

LUKOIL in the Year of the Environment in Russia

The Russian Federation declared 2017 the Year of the Environment. LUKOIL and its subsidiaries were actively involved in this initiative, and held more than 100 events in the federal districts of Russia in which our enterprises operate. Reflecting our active role, LUKOIL projects were given a special award by the Ministry of Natural Resources and Environment of the Russian Federation.

Key environmental protection measures plan

During preparations for and the implementation of the Year of the Environment, the Russian Government approved a National Plan of Key Environmental Protection Measures. A number of LUKOIL ideas were incorporated into this document and a trilateral Cooperation Agreement was signed as part of the Year of the Environment between the Ministry of Natural Resources and Environment of the Russian Federation, the Federal Supervisory Natural Resources Management Service, and LUKOIL. The Company performed all its agreed upon obligations in 2017.

- the Usa and Yarega power generating centers were built in the Komi Republic

- a special site for oil production waste utilization was built in the Komi Republic, in accordance with legislative requirements¹
- a training exercise was held to simulate oil spill response times in icy conditions in the area surrounding the Varandey Terminal
- trainings were held on the rescue of animals affected by oil spills
- a project to introduce a marine environment quality management system at LUKOIL-Nizhnevolzhskneft deposits in the Caspian Sea for the period up to 2020 is being implemented; interim results were presented at the Caspian Day event in Astrakhan in August 2017

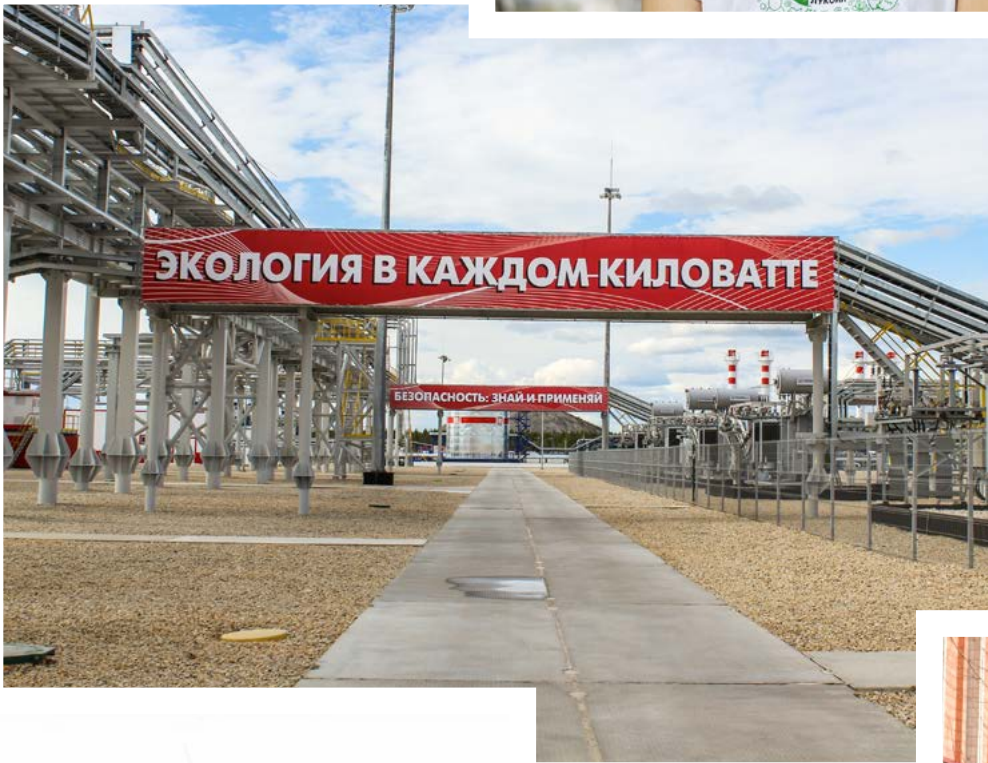
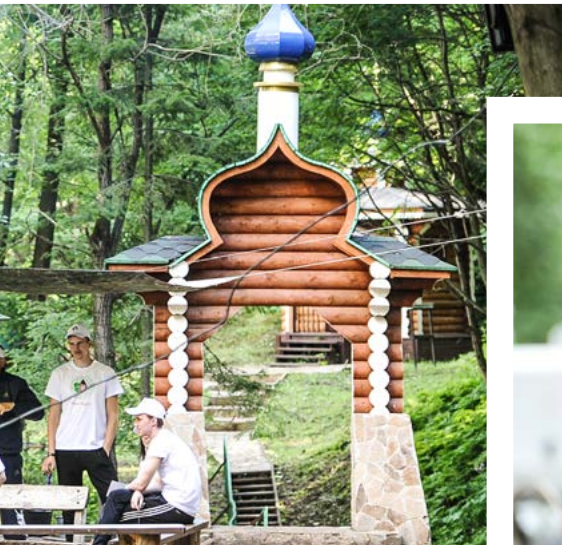
Elimination of accumulated environmental damage in the Arctic

LUKOIL supported a campaign of the government of Yamal-Nenets Autonomous Area to rehabilitate the ecosystem of the Bely and Vilkitsky islands in the Kara Sea. Volunteers from Russia, Israel, and Bulgaria, including environmental scientists and LUKOIL representatives, cleaned up over two hectares of territory and did a stocktaking of dangerous waste and abandoned infrastructure assets. More

than 100 soil, water, and vegetation samples were taken for further analysis, and two types of native grass were planted on a trial basis. The Company will provide support for another expedition of scientists and volunteers to the islands in 2018 to continue cleaning up the territory and to carry out scientific research into the local ecosystem.



¹ Site for processing solid and liquid sludge at the West-Tebukskoye field.



> 100

measures

carried out in Russian federal districts



> 100

samples

of soil, water, and vegetation were taken in the Arctic for further analysis



Planting of trees



Target 11.7.

By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

In Sochi, young professionals from LUKOIL Group subsidiaries and students from the Sirius Educational Center planted olive trees in the Natural Ornithological Park in the Imereti Lowlands. Urban greening and the greening of LUKOIL Group subsidiaries' industrial sites are performed annually in all the areas where we operate. Voluntary Saturday clean-ups and environmental campaigns are held jointly with regional and local authorities and public and youth organizations.

Regional projects

Regional organizations engaged in improving the natural terrain (rivers, streams, springs, etc.) and land plots receive annual support through the Competition of Social and Cultural Projects. The following projects were supported during the Year of the Environment.

- **“A drop of water is more valuable than a diamond”** (the cleaning of Olga's Spring in Starotimoshkino village) and **“Forgive us, Prost, we have returned to you again”** (beautification of the banks of the Prost River). Both projects were performed in the Republic of Bashkortostan.
- **“Information databank of environmental problems”**: creation of a website where information on unauthorized landfills and the pollution of water bodies and parks can be posted (Samara Region).
- **“Energy of the Deep”**: the opening of an exhibition in the World Ocean Museum that acquaints visitors with offshore oil production and related environmental topics (Kaliningrad Region).

