regulatory standards that jeopardized consumer health and safety and resulted in fines or penalties. The Company paid fines for a total

amount of RUB 81.6 million in two significant cases in connection with violations of environmental legislation.

The Company works to continuously improve the quality of corporate governance to achieve strategic goals.

¹ Definitions of terms with ‘case’, ‘significant case’, ‘significant breach/deviation’, ‘significant accident’ are provided in [Appendix 6](#).



2 Climate and nature



LUKOIL GROUP’S SUSTAINABLE DEVELOPMENT GOALS

- ✓ Decarbonisation and adapting to climate change
- ✓ Prioritising environmental safety
- ✓ High occupational health and safety standards



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Main impacts and performance results

Main impacts ¹ of the LUKOIL Group entities' activities	LUKOIL Group's goals	Changes in the indicators in 2019–2022 ²	Changes in the indicators in 2023/2022 ³
Environmental and climate impact factors: production, logistics and marketing activities of the Group entities			
Strategic goal: to consistently reduce the negative impact on the environment and climate by introducing the best available techniques, equipment, materials and increasing the level of automation of process control			
 Climate and ambient air Emissions of pollutants and greenhouse gases into the air	To reduce ⁴ controlled GHG emissions (Scope 1 + Scope 2) by 2030 at least by 20% compared to the 2017 level	GHG emissions (Scope 1 + 2): 8% reduction (compared to 2017)	↓ 10.8%
	Ensuring that specific air emissions are not higher than the 2020 level	KPIs: GHG emissions: established for the first time since 2023 for analysis and monitoring purposes by business sectors	The established KPIs by business sectors have not been exceeded
	APG utilization rate of at least 95%	Specific pollutant emissions (compared to 2020): Oil Refining, Petrochemicals and Transportation: Δ = 0 (stable) Oil and Gas Production – 12% growth Power Generation – 3% reduction	Oil Refining: Δ = 0 Petrochemicals: ↓ 6% Transportation: ↓ 29% Oil and Gas Production: ↑ 9% Power Generation: ↑ 5%
 Water, land and forest natural resources Use of natural resources for production purposes; waste generation	Optimization of freshwater withdrawal	Freshwater withdrawal – 2.8% reduction	↓ 3.7%
	Minimization of polluted wastewater discharges into water bodies	Polluted wastewater discharges into water bodies – 27.6% reduction	↓ 5%
	Reduction of the amount of waste accumulated during the pre-privatization period	182,000 tonnes of waste were disposed of	↓ 89,000 tonnes
	Disposal of all waste generated	KPIs: Total volume of waste generated during the period / Total volume of waste disposed of during the period = 1	1.0
	Remediation of contaminated land	221 hectares of contaminated land were remediated	↑ 49 hectares
 Biodiversity and ecosystems⁵ Impact on natural objects located near production facilities	Preservation of the natural biosystems diversity and ensuring their sustainable use that does not threaten their ability to regenerate	Five endangered and rare species research and rescue projects are supported	Five endangered and rare species research and rescue projects are supported
		Compensatory forest restoration – 6,391 hectares (for 2021–2023)	↑ 2,861 hectares
		Recovery of fish populations in natural water bodies	10,600 fish fry

Changes in 2023

- ✓ The structure of the HSE Management business process has been updated; the corporate standard now includes a list of standard climate change adaptation measures

✓ A methodology for assessing the carbon footprint of various types of petrochemical products has been developed

✓ LUKOIL joined the Oil & Gas Decarbonization Charter

Key measures planned for 2024

- ✓ Construction of a solar power plant in Kazakhstan

✓ Construction of water pipelines to dispose of wastewater at the Usinskoye deposit

✓ Reconstruction of treatment facilities at LLC Saratovorgsintez, the Ukhta oil refinery, and the oil refinery in Bulgaria

✓ Replacement of at least 2% of pipelines, including about 93% in corrosion-resistant design⁶

¹ The impacts are described in [Appendix 3](#).
² The data are given within the reporting boundaries for 2022 (including the ISAB oil refinery in Italy) and have been consistent throughout the period.
³ The changes in the indicators in 2023 are due, inter alia, to the sale of the ISAB oil refinery in Italy.
⁴ Hereinafter in the text of the Report, ‘GHG emissions reduction’ means a reduction in the amount of gross GHG emissions relative to the base year. In 2021, the goal is set within the GHG emissions accounting boundaries approved in 2020 based on the assumption that the relative stability of technological processes, production volumes and external factors affecting the Company's operations shall remain unchanged.
⁵ The ecosystem means a biological system consisting of a community of living organisms (biocenosis), their habitat (biotope) and a system of connections facilitating the exchange of substances and energy between them.
⁶ Internally coated steel pipes and non-metallic pipes.

Managing climate and environmental impacts

	Elements of the management system	Corporate documents
 GOALS	The corporate policies establish LUKOIL Group's goals, principles, and obligations The long-term target to reduce GHG emissions has been adopted	LUKOIL Group Sustainability Policy LUKOIL Group Policy for Health, Safety, and Environmental Protection in the 21st Century¹ Regulations on the LUKOIL Group GHG Emissions Management System LUKOIL Group Technical Policy for Energy Efficiency and GHG Emissions Reduction in Russia
 STANDARDS AND BEST PRACTICES	100% of the LUKOIL Group entities must comply with corporate standards to the extent permitted by national laws. Tools of the Continuous Improvement System are implemented	16 standards of STO 1.6 “HSE Management System” Regulations on Accounting for Indicators and Reporting on GHG Emissions of LUKOIL Group
 RISK MANAGEMENT	The Significant HSE Risks Register and the Significant Environmental Issues Register of LUKOIL Group are updated on an annual basis. The registers are considered by the HSE Committee. Climate-related risks are included in the corporate risk management IT system	STO LUKOIL 1.6.6-2019 “HSE Management System. Management of Risks and Environmental Issues” Module “Risk Management. Phase 2” Climate Risk Classifier
 KEY PERFORMANCE INDICATORS (KPIS)	The composite indicator “Ensuring the Required HSE Levels at the LUKOIL Group Entities,” which comprises indicators related to occupational injuries and accident rates and the key environmental impacts (pollutant emissions and discharges, waste management) “Delivery of the Approved Energy Conservation Program” Volume of GHG emissions	Regulations on Evaluating the KPI “Ensuring the Required HSE Levels at the LUKOIL Group Entities ² ” Summary of key performance indicators Summary of key performance indicators
 CERTIFICATION OF MANAGEMENT SYSTEMS	The IMS has been ISO 14001:2015 and ISO 45001:2018 certified The energy management system has been ISO 50001:2018 certified	As at December 31, 2023, certificates issued to the LUKOIL Group entities were in effect and covered 82% of total LUKOIL Group's headcount 71% of LUKOIL Group's headcount
 TARGET PROGRAMS, PROJECTS AND INITIATIVES	Environmental Safety Program of LUKOIL Group for 2023–2025. Decarbonization Program of LUKOIL Group for 2023–2025. Program of Industrial Safety, Improvement of Labor Conditions and Occupational Safety, and Emergency Prevention and Liquidation of LUKOIL Group for 2023–2025. APG Rational Use Program of the LUKOIL Group Entities for 2023–2025. Energy Conservation and Energy Efficiency Improvement Program of the LUKOIL Group Entities for 2023 and 2024–2025. Research and engineering projects are undertaken as part of the R&D program	The programs were approved by orders of PJSC LUKOIL/ executive body of PJSC LUKOIL/First Vice President of PJSC LUKOIL ³



¹ Hereinafter, the HSE Policy.
² These Regulations were in effect as at December 31, 2023.
³ During the previous reporting period, the target programs for 2022–2024 were in effect.

Climate change

Elements of the management system related to the climate agenda

 Management	✓ PJSC LUKOIL and LUKOIL Group have built an interaction structure and allocated responsibility for the climate agenda. The management structure includes the Decarbonization and Climate Adaptation business process. ✓ The Decarbonization and Climate Change Adaptation Task Force is functioning at PJSC LUKOIL¹. The GHG emissions KPI has been developed and is now tested in pilot mode up to 2025.
 Strategy	✓ During 2023, the Decarbonization Program for 2023–2025 was implemented by the Group². To develop and test promising projects and technologies, LLC LINK has launched a Decarbonization Lab, projects are also developed at other industrial service centers (ISCs).
 Risks	✓ Risks and opportunities for the Company’s development in the context of climate change have been identified and included in the corporate risk management system. Financial assessment of climate risks is conducted.
 Reporting	✓ In 2021, a strategic goal has been set: to reduce controlled GHG emissions (Scope 1 + Scope 2) by at least 20% compared to the 2017 level³. ✓ The Regulations on Accounting for Indicators and Reporting on GHG Emissions of LUKOIL Group and other LRAs are in effect. GHG emissions data are published in the Carbon Disclosure Project (CDP), Sustainability Report, and the Annual Report.

LUKOIL Group’s activities to reduce GHG emissions throughout the value chain

	Production	Refining and Power Generation	Transportation and Distribution
 Technologies and equipment	Energy efficiency: energy-saving methods for enhanced oil recovery APG utilization (CCUS ⁴) Electrification of production operations Control of methane leaks	Energy efficiency: ✓ upgrade and replacement of technological equipment; ✓ optimization of production processes and power flow distribution patterns. Implementation of RES development projects	Control of methane leaks Recovery of hydrocarbon vapors in oil product loading systems Implementation of RES development projects
 Markets	Gas segment of the business Purchase of green energy under FBCs ⁵	Diversification of product portfolio Participation in the GHG emission permits (allowances) trading system under the EU ETS Purchase of green energy under FBCs	Expansion of services (installation of electric charging stations at fuel stations) Sale of products with a reduced carbon footprint
 Promising technologies (R&D) and new products	Capture, storage and use of CO ₂ (CCUS, CO ₂ -EOR ⁶)	Production of hydrogen and low-carbon fuels Use of hydrogen as an energy source	Sale of new products with a reduced carbon footprint

Climate agenda

LUKOIL produces energy and chemical products critical for many sectors of the economy. We analyze trends stemming from the climate agenda that determine the environment at commodity markets and consumer needs to select the best possible strategic solutions. The Company is improving its climate risk management activity and massively invests in the development of renewable energy generation and decarbonization technologies.

Initiatives

In 2023, LUKOIL joined the Oil & Gas Decarbonization Charter and became the only Russian company among more than 50 participants that together account for about 40% of global oil production. The goals of the Charter call for a significant reduction in GHG emissions in the oil and gas industry, including following the electrification of hydrocarbon production operations, and increased

investment in renewable energy projects and decarbonization technologies.

The signatories to the Charter voiced their approval for the following three goals:

- ✓ 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;
- ✓ meeting the ambition of zero routine APG flaring by 2030.

Oil and gas companies also plan to develop cooperation with other industry sectors to synchronize joint efforts aimed at reducing the carbon intensity of the economy.

Climate change regulation

During 2023, government regulation related to climate change gained significant momentum in Russia. LUKOIL is paying close attention to legislative initiatives in the area and participates in their public discussion.

As a long-term goal of the climate policy, the new Climate Doctrine of the Russian Federation determines achieving a healthy balance between anthropogenic GHG emissions and their absorption by no later than 2060. For this purpose, climate change regulation and economic mechanisms are developed, including the creation of a regulatory framework for climate projects, a national register of greenhouse gas emissions and a green energy certification system. Mandatory reporting on GHG emissions has also been introduced: from 2023 for regulated organizations with annual GHG emissions of more than 150,000 tonnes of CO₂e, and from 2025 – for the same with annual GHG emissions of more than 50,000 tonnes of CO₂e.

In accordance with the National Action Plan for the second stage of adaptation to climate change for the period up to 2025, most regions of LUKOIL’s operation have developed regional climate safety strategies and passports, which the Company takes into account when planning its target programs.

Given the country’s large territory and the diverse nature of climate change, experts consider the introduction of a state system for permafrost monitoring to be an essential adaptation measure at the national level. The results of scientific observations will help in planning the necessary adaptation measures.

LUKOIL representatives took part in these activities as well as in working groups of relevant agencies, specified the Company’s position, and submitted proposals on various aspects of regulation, including on the following:

- ✓ elaboration of criteria for determining the suitability of subsoil plots for the construction and operation of underground facilities for carbon dioxide storage;

- ✓ development of the carbon unit market, specification of the criteria for classifying investment projects as climate-related, and improvement of the register of greenhouse gas emissions;
- ✓ establishment of a national certification mechanism for green electricity, confirming its generation using renewable energy sources or nuclear power plants;
- ✓ clarification of methods for accounting for GHG emissions and absorption and other issues.

The Company also submitted proposals on the content of methodological recommendations of the Ministry of Economic Development of Russia on assessing possible damage from the occurrence of climate risks, creating a list of climate-vulnerable facilities, and monitoring and assessing the effectiveness of climate change adaptation measures.

¹ Hereinafter, the “Decarbonization Task Force.”
² Hereinafter, the “Decarbonization Program.”
³ In the comparable structure of LUKOIL Group in effect in 2017.
⁴ CCUS means the Carbon Capture, Utilization and Storage technology.
⁵ FBC means a free bilateral contract with qualified renewable energy generating facilities.
⁶ CO₂-EOR means the Carbon Dioxide Enhanced Oil Recovery technology (CO₂ pressure injection).

GHG emissions management

LUKOIL Group’s sustainable development goal:
Decarbonisation and adapting to climate change



GHG emissions accounting system

The Company has established a GHG emissions management system, which is premised on the requirements of the laws of the countries of operation and international and national standards. Its principal elements include the allocation of responsibility and functions from the Board of Directors to relevant divisions of PJSC LUKOIL and the Group entities, risk management, setting of goals to reduce GHG emissions, implementation of the decarbonization program, assessment of results, and presentation of voluntary and mandatory reporting.

Decarbonization Task Force

In keeping with corporate decarbonization goals, the Company continued methodological work and planning of relevant measures during 2023. The Decarbonization Task Force held three meetings, at which 12 climate agenda issues were worked out, including promising projects on decarbonization of the LUKOIL Group entities, development of the LUKOIL Group Decarbonization Program for 2024–2026, etc. Monitoring of legislation, ratings and initiatives on decarbonization and adaptation to climate change continued.

Members of the Decarbonization Task Force were given instructions related to various tasks, which included studying the possibility of automating the Decarbonization Program shaping and analysis, continuing R&D activity to develop efficient GHG utilization technologies.

Risk management

LUKOIL applies uniform approaches to assessing risks and opportunities for the Company in the context of climate change in accordance with the TCFD recommendations¹.

Risks of energy transition to a low-carbon development path

- ✓ **Market risks.** Risks related to changes in demand and consumer preferences.
- ✓ **Policy, legal and regulatory risks.** Risks associated with the introduction of new national and international legal standards.
- ✓ **Technology risks.** Risks associated with the transition to a low-carbon economy and the introduction of new technologies.
- ✓ **Reputational risks.** Risks associated with the perception by stakeholders of the Company’s position on the energy transition.

Physical climate risks

- ✓ **Extreme risks.** Risks caused by natural disasters and other climate-related hazards.
- ✓ **Chronic risks.** Risks caused by long-term and mostly irreversible environmental changes.

In 2023, a methodology for financial assessment of climate change risks was developed; its description is provided in the [CDP questionnaire](#) (p. 20) and the [Annual Report](#).

¹ In 2023, the Task Force on Climate-related Financial Disclosures (TCFD) initiative was discontinued due to the development and approval of certain IFRSs (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures).

Financial risks and opportunities attributable to climate change

Risks that may have a significant financial or strategic effect on the Company’s operations	Opportunities that may have a significant financial or strategic effect on the Company’s operations
Inherent risks: ✓ Shrinkage of free GHG emission allowances. ✓ Growing price of emission certificates. ✓ Implementation of payments for GHG emissions in Russia. ✓ Broader scope of the cross-border carbon tax. ✓ Expansion of the sectoral coverage of the EU ETS system. ✓ Reduced global demand for liquid hydrocarbons due to the growing share of electric vehicles in the car fleet structure. ✓ Changing consumer preferences. ✓ Mounting payments for the acquisition of new license blocks to be used for CO₂ disposal.	✓ Energy saving. ✓ Natural gas. ✓ RES. ✓ CO₂ capture and injection into reservoirs. ✓ Advanced biofuels. ✓ Production of commercial hydrogen. ✓ Resale of carbon certificates.

Risk management measures are detailed in sub-sections [Adapting to Climate Change](#) and [Decarbonization Program](#) of this Report, as well as on the Company’s [website](#).



Performance assessment

Starting from 2023, the Company, based on medium-term industry programs and taking into account the effects of the decarbonization program, establishes KPIs represented by GHG emission values for Scope 1 and 2 (these may not be exceeded) for each of the following business sectors: Oil and Gas Production in Russia, Oil and Gas Production Abroad, Oil Refining in Russia, Oil Refining Abroad,

Petrochemicals, Power Generation, and Transportation. KPIs are introduced in stages:

- ✓ in 2023–2024 – for monitoring and analysis purposes;
- ✓ starting from 2025 – to assess performance and take into account the achievement of KPIs for employee motivation systems.

Performance is assessed at the level of PJSC LUKOIL’s business sectors, information on KPI achievement is provided to the Chief Executive Officer.

GHG emissions reporting

Since 2023, Russian entities of the Group that meet the criteria established by the Russian legislation have been submitting reporting to the Energy Efficiency State Information System. The data are consolidated at the LUKOIL Group level for voluntary reporting purposes in accordance with international standards.

Adapting to climate change

Company’s actions to mitigate physical climate risks

The Company has identified physical climate risks, some of which have already manifested, while others require monitoring and observations to more accurately predict potential consequences.

For the purpose of timely implementation of adaptation measures, a list of standard measures aimed at reducing the likelihood of risk occurrence or mitigating its consequences for employees and (or) production infrastructure facilities (examples of measures

are provided in the table below) has been drawn and included in the corporate standard¹. In future, the list will be supplemented with measures that have a predicable adaptation effect or have proven to be effective.

Since the impact of weather factors may involve property and other damages or losses, the Company takes account of this aspect in developing a new [Insurance System](#) for PJSC LUKOIL and other LUKOIL Group entities.

Social risks

The health of employees is highly likely to be affected by such factors as the exposure to extreme temperatures and extreme

meteorological events. Therefore, the main measures taken are aimed at preventing the deterioration of the health of employees, including

the acute exacerbation of chronic diseases, primarily of the cardiovascular system.

The Company takes preventive measures designed to improve working conditions and provide employees with protective equipment.

Special emphasis is made on quality of workplace environment and the labor process. Ventilation and heating systems, air conditioning and other equipment are installed in indoor production facilities to maintain favorable conditions for the human body. During the periods of extreme high or low temperatures, personnel of first-aid stations are set ready to promptly provide medical care.

Climate change adaptation measures at LUKOIL Group’s Russian entities

Main factors (sources of physical climate risks)	Potential consequences of physical climate risk occurrence ¹	Standard measures
☀️ Extreme heat/cold 💧 Water scarcity 🔥 Forest fires 🌊 Floods ⛅️ Striking meteorological contrasts 🌪️ Strong winds and heavy rains	In all regions of operation ✓ Increased fire hazard ✓ Water table rises due to continuous-rain floods and floodings ✓ Power line emergencies, power supply interruption ✓ Reduced labor productivity due to increased number of extremely hot days	✓ Maintaining fire protection forces and means in constant readiness, implementation of measures to prevent the spread of wildfires to corporate facilities ✓ Taking anti-flood measures ✓ Ensuring power supply continuity and reliability: upgrade of power grid equipment, monitoring of power transmission lines ✓ Providing drinking water to employees ✓ Applying pipes made of modern materials and corrosion-resistant pipes within the framework of pipeline reconstruction
Specific factors	Potential consequences of physical climate risk occurrence in the context of regional specifics	Standard measures
🧊 Permafrost thawing ❄️ Ice conditions 🌊 Sea severity	NWFD² (NAA), UFD (YaNAA) Reduced soil bearing capacity due to degradation of permafrost	✓ Installation of thermal stabilization systems to ensure soil stability, geocryological monitoring ✓ Diagnostics, inspection and monitoring of pipeline foundations. Construction of above-ground pipelines on pier foundation ✓ Helicopter overflights, use of unmanned aerial vehicles ✓ Monitoring of mothballed facilities (oil storage tanks) near rivers and seashore sites
🏠 Extremely low water levels and floods	VFD, SFD, NCFD ✓ Disturbance of working conditions of electric power generation facilities due to low water levels ✓ In the NCFD – disturbance of normal operation of facilities due to mud-rock flows or landslides ✓ Increased drought periods	✓ Hydrological, morphometric research and observations of water bodies ✓ Measures to improve the environmental situation in cities (landscaping) ✓ Construction of RES facilities (e.g., SPPs) to satisfy power needs

¹ STO LUKOIL 1.6.8-2022 “HSE Management System. Action Planning.”

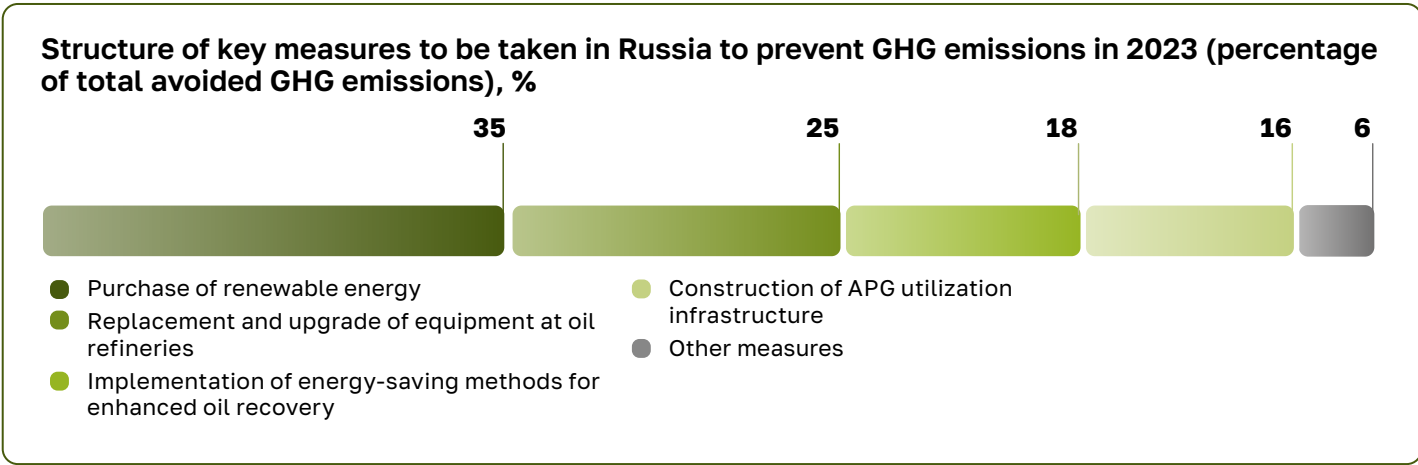
² Sources: Third Assessment Report on Climate Change and Their Consequences on the Territory of the Russian Federation – Roshydromet, 2022. Climate Change Adaptation Plan for the Fuel and Energy Complex of the Russian Federation – Ministry of Energy of the Russian Federation. Regional climate change adaptation plans. Corporate data.

Hereinafter, “Federal Districts” (FDs): Northwestern Federal District (NWFD), Ural Federal District (UFD), Volga Federal District (VFD), Southern Federal District (SFD), North Caucasian Federal District (NCFD).

Decarbonization Program

Decarbonization of production facilities and search for solutions to reduce the carbon footprint of products to maintain their competitiveness is one of the main areas of the Company’s GHG emissions reduction strategy.

The Targeted Decarbonization Program of LUKOIL Group for 2023–2025 includes 305 measures. To improve the effectiveness of measures, it is planned to intensify the focus on those that provide the greatest contribution to the achievement of the corporate goal. The Innovative Development Strategy of LUKOIL Group and the Concept for the Development of the Innovation Management System are developed; these will include tasks related to decarbonization and climate change adaptation.



Energy efficiency management

The Russian entities of LUKOIL Group maintain an integrated energy management system compliant with ISO 50001:2018. The Group’s entities ensure its effective functioning, as confirmed by supervisory and recertification audits performed as they fall due.

The energy management system includes planning of target activities, evaluation of their implementation at the year-end and adjustment of the targets for the next period. LUKOIL Group’s Russian entities apply the indicator “Delivery of the Approved Energy Conservation Program;” at 2023 year-end, all entities met this indicator.

Energy Conservation Program

The Energy Conservation and Energy Efficiency Improvement Program of the LUKOIL Group Entities for 2023 and 2024–2025 (the “Energy Conservation Program”) includes measures implemented at the Russian and foreign (since 2023) Group entities. Projects with the highest economic efficiency potential have been identified.

Key measures set forth in the Energy Conservation Program

Oil and Gas Production

- Implementation of advanced energy-efficient equipment; optimization of the use of existing equipment
- Application of energy-saving methods for enhanced oil recovery

Oil Refining and Petrochemicals

- Retrofitting
- Optimization of production processes and patterns of power flow distribution and heat exchange between technological facilities

Oil Product Supply and Transportation

- Optimization of energy consumption for lighting and space heating

Power Generation

- Replacement and upgrade of technological equipment, retrofitting

Reduction in energy and fuel and energy resources consumption driven by the LUKOIL Group Energy Conservation Program

	Unit of measurement	2021	2022	2023
Total energy savings, including:	thousand GJ	3,675	5,635	5,540
Electric energy	mln kWh	105	410	336
Heating	thousand Gcal	317	445	266
Boiler and furnace fuels	thousand tonnes of oil equivalent	67	79*	110

Notes: The data are provided for the LUKOIL Group entities participating in the program. The data for 2023 include information on the Russian and foreign entities. When converting data from one unit to another, the following conversion factors under GOST R 51750-2001 were used: 1,000 kWh = 3.6 GJ, 1 Gcal = 4.19 GJ, 1 tonne of oil equivalent = 29.3 GJ).

* The value of the indicator differs from the corresponding value in the Annual Report of PJSC LUKOIL for 2023 due to the use of different methodological approaches to rounding calculated data.

¹ Except for oil refining, petrochemicals and gas refining entities that use their own energy efficiency indicators (see the [Energoproryv Project](#) section below).

Upgrade of technological equipment

Power generation entities continue to upgrade generating equipment, which results in an increase in its installed capacity and fleet life, automation of technological processes, reduced specific consumption of fuel and energy resources and negative environmental impacts.

Energoproryv Project

Since 2020, the Energoproryv Project has been under way to significantly improve the energy efficiency of LUKOIL's Russian refining facilities (oil refineries and petrochemical complexes).

In 2023, power unit No. 1 with a capacity of 150 MW was commissioned at the Krasnodar CHPP. At the next stage, power units No. 2 and No. 3 will be upgraded. In particular, a boiler unit, a steam turbine, a turbine generator, and auxiliary equipment will be replaced at power unit No. 2.

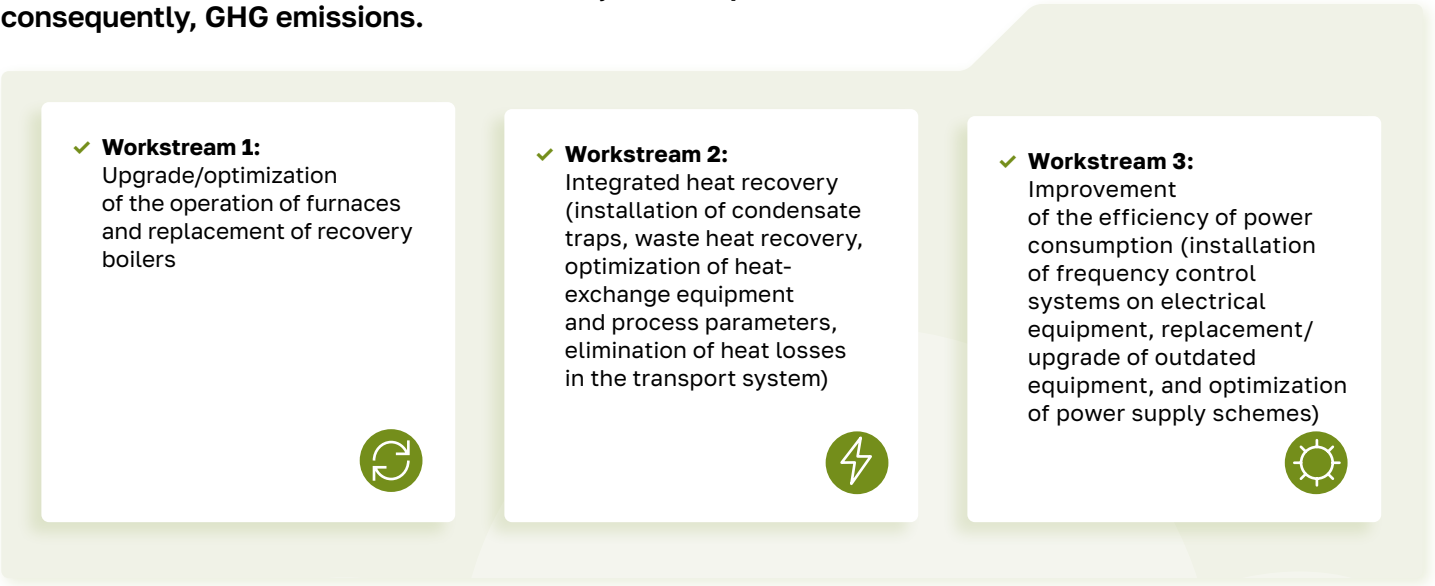
- The main goals of the project are:
- ✓ technological improvement of oil and gas processing facilities;
 - ✓ reduced CO₂ emissions (Scope 1 + 2).

The project includes more than 170 initiatives, with their list constantly updated, of which 148 measures were

In Rostov-on-Don and Volgodonsk, work has been completed on the upgrade of heating networks in the context of cooperation with the Housing and Utility Reform Foundation. A total of 15.9 km of heating networks were replaced¹.

completed during 2021–2023, with a total effect of emission reduction reaching approximately 190,000 tonnes of CO₂e. In 2023, 32 measures implemented as part of the project resulted in emission reduction of about 41,000 tonnes of CO₂e.

The project roadmap comprises three types of activities allowing for the reduction of fuel, heat and electricity consumption and, consequently, GHG emissions.



¹ In one-pipe calculation.

Examples of Energoproryv Project activities and the effect achieved

Production facilities	Workstream No. 1	Workstream No. 2	Workstream No. 3
Perm oil refinery	Replacement of furnaces at crude distillation units (implemented during 2023 ¹) Effect: increase in the Energy Efficiency Index (EEI) by 0.71 p	Measures are being planned	Increasing the efficiency of power unit cooling systems at higher air temperatures (2023). Effect: increase in the EEI by 0.06 p
Nizhny Novgorod oil refinery	Disposal of hydrocarbon gas from the gasoline and diesel fuel hydrotreating unit as fuel (2023). Effect: increase in the EEI by 0.7 p	Upgrade of the boiler at the hydrogen production unit (2023). Effect: increase in the EEI by 0.6 p	Ensuring stable operation of the isomerization unit on one of hydrogen-containing gas circulation compressors. (2022). Effect: increase in the EEI by 0.25 p
Volgograd oil refinery	Repiping of the furnace superheater coil (2023). Effect: increase in the EEI by 3.15 p (the effect was calculated for the block)	1) Reduction of heat carrier medium losses at off-site facilities (2023). Effect: increase in the EEI by 0.04 p 2) Optimization of fuel gas consumption (2023). Effect: increase in the EEI by 0.6 p	Measures are being planned
Ukhta oil refinery	Measures are being planned	1) Replacement of heat exchangers at the AVD unit (2022–2023). Effect: increase in the EEI by 1.05 p 2) Online monitoring of fuel and energy resources consumption (2021). Effect: increase in the EEI by 0.6 p	Measures are being planned
LLC Stavrolen	Installation of an additional valve manifold on equipment in the ethylene production shop (2023). Effect: increase in the EEI by 0.35 p	Measures are being planned	Installation of variable frequency drives on air cooling fans (2021). Effect: increase in the EEI by 0.03 p
LLC Saratovorgsintez			Implementation of a system for frequency control of motor-driven pumps at the shore station (2022). Effect: increase in the EEI by 0.15 p

Note. For internal assessment of the effectiveness of measures, the Company uses the Energy Efficiency Index (EEI) which is calculated according to the corporate methodology.

¹ Hereinafter, the project delivery time is shown in parentheses in the table.

Indicators

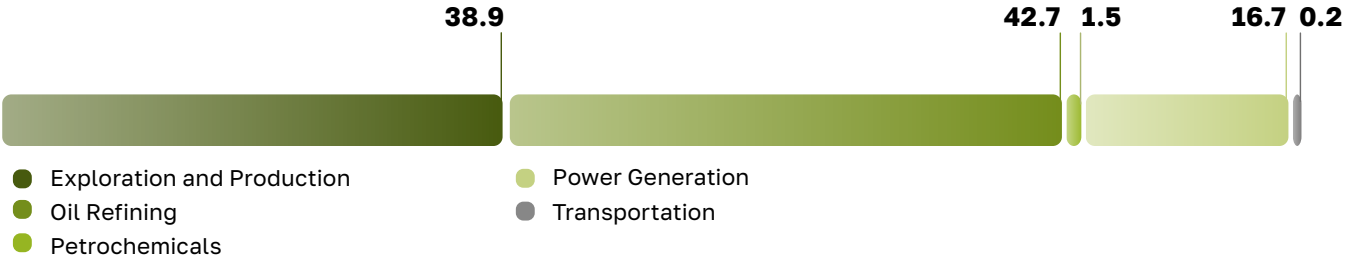
Energy consumption for production purposes at LUKOIL Group fell by 53 million GJ in 2023 due to the sale of the oil refinery in Italy (ISAB s.r.l.) and the implementation of the Energy Conservation Program, as well as (slightly) changes in the GHG accounting boundaries¹. Alongside with that, consumption of renewable electric energy grew due to increased electricity purchases under FBCs concluded with LLC LUKOIL-Ekoenergo and PJSC EL5-Energo.

Energy consumption for production purposes within the LUKOIL Group entities

Indicators	Unit of measurement	2021	2022	2023
Energy consumption for production purposes (1 + 2 + 3 – 4)	mln GJ	477	524	471
1. Purchased energy consumption	mln GJ	66	71	61
2. Hydrocarbon fuel consumed by stationary production facilities	mln GJ	518	556	494
3. Renewable electric energy consumed	mln GJ	0.05	0.55	3.66
4. Energy sold and supplied	mln GJ	107	103	88

Note. The data are provided within the reporting boundaries for GHG emissions. The indicator “Consumption of Renewable Electric Energy” through 2021 reflects the consumption of energy generated from own RES (supporting power generation); starting from 2022, it includes the consumption of energy generated from own RES and purchased under FBCs.

Energy consumption for production purposes by business activity of the LUKOIL Group entities in 2023, %



Note. The Oil Refining business activity includes data on all LUKOIL Group oil refineries under full operational control of PJSC LUKOIL and LLC LLK-International (lubricants production).

Energy intensity

Business activity	Unit of measurement	2021	2022	2023
Exploration and Production	GJ / boe	0.247	0.266	0.255
Oil Refining	GJ / tonne of manufactured products	3.6	3.8	3.8
Petrochemicals	GJ / tonne of processed basic raw materials	4.1	4.1	4.0

Note. The Energy Intensity calculation formula in the Exploration and Production business segment: energy consumption for production purposes by entities of the business segment included in the scope of accounting for GHG emissions / total production of oil and gas condensate, natural gas and APG, liquid hydrocarbons produced at the Lokosovsky GPP (due to the specifics of the technological process of hydrocarbon production at LLC LUKOIL-West Siberia).

Renewable energy sources

- LUKOIL considers using renewable electric energy as a significant aspect of its climate strategy, including:
 - ✓ increased consumption of green electric energy for production purposes to reduce the product carbon footprint and Scope 2 indirect GHG emissions;
 - ✓ supply of green energy to external consumers to reduce Scope 3 GHG emissions.
- The Company invests in projects aimed at developing solar and wind power generation in partnership with Russian companies with sufficient experience and capabilities, which helps reduce risks and cut project implementation time. Low-capacity SPPs are built at the Group’s production facilities (fuel stations and oil depots, free areas of oil refineries and power stations) to satisfy own needs, which makes
- it possible to reduce the consumption of purchased grid electricity. Following the acquisition of a share in PJSC EL5-Energo, the Group’s main wind power assets in Russia are the Kolskaya and Azovskaya wind power plants.

Kolskaya WPP

In 2023, the second stage of the [Kolskaya Wind Power Plant](#), a large wind farm, started operation on the territory of the Kola Peninsula in the Murmansk Region. The wind farm operates 57 turbines with a total capacity of 202 MW and occupies an area of 257 hectares. The WPP was built using mainly Russian-made equipment.

The first stage of the wind farm was put into commercial operation in 2022 as part of the state renewable energy support program (RES CDA) and the agreement with the government of the Murmansk Region on the development of renewable energy. The project was granted the status of a strategic investment project in the region.



Azovskaya WPP

In 2024, the Azovskaya WPP climate project was registered in the Russian Registry of Carbon Units; voluntary carbon units are planned to be issued to confirm the prevention of GHG emissions from the generation of low-carbon electricity. About 90,000 carbon units per year will be credited to the account of the climate project contractor (the equivalent of the volume of GHG that will not enter the atmosphere due to project implementation). Carbon market participants may use carbon units either for their own needs or perform transactions using them.



Key projects in 2023

Major projects of the reporting year include the completion of the upgrade of the Tsimlyanskaya HPP (LLC LUKOIL-Ekoenergo), one of Russia’s largest hydroelectric power plants. The last upgraded hydraulic unit was put into operation (the other three units were upgraded prior to 2012). It has ‘Made in Russia’ automated control systems, hydraulic turbine control systems and other equipment. As a result, the reliability, safety and efficiency of HPP operation have improved.

- Several solar power development projects were completed in 2023.
 - ✓ The second stage of the SPP was installed at LUKOIL’s head office in Moscow. The total capacity of the plant is 59.3 kW; all generated power is supplied to the internal electric power network.
- A 15-kW SPP started operation at LLC LUKOIL Uznefteprodukt’s fuel stations in Tashkent; a decision was made to proceed with such projects in Uzbekistan.
 - ✓ A 91-kW SPP was installed on the rooftops of administrative buildings of the LUKOIL oil depot in Astrakhan.
- The Company’s plans include the construction of a solar power plant in Kazakhstan, and the development of WPP construction projects in the Russian regions continues.

¹ For more details, please see the [Goals and Indicators of Greenhouse Gas Emissions](#) sub-section of this section.

Renewable energy at LUKOIL Group

Energy sources	Installed capacity of generating facilities, MW	Supplies/consumption of generated electric energy
LUKOIL Group	715.8	
 Hydropower (4 HPPs and 1 small HPP)	295.3	To external consumers and the LUKOIL Group entities under FBCs (Russia)
 Solar power (22 SPPs)	44.1	To external consumers (Russia). Consumption by the LUKOIL Group entities (Russia, Bulgaria, Romania, Austria, Croatia, Belgium, Uzbekistan)
 Wind power (3 WPPs)	376.4	To external consumers (Romania) and the LUKOIL Group entities under FBCs (Russia)

Our awards.

The Upgrade of the Small HPP on the Beshenka River in Krasnaya Polyana project (LLC LUKOIL-Ekoenergo) won in the Alternative Energy nomination of the ECOTECH-LEADER National Environmental Technology Award competition. The project on the construction of a solar power plant at the Krasnodar CHPP (LLC LUKOIL-Kubanenergo) won the ECO BEST AWARD prize (Ecology, Energy and Resource Saving) in the Project of the Year nomination.



Indicators	Unit of measurement	2021	2022	2023
Total amount of renewable energy generated	mln kWh	1,021	1,071	2,120
Percentage of renewable electric energy in total electric energy generated by the LUKOIL Group entities	%	4.4	4.4	4.9

Notes. The dynamics of renewable electric energy generation can be explained by natural factors (water levels in rivers, number of windy/sunny days) and the progressing new RES facilities construction. The data are provided for LUKOIL Group and are outside the scope of the GHG accounting boundaries. In 2023, a significant increase in renewable electric energy generation was due to the integration of data on PJSC EL5-Energo's RES generation capacities.

Indicators	Unit of measurement	2021	2022	2023
Investments in advancement of RES projects	RUB mln	2,023	200	804
Percentage of income from sales of renewable electric energy	%	14	15	11

Notes. The investment behavior is determined by project stages. The “Percentage of Income from Sales of Renewable Electric Energy” indicator = Income received from the sale of renewable electric energy / Income received from the sale of electric energy produced by all commercial generation facilities of LUKOIL Group.

Associated petroleum gas

Reducing APG flaring significantly contributes to achieving the strategic goal of reducing GHG emissions. In accordance with commitments assumed under voluntary initiatives to which LUKOIL is a participant, the Company is consistently reducing its routine APG flaring¹.

APG is re-injected to maintain reservoir pressure, sent to GPPs to produce finished products, sold to consumers, and is also used as fuel for heat and electricity generation, which increases the efficiency of oil production.

A temporary increase in APG flaring may occur when new deposits are developed while gas infrastructure

is constructed. Gas flaring volumes may also be affected by distressed APG processing capabilities of GPPs or trade restrictions. However, after these factors disappear, APG utilization volumes would increase. APG utilization does not appear practical at a small number of remote deposits with low gas production rates. Across LUKOIL Group, the volume of APG flaring at such deposits is insignificant and declines as hydrocarbon production gains momentum.

A significant reduction in routine APG flaring is achieved through taking measures envisaged by the APG Rational Use Program². This Program includes the construction of new and

reconstruction of APG treatment, transportation and processing facilities that have been in operation for a long time, as well as heat and electric energy generation facilities. In 2023, the construction of three APG utilization facilities was completed, with the two of them located in the Perm Territory and one in the Samara Region.

To meet the Company’s commitments assumed as part of the Zero Routine Flaring by 2030 initiative, two investment projects were developed for implementation in the Perm Territory and KhMAA – Yugra in Russia.

In 2020, the project to construct a system for APG collection and transportation was completed in the Perm Territory, and the following results were achieved:

- ✓ APG flaring decreased by more than three times (from 17.8 million to 5.3 million cubic meters);
- ✓ the APG utilization rate increased from 87.8% to 97.1%;
- ✓ GHG emissions decreased by 44,000 tonnes CO₂e per year (from 62,500 to 18,500 tonnes CO₂e).

In 2023, the second project aimed at reconstructing the Povkhovskaya Compressor Station in the KhMAA – Yugra continued: startup operations were performed at the compressor unit, and it was made ready for commissioning.

Indicators

LUKOIL Group maintains a high APG utilization rate, which consistently exceeds 95%. The volume of APG flaring in 2023 decreased by 17% versus 2022 due to increased APG utilization rates to meet the needs of the power center of the Yuzhno-Khylchuyuskoe field.

Indicators	Unit of measurement	2021	2022	2023
APG flaring in Russia	mln cubic meters	291	384	319
APG utilization rate	%	97.5	96.8	97.3

Note. The data are provided within the GHG accounting boundaries.

¹ Zero routine flaring provides for cases where gas collection and use are impracticable for safety reasons or due to the lack of technical capabilities, including when the produced gas re-injection appears impossible, and also the lack economic rationale.

² During 2023, the APG Rational Use Program of the LUKOIL Group Entities for 2023–2025 was in progress.

Reducing methane emissions

The Company took regular measures in 2023 to reduce leaks of methane, the main component of APG and natural gas.

- ✓ Technical servicing of interfield and trunk pipelines was conducted to prevent gas leaks.
- ✓ Measurements of the gas-air mixture composition were carried out at production facilities (compressor stations and gas distribution plants) using stationary and portable gas analyzers.

- ✓ Internal elements of interfield pipelines were periodically cleaned of accumulated condensate to prevent gas hydrate formation and throughput capacity reduction.
- ✓ During air overflights, gas analyzers and remote detectors were used.
- ✓ Independent certified organizations carry out annual safety expert reviews and technical certification of gas facilities and pipelines and issue reports on the continued operation of facilities. Based on the results

of expert reviews, the Company makes a decision on pipeline repairs or reconstruction, as necessary.

Greenhouse gas emission goals and indicators



Goal for 2030:
To reduce controlled GHG emissions (Scope 1 + Scope 2) by at least 20% compared to the 2017 level¹

In 2021, LUKOIL Group’s voluntary goal to reduce GHG emissions has been developed by reference to forecasts by the Intergovernmental Panel on Climate Change based on the goal specified in Article 2 of the Paris Agreement to keep the increase in the global average surface air temperature below 2°C.

During 2023, the organizational boundaries² for accounting for GHG emissions were revised due to the following reasons:

- ✓ sale of the oil refinery in Italy (ISAB s.r.l.);
- ✓ exclusion of oil product supply entities (fuel stations network and oil depots) from Scope 2 GHG emissions due to the fact that the volume of indirect energy emissions from these entities accounts for less than 0.4% of LUKOIL Group’s total emissions, does not affect the total balance of emissions and is not regulated by Federal Law No. 296 “On Limiting Greenhouse Gas Emissions.”

As at the end of 2023, Scope 1 and Scope 2 GHG emissions decreased by 10.8% compared to 2022 and by 17.8% relative to the base year 2017. At the same time, under comparable conditions (excluding the oil refinery in Italy and oil product supply entities), the reduction in Scope 1 and Scope 2 emissions achieved in 2023 was 11.1% compared to 2017.

In general, the changes in indicators of the Exploration and Production business segment were mainly due to changes in the external business environment. It should be noted that methane emissions for LUKOIL Group calculated as a percentage of Scope 1 emissions in 2023 compared to 2017 decreased from 3.5% to 0.9%, mainly due to the implementation of LUKOIL Group’s APG Rational Use Program. In particular, APG flaring fell by 37% relative to 2017.

The Refining and Distribution business segment has achieved notable success in decarbonization of power generation

entities (a 32% reduction in Scope 1 GHG emissions compared to 2017) due to the implementation of investment projects to upgrade equipment and the Energy Conservation Program. In the Oil Refining and Petrochemicals, the Company’s efforts help it hold a strong position in terms of carbon intensity among the industry leaders. The Energoproryv Project is aimed at maximizing the potential for reducing emissions in these business sectors.

Further implementation of the decarbonization program implies progress in all main areas, including energy conservation, production and consumption of renewable energy for own needs, rational use of APG, potential projects to offset the carbon footprint, carbon capture and storage projects, as well as research and development.

GHG emissions across LUKOIL Group

Indicators	Unit of measurement	2017	2021	2022	2023
LUKOIL Group (Scope 1 + Scope 2)	mln tonnes of CO ₂ e	50.897	41.491	46.887	41.818
Scope 1	mln tonnes of CO ₂ e	40.448	36.388	41.202	36.898
Scope 2	mln tonnes of CO ₂ e	10.450	5.103	5.685	4.921
Energy consumption for production purposes (net of mobile sources)	mln GJ	468	477	524	471
APG utilization rate	%	95.6	97.5	96.8	97.3

GHG emissions (Scope 1) by business activity

	Unit of measurement	2017	2021	2022	2023
Exploration and Production	mln tonnes of CO ₂ e	10.267	10.836	13.132	12.912
Oil Refining and Petrochemicals	mln tonnes of CO ₂ e	17.635	16.110	19.523	15.359
Power Generation	mln tonnes of CO ₂ e	12.468	9.239	8.346	8.454
Transportation	mln tonnes of CO ₂ e	0.078	0.203	0.201	0.172

Note. The data on Oil Refining and Petrochemicals business activity include LLC LLK-International.

GHG emissions intensity by business activity (Scope 1 + Scope 2)

Business activity	Unit of measurement	2017	2021	2022	2023
Exploration and Production	kg of CO ₂ e / boe	23.95	19.32	22.13	22.36
	g of CO ₂ e / MJ	4.01	3.3	3.78	3.82
Oil Refining and Petrochemicals	tonnes of CO ₂ e / tonne of processed raw materials	0.29	0.28	0.30	0.29
Power Generation	tonnes of CO ₂ e / MWh of generated electricity and heating	0.34	0.34	0.33	0.34

Notes. The GHG emissions intensity by the Oil Refining and Petrochemicals entities is calculated based on the volume of GHG emissions from oil refineries and petrochemical complexes (in total), excluding LLC LLK-International (the business activity is lubricants production). The emissions intensity by the Power Generation entities is calculated with the exception of LLC LUKOIL-ENERGOSETI (the business activity is power transmission and services).

¹ In the comparable structure of LUKOIL Group.
² Land Power and PJSC EL5-Energo are not included in the organizational boundaries for GHG emissions accounting.

Decarbonization technologies

The Company has initiated R&D work to develop effective GHG utilization technologies that were included in the Decarbonization Program of PJSC LUKOIL. The options for reducing GHG emissions have been assessed in terms of significance, feasibility and availability; the best available technologies and scientific developments have been selected; registers of GHG emission sources have been created and the largest emitters (more than 10,000 tonnes of CO₂e) have been identified in the Oil and Gas Production segment.

The Company is studying the applicability of various decarbonization technologies, and the R&D program is searching for solutions that can be adapted to the production environment of the LUKOIL Group entities.

