



LUKOIL Group
**HUMAN RIGHTS
POLICY**



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INTRODUCTION

Policy assignment

The LUKOIL Group Human Rights Policy¹ (the “Policy”) has been designed to define the LUKOIL Group’s position and formalize approaches to managing issues of human rights observance and protection.

The Policy sets forth the Company’s commitment to recognize and respect human rights and spells out the human rights obligations enshrined in the Code of Business Conduct and Ethics of PJSC LUKOIL, the Social Code of PJSC LUKOIL, the Anti-Corruption Policy of PJSC LUKOIL, the Human Capital Management Policy of PJSC LUKOIL, the Health, Safety and Environment Policy of LUKOIL Group in the 21st century.

The key objectives of the Policy are:

- to define the Company’s basic principles and obligations related to observance and protection of human rights
- to determine basic mechanisms and tools that ensure observance and protection of human rights by the Company
- to express the Group’s commitment to international and national values, principles, and standards of human rights observance and protection.

In the course of developing this Policy, requirements of international standards; requirements and legal norms of the Russian legislation and laws of the countries where the Company operates; principles and initiatives in the area of respecting and protecting human rights; international law; Russian and global oil & gas industry practices; as well as expectations of the Group’s stakeholders were thoroughly considered.

Policy scope

This Policy applies to PJSC LUKOIL and other entities within the LUKOIL Group, whose internal documents must be aligned with this Policy, provided that there are no contradictions with the applicable laws.

All employees of the Group must be made familiar with the Policy.

The Group encourages its suppliers and contractors along the extended supply chain, as well as other stakeholders, to respect the internationally acknowledged human rights, principles of the United Nations Global Compact, provisions of this Policy and the Code of Business Conduct and Ethics of PJSC LUKOIL.

¹ “LUKOIL Group”, “LUKOIL”, “the Company”, “the Group” refer to PJSC LUKOIL and LUKOIL Group entities, unless specified otherwise.

FUNDAMENTAL PROVISIONS

Legal framework

PJSC LUKOIL respects and observes human rights stipulated in international standards, requirements and legal norms of the Russian legislation, and local laws of countries of presence. The Group acknowledges its human rights obligations to persons affected by the Group's activity or products, including to employees, local communities, indigenous peoples, human rights defenders, and other stakeholder groups, and enforces the fulfilment of obligations assumed in all regions of operation and at all stages of production.

The Group operates in accordance with the following fundamental documents:

- **International Bill of Human Rights consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights**
- **UN Guiding Principles on Business and Human Rights**
- **Convention for the Protection of Human Rights and Fundamental Freedoms**
- **UN Declaration on the Rights of Indigenous Peoples**
- **UN Global Compact**
- **OECD Guidelines for Multinational Enterprises**
- **International Labor Organization Declaration on Fundamental Principles and Rights at Work and its Follow-up**
- **Extractive Industries Transparency Initiative (EITI) voluntary principles**
- **IFC's Performance Standards on Environmental and Social Sustainability.**

Group commitments

The Group has determined its key commitments to respect and protect human rights that it strives to observe at all stages of production activities.

Employment relationship rights

The Group respects and guarantees its employees the right to fair and decent working conditions.

The remuneration received by all our employees is at least equal to the statutory minimum wage in the region of operation.

The Group precludes the use of forced or coerced labor. The Company forbids any form of physical, sexual, or other abuse, including any form of humiliation of human dignity.

The Group has zero tolerance for child labor. In case any instance of child labor is identified, the Company shall immediately suspend the child from work.

The Company respects its employees' right to rest, limits working hours, provides business day breaks, weekends and public holidays, and paid annual leaves.

The Company complies with its obligations to participate in public social insurance systems and provide all employees with mandatory social protection. In addition, the Company maintains and develops supplementary corporate social insurance and social security. For more details on the Group's approach in this area, please see the Social Code of PJSC LUKOIL.

The Group prohibits any form of discrimination against employees, job candidates, and other stakeholders based on gender, age, race, nationality, religion, disability, origin, political view, affiliation with non-governmental organizations, and other features, taking into account the norms of international law and the legislation of Russia and other countries where the Company operates. The Company ensures equal opportunities upon hiring, providing access to training, determining remuneration, career promotion, dismissal, retirement, and in other employment relationships. Decisions made as part of employment relationships are based on employees' professional qualities, skills, and knowledge.

The Group strives to create comfortable and equal conditions at work for people with disabilities and special needs and provides information on the working conditions created for them additionally.

Safety and health rights

One of the Group's priorities is to provide the working conditions that conform to the legally established occupational safety and health requirements, the provisions of local regulations, and best practices in this area.

The Group carries out regular assessments of working conditions at workplaces, for which purpose it conducts special assessments of working conditions, exercises production control and analyzes occupational health and safety risks.

The Group does not force employees to perform tasks that compromise their safety. If any health or safety risk is identified, the employee must promptly notify their immediate supervisor to this effect. The Company guarantees there will be no punishment or retaliation for reporting the identified risk.

The Group engages public and private security services to ensure employee safety and safeguard the Company's assets. Individuals implicated in abusing human rights must not be engaged in security activity. Security officers do not use physical force unless necessary. The use of physical force is only possible to the extent required to avert the threat to life or health of employees and security officers. In case any human rights violation by security officers is identified, the Company shall investigate and follow-up the incident.

The Group cooperates with employee representatives, state authorities, and other stakeholders to ensure security and implement the best practices in this area.

Freedom of association and collective bargaining rights

The Group respects and ensures the employees' right to create trade unions and other associations, engage with non-governmental organizations at their own discretion, be involved in collective bargaining and conclude collective bargaining agreements. To maintain meaningful dialogue, representatives of the Group's management hold regular meetings with employee representatives.

