

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.

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
102-7	Scale of the organization	About the Company: highlights of the year, p. 18	LUKOIL Group
102-8	Information on employees and other workers	Our employees	LUKOIL Group
	The information on employment agreements is consolidated by the Company without a breakdown by permanent and temporary employees. Workers who are legally recognized as being self-employed, or individuals other than permanent and temporary employees of LUKOIL Group entities are not significantly engaged in operations		
102-9	Supply chain	Stakeholder Engagement, p. 37 Supply chain, p. 42	LUKOIL Group
102-10	Significant changes to the organization and its supply chain		
	Data on the supply chain are not consolidated		
102-11	Precautionary principle	"Safety", p. 69 and "Environmental protection", p. 97	LUKOIL Group
102-12	External initiatives	Two-page opening Material topics of the Report	LUKOIL Group
102-13	Membership of associations	Appendix 5. Individual GRI Standards and Indicators	LUKOIL Group
2. Strategy			
102-14	Statement from senior decision-maker	Message from the President of PJSC LUKOIL, p. 2	LUKOIL Group
102-15	Key impacts, risks and opportunities	Risk management, p. 29	LUKOIL Group
3. Ethics and integrity			
102-16	Values, principles, standards and norms of behavior	https://www.lukoil.com/Company/CorporateProfile Ethics and human rights, p. 33	LUKOIL Group
102-17	Mechanisms for advice and concerns about ethics	Ethics and human rights, p. 33	LUKOIL Group
4. Governance			
102-18, 102-19	The corporate governance system is detailed in the Annual Report for 2020, page 27, as well as on the corporate website: https://www.lukoil.com/Company/CorporateGovernance		
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance system, p. 27 Carbon management system, p. 50	LUKOIL Group
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder engagement, p. 37	LUKOIL Group
102-22– 102-28	The corporate governance system is detailed in the Annual Report for 2020, page 27, as well as on the corporate website: https://www.lukoil.com/Company/CorporateGovernance		
102-29	Identifying and managing economic, environmental, and social impacts	Two-page opening LUKOIL Group's strategic goals in sustainable development	LUKOIL Group
102-31	Review of economic, environmental, and social topics	Stakeholder engagement, p. 37	LUKOIL Group
102-32	Highest governance body's role in sustainability reporting	Governance system, p. 27 Carbon management system, p. 50	LUKOIL Group

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
102-33	Communicating critical concerns	Governance system, p. 27 Carbon management system, p. 50	LUKOIL Group
102-35– 102-37	The corporate governance system is detailed in the Annual Report for 2020, page 88, as well as on the corporate website: https://www.lukoil.com/Company/CorporateGovernance		
102-38	Highest-paid employees' compensation to average pay of the other employees of the Company (excluding the highest-paid staff) ratio	Annual report 2020, p. 116	LUKOIL Group
	The indicator is disclosed partially, as concerns compensation of the Board of Directors and Management Committee members		
5. Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement, p. 37	LUKOIL Group
102-41	Collective bargaining agreements	Website https://www.lukoil.com/Sustainability/Ouremployees/Socialpartnership Ethics and human rights, p. 33	LUKOIL Group
102-42	Identifying and selecting stakeholders	Stakeholder engagement, p. 37	LUKOIL Group
102-43	Approach to stakeholder engagement	Two-page opening Material topics of the Report, p. 12	
102-44	Key topics and concerns raised		
6. Reporting practice			
102-45	Entities included in the financial statements	Appendix 1. LUKOIL Group's structure as per IFRS	LUKOIL Group
102-46	Defining report content and topic boundaries	About the Report, p. 16 Appendix 2. Identification of material topics of the Report	LUKOIL Group
102-47	List of material topics	Appendix 2. Identification of material topics of the Report	LUKOIL Group
102-48	Restatements of information		
	GHG emissions and energy consumption for production purposes indicators were recalculated for 2020 and previous periods in accordance with the Company's approved boundaries and approaches to accounting for and reporting on greenhouse gas emissions		
102-49	Changes in the list of material topics and material topic boundaries	Appendix 2. Identification of material topics of the Report	LUKOIL Group
	The list of material topics remained the same as in the Sustainability Report for 2019. The boundaries of material topics are specified in the respective Report sections. The indicator boundaries are specified in the relevant sections of the Report as well as in Appendix 7 and Appendix 8 (published in the web-version of the Report)		
102-50	Reporting period	About the Report, p. 16	LUKOIL Group
102-51	Date of most recent report		
102-52	Reporting cycle		
102-53	Contact point for questions regarding the report	p. 156	
102-54	Statement of compliance with the GRI Standards	Appendix 4. GRI Content Index	
102-55	GRI Standards and Indicators Table	Appendix 4. GRI Content Index	
102-56	External assurance	About the Report, p. 16 Appendices 157	