Examples of R&D projects in the Oil and Gas Production in Russia business sector (LLC RITEK)

Area of research (technology)	R&D projects
 Carbon capture, utilization and storage	Development and implementation of the Huff and Puff CO₂ injection technology (R&D stage) The project is aimed at reducing the carbon footprint of produced oil, intensifying production and enhancing oil recovery with the production of additional oil. During the previous stage, studies of CO₂ impacts on viscous oils were performed (a 10-fold viscosity decrease), test injections of CO₂ with solvents into the formation were carried out. Next stage objectives: improvement of the Huff & Puff technology involving the use of a solvent, completion of laboratory research, field tests, preparatory work for obtaining a technology patent. Development of an integrated technology for utilization of flue gases using microalgae and processing of biomass into bio oil¹ (R&D stage) In 2023, positive results of studying the microalgae growth rate in the CO₂ environment were obtained. Next stage objectives: to build an experimental flue gas utilization facility with a capacity of 5,000 cubic meters per day. LLC RITEK continues to study hydrothermal liquefaction processes to create a pilot biofuel plant. The project was recognized as the best in the Environmental Project of the Year nomination of the Investment Leaders Award, and also became a short-listed candidate in the Alternative Energy nomination of the ECOTECH-LEADER National Environmental Technology Award.
 Production of low-carbon hydrogen	Development of an integrated pyrolysis-based technology for APG utilization to produce CO₂-neutral hydrogen (R&D stage) The project aims at developing the patent-protected proprietary technology for APG pyrolytic decomposition. In 2022, research was carried out on energy technology complexes to produce hydrogen from APG. According to the results of laboratory tests on the utilization of 1 million cubic meters of gas per year, 600 tonnes of useful products were received and GHG emissions were reduced by 2,300 tonnes of CO₂e. During 2023, laboratory studies were carried out on methane pyrolysis and selection of materials and workable technological solutions. An experimental prototype of the methane pyrolysis unit was developed. Next stage objectives: creation of a high-temperature APG pyrolysis unit and pilot testing. Based on the results of this stage, a decision will be made to replicate the technology. The option of low-temperature APG pyrolysis to produce carbon nanofibers and nanotubes in high demand in industry is also considered.

Partner projects

LUKOIL is a participant in foreign hydrocarbon production projects. By agreement of the parties to the consortia, solutions are sought and projects are implemented to reduce the carbon footprint of production facilities.

Azerbaijan

Being a partner to the Shah Deniz Gas Condensate Field Development Consortium, LUKOIL participates in projects aimed to reduce the carbon footprint of production by electrifying the hydrocarbon production process. Electricity on the Shah Deniz Alpha offshore platform is generated by five fossil fuel-operated generators. By virtue of the project, these generators are planned for decommissioning starting in 2024; the platform will be supplied with electricity from another platform (Shah Deniz Bravo) through an underwater cable. According to the Project Operator, annual GHG emissions will decrease by 20,000 tonnes CO₂e. In addition, the feasibility of future electrification of the Sangachal onshore terminal is considered.

Uzbekistan

The procedure for holding competitive tenders for construction and development of the Wastewater Disposal Project has been initiated at two fields in the Gissar project. Currently, wastewater is disposed of by thermal decomposition at a horizontal fuel gas-fired flare unit. Following the project, the disposal method will be changed – treated wastewater will be injected into water injection wells. In this case, the operating time of the flare unit will be significantly reduced as it will only be used during injection well repairs. As a result, fuel gas flaring will decrease and, consequently, pollutant and GHG emissions will decrease as well (according to forward estimates, by 80,000 tonnes of CO₂e per year).

Decarbonization products and pathways

Since our products are part of the value chain in many sectors of the economy, LUKOIL is committed to a strategy of reasonable diversification, providing its customers with popular products, both traditional and those with a reduced carbon footprint. However, given the fragmentation of markets and uneven demand for green products, the task of reducing impacts of traditional fuel products supplied by the Company on man and the environment remains urgent.

Motor gasoline and diesel fuel

LUKOIL actively promotes sales of its fuels under the ECTO trademark, which offers improved efficiency and environmental performance. In 2023, our ECTO sales in Russia grew by 6.4%. Motor gasoline of all grades

(ECTO 100, ECTO 95, ECTO 92) and ECTO diesel fuel are characterized by more economical fuel consumption and, as a result, reduced GHG emissions by customer vehicles, a reduced content of pollutants in exhaust gases,

including nitrogen oxide, carbon monoxide and other toxic substances and carcinogenic agents.

Low-carbon products

Abroad, LUKOIL supplies its customers with fuels with a low or near-zero carbon footprint¹:

- ✓ motor gasoline with bioethanol content (up to 10 wt%) or blends of bioethanol and other types of renewable fuel;
- ✓ biodiesel with FAME² content (up to 7 wt%) and biodiesel produced from type A raw materials³;
- ✓ second-generation HVO biodiesel⁴;
- ✓ Teboil Green+ fuel, made entirely of waste and residual raw materials. Its carbon footprint is 90% less compared to the traditional fuels.

¹ Detailed information on the project is available in the LUKOIL Group Sustainability Report for 2022.

² FAME means fatty acid methyl esters.

³ Type A raw materials include spent vegetable oils, etc.

⁴ HVO (hydrogenated vegetable oil) means hydrogenated vegetable oil fuel.

Biofuel blends are produced at the LUKOIL Group oil refineries and oil depots in Romania and Bulgaria, as well as at Zeeland Refinery¹. Our oil refinery in Bulgaria participates in the ISCC voluntary certification system². Demand for oil products remains stable with insignificant year-on-year fluctuations.

In accordance with the EU’s Green Deal, liquefied petroleum gases (LPG) are classified as “transitional” energy products, they are more environmentally friendly than gasoline

Marine and air transportation fuel

LUKOIL produces and supplies high-quality aviation fuel (jet fuel) and marine transportation fuel to clients in Russia and abroad.

In 2023, the Company began preparations for the scheduled entry into force of the International Civil Aviation Organization (ICAO) rules on regulating GHG emissions in accordance with the CORSIA mechanism³. Both short-term solutions (certification of the methodology for carbon footprint assessment over the entire lifecycle of jet fuel produced by LUKOIL Group, LCAF) and longer-term solutions (production of bio-jet fuel, SAF⁴) are under consideration.

The market for fuel products for marine transportation is also undergoing changes associated with plans for the creation of “green sea corridors.” Starting in 2024, the carbon emissions trading system shall apply to sea shipments through EU ports, and from 2025 the emissions restrictions will be expanded. At the same time, the decarbonization of shipping remains a difficult task despite certain achievements by industry companies. Being guided by the rules of the International Maritime Organization (IMO), LUKOIL continues to produce and sell low-sulfur fuel with a sulfur content of no more than 0.5%.

¹ LUKOIL owns a share in Zeeland Refinery.
² ISCC (International Sustainability and Carbon Certification scheme) is an international system of certification for compliance with the requirements on the traceability of sustainable materials. The certificate confirms that the products are second-generation biofuels.
³ Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).
⁴ SAF means sustainable aviation fuel.

LUKOIL Group sales of biofuel blends, thousand liters



and diesel fuel. LUKOIL oil refineries produce LPG, the main consumers of which are not only utility companies and petrochemical production facilities, but also vehicle owners. The Company

is developing retail sales of LPG as a gas motor fuel. LPG is sold at 127 LUKOIL fuel stations, including 95 fuel stations in Russia’s southern regions.

The oil refinery in Bulgaria is considering the possibility of producing SAF in the coming years, laboratory tests have already been carried out and a process design has been prepared. The product is planned to be ISCC certified. However,

at the round table on the production of SAF, its participants (representatives of airports, airlines, authorities, and the media) highlighted a number of issues that require active engagement of all stakeholders.

LUKOIL Group sales of jet fuel, thousand tonnes



Marine fuel

Indicators	Unit of measurement	2021	2022	2023
LUKOIL Group sales of bunker marine fuel	thousand tonnes	2,109	1,124	1,527
Percentage of environmentally safe marine fuel in sales by LLC LUKOIL-MarinBunker	%	23	20	10

Note. The dynamics of environmentally safe fuel sales is determined by demand in new product supply markets.

Energy for electric vehicles

LUKOIL’s fuel stations are equipped with electric charging stations (ECS) for electric vehicles. In Russia, this area is exploited by the Company in cooperation with partners and corresponds to the Concept for the Development of the Production and Use of Electric Road Transport in the Russian Federation Until 2030, as well as the corporate model of an “integrated provider of services in demand by clients”¹.

The evolution dynamics of this type of services depends on such factors as state support measures, the rate

of changes in the fleet structure, the requirements on the capacity of charging devices, the availability of free capacity at fuel stations, etc.

In 2023, 95% of LUKOIL’s ECSs were located in Russia, with most of them classified as fast-charging stations. The maximum availability of the service is ensured in the Moscow Region and the Krasnodar Territory; all in all, ECSs can be found in 12 constituent entities of the Russian Federation.

In foreign countries, LUKOIL’s clients have access mainly to medium-capacity (up to 60 kW) electric charging stations. The largest number of stations was installed in Finland within the state support program: since 2020, their number has doubled. The Company has developed a program to expand the fuel stations network in Belgium and the Netherlands for the period up to 2035; the program provides for installing electric charging stations.

Electricity for electric vehicles

Indicators	2021	2022	2023
Number of LUKOIL Group fuel stations equipped with ECSs	28	89	132
Total number of ECSs	34	95	160
Including:			
in Russia	25	85	142
✓ fast-charging – over 50 kW to 150 kW	3	62	119
✓ medium-charging – over 30 kW to 50 kW	11	11	11
✓ slow-charging – up to 30 kW	11	12	12
Abroad	9	10	18
✓ fast-charging – up to 150 kW	5	5	5
✓ medium-charging – up to 60 kW	3	4	12
✓ slow-charging – up to 30 kW	1	1	1

¹ See the [Supply Chain](#) section, [p.96](#).

Petrochemicals

LUKOIL is one of the largest suppliers of polymers, pyrolysis and organic synthesis products. In 2023, LLC LINK developed a methodology for assessing the carbon footprint of various types of products produced at LLC Stavrolen. The methodology allows to compare the assessment results with reference

or threshold values (for example, for LCAF products or for CBAM purposes). On its basis, measures are developed to produce products with a reduced carbon footprint. The methodology is also expected to be used in assessing the carbon footprint of refinery products.

At two LUKOIL production facilities, the carbon footprint of refined products is already reduced with green energy purchased under FBCs.

Lubricants

LLC LLK-International is focused on creating a wide range of products that meet customer needs to a maximum possible extent, including innovative oils and lubricants for advanced machinery and equipment. During 2023, development of products geared towards new market segments continued.

✓ A range of products for servicing electric vehicles and hybrid cars. Based on the results of market

analysis and interaction with partners and electric vehicles manufacturers, the types of products in high demand have been identified. In 2023, LUKOIL E-FLUID 301 was developed for oil-cooled electric vehicles.

✓ Specialty products for the wind power industry. Formulas of two brand-new products for the wind power industry were developed – LUKOIL GEYSER WP 32 hydraulic oil and LUKOIL STILO WP 320 gear oil.

Both products are meant to be used for equipment maintenance purposes at the Kolskaya and Azovskaya wind power plants.

To improve fuel efficiency of conventional ICE vehicles, low-viscosity motor oils are produced, which reduce energy losses from friction in engine components and, as a result, reduce GHG emissions.

Oils and lubricants

Indicators	Unit of measurement	2021	2022	2023
Sales of branded oils	thousand tonnes	593	568	487
Percentage of energy-efficient lubricants in total sales of lubricants (PVL + CVL)	%	11	18	19

Note. Energy-efficient lubricants are oils with low rates of high-temperature viscosity (less than or equal to XXW-30) for light-duty and cargo product lines. PVL means passenger vehicle lubricants, CVL means commercial vehicle lubricants.

Prospective projects

LUKOIL is also considering the possibility of expanding the range of products as a result of integrating into projects on the development of value-added chemical products and own production of new basic oil and gas chemical products, and the expansion of low-tonnage chemistry. The priority is to adapt product specifications to new target markets. The Company is working towards flexible configuration

of production facilities and infrastructure for accumulation, blending and storage of products for specific markets that demonstrate the maximum potential.

Key tasks include the search for technological partners, development of technologies within R&D, construction of pilot units and their scaling, as well as monitoring of high-potential product sales markets. Important

factors are client preferences and legal regulation in Russia and countries of potential export destinations.

LUKOIL is also exploring new opportunities to diversify its product portfolio and reduce its carbon footprint, including:



✓ Use of renewable energy for the production of products

✓ Recycling of polymer waste and production of secondary plastics

✓ Use of low-carbon hydrogen in refining entities’ production processes

✓ Production of CO₂ as a marketable product, etc.

✓ Use of biocomponents for the production of fuels

Detailed information on the types of products and their properties is available on the following websites: [PJSC LUKOIL](#); [LLC LLK-International](#); [LLC LUKOIL-AERO](#), and [LLC LUKOIL-MarinBunker](#), and also in the [Sustainability / Supply Chain](#) section.

Environmental protection

Integrated management system

LUKOIL Group’s sustainable development goal:
Prioritising environmental safety

The [Integrated Management System](#) of Industrial, Fire, Radiation Safety, Emergency Prevention and Liquidation, the Protection of Civilians, Occupational Safety and Environmental Protection (IMS) implemented by the Company on a voluntary basis has been in effect for over 20 years. The system covers 100% of the LUKOIL Group entities. The following ongoing processes guarantee its robust performance:

- ✓ update of the policy and corporate standards system (once every five years or whenever required);
- ✓ identification and management of risks and environmental issues (on an annual basis);
- ✓ implementation of targeted functional programs (annually, with a 3-year planning horizon);
- ✓ monitoring and assessment of performance results (on an annual basis) using the following tools and

instruments: KPI assessment, audits as part of corporate-wide control and supervision, reporting to the Board of Directors of PJSC LUKOIL.

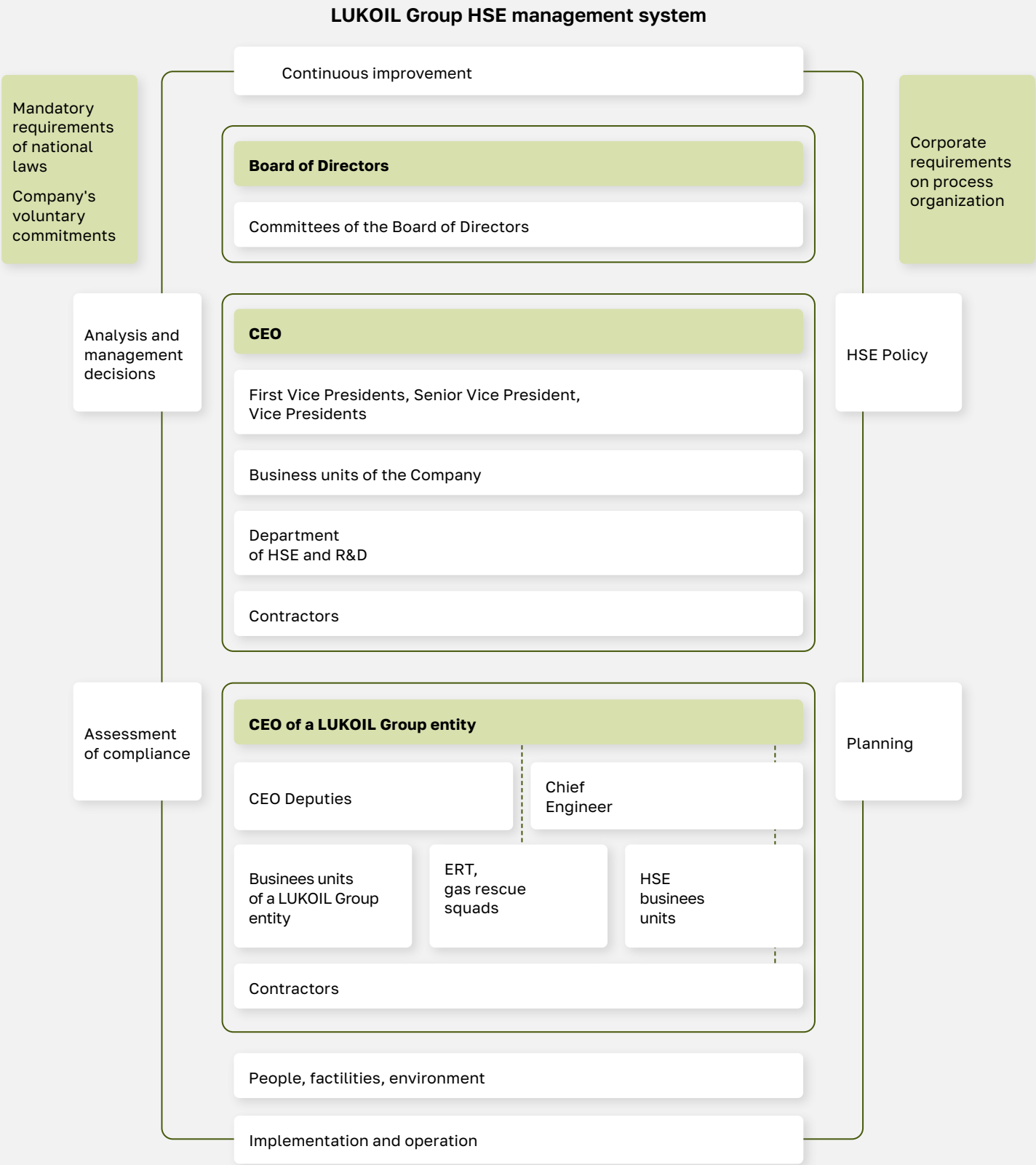
In 2023, in the course of an external supervisory audit, the Company successfully confirmed compliance with the requirements of ISO 45001:2018 and ISO 14001:2015.

The technology in use at the LUKOIL Group entities correspond to the best available technology (BAT) reflected in information and technical reference books (ITRB¹). In Russia, compliance of the equipment used, technological processes, procedures and methods with these reference books is assessed by the authorized governmental body when considering documentation on issuing integrated environmental permits.

Raising HSE awareness and competence of the Group’s specialists and managers is an important component of the IMS. To promote exchange of best practices and discuss problematic issues, seminars and competitions and also Safety Days are held on an annual basis. During 2023, the scope of training of specialists and managers of the Group’s entities amounted to more than 3,000 person-courses, including using the corporate distance learning system.

¹ ITRB 28-2021 Oil Production, ITRB 28-2017 Natural Gas Production, and ITRB 30-2021 Oil Refining.

Building blocks of the Integrated HSE Management System



Improvement of the management system

To improve management efficiency, the structure of the HSE Management business process was updated during 2023. Based on the results of the risk analysis, two new functional areas were added – ensuring the road traffic safety

and ensuring the safety of transportation of oil and oil products by water transport and operation of offshore facilities. Thus, the business process includes 11 work streams controlled by corporate supervisory and control

bodies. The Methodology for assessing the key performance indicator Ensuring the Required Level of HSE at the LUKOIL Group Entities was also updated and approved.

Environmental impact monitoring and assessment

Following statutory requirements and voluntary initiatives, LUKOIL assesses¹ and monitors the environmental impact of its production operations at all stages, from design to completion, based on the precautionary principle. The assessment results form the basis for selecting project and technological solutions and for adjusting plans. The Company performs environmental control and monitoring to confirm compliance of its production facilities with the established environmental impact standards.

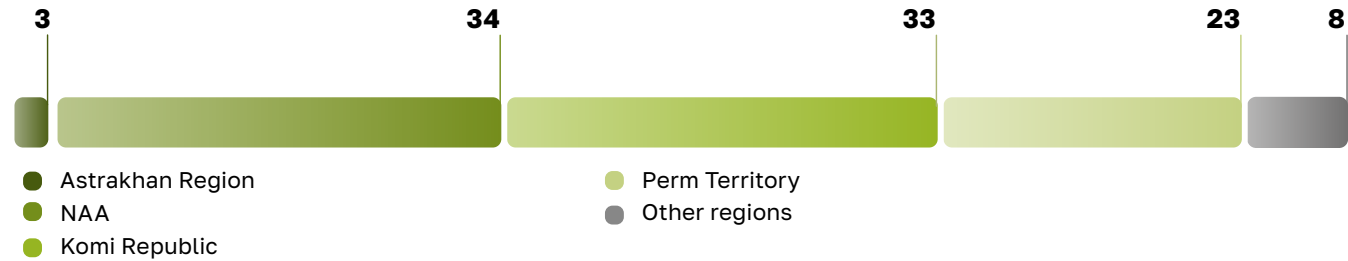
Public hearings are organized in Russia to assess the environmental impact of planned projects, including projects on the construction of new production facilities and expansion of production. Residents from surrounding communities and local authorities, experts, scientists, and other

stakeholders participate in such events. The hearing results are used to adjust the project design documentation, if necessary. In 2023, 101 (in 2022: 77) EIA-related events were organized. The dynamics of the indicator is due to plans to expand operations at specific assets.

Financing of HSE targeted and investment programs, RUB mln



Number of EIA events



¹ The Environmental Impact Assessment (EIA) procedure is implied.

Main impacts of production facilities

Since the production and refining of oil and gas involve complex technological processes, negative impacts on environmental components inevitably arise (see the table below and [Appendix 3](#)). In the electric power sector, the dependence of production activities of oil and gas companies on ecosystem services

is low¹. For example, in certain years the dependence of electric energy generation by small HPPs on water levels in rivers (in southern Russia) is observed. For the sake of sustainable development of the community and the territories of presence, LUKOIL on a continuous basis takes measures to reduce negative impacts from its production facilities and

delivers positive results (see the table on [page 26](#)). The Company also strives to produce positive environmental impacts where possible. For this purpose, the Group entities develop R&D projects and intensify cooperation with scientific and research institutes and higher education institutions.

Impact on environmental components and mitigation measures

Environmental components	Initiatives aimed at reducing negative impacts	Initiatives aimed at strengthening positive impacts
Ambient air (excluding GHG emissions): pollutant emissions	Equipment upgrades Retrofitting of oil and gas pipelines	Implementing R&D results Decommissioning of outdated equipment
Water resources: pollutant discharges	Construction and reconstruction of treatment facilities to improve wastewater treatment efficiency Construction of wastewater disposal equipment	
Land resources: ✓ drilling waste disposal; ✓ contamination from accidental oil spills; ✓ impact of field infrastructure facilities on ecosystem components	Construction and reconstruction of waste disposal sites at production entities Disposal of drilling waste and oil sludge	Environmentally friendly geoseismic operation model Reclamation of land plots and restoration of forest areas Assistance in the study and restoration of rare and endangered species Environmental education and campaigns in the regions of the Russian Federation

Environmental safety program

The LUKOIL Group strategy is premised on the following targets: sustainable use of natural resources; reduced technogenic burden on the environment, and increased level of automation of technological processes control. The Company interacts with the authorities to improve the environmental situation in the constituent entities of the Russian Federation.

Annual environmental protection events as part of the Environmental Safety Program (ESP) are planned and

held. The ESP is also aimed at ensuring compliance with statutory requirements, including obtaining integrated environmental permits, equipping production facilities with automatic measuring and recording instruments, establishing sanitary protection zones.

In 2023, the ESP included more than 500 events (grouped into nine subprograms) in accordance with the Program Passport designed to reduce the impact on ambient air, climate, water bodies, waste disposal and recovery, and biodiversity

conservation at 49 LUKOIL Group entities in Russia and abroad. Industrial environmental control (the IEC) and monitoring of environmental components are continually performed in the areas of impact of the LUKOIL Group facilities. In 2023, the share of excess payments² in the total amount of compensation for adverse environmental impact went down to 20% (in 2022: 35%). The main ESP events during 2023 were aimed at reducing air emissions, wastewater treatment, and disposal and recovery of waste generated.

¹ TNFD Draft sector guidance – Oil and gas, 2023.

² The excess payments, inter alia, may arise due to delays in obtaining approvals and permits.

Water resources

Water is required for operations of all the LUKOIL Group entities, from exploration and production of hydrocarbons to delivery of finished products to the consumer. In oil and gas production, water is used mainly to maintain reservoir pressure and desalinate produced oil. Refineries and petrochemical plants use water

in cooling and condensation units for distillation products, in heat-power stations for steam generation, as well as in the preparation of make-up water for boilers, cooling towers, and steam generators, as raw material and reagent for chemical production and in other processes. Power generation facilities need water to produce steam

and cool the equipment of thermal power plants. Water from surface and underground bodies is withdrawn subject to water use permits and mainly within the established limits.

Sustainable water use

The Company is focused on optimizing water consumption, including in arid (dry) regions, and reducing the pollution of water bodies with wastewater. Our primary approach to solving the issue of sustainable water use is the application of water recycling and reuse systems, increasing the level of wastewater treatment, and reducing water loss in production.

At production facilities, treated reservoir water is reused for the needs of reservoir pressure maintenance. New production facilities are required to be equipped with circulating and recycled water supply systems and treatment units.

90% of LUKOIL Group’s total water use¹ by production facilities comes from circulating and recycled water supply systems; for the Russian Group entities this figure is also 90%.

Power generating facilities, refineries, and petrochemical plants are equipped with circulating and sequentially reused process water supply systems.

The Company analyzes issues surrounding its water use in the process of updating the Register of Environmental Aspects. Activities on sustainable water management under the ESP have been integrated into the Clean Water subprogram. Each year the Company builds, renovates, and retrofits water treatment and wastewater treatment systems.

Our awards

The Circulating Water Supply System project (LLC LUKOIL-Yugnefteprodukt) won an award in the Water Supply and Water Resources Management nomination of the National Environmental Award. The Stationary Environmental Monitoring System Using Bottom Stations project (LLC LUKOIL-Nizhnevolzhskneft) was awarded in the Ecomonitoring nomination of the ECOTECH-LEADER National Environmental Technology Award.



Fresh water

Target for 2023: Optimization of water consumption



The share of fresh water withdrawal by LUKOIL Group in 2023 accounted for 66% of total water withdrawal by the LUKOIL Group entities (in 2022: 46%). The increase in the indicator versus 2022 is explained by the exclusion of the oil refinery in Italy from the reporting perimeter due to its sale¹.

Due to this reason, the total volume of water withdrawal and retrieval abroad decreased significantly (from 248.5 million cubic meters in 2022 to 19.4 million cubic meters in 2023),

while the share of fresh water withdrawn from water intakes of the Group’s foreign entities rose to 88%.

In Russia, the total volume of water withdrawal and retrieval by the LUKOIL Group entities went down by 1.4%, the volume of fresh water withdrawal decreased as well (by 2.9%).

In Russia, fresh water is received through own water intakes of the LUKOIL Group entities from

surface and underground sources. Water is primarily withdrawn from the Ob, Pechora, Volga, Don, and Kuban river basins subject to permit documents and mainly within the established quotas. Water is discharged into source water basins, so LUKOIL does not have a significant negative impact on the natural water balance.

Regions with water stress

Most of the Russian entities with production assets operate in territories with ample fresh water resources, with the exception of regions with a high-density population and a concentration of economic activity in the south of the country. Territories with ample fresh water resources have medium to low values of the Baseline Water Stress indicator², however, the Company considers five regions to be arid in the national context³.

The Baseline Water Stress indicator in two countries outside of Russia is at a high level (Uzbekistan), or seasonal precipitation fluctuations may occur, leading to droughts or shortage of drinking water (European countries), and the availability of fresh water supply in those territories may worsen due to climate change.

Regular operations of the LUKOIL Group entities have no significant impact on the water content of natural sources or the availability of water resources to other consumers in arid regions⁴.

Significant regions⁵ that the Company classifies as regions with shortage or potential shortage of fresh water.

- In Russia:
- ✓ Krasnodar and Stavropol Territories
 - ✓ Astrakhan, Volgograd, and Rostov Regions.

- Abroad:
- ✓ Romania
 - ✓ Uzbekistan.

The share of fresh water withdrawn by the Russian Group entities in arid regions in Russia was 39% of the Company’s total water withdrawal in the country (in 2022: 43%). The share of fresh water withdrawal in Uzbekistan accounted for 19% of the total water withdrawal in foreign countries (in 2022: 2.3%); the change is due to a decrease in the total water withdrawal in foreign countries resulting from the sale of the oil refinery in Italy.

¹ Water use means water consumption for own needs and storage/use of water in circulating and recycled water supply systems.

¹ The water supply of the oil refinery in Italy was mainly from centralized sources, sea water was used for equipment cooling purposes.
² Data from the Aqueduct project of the World Resources Institute were used to identify arid regions. Source: <https://www.wri.org/aqueduct/tools>. Country territories are compared using the Baseline Water Stress Indicator, which measures the ratio of total water withdrawals to available renewable water resources. Water withdrawals include household, industrial, irrigation, and non-recoverable use of water in livestock production. Available renewable water resources include surface and groundwater supplies and consider the impact of upstream water users and large dams on the downstream water availability. Higher indicator values suggest increased competition for water resources among users.
³ Source: Third Assessment Report on Climate Change and Their Consequences on the Territory of the Russian Federation – Roshydromet, 2022.
⁴ The Company assumes that, since water withdrawal quotas are allocated by the state, it is implied that the allocation is performed in such a way that the available water resources are sufficient to satisfy the needs of all water users.
⁵ Refer to [Appendix 6](#) for the definition of a significant region.

Indicators

Water withdrawal and retrieval by the LUKOIL Group entities				
	Unit of measurement	2021	2022	2023
LUKOIL Group	mln cubic meters	680.9	725.6	489.9
Sea water	mln cubic meters	44.9	63.0	14.5
Fresh water	mln cubic meters	331.5	333.1	320.7
Other water (mineralized, wastewater, centralized water supply, etc.)	mln cubic meters	304.5	329.5	154.7
Note. Data on water withdrawal exclude water produced as a by-product with hydrocarbons and subsequently used to maintain the formation pressure during oil production.				

Water produced as a by-product with hydrocarbons and subsequently used to maintain the formation pressure during oil production				
	Unit of measurement	2021	2022	2023
LUKOIL Group	mln cubic meters	374.5	426.0	390.7
Russian entities	mln cubic meters	374.5	426.0	390.6
Foreign entities	mln cubic meters	0.03	0.03	0.03

The management approach to handling water (including fresh and sea water); formation water extracted in the process of hydrocarbon production; and water resources in arid (dry) regions is described on the website in the [Sustainability/Environment](#) section.

Wastewater discharge and wastewater quality

Target for 2023:

Minimization of polluted (insufficiently treated) wastewater discharges into water bodies

The Company constantly monitors wastewater quality, paying particular attention to its chemical and physical properties. Improving the quality of wastewater is one of the objectives of the Environmental Safety Program. The Company’s laboratories, along with

independent certified organizations, monitor compliance with the established standards as part of the IEC.

Wastewater generated as a result of the production process is transferred to treatment facilities that use

mechanical, biological, and physical-chemical treatment methods. Measures are taken to identify and prevent potential negative consequences related to sewage disposal, including undertaking investment projects to improve the quality of wastewater.

Examples of the reporting year events

Treatment facilities at the Nizhny Novgorod oil refinery were put into operation; their reconstruction was planned in connection with the construction of a new oil residue conversion complex.

The physical-chemical, mechanical and biological stages of wastewater treatment are supplemented with flotation, disk filtration, sorption, and ultraviolet disinfection processes. The use of chlorine-containing compounds for water treatment purposes is prohibited.

Plans

- ✓ Construction of water pipelines to dispose of wastewater from the steam generating plant at the Usinskoye deposit (Komi Republic).
- ✓ Retrofitting of biological treatment facilities at LLC Saratovorgsintez (continued implementation).
- ✓ Reconstruction of treatment facilities at the Ukhta oil refinery (continued implementation).

Indicators

In 2023, indicators of water discharged into surface water bodies remained at the level of 2021. Water discharge into the sea decreased significantly due to the sale of the oil refinery in Italy. The share of clean standard-quality wastewater and wastewater treated to standard quality in the total (cumulative) volume of discharges into surface water bodies and the sea remained high across LUKOIL Group at 96% (in 2022: 98%) and 98.8% (in 2022: 99.96%), respectively.

Water discharge into water bodies by wastewater quality across the LUKOIL Group entities				
	Unit of measurement	2021	2022	2023
Water discharge into surface water bodies:	mln cubic meters	210.3	211.4	210.8
✓ clean standard-quality wastewater	mln cubic meters	172.5	172.5	173.5
✓ wastewater treated to standard quality	mln cubic meters	29.3	30.6	29.5
✓ polluted wastewater	mln cubic meters	8.5	8.3	7.9
Water discharge into the sea:	mln cubic meters	202.7	220.4	11.7
✓ clean standard-quality wastewater	mln cubic meters	202.3	219.6	11.6
✓ wastewater treated to standard quality	mln cubic meters	0	0.7	0
✓ polluted wastewater	mln cubic meters	0.4	0.1	0.1
Note. Polluted water is insufficiently treated wastewater and wastewater that is not treated.				

A description of the management approach to wastewater, as well as the treatment of formation water, is available on the website in the [Sustainability/Environment](#) section.

Progress of the LIFE WATEROIL project

The LIFE WATEROIL project, aimed at reducing the environmental and climate impacts of production, continues to be implemented at the oil refinery in Bulgaria.

In 2023, the construction of a ‘closed’ system of feeding sour water to the electric desalting unit and the hydrocracking unit section was completed. Instead of fresh water, which was previously withdrawn from Lake Mandra, now stripped water is fed to the production plant.

To improve wastewater quality, the powder bioactivator formula has been improved, which now uses a microbial strain capable of decomposing hydrocarbons. To determine the wastewater odor intensity, a methodology was developed based on the use of the dynamic olfactometry technique. Several tests of this technique were carried out to study the distribution of odor and its determination by a direct recognition (organoleptic) method. Volunteers from among local residents and Burgas university students were involved. In future, it is planned to replace the aeration system of the biological stage of the Central Treatment Facilities (CTF) and to build a closed pipeline for wastewater discharge from the crude distillation unit into the CTF. Key measures are scheduled for 2024.

As a result of all these measures, emissions of hydrogen sulfide (H2S) and hydrocarbons into ambient air will reduce, the level of wastewater treatment will increase and, subsequently, water quality in the receiving water body will improve.

Ambient air

Reducing air pollutant emissions is a priority area of the Environmental Safety Program integrated into the Clean Air subprogram. Key initiatives to reduce pollutant emissions include:
✔ replacing or upgrading production equipment;

✔ implementing emissions capture and treatment systems;
✔ upgrading and constructing new generation capacities at power generating entities with improved systems to regulate fuel combustion processes.



Target for 2023 (LUKOIL Group):
Ensuring that specific air emissions are not higher than the level achieved in 2020

Examples of the reporting year events

- ✔ Upgrade of power unit No. 1 at Krasnodar CHPP (LLC Kubanenergo).
- ✔ Retrofitting and reconstruction of gas pipelines (LLC LUKOIL-Perm).

Plans

It is planned to build an on-spot loading rack for light oil products with a hydrocarbon vapor recovery unit at the Perm oil refinery, as well as to upgrade pyrolysis furnaces at LLC Stavrolen and continue upgrading Krasnodar CHPP units.

Indicators

Thanks to ESP initiatives, year-on-year emissions of nitrogen oxides, sulfur dioxide and hydrocarbons in the key business segments have reduced over the five years. In particular, sulfur dioxide and hydrocarbons emissions almost halved from the 2019 level. At the same time, emissions of solids and carbon monoxide increased due to production conditions at the fields.

Air pollutant emissions (net of CO₂) at LUKOIL Group

	Unit of measurement	2021	2022	2023
Total pollutant emissions	thousand tonnes	425	457	467
NO _x	thousand tonnes	42	41	40
SO ₂	thousand tonnes	35	33	24
Solid particle discharges	thousand tonnes	18	21	24
CO	thousand tonnes	177	198	226
Hydrocarbons emissions	thousand tonnes	37	40	32
VOC	thousand tonnes	116	124	120
Other	thousand tonnes	1	1	1

Note. Substances contained in air emissions are mainly classified as hazard class III.

Specific air pollutant emissions by the Russian entities of LUKOIL Group by business activity

Business segments and business sectors	Unit of measurement	2020	2021	2022	2023
Exploration and Production	kg / tonne of oil equivalent in extracted hydrocarbon resources	3.3	3.5	3.7	4.0
Oil Refining	kg / tonne of refined oil	0.8	0.8	0.8	0.8
Petrochemicals	kg / tonne of processed raw materials	1.6	1.5	1.7	1.6
Oil Product Supply	kg / tonne of oil products sold	0.7	0.9	0.8	0.9
Transportation	kg / tonne of oil, oil products transported	0.2	0.2	0.2	0.1
Power Generation	kg / tonne of oil equivalent in consumed fuel	3.5	3.2	3.4	3.6

Waste management

Our primary approach to industrial waste management is to prevent its accumulation at the LUKOIL Group facilities. To achieve this, the waste management KPI was introduced in the Group’s Russian entities (the volume of waste disposed of and recovered should correspond to the volume of waste generated). This indicator is met each year.



Targets for 2023 (LUKOIL Group):
KPIs: the volume of waste disposed of and recovered is equal to the volume of waste generated¹

Waste generation and management

Most production waste in Russia falls under non-hazardous or low-hazard categories (Classes IV and V under the Russian classification): more than 60% is drilling waste and used drilling mud generated during drilling and well operation. These are mainly dealt with by contractors selected on a competitive basis. The volume of waste generated depends primarily on the scope of drilling and repair works. Pitless drilling

technology is used in a number of regions, where the drilling waste generated is not stored or landfilled at drilling sites.

Landfills or sites for waste accumulation, its safe disposal and recovery or temporary storage, with subsequent removal along winter roads, are being built at remote LUKOIL facilities in the Arctic Zone of the Russian Federation that do not have permanent connection with populated areas.

A distinguishing feature of LUKOIL’s operations is rock that forms as a result of mine oil production in the Komi Republic. In accordance with the Russian laws, the only way to manage these wastes since 2017 has been storage; from 2022, the accumulated waste is disposed of.

Hazardous waste management

The share of hazardous waste (Classes I–III) in the Russian LUKOIL Group entities was 0.009% as at the end of 2023. Class I and II waste containing substances dangerous to human life and health and causing permanent changes in ecosystems is subject to mandatory handover to the Federal Environmental Operator.

Waste of hazard class III include, among other things, a portion of oil-containing waste (with an oil product content above 15%); all waste of this class is also subject to mandatory disposal.

We monitor the quality of contractors’ operations by examining their waste-handling methods, the state

of the production control system, and the availability of adequate resources to fulfill their contractual obligations.

Pre-privatization waste management

LUKOIL disposes of waste from the pre-privatization period²: 89,000 tonnes were disposed of or recovered in 2023, of which 19,000 tonnes were disposed of or recovered in the Russian entities.

In Russia, such waste has been fully recycled at LLC LUKOIL-Western Siberia, LLC RITEK and the Volgograd oil refinery; accumulated wastes remain at the Perm oil refinery and the Ukhta

oil refinery, and the respective work is performed according to the schedule. In Bulgaria, according to national legislation, the state is the owner of this waste, and, therefore, it is disposed

of or recovered using government funding. During 2023, 69,300 cubic meters of oil sludge were recycled at the oil refinery in Bulgaria within

the framework of the Liquidation of Old Environmental Damage Program. Thus, in a few years, one of the sludge pits in which waste was stored

was completely cleaned. The next stage of the project is being assessed for its environmental impact.

Indicators

In 2023, the waste management KPI was achieved. Data for 2021–2023 are provided for the Komi Republic and the NAA, taking into account rock¹ formed as a result of mine oil production at LLC LUKOIL-Perm.

Waste management at the LUKOIL Group entities

Indicators	Unit of measurement	2021	2022	2023
Waste generated during the reporting year	thousand tonnes	2,143	2,117	2,111
Waste received from third parties	thousand tonnes	6	4	4
Amount of waste eliminated (recovered, neutralized, transferred to specialized entities, as well as landfill waste)	thousand tonnes	2,020	1,997	2,127
Waste at the end of the reporting year	thousand tonnes	3,652	3,778	3,764

Waste at the end of the reporting year by hazard class at the LUKOIL Group entities

Indicators	Unit of measurement	2021	2022	2023
Russian entities	thousand tonnes	3,626	3,753	3,742
Hazard Class I	thousand tonnes	0.001	0.007	0.004
Hazard Class II	thousand tonnes	0.004	0.001	0.004
Percentage of waste of Hazard Classes I and II	%	0.0001	0.0002	0.0002
Hazard Class III (incl. oil-containing)	thousand tonnes	25	22	32
Percentage of waste of Hazard Classes I, II, and III	%	0.7	0.6	0.9
TOTAL hazardous waste (Classes I, II, and III)	thousand tonnes	25	22	32
Hazard Class IV	thousand tonnes	878	948	877
Hazard Class V	thousand tonnes	2,723	2,783	2,833
TOTAL non-hazardous and low-hazardous waste (Classes IV and V)	thousand tonnes	3,601	3,732	3,710
Foreign entities	thousand tonnes	26	24	22
Hazardous	thousand tonnes	25	23	21
Non-hazardous	thousand tonnes	0.9	1.1	0.3

Notes: The increase in the amount of hazard class I waste by the end of 2022 (mainly fluorescent lamps and mercury laboratory thermometers) was caused by a temporary accumulation of such waste due to changes in the legal requirements for the management of hazard class I and II waste that came into effect in March 2022. At the same time, the amount of hazard class II waste (mainly acid-alkaline batteries) decreased, as its formation dynamic depends on the equipment service life. The increase in the volume of formation and accumulation of hazard class III waste in 2023 compared to 2022 is mainly due to an increase in the number of well overhauls and geological and technical measures to improve oil recovery.

¹ In the Annual Report of PJSC LUKOIL, data on waste generation, including rock, is provided starting from 2023.

Bu-Box project and other green office initiatives

Boxes for separate collection of plastic and paper waste have been placed in PJSC LUKOIL’s Central Office in Moscow. The attached information sheets make employees aware of the lifecycle of plastic and recommend simple rules for managing plastic waste to follow them at home. Similar initiatives to collect recyclable materials are being implemented at the LUKOIL Group entities both in Russia and abroad.



Additional information on the methods of waste management, including hazardous waste, is available on the website in the [Sustainability / Environment](#) section.

Land and forest resources

Russian forests are of great importance not only for the country, but also for the planet: their unique role is to maintain a favorable environment for humans, they are a source of biodiversity and act as CO₂ sinks.

The main impacts of the LUKOIL Group entities on land and forest resources are caused by their oil production activity¹. In accordance with the legislation of the Russian Federation, the Group entities carry

out compensatory forest restoration and also apply other methods aimed at preserving forest ecosystems and increasing the resource potential of the Russian forest fund.

Seismic surveying in forest areas

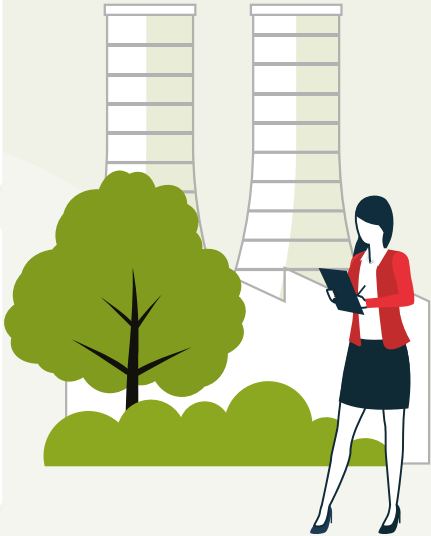
LUKOIL seeks to reduce the area of land plots used for production purposes during seismic surveys and minimizes the felling of trees during the construction of infrastructure facilities. The main surveying methods include the use of lightweight hardware and wireless data recording systems.

✓ New utility infrastructure lines are designed and built within the existing or old communication corridors. This method is used in the Kaliningrad Region.

✓ Cable-free seismic recording systems can be deployed on 1 m wide cuttings instead of 4 m. This method is used in Western Siberia and the Komi Republic when laying manually unwound cables.

✓ Small-size drilling rigs are used in the forests of the Volga Region, and the width of the cutting is also reduced from 4 m to 1 m.

✓ Aerial laser scanning (studying the territory using unmanned or manned aerial vehicles) allows specialists to more accurately plan the terrestrial survey position, leaving neighboring areas outside the survey boundaries.



¹ The topic is material for LLC LUKOIL-Western Siberia, LLC LUKOIL-Perm and LLC RITEK.

Forest resources

At the oil production stage, land and forest plots are used by the Company for the placement of production infrastructure, which implies, inter alia, the felling of trees when clearing sites. To mitigate the impact, compensatory forest restoration is carried out¹, i.e., forest is planted on an alternative territory with an area equal to the clear-felled area, no later than three years after felling (unless otherwise established by law). The Company’s responsibility is to plant seedlings or young plants grown in forest nurseries and provide agrotechnical tending for them for three years after planting. The main forest species include common pine, ash and common spruce.

In the process of selecting land plots, data provided by the executive authorities of the constituent entities of the Russian Federation are used. Where it appears impossible to plant a forest in the same region where the felling was carried out, compensatory planting is transferred to another region by agreement with the Federal Forestry Agency (Rosleskhoz).

Bare root and root ball seedlings are used for planting (in accordance with the approved forest restoration plan); if necessary, soil is cultivated to improve the survival rate of young trees. After all the work is done, forest areas are officially handed over

to the authorized executive bodies of the constituent entity of the Russian Federation.

Compensatory forest restoration measures are primarily taken in the constituent entities of the Russian Federation in which hydrocarbons are produced. Over the past three years, the area of compensatory forest restoration has exceeded 6,000 hectares, with more than 70% of the restored plots located in KhMAA – Yugra and YaNAA.

Restoration and recovery of forest resources

Indicators	Unit of measurement	2021	2022	2023
Area of compensatory forest restoration and seedling species (total of bare root and root ball), including:	hectares	2,325	1,205	2,861
Common pine:	hectares	1,532	770	2,718
✓ KhMAA – Yugra, YaNAA	hectares	841	529	2,221
✓ Republic of Tatarstan	hectares	11	17	7
✓ Komi Republic	hectares	680	224	490
European spruce, Siberian spruce:	hectares	792	872	138
✓ Komi Republic	hectares	319	339	0
✓ Perm Territory	hectares	473	97	138
Green ash (Volgograd Region)	hectares	0	1	5
Number of trees planted (compensatory forest restoration)	thousand trees	6,036	3,254	8,797
Number of trees planted as part of environmental and charity events ²	thousand trees			8.7

¹ According to the Forest Code of the Russian Federation.

² For more details, please see the [Society](#) section.

Mangrove forest restoration

In Mexico, with the participation of LUKOIL, Carmen University and local contractors, a project was implemented to restore red mangrove forests in the Ciudad del Carmen Botanic Garden. Within the project framework, 120 trees were planted. Mangroves are evergreen deciduous forests that grow in tropical and subtropical zones on the coasts of the Pacific, Atlantic and Indian Oceans. Mangroves are absorbers of GHGs and heavy metal salts dissolved in seawater, protect coasts from natural disasters (hurricanes, typhoons).

Land resources

Target for 2023 (Russian entities):
Remediation of land contaminated by accidents

Remediation of contaminated land is carried out by the Group entities in full compliance with the legislation. In the event of a spill of oil, oil products or formation water, the affected land plots are remediated after eliminating the root cause of the accident and its consequences.

In 2023, the area of contaminated land at the end of the reporting year remained at the previous year’s level. Land reclamation work was performed mainly in the Komi Republic and Western Siberia.

Contaminated land formation and reclamation in the LUKOIL Group entities				
Indicators	Unit of measurement	2021	2022	2023
Land reclaimed during the reporting year	hectares	49	71	49
Russian entities	hectares	45	71	49
Foreign entities	hectares	4	0	0
Contaminated land area at the end of the reporting year	hectares	49	10	10
Russian entities	hectares	49	10	10
Foreign entities	hectares	0	0	0

Note: The increase in the area of reclaimed land in 2022 is due to the works on liquidation of consequences of the accidental oil spill at the Oshskoye field in 2021.

Biodiversity conservation

Target for 2023:
Minimizing the impacts of operations of the LUKOIL Group entities on the biodiversity of vulnerable territories, including the reproduction of aquatic bioresources

Our refineries and the major part of our network of fuel stations are located in highly populated areas where natural ecosystems have been irreversibly altered over many decades. Therefore, the main impacts on biodiversity arise from hydrocarbon production activities and the operation of transportation systems, especially in offshore projects. At the same time, the Group entities implement initiatives aimed to improve the quality of the urban environment

in towns and cities where the production facilities are located by planting trees and arranging urban green areas.

The Company’s target is to preserve the natural biosystems diversity and to ensure their sustainable use that does not threaten their ability to regenerate. We aim to avoid conducting work in habitats of valuable and highly protected plant and animal species or to minimize such impact where it cannot be avoided.

Taking into account the importance of preserving the Earth’s species and ecosystems of high value, the Company supports projects aimed at their studying, protection and restoration. In cooperation with scientific organizations, universities and nature reserves, environmental control and monitoring of the environment and biota are carried out at production facilities on an ongoing basis.

Our awards

The Preserving Biological Diversity project (PJSC LUKOIL) became a laureate in the Environmental Projects and Initiatives category of the Best Social Projects of Russia Program.

Recovery of fish stock

The Group’s entities hold annual events to recover the biodiversity of natural water bodies by restoring the populations of commercial and valuable fishery species. The fry

is grown by fish farms under simulated future habitat conditions, which increases their survival rate in the natural environment. The fry of peled, muksun, sterlet of the Acipenser family and other

species are released into northern rivers. The release of baby fish is controlled by state commissions.

Indicators	Unit of measurement	2023
Total fish fry released, including:	thousand fry	10,575
✓ Compensatory stocking	thousand fry	10,508
✓ Stocking as part of charity events	thousand fry	67
Water bodies into which fish are released:		
✓ Ob River and its tributaries	thousand fry	5,234
✓ Yenisei River	thousand fry	30
✓ Don River, Tsimlyansk Reservoir	thousand fry	3,066
✓ Usa River	thousand fry	1,718
✓ Onega River	thousand fry	2.8
✓ Volga River, its tributaries (Kama, Vyatka, Bakhtemir) and reservoirs	thousand fry	524

Conservation of rare species

Republic of Kalmykia, Astrakhan Region, Russia →

Saiga

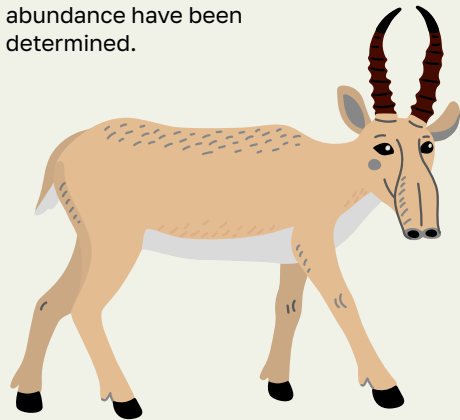
Since 2020, the Company has been supporting measures to preserve the population of saiga inhabiting the Chernye Zemli State Biosphere Reserve in the Republic of Kalmykia and the Stepnoi State Nature Reserve of Regional Significance in the Astrakhan Region (Russia).

