Annual Report
of PJSC “LUKOIL”
for 2024

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1. Board of Directors report on the results of the priority business directions development

1.1. Financial Performance

LUKOIL Group’s IFRS consolidated financial results for the reporting period are presented in PJSC LUKOIL’s Disclosed Consolidated Financial Statements for 2024.

1.1. Exploration and production

Macro Environment

The annual average price for Brent crude oil decreased by 2 percent year-on-year to USD 81 per barrel in 2024, with Brent trading in a wide range of USD 70 to USD 94 per barrel during the year. Brent’s performance was negatively impacted by China’s slowing oil consumption and increased supply from non-OPEC+ countries. At the same time, OPEC+ countries maintained their commitment to oil production cuts throughout the year, keeping supply and demand in balance in the global market. Oil prices were supported by the start of a monetary easing cycle in developed economies, steady growth in global consumption of liquid hydrocarbons, and continued geopolitical tensions in the world.

Despite Brent’s weakness, the annual average Urals crude price grew in the reporting year mainly due to its lower oil price differentials as global logistics continued to adapt to trade restrictions against crude supplies from Russia.

Annual average oil price, USD per barrel

	2022	2023	2024	Change 2024/2023
Brent crude price	101	83	81	–2%

Reserves

LUKOIL Group has proved hydrocarbon reserves in nine countries. Most of the proved reserves are conventional, providing the Company with a significant competitive advantage that ensures low unit development and production costs. Moreover, LUKOIL is one of the leading international and Russian companies in terms of proved liquid hydrocarbon reserves life and volume.

As at the end of 2024, the Group’s SEC proved hydrocarbon reserves totaled 14.7 billion boe, including 75 percent of liquid hydrocarbons and 25 percent of gas. The Company’s proved hydrocarbon reserves life is 18 years. The Company has 60 percent of its proved hydrocarbon reserves classified as developed. These reserves can be extracted from existing wells using currently available technologies and equipment.

Concentrated mainly in West Siberia, 91 percent of the Group’s proved hydrocarbon reserves are located in Russia. The proved hydrocarbon reserves life at the Company’s Russian projects is 20 years. Outside Russia, 28 percent of LUKOIL’s proved reserves are located in Uzbekistan, where the Group is developing major gas projects.

In 2024, LUKOIL added 362 million boe to its proved reserves through geological exploration works and production drilling. The largest contribution was from the assets in West Siberia, the Caspian Sea, Timan-Pechora, and the Urals. The conversion of contingent resources to reserves added 17 million boe to proved reserves.

Hydrocarbon reserves as at December 31, million boe

	2022	2023	2024	Change 2024/2023
Total proved reserves	**15,109**	**15,074**	**14,689**	**–3%**
Liquid hydrocarbons	11,520	11,451	11,069	–3%
Gas	3,589	3,623	3,620	0%
Developed	8,991	8,930	8,792	–2%
Undeveloped	6,118	6,144	5,897	–4%
Russia	13,833	13,711	13,344	–3%
International projects	1,276	1,363	1,345	–1%
Probable reserves	**6,159**	**6,323**	**6,249**	**–1%**
Possible reserves	**2,938**	**2,696**	**2,558**	**–5%**

Licenses

Pursuant to the Russian legislation, hydrocarbon exploration and production operations require a subsoil license. LUKOIL continuously works to build its resource potential and drive its oil and gas asset portfolio performance by participating in auctions, acquiring equity in third-party entities, optimizing its license portfolio, amending existing license agreements, obtaining new licenses, and securing license renewals in reorganizations of its subsidiaries.

At the end of 2024, LUKOIL Group held 592 licenses in Russia, with 92 percent of them granting hydrocarbon exploration and production rights. The average remaining lifespan of these licenses was 31 years. The remaining 8 percent of the Company's licenses grant the right to prospect, explore, and appraise hydrocarbon deposits, with an average remaining lifespan of about two and a half years.

In the reporting year, eight new licenses covering mostly the Group's core producing regions were added to its portfolio. The Company expanded its license portfolio through the acquisition of license areas in West Siberia, the Perm Territory, and the Volga region. New licenses in the regions with a well-developed infrastructure enable maximum synergies with existing assets, reduce exploration and development costs, and speed up production launch.

In the reporting period, the Group's license portfolio evolved as follows: 40 license amendments were registered to extend the underlying licenses, 90 licenses were reregistered due to the reorganization of LUKOIL Group's oil and gas producing entities, and 6 licenses were returned upon their expiry. In addition, 257 license amendments were secured to update subsoil use terms, change license fees, and adjust the timelines and scopes of activities.

Number of LUKOIL Group's licenses in Russia as at December 31

	2022	2023	2024
Total	**587**	**590**	**592**
Exploration and production	376	374	360
Prospecting and appraisal	58	54	49
Prospecting and appraisal, exploration and production	153	162	183

Exploration

LUKOIL Group carries out exploration in 13 countries, with a focus mostly on Russia.

Our exploration activities have consistently delivered good results. In 2024, LUKOIL completed 58 prospecting wells with a success rate of 83 percent, up from 80 percent in 2023. In Russia, this figure was 81 percent. By this metric, LUKOIL is one of top performers among Russian oil and gas companies. In the reporting year, 65 deposits and 10 new fields were discovered, including 8 fields in Russia. Our high efficiency levels are driven by advanced exploration techniques and selection of the most promising areas based on research results.

LUKOIL conducts 3D seismic surveys to prepare an inventory of prospects in its exploration areas and to better understand the geology of previously discovered deposits. The volume of 3D seismic surveys reached 4,428 square kilometers in 2024. Exploration drilling totaled 247 thousand meters, almost flat year-on-year.

Exploration

	2022	2023	2024	Change 2024/2023
3D seismic surveys, square km	5,831	7,306	4,428	–39%
Exploration drilling, km	209	241	247	+3%

Exploration drilling in 2024

Total (100%)	247 thousand meters
West Siberia	59%
Urals	8%
Volga	15%
Timan-Pechora	7%
Other	2%
International projects	9%

Development and Production

LUKOIL Group produces oil and gas in eight countries. Our core operations are concentrated in four federal districts of the Russian Federation, specifically in the North-Western Federal District (the Nenets Autonomous Area, the Komi Republic, and the Kaliningrad Region), the Volga Federal District (the Perm Territory and the Republic of Tatarstan), the Urals Federal District (the Yamal-Nenets Autonomous Area and the Khanty-Mansi Autonomous Area – Yugra), and the Southern Federal District (the Volgograd and Astrakhan Regions and the Republic of Kalmykia).

Hydrocarbon production in 2024 totaled 2.2 million boe per day, with liquid hydrocarbons accounting for 75 percent of the total, and natural and associated petroleum gas (APG) making up 25 percent. Excluding the West Qurna-2 project, production declined by 2.8 percent year-on-year driven by the dynamics of external oil production limitations arising from the OPEC+ agreement.

Hydrocarbon production, thousand boe per day

	2022	2023	2024	Change 2024/2023
Total hydrocarbons	**2,333**	**2,308**	**2,244**	**–2.8%**
Liquid hydrocarbons	1,775	1,741	1,692	–2.8%
Gas	558	567	552	–2.6%
Total hydrocarbons, excluding the West Qurna-2 project	**2,315**	**2,281**	**2,217**	**–2.8%**

Crude oil

Excluding the West Qurna-2 project, our 2024 oil and gas condensate production totaled 80.4 million tonnes, down by 2.6 percent year-on-year. The dynamics of the Company's oil production in Russia and from certain international projects was driven by the parameters of the OPEC+ agreement and additional oil production cut commitments taken by certain OPEC+ countries in 2023 and 2024.

In 2024, LUKOIL produced 76.5 million tonnes of crude oil and gas condensate in Russia, down by 2.6 percent year-on-year, which accounted for around 15 percent of Russia's total production, based on the Russian Government data.

2024 saw a ramp-up in production at priority projects as planned. In particular, we continued to increase oil production at fields with low-permeability reservoirs in West Siberia and at license areas subject to the tax on additional income (TAI). In 2024, oil production was launched at a new field in West Siberia.

Our international oil and gas condensate production, excluding the West Qurna-2 project, totaled 3.9 million tonnes, down by 2.7 percent year-on-year, primarily due to repairs at projects in Kazakhstan and Azerbaijan.

Production drilling in 2024

Total (100%)	**3,505 thousand meters**
West Siberia	71%
Urals	13%
Volga	1%
Timan-Pechora	7%
Other	1%
International projects	7%

Oil production structure in 2024, excluding the West Qurna-2 project

Total (100%)	**80.4 million tonnes**
West Siberia	42%
Urals	19%
Volga	12%
Timan-Pechora	20%
Other	2%
International projects	5%

In 2024, the Group completed 3,505 thousand meters of production drilling, down by 10.6 percent year-on-year. The decrease was due to lower oil production volumes driven by changes in external limitations under the OPEC+ agreement. We commissioned 964 new oil production wells, including 933 in Russia, where 37 percent were horizontal and multilateral wells. Operating oil production well stock in use totaled 30 thousand wells as at the end of the reporting year.

Gas

Gas production structure in 2024

Total (100%)	**34.3 billion cubic meters**
West Siberia	36%
Urals	5%
Volga	6%
Timan-Pechora	6%
International projects	47%

In 2024, gas production came in at 34.3 billion cubic meters, down by 2.3 percent year-on-year.

Overall 2024 gas production in Russia was flat year-on-year at 18.1 billion cubic meters. Gas production from our international projects fell by 4.5 percent to 16.2 billion cubic meters.

1.2. Refining, Marketing and Distribution

Macro Environment

In the reporting year, the oil refining market environment deteriorated significantly from the previous year. After rising to extremely elevated levels in 2022 and 2023, European refining margins retreated to historical norms by the end of 2024, driven by lower gasoline and diesel crack spreads in Europe amid an economic slowdown in the region, the reshuffling of oil and product supplies in global markets caused by trade restrictions on hydrocarbons from Russia, and the growing supply from new refining facilities launched across the globe. However, the weakening of refining economics was softened by narrower fuel oil price discounts driven by higher demand for bunker fuel as logistics routes lengthened as a result of geopolitical tensions in the Red Sea. As a consequence, in 2024, the Brent benchmark refining margin in Europe dropped one third to USD 9 per barrel from 2023.

In the reporting year, the benchmark refining margin in the European part of Russia was also down by almost a third year-on-year to approximately USD 13 per barrel, mainly due to a lower Urals differential to Brent and a weaker ruble. The margin was supported by rising domestic prices for key petroleum products and increased damper mechanism compensations for motor gasoline.

Oil Refining

LUKOIL Group owns four refineries in Russia (in Perm, Volgograd, Nizhny Novgorod, and Ukhta) and two refineries in Europe (in Romania and Bulgaria) and has a 45-percent interest in a refinery in the Netherlands. The aggregate capacity of these refineries is 65.0 million tonnes per year (excluding mini-refineries).

In 2024, throughput at the Group’s own refineries totaled 54.3 million tonnes compared to 60.7 million tonnes in 2023. Lower refining volumes were mainly due to repairs at the Group’s Russian refineries.

Throughput in 2024 totaled 66 percent of LUKOIL’s total oil production. Refineries in Russia accounted for 75 percent of total throughput volumes.

In 2024, we maintained our consistent efforts to explore and implement operational excellence initiatives focused on increasing capacity and converting secondary processes, enhancing production rates, streamlining cross-refinery engagements, driving energy efficiency gains, improving equipment availability rates, and debottlenecking logistics constraints.

Refineries in Russia

In 2024, throughput at the Group’s refineries in Russia was 40.8 million tonnes. Light product yield at Russian refineries (excluding mini-refineries) was 71.3 percent in 2024 as compared to 73.0 percent in 2023. The change was driven by repairs at the Volgograd and Nizhny Novgorod refineries. The refining depth (excluding mini-refineries) grew to 91.1 percent from 90.6 percent in 2023 amid lower fuel oil output volumes.

Refineries in Europe

In 2024, throughput at LUKOIL’s refineries in Europe totaled 13.5 million tonnes, down 18 percent year-on-year due to the sale of ISAB refinery in Italy in May 2023. On a comparable basis (i.e., excluding ISAB), their refining throughput grew 4.7 percent, driven by the effect from 2023 repairs and higher refinery utilization rates amid changes in the feedstock mix.

During the year, the refining depth at the Group's European refineries grew to 97.1 percent from 95.7 percent in 2023, while the light product yield came in at 82.9 percent, up from 78.5 percent in 2023. The change was driven by the sale of ISAB refinery.

In 2024, we implemented a number of projects to improve efficiency at our European refineries, mainly by reducing energy consumption and non-energy operating costs as well as by optimizing the feedstock mix and utilization to reflect the market environment and trading and logistics constraints.

Refinery throughput and output of petroleum products at LUKOIL Group refineries

	2022	**2023**	**2024**	**Change 2024/2023**
Refinery throughput, thousand tonnes	**70,056**	**60,700**	**54,327**	**–10.5%**
Petroleum products output, thousand tonnes	**65,766**	**57,467**	**52,001**	**–9.5%**
Light product yield	72%	75%	74%	–1 p.p.
Fuel oil yield	9%	7%	7%	–
Refining depth	90%	92%	93%	+1 p.p.
Nelson Index	9.0	8.7	8.7	–

Lubricant Production and Marketing

LUKOIL Group produces lubricants at nine of its own sites, two joint ventures, and twenty third-party plants.

The Group's production of base lubricants and components increased by 11 percent year-on-year to 776 thousand tonnes in 2024. Our 2024 output of finished lubricants stayed essentially flat year-on-year at 527 thousand tonnes. Sales of premium lubricants for motor engines and industrial uses continued to grow (up 28 percent year-on-year) thanks to efforts to expand the share of LUKOIL premium products in the sales mix and boost Teboil sales.

During the year, we completed the modernization program at our lubricants plant in Torzhok, almost doubling its capacity to 240 thousand tonnes to make it one of the largest lubricants producers in Russia and Europe. A Lubricants Research Center, Russia's only facility offering a full range of tests to all specifications and requirements of OEM manufacturers, has been established at the plant.

In 2024, the Company commenced the construction of a lubricants and lubricating coolants plant in the Volgograd Region. The project will contribute to meeting market demand for high-quality grease lubricants, lubricating coolants, and specialty products.

In the reporting year, LUKOIL Group continued to expand relations with Chinese and Russian machinery manufacturers by developing products to match their requirements. In particular, our supplies to some of the manufacturers tripled from 2023. We worked to broaden the customer base among OEM manufacturers: the Group won a tender to supply original lubricants for the Chinese premium brand and expanded its supplies to heavy-duty machinery manufacturers. We also enhanced collaboration with manufacturers from the road construction and agricultural industries.

Production of base lubricants, components, and finished lubricants, thousand tonnes

	2022	2023	2024	Change 2024/2023
Base lubricants and components production	797	696	776	+11.4%
Finished lubricants production	661	524	527	+0.5%

Base lubricants and components production in 2024

Total (100%)	**776 thousand tonnes**
For blending of finished lubricants	45%
For sale	55%

Finished lubricants production in 2024

Total (100%)	**527 thousand tonnes**
Russia, Perm	28%
Russia, Volgograd	13%
Russia, Tyumen	8%
Russia, Torzhok	13%
Outside Russia	21%
Third-party facilities	17%

Gas Processing

LUKOIL Group processes gas and natural gas liquids (NGLs) at two gas processing plants (GPPs) in West Siberia and the Timan-Pechora region, as well as at its Perm and Volgograd refineries and the Stavrolen petrochemical complex in the Stavropol Territory. The Group’s GPPs process the associated petroleum gas (APG) produced by Group entities into liquid hydrocarbons and marketable gas, and treat natural gas coming from the Group’s fields.

In 2024, our gas processing and treatment volume totaled about 4.0 billion cubic meters, virtually flat year-on-year. Increased gas supplies from the Group’s Caspian fields to the Stavrolen gas processing complex fully offset the decline in APG supplies from West Siberia fields to the Lokosovsky GPP due to the effect of external limitations on oil production.

Our 2024 output of liquefied petroleum gases and liquid hydrocarbons at the Group’s GPPs rose 4.1 percent to 1.5 million tonnes, while marketable gas production grew 2.5 percent to 2.4 billion cubic meters.

Gas processing and treatment in Russia, million cubic meters

	2022	2023	2024	Change 2024/2023
Total	**3,473**	**4,023**	**4,058**	**+0.9%**
Lokosovsky GPP	952	1,162	1,009	–13.2%
Perm refinery’s gas processing complex	1,153	1,300	1,255	–3.5%
Volgograd refinery’s gas processing complex	192	340	356	+4.8%
Usinsky GPP	182	227	227	–
Stavrolen gas processing complex	994	994	1,211	21.8%

Petrochemicals

LUKOIL Group produces petrochemicals at two plants in Russia and at its refinery in Bulgaria. Our output includes a wide range of polymers, organic synthesis products, and other petrochemicals. LUKOIL meets a significant portion of domestic demand for various petrochemicals and is also a large petrochemicals exporter to more than 20 countries.

In 2024, our petrochemicals output exceeded 1.0 million tonnes, up 1.8 percent year-on-year. Moreover, Stavrolen's production of polypropylene peaked at an all-time high in the reporting year, supported by improvements to the mechanical reliability of equipment, as well as optimization of the feedstock mix and the product slate.

Petrochemicals output

	2022	2023	2024	Change 2024/2023
Marketable products output, thousand tonnes	**1,227**	**985**	**1,003**	**+1.8%**
Polymers and monomers	38.1%	46.6%	50.9%	+4.3 p.p.
Organic synthesis products	38.3%	29.2%	22.2%	–7.0 p.p.
Pyrolysis products	23.4%	23.8%	26.7%	+2.9 p.p.
Other	0.2%	0.3%	0.2%	–0.1 p.p.

Petrochemicals output in 2024

Total (100%)	**1,003 thousand tonnes**
Stavrolen	72%
Saratovorgsintez	19%
Burgas refinery	9%

Power Generation

LUKOIL's power generation facilities are located in Russia, Kazakhstan, Uzbekistan, and a number of European countries. Excluding the West Qurna-2 project, our aggregate power generation capacity is 11.2 GW, with commercial power generation accounting for 84 percent of the total and supporting power generation for the remaining 16 percent.

Electric power generation in 2024

Total (100%)	**44,730 million kWh**
Commercial power generation	83%
Supporting power generation	17%

Commercial power generation

LUKOIL Group's main commercial heat and power generation facilities are located in the European part of Russia and in the Urals. In 2024, our total output of commercial electrical energy totaled 37,299 million kWh, while heat supplies totaled 13.1 million Gcal.

In the reporting year, LUKOIL continued to upgrade three generating units at the Krasnodar CHPP. This project is part of the generation facilities upgrade program (the upgrade investments are recovered through a price of capacity supplied to the wholesale electricity market under a capacity supply agreement), and it calls for the full replacement of steam turbines and boiler equipment, which will significantly improve the plant's operating performance and extend its service life. We continued our upgrade of Units 2 and 3. In particular, we have installed a turbine, deaerator, and main steel structures of Unit 2, and equipment for Unit 3 has been delivered.

In 2024, we started retrofitting District Boiler House 3, the largest in Rostov-on-Don, completing, among other things, the replacement of gas engine generators with waste heat recovery boilers.

Commercial output of electrical and heat energy

	2022	2023	2024	Change 2024/2023
Electricity, million kWh	**16,808**	**37,385**	**37,299**	**0%**
Heat, million Gcal	**9.6**	**12.9**	**13.1**	**+2%**

Renewable power generation

As at 2024-end, the combined installed capacity of LUKOIL Group's renewable power generation facilities totaled 635.5 MW, including 622.1 MW of commercial power generation.

In **hydropower generation**, the Group's core assets comprise five hydropower plants (HPPs) located in Russia with a combined installed capacity of 295.3 MW and a combined output of 1,098 million kWh in 2024 (including the small HPP in the Krasnodar Territory).

We operate **solar power plants** (SPPs) in Russia and also in Kazakhstan, Uzbekistan, Belarus, and Eastern and Western Europe, with an aggregate installed capacity of 47.8 MW. The solar farms are built on underutilized industrial sites across refineries and filling stations. In 2024, their total electricity output was 53 million kWh.

In the reporting year, we completed the 2 MW Almaty SPP project in Kazakhstan to supply clean solar energy for operational needs of a lubricants plant within LUKOIL Group. In addition, a number of solar projects were completed at petroleum product supply facilities during the year. In Volgograd, a 115 kW rooftop-mounted solar installation was built at an oil depot.

In Tashkent, Uzbekistan, two SPPs were installed at new filling stations in 2024, with a capacity of 20 kW each. The Company has decided to implement similar projects in Uzbekistan, Kazakhstan, and Azerbaijan, taking into account the local incentive schemes sponsored by the governments to promote renewable-energy projects and considering the success of existing projects.

Our core **wind power** assets include wind farms in Russia (Kolskaya and Azovskaya), with a combined capacity of 292.4 MW. Kolskaya WPP with a total installed capacity of 202 MW is located in the Murmansk Region and is the world's most powerful wind farm beyond the Arctic Circle. Measuring 257 hectares overall, the plant site features 57 wind turbines. Kolskaya WPP was built under a government-sponsored renewables support program (RES CSA) and in accordance with the agreement signed with the Murmansk Region to develop renewable energy. The project has been assigned the status of a strategic investment project in the region. In 2024, the Group's wind power total electricity output was 826 million kWh.

Renewables made up 4.4 percent of the total electricity output and 5.3 percent of the Group's total commercial electricity generation in 2024.

Supporting power generation

Development of self-generation at fields and industrial sites helps the Group reduce its power supply costs and achieve more efficient APG use, for example, as a fuel for gas-fired power plants.

Power consumption by the Group's production entities in 2024

Purchased	67%
Self-generated	33%

<u>Wholesale and Trading</u>

LUKOIL sells crude oil, natural gas, and petroleum products in both domestic and international markets, distributing optimized flows to suit the market environment. We own pipelines and crude oil and petroleum product transshipment facilities, thus minimizing our transportation costs. A well-developed and effective trading arm within the Group deals in the Group's crude oil and petroleum products as well as third-party hydrocarbons.

