

INDIGENOUS MINORITIES OF THE NORTH

We abide by the principles set forth in the UN Declaration on the Rights of Indigenous Peoples, in the UN Global Compact, and in the Resolution of the World Conference on Indigenous Peoples, and strive to achieve a harmonious combination of economic activities from our subsidiaries in the territories of the Indigenous Minorities, by ensuring that traditional lifestyles and economic activities can be maintained.

Indigenous minorities¹ of the North live in four regions of LUKOIL operations: in Khanty-Mansi Autonomous District - Yugra, Yamal-Nenets Autonomous District, Nenets Autonomous District, and Krasnoyarsk Territory.

Interaction with the Indigenous Minorities is carried out as part of the federal and regional legislation of the Russian Federation, the licensing obligations of LUKOIL Group entities, and federal and regional support

programs for the Indigenous Minorities. The main forms of interaction comprise:

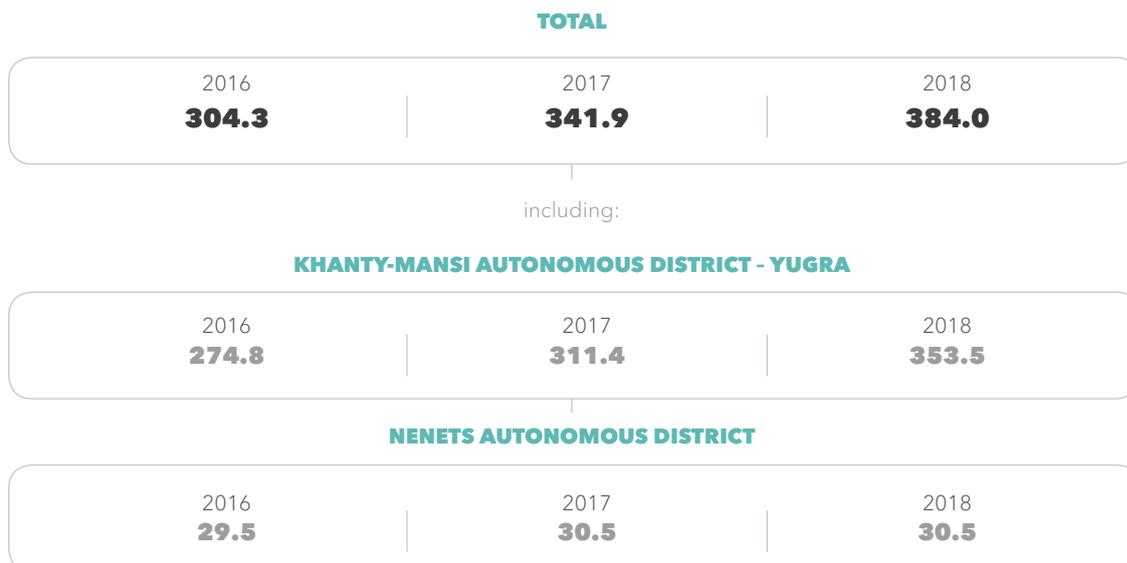
- Cooperation agreements between PJSC LUKOIL and regional administrations
- Economic agreements with the heads of territories of traditional natural resource use
- Social and economic development agreements with reindeer farms
- Cooperation with social organizations
- Supporting specific projects through grants, as part of the PJSC LUKOIL Social and Cultural Projects Competition

Since 2017, a cooperation agreement has been in effect between PJSC LUKOIL and the Federal Agency for Nationality Affairs, under which joint working and coordination advisory bodies have been established on issues related to the social, economic, and cultural development of indigenous minorities.

Compensation payments are made annually to indigenous people on the territory of the Khanty-Mansi Autonomous District-Yugra (LLC LUKOIL-West Siberia, JSC RITEK, LLC LUKOIL-AIK) under licensing obligations, and on the territory of Nenets Autonomous District (LLC LUKOIL-Komi) under agreements with reindeer farms. We also implement charity projects (for example, the "Red Chum" project in the Nenets Autonomous District).

Mechanisms which enable representatives of the Indigenous Minorities and social organizations to address LUKOIL Group entities on issues related to the support and protection of the rights of indigenous peoples have been created and are operating successfully. In 2018, no claims related to violations of the rights of Indigenous Minorities were submitted.

Support for Indigenous Minorities in Russia as part of the licensing obligations of LUKOIL Group entities, RUB million



"RED CHUM"

2018 marked the 88th anniversary of the project "Nyaryana Mya" (in Nenets, "Red Chum"). In 2017, the project was praised by the Chair of the United Nations Permanent Forum on Indigenous Issues, Mariam Waleet Aboubakrine, who proposed extending it to other territories where indigenous peoples live. The project has also been praised by the famous Russian pediatrician Leonid Roshal, who recommended extending its use to hard-to-reach mountainous areas. In 2002, PJSC LUKOIL and the social

organization Yasavey revived the Red Chum medical and social project (launched in 1930 but suspended in 1975). The purpose of the project is to make medical care available to the nomadic population of the North. Each year, a medical team arrives by helicopter at the tundra to conduct field medical examinations of local reindeer herders and their families. This is particularly essential in the Nenets Autonomous District, where most indigenous peoples have no road access to administrative centers.

In 2008, the project became long-term, annual, and scheduled: since that year, Red Chum has been administered by PJSC LUKOIL in collaboration with the Administration of the NAD; examinations are conducted by Central District Medical Center employees of the Zapolyarnyi District of the NAD.

In 2008–2018, around 6,500 indigenous people underwent medical examinations. Total financing of the Red Chum project for this period was over RUB 17.5 million.

ALL-RUSSIAN CULTURAL AND EDUCATIONAL PROJECT "TALENTS OF THE ARCTIC. CHILDREN"

In 2018, we participated in the cultural and educational project "Talents of the Arctic. Children". The project's goal is to support gifted young people of the indigenous minorities of the North. The project was initiated by our partners, the Federal Agency for Nationality Affairs of

Russia, the Association of Indigenous Peoples of the North, Siberia and the Far East of the Russian Federation, and the Association of Artists. Financial support was provided by the LUKOIL Charity Fund.

In 2018, the first summer camp for children of primary and middle school age was organized in Anapa (Krasnodar Territory). The children took part in workshops on fine and applied arts, local arts and crafts, and learned folk songs in local languages.