As part of the Cooperation Agreement between the Ministry of Natural Resources and Environment of the Russian Federation and PJSC LUKOIL, the implementation of the Action Plan for the Conservation and Reintroduction of Saiga

in the Republic of Kalmykia and the Astrakhan Region for 2020–2024 continued. Major activities include recording the number of saigas in the region, purchasing equipment for anti-poaching and firefighting activities, building monitoring towers, and clearing water wells.

In 2022, scientists at the Severtsov Institute of Ecology and Evolution of the Russian Academy of Sciences conducted a study of the abundance of saiga using space images. In 2023, the data were processed, the abundance was determined as 26,600 species,

which is five times as much than reported in 2019. Based on the results of the project, further methods of maintaining antelope abundance have been determined.



Bulgaria →

Lesser kestrel

Lesser kestrel (*Falco naumanni*) is a small falcon (the size of a pigeon), a rare species included in the Red Data Book of the Republic of Bulgaria. The Bulgarian refineries, together with a local environmental organization, are implementing a project to protect the bird colony, since in 2014 the only remaining wild (natural) colony of this bird was discovered on the territory

of the plant after almost 50 years of its absence in the country. As part of the project, nest houses were set up, and the number of nesting pairs gradually increased to 10. The oil refinery in Bulgaria also took patronage over a black panther, Kalil, kept in the Burgas Zoo.



Study of the Caspian seal abundance

The Soul of the Caspian project intended to study and conserve the Caspian seal (*Pusa capsica*) has been ongoing since 2021 at the initiative of Russia's Ministry of Natural Resources and Environment with the Company's financial support. This is the first large-scale study of the Caspian endemic species since it was included in the Red Data Book

of the Russian Federation. The main participants in the project are the Clean Seas International Environmental Foundation, scientists of the Severtsov Institute of Ecology and Evolution of the Russian Academy of Sciences, Russian Federal Research Institute of Fisheries and Oceanography, and employees of the Astrakhan Reserve.

In 2021, the expedition conducted aerial observation and discovered a single haul-out of about 500 species. In 2023, the research continued – the water area of more than 9,000 square km was examined. Based on the results of the research, a report was prepared which will serve as the basis for project participants to decide on further actions.

Research

Stavropol Territory, Russia →

Study of Lake Buivol

Since 2014, scientists have been studying the state of biodiversity in Lake Buivol located near LLC Stavrolen. The lake and its environs are a regional biodiversity center and home to many species of aquatic plants, phytoplankton and multi-celled invertebrates, including those unique to the region. In total, 25 mammal species, 129 bird species, 24 species of fish, two amphibia and five reptile species were discovered in the environs of the lake during the observations. Following the research, a scientific monograph may be published.



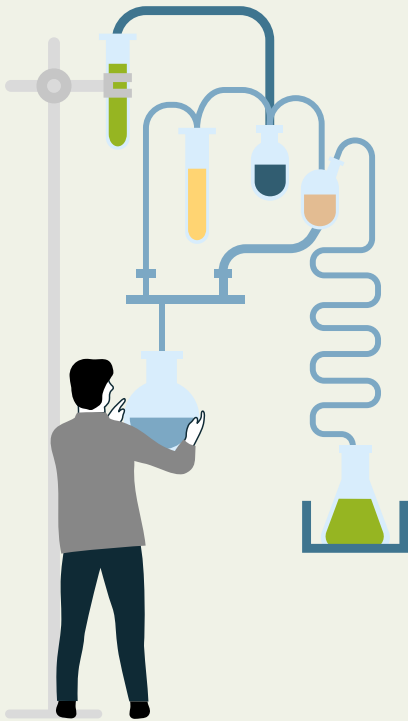
Uzbekistan →

Biotic monitoring

Gas production sites and the Kandym gas processing complex in Uzbekistan are located near the Dengizkul Lake State Ornithological Reserve and the Khoja-Davlet valuable ornithological area.

Before the start of the active stage of production at the deposits in 2015, the country's first Action Plan to Preserve the Biological Diversity of the Khauzak-Shady site was developed. Subsequently, this practice was replicated at each license block.

LUKOIL Uzbekistan Operating Company LLC cooperates with partner organizations in regular flora and fauna monitoring. In 2023, the state of various biological species was studied using scientific methods – herpetological (study of reptiles), theriological (study of mammals), and ornithological (study of birds).



A detailed description of the biodiversity conservation management system and the measures taken by the Company is given in the [Conserving Biodiversity](#) brochure.

Industrial safety

LUKOIL Group’s sustainable development goal:
High occupational health and safety standards



Program of Industrial Safety

The Company takes comprehensive measures to mitigate risks and prevent incidents and emergencies¹ in accordance with legal requirements and voluntary commitments set forth in the HSE Policy. Our industrial safety priorities cover several areas.

- ✓ Continuous improvement of industrial safety, including:
 - reduction of the risk of accidents at hazardous production facilities;
 - improvement of the reliability of their operation;
 - maintenance of the integrity of technological equipment and infrastructure.
- ✓ Ensuring the preparedness of the management bodies of the LUKOIL Group entities, personnel, and emergency response teams (ERTs) to liquidate potential accidents, fires, and emergencies.

- ✓ Improving procedures for the preparation and implementation of programs addressing the most pressing issues of industrial, fire, environmental safety, occupational health and safety, and the prevention of emergencies.

The Group entities take all the measures made available and practicable by the stable functioning of the IMS, the implementation of the safety culture and the Continuous Improvement System (CIS) tools, and the performance of annual activities of the [Program of Industrial Safety](#).

It is mandatory to assess the risks of potential spills using scenario simulation at the production activity design stage, as well as during the operation of production facilities.

All of the LUKOIL Group entities in Russia operating hazardous production facilities have [Emergency Spill Prevention and Response Plans](#) (SPR Plans) in place. Each document contains step-by-step instructions to ensure a rapid response and efficient cooperation between emergency response and recovery personnel. [ERTs](#)² have been set up, with a total number of responders exceeding 2,000 people, some of whom are stationed directly at production facilities.

Safety Days and [Safety Leadership Visits](#) to production facilities are organized annually, best practices of safe and environmentally friendly work are identified and disseminated as part of the Occupational Health and Safety and Environmental Protection competitions.

Quality of contractors’ work

In order to improve quality of work [performed by service organizations](#) for LUKOIL exploration and production entities, PJSC LUKOIL applies a comprehensive approach that combines methods of control and interaction with counterparties, and introduces elements of the CIS.

- ✓ Ongoing control over service companies’ compliance with the design documentation and the requirements of industrial safety standards using in-house and third-party supervisors. Hydraulic fracturing is performed under enhanced

control on the part of supervisors and specialists from the hydraulic fracturing subdivisions.

- ✓ Performance of regular on-site inspections of facilities by the engineering and technical units of the drilling and OHS divisions.
- ✓ Discussion of problematic issues, joint search for ways to improve quality and safety of work. Representatives of contractors participate in Safety Days, have an opportunity to master best practices and present their own best practices.

Current agreements with contractors stipulate penalties for violation of the HSE requirements. In 2023, more than a thousand counterparty audits were conducted at the Group’s Russian entities as part of corporate oversight and production control.

Pipeline system reliability in Russia

One of the goals of the LUKOIL Group Sustainability Policy is to increase the reliability of production processes and equipment. Having extensive experience in operating pipelines in various geological and natural conditions, we use a comprehensive approach, choose the best engineering solutions, and apply methods that have proven their effectiveness.

The Company is focused on consistent stabilization and reduction of the rate of pipeline system accidents

in accordance with global best practices. [The reliability management system for oilfield and trunk pipelines](#)¹ has been established; all cases of violations of their integrity are recorded, reasons are analyzed, and solutions that can provide a reliable result are sought.

Planning and implementation of measures intended to minimize the risk of accidents are performed as part of the Renovation and Technical Re-Equipment of Pipeline

System Facilities investment program, as well as production programs of current and capital repairs of oilfield pipelines that are implemented by all Russian oil and gas production entities.

Specialized safety methods are used for subsea pipelines and platforms, water crossings, production facilities in the Arctic zone of the Russian Federation, and the tank farm in accordance with approved technical inspection programs.

¹ In Russia, an emergency is defined as a situation resulting from, among other things, an accidental oil or petroleum product spill that may cause or has caused human casualties, damage to human health or the environment, significant material losses, and disruption to living conditions of people. Emergencies can be split into categories. The minimum category refers to spills of less than 100 tonnes (or 714 boe, with 1 boe = 0.14 tonnes).

² Establishing in-house emergency response teams and contracting professional response teams is regulated by the legislation of the Russian Federation.

¹ The information in this section pertains to the Russian entities of LUKOIL Group, unless stated otherwise.

Events in 2023

In 2023, the following measures were taken to ensure the reliability of interfield pipelines:

- ✓ replacement of pipelines (2.3% of the fleet length, using different types of pipes, including pipes made of modern materials);
- ✓ decommissioning and mothballing of pipelines crossing water barriers, which were determined based on the results of industrial safety expertise;
- ✓ expert analysis of the industrial safety of oilfield and interfield pipelines, as well as subsea pipelines;
- ✓ LLC LUKOIL-Engineering has a division for incoming inspection of purchased pipes;
- ✓ development and implementation of an analytical IT system for managing the operation of oilfield pipelines;
- ✓ use of unmanned aerial vehicles (UAVs).

The Company’s specialists took part in meetings and industry conferences on safe operation of pipelines. In particular, a visiting meeting of the Interdepartmental Expert Council on the Safety of Subsea Pipelines was held at the site of LLC LUKOIL-Nizhnevolzhskneft.

Use of pipes made of modern materials

LUKOIL is constantly working with pipe manufacturers to improve pipe quality and develop pipes from new materials. Some projects are already being implemented. Fiberglass pipes produced by Russian manufacturers were used to replace pipes at the facilities of LLC RITEK in 2023. In 2024, it is planned to replace pipes at the facilities of LLC RITEK with Russian-made polymer-reinforced pipes.

In the medium term, it is planned to test samples of materials and equipment of new suppliers.

Agreements on scientific and technical cooperation with a number of Russian companies have been signed; within their framework, programs were developed in 2023 for pilot testing of sample steel and polymer pipes. The pipes were tested for resilience and performance during

the transportation of liquids with a high content of hydrogen sulfide and chloride ions. A technical partnership program with a Russian company stipulates the development of a technology for manufacturing bimetallic (plated) oil and gas pipes and the performance of the necessary testing of pipes and connection pipes for offshore projects.

Aerial monitoring

Pipelines and industrial infrastructure facilities are inspected by a contractor using UAVs based on mobile command and control centers. This method is effective for detecting incidents and illegal tie-ins to pipelines. Special attention is paid to patrolling pressure

oil pipelines, gas pipelines, and oilfield pipelines located in hard-to-reach places or crossing water bodies.

In 2023, a system for detecting methane using UAVs was tested in the Komi Republic. Based on the testing results,

the system was recommended for use when inspecting gas pipelines with UAVs.

Digital solutions

Improving the quality of data on the condition of the equipment used and the speed of obtaining such data is an important factor in the Company’s overall efficiency. The oil and gas production entities have implemented an analytical IT system for managing the operation of oilfield pipelines. Based on the obtained data, a model of the pipeline system is created, its hydrodynamic parameters and the flow characteristics of the transported liquid are calculated, the causes of incidents are analyzed, and digital passports of facilities are filled in. The software used helps identify sections

to be replaced, calculates the necessary amount of inhibitor protection and other indicators. The model is used to make optimal decisions regarding pipe service life and to select measures to improve their reliability.

Indicators

In 2023, the Company achieved the best performance over the past five years in terms of the pipeline system reliability. Positive changes were achieved due to an increase in the length of corrosion-resistant pipes¹ (from 27% of the total length of oilfield pipelines in 2018 to 39% in 2023), as well as the adoption of various methods of monitoring pipeline integrity, use of pipes made of new materials, and implementation of IT solutions.

Indicators of oil spills in LUKOIL Group’s Russian entities				
Indicators	Unit of measurement	2021	2022	2023
Volume of oil spilled in accidents	tonnes	73	7	0.58
Including as a result of significant spills	tonnes	71	0.01	0
Number of significant spills	spills	4	1	0
Notes. A significant spill is an emergency (incident or accident) resulting in environmental consequences that meet one or more of the following criteria: the amount of potential financial risks for a LUKOIL Group entity has exceeded one million USD; the area of contamination has exceeded five hectares; the volume of the pollutant spilled has exceeded ten tonnes; damage has been caused to water bodies.				
Additional information is available on the website in the Sustainability/Safety section, including the following issues: SPR Plans, abandonment of hazardous production facilities, management of offshore projects, and ensuring safety in the Arctic zone.				

¹ Steel pipes with internal and external anti-corrosion coating.

Project

Komi Republic

LLC LUKOIL-PERM operates in the Komi Republic, Nenets Autonomous Area, and in other regions of Russia. High-viscosity oil is produced in the Komi Republic, partly through mining. LLC LUKOIL-PERM has several territorial production enterprises (TPEs) and a gas processing plant in the Komi Republic and the Nenets Autonomous Area. The Ukhta oil refinery is also part of LUKOIL Group. Starting from 2019, our sustainability reports include a special subsection on social and environmental issues related to LUKOIL's operations that are of the highest importance for people living in the Komi Republic and the Nenets Autonomous Area and on what we do to solve them.

Environmental protection

The Company has achieved a significant success in managing water resources in the Komi Republic: in particular, starting from 2022, insufficiently treated wastewater is no longer discharged into water bodies. In 2023, two projects the implementation of which had taken several years were completed.

- ✓ The bed of the Maly Voyvozh stream was completely cleaned up from oil-containing waste accumulated over decades. The work was carried out by the National Research Tomsk State University using its proprietary Aeroshchup technology.
- ✓ An old settling basin at the oil mine treatment facilities (the pond at oil mine No. 2) was eliminated. The work was done by the LUKOIL Group entities. In 2024–2026, it is planned to eliminate ponds at oil mines No. 1 and No. 3.

Every year, large areas of contaminated land are reclaimed and the compensatory planting of pine and spruce seedlings is carried out in the Ukhta and Sosnogorsk Districts: almost three million pine and 1.4 million spruce seedlings have been planted over the past three years alone.

Planned environmental measures are a factor that helps eliminate or reduce the risk of accidents, improve the reliability of pipelines and other production infrastructure. Such measures include the replacement of pipes having a short remaining service life with corrosion-resistant pipes that are better adapted to local highly corrosive environments, installation of oil leak detection systems, inspection of territories using UAVs, and other solutions.

In 2021, a comprehensive action plan to reduce environmental risks was developed and approved. It includes an additional list of measures to reconstruct water crossings, landfills, and treatment facilities in 2022–2024. In accordance with the document, industrial waste landfills at the Varandey and Kharyaga fields and water crossings (0.7 km in 2022 and 0.7 km in 2023) were reconstructed in 2022–2023; it is planned to reconstruct another 16 crossings in 2024. As part of the biological stage of the reclamation of the Oshskoye field area affected by the 2021 oil spill, additional grass was sowed to form a stable landscape.

Environmental performance of LUKOIL Group in the Komi Republic

	Unit of measurement	2021	2022	2023
Emissions of pollutants	thousand tonnes	59	84	63
Withdrawal of water from surface sources	thousand cubic meters	236	325	286
Discharge of polluted (insufficiently treated) water	thousand cubic meters	0.03	0	0
Weight of pollutants contained in wastewater discharged to surface water bodies	tonnes	0.02	0	0
Waste generation	thousand tonnes	409	407	496
Volume of waste eliminated	thousand tonnes	351	349	425
Volume of oil spilled in accidents	tonnes	71.2*	6.7	0.5
Area of reclaimed land	hectares	37	68	47
Area planted with common pine seedlings	hectares	680	224	490
Area planted with European spruce and Siberian spruce seedlings	hectares	319	339	0

* As a result of the accident at the Oshskoye field.

Interaction with local communities and implementation of social projects

LUKOIL holds annual meetings with the people living in the settlements affected by the Company's operations to communicate with them directly on issues of interest to them, and fulfills the social obligations assumed as a result of previous consultations. Other communication channels are also used to ensure that local people have an opportunity to contact the Company with a complaint or proposal. Under the agreements reached earlier, the Company fulfilled the following obligations in 2023.

- ✓ Roads were asphalted, a sports ground and a playground for children were installed in the village of Novikbozh.

- ✓ A 6.5 km long pipeline was built from the city of Usinsk to the settlement of Kolva, with a two-kilometer line on the settlement grounds; three drinking water columns were installed. Now, local people receive high-quality drinking water from the municipal water supply system. In addition, 14 fire reservoirs were built, each column was equipped with a fire hydrant.
- ✓ Recreation was organized for children and teenagers from the settlements of Mutny Materik, Denisovka, Zakharvan, Akis, Ust-Usa, Kolva, Parma, and Ust-Tsilma.

To provide timely and high-quality medical services to the people living in the settlements of Shchelyayur, Krasnobor, and Kelchiyur of the Izhma District (more than 7,000 people in total), an automated blood cell counter was purchased and installed at the Shchelyayur hospital. The device helps do better blood tests, which increases the accuracy of diagnosis of diseases or predisposition to them.

Survey of the attitude of people to the LUKOIL Group entities

An independent sociological organization conducted a longitudinal (long-term) study based on in-person surveys of people living in Syktyvkar, Ukhta, Usinsk, Pechora, and Naryan-Mar (the representative sample included 1,700 people). Based on the survey results, the following conclusions were drawn about the attitude of the respondents to LLC LUKOIL-Komi¹ and the Ukhta oil refinery.

The recognition rate was

>95%

Both entities are well known to people living in the Komi Republic and the Nenets Autonomous Area

The level of trust in LLC LUKOIL-Komi was

62%

in the Komi Republic (up by almost 20 p.p. in 2023 compared to 2016) and 70% in the Nenets Autonomous Area (up by 10.6 p.p.)

- ✓ The Company is considered an attractive employer in Izhma, Ust-Tsilma, and Usinsk (23% of the respondents, an increase of almost 6 p.p. compared to 2020) and in the Nenets Autonomous Area (Syktyvkar, settlements of Iskatelei and Krasnoye – 31% of the respondents).

- ✓ LLC LUKOIL-Komi, according to the majority of the respondents, “undertakes socially oriented activities”² (72% of responses in the Komi Republic, up by 3.3 p.p. compared to 2017; 62% in the Nenets Autonomous Area). The respondents confirmed that they were aware of the Company's social performance; this opinion was more often voiced in Usinsk, Sosnogorsk, Ukhta, and Yarega.

Our awards

In 2023, LLC LUKOIL-Komi's achievements were recognized at the regional and federal levels.

- ✓ Commendation from the Ministry of Natural Resources and Environmental Protection of the Komi Republic for participation in the Clean Arctic project.
- ✓ Commendation from the Russian Environmental Operator for participation in the all-Russian campaign to collect recyclable materials “Million to Homeland!” and for the contribution to the development of environmental volunteering in Russia.



¹ The survey was conducted prior to the reorganization of LLC LUKOIL-Komi.
² This is the wording used in the survey.





3 People and relationships



LUKOIL GROUP'S SUSTAINABLE DEVELOPMENT GOALS

- ✓ Embracing ethical business practices
- ✓ Providing decent working conditions
- ✓ High occupational health and safety standards
- ✓ Contributing to the socio-economic development of the regions and countries of the LUKOIL Group operation



Corporate ethics and behavior	78
Our employees	82
Supply chain	96
Society	104

Main impacts and performance results

Impacts ¹ of the LUKOIL Group entities' activities	LUKOIL Group's goals	Changes in the indicators in 2019–2022 ²	Changes in the indicators in 2023/2022
Impact factors: ✓ employment relations between the employer and the employee (recruitment and dismissal, employment relations during the performance of the employee's job duties, pre-retirement and retirement) ✓ expectations of stakeholders in the regions of operation			
Strategic goal: to be an employer of choice			
 Employment	Employment ³ : Promotion of a positive moral climate in the workplace	Headcount: +3% <i>(stable)</i>	↓ 1%
		Percentage of women in the headcount: 41% <i>(stable)</i>	↓ 1 p.p.
		Permanent employment contract: more than 90% <i>(stable)</i>	Δ = 0
		Young employees recruited: up by 26%	↓ 21%
 Working conditions and health of employees	Goal: High HSE standards	LTIFR: changes in the 0.10–0.17 range	↓ 0.02
 Employment relations	Goal: Decent working conditions	Staff costs: up by 23%	↑ 18%
	Objective: Provision of social support to employees and their families	Percentage of employees covered by collective bargaining agreements: 4 p.p. <i>(stable)</i>	Δ = 0
	Objective: Ensuring professional development and retraining	Average number of training hours per one trained employee: up by 32%	↓ 10%
	Objective: Ensuring the priority of local people when hiring employees	Percentage of local senior managers: +2 p.p. <i>(stable)</i>	↓ 2 p.p.
 Social impacts in the regions of operation	Goal: Contributing to the socio-economic development of the regions and countries of the LUKOIL Group operation	Charity expenses – about RUB 9 billion per year <i>(stable)</i>	↑ ~2 RUB bln
 Impact on indigenous peoples' lifestyle		Incidents of violations involving rights of indigenous peoples: 0 <i>(stable)</i>	Δ = 0

Changes in 2023

- ✓ Transition to the target employee incentive system
 - ✓ About 8,000 ideas submitted by employees as part of the CIS
 - ✓ Identification of significant risks and causes of accidents leading to lost time injuries
- ✓ Arrangement of mass training in how to use the ten key management tools (“Standard Management Practices”) for the heads of the LUKOIL Group entities
 - ✓ Continued implementation of leadership mentorship and training in standard management practices

Key measures planned for 2024

- ✓ Continued implementation of the career and succession management system
- ✓ Implementation of long-term and medium-term incentive programs for managers and developmental mentorship projects
- ✓ Replication of the grading system in the LUKOIL Group entities

¹ The impacts are described in [Appendix 3](#).

² The data are given within the reporting boundaries for 2022 (including the oil refinery in Italy) and are consistent throughout this period.

³ The goals and objectives are given in accordance with the LUKOIL Group Sustainability Policy.

Social impact management

	Elements of the management system	Corporate documents
 POLICIES AND GOALS	 Governance Goal ¹ : Ethical business practices	LUKOIL Group Sustainability Policy LUKOIL Group Human Rights Policy Code of Business Conduct and Ethics of PJSC LUKOIL Anti-Corruption Policy of PJSC LUKOIL
	 Employees Goal: High HSE standards Goal: Decent working conditions	Human Capital Management Policy of PJSC LUKOIL Health, Safety and Environment Policy of LUKOIL Group in the 21st Century LUKOIL Group Youth Policy
	 Supply chain Goal: Continued economic sustainability and development	Corporate quality standards Quality Policy of LLC LLK-International
	 Society (people living in the regions of operation) Goal: Contributing to the socio-economic development of the regions and countries of the LUKOIL Group operation	Social Code of PJSC LUKOIL
 CERTIFICATION OF MANAGEMENT SYSTEMS	The quality management system is certified for compliance with the requirements of International Standard ISO 9001:2015 ²	As at December 31, 2023, certificates issued to the LUKOIL Group entities were in effect, covering 68% of the headcount in the Refining and Distribution business segment. Certificates of LLC LLK-International
	 INTERACTION	Social partnership with the International Association of Trade Unions of PJSC LUKOIL Social and economic cooperation agreements with constituent entities of the Russian Federation Suppliers and clients: various communication channels for submitting reports, customer satisfaction surveys Communication channels for employees and residents of the regions
 KEY PERFORMANCE INDICATORS	Labor productivity	Summary of key performance indicators
	Customer satisfaction	
 ADDITIONAL INFORMATION	LUKOIL Charity Fund ; Social and Cultural Projects Competition ; LUKOIL Sports Club Our partner in the More than a Purchase program is the Our Future foundation of regional social programs	



¹ Hereinafter in the table the goals are given in accordance with the LUKOIL Group Sustainability Policy.

² ISO 45001 certification data are provided in the [Climate and nature](#) section (p. 25).

Corporate ethics and behavior



LUKOIL Group’s sustainable development goal:
Embracing ethical business practices

Our operations are based on corporate values, including unconditional statutory compliance, performance of voluntary commitments, zero tolerance towards corruption of any kind, and adherence to fair trade rules. The Company welcomes stakeholder engagement and uses feedback to improve the dialog.

Business ethics and anti-corruption

LUKOIL Group’s ethical principles set forth in the [Code of Business Conduct and Ethics of PJSC LUKOIL](#), cover all aspects of business conduct and apply to relations with partners, suppliers, and contractors. We inform them about our rules and the Code of Business Conduct and Ethics of PJSC LUKOIL. All employees hired by the Group entities are required to read the relevant documents and confirm that by their signature.

Anti-corruption measures

We adopt a zero-tolerance approach towards corruption of any kind or manifestation, regardless of jurisdiction and local laws, even if they permit some types of incentives. We strive to prevent corrupt practices, including among business partners.

The Company’s position on corruption is reflected in the [Anti-Corruption Policy of PJSC LUKOIL](#). The Policy sets common principles, goals, and objectives in this area, and defines key activities that reduce the likelihood of corruption risks. Upon joining the Company, new employees are required to read the Policy and confirm

that by their signature; counterparties of the Group entities are subject to counterparty due diligence.

The Company has a 24 / 7 whistleblowing hotline for reports of corrupt practices. No corruption-related reports were received via the hotline in 2023. The only report received was related to contractual terms and supplier accreditation. It was forwarded to the relevant division. While the issue was considered, the party that had submitted the report was included in the register of accredited suppliers, and the report lost its relevance.

PJSC LUKOIL has a Business Ethics Commission that reviews all reports on possible violations of corporate ethical standards. In 2023, the Commission received five inquiries partially related to ethical issues (in 2022: nine inquiries). The inquiries referred to relations between managers and subordinates in terms of the distribution of their duties and to relations between fellow employees. Explanations were given concerning all the inquiries.

Internal audit function

Internal audits and consultations are effective methods of monitoring compliance with LRAs and corporate ethics standards. During audits and consultations, In the course of audits and consultations, the Internal Audit Service of PJSC LUKOIL assesses compliance with corporate requirements and the level of compliance of PJSC LUKOIL and other LUKOIL Group organizations with legislation and local regulations of the Company.

In 2023, measures were taken to improve the internal audit function. In particular, PJSC LUKOIL developed the model of the Internal Audit business process and its basic principles; the target structure of regulatory documents on this business process; basic Principles for the “Internal Audit” business process; the policy on interaction between PJSC LUKOIL and its subsidiaries in managing the Internal

Audit business process; and approved the new version of the Regulations on Internal Auditing at PJSC LUKOIL.

To identify risks, deviations, and shortcomings related to violation of ethical and anti-corruption standards, and develop recommendations to improve the Company’s activities in this area, the Ethics and Anti-Corruption Programs Audit Group has been functioning within the Internal Audit Service (IAS) since 2021. Its powers are similar to those of other IAS structural divisions. In the course of audits, this Group reviews compliance with existing rules, standards, and procedures aimed at combating corruption and fraud, including in the area of procurement, conclusion and performance of contracts as well as other activities of the LUKOIL Group organizations. This unit is also responsible for follow-up monitoring of measures taken by the Group’s organizations to eliminate

identified deviations and deficiencies and improve the efficiency of internal control procedures in the area of ethical and anti-corruption compliance.

In 2023, internal audit units (including the Ethics and Anti-Corruption Programs Audit Group) conducted 24 audits and four audit consultations. These measures helped identify 131 deficiencies related to non-compliance with LRAs (in 2022: 102). No violations of the Code of Business Conduct and Ethics or requirements of local regulatory acts were identified during inspections and consultations carried out in 2023 that had a material impact on the achievement of the Company’s strategic goals.

Human rights

We are guided by the principles of the United Nations Universal Declaration of Human Rights. The Company’s position is set out in the [LUKOIL Group Human Rights Policy](#) (the “Policy”) and is disclosed in respect of the following aspects:

- ✓ Rights related to employment relations;
- ✓ Right to safety and health protection;
- ✓ Right to freedom of association and collective bargaining;
- ✓ Economic, social, and cultural rights;
- ✓ 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, including:

- ✓ The right of each employee to be represented by a trade union and the right to collective bargaining

- ✓ Elimination of any forms of forced or compulsory labor and elimination of child labor;
- ✓ The right to a favorable environment and safe work;
- ✓ Promotion of equal employment opportunities;
- ✓ Non-discrimination in labor and employment.

Human rights risks are included in the overall risk management system. The activity of the Group entities, including their compliance with labor rights, is monitored annually, e.g., as part of HR audits.

In 2023, the hotlines and the Business Ethics Commission received no reports of human rights violations (including child labor, compulsory, slave and forced labor, and forced resettlement of indigenous peoples) by the Group entities.

The IAS assesses the Policy implementation during audits and consultations of the LUKOIL Group organizations’ activities. No human rights violations or significant deficiencies were identified as part of the internal audits and consultations conducted by the IAS in the relevant internal control procedures. Internal audits and consultations conducted by the IAS did not reveal any non-compliance with human rights or significant deficiencies in relevant internal control procedures. The HR audits¹ performed at twelve LUKOIL Group entities did not identify any significant violations² either.

¹ HR audits are performed to check the compliance of the processes related to the documentation of employment relations and remuneration with the labor laws of the country of operation and with corporate regulations, as well as with other requirements containing labor law provisions.
² For the definition of a significant violation of human rights, refer to [Appendix 6](#).

Personal data management

Collection, storage, and handling of personal data of clients, employees, and other counterparties of the LUKOIL Group entities are performed in full compliance with the laws of the countries of operation and the [Personal Data Processing Policy](#). The Policy defines the goals and methods of personal data processing, personal data protection requirements, etc. Compliance with corporate requirements is monitored. The Company also takes organizational and technical measures to protect personal data in information systems from illegal actions of third parties and other risks. The relevant measures are determined on the basis of the level of data protection, threat models, and other factors.



Stakeholder engagement

Every year LUKOIL engages with various stakeholder groups to achieve an optimal balance of mutual interests and expectations. We recognize the importance of engaging with all stakeholders and strive to build

long-term constructive relationships. Our principles are set forth in the [LUKOIL Group Sustainability Policy](#) and the [Code of Business Conduct and Ethics of PJSC LUKOIL](#). The corporate website, the Annual Report, the Sustainability

Report, press releases are the main channels for regular provision of information on the Company’s operations to stakeholders.

We distinguish the following groups of stakeholders:

✓ Clients

✓ Employees and trade unions

✓ National and local legislative and executive authorities

✓ Shareholders and investors

✓ Suppliers and contractors

✓ Society

External stakeholders have an opportunity to contact the Company with any queries. Such channels as hotlines / direct lines, helplines, website addresses, addresses for written reports, etc., are used for this purpose. Such methods of communication are available both at the level of PJSC LUKOIL and at the Group’s other entities¹.

In emergency situations, temporary hotlines can be set up. Sales entities are the most active in using the Group’s communication channels.

Direct lines with managers are available for employees of the Group entities, meetings with the CEOs and meetings on personal issues are held. All issues are considered

and referred to the relevant functions and divisions for resolution. As a rule, the issues are related to employment relations or internal regulations.

Our awards



Telegram channel of LUKOIL was named the best project in the Investments into Digitization category of the annual Investment Leaders Award.

¹ Detailed information on interaction with clients of the Oil Product Supply entities and LLC LLK-International is given in the [Business relationships with clients and partners](#) section of this Report.

Principal stakeholder engagement channels and regularity of engagement

Stakeholders	Principal regular engagement channels
Clients	Surveys and studies – annually or with a different frequency depending on the objectives of the survey Loyalty programs – ongoing Mobile applications – ongoing Universal hotline and grading system in the mobile application – ongoing
Employees and trade unions	Collective agreements and contracts with trade unions – once every three years Social and safety culture programs – ongoing Corporate events and media – on an annual basis
Shareholders and investors	Instruments of communication: ✓ responses to requests from shareholders and investors – regularly ✓ annual and other reports – annually or with a different frequency depending on the legal requirements
Suppliers and contractors, partners	Tender procedures – regularly Hotline – ongoing Agreements with strategic suppliers – as may be necessary Technology field days in Russia’s regions – on an annual basis Corporate website – regularly
Government legislative, regulatory, and executive authorities	Participation in industry associations, expert councils, and work groups as part of public discussion mechanisms for draft regulations – ongoing
Society: the regions of presence	Working meetings and discussions in the constituent entities of the Russian Federation, with executive authorities and representatives of local governments Telegram channel of LUKOIL , press releases – regularly
Society: mass media	Coverage of the Company’s activities by information agencies, business publications, industry media – ongoing Social networking, including through the Telegram channel of LUKOIL – ongoing Interviews with senior management for mass media – as may be necessary
Society: residents of the regions and countries of operation, public, municipal organizations	Round tables, dialogs, public discussions and hearings in Russia’s regions – annually Meetings with residents of the regions of operation – as may be necessary Telegram channel of LUKOIL

Examples of stakeholder engagement are provided in the relevant sections of this Report.

Additional information on the topics in this section is available on our website in the [Sustainability](#) section ([Ethics and statutory compliance](#), [Human rights](#)). Hotline addresses and phone numbers are given at the end of the Report ([Contact details](#)).



Our employees

LUKOIL Group’s sustainable development goals:

High occupational health and safety standards.

Providing decent working conditions

We take care of our employees and create such conditions that help them in their work and private life, including the development of their knowledge and professional skills, promotion of their health and creation of an atmosphere of social protection, and pay special attention to families with children.

Social context

As a company open to renewal, we improve our corporate culture and employment relations by helping employees adapt to changes in the external environment together with the Company. Amid the instability, our primary efforts in 2023 were aimed at increasing the efficiency of regular business processes and motivation of all employees and creating the foundation for future growth.

To this end, as part of the Impulse project, the system of motivation and professional development of employees

and their career paths are rebuilt; the CIS tools are applied, and the concept of assessing the employee performance and efficiency is finalized.

In 2023, the eleventh Agreement between PJSC LUKOIL, Interregional Trade Union of PJSC LUKOIL as a member of the Russian Oil, Gas and Construction Workers’ Union (Neftegazstroyprofsoyuz of Russia), and the International Association of Trade Unions of PJSC LUKOIL was signed for the period up to 2026 inclusive, and this was a landmark event for the

Company. Collective bargaining was held on the principles of respect for and consideration of the interests of the parties to this social partnership.



Personnel characteristics

In 2023, the LUKOIL Group entities employed more than 100,000 people, almost 90% of them – in Russia. Permanent employment contracts (concluded with 92% of the employees) and full-time employment (99.7%)¹ are the primary form of employment relations. The personnel structure has

remained stable over the past five years in terms of employee categories² and the ratio of men to women employed in the Group entities.

The headcount has changed insignificantly over the same period. More than half of the employees

work in the Refining and Distribution business segment, more than a third are employed by the Exploration and Production entities, and about 16% work on a rotational basis. The 2023 employee turnover rate remained virtually unchanged compared to 2022 (9.2% vs. 9.0%).

Breakdown of employees by region, %



Human resources management

The main goal of the Impulse project in terms of the human capital management is to create conditions for the Company to achieve its strategic goals through advanced development and engagement of employees. The following measures are taken for this purpose:

- ✓ Creation of a motivating environment ensuring the development of employee competencies and strong employee performance;
- ✓ Fair assessment of each employee’s contribution to overall achievements;

- ✓ Constant exchange of information between the employee and the line manager;
- ✓ Ensuring internal succession;
- ✓ Implementation of the youth policy.

In 2023, the following improvements were made to the HR management processes:

- ✓ Continued implementation of leadership mentorship and training in standard management practices;

- ✓ Transition to the target incentive system, including goal setting, communication of goals to employees, assessment of performance and provision of feedback, financial incentives, developmental mentorship;
- ✓ Introduction of a grading system at PJSC LUKOIL and seven Group entities;
- ✓ Approval of the methodology regulating the processes of goal setting and final assessment of employee performance.

The plans for 2024 include several areas for further development:

- ✓ Further implementation of the career and succession management system, its integration into the employee performance management system.
- ✓ Implementation of a job profiling project and development of competency models.
 - ✓ Replication of the grading system in the Russian LUKOIL Group entities.
 - ✓ Organization of a communication campaign explaining the new approaches and tools in the incentive system.



¹ Hereinafter in the [People and relationships](#) section, the estimates are based on the employee headcount as at December 31 of the reporting year (unless otherwise stated).

² In 2019–2023, the year-on-year change in the indicator was not more than 1 percentage point.

Employee involvement in the changes

The overall management efficiency improvement directly depends on the employees’ attitude to their role in the Company and their willingness to participate in the achievement of common goals. To form positive feedback, employees are trained in the basics of the CIS with further practical implementation of various tools.

Internal trainers recruited from among active employees have appeared and their number is expanding. For example, the Forsazh program has been developed at the Exploration and Production business segment: it determines the methods for selecting future trainers, their educational program and competency matrix, the scope and list of the CIS tools to be taught. In 2023, 61 trainers were educated under the program, and then they taught more than 7,500 their colleagues to apply the CIS tools. To systematize the activities of internal trainers, in 2024 the Internal

Trainer Office was established and a new area of the program was launched – education of internal safety culture trainers.

In 2023, about 1,200 people (managers, specialists, and workers) from 23 Group entities received training in the CIS basics.

Employees can already put their knowledge into practice and submit their ideas of possible improvements in the Company or in their workplace using the information services created within industrial service centers (ISCs).

If the idea is considered promising, a passport of the project is developed and its practical implementation begins.

In 2023, employees submitted about 8,000 ideas, of which 149 have already been implemented, 653 are implemented, and 1,340 have been accepted for implementation. The remaining ideas are under consideration.

Thanks to the CIS, employees show a greater interest in solving professional issues. To consolidate the changes, it is planned to hold meetings (dialogs) with employees in 2024 to discuss the new management approaches.

Occupational health and safety (OHS)

Our priorities are to ensure safe working conditions and preserve the life and health of our employees and employees of contractor organizations working at the Group’s production facilities. A reliable system of occupational safety measures has been built, and a wide range of tools are used to minimize the number of injuries and accidents at work.

Injury prevention

The LUKOIL Group entities are constantly working to create a safe production environment: hazards to the health and life of employees are identified and analyzed, and measures are taken to eliminate them or mitigate their effect. Corporate standards provide for regular assessment of risks and measures to manage them, including preventive measures, such as:

- ✓ training of managers, specialists and workers;
- ✓ Safety Days at PJSC LUKOIL and the other Group entities;
- ✓ Safety Leadership Visits to production facilities;
- ✓ activities of OHS officers at the Group entities;
- ✓ identification and dissemination of best safe work practices;

- ✓ Occupational Health and Safety competition;
- ✓ International Occupational Safety ONLINE quiz game.

In 2023, the causes of incidents resulting in lost time injuries for employees of the LUKOIL Group entities and contractors were analyzed. The human factor was recognized as the main cause: this means that in most cases employees did not use the available knowledge or this knowledge was insufficient. The following causes were also associated with the human factor: personal negligence, poor organization of work, violation of labor and workplace discipline.

Therefore, the Company intends to intensify its efforts aimed at fostering a culture of safe behavior and increasing the motivation for safe work. In particular, it is planned to expand the use of the CIS tools and digital technologies for this purpose. In addition, new standards for providing personal protective equipment (PPE) were introduced in 2023: PPE is selected on a case-by case basis depending on the profession and subject to the results of a special assessment of working conditions and risk assessment. It is also expected that the new PPE will increase employees’ motivation for using it.

Incident investigation

In the event of accidents at the Group entities, investigations are conducted, their results are communicated to the executives and employees of the entities and structural divisions of PJSC LUKOIL, considered at meetings of the HSE Committee of PJSC LUKOIL, during PJSC LUKOIL Safety Days, and included in the annual report to the Company’s management and the agenda of the Board meetings. The results of such investigations are used to plan measures to prevent similar incidents and / or minimize potential damage.

Participation of employees and trade unions in the OHS work

OHS committees (commissions) are an effective element of public control at the Group entities. They comprise representatives of the employer, employees (including workers), and trade unions on a parity basis. Thus, the right of employees to participate in making decisions on the occupational health and safety management system is exercised in accordance with the requirements of Article 224 of the Labor Code of the Russian Federation. Employees have the opportunity to:

- ✓ submit proposals for improving working conditions
- ✓ participate in exploring the causes of occupational injuries and occupational diseases
- ✓ raise issues related to the provision of workwear, protective footwear, and other PPE

Assessment of the effectiveness of the measures taken

In order to avoid fatal injuries, the “zero fatal occupational accidents” criterion is included in the Ensuring the Required HSE Level KPI¹. Entities where fatalities have occurred receive an unsatisfactory rating, which results in a reduction in financial incentives.

- ✓ discuss periodic medical examinations and other topics related to working conditions and occupational safety

Employees have the right² to refuse to perform work if their lives and health are in danger.

OHS committees (commissions) may send proposals to the employer to improve working conditions, and initiate amendments to local regulatory acts, the Agreement with the International Association of Trade Unions or collective bargaining agreements.

Trade unions organize visits of trade union committee chairmen and technical labor inspectors to meetings with employees and key contractors.

Contractors

The Company takes measures to reduce the injury rate in contractor organizations. Compliance with corporate requirements is checked on an ongoing basis in the course of fulfillment of contractual obligations by contractors. Representatives of key contractor organizations are invited to participate in Safety Days and quarterly meetings where injuries are analyzed and measures to prevent accidents in the future are discussed. In 2023, a program for training contractors to use the CIS tools was under development.

Occupational health and safety officers³ play an important role in advocating occupational safety ideas directly at production facilities. They are elected in each labor team, as a rule, from among workers. Employees may apply to OHS officers for advice, while complex issues are referred to trade union committees for resolution.

Such applications are monitored by the Technical Labor Inspectorate; all applications are considered, and decisions on further actions are made. In total, the LUKOIL Group entities have 102 OHS committees (commissions) and 1,970 OHS officers.

¹ Including employees of contractors working at LUKOIL’s facilities.
² In accordance with clause 6.1.9 of the Agreement between the Employer and the Trade Union of PJSC LUKOIL.
³ Hereinafter, OHS officers.

OHS officers at LLC LUKOIL-PERM

The entity’s OHS officers inspect workplaces and working conditions and identify deviations from established standards and opportunities for improvement. Safety cross maps, checklists (a new tool introduced in 2023), and production inspection maps are used to make the analysis complete. The inspection program includes, in particular, the review of compliance by employees and contractors with OHS rules and instructions when performing high-risk work. Special attention is paid to the provision of high-quality professional clothing and footwear to employees. All identified violations are recorded in the Report of the OHS Officer and the Working Conditions Inspection Log.

As a result of such inspections, the following measures were taken in 2023: additional lunch rooms were equipped, quality of washing and workwear repairs was checked, the fire safety system was reconstructed, and air conditioning and heating systems were checked.



Improving OHS management efficiency

The Group’s entities implement the CIS tools to cope with the three main tasks: incident prevention, incident transparency, and incident management. Roadmaps have been developed in each business segment; ISCs play an important role in strengthening the methodological framework. The following CIS practices are already used by the Group’s entities:

- ✓ employee training in the “Safety culture and risk management” (including by internal trainers);
- ✓ assessment of risks before undertaking high-risk work;
- ✓ visualization of key safety rules, stands devoted to the occupational safety culture;
- ✓ a library of video tutorials and thematic video clips, electronic briefings and simulators (including computer complexes and VR-based simulators).

New CIS tools are tested in pilot mode and replicated depending on the testing results. Such tools include the following:

- ✓ near miss recording and analysis procedure¹;
- ✓ Work Safety Analysis forms and risk search registers;
- ✓ work safety dialogs;
- ✓ collection and implementation of employees’ ideas for improvements;
- ✓ electronic Shift and other tools.

Pilot project to record and analyze near misses (LLC LUKOIL-PERM)

The procedure for recording and analyzing potential nonconformities (hazardous conditions, hazardous actions) and near miss incidents is one of the CIS tools aimed at reducing the risk of incidents and eliminating their causes. This approach provides a basis for the entire pyramid of actions aimed at preventing high-consequence and fatal injuries.

The project involved 20 production facilities where three near misses were identified. Observations revealed the most common hazards that were then presented at meetings and Safety Days. The relevant information was posted on stands at production facilities to involve employees in identifying such cases in their everyday work.



¹ A near miss is an event that did not lead to an accident, but under certain conditions or by coincidence could have caused an injury or deterioration of an employee’s health, environmental damage or damage to the Company’s property.

An important area for improving working conditions is the use of digital devices and systems that help control the situation, prevent accidents, and maintain the attention of employees:

- ✓ The video surveillance and intelligent video analysis system helps detect industrial and occupational safety violations, including the failure to use PPE or a safety harness, or the occurrence of emergency situations, determine the appearance of fire and smoke or employees entering prohibited areas. In 2023, 110 cameras installed at large production facilities (oil refineries and petrochemical production facilities) were connected to the system. The results of the system operation are documented in the form of automatic reports on violation statistics.

- ✓ Individual wearable tech devices (personal wristbands, radar beacons) transmit data on employee movements around production sites and in open areas, send alerts in case of the alarm button activation or falls from height, check the employee heart rate. Tablet PCs and smartphones are used during inspections and measurements of various equipment reliability parameters at hazardous production facilities.

In 2023, the set of digital tools designed to eliminate the prerequisites for employees taking dangerous actions was expanded.

- ✓ A VR simulator was developed and put into operation to practice skills in performing work at heights, high-risk work, and repairs of technological equipment. The simulator is used to train employees of oil refineries in Volgograd and contractors in conditions as close as possible to reality.
- ✓ The Electronic Shift information system was launched. This helped automate the control over the operation of a production facility and the completion of the operator shift log.
- ✓ Robotic process automation (RPA) is implemented to optimize routine processes while reducing the human factor risks.

Use of the Mobile Inspector application in the Exploration and Production business segment

Indicators	Unit of measurement	2022	2023
Number of facilities where the application is used	facilities	112	117
Number of foremen and employees of the oil and gas production shop and the central engineering and technical service	people	160	199
Number of oil and gas production operators	people	1,660	1,821

Use of the Mobile Inspector application in the Refining and Distribution business segment

Indicators	Unit of measurement	2023
Number of facilities where the application is used	facilities	36
Number of devices provided to employees	devices	90

Note. These data relate to LLC LUKOIL-Volgogradneftepererabotka.

Our awards

The Organization of High-Risk Work software solution developed to automate business processes and ensure safe performance of work at production sites received the highest rating in the Best Digital Industrial Safety Solution category at the 14th Best Digital Solutions for the Oil and Gas Industry competition (the competition is held as part of the SMART OIL & GAS Federal Forum on IT and Digital Technologies in the Russian Oil and Gas Industry).



Occupational diseases

Occupational diseases are extremely rare among LUKOIL Group employees. LLC LUKOIL-PERM in the Komi Republic and the Nenets Autonomous Area (Yareganef Oil Mining Enterprise) is the only entity where arduous working conditions (mining production method) still exist. The Company constantly improves working conditions in its oil mines: new ventilation systems are installed in the mines; equipment preventing employees from contacting sources of vibrations is purchased; automation tools are implemented; specialized PPE is provided.

The priority is the early identification of employees prone to occupational diseases; rehabilitation measures are taken and, if necessary, transfer to another job is arranged.

The key methods of preventing occupational diseases at the Group entities include in-depth medical examinations at the workplace and health resort treatment. Access to health services at production facilities is improved thanks to primary health care moving closer to workplaces. In 2023, thanks to prompt actions of the medical staff, 15 employees were saved when they experienced a sudden deterioration in their chronic diseases, such as heart diseases.

To improve the quality of health services, medical stations and outpatient clinics are upgraded. In 2023, more than 30% of the healthcare centers were upgraded, while new healthcare facilities were opened in the Volgograd Region, Moscow, and Perm.

On-site visits when employees have the opportunity to ask doctors questions became very popular. Such visits were arranged in Western Siberia, the Perm Territory, Komi Republic, Volgograd, Nizhny Novgorod, Astrakhan, and Moscow. Moreover, 56 lectures on various topics related to the preservation of health were delivered in 2023.

Our awards



LLC LUKOIL-Permnefteorgsintez and LLC LUKOIL-Yugnefteprodukt received awards at the All-Russian Leaders of Russian Business competition for their achievements in occupational health and safety.

Indicators

Due to the systematic approach to improving occupational safety, injury rates in the Group entities remain at a low level¹ compared to peer companies in terms of production volumes and headcount. The effectiveness of the measures taken is confirmed by the changes in the relevant indicators: the injury rate for the period from 2015 to 2023 decreased by 34%.

- ✓ the operation of facilities that do not have a closed system for collecting and treating oil and gas during operation was prohibited;
- ✓ the terms of reference for cluster drilling were revised;
- ✓ the regulations stipulating the steps to be taken in a similar situation and other measures were developed.

However, in 2023 there were two fatalities at LLC LUKOIL-West Siberia.

First incident. The employee could not be saved after gas poisoning when performing measurements at the well. The following root causes of the incident were identified: insufficient measures to ensure the safe performance of gas hazardous work and failure to ensure the complete leak tightness of equipment. The following measures were taken to prevent similar incidents:

- ✓ funds were allocated to provide employees working at explosion and fire hazardous facilities with personal gas detectors in 2024;

Second incident. During the scheduled maintenance of a transformer substation by a contractor, an employee of LLC LUKOIL-West Siberia was electrocuted, fell from a height, and suffered fatal injuries. The accident was caused by the unsatisfactory organization of work and failure to ensure supervision over compliance with safety measures by the contractor. As a response, an urgent action plan was developed. In particular, the contractor’s employees were sent to the Rostekhnadzor (Federal Environmental, Industrial and Nuclear Supervision Service of the Russian Federation) commission for an additional assessment of their knowledge of the electrical safety code rules.

In 2023, there was one fatality among employees of contractors at the facilities of the LUKOIL Group entities (at LLC LUKOIL-PERM in the Komi Republic and the Nenets Autonomous Area). During the tank cleaning carried out by a contractor, there was an explosion with a fire and partial collapse of the structure. As a result, one employee of the contractor died, and another suffered burns. At the time of preparing the Report, the investigation of this accident was still under way.

