

We believe the main way to reduce injuries is to further improve the HSE Management System of LUKOIL Group and to increase the motivation of employees and management of subsidiaries to ensure safe work.

In 2017 the Company began implementing new tools to increase safety levels in this regard:

- over 200 leadership safety visits were held, with the participation of

line managers – from the senior vice president of PJSC LUKOIL to the management of subsidiaries

- Safety Days were held throughout the Company, with the participation of key contractors
- Cooperation Plans with key contractors on health, safety and environment issues were introduced at LUKOIL Group subsidiaries

In order to further improve health and safety, plans are under way to bolster work in the following areas:

- improve the operational efficiency of decision-making to prevent and/or resolve emergencies
- increase the commitment of both management and employees in ensuring and complying with safe working methods
- establish the necessary terms and conditions to prevent emergencies at contractor (subcontractor) organizations

## Maintaining employee health

Against a backdrop of a low level of work-related illnesses at LUKOIL Group subsidiaries, the vast majority

of registered instances were identified at the Yareganefit oil mining division of LUKOIL-Komi, among mine workers,

timber workers, and oil and gas production operators.



## IMPROVING THE WORKING CONDITIONS AT OIL MINES

The Yareganefit oil mining division is developing one of the oldest Timan-Pechora fields, Yaregorskoye. Operations began back in 1939. This is the only location in Russia where oil is extracted, in part through the underground thermal mining method. As in any mining method to extract minerals, the extraction method has its shortcomings – for example working in a constricted space, and heightened noise levels, vibrations, and temperature.

To reduce the impact of these adverse factors, state-of-the-art extraction technologies are being implemented at the division which will significantly reduce health risks for workers. The working conditions have also been improved thanks to the introduction of new air conditioning and ventilation systems, retrofitting of the pumping fleet, the acquisition of equipment that eliminates contact with vibration sources, the installation of computer equipment, reduction in the share of manual labor, and the use of individual protection gear.

In addition, we are implementing measures to facilitate the early identification of an employee's susceptibility to work-related diseases, thus making it possible to promptly transfer that employee to another job which does not involve contact with industrial health hazard sources.

We believe these and other measures will have a positive impact on employee health, in particular on employees who have worked for a long period at mines. Over time this will help dramatically reduce the number of registered work-related illnesses.