PRESS RELEASE
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LUKOIL COMPLETES THE INVENTORY OF GHG EMISSION SOURCES AND EMISSIONS CALCULATION IN ACCORDANCE WITH INTERNATIONAL STANDARDS

PJSC "LUKOIL" reports the completion of inventory of greenhouse gas (GHG) emission sources and calculation of direct and indirect emissions in accordance with international standards.

The inventory of GHG emission sources has been carried out in accordance with the GHG Protocol standard. The operational and organizational accounting boundaries were consequently expanded resulting in a more comprehensive assessment of emissions volume. The calculation of GHG emissions was also conducted in accordance with the GHG Protocol standard (previously the Company applied the methodology adopted in 2015 by the Russian Ministry of Natural Resources and Environment).

For the first time the calculation was performed for indirect GHG emissions from generation of purchased energy (Scope 2), as well as for other indirect GHG emissions from the use of the Group's own products sold, including sales of oil, gas and oil products (Scope 3).

GHG emissions of LUKOIL Group, million tonnes CO2-e

	2016	2017	2018	2019
Direct emissions (Scope 1)	40.17	40.47	39.62	39.82
including methane emissions	1.54	1.40	0.96	0.77
Indirect emissions from generation of purchased energy (Scope 2)	10.44	10.45	8.95	8.64
Other indirect emissions from the use of the Group's own products sold (Scope 3)	-	-	-	385.72

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Scope 1 GHG emissions decreased by 0.9% in 2019 as compared to 2016 despite hydrocarbon production growth, mainly due to implementation of associated petroleum gas (APG) efficient use programs, and the volume of methane emissions was halved. Scope 2 GHG emissions were reduced by 17% owing to development of in-house power generation and implementation of energy saving programs.

The calculation of direct and indirect GHG emissions has been verified by international audit company KPMG.

Information:
LUKOIL is one of the leaders among international oil and gas companies with lowest Scope 1 GHG emissions intensity. LUKOIL has been successfully delivering on measures to reduce GHG emissions for more than fifteen years.
The Company has been implementing the APG efficient use programs since 2003 and was the first oil company in Russia to endorse the World Bank "Zero Routine Flaring by 2030" initiative.
In 2005 LUKOIL started to implement the provisions of the Kyoto Protocol and implemented 9 projects in the following years which allowed to reduce GHG emissions in the amount of 6 million tonnes of CO2-e per year.
LUKOIL places special attention on increasing energy efficiency. Energy saving activities carried out in 2017-2019 allowed to reduce GHG emissions by 286 thousand tonnes of CO2-e in 2019. The Company has the ISO 50001:2011 compliant energy management system in place.
Another important area LUKOIL has been working on for more than 10 years is developing power generation from renewables. In 2019 the share of commercial electric power generation from renewables amounted to 6%.