Employees of LUKOIL and contractors were informed of the circumstances and causes of all accidents, and additional OHS training and knowledge testing were conducted.

The Group’s priority measures are aimed at reducing the scope and number of potentially hazardous operations (such as hazardous work at heights), as well as at preventing accidents, reducing repeated violations, and replicating best practices, including those related to reducing the impact of the “human factor”.

Work-related injury indicators at the LUKOIL Group entities

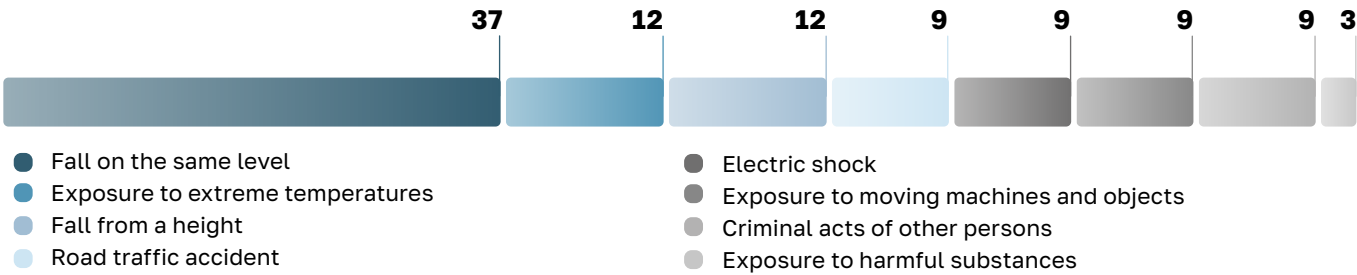
Indicators	2021	2022	2023
Lost Time Injury Frequency Rate (LTIFR)	0.10	0.15	0.13
Total number of occupational accidents	17	18	21
✓ fatalities	0	1	2
✓ high-consequence work-related injuries	5	6	3
Number of employees injured in occupational accidents	17	26	22

Notes. If the same employee suffered more than one injury during the reporting period, each case is counted as a separate injury. The lower LTIFR is, the better. The “Number of employees injured in occupational accidents” indicator includes fatalities and lost time injuries. More details are provided in the [ESG Databook](#).

Work-related injury indicators at the contractor organizations that worked at the facilities of LUKOIL Group

Indicators	2021	2022	2023
Total number of occupational accidents	16	15	12
✓ fatalities	3	3	1
✓ high-consequence work-related injuries	6	3	3
Number of employees injured in occupational accidents	17	17	13

Breakdown of accidents by type (total for the LUKOIL Group entities and contractors) in 2023, %



Occupational diseases at the Russian entities of LUKOIL Group

Indicators	Unit of measurement	2021	2022	2023
Number of employees with newly diagnosed occupational diseases	people	8	12	12

Note. Newly diagnosed diseases are primarily identified among elderly employees and, as a rule, are the result of health exposures over their entire working life (not only at the LUKOIL Group entities).

¹ Based on the results of an analysis performed at PJSC LUKOIL.

Employment relations

We endeavor to apply uniform principles and approaches to working with our employees in all countries and regions where the Group operates, taking into account local culture and specifics of laws. The [Human Capital Management Policy of PJSC LUKOIL](#) determines the Company’s business strategy and principles to ensure PJSC LUKOIL’s stable position as an employer of choice.

The [LUKOIL Group Human Rights Policy](#) provides for respect for employment and labor rights of employees and compliance with legal requirements, non-discrimination in recruitment,

ensuring equal rights and opportunities for men and women and representatives of indigenous peoples, and other principles.

To ensure an open and transparent recruitment process, the Company publishes information on current vacancies in public information channels and on its internal corporate portal, which helps retain key personnel, ensures the vertical and horizontal rotation of employees, and minimizes risks inherent in the labor market.

Local hires in Bulgaria, Romania, and Belarus consistently account for more than 99% (in 2020–2023) of the headcount of the respective LUKOIL Group entities, with 93% in Uzbekistan and 63% in Iraq¹. The percentage of local senior managers² was 33% in 2023.

Young professionals and employees

The Company’s development potential depends, among other things, on the inflow of qualified and competent young employees, so working with young people forms an integral part of the [Human Capital Management Policy of PJSC LUKOIL](#). The LUKOIL Group Youth Policy³ determines the conditions and opportunities for attracting university graduates and their successful self-fulfillment at the Company.

Many of the Group entities work with school leavers and university graduates, some of them have long-term programs

(such as the Prospect program at LLC LLK-International and the Start to the Future program at LLC LICARD). The establishment of the Educational Center in Kogalym – a branch of the Perm National Research Polytechnic University – was a step in the new direction for young employee engagement. For several years, the Company has been working with schoolchildren in grades 10–11 and their parents in 68 regions of the Russian Federation to attract school leavers to Kogalym. In 2023, the corporate groups included 265 students who may become employees of LUKOIL in the future.

Young employees participate in the implementation of the corporate Youth Policy. Among the key enablers of this Policy are 65 Councils of Young Professionals created at the LUKOIL Group entities. They organize social and scientific events, help young people adapt to the new working environment, hold meetings with the heads of their entities to discuss topical issues.

The Company holds an annually contest to award the Best Young Professional of the Year title. The contest winners receive a one-time bonus and a one-year supplement to their salary. Moreover, they may be considered for inclusion in the organization’s talent pool and the program of internships at the Group entities.

¹ Given our broad geographic presence, some indicators such as the percentage of local hires and the average salary are disclosed for each significant region (countries and constituent entities of the Russian Federation). For the definition of ‘significant regions’, see [Appendix 6](#). In 2023, 98% of the total number of LUKOIL Group employees were employed by the LUKOIL Group entities in the significant regions in the five foreign countries and in Russia. Local hires in foreign countries are all employees of the Group entities, except for seconded employees (for the definition of ‘seconded employees’, see [Appendix 6](#)).

² Senior managers include the CEO (Managing Director / General Director) and their deputies for functional areas. Local senior managers mean employees who are permanently registered in, or are nationals of, a relevant country.

³ Approved by Order No. 218 of PJSC LUKOIL on December 27, 2022.

Key forms of work with the youth and some 2023 results



✓ **Contest for young professionals**
49 winners (based on the 2022 results)

✓ **Research and technology contest**
77 winners (based on the 2021–2022 results)

✓ **Conferences and educational events**
(training sessions, workshops, webinars) – over 470 participants

✓ **Corporate, cultural, and sporting events for the youth**

✓ **Program for schoolchildren and students**

✓ **Grants and scholarships**

Onboarding and mentorship

Onboarding programs of three months to one year are available to young employees: they are introduced to the Company’s values, its history and strategy, corporate culture, and the main regulatory documents.

All young professionals are assigned a mentor. The mentor develops an individual plan for the employee’s professional development and helps both in its implementation and in the day-to-day work. The mentor’s performance is assessed as effective if the young professional achieves all the goals and objectives set.

Youth training

The LUKOIL Group entities hold various training courses and championships in the relevant focus areas. In 2023, the Life Safety Academy training course was organized for 100 young employees and young professionals working at the LUKOIL Group entities in the Moscow Region on the Young Professional Day. This course on the safety basics and emergency response measures was developed with the support of the Russian Ministry of Emergencies.

Our awards. Youth policy

LLC LUKOIL-West Siberia received a letter of gratitude from the Government of the Khanty-Mansi Autonomous Area – Yugra “For implementation of the mentorship project for students and graduates of the Kogalym Polytechnic College,” and a Reliable Partner diploma for effective social partnership in promoting youth employment in the Khanty-Mansi Autonomous Area – Yugra.

The Mentorship System for Young Professionals of LLC LUKOIL-PERM project won the All-Russian Mentorship Competition in the Volga Federal District and was included in the top-50 best practices of the Russian Federation.



Number of young employees and professionals

Indicators	Unit of measurement	2021	2022	2023
Number of young employees (under 35)	people	36,515	35,985	33,354
Including young professionals (under 30)	people	1,351	1,436	1,594

Notes. The decrease in the number of young employees was mainly due to the employees exceeding the age threshold. The increase in the number of young professionals starting from 2022 was due to a change in the criteria for including employees in this category in accordance with the LUKOIL Group Youth Policy.

Motivation, training, and social support

Motivation and payroll

We strive to maintain a favorable employee remuneration system to facilitate social stability and enhance the quality of life of our employees and their families.

As part of implementing the [Human Capital Management Policy of PJSC LUKOIL](#) and the Impulse project, the Company continues to improve employee performance at all levels. A key change has been made to the incentive system: the new target remuneration and bonus procedure is based on the annual setting of goals and assessment of their achievement. Managers receive more tools to stimulate employee performance (for example, through employee participation in searching for innovations and implementing improvements as part of the CIS).

Key components of the incentive system:

✓ setting of corporate and individual goals;

✓ assessment, appreciation, and recognition of top performers;

✓ compensation based on the end-to-end grading system;

✓ accessible professional development and a transparent career growth system;

✓ culture of efficiency, regular feedback from management, mentorship to unlock employee potential.

The Company continues to implement the end-to-end grading system, which ensures the comparability of positions, competitiveness of wages, and managed career growth of employees, as well as control over the payroll fund. PJSC LUKOIL has implemented an automated Personnel Efficiency Management system.

Compliance with the law

LUKOIL strictly complies with statutory requirements in relation to labor remuneration and the payroll schedule.

The starting wage of employees at foreign entities is also set at no less than the minimum wage in accordance with the labor legislation provisions in the country of operation, the collective bargaining agreement, and/or the LRAs.

The minimum wage rate is the same for men and women, with its size depending on the duties performed, the complexity of the task to be solved, and the level of responsibility; it is set for each employee based on their education and experience levels.

The Agreement between PJSC LUKOIL and the Trade Union of PJSC LUKOIL sets the minimum monthly wage rate at the Russian entities at no less than the minimum wage in the Russian Federation.

The minimum monthly wage (compensation) of employees in the regions of operation presence is set in accordance with the regulatory legal acts in effect in each particular constituent entity of the Russian Federation pursuant to the collective bargaining agreement.

By the end of 2023, the average wage level in significant regions of operation in Russia, where mining, refining, and power generation entities operate, exceeded the average wage in these regions by 1.1–3.0 times.

In 2023, the minimum wage rate at the Group entities in significant regions of operation in Russia met or even exceeded the established regional minimum wage.

LUKOIL Group staff costs				
Indicators	Unit of measurement	2021	2022	2023
LUKOIL Group	RUB mln	169,235	180,464	213,775
Payroll	RUB mln	159,842	170,214	201,672
Social benefits and payments, social support for employees	RUB mln	8,539	9,222	10,918
Training	RUB mln	854	1,028	1,185
Notes. The costs related to social benefits and payments and social support for employees include payments under collective bargaining agreements but do not include social payments made from the payroll fund. The payroll data for employees of the Russian entities have been prepared in accordance with the requirements of current laws and forms of federal statistical monitoring.				

Social support

The employee incentive system includes [benefits and compensation](#), established by the agreement between the employer and the trade union, the collective bargaining agreements, and other LRAs. Social benefits are provided at both Russian and foreign entities irrespective of employment terms (full- or part-time employment).

Significant attention is paid to the benefits and compensation enhancing the quality of life of our employees, including those geared towards maintaining their health, providing support to families with children, offering housing aid, etc. Social benefits are provided to retired employees as well.

The Company’s obligations that supplement those envisaged by the laws of the Russian Federation are set out in the [Social Code of PJSC LUKOIL](#) and the Agreement between the employer and the Trade Union of PJSC LUKOIL

up to 2026 (the “Agreement”) that was signed in 2023. The new Agreement was amended in accordance with the arrangements made by the parties to the social partnership, and benefits for families with children were expanded. The main changes affected the following benefits and guarantees:

- ✓ The OHS standards were clarified;
- ✓ The wage rates used to calculate social benefits to employees and non-working pensioners were indexed;
- ✓ A supplement bringing the maternity pay of women on maternity leave to the amount of the average salary was established for the entire period of the maternity leave;
- ✓ A travel and baggage allowance was established for employees dismissed due to transfers between the LUKOIL Group entities;
- ✓ The amount of financial assistance provided on the birth or adoption of a child was established;
- ✓ The provision of two calendar days of additional paid leave under the Agreement was extended to single fathers or guardians raising two or more minor children (previously such additional paid leave was provided only to women with two or more minor children).

All the rights and guarantees set forth in the Agreement are reflected in collective bargaining agreements of the LUKOIL Group entities and apply equally to all employees of LUKOIL Group, regardless of their trade union membership. The Company is working to unify collective bargaining agreements. Salary indexation was also performed at the Group entities in 2023.

Percentage of employees covered by collective bargaining agreements				
Indicators	Unit of measurement	2021	2022	2023
LUKOIL Group	%	93	93	93
Russian entities	%	99.5	99.5	99.9

Voluntary health insurance (VHI)

According to the Uniform Rules for Voluntary Health Insurance (VHI) for Employees of the LUKOIL Group Entities¹, all employees², working at the Russian entities of the Group (as a primary job) are entitled to VHI insurance. Employees can increase the insurance coverage at their own expense.

Housing program

Within the scope of the corporate Fundamentals of the Housing Policy of LUKOIL Group, employees may receive aid from the Company as part of the employer-assisted housing program, including in the form of partial repayment of interest on bank loans. In 2023, 425 employees participated in the program (in 2022: 395 employees).

¹ The document establishes the requirements for arranging VHI policies for employees of the Russian entities of the Group. The Uniform Rules are not binding for foreign entities of the Group, their employees are subject to VHI in accordance with local laws and employee employment contracts.

² In 2022, amendments were made to the document, according to which newly hired employees (new hires) are subject to VHI within one calendar month of the end of the trial period stipulated by the employment contract.

Pension benefits

Russian entities provide funding for the corporate defined benefit pension plan that covers most of their employees.

Employees of foreign entities are provided pension benefits in line with the laws of the countries where the Company operates, as well as their LRAs. Some pension plans are funded

solely by the Group entities, while others are based on contributions from both employees and the employer. As part of the Impulse project, changes are planned to the co-funded pension program.

Private pension coverage

Indicators	Unit of measurement	2021	2022	2023
Number of former employees receiving a corporate pension (Russian entities)	people	53,646	53,512	53,401
Number of employees participating in the pension programs (LUKOIL Group)	people	43,302	43,741	43,433

Training and development

Corporate training is a long-term priority area of the Human Capital Management Policy of PJSC LUKOIL. Given the pace of technological development, there is a growing demand for management personnel capable of solving non-routine problems. The Human Capital Management Policy of PJSC LUKOIL sets out the principle of advanced development of employees’ competencies and their continuous learning. The Company strives to develop, first of all, the necessary skills and competencies of employees. In 2023, it was decided to update the internal corporate training system based on the Model of Corporate Competencies that will determine the selection of training courses for employees.

Distance learning

The significant part of training, including courses and programs on mastering new areas of knowledge and types of activity, as well as on acquiring modern competencies, is held in the Distance Learning System (DLS). The main DLS goal is to ensure that employees possess the level of knowledge required by the Company. This goal is achieved through training and communication, assessment, and testing. The DLS helps effectively achieve large-scale training objectives, test employee knowledge for compliance with corporate and statutory requirements, and develop professional and managerial competencies, as well as enhance personal effectiveness skills of employees. For the sake of convenience, employees can receive DLS training at a time of their choosing, including from their home PCs and mobile devices. In 2023, a number of new courses and training sessions were added.

In addition to professional training on the AR LUKOIL mobile application platform, online webinars are held to promote employees’ personal development, including the development of soft¹ skills, stress management, and other similar training courses (13 training sessions were held during the year). The idea of holding webinars is closely related to the development of corporate culture. Soft skills are necessary for each employee to improve personal productivity, including workflow optimization, time management, generation of new solutions. Webinar topics are selected on the basis of employees’ feedback. Presentations, recordings of the webinars held, as well as useful psychology and self-development articles are posted on the “Upgrade your SOFT SKILLS!” expert blog.

According to surveys, 86% of employees consider webinar topics useful and relevant; 64% of respondents intend to put their knowledge into practice.

Our awards

The AR LUKOIL Corporate Webinar Platform project (PJSC LUKOIL) won the Effective Education All-Russian Award in the Corporate Programs category (Platform of the Year nomination).



Training under the Impulse project

During the implementation of the Impulse project, due to the need to transform processes, it was necessary

to develop many training programs so that employees could master new skills and competencies required because of the transformation of the Company’s management systems.

In 2023, mass training for managers (1,580 participants) in how to use 10 key management tools (Standard Management Practices, SMPs) was organized for the first time. SMPs are part of the CIS and determine the actions

and behavior of managers in standard (most common) situations. They also create standard expectations among employees about such actions.

The training format combined three-day in-person training sessions with webinars and distance learning of participants. To check the sustainability of knowledge and the quality of its practical application, the implementation of the SMPs was audited: a survey of

participants was conducted to determine the SMP Index, to record changes in the skills, knowledge, and behavior of the participants after the training, and to identify the areas that need additional improvement. An important element of feedback was a webinar with answers to the participants’ questions: they described challenging situations they encountered when implementing the SMPs. Collective case studies broaden the experience of the trained employees.

In 2024, training of managers in how to apply SMPs will continue. In total, it is planned to train more than 3,000 managers, including CEOs and their deputies, heads of departments, directorates, functions and services, regional managers.

The Leadership Mentorship in Management Activity seminar for managers and HR employees was another mandatory training course held in 2023.

Employee training at the LUKOIL Group entities

Indicators	Unit of measurement	2021	2022	2023
Number of trained employees	people	80,119	83,861	88,443
Average number of training hours per one trained employee	hours	141	103	100

Note. More details are provided in the ESG Databook (see Appendix 7).

Percentage of trained employees by employee category in 2023, %



Employee training under distance learning programs at the LUKOIL Group entities

Indicators	Unit of measurement	2021	2022	2023
Training hours	hours	4,014,763	4,085,320	3,696,671

Percentage of employees trained under distance learning programs by employee category in 2023, %



Note. The percentage of employees trained under distance learning programs is calculated using the total number of distance learning person-courses.

For more information, please visit our website, the Sustainability / Our employees sections.

¹ Soft skills are the skills that are not related to the job or professional duties or the specialization of an employee.

Supply chain

LUKOIL Group’s sustainable development goal:
Continued economic sustainability and development



Objective:
Supply chain management based on sustainability principles



The Company is open to cooperation with counterparties and customers, values its reputation and the strong experience of interacting with them.

Business relationships with suppliers

The LUKOIL Group entities procure a significant amount of goods, work, and services annually and interact with a large number of suppliers and contractors from different economic sectors. LUKOIL’s supply chain comprises large companies, small and medium-sized businesses, individual and social entrepreneurs. LUKOIL is a vertically integrated company, so the largest part of the value chain is within the Group perimeter. Its main counterparties are suppliers of services (drilling services, industrial construction, commercial logistics and transportation, telecommunications services, etc.), material and technical resources.

The Company has developed an organizational structure to manage procurement, procedures to identify various risks in the procurement system, and requirements for each stage of business relationships – from counterparties’ participation in tenders or other procedures to full

compliance with contractual obligations. The Company conducts technical audits of its key contractors and suppliers, and has developed methods to assess the qualification of contractor employees performing critical work. The Company has an Integrity Due Diligence System to help identify changes in the level of risk inherent in interactions with counterparties at all stages of contractual relationships.

The Sustainability Assessment of Suppliers subprocess has been implemented; the subprocess serves as the basis for assessing compliance with anti-corruption standards, the level of labor safety and environmental protection. Work and service contracts contain provisions prompting mandatory compliance with the requirements of applicable anti-corruption laws and the [Anti-Corruption Policy of PJSC LUKOIL](#).

LUKOIL endeavors to maintain rewarding business relationships in the supply chain and provides counterparties with the following opportunities:

- ✓ to contact the Company on various issues, including complaints and proposals;
- ✓ to use ethics and anti-corruption hotlines;
- ✓ to make inquiries via the Supply electronic platform;
- ✓ to participate in information events.

In accordance with the Regulations on Procurement for the Russian LUKOIL Group Entities¹, the Internal Audit Service (IAS) is charged with the task of considering appeals (complaints) related to competitive procurement procedures and decisions made by the Company’s collegial procurement bodies.

To further develop ESG practices related to cooperation with suppliers and contractors, in 2023 the Company continued to make continuous improvements to the Managing the Procurement of Goods, Work, and Services business process, to develop the procurement methodology management system, and to build the methodological framework for supplier performance management. Existing procurement LRAs provide for the application of various strategic approaches to procurement management and different strategies aimed at implementing the most responsible business practice principles.

The Company organizes and participates in events to expand the competitive environment, for example:

- ✓ annually holds the LUKOIL Group Supplier Day in Russian regions (the event was held in the Tver Region in 2023);
- ✓ participates in major industry forums (Industrial and Energy Forum TNF-2023, Effective Solutions for the Oil and Gas Industry Technology Summit);
- ✓ uses external electronic trading platforms as a procurement tool.

Indicators

In 2023, 87% of tender participants in Russia and 100% abroad (37 bidders)² who were subject to HSE assessment successfully passed the due diligence procedure. The percentage of local suppliers of material and technical resources (MTR) in Russia remained at 90% both in terms of the number of suppliers and in financial terms.

Information on tender participants who submitted tender bids for supplying goods, work, and services to the LUKOIL Group entities

Reporting period	Total number of bidders	Including in tenders subject to HSE assessment		Number of bidders admitted to tenders based on the assessment results	
		Number	Percentage of the total number of bidders, %	Number	Percentage of the total number of assessed bidders, %
Russian entities					
2021	3,413	2,132	62	1,944	91
2022	2,742	1,843	67	1,666	90
2023	2,789	1,836	66	1,605	87

Percentage of local MTR suppliers in Russia

Indicators	Unit of measurement	2021	2022	2023
By the number of counterparties	%	93	94	98
By procurement volumes in financial terms	%	94	98	99

Note. Local suppliers are organizations and persons supplying goods or services to the Company and regularly operating in significant regions where the Company operates (irrespective of their place of incorporation/registration).

More details on the topic are available in the [Sustainability / Supply chain](#) section of our website.



¹ Approved by Order of PJSC LUKOIL No. 83 on April 26, 2023.

² The information relates to the Oil and Gas Production Abroad business sector.

Business relationships with clients and partners

LUKOIL is a supplier of fuel and lubricants to a wide range of wholesale and retail consumers in various countries.

New service model for filling station visitors

Following the modern trend towards improved quality of motorway services that best meet the needs of consumers, the Company is changing its approach to the development of its filling station network and moving away from the concept of a high-quality fuel supplier to the concept of a one-stop-supplier of essential services.

The expansion of the range and content of services changes the role of a filling station for for residents of the district and territories where it is located: filling stations begin to attract not only car owners, but also ordinary consumers.

Cooperation with suppliers, including small businesses, is becoming a factor that largely shapes the perception of visitors and determines the level of diversification of filling station services. There have already been significant changes for clients:

- ✓ A new food concept has been introduced: LukCafe restaurants now offer healthy foods and signature dishes;
- ✓ Stores and pharmacies are being opened; new retail equipment has been installed;
- ✓ The self-service format is being expanded.

The main achievements in developing the service concept of filling stations in 2023 include the following:

- ✓ Continued development of a network of filling stations with motorway services;
- ✓ Launch of two flagship filling stations (in Moscow and on the M-12 highway) corresponding to the new concept of the LUKOIL filling station network.

New filling station concept

In 2023, a 1,200 m² new filling station complex was opened on the M-12 highway near Vladimir. Its design conveys the idea of creating a proposal for both those who hurry home and for those who want to relax or buy products or other goods during their stopover. In addition to a cafe and a restaurant with signature dishes, a two-level terrace, a store (including the Russian first Azbuka Vkusa minimarket under a franchising agreement), a pharmacy, play areas for children, a work-out area for sports, and a sanitary area with shower rooms, laundries, and a parenting room are open for visitors. Another such 600 m² complex is located in Moscow.



Digital services ecosystem

In addition to face-to-face services, a system of electronic services in the LUKOIL Filling Stations mobile application has been developed and is constantly being updated for clients. In 2023, more than ten new services were added. Digital services are available to LUKOIL clients at filling stations in Russia and Belarus.

Useful services for drivers have already been integrated into the application (various payment methods at filling stations, loyalty points, promotion campaigns, etc.). The range of these services has now been expanded. To reduce service time, new functions have been added to the mobile application, such as payment for fuel and services without leaving the car or with a QR code.

In other countries, LUKOIL filling stations have loyalty programs that are conceptually similar to the Russian one (use of a plastic or virtual loyalty card, client’s personal account, assessment of the service level at filling stations, and other functions). The loyalty program applies to B2B clients as well.

LUKOIL Filling Stations mobile application

The LUKOIL Filling Stations mobile application keeps developing and is gaining in popularity. In 2023, new useful services for car owners became available through the application, including:

- ✓ Getting third-party liability insurance (OSAGO) and fully comprehensive insurance (CASCO) for vehicle owners
- ✓ Scheduling a car service or warranty repairs
- ✓ Calling a tow truck
- ✓ Verifying and paying traffic fines
- ✓ Scheduling a car wash
- ✓ Traffic lawyer services



The number of the mobile application users in Russia exceeded 11 million in 2023. Thanks to the loyalty program, more than 2.5 million new clients started to use the application

Our awards

In 2023, the following achievements of the Company were recognized:

- ✓ The Fill Up with Benefit loyalty program was named the best at the 14th Annual Quality of Service and Consumer Rights Award in the Retail Services category;
- ✓ The project of LUKOIL’s first digital filling station was presented at the FINOPOLIS Forum of Innovative Technologies of the Bank of Russia;
- ✓ LUKOIL’s filling stations network won the All-Russian Filling Stations of Russia Contest in the Filling Stations Network of the Year category.

Client feedback

The Company consolidates contacts with customers and partners and analyzes their feedback to improve the service quality and raise the level of their satisfaction with products and services. The key channels of interacting with customers include the mobile application, the Unified Hotline, surveys, social media platforms, e-mails, and immediate communication at filling stations. The new communication channels are 2GIS, Yandex Maps, and Google Maps.

In 2023, the Unified Hotline specialists received more than 1.3 million reports from clients. All reports are analyzed, and, where necessary, corrective measures are taken. Based on the analysis of the received reports, the most needed services are identified,

including those that mean extending the functionality of the LUKOIL Filling Stations mobile application, for example: information on the availability of fuel and the opening hours of filling stations.

In addition, the Client Day campaign was held for the first time in 2023 at 175 filling stations in nine Russian regions. On this day, office employees worked as cashiers and filling station operators. Thus, executives and managers had a chance to communicate directly with clients and got new ideas about how to develop services. It is planned to hold the Client Day every year.

On an annual basis, the average customer satisfaction score is determined based on the ratings given by visitors to filling stations in the mobile application. This

indicator is used as a KPI for employees and managers of oil product supply entities. The number of ratings is measured in tens of millions per year and 4–5 times higher than the number of the application users, which confirms the objectivity of this tool. If clients’ experience is negative, they can indicate the reason for such an impression, whether it is the work of personnel, the state of the premises, the assortment and quality of goods, the technical condition of equipment, or any other reasons. Thus, the Company receives signals which areas need improvement.

Assessment of the service quality by clients of LUKOIL filling stations

Indicators	Unit of measurement	2021	2022	2023
Number of user ratings in the mobile application	million	–	46	43
Average rating in the LUKOIL Filling Stations mobile application (out of 5 possible rating points)	points	4.95	4.97	4.97
Percentage of negative ratings		1.3%	0.9%	0.7%

LUKOIL Group filling stations geography as at December 31 of the reporting year

Indicators	2021	2022	2023
Total	4,965	5,278	5,258
✓ Russia	2,447	2,788	2,800
✓ Abroad	2,518	2,490	2,458

Notes. The data include information on LUKOIL Group’s owned, leased, and franchised filling stations, as well as those suspended and leased out (as at December 31 of each reporting year). The filling stations network is being optimized, including by cutting down the number of unprofitable leased and franchised stations abroad.

Sustainability initiatives for filling station clients and partners

We expand our relations with clients by inviting them to participate in sustainability initiatives, including those crucial to the environment and climate.

Save the Forest project

In December 2023, LUKOIL invited its clients to join the Save the Forest project. Its goal is to restore forests in those territories where they have been destroyed by fires, diseases or otherwise, and to reduce the anthropogenic impact on the climate.

Users of the LUKOIL Filling Stations mobile application may voluntarily compensate for GHG emissions from fuel combustion occurring when they drive their cars. The amount of CO₂ emissions is worked out on a calculator based on the types of fuel used and the customer’s purchase history recorded on the loyalty card for two calendar years. Having made the calculation, the client can purchase any number of trees

on the [Save the Forest project website](#) and get rewarded with points under the LUKOIL loyalty program.

Seedlings are purchased with the funds raised, taking into account the climatic zone where they will be planted. Only those land plots where no business activity is planned are used for planting. Clients receive a certificate confirming their participation in the project and can see how trees grow on the project website.

In 2024, trees will be planted in the Smolenskoye Poozerye (Smolensk Lakes) National Park having the status of a biosphere reserve awarded by UNESCO. The administration and scientific department of the park participate in the selection of a place for planting seedlings, and this place is approved by state authorities. Foresters will look after young trees.



In December 2023, 251 visitors to LUKOIL filling stations joined the project, buying 518 trees. We believe that this result eloquently shows that our clients are aware of climate change issues and take a proactive attitude.

Social support

Filling station clients can donate bonus points from their loyalty cards to the LUKOIL Charity Fund using the Charity section in the LUKOIL Filling Stations mobile application. Using these funds, the Fund acquires specialized wheelchairs for children with musculoskeletal disorders. In 2023, our clients donated more than 2.9 million points to the Fund (2022: 2.4 million points).

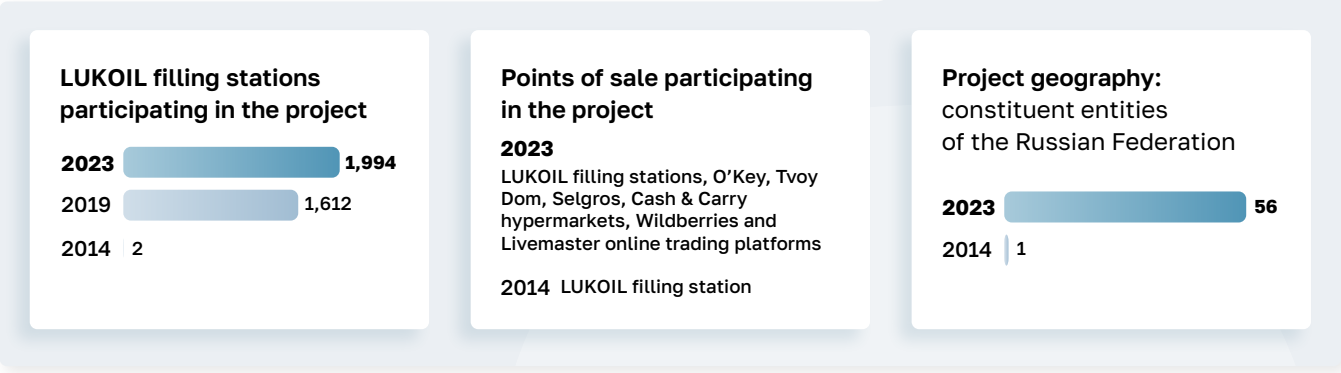
10th anniversary

More Than a Purchase project

The goal of the joint initiative of LUKOIL and the Our Future Foundation of Regional Social Programs¹ is to support social entrepreneurs in Russia. In January 2014, the project was presented at a LUKOIL filling station in the Moscow Region. This project was immediately called an innovative solution for social entrepreneurs. The idea of social entrepreneurship just began to appear in Russia at that time. The [Our Future Foundation](#) started to work with the first entrepreneurs: for more than ten years, the Foundation has been promoting legislative initiatives, organizing training, and issuing interest-free loans so that people can turn a good social idea into a small business.

The reason for the More Than a Purchase project was the problem faced by all small and micro start-ups – the lack of stable sales channels. With a staff of just several people, such enterprises usually produce small quantities of goods and experience difficulties with their delivery. The goal of the project was to organize the sale of social goods, and LUKOIL provided the opportunity to sell these products through the network of its filling stations. The first social goods on the shelves of filling stations under the More Than a Purchase brand were felt boots (‘valenki’), felt bags, transforming pillows, farm dairy products, and souvenirs.

What has been done?



Thanks to the active work of the project team, its participants have been able to find partners, expand the number of points of sale ready to sell social entrepreneurs’ goods, “nurture” a consumer of social goods, and prepare manufacturers for stable retail sales. Not only small, but also medium-sized enterprises that own production facilities but have problems with sales now apply for participation in the project. Having gained useful experience in organizing sales, some social entrepreneurs leave the project and do this work on their own, while others remain in the project for several years.

Ten years after the start of the project, the role of the employees working on it is to choose social goods that may be of interest to the market, help entrepreneurs develop attractive packaging, carry out labeling and bar coding, and resolve logistics and pricing issues. Start-up entrepreneurs can receive financial assistance to organize production. After the receipt of goods, they are delivered to points of sale.

The project has acquired much more significance than just trade facilitation. The More Than a Purchase project has become an integrator of social ties in Russian regions.

¹ Information about the Our Future Foundation can be found at <https://www.nb-fund.ru/en/>.

Safety of lubricants

To provide consumers with reliable information, LLC LLK-International assesses the safety of its products and registers their safety certificates in accordance with the technical regulations¹ and GOST 30333 (state standard) on a voluntary basis. A safety certificate contains data on potential hazards associated with the use of a product, the rules for its storage and transportation, its environmental impact, disposal methods, etc. The information on potential hazards is

indicated on the label and notifies the consumer of possible consequences of improper use.

A Material Safety Data Sheet is prepared for exported products in accordance with the UN Globally Harmonized System of Classification and Labeling of Chemicals. The document contains the same information as the Russian safety certificate and provides consumers with complete and reliable product information.

All production sites in Russia (Tyumen, Perm, Volgograd, Torzhok) use the Laboratory Information Management System (LIMS) that makes it possible to see the results of product quality control at any site online.

More details on the topic are available in the [Sustainability / Product quality management](#) section of our website.

Interaction with clients of LLC LLK-International

In 2023, LLC LLK-International fully adapted to the changed market environment. Thanks to the scientific and technical potential and a wide range of products, the oils produced by LUKOIL are supplied to the majority of automotive brands in Russia. During the year, contracts were signed with new car manufacturers (OEMs)² and authorized service stations. The Company's experience and expertise help promptly select and supply products that meet the needs of private and corporate clients.

- ✓ managers at all levels are involved in the analysis and discussion of customer survey results;
- ✓ customer feedback sessions are conducted to identify areas for improvement;
- ✓ targets for improving interaction in identified growth areas are set.

Key customer interaction tools include:

- ✓ the customer satisfaction platform used to analyze inquiry and complaint statistics;
- ✓ regular customer surveys.

LLC LLK-International has created and constantly develops its customer relationship management system having the following main features:

- ✓ customer requests and complaints are considered to avoid quality issues in future and identify areas for improvement;

Customer satisfaction with the Company's products has remained at a high level for a long time. In 2023, a record number of respondents took part in the corporate customer satisfaction survey, and 70% of the questionnaires sent out were returned with answers, including from Teboil clients. The

achieved rating of cooperation with LLC LLK-International meets the target. As for indicators characterizing the delivery time and the quality of customer support, the received ratings exceeded the target values. Respondents mentioned cases of container defects and the time of delivery of certain types of products as areas for improvement.

LLC LLK-International customer satisfaction level, %



In 2023, the number of telephone calls received by the hotline of the online lubricant store exceeded 14,000. They were mainly related to the purchase of lubricants in the online store, product selection services, and addresses of points of sale.

In 2023, LLC LLK-International held more than 60 events for clients and partners aimed at developing cooperation and human resources in the industry. In particular, programs of joint training, research and innovation activities in the

segment of lubricants and bituminous materials are being developed together with leading specialized higher education institutions.

Case study. Partner training

Taking into account significant changes in the Russian automotive market, LUKOIL has launched a project to train and develop personnel in the area of professional maintenance and repairs of vehicles. The project is being implemented together with a partner – one of independent automotive technology training centers in Russia.

The training program and training materials are intended for service station employees – from specialists to managers and business owners. They will be able to undergo training in seven main specializations for mechanics, electricians servicing passenger cars and commercial vehicles, and administrative personnel.

Seminars and practical training will be given by LUKOIL and partner experts. The plan is to integrate the LUKOIL Academy online platform into the training process. This platform contains a constantly updated set of courses to acquire in-depth knowledge and skills in using lubricants and technical fluids. Up to 10,000 participants per year will be able to undergo training. The project helps improve the level and quality of services provided in car service centers, which is in the interests of clients.



¹ Technical Regulations of the Customs Union No. 030/2012 “On Requirements for Lubricants, Oils, and Special Liquids”.
² OEM customers are car manufacturers and original equipment manufacturers.

Society

LUKOIL Group’s sustainable development goal:

Contributing to the socio-economic development of the regions and countries of operation

The external social policy of LUKOIL Group is determined by the Company’s desire to contribute to the socio-economic development of the regions of operation, improve the quality of life of people, and enhance their capabilities. Our interaction with regions is based on the principles of constructive cooperation and responsible partnership.

Management of external social activities

Our social priorities have remained standing for over a quarter of a century and are uniform. Many programs and projects are long-term and are financed both by the LUKOIL Charity Fund (LUKOIL CF) and directly by the LUKOIL Group entities.

Every year, the Company supports major social infrastructure development projects and many small social projects solving specific problems. Taken together, these projects lead to visible changes: kindergartens, schools, sports grounds and stadiums, clinics and hospitals,

cultural and educational institutions are built and renovated, and the range of social services for various categories of people becomes larger.

In 2023, LUKOIL Group’s total charity expenses amounted to approximately RUB 10.8 billion. In the reporting year, the Company implemented projects and events under 26 cooperation agreements with constituent entities of the Russian Federation.

Priorities

The Social Code of PJSC LUKOIL defines the following priority areas of external social activities of LUKOIL Group:

- ✓ Support for children, orphaned children, people with disabilities, veterans, and families in hardship

✓ Human medicine and healthcare

✓ Sports

✓ Environment

✓ Education

✓ Preservation of cultural heritage and traditions

Projects supported by LUKOIL Group contribute to the implementation of the following National Projects

- DEMOGRAPHICS

ECOLOGY

HOUSING AND URBAN ENVIRONMENT

TOURISM AND HOSPITALITY

EDUCATION

HEALTHCARE

Mechanisms

- The Company’s external social policy is implemented through various mechanisms applied in all regions of operation.

 - ✓ The Company signs agreements on social and economic cooperation with constituent entities of the Russian Federation.
 - ✓ The LUKOIL Group entities implement External Social Investment Programs.
- ✓ Since 2004, the Social and Cultural Projects Competition has been held through the joint efforts of the LUKOIL Charity Fund and the Group’s entities.
 - ✓ Indigenous minorities of the North are supported under agreements with the heads of kinship lands and agreements on social and economic development with reindeer farms in the Urals and Northwestern Federal Districts.
- ✓ Young employees run corporate volunteering projects.
 - ✓ The LUKOIL Group entities participate in and hold environmental campaigns in all regions.

Our anniversaries

- 30th anniversary

of the [LUKOIL Charity Fund](#)
- 25th anniversary

of the [LUKOIL Sports Club](#)

LUKOIL Charity Fund

The LUKOIL Charity Fund is one of the first corporate funds in Russia. It was established in 1993 on the initiative of PJSC LUKOIL management as the main tool for implementing the Company’s charity programs in its regions of operation.

The beneficiaries of these programs are educational, healthcare institutions, museums, theaters, performance groups and sports teams, orphanages, veterans, and many other people and organizations. Since 2006, LUKOIL CF has been paying personalized scholarships to graduates of sponsored orphanages studying at higher

and secondary education institutions, as well as to the best students and teachers of universities. The Perm branch of the Fund has been opened in the Perm Territory.

Sponsorship programs for students and teachers of higher and secondary education institutions in Russia

Indicators	Unit of measurement	2021	2022	2023
Total amount of financing	RUB mln	15.1	17.6	16.9
Student scholarships	RUB mln	6.4	6.9	6.9
Grants to teachers	RUB mln	8.7	10.7	10
Number of scholarship/grant recipients				
Students	people	194	189	182
Teachers	people	80	80	73

Social and Cultural Projects Competition

The Social and Cultural Projects Competition has been held since 2002. Its goal is to support initiatives from regional entities to help resolve local issues. The Competition considers applications in the following categories – Environment, Spirituality and Culture, and Sports.

Social and Cultural Projects Competition results for 2023

Indicator	Unit of measurement	2021	2022	2023
Number of projects participating in the Competition	projects	2,683	2,001	2,032
Number of winning projects	projects	580	545	564
Financial support for winning projects	RUB mln	135	139	144

LUKOIL Sports Club

The LUKOIL Sports Club has been established to promote healthy lifestyles and sports by supporting professional and amateur teams and organizing wellness programs for LUKOIL employees and local

communities. The main supported sports include soccer, auto racing, basketball, cross-country skiing, water polo, and handball. Special emphasis is placed on the development of children’s sports. Moreover, the Company builds sports facilities, helps hold children’s,

amateur, and professional competitions and city sports festivals.

In 2023, the LUKOIL Sports Club supported many projects and organized two major mass sports events dedicated to the Club’s anniversary.

EL5-Energo Trail

On July 15, during the polar day, an amateur 3 to 50-kilometer race (including for children) and a relay race took place in the territory of the Kolskaya Wind Power Plant beyond the Arctic Circle. The route went from Murmansk to the coast of the Barents Sea. Five hundred people from 25 regions of Russia, including residents of the Murmansk Region, families with children, LUKOIL employees, and amateur runners from different regions of the country participated in the event. The goal of the race was to open new running routes on the Kola Peninsula for amateur athletes, draw attention to unconventional energy facilities, and collect charitable donations for the Center for the Protection of Motherhood (Murmansk), an animal shelter (Severomorsk), and the Club of Parents and Children with Disabilities.



Second Kogalym Half Marathon

In September, one of the largest mass races in the Urals and Siberia was organized. This race has already become a hallmark event for the town of Kogalym and is aimed at developing sports tourism. The half marathon route ran through the main attractions of the town (Ryabinovy Boulevard, a branch of the Maly Theater, Galaktika Sports and Leisure Complex), and in the start and finish areas athletes were introduced to the culture of the Khanty people. They could visit a Khanty chum with national cuisine and reindeer. Three race distances and one relay race were available to 674 participants from 20 regions of Russia. The number of participants was larger compared to the first half marathon. Not only amateurs but also professional athletes participated in the competition. The funds raised were sent to the Charity Fund of Olympic Champion Alexander Legkov “It’s Easy Together.”



Our awards

The LUKOIL Charity Fund and the LUKOIL Sports Club were announced the winners of the Best Social Projects of Russia Program in the Charity and the Support for Sports and Healthy Lifestyles categories respectively.

The Social and Cultural Projects Competition of PJSC LUKOIL received the award of the “Regional Development. Best Choice for Russia” program in the Public-Private Partnership category. This is an annual award given for best practices and projects to develop Russian regions.



More details are available in the [Sustainability / Society](#) section of our website.

Please find below a selection of projects supported by the Company in 2023 and delivered using all social policy implementation mechanisms, as well as information on participation of the LUKOIL Group entities in initiatives significant for the regions of operation.

External social activities in Russian regions

The LUKOIL Group entities operate in seven federal districts of the Russian Federation¹. In 2023, the Company’s intensive cooperation with authorities at all levels, employees, suppliers of goods and services, local communities, and public organizations helped safeguard jobs, create new opportunities for people, and maintain a stable socio-economic situation in regions.

Urals Federal District

Indicators representative of the scale of LUKOIL Group’s operations in the macroregion²

6

number of constituent entities of the Russian Federation where the LUKOIL Group entities operate

16

number of the LUKOIL Group entities operating in the constituent entities of the Russian Federation in the federal district

>23,000

employees
LUKOIL headcount in the federal district

3

social and economic cooperation agreements with constituent entities of the Russian Federation in the district

Main activities of the LUKOIL Group entities in the macroregion

✓ Exploration and production

✓ Transportation and distribution

✓ Oil refining and petrochemicals – lubricants production

✓ Power generation – power grids

Economic development and innovation

In 2023, LLC LUKOIL-West Siberia, together with local investors in oilfield services, announced their plans to establish an industrial technology park in Kogalym. According to the project plans, the cluster companies will produce

polymer-reinforced pipes, petrochemical products, drilling equipment components, develop new technologies, and localize certain types of oil and gas equipment. The technology park will help diversify the industry of the town of Kogalym and the region as a whole. It is planned to create about 300 jobs, which will indirectly affect the development

of educational programs and the list of professions for which future specialists will be educated in universities and other educational institutions.

LLC LUKOIL-West Siberia regularly publishes the [Social report](#).

¹ The Report describes social activities in five federal districts
² Hereinafter, the data are given as at December 2023.

Our awards

The Kogalym as the Center of Economic Growth project was recognized as the best and received the Grand Prix of the EVENTIADA International Communications Awards.

PJSC LUKOIL won the Award for the Development of the Far East and the Arctic in the Contribution to the Creation and Development of Social Infrastructure category.

LLC LUKOIL-West Siberia was named among the winners of the annual Black Gold of Yugra district competition in the Effective Work with the Subsoil and the Best Employer in the Oil and Gas Industry categories.



Examples of projects supported by the Company in 2023

★ Projects implemented within the Social and Cultural Projects Competition.

Area	Brief description
 Construction and renovation of social facilities	Projects implemented in the Khanty-Mansi Autonomous Area – Yugra: ✓ Village of Russkinskaya, Surgut District. The premises of the Russkinskaya model library were renovated. ✓ Sovetsky District. Repairs of the swimming pool of the Olympic Reserve Sports School. ✓ Town of Kogalym. Low-rise residential buildings were built for teachers of the new Educational Center – a branch of the Perm Polytechnic Institute. ✓ Town of Pokachi. A sports and recreation area was created, including a skiing center and an artificial turf soccer field with stands and changing rooms; the area was landscaped. ✓ Town of Pokachi. A concert and exhibition center was built.
 Support for children, orphaned children, people with disabilities, veterans, and families in hardship	Yamal-Nenets Autonomous Area. The Yamal Veterans Union launched the Yamal Longevity on Tyumen Land program. Projects implemented in the Khanty-Mansi Autonomous Area – Yugra: ✓ Town of Langepas. The Langepas Rehabilitation Center provides adapted physical education for disabled children. ✓ The Khanty-Mansi branch of the All-Russian Society of Disabled People purchased adapted board games and tables, which improved the access of disabled people to leisure activities. ★ Town of Salekhard, Yamal-Nenets Autonomous Area. 88 children with disabilities study at KvartStudio school. With the help of new equipment, children will be taught household skills to improve their socialization. ★ Green Land Center for Improving Children’s Motivation for Learning and Creativity (Autonomous Non-Profit Organization) – Equus Expands Horizons project. ★ Town of Kogalym, Khanty-Mansi Autonomous Area – Yugra. The Kogalym Town Federation of Disabled Sports – the Para-Karate is Fortitude, Aspiration, Resilience project.

Area	Brief description
 Sports	Projects implemented in the Khanty-Mansi Autonomous Area – Yugra: ✓ Town of Kogalym. A group of local activists won a regional competition with a project to promote karting. As a result, many young people and teenagers took up this sport. ✓ Town of Kogalym. The Kogalym Children’s Ice Hockey Federation took part in the Russian Children’s Ice Hockey Championship in three age groups (before that, only two children’s teams had participated in competitions of this level). ✓ Town of Uray. A skate park was built. Yamal-Nenets Autonomous Area. Support for the FAKEL Volleyball Club.
 Preservation of cultural heritage and traditions	Projects implemented in the Khanty-Mansi Autonomous Area – Yugra: ✓ Town of Beloyarsky. The Mir Moshch festival of national theater groups of Ugra was organized. Workshops on directing plays and acting were held for children and youth at this festival. ✓ Village of Russkinskaya, Surgut District. The Russkinskaya Leisure and Creative Activities Center opened new clubs: vocal, instrumental, and show studios, photo and video studios. ★ Tazovsky District, Yamal-Nenets Autonomous Area. Tazovsky District Museum of Local Lore – the Keepers of History project.
 Education	City of Nizhnevartovsk, Khanty-Mansi Autonomous Area – Yugra. The Oil Capital International Youth Scientific and Practical Forum was held. ★ The Library and Information Center of the Neftyanik Culture Center – the BuCafe Literary Youth Cafe project.
 Human medicine and healthcare	Medical treatment and diagnostic procedures for seriously ill and disabled children were organized. Town of Langepas, Khanty-Mansi Autonomous Area – Yugra. Medical equipment was purchased for the surgery department of Langepas City Hospital; repairs were carried out. ★ The Regional League of Learning Disability Specialists – the Biofeedback Therapy for Children project
 Indigenous minorities of the North	Tazovsky and Pur Districts, Yamal-Nenets Autonomous Area. The Yamal for Descendants Association of Indigenous Minorities of the North held national holidays in the two districts. The Charitable Foundation to Support Indigenous Minorities of the North, Siberia, and the Far East – financing of socially significant projects and participation in other events as part of statutory activities.
 Ecology	Projects implemented in the Yamal-Nenets Autonomous Area: ★ ✓ Settlement of Tazovsky. The Gaz-Sale Youth Center – the ECO-Style Territory project. ★ ✓ Town of Salekhard. The Geologist Center for Culture and Sports – the ECOTALE Festival of Children’s Crafts project.

Ecology

The Clean Banks campaign is held annually. Participants collect garbage on the banks of rivers and in adjacent areas.

LUKOIL’s young employees are actively involved in this campaign. They are joined by students of the Uray Polytechnic College. The campaign takes place on the banks of the Ingu-Yagun (Kogalym)

and Konda (Uray) rivers, as well as Lake Glubokoye (Pokachi). In 2023, more than 250 people participated in the project.