In 2024, combined sales of crude oil, petroleum products, gas products, and petrochemicals grew by 2.0 percent year-on-year to 131.2 million tonnes due to increased sales volumes of crude oil in markets outside Russia and higher domestic sales of petroleum products. In 2024, our gas sales totaled 25.0 billion cubic meters compared with 25.9 billion cubic meters in 2023.

Crude oil

In 2024, our sales volumes of crude oil were 60.5 million tonnes, up 17.1 percent year-on-year. The rise in sales volumes was driven by lower throughputs of own feedstocks at the Group's own refineries. Markets outside Russia accounted for 98.5 percent of our crude oil sales volumes.

In 2024, the Company's crude oil exports from Russia increased by 4.0 percent to 36.7 million tonnes. Domestic sales of crude oil decreased from 1.2 million tonnes in 2023 to 0.9 million tonnes in 2024. International crude oil sales volumes rose to 59.6 million tonnes, or by 18.2 percent year-on-year, due to higher oil trading volumes.

Oil shipments to the Group's refineries in Russia amounted to 40.8 million tonnes in 2024. Crude oil supplies to the Group's refineries in Europe totaled 12.2 million tonnes in 2024, down 21.3 percent year-on-year due to the sale of ISAB refinery in Italy.

Oil supplies and sales, million tonnes

	2022	2023	2024	Change 2024/2023
Oil sales	49.3	51.7	60.5	+17.1%
Russia	1.7	1.2	0.9	–27.6%
Outside Russia	47.6	50.5	59.6	+18.2%
Supplies to LUKOIL's Russian refineries	44.0	44.2	40.8	–7.7%
Exports from Russia	35.4	35.3	36.7	+4.0%

Petroleum products

Sales volumes of petroleum and gas products amounted to 69.5 million tonnes in 2024 compared with 75.5 million tonnes in 2023. The decrease was driven by repairs at the Group's Russian refineries and the sale of ISAB refinery in Italy.

Sales volumes of petroleum products in Russia accounted for approximately 39 percent of total sales volumes, coming in at 26.9 million tonnes. Sales volumes in Russia was up 5.7 percent year-on-year despite repairs at the refineries. In the reporting year, the Company implemented a set of measures to ensure uninterrupted supply of petroleum products to the domestic market, including measures to improve sales efficiency and optimize logistics. As a result, wholesale sales volumes in Russia increased by 7.0%, while retail sales volumes of petroleum products in Russia were up 4.2 percent year-on-year, hitting an all-time high.

In 2024, exports of petroleum products from Russia were down 17.4 percent to 14.7 million tonnes amid repairs at the refineries and stronger domestic sales.

A total of 61 percent of LUKOIL’s petroleum products was sold in the international market, compared with 66 percent in 2023. Wholesales outside Russia were 38.3 million tonnes, down year-on-year due to the sale of ISAB refinery in Italy. Retail sales outside Russia went up by 3.1 percent to 4.2 million tonnes.

Sales volumes of petroleum and gas products, million tonnes

	2022	2023	2024	Change 2024/2023
Total	**83.1**	**75.5**	**69.5**	**–8.1%**
Russia	23.3	25.4	26.9	+5.7%
Outside Russia	59.8	50.1	42.5	–15.1%

Petrochemicals

In 2024, LUKOIL Group’s petrochemicals sales totaled 1.2 million tonnes. During the year, the Company diversified its petrochemical export destinations and introduced new polymer grades to the premium domestic market. The set of measures taken included developing and implementing mutual supply arrangements for various petrochemicals with major oil and petrochemical companies.

Natural gas

In 2024, LUKOIL Group sold 25.0 billion cubic meters of gas (natural gas, APG, and dry stripped gas). Russia accounted for 39 percent of the Group’s total gas sales volumes, at 9.7 billion cubic meters, of which 7.9 billion cubic meters were sold to Gazprom Group. Supplies to other consumers were up 2.1 percent to 1.8 billion cubic meters. International gas sales totaled 15.3 billion cubic meters, accounting for 61 percent of total gas sales volumes.

Gas sales volumes, billion cubic meters

	2022	2023	2024	Change 2024/2023
Total	**25.7**	**25.8**	**25.0**	**–3.2%**
Russia	10.3	9.9	9.7	–1.7%
To Gazprom Group	8.4	8.1	7.9	–2.6%
To other consumers	1.9	1.8	1.8	+2.1%
Outside Russia	15.4	15.9	15.3	–4.1%

Priority Sales Channels

Retail sales

LUKOIL sells the bulk of its petroleum products in the retail market via its well-diversified retail network of 5,336 filling stations located in 20 countries.

Our main focus in retail during the year was on enhancing customer service, boosting non-fuel sales, improving efficiency, and maximizing free cash flow. We continued to upgrade our filling station network, optimize the station formats, and expand our stations presence across Russia's federal highway network.

A number of flagship retail projects were delivered in the reporting year:

- A large-scale filling station upgrade program
- The construction of two flagship filling stations on a new section of the M-11 Neva highway within the Tver bypass
- The construction of four LUKOIL filling stations on the M-12 federal highway
- The construction of two twin flagship multi-purpose filling stations on the Tashkent–Samarkand trunk highway in Uzbekistan, 12 km from Tashkent, which are the country's most advanced filling facilities

In the reporting year, our total retail sales of petroleum products increased by 3.9 percent to 16.6 million tonnes, with retail sales of 12.4 million tonnes in Russia, up 4.2 percent year-on-year. The increase in retail sales volumes was due to, among other things, new customers attracted by higher service levels, retail network expanded with new flagship filling stations, marketing campaigns to promote sales of fuel and non-fuel goods and services, as well as improvements in the flagship catering concept. In 2024, international retail sales of petroleum products were 4.2 million tonnes, up by 3.0 percent year-on-year.

Retail sales of petroleum products

	2022	2023	2024	Change 2024/2023
Number of filling stations as at December 31	**5,278**	**5,258**	**5,336**	**+1.5%**
Russia	2,788	2,800	2,880	+2.9%
Outside Russia	2,490	2,458	2,456	–0.1%
Total retail sales volumes, thousand tonnes	**14,930**	**15,964**	**16,585**	**+3.9%**
Russia	10,848	11,855	12,354	+4.2%
Outside Russia	4,082	4,109	4,231	+3.0%
Average daily sales volumes at LUKOIL's filling stations, tonnes per day per station	**11.1**	**11.5**	**12.0**	**+3.9%**
Russia	12.8	13.2	13.8	+3.9%
Outside Russia	6.6	6.7	6.9	+3.9%

Breakdown of retail sales volumes of petroleum products in 2024

Total (100%)	**16.6 million tonnes**
Russia	74%
Europe	20%
Near abroad countries	5%
USA	1%

Branded fuels

LUKOIL actively promotes sales of its fuels under the ECTO trademark offering improved efficiency and environmental performance. Our sales of ECTO fuels in Russia grew by 2.3 percent in 2024.

Non-fuel goods and services

In 2024, we continued our efforts to boost retail sales of non-fuel goods and services. Gross profit from non-fuel sales at LUKOIL-branded filling stations in Russia grew 18 percent in 2024. Outside Russia, gross profit rose 10 percent. A key driver of gross profit from non-fuel sales was the enhancement of catering concept at the LukCafe filling stations.

Marine bunkering

LUKOIL Group is one of the largest suppliers of bunker fuels, with bunkering operations at 19 ports across eight Russian regions and outside Russia – at Bulgarian ports. We operate mainly from ports on the Baltic, Barents, and Black Seas and on Russia's inland waterways.

In 2024, the Group sold 1.6 million tonnes of bunker fuel, up 5 percent year-on-year, while retail sales in the high-margin "ship supplies" customs regime grew by 9 percent. The positive momentum was driven by the optimization of logistical supply routes, customer base expansion, and a one-third increase in bunkering volumes in Caspian Sea ports as part of developing the International Transport Corridor "North–South".

Bunker fuel sales volumes, million tonnes

	2022	**2023**	**2024**	**Change 2024/2023**
Total	**1.1**	**1.5**	**1.6**	**+5.4%**
Including retail sales in the "ship supplies" customs regime	0.7	1.1	1.2	+9.0%

Aircraft fueling

LUKOIL Group sells jet fuel produced at its own and third-party refineries, mostly through aircraft fueling, at airports in Russia and Bulgaria using its own sales network or through service contracts with refueling companies outside the Group.

Jet fuel sales remained flat year-on-year in 2024 at 3 million tonnes due to domestic passenger traffic stabilization.

Our network for aircraft fueling covers 37 Russian airports, in 20 of which LUKOIL operates own jet fueling complexes or participates in joint ventures. Aircraft fueling operations were launched at Elista and Irkutsk airports in 2024, and at Vladivostok airport on January 1, 2025.

Aircraft fueling sales volumes (including share in equity affiliates), million tonnes

2022	2023	2024	Change 2024/2023
1.3	1.4	1.5	+7.3%

Bitumens

Each year, LUKOIL Group expands the geography of bitumen supplies. In 2024, the Group signed a cooperation agreement with the Ministry of Transport and Road Facilities of Amur Region. We continued introducing crumb rubber-based modifiers for bitumen concretes. Advanced road construction technologies and materials were used to lay bitumen concrete pavements at LUKOIL Group filling stations in the Nizhny Novgorod and Tver Regions, the Republic of Tatarstan, and Belarus. Repairs of central avenues in Nizhny Novgorod showcased our comprehensive approach: by engaging industry-leading expertise (ROSDORNII federal autonomous institution) to complement in-house capabilities in designing road pavement structures, we were able to offer the city authorities a reliable and durable solution using advanced grades of bitumen and bitumen concretes. Our international experience with branded products was expanded in Azerbaijan, Kazakhstan, and Uzbekistan.

In 2024, LUKOIL implemented its innovative approach in road construction materials to restore the watertightness of bitumen concrete pavements on bridges. LUKOIL Group specialists applied the vibration-compacted bitumen concrete technology to repair the road surface of a bridge over the Klyazma River in Vladimir. Vibration-compacted bitumen concrete offers high durability and effective waterproofing of the road surface of bridges and overpasses, extending interval between repairs several times over. The technology is simple enough to apply without closing roads to traffic, making road works significantly cheaper and accelerating the repairs of bridge roadways. The project's success drove the development of new road construction technologies and application of LUKOIL-branded bitumen concretes.

As a result, bitumen sales increased 10 percent year-on-year to 525 thousand tonnes in 2024, while our high-margin direct sales channel continued to grow its share, hitting 44 percent in 2024 (from 36 percent in 2023 and 22 percent in 2022).

Bitumen sales volumes, thousand tonnes

2022	2023	2024	Change 2024/2023
847	478	525	+10%

2. Sustainable Development

Since its incorporation, LUKOIL has conducted its business in a sustainable manner, seeking to strike a balance between environmental sustainability and social and economic development. As a signatory of the United Nations Global Compact, LUKOIL manages sustainability aspects by aligning the Company's interests and plans with global trends and national and regional development priorities. This ensures that economic, environmental, and social goals and objectives are integrated into our corporate decision-making system.

In the reporting year, LUKOIL continued to fully deliver on its sustainability commitments and implement initiatives against the previously set goals and objectives, striving to maintain its leadership in sustainability.

During the year, the Company won a number of Russian awards, including the ECO BEST AWARD across several categories, the ECOTECH-LEADER 2024 as well as the Best ESG Projects in Russia and the Best Social Projects in Russia annual awards. LUKOIL also entered the list of leaders in the ESG ranking of industrial sector companies of the National Rating Agency.

In 2024, LUKOIL became the first Russian company rewarded at the international Sustainability Innovation Awards for organizing safe drinking water supply for local communities within its footprint.

The Company's position on sustainability issues as well as its basic principles, goals, and key objectives are set out in a high-level document, the LUKOIL Group Sustainability Policy.

LUKOIL has the following sustainability goals:

- *Maintaining an effective corporate governance system*
- *Driving continued economic sustainability and development*
- *Embracing ethical business practices*
- *Decarbonizing and adapting to climate change*
- *Prioritizing environmental safety*
- *Maintaining high occupational health and safety standards*
- *Providing decent working conditions*
- *Contributing to the socio-economic development of LUKOIL Group's regions and countries of operation*

Each goal has its key objectives.

Sustainability Management System

The achievement of sustainability objectives is controlled strategically (by the Board of Directors and the Strategy, Investment, Sustainability, and Climate Adaptation Committee of the Board of Directors) and operationally (by the CEO, the Health, Safety, and Environment Committee of PJSC LUKOIL, heads of functions and business units at PJSC LUKOIL, and heads of LUKOIL Group entities). In the reporting year, the Strategy, Investment, Sustainability, and Climate Adaptation Committee of the Board of Directors held seven meetings, and the Health, Safety, and Environment Committee of PJSC LUKOIL had two meetings.

Since 2020, the Company has had in place the Decarbonization and Climate Change Adaptation Task Force of PJSC LUKOIL, bringing together top managers and experts from across the Group to develop solutions on climate-related issues.

Sustainability metrics, including Ensuring HSE Compliance, are part of the List of Key Performance Indicators (KPIs) used for planning, performance management, and motivation of employees and top managers of PJSC LUKOIL as well as heads of LUKOIL Group entities.

Sustainability disclosure

The Company publishes annual disclosures of material information on sustainable development in LUKOIL Group Sustainability Reports, ESG Databook, special booklets, press releases, and publications on its website. LUKOIL discloses its information in line with international best practice – sustainability reports are prepared taking into account the requirements of GRI, SASB, and other international standards as well as recommendations of the Bank of Russia and the Russian Ministry of Economic Development, taking into account the Guidance on Core Indicators for Entity Reporting on Contribution Towards Implementation of the Sustainable Development Goals. Our Sustainability Report is audited by third parties and undergoes a public assurance procedure.

Over a number of years, LUKOIL's sustainability disclosure efforts have received high marks from Russian and international rating agencies as well as won industry awards.

In 2024, the LUKOIL Group Sustainability Report received an award at the international Global Corporate Sustainability Awards as well as at the Hong Kong ESG Reporting Awards as the Best ESG Report (International). In Russia, the LUKOIL Group Sustainability Report won the ECO BEST AWARD and was highly praised by AK&M experts, who gave it the highest non-financial reporting rating.

Health, Safety, and Environment

Ensuring a high level of health, safety, and environment (HSE) compliance is one of the key elements of LUKOIL's sustainable development policy.

HSE management system

Certified to the international standards ISO 14001 and ISO 45001, LUKOIL's HSE management system is aimed at implementing the requirements of national laws and is based on the principles of preventive action and personal accountability of both managers and employees.

The Health, Safety, and Environment Policy of LUKOIL Group in the Twenty-First Century (the "HSE Policy") sets goals and commitments to minimize the impact of LUKOIL Group entities' activities on climate and the environment as well as reduce health risks for employees, including contractor employees. Our HSE Policy was updated in 2024 to include goals and commitments around road safety and offshore operational safety.

The Health, Safety, and Environment Committee of PJSC LUKOIL in place at the Company is responsible for improving its HSE management system. The Committee reviews relevant HSE matters: impact on LUKOIL Group's activities from regulatory changes and other external factors, measures to manage material risks, and proposals for motivating LUKOIL Group entities' employees to comply with HSE requirements, including through KPIs and HSE compliance performance reviews. The Committee also prepares proposals to the Company's governance bodies for approving key HSE documents such as the HSE Policy, targeted segment-specific functional programs, and the Company's internal regulations. The Committee had two meetings in 2024.

To implement the HSE Policy, the Company develops three-year targeted HSE programs, approved by an executive order of PJSC LUKOIL. The outcomes from ensuring HSE compliance and targeted program performance are reported annually to the Company's management. PJSC LUKOIL's Board of Directors also performs an annual review of the Company's HSE status and measures to improve occupational safety and makes decisions on the priority areas for improving the HSE management system, including the development of leadership tools and a culture of safety.

Industrial safety expenditures

In 2024, LUKOIL's spending under its industrial safety program exceeded RUB 59 billion, up 32 percent year-on-year. Over 50 percent of this amount was spent on improvements to pipeline reliability.

Industrial safety program expenditures (capital and operating) across the Group in 2024

Total (100%)	**RUB 59.3 billion**
Reliability of equipment, buildings, and structures	60%
Emergency response and prevention[1]	15%
Improved working conditions and provision of personal protective equipment	15%
Use of modern technologies to improve occupational health practices and working conditions	4%
Management system optimization and regulatory support	2%
Other	4%

Improving industrial safety, reducing work-related injuries, and ensuring accident-free operation of production facilities have always been top of mind for the Company.

LUKOIL places a special focus on continuous improvement of its health and safety management system. Due to measures taken, accident and injury frequency rates have fallen below the industry average in recent years and are maintained at these levels.

Over the year, the number of accidents dropped to 19 from 21 in 2023. Injuries are thoroughly investigated to identify root causes, and the findings inform the necessary measures to prevent similar incidents in the future.

During the year, LUKOIL Group entities had two fatal accidents (at LLC Stavrolen and LLC LUKOIL-PERM). At LLC Stavrolen, the death of an employee was caused by fatal burns, resulting from a fire outbreak during work in a gas hazardous area. In the second accident, an employee was exposed to toxic vapors and suffered poisoning while performing acid treatment on a water pipeline. To prevent similar incidents, the circumstances and causes of the accidents were communicated to employees; unscheduled briefings and knowledge checks were conducted; and HSE Risk Registers and the List of Hazardous Activities were updated.

[1] Including fire safety related works and services, procurement of firefighting and protection equipment, activities to implement radiation safety standards, etc.

Work-related injury indicators at LUKOIL Group entities

	2022	2023	2024	Change 2024/2023
Number of occupational accidents	18	21	19	–10%
Number of injured employees	26	22	27	+23%
Fatalities	1	2	2	0%
Lost Time Accident Frequency Rate (LTAFR)[2]	0.17	0.20	0.18	–10%
Lost Time Injury Frequency Rate (LTIFR)[3]	0.15	0.13	0.15	+15%

Accidents[4] at LUKOIL Group's production facilities

	2022	2023	2024
Accidents	2	2	2[5]

In 2024, two accidents occurred at the Group's production facilities.

On February 8, a loss of containment occurred from an APG pipeline at LLC LUKOIL-PERM, resulting in a leak and subsequent fire. The accident was primarily caused by the pipeline's wear due to corrosion and erosion.

An unscheduled inspection of pipelines with the highest loss of containment risk was run to prevent similar accidents in the future. The part of the Pipeline Operating Procedures pertaining to pipeline safety monitoring was reviewed. On top of this, the procedure for technical diagnostics and industrial safety review of pipelines was updated to improve photo reports on work completion.

On June 2, a fire, followed by an explosion, took place at LLC LUKOIL-UNP during tank repairs.

To prevent similar accidents in the future, a range of measures were taken, including unscheduled targeted operational control inspections. Updates were made to internal regulations governing the organization and implementation of hazardous activities as well as hot work clearance procedures. Additional training was organized and provided to acting and newly appointed engineers and technicians at production units; training schedules for fire response at tank farms were developed and approved.

All accidents and incidents were considered by the Health, Safety, and Environment Committee of PJSC LUKOIL and discussed during PJSC LUKOIL's quarterly conference calls on the Group's HSE performance and at PJSC LUKOIL's Safety Day meeting with LUKOIL Group entities and key contractors held to review HSE, fire safety, and emergency prevention and response matters.

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[2] **Lost Time Accident Frequency Rate, LTAFR** = Number of accidents x one thousand employees / Average employee headcount.

[3] **Lost Time Injury Frequency Rate, LTIFR** = Number of employees injured in workplace accidents, including fatalities x one million person-hours / Number of person-hours worked by all employees.

[4] An accident means the destruction of structures and/or technical devices used at a hazardous production facility, an uncontrolled explosion, and/or release of hazardous substances.

[5] Excluding accidents caused by drone attacks.

We conducted unscheduled targeted inspections at Group entities reporting serious accidents and performed knowledge checks of regulatory and corporate HSE requirements among their managers, chief engineers, and HSE officers.

Emergency notification system

LUKOIL Group has uniform requirements for the notification, recording, and analysis procedures for all injuries, accidents, and incidents. All injuries, accidents, and incidents at Group facilities, including those involving contractor employees, are promptly reported to all stakeholders, including PJSC LUKOIL's units and managers, to decide on further rapid response actions. The information received is entered into in our RISK PB corporate system. The findings from the analysis of circumstances and causes following the investigation of each incident are communicated to LUKOIL Group entities and contractors as well as discussed both at the Health, Safety, and Environment Committee of PJSC LUKOIL and at our Safety Days with the involvement of trade unions and key contractors. The occupational accident analysis results are included in the annual report to the CEO and submitted to the Board of Directors for review.

Leadership and a culture of safety

LUKOIL puts a particular focus on fostering leadership and a culture of safety. The Company conducts annual Safety Days involving LUKOIL's management, managers of Group entities, trade union representatives, and key contractors. The 2024 Safety Day placed a particular focus on reviewing injury causes (including for contractor employees) and embedding best HSE practices to improve work safety, such as those related to:

- *jobs of health and safety officers*
- *rollout of the near-miss recording and analysis project*
- *creation of training facilities for hands-on training of employees in safe ways and methods of operating the equipment they use*
- *review of injury causes (including for contractor employees)*
- *enhancements to the road safety system.*

Accident insurance

LUKOIL Group Russian entities maintain employee insurance policies covering negative consequences of accidents, such as temporary disability, category I, II, or III disability, or death. In 2024, accident insurance expenditures totaled RUB 56 million.

