

- particular, targets for GHG emission reduction were disclosed and the achievement of targets for key environmental impacts was shown.)
- It is recommended that more details be provided on measurable results of biodiversity conservation measures (as part of updating information on sustainable development, information on areas covered by environmental monitoring is published on the Company's website.)
 - It is recommended that reporting on contaminated land remediation be supplemented with information on the total area of land in need of remediation to provide a better understanding of the Company's objectives and results. **(Done.)**
 - It is recommended that information be disclosed on the volumes of waste buried on land, considering the importance of these issues for the current environmental agenda. (The indicator is being prepared for disclosure in Sustainability Report 2021).
- The positive practice of pipeline reliability disclosure should continue. **(Done.)**
- It is recommended that the following reports include evidence of feedback from program participants, provide examples of their assessment in relation to the development and implementation of social programs. **(Done** — quotations of diverse stakeholder groups representatives of the regions of presence are included.)

Appendix 3. Incidents and financial sanctions

Oil spills

During the preparation of the Report, in May 2021, there was a significant spill of oil (oil-containing liquid) in the Komi Republic.

Oshskoe field (Nenets Autonomous Area)

On the May 11, 2021 during the overflight of the territory by employees of LUKOIL-Komi, a leakage of oil-containing liquid was identified. The leakage was caused by the depressurization of the pipeline from the multiphase pumping station of the Oshskoe field to booster pump station No. 5 of the Kharyaginskoe field on the territory of the Nenets Autonomous Area. The spill occurred at a distance of about 300 meters from the coastline of the Kolva River, and part of the liquid ran into the river. Information about the identified leak was promptly communicated to the regional bodies of the Federal Service for Environmental, Technological and Nuclear Supervision (Rostekhnadzor) and the Federal Service for Supervision of Natural Resources (Rosprirodnadzor), as well as to the unified duty and dispatch service for the Nenets Autonomous Area.

According to the classification system of Rostekhnadzor, this situation is an emergency. Thus an emergency regime at the municipal level was introduced in the region. LUKOIL delivered all necessary equipment to eliminate the consequences of the leakage to the emergency site. At the time of preparation of the Report, work was being performed to localize the spill and collect oil-containing liquid from the coastal territory and the water surface of the Kolva river.

More detailed information will be provided in the Report for 2021.

In 2020, there were four significant oil spills at the Russian entities of LUKOIL Group.

Vostochno-Lambeysorskoye field (the Komi Republic)

On September 25, 2020, while conducting a routine flight over the pipeline route using a UAV, an iridescent oil film was detected near the bank of the Laya River. The route runs through a swampy and hard-to-reach area, so prompt detection of the incident without a UAV would have been impossible. The LUKOIL-Komi employees immediately communicated the news to PJSC LUKOIL and government authorities.

Within four hours of the spill detection, rescue teams installed temporary oil traps along the route of the rainbow film, set the first three lines of booms, washed the rainbow film off the river banks, and sprayed and collected the used sorbent. In addition, two more lines of booms were deployed to prevent the oil slick from moving towards the villages of Shchelyabozh and Zakhharvan.

On September 26, a local emergency state was imposed, which was lifted on October 7 after full completion of work on mitigating the consequences of the spill. On October 14, the Investigative Committee and the Federal Service for Supervision of Natural Resources (Rosprirodnadzor) with the participation of LUKOIL-Komi employees assessed the environmental conditions and water samples were taken from the Laya River in seven locations. The analysis results showed that the maximum permissible concentration of oil products in the water was not exceeded at any of the collection points.

The reason for the depressurization of the oil collection reservoir was due to violations made during its construction. Depressurization resulted from high internal stress.

Kharyaginskoye field (the Komi Republic)

On October 17, 2020, employees of LUKOIL-Komi discovered a spill at a section of an inactive oil pipeline 25 meters from the Kolva River's bank. Within three hours, the task force flew over the territory, identified hazardous zones, established factors complicating operations to mitigate the consequences (high speed of the river flow, difficult terrain, adverse weather conditions).

Rescuers from the emergency rescue team installed the first line of barrier and sorbent booms at the point of pipeline depressurization. The water in the river was treated with sorbent, which was then collected and disposed of. To prevent the spread of the oil spot and keep the oil from entering the Pechora River, the operational headquarters decided to install five additional lines of booms (with a total length of 4 thousand meters) downstream of the Kolva River. Taking into account the difficult conditions at the site, the best methods of mitigating the consequences were applied.

- Uninterrupted real-time transmission of data from the scene of the accident to LUKOIL's operational headquarters and government agencies was organized. For this purpose, a small satellite communications station was delivered to the spill site, video cameras were installed at the work sites, and teams were organized to ensure uninterrupted operation of communications facilities.
- UAVs were used to transmit real-time images that enabled experts to forecast the speed and direction of the oil film spreading on the river surface.

