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SOCIAL CODE OF PJSC LUKOIL

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2.5.1. Social support to non-

To this end, the Company publishes its Sustainability Report and its Annual Report that deal with the key aspects of social responsibility, on a regular basis.

establishes and supports local rules and regulations, the structure and funding mechanisms of the HSE management system based on constantly improving standards and norms;

creates favorable opportunities for public control;

identifies and studies potential hazards for employees' lives and health and the environment, and undertakes measure to eliminate or mitigate them;

ensures the use of cutting-edge technologies and management methods to reduce waste, minimize noxious effects on the environment, and save natural resources;

constantly improves production based on the global experience in the development and introduction of safe technology and equipment;

maintains the priority of prevention in HSE at each production stage;

timely informs all stakeholders in case of pollution, including oil and petroleum product spills;

undertakes measures to consistently reduce the levels of waste and discharges of pollutants and reduce their toxicity regardless of production volumes by using modern environmental technologies, equipment, materials and management techniques

ensures the adherence of all contractors to HSE standards and regulations that are on a par with those of the Company;

supports an open dialogue with all stakeholders and issues regular updates on the Company's environmental protection efforts.

The Company consistently seeks to ensure:

safe and ergonomic workplace organization;

control over targeted and specialized protection of the rights of pregnant women, nursing mothers, mothers of many children and women of reproductive age working in hazardous conditions;

provision of functional and quality special-purpose clothing and footwear to all employees engaged in production;

provision of pure drinking water to employees at all workplaces;

proper sanitary and hygienic conditions and conveniences at all workplaces;

access of its employees to quality hot meals.

2.1.5. Social policy with respect to young employees

Given the fact that PJSC LUKOIL's sustainable development potential hinges on the influx of qualified and competent young employees, the Company pursues a policy that aims to:

create jobs for young employees;

develop the institute of mentorship;

combine young employees' job commitments with an opportunity to continue their education, improve their skills and develop professionally;

facilitate housing of young employees and their families;

provide material assistance to young employees and their families to relocate to and settle at a new place of work.

2.2. Quality of labor and living conditions of employees and members of their families

While acknowledging responsibility for the creation of decent job and living conditions for employees and their families, the Company takes measures, first and foremost, in the following areas:

2.2.1. Healthcare

In order to maintain and improve mental and physical health of each employee the Company:

- funds activities that aim to safeguard the health of employees;
- introduces internal regulations to provide pre-treatment and first aid at the workplace- based on the Russian legislation and international health standards;
- keeps track of and analyzes cases of illness, and causes of disability and death of employees;
- monitors labor conditions and health of employees;
- uses regular medical checks and morbidity rate assessment to develop long-term and annual general morbidity prevention and health improvement programs for its employees that include vaccination and sanatorium treatment;
- sponsors regular check-ups of employees;
- allocates funds for sanatorium treatment for its employees;
- consistently promotes a healthy lifestyle and illness prevention among its employees using corporate mass media.

2.2.2. Health improvement, sports, fitness and leisure

While promoting the development and maintenance of a healthy lifestyle the

staff-related targets and in accordance with labor contracts;

enhance employee solvency to improve their living conditions by providing mortgage loan mechanisms;

provide targeted financial assistance to employees to solve their housing

2.4. Corporate insurance and social welfare

While meeting its commitments to participate in public social insurance systems and provide all employees with mandatory social security, the Company supports and develops additional corporate insurance and social security in the following ways:

2.4.1. Voluntary health insurance

The corporate voluntary health insurance plans for employees aim to boost accessibility, scope and quality of medical assistance and services and are based on the following principles:

- adherence to PJSC LUKOIL Group's Unified Rules of Voluntary Health Insurance;

- financing of the voluntary health insurance program;

- ensuring that employees can expand their voluntary insurance plan at their own expense;

- ensuring permanent independent oversight of the quality of healthcare provided in medical institutions in order to protect employees' rights and interests.

2.4.2. Industrial accident insurance

The Company is guided by the principle of prioritizing the employees' lives and health to performance results;

Employees are insured at the corporate level to increase protection of employees from industrial accidents.

2.4.3. Non-state pension plans

The long-term objective of LUKOIL Group's non-state pension support as part of the corporate pension system is to enhance wage loss indemnity. The Company believes that the economically viable way to achieve this objective should be based on the following:

- maintaining the non-state pension system funded by the Company for employees, who retired before 2004 (before the roll-out of the equity participation in pension savings), who are engaged in underground work, disabled persons and children of deceased employees;

- creating conditions for the employer's equity participation in employees' pension savings.

The Company interacts as necessary with private pension funds in line with effective laws and the corporate pension system to protect rights and interests of its employees and retirees (the company's former employees).

major employer in the regions of their presence, the Company conducts its business on the following principles:

mutually beneficial cooperation with the regional and municipal authorities to ensure socio-economic development of the area;

socially responsible treatment of both the LUKOIL Group employees and the local population.

While developing production in such regions and creating quality job and living conditions for its employees, the Company is prepared for shared participation in the repair, reconstruction and construction of social and service facilities and cultural buildings.

3.2. Environmental activities

As a major subsoil user, the Company recognizes its social responsibility to

3.4. Preservation of ethnic and cultural uniqueness

The Company greatly appreciates the additional opportunities derived from the rich national and cultural diversity of its employees and the local residents in the regions of its presence. This is reflected in its business, which is guided by the following principles:

- maintaining and upholding the traditions of ethnic tolerance and goodwill characteristic of the multinational oil industry;

- creating conditions to preserve national and cultural traditions, values, arts and crafts in the regions of its presence;

- respecting the religious beliefs of employees and the local residents and assisting in the revival of national religious shrines;

- assisting indigenous minorities in obtaining access to vocational training, skilled jobs, higher education, and also to better recreation and health conditions.

To this end, the Company, to the extent possible, takes the following steps:

- partial compensation of the costs of vouchers for summer recreation, including the cost of trips for children of the employees who are members of indigenous minorities;

- payment for higher education of students who are members of indigenous minorities studying at oil and gas universities;

- assistance in the renovation of national historical monuments;

- assistance in renovation and construction of places of worship for the representatives of different faiths in the regions of the Company's presence;

- provision of material and organizational support to folk art groups, institutions providing arts education to children, and other organizations working to develop folk arts and crafts;

- assisting in the organization of competitions, festivals, and concerts of folk art groups;

- assisting in the organization of trading in souvenirs, hand-made goods and traditional crafts in cities, with a view to provide material support to the small businesses of indigenous peoples.

saw combat action or died in military conflicts or in the course of law enforcement operations;

environment where those with physical disability can take full advantage of provided

observance of the fundamental labor principles and rights, adopted by the International Labour Organization, and of current international standards; efficient HSE policy.

FINAL PROVISIONS

While realizing that it is impossible for a business to make independent social commitments in a competitive environment, the Company expects solidarity of other market players and cooperation on the part of state and local authorities.

The Company will take all measures necessary to meet the commitments contained in the present Social Code.