Trainings and drills

In order to improve accident response capabilities, the Group conducts regular trainings and drills with the involvement of corporate (from LUKOIL Group employees) and professional emergency response teams. During 2024, 140 drills of different levels were run across LUKOIL Group Russian entities, with 117 of them dedicated to oil and petroleum product spill response and eight to blowout response. In addition, about five thousand on-site training sessions were held. Overall, more than 219 thousand employees from LUKOIL Group Russian entities as well as contractor and service provider employees took part in the drills and training sessions. The governance bodies and corporate emergency response teams of LUKOIL Group Russian entities were highly praised by the commissions and official representatives of the government authorities attending the drills. To enable prompt decision making during the drills, the Company uses mobile workstations and video surveillance tools transmitting video images to the Unified Monitoring Center of PJSC LUKOIL.

Assessment of working conditions

LUKOIL Group Russian entities carry out special assessments of working conditions as required by the labor laws. Depending on the class of working conditions, employees exposed to harmful factors are compensated with increased pay, additional vacation time, or a shorter work week. As at the end of 2024, such workers accounted for approximately 32 percent of the headcount at LUKOIL Group Russian entities covered by the assessment of working conditions.

Supply chain management

All suppliers of goods, works, and services are required to operate in compliance with Russian laws and meet the Company's criteria for a bona fide counterparty and the Company's HSE standards.

Automated tools are used to check and select suppliers. Our system for automating tender procedures maximizes the efficiency of the tender process. The counterparty due diligence system enables the Company to identify and continuously monitor the level of risk associated with counterparty engagement. Suppliers are checked for compliance at all stages of the supplier journey, from bidding to completion of engagement. If any non-compliance is identified, relevant action is taken, including contract termination.

HSE compliance for contractors

Contractor selection follows the Instruction to the Provider of Goods, Works, or Services on Procurement Proceedings and internal regulations setting forth HSE requirements.

Contractors are assessed for HSE compliance at the initial stage of bidding and are screened out of the relevant tendering process in case of failure to comply with the established requirements. Contractors must also ensure compliance with requirements by their subcontractors if relevant tender documentation allows for subcontracting.

HSE compliance by contractors and subcontractors (if any) is monitored during the performance of contracts that include relevant requirements, as well as through on-site technical audits.

Corporate supervision and operational control

An important tool in maintaining the proper level of health, safety, and environment management standards is high-quality compliance control. Over five thousand inspections were conducted across LUKOIL Group entities as part of corporate supervision and operational control in 2024, including over one thousand contractor inspections. For any violations identified, disciplinary action is taken against non-complying employees, while contractors face penalties. The most typical cases identified in 2024 included non-compliance with submission requirements for as-built documentation and operating instructions, failures to follow the operating procedures for equipment, and poor workplace organization during construction, installation, and repairs.

Climate Change

The oil and gas industry is faced with new challenges as the world transitions to a low-carbon economy. The world needs to reduce greenhouse gas (GHG) emissions to prevent climate change while continuing sustainable economic growth – which will inevitably require higher energy consumption.

LUKOIL recognizes the importance of preventing global climate change, takes measures to reduce GHG emissions, and supports Russia's involvement in the global effort to reduce them.

Climate Change Management

The matters relating to climate change are overseen by the Board of Directors and come under the remit of its Strategy, Investment, Sustainability, and Climate Adaptation Committee. The Company set up a Decarbonization and Climate Change Adaptation Task Force of PJSC LUKOIL, headed by the CEO, to review and make coordinated decisions on the most important issues on the climate agenda. The Task Force comprises PJSC LUKOIL's First Vice President, Senior Vice Presidents, and Vice Presidents responsible for every area of the Company's operations, finance, strategy, economics and planning, taxes, sustainable development, as well as heads of the key relevant departments and heads of LUKOIL Group engineering entities. The Company also has a unit responsible for the coordination and methodological support of GHG emissions management, decarbonization activities, and climate adaptation efforts within LUKOIL Group in line with applicable Russian and international laws.

As part of the efforts to achieve the Company's goals in decarbonization and climate change adaptation, the Company is tracking a KPI for GHG emissions management across production business segments. In 2024, we updated the Temporary Procedure for Tracking LUKOIL Group's Volume of GHG Emissions Key Performance Indicator.

SUPERVISORY LEVEL	EXECUTIVE LEVEL	
Strategy, Investment, Sustainability, and Climate Adaptation Committee of the Board of Directors • Analysis of risks associated with climate change and climate adaptation • Preparing recommendations for the Board of Directors to set strategic goals for	**Decarbonization and Climate Change Adaptation Task Force of PJSC LUKOIL** • Assessing climate-related risks and opportunities and suggesting measures to manage such risks • Developing the decarbonization program and assessing its results • Developing climate KPIs for the Decarbonization	**Environmental Safety and Decarbonization Division** • Ensuring the preparation of LUKOIL Group's GHG emissions reports • Developing the decarbonization program of LUKOIL Group and preparing proposals for adjusting the program

	the Company's activities, including in the area of climate change and climate adaptation	and Adaptation to Climate Change business process and setting criteria to evaluate the performance of climate-related investment projects • Evaluating compliance of the Group's activities with applicable requirements related to GHG emissions regulation and monitoring changes in such requirements • Determining the boundaries of climate-related disclosures	• Developing and implementing the climate change adaptation plan • Ensuring progress monitoring for initiatives to reduce GHG emissions and adapt to climate change • Identifying external requirements and climate risks

Climate Risks

The Company places a special focus on climate risk management to provide reasonable assurance that its strategic goals will be achieved despite headwinds and uncertainties. LUKOIL implements a wide range of measures to manage climate risks and identify opportunities.

Risk category	**Description**	**Management**
Market risks	Risks associated with changes in demand and customer preferences	The Company uses a scenario-based approach to macroeconomic forecasting, including various climate scenarios. In addition, the Company plans to use an internal carbon pricing mechanism based on specific regional conditions.
Political, legal, and regulatory risks	Risks associated with the global transition to a low-carbon economy and the steps taken to toughen GHG emissions regulations in the countries where LUKOIL Group operates	LUKOIL continuously monitors developments in climate legislation and takes part in discussing relevant draft regulations to detail its position on these matters, including risks and uncertainties that come with new legislative proposals. In response to requests from federal executive bodies, the Company has submitted its proposals and comments on draft federal laws and regulations. In the reporting year, the Company presented its opinions on a wide range of laws and regulations on climate change, including:

		– an updated draft roadmap to implement the Low Carbon Social and Economic Development Strategy of the Russian Federation to 2050, providing for, among other things, sectoral net GHG emissions targets and the introduction of carbon pricing – draft regulations updating requirements for mandatory reporting to government authorities on GHG emissions and criteria for classifying projects as climate projects and for their implementation. As a member of industry business associations, the Company contributed to a number of proposals to federal executive authorities, including on improvements to climate policy, support for climate projects, and avoidance of double reporting on corporate GHG emissions. The Company regularly participated in meetings on carbon regulation held by business associations such as the Russian Gas Society and the Council of Electricity Producers.
Reputational risks	Risks associated with stakeholder perception of the Company's contribution / lack of formal commitment to a low-carbon economy	The Company regularly discloses information on GHG emissions management and climate action to address stakeholder concerns. GHG disclosures are verified by an independent auditor on an annual basis. Since 2013, LUKOIL has been participating in the Carbon Disclosure Project (CDP), an international rating initiative for the disclosure of GHG emission volumes and management of climate-related risks and opportunities. In 2022, CDP stopped rating Russian companies, but LUKOIL continues its membership in the project, with its questionnaire available on the CDP and Company websites. In 2024, 18 LUKOIL Group entities submitted reports on GHG emissions for 2023 to government authorities in line with the requirement of Federal Law No. 296-FZ, On Limiting Greenhouse Gas Emissions, dated July 2, 2021.
Technology risks	Risks associated with the accelerated global transition to a low-carbon economy driven by technological advances and greater efficiency of relevant technologies	LUKOIL carries out constant monitoring and develops its proprietary solutions to improve energy efficiency. The Company's carbon management is focused on increasing the energy efficiency of operations through energy conservation, energy management, and optimization of industrial processes. As part of LUKOIL Group's Decarbonization Program for 2024–2026, the Company reduces direct and energy indirect GHG emissions by improving the energy efficiency of operations, developing renewables for operational needs, cutting process losses of hydrocarbons during production and transportation, and introducing solutions for carbon capture and storage. The Company is also actively exploring

		the production of low-carbon fuels, including hydrogen and biofuels.
Physical risks	Risks associated with changing weather, climate, and other environmental conditions in LUKOIL Group's regions of operation that can affect the reliability of equipment or people's health, including natural calamities and permafrost thawing	LUKOIL regularly assesses the climate change impact when designing and constructing facilities, including in areas of special sensitivity (the Arctic zone, low-water regions, and offshore areas), and monitors these environments for changes in relevant parameters to ensure timely response when needed. In 2024, we continued efforts to identify physical climate risks and response measures as part of targeted functional HSE programs across LUKOIL Group Russian and foreign entities engaged in oil and gas production and refining, sales of petroleum products, and heat and power generation. The most likely risks specific to all production facilities and employees of LUKOIL Group entities include: – increases in average annual temperatures, manifested by prolonged heat waves – frequent temperature swings around 0 °C, accompanied by black ice and icing on equipment and utility systems – high fire danger in hot weather – windier conditions – more frequent and stronger showers, increasing the risk of high water and floods – degradation of permafrost, affecting the bearing capacity of foundations and the viability of winter roads. In 2024, we approved the STO LUKOIL 1.6.6.3-2024 Corporate Standard, HSE Management System. Decarbonization and Adaptation to Climate Change. Assessment of Physical Climate Risks. The standard outlines the procedure for identifying, assessing, and ranking physical climate risks that affect the industrial safety of operating processes, employee working conditions, and the environment throughout the life cycles of facilities operated by LUKOIL Group entities.

The Company has in place the Guidelines for Financial Assessment of Climate-Related Risks and Opportunities at LUKOIL Group, which set out:

- uniform approaches and principles for identifying, describing, and assessing climate-related risks and opportunities of a business process for its participants

- materiality criteria for assessing climate risks, time horizon, and a list of financial metrics for LUKOIL Group activities used to assess the impact of climate risks
- a description of approaches to qualitative and quantitative assessment of the impact climate-related risks and opportunities have on LUKOIL Group's financial performance
- data preparation procedure for reporting on LUKOIL Group's climate-related risks and opportunities, including external disclosures.

Compliance with TCFD recommendations

In 2021, the Company supported the TCFD[6] initiative by committing to implement the TCFD's recommendations on voluntary disclosure of its management of climate-related risks and opportunities and assessment of their financial impact on the business. The Company has published a TCFD index on its website, containing references to all public sources used by the Company to post standard-compliant disclosures. Our corporate risk management information system features a climate risk index and a predefined template to develop a climate-related risk/opportunity matrix. Climate risk disclosures in the Company's reporting are aligned with TCFD recommendations.

Greenhouse gas emissions

The Company is calculating its GHG emissions in line with the international GHG Protocol methodology.

In 2024, as part of our efforts to reduce vented GHG emissions, we approved LUKOIL Group's Decarbonization Program for 2024–2026 (the "Program"), which includes over 50 activities.

Through our efforts under the Program in 2024, we avoided a total of more than 800 thousand tonnes of CO_2 equivalent of GHG emissions. The bulk of this amount is attributable to activities aimed at using renewable energy for own needs, saving on electricity, heat, and fuel, reducing APG flaring, and upgrading generation facilities.

For more details on changes in LUKOIL Group's GHG emissions, see LUKOIL Group Sustainability Reports (Scopes 1 and 2) and CDP questionnaires (Scopes 1, 2, and 3).

Climate change adaptation

In 2024, to ensure compliance with the requirements of the corporate standard STO LUKOIL 1.6.8-2022, HSE Management System. Action Planning, LUKOIL Group entities identified climate change adaptation measures within targeted HSE functional programs for 2025–2027. Over 760 adaptation measures were identified for existing or anticipated climate risks across the footprint of LUKOIL Group entities.

Our climate change adaptation measures primarily focus on:

– implementing preventive measures to improve working conditions, reduce work-related injury and occupational disease rates, and provide employees with personal and collective protective equipment

– introducing advanced high-tech products and technologies

[6] Task Force on Climate-related Financial Disclosures.

– ensuring safety of buildings, structures, process equipment, and utility systems

– improving the industrial and fire safety and occupational health management system

– preventing and responding to emergencies, and ensuring fire safety

– monitoring and receiving updates of hydrometeorological hazard and disaster forecasts.

Energy efficiency

Energy conservation and energy efficiency are critical for achieving strategic gains in LUKOIL Group's efficiency.

The Company has in place LUKOIL Group's Technical Policy on Energy Efficiency and Reduction of Greenhouse Gas Emissions in Russia, which aims to improve energy efficiency across all our operating processes by effectively managing and applying innovative technologies and equipment where economically viable.

LUKOIL Group entities have their energy management systems aligned with ISO 50001 Energy management systems standards. As at December 31, 2024, as many as 26 LUKOIL Group entities confirmed the compliance of their energy management systems with the new version of ISO 50001:2018.

To improve energy efficiency along the entire value chain, in 2020, the Company introduced a KPI for LUKOIL Group Russian entities measuring the Performance of the Approved Energy Conservation Program, which is the ratio of actual to planned savings in fuel and energy resources in value terms.

The Company has in place the Energy Saving and Energy Efficiency Improvement Program for LUKOIL Group Entities for 2025 and for 2026–2027. Key energy conservation initiatives in 2024 included improving the energy efficiency of oil production processes, introducing energy-efficient pump units, optimizing pumping and engine equipment, replacing and upgrading on-site equipment to boost the efficiency factor, optimizing condensate collection and return, upgrading lighting and heating solutions, and replacing and adjusting furnaces.

Results of energy efficiency initiatives across LUKOIL Group

	2022	2023	2024
Electricity savings, million kWh	410	336	283
Heat savings, thousand Gcal	445	266	60
Savings of boiler and furnace fuels, thousand tonnes of reference fuel	79	110	154

Efficient associated petroleum gas use

LUKOIL uses APG reinjection to maintain reservoir pressure while also transporting APG to its gas processing plants. APG is also used as a fuel for on-site gas-fired power plants, which helps reduce electricity and oil production costs.

Under the Company's efficient APG use program launched in 2003, the target level of APG utilization rate for LUKOIL Group Russian entities is 95 percent. In 2024, the APG utilization rate at Russian entities within the GHG emissions accounting boundaries increased by 0.2 p.p. year-on-year to 97.5 percent.

Since 2017, LUKOIL has been a member of the Zero Routine Flaring by 2030 initiative of the World Bank, delivering on its commitment to decrease flaring through a more efficient use of associated petroleum gas where technologically feasible.

APG utilization at LUKOIL Group Russian entities (within the GHG emissions reporting boundaries)

	2022	2023	2024
Total	**96.8%**	**97.3%**	**97.5%**
West Siberia	97.5%	97.4%	97.6%
Urals	96.9%	98.8%	99.1%
Volga	98.0%	98.0%	97.9%
Timan-Pechora	92.7%	93.7%	95.2%
Other	96.7%	97.3%	97.7%

In the reporting year, six facilities were commissioned under the LUKOIL Group Entities' Efficient APG Use Program for 2024–2026.

Region	**Field**	**Construction and commissioning of efficient APG use facilities in 2024**
Timan-Pechora	Usinsky GPP's gas transportation system	• Retrofitting an inter-field gas pipeline
Timan-Pechora	Kharyaginskoye	• Revamping of a booster pumping station with a primary water separator
Volga	Zuyatskoye	• Retrofitting a mobile flowback and well testing package
Volga	Ruchyevskoye	• Retrofitting a small-size modular separator
Volga	Batyrbaiskoye, Tanypskoye, Pavlovskoye	• Retrofitting the Tanyp on-site compressor station facility
Volga	Moskudyinskoye	• Construction of complete modular power facilities

Gross APG production across the Group

	2022	2023	2024
Flaring	3%	3%	2%
Reinjection	17%	14%	14%
Consumption for operational needs[7]	26%	26%	29%
Processing at GPPs	24%	26%	27%
Supply to third parties	30%	31%	28%

Renewable energy

The Company is developing a range of renewable energy development projects to reduce its environmental footprint and diversify its business. In 2024, LUKOIL became a leader in the RAEX rating agency's ranking, Top 10 Russian Companies Leading in the Implementation of Renewable Energy Sources, receiving the highest score.

LUKOIL has a large portfolio of renewable generation assets, accounting for about 4.4 percent of the Group's total generation and 5.3 percent of total commercial electricity generation in 2024. For more details, see the Power Generation section.

A total of 1,977 million kWh of renewable energy was generated across LUKOIL Group in 2024.

Renewable power generated by LUKOIL Group entities

	2022	2023	2024	Change 2024/2023
Total amount of renewable energy generated, million kWh	**1,071**	**2,120**	**1,977**	**-7%**
Renewable power as a percentage of total power generation by LUKOIL Group entities, %	4.4	4.9	4.4	–10%

LUKOIL views renewable energy as a tool to adapt to global energy transition.

In 2024, solar power plants at the Volgograd refinery (with a total capacity of 30 MW) supplied green electricity to the Stavrolen petrochemical complex (12 million kWh) and the Nizhny Novgorod refinery (23 million kWh).

In August 2024, LLC Energy Certification Center, an independent verifier, certified Belorechenskaya HPP as a renewable generator. In September 2024, the plant started supplying green power to the Nizhny Novgorod refinery (34.9 million kWh). Another renewable generator within LUKOIL Group, Tsimlyanskaya HPP, supplied 663 million kWh to LLC LUKOIL-West Siberia in 2024.

In 2024, green electricity was also supplied to LLC LUKOIL-West Siberia facilities by Kolskaya WPP and Azovskaya WPP (765 million kWh), also part of LUKOIL Group.

[7] Including consumption for power generation, boiler house needs, line heaters, etc.

Environmental Protection

We are highly aware of our great social responsibility to preserve the environment and use natural resources sustainably, conform to the highest environmental protection standards, and strictly comply with the national legislation of the countries in which we operate.

Environmental expenditures

In 2024, our environmental spending totaled RUB 25.0 billion, including RUB 16.4 billion of capital expenditures. At RUB 9.5 billion, ambient air protection was the biggest item in the reporting year. The expenditures were up 6 percent year-on-year in line with the implementation plan for environmental protection measures.

Environmental expenditures (capital and operating) in 2024

Total (100%)	**RUB 25.0 billion**
Ambient air protection	38%
Protection and sustainable use of water	22%
Production waste disposal	26%
Other	14%

Water

The Company is committed to using water sustainably and preventing water pollution. We use circulating and recycled water supply systems and build, renovate, and retrofit water and wastewater treatment facilities.

In 2024, the Company's clean water withdrawal and consumption decreased by 1 percent and 0.5 percent respectively, with clean water use flat from the prior year. The use of water across LUKOIL Group Russian entities declined slightly year-on-year. Around 55 percent of LUKOIL Group's water consumption for operational needs is used in industrial processes in power and heat generation, and approximately 28 percent is utilized for reservoir pressure maintenance systems.

Interactions with water across the Group, million cubic meters

	2022	**2023**	**2024**	**Change 2024/2023**
Total water withdrawal[8]	**726**	**490**	**483**	**–1%**
Russia	477	471	463	–2%
International projects	249	19*	21	+11%
Total water consumption for operational needs	**628**	**396**	**394**	-1%
Russia	382	378	374	–1%
International projects	247	18*	20	+10%
Total water discharge	**572**	**327**	**306**	**–6%**

[8] The data exclude water produced as a by-product with hydrocarbons and subsequently used to maintain reservoir pressure.

Including to surface water bodies or seawater	432	223	205	–8%
Including contaminated (untreated and insufficiently treated) wastewater	8.4	8.0	0.1**	–99%
Russia	348	308	278	–5%
International projects	224	19*	14	–26%

** The decrease in 2023 was due to the sale of ISAB S.r.l. (Italy).*
*** The decrease in 2024 was due to the changes in regulatory requirements in the Russian Federation*

Ambient air protection

We work to minimize our air pollutant emissions, generated mostly by Russian oil and gas producing, oil refining, and petrochemical entities. In the reporting year, air pollutant emissions across the Group decreased by 5 percent year-on-year to 445 thousand tonnes.

Air impact

	2022	2023	2024	Change 2024/2023
Air pollutant emissions across the Group, thousand tonnes	**457**	**467**	**445**	**–5%**
Russia	437	455	430	–6%
International projects	20	12*	15	+25%
APG flaring by LUKOIL Group Russian entities, million cubic meters**	**384**	**319**	**287**	**–10%**

** The decrease was due to the sale of ISAB S.r.l. (Italy).*
*** Data provided within the GHG emissions reporting boundaries.*

Preventing land pollution

LUKOIL has built a robust system to improve the reliability of its oilfield and trunk pipelines based on federal laws, rules, and standards, and its own local regulations. Spill prevention, control, and countermeasure plans have been developed for all facilities at risk of oil and petroleum product spill emergencies.

Three significant environmental incidents were recorded during the year.

A loss of containment occurred from an in-field pipeline of the LUKOIL-Severneftegaz TPE at LLC LUKOIL-PERM, resulting in an oil spill into the Luka-Shor stream. The spill volume was 3.1 tonnes, with 1.8 hectares of land affected by contamination. The immediate actions we took in response to the oil spill were implemented on time and in full.

Another accident at LLC LUKOIL-PERM involved a loss of containment from an inter-field pipeline of Yareganeft Oil Mining Enterprise, resulting in an oil spill into the Maly Voyvozh stream. The spill volume was 0.4 tonnes, with 0.1 hectares of land affected by contamination. The immediate actions we took in response to the oil spill were implemented on time and in full.

An oil leak at LLC RITEK occurred due to illegal pipeline tapping by third parties. As a result of the incident, 4.5 tonnes of oil were spilled, contaminating 0.6 hectares of land. The immediate actions we took in response to the oil spill were implemented on time and in full, and a project to remediate the contaminated land areas was developed.

The pipeline failure rate[9] across LUKOIL Group Russian entities was down to 0.053 per km per year in 2024.

