



## ORPHANAGES IN SERBIA

The clients of LUKOIL filling stations in the cities of Niš and Novi Sad in Serbia selected orphanages to be supported by the Company in 2017: the Institution for Mar's Children and the Center for Housing Orphans and Adoption in Nish, and the Orphanage for Street Children and the House for Children and Young People with Development Disorders in Novi Sad. The Company also provides assistance to the Primary School of Boško Buha for children with development disorders.



## SPASSKAYA TOWER - FOR CHILDREN

As part of the annual musical festival Spasskaya Tower we implement a charity campaign that has already become a tradition for the young residents in family support and children centers. Educational master classes and lectures are organized for the young residents, who get to see real officer uniforms and weaponry, and also enjoy performances by musical bands and equestrian shows. In 2017 pupils from the Assistance Center for Family Education Kahovskie Romashki and the Center for Family and Childhood Support in Zelenograd came to Moscow to attend an event, joining the Center for Family and Childhood Support of the North-West Administrative District of Moscow.

In honor of the 10<sup>th</sup> anniversary of the festival, an Art Object was placed in the area – a pumping unit for the production of oil. In addition, we developed theme-based drawings that the children were able to color in on special easels placed in the children's village.

## Sport

LUKOIL's sports program aims to promote healthy lifestyles and sport in general, and expand the number of grassroots sports projects and the diversity of their formats. The organized approach we adopt to achieving these aims includes providing continual support to sports organizations (clubs, federations, leagues, etc.) through the LUKOIL Sports Club.

We help both professional and amateur teams and are constantly looking for new ideas to implement social initiatives in this area. A sponsorship program is being developed to improve the accessibility of sports lessons for people with disabilities, in particular an adaptive physical culture. The

implementation of the program is scheduled for 2018.

In 2017 the Company sponsored the charity hockey campaign entitled With a Pure Heart, with proceeds going towards sponsoring sportsmen and children with disabilities.

In 2017 the LUKOIL Racing Team turned 20. A leading racing team, both in Russia and globally, in its anniversary year it won numerous races in Russian and international tournaments. As well as participating in tournaments, the team trains drivers and advances their careers, and develops, tests, manufactures, and prepares racing cars for competitions.

The Company sponsors the football club Spartak-Moscow, the non-profit organization Unified Basketball League, the Russian Cross-Country Skiing Federation, the LUKOIL Racing Team, the Handball Club "Zarya Kaspiya", the Spartak-Volgograd Water Polo Club, the Children's Football League, and the Automotorsport Federation of the Republic of Kazakhstan.

## ROAD SAFETY

In Italy ISAB S.r.l. finances school road safety projects. With the support of the Mayor and the Syracuse police (Carabinieri of Siracusa), the Company provides explanatory work to schoolchildren and holds a drawing contest on the topic Safety and Law and Order.

A children's and youth sports school has been established under the auspices of the Handball Club "Zarya Kaspiya", where around 900 young sportsmen regularly practice.

The Children's Champions Cup of LUKOIL (LUKOIL Cup, <http://www.lukoilcup.com/>) is an international social project aimed at tackling racial intolerance and discrimination in football. The project unites the national

associations and clubs of 40 countries and has over 3,500 participants. Children's teams from countries in Europe and Asia and well-known football players participate in the project. The Project Ambassadors are stars from

global football and coaches who have won international trophies in professional sports.

In 2017 the format and geography of the tournament were expanded: the Russian rounds of the tournament were held in the Russian cities of Sochi, Kazan, St. Petersburg, as well as Perm and Tula. The winners of the regional stages arrived in Moscow for the national

final, with the winner ("Rubin", Kazan) participating in the final round in Bulgaria.

Since 2001 LUKOIL has been supporting one of the largest children's sport organizations – the regional public organization Children's Football League (<http://www.dfl.org.ru/>). The tournament draws together over 4,000 thousand participants from 50 countries. The

final round of the tournament draw in 2017 was held in the main arena of the Bulgarian club Levsky (Sofia), with more than a 1,000 people attending.



Detailed information is published on the website



## Indigenous peoples of the North

We share the principles set forth in the United Nations Declaration on the Rights of Indigenous Peoples, the United Nations Global Compact, and the UN World Conference Resolution on Indigenous Peoples. We seek to achieve a harmonious combination of our subsidiaries' business activity on the ancestral habitats of indigenous peoples of the North (the Indigenous Peoples), thereby enabling them to retain their traditional lifestyle and business activity.

Interaction with the Indigenous Peoples is carried out within the framework of federal and regional Russian law, the licensing obligations of LUKOIL Group subsidiaries, and federal and regional support programs for the Indigenous Peoples. The main forms of interaction include:

- cooperation agreements between LUKOIL and the authorities of the regions
- economic agreements with the heads of territories on the traditional use of natural resources
- socio-economic development contracts with deer farms
- cooperation with non-governmental organizations

- sponsoring specific projects through grant-based financing as part of the LUKOIL Social and Cultural Projects Contest

Specialized divisions are responsible for the interaction, in particular the LUKOIL Public Relations Department, and surveying departments and public relations centers at LUKOIL subsidiaries.

The Russian Association of the Indigenous Peoples of the North is our constant partner, and a LUKOIL representative is a member of the Expert Advisory Board of this organization.

In 2017 a cooperation agreement was signed between LUKOIL and the Federal Agency for Ethnic Affairs. A representative of the Company is a member of the working group responsible for putting forward amendments to the procedure for conducting ethnological expert reviews of geological exploration and production projects on the territories where the Indigenous Peoples traditionally live.

Compensation payments are made annually to indigenous residents: on the territory of the Khanty-Mansi Autonomous Area-Yugra (LUKOIL-West Siberia, RITEK, LUKOIL-AIK), as part of licensing obligations; and on the territory of the Nenets Autonomous Area (LUKOIL-Komi) within the framework of contracts with deer farms. We also implement charity projects (for example, the Red Tent project in the Nenets Autonomous Area).

Mechanisms for hearing the appeals of representatives from the Indigenous Peoples and non-governmental organizations have been created, and work is successfully carried out at LUKOIL Group subsidiaries on issues related to providing assistance to or safeguarding the rights of the Indigenous Peoples. In 2017 there were 62 appeals, which related to different areas of cooperation with the Company, assistance on compensation for tuition and the treatment of the representatives of the Indigenous Peoples, the purchase of specialized equipment, and providing information on the activities and plans of the Company to support the Indigenous Peoples. No appeals were submitted that related to violations of the rights of the Indigenous Peoples.

### SUPPORT FOR INDIGENOUS PEOPLES IN RUSSIA UNDER THE LICENSING OBLIGATIONS OF LUKOIL GROUP SUBSIDIARIES, RUB million

Region	2015	2016	2017
Khanty-Mansi Autonomous Area-Yugra	275.4	274.8	311.4
Nenets Autonomous Area	29.5	29.5	30.5
<b>Total</b>	<b>304.9</b>	<b>304.3</b>	<b>341.9</b>