Volunteer campaigns

The Box of Courage charity event was organized for children who were undergoing treatment at a cancer center. LUKOIL’s young employees brought

gifts to the Nizhnevartovsk District Clinical Children’s Hospital. Toys help children in coping with fear of unpleasant procedures, and they make the healthcare professionals’ job a bit easier. Employees of LLC LUKOIL-West Siberia

from Kogalym, Uray, Langepas, Pokachi, Yamal Beloyarsky and LLC LUKOIL-Engineering took part in the event.

Our stories. Work at LUKOIL forms dynasties

A family of S. lives in the Khanty-Mansi Autonomous Area – Yugra, and the life of this family has been associated with LUKOIL for more than 50 years. The head of the family came to Siberia in the late 1970s as one of the workers of a construction train, worked as a bulldozer driver, participated in the construction of the settlement of Ult-Yagun and the railway. His wife worked in the administrative unit. In the late 1980s, the family moved to Kogalym.

In 1990, a son of S. joined Druzhbaneft Oil and Gas Production Division as an engineer, and now he is the leading engineer for field development. Recently, he developed a project to implement improvements that was recognized as one of the best in the Company.

In 2014, a member of the third generation of the family was employed by the Company. A grandson of S. is a member of the youth parliament under the Duma of Yugra, chairman of the Council of Young Specialists. He took part in the 5th All-Russian Forum of Working Youth, in the Kind Hearts charity event, and in the Growth Point Yugra Cup for Business Management. His family has three children who may extend their family dynasty when they grow up.

Northwestern Federal District

Indicators representative of the scale of LUKOIL Group’s operations in the macroregion

11

number of constituent entities of the Russian Federation where the LUKOIL Group entities operate

21

number of the LUKOIL Group entities operating in the constituent entities of the Russian Federation in the district

>15,600

employees
LUKOIL headcount in the federal district

5

social and economic cooperation agreements with constituent entities of the Russian Federation in the district

Main activities of the LUKOIL Group entities in the macroregion

✓ Exploration and production



✓ Transportation and distribution



✓ Oil refining and petrochemicals



✓ Power generation – power grids



Examples of projects supported by the Company in 2023

★ Projects implemented within the Social and Cultural Projects Competition.

Area	Brief description
 Construction and renovation of social facilities	Projects implemented in the Komi Republic: ✓ Town of Usinsk. The building of the Usinsk branch of the Ukhta State Technical University and the roof of the Yugdöm Ice Arena were repaired. A summer roller ski track and a lighted winter ski track, as well as a start area, premises for judges and trainers, and a car park were constructed. ✓ Ust-Tsilma District. The gym at the Center for Physical Education, Sports, and Tourism was renovated. Projects implemented in the Kaliningrad Region: ✓ Settlement of Krasny Yar. The premises in the Growth Point Educational Center of the Main School named after N. Timoshenko underwent major repairs. ✓ Settlement of Ozerny. A kindergarten was constructed.
 Support for children, orphaned children, people with disabilities, veterans, and families in hardship	Settlement of Yarega, Komi Republic. Funds were provided to purchase a stair climbing wheelchair with an electric drive for a disabled child, conditions were created for the child’s inclusive education. Projects implemented in the Kaliningrad Region: ✓ Support was provided to the Coast of Hope charity fund that helps seriously ill children and children with disabilities. ✓ Assistance was provided to a family with many children in purchasing a specialized stroller for triplets. ★ Projects implemented in the Komi Republic: ✓ Touch the Nature with Your Small Palm project. Using an interactive sandbox, children explore the world around them and create their own games. ✓ Skillful Hands project. A children’s carpentry workshop was created. ✓ Three Whales project. A kindergarten was equipped with a sensory room for social adaptation and rehabilitation of children with disabilities. ✓ With a Special Soul project. A Soulful Family Club was launched in a kindergarten to provide psychological and pedagogical assistance to children with disabilities and their parents. ★ City of Kaliningrad. Kaliningrad Regional Amber Museum. For people with visual and hearing disorders, a tactile model of a two-tier jewelry box made in the 17th century and an audio description of the exhibit were prepared.
 Sports	Projects implemented in the Komi Republic: ✓ Ust-Tsilma District. The gym at the Center for Physical Education, Sports, and Tourism underwent major renovation. ✓ Settlement of Nizhny Odes. A basketball court and a soccer field were refurbished. ★ Settlement of Kotkino, Nenets Autonomous Area. Rural Skiing Development project. Cross-country skiing lessons and competitions for amateur athletes in rural areas were organized. ★ Kaliningrad Region, Svetly Urban District. Sports Without Borders project. A gym was arranged in kindergarten No. 10 “Seagull,” including for children with disabilities.
 Preservation of cultural heritage and traditions	Town of Usinsk, Komi Republic. The Usinsk Palace of Culture was renovated. Kaliningrad Region. The Cathedral Church Museum was assisted in acquiring Immanuel Kant’s Selected Works in three volumes. This is an edition of the philosopher’s early works published in 1799.

Area	Brief description
 Education	Nenets Autonomous Area. The Nenets Vocational School acquired vehicles to train road and construction machinery operators. Town of Usinsk, Komi Republic. A branch of Ukhta State Technical University acquired simulators to practice the skills of performing work at height. ★ City of Kaliningrad. Art that Touches project. A permanent exhibition of interactive art models that can be felt with fingers, by ear and smell was created. ★ Projects implemented in the Komi Republic: ✓ Reading during Breaks project. Areas for reading during breaks were created in the library and school. ✓ Lego Programming and Robotics at School project. An additional educational program in robotics was developed; schoolchildren were trained to participate in robotics competitions.
 Human medicine and healthcare	★ Town of Usinsk, Komi Republic. 9 Months Prenatal Yoga project. Classes were organized for future mothers with the aim of their physical development and preparing for the upcoming childbirth. ★ The Medical Checkups as the Health Culture project is aimed at promoting a culture of health and self-care.
 Indigenous minorities of the North	Projects implemented in the Nenets Autonomous Area: ✓ Organization of air transportation for indigenous people from the settlement of Varandey to the town of Naryan-Mar. ✓ The Red Chum medical and social project was implemented.
 Ecology	★ Projects implemented in the Kaliningrad Region: ✓ Kurshskaya Kosa National Park. Live Lessons in the Royal Forest project. An interactive playground and several art objects were created in the Royal Forest. Live lessons were held for schoolchildren of the Kaliningrad Region and children with disabilities. ✓ Assistance was provided to the Museum of the World Ocean in arranging the entrance zone to the Zalivino Lighthouse scientific and expeditions base.

Ecology

In the Komi Republic, the Company annually participates in many environmental campaigns and initiatives aimed at collecting garbage in forests and on the banks of rivers and lakes, and eliminating unauthorized landfills.

- ✓ Rivers 2023 Campaign as part of the all-Russian Water of Russia event to clean up banks of water bodies;

- ✓ Preservation of Unique Water Bodies Federal Project (Ecology National Project);
- ✓ Clean Banks of Our Rivers and Lakes All-Russian Environmental Campaign;
- ✓ Clean Arctic Partnership Project (Ecology National Project);
- ✓ Green Russia Annual All-Russian Community Cleanup Day;
- ✓ Green Spring All-Russian Community Cleanup Day (Yarega);

- ✓ Birdhouses Environmental Campaign (Yarega) – conservation of bird habitats and nesting sites: about ten birdhouses were installed along a health trail

In the Kaliningrad Region, the March for Parks is the most famous annual campaign that unites people to preserve wildlife sanctuaries, national and natural parks, reserves and specially protected natural areas. In 2023, 50 LUKOIL employees and their family members took part in the campaign.

Our stories. How our employees come to us

Two graduates of the Veliky Ustyug Orphanage (Vologda Region) received personalized scholarships from the LUKOIL Charity Fund when they entered local educational institutions. Ekaterina became a student of the Veliky Ustyug Polytechnic College and after graduation received the qualification of a foodservice process technician. She wanted to find a job at LUKOIL. She succeeded, and now she works as a filling station operator at LLC LUKOIL-Tsentrnefteprodukt in her home city of Vologda. She has a happy family with two sons.



Our awards

LLC LUKOIL-Kaliningradmorneft was ranked the 1st at the regional stage of the Russian Organization of High Social Efficiency all-Russian competition held by the Government of the Kaliningrad Region for social investment and philanthropy contributing to the development of territories.



Volga Federal District

Indicators representative of the scale of LUKOIL Group’s operations in the macroregion

14

number of constituent entities of the Russian Federation where the LUKOIL Group entities operate

21

number of the LUKOIL Group entities operating in the constituent entities of the Russian Federation in the district

>22,500 employees

LUKOIL headcount in the federal district

9

social and economic cooperation agreements with constituent entities of the Russian Federation in the district

Main activities of the LUKOIL Group entities in the macroregion

✓ Exploration and production



✓ Transportation and distribution



✓ Oil refining and petrochemicals



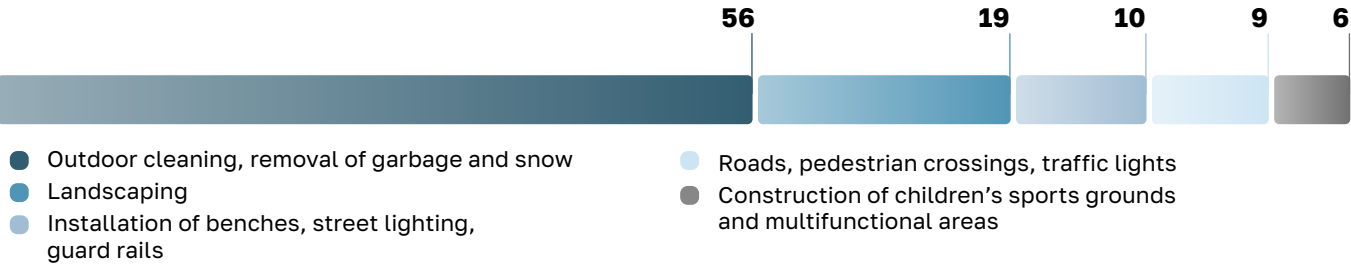
✓ Power generation – power grids



Events in the regions

By organizing or participating in public events, LLC LUKOIL-PERM is in constant liaison with various stakeholders in the regions of operation. Issues of prime importance for specific territories were discussed at in-person or in-absentia meetings.

Topics discussed at public events on the improvement of territories with the participation of residents of the Perm Territory in 2023, %



Examples of projects supported by the Company in 2023

★ Projects implemented within the Social and Cultural Projects Competition.

Area	Brief description
 Construction and renovation of social facilities	Projects implemented in the Perm Territory: ✓ Settlement of Kalinino, Kungur District. A new building of the cultural center for 200 seats was built. ✓ Village of Gozhan, Kueda District. The kindergarten has been converted into a cultural center with an auditorium for 60 seats and a library with a museum. ✓ Chastye District. The modular canteen was repaired at the Nozhovka boarding school, where children with disabilities from 19 settlements of the district study. ✓ Perm. A new building of the Perm Young Spectators’ Theater and the new premises of the Russian Classical School for children from 1st to 11th grades were built.
	Projects implemented in the Samara Region ✓ Settlement of Bolshaya Glushitsa. The Oilfield Workers’ Square was landscaped. ✓ Settlements of Bolshaya Glushitsa, Isakly. Construction of pedestrian sidewalks.
	Republic of Tatarstan, Menzelinsk District. New roads were built in the villages of Gulyukovo and Tulubayevo.
 Support for children, orphaned children, people with disabilities, veterans, and families in hardship	Republic of Tatarstan. 114 sets of books were handed over to children with visual disorders.
	Nizhny Novgorod Region. The Together We Can! project of the Nizhny Novgorod regional public organization of parents of children with disabilities Angel Children.
	Kirov Region, Nolinsk. Support was provided to the Nadezhda orphanage (Kirov) and Boarding School No. 2.
	Projects implemented in the Perm Territory: ✓ Support for the Paralympic Festival and Competitions for Children with Disabilities organized by the Regional Branch of LLC All-Russian Federation of Sports for People with Musculoskeletal Disorders.

Area	Brief description
	★ Projects implemented in the Nizhny Novgorod Region: ✓ Village of Prokoshevo. A theater school for children under 7 has been created at the kindergarten. ✓ Kstovo. The Grandma’s Chest project. Meetings were held at which older people residing in the town shared their family traditions with children left without parental care. ✓ Kstovo. The Equal and United project. A club for deaf and hearing-impaired children has been opened at the Unlimited Abilities Children’s Horse Club. ✓ The Helping Children with Autism Spectrum Disorders project. The project has been receiving support since 2018 to provide assistance to the pupils of kindergarten No. 32. In 2023, two new groups were opened for children with autism. ★ Projects implemented in the Perm Territory: ✓ The World of Unlimited Abilities project. A group for children with disabilities has been opened at the Rosinka kindergarten. A sensory room with relaxation simulators (light, color, smell) was set up. ✓ The Tourist Gathering of Substitute Families WE ARE TOGETHER! project. The project is aimed at uniting and pulling substitute families together (200+ participants). The Company has been supporting the project since 2018.
🏀 Sports	★ Perm Territory. For people of retirement age, conversations were held about a healthy lifestyle, classes on exercise therapy and Nordic walking were organized.
📖 Preservation of cultural heritage and traditions	Nizhny Novgorod Region, Prokoshevo. A theater studio “UPS: Teach, Show, Laugh” was organized in Kindergarten No. 47 to improve children’s general cultural awareness and introduce them to spiritual values. Perm Region, Berezniki. Supported the project “School of Crafts” within the framework of the festival of craftsmanship and folk culture. The project was created to introduce traditions through craft master classes for the public. Republic of Bashkortostan, Tatyshlinsky district. A local history museum was established on the basis of the rural culture house in Garibashevo village.
📖 Education	Projects implemented in the Perm Territory: ✓ Berezniki. The School of Journalism organized full-time training for senior pupils with professional journalists, correspondents, producers, photographers, camera men, film editors, SMM managers. Participants tried their hand at social journalism, in local media and multimedia projects. On that basis, the Hashtags youth editorial office was created, where schoolchildren and students work. LLC LUKOIL-Permnefteorgsintez cooperates with local educational institutions: ✓ the Tchaikovsky Industrial College: organization of internships for teachers and students at the enterprise’s facilities; holding of guidance counseling days. ✓ the Sukharev Territorial Industrial School. The Professionals championship was organized in the following areas: oil and gas refining, laboratory chemical analysis, logistics. ★ Republic of Bashkortostan, Village of Verkhniye Tatyshly. A television production studio was organized at the school, materials are being prepared in Russian and Bashkir.
🏥 Human medicine and healthcare	★ Samara Region, Bolshaya Glushitsa District. The Social Service Center has organized a rental center of assistive devices, which may be rented for free by local residents either for themselves or for their disabled relatives.
🌿 Ecology	★ Nizhny Novgorod Region, Nizhny Novgorod. The Maryina Roshcha ecology trail has been reconstructed on the territory of the Shchelokovsky Khutor Museum-Reserve, free environmental excursions are held for residents and guests of the city.

Ecology

- ✓

The Children and LUKOIL for the Environment and Cozy Courtyard with LUKOIL campaigns have been held for more than 10 years in the Perm Territory. The goal of the first campaign is to create an environmental culture with children and adolescents; in 2023, it took place in 23 districts of the region.

In addition, more than 28,000 pine seedlings were planted on the lands of the forest fund.
- ✓

The All-Russian Green Spring campaign, Nizhny Novgorod Region. The event was held in a forest area near Kstovo.
- ✓

The In Support of Small Rivers! campaign, the Perm Territory. As part of the campaign, a clean-up event was held on the banks of the Pyzh River.
- ✓

The Let’s Save the Forest! campaign, the Republic of Tatarstan. Employees of TPE TatRITEKneft planted trees in the Sportivny park in Nurlat.
- ✓

As part of the All-Russian Water of Russia campaign, the Council of Young Specialists held a clean-up event in the village of Veliky Vrag (Kstovo District, Nizhny Novgorod Region).
- ✓

The Clean Coast campaign, the Saratov Region. Employees of LLC Saratovorgsintez organized the cleaning of the shoreline area in the village of Treshchikha.

Our stories

How our employees come to us

A girl from a low-income family received a scholarship from LLC LUKOIL-PERM, which supported her while studying at the Perm National Research Polytechnic University (PNRPU). She makes great progress at the LUKOIL Corporate Group and plans to work for the Company after graduation.

We help special athletes...

At the eco sports marathon organized by LLC RITEK, a 16-year-old athlete with special needs received a certificate from the LUKOIL CF for the manufacture of a custom-made active-type wheelchair. The young man undergoes training in a sports class at the regional branch of the Federation of Sports for People with Musculoskeletal Disorders of the Volgograd Region. He already has his first victory in 60-meter races.

...and talented children

A schoolgirl from Perm took part in the Perm: Workshop of the Future competition. Her research project to create an oil pollution destructor was supported by experts of LLC LUKOIL-Permnefteorgsintez in terms of the Big Exploration Accelerator. She became a participant in the scientific and educational program at the Sirius Educational Center.

Our awards

- LLC LUKOIL-PERM – 1st place in the Leaders of the Perm Territory regional competition in the Ecology nomination.
- LLC LUKOIL-Nizhegorodnefteorgsintez – winner in the All-Russian contest Leaders of Russian Business: Dynamics, Responsibility, Sustainability – 2022 in the nomination For Talent Pool Development.
- LLC LUKOIL-Permnefteorgsintez won the All-Russian contest Leaders of Russian Business: Dynamics, Responsibility, Sustainability, leading in two nominations at a time – For Achievements in the Area of Occupational Health and Safety of Employees and For a Digitalization Project.



Southern Federal District and North Caucasian Federal District

Indicators representative of the scale of LUKOIL Group’s operations in the macroregion:

12

number of constituent entities of the Russian Federation where the LUKOIL Group entities operate

32

number of the LUKOIL Group entities operating in the constituent entities of the Russian Federation in the district

>18,000 employees

LUKOIL headcount in the federal district

4

social and economic cooperation agreements with constituent entities of the Russian Federation in the district

Main activities of the LUKOIL Group entities in the macroregion

✓ Exploration and production

✓ Transportation and distribution

✓ Oil refining and petrochemicals

✓ Power generation

Economic development

As part of the investment program, the Volgograd oil refinery is upgrading the crude distillation unit, planning to increase its capacity, and is also reconstructing the hydrocracking unit for the same purpose.

Examples of projects supported by the Company in 2023

★ Projects implemented within the Social and Cultural Projects Competition.

Area	Brief description
 Construction and renovation of social facilities	Projects implemented in the Astrakhan Region: ✓ Settlement of Nachalovo. The sports and fitness complex was repaired. ✓ Settlement of Ilyinka. A multifunctional sports complex was built, including a soccer field, treadmills, basketball courts and workout areas.
	Projects implemented in the Volgograd Region: ✓ A multifunctional sports hall for the Dynamo sports club is under construction. The district cultural center in Kotovo was repaired.
	Budyonnovsk, the Stavropol Territory. Repairs were performed at the Stavropol Regional College of Computer Technology and Electronics; support in purchasing equipment for the Stavropol Communications College and Kindergarten No. 21 was provided.

Area	Brief description
 Support for children, orphaned children, people with disabilities, veterans, and families in hardship	LLC LUKOIL-Nizhnevolzhskneft is a partner in two projects in the Astrakhan region: ✓ All-Russian prize Special Happiness in support of parents of disabled children. 57 parents and guardians of such children from various regions of Russia, as well as the countries of presence, have already become its laureates. ✓ Social fair. The fair has been held since 2016, more than 60 social institutions and entrepreneurs participate in it on a regular basis. The fair presents items made by children from orphanages, boarding schools and rehabilitation centers. ✓ Volgograd Region. Modern rehabilitation equipment was provided to 15 families raising children with locomotor disorders from Kotovsky, Frolovsky, Bykovsky, Nikolayevsky and Kamyshinsky districts. ★ Projects implemented in the Volgograd Region: ✓ Volgograd. An outdoor leisure area for children with disabilities has been created on the territory of Boarding School No. 2. ✓ Volgograd. The Social Scale project. Lectures were held for vulnerable groups of residents to improve their legal literacy. ✓ Volgograd. High-tech hearing aids were delivered to 10 patients of the surdology center at Volgograd Regional Clinical Hospital No. 1. ★ Projects implemented in the Stavropol Territory: ✓ Settlement of Iskra, Budyonnovsk District. The Budyonnovsk Social Rehabilitation Center for Minors: the Generation NEXT project. ✓ The Reboot 55+: sports, motion, health, longevity! project ★ Projects implemented in the Astrakhan Region: ✓ Astrakhan. The Playing in Professions, I Choose the Future project. By way of wall-mounted panels, conditions have been created for guidance counseling for preschoolers in Kindergarten No. 8. ✓ Settlement of Kirovsky. The Islet of Care project. Joint leisure activities for elderly people living in the Zabota Nursing Center with foster children of the Islet social rehabilitation center were organized.
 Sports	Projects implemented in the Volgograd Region: ✓ Volgograd. An Environmental Race organized by LLC RITEK was held to mark the 30th anniversary of the LUKOIL Charity Fund, the 25th anniversary of the LUKOIL Sports Club, and the Year of the Teacher and Mentor in Volgograd. After the race, approximately 30 trees were planted along the central embankment. A guest of honor at the event who is engaged in professional sports received a certificate from the LUKOIL CF for the purchase of a special active-type wheelchair. The wheelchair is custom-made, it will help the athlete achieve higher results in track and field athletics. Astrakhan Region. Support for the Figure Skating Federation of the Astrakhan Region and development of winter sports.
 Preservation of cultural heritage and traditions	Projects implemented in the Republic of Kalmykia: ✓ Lagan District, Lagan. Support to the Origins children’s folk theater was rendered. ✓ Settlement of Priyutnoye, Priyutnoye District. A project involving the use of folk traditions for the spiritual and moral upbringing of preschoolers was carried out at the Teremok kindergarten.
 Education	Budyonnovsk. Stavropol Krai. The scholarship program offered by LLC Stavrolen is intended for talented students: 16 young people are awarded the scholarship annually; they receive additional training and are guaranteed employment. The training relies on a dual system (additional classroom training with the involvement of LLC Stavrolen experts combined with on-the-job internship). ✓ Astrakhan. LLC LUKOIL-Nizhnevolzhskneft supported the II International Youth Oil and Gas Scientific and Technical Forum – Caspian Sea of Success. ✓ Volgograd, Volgograd region. Lyceum No. 5 of the Central District organized a series of guidance counseling events, as well as the Who Wants to Become a General Director? game and open lessons.

Area	Brief description
	Projects implemented in the Volgograd Region: ★ Volgograd. The Time of Victory Center for Creative Development of Children and Youth. Several children’s festivals were held to support the creative development and social adaptation of children and youth. ★ Volzhsky. The Power Generation: Mentoring, Succession of Generations project. The MPEI National Research University has created a series of podcast videos for young people telling about work in the area of digital power generation.
 Human medicine and healthcare	Settlement of Liman, Astrakhan Region. Repair of the polyclinic unit of the Liman District Hospital. Stavropol, the Stavropol Territory. Medical equipment for the Territorial Children’s Clinical Hospital was purchased. ★ Volgograd, Volgograd Region. The Exoskeleton: from Basics to Excellence project. Doctors were trained in methods of helping patients using the Exar-34 exoskeleton.
 Ecology	Astrakhan city. LUKOIL-Nizhnevolzhskneft LLC held an annual environmental competition “Clean View” among 1st–4th grade students of schools in the Astrakhan region. ★ Volgograd, Volgograd Region. The project “Children’s mini-ecopark “Then birch, then rowan...”. Creation of a children’s mini ecopark on the territory of the Palace of Creativity of Children and Youth of the Krasnoarmeysky district.



Our awards

ECO BEST AWARD prizes (Ecology, Energy and Resource Saving) were awarded for the Development of Ecological Culture project (LLC LUKOIL-Yugnefteprodukt) in the nomination For the Contribution to the Development of Ecological Culture.

Ecology

For more than ten years, gatherings of Bumblebee environmental teams have been held in Budyonnovsk with the support of LLC Stavrolen. During 2023, two contests were organized – We Save Our Planet (crafts from recyclables) and Bird’s Dream House (birdhouses for chickadees and bird feeders). To mark the anniversary of the gathering, the youth of the enterprise arranged a fashion show of clothes from waste.

Volunteer projects

The Council of Young Specialists of LLC RITEK took patronage over the DINO animal shelter in the Volgograd Region. A photo zone was arranged, the courtyard of the shelter was tiled with paving stones, a collection of materials was organized to insulate the enclosures, and funds for the purchase of feed and medicines were raised.

Our stories. People we help

The Patriot sports club (wrestling, hand-to-hand fighting, pankration) has been operating in the Astrakhan Region since 2016. Along the way, it repeatedly became the winner of the LUKOIL’s Social and Cultural Projects Competition. The club works with misbehaving and disadvantaged children, children from large and low-income families, giving them the opportunity to self-actualize in sports, change the social circle, and find an interesting occupation. One of the club’s members began training six years ago when he was considered a teenager at risk. Thanks to wrestling classes, he became a candidate master of sports, studies well in college and is getting ready for military service. In 2023, he won the championship of the Southern Federal District and became the winner of the All-Russian Pankration Tournament in St. Petersburg.



Our awards

LLC LUKOIL-Nizhnevolzhskneft – winner of the National Environmental Technology Award ECOTECH-LEADER 2023 in the Ecomonitoring nomination for the stationary environmental monitoring system using bottom stations.

LLC LUKOIL-Volgogradneftepererabotka – winner in the Best Organization of the Year nomination in the Competition organized by the Committee on Industrial Policy, Trade and the Fuel and Energy Complex of the Volgograd Region.

LLC Stavrolen is the winner of the national ECO BEST AWARD for the project “Assistance to the state initiative to reestablish the movement of young naturalists”.

LLC LUKOIL-Astrakhanenergo was included in the Federal Register of the All-Russian Book of Honor 2023.



LLC LUKOIL-Kubanenergo – winner of the III National Environmental Technology Award ECOTECH-LEADER 2023 in the Alternative Energy nomination.

Foreign entities of LUKOIL Group

Turkey

LUKOIL joined a humanitarian mission in the regions of Turkey affected by the earthquake in 2023. The Company allocated funds and food to help victims of the disaster and also donated about 100,000 liters of fuel for rescue vehicles and medical institutions.

Uzbekistan

Every year LUKOIL provides support to social projects that benefit local schools, communities, public and charitable organizations.

- ✓ Computers were handed over to residents of the Alat District of the Bukhara Region; the Safe City project in the Dekhkanabad District of the Kashkadarya Region received the required support.
- ✓ The Sog’lom Avlod Uchun Charity Fund received financing to work with people with disabilities living in the Bukhara and Kashkadarya Regions.
- ✓ With the Company’s support, a Time of Miracles charity fair of creative works of children with disabilities and festive events for members of the Bukhara Association of the Blind were held.

Environmental campaigns are regularly held to clean up garbage and plant trees. During 2023, the Company’s employees and local residents took part in the following events:

- ✓ the campaign to clean up garbage on the banks of the Karakiya (Aktash) River;
- ✓ the World Cleanup Day campaign in the Bukhara and Kashkadarya Regions;
- ✓ planting more than 3,000 trees in Bukhara, Qarshi and Tashkent.

Employees of LUKOIL Uzbekistan Operating Company LLC participated in an environmental quiz dedicated to the World Environment Day, and the Gissar Oil & Gas Production Department (OGPD) team became the winner.

Bulgaria

As part of the charity program in the municipalities of Burgas and Kameno, LUKOIL Neftochim Burgas AD supported a number of socially beneficial initiatives.

- ✓ Several schools and kindergartens were repaired and the necessary equipment was purchased for them. Children’s sports grounds were built under the My Town, My District, My Street program.
- ✓ Electric bicycles were purchased for residents.

- ✓ The Write Your Story About Fishing writing competition and the 7th environmental conference Think Environmentally About the Future were held
- ✓ As part of the LIFE Wateroil Project, specialists of the Bulgarian Society for the Protection of Birds gave lectures to local schoolchildren. The lectures were devoted to the protection of biodiversity of the marshy zones of Burgas. A Man and Nature resource book for teachers was developed.

Romania

The Company holds the Social and Cultural Projects Competition and also actively donates to charity projects and volunteer events in the country.

- ✓ Charity events were held for children with disabilities from the St. Andrew’s Center (Ploiești) and for orphaned children living in the Turnu Monastery (Prahova County).
- ✓ Members of the enterprise’s Union of Young Specialists organized several charitable volunteer projects.
- ✓ As part of the Social and Cultural Projects Competition, the Company supported the project to create a THINKER VIRTUAL LAB platform for training more than 700 children in schools in the village of Berceni located near the oil refinery.

Mexico

Under the Ichalkil-Pokoch project, separate collection of solid waste (plastic, paper and cardboard, and also aluminum containers) was organized at offshore facilities. The collected waste is transferred free of charge to the public association of Ciudad del Carmen, which sells it to authorized waste treatment facilities. The proceeds are used to support children with cancer and other difficult-to-treat diseases. In 2023, more than 4 tons of solid waste were collected. Some contractors have already joined the project and are sending separated waste to the partner public organization, thereby increasing the environmental and social impacts of the project.

Iraq

Green Belt charity program. Every year a social project is carried out to green up schoolyards in the Izeddin Salim district. Employees of LUKOIL MID-EAST LIMITED, schoolchildren, representatives of local administrations, and residents of the district participate in the planting of several thousand tree seedlings.

Professional retraining program for local specialists of the Republic of Iraq. During 2021–2023, LUKOIL employees engaged in the West Qurna-2 project, together with the Perm National Research Polytechnic University Scientific and Educational Center, developed a professional retraining program for local

specialists Integrated Operations in the Development of Oil and Gas Deposits. The program comprises fundamental and specialized modules. It provides for numerous practical sessions, including with the involvement of Russian industry experts. LUKOIL specialists acted as supervisors and guided training participants’ work on their graduation qualification projects that addressed applied problems relevant to the West Qurna-2 project.

there were no cases of involuntary resettlement of indigenous peoples during the LUKOIL Group entities’ operations in the traditional settlement areas and/or areas of economic activities of the indigenous minorities of the North,

and no reports were received regarding violations of rights of indigenous peoples of the North.

The Company actively cooperates with public organizations of indigenous minorities of the North and provides

support through grant financing within PJSC LUKOIL’s Social and Cultural Projects Competition.

Indigenous minorities of the North

LUKOIL strives to achieve a well-balanced combination of its business operations in the territories of indigenous minorities with the possibility of preserving their traditional way of life and economic activities. The [LUKOIL Group Human Rights Policy](#) establishes the Company’s obligations to respect and protect the rights of indigenous minorities.

The LUKOIL Group entities operating in the Ural and North-West Federal Districts have appointed responsible persons whose job duties include direct interaction with representatives of indigenous peoples and holding meetings and public hearings with

their participation. PJSC LUKOIL has established communication channels with indigenous communities both at the regional and federal levels.

The LUKOIL Group entities sign economic agreements with the heads of traditional resource use areas in the KhMAA – Yugra and agreements on the socio-economic development of reindeer farms in the NAA. Compensation includes cash payments, goods, transportation, and services.

For almost 20 years, we have been running the [Red Tent](#) project to preserve the health of nomadic indigenous people of the Arctic in the NAA. LUKOIL took part in the implementation of

the Socio-Economic Development of Indigenous Minorities of the North in KhMAA – Yugra for the 2018–2025 state program.

LLC LUKOIL-West Siberia has built relations with the heads of kinship lands in 53 traditional resource use areas of the Khanty and Mansi peoples: they receive [various types of support](#), including electrification of nomad campsites, purchase of reindeer feed, conservation of archaeological sites.

The Company has established and successfully operates mechanisms that allow indigenous minorities of the North and their organizations to contact the Company and request assistance or protection of their rights. In 2023,

Case study ➡

Come to visit reindeer herdsman of Kanin¹

As part of the project, a new dwelling place of reindeer herdsman of Kanin was installed as an exhibit for tourists. It is a tent engineered by A. N. Terentyev, the Komi master, instead of a traditional raw-hide tent. While nomadizing in the tundra, reindeer herdsman transport it with them – it has low mass and can be quickly assembled. The tent houses everyday articles, furniture and household utensils.



Our awards

LLC LUKOIL-West Siberia won the Black Gold of Yugra competition in the nomination For Cooperation with the Indigenous Population.



Supporting indigenous minorities of the North in Russia as part of licensing obligations

Russian region	Unit of measurement	2021	2022	2023
Total	RUB mln	370	428	484
KhMAA – Yugra	RUB mln	340	398	453
NAA	RUB mln	30	30	31

¹ Reindeer herdsman of the Kanin Peninsula are nomadic Nenets who traditionally herded flocks of reindeer on the Kanin Peninsula (NAA), and for the winter drove them to the Mezen District (Arkhangelsk Region).

Appendices

Appendix 1. Abbreviations used

Names of the LUKOIL Group entities

KPC – LLC Kogalym Plant of Chemical Reagents	Oil Refinery in Romania – PETROTEL-LUKOIL S.A.	Ukhta oil refinery – LLC LUKOIL-Ukhtaneftepererabotka, LLC LUKOIL-UNP
Nizhny Novgorod oil refinery – LLC LUKOIL-Nizhegorodnefteorgsintez	Perm oil refinery – LLC LUKOIL-Permnefteorgsintez	Volgograd oil refinery – LLC LUKOIL-Volgogradneftepererabotka
Oil Refinery in Bulgaria – LUKOIL Neftochim Burgas AD	PJSC LUKOIL – Public Joint Stock Company Oil Company LUKOIL	
Oil Refinery in Italy – ISAB S.r.l.		

Names of countries and regions of the Russian Federation

KhMAA – Yugra – Khanty-Mansi Autonomous Area – Yugra	NWFD – Northwestern Federal District	VFD – Volga Federal District
NAA – Nenets Autonomous Area	RF – Russian Federation	UFO – Ural Federal District
NCFD – North Caucasus Federal District	SFD – Southern Federal District	YaNAA – Yamal-Nenets Autonomous Area

Abbreviations

APG – associated petroleum gas	ECS – electric charging station	FFS – fuel filling station
CBAM – Carbon Border Adjustment Mechanism	EIA – environmental impact assessment	GHG – greenhouse gases
CCUS – Carbon Capture, Utilization and Storage technology	ERT – emergency response teams	GRES – state regional power plant
CF – charity fund	ES – emergency situation, emergency	GPP – gas processing plant
CHPP – combined heat and power plant	ESG – Environmental, Social and Governance	HPP – hydroelectric power plant
CIS – Corporate Information System	ESP – Environmental Safety Program	HSE – health, safety and environment
CO₂-EOR – Carbon Dioxide Enhanced Oil Recovery technology (CO ₂ pressure injection)	FBC – free bilateral contract with qualified renewable energy generating facilities	H&U – housing and utilities
DF – diesel fuel	FD – Federal District	IAS – Internal Audit Service
DLS – distance learning system	FER – fuel and energy resources	IEC – industrial environmental control
		IMN – indigenous minorities of the North

IMS – Industrial, Fire, Radiation Safety, Emergency Prevention and Liquidation, Protection of Civilians, Occupational Safety and Environmental Protection	OEM – Original Equipment Manufacturer	SISCAC – Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC LUKOIL
	OPS – oil product supply	SPP – solar power plant
ISC – industrial service center	PJSC – public joint stock company	STO – standard of an organization
IT – information technologies	PPE – personal protective equipment	
ITS – Information Technology Support	RES – renewable energy sources	UAV – unmanned aerial vehicles
JSC – joint stock company	RES CDA – Renewable Energy Sources Capacity Delivery Agreement	UoM – unit of measurement
KPI – key performance indicator	R&D – research and development	VHI – voluntary health insurance
LLC – limited liability company	SAF – Sustainable Aviation Fuel	VOC – volatile organic compounds
LPG – liquefied petroleum gas	SCPC – Social and Cultural Projects Competition	WPP – wind power plant
LRA – local regulatory act		

Names of organizations and initiatives, other names

CDP – Carbon Disclosure Project	OPEC – Organization of the Petroleum Exporting Countries	SDGs – UN Sustainable Development Goals (the UN 2030 Agenda for Sustainable Development)
EU – European Union	PNRPU – Perm National Research Polytechnic University	TCFD – Task Force on Climate Related Financial Disclosures
GRI – Global Reporting Initiative	RAS – Russian Academy of Sciences	UN – United Nations
IFRS – International Financial Reporting Standards	SASB – Sustainability Accounting Standards Board	
ISO – International Organization for Standardization		

Units of measurement

boe – barrel of oil equivalent	GW, MW – gigawatt, megawatt	toe, kgoe – tonne (kilogram) of oil equivalent
CO_{2e} – CO ₂ equivalent	p.p. – percentage point	

Appendix 2. Reporting boundaries

The Report discloses sustainability information on Russian and foreign LUKOIL Group entities, in which PJSC LUKOIL holds more than 50% and

has operational control. The disclosure boundaries are determined based on the significant economic,

environmental, and social impacts of the Group’s entities. The GRI indicator boundaries are specified in [Appendix 4](#).

Appendix 3. Reporting standards and determination of material topics

3.1. Reporting standards and guidelines

In preparing this Report, we used the following non-financial reporting standards and guidelines:

- ✓ Information Letter of the Bank of Russia No. IN-06-28/96 dated December 16, 2021 On Recommendations for the Board of Directors of a Public Joint Stock Company to Consider ESG Factors and Sustainability Issues;
- ✓ List of the key (basic) indicators of sustainability reporting of the Russian Ministry of Economic Development;
- ✓ Standards for sustainability reporting of the Global Reporting Initiative (GRI Standards 2021). The GRI content index of general and specific reporting items is provided in [Appendix 4](#);

- ✓ IPIECA (International Petroleum Industry Environmental Conservation Association) Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, 2020;
- ✓ SASB (Sustainability Accounting Standards Board) reporting standards.

In preparing the data, the Company was also guided by the legislative requirements in the countries of presence and the following initiatives:

- ✓ Information Letter of the Bank of Russia No. IN-06-28/49 dated July 12, 2021;
- ✓ Basic Performance Indicators of RSPP and indices of the Moscow Exchange;

- ✓ UNDP (United Nations Development Programme) SDG Impact Standards for Enterprise, 2021;
- ✓ United Nations Global Compact;
- ✓ Guidance on Core Indicators for Entity Reporting on Contribution Towards Implementation of the Sustainable Development Goals, UNCTAD, 2019.

The list of reporting standards and guidelines used or considered in the preparation of sustainability reports is reviewed based on their applicability and the Company’s disclosure capabilities.

3.2. Methodology for determining greenhouse gas emissions

The following documents were used to quantify the greenhouse gas emissions of LUKOIL Group for 2023 (Scope 1, 2, prevented and reduced greenhouse gas emissions from renewable energy sources):

- ✓ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. World

Resources Institute and World Business Council for Sustainable Development, 2004 (revised);

- ✓ The Greenhouse Gas Protocol: GHG Protocol Scope 2 Guidance;
- ✓ IPCC Guidelines for National Greenhouse Gas Inventories, 2006;
- ✓ Methodology for quantifying greenhouse gas emissions. Approved by the order

of the Ministry of Natural Resources of the Russian Federation May 27, 2022 No. 371;

- ✓ Methodological guidelines for the quantitative determination of the volume of indirect energy emissions of greenhouse gases. Approved by Order No. 330 of the Ministry of Natural Resources of the Russian Federation dated June 29, 2017.

3.3. Significant impacts and material topics (GRI 3: Material Topics 2021)

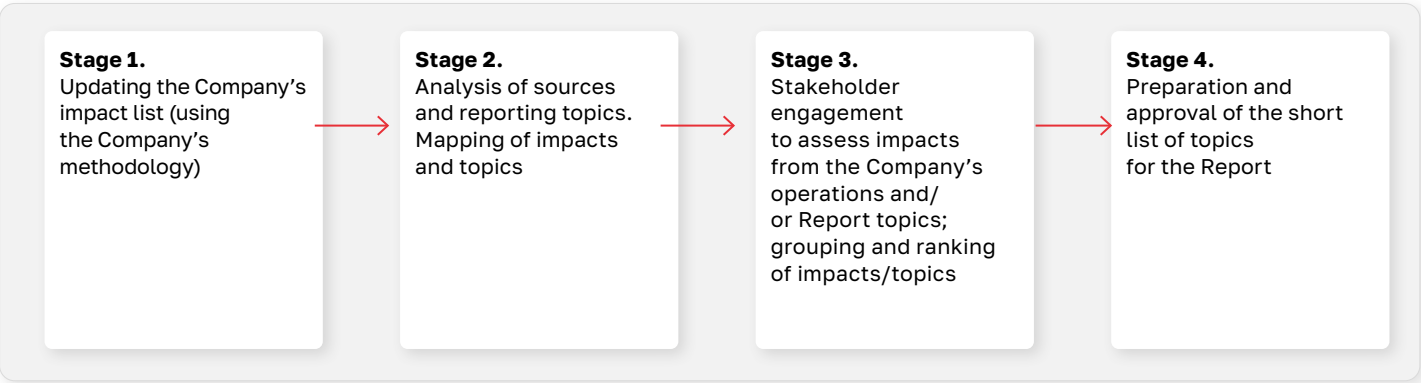
In accordance with the requirements of the non-financial reporting standards (including GRI 3: Material Topics 2021) and the Regulations on the Preparation

of the LUKOIL Group Sustainability Report, the lists of impacts from the activities of the Group entities and material topics for disclosure

in the Sustainability Report are updated on an annual basis. The list of material topics remained the same as in the Sustainability Report for 2022.

Stages of analysis of significant impacts and material topics

The analysis is based on the established methodology, which includes four main stages. The final stage of this process is the disclosure of reporting information in corporate sources.



1. Impact identification. Starting from 2023, the list of impacts from the LUKOIL Group entities’ operations will be updated at the first stage if changes have occurred in the composition or types of the Group’s operations in the reporting year.

Impacts were identified in 2022 based on the Company’s [business model](#)¹ and strategy, given that the entire value chain is within the perimeter of LUKOIL Group due to its vertical integration.

In 2023, the methodology was updated versus 2022. The four main types of impacts (environmental, social, economic, and management) arising from the relevant factors were identified. Various types of impacts have been identified, taking into account the scale (types of the Group entities’ activities) and other parameters.

2. Analysis of sources. At the second stage, external sources are analyzed, including:

- ✓ analytical reports and reviews published by reputable organizations to identify predictive signals, global and industry trends and risks, including non-financial reporting trends;
- ✓ analysis of legal requirements on disclosure of non-financial information and regulation of sustainability activities;
- ✓ mass media publications (optional);
- ✓ reports and publications issued by oil and gas companies;
- ✓ best industry practices (collections of practices, rating results, etc.).

In addition to the above sources, changes in the industry reporting standards (GRI, SASB, IPIECA) and corporate policies, if such changes occurred in the reporting period, and also information requests from stakeholders received by the Company during the reporting year are taken into consideration.

As a result of this stage, topics that remain relevant, new topics or topics to which interest is growing due to changes in the external environment, the emergence of new requirements on companies or the development of leadership practices in industries are identified. Based on the results of the analysis, no new material topics were identified, however, issues were identified that are capable of drawing closer attention in the future (such as disclosure of information on nature-related aspects, safe energy transition rate).

3. Stakeholders’ position. During the third stage, stakeholder opinions collected in the course of the survey are considered. In 2023, a survey of management personnel of PJSC LUKOIL regarding the LUKOIL Group entities’ impacts on the economy, the environment, and people was conducted for the first time.

Respondents were asked to assess impacts on a scale of 1 to 3. The materiality cut-off point does not apply due to unavailability of uniform standardized principles

in GRI: it is assumed that all impacts are taken into account and may correlate with the topics of the report and be subsequently disclosed but to different extents. Sixteen heads of PJSC LUKOIL’s core business units took part in the survey. The result of this stage in 2023 was an updated list of impacts and their prioritization within the scope of applicable management practices.

4. List of material topics. Lists of significant impacts and material topics of the report are compared based on the procedures indicated in items 1–3. The short list of material topics is considered at the Sustainability Task Force, at meetings of the SISCAC and the Board of Directors of PJSC LUKOIL. The list serves as the basis for the preparation of sustainability reporting.

Material topics disclosure. Sustainability information is disclosed in the Sustainability Report, the Annual Report, the ESG Databook, on the corporate website, as well as in thematic brochures and press releases of PJSC LUKOIL.

In 2023, the list of material topics of the Report was considered at meetings of the SISCAC and the Board of Directors of PJSC LUKOIL as part of addressing the issue On the Preparation of the LUKOIL Group Sustainability Report, and was also approved by the Chief Executive Officer of PJSC LUKOIL.

Impacts of the LUKOIL Group entities’ activities and topics of the Report

Impacts	Nature of impact	Which stakeholder groups are affected	Topics of the Sustainability Report for 2023	Topics of the GRI Sector Standard	Measures aimed at reducing negative impacts and enhancing positive impacts
Environmental and climate impacts	Direct	Employees of the LUKOIL Group entities. Residents of the regions of presence Environment Future generations Investors Environmental organizations, experts	1. Air pollutant emissions	GRI 11.3	Ambient air, p. 58
✓ Impact of production and other regular processes on environmental components (air, water, land, and forest resources, biodiversity) and climate, accidental oil and petroleum product spills	Negative		2. Climate strategy, decarbonization and climate change adaptation	GRI 11.1 GRI 11.2	Climate change, p. 28
✓ RES development ✓ Modernization of production facilities and introduction of innovations ✓ Restoration of land resources and reforestation, assistance in the study and restoration of rare and endangered species ✓ Voluntary actions and initiatives aimed at preventing negative impacts on the environment	Actual or potential		3. Water resources	GRI 11.6	Water resources, p. 54
			4. Waste		
			5. Natural resources and biodiversity conservation	GRI 11.5 GRI 11.4	Waste management, p. 60 Biodiversity conservation, p. 65
			6. Integrity of facilities and management of critical incidents	GRI 11.8	Pipeline system reliability in Russia, p. 69
	Direct and indirect				
	Positive				
	Actual or potential				

¹ A ‘business model’ refers to the main stages of creating an end product.

Impacts	Nature of impact	Which stakeholder groups are affected	Topics of the Sustainability Report for 2023	Topics of the GRI Sector Standard	Measures aimed at reducing negative impacts and enhancing positive impacts
Social impacts	Direct	Employees of the LUKOIL Group entities, employees' family members	7. Human rights	GRI 11.13	Human rights, p. 79
Inside the Company	Positive		8. Employment	GRI 11.10	Social context, p. 82
✓ Impact of the Company's internal social policy on the employment and well-being of employees, creation of decent working conditions;	Actual	Trade unions	9. Labor relations: motivation and training of employees		Employment relations, p. 90
✓ Promotion of worker health		Residents of the regions of presence	10. Occupational health and safety of own employees and employees of contractor organizations		Motivation, training and social support, p. 92
Including:	Direct or indirect	Administrations of the regions of presence		GRI 11.9	Occupational health and safety, p. 84
✓ impact of accidents or working conditions on the health of employees of the Company and counterparties	Negative Potential	Educational institutions			
✓ human rights violations in the internal social policy					
In the regions of presence:	Direct and indirect	Administrations of constituent entities of the Russian Federation and territorial units where the LUKOIL Group entities operate	11. Participation in the social development of the regions of presence	GRI 11.15	External social activities in Russian regions, p. 108
✓ Social impacts in the regions of presence,	Positive		12. Charity and social programs for the community		
✓ impact on the quality of life of the population,	Actual and potential	Residents of the territories of presence, including indigenous peoples	13. Stakeholder engagement in the regions		
✓ regular stakeholder engagement		Public and other organizations	14. Indigenous minorities	GRI 11.17	Indigenous minorities of the North, p. 122
Including:	Direct and indirect	Mass media			
✓ impact on local communities due to environmental impacts of production facilities	Negative				
✓ impact on indigenous peoples' lifestyle	Actual or potential				

Impacts	Nature of impact	Which stakeholder groups are affected	Topics of the Sustainability Report for 2023	Topics of the GRI Sector Standard	Measures aimed at reducing negative impacts and enhancing positive impacts
Economic impacts	Direct	Governmental authorities	15. Economic sustainability of the Company in a highly uncertain environment	GRI 11.14	Economic sustainability, p. 12
Outside the Company	Positive Actual	Employees	16. Reliability of energy supply		
Promotion of long-term economic growth and social well-being in the countries and regions of the Company's operations	Indirect	Shareholders, investors, creditors, rating agencies	17. Technological reliability		
including:	Negative Potential	Suppliers, consumers (clients)	18. Products: innovations and quality		Decarbonization products and pathways, p. 45
✓ Inefficient use of natural resources		Scientific and research institutes, partner companies			
Within the perimeter of the Company	Direct	Employees.	19. Ethics and corporate governance	GRI 11.11	Corporate governance, p. 16
Ensuring the quality of corporate, strategic and operational management of the Company, including sustainability management	Positive	Shareholders and investors. Financial institutions	20. Sustainability management	GRI 11.19	Corporate ethics and behavior, p. 78
	Actual	Executive and supervisory bodies	21. Digitalization and information security	GRI 11.20	Robust information systems, p. 14
		Business, industry and other associations, experts	22. Improving management efficiency	GRI 11.22	Management efficiency, p. 15
including:	Direct or indirect	Partners, suppliers and contractors, clients	23. Responsible supply chain		Business relationships with suppliers, p. 96
✓ deviations in compliance with mandatory requirements and voluntary commitments	Negative Potential		24. Stakeholder engagement: participation in the legislative process		Business relationships with clients and partners, p. 98

3.4. Results of the audit and public assurance of the Report

The results of professional verification (audit) and public assurance of the Report for the preceding reporting period were considered when preparing the Report for 2023.