Land impact across LUKOIL Group

	2022	2023	2024	Change 2024/2023
Contaminated land as at December 31, hectares	10	10	22	+120%
Reclaimed land, hectares	71	49	22	–55%

Spills of oil and combustible-lubricative materials across LUKOIL Group

	2022	2023	2024
Volume of oil spilled in accidents, tonnes	7	0.6	10.3
Volume of combustible-lubricative materials spilled in accidents, tonnes	1	2.5	2.0
Number of significant[10] oil spills	1	0	3

Pipeline system reliability indicators across LUKOIL Group Russian entities

	2022	2023	2024	Change 2024/2023
Pipeline failures per km per year	0.069	0.065	0.053	–19%
Annually replaced pipelines,[11] % of total length	2.1	2.3	2.1	–9%
Percentage of corrosion-resistant pipelines, %	37	39	40	+3%

Production waste management

In waste management, LUKOIL prioritizes maintaining its disposal-to-generation ratio at 1.0 to prevent waste accumulation. This approach remained unchanged in 2024.

The amount of legacy, pre-privatization waste for LUKOIL Group decreased by 5 percent year-on-year to 567 thousand tonnes in 2024, mostly due to disposal activities at the Perm Refinery.

[9] A pipeline failure means a failure of performance associated with a sudden total or partial shutdown of the pipeline due to a loss of containment from the pipeline itself or a leak from shut-off or control valves or a blockage of the pipeline. Such a failure does not always entail a spill of crude oil, petroleum products, or formation water, or a gas leak. Rates are based on the total length of pipelines (oil, gas, and water pipelines).

[10] Significant spill is an emergency with environmental consequences (accident or incident) that meet one or more of the following criteria: 1. The amount of potential financial liability risks for a LUKOIL Group entity exceeded USD 1 million. 2. The area of contamination exceeded 5 hectares. 3. The volume of the pollutant spilled exceeded 10 tonnes. 4. Damage was caused to water bodies.

[11] Pipelines in this metric mean oil, gas, and water pipelines.

Waste management at LUKOIL Group entities

	2022	2023	2024	Change 2024/2023
Waste generation, thousand tonnes	**2,056**	**2,111**	**2,187**	**+4%**
Russia	1,958	2,041	2,121	+4%
Hazardous waste (Hazard classes I to III), %	21	23	24	+8%
International projects	98	71*	66	–7%
Amount of waste eliminated, thousand tonnes	**1,997**	**2,127**	**2,111**	**–1%**
Russia	1,897	2,056	2,043	–1%
International projects	100	71*	68	–4%
Waste disposal-to-generation ratio[12]	**1.0**	**1.0**	**1.0**	**-**
Pre-privatization waste as at December 31, thousand tonnes	**487**	**595**	**567**	**–5%**
Russia	168	345	317	–8%
International projects	319	250	250	0%

* *The decrease in 2023 was due to the sale of ISAB S.r.l. (Italy).*

Biodiversity conservation

LUKOIL is paying particular attention to biodiversity conservation, implementing a Biodiversity Conservation Program for the Company's facilities operating in the Russian Arctic, including annual environmental media monitoring.

In 2024, spending on biodiversity conservation measures in the Arctic zone totaled RUB 933 million.

One of our focus areas is fish stocking: in 2024, the Company released 9.2 million fry of valuable fish species into water bodies, spending a total of RUB 159 million.

In 2024, the Company won a number of environmental protection awards.

Biodiversity conservation awards received by the Company in 2024

Award	Category	Project
National Environmental Prize named after V.I. Vernadsky	Conservation of Ecosystems and Biodiversity	Saiga population protection project (PJSC LUKOIL)
ECO BEST AWARD	Best Eco Blogger	In Harmony with the Caspian Sea's Nature, a series of short videos on the conservation efforts to protect Red Data Book species in the Lower Volga and Northern Caspian regions

[12] The term "waste disposal" here means "use, neutralization, landfilling, or transfer to a specialized organization for these purposes".

Best ESG Projects in Russia	Marine Ecosystem Protection. Marine Pollution Mitigation	The Zero Discharge Principle – Protecting and Enhancing Marine Ecosystems (LLC LUKOIL-Nizhnevolzhskneft)

Personnel

A strong and stable corporate culture and clear corporate values are at the heart of LUKOIL Group's HR policy. All elements of PJSC LUKOIL's Human Capital Management Policy are structured to ensure the best use of human capacity and maximize flexibility for the Company in a rapidly changing external environment.

To optimize and standardize HR management and ensure efficient labor utilization, LUKOIL Group has digitized, automated, and rolled out a wide range of processes across its Russian entities. This has translated into considerable cost savings on office equipment, paper, and paper document storage while also eliminating routine tasks and reducing the amount of man-hours required to prepare source documents.

The Company has in place a personnel performance and productivity management system to track employees' performance against their targets and their progress along the path of professional development.

In 2024, we continued to develop our service-based model by transferring activities of the Company and its subsidiaries to shared-service centers in order to improve the governance system and corporate structure of LUKOIL Group. In particular, expert review and methodology enhancement tasks in various areas of the Company's activities were shifted during the year from PJSC LUKOIL to shared-service centers. To further improve the efficiency of activities outsourced to shared-service centers, we continued to digitize and unify processes.

In 2024, the average headcount of LUKOIL Group entities was 104.7 thousand employees.

Headcount across LUKOIL Group, people

	2022	2023	2024
Average headcount	104,323	104,172	104,736
Employee turnover	9.0%	9.2%	9.8%

Personnel by gender as at December 31, 2024

Women	40%
Men	60%

Personnel by age as at December 31, 2024

35 years or under	29%
36 to 40 years	18%
41 to 50 years	31%
51 years and older	21%

Personnel by job type as at December 31, 2024

Managers	**12%**
Women	23%
Specialists	**29%**
Women	50%
Workers and other employees	**59%**
Women	38%

Personnel by education level as at December 31, 2024

Higher	55%
Secondary vocational	24%
Primary vocational, high school, below high school	21%

Personnel by activity in 2024

Exploration and production	40%
Oil product supply and transportation as well as other entities from the Refining, Marketing, and Distribution business segment	30%
Power generation	12%
Oil refining and petrochemicals	11%
Corporate center and other activities	7%

Personnel by geography in 2024

Russian entities	87%
Foreign entities	13%

Talent management

To foster its management culture, the Company has in place Standard Management Practices (SMP) and a corporate training program for LUKOIL Group managers on the use of management practices to boost employee motivation and performance. In the reporting year, we also developed a corporate online course on SMP application.

Following the training, managers are surveyed on how they apply their newly acquired knowledge to work processes. This enables us to quantify changes in their skills and behavior post-training while also identifying areas that require additional support.

In 2023–2024, over 3.5 thousand LUKOIL Group managers were trained on the use of SMP tools.

In the reporting year, LLC LUKOIL-Engineering piloted the Leadership Mentoring program aimed at unlocking employees’ leadership potential. Based on the pilot results, the program may be scaled to other LUKOIL Group entities.

Incentive system

The Company uses various incentives to boost staff performance and productivity as well as to motivate employees to achieve the goals they have been set. LUKOIL values each employee’s contribution and ensures that high performance is fairly rewarded.

Employees offering suggestions or contributing to the improvement process can be rewarded based on the impact achieved. This approach aims to drive continuous business performance gains.

In 2024, all LUKOIL Group Russian entities rolled out an end-to-end grading system which ensures that positions are comparable across the organization and LUKOIL Group in general, salaries are competitive, and payroll is under control. During the reporting year, we also further improved the employee incentive system by introducing differentiated annual bonuses linked to job grades. These bonuses also take into account individual performance as well as LUKOIL Group-wide results.

As part of our personnel performance and productivity management system, we annually evaluate employee performance against their individual targets and KPIs, while also preparing individual development plans for them. The evaluation results affect the amount of annual bonuses and further career growth of employees.

Employee development system

The Company has a continuous training system in place to equip employees with the necessary knowledge and skills to address current and emerging business challenges. Employee development is based on annual professional development plans.

Professional training days are held on a regular basis for all managers of LUKOIL Group entities to discuss the most pressing matters. The matters discussed in 2024 included HR management, corporate security, and protection of social and economic rights as well as employment and professional interests of Company employees. To provide employee training, the Company runs workshops, seminars, trainings, secondments, professional development and retraining programs as well as professional training days. The Company develops and delivers corporate training programs for employees of LUKOIL Group entities at Russia’s leading educational centers. In 2024, over 91 thousand employees completed training for more than 347 thousand person-courses. Training time exceeded 9.9 million hours, including over 2 million hours of mandatory training.

LUKOIL maintains a distance learning system that helps optimize mandatory training costs and provides employees with easy access to information. LUKOIL Group has over 50 entities connected to the system, with more than 90 thousand users. In 2024, LUKOIL employees successfully completed over 194 thousand training courses via the distance learning system, including more than 80 thousand training courses on health and safety.

Career and succession management

In 2024, we continued our project to improve the Company’s career and succession management system. The project is planned to be implemented as a module within our automated personnel performance management system.

This initiative also provides for adopting a system of position profiles for key production segments and professional skills models. The project’s deliverables will be used to implement standard career paths available to every employee upon achieving performance indicators and targets, provided they have developed the necessary skills.

Diversity, equality, and inclusion

In implementing its HR policy, LUKOIL is guided by the principles outlined in the conventions of the United Nations and the International Labour Organization. LUKOIL has zero tolerance for any form of discrimination and provides equal opportunities to all its employees.

To facilitate employment opportunities for people with disabilities, LUKOIL has internal regulations in place on job quotas for disabled persons. The quota is 2 percent to 4 percent of the Company's average headcount and is set in line with regional laws of Russia's regions. Special working conditions, benefits, and guarantees are provided to disabled employees, including shorter working hours for the full salary and longer annual leave.

Social policy for employees

Our corporate social policy is implemented in accordance with the Social Code of PJSC LUKOIL and is governed by the Agreement between the Employer and the Trade Union Association of PJSC LUKOIL for 2021–2026, collective bargaining agreements, and other internal regulations on social policy. LUKOIL's extensive social policy offers a variety of guarantees and privileges to which all employees of LUKOIL Group entities are entitled. Collective bargaining agreements cover 92.5 percent of LUKOIL Group's workforce and 99.9 percent of employees at LUKOIL Group Russian entities.

As part of ongoing efforts to improve the employee healthcare system at its production facilities, the Company repaired, retrofitted, and upgraded more than 30 medical facilities in 2024.

In the reporting year, the Company continued to build apartment houses for employees in Kogalym and Chernushka (Perm Territory) and commissioned residential buildings in the Volgograd Region.

In July 2024, the corporate pension program, which involves contributions to non-state pension benefits from both employees and the employer, was amended to introduce a tenure-based multiplier in the calculation of the employer's pension contribution.

Total 2024 expenditures for social programs for employees, members of their families, and non-working retirees exceeded RUB 32 billion.

Expenses on internal social support, RUB billion

	2022	**2023**	**2024**
Total	**21.4**	**26.3**	**32.2**
Social benefits funded from the payroll[13]	12.2	15.4	19.1
Social benefits and payments, social support for employees[14]	9.2	10.9	13.1

[13] Include one-off payments for annual leave, housing rental and meal allowances/compensations, lump-sum incentive payments, and sick leave allowances above the statutory minimum (for foreign entity employees – reimbursement of children's preschool and primary education costs included in the payroll).

[14] Include contributions under voluntary health insurance and accident insurance agreements, other types of personal insurance (for foreign entity employees), coverage of employee travel expenses, severance pay and redundancy payments, payments for healthcare services, payments for vacation packages and compensations for health resort treatment and leisure, one-off financial assistance, coverage of children's gift expenses, allowances for temporary disability, maternity, childbirth, and parental leave, payments to a non-state pension fund, housing expenses, and financial support to non-working retirees (for foreign entity employees – reimbursement of children's preschool and primary education costs not included in the payroll).

Business Ethics

LUKOIL's corporate values are the cornerstone of its activities, ensuring a commitment to the highest ethical standards of business, including strict adherence to respect for human rights, full legislative compliance, and zero tolerance for any form of corruption. Our core principles and approaches in business ethics, human rights, and stakeholder engagement are set forth in the Code of Business Conduct and Ethics of PJSC LUKOIL.

Employees can discuss business ethics and human rights matters with HR departments of LUKOIL Group entities and with independent trade union organizations. In addition, the Company established the Business Ethics Commission to ensure compliance with corporate business ethics standards, including respect for human rights. Any employee (including from international entities) can approach the Company's management. Other stakeholders can liaise with the Business Ethics Commission using the contact phone numbers listed in the Whistleblowing section of the Code of Business Conduct and Ethics.

The Business Ethics Commission registered eight reports in 2024. In each case, measures were taken to prevent negative situations from escalating. Some reports related to employment relations, specifically the interaction between employees and supervisors or fellow workers, while others to process non-conformance and other matters.

The Company's key principles and approaches to social responsibility are described in the Social Code of PJSC LUKOIL.

Anti-corruption

Corporate anti-corruption practices are outlined in the Anti-Corruption Policy of PJSC LUKOIL (the "Policy") approved in 2020.

The Policy sets out the principles, key elements, and measures for preventing and combating corruption as well as ensuring compliance with anti-corruption laws by both the Company and its counterparties. The Company's Board of Directors oversees compliance with the Policy.

LUKOIL has a 24/7 whistleblowing hotline to report violations of anti-corruption laws. Any employee, counterparty, or other stakeholder can report corruption-related issues via anticorruptionline@lukoil.com in Russian or English as well as in the national language of the country where the relevant LUKOIL Group entity operates.

Preventing abuse and fraud by Company employees

To ensure compliance with the requirements of the Code of Business Conduct and Ethics of PJSC LUKOIL and establish a uniform procedure for preventing conflict of interest situations as well as eliminate the negative impact of any actual conflict of interest situation on the process and results of the Group's operations, the Company has adopted the Regulations on the Actions of LUKOIL Group Entities and Their Employees in Conflict of Interest Situations. Compliance with these Regulations is mandatory for all employees at LUKOIL Group entities.

LUKOIL employees take regular professional trainings and trainings on ethical standards and anti-corruption conduct, with Company managers attending meetings on relevant organizational and methodological aspects. Managers of LUKOIL Group entities and employees of corporate security units take annual tests to assess their knowledge of methods for identifying and responding to conflict of interest situations.

Human rights

The Company's position and commitments with regard to observing and protecting human rights are set out in the LUKOIL Group Human Rights Policy, approved by the Company's Board of Directors on October 28, 2022.

The Policy applies to PJSC LUKOIL and its subsidiaries, formalizes the Company's basic principles and commitments as regards observing and protecting human rights, and outlines the relevant mechanisms and tools.

The Group has established a grievance mechanism to receive and address concerns about human rights observance and protection from employees, customers, partners, shareholders, and local communities, in all languages used in LUKOIL Group's regions of operation. Reports can be submitted via telephone, e-mail, or public relations centers of LUKOIL Group entities.

In 2024, LUKOIL did not receive any complaints concerning violations of human rights or the rights of indigenous minorities of the North by the Company, including with regard to human rights breaches by contractors working at LUKOIL Group's facilities.

Contribution to Society

Being aware of our responsibility to the communities of which we are a part, LUKOIL maintains regular dialogue with stakeholders and implements targeted programs that take into account the cultural and historical specifics of the regions and countries in which it operates.

The Company makes decisions on financing certain social projects based, among other things, on requests from stakeholders (local, regional, and federal authorities and non-profit and other non-governmental organizations), and as part of social partnerships with Russian regions. Corporate programs are tailored to respective specific regions and leverage local expertise and human capital. The Company deploys various external social policy mechanisms, including the conclusion of social and economic cooperation agreements with administrations of Russian regions. In the reporting year, 21 such agreements were in effect.

The Company's charity expenses in its regions and countries of operation in 2024 are presented in LUKOIL Group's 2024 consolidated financial statement disclosures.

In the reporting year, four LUKOIL projects topped the Best Social Projects in Russia competition: the Education Center in Kogalym, the Clean Water in the Komi Republic, the Perm – Workshop of the Future competition of environmental projects, and a LUKOIL Charity Fund project to create an inclusive environment for children and adults.

In 2024, the LUKOIL Charity Fund joined the top 5 charitable foundations in the AK&M ranking. The ranking included over a hundred charities supported by Russian companies.

Below are examples of projects implemented in 2024.

Building and upgrading infrastructures

In the Komi Republic, the Usinsk Community Center was renovated, and upgrade projects on Youth Alley and Family Alley were completed to mark Usinsk's 40th anniversary. In Syktyvkar, the region's largest skatepark was launched, covering an area of almost 3 thousand square meters.

Supporting educational institutions

In the reporting year, a branch of Perm National Research Polytechnic University was opened in Kogalym to train a new generation of oil and gas engineers.

In Ukhta and the Volgograd and Saratov Regions, LUKOIL provided support to repair rooms and upgrade facilities of industry-related educational institutions which offer employer-sponsored engineering degrees in refining and petrochemicals.

In Arkhangelsk, the Company financed the equipment of facilities, infrastructure expansion, and area improvements at the M.V. Lomonosov Northern (Arctic) Federal University.

In the Perm Territory, the Company-financed construction of a regional school of arts and the Maryushka Russian Classical School was completed.

Preserving cultural and historical heritage

In 2024, projects from 23 Russian regions and Romania were submitted to the annual Social and Cultural Projects Competition, held by PJSC LUKOIL in its regions of operation since 2002. Over 500 projects became winners in the competition's three categories – Environment, Spirituality and Culture, and Sports. The key evaluation criteria focused on support for the family, strengthening traditional family values, and childhood protection.

The United in Oil exhibition was held in Moscow and the Perm Territory to mark the 95th anniversary of the oil industry in the Perm Territory and the Komi Republic. The exhibits were created by 13 artists, who drew their inspiration from a tour to oil fields in the Kama region and Timan-Pechora. This cultural project became a significant milestone in the revival of the industrial landscape genre.

In the Nizhny Novgorod Region, the Company helped to fit out the Tourist Center at the Alexander Nevsky Cathedral and financed the restoration and construction of facilities within the Sarov-Diveyevo Cluster.

In the Yarega settlement (Komi Republic), the Company-sponsored construction of the Cathedral of Our Lady of Kazan was completed, taking cues from the traditions of the Russian northern wooden architecture.

In Azerbaijan, the Company financed the installation of a bust of Yuri Gagarin in the country's capital of Baku as well as restoration and adjacent area improvements for the monument to the Russian sailors of the *Guba* steamer in the Shuvelan settlement.

Supporting vulnerable social groups

In 2024, the LUKOIL Charity Fund (the "Fund") purchased over 170 rehabilitation products for disabled children from low-income families. The Fund also supported the Gift of Love, an inclusive exhibition held in the Mashkov Volgograd Museum of Fine Arts and showcasing paintings by Andrey Yakimov, a 15-year-old artist with Down syndrome.

Supporting sports

In 2024, the Company supported the International Kogalym Half Marathon, which also included the 15-km Russian Road Running Championship. The event brought together more than a thousand athletes from 12 countries, and the race route was certified to world athletics standards. The half marathon also featured an “ethnic run” where indigenous minorities of the North took part, in a first for Russia.

LUKOIL actively promotes physical culture and sports in Iraq: in 2024, the Company financed the construction of five soccer fields in the Al-Madain District.

Responsibility to customers

LUKOIL has an extensive network of filling stations in 20 countries around the world.

LUKOIL’s Fill Up with Profit loyalty program and the LUKOIL GAS STATIONS mobile app are available to motorists. In 2024, the number of users of the LUKOIL GAS STATIONS mobile app in Russia exceeded 15 million. A number of measures are being implemented to improve the quality of service, including the development of feedback mechanisms in the mobile app, maintaining the Unified Hotline, monthly analysis of incoming requests, monitoring the compliance of filling station staff with customer service guidelines, regular training and development courses for all categories of filling station personnel as well as expanding customer communications in the mobile app, etc.

We continue developing our ecosystem of driver services under the LUKOIL brand. In 2024, the Company launched the Buy Auto multi-brand service, offering both new and used cars for sale along with additional privileges from the Company.

In the reporting year, we maintained a strong focus on the LUKOIL for Business mobile app, with its subscriber base exceeding 140 thousand users, almost double year-on-year. For B2B customers, a loyalty program was launched, which allows fueling up with LUKOIL fuel cards while earning points in the Fill Up with Profit loyalty program.

Customers of Teboil Rus filling stations also benefit from Teboil’s loyalty program, accessible on its own mobile app. The newly launched Teboil Multicard, a competitor to multi-brand fuel cards, is accepted at more than 5 thousand owned and partner filling stations and about 200 roadside facilities.

In 2024, the annual Customer’s Day event went, with the year’s theme, Filling Up with Happiness, linked to the Year of the Family in Russia. Over one thousand administrative employees were offered an opportunity to deep dive into the ins and outs of the work of operators and their assistants at filling stations as well as contribute toward corporate goals and suggest improvements to business processes.

Innovative ancillary services (tire inflation station, laundry and shower rooms) are introduced at new filling stations, including flagship ones, implemented as advanced technology solutions in the self-service format that offer a better customer experience.

In the reporting year, LUKOIL opened four new filling stations along the M-12 East Federal Highway, part of the Russia international transport corridor. All the stations are equipped with spacious parking lots, playgrounds, and sports grounds. With their expanded menu and improved service, LukCafe restaurants have also become an integral part of this new concept.

In 2024, two unique filling stations were opened on the Neva Highway (M-11) which connects Moscow and Saint Petersburg. Each 1.3-hectare station has a parking lot for over 100 vehicles and offers customers options such as relaxation spaces with massage chairs, baby care rooms, showers, laundry services, and dog parks.

In 2024, the Company's Filling Up with Happiness campaign received the Regional Development: The Best for Russia award. LUKOIL also won the Filling Station Network of the Year category of the annual Consumer Choice Awards.

Another award-winning project by the Company was Clean. Spring, a volunteer cleanup event held across the Company's filling stations, which won the ECO BEST AWARD 2024 in the Sustainability: Best Corporate Change Management Project category.

Government relations

Through legal mechanisms of public consultation on draft regulatory documents, LUKOIL is actively involved in developing a modern and balanced regulatory framework that promotes entrepreneurship.