On October 18, 2020, a municipal state of emergency was introduced in the municipalities of Usinsk (the Komi Republic) and Zapolyarny District (the Nenets Autonomous Area). The emergency state was lifted after completion of all work on October 23.

Representatives of LUKOIL-Komi, the Investigative Committee and the Federal Service for Supervision of Natural Resources took water samples from the Kolva River at 10 locations on a daily basis. By the time the work was completed, the maximum permissible concentration of oil products in water was no longer exceeded. The results of mitigating the consequences of the incident were reviewed by the State Commission and environmental organizations. The head of the Federal Service for Supervision of Natural Resources noted the prompt response to the situation by LUKOIL-Komi.

The main reason for the pipeline depressurization was recognized to be uncoordinated actions of the personnel during the performance of work. The investigation of the incident has not yet been completed. In 2021, monitoring of the natural environment for pipeline depressurization site and on the Kolva River is scheduled. Additionally, reclamation of land disturbed during the mitigation of consequences from the oil spill is to be carried out.

Klyuchevoye field (the Khanty-Mansi Autonomous Area — Yugra)

On 13 April, an incident involving the entry of an oil-contaminated liquid into the Nong-Egan River was discovered during patrols along the routes of the pressure oil pipeline. Employees of the territorial production enterprise Pokachevneftegaz sent an

operative report and information about the incident to government authorities.

Within two hours of the incident, Pokachevneftegaz employees installed four lines of booms to prevent the movement of oil products down the river, treated water with sorbent, and collected used sorbent. Machinery and mobile units were used to localize the consequences of the spill (skimmers, motor pumps, tanks, sorbent, etc.). After clearing the incident site, the contamination was eliminated, and the territory was cleaned in accordance with the plan of measures in place in advance for localization and mitigation of consequences of accidents at Pokachevneftegaz. Based on the investigation results, corrosion was recognized to be the cause of the depressurization of oil pipeline. Reclamation of this area began in 2021.

Investigated occupational injuries of 2019

The investigation of the car accident that occurred on 3 December 2019 at UralOil was completed in 2020. The following measures were taken based on its results:

- The information was communicated to the regular employees of UralOil and to the employees of the contractor transport organization¹.
- Unscheduled training on transportation safety was held for the contractor personnel.

In order to prevent similar incidents in the future, circumstances and causes of the accident were communicated to employees of all the Company's entities and it was proposed to use the investigation results when identifying future hazards and risks.

¹ Description of the accident is presented in the Sustainability Report 2019.

Significant environmental fines in 2020

In 2020, LUKOIL-Komi was subject to five decisions imposing significant¹ administrative fines totalling RUB 105 million. All the fines were related to damaged soil rehabilitation in forest areas in order to eliminate the consequences of accidental oil (oil-containing liquid) and formation water spills. The speed of work by LUKOIL-Komi

was significantly limited by weather conditions and the territorial remoteness of the sites. These circumstances hindered completion of all the work within the established timeframe, which resulted in the imposition of administrative sanctions. The sanctions imposed for these violations were the maximum amount due to their repeated nature.

After the court ruling entered into force, LUKOIL-Komi transferred funds

to the budget of the Usinsk urban district municipality. LUKOIL-Komi developed and implemented a land reclamation plan to accelerate forest area rehabilitation. At the time of preparation of this report, measures to restore forest plots had been completed, and it is planned that this plot of land will be accepted by the Republican Commission for Acceptance of Oil-Contaminated and Recultivated Lands in autumn 2021.

Appendix 4. GRI content index

This report has been prepared and published in accordance with the GRI Standards (Core option)

102-55 GRI Standards and Indicators Table

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
GRI 101. Reporting Principles		Appendix 5. Individual GRI Standards and Indicators, p.172	
GRI 102. General information.(General Disclosures 2016)			
1. Organizational profile			
102-1	Name of the organization	About the Company: highlights of the year	
102-2	Activities, brands, products, and services	About the Company: highlights of the year, p. 18. Two-page openings: Business Model, Geography	LUKOIL Group
102-3	Location of headquarters	About the Company: highlights of the year Conclusion	LUKOIL Group
	Other sources: https://www.lukoil.com/Company/contacts		
102-4	Geography of operations	Two-page opening Geography https://www.lukoil.com/Company/BusinessOperation/GeographicReach	LUKOIL Group
102-5	Ownership and legal form	Annual Report	
	Information about the share capital and securities of PJSC LUKOIL is available on the corporate website: https://www.lukoil.com/InvestorAndShareholderCenter/Securities/sharecapital		
102-6	Markets served	Two-page opening Geography	LUKOIL Group

¹ In accordance with the Company's definition of significant fines, see Appendix 6.