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
GRI 103. Management Approach 2016			
103-1	Explanation of the material topic and its boundary	Appendix 2 . Identification of material topics of the Report	
	The boundaries of material topics are specified in the respective Report sections. The indicator boundaries are specified in the relevant sections of the Report as well as in Appendix 7 and Appendix 8 (published in the web-version of the Report)		
103-2	The management approach and its components		
	The management approach is disclosed in the Report before each material topic or issue.		
103-3	Evaluation of the management approach		
	Management approaches are evaluated within the framework of certification and supervisory audits of relevant management systems, and as part of corporate inspections. Information on those activities is contained in the Report.		
GRI 201. Economic Performance 2016			
201-1	Direct economic value generated and distributed economic value	Appendix 7	LUKOIL Group
201-3	Defined benefit plan obligations and other retirement plans	Social Policy, p. 132	LUKOIL Group
GRI 202. Market Presence 2016			
202-1	Standard entry level wage by gender in significant areas of operations	Social Policy, p. 132	LUKOIL Group
202-2	Proportion of senior management hired from the local community (foreign operations)	Labor relations, p. 126	LUKOIL Group
GRI 203. Indirect Economic Impact 2016			
203-1	Infrastructure investments and services supported	External social policy priorities, p. 146	LUKOIL Group
	The indicator is disclosed partially.		
GRI 204. Procurement Practices 2016			
204-1	Proportion of spending on local suppliers in significant areas of operations	Supply chain, p. 42	Russian entities of LUKOIL Group
GRI 206. Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and human rights, p. 33	LUKOIL Group
GRI 207. Tax 2019			
207-1, 207-2, 207-3	Management approaches	Ethics and human rights, p. 33	LUKOIL Group
	State Payments Reports have been published on the corporate website since 2015: https://www.lukoil.com/InvestorAndShareholderCenter/RegulatoryDisclosure/reportonpaymentstogovernments		

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GRI 302. Energy 2016			
103-1, 103-2, 103-3	Management approaches	Energy conservation, p. 61	Russian entities of LUKOIL Group
	Department responsible – Department of Energy Efficiency and Energy Supply of PJSC LUKOIL		
302-1	Energy consumption within the organization	Energy conservation, p. 61	LUKOIL Group
302-3	Energy intensity	Energy conservation, p. 61	LUKOIL Group
302-4	Reduction of energy consumption	Energy conservation, p. 61	LUKOIL Group
GRI 303. Water and Effluents 2018			
303-1, 303-2	Interactions with water as a shared resource. Management of water discharge-related impacts	Water resources, p. 103	LUKOIL Group
	Department responsible – Environmental Safety and Decarbonization Department of PJSC LUKOIL		
303-3	Water withdrawal	Water resources, p. 103 Appendix 7	LUKOIL Group
303-4	Water discharge	Water resources, p. 103 Appendix 7	LUKOIL Group
GRI 304. Biodiversity 2016			
304-1, 304-2, 304-3	Protected or rehabilitated areas	Biodiversity conservation, p. 114	
GRI 305. Emissions 2016			
103-1, 103-2, 103-3	Management approaches	Emissions, p. 108 Appendix 7	LUKOIL Group
	Department responsible – Environmental Safety and Decarbonization Department of PJSC LUKOIL		
305-1	Direct GHG emissions (Scope 1)	Reporting, p. 53 Appendix 7	LUKOIL Group
305-4	GHG emissions intensity (Scope 1)	Reporting, p. 53 Appendix 7	LUKOIL Group
305-5	Reduction of GHG emissions	Reporting, p. 53 Appendix 7	LUKOIL Group
305-6	Emissions of ozone-depleting substances (ODS)		LUKOIL Group
	The Company does not use ozone-depleting substances (ODS) on an industrial scale.		
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Emissions, p. 108 Appendix 7	LUKOIL Group
GRI 306. Affluents and Waste 2016			
103-1, 103-2, 103-3	Management approaches	Water resources, p. 103 Waste, p. 109	LUKOIL Group
	Department responsible – Environmental Safety and Decarbonization Department of PJSC LUKOIL		
306-1	Water discharge by quality and destination	Water resources, p. 103 Appendix 7	LUKOIL Group