In 2024, the Company submitted proposals on more than 500 draft regulations affecting the interests of LUKOIL Group entities to federal authorities.

The Company also participates in discussions on government regulation within business associations and at events held by executive and legislative authorities. In addition, in 2024, LUKOIL continued contributing to efforts to refine mandatory industry requirements as part of working groups on implementing the regulatory guillotine mechanism.

3. Corporate Governance

A well-functioning corporate governance system is an important factor for sustainable development and successful implementation of the Company's strategy to create shareholder value. The Company carries out systematic work to make sure a wide range of sustainability aspects and issues are considered in both strategic and day-to-day management of its activities, risk management, and interactions with shareholders, customers, counterparties, and other stakeholders.

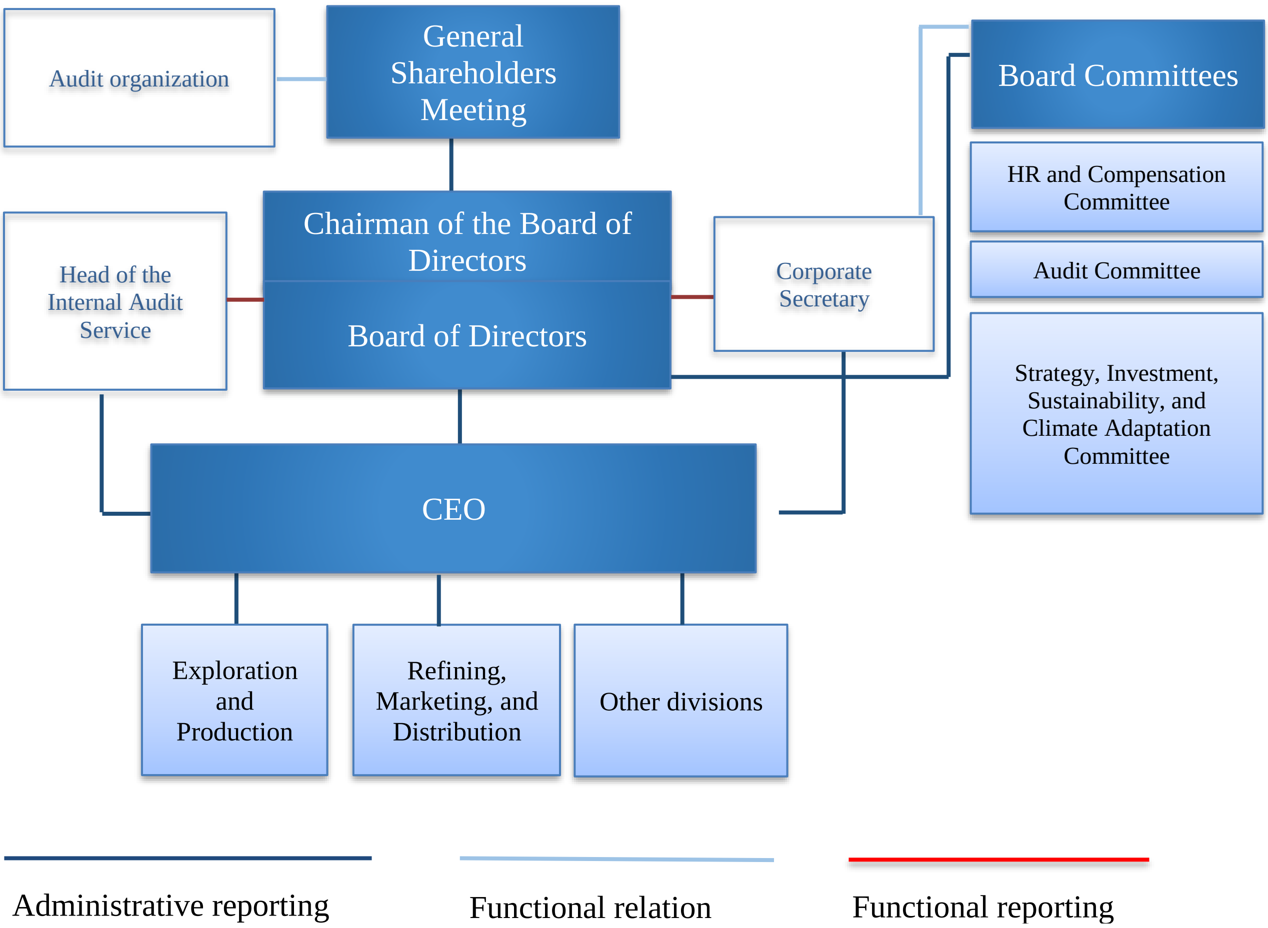
The Company is continuously improving its corporate governance system which defines the relationships between the sole executive body, the Board of Directors, and all stakeholders. The Company's corporate governance system is aimed at identifying goals and ways to achieve them as well as at ensuring effective interaction with all stakeholders.

The Company's corporate governance system matches the scale of its business and is based on international standards of business conduct and ethics, Russian law, the Listing Rules of PJSC Moscow Exchange, and the principles of the Corporate Governance Code recommended by the Bank of Russia (the "Code").

PJSC LUKOIL's corporate governance system is built on the following key principles:

- Respecting the rights of shareholders, investors, and other stakeholders while taking their interests into account
- Equal opportunities for shareholders in exercising their rights
- Consistent and collegial decision making
- Proactivity and professionalism of members of governance bodies
- Stable and transparent dividend policy
- Information openness and transparency
- Agile responses to external challenges
- Zero tolerance for any form of corruption
- Adherence to ethical standards
- Corporate social responsibility

Corporate Governance Structure of PJSC LUKOIL as at December 31, 2024



Dedicated Committees of the Company:

- *Health, Safety, and Environment Committee of PJSC LUKOIL*
- *Tender Committee of PJSC LUKOIL*
- *Major Exploration and Production Projects Committee*
- *Priority Refining and Distribution Projects Committee*

PJSC LUKOIL's corporate governance system is built, in particular, in line with the principles and recommendations set out in the Corporate Governance Code recommended by the Bank of Russia. The Code's provisions take into account international corporate governance practices as well as the corporate governance principles developed by the Organization for Economic Co-operation and Development (OECD).

Developments in the Corporate Governance System

In 2024, we continued to improve our internal corporate procedures and practices and focused on the following areas.

Focus area	Activities in 2024
Improving performance of governance bodies	• *Key Principles of the Internal Audit Business Process* were approved. The document is aimed at improving the procedural framework for the internal audit activity and enhancing the effectiveness of the audit activity at LUKOIL Group entities. • *PJSC LUKOIL's Policy Defining the Principles of Engagements That Do Not Provide Assurance (Non-Audit Services) Performed by the Auditor* was approved. The Policy needed to be approved after the International Ethics Standards Board for Accountants (IESBA) introduced several amendments to the International Code of Ethics for Professional Accountants. These amendments are also set forth in the Russian Code of Professional Ethics of Auditors and the Russian Independence Rules for Auditors and Audit Firms and are intended to ensure audit organization independence when performing non-audit services. • Amendments to the *Regulations on Performance Assessment of the Board of Directors of PJSC LUKOIL* were approved. The amendments primarily affected the questionnaire used to survey members of the Board of Directors, which was updated to reflect the results of the independent external performance evaluation of the Board. Specifically, the questionnaire was amended to include new questions reflecting current trends in the performance evaluation of the Board of Directors and addressing the assessment of sustainability goals and objectives by Board members and the performance evaluation of the Company's Corporate Secretary. • Amendments to internal regulations on internal audit were approved to improve the effectiveness of the audit activity at LUKOIL Group entities. The above internal documents were amended to further enhance corporate culture, improve the effectiveness of corporate governance, strengthen the system of corporate values, and enhance methodological support.
Strategy and sustainable development	• Interim annual and semiannual results of the Strategic Development Program of LUKOIL Group for 2022–2031 were summarized. • The preliminary results of LUKOIL Group's activity in ensuring Health, Safety, and Environmental Protection in 2024 were summarized. • The draft of the Program of Industrial Safety of LUKOIL Group for 2025–2027 was reviewed. • *LUKOIL Group's Strategy for 2025–2029* was approved. The new Strategy outlines strategic development directions and key strategic goals of LUKOIL Group for 2025–2029, integrates sustainability principles, and builds upon the previous program.

At the end of 2024, the share of the Code's principles fully complied with by PJSC LUKOIL grew to 76.0 percent[15] from 73.4 percent in 2023, while the share of principles partially complied with decreased accordingly to 21.5 percent. The share of principles that are not complied with remained flat at 2.5 percent.

The Company's self-assessment of corporate governance practices for compliance with the principles and recommendations of the Corporate Governance Code[16]

Corporate governance principles	Number of principles recommended by the Code	2023			2024		
		Full	**Partial**	**None**	**Full**	**Partial**	**None**
Shareholder rights and equal opportunities for shareholders in exercising their rights	13	11	1	1	11	1	1
Board of Directors	36	26	10	–	28	8	–
Corporate Secretary of the Company	2	1	–	1	1	–	1
Remuneration system for directors, executive bodies, and other key executives of the Company	10	9	1	–	9	1	–
Risk management and internal control system	6	6	–	–	6	–	–
Company disclosures and information policy	7	3	4	–	3	4	–
Material corporate actions	5	2	3	–	2	3	–
Total score	**79**	**58**	**19**	**2**	**60**	**17**	**2**
	100.0%	**73.4%**	**24.1%**	**2.5%**	**76.0%**	**21.5%**	**2.5%**

For more details on the Corporate Governance Code compliance, see Appendix 1. Corporate Governance Code Compliance Report.

[15] Compliance with the Code is assessed using guidelines based on comparisons between PJSC LUKOIL's practices and detailed Code recommendations. Compliance with a paragraph of the Code is considered partial if any individual detailed recommendation within the paragraph has not been met. If none of the detailed recommendations within the paragraph have been met, the Company will be considered noncompliant with it.

[16] Statistics provided is based on the Corporate Governance Code Compliance Report.

General Shareholders Meeting

The General Shareholders Meeting (the "Shareholders Meeting" or the "General Meeting") is the highest governance body of PJSC LUKOIL. It is responsible for making decisions on matters most crucial to the Company's business, including approval of the Charter and other internal documents regulating the activities of Company bodies, election of members of the Board of Directors, approval of the Annual Report and annual accounting (financial) statements, dividend payment (announcement), appointment of the auditor, decisions on consent or subsequent approval of major and interested-party transactions (in cases stipulated by the Federal Law On Joint Stock Companies), etc.

The full list of matters falling within the authority of the General Shareholders Meeting is set out in Federal Law No. 208-FZ, On Joint Stock Companies, dated December 26, 1995.

The procedure for holding the General Shareholders Meeting in place at LUKOIL ensures that all shareholders of the Company have an equal opportunity to participate in it.

In the reporting year, a federal law continued to apply, according to which[17] the shares recorded in depositary program depo accounts do not grant voting rights, are not included in the vote count, and do not receive dividends.

General Shareholders Meetings of PJSC LUKOIL held in 2024 and resolutions they passed

Annual General Shareholders Meeting April 26, 2024 absentee voting	• PJSC LUKOIL's Annual Report for 2023 and annual accounting (financial) statements were approved. • A resolution on dividend payment for 2023 was passed. • The new Board of Directors was elected. • A resolution was passed to pay remuneration to members of the Board of Directors; remuneration amounts for newly elected members of the Board of Directors were determined. • PJSC LUKOIL's auditor was appointed.
Extraordinary General Shareholders Meeting December 5, 2024 absentee voting	• A resolution was passed on interim dividend payment for the nine months of 2024. • It was resolved to pay part of the remuneration to members of the Board of Directors for performing their duties.

In 2024, due to the current geopolitical situation, the risk of not reaching the required quorum for General Shareholders Meetings remained, including due to the non-participation of foreign shareholders in voting. To manage this risk, decisions were also made during the preparation for General Meetings to convene repeat General Meetings, ensuring timely corporate decisions. However, a quorum was present at all General Meetings of the Company; therefore, there was no need to convene repeat General Meetings.

[17] Article 6 of Federal Law No. 114-FZ, On Amendments to the Federal Law On Joint Stock Companies and Certain Legislative Acts of the Russian Federation, dated April 16, 2022.

The proportion of shareholders holding voting shares in the Company who participated in General Shareholders Meetings (presence of a quorum) in 2022–2024

May 30, 2022 (EGM)	June 21, 2022 (AGM)	December 5, 2022 (EGM)	May 25, 2023 (AGM)	June 14, 2023 (EGM)	December 5, 2023 (EGM)	April 26, 2024 (AGM)	December 5, 2024 (EGM)
65.8%	64.3%	55.6%	54.9%	A quorum is present[18]	53.9%	53.6%	54.0%

The required quorum was present at all General Meetings held in 2024, thanks to targeted engagement with shareholders and infrastructure market participants as well as the use of an electronic voting system.

At the Extraordinary General Shareholders Meeting held on December 5, 2024, the proportion of shareholders who used the electronic voting system reached the record high of 96.6 percent of the total number of Meeting participants.

The proportion of shareholders who used the electronic voting system in the total number of Meeting participants in 2022–2024

May 30, 2022 (EGM)	June 21, 2022 (AGM)	December 5, 2022 (EGM)	May 25, 2023 (AGM)	June 14, 2023 (EGM)	December 5, 2023 (EGM)	April 26, 2024 (AGM)	December 5, 2024 (EGM)
60.5%	58.2%	64.9%	69.3%	65.2%	82.7%	95.4%	96.6%

At the General Shareholders Meetings, shareholders demonstrated strong support for each resolution on the agenda. Votes "in favor" ranged from 98.2 percent to 99.9 percent for all agenda items.[19]

Board of Directors

The Board of Directors is responsible for the general management of the Company, except for matters reserved to the General Shareholders Meeting. The Board of Directors plays a crucial role in designing and developing the corporate governance system, ensures the protection and exercise of shareholder rights, and supervises the sole executive body.

The Board takes a consistent approach in its work to create long-term value and strikes the right balance between short- and long-term objectives. During strategic planning, possible options for the Company's long-term development are evaluated using scenario analysis.

To enable long-term value creation, the Board of Directors integrates a wide range of sustainability considerations into the Company's long-term strategy and approves the Company's non-financial

[18] When passing a resolution on an interested-party transaction, the General Shareholders Meeting shall be deemed competent regardless of the number of shareholders holding voting shares in the Company who are not interested in the relevant transaction and participate in the Meeting.

[19] Of the number of votes held by persons who participated in the General Meetings on the relevant agenda item (excluding items related to the election of members of the Board of Directors of PJSC LUKOIL).

KPIs. Additionally, during strategic planning, the Board of Directors reviews, approves, and monitors the implementation of sustainable development goals integrated into LUKOIL Group’s Strategy.

The Board’s authority, formation process, and procedures for convening and holding meetings are determined by the Charter and the Regulations on the Board of Directors of PJSC LUKOIL.

The Board of Directors, in particular, is responsible for:

- establishment of the Company’s business priorities
- convocation of Annual and Extraordinary General Shareholders Meetings and preparations for General Shareholders Meetings
- appointment of the sole executive body (CEO)
- approval of the Company’s internal documents, excluding the internal regulations to be approved by the General Shareholders Meeting and the Company’s executive body
- approval of the Company’s registrar, the terms of the contract with the registrar, and the contract’s termination
- consent to transactions or subsequent approval of transactions in cases stipulated by applicable laws and the Company’s Charter
- decisions on the appointment and dismissal of the Company’s Corporate Secretary and Head of the Internal Audit Service.

The Company’s Board of Directors consists of 9 members, unless decided by the Shareholders Meeting for a larger number of members. The Board of Directors is elected annually during the Annual General Shareholders Meeting (and can be reelected at Extraordinary General Shareholders Meetings) through cumulative voting, whereby candidates with the highest number of votes are elected to the Board.

By the Resolution of the Annual General Shareholders Meeting dated April 26, 2024 (Minutes No. 1), nine members of the Company’s Board of Directors were elected.

Meetings of the Board of Directors are held in person or in absentia according to the approved plan and as needed, but generally at least once every two months.

Board of Directors’ performance

In 2024, the Board of Directors held 20 meetings, including 12 in-person meetings and 8 meetings in absentia. Most of the matters discussed related to corporate governance (including the activities of governance bodies), with close attention paid to sustainability aspects.

Meetings of the Board of Directors

	2022	2023	2024
In person	12	9	12
In absentia	16	10	8

Matters discussed by the Board of Directors

	2022	2023	2024
In person	57	45	54
In absentia	26	23	9

Matters discussed by the Board of Directors in 2024

Corporate governance	21
Sustainable development and strategy	21*
Finance	7
Transaction approval	7
Internal regulations	5
Other matters	2

* Includes the approval of internal regulations dealing with sustainable development.

Key decisions of the Board of Directors in 2024

Agenda and decisions	**Initial review by the Committees of the Board of Directors**
Corporate governance	
Preparations for the Company's Annual and Extraordinary General Shareholders Meetings, preliminary approval of PJSC LUKOIL's Annual Report for 2023, determination of the list of candidates for election to the Board of Directors	SISCAC, AC, HRCC[20]
Convocation of the repeat Annual, repeat Extraordinary General Shareholders Meetings as well as cancellation of corresponding resolutions	
Reliability and performance of the Company's risk management and internal control system	AC
Amendments to the 2024 Annual Audit and Consulting Plan for the Internal Audit Service of PJSC LUKOIL	AC
Amendments to the key provisions of the PJSC LUKOIL CEO's contract	HRCC
Performance assessment of the Board of Directors and Board Committees for 2023–2024	HRCC, AC, SISCAC – the performance assessments of the Committees were reviewed
Independent external performance assessment of PJSC LUKOIL's Board of Directors	HRCC
Independence of members of PJSC LUKOIL's Board of Directors	HRCC
Amendments to the Regulations on Performance Assessment of the Board of Directors of PJSC LUKOIL	HRCC
Approval of the Key Principles of the Internal Audit Business Process	AC
Approval of PJSC LUKOIL's Policy Defining the Principles of Engagements That Do Not Provide Assurance (Non-Audit Services) Performed by the Auditor	AC
Approval of internal regulations of PJSC LUKOIL governing its internal audit activity	AC

[20] SISCAC – Strategy, Investment, Sustainability, and Climate Adaptation Committee; AC – Audit Committee; HRCC – Human Resources and Compensation Committee.

PJSC LUKOIL's investor and shareholder relations in 2024	SISCAC
Review of the report on performance of the 2023 Annual Audit and Consulting Plan for the Internal Audit Service of PJSC LUKOIL and internal audits	AC
Approval of the 2025 Annual Audit and Consulting Plan for the Internal Audit Service of PJSC LUKOIL and the Internal Audit Budget for 2025	AC
Finance	
Determination of the amount of payment for the services of the Company's auditor	AC
Key indicators of LUKOIL Group's Budget for 2025–2027	SISCAC
Recommendations on the amount of dividends on PJSC LUKOIL shares for 2023 and the first nine months of 2024, and on the dividend payment procedure	SISCAC
Sustainable development, strategy, technology, and innovation	
LUKOIL Group's preliminary results for 2023 and priorities for 2024 under the Strategic Development Program of LUKOIL Group for 2022–2031	
LUKOIL Group's results for the first half of 2024 and performance of LUKOIL Group's Budget and LUKOIL Group's Investment Program for 2024	
LUKOIL Group's Strategy for 2025–2029	SISCAC
Approval of LUKOIL Group's Sustainability Report for 2023	SISCAC
LUKOIL Group's HR Management Report	HRCC
Amendments to the Regulations on the PJSC LUKOIL Management Remuneration and Incentive System	HRCC
Amendments to the Regulations on the Long-Term Incentive Program for Key Employees of LUKOIL Group for 2023–2025	HRCC
HSE performance of LUKOIL Group in 2023	SISCAC
Progress Report on the LUKOIL Group Human Rights Policy	SISCAC
Use of the integrated management system (IMS) to support and maintain business processes under current conditions	SISCAC
Renewable energy development at LUKOIL Group	
Operations of the Exploration and Production business segment	SISCAC
Operations of the Oil Refining in Russia and Petrochemicals business sectors of the Refining and Distribution business segment	SISCAC

Board of Directors' performance assessment

The Board of Directors relies on the assessment process to identify areas to improve its performance. PJSC LUKOIL was one of the first in the Russian oil and gas industry to begin assessing the performance of the Board and its Committees on a regular basis. This practice was introduced back in 2010.

The Company's procedure for assessing the performance of the Board of Directors is governed by the Regulations on Performance Assessment of the Board of Directors of PJSC LUKOIL. In 2024, the Board of Directors underwent an annual performance assessment, which included both a self-assessment and an independent external assessment. If an independent external assessment of the Board of Directors' performance for the reporting year is undertaken, the Board of Directors' self-assessment is integrated into such independent external assessment.

Performance self-assessment

The annual self-assessment questionnaire for the Board of Directors and its Committees is detailed and consists of 65 questions divided into several groups.

Groups of criteria for evaluating the performance of the Board of Directors	**Groups of criteria for evaluating the performance of the Board of Directors' Committees**
• Structure and composition of the Board of Directors • Performance of key functions by the Board of Directors • Administration of the Board of Directors	• Composition of the Board of Directors' Committee • Committee functions • Administration of the Board of Directors' Committee

The assessment results are summarized based on the questionnaires filled out by members of the Board of Directors. As part of the assessment, the Chairman of the Board of Directors discusses the results of relevant Committees' performance assessments with the Committee Chairmen and members and presents these results at a Board meeting during the discussion of the aggregate annual assessment results. A detailed discussion with members of the Board of Directors helps analyze matters requiring special attention from the Board and identify possible solutions.

Independent external assessment

In accordance with the Regulations on Performance Assessment of the Board of Directors of PJSC LUKOIL, an independent external assessment is conducted at least once every three years, which is in line with the recommendations of the Corporate Governance Code. In 2021, an independent external assessment of the Board of Directors' performance was conducted for the first time.

