

## Indicators related to occupational injuries

The results for 2018 demonstrate that the indicators related to the number of accidents and injuries at LUKOIL Group

organizations remained at the 2017 level. The main causes of accidents were falls of employees, traffic accidents,

and exposure to harmful substances, machines, and mechanisms (11 cases out of 16).

### Indicators related to the level of occupational injuries<sup>1</sup>

|   | Russian entities of LUKOIL Group | Foreign entities of LUKOIL Group |
|---|----------------------------------|----------------------------------|
| Rate of fatalities                                    | 0.01                             | 0                                |
| Rate of high-consequence injuries (net of fatalities) | 0.03                             | 0.03                             |

**Notes.** 1) The rate of fatalities as a result of work-related injury = the number of fatalities that occurred as a result of the work / the number of hours worked x 1,000,000 man-hours. 2) The rate of high-consequence<sup>2</sup> work-related injuries is the number of serious injuries resulting from work (excluding fatalities) / number of hours worked x 1,000,000 man-hours. The lower both parameters are, the better. 3) The rate of high-consequence work-related injuries for the Russian entities of LUKOIL Group includes serious accidents qualified in accordance with Russian laws.

### Indicators related to the frequency of occupational injuries

|   | Russian entities |         |      | Foreign entities |         |      |
|---|------------------|---------|------|------------------|---------|------|
|   | 2016             | 2017    | 2018 | 2016             | 2017    | 2018 |
| Lost Time Accident Frequency Rate (LTAFR) | 0.21             | 0.19    | 0.19 | 0.05             | 0.24    | 0.29 |
| Lost Time Injury Frequency Rate (LTIFR)   | no data          | no data | 0.11 | no data          | no data | 0.18 |

**Notes.** The Lost Time Accident Frequency Rate (LTAFR) = the number of fatal accidents / the average number of employees for the reporting period x 1,000 employees. The Lost Time Injury Frequency Rate (LTIFR) = the number of temporary disability injuries / the number of man-hours worked x 1,000,000 man-hours. The lower both parameters are, the better.

The main measures to reduce injuries comprise intensifying work to improve the safety culture and providing workers with modern means of individual and collective protection.

Due to greater attention in recent years from LUKOIL Group entities to occupational safety issues in contractor organizations, in 2018 the number of accidents at LUKOIL production sites saw a more than twofold decrease. At

the same time, the number of injured also declined (by almost threefold). In contractor organizations in Russia, the most frequent causes of accidents are falls of people from heights and impacts from moving loads (four out of eight total cases).

At this stage, the main measures related to improving safety in contractor organizations working at the Company's facilities are:

- Pre-tender assessments
- Technical audits of employee preparedness to perform work at the production facilities of LUKOIL Group entities
- Including the provisions of the corporate standard STO 1.6.5.-2016 "Requirements for Contractor Organizations" into contracts
- Production controls

<sup>1</sup> In accordance with the GRI Occupational Health and Safety (2018) standard.

<sup>2</sup> High-consequence work-related injuries - an accident that led to the following consequences: an employee died or was injured to such an extent that they were unable to restore their health within six months after the date of the injury, has not restored their health, or is not expected to be able to restore their health.

### Indicators related to occupational injuries in entities of LUKOIL Group and contractor organizations

|  | LUKOIL Group entities |      |      | Contractor organizations |      |      |
|--|-----------------------|------|------|--------------------------|------|------|
|  | 2016                  | 2017 | 2018 | 2016                     | 2017 | 2018 |
| <b>In Russia</b>   |                       |      |      |                          |      |      |
| 1. Total number of occupational accidents, including:                            | 18                    | 16   | 16   | 22                       | 16   | 8    |
| fatal  | 2                     | 3    | 1    | 8                        | 7    | 1    |
| high-consequence work-related injuries   | 7                     | 5    | 4    | 4                        | 4    | 3    |
| 2. Number of employees injured in workplace accidents (total number of injuries) | 27                    | 18   | 17   | 28                       | 20   | 8    |
| number of fatalities   | 4                     | 3    | 1    | 8                        | 10   | 1    |
| number of lost time injuries   | 23                    | 15   | 16   | 20                       | 10   | 7    |
| <b>Abroad</b>  |                       |      |      |                          |      |      |
| 1. Total number of occupational accidents  | 1                     | 4    | 5    | 4                        | 4    | 1    |
| 2. Number of employees injured in workplace accidents (total number of injuries) | 1                     | 4    | 6    | 4                        | 5    | 1    |

**Notes.** If during the reporting period an employee suffered more than one injury, each case is counted as a separate injury.

### Occupational health and safety training

Each year LUKOIL Group entities hold events aimed at raising worker awareness surrounding industrial and fire safety, as well as occupational health and safety and developing relevant skills and improving the quality of training in this area. Core events include:

- Conducting full-time and distance education events, the retraining and advanced training of employees

- Updating training and supervising industrial safety and occupational health and safety programs
- Introducing a special training system for staff working at hazardous facilities
- Promoting increased safety culture awareness

Situational simulators are being introduced to elaborate the actions to be taken in emergency situations, as well as improve the technical skills

necessary for working safely with complex equipment.

Using a distance learning system (hereinafter, DLS), employees have the opportunity to independently improve their skills, check how well they have mastered a topic, and obtain certifications. In 2018 the implementation of electronic briefings in the DLS continued.