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
306-2	Waste by type and disposal method	Waste, p. 109 Appendix 7	LUKOIL Group
306-3	Significant spills	Pipeline transport reliability in Russia, p. 79	Russian entities of LUKOIL Group
306-4	Transport of hazardous waste		LUKOIL Group
	LUKOIL Group entities do not transport hazardous waste. See details on waste disposal in the Waste section.		
GRI 307. Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Statutory compliance, p. 35 Appendix 3	LUKOIL Group
GRI 308. Supplier Environmental Assessment 2016			
103-1, 103-2, 103-3	Management approaches	Supply chain, p. 42	LUKOIL Group
	Regulations: Regulations on Holding Tenders to Select Suppliers and Contractors of LUKOIL Group Entities; HSE Policy of PJSC LUKOIL in the 21st Century; PJSC LUKOIL Standard Health, Safety and Environment Management System: Contractors Requirements.		
308-1	New suppliers that were screened using environmental criteria	Supply chain, p. 42	LUKOIL Group
GRI 401. Employment 2016			
103-1, 103-2, 103-3	Management approaches	Employment, p. 126	LUKOIL Group
	Department responsible — HR Policy Department of PJSC LUKOIL		
401-1	New employee hires and employee turnover	Employment, p. 126	LUKOIL Group
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Appendix 7	LUKOIL Group
	Social benefits are granted to all employees, regardless of the type of employment.		
GRI 402. Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	Appendix 5. Individual GRI Indicators	LUKOIL Group
GRI 403. Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Integrated management system, p. 73 Occupational health and safety, p. 85	LUKOIL Group
	Department responsible – Environmental Safety and Decarbonization Department of PJSC LUKOIL		
403-2	Hazard identification, risk assessment, and incident investigation	Industrial safety, p. 76	LUKOIL Group
	Additional information published on the website xxx		
403-3	Occupational health services	Occupational health and safety, p. 85	
	Additional information published on the website xxx		
403-4	Worker participation, consultation, and communication on occupational health and safety	Information published on Website https://www.lukoil.com/Sustainability/Safety	LUKOIL Group
403-5	Worker training on occupational health and safety	Appendix 7	LUKOIL Group

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403-6	Employee health	Occupational health and safety, p. 85	LUKOIL Group
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety, p. 85 Worker protection during the pandemic, p. 124	LUKOIL Group
	Additional information published on the website https://www.lukoil.com/Sustainability/Safety		
403-8	Workers covered by an occupational health and safety management system	Integrated HSE management system, p. 73	LUKOIL Group
	Since the Company has in place an integrated HSE management system certified under ISO 14001 and ISO 45001 standards, the proportion of employees covered by this management system is the same in terms of environmental protection management and labor protection management.		
403-9	Work-related injuries	Occupational health and safety, p. 85	LUKOIL Group
GRI 404. Training and Education 2016			
103-1, 103-2, 103-3	Management approaches	Training and development p. 136	LUKOIL Group
	Department responsible – Department of Personnel Assessment and Development of PJSC LUKOIL		
404-1	Average hours of training per year per employee	Training and development p. 136	LUKOIL Group
404-2	Programs for upgrading employee skills and transition assistance programs	Appendix 5	LUKOIL Group
404-3	Percentage of employees receiving regular performance and career development reviews	Appendix 7	PJSC LUKOIL
	Information is provided without breakdown by gender and categories of employees, as this information is not consolidated and is not used to manage this issue in the Company.		
GRI 405. Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Appendix 7	LUKOIL Group
405-2	Ratio of basic salary and remuneration of women to men	Social Policy, p. 132	
	Additional information published on the website https://www.lukoil.com/Sustainability/Ouremployees		
GRI 406. Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Ethics and human rights, p. 33	LUKOIL Group
GRI 407. Freedom of Association and Collective Bargaining 2016			
	The management approach	Human rights, p. 33	LUKOIL Group
	Information published on the website https://www.lukoil.com/Sustainability/Ouremployees		
GRI 408. Child Labor 2016			
	The management approach	Human rights, p. 33	LUKOIL Group
	Additional information published on the website https://www.lukoil.com/Sustainability/Humanrights		