In 2024, JSC Kept, an independent advisor, conducted an independent external assessment of the Board of Directors' performance for 2023 following a relevant resolution of the Board of Directors. The assessment involved questionnaires and interviews with members of the Board and its Committees, review of PJSC LUKOIL's internal documents governing the activities of the Board and its Committees, as well as a comparative analysis of the practices used by the Company's Board and the boards of directors at comparable companies, based on publicly available information.

The independent advisor found that members of the Board of Directors possess a diverse range of professional skills and capabilities, enabling them to thoroughly analyze matters under their review and effectively perform their duties. The number and composition of Board Committees at the Company are optimal for a well-informed decision-making process. The Board of Directors reviews a broad range of matters, including those related to strategic development, planning, budgeting, and corporate governance. The Board regularly discusses the sustainability agenda at its meetings, including low-carbon development and HSE aspects.

Once the results of the independent external assessment are summarized, the identified areas for improvement are incorporated into work planning, including the activity plans of the Board of Directors and its Committees.

PJSC LUKOIL's Board of Directors reviewed the results of the external assessment of its performance in April 2024 and deemed it expedient to continue improving its performance, including by incorporating the recommendations provided.

Board of Directors’ composition

PJSC LUKOIL’s Board of Directors consists of highly professional individuals. We believe that our Board of Directors is well-balanced in terms of its composition (i.e., the proportion of independent, executive, and non-executive directors) and well-diversified in terms of professional qualifications.

Independent directors ensure the impartial consideration of matters, while their independent judgements help improve the Board’s performance and the Company’s corporate governance system as a whole.

As of the end of 2024, the Board of Directors included several executive[21] directors, whose service helped integrate efforts between the Company’s Board and its sole executive body and enable well-informed managerial decision making based on industry expertise.

Board of Directors Chairman’s role

The Chairman of the Board of Directors plays the central role in ensuring the effective operation of the Board and its Committees. The Chairman helps the Board of Directors carry out its assigned functions as effectively as possible. The Chairman also fosters a constructive environment at meetings, facilitates an open discussion of agenda items, and oversees the execution of resolutions passed by the Board of Directors. The Chairman of the Board of Directors takes all necessary steps to ensure that Board members receive the information required to pass resolutions on agenda items in a timely manner.

The Chairman of the Board of Directors is elected at the first meeting of each newly elected Board of Directors. The Chairman of the Board of Directors organizes the Board’s work, convenes and presides over its meetings, and ensures that meeting minutes are recorded. The Chairman proposes candidates for Board Committees based on their professional and personal qualities while also considering individual proposals from Board members regarding Committee composition.

In the Chairman’s absence, the Deputy Chairman of the Board of Directors assumes the Chair’s functions.

Independent directors

Independent directors play an important role in ensuring the Board of Directors effectively performs its duties, particularly with regard to designing the Company’s development strategy, managing risks, and protecting the interests of both shareholders and investors.

Independent directors contribute to forming objective and well-balanced opinions on matters discussed at meetings.

At the time of election, the Company’s Board of Directors comprised nine members, three of which were independent directors – a sufficient number to enable objective and well-informed decision making. All independent directors serve on Committees, with each holding a Chair position, and two serving on two Committees simultaneously.

The independence of each director or candidate to the Board of Directors was evaluated during 2024 as per the Listing Rules of PJSC Moscow Exchange and provisions of the Corporate Governance Code through questionnaires filled out by Board members or candidates and the analysis of available information by the Company. In 2024, the HR and Compensation Committee of the Board of Directors

[21] Executive directors are individuals employed by the Company.

conducted three assessments of directors' independence. In March 2024, the Committee evaluated the professional qualifications and independence of all candidates to the Company's Board of Directors, with the results of this assessment included in the materials provided for review in preparation for the Annual General Shareholders Meeting. In May 2024, the Committee assessed the independence of the Board of Directors elected at the Annual General Shareholders Meeting and prepared its recommendations to the Board. The independence of all members of the Board of Directors was then reviewed by the Board. At its meeting in November 2024, the HR and Compensation Committee revisited the Board's independence status and also evaluated its professional qualifications.

Diversity on the Board of Directors

According to the Corporate Governance Code, candidates to the Company's governance bodies must have relevant professional qualifications, knowledge, experience, expertise, and business skills.

The current version of the Code does not contain recommendations that require fair representation of gender, age, or other diversity on corporate governance bodies. Therefore, PJSC LUKOIL does not currently have policies or other internal regulations approving the application of such approaches.

At the same time, we believe that the Board of Directors' performance is further enhanced by the diversity of its members' professional skills, expertise, and sociocultural backgrounds, such as gender, age, nationality, social background, etc. This Board diversity brings different perspectives to the table, helps avoid a one-size-fits-all mentality and groupthink, introduces new ideas to discussions, and contributes to well-balanced decision making. The Company's current Board of Directors is sufficiently diversified and balanced.

Length of service on the Board of Directors as at December 31, 2024

1 to 7 years	7
Over 7 years	2

Gender balance

Women	2
Men	7

Educational background

Academic degrees	10*
Oil and gas	1
Economics and finance	4**
Law	1
Mathematics	1
Engineering	2
Geography	1

* Two members of the Board of Directors hold doctoral degrees in two different branches of science.
** One member of the Board of Directors holds degrees in two different fields of knowledge.

Induction of new members of the Board of Directors and information support of the Board's activities

Newly elected directors complete an induction training program no later than 30 days following their election date.

Key elements of the program:

- In-person meetings with PJSC LUKOIL's CEO, Chairman of the Board of Directors, Corporate Secretary, top management, and/or heads of corporate units
- Familiarization with internal documents
- Familiarization with operations, including on-site visits to the Group's production facilities

The Corporate Secretary runs the induction training program and coordinates interaction between all involved parties with the assistance and oversight from the HR and Compensation Committee of the Board of Directors.

No full-scale induction training program was needed in 2024 as all elected members of the Board of Directors were very knowledgeable about the Company's business profile and the operating procedures of the Board and its Committees.

To ensure the effective provision of information to directors, PJSC LUKOIL uses advanced IT tools, including dedicated software.

Liability insurance of Board members

Under a contract to provide liability coverage for directors and officers for 2024–2025, PJSC LUKOIL insures the liability of:

- the sole executive body, members of the Board, and employees of PJSC LUKOIL and/or its subsidiaries, and/or other organizations with participation of PJSC LUKOIL and/or its subsidiaries whose candidates were elected as the sole executive body and/or members of the governance bodies of such organizations, as well as Directors of Third Party Enterprises upon written request of the Company (Section A)
- PJSC LUKOIL, PJSC LUKOIL's subsidiaries, and other organizations with participation of PJSC LUKOIL and/or its subsidiaries whose candidates were elected as the sole executive body and/or members of the governance bodies of such organizations (Section B)
- PJSC LUKOIL and its subsidiaries against claims relating to securities (Section C).

The insured amount (liability limit) makes up RUB 3,200,000,000 (in aggregate for all Coverages), as well as an Additional General Aggregate Limit of Liability for all Independent Directors in the amount of RUB 64,000,000. Insurance premium for Sections (Coverages) A, B, and C does not exceed RUB 64,000,000.

Board Committees

To enhance the effectiveness of Board resolutions, PJSC LUKOIL operates three Board Committees that conduct detailed preliminary reviews of key matters and prepare relevant recommendations:

- Strategy, Investment, Sustainability, and Climate Adaptation Committee (SISCAC)
- Audit Committee (AC)
- HR and Compensation Committee (HRCC)

Committee activities are governed by applicable regulations.

The Committees are fully accountable to the Board of Directors. Only Board members may be elected as Committee members. The Committees include a significant number of independent directors in line with both best practice and the requirements of the Listing Rules of PJSC Moscow Exchange. This approach fosters objective and well-balanced recommendations. All Committee members possess a strong combination of solid expertise and extensive experience, including hands-on experience.

As at the end of the reporting year, independent directors made up two-thirds of all directors on the Audit Committee and the HR and Compensation Committee. All three Committees were chaired by independent directors, positioning them to contribute significantly to the decision-making process in setting strategic goals, identifying the Company's business priorities, ensuring sustainable development, and making other important decisions that may affect shareholder interests. Both LUKOIL employees and third parties may attend Committee meetings upon invitation from a Committee Chairman. However, they may not vote on agenda items.

The Corporate Secretary performs the secretarial duties for the Board of Directors' Committees.

Eighty percent of all matters discussed by the Board of Directors in 2024 were first reviewed by Board Committees, ensuring detailed discussions on the most important matters brought up for the Board's approval. In the reporting year, all Committees worked as planned, with 80 percent of all meetings held in person.

Committee membership as at December 31, 2024

Independent directors	46%
Non-executive directors	36%
Executive directors	18%

Committee meetings

	In person	In absentia
2022		
SISCAC	7	1
AC	7	3
HRCC	8	8
2023		
SISCAC	5	0
AC	7	0
HRCC	6	6
2024		
SISCAC	7	0
AC	9	1
HRCC	7	2

Matters discussed

	2022	2023	2024
Reviewed by the Committee only	27	17	17
Reviewed for submission to the Board	56	55	50

Strategy, Investment, Sustainability, and Climate Adaptation Committee

Key Committee tasks	**Key topics covered in 2024***
• Preparing recommendations to the Board of Directors on: – defining the strategic objectives of the Company's business, including in sustainability, climate change, climate adaptation, and IT strategy, and integrating them into the Company's Strategic Development Program – the Company's business priorities – the dividend policy, the amount of shareholder dividends, and the dividend payment procedure – the distribution of the Company's profit (losses) for the reporting year – assessment of the Company's long-term performance • Involvement in monitoring progress against the Company's Strategic Development Program • Analyzing risks associated with climate change and climate adaptation	• Recommendations to the Board of Directors on the amount of dividends on PJSC LUKOIL shares • Preparation of LUKOIL Group's Sustainability Report for 2024 • Report to the Company's Board of Directors on the Committee's performance for 2023–2024. Discussing the Committee performance assessment

* The list of key decisions made by the Board of Directors based on the Committee's recommendations is provided in the Board of Directors section.

Audit Committee

Key Committee tasks	**Key topics covered in 2024***
• Reviewing the Company's accounting (financial) statements for completeness, accuracy, and reliability • Preparing recommendations regarding the Company's auditor and audit fees • Reviewing the opinion of the Company's auditor and the auditor's independence and objectivity, including any potential conflict of interest • Assessing the effectiveness of the internal audit activity and considering proposals for improvement • Reviewing activity plans and budget of the Company's internal audit function • Assessing the effectiveness of the Company's risk management and internal control procedures and reviewing the reliability and performance of the risk management and internal control system	• Discussion of material accounting matters, including the Company's accounting policy, and material matters that arose during the independent external audit • Review of PJSC LUKOIL's IFRS consolidated financial statements (for 2023, the first quarter of 2024, the first six months of 2024, and the first nine months of 2024) • Review of the most material amendments to the Company's accounting reports following the audit results • Assessment of the opinion of the Company's auditor to be provided to shareholders for review in preparation for the Annual General Shareholders Meeting of PJSC LUKOIL • Recommendations to the Board of Directors regarding the auditor for its subsequent appointment by the Company's General Shareholders Meeting • External assessment of internal audit at PJSC LUKOIL • Prevention, identification, and countering of the unlawful use of insider information and/or market manipulation • Progress report on the Regulations on the Information Policy of PJSC LUKOIL

• Developing and improving the Company's corporate governance system and practices • Making recommendations for the Board's possible preliminary approval of the Company's Annual Report	• Report to the Company's Board of Directors on the Committee's performance for 2023–2024. Discussing the Committee performance assessment

* The list of key decisions made by the Board of Directors based on the Committee's recommendations is provided in the Board of Directors section.

HR and Compensation Committee

Key Committee tasks	**Key topics covered in 2024***
• Assessing the performance of the Board of Directors, its members and Committees; identifying priority areas to strengthen the Board; and conducting a preliminary consideration of candidates to the Board of Directors nominated by the Board of Directors • Communicating with shareholders to prepare recommendations on voting in the election of candidates to the Board of Directors • Planning staff appointments, including to ensure succession planning for the CEO of PJSC LUKOIL, and developing recommendations to the Board of Directors on candidates to the positions of the Company's CEO and Corporate Secretary • Development and regular reviews of the Company's policy on remunerating members of the Board of Directors and the CEO of the Company • Making recommendations to the Board of Directors on determining the remuneration of the Corporate Secretary • Conducting a preliminary assessment of the performance of the Company's CEO for the full year against criteria set forth in the remuneration policy	• Preliminary consideration of candidates to the Company's Board of Directors nominated by the Board of Directors • Recommendations to Company shareholders on voting in the election of candidates to the Board of Directors Reviewing the independence of all candidates to the Company's Board of Directors • Report to the Company's Board of Directors on the Committee's performance for 2023–2024. Discussing the Committee performance assessment • Assessment of professional qualifications for all candidates to the Company's Board of Directors to prepare recommendations to Company shareholders on voting in the election of the Company's Board of Directors • Independence of members of PJSC LUKOIL's Board of Directors • The Corporate Secretary's performance report for 2023–2024. Preliminary assessment of the performance of the Corporate Secretary • Professional qualifications of the Board of Directors • Professional qualifications of PJSC LUKOIL's sole executive body • Preliminary results of the external performance assessment of PJSC LUKOIL's Board of Directors

* The list of key decisions made by the Board of Directors based on the Committee's recommendations is provided in the Board of Directors section.

Corporate Secretary

The Corporate Secretary functionally reports to the Board of Directors, is appointed by the Company's sole executive body based on a resolution of the Board of Directors, and acts in line with PJSC LUKOIL's Charter and Regulations on the Corporate Secretary. The Company maintains an office of the Corporate Secretary to support this work.

The Corporate Secretary's duties are to provide support to the Board of Directors and its Committees, including preliminary consideration of matters to be discussed, organizing expert assessment of draft resolutions, ensuring compliance with meeting procedures, assisting directors in obtaining necessary information as well as performing all other functions provided for by the Regulations on the Corporate Secretary of PJSC LUKOIL.

The Corporate Secretary of PJSC LUKOIL focuses significantly on advancing the Company's sustainability initiatives, engages with the Board of Directors and its Committees, and encourages leveraging the expertise of Board members with robust skills in this field.

The Corporate Secretary is the head of the Working Group on Sustainable Development and ESG of the National Corporate Secretaries Association (NCSA). In 2024, under the leadership of the Corporate Secretary meetings were held to discuss ESG practices as well as the interaction with government authorities regarding non-financial disclosures. The results of expert discussions are used to enhance sustainable development practices and raise sustainability awareness.

The Company's Sole Executive Body

Pursuant to PJSC LUKOIL's Charter, the Company only has a sole executive body – the Chief Executive Officer (CEO) of PJSC LUKOIL.

CEO

The Company's sole executive body, the CEO appointed by the Board of Directors for a term of five years, plays a key role in ensuring the timely and efficient achievement of the Company's operational and strategic goals.

The key provisions of the contract with the CEO are subject to preliminary review by the HR and Compensation Committee of the Board of Directors and final approval by the Board of Directors.

The CEO's scope of authority covers all aspects of managing the Company's day-to-day operations, except for matters reserved to the Company's General Shareholders Meeting or Board of Directors. This includes representing the Company's interests, entering into transactions on its behalf, signing financial documents, approving staffing and signing employment contracts, approving the Company's organization, approving internal documents regulating the Company's day-to-day operations, making decisions on the Company's participation in other entities (except for financial and industrial groups, associations, and other alliances of legal entities) as well as designing and implementing the overall development strategy for the Company's subsidiaries, including the preliminary approval of their decisions regarding stakes in other entities, coordinating the operations of the Company's subsidiaries, such as the approval of documents governing their operations, making decisions on the approval of material transactions, and performing other functions as established by the Company's Charter.

Remuneration System for Members of the Company's Governance Bodies

When designing the remuneration system and determining the specific remuneration for members of PJSC LUKOIL's governance bodies, the actual amounts payable should be sufficient to attract, motivate to perform, and retain individuals with the skills and qualifications required by the Company.

Remuneration system for members of the Board of Directors

The guidelines on remuneration and compensation of members of the Board of Directors, including their structure and terms of payment, are formalized in the Director Compensation and Expense Reimbursement Policy of PJSC LUKOIL (the "Remuneration Policy").

The Remuneration Policy has been developed based on the principles and recommendations of the Corporate Governance Code and reflects the Company's current practices of remuneration and compensation accrual.

The Company believes that the preferred form of monetary remuneration for members of the Board of Directors is fixed annual remuneration not linked to the Company's operational, financial, or other performance. Furthermore, the Company provides additional remuneration for the higher level of responsibility and extra time required for directors' involvement in Committee activities as well as for serving as the Chairman of the Board of Directors or a Committee Chairman.

Directors' remuneration excludes any short- and long-term incentive payments as well as additional benefits such as insurance (except for liability insurance for Board members), pension schemes and plans, and other social benefits.

The Company does not offer any additional payments or compensation in the event of early termination of a director's tenure.

Remuneration amounts are determined by the General Shareholders Meeting and reflect the proposals of the Board of Directors based on recommendations from the HR and Compensation Committee.

The Company also reimburses members of the Board of Directors for expenses incurred in the performance of their duties, including travel costs, teleconferencing services, and fees for advisors and experts providing opinions on matters related to the Board's activities, with the total amount not exceeding the budget allocated by the Company.

Remuneration structure for members of the Board of Directors

Remuneration type	**Remuneration amount established by the Resolution of the Annual General Shareholders Meeting dated April 26, 2024 for the 2024–2025 corporate year, RUB thousand**
Remuneration to a member of the Board of Directors	12,750
Remuneration to the Board Chairman	10,600
Remuneration to the Board Deputy Chairman	3,200
Remuneration to a member of a Board Committee	1,400
Remuneration to a Board Committee Chairman	1,400
Remuneration for each in-person attendance at a Board or Committee meeting that requires a flight of more than 8 hours	400
Remuneration for each conference or other event attended upon written instruction from the Chairman of the Board of Directors	200

Members of the Board of Directors who are concurrently employed by the Company also receive other payments from the Company (salary, bonuses, and additional social benefits).

Top management[22] remuneration system

The top management remuneration system was designed to ensure the delivery of business targets, promote strategic business activities, and support a uniform, systematic, and consistent approach to financial incentives for top managers. The balance of interests between the Company's management and shareholders is central to the top management remuneration system in place at the Company.

The top management remuneration system is set out in the Regulations on the PJSC LUKOIL Management Remuneration and Incentive System.

Top management remuneration is comprised of fixed and variable components.

The fixed component consists of a salary determined based on the complexity of tasks and duties performed, the scope of work directly influenced by the key executive in question, and the extent of that influence. The fixed component also includes additional payments for discharging the duties of temporarily absent key executives. Salaries are market-competitive, ensuring the stability of the top management team.

The variable component consists of annual bonuses and may also include one-off and target bonuses and other payments.

Annual bonuses are paid as end-of-year bonuses and are intended to incentivize top managers to achieve full-year targets. The actual amount of annual bonuses paid to each key executive is linked to both the Company's overall performance for the reporting year and to the individual performance of the executive within their respective business line. To incentivize management, the Company specifically sets priority KPIs that have a greater impact on bonuses than others.

The targets and payment terms for annual bonuses as well as the methodology for calculating their actual amount based on salary are outlined in the Regulations on the PJSC LUKOIL Management Remuneration and Incentive System.

Our management remuneration system also uses long-term incentives to drive better performance over the medium and long term. These incentives are outlined in the Regulations on the Long-Term Incentive Program for Key Employees of LUKOIL Group for 2023–2025 and are intended to foster interest in the Company's long-term performance, enhance its investment case, and create shareholder value.

Information on remuneration of key executives of PJSC LUKOIL, which includes members of the Board of Directors and top management, is provided in LUKOIL Group's Disclosed Consolidated Financial Statements for 2024.

Executive severance pay

In the event of early termination of the employment contract, a key executive is entitled to a severance pay in the amount of the sum of their basic salary for 12 months.

The contract of PJSC LUKOIL's CEO has a five-year term and may be terminated early with at least one month's prior notice. In the event of early termination of the employment contract, the CEO is entitled to a severance pay equal to the sum of their basic salary for 24 months.

[22] Top manager (key executive) – CEO, First Executive Vice President, First Vice Presidents, Senior Vice Presidents, Vice Presidents of the Company, and Chief Accountant.

Performance Assessment System

The Company has in place a corporate performance assessment system based on key performance indicators (KPIs) – a limited set of quantifiable metrics that reflect the most important (key) factors of the Group's success and measure the achievement of strategic goals.

The List of KPIs enumerates KPIs, outlines their calculation methodology, and is approved by an executive order of PJSC LUKOIL and reviewed at least once every two years. This makes it possible to adjust and update KPIs as necessary, taking into account LUKOIL's revised strategic goals and plans, changes in its asset portfolio, and the external environment. LUKOIL Group's List of KPIs has around 70 unique indicators applied across business segments, business sectors, and budgetary units depending on the nature of their activities. The total number of KPIs used for LUKOIL Group is around 400. The latest amended List of KPIs, which takes into account current changes in LUKOIL Group's management system, was approved by an executive order of PJSC LUKOIL in July 2024.

As part of developing our service-based model and enhancing support processes (through automation, cost reduction, and quality improvement), performance assessment indicators have been developed for each process to track target achievement and enhance the motivation of employees involved in these processes across the Company.

KPIs in planning

KPIs align goals and objectives on different planning horizons: long-term – 10 years; medium-term – 1 to 3 years. Furthermore, as the planning horizon becomes shorter, the set of applicable KPIs expands.

In budget planning, KPIs are used as target benchmarks both at the target-setting stage of top-down planning and during the final formalization of targets and objectives as benchmarks against which subsequent performance assessments are carried out.

KPI-based efficiency management

KPIs are crucial for managing both the overall efficiency of LUKOIL Group and the individual efficiency of its assets. Efficiency assessment is carried out on a regular basis and includes:

- monitoring current results of operations on a monthly (and in some cases, weekly) basis
- summing up the results of operations quarterly and annually.

