

HEALTH, SAFETY AND ENVIRONMENT POLICY OF LUKOIL GROUP IN THE 21st CENTURY

LUKOIL Group's strategic mission is to be a competitive oil and gas company and deliver sustainable business growth guided by highest quality standards, environmental friendliness and commitment to social responsibility principles.

While being aware of its social responsibility, the Company intends to contribute to the long-term economic growth and social stability, promote prosperity and progress, preserve favorable environmental conditions and ensure the efficient use of natural resources in the regions of LUKOIL Group's presence; and it expects the society to recognize the complexity and magnitude of the tasks faced by the Company.

LUKOIL Group's social responsibility implies creating decent working conditions and salary, ensuring environmental safety and preserving cultural heritage.

LUKOIL sets the following priority goals: ensuring safe working conditions for employees;

improving HSE conditions and mitigating risk of accidents at hazardous sites due to, among others, the increased reliability of process equipment, including pipeline integrity, its safe and accident-free operation, introduction of new technologies and automated accident-prevention systems;

ensuring preparedness of the management of LUKOIL Group organizations, employees, emergency rescue services and teams for possible accidents, fires and emergency-response measures, and also increased preparedness and better equipment of firefighting and emergency rescue teams;

advancing development and implementation of programs aimed at continuous tracing and tackling of principal tasks in the area of industrial, fire, environmental and occupational safety, as well as emergency prevention;

mitigating of man-caused load from newly commissioned and redesigned facilities through improved quality of assessment of planned activities on environment and climate; and preparation of pre-design and project documentation;

improving efficiency of production control, corporate supervision and internal audit in terms of compliance with the legislative HSE requirements at the facilities of LUKOIL Group organizations based on the introduction of cutting-edge information technologies, methods of engineering diagnostics and remote monitoring in line with the international standards ISO 14001, ISO 45001.

To achieve the set targets, LUKOIL Group assumes the following obligations:

implement the whole range of available and viable measures to prevent risk of injuries, occupational illnesses among employees, accidents and emergencies;

prioritize planned and implemented actions and measures aimed at preventing impact on employees, local population, environment and climate over measures to mitigate the related consequences;

ensure consistent and continuous improvement of properties and characteristics of the impact produced by planned and implemented activities, products and services on employees, local population, environment and climate, and also of the impact produced

assess the impact produced by planned business activities, products and services upon the health of employees, local population and upon the environment at early stages of the planned activities, including additional assessment of risks when planning works in environmentally sensitive areas;

assess industrial, professional, environmental and fire risks, ecological aspects related to environmental impact, and climate change risks at all stages of a facility's life cycle;

make and implement all managerial and production-related decisions taking into account environmental aspects; industrial, professional, environmental, climate and fire risks;

plan and undertake integrated measures to preserve biological diversity seeking to:

- avoid operations in the habitats of valuable and specially protected plants and animals, in especially sensitive environmental zones, in plant-vegetation seasons, during breeding and migration periods of wild animals, or minimize the impact when it is impossible to avoid the operations within certain territories and during certain seasons;
- reduce areas of disturbed lands, preserving the maximum landscape integrity;
- prevent or mitigate impact on the wildlife of LUKOIL Group employees and third parties acting on its behalf;

hold all employees of LUKOIL Group organizations responsible for compliance of their operations with effective HSE, fire and emergency response rules and standards; introduce incentive measures, ensure training and personnel development programs as related to the employees of the Company and LUKOIL Group organizations;

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