Recommendations regarding the LUKOIL Group Sustainability Report for 2022	Comments
Better reflect information on the direct and indirect economic impact of the Company’s activities in terms of ensuring sustainable development	In the absence of a generally accepted methodology for identifying and analyzing the economic impacts (both direct and indirect) of companies’ operations on society and markets in the context of sustainable development, the Report currently reflects certain items related to this topic. The Company is developing a topic disclosure approach. Information on the economic impact in the context of the Company’s sustainability is contained in the Annual Report.
Provide information on plans and targets for a wide range of sustainability aspects, supplement qualitative indicators with quantitative ones, and present the actual results in comparison with the planned values	The goals are set as part of annual planning of measures in accordance with the Company’s goal-setting procedures for all functional areas reflected in the Report. The Report contains information on the targets and goals set for 2023.
When disclosing the Company’s contribution to developing the local communities, supplement the descriptive information with quantitative and qualitative indicators that reflect not only the Company’s contribution, but also the significance of the implemented projects for the territories and communities, short-term and long-term social effects	In 2023, the significance of the projects implemented for the territories and residents was not assessed.
Expand information on the contribution of the Company’s programs to the national project objectives, and report, if possible, the results achieved	The information is to be disclosed in additional publications.
Disclose in the Report how the project results are considered when planning social programs and improving the external social policy. It is also advisable to include the opinions of local communities on the efficiency of the Company’s social project development and implementation instruments and interaction on these matters with the stakeholders	The Report presents all the instruments used by the Company in planning and implementing external social programs. Annual sustainability reports also reflect information on changes in management systems by functional areas and in corporate standards. The priorities of the LUKOIL Group’s external social policy are the determining factor in planning social programs. The Sustainability Report for 2023 presents the results of a longitudinal sociological survey held in the Komi Republic regarding the Company’s social activities.

Appendix 4. GRI Content Index 2021

Statement of the use of the GRI Standards: The data in the LUKOIL 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 LUKOIL Group.

Legend:

 designates partially disclosed indicators

1. General disclosures

GRI Standards	Disclosure	Sources of 2023 information	Comments/rationale for excluding reporting data
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability Report (SR), p. 8 Website https://www.lukoil.com/ Annual Report (AR)	
	2-2 Entities included in the organization’s sustainability reporting		The Report covers all assets that have significant economic, environmental and social impacts in Russia and abroad
	2-3 Reporting period, frequency and contact point	Sustainability Report, p. 6	The reporting period is the period from January 1 to December 31 in each reporting year. The Report is published annually
	2-4 Restatement of information		There were no restatements in the reporting period
	2-5 External assurance	Sustainability Report, Appendix 8	The Company uses two types of external assurance: professional verification by an audit firm (Appendix 8) and public assurance
	2-6 Activities, value chain and other business relationships	Sustainability Report, p. 8-9 , 96-97 Website Annual Report , p. 3, 9	The business model can be found at https://www.lukoil.com/Company/BusinessOperation
	2-7 Employees	Sustainability Report, p. 82 ESG Databook	
	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 LUKOIL Group entities either permanently or temporarily perform an insignificant amount of work

GRI Standards	Disclosure	Sources of 2023 information	Comments/rationale for excluding reporting data
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Annual Report , p. 48, 58 ESG Databook	Information on the corporate governance structure is disclosed
	2-10 Nomination and selection of the highest governance body	Annual Report , p. 55	
	2-11 Chair of the highest governance body	Annual Report , p. 52, 58	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report, p. 16 Annual Report , p. 56	
	2-13 Delegation of responsibility for managing impacts	Sustainability Report, p. 16 Annual Report , p. 21	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report, p. 22 Annual Report , p. 56	
	2-15 Conflicts of interest	Annual Report , p. 42	
	2-16 Communication of critical concerns	Sustainability Report, p. 22 Annual Report , p. 49, 55	
	2-17 Collective knowledge of the highest governance body	Annual Report , p. 60	
	2-18 Evaluation of the performance of the highest governance body	Annual Report , p. 57-58	
	2-19 Remuneration policies	Annual Report , p. 65-66	
	2-20 Process to determine remuneration	Annual Report , p. 65-66	
	2-21 Annual total compensation ratio		Information is not disclosed due to compliance with corporate requirements for disclosure of confidential information
	2-22 Statement on sustainable development strategy		Information is not disclosed due to compliance with corporate requirements for disclosure of confidential information

GRI Standards	Disclosure	Sources of 2023 information	Comments/rationale for excluding reporting data
GRI 2: General Disclosures 2021	2-23 Policy commitments	Sustainability Report, p. 16 Website: Sustainable development management Document Center: Code of Business Conduct and Ethics of PJSC LUKOIL LUKOIL Group Sustainability Policy , LUKOIL Group Human Rights Policy	
	2-24 Embedding policy commitments	Sustainability Report, p. 26-27, 76-77	Commitments are fulfilled through processes and procedures formalized as part of operational management
	2-25 Processes to remediate negative impacts	Sustainability Report, p. 26-27, 76-77	Prevention and elimination of consequences of negative impacts are performed through the planning and implementation of targeted and investment programs
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report, p. 72 ESG Databook Document Center: LUKOIL Group Sustainability Policy , LUKOIL Group Human Rights Policy	
	2-27 Compliance with laws and regulations	Sustainability Report, p. 23, 92 ESG Databook Document Center: Code of Business Conduct and Ethics of PJSC LUKOIL	
	2-28 Membership associations		The Council for Professional Qualifications in the Oil and Gas Industry of the Russian Federation: PJSC LUKOIL is a member of the organization

GRI Standards	Disclosure	Sources of 2023 information	Comments/rationale for excluding reporting data
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Sustainability Report, p. 80 Document Center: LUKOIL Group Sustainability Policy , LUKOIL Group Human Rights Policy	
	2-30 Collective bargaining agreements	Sustainability Report, p. 79, 82, 93 ESG Databook Website: Collective bargaining	

2. Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report, Appendix 3, p. 126
	3-2 List of material topics	Sustainability Report, Appendix 3, p. 126
	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 (point 3 of the Sector standard)

3. Sector standard					
Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 3: Material Topics 2021	3-1 Process to determine material topics and sources of information		Appendix 3		
	3-2 List of material topics		Appendix 3		
GRI 11: Oil and Gas Sector 2021	11.1. GHG emissions				
GRI 3: Material Topics 2021	Management of material topics	11.1.1.	Website: Management system CDP questionnaire	LUKOIL Group	The Company does not collect data for the supply chain
GRI 302: Energy 2016	302-1. Energy consumption within the organization	11.1.2	Sustainability Report, p. 38 ESG Databook	LUKOIL Group (within the GHG emissions accounting boundaries)	
	302-2. Energy consumption outside of the organization	11.1.3			The data are not collected by the Company, as the main elements of the supply chain are inside the Company: extraction of raw materials, processing, transportation (partially) and marketing of products. Thus, energy consumption outside the organization is not material
	302-3. Energy intensity	11.1.4	Sustainability Report, p. 38 ESG Databook	LUKOIL Group (within the GHG emissions accounting boundaries)	The energy intensity is calculated based on the energy consumption within the Company only (see the commentary on indicator 11.1.3)
GRI 305: Emissions 2016	305-1. Direct (Scope 1) GHG emissions	11.1.5	Sustainability Report, p. 43 ESG Databook	LUKOIL Group (operational control)	
	305-2. Energy indirect (Scope 2) GHG emissions	11.1.6	Sustainability Report, p. 43 ESG Databook	LUKOIL Group (operational control)	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	305-3. Other indirect (Scope 3) GHG emissions	11.1.7	CDP questionnaire	LUKOIL Group (within the GHG emissions accounting boundaries)	The indicator is provided in the CDP questionnaire
	305-4. GHG emissions intensity	11.1.8	Sustainability Report, p. 43 ESG Databook	LUKOIL Group (operational control)	Specific indicators for Scope 1 + Scope 2 are provided
GRI 11: Oil and Gas Sector 2021	11.2. Climate adaptation, resilience, and transition				
GRI 3: Material Topics 2021	Management of material topics	11.2.1.	Website: Climate risks management Document Center: HSE Policy of LUKOIL Group , CDP questionnaire	LUKOIL Group	The Company does not collect data for the supply chain
GRI 201: Economic Performance 2016 	201-2. Financial implications and other risks and opportunities due to climate change	11.2.2	CDP questionnaire	LUKOIL Group	The Company only performs financial assessment of climate change risks
GRI 305: Emissions 2016	305-5. Reduction of GHG emissions	11.2.3	ESG Databook	LUKOIL Group (operational control)	
	Approach to participation in public policy and lobbying on climate change issues	11.2.4	Sustainability Report, p. 31	LUKOIL Group	
GRI 11: Oil and Gas Sector 2021	11.3. Air emissions				
GRI 3: Material Topics 2021	Management of material topics	11.3.1.	Website: Clean air Document Center: HSE Policy of LUKOIL Group	LUKOIL Group	The Company does not collect data for the supply chain

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 305: Emissions 2016 	305-7. Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	11.3.2	Sustainability Report, p. 59 ESG Databook	LUKOIL Group (operational control)	The indicators are accounted for in accordance with the laws of the countries of presence. The reporting data are provided as broken down pursuant to the Russian law
GRI 416: Customer Health and Safety 2016	416-1. Assessment of the health and safety impacts of product and service categories	11.3.3	Website: Product quality management	LUKOIL Group	The Company certifies its products in accordance with technical regulations and other industry requirements
GRI 11: Oil and Gas Sector 2021	11.4. Biodiversity				
GRI 3: Material Topics 2021	Management of material topics	11.4.1	Website: Biodiversity Document Center: HSE Policy of LUKOIL Group Brochure: Conserving biodiversity	LUKOIL Group	The Company does not collect data for the supply chain
GRI 304: Biodiversity 2016 	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	Sustainability Report, p. 65 Brochure: Conserving biodiversity	LUKOIL Group (operational control)	
	304-2. Significant impacts of activities, products, and services on biodiversity	11.4.3	Brochure: Conserving biodiversity	LUKOIL Group (operational control)	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	304-3. Habitats protected or restored	11.4.4	Sustainability Report, p. 65 ESG Databook Brochure: Conserving biodiversity	LUKOIL Group (operational control)	
	304-4. IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5	Sustainability Report, p. 65 Brochure: Conserving biodiversity	LUKOIL Group (operational control)	
GRI 11: Oil and Gas Sector 2021	11.5. Waste				
GRI 3: Material Topics 2021	Management of material topics	11.5.1	Website: Waste Document Center: HSE Policy of LUKOIL Group	LUKOIL Group	The Company does not collect data for the supply chain
GRI 306: Waste 2020	306-1. Waste generation and significant waste-related impacts	11.5.2	Sustainability Report, p. 60-61	LUKOIL Group (operational control)	
	306-2. Management of significant waste-related impacts	11.5.3	Website: Waste Sustainability Report, p. 60 ESG Databook	LUKOIL Group (operational control)	
	306-3. Waste generated	11.5.4	Sustainability Report, p. 60-61 ESG Databook	LUKOIL Group (operational control)	Waste generation and treatment are accounted for in accordance with the laws of the countries of presence
	306-4. Waste diverted from disposal	11.5.5	ESG Databook	LUKOIL Group (operational control)	Waste generation and treatment are accounted for in accordance with the laws of the countries of presence

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	306-5. Waste directed to disposal	11.5.6	ESG Databook	LUKOIL Group (operational control)	Waste generation and treatment are accounted for in accordance with the laws of the countries of presence
GRI 11: Oil and Gas Sector 2021	11.6. Water and effluents				
GRI 3: Material Topics 2021	Management of material topics	11.6.1	Website: Clean water Document Center: HSE Policy of LUKOIL Group	LUKOIL Group	The Company does not collect data for the supply chain
GRI 303: Water and effluents 2018	303-1. Interactions with water as a shared resource	11.6.2	Booklet: Zero Discharge Sustainability Report, p. 54-57	LUKOIL Group (operational control)	Water impact assessment is performed in accordance with the laws of the countries of presence
	303-2. Management of water discharge-related impacts	11.6.3	Website: Clean water Document Center: HSE Policy of LUKOIL Group	LUKOIL Group (operational control)	Wastewater quality is guaranteed in accordance with the laws of the countries of presence
	303-3. Water withdrawal	11.6.4	Sustainability Report, p. 56 ESG Databook	LUKOIL Group (operational control)	Water treatment is accounted for in accordance with the laws of the countries of presence
	303-4. Water discharge	11.6.5	Sustainability Report, p. 57 ESG Databook	LUKOIL Group (operational control)	Water treatment is accounted for in accordance with the laws of the countries of presence

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	303-5. Water consumption	11.6.6		LUKOIL Group (operational control)	According to the GRI methodology: Water consumption = Total water withdrawal - Total water discharge When calculating the indicator using this formula, its value for LUKOIL Group in 2023 is 162.7 million cubic meters. Regions with a high level of water stress include Uzbekistan. The GRI value for Uzbekistan = 0.3 million cubic meters The data on changes in water levels in the reservoirs are under development
GRI 11: Oil and Gas Sector 2021	11.7. Closure and rehabilitation				The Company did not close any of its assets in 2023. Therefore, no relevant impacts were detected
GRI 3: Material Topics 2021	Management of material topics	11.7.1	Website: Abandonment of hazardous production facilities	LUKOIL Group	
GRI 402: Labor/Management Relations 2016	402-1. Minimum notice periods regarding operational changes	11.7.2		LUKOIL Group	In most countries of presence, the minimum notice period is four to nine weeks, according to the law
GRI 404: Training and Education 2016	404-2. Programs for upgrading employee skills and transition assistance programs	11.7.3		LUKOIL Group	The Company has programs for upgrading employee skills for all employees regardless of their employment termination dates

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	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		LUKOIL Group	0 production sites were closed in 2023 or were in the process of closure. When closing production sites, the Company complies with all measures stipulated by the legal requirements of the countries of operation, as well as license and other agreements.
	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
GRI 11: Oil and Gas Sector 2021	11.8. Asset integrity and critical incident management				

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 3: Material Topics 2021	Management of material topics	11.8.1	Website: Driving Reliability of Pipeline Transport , Safety in the Arctic Zone Emergency Prevention and Response	LUKOIL Group	Transportation safety issues (except for the pipeline system) are not significant as they apply mainly to transportation of employees and transportation of fuel by road for retail sales and are taken into account in the corporate occupational safety system. The bulk of products are supplied to foreign and domestic customers using third-party transportation companies
GRI 306: Effluents and Waste 2016 	306-3. Significant spills	11.8.2	Sustainability Report, p. 71 ESG Databook	LUKOIL Group's Russian entities	
	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
GRI 11: Oil and Gas Sector 2021	11.9. Occupational health and safety				
GRI 3: Material Topics 2021	Management of material topics	11.9.1	Website: Integrated management system Document Center: HSE Policy of LUKOIL Group	LUKOIL Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 403: Occupational health and safety 2018	403-1. Occupational health and safety management system	11.9.2	Website: Occupational health and safety , Program of Industrial Safety and Occupational Safety Sustainability Report, p. 84-85	LUKOIL Group	
	403-2. Hazard identification, risk assessment, and incident investigation	11.9.3	Website: Occupational health and safety Sustainability Report, p. 85	LUKOIL Group	
	403-3. Occupational health services	11.9.4	Website: Occupational health and safety Sustainability Report, p. 85	LUKOIL Group	Information related to contractors is not collected
	403-4. Worker participation, consultation, and communication on occupational health and safety	11.9.5	Website: Occupational health and safety , Leadership and safety culture Sustainability Report, p. 88	LUKOIL Group	The procedure for forwarding information or proposals on occupational safety is set forth in a corporate standard. Besides, employees' ideas can be submitted as part of the Continuous Improvement System
	403-5. Worker training on occupational health and safety	11.9.6	Sustainability Report, p. 84-85 ESG Databook	LUKOIL Group	
	403-6. Promotion of worker health	11.9.7	Website: Occupational health and safety , Sustainability Report, p. 32, 88	LUKOIL Group	
	403-7. Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8	Sustainability Report, p. 88	LUKOIL Group	
	403-8. Workers covered by an occupational health and safety management system	11.9.9	Sustainability Report, p. 20 ESG Databook	LUKOIL Group	The indicator calculation method is set out in the ESG Databook. Information is provided on full-time employees

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	403-9. Work-related injuries	11.9.10	Sustainability Report, p. 89 ESG Databook	LUKOIL Group	The indicators are calculated in accordance with the laws of the countries of presence and a corporate standard. LTIFR and other injury rates for contractors are not calculated
	403-10. Occupational diseases	11.9.11	Sustainability Report, p. 89 ESG Databook	LUKOIL Group	It is problematic to disclose the other information as per the standard since it involves collecting data that, without the proper consent from employees and their family members, may contravene legislation on personal data protection, medical confidentiality, and labor principles in the Russian Federation. The Company does not collect information on occupational diseases of contractors' employees
GRI 11: Oil and Gas Sector 2021	11.10. Employment practices				
GRI 3: Material Topics 2021	Management of material topics	11.10.1	Website: Human Capital Management Policy Document Center: Social Code of PJSC LUKOIL , Human Capital Management Policy of PJSC LUKOIL	LUKOIL Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 401: Employment 2016 	401-1. New employee hires and employee turnover	11.10.2	ESG Databook	LUKOIL Group	
	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	Website: Social programs Sustainability Report, p. 93 ESG Databook	LUKOIL Group	Social benefits are provided to all employees regardless of the form of employment and the region of presence of the Company. Coverage/reimbursement for health damage to the employee in case of disability or loss of capacity is provided in accordance with the legislation of the countries of presence
	401-3. Parental leave	11.10.4			The indicator is not used by the Company for planning and reporting purposes
GRI 402: Labor/ Management Relations 2016	402-1. Minimum notice periods regarding operational changes	11.10.5		LUKOIL Group	See 11.7.2
GRI 404: Training and Education 2016 	404-1. Average hours of training per year per employee	11.10.6	Sustainability Report, p. 95 ESG Databook	LUKOIL Group	The calculation technique is to be finalized
	404-2. Programs for upgrading employee skills and transition assistance programs	11.10.7	Website: Training and development Sustainability Report, p. 94	LUKOIL Group	The Company has programs for upgrading employee skills for all employees regardless of their employment termination dates

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 414: Supplier Social Assessment 2016 	414-1. New suppliers that were screened using social criteria	11.10.8	Sustainability Report, p. 97	LUKOIL Group's Russian entities. Foreign entities of the Exploration and Production business segment	These data relate to all counterparties that have submitted bids to participate in tenders, including new organizations and organizations that had contractual relations with LUKOIL Group entities earlier (due to the technical inability to distinguish between them)
	414-2. Negative social impacts in the supply chain and actions taken	11.10.9	Sustainability Report, p. 96-97	LUKOIL Group's Russian entities. Foreign entities of the Exploration and Production business segment	
GRI 11: Oil and Gas Sector 2021	11.11. Non-discrimination and equal opportunity				No discrimination cases were discovered in 2023
GRI 3: Material Topics 2021	Management of material topics	11.11.1	Website: Ethics , Training and development Document Center: Human Capital Management Policy of PJSC LUKOIL LUKOIL Group Human Rights Policy , Code of Business Conduct and Ethics of PJSC LUKOIL	LUKOIL Group	
GRI 202: Market Presence 2016 	202-2. Proportion of senior management hired from the local community	11.11.2	Sustainability Report, p. 90 ESG Databook	LUKOIL Group in significant regions of operations	The indicator is material only for foreign entities of the Group
GRI 401: Employment 2016	401-3. Parental leave	11.11.3			The indicator is not used by the Company for planning and reporting purposes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 404: Training and Education 2016 	404-1. Average hours of training per year per employee	11.11.4	Sustainability Report, p. 95 ESG Databook	LUKOIL Group	The calculation technique is to be finalized
GRI 405: Diversity and Equal Opportunities 2016 	405-1. Diversity of governance bodies and employees	11.11. 5	Sustainability Report, p. 90 ESG Databook	LUKOIL Group	
	405-2. Ratio of basic salary and remuneration of women to men	11.11.6	Website: Labor relations	LUKOIL Group's Russian entities	The base salary does not depend on the employee's gender
GRI 406: Non-discrimination 2016	406-1. Incidents of discrimination and corrective actions taken	11.11.7	Sustainability Report, p. 90 ESG Databook	LUKOIL Group	No such incidents were identified in 2023
GRI 11: Oil and Gas Sector 2021	11.12. Forced labor and modern slavery				No forced labor cases were discovered in 2023. Therefore, no relevant impacts were detected. For the purposes of this Report, the topic is not material (see comment on indicator 11.12.1)
GRI 3: Material Topics 2021	Management of material topics	11.12.1	Document Center: LUKOIL Group Human Rights Policy , Human Capital Management Policy of PJSC LUKOIL	LUKOIL Group	The assets fully owned by PJSC LUKOIL are located in countries where forced labor and modern slavery are prohibited by law
GRI 409: Forced or Compulsory Labor 2016	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labor	11.12.2	Sustainability Report, p. 80	LUKOIL Group	The assets fully owned by PJSC LUKOIL are located in countries where forced labor and modern slavery are prohibited by law

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 414: Supplier Social Assessment 2016 	414-1. New suppliers that were screened using social criteria	11.12.3	Sustainability Report, p. 97	LUKOIL Group's Russian entities. Foreign entities of the Exploration and Production business segment	These data relate to all counterparties that have submitted bids to participate in tenders, including new organizations and organizations that had contractual relations with LUKOIL Group entities earlier (due to the technical inability to distinguish between them)
GRI 11: Oil and Gas Sector 2021	11.13. Freedom of association and collective bargaining				No violations of freedom of association were identified in 2023. Therefore, no relevant impacts were detected. For the purposes of this Report, the topic is not material (see comment on indicator 11.13.1)
GRI 3: Material Topics 2021	Management of material topics	11.13.1	Website: Social partnership Document Center: LUKOIL Group Human Rights Policy , Human Capital Management Policy of PJSC LUKOIL	LUKOIL Group	All large production assets under PJSC LUKOIL's operational control (100% share) made collective bargaining agreements with the participation of trade unions. The trade unions' rights are secured in the the Agreement between the Employer and the Trade Union Association of PJSC LUKOIL for 2023–2026 (section 9)

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1. Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2			This information is not collected by the Company
GRI 11: Oil and Gas Sector 2021	11.14. Economic impacts				
GRI 3: Material Topics 2021	Management of material topics	11.14.1		LUKOIL Group	Economic impacts are managed through the development, updating and implementation of the strategic development program
GRI 201: Economic Performance 2016	201-1. Direct economic value generated and distributed	11.14.2		LUKOIL Group	The information is not disclosed by the Company based on Resolutions of the Government of the Russian Federation No. 1490 of September 13, 2023 “On the Specifics of the Disclosure of Consolidated Financial Statements” and No. 1102 of July, 4 2023 “On the Specifics of the Disclosure and/or Provision of Information to be Disclosed and/or Provided in Accordance with the Requirements of the Federal Law “On Joint Stock Companies” and the Federal Law “On the Securities Market”
GRI 202: Market Presence 2016	202-2. Proportion of senior management hired from the local community	11.14.3	Sustainability Report, p. 90 ESG Databook	LUKOIL Group in significant regions of operations	See 11.11.2

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 203: Indirect Economic Impacts 2016	203-1. Infrastructure investments and services supported	11.14.4	Sustainability Report, p. 104	LUKOIL Group in significant regions of operations	A description of sample projects is provided
	203-2. Significant indirect economic impacts	11.14.5	Sustainability Report, p. 105	LUKOIL Group in significant regions of operations	A description of sample impacts is provided
GRI 204: Procurement Practices 2016	204-1. Proportion of spending on local suppliers	11.14.6	Sustainability Report, p. 96	LUKOIL Group's Russian entities	
GRI 11: Oil and Gas Sector 2021	11.15. Local communities				
GRI 3: Material Topics 2021	Management of material topics	11.15.1	Website: External social policy priorities Document Center: Social Code of PJSC LUKOIL , LUKOIL Group Human Rights Policy , LUKOIL Group Sustainability Policy	LUKOIL Group	
GRI 413: Local Communities 2016	413-1. Operations with local community engagement, impact assessments, and development programs	11.15.2	Sustainability Report, p. 105	LUKOIL Group	All LUKOIL Group entities have programs for engagement with and support for local communities
	413-2. Operations with significant actual and potential negative impacts on local communities	11.15.3	Sustainability Report, p. 72	LUKOIL Group	The analysis of impacts identified mainly environmental impacts that may have a negative effect on residents of the regions of presence. See the Komi Republic case study

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	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	Sustainability Report, p. 122	LUKOIL Group	
GRI 11: Oil and Gas Sector 2021	11.16. Land and resource rights				For the purposes of this Report, the topic is not material (see comment on indicator 11.16.1)
GRI 3: Material Topics 2021	Management of material topics	11.16.1		LUKOIL Group	The Company does not resolve land allocation issues and is not involved in making such decisions. Land rights issues are regulated by the laws of the country of presence
	The location of the sites of activity that caused the need for involuntary resettlement of local residents or their resettlement continues	11.16.2		LUKOIL Group	In 2023, there were no facts of involuntary resettlement of local residents at the Company's initiative
GRI 11: Oil and Gas Sector 2021	11.17. Rights of indigenous peoples				
GRI 3: Material Topics 2021	Management of material topics	11.17.1	Website: Indigenous minorities of the North Document Center: LUKOIL Group Human Rights Policy , Social Code of PJSC LUKOIL	LUKOIL Group	
GRI 411: Rights of Indigenous Peoples 2016	411-1. Incidents of violations involving rights of indigenous peoples	11.17.2	Sustainability Report, p. 122	LUKOIL Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	Places of residence of indigenous people whose interests are affected or may be affected by the entity's activity	11.17.3	Booklet: Preserving traditions of the North	LUKOIL Group	Significant regions in Russia (NAA, KhMAA YaNAA - regions inhabited by indigenous peoples) are located in the regions where the Company's operations may or do have an impact. In other countries where the Company operates, there are regions with a complex ethnic composition of the population. The methodology for preparing data on these regions is under development
	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	LUKOIL Group Human Rights Policy Website: Indigenous minorities of the North	LUKOIL Group	In 2023, there were no such activities
GRI 11: Oil and Gas Sector 2021	11.18. Conflict and security				For the purposes of this Report, the topic of security services is not material as no relevant impacts have been identified
GRI 3: Material Topics 2021	Management of material topics	11.18.1	LUKOIL Group Human Rights Policy	LUKOIL Group	

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 410: Security Practices 2016 	410-1. Security personnel trained in human rights policies or procedures	11.18.2	Website: Human Rights	LUKOIL Group	
GRI 11: Oil and Gas Sector 2021	11.19. Anti-competitive behavior				
GRI 3: Material Topics 2021	Management of material topics	11.19.1	Website: Antimonopoly Policy	LUKOIL Group	
GRI 206: Anticompetitive Behavior 2016	206-1. Legal actions for anticompetitive behavior, antitrust, and monopoly practices	11.19.2	Sustainability Report, p. 23 ESG Databook	LUKOIL Group	
GRI 11: Oil and Gas Sector 2021	11.20. Anti-corruption				
GRI 3: Material Topics 2021	Management of material topics	11.20.1	Website: Anti-Corruption Policy Document Center: Anti-Corruption Policy of PJSC LUKOIL	LUKOIL Group	The Company does not engage in or encourage corrupt practices, including those by business partners, and makes every effort to prevent them. The Company does not tolerate any payments or other forms of incentives provided to representatives of state authorities

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 205: Anticorruption 2016	205-1. Operations assessed for risks related to corruption	11.20.2	Sustainability Report, p. 23	LUKOIL Group	The Report presents a general approach to corruption risk management. The indicator disclosure methodology is to be elaborated
	205-2. Communication and training about anti-corruption policies and procedures	11.20.3	Website: Anti-Corruption Policy	LUKOIL Group	The Report provides a general approach to implementing the anti-corruption policy. The indicator disclosure methodology is to be elaborated
	205-3. Confirmed incidents of corruption and actions taken	11.20.4	Sustainability Report, p. 78 ESG Databook	LUKOIL Group	
	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			The information is not disclosed by the Company due to commercial secrecy
	List of beneficial owners of the organization. How the organization identifies beneficial owners of business partners, including joint ventures and suppliers	11.20.6			Information on beneficial owners of business partners is not collected

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
GRI 11: Oil and Gas Sector 2021	11.21. Payments to governments				
GRI 3: Material Topics 2021	Management of material topics	11.21.1	Website: Tax policy	LUKOIL Group	
GRI 201: Economic Performance 2016	201-1. Direct economic value generated and distributed	11.21.2			The information is not disclosed by the Company based on Resolutions of the Government of the Russian Federation No. 1490 of September 13, 2023 “On the Specifics of the Disclosure of Consolidated Financial Statements” and No. 1102 of July, 4 2023 “On the Specifics of the Disclosure and/or Provision of Information to be Disclosed and/or Provided in Accordance with the Requirements of the Federal Law “On Joint Stock Companies” and the Federal Law “On the Securities Market”
	201-4. Financial assistance received from government	11.21.3		LUKOIL Group	The Company received no financial aid from government in 2023
GRI 207: Tax 2019	207-1. Approach to tax	11.21.4	Website: Tax policy	LUKOIL Group	
	207-2. Tax governance, control, and risk management	11.21.5	Website: Tax policy	LUKOIL Group	
	207-3. Stakeholder engagement and management of concerns related to tax	11.21.6		LUKOIL Group	The Company constantly interacts with the tax authorities, as well as with the relevant state authorities as part of statutory processes

Standard	Material topics and indicators	Indicator number	Sources of information	Reporting boundaries	Comments/rationale for excluding reporting data
	207-4. Country-by-country reporting	11.21.7			The information is not disclosed by the Company for the same reasons as indicator 11.21.2
	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			The information is not disclosed by the Company due to confidentiality
GRI 11: Oil and Gas Sector 2021	11.22. Public policy				
GRI 3: Material Topics 2021	Management of material topics	11.22.1	Website: Anti-Corruption Policy Document Center: Anti-Corruption Policy of PJSC LUKOIL	LUKOIL Group	According to the Anti-Corruption Policy of PJSC LUKOIL the Group is not involved in any political activity, does not exert, either directly or indirectly, any influence on any decisions of public officials or any other persons that affect the preservation or expansion of the Group’s operations or may be treated as such. The Group provides no financing for political parties and movements or any other activity benefiting political parties and their representatives (either in Russia or abroad)
GRI 415: Public Policy 2016	415-1. Political contributions	11.22.2	Website: Anti-Corruption Policy Document Center: Anti-Corruption Policy of PJSC LUKOIL	LUKOIL Group	In 2023: political contributions – none; incentive payments to government officials – none

3. Additional indicators

GRI content index	Indicator	Section and/or page of the Report	Indicator boundaries	Comment
201-3	Defined benefit plan obligations and other retirement plans	Sustainability Report, p. 94	LUKOIL Group	
308-1 	New suppliers that were screened using environmental criteria	Sustainability Report, p. 97	LUKOIL Group’s Russian entities.	These data are provided for both new and existing suppliers due to the technical inability to distinguish between them
308-2 	Negative environmental impacts in the supply chain and actions taken		Foreign entities of the Exploration and Production business segment	
202-1 	Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability Report, p. 92	LUKOIL Group	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report, p. 23	LUKOIL Group	

Individual GRI Indicators

GRI 404-2	Programs for upgrading employee skills and transition assistance programs
Type of training	Training programs and courses
Internal training courses	DLS: more than 300 training courses on the following topics: quality management and lean manufacturing, organizational change management, project management, management, personal effectiveness, foreign languages, corporate spirit, IT courses (Outlook, Excel, PowerPoint), public speaking and presentations, human resources management, effective negotiations, production focus, oil product supply, risk management, IT security, civil defense and emergency protection, industrial safety, occupational safety, fire safety
External training and education	Professional retraining, education under MBA, EMBA, DBA programs If an employee wants to receive additional professional education, including a postgraduate degree, not on the employer’s initiative, the employee is entitled to an academic leave and a guarantee that the employee’s position in the Company is kept by the employer for the entire term of studies

Appendix 5. SASB Content Index

In preparing the Report, the SASB standards for the oil and gas sector were used: Oil & Gas – Exploration & Production; Oil & Gas – Refining & Marketing; Oil & Gas – Midstream.

Topic	Code	Definition	Response / reference to indicators in the Sustainability Report for 2023 or other source of information
Oil & Gas – Exploration & Production			
Greenhouse Gas Emissions	EM-EP-110 a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	LUKOIL discloses Scope 1 emissions data based on the operations control criterion. For details, see Appendix 7 and Sustainability Report, p. 42
	EM-EP-110 a.2	Amount of gross global Scope 1 emissions from: 1) flared hydrocarbons, 2) other combustion, 3) process emissions, 4) other vented emissions, and 5) fugitive emissions	For more details, see the CDP questionnaire For item 1, the data are presented in ESG Databook
	EM-EP-110 a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	CDP questionnaire Report: section Climate agenda (Climate change), p. 29
Air Quality	EM-EP-120 a.1	Air emissions of the following pollutants: 1) NO _x (excluding N ₂ O), 2) SO _x , 3) VOCs, 4) particulate matter (PM ₁₀)	For details, see Appendix 7 . Information on particulate matter emissions is provided without indicating the level of dispersion
Water Management	EM-EP-140 a.1	1) Total fresh water withdrawn; 2) Total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	For details, see Appendix 7 and Sustainability Report, p. 55-56

Topic	Code	Definition	Response / reference to indicators in the Sustainability Report for 2023 or other source of information
	EM-EP-140 a.2	Volume of produced water and flowback generated: percentage 1) discharged to land, 2) injected in underground formations, 3) recycled; hydrocarbon content in discharged water	For details, see Appendix 7 . 1) Percentage discharged to land – 0. 2) All produced water is injected in the formation pressure maintenance system or absorbing formations. 3) The technologies used allow to ensure that the hydrocarbon content in injected water is in compliance with the national engineering standards and deposit development sites
Biodiversity Impacts	EM-EP-160 a.1	Description of environmental management policies and practices for active sites	Information is published on the corporate website ✓ Document Center ✓ Integrated management system ✓ Abandonment of hazardous production facilities ✓ Environmental monitoring
	EM-EP-160 a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8–10, and volume recovered	Section Reliability of pipeline transportation in Russia (Industrial safety), p. 69 In 2023, there were no category 8–10 ESI spills affecting the coast
Security, Human Rights & Rights of Indigenous Peoples	EM-EP-210 a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	Sub-section Indigenous minorities of the North (Society section), p. 122 Website: Indigenous minorities . Document Center: LUKOIL Group Human Rights Policy
Community Relations	EM-EP-210 b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Sections Integrated management system, Komi Republic case study (Environmental protection), p. 50 . Section Indigenous minorities of the North (Society), p. 122
Workforce Health & Safety	EM-EP-320 a.1	1) Total recordable incident rate (TRIR), 2) fatality rate, 3) near miss frequency rate (NMFR), and 4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	The indicator is partly disclosed: 1) and 2) Section Occupational safety (Our employees), p. 84 . For details, see Appendix 7 ; 3) Instruments to be used in recording near miss incidents are being implemented; 4) No data on the average duration of training of contractors’ personnel and short-service employees are provided, as such data are not used by the Company

Topic	Code	Definition	Response / reference to indicators in the Sustainability Report for 2023 or other source of information
Reserves Valuation & Capital Expenditures	EM-EP-320 a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Section Occupational safety (Our employees), p. 84 Website: Integrated management system
	EM-EP-420 a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	CDP questionnaire
	EM-EP-420 a.2	Estimated carbon dioxide emissions embedded in proven hydrocarbon reserves	No calculations were performed by the Company
	EM-EP-420 a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	For details, see Appendix 7
Business Ethics & Transparency	EM-EP-420 a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Website: Climate change
	EM-EP-510 a.1	Percentage of (1) proven and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index	Among such 20 countries there are no countries where the activities of the LUKOIL Group entities were included in sustainability reporting boundaries according to the materiality criteria
	EM-EP-510 a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Corporate ethics and behavior, p. 78 Website: Ethics and statutory compliance
Management of the Legal & Regulatory Environment	EM-EP-530 a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Section Climate agenda (Climate change)
Activity Metrics	EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Sub-paragraphs 1 and 2: About the Company, p. 8 , and the Annual Report Sub-paragraphs 3 and 4 are not relevant to the Company
	EM-EP-000.B	Number of offshore sites	Information is not disclosed by the Company
	EM-EP-000.C	Number of terrestrial sites	Information is not disclosed by the Company

Topic	Code	Definition	Response / reference to indicators in the Sustainability Report for 2023 or other source of information
Oil & Gas – Refining & Marketing			
Greenhouse Gas Emissions	EM-RM-110 a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	LUKOIL discloses Scope 1 emissions data based on the operations control criterion. For indicators, see Appendix 7
	EM-RM-110 a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate change, p. 28
Air quality	EM-RM-120 a.1	Air emissions of the following pollutants: 1) NO _x (excluding N ₂ O), 2) SO _x , 3) particulate matter (PM ₁₀), 4) H ₂ S, and 5) VOCs	For details, see Appendix 7 . Information on particulate matter emissions is provided without indicating the level of dispersion
	EM-RM-120 a.2	Number of refineries in or near areas of dense population	LUKOIL Group comprises six oil refineries (within the reporting boundaries), of which two are located in cities with a population exceeding 1,000,000 people (all located in Russia). For details, see Appendix 7 (Emissions)
Water Management	EM-RM-140 a.1	1) Total fresh water withdrawn, 2) percentage recycled, 3) percentage in regions with High or Extremely High Baseline Water Stress	Sub-paragraphs 1 and 2: for details, see Appendix 7
	EM-RM-140 a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	The indicator calculation technique is under development
Hazardous Materials Management	EM-RM-150 a.1	Amount of hazardous waste generated, percentage recycled	For details, see Appendix 7 . Percentage of recycled waste is not reflected, the methodology for calculating the indicator is under development
Workforce Health & Safety	EM-RM-320 a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	Sub-paragraphs 1 and 2. For details, see Appendix 7 . No data on contract employee injury rates are provided (except on the number of fatalities), as the Company does not collect such data
	EM-RM-320 a.2	Discussion of management systems used to integrate a culture of safety	Information is published on the corporate website: Leadership and safety culture

Topic	Code	Definition	Response / reference to indicators in the Sustaina-bility Report for 2023 or other source of information
Product Specifications & Clean Fuel Blends	EM-RM-410 a.1	Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of “separated” renewable identification numbers (RIN)	No biocomponents are produced at the Company’s entities. Biocomponents to be used in the production of marketable products are procured from suppliers. A number of voluntary certification schemes in supply chains were approved in the EU, for example the ISCC scheme (International Sustainability and Carbon Certification scheme¹). Those participating in such schemes are granted PoS (Proof of Sustainability) documents for each fuel batch produced or imported to the EU. Companies engaged in selling fuels on the market and bound by the obligation to add biofuels to mineral fuels use PoS documents as a proof that biocomponents have been added. On the basis of PoS, declarations of compliance for each fuel batch are issued
	EM-RM-410 a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure	The issue of the prospects for next generation renewable fuels is being considered within the framework of LUKOIL Group’s climate strategy
Pricing Integrity & Transparency	EM-RM-520 a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	Section Corporate governance (Strategy and corporate governance), p. 16
Management of the Legal & Regulatory Environment	EM-RM-530 a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Topic 11.22 Public policy
Activity Metrics	EM-RM-000.A	Refining throughput of crude oil and other feedstocks	Annual Report
	EM-RM-000.B	Refining operating capacity	Annual Report

¹ ISCC is a global certification system covering sustainability-based supply chains and encompasses all types of raw materials, including agricultural and forest biomass, recyclables and biomaterials, as well as types of renewable energy.

Topic	Code	Definition	Response / reference to indicators in the Sustainability Report for 2023 or other source of information
Oil & Gas – Midstream			
Greenhouse Gas Emissions	EM-MD-110 a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	LUKOIL discloses Scope 1 and 2 emissions data based on the operations control criterion. For indicators, see Appendix 7
	EM-MD-110 a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Climate change, p. 28
Air Quality	EM-MD-120 a.1	Air emissions of the following pollutants: 1) NO _x (excluding N ₂ O), 2) SO _x , 3) VOCs, 4) particulate matter (PM ₁₀)	For details, see Appendix 7 . Information on particulate matter emissions is provided without indicating the level of dispersion
	EM-MD-160 a.1	Description of environmental management policies and practices for active operations	Information is published on the corporate website. Document Center . Integrated management system
	EM-MD-160 a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Sub-section Waste and land reclamation (Environmental protection section), p. 64
	EM-MD-160 a.4	Number and aggregate volume of hydrocarbon spills, volume in Arctic, and volume recovered	The indicator is presented as a summary of Upstream / Midstream. Pipeline system reliability in Russia (Industrial safety), p. 69
Operational Safety, Emergency Preparedness & Response	EM-MD-540 a.1	Number of reportable pipeline incidents, percentage significant	The Report and Appendix 7 contain the “Number of significant spills” indicator
	EM-MD-540 a.2	Percentage of 1) natural gas and 2) hazardous liquid pipelines inspected	A description of the management system and a list of comprehensive measures on the inspection of Upstream and Midstream pipelines are available on the corporate website
	EM-MD-540 a.3	Number of 1) accident releases and 2) non-accident releases (NARs) from rail transportation	The impact applies to the supply chain. All railway transportation operations are performed by contractors (see GRI 11.8.1 in Appendix 4). Contractors are responsible for transportation safety. The Company does not collect the related data
	EM-MD-540 a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Data are being processed

Appendix 6. References: definitions and calculation formulas

Indicators, calculation formulas

Lost Time Accident Frequency Rate, LTAFR = Number of accidents x 1,000 employees / Average employee headcount.

Lost Time Injury Frequency Rate, LTIFR = Number of employees injured in workplace accidents (including fatalities) x 1,000,000 man-hours / Number of man-hours worked by all employees.

Rate of Fatalities as a Result of Work-Related Injury = Number of fatalities x 1,000,000 man-hours / Number of man-hours worked by all employees.

Rate of High-Consequence¹ Work-Related Injuries = Number of high-consequence work-related injuries (excluding fatalities) x 1,000,000

man-hours / Number of man-hours worked by all employees. The severity of the injury is counted according to the criteria for determining the severity of health damage as a result of a workplace accident established in the national legislation. In the absence of such criteria, this category includes accidents (except fatalities), as a result of which an employee cannot recover, has not recovered, or is not expected to recover health within six months from the date of injury.

Total Recordable Injury Frequency Rate, TRIFR = Number of employees injured in workplace accidents and Number of employees injured who suffered microtraumas x 1,000,000 man-hours / Number of man-hours worked by all employees.

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

Claim relating to the breach of law means an administrative or criminal claim filed against PJSC LUKOIL, other LUKOIL Group entities, an employee of PJSC LUKOIL or an employee of another LUKOIL Group entity. For public reporting purposes, only completed cases in which a final decision has been rendered that is not subject to further appeal are taken into account. Cases in which the entity was found not guilty are not taken into account for the disclosure of indicators.

Key performance indicators are a set of indicators characterizing the key success factors of LUKOIL 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.

Young employees are employees of PJSC LUKOIL and other LUKOIL Group entities under the age of 35, including young professionals.

Young professionals are employees under 30 years of age with a higher or secondary vocational education, who have started working for a LUKOIL Group entity in the area of their education, including blue-collar jobs, within a year after graduation.

Seconded employees are employees with the necessary competence and meeting the job/vacancy requirements of the accepting entity, temporarily assigned to an accepting entity from the region of permanent residence to perform certain job functions with subsequent return to the seconding entity or termination of labor relations with the seconding entity.

Occupational incident or accident is an event resulting in an injury or other health impairment or damage of an employee in the course of performance of their respective duties under an employment contract and in other cases set forth by laws, entailing the transfer of such employee to another job, temporary or permanent occupational disability or death.

Payroll means the indicator calculated in accordance with the instructions for filling out forms of federal statistical monitoring. Payroll includes labor pay to employees in monetary and non-monetary forms accrued by an entity (including personal income tax and other withholdings) for worked and non-worked time, compensation payments related to the work schedule and working conditions, additional payments and increments, bonuses, one-time incentive payments, as well as regular allowances for meals and accommodation in accordance with the methodology for filling out the payroll field in Form No. P-4 Information on Headcount and Labor Pay.

Circulating water means multiple use of water in technological processes based on the principle of closed systems without discharging into surface water bodies or sewage systems.

Reused water supply is the use of water that retained its quality after being used in a technological process and is supplied without treatment for reuse or returned to natural objects. Water produced as by-product with oil, which is used to maintain the formation pressure during oil production, is considered reused.

Routine APG flaring means flaring during oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market. Routine flaring does not include flaring for safety reasons, even if it is continuous (World Bank).

Significant claim relating to the breach of the antimonopoly law means a claim that is considered material if one or more of the following criteria are met:

- ✓ criminal prosecution of officials of PJSC LUKOIL, other LUKOIL Group entities in accordance with the sentence passed and entered into legal force;
- ✓ administrative action in the form of disqualification of officials of PJSC LUKOIL, other LUKOIL Group entities in accordance with the court decision passed and entered into legal force;
- ✓ entry into force within a calendar year of the resolution on the imposition of an administrative fine against PJSC LUKOIL, other LUKOIL Group entities calculated based on the amount of revenue of the relevant entity or the amount of the offender’s expenses on the acquisition of goods (work, service).

¹ High-Consequence Work-Related Injury is an injury having the following consequences: an employee died or was injured, as a result of which an employee cannot recover, has not recovered, or is not expected to recover health within six months from the date of injury.

Significant claim relating to the breach of anti-corruption standards means a criminal case against employees of the LUKOIL Group entities, in which a court verdict entered into legal force.

Significant claim related to the breach of the environmental law means a claim that is considered material if one of the following criteria is met:

- ✓ an award has become effective within a calendar year bringing PJSC LUKOIL, other LUKOIL Group entities and/or their officials to administrative responsibility for the offense provided for in Chapter 8 of the Code of Administrative Offenses of the Russian Federation, with the imposition of the maximum possible fine provided for in the relevant article and/ or a sanction in the form of administrative suspension of operations for up to 90 days
- ✓ a court decision has become effective to collect from PJSC LUKOIL, other LUKOIL Group entities damages caused to the environment in accordance with the requirements of Federal Law No. 7-FZ dated January 10, 2002 “On Environmental Protection,” in the amount not less than the one determined in accordance with the Regulations on Collecting and Processing Data on Material Contingent Liabilities and Uncertainties with Regard to Income Taxes for the purposes of the consolidated financial statements of PJSC LUKOIL for a respective year

Significant violation of laws and regulatory requirements in the social sphere means violations for which decisions on penalties in amounts exceeding RUB 1 million were rendered by the governmental authorities in relation to claims in the sphere of labor relations.

Significant violation of human rights

is an established non-compliance with the standards set forth in the laws of the countries where the Company operates and the Company’s local regulatory acts which govern the areas formalized in the LUKOIL Group Human Rights Policy, when one of the following criteria is met:

- ✓ decisions on penalties in amounts exceeding RUB 1 million regarding the established non-compliance have been rendered by the governmental authorities in relation to claims in the sphere of labor relations;
- ✓ the established non-compliance has not been remedied by the end of the reporting year.

Significant digression/weakness in the implementation of local regulatory acts means a violation of the mandatory corporate requirements, as well as shortcomings in the activities of the LUKOIL Group entities that have resulted or could have resulted in incurred financial losses and risks that are assessed at least as significant in accordance with the provisions of the Group’s internal documents.

Significant spill is an emergency with environmental consequences (incident or accident) resulting in consequences that meet one or more of the following criteria:

- ✓ the amount of potential financial risks for a LUKOIL Group entity exceeded USD 1 million;
- ✓ the area of contamination exceeded 5 hectares;
- ✓ the volume of the pollutant spilled exceeded 10 tonnes;
- ✓ damage was caused to water bodies.

Significant operating regions

are countries and constituent entities of the Russian Federation where the LUKOIL Group entities operate, including their branches and territorial business units meeting the following criterion: in the Russian Federation or in the constituent entity of the Russian Federation there is at least one LUKOIL Group entity with the headcount of 500 employees or more. When calculating the related indicators (for example, the average salary in significant operating regions), all other entities (including those with the headcount of less than 500 employees) that work in this region are also taken into account. In 2023, 96% of LUKOIL Group’s headcount were employed in significant regions.

Appendix 7. ESG Databook 2023

170 Climate

170 Greenhouse gases

175 Energy

181 Integrated HSE Management System

184 Water

192 Emissions

196 Land and waste

201 Industrial safety

204 Occupational safety

208 Employees details

220 Corporate governance

The ESG Databook should be read in conjunction with the Sustainability Report.

The Independent Practitioner JSC Kept issued Limited Assurance Report on Sustainability Report 2023.

The aggregate values of the ESG Databook indicators may differ insignificantly from the sum of indicators as a result of rounding (not more than by 1).

The ESG Databook discloses indicators according to multiple reporting systems. The corresponding reporting systems are indicated for the respective indicators.

Reporting system and initiative designations used:

GRI – Global Reporting Initiative

SASB – Sustainability Accounting Standards Board

IPIECA – International Petroleum Industry Environmental Conservation Association

BPIs – Basic Performance Indicators

UNCTAD – United Nations Conference on Trade and Development

ZRF initiative – Zero Routine Flaring by 2030

OGDC initiative – Oil & Gas Decarbonization Charter

MED No. – List of the key (basic) indicators of sustainability reporting of the Russian Ministry of Economic Development (indicator No.)

Other abbreviations

APG – associated petroleum gas

CWS – centralized water supply

FS – fuel station

GHG – greenhouse gases

HSE – health, safety and environment

IMS – integrated management system

OPS – oil product supply

OR – oil refinery

RES - renewable energy sources

SPP – solar power plant

UoM – unit of measurement

Climate

Greenhouse gases

2017 is the base year to account for GHG emissions reduction.