Certain indicators – primarily financial ones – undergo factor analysis to identify controllable and uncontrollable factors. This helps provide an objective assessment of executives' impact on LUKOIL Group entities' performance.

KPIs and individual goals in the motivation system

Key performance indicators included in the List of KPIs are used in the motivation system by linking remuneration to the actual performance against target indicators.

A carefully balanced selection of indicators from the List of KPIs is chosen directly from the assessed employee's area of responsibility for use in the motivation system.

In 2024, we continued to improve the system of KPIs used for motivation purposes:

- Performance assessment indicators were cascaded down to lower levels of the management hierarchy (down to the level of PJSC LUKOIL's department heads)
- KPIs for subsidiaries, including production and service centers, were refined

- New performance assessment indicators for business processes were developed
- The use of individual SMART (Specific, Measurable, Achievable, Relevant, Time-Bound) goals for motivation was expanded

Risk Management and Internal Control System

PJSC LUKOIL’s risk management and internal control system (RMICS) is an integral part of the Company’s corporate governance framework.

The RMICS is designed and operates to provide reasonable assurance of the achievement of the following goals and objectives despite headwinds and uncertainties:

- The Company’s strategic and operational goals
- Asset integrity
- Compliance of all types of reports with established requirements
- Compliance with the applicable laws and internal documents of LUKOIL Group entities

The RMICS is designed and operates in accordance with the following key principles	
• Integration with the Group’s corporate governance system and business processes • Focus on risk • Operational continuity • Full coverage of the Group’s business • Adaptiveness through self-improvement and development • Methodological unity	• Employee responsibility for risk management and internal control performance • Sufficiency of actions to achieve goals • Economic feasibility • Division of authority, duties, and responsibilities • Process formalization • Informational value

Risk management and internal control are interrelated, continuous processes carried out by governance bodies and employees in the course of performing their functions.

Key principles of, and approaches to, setting up the RMICS at LUKOIL Group entities, as well as the key goals of the RMICS and the key tasks of its participants are detailed in the Risk Management and Internal Control Policy of PJSC LUKOIL. The Policy was developed in line with the recommendations of the Corporate Governance Code recommended by the Bank of Russia, the Bank of Russia’s Information Letter No. IN-06-28/143, On Recommendations of the Bank of Russia for Public Joint Stock Companies to Organize Risk Management, Internal Controls, Internal Auditing, and the Work of Auditing Committees Under Boards of Directors (Supervisory Boards), dated October 1, 2020, as well as recommendations of international professional risk management and internal control organizations, including those set out in the Enterprise Risk Management – Integrated Framework and Internal Control – Integrated Framework concepts of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Key participants of LUKOIL Group's RMICS

Board of Directors

- Defines Group-wide principles of, and approaches to, RMICS design
- Sets the risk level (risk appetite)
- Monitors the reliability and performance of the RMICS

Audit Committee of the Board of Directors

- Analyzes and assesses compliance with the Risk Management and Internal Control Policy
- Assesses the effectiveness of the Company's RMICS procedures, develops improvement proposals
- Considers the feasibility of revising the target risk level (risk appetite)
- Reviews the list and nature of material risks
- Develops recommendations on the approval of internal documents governing the Risk Management and Internal Control Policy
- Reviews key focus areas of RMICS development
- Reviews reports on RMICS operation and development

Internal audit units

- Carry out independent assessments of RMICS reliability and effectiveness
- Develop recommendations for RMICS improvement

CEO

- Creates and maintains a functional and effective RMICS
- Determines RMICS improvement and development tasks
- Establishes guidelines and requirements for RMICS operation, formalized in internal regulations
- Makes decisions within the scope of authority in RMICS design
- Oversees the performance, improvement, and development of the RMICS

First Vice President (Economics and Finance)

- Leads the development of proposals to improve and enhance the Risk Management and Internal Control business processes
- Initiates reviews of draft improvement and development resolutions for the RMICS
- Informs the Company's governance bodies on RMICS operation

Units responsible for executing the Risk Management and Internal Control business processes

- Coordinate the Company's activities to improve and develop the RMICS
- Develop and update internal regulations defining the key principles, rules, and guidelines of risk management and internal control processes, and monitor compliance
- Draft proposals for RMICS development and improvement
- Develop guidelines on RMICS design and development for the Company's business units and LUKOIL Group entities
- Provide training on risk management and internal control
- Develop LUKOIL Group's risk profile and consolidated risk management reports
- Develop a list of material risks to be reviewed by the Audit Committee of the Board of Directors

Heads of the Company's units

- Set up and implement risk management and internal control processes for the relevant business lines
- Integrate risk management and internal control into business processes under their management
- Oversee compliance with risk management and internal control standards and requirements (including reliability and performance) in subordinate business units

Heads of the Company's subsidiaries

- Create and maintain a functional and effective RMICS within the entity
- Monitor RMICS performance

Employees of LUKOIL Group entities

- Build, maintain, and continuously monitor the RMICS within their business lines
- Identify and analyze entities' business risks
- Carry out internal control procedures and/or perform risk owner functions

Risk management

PJSC LUKOIL continuously improves its risk management system, enabling the Company to promptly respond to changes (both external and internal), sustain performance, and improve its business efficiency in an environment of high risks and uncertainty.

On April 17, 2023, the Company's Board of Directors approved a new version of the Regulations on Risk Management at PJSC LUKOIL. The Regulations define the roles and responsibilities in implementing the Risk Management business process and establish relevant procedures and interactions among process participants. The Regulations apply to all LUKOIL Group entities.

In 2024, efforts were made to:

- identify and assess new risks, establish a single risk database, and use this information to support decision making on key issues
- review and prepare materials on major and priority projects and develop recommendations and proposals to improve profitability and mitigate risks
- develop the Company's internal regulations on risk management
- further integrate climate-related risks and opportunities into the corporate risk management information system
- refine the corporate information system for automation of risk management processes.

Risk management development and improvement focus on:

- improving internal regulations and guidelines with due consideration for changes in Russian law
- further integrating risk management processes across key areas: development strategy definition, investment planning, budgeting, and risk management at the level of operating and financial activities
- improving risk information quality through harmonization, standardization, and development of recommendations on standard risk description
- improving information sharing.

The Board of Directors and other governance bodies of the Company place a special focus on risk management to provide reasonable assurance that the Company's goals will be achieved despite headwinds and uncertainties. PJSC LUKOIL continuously identifies, describes, assesses, and monitors risks and develops measures to mitigate their adverse impact on its business. At the same time, risk management forms an essential part of the Company's business and corporate governance system and involves employees across all management levels.

The Company regularly assesses the aggregate risk exposure of LUKOIL Group entities, with the risk profile included in annual reports reviewed by the Board of Directors and the Board's Audit Committee. The Company has identified categories of the most material risks affecting the business operations of LUKOIL Group entities. These risks are consistently assessed quantitatively, acceptable levels are determined for each material risk, and measures are developed to mitigate or eliminate their adverse impact. LUKOIL closely monitors the progress and effectiveness of its risk mitigation measures.

Given the probabilistic and external nature of LUKOIL's risks, the Company cannot fully guarantee that risk management measures will reduce their adverse impacts to an acceptable level. That said, the Company takes all possible measures to monitor and prevent risk events and, if they occur, strives to mitigate their consequences as quickly as possible to minimize damage.

Internal control

On December 19, 2023, the Company's Board of Directors approved update of the Regulations on Internal Control at PJSC LUKOIL. The Regulations define the goals and objectives of the internal control system (ICS) as well as the mandatory uniform standards and requirements for its design, operation, and performance assessment. They also specify the internal control units and their tasks. The Regulations apply to all LUKOIL Group entities.

In 2024, the Company implemented measures to enhance the internal control system at LUKOIL Group in accordance with the corporate standards and requirements of the Regulations on Internal Control at PJSC LUKOIL and the unified functions of units responsible for the setup and operation of internal control systems at LUKOIL Group entities. These measures aim to further optimize the use of available assets and minimize avoidable losses by improving the effectiveness of internal controls, including in decision-making processes. They include:

- updating the unified standards and requirements for the design of the internal control system, incorporated into LUKOIL Group's operations
- promptly addressing ICS deficiencies identified through continuous monitoring and annual performance assessments
- keeping the internal control design up to date to align with actual business processes
- ensuring compliance with the requirements of the Federal Tax Service (FTS) of Russia for ICS setup at LUKOIL Group entities that have switched to the tax monitoring regime
- expanding the scope of control procedure testing within operating (production) activities, including through internal control automation tools.

As part of a review of regular and operational internal control reporting in 2024, the Company monitored compliance with standards, norms, and requirements for ICS design and operation at LUKOIL Group entities. In March 2024, information on the current status of the ICS and its immediate goals was submitted to the Audit Committee of the Company's Board of Directors and subsequently presented to the Board of Directors.

In April 2024, when reviewing the reliability and effectiveness of the Company's risk management and internal control system, the Board of Directors approved the submitted results of the work performed and proposals for system development.

The Company's Internal Audit Service confirmed:

- effective ICS operation across LUKOIL Group entities
- the alignment between the organizational structure of the Internal Control business process and the Company's business scale, goals, objectives, and development strategy.

LUKOIL Group carries out regular, systematic work to identify areas for improvement in operations of both the Company and its subsidiaries, including service entities, through internal controls and external and internal audits. We conduct mandatory assessments of the potential positive impact of improvements on the achievement of LUKOIL Group's goals to subsequently update regulations and the design of control procedures and assess the possibility of rolling out these measures across similar management units within LUKOIL Group for preventive purposes, while monitoring their implementation.

To enhance the effectiveness of ICS improvement efforts, the Company has integrated a specialized training course for employees involved in the operation of internal controls across LUKOIL Group entities into the corporate Distance Learning System and regularly updates it.

To improve LUKOIL Group's corporate governance system through digitization of the Internal Control business process and provide all ICS-related units with quality updates and effective communications in internal control, in 2024, the Company continued implementing specialist IT solutions:

- Process and operation control
- Monitoring for conflicting or excessive permissions in information systems and implementing a uniform approach to developing and naming business roles

Participation of LUKOIL Group entities in the tax monitoring regime

To be able to switch to the tax monitoring regime, the taxpayer must have in place an effective ICS complying with the requirements of the FTS of Russia for the design and operation of all ICS components. Since 2017, the Company has successfully prepared and completed the transition to tax monitoring for PJSC LUKOIL and LUKOIL Group's 17 largest entities. In the reporting year, the total number of LUKOIL Group entities participating in tax monitoring remained unchanged from 2023.

Internal controls in preparing financial statements

The Company pays close attention to ensuring the reliability of its financial information. To this end, LUKOIL applies the following key procedures and methods.

• ***Distribution of roles and responsibilities.*** LUKOIL Group has a clear distribution of responsibilities at every stage of preparing its financial statements (both at the standalone subsidiary level and for consolidated reporting). Russian entities prepare their RAS statements independently or through the Company's accounting center; IFRS statements of Russian entities are prepared by the Accounting Service of PJSC LUKOIL. IFRS statements of the Company's foreign subsidiaries are prepared either independently or at the Company's foreign accounting centers. Local financial statements are the responsibility of entities' top managers and chief accountants or heads of accounting centers. The Company's CEO and Chief Accountant are responsible for preparing its consolidated financial statements.

• ***The Group's unified accounting policy.*** For the purposes of preparing IFRS consolidated financial statements, the Company has in place the unified IFRS accounting policy approved by the CEO of PJSC LUKOIL, which is reviewed at least once a year. It is binding on all LUKOIL Group entities that prepare their IFRS statements.

An executive order of PJSC LUKOIL approves, on an annual basis, the corporate RAS accounting policy and requirements for the accounting policies of the Company's Russian subsidiaries.

The centralized development and approval of RAS and IFRS accounting policies ensure the consistent application of uniform accounting and reporting principles for similar transactions and enhance the comparability of results across LUKOIL Group entities.

• ***Centralized decision making.*** The Group makes centralized decisions on the following accounting and reporting matters:

- Organizing the activities of subsidiary accounting services (independently or through a dedicated subsidiary)
- Selecting the auditor (for the Company's material subsidiaries)
- Timelines for the preparation of LUKOIL Group entities' accounting (financial) statements, end dates of their audits
- RAS and IFRS accounting policies
- Appointment of subsidiaries' chief accountants

– Accounting process automation

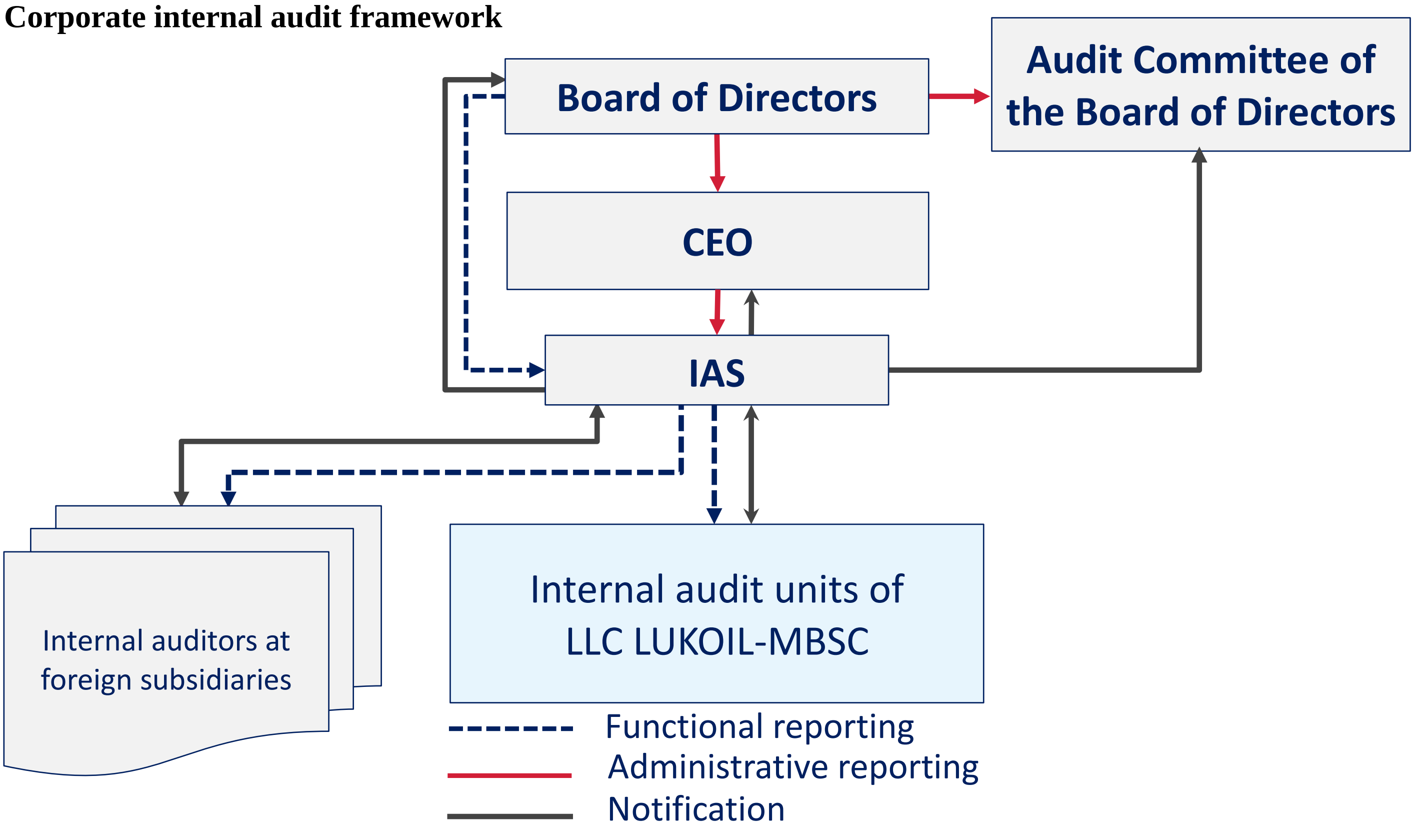
• ***Cross-unit collaboration.*** IFRS consolidated financial statements are prepared in close collaboration between the Accounting Service of PJSC LUKOIL and various units both within the Company and at Group entities. During the process, stakeholders regularly exchange and additionally verify relevant information.

• ***Employee training.*** All employees of the Company's Accounting Service units involved in the preparation of IFRS consolidated financial statements hold a degree in accounting or finance and regularly upgrade their qualifications. Many of them are certified accountants (under Russian and international standards) and members of Russian and international professional accounting associations. Some employees hold doctoral degrees in accounting and finance.

Internal Audit

The purpose of internal audit at LUKOIL Group entities is to support the achievement of strategic goals and objectives through audits and consulting engagements by applying a structured and consistent approach to assessing and enhancing the effectiveness of the risk management and internal control system as well as corporate governance system.

Corporate internal audit framework



Within LUKOIL Group, internal audit activities are performed by:

- the Internal Audit Service (IAS) of PJSC LUKOIL headed by Vice President – Head of the Internal Audit Service (the "Head of IAS")

- internal audit units of the Multifunctional Business Support Center (LLC LUKOIL-MBSC, a 100-percent subsidiary of the Company)
- internal auditors at foreign subsidiaries (units or employees that, in accordance with applicable laws, perform internal audit functions at four foreign entities of LUKOIL Group).

The IAS is responsible for conducting internal audits and audit consulting for PJSC LUKOIL and for organizing and participating in audits and consulting engagements for other LUKOIL Group entities as well as for internal audit planning, methodological support, and development across LUKOIL Group. The IAS also oversees and coordinates the activities of internal auditors at foreign subsidiaries and internal audit units of LLC LUKOIL-MBSC.

The Head of IAS directly manages IAS activities; internal audit units of LLC LUKOIL-MBSC and internal auditors at foreign subsidiaries functionally report to the Head of IAS. The Head of IAS reports to the Board of Directors of PJSC LUKOIL (functional reporting) and the Company's CEO (administrative reporting). Provisions of the contract with the Head of IAS are approved by the Board of Directors.

The Annual Audit and Consulting Plan of the Internal Audit Service of PJSC LUKOIL is approved by the Board of Directors, taking into account material risks related to the activities of LUKOIL Group entities.

In the reporting year, LUKOIL Group entities' internal audit units conducted 36 audits, including 28 carried out by the internal audit units of LUKOIL Group Russian entities and 8 by internal auditors at foreign subsidiaries.

Audits and consulting engagements are conducted in line with the requirements/recommendations of applicable laws and regulators, the International Professional Practices Framework, and regulations of PJSC LUKOIL governing the Internal Audit business process.

Methodological support

The Company is implementing PJSC LUKOIL's five-year Internal Audit Quality Assurance and Improvement Program, which covers all aspects of internal audit, including methodological support.

In 2024, LUKOIL Group continued enhancing the methodology supporting its internal audit processes in line with best practice, including by drafting the following documents:

- Key principles of the Internal Audit business process (approved by the Resolution of the Board of Directors dated April 4, 2024)
- Regulations on the Internal Audit Planning and the Internal Audit Performance Assessment and Quality Improvement System second level business processes (approved by the Resolution of the Board of Directors dated October 25, 2024)
- Regulations on the Auditing and the Audit Consulting second level business processes (approved by the Resolution of the Board of Directors dated December 13, 2024)
- PJSC LUKOIL's updated Policy on Interactions with Subsidiaries When Managing the Internal Audit Business Process (approved by the Executive Order of PJSC LUKOIL dated January 17, 2024)

New audit procedures were developed, and efforts to update existing procedures were continued.

As part of providing consulting and methodological support to internal auditors, methodological guidelines / clarifications on certain aspects of organizing and conducting audits and consulting engagements were prepared and sent to internal audit units for use in their operations.

A report from an independent external assessment of the internal audit activity at PJSC LUKOIL, conducted in 2024 by the Institute of Internal Auditors under PJSC LUKOIL's Internal Audit Quality Assurance and Improvement Program for 2022–2026, concluded that the internal audit activity at PJSC LUKOIL conforms with the Definition of Internal Auditing and the Code of Ethics, generally conforms with the International Standards for the Professional Practice of Internal Auditing, and meets stakeholder expectations.

Post-audit and post-consultation monitoring

Internal audit units monitor progress against action plans to prevent or remediate deviations and deficiencies identified through audits and consulting engagements at LUKOIL Group entities.

During 2024, the IAS and internal audit units of LLC LUKOIL-MBSC had on their radar 154 documents containing 3,033 corrective actions/initiatives, of which 2,516 corrective actions, or 83 percent, were completed as at December 31, 2024, while for 11 percent of actions/initiatives, the deadline for execution had not yet arrived as at the end of the reporting year.

This indicates a sufficient level of execution discipline across LUKOIL Group entities and Company units in implementing internal audit recommendations.

LUKOIL Group's digital development programs in internal auditing

Since 2019, the IAS has been implementing the Internal Audit Information and Analytical System project to provide information and technical support for the automated identification of atypical transactions in LUKOIL Group's production and accounting information systems for further audit analysis.

The project aims to expand audit samples and coverage, reduce the time required to process significant amounts of data, improve internal audit quality, enhance confidence in its outcomes, and develop new audit areas.

In 2024, we completed the automation of accounting, tax, and financial audit procedures (VAT accounting as well as internal control and audit procedures to ensure compliance with customs legislation, including the implementation of an RPA bot to interact with the Federal Customs Service website). We continued to increase automation of audit procedures in Refining and Marketing segment.

Automated procedures were tested during audits conducted in 2024 and put into commercial operation.

Methodological work is carried out on an ongoing basis to automate procedures in other areas.

Plans to develop the Internal Audit Information and Analytical System include the application of new technology tools in process mining and automated document recognition.

Assessment of the internal audit activity's effectiveness by the Audit Committee of the Board of Directors and by the Board of Directors

The Head of IAS annually submits a report on the performance of the Annual Audit and Consulting Plan of the Internal Audit Service of PJSC LUKOIL and on internal audits to the Audit Committee of the Board of Directors.

