

The Company's obligations on rights related to ensuring a favorable environment and occupational safety are set out in more detail in the HSE policy of PJSC LUKOIL in the 21<sup>st</sup> Century.

- The Company intends to make use of all available and practicable measures to prevent accidents, occupational diseases and operational stoppages, and to reduce their impact and consequences.
- LUKOIL achieves consistent, ongoing improvements from its current and planned activities, products, and services in terms of the impact on its

employees, the general public, and the environment.



The full text of the document can be found on the Company's website



The main mechanisms for monitoring compliance with human rights comprise:

- monitoring compliance with legislative requirements

- performing internal and independent audits in the respective lines of business, including as part of supervisory audits of the management system's compliance with international standards
- performing procedures to assess the environmental impacts of production projects
- feedback channels as part of the Company's information policy

The Company's human rights activity is continually assessed during the preparation of sustainability reporting.

## Ethics and statutory compliance

In 2017 work continued on implementing the provisions of the LUKOIL Group Antimonopoly Policy approved in 2016. The Russian subsidiaries of the Group have developed and adopted in-house regulations on antimonopoly compliance, and appointed individuals responsible for monitoring compliance with antitrust legislation. Work has been carried out to inform employees about the provisions of the LUKOIL Group Antimonopoly Policy and the need to adhere to these norms in their day-to-day activities. Monitoring compliance with this document, as well as other in-house regulations aimed at preventing violations of antitrust

legislation, is entrusted to the Working Group supporting relations of LUKOIL Group subsidiaries and the Federal Antimonopoly Service of the Russian Federation (FAS) and its regional authorities on issues concerning production and commercial activity.

In 2017 the number of violations of antitrust legislation by LUKOIL Group subsidiaries declined significantly, which was related to the consistent implementation of the LUKOIL Group Antimonopoly Policy, as well as the stabilization of law enforcement practice in this area in Russia.



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In accordance with the Code of Business Conduct and Ethics of PJSC LUKOIL, the main principles underpinning the business activity of a LUKOIL Group entity are zero tolerance towards corruption in any form or manifestation, and compliance with the antitrust legislation of the countries where the Group operates.

### COMPLIANCE WITH ANTITRUST LEGISLATION BY LUKOIL GROUP SUBSIDIARIES

	2015	2016	2017
Number of completed cases of antitrust legislation violations	15	16	3
Total monetary amount of material penalties for antitrust legislation violations, RUB million	14.30	0.70	1.10

Note. Administrative fines exceeding RUB 100,000 are considered to be material penalties. The total monetary amount of fines indicator reflects the number of cases completed in the corresponding reporting period, including those commenced in previous years. (The process for considering cases until the issue of the final decision can take varying periods of time.)