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## LUKOIL DEVELOPS CARBON MANAGEMENT SYSTEM

LUKOIL reports on the approval of the amendments to the Group's *Health, Safety and Environmental Protection in the 21st Century Policy (the Policy)* aimed at further development of the Company's carbon management system. The amendments were made pursuant to the resolution of the Company's Board of Directors to start developing further goals to reduce GHG emissions taking into consideration international best practices and economic feasibility.

The amended Policy includes the priority goal for minimizing the Company's impact on climate through application of the best available technologies, as well as obligations to continuously improve climate impact indicators and conduct assessment of risks of such impact at planning stage.

To accomplish this priority goal and meet obligations, the Company has already been working on improving its corporate GHG accounting and reporting system. As part of this work, the Company will conduct the inventory of direct and indirect GHG emissions under the GHG Protocol standard.

The Policy also reflects changes related to LUKOIL's shift to the new ISO 45001 occupational health and safety standard. In particular, according to the amended Policy the Company commits to hold consultations with the employees on industrial, fire, environmental and occupational safety, as well as prevention of and preparedness for emergency response issues.

The Policy is available on the Company's website.

## Information:

LUKOIL is one of the leaders among international oil and gas companies with lowest intensity of GHG emissions.

LUKOIL has been delivering on measures to reduce GHG emissions for more than fifteen years.

The Company has been implementing the Efficient Associated Petroleum Gas (hereinafter – APG) Use Program since 2003 and as a result the efficient APG use rate increased to 97.6% by 2019. In 2005 LUKOIL started to implement the provisions of the Kyoto Protocol and carried out a number of projects in the following years. In 2016 LUKOIL has set its first mid-term target to reduce Scope 1 GHG emissions by 1.2% by 2020 from 2016 baseline across the Group's

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Russian entities. As of 2019, the actual reduction of GHG emissions reached 3.3% Moreover, the Company continuously implements energy efficiency projects and has been developing renewable power generation for over ten years.

Committed to reliability of data and consistency of information disclosure, the Company has been disclosing the data on methane emissions since 2004; and since 2014 has been participating in the CDP project to disclose information on its Scope 1 GHG emissions, emissions management system, major climate change risks and opportunities.

The reliability of disclosed data on GHG emissions has been verified by KPMG since 2017 as part of the audit of LUKOIL Sustainability Report.