Gross GHG emissions and GHG emissions intensity (Scope 1 + 2) of LUKOIL Group

GHG emissions by the LUKOIL Group entities, Scope 1 + Scope 2 (operational control)										
Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
GHG emissions (Scope 1 + Scope 2)	mIn tonnes of CO ₂ e	50.897	43.651	41.491	46.887	41.818				
Notes. Until 2023, organizational GHG emissions reporting boundaries (Scope 1 + Scope 2) for the Russian entities include all of the Oil and Gas Production entities, all of the Oil Refining, Petrochemicals and Power Generation entities, as well as LLC LLK-International, three Transportation and all of the Oil Product Supply entities (Scope 2 only). As for the foreign entities, the reporting boundaries include: the hydrocarbon production project in Uzbekistan (LLC LUKOIL Uzbekistan Operating Company), three oil refineries in Europe (in Romania, Bulgaria and Italy), and 14 Oil Product Supply entities (Scope 2 only).										
In 2023, refineries in Italy (ISAB S.r.l) in connection with the sale of the asset and all oil product supply organizations (Scope 2) are excluded from the calculation due to the fact that emissions from these organizations consistently amount to less than 0.4% of the total emissions of LUKOIL Group and do not affect the overall balance even with the complete decarbonization of this Business sector.										
For Scope 1 and Scope 2, global warming potentials were determined in accordance with the IPCC Fourth Assessment Report: for methane, GWP = 25 t of CO ₂ e/t, for nitrogen monoxide, GWP = 298 t of CO ₂ e/t										

GHG emissions (Scope 1 + Scope 2) intensity by business activity of the LUKOIL Group entities										
Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Exploration and Production	kg of CO ₂ e / boe	23.954	21.622	19.321	22.125	22.355	GRI 305-4		CCE-4 C4	BPIs
	g of CO ₂ e / MJ	4.008	3.690	3.297	3.776	3.815	GRI 305-4		CCE-4 C4	
Oil Refining and Petrochemicals	tonnes of CO ₂ e / tonne of processed raw materials	0.293	0.305	0.276	0.302	0.292	GRI 305-4		CCE-4 C4	BPIs
Power Generation	tonnes of CO ₂ e / MWh of generated electricity and heat	0.340	0.350	0.339	0.327	0.337	GRI 305-4		CCE-4 C4	BPIs
Notes. The GHG emissions intensity by the Oil Refining and Petrochemicals entities is calculated based on the volume of GHG emissions from oil refineries and petrochemical complexes (in total), excluding LLC LLK-International (the business activity is production of lubricants). The emissions intensity by the Power Generation entities is calculated based on the volume of electricity and heat production, with the exception of LLC LUKOIL-ENERGOSETI (a specialized energy service company).										

GHG emissions (Scope 1)

GHG emissions by the LUKOIL Group entities, Scope 1 (operational control)										
Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
GHG emissions (Scope 1) by composition	mIn tonnes of CO ₂ e	40.448	36.705	36.388	41.202	36.898	GRI 305-1	EM-EP-110a.1	CCE-4 C1	BPIs UNCTAD B.3.1 MED 20
Carbon dioxide (CO ₂)	mIn tonnes of CO ₂ e	39.024	35.764	35.160	40.606	36.539	GRI 305-1		CCE-4 C1	
Methane (CH ₄)	mIn tonnes of CO ₂ e	1.396	0.916	1.193	0.567	0.333	GRI 305-1		CCE-4 C1	OGDC Initiative
Methane percentage in total GHG emissions (Scope 1)	%	3.5	2.5	3.3	1.4	0.9				
Nitrogen monoxide (N ₂ O)	mIn tonnes of CO ₂ e	0.028	0.024	0.035	0.028	0.026	GRI 305-1		CCE-4 C1	
Other GHGs	mIn tonnes of CO ₂ e	0	0	0	0	0	GRI 305-1		CCE-4 C1	
GHG emissions (Scope 1) by business activity										
Exploration and Production	mIn tonnes of CO ₂ e	10.267	10.216	10.836	13.132	12.912	GRI 305-1	EM-EP-110a.1	CCE-4 C3	UNCTAD B.3.1
Oil Refining and Petrochemicals	mIn tonnes of CO ₂ e	17.635	16.397	16.110	19.523	15.359	GRI 305-1	EM-RM-110a.1	CCE-4 C3	UNCTAD B.3.1
Power Generation	mIn tonnes of CO ₂ e	12.468	9.980	9.239	8.346	8.454	GRI 305-1		CCE-4 C3	UNCTAD B.3.1
Transportation	mIn tonnes of CO ₂ e	0.078	0.111	0.203	0.201	0.172	GRI 305-1	EM-MD-110a.1	CCE-4 C3	UNCTAD B.3.1
GHG emissions (Scope 1) by geography										
Russian entities	mIn tonnes of CO ₂ e	34.043	30.780	31.786	33.972	33.936	GRI 305-1		CCE-4 C3	BPIs
Foreign entities	mIn tonnes of CO ₂ e	6.405	5.924	4.602	7.230	2.961	GRI 305-1		CCE-4 C3	
Percentage of emissions (Scope 1) covered under the emissions-limiting regulations	%	15	15	12	17	99		EM-RM-110a.1		
Notes. The data for Oil Refining and Petrochemicals include the data on the Oil Refining, Petrochemicals, Gas Chemicals, Production of Lubricants entities (LLC LLK-International). In 2023, the countries with legal regulation of GHG emissions include Bulgaria, Romania and Russia; up to and including 2022, Italy, Bulgaria and Romania.										

Flaring GHG emissions (Scope 1) by LUKOIL Group

Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Flaring GHG emissions	mln tonnes of CO ₂ e	2.721	1.512	1.599	2.488	2.513			CCE-7 C1	ZRF Initiative OGDC Initiative
Flaring emissions percentage in total GHG emissions (Scope 1)	%	6.7	4.1	4.4	6.0	6.8			CCE-7 C4	

Notes. The data refer to the Oil and Gas Production, Oil Refining, Petrochemicals, Gas Refining, and Power Generation entities.

APG utilization and flaring (Russian entities of LUKOIL Group)

Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Total APG flaring	mln cubic meters	507	260	291	384	319			CCE-7 C1 (partially)	ZRF Initiative OGDC Initiative
APG utilization rate	%	95.6	97.7	97.5	96.8	97.3				

Notes. The data were calculated within GHG emissions reporting boundaries (only Russian entities included). There is no APG production from the operator project in Uzbekistan.

GHG emissions (Scope 2)

GHG emissions by the LUKOIL Group entities, Scope 2 (operational control, regional method)

Indicator	UoM	2017	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
GHG emissions (Scope 2)	mln tonnes of CO ₂ e	10.450	6.947	5.103	5.685	4.921	GRI 305-2		CCE-4 C2	UNCTAD B.3.2 MED 20
Exploration and Production	mln tonnes of CO ₂ e	7.988	4.838	3.305	3.621	3.185	GRI 305-2		CCE-4 C3	UNCTAD B.3.2
Oil Refining and Petrochemicals	mln tonnes of CO ₂ e	2.154	1.680	1.432	1.726	1.529	GRI 305-2		CCE-4 C3	UNCTAD B.3.2
Power Generation	mln tonnes of CO ₂ e	0.159	0.209	0.182	0.179	0.186	GRI 305-2		CCE-4 C3	UNCTAD B.3.2
Transportation	mln tonnes of CO ₂ e	0.046	0.033	0.026	0.024	0.021	GRI 305-2		CCE-4 C3	UNCTAD B.3.2
Oil Product Supply	mln tonnes of CO ₂ e	0.103	0.187	0.158	0.135					

GHG emissions (Scope 2) by geography

Russian entities	mln tonnes of CO ₂ e	9.479	6.166	4.474	4.921	4.414	GRI 305-2		CCE-4 C2	UNCTAD B.3.2
Foreign entities	mln tonnes of CO ₂ e	0.970	0.781	0.628	0.764	0.507	GRI 305-2		CCE-4 C2	UNCTAD B.3.2

Notes. The data for Oil Refining and Petrochemicals include the data on the Oil Refining, Petrochemicals, Gas Chemicals, Production of Lubricants entities (LLC LLK-International).

Reduction of GHG emissions by the LUKOIL Group entities resulting from renewable energy consumption

Indicator	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPECA	Other
Reduced GHG emissions	tonnes of CO ₂ e	5,573	6,372	67,069	543,547	GRI 305-4		CCE-3 C1	

Notes. Reduced GHG emissions mean the GHG emissions that did not occur at the Company's facilities due to substitution of grid electricity with electricity produced at the RES facilities of LUKOIL Group and consumed for the Group's own needs and also purchased under free (non-regulated) bilateral contracts with qualified RES generating facilities.

Supplies of low-carbon energy

Reduction of GHG emissions by external consumers

Indicator	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPECA	Other
Avoided GHG emissions	tonnes of CO ₂ e	334,411	436,435	393,739	521,310	GRI 305-5		CCE-3 C1	

Note. Avoided GHG emissions mean the GHG emissions that did not occur for external consumers from purchased electricity produced at renewable energy facilities of LUKOIL Group.

Energy

Indicators calculated within the GHG emissions reporting boundaries

Energy consumption for production purposes within the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Energy consumption for production purposes (1 + 2 + 3 – 4)	mIn GJ	502	465	477	524	471	GRI 302-1		CEE-6 C1	BPIs
1. Consumption of purchased energy (excluding RES)	mIn GJ	74	69	66	71	61	GRI 302-1		CEE-6 C1	
✓ Electricity	mIn GJ	57	54	51	55	48	GRI 302-1		CEE-6 C1	
✓ Heating	mIn GJ	17	15	15	16	13	GRI 302-1		CEE-6 C1	
✓ Cooling	mIn GJ	0	0	0	0	0	GRI 302-1		CEE-6 C1	
✓ Steam	mIn GJ	0	0	0	0	0	GRI 302-1		CEE-6 C1	
2. Hydrocarbon fuel consumed by stationary production facilities	mIn GJ	545	515	518	556	494	GRI 302-1		CEE-6 C1	MED 22
3. Renewable electric energy consumed	mIn GJ	0.037	0.049	0.054	0.55	3.66	GRI 302-1		CEE-6 C1	
4. Energy sold and supplied	mIn GJ	117	119	107	103	88	GRI 302-1		CEE-6 C1	
✓ Electricity	mIn GJ	66	68	57	57	47	GRI 302-1		CEE-6 C1	
✓ Heating	mIn GJ	51	51	50	46	41	GRI 302-1		CEE-6 C1	
✓ Cooling	mIn GJ	0	0	0	0	0	GRI 302-1		CEE-6 C1	
✓ Steam	mIn GJ	0	0	0	0	0	GRI 302-1		CEE-6 C1	

Notes. Energy consumption for production purposes is calculated within the GHG emissions reporting boundaries (Scope 1 + Scope 2). In 2023, the GHG emissions reporting boundaries were adjusted (see the Climate sheet).

Energy consumption for production purposes does not include either household electricity/heat consumption or energy consumption by mobile sources.

When converting data from one unit to another, the following conversion factors under GOST R 51750-2001 were used: 1,000 kWh = 3.6 GJ, 1 Gcal = 4.19 GJ, 1 tonne of reference fuel = 29.3 GJ).

Consumption of renewable electric energy generated (point 3) through 2021 indicates the consumption of energy produced from own RES (supporting power generation); starting from 2022, it includes the consumption of energy produced from own RES and energy purchased under free bilateral contracts with qualified renewable energy generating facilities.

Renewable energy consumption for production purposes

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	mln kWh	10.4	13.6	15.1	153	1,017	GRI 302-1		CEE-6	
✓ Russian entities	mln kWh	0	0	2.3	140	1,005	GRI 302-1		CEE-6	
✓ Foreign entities	mln kWh	10	14	13	13	12	GRI 302-1		CEE-6	
Percentage of renewable energy consumption in total energy consumption for production purposes by the LUKOIL Group entities	%	0.007	0.01	0.01	0.1	0.8				UNCTAD B.5.1
Consumption by energy type										
✓ Geothermal energy	mln kWh	0	0	0	0	0			CEE-6	
✓ Wind power	mln kWh	0	0	0	0	408			CEE-6	
✓ Solar power	mln kWh	10	14	15	47	48			CEE-6	
✓ Hydroelectric energy	mln kWh	0	0	0	106	561			CEE-6	
✓ Energy from biomass	mln kWh	0	0	0	0	0			CEE-6	

Notes. The renewable energy consumption increase prior to 2022 was due to the commissioning of new renewable energy facilities; starting from 2022, it was due to the conclusion of free (non-regulated) bilateral contracts for the supply of electricity from the LUKOIL generating entities and agreements for the supply of RES capacity.

Energy consumption by business activity of the LUKOIL Group entities and geography

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Exploration and Production	mln GJ	182	172	181	202	183	GRI 302-1			
✓ Russian entities	mln GJ	178	169	177	199	180	GRI 302-1			
✓ Foreign entities	mln GJ	4.4	3.1	3.8	3.2	3.1	GRI 302-1			
Refining and Distribution	mln GJ	320	293	296	322	288	GRI 302-1			
✓ Oil Refining	mln GJ	240	219	214	241	201	GRI 302-1			
Russian entities	mln GJ	159	151	156	161	169	GRI 302-1			
Foreign entities	mln GJ	81	68	58	80	32	GRI 302-1			
✓ Petrochemicals (Russian entities)	mln GJ	7.6	7.7	7.2	8.0	7.4	GRI 302-1			
✓ Power Generation (Russian entities)	mln GJ	69	64	72	70	79	GRI 302-1			
✓ Transportation (Russian entities)	mln GJ	3	3	3	3	1	GRI 302-1			

Notes. For the purposes of calculating the “Energy Consumption by Business Activity” indicator, LLC LLK-International is accounted for together with the oil refining entities. In the organizational structure of LUKOIL Group, the entity is included in the Other Entities Related to Refining and Distribution Business Segment business sector. Until 2022 inclusive, the “Transportation” indicator included data on the Transportation business segment and Oil Product Supply business segment, starting from 2023 – data on the Transportation business segment only.

Energy intensity

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Exploration and Production	GJ / boe	0.227	0.247	0.247	0.266	0.255	GRI 302-3		CEE-6 A2	BPIs
Oil Refining	GJ / tonne of manufactured products	3.7	4.0	3.6	3.8	3.8	GRI 302-3		CEE-6 A2	BPIs
✓ Russian entities	GJ / tonne of manufactured products	3.5	3.7	3.6	3.6	3.8	GRI 302-3		CEE-6 A2	BPIs
✓ Foreign entities	GJ / tonne of manufactured products	4.3	4.8	3.7	4.0	3.9	GRI 302-3		CEE-6 A2	
Petrochemicals	GJ / tonne of processed basic raw materials	4.2	4.1	4.1	4.1	4	GRI 302-3		CEE-6 A2	BPIs

Notes. The Energy Intensity calculation formula in the Exploration and Production business segment: Total energy consumption for production purposes / Total production of oil and gas condensate, natural gas and APG, and liquid hydrocarbons manufactured at the Lokosovsky gas-processing plant (due to the technological specifics of hydrocarbon production at LLC LUKOIL-West Siberia).

Dynamics of Solomon EII as compared to 2014

Indicators	UoM	2018	2020	Reporting systems			
				GRI	SASB	IPECA	Other
Energy Intensity Index	%	96.5	96.6			CEE-6 A4	

Notes. The EII reflects the ratio of the actual energy consumption of a given refinery to the standard energy consumption; both indicators are calculated pursuant to the HSB Solomon Associates LLC methodology, using factors developed within the methodology. The Index values are calculated once every two years. The lower the Index, the better.

Indicators calculated within the perimeter of LUKOIL Group

Renewable electric energy generation by LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Total amount of renewable energy generated (commercial and supporting power generation)	mln kWh	1,110	836	1,020	1,071	2,120				
By energy sources:										
✓ wind power	mln kWh	218	211	204	214	1,007				
✓ solar power	mln kWh	24	26	27	50	52				
✓ hydroelectric energy	mln kWh	868	599	790	807	1,061				
By geography:										
✓ in Russia	mln kWh	880	625	817	857	1,874				
✓ abroad	mln kWh	220	211	204	214	246				
Total electric energy produced by all power generating facilities (commercial and supporting power generation, including RES)	mln kWh	25,760	24,219	22,972	24,588	43,389				
Percentage of renewable electric energy in total electric energy generated	%	4.3	3.5	4.4	4.4	4.9				

Notes. Starting from 2023, when calculating the “Total electric energy produced by all generating facilities...” indicator, the data include the production by PJSC EL5-Energro and do not include data on the oil refinery in Italy (ISAB s.r.l.).

Economic indicators of the LUKOIL Group's RES advancement projects

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Investments in RES advancement	RUB mln	526	1,865	2,023	200	804				UNCTAD A3.1 MED 10
Percentage of income from sales of renewable electric energy	%	12	14	14	15	11		EM-EP-420a.3		

Notes. Investments in RES advancement include costs for projects that are at various stages of design and implementation; the indicator change depends on the projects’ implementation schedules.

The indicator “Percentage of income from sales of renewable electric energy” = Revenue received from the sale of renewable electric energy / Revenue received from the sale of electric energy produced by commercial generation facilities of LUKOIL Group.

Certification of management system										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Percentage of the Russian LUKOIL Group entities' employees covered by the certificates confirming their energy management systems' compliance with the ISO 50001 standard	%	68	69	68	68	71				BPIs
Notes. Percentage of employees covered by the certificates confirming the energy management systems' compliance = Headcount of employees at the entities with certificates confirming their management systems' compliance with the requirements of the specified international standard / Headcount of the LUKOIL Group entities in the reporting year.										

Economic impact of the implementation of the Energy Conservation Program										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Russian entities	RUB mln	1,445	1,261	1,387	2,637	2,315				BPIs
Foreign entities	RUB mln					126				BPIs
Notes. Here and in the following table, data are provided for all the LUKOIL Group entities participating in the Energy Conservation Program. Foreign entities have been participating in the program since 2023.										

Energy savings resulting from the implementation of the Energy Conservation Program at LUKOIL Group										
Indicators	UoM		2021	2022	2023	Reporting systems				
						GRI	SASB	IPECA	Other	
LUKOIL Group	thousand GJ				5,540					BPIs
✓ Russian entities	thousand GJ		3,677	5,638	5,255					BPIs
✓ Foreign entities	thousand GJ				286					BPIs
Energy savings achieved by type										
✓ Electric energy	mln kWh		105	410	336					BPIs
✓ Heating	thousand Gcal		317	445	266					BPIs
✓ Boiler and furnace fuels	thousand tonnes of reference fuel		67	79	110					BPIs

Integrated HSE Management System

Certification of management systems										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Percentage of the LUKOIL Group entities' employees covered by certificates confirming their HSE management systems' compliance with ISO 14001 and ISO 45001 standards	%	83	82	81	85	82	GRI 403-8		SHS-1 C3	BPIs
Number of the LUKOIL Group entities that have certificates confirming their HSE management systems' compliance with ISO 14001 and ISO 45001 standards	Entities	44	42	44	45	43			SHS-1 C3	BPIs
Notes. 100% of the LUKOIL Group employees are covered by the Integrated Management System (IMS). Percentage of the employees covered by the certificates confirming HSE management systems compliance = Headcount of employees of the entities which have certificates confirming their management system compliance with the specified international standards' requirements / Headcount of the LUKOIL Group entities. Changes in the number of organizations covered by certificates as well as changes in the number of employees are mainly due to the asset reorganization (for example, the merger of entities, or new assets).										

Number of the LUKOIL Group entities where the state of HSE management systems was inspected										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
External audits for compliance with ISO 14001 and ISO 45001 standards	Entities	20	16	17	20	14			SHS-3 A4	
Internal audits for compliance with legislative and corporate requirements	Entities	23	17	19	18	21			SHS-3 A4	
Notes. External audits are conducted in a three-year cycle in accordance with the ISO Committee recommendations. During this period, all the LUKOIL Group entities declared for certification or supervisory audits are audited.										

Total costs for HSE targeted and investment programs at LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
LUKOIL Group	RUB mln	47,968	53,630	54,041	54,832	68,361				BPIs
Environmental safety program (ESP)	RUB mln	35,903	22,440	21,384	17,914	23,277				MED 21
✓ CAPEX	RUB mln	30,046	17,857	14,337	12,344	15,299				
Program of Industrial Safety, Improvement of Labor Conditions and Occupational Safety, and Emergency Prevention and Liquidation (ISP)	RUB mln	12,008	31,161	32,620	36,867	45,003				
✓ Costs to improve labor conditions and protect health, reduce occupational injury and occupational disease rates	RUB mln	5,281	6,532	7,406	9,520	9,864				UNCTAD C3.1 MED 27
✓ Costs to reduce accident, incident, fire, and emergency risks	RUB mln	6,727	24,629	25,214	27,347	35,139				
R&D, experimental engineering, and scientific technical works in Russia	RUB mln	57	29	37	51	81				
✓ Environmental protection	RUB mln	34	19	34	50	79				
✓ Industrial safety	RUB mln	23	10	3	1	2				

Notes. In 2020, following the decision of the HSE Committee, expenses for the activities related to emergency prevention and response (including activities to improve the reliability of pipeline transportation) were reallocated from ESP to ISP. Changes in R&D costs are in line with the funding schedules of the approved projects.

HSE training for the LUKOIL Group employees

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Scope of training	person-courses	59,314	65,220	71,066	86,836	71,946	GRI 403-5		SOC-7	BPIs
✓ Russian entities	person-courses	46,869	52,685	62,130	77,541	67,067	GRI 403-5		SOC-7	BPIs
✓ Foreign entities	person-courses	12,445	12,535	8,936	9,295	4,879	GRI 403-5		SOC-7	
By employee category (position)										
✓ Managers	person-courses	14,385	16,334	19,746	25,244	20,918	GRI 403-5		SHS-3 A4	
✓ Specialists	person-courses	11,194	12,257	13,158	19,386	15,405	GRI 403-5		SHS-3 A4	
✓ Workers and other employees	person-courses	33,735	36,629	38,162	42,206	35,623	GRI 403-5		SHS-3 A4	
HSE training costs (Employee Training and Advanced Vocational Training category)	RUB mln	264	340	256	247	307			SHS-3 A4	BPIs
Number of managers and specialists trained on environmental protection activities (Russian entities)	person-courses			1,511	1,954	2,228	GRI 403-5			
✓ Managers	person-courses			207	818	1,161	GRI 403-5			
✓ Specialists	person-courses			1,304	1,136	1,067	GRI 403-5			

Notes. The data on the scope of the HSE training refer to the mandatory HSE training and the training under certification programs and includes both in-person and distance learning.

Water

Water withdrawal by the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
1. Water withdrawal and retrieval (1 = 1.1 + 1.2 + 1.3 of the table "Water withdrawn by sources")	mln cubic meters	694.0	611.0	680.9	725.6	489.9	GRI 303-3			BPIs
By geography										
✓ Russian entities	mln cubic meters	441	394.8	460.2	477.1	470.5	GRI 303-3			BPIs
– including electric energy entities	mln cubic meters	303.6	252.7	298.8	293.2	280.7	GRI 303-3			
✓ Foreign entities	mln cubic meters	253	216.2	220.7	248.5	19.4	GRI 303-3			
Water withdrawn by source										
✓ sea water	mln cubic meters	61.5	57.8	44.9	63.0	14.5	GRI 303-3			
✓ fresh water	mln cubic meters	342.7	290.5	331.5	333.1	320.7	GRI 303-3		ENV-1 C1	
✓ other water (mineralized, waste water, centralized water supply, etc.)	mln cubic meters	289.8	262.7	304.5	329.5	154.7	GRI 303-3			
Percentage of fresh water withdrawn in the total water withdrawal by LUKOIL Group	%	49.4	47.5	48.7	45.9	65.5			ENV-1 A8	
Percentage of fresh water withdrawn by Russian entities from the total water withdrawal in Russia	%	73	69	68	66	65			ENV-1 A8	
Percentage of fresh water withdrawn by foreign entities from the total water withdrawal in foreign countries	%	9	9	9	8	88			ENV-1 A8	

Notes. For all the emissions-related indicators in this ESG Databook section, the reporting boundaries for foreign entities from 2019 include LUKOIL Neftohim Burgas, PETROTEL-LUKOIL SA and ISAB S.r.l (three oil refineries in the European Union) and LUKOIL Uzbekistan Operating Company LLC (hydrocarbon production project in the republic of Uzbekistan), IOOO LUKOIL Belorussia, and LUKOIL-BULGARIA EOOD (fuel stations in Bulgaria and Belarus). Starting from 2023, an Italian oil refinery (ISAB S.r.l) has been excluded from the calculation due to the sale of the asset.

LLC Volgodonsk Heat Supply Networks (Russia) has been included in the reporting boundaries since 2021, LLC INTESMO – since 2022, LLC Rostov Heat Supply Networks and LLC Volzhskiy Heat Supply Networks – since 2023.

The data exclude water produced as a by-product with hydrocarbons and subsequently used to maintain the formation pressure during oil production.

Almost all of the withdrawn water is taken from the own water intakes of LUKOIL entities. In Russia, water is mainly withdrawn from the Ob, Pechora, Volga, Don and Kuban river basins in accordance with relevant permits.

Water withdrawal by source

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
1.1. From surface sources	mln cubic meters	340.5	285.5	311.5	326.4	269.0	GRI 303-3			UNCTAD B1.3
Russian entities	mln cubic meters	269.7	227.5	269.0	262.7	255.3	GRI 303-3			UNCTAD B1.3
✓ sea water	mln cubic meters	11	16.7	17.1	14.3	14.5	GRI 303-3			
✓ water from other surface sources (fresh water)	mln cubic meters	258.7	210.8	251.9	248.4	240.8	GRI 303-3		ENV-1 C1	
Foreign entities	mln cubic meters	70.8	58.0	42.5	63.7	13.7	GRI 303-3			UNCTAD B1.3
✓ sea water	mln cubic meters	50.5	41.1	27.8	48.7	0.0	GRI 303-3			
✓ water from other surface sources (fresh water)	mln cubic meters	20.3	16.9	14.7	15	13.7	GRI 303-3		ENV-1 C1	
1.2. From underground sources	mln cubic meters	104.8	114.0	122.9	149.8	148.9	GRI 303-3			UNCTAD B1.3
Russian entities	mln cubic meters	99.7	108.3	117.3	144.2	145.4	GRI 303-3			UNCTAD B1.3
✓ fresh water	mln cubic meters	61.2	60.1	59.4	64.3	63.0	GRI 303-3		ENV-1 C1	
✓ other water	mln cubic meters	38.5	48.2	57.9	79.9	82.5	GRI 303-3			
Foreign entities	mln cubic meters	5.1	5.7	5.6	5.6	3.5	GRI 303-3			UNCTAD B1.3
✓ fresh water	mln cubic meters	2.5	2.7	5.5	5.4	3.3	GRI 303-3		ENV-1 C1	
✓ other water	mln cubic meters	2.6	3	0.1	0.2	0.2	GRI 303-3			
1.3. From other sources	mln cubic meters	248.7	211.5	246.5	249.4	72.0	GRI 303-3			UNCTAD B1.3
✓ Russian entities	mln cubic meters	71.6	59	73.9	70.2	69.8	GRI 303-3			UNCTAD B1.3
✓ Foreign entities	mln cubic meters	177.1	152.5	172.6	179.2	2.2	GRI 303-3			UNCTAD B1.3

Notes. Water withdrawal from underground sources (other water, 1.2) includes water produced as a by-product with hydrocarbons and subsequently pumped into absorbing subsoil horizons.

Water withdrawal from other sources (point 1.3) includes water taken from centralized water supply sources, as well as waste water received and used by the Group's entities.

Water produced as a by-product with hydrocarbons and subsequently used to maintain the formation pressure during oil production

Indicators	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPECA	Other
LUKOIL Group	mln cubic meters	350.1	374.5	426.0	390.7	GRI 303-3 GRI 303-4	EM-EP-140a.2 (partially)	ENV-1 A5	
✓ Russian entities	mln cubic meters	350.1	374.5	426.0	390.6	GRI 303-3 GRI 303-4	EM-EP-140a.2 (partially)	ENV-1 A5	
✓ Foreign entities	mln cubic meters	0.02	0.03	0.03	0.03	GRI 303-3 GRI 303-4	EM-EP-140a.2 (partially)	ENV-1 A5	

Volumes of circulating water supply and reused water in the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	mln cubic meters	3,322.2	3,178.2	3,384.2	3,230.0	3,644.5				UNCTAD B1.1 MED 14
Russian entities	mln cubic meters	3,106.0	2,967.6	3,186.2	2,998.4	3,508.0				UNCTAD B1.1 BPIs
✓ Volume of circulating water supply	mln cubic meters	2,240.9	2,160.9	2,396.9	2,275.8	2,681.6				
✓ Volume of sequentially reused water	mln cubic meters	865.1	806.7	789.3	722.6	826.4				
Foreign entities	mln cubic meters	216.2	210.6	198.0	231.6	136.5				UNCTAD B1.1
✓ Volume of circulating water supply	mln cubic meters	214	207.8	194.1	228.4	134.6				
✓ Volume of sequentially reused water	mln cubic meters	2.2	2.8	3.9	3.2	1.9				

Notes. Circulating water supply means multiple use of water in technological processes based on the principle of closed systems without discharging into surface water bodies or sewage systems. Sequentially reused water supply is the use of water that retained its quality after being used in a technological process and is supplied without treatment for reuse. Water produced as a by-product with oil and used to maintain the formation pressure during oil production is considered reused.

Water usage by the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Water consumption for own needs (household, industrial, other)	mln cubic meters	609.0	543.2	588.0	628.4	396.3				MED 13
✓ Russian entities	mln cubic meters	358	328.7	369	381.7	378.1				
✓ Foreign entities	mln cubic meters	251	214.5	219	246.7	18.2				
Other operations	mln cubic meters	28.9	0.0	4.3	11.6	9.4				
✓ Russian entities	mln cubic meters	28.1	0	3.8	11.1	8.9				
✓ Foreign entities	mln cubic meters	0.8	0	0.5	0.5	0.5				
Unused water transferred to third-party consumers without the LUKOIL Group entities using it	mln cubic meters	56.1	63.1	88.3	98.2	92.0	GRI 303-4		ENV-1 A5	
✓ Russian entities	mln cubic meters	54.9	62	87.2	96.9	91.3	GRI 303-4		ENV-1 A5	
✓ Foreign entities	mln cubic meters	1.2	1.1	1.1	1.3	0.7	GRI 303-4		ENV-1 A5	

Notes. In 2019, the “Other operations” category included both water pumped into subsoil horizons and domestic sewage received from third parties and used in the Group’s production processes. Since 2020, these water volumes are accounted for in the “Unused water transferred to third-party consumers without the LUKOIL Group entities using it” and “Water usage for own needs” categories respectively. Since 2021, this category reflects water transportation losses. Since 2022, water received from third parties and sent to own treatment facilities of the LUKOIL Group entities with subsequent discharge is also included in the category “Other operations,” and the data for previous periods have been retrospectively recalculated.

Water usage for own needs by business activity of the LUKOIL Group entities

Indicators	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPEICA	Other
Exploration and Production	mln cubic meters	104.9	101.7	108.3	110.7		EM-EP-140a.1	ENV-1 A2	
Oil Refining and Petrochemicals	mln cubic meters	249.3	253.1	283.2	53.9		EM-EP-140a.1	ENV-1 A2	
Power Generation	mln cubic meters	188	231.9	235.7	229.5			ENV-1 A2	
Oil Product Supply, Transportation	mln cubic meters	1.2	1.3	1.3	2.2			ENV-1 A2	

Notes. For the purposes of calculating the "Water usage for own needs by business activity" indicator, LLC LLK-International and LLC INTESMO (business activity of both entities – lubricants production) are accounted for together with Oil Refining and Petrochemicals entities; LLC LUKOIL-AERO (business activity – aircraft bunkering operations) is accounted for together with Oil Product Supply and Transportation entities. In the organizational structure of LUKOIL Group, all three entities are included in the business sector Other entities related to the Oil Refining and Distribution business segment.

In 2021, the data on LLC KGPZ were included in the Oil Refining and Petrochemicals business sector, as this entity was reorganized and merged with LLC LUKOIL-Volgogradneftepererabotka, and the data for 2020 were retrospectively recalculated. In 2021, LLC LUKOIL-AERO was excluded from the calculation in connection with its liquidation.

In 2023, the growth in the use of water for their own needs in oil product supply organizations is mainly due to the expansion of services provided to gas station customers and the associated increase in customer traffic, as well as the opening of large facilities of a new format. At the same time, in transportation organizations, the values of the indicators are comparable to the data for 2022.

Water consumption intensity used for own production needs in the Russian entities of LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Exploration and Production	cubic meters / tonne of oil equivalent in extracted hydrocarbon resources	1	1	1.1	1.1	1.2				BPIs
Oil Refining	cubic meters / tonne of processed raw materials	0.5	0.5	0.5	0.5	0.5				BPIs
Petrochemicals	cubic meters / tonne of processed raw materials	6.9	6.8	6.8	6.8	6.8				BPIs
Oil Product Supply	cubic meters / tonne of oil products sold	0.1	0.1	0.1	0.1	0.1				BPIs
Transportation	cubic meters / tonne of oil, oil products transported	0.01	0.02	0.02	0.02	0.02				BPIs
Power Generation	cubic meters / tonne of oil equivalent in consumed fuel	35.3	32.9	38.5	41.6	39.9				BPIs

Notes. The indicator for the Power Generation business sector is calculated according to the formula: Volume of primary withdrawn water used for own production needs / Fuel consumed for energy products generation (electric energy and heat). The following business sector entities are excluded from the calculation: LLC LUKOIL-Ekoenergo (due to the absence of fuel consumption) and LLC LUKOIL-Energoseti (due to the fact that the entity is not engaged in electricity and heat generation activities). Data on entities engaged in heat transmission are recorded as part of data on power generating entities, which is explained by the specifics of technological processes.

Water discharge by the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
1. Water discharge consolidated (1 = 1.1 + 1.2 + 1.3 + 1.4 + 1.5)	mln cubic meters	568.0	485.3	529.6	572.4	327.2	GRI 303-4		ENV-2 A6	BPIs
✓ Russian entities	mln cubic meters	344.3	297.5	325.3	348.3	308.3	GRI 303-4		ENV-2 A6	BPIs
✓ Foreign entities	mln cubic meters	223.7	187.8	204.3	224.1	18.9	GRI 303-4		ENV-2 A6	BPIs
By destination										
1.1. Water discharge into surface water bodies (excluding water discharge into the sea)	mln cubic meters	216.6	161.7	210.3	211.4	210.8	GRI 303-4		ENV-2 A6	
✓ Russian entities	mln cubic meters	203.4	151.3	197.8	198.4	192.2	GRI 303-4		ENV-2 A6	
✓ Foreign entities	mln cubic meters	13.2	10.4	12.5	13	18.7	GRI 303-4		ENV-2 A6	
1.2. Water discharge into the sea	mln cubic meters	221.2	188.4	202.7	220.4	11.7	GRI 303-4		ENV-2 A6	
✓ Russian entities	mln cubic meters	10.9	12.7	12.7	11.8	11.7	GRI 303-4		ENV-2 A6	
✓ Foreign entities	mln cubic meters	210.3	175.7	190	208.6	0.0	GRI 303-4		ENV-2 A6	
1.3. Water discharge into subsoil horizons	mln cubic meters	106.7	109.7	83.6	108.1	74.5	GRI 303-4		ENV-2 A6	
✓ Russian entities	mln cubic meters	106.5	109.5	83.5	108	74.3	GRI 303-4		ENV-2 A6	
✓ Foreign entities	mln cubic meters	0.2	0.2	0.1	0.1	0.2	GRI 303-4		ENV-2 A6	
1.4. Water transferred to third parties after use by the LUKOIL Group entities (excluding intra-group exchange)	mln cubic meters	23.4	25.5	33.0	32.5	30.2	GRI 303-4		ENV-2 A6	
✓ Russian entities	mln cubic meters	23.4	24	31.3	30.1	30.15	GRI 303-4		ENV-2 A6	
✓ Foreign entities	mln cubic meters	0	1.5	1.7	2.4	0.06	GRI 303-4		ENV-2 A6	
1.5. Other water discharge	mln cubic meters	0.1	0	0	0	0	GRI 303-4		ENV-2 A6	
✓ Russian entities	mln cubic meters	0.1	0	0	0	0	GRI 303-4		ENV-2 A6	
✓ Foreign entities	mln cubic meters	0	0	0	0	0	GRI 303-4		ENV-2 A6	

Note. Water discharge into subsoil horizons (1.3) includes water produced as a by-product with hydrocarbons and subsequently pumped into absorption wells.

Water discharge into surface water bodies and into the sea by the LUKOIL Group entities by wastewater quality

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Water discharge into surface water bodies and the sea (1 + 2)	mln cubic meters	437.8	350.1	413.0	431.8	222.5	GRI 303-4			
✓ Russian entities	mln cubic meters	214.3	164.0	210.5	210.2	203.8	GRI 303-4			
✓ Foreign entities	mln cubic meters	223.5	186.1	202.5	221.6	18.7	GRI 303-4			
1. Water discharge into surface water bodies by wastewater quality (1 = 1.1 + 1.2 + 1.3)	mln cubic meters	216.6	161.7	210.3	211.4	210.8	GRI 303-4			
✓ Russian entities	mln cubic meters	203.4	151.3	197.8	198.4	192.2	GRI 303-4			
✓ Foreign entities	mln cubic meters	13.2	10.4	12.5	13.0	18.7	GRI 303-4			
1.1. clean standard-quality wastewater	mln cubic meters	185.0	126.4	172.5	172.5	173.5	GRI 303-4			
✓ Russian entities	mln cubic meters	176.1	126.4	172.5	172.5	167.9	GRI 303-4			
✓ Foreign entities	mln cubic meters	8.9	0	0	0	5.6	GRI 303-4			
1.2. Wastewater treated to standard quality	mln cubic meters	20.2	26.7	29.3	30.6	29.5	GRI 303-4			
✓ Russian entities	mln cubic meters	16.8	16.3	16.8	17.6	16.4	GRI 303-4			
✓ Foreign entities	mln cubic meters	3.4	10.4	12.5	13	13	GRI 303-4			
1.3. Polluted wastewater	mln cubic meters	11.4	8.6	8.5	8.3	7.9	GRI 303-4			MED 15
✓ Russian entities	mln cubic meters	10.5	8.6	8.5	8.3	7.9	GRI 303-4			
✓ Foreign entities	mln cubic meters	0.9	0	0	0	0	GRI 303-4			
2. Water discharge into the sea by wastewater quality (2 = 2.1 + 2.2 + 2.3)	mln cubic meters	221.2	188.4	202.7	220.4	11.7	GRI 303-4			
✓ Russian entities	mln cubic meters	10.9	12.7	12.7	11.8	11.7	GRI 303-4			
✓ Foreign entities	mln cubic meters	210.3	175.7	190.0	208.6	0.0	GRI 303-4			
2.1. Clean standard-quality wastewater	mln cubic meters	220.6	188.0	202.3	219.6	11.5	GRI 303-4			
✓ Russian entities	mln cubic meters	10.7	12.5	12.5	11.7	11.5	GRI 303-4			
✓ Foreign entities	mln cubic meters	209.9	175.5	189.8	207.9	0.0	GRI 303-4			

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
2.2. Wastewater treated to standard quality	mln cubic meters	0.4	0.2	0.0	0.7	0.0	GRI 303-4			
✓ Russian entities	mln cubic meters	0.001	0	0	0	0	GRI 303-4			
✓ Foreign entities	mln cubic meters	0.4	0.2	0	0.7	0	GRI 303-4			
2.3. Polluted wastewater	mln cubic meters	0.2	0.2	0.4	0.1	0.1	GRI 303-4			MED 15
✓ Russian entities	mln cubic meters	0.2	0.2	0.2	0.1	0.1	GRI 303-4			
✓ Foreign entities	mln cubic meters	0	0	0.2	0	0	GRI 303-4			

Note. Polluted water is insufficiently treated wastewater and wastewater which is not treated.

Specific discharge of insufficiently treated wastewater into water bodies by the Russian entities of LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Oil and Gas Production	cubic meters / tonne of oil equivalent in extracted hydrocarbon resources	0.004	0.0005	0.0000003	0	0				BPIs
Oil Refining	cubic meters / tonne of processed raw materials	0.037	0.2	0.185	0.177	0.167				BPIs
Oil Product Supply	cubic meters / tonne of oil products sold	0.002	0.002	0.004	0	0				BPIs
Transportation	cubic meters / tonne of oil, oil products transported	0.008	0.008	0.008	0.005	0.006				BPIs

Notes. The discharge of insufficiently treated wastewater into water bodies is no longer carried out by the Oil and Gas Production and Oil Product Supply entities (since 2022), and by the Petrochemicals and Power Generation entities (terminated before 2019).

The specific discharge of insufficiently treated wastewater by oil refining entities is calculated based on the volume of production wastewater, excluding any utility wastewater received from a third party (Municipal Institution Ukhtavodokanal) by LLC LUKOIL-Ukhtaneftepererabotka.

Emissions

Air emissions (net of CO ₂) at LUKOIL Group										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Total pollutant emissions	thousand tonnes	429	395	425	457	467	GRI 305-7		ENV-5 C1	BPIs MED 19
✓ Russian entities	thousand tonnes	402	376	403	437	455	GRI 305-7		ENV-5 C1	BPIs
✓ Foreign entities	thousand tonnes	26	19	22	20	12	GRI 305-7		ENV-5 C1	BPIs
Percentage of air pollutant emissions from production facilities located in cities with a population of more than 1 million people (Volgograd, Perm)	%				4.4	4.3		EM-RM-120a.2		
Number of oil refineries located in densely populated cities (over 1 million people)	oil refineries				2	2		EM-RM-120a.2		
Emissions by pollutant type:										
NO _x emissions	thousand tonnes	49	45	42	41	40	GRI 305-7		ENV-5 C1	
By business activity										
✓ Exploration and Production	thousand tonnes			17	15	15	GRI 305-7	EM-EP-120a.1	ENV-5 C1	
✓ Oil Refining, Petrochemicals	thousand tonnes			7	9	7	GRI 305-7	EM-RM-120a.1	ENV-5 C1	
✓ Power Generation	thousand tonnes			17	17	18	GRI 305-7		ENV-5 C1	
✓ Oil Product Supply, Transportation	thousand tonnes			0.3	0	0	GRI 305-7	EM-MD-120a.1	ENV-5 C1	
By geography										
✓ Russian entities	thousand tonnes	46	42	40	37	38	GRI 305-7			
✓ Foreign entities	thousand tonnes	3	3	2	3.5	1.3	GRI 305-7			
SO ₂ emissions	thousand tonnes	41	31	35	33	24	GRI 305-7		ENV-5 C1	
By business activity										
✓ Exploration and Production	thousand tonnes			19	15	13	GRI 305-7	EM-EP-120a.1	ENV-5 C1	
✓ Oil Refining, Petrochemicals	thousand tonnes			15	16	10	GRI 305-7	EM-RM-120a.1	ENV-5 C1	

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
✓ Power Generation	thousand tonnes			0.3	0.6	0.3	GRI 305-7			ENV-5 C1
✓ Oil Product Supply, Transportation	thousand tonnes			0.7	0.6	0.5	GRI 305-7	EM-MD-120a.1	ENV-5 C1	
By geography										
✓ Russian entities	thousand tonnes	22	19	19	20.5	17.6	GRI 305-7			
✓ Foreign entities	thousand tonnes	19	12	16	12	7	GRI 305-7			
Solid particle discharges	thousand tonnes	15	14	18	21	24	GRI 305-7		ENV-5 A1	
By business activity										
✓ Exploration and Production	thousand tonnes			18	20	24	GRI 305-7	EM-EP-120a.1	ENV-5 A1	
✓ Oil Refining, Petrochemicals	thousand tonnes			0.4	0.6	0.8	GRI 305-7	EM-RM-120a.1	ENV-5 A1	
✓ Power Generation	thousand tonnes			0.03	0.03	0.03	GRI 305-7		ENV-5 A1	
✓ Oil Product Supply, Transportation	thousand tonnes			0.04	0.03	0.04	GRI 305-7	EM-MD-120a.1	ENV-5 A1	
By geography										
✓ Russian entities	thousand tonnes	15	14	18	20	24	GRI 305-7			
✓ Foreign entities	thousand tonnes	0.2	0.2	0.2	0.2	0.2	GRI 305-7			
CO emissions	thousand tonnes	155	143	177	198	226	GRI 305-7		ENV-5 A1	
By business activity										
✓ Exploration and Production	thousand tonnes			167	189	217	GRI 305-7		ENV-5 A1	
✓ Oil Refining, Petrochemicals	thousand tonnes			5	6	5	GRI 305-7		ENV-5 A1	
✓ Power Generation	thousand tonnes			4	4	4	GRI 305-7		ENV-5 A1	
✓ Oil Product Supply, Transportation	thousand tonnes			0.2	0.3	0.4	GRI 305-7		ENV-5 A1	
By geography										
✓ Russian entities	thousand tonnes	152	141	175	196.5	224.8	GRI 305-7			
✓ Foreign entities	thousand tonnes	2	2	2	1.7	1.5	GRI 305-7			

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Hydrocarbon emissions	thousand tonnes	61	49	37	40	32	GRI 305-7			
By business activity										
✓ Exploration and Production	thousand tonnes			35	37	30.6	GRI 305-7			
✓ Oil Refining, Petrochemicals	thousand tonnes			2	2	1.3	GRI 305-7			
✓ Power Generation	thousand tonnes			0.2	0.5	0.03	GRI 305-7			
✓ Oil Product Supply, Transportation	thousand tonnes			0.02	0.03	0.05	GRI 305-7			
By geography										
✓ Russian entities	thousand tonnes	60	47	35	38	30	GRI 305-7			
✓ Foreign entities	thousand tonnes	1	2	2	2	2	GRI 305-7			
Volatile organic compounds (VOC) emissions	thousand tonnes	106	111	116	124	120	GRI 305-7		ENV-5 C1	
By business activity										
✓ Exploration and Production	thousand tonnes			87	95	89	GRI 305-7	EM-EP-120a.1	ENV-5 C1	
✓ Oil Refining and Petrochemicals	thousand tonnes			15	16	17	GRI 305-7	EM-RM-120a.1	ENV-5 C1	
✓ Power Generation	thousand tonnes			0.6	0.5	0.4	GRI 305-7		ENV-5 C1	
✓ Oil Product Supply, Transportation	thousand tonnes			13	13	13	GRI 305-7	EM-MD-120a.1	ENV-5 C1	
By geography										
✓ Russian entities	thousand tonnes	106	111	115	123	119	GRI 305-7			
✓ Foreign entities	thousand tonnes	0.05	0.03	0.52	0.50	0.54	GRI 305-7			
Emissions of other pollutants	thousand tonnes	2	2	1	1	1	GRI 305-7		ENV-5 A1	
By business activity										
✓ Exploration and Production	thousand tonnes			0.5	1.1	0.4	GRI 305-7		ENV-5 A1	
✓ Oil Refining, Petrochemicals	thousand tonnes			0.2	0.2	0.1	GRI 305-7		ENV-5 A1	
✓ Power Generation	thousand tonnes			0.1	0.02	0.01	GRI 305-7		ENV-5 A1	
✓ Oil Product Supply, Transportation	thousand tonnes			0.1	0.2	0.0	GRI 305-7		ENV-5 A1	

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
By geography										
✓ Russian entities	thousand tonnes	1	2	1	1	1	GRI 305-7			
✓ Foreign entities	thousand tonnes	0.56	0.02	0.02	0.02	0.02	GRI 305-7			

Notes. For all the emissions-related indicators in this ESG Databook section, the reporting boundaries for foreign entities from 2019 include LUKOIL Neftohim Burgas, PETROTEL-LUKOIL SA and ISAB S.r.l (three oil refineries in the European Union) and LUKOIL Uzbekistan Operating Company LLC (hydrocarbon production project in the republic of Uzbekistan), IOOO LUKOIL Belorussia, and LUKOIL-BULGARIA EOOD (fuel stations in Bulgaria and Belarus). Starting from 2023, an Italian oil refinery (ISAB S.r.l) has been excluded due to the sale of the asset.

LLC Volgodonsk Heat Supply Networks (Russia) has been additionally included in the reporting boundaries since 2021, LLC INTESMO has been included since 2022, LLC Rostov Heat Networks and LLC Volzhskiy Heat Networks have been included since 2023.

For the purposes of calculating the “Pollutant emissions by business activity” indicator, LLC LLK-International is accounted for together with Oil Refining and Petrochemicals entities; LLC LUKOIL-AERO is accounted for together with Oil Product Supply and Transportation entities. In the organizational structure of LUKOIL Group both entities are included in the Other entities related to Refining and Distribution business sector.

“Emissions of other pollutants” category includes specific substances subject to accounting according to the state statistical forms (except for those listed in the table), and the percentage of which is less than 1% of total emissions.

In 2020, the methodology for accounting for “Other pollutants” category for foreign entities was revised: substances belonging to the categories listed in the table are identified and taken into account in the corresponding lines of the table. The data for 2019 have been recalculated.

Specific air emissions by the Russian entities of LUKOIL Group by business activity										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Exploration and Production	kg / tonne of oil equivalent in extracted hydrocarbon resources	3.2	3.3	3.5	3.7	4.0				BPIs
Oil Refining	kg / tonne of processed raw materials	0.9	0.8	0.8	0.8	0.8				BPIs
Petrochemicals	kg / tonne of processed raw materials	1.4	1.6	1.5	1.7	1.6				BPIs
Oil Product Supply	kg / tonne of oil products sold	0.7	0.7	0.9	0.8	0.9				BPIs
Transportation	kg / tonne of oil, oil products transported	0.2	0.2	0.2	0.2	0.1				BPIs
Power Generation	kg / tonne of oil equivalent in consumed fuel	2.9	3.5	3.2	3.4	3.6				BPIs
Notes. Pollutant emissions intensity in the Power Generation business segment are calculated using the following formula: Total pollutant emissions / Fuel consumed for power product generation (electric energy and heat). LLC LUKOIL-Ekoenergo, LLC LUKOIL-Energoseti and LLC Volzhsk Heat Supply Networks were excluded from the calculation.										