The Group provides employee representatives with facilities and information to promote the development of efficient collective bargaining agreements and to hold collective bargaining.

The Group recognizes the right of employees to strike as a way to resolve collective labor disputes if such strikes and employee participation therein do not violate laws of relevant countries.

Economic, social and cultural rights

The Group acknowledges and respects everyone's right to an adequate standard of living for themselves and their families, including the right to access clean drinking water and sanitation, the right to continuous improvement of living conditions, and the right to a healthy environment. The Group respects the right to security, including as part of international humanitarian law.

The Group recognizes and respects the right to freedom of expression, security of person, privacy of personal and family life, and non-infringement of honor and reputation of anyone whom the Company may affect.

The Group promotes education among its employees and other stakeholders, develops skills and educational development programs for employees and participates in funding programs for educational institutions.

The Group respects employees' rights to be involved in cultural life and to use the results of scientific and technological progress. The Company promotes cultural heritage preservation, sponsors sports events, and runs several social and charity projects, including those aimed at creating and preserving contemporary cultural values.

Local communities and indigenous peoples' rights

The Group supports social and economic development of its regions of operation, carries out projects in these areas, and strives to establish a long-term cooperation with local communities. In case of disagreement or a conflict situation between the Group and local communities, their representatives or human rights defenders, the Group seeks to resolve disputes through productive dialogue.

The Group recognizes and respects the rights of local communities, especially indigenous peoples, as set forth in international standards, international law, and the legislation of Russia and other countries where the Company operates, as well as in principles and initiatives for observing and protecting human rights.

The Group respects national and cultural traditions, values, arts, and crafts of indigenous peoples. The Company promotes development of their arts and crafts and encourages preservation of their national and cultural identity.

The Group strives to protect the environment of the territories inhabited or used by local communities, specifically by indigenous peoples, and refrains from any activities on the territories of architectural, historical, or cultural value for this stakeholder group. The Group has zero tolerance for land grabbing, takes steps to prevent and mitigate its impacts on lands, territories, and resources traditionally related to livelihood of indigenous peoples.

When planning new projects and operations, the Group strives to avoid involuntary resettlement of local communities and indigenous peoples. If the relocation of families and communities appears unavoidable, the Company undertakes to comply with the requirements of applicable laws and holds consultations with the representatives of affected parties and carries out such relocation only with the Free, Prior and Informed Consent (FPIC) of the relocated population. The Company recognizes the right of affected parties to compensation for damages or losses that have arisen from the resettlement, as well as the right of indigenous peoples to return to their traditional lands, should the cause of their relocation cease to exist.

At all project stages, the Group holds regular consultations with local communities and indigenous peoples, keeps minutes of meetings to consider opinions of such stakeholder groups and make sure they participate in making decisions that affect their lives and activities.

Management of human rights risks

The Group arranges for the receipt and processing of requests regarding observance and protection of human rights, including those submitted by employees, customers, partners, shareholders, and local communities, in all local languages in the regions of the Group's operation. Messages may be conveyed using telephone lines, email, and public relations centers of the LUKOIL Group entities. The Group also expects its supply chain members to establish their own channels for receiving feedback and to provide opportunities for their stakeholders to submit complaints and suggestions.

The Group commits not to prevent stakeholders from getting access to judicial, non-judicial, or other grievance mechanisms or require of the affected parties to waive their statutory right to bring claims to court or have them addressed out of court.

Where complaints and concerns are filed in court or via any of the aforementioned channels, the affected party, its representatives and human rights defenders may report violations or suspected violations of human rights either anonymously or by providing their contact information. The Group guarantees confidentiality in the course of verifying complains and concerns, fairness and objectivity in taking measures to respond

to such complains and concerns, and no punishment, disciplinary actions, retaliation, and threats at all stages of considering such complains and concerns.

All messages on human rights violations shall be investigated in order to check facts, determine response measures, and prevent future occurrence of violations. The Company's management monitors the Company's performance in respect of human rights, including compliance with the obligations set forth in the Company's public documents, and regularly reports the results of such monitoring to the Board of Directors. Information on incidents of human rights violation and action taken is reported to stakeholders. The Group carries out regular assessments of the key risks related to human rights observance and protection. Based on the results of assessments, priority response measures are developed, aimed to prevent and mitigate risks and to remediate adverse impacts when appropriate.

Where human rights are violated, each individual has the right to apply to the person who violated their rights for compensation for harm in accordance with the procedure established by applicable law (including international legal acts recognized by the Russian Federation). The Company does not prevent individuals from exercising their statutory right to request compensation and fully complies with valid court judgements awarding damages.

The Group monitors the effectiveness of responses to existing and potential human rights violations with respect to stakeholders affected by the Group's operations or products. Information on the results of such monitoring is reported to stakeholders by means of including relevant disclosures in the Group's non-financial reporting on an annual basis.

To formalize objectives and mechanisms of taking measures designed to observe and protect human rights the Group develops engagement plans for various groups of stakeholders and publishes information about the implemented activities in the field of observance and protection of human rights, as well as in the field of development and involvement of local communities and indigenous peoples.

FINAL PROVISIONS

The Policy has been approved by the Board of Directors of PJSC LUKOIL and will be reviewed as necessary to ensure compliance with the requirements of the effective Russian laws and international regulations in the area of human rights respect and protection and is implemented successfully. All revised versions of this Policy shall be approved by the Board of Directors of PJSC LUKOIL.

An independent and objective assessment of the implementation of the LUKOIL Group Human Rights Policy and compliance with LUKOIL Group obligations in the area of respect for and protection of human rights shall be performed by the Internal Audit Service of PJSC LUKOIL during audits and consultations.