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GRI 409. Forced or Compulsory Labor 2016			
	The management approach	Human rights, p. 33	LUKOIL Group
	Additional information published on the website https://www.lukoil.com/Sustainability/Ouremployees		
GRI 411. Rights of Indigenous Peoples 2016			
103-1, 103-2, 103-3	Management approaches		LUKOIL Group
	Information published on the website https://www.lukoil.com/Sustainability/Humanrights . Unit responsible — Regional Communications Department of PJSC LUKOIL		
411-1	Incidents of violations involving rights of indigenous peoples	Support of Indigenous Minorities of the North, p. 155	LUKOIL Group
GRI 412. Human Rights Assessment 2016			
103-1, 103-2, 103-3	Management approaches		LUKOIL Group
	Additional information published on the website https://www.lukoil.com/Sustainability/Humanrights		
412-1	Operations that have been subject to human rights reviews or impact assessments	Human rights	LUKOIL Group
GRI 413. Local Communities 2016			
103-1, 103-2, 103-3	Management approaches	External social policy priorities, p. 146	LUKOIL Group
	Department responsible – Public Relations Department of PJSC LUKOIL		
413-1	Operations with local community engagement, impact assessments, and development programs	External social policy priorities, p. 146	LUKOIL Group
	All the Company's subsidiaries of the business segments "Exploration and Production" and "Refining, Marketing and Distribution", as well as major entities of the "Corporate and Other" business segment have programs in place related to local community engagement		
GRI 415. Public Policy 2016			
GRI 415-1	Political contributions	Anti-corruption policy, p. 34	LUKOIL Group
	According to the Anti-corruption policy of PJSC LUKOIL, the Group is not involved in any political activity either in Russia or abroad, 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). In 2020, political contributions — none; incentive payments to representatives of state authorities — none.		

Index	Indicator	Section and page of the Report	Boundaries of topics and indicators
GRI 419. Socioeconomic Compliance 2016			
103-1, 103-2, 103-3	Management approaches Regulations: Anti-monopoly Policy. Department responsible: Legal Support Department of PJSC LUKOIL	Ethics and human rights, p. 33	LUKOIL Group
419-1	Significant fines and non-financial sanctions for non-compliance with laws and regulations in the social and economic area	Statutory compliance, p. 35 Appendix 3	LUKOIL Group

Appendix 5. Individual GRI indicators

GRI 102 General information

102-13 Membership of associations

PJSC LUKOIL and LUKOIL Group entities participate in a number of national trade and professional associations.

Russia

The National Council for Professional Qualifications under the President of the Russian Federation: PJSC LUKOIL is a member of the Council

The Council for Professional Qualifications in the Oil and Gas Industry of Russia: PJSC LUKOIL is a member of the Council

Russian Union of Industrialists and Entrepreneurs (RSPP): PJSC LUKOIL is a member of the Union

The Airport Civil Aviation Association: LUKOIL-AERO is a member

Europe

Belgium. The Belgian Petroleum Federation and BUSINESSEUROPE: LUKOIL Belgium N.V. is a member of these organizations

Bulgaria. The Bulgarian Oil and Gas Association and the BULGARIAN ECONOMIC FORUM: LUKOIL-BULGARIA

EOOD seats on the governing bodies of these organizations and is also a member of the Donor Assembly of the Energy Efficiency And Renewable Sources Fund

Croatia. Croatian Energy Regulatory Agency (Hrvatska energetska regulatorna agencija) and Croatian National Tourism Board (Hrvatska turistička zajednica): LUKOIL Croatia Ltd. is a member of these organizations (membership is mandatory), as well as a member of the Croatian Chamber of Commerce and Industry (Hrvatska gospodarska komora)

Italy. UNEM Unione Energie per la Mobilità: LUKOIL Italia Srl is a member

Macedonia. The Macedonian-Russian Chamber of Commerce and Industry: LUKOIL MACEDONIA LTD Skopje is a member

Montenegro. The Association of Oil and Petroleum Product Distributors of Montenegro and the Chamber of Commerce of Montenegro: LUKOIL MONTENEGRO DOO is a member of these organizations, while a representative of LUKOIL MONTENEGRO DOO is also a member

of the Management Board of the Union of Energy and Extractive Industry of Montenegro

Netherlands. Netherlands Organisation for the Energy sector: LUKOIL Netherlands B.V. is a member

Republic of Moldova. The Chamber of Commerce and Industry of the Republic of Moldova: LUKOIL-Moldova SRL is a member and participates in its projects

Serbia. The National Petroleum Committee of Serbia (a member of WPC, the World Petroleum Council) and the Association of Oil Companies of Serbia (Udruženje Naftnih Kompanija Srbije): LUKOIL SERBIA PLC Belgrade sits on the governing bodies of these organizations and takes an active part in their initiatives