Land and waste

Waste generation and management at the LUKOIL Group entities										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Waste at the beginning of the reporting year	thousand tonnes	3,204	3,367	3,523	3,653	3,778				
✓ Russian entities	thousand tonnes	3,179	3,340	3,495	3,627	3,753				
✓ Foreign entities	thousand tonnes	25	27	28	26	24				
Waste generated during the reporting year	thousand tonnes	1,909	2,368	2,143	2,117	2,111	GRI 306-3		ENV-7 C3	UNCTAD B2.1
✓ Russian entities	thousand tonnes	1,798	2,150	2,046	2,019	2,041	GRI 306-3		ENV-7 C3	UNCTAD B2.1 BPIs
✓ Foreign entities	thousand tonnes	111	218	97	98	71	GRI 306-3		ENV-7 C3	UNCTAD B2.1
Waste received from third parties	thousand tonnes	5	4	6	4	5				
✓ Russian entities	thousand tonnes	5	4	6	4	4				
✓ Foreign entities	thousand tonnes	0.1	0.1	0.2	0.3	0.2				
Amount of waste eliminated (recovered, neutralized, transferred to specialized entities, as well as landfill waste)	thousand tonnes	1,751	2,217	2,020	1,997	2,127			ENV-7 C3	UNCTAD B2.2
✓ Russian entities	thousand tonnes	1,642	2,000	1,921	1,897	2,056			ENV-7 C3	UNCTAD B2.2 BPIs
✓ Foreign entities	thousand tonnes	109	217	99	100	71			ENV-7 C3	UNCTAD B2.2
by removal methods:										
Waste recovery	thousand tonnes				1,642	1,738	GRI 306-4			
✓ Waste recovered at entities	thousand tonnes				1,163	1,222	GRI 306-4			
✓ Transferred to third parties for recovery	thousand tonnes				479	516	GRI 306-4			

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Waste neutralization and disposal	thousand tonnes				355	389	GRI 306-5			
✓ Waste neutralized at entities	thousand tonnes				39	39	GRI 306-5			
✓ Landfilled at own disposal facilities	thousand tonnes				14	7	GRI 306-5			
✓ Transferred to third parties for processing	thousand tonnes				6	23	GRI 306-5			
✓ Transferred to third parties for neutralization	thousand tonnes				125	119	GRI 306-5			
✓ Transferred to third parties for disposal at third-party facilities	thousand tonnes				171	201	GRI 306-5			
Percentage of waste landfilled at the LUKOIL Group's own facilities	%	3.9	4.0	3.6	0.7	0.324				
Waste at the end of the reporting year	thousand tonnes	3,367	3,522	3,652	3,778	3,764				
✓ Russian entities	thousand tonnes	3,340	3,494	3,626	3,753	3,742				
✓ Foreign entities	thousand tonnes	27	28	26	24	22				
Notes. For all the emissions-related indicators in this ESG Databook section, the reporting boundaries for foreign entities up to and including 2022 incorporate LUKOIL Neftohim Burgas, PETROTEL-LUKOIL SA and ISAB S.r.l (three oil refineries in the European Union) and LUKOIL Uzbekistan Operating Company LLC (hydrocarbon production project in the republic of Uzbekistan), IOOO LUKOIL Belorussia, and LUKOIL-BULGARIA EOOD (fuel stations in Bulgaria and Belarus). Starting from 2023, an Italian oil refinery (ISAB S.r.l) has been excluded due to the sale of the asset. LLC Volgodonsk Heat Supply Networks (Russia) has been additionally included in the reporting boundaries since 2021, LLC INTESMO has been included since 2022, LLC Rostov Heat Networks and LLC Volzhskiy Heat Networks have been included since 2023. The change in the values of indicators compared to the ESG Databook for 2022 is due to the consolidation of data on the formation and handling of the rock formed as a result of mine oil production at LLC LUKOIL-PERM in the Komi Republic and the Nenets Autonomous Area. Data retrospectively recalculated from 2019. The “Percentage of waste landfilled at the Group's own disposal facilities” indicator is calculated from the total amount of waste disposed of at the LUKOIL Group entities during the reporting year.										

Waste by hazard class at LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Waste generated per year	thousand tonnes	2,368	2,143	2,117	2,111		GRI 306-3		ENV-7 C3	
By business activity										
Exploration and Production	thousand tonnes			1,718	1,716	1,771	GRI 306-3		ENV-7 A1	
✓ hazardous	thousand tonnes			267	311	377	GRI 306-3		ENV-7 C3	
✓ non-hazardous and low-hazardous	thousand tonnes			1,451	1,405	1,394	GRI 306-3		ENV-7 C3	
Oil Refining and Petrochemicals	thousand tonnes			337	318	255	GRI 306-3		ENV-7 A1	
✓ hazardous	thousand tonnes			144	147	140	GRI 306-3	EM-RM-150a.1	ENV-7 C3	
✓ non-hazardous and low-hazardous	thousand tonnes			193	171	115	GRI 306-3		ENV-7 C3	
Power Generation	thousand tonnes			29	26	26	GRI 306-3		ENV-7 A1	
✓ hazardous	thousand tonnes			3	2	3	GRI 306-3		ENV-7 C3	
✓ non-hazardous and low-hazardous	thousand tonnes			26	24	23	GRI 306-3		ENV-7 C3	
Oil Product Supply and Transportation	thousand tonnes			59	57	59	GRI 306-3		ENV-7 A1	
By geography										
Russian entities	thousand tonnes	1,798	2,150	2,046	2,019	2,041	GRI 306-3		ENV-7 C3	
✓ hazardous (Hazard Classes I–III)	thousand tonnes	253	304	362	417	494	GRI 306-3		ENV-7 C3	UNCTAD B2.3
✓ non-hazardous and low-hazardous (Hazard Classes IV–V)	thousand tonnes	1,545	1,846	1,684	1,602	1,547	GRI 306-3		ENV-7 C3	
Foreign entities	thousand tonnes		218	97	98	70	GRI 306-3		ENV-7 C3	
✓ hazardous	thousand tonnes		143	51	44	27	GRI 306-3		ENV-7 C3	UNCTAD B2.3
✓ non-hazardous and low-hazardous	thousand tonnes		75	46	54	43	GRI 306-3		ENV-7 C3	
Waste at the end of the year at LUKOIL Group	thousand tonnes	3,522	3,652	3,777	3,764				ENV-7 C3	BPIs
✓ hazardous	thousand tonnes		45	50	45	53			ENV-7 C3	
✓ non-hazardous and low-hazardous	thousand tonnes		3,477	3,602	3,732	3,710			ENV-7 C3	

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Russian entities	thousand tonnes	3,340	3,494	3,626	3,754	3,742			ENV-7 C3	BPIs
✓ Hazard Class I	thousand tonnes	0.002	0.002	0.001	0.007	0.004			ENV-7 C3	BPIs
✓ Hazard Class II	thousand tonnes	0.004	0.009	0.004	0.001	0.004			ENV-7 C3	BPIs
✓ Percentage of waste of Hazard Classes I and II	%	0.0002	0.0003	0.0001	0.0002	0.0002			ENV-7 C3	BPIs
✓ Hazard Class III (incl. oil-containing)	thousand tonnes	21	21	25	22	32			ENV-7 C3	BPIs
✓ Percentage of waste of Hazard Classes I, II, and III	%	0.6	0.6	0.7	0.6	0.9			ENV-7 C3	BPIs
Total hazardous (Hazard Classes I, II, and III)	thousand tonnes	21	21	25	22	32			ENV-7 C3	BPIs
✓ Hazard Class IV	thousand tonnes	868	829	878	948	877			ENV-7 C3	BPIs
✓ Hazard Class V	thousand tonnes	2,451	2,644	2,723	2,783	2,833			ENV-7 C3	BPIs
Total non-hazardous and low-hazardous (Hazard Classes IV and V)	thousand tonnes	3,319	3,473	3,601	3,732	3,710			ENV-7 C3	BPIs
Foreign entities	thousand tonnes		28	26	24	22			ENV-7 C3	BPIs
✓ hazardous	thousand tonnes		24	25	23	21			ENV-7 C3	BPIs
✓ non-hazardous	thousand tonnes		3.5	0.9	1.1	0.3			ENV-7 C3	BPIs

Notes. The amount of waste at the end of each reporting year (waste remaining in accumulation) depends mainly on the production process and the schedules for disposal of the generated waste. Drilling waste from construction of cluster sites comprises the main share of waste remaining in the accumulation. If the drilling began at the end of the reporting year, the drilling waste is disposed of in the next reporting year, after the drilling of the entire cluster site is completed. Thus, the volume of "transition" waste depends on the scope of drilling operations.

In Russia, waste is classified into hazard classes (I to V) according to the criteria approved by the Ministry of Natural Resources and Environment of the Russian Federation, and all waste is considered hazardous. A similar accounting system has been adopted in Uzbekistan. Most substances categorized as hazardous waste in the international accounting system are contained in waste of Hazard Classes I and II. The division of waste generated by the Russian entities and LUKOIL Uzbekistan Operating Company into hazardous and non-hazardous is conditional and was made solely for reporting purposes in response to stakeholders' requests.

For the purposes of calculating the "Waste generated by business activity" indicator, LLC LLK-International is accounted for together with Oil Refining and Petrochemicals entities; LLC LUKOIL-AERO is accounted for together with Oil Product Supply and Transportation entities. In the organizational structure of LUKOIL Group, both entities are included in the Other entities related to Refining and Distribution business sector.

Pre-privatization waste

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Waste eliminated in the reporting year										
LUKOIL Group	thousand tonnes	69	52	25	36	89	GRI 306-2		ENV-7 A3	
✓ Russian entities	thousand tonnes	51	39	3,1	12	20	GRI 306-2		ENV-7 A3	
✓ Foreign entities	thousand tonnes	18	13	22	24	69	GRI 306-2		ENV-7 A3	
Waste at the end of the reporting year										
LUKOIL Group	thousand tonnes	601	549	523	487	595	GRI 306-2		ENV-7 A3	
✓ Russian entities	thousand tonnes	223	184	180	168	345	GRI 306-2		ENV-7 A3	
✓ Foreign entities	thousand tonnes	378	365	343	319	250	GRI 306-2		ENV-7 A3	

Note. In 2023, the amount of waste at Russian entities increased due to the adjustment of the waste content in bottom sediments of ponds at mechanical treatment facilities of the Perm oil refinery.

Industrial safety

Indicators of the Russian LUKOIL Group entities’ preparedness for emergencies

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Number of trainings conducted	trainings	200	163	126	120	178			ENV-6 C4	
✓ Including training on the elimination of a potential oil/oil product spill	trainings	117	94	78	105	150			ENV-6 C4	
Number of people involved in trainings	people	6,692	4,631	3,573	3,255	5,947			ENV-6 C4	
Number of employees trained to act in case of an accident or emergency	people			57,087	57,564	81,280			ENV-6 C4	

Note. The "Number of people involved in trainings" indicator takes into account the following categories of training participants: employees of the LUKOIL Group entities, personnel of emergency response teams, personnel of contractor (service) entities, employees of organizations with which trainings were held (during joint trainings).

Reliability indicators of the pipeline system in Russia

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Percentage of corrosion-resistant pipelines	%	30	32	34	37	39			ENV-6 C4	

Note. The percentage of corrosion-resistant pipelines is calculated excluding inhibited protection for Russian entities. Formula: Total length of active corrosion-resistant field pipelines in Russia at the end of the reporting period / Total length of active field pipelines in Russia at the end of the reporting period.

Contaminated land formation and reclamation

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
Land contaminated during the reporting year										
LUKOIL Group	hectares	40	58	38	32	49		EM-MD-160a.3		
✓ Russian entities	hectares	40	58	38	32	49		EM-MD-160a.3		
✓ Foreign entities	hectares	0	0	0	0	0		EM-MD-160a.3		
Land reclaimed during the reporting year										
LUKOIL Group	hectares	57	44	49	71	49	GRI 304-3	EM-MD-160a.3		
✓ Russian entities	hectares	57	44	45	71	49	GRI 304-3	EM-MD-160a.3		
✓ Foreign entities	hectares	0	0	4	0	0	GRI 304-3	EM-MD-160a.3		
Contaminated land area at the end of the reporting year										
LUKOIL Group	hectares	46	60	49	10	10				
✓ Russian entities	hectares	42	56	49	10	10				
✓ Foreign entities	hectares	4	4	0	0	0				

Oil and other substances spills at LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Volume of oil spilled in accidents in Russia	tonnes	16	43	73	7	0.58	GRI 306-3 (2016)	EM-MD-160a.4	ENV-6 C2	
✓ As a result of significant spills	tonnes	0	6	71	0.01	0	GRI 306-3 (2016)	EM-MD-160a.4	ENV-6 C2	
Number of significant oil spills in Russia	incidents	0	4	4	1	0	GRI 306-3 (2016)	EM-MD-540a.1	ENV-6 C2	
Specific oil spill coefficient in Russia	kg of spilled oil /1,000 tonnes of extracted oil and gas condensate	0.2	0.6	0.97	0.09	0.008				
Spills of other substances										
✓ Combustible-lubricative materials	tonnes	0	0.6	0	1	2.48	GRI 306-3 (2016)			
✓ Highly toxic substances (acids, alkalis, process solutions)	tonnes	0	0	0	0	0	GRI 306-3 (2016)			
✓ Technological products	tonnes	0	0	0	0	0	GRI 306-3 (2016)			
✓ Other substances	tonnes	0	0	0	0	0	GRI 306-3 (2016)			

Note. The data on oil spills are provided for all the Russian oil and gas production entities that are under the operational control of PJSC LUKOIL. Specific oil spill coefficient = Volume of oil spilled in accidents / Volume of oil and gas condensate production in Russia (excluding the share in affiliates). The definition of a significant spill is given in the LUKOIL Group Sustainability Report.

Size of emergency response teams (staff and non-staff)

Indicators	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPEICA	Other
Total	people	2,095	2,137	2,121	2,025			ENV-6 C4	
Komi Republic	people	392	460	475	468			ENV-6 C4	
Khanty-Mansi Autonomous Area – Yugra, Yamal-Nenets Autonomous Area, Nenets Autonomous Area	people	423	441	441	388			ENV-6 C4	
Astrakhan region and Republic of Kalmykia	people	193	180	180	169			ENV-6 C4	
Perm Territory	people	391	418	407	407			ENV-6 C4	
Volgograd Region	people	188	188	155	175			ENV-6 C4	
Kaliningrad Region	people	66	66	66	66			ENV-6 C4	
Stavropol Territory	people	95	94	94	41			ENV-6 C4	
Other regions	people	347	290	303	311			ENV-6 C4	

Occupational safety

Number of occupational accidents and employees injured in workplace accidents at the LUKOIL Group entities										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Total number of occupational accidents	incidents	19	28	17	18	21				BPIs
✓ fatal	incidents	2	2	0	1	2			SHS-3 C1	UNCTAD C3.2
✓ high-consequence work-related injuries	incidents	8	7	5	6	3				
✓ minor injuries	incidents	9	19	12	11	16				
Number of cases resulting in microtraumas	incidents	7	4	1	4	7				
Number of employees injured in workplace accidents and who suffered microtraumas	people	32	32	18	40	29	GRI 403-9			
Number of employees injured who suffered microtraumas	people	7	4	1	14	7				
Number of employees injured in workplace accidents	people	25	28	17	26	22				
✓ Number of fatalities (FA)	people	2	2	0	1	2	GRI 403-9			BPIs MED 28
✓ Number of lost-time injuries (LTI), including	people	23	26	17	25	20				MED 28
– high-consequence injuries	people				7	3	GRI 403-9			
– minor injuries	people				18	17				
Notes. The term "workplace accident" is used in accordance with the Corporate Standard, it corresponds to Article 227 of the Russian Labor Code, and is similar to the term Occupational Accident according to the International Labor Organization methodology. When calculating the injury frequency, a group accident is counted as one incident. The term "employee injured" (injury) is used to mean "an employee who was injured in a workplace accident". If during the reporting period an employee suffered more than one injury, each case is counted as a separate injury. Microtrauma is not counted as an accident.										
The "Number of employees injured in workplace accidents and who suffered microtraumas" and "Number of employees injured who suffered microtraumas" indicators are calculated taking into account first-aid cases only in accordance with the corporate accounting system.										

Indicators related to occupational injuries at LUKOIL Group

Indicators	2019	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPEICA	Other
Lost Time Accident Frequency Rate (LTAFR)	0.19	0.28	0.17	0.17	0.20				
Lost Time Injury Frequency Rate (LTIFR)	0.14	0.17	0.10	0.15	0.13			SHS-3 C1	BPIs
Fatal Injury Frequency Rate (FIFR)	0.01	0.01	0	0.01	0.01	GRI 403-9	EM-EP-320a.1 EM-RM-320a.1	SHS-3 C1	
Rate of high-consequence injuries (net of fatalities)	0.05	0.04	0.03	0.04	0.02	GRI 403-9			
Total Recordable Injury Frequency Rate (TRIFR)	0.18	0.19	0.11	0.23	0.17	GRI 403-9	EM-EP-320a.1 EM-RM-320a.1	SHS-3 C1	
Notes. The lower all the indicators are the better. Full-time employee (FTE) coverage is 100%.									
Lost Time Accident Frequency Rate, LTAFR = Number of accidents x 1,000 employees / Average employee headcount.									
Lost Time Injury Frequency Rate, LTIFR = Number of employees injured in workplace accidents (including fatalities) x 1,000,000 man-hours / Number of man-hours worked by all employees.									
Rate of Fatalities as a Result of Work-Related Injury = Number of fatalities x 1,000,000 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 1,000,000 man-hours / Number of man-hours worked by all employees. See the full definition in Appendix 6 .									
Total Recordable Injury Frequency Rate, TRIFR = Number of employees injured in workplace accidents and who suffered microtraumas x 1,000,000 man-hours / Number of man-hours worked by all employees. The cases with only first aid administered are counted when calculating the indicator in accordance with the corporate accounting system.									

Number of hours worked by employees of LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of man-hours worked	mln man-hours	174	169	170	177	176	GRI 403-9			

Occupational illness at the Russian entities of LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Occupational disease rate (ODR)										
✓ per 1,000 employees		0.13	0.083	0.092	0.135	0.134			SHS-3 A1	
✓ per 1,000,000 man-hours		0.08	0.05	0.057	0.081	0.08			SHS-3 A1	
Number of employees with newly diagnosed occupational diseases	people	11	7	8	12	12	GRI 403-10		SHS-3 A1	BPIs

Notes. Occupational disease rate (ODR) = Number of persons with newly diagnosed occupational diseases * 1,000 employees / Average headcount.

Occupational disease rate (ODR) = Number of persons with newly diagnosed occupational diseases * 1,000,000 man-hours / Number of man-hours worked.

The Company understands the indicator "The number of cases of recordable work-related ill health" (GRI) as the number of employees with newly diagnosed occupational diseases, as this formulation of the indicator ensures collection of reliable data characterizing the social impacts of the Group entities and is used when planning measures to protect employees' health.

The data for 2022 have been adjusted as compared to the previously published data due to the fact that notifications of final diagnoses for two cases of occupational diseases were received in 2023.

Number of occupational accidents and employees with work-related injuries at contractor organizations of LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of accidents	incidents	13	10	16	15	12				
✓ fatal	incidents	6	3	3	3	1				
✓ high-consequence work-related injuries	incidents	1	1	6	3	3				
Number of employees injured in workplace accidents	people	16	11	17	17	13	GRI 403-9			
✓ Number of fatalities (FA)	people	7	4	3	3	1	GRI 403-9			
✓ Number of lost-time injuries (LTI)	people	9	7	14	14	12				
Including high-consequence injuries	people				3	4	GRI 403-9			
Including minor injuries	people				11	8				

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

Employees details

Headcount and personnel characteristics

Average headcount of LUKOIL Group										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	people	101,374	100,768	102,424	104,323	104,172	GRI 2-7			BPIs MED 25
✓ Russian entities	people	84,356	84,383	86,541	88,861	89,759	GRI 2-7			BPIs
✓ Foreign entities	people	17,018	16,385	15,883	15,462	14,413	GRI 2-7			
Note. The data on an oil refinery in Italy (ISAB S.r.l) were taken into account for Q1 2023; starting from Q2 2023 the data are not collected due to the sale of the asset.										

Employee turnover at LUKOIL Group										
Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	%	7.5	6.7	9.1	9.0	9.2	GRI 401-1		SOC-6 A1	BPIs MED 33
✓ Men	%			7.6	7.8	7.1	GRI 401-1		SOC-6 A1	BPIs
✓ Women	%			11.6	11.0	12.6	GRI 401-1		SOC-6 A1	BPIs
Russian entities	%	6.6	6.1	8.8	8.2	8.7	GRI 401-1		SOC-6 A1	BPIs
✓ Men	%			7.1	6.9	6.4	GRI 401-1		SOC-6 A1	BPIs
✓ Women	%			11.3	10.1	12.0	GRI 401-1		SOC-6 A1	BPIs
Foreign entities	%	11.7	10.2	10.7	13.9	12.5	GRI 401-1		SOC-6 A1	BPIs
✓ Men	%			9.7	12.0	10.5	GRI 401-1		SOC-6 A1	BPIs
✓ Women	%			13.5	19.4	18.3	GRI 401-1		SOC-6 A1	BPIs
Note. The data on an oil refinery in Italy (ISAB S.r.l) were taken into account for Q1 2023; starting from Q2 2023 the data are not collected due to the sale of the asset.										

LUKOIL Group headcount (as at December 31 of each reporting year)

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	people	105,624	104,264	106,835	109,047	107,596	GRI 2-7			BPIs
✓ Russian entities	people	88,434	87,858	90,808	93,550	93,275	GRI 2-7			BPIs
	%	84	84	85	86	87				BPIs
✓ Foreign entities	people	17,190	16,406	16,027	15,497	14,321	GRI 2-7			
	%	16	16	15	14	13				

Information on newly hired employees

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	people	16,624	13,295	18,878	22,028	18,621	GRI 401-1			
✓ Men	people	8,620	6,468	9,313	11,880	10,390	GRI 401-1			
✓ Women	people	8,004	6,827	9,565	10,148	8,231	GRI 401-1			
Percentage of men hired	%	52	49	49	54	56	GRI 401-1			
Percentage of women hired	%	48	51	51	46	44	GRI 401-1			
Russian entities	people	13,544	10,878	16,441	19,008	15,035	GRI 401-1			
✓ Men	people	6,460	4,927	7,460	9,835	7,777	GRI 401-1			
✓ Women	people	7,084	5,951	8,981	9,173	7,258	GRI 401-1			
Foreign entities	people	3,080	2,417	2,437	3,020	3,586	GRI 401-1			
✓ Men	people	2,160	1,541	1,853	2,045	2,613	GRI 401-1			
✓ Women	people	920	876	584	975	973	GRI 401-1			

Personnel characteristics by type of employment, employment contract and gender as at December 31 of each reporting year

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Headcount of LUKOIL Group	people	105,624	104,264	106,835	109,047	107,596				
Employee breakdown by gender										
✓ Men	people	62,007	61,183	63,034	64,393	64,062	GRI 2-7		SOC-5 C2	BPIs
✓ Women	people	43,617	43,081	43,801	44,654	43,534	GRI 2-7		SOC-5 C2	BPIs
Percentage of men / women in the headcount										
✓ Men	%	59	59	59	59	60	GRI 405-1		SOC-5 C2	
✓ Women	%	41	41	41	41	40	GRI 405-1		SOC-5 C2	
Employee breakdown by type of employment										
✓ Full-time	people	105,168	103,972	106,500	108,731	107,252	GRI 2-7			
✓ Part-time	people	456	292	335	316	344	GRI 2-7			
Percentage of employees in each employment category in the headcount										
✓ Full-time	%	99.6	99.7	99.7	99.7	99.7	GRI 2-7			
✓ Part-time	%	0.4	0.3	0.3	0.3	0.3	GRI 2-7			
Employee breakdown by type of employment contract										
Permanent contract	people	98,020	96,659	98,914	100,498	99,390	GRI 2-7			
Percentage of the employees in the category "Permanent contract" in the headcount	%	93	93	93	92	92	GRI 2-7			
✓ Men	people	58,808	57,854	59,446	60,267	59,739	GRI 2-7		SOC-5 C2	
✓ Percentage in the headcount of men	%	95	95	94	94	93	GRI 2-7		SOC-5 C2	
✓ Women	people	39,212	38,805	39,468	40,231	39,651	GRI 2-7		SOC-5 C2	
✓ Percentage in the headcount of women	%	90	90	90	90	91	GRI 2-7		SOC-5 C2	
Fixed-term contract	people	7,604	7,605	7,921	8,549	8,206	GRI 2-7		SOC-5 C2	
Percentage of the employees in the category "Fixed-term contract" in the headcount	%	7	7	7	8	8	GRI 2-7		SOC-5 C2	
✓ Men	people	3,202	3,329	3,588	4,126	4,323	GRI 2-7		SOC-5 C2	
✓ Percentage in the headcount of men	%	5.2	5.4	5.7	6.4	6.7	GRI 2-7		SOC-5 C2	
✓ Women	people	4,402	4,276	4,333	4,423	3,883	GRI 2-7		SOC-5 C2	
✓ Percentage in the headcount of women	%	10.1	9.9	9.9	9.9	8.9	GRI 2-7		SOC-5 C2	

Personnel characteristics of LUKOIL Group by category and age as at December 31 of each reporting year

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Headcount	people	105,624	104,264	106,835	109,047	107,596				
Breakdown by category										
✓ Managers	people	12,806	12,694	12,953	12,953	12,620				BPIs
✓ Specialists	people	28,691	28,319	28,793	29,710	30,309				BPIs
✓ Workers and other employees	people	64,127	63,251	65,089	66,384	64,667				BPIs
Russian entities	people	88,434	87,858	90,808	93,550	93,275				BPIs
✓ Managers	people	10,853	10,845	11,129	11,141	10,848				BPIs
✓ Specialists	people	24,538	24,141	24,559	25,493	25,991				BPIs
✓ Workers and other employees	people	53,043	52,872	55,120	56,916	56,436				BPIs
Foreign entities	people	17,190	16,406	16,027	15,497	14,321				
✓ Managers	people	1,953	1,849	1,824	1,812	1,772				
✓ Specialists	people	4,153	4,178	4,234	4,217	4,318				
✓ Workers and other employees	people	11,084	10,379	9,969	9,468	8,231				
Breakdown by age										
✓ 35 years and younger	people	39,179	36,955	36,515	35,985	33,354				BPIs
✓ 36 to 40 years	people	17,670	17,962	18,694	19,774	20,011				BPIs
✓ 41 to 50 years	people	29,793	30,266	31,472	32,397	32,414				BPIs
✓ 51 years and older	people	18,982	19,081	20,154	20,891	21,817				BPIs
Russian entities	people	88,434	87,858	90,808	93,550	93,275				BPIs
✓ 35 years and younger	people	33,310	31,615	31,468	31,339	29,191				BPIs
✓ 36 to 40 years	people	14,624	15,085	15,952	17,187	17,560				BPIs
✓ 41 to 50 years	people	24,545	25,136	26,349	27,386	27,889				BPIs
✓ 51 years and older	people	15,955	16,022	17,039	17,638	18,635				BPIs
Foreign entities	people	17,190	16,406	16,027	15,497	14,321				BPIs
✓ 35 years and younger	people	5,869	5,340	5,047	4,646	4,163				BPIs
✓ 36 to 40 years	people	3,046	2,877	2,742	2,587	2,451				BPIs
✓ 41 to 50 years	people	5,248	5,130	5,123	5,011	4,525				BPIs
✓ 51 years and older	people	3,027	3,059	3,115	3,253	3,182				BPIs

Indicators related to working with young employees and professionals

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of young employees	people	39,179	36,955	36,515	35,985	33,354	GRI 401-1		SOC-5	
✓ number of young professionals	people	1,423	1,317	1,351	1,436	1,594	GRI 401-1		SOC-5	
Young employees recruited	people	9,427	7,603	10,625	11,899	9,443	GRI 401-1		SOC-5	
✓ young professionals	people	631	523	661	675	675	GRI 401-1		SOC-5	
Number of students studying under agreements with the LUKOIL Group entities	people	281	325	146	136	153			SOC-5	

Notes. Young employees are employees of PJSC LUKOIL and the LUKOIL Group entities under the age of 35, including young professionals. Young professionals are employees under 30 years of age with a higher or secondary vocational education, who have started working for a LUKOIL Group entity in the area of their education, including blue-collar jobs, within a year after graduation.

Percentage of female managers in the total number of managers of the respective level at the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPEICA	Other
Employee category										
CEO of a LUKOIL Group entity	%	1	2	4	2	3	GRI 405-1		SOC-5 C2	UNCTAD C1.1 MED 44
Deputy CEO, Chief Engineer, Chief Accountant	%	18	18	16	17	18	GRI 405-1		SOC-5 C2	UNCTAD C1.1 MED 44
Head of a branch, TPU, or another standalone business unit	%	4	7	4	4	4	GRI 405-1		SOC-5 C2	UNCTAD C1.1 MED 44
Heads of departments (excluding mentioned above)	%	26	27	26	26	24	GRI 405-1		SOC-5 C2	UNCTAD C1.1 MED 44

Other characteristics of LUKOIL Group personnel as at December 31 of each reporting year

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Breakdown of employees by region										
✓ Russia	%	83.7	84.3	85.0	85.8	86.7	GRI 2-7			
✓ Europe	%	10.8	10.4	9.7	8.8	7.3	GRI 2-7			
✓ Asia	%	2.8	2.8	2.7	2.7	2.8	GRI 2-7			
✓ Middle East and Africa	%	2.6	2.4	2.5	2.5	2.9	GRI 2-7			
✓ North America	%	0.1	0.1	0.1	0.2	0.3	GRI 2-7			
Breakdown of Group entities employees by business activity										
✓ Exploration and Production	%	36	36	38	38	39	GRI 2-7			
✓ Oil Product Supply and Transportation as well as Other entities related to the Refining and Distribution business segment	%	35	35	33	33	32	GRI 2-7			
✓ Power Generation	%	12	12	12	11	11	GRI 2-7			
✓ Oil Refining and Petrochemicals	%	12	12	12	12	11	GRI 2-7			
✓ Corporate Center and Other Activities	%	5	5	5	6	7	GRI 2-7			

Note. Since 2021, LLC LUKOIL-KGPZ is included in the Oil Refining and Petrochemicals business sector (previously, the entity was included in Other entities related to the Refining and Distribution business segment) due to reorganization through a merger of LLC KGPZ with LLC Volgogradneftepererabotka.

Information on local managers in the foreign entities of LUKOIL Group in significant regions of operations as at December 31 of each reporting year

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Senior managers	people	89	88	89	82	80				
✓ including locals	people	29	31	31	29	26	GRI 202-2			
Percentage of local senior managers	%	33	35	35	35	33	GRI 202-2			

Note. Senior managers include the CEO (Managing Director / General Director) and their deputies for functional areas, Chief Accountant. Local senior managers mean employees who are permanently registered in or are citizens of a relevant country.

Social support

Percentage of employees covered by collective bargaining agreements at LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Percentage of employees covered by collective bargaining agreements in the LUKOIL Group entities	%	89	90	93	93	93	GRI 2-30			BPIs UNCTAD C4.1 MED 32
Percentage of employees covered by collective bargaining agreements in the Russian entities	%	96	98	99.5	99.5	99.9				BPIs MED 32

Note. Percentage of employees covered by collective bargaining agreements (in the LUKOIL Group entities or Russian entities) = Headcount of employees in the LUKOIL Group entities or Russian entities, respectively that have collective bargaining agreements / Headcount of employees (in the LUKOIL Group entities or Russian entities, respectively).

Scope of services provided under social programs at LUKOIL Group

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
LUKOIL Group	services	456,495	456,750	478,553	492,541	506,372	GRI 401-2			BPIs
✓ Health protection	services	322,795	321,215	340,375	351,895	363,940	GRI 401-2			BPIs
✓ Social support for families with children	services	59,480	60,267	62,334	65,613	64,377	GRI 401-2			BPIs
✓ Private pension coverage	people	12,115	13,361	12,799	12,170	8,953	GRI 401-2			BPIs
✓ Support for pensioners	people	42,825	43,468	40,397	41,328	44,031	GRI 401-2			BPIs
✓ Other	services	19,280	18,439	22,648	21,535	25,071	GRI 401-2			BPIs
Russian entities	services	387,154	386,541	411,532	429,342	447,585				BPIs
✓ Health protection	services	267,830	265,984	287,593	301,509	313,805				BPIs
✓ Social support for families with children	services	55,308	56,650	59,350	62,282	61,760				BPIs
✓ Private pension coverage	people	6,345	7,308	6,975	7,119	7,121				BPIs
✓ Support for pensioners	people	42,689	43,265	40,240	41,170	43,817				BPIs
✓ Other	services	14,982	13,334	17,374	17,262	21,082				BPIs

Notes. A service provided to an employee under social programs means each employee's request (initial or repeated) for any type of social benefits and payments stipulated by collective bargaining agreements. Services include various types of social support and assistance provided in cash and in kind, or payment of money to receive a service or to compensate for its cost.

In 2021, the methodology for calculating the indicator was revised: housing-related services were added to the "Other" category.

For reporting purposes, when calculating the total value of services provided under social programs, the indicators in the "Private pension coverage" and "Support for pensioners" categories are determined on the assumption that there is one service per person.

Private pension coverage

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Pension liabilities, LUKOIL Group	RUB mln	12,544	13,794	12,105	11,532	10,872	GRI 401-2			BPIs
Number of former employees receiving a corporate pension, in Russia	people	52,854	53,519	53,646	53,512	53,401				
Average private (corporate) pension level in Russia	RUB/ month	2,134	2,241	2,291	2,278	2,331				

Training

Employee training at the LUKOIL Group entities

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of trained employees by employee category	people	78,026	80,119	83,861	92,493	88,443			SOC-7	BPIs
✓ Managers	%		15	15	15	15				UNCTAD C2.1
✓ Specialists	%		27	25	30	31				UNCTAD C2.1
✓ Workers and other employees	%		58	60	55	54				UNCTAD C2.1
Amount of training	person-courses	258,728	584,621	409,435	427,992	370,036				BPIs
✓ Managers	%		14	19	19	18				UNCTAD C2.1
✓ Specialists	%		14	18	26	28				UNCTAD C2.1
✓ Workers and other employees	%		72	63	55	53				UNCTAD C2.1
Average number of training hours per employee trained	hours	84	141	103	111	100	GRI 404-1			BPIs UNCTAD C2.1 MED 31
Average annual training costs per employee trained	RUB	12,548	9,266	10,186	11,111	13,393				UNCTAD C2.2

Notes. Average number of training hours per employee trained = Total number of hours of training events held at Russian and foreign entities / Total number of employees who received training in the reporting year. Average annual training costs per employee trained = Total costs to train employees who received training in the reporting year / Total number of employees who received training in the reporting year.

Employee training at the LUKOIL Group entities under distance learning programs

Indicators	UoM	2020	2021	2022	2023	Reporting systems			
						GRI	SASB	IPIECA	Other
Scope of training	hours	6,963,587	4,014,763	4,085,320	3,696,671	GRI 404-1		SOC-7	BPIs
✓ Russian entities	hours	6,886,936	3,968,713	4,064,987	3,681,085	GRI 404-1			BPIs
✓ Foreign entities	hours	76,651	46,050	20,333	15,586	GRI 404-1			
Scope of training	person-courses	470,355	267,072	263,190	227,255				
✓ Russian entities	person-courses	461,644	259,187	253,091	224,184				
✓ Foreign entities	person-courses	8,711	7,885	10,099	3,071				
By employee category									
✓ Managers	person-courses	53,242	44,760	45,719	33,027	GRI 404-1			
✓ Specialists	person-courses	60,231	46,876	75,487	72,983	GRI 404-1			
✓ Workers and other employees	person-courses	356,882	175,436	141,984	121,245	GRI 404-1			

Payroll

LUKOIL Group staff costs

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPIECA	Other
LUKOIL Group	RUB mln	147,284	151,528	169,235	180,464	213,775				UNCTAD C2.2
✓ Payroll	RUB mln	138,180	142,809	159,842	170,214	201,672				BPIs MED 24
✓ Social benefits and payments, social support for employees	RUB mln	8,125	7,977	8,539	9,222	10,918				BPIs
✓ Training	RUB mln	979	742	854	1,028	1,185				BPIs MED 30
Including in the Russian entities	RUB mln	105,267	107,432	121,705	137,041	159,475				BPIs
✓ Payroll	RUB mln	98,883	101,446	115,006	129,478	150,743				BPIs
✓ Social benefits and payments, social support for employees	RUB mln	5,670	5,403	5,995	6,702	7,750				BPIs
✓ Training	RUB mln	714	583	704	861	982				BPIs MED 30

Notes. Expenses on social benefits and payments and social support for employees include payments under collective bargaining agreements but do not include social payments made from the payroll fund.

The payroll data for an oil refinery in Italy (ISAB S.r.l) were taken into account for Q1 2023; starting from Q2 2023 the data are not collected due to the sale of the asset.

Average salaries at the Russian LUKOIL Group entities

Indicators	UoM	2021		2022		2023		Reporting systems			
		Average salary (LUKOIL) in the region	Average salary in the region	Average salary (LUKOIL) in the region	Average salary in the region	Average salary (LUKOIL) in the region	Average salary in the region	GRI	SASB	IPECA	Other
Regions where production facilities are located											
Astrakhan Region	RUB	108,298	41,694	118,200	46,880	157,642	52,889				BPIs
Volgograd Region	RUB	74,009	38,055	79,837	42,630	89,308	49,462				BPIs
Kaliningrad Region	RUB	103,129	41,645	106,245	47,330	123,128	54,674				BPIs
Nenets Autonomous Area	RUB	149,479	95,480	163,247	106,068	178,533	118,415				BPIs
Nizhny Novgorod Region	RUB	80,726	41,508	89,960	46,556	98,491	54,204				BPIs
Perm Territory	RUB	86,664	45,555	92,547	52,066	107,364	60,944				BPIs
Komi Republic	RUB	116,518	59,691	130,472	67,895	145,049	76,811				BPIs
Samara Region	RUB	65,238	42,886			76,706	55,780				BPIs
Saratov Region	RUB	69,902	37,073	75,206	42,293	85,804	49,585				BPIs
Stavropol Territory	RUB	61,906	37,354	70,458	41,396	79,563	47,053				BPIs
Khanty-Mansi Autonomous Area – Yugra	RUB	119,812	85,372	131,118	97,486	147,246	107,700				BPIs
Yamal-Nenets Autonomous Area	RUB	147,733	116,203	163,842	131,163	185,436	145,130				BPIs
Krasnodar Territory	RUB	58,034	40,774	65,330	48,399	74,701	55,930				BPIs
Tyumen Region	RUB	176,773	83,928	183,751	94,629	202,926	105,533				BPIs
Rostov Region	RUB	43,167	39,090	51,234	44,766	74,645	51,724				BPIs

Indicators	UoM	2021		2022		2023		Reporting systems			
		Average salary (LUKOIL) in the region	Average salary in the region	Average salary (LUKOIL) in the region	Average salary in the region	Average salary (LUKOIL) in the region	Average salary in the region	GRI	SASB	IPECA	Other
Regions where oil product supply entities and service and management entities are located											
Moscow (excluding PJSC LUKOIL)	RUB	131,591	111,092	182,566	122,824	230,747	136,401				BPIs
Republic of Bashkortostan	RUB	79,704	41,662	89,211	48,349	104,099	56,720				BPIs
Vologda Region	RUB			53,885	53,289	62,479	59,190				BPIs
Moscow Region	RUB	68,853	63,410	80,019	70,182	90,452	82,457				BPIs
Saint-Petersburg (city)	RUB	82,531	75,958	91,083	84,489	103,203	95,125				BPIs
Sverdlovsk Region	RUB	53,572	48,415	59,925	55,247	72,901	64,581				BPIs
Chelyabinsk Region	RUB	51,344	43,778	57,317	50,100	68,670	58,425				BPIs
Republic of Udmurtia	RUB					63,754	52,502				BPIs

Notes. The average salary in the regions of operation is given for January through December of each reporting year.

Given the large number of Russian regions where the LUKOIL Group entities operate, the indicator is disclosed by significant regions, i.e., the constituent entities of the Russian Federation where the headcount of at least one entity of LUKOIL Group comprises 500 people or more (though the total number of the LUKOIL Group entities meeting this criterion may be more than one).

Average salary in regions where one Group entity operates = Average salary at that entity.

Average salary in regions where more than one Group entity operates = Weighted average for all entities operating in the region (regardless of their headcount).

Corporate governance

Composition of the Board of Directors of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Chairman of the Board of Directors	people	1	1	1	1	1	GRI 2-9			
Independence of the Chairman of the Board of Directors at appointment	people	No	No	No	No	No	GRI 2-9			
Independent directors	people	6	6	6	3	3	GRI 2-9			
Non-executive directors	people	2	3	3	3	5	GRI 2-9			
Executive directors	people	3	2	2	3	1	GRI 2-9			
Total number of Board members	people	11	11	11	9	9	GRI 2-9			MED 37
Percentage of independent directors	%	55	55	55	33	33	GRI 2-9			
Number of sustainability and climate-related issues addressed at Board of Directors meetings	issues	20	13	20	24	19	GRI 2-9			UNCTAD D1.4 BPIs

Note. In accordance with the recommendations of the Corporate Governance Code of the Bank of Russia, executive directors are defined as persons employed by the Company. The data for 2023 are given as at October 24, 2023.

Gender composition of the Board of Directors of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Men	people	9	9	9	8	7	GRI 405-1			
Women	people	2	2	2	1	2	GRI 405-1			UNCTAD D1.2
Percentage of women	%	18	18	18	11	22	GRI 405-1			UNCTAD D1.2 MED 44

Tenure of members of the Board of Directors of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Up to 5 years	people	4	7	6	8	6	GRI 2-9			UNCTAD D1.3
Up to 10 years	people	2	1	2	0	1	GRI 2-9			UNCTAD D1.3
Over 10 years	people	3	3	3	1	2	GRI 2-9			UNCTAD D1.3

Percentage of independent members of the Board of Directors committees

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors	%	100	50	50	33	20	GRI 2-9			
Audit Committee	%	100	100	100	67	67	GRI 2-9			
Human Resources and Compensation Committee	%	100	100	100	67	67	GRI 2-9			

Qualification balance of the Board of Directors members of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Percentage of members of the Board of Directors of PJSC LUKOIL competent in sustainability and climate-related issues	%	73	73	73	78	78	GRI 2-9			

Strategy, Investment, Sustainability and Climate Adaptation Committee of the Board of Directors of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of members	people	4	4	4	3	5	GRI 2-9			
Number of meetings (in-person and remote)	meetings	7	7	8	8	5	GRI 2-9			UNCTAD D1.4
Number of sustainability and climate-related issues addressed	issues	20	10	11	12	8	GRI 2-9			BPIs
Percentage of women	%	25	25	25	0	20	GRI 405-1			UNCTAD D1.2

Persons responsible

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of vice-presidents responsible for sustainability issues	people	1	1	1	1	1	GRI 2-9			

Health, Safety and Environmental Committee of PJSC LUKOIL

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Number of members	people	11	15	15	13	14	GRI 2-9			
Number of meetings (in-person and remote)	meetings	2	2	2	2	3	GRI 2-9			UNCTAD D1.4
Number of sustainability and climate-related issues addressed	issues	7	8	7	9	13	GRI 2-9			BPIs
Percentage of women	%	0	0	0	0	0	GRI 405-1			UNCTAD C1.1

Task Forces (number of members)

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Decarbonization and Climate Change Adaptation Task Force	people		15	37	54	58				
Sustainability Task Force	people	13	13	13	13	13				

Quality of corporate governance

Indicators	UoM	2019	2020	2021	2022	2023	Reporting systems			
							GRI	SASB	IPECA	Other
Incidents of corruption and theft (number of cases completed in the reporting year)	incidents		0	0	0	0	GRI 2-27			MED 43
							GRI 205-3			
Incidents of violation of antitrust laws (number of significant cases completed in the reporting year)	incidents	0	0	1	0	0	GRI 206-1	EM-RM-520a.1		
Number of employee appeals on corporate ethics, employment practices, and human rights issues reviewed	appeals	7	9	5	9	5	GRI 2-26			
Number of incidents of human rights violations (including those related to discrimination)	incidents	0	0	0	0	0	GRI 2-27			
							GRI 406-1			

Appendix 8. Independent Practitioner’s Assurance Report

JSC “Kept”
Naberezhnaya Tower Complex, Block C
10 Presnenskaya Naberezhnaya
Moscow, Russia 123112
Telephone +7 (495) 937 4477
Fax +7 (495) 937 4499



Independent Audit organization’s Assurance Report on LUKOIL Group Sustainability Report for 2023

To the Shareholders of PJSC LUKOIL

Introduction

We were engaged by the Management of PJSC LUKOIL (“the Management”) to issue a report on LUKOIL Group (“the Group”) Sustainability Report for 2023 (“the Report”) which includes a limited assurance conclusion on whether the Report is prepared, in all material respects, with reference to the Global Reporting Initiative Sustainability Reporting Standards (“the GRI Standards”).

Management’s Responsibilities

Management is responsible for the preparation of the Report that is free from misstatement with reference to the GRI Standards, and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal control system relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. It also includes: determining the Group’s objectives in respect of sustainable development performance and reporting, including the identification of key stakeholders groups and their material issues; selecting applicable requirements of the GRI Standards; preventing and detecting fraud; identifying and ensuring that the Group complies with the laws and regulations applicable to its activities; selecting and applying appropriate policies; making judgments and estimates that are reasonable in the circumstances; maintaining adequate records in relation to the information included in the Report; ensuring that staff involved in the preparation of the Report is properly trained; information systems are properly updated and that any changes in the reporting system encompass all key business units.

Our Responsibilities

Our responsibility is to perform procedures to obtain evidence in respect of the Report prepared by Management and to report thereon in the form of a limited assurance conclusion that the Report is prepared, in all material respects, with reference to the GRI Standards based on the evidence obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (ISAE 3000) issued by the International Auditing and Assurance Standards Board.

ISAE 3000 requires that we plan and perform our procedures to obtain a limited level of assurance about whether the Report is prepared, in all material respects, with reference to the GRI Standards.

Our Independence and Quality Management

We have complied with the independence and ethical requirements established by the Russian *Rules on Independence of Auditors and Audit Firms* and the Russian *Code of Professional Ethics for Auditors*, and by the *International Code of Ethics for Professional Accountants* (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which are based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

PJSC LUKOIL
Independent Audit Firm’s Limited Assurance Report on LUKOIL Group Sustainability Report for 2023
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We apply the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Procedures Performed

The procedures selected, and our determination of the nature, timing and extent of these procedures is a matter of our professional judgment, including the assessment of risk of material misstatement during the preparation of the Report, whether due to fraud or error, our understanding of the Group’s activities, as well as other engagement circumstances.

In making these risk assessments, we considered internal control system relevant to the Management’s preparation of the Report in order to design procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Group’s internal control.

Our engagement also included: assessing the appropriateness of the information included in the Report, the suitability of the GRI Standards used by Management in preparation of the Report in the circumstances of the engagement; evaluating the appropriateness of the methods, policies and procedures, used in the preparation of the Report and the reasonableness of estimates made by Management.

The procedures we developed based on the performed risk assessment are a combination of inspections, confirmations, recalculations, analytical procedures and inquiries.

Our procedures included, but were not limited to, the following:

- inspection of the processes used by PJSC LUKOIL to identify topics and issues material to the Group’s key stakeholder groups, with the purpose of understanding such processes in the Group, as well as analysis of information from open sources on topics and issues material to key stakeholder groups of other organizations in the industry, with the purpose of determining the level of completeness of disclosure of such topics and issues in the Report;
- interviews with Management representatives and officers at the corporate center and subsidiaries regarding the sustainable development strategy and policies regulating material issues in areas of importance for the Group, stage of implementation of such policies, and procedures for collecting information on sustainable development;
- interviews with employees of the corporate center and subsidiaries responsible for providing the information for the Report;
- conducting procedures at the level of PJSC LUKOIL, Moscow, and the following subsidiaries:
 - LLC LUKOIL-West Siberia, Kogalym
 - LLC LUKOIL-Uzbekistan Operating Company, Tashkent
 - LLC LUKOIL-Perm, Permwhich were selected based on risk analysis using qualitative and quantitative criteria;
- comparing the information presented in the Report with data from other sources to determine its completeness, accuracy and consistency;
- assessing the completeness of qualitative and quantitative information on sustainable development against the GRI Standards;
- reading and analyzing information on sustainable development included in the Report to determine whether it is in line with our understanding and knowledge of the Group’s sustainable development activity;
- recalculation of quantitative data and inspection of underlying documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Engaging entity: PJSC LUKOIL	Audit firm: JSC "Kept"
Registration number in the United State Register of Legal Entities № 1027700035769	Principal registration number of the entry in the Register of Auditors and Audit Organizations No. 12006020351

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Criteria Used

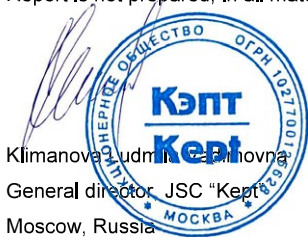
To evaluate the Report, GRI Standards were used which are available at the link: <https://www.globalreporting.org/standards/>

Inherent Limitations

Due to the limitations inherent in any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on the procedures performed, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, with reference to the GRI Standards.



9 July 2024

Contact details

Hotline for corruption violations

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Hotline for business ethics compliance

✓ E-mail: ethics@lukoil.com

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For FFS operations:

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✓ E-mail: hotline@lukoil.com

For lubricants:

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✓ E-mail: masla-support@lukoil.com

For partners

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For shareholders

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In case of any inquiries about the Report, please contact

Coordination Center for Corporate Activities

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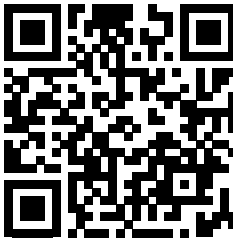
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LUKOIL on social media



<https://t.me/lukoilofficial>

The data on future production and investment plans contained in the Report are based on forward-looking information. Such words as ‘believe,’ ‘anticipate,’ ‘expect,’ ‘estimate,’ ‘intend,’ ‘plan’ and similar expressions are indicative of the forward-looking nature of the statement. Actual results may differ from the anticipated results, estimates, and intentions contained in the forward-looking statements. PJSC LUKOIL does not guarantee that the anticipated operating results contained in the forward-looking statements will be actually achieved. In each case, such statements represent one of the many possible outcomes only, therefore, they should not be regarded as the most probable outcome.