In 2024, upon reviewing the 2023 report, the Audit Committee recommended that the Company's Board of Directors, among other things:

- approve the work of the Internal Audit Service of PJSC LUKOIL in 2023 involving assessment of the effectiveness of the risk management and internal control system as well as corporate governance system at LUKOIL Group entities;

- take note of the fact that the internal audit activity at LUKOIL Group conforms with the Global Internal Audit Standards issued by the Institute of Internal Auditors.

Additionally, for the first time, the Audit Committee of the Company's Board of Directors assessed the usefulness of internal audit activities in 2023, giving it a score of 4.9 points out of 5.

The respective resolution was passed by the Board of Directors in April 2024.

External Audit

The external audit firm is selected based on recommendations from the Audit Committee of the Board of Directors and appointed at the General Shareholders Meeting on an annual basis, in line with Russian laws.

The external auditor's independence is determined based on Federal Law No. 307-FZ, On Auditing, dated December 30, 2008, Independence Rules for Auditors and Audit Firms, Code of Professional Ethics of Auditors, and International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants.

In April 2024, the Annual General Shareholders Meeting approved JSC Kept as PJSC LUKOIL's external audit firm.

To maintain independence and conform with audit standards, the Company's external auditor regularly changes its head of audit (at least once every seven years) and did so in 2020.

The fees payable to JSC Kept for auditing the Company's IFRS consolidated financial statements for 2024 were RUB 254.18 million (excluding VAT) and for auditing the Company's RAS accounting (financial) statements for 2024 – RUB 10.29 million (excluding VAT).

The share of fees paid by the Company to the external auditor for services unrelated to audits is less than 40 percent of the total fees paid.

Insider information control

As an issuer whose securities are traded on the Moscow Exchange, PJSC LUKOIL is required to comply with the provisions of Federal Law No. 224-FZ, On Countering the Misuse of Insider Information and Market Manipulation and Amendments to Certain Legislative Acts of the Russian Federation, dated July 27, 2010, and related regulations.

Pursuant to the law, the Company developed and approved the Internal Control Rules of PJSC LUKOIL to prevent, identify, and counter the misuse of insider information and (or) market manipulation (approved by the Board of Directors on December 19, 2023), regulating the core activities and ongoing compliance procedures implemented by the Company.

Monitoring of the activities of the Company's units, officers, and employees in 2024 revealed no violations of laws on countering the misuse of insider information and market manipulation. The requirements outlined in the Internal Control Rules to prevent, identify, and counter the misuse of insider information and (or) market manipulation were duly complied with.

Information security

Information security is an integral part of the Functional Development Program for Information and Technology Support of LUKOIL Group. The Company's information security efforts are focused on protecting corporate information, ensuring the accuracy, completeness, and relevance of external data as well as safeguarding data provided by government authorities, data subjects, customers, and partners.

Information security services are rendered to LUKOIL Group entities by an internal IT service provider, LLC LUKOIL-Technologii (a wholly-owned subsidiary of PJSC LUKOIL), certified for compliance with ISO/IEC 27001.

Information security is based on:

- regulations and procedure rules for executing information security processes such as managing access to information resources, handling information security incidents, managing mobile and portable devices, providing information security trainings, and managing keys for data encryption tools
- procedure rules for employees to safely start and set up online meetings (video conferences)
- requirements for setting up data processing software and hardware to ensure information security
- instructions and guidelines for administrators and operators of data protection tools
- instructions and guidelines for users to ensure information security when using computers and office equipment, including when working remotely
- procedure rules for producing and providing information security services, as well as service level agreements.

The Company conducts regular automated checks to assess employees' ability to safely operate IT equipment and handle information resources.

The Company employees have a personal responsibility for taking security measures and are educated about information security on a regular basis.

All new hires undergo basic information security training as part of the onboarding process. Follow-on training is arranged when courses are updated.

A 2024 meeting of the IT Coordination Council, chaired by the CEO of the Company, discussed the implementation of new projects aimed at improving cybersecurity. The IT Coordination Council includes Company executives and meets at least once a year.

Thanks to LUKOIL's systematic approach to early detection of, and rapid response to, emerging information security threats, there have been no recorded information security incidents in the Company's history that resulted in material financial or reputational losses.

Subsidiary Management System

As the corporate center of LUKOIL Group, PJSC LUKOIL coordinates the operations of Group subsidiaries.

Key matters related to the operations of subsidiaries are reserved to the sole executive body of PJSC LUKOIL, the CEO. Matters related to the operations of subsidiaries may also be reviewed by the Board of Directors and the General Shareholders Meeting when discussing certain matters within their scope of authority.

If subsidiaries or other entities in which the Company holds an interest adopt resolutions through general shareholders (members) meetings, the CEO (or his/her authorized representative) represents the Company at such meetings and votes on relevant agenda items. This means that decisions made by the Company's governance bodies in respect of subsidiaries are subsequently reflected in the resolutions adopted by the governance bodies of those subsidiaries.

Strategic subsidiary management

The Board of Directors determines the priorities for the Group's overall development.

In accordance with the Charter, the Company's CEO is responsible for the development and implementation of the overall development strategy for the Company's subsidiaries, including:

- organizing the implementation of a uniform operational, technical, financial, pricing, marketing, social, and HR policy
- preliminary approval of decisions of the Company's subsidiaries regarding stakes in other entities as well as decisions on obtaining and terminating subsoil licenses under certain conditions
- coordinating the operations of the Company's subsidiaries.

In 2024, 51 resolutions were passed regarding the operations of the Company's subsidiaries and 17 on employment matters related to the heads of the Company's subsidiaries.

Approval of subsidiaries' material transactions[23]

To enhance control over material transactions made by its subsidiaries, the Company applies the Procedure for Approving Material Transactions Performed by Subsidiaries of OJSC LUKOIL (the "Procedure"). Such transactions are made by subsidiaries only after review and approval by the Company's CEO as set out in the Procedure. The Procedure does not apply to intra-group transactions.

At the same time, material transactions made as part of investment projects approved by the CEO of PJSC LUKOIL are authorized in accordance with the procedure established by the Company's internal regulations governing the Group's investment activities.

Improvement of the Group's structure

The Company systematically works to improve LUKOIL Group's structure in order to create optimal conditions for achieving strategic goals.

For this purpose, the Company has in place the LUKOIL Group Restructuring Commission chaired by the CEO of the Company. Resolutions related to PJSC LUKOIL's participation in other entities (Subclause 10.3.24 of PJSC LUKOIL's Charter) and preliminary approval of resolutions of the Company's subsidiaries related to their participation in other entities (Subclause 10.3.19 of PJSC LUKOIL's Charter) are the responsibility of the Company's CEO (the Chairman of the Commission) as per the Procedure for Decision Making on Participation in Other Entities approved by Executive Order of PJSC LUKOIL No. 41 dated February 27, 2023.

In 2024, the Commission passed 29 resolutions related to the participation of LUKOIL Group entities in other entities.

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[23] Material transactions of subsidiaries include transactions of the Company's subsidiaries (excluding transactions to which PJSC LUKOIL and/or its subsidiary is the counterparty), where they acquire, or (may) dispose of, directly or indirectly, fixed assets and/or intangible assets with a (book) value exceeding USD 20 million, or 10 percent of the book value of the subsidiary's assets (if this value is below USD 20 million); provide loans, credit facilities, guarantees, sureties, and special-purpose financing for amounts exceeding USD 20 million; or receive loans and credit facilities for over USD 20 million, except for short-term (less than one year) loans and credit facilities obtained in the ordinary course of business on an arm's length basis.

The Commission informs the Company's CEO annually about the progress and results of LUKOIL Group's restructuring.

Share Capital and Debt Capital

Shares

As at December 31, 2024, PJSC LUKOIL had a charter capital of 692,865,762 ordinary shares with a nominal value of RUB 0.025 each.

PJSC LUKOIL ordinary shares are among the most liquid securities in the Russian equity market: LUKOIL is among market leaders by capitalization, free float ratio, and trading volume.

Bonds

As at the end of 2024, four issues of LUKOIL Group eurobonds and four issues of PJSC LUKOIL replacement bonds were outstanding, maturing in 2026, 2027, 2030, and 2031.

Outstanding eurobonds and replacement bonds of LUKOIL Group

Maturity year	Coupon, % per annum in US dollars
2026	4.750
2027	2.80
2030	3.875
2031	3.60

In the reporting year, Russian rating agencies Expert RA and ACRA affirmed PJSC LUKOIL's credit ratings at the highest level with a stable outlook (ruAAA and AAA (RU) respectively).

Dividends

Based on the 2024 performance, the Board of Directors recommended that the Annual General Shareholders Meeting approve the 2024 dividend of RUB 541 per ordinary share (excluding an interim dividend of RUB 514 per ordinary share paid for 9M 2024). Taking into account the previously paid interim dividend, the total dividend for 2024 will amount to RUB 1 055 per ordinary share.

For more details, see the Dividends section of the Company website:
https://www.lukoil.com/InvestorAndShareholderCenter/Securities/Dividends

Terms, acronyms, and abbreviations

References to "PJSC LUKOIL", "LUKOIL Group", "the Group", "LUKOIL", "the Company", "we", and "our" throughout this document are all equivalent for the purposes of this Report and refer to LUKOIL Group in general, PJSC LUKOIL, and/or its subsidiaries, depending on the context in which the terms are used.

AC – Audit Committee
AGM – Annual General Shareholders Meeting
APG – associated petroleum gas
boe – barrel of oil equivalent
CDP – Carbon Disclosure Project
CHPP – combined heat and power plant
COSO – Committee of Sponsoring Organizations of the Treadway Commission
CSA – capacity supply agreement
ECTO – environmentally friendly fuel
EGM – Extraordinary General Shareholders Meeting
ESG – environmental, social, and governance
FTS – Federal Tax Service
Gcal – gigacalorie
GHG – greenhouse gases
GHG Protocol – Greenhouse Gas Protocol
GPP – gas processing plant
GRI – Global Reporting Initiative
GW – gigawatt
HPP – hydroelectric power plant
HRCC – Human Resources and Compensation Committee
HSE – health, safety, and environment
IAS – Internal Audit Service
ICS – internal control system
IEC – International Electrotechnical Commission
IESBA – International Ethics Standards Board for Accountants
IFRS – International Financial Reporting Standards
IMS – integrated management system
ISO – International Organization for Standardization
IT – information technology
JSC – joint stock company
km – kilometer
KPI – key performance indicator
kWh – kilowatt-hour
LLC – limited liability company
LTAFR – Lost Time Accident Frequency Rate
LTIFR – Lost Time Injury Frequency Rate
MW – megawatt
NGLs – natural gas liquids
OECD – Organization for Economic Co-operation and Development
OEM – original equipment manufacturer
OJSC – open joint stock company
OPEC – Organization of the Petroleum Exporting Countries
PJSC – public joint stock company
RAS – Russian Accounting Standards
RES – renewable energy sources
RES CSA – capacity supply agreement for renewable energy sources
RMICS – risk management and internal control system
RPA – robotic process automation

RUB – Russian ruble
SASB – Sustainability Accounting Standards Board
SEC – Securities and Exchange Commission
SISCAC – Strategy, Investment, Sustainability, and Climate Adaptation Committee
SMART – Specific, Measurable, Achievable, Relevant, Time-Bound
SMP – Standard Management Practices
SPP – solar power plant
STO – standard of an organization
TAI – tax on additional income
TPE – territorial producing entity
TCFD – Task Force on Climate-related Financial Disclosures
UN – United Nations
USA – United States of America
USD – US dollar
VAT – value-added tax
WPP – wind power plant

About the Report

PJSC LUKOIL's Annual Report (the "Report") presents key information on LUKOIL Group's overall performance in 2024 by business line as well as information on corporate governance and corporate responsibility.

Feedback

You are welcome to send any comments and suggestions regarding corporate reports to e-mail address ir@lukoil.com. Feedback from shareholders and other stakeholders helps us improve information transparency and enhance the reporting quality.

Forward-looking statements

- Some of the statements made in this Report are not statements of fact but rather represent forward-looking information. These specifically include:
  - plans and forecasts relating to income, profits (losses), earnings (losses) per share, dividends, capital structure, and other financial indicators and ratios
  - the plans, goals, and objectives of PJSC LUKOIL, including those related to products and services
  - future economic indicators
  - the assumptions on which the statements are based.
- Words such as "believes", "expects", "assumes", "plans", "intends", "anticipates", and others are used in those cases when we are talking about forward-looking statements. However, the proposed options for solving the problems included in the statements are neither singular nor exclusive.
- Forward-looking statements inherently imply certain unavoidable risks and ambiguous issues, both general and specific. There is a risk that the plans, expectations, forecasts, and some of the forward-looking statements will not be realized. Due to a number of different factors, the actual results may differ materially from the plans, goals, expectations, assessments, and intentions expressed in such statements.

Conversion factors

Percentage changes in operating results presented in million tonnes are based on respective figures in thousand tonnes.

The average RUB/USD exchange rate for 2024 (RUB 92.57 per USD) is used for converting figures in rubles into US dollars, unless otherwise stated.

1 barrel of oil equivalent = 6 thousand cubic feet of gas.

Other information

The segment split used in the Report is in line with the information in the Group’s IFRS consolidated financial statements.

Production metrics for joint projects in Russia, as well as for international projects, are included in the total production of LUKOIL Group in proportion to the Company’s share.

In calculations of total amounts, the Annual Report may contain discrepancies as a result of rounding.

Reference Information

About the Company

Public Joint Stock Company “Oil Company ‘LUKOIL’” (the “Company”) was established in accordance with Executive Order of the Russian President No. 1403, On Specific Features of the Privatization and Transformation into Joint Stock Companies of State Enterprises and Industrial and Research Industrial Associations in the Oil and Oil Refining Industries and Oil Product Supply, dated November 17, 1992, and Resolution of the Council of Ministers – Government of the Russian Federation No. 299, On the Establishment of Open Joint Stock Company “Oil company ‘LUKoil’”, dated April 5, 1993, for the purpose of industrial, economic, financial, and investment activity.

PJSC LUKOIL is the LUKOIL Group (the “Group”) corporate center which coordinates the operations of Group entities. It focuses on the coordination and management of subsidiaries in terms of organizational set-up, investments, and financial operations.

Legal address and head office

Postal address: 101000, Russia, Moscow, Sretensky Blvd. 11

Website: www.lukoil.ru (Russian), www.lukoil.com (English)

Central Information Service

Tel.: +7 495 627 4444, +7 495 628 9841

Fax: +7 495 625 7016

Shareholder Relations

Tel.: 8 800 200 9402 (Russia toll-free)

E-mail: shareholder@lukoil.com

Shareholder’s Personal Account
https://evoting.reggarant.ru/voting/pa

Shareholder mobile application “LUKOIL Shareholder’s Personal Account”

For iOS
https://apple.co/3UZlJuG

For Android
https://apps.rustore.ru/app/ru.reggarant.evoting

Investor Relations
Tel.: +7 495 627 1696
E-mail: ir@lukoil.com

Press Service
E-mail: media@lukoil.com

Filling Stations Hotline
Tel.: 8 800 100 0911
E-mail: hotline@lukoil.com

Business Ethics Commission
Tel.: +7 495 627 8259
E-mail: ethics@lukoil.com

Auditor
JSC Kept (Joint Stock Company Kept)
Postal address: 125040, Russia, Moscow, Alcon III Business Center, Leningradsky Avenue 34A
Tel.: +7 495 937 4477
https://kept.ru/
E-mail: moscow@kept.ru

Business proposals
Postal address: 101000, Russia, Moscow, Sretensky Blvd. 11
Fax: +7 495 625 7016, +7 495 627 4999

Business proposals are to be made in writing on the official letterhead and sent by mail or fax. Business proposals submitted by e-mail will not be considered.

APPENDICES
TO PJSC LUKOIL ANNUAL REPORT
FOR 2024

Appendix 1.
Corporate Governance Code Compliance Report (as of December 31, 2024)

This Report on Compliance with the Corporate Governance Code (the "Code"), recommended by the Bank of Russia as a guidance for all publicly traded joint stock companies, is included in the Annual Report in line with Chapter 57 of the Bank of Russia's Regulations No. 714-P, On Information Disclosure by Issuers of Issue-Grade Securities, dated March 27, 2020.

Incorporated in Russia, PJSC LUKOIL is guided in its business by the corporate governance principles recommended for implementation by Russian securities market regulators.

The Code is the key document regulating national corporate governance standards and is available on the Bank of Russia's website at http://www.cbr.ru/publ/Vestnik/ves140418040.pdf.

This Report was considered by the Board of Directors of PJSC LUKOIL at a meeting on March 24, 2025 (Minutes No. 6) as part of PJSC LUKOIL's Annual Report for 2024.

The Board of Directors certifies that the data in this Report contain full and reliable information on compliance by the Company with the principles and recommendations of the Corporate Governance Code for 2024.

An overview of the core aspects of the corporate governance model and practice adopted by PJSC LUKOIL is presented in the Corporate Governance section of PJSC LUKOIL's Annual Report for 2024.

As a methodology for PJSC LUKOIL to assess compliance with corporate governance principles set forth by the Code, the Company used a report format recommended by the Bank of Russia in its Letter No. IN-06-28/102, On Disclosure of Compliance with the Principles and Recommendations of the Corporate Governance Code in the Annual Report of a Public Joint Stock Company, dated December 27, 2021, and recommendations set forth therein.

No.	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
1.1	The company shall ensure fair and equitable treatment of all shareholders in exercising their rights to participate in the governance of the company.			
1.1.1	The company shall ensure the most favorable conditions for its shareholders to participate in the general meeting, develop an informed position on items on the agenda of the general meeting, coordinate their actions, and voice their opinions on items reviewed.	1. The company provides accessible means of communication with the company, such as a hotline, e-mail, or online forum, to enable shareholders to express their opinion and send questions on the agenda in preparation for the general meeting. The above means of communication were prepared by the company and provided to shareholders in advance of each general meeting held in the reporting period.	☑ Full ☐ Partial ☐ None	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting shall enable shareholders to properly prepare for attending the general meeting.	1. In the reporting period, the notice of an upcoming general shareholders meeting was posted (published) on the corporate website at least 30 days prior to the date of the general meeting, unless required to do so earlier by applicable laws. 2. The notice of a meeting indicates the documents required for admission. 3. Shareholders were given access to the information on who proposed the agenda items and nominees to the company's board of directors and audit commission (in cases when the company's charter provides for the establishment of the same).	☑ Full ☐ Partial ☐ None	*<u>Note.</u>* *Criterion 2 may not be applicable, since the Annual General Shareholders Meeting was held in 2024 by absentee voting pursuant to the resolution made by the Board of Directors of PJSC LUKOIL on March 22, 2024 in accordance with Article 3 of Federal Law No. 25-FZ dated February 25, 2022. At the same time, Criterion 2 is complied with by the Company when holding General Shareholders Meetings in person.*
1.1.3	In preparation for the general meeting and during the general meeting, shareholders shall be enabled to receive information about, and all materials related to, the meeting, put questions to executive bodies and members of the board of directors as well as communicate with each other in an unobstructed and timely manner.	1. In the reporting period, shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors in advance of and during the general meeting. 2. The position of the board of directors (including dissenting opinions (if any) entered in the minutes) on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting. 3. The company gave duly authorized shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by	☑ Full ☐ Partial ☐ None	*<u>Note.</u>* *Criterion 1 may not be applicable, since the Annual General Shareholders Meeting was held in 2024 by absentee voting pursuant to the resolution made by the Board of Directors of PJSC LUKOIL on March 22, 2024 in accordance with Article 3 of Federal Law No. 25-FZ dated February 25, 2022. At the same time, Criterion 1 is complied with by the Company when holding General Shareholders Meetings in person.*

		the company, in all instances of general meetings held in the reporting period.		
1.1.4	Shareholders shall not encounter unjustified difficulties in exercising their right to request that a general meeting be convened, to propose nominees to governance bodies, and to make proposals for the agenda of the general meeting.	1. The company's charter states that shareholders are to make proposals for the agenda of the annual general meeting for at least 60 days after the end of the respective calendar year. 2. In the reporting period, the company did not reject proposals for the agenda or nominees to governance bodies due to misprints or other insignificant flaws in the shareholder's proposal.	☑ Full ☐ Partial ☐ None	
1.1.5	Each shareholder shall be enabled to freely exercise his/her voting right in the simplest and most convenient way.	1. The company's charter contains provisions stipulating that an electronic ballot can be filled out on the website stipulated in the notice of the general shareholders meeting.	☑ Full ☐ Partial ☐ None	
1.1.6	The general meeting procedure established by the company shall equally enable all persons attending the meeting to voice their opinion and ask questions.	1. During general shareholders meetings held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was allocated for reports on, and discussion of, the agenda items, and shareholders were given the opportunity to voice their opinion and ask questions on agenda items. 2. Nominees to the company's governance and control bodies were invited, and all due measures were taken to make sure they participate in the general shareholders meeting at which their nominations were put to vote. Nominees to the company's governance and control bodies present at the general shareholders meeting were available to answer shareholders' questions. 3. The sole executive body, the officer responsible for accounting, the chairman, or other members of the board of directors' audit committee were available to answer shareholders' questions at general shareholders meetings held during the reporting period. 4. During the reporting period, the company used telecommunication means to provide shareholders with	☑ Full ☐ Partial ☐ None	*Note.* *Criteria 1–4 may not be applicable, since the Annual General Shareholders Meeting was held in 2024 by absentee voting pursuant to the resolution made by the Board of Directors of PJSC LUKOIL on March 22, 2024 in accordance with Article 3 of Federal Law No. 25-FZ dated February 25, 2022.*

		remote access to general meetings, or the board of directors made a well-grounded decision that no such means were needed (could be used) in the reporting period.		
1.2	Shareholders have equal and fair rights to share in the profits of the company by way of dividends.			
1.2.1	The company has developed and introduced a transparent and clear mechanism for determining the dividend amount and paying dividends.	1. The regulations on the company’s dividend policy have been approved by the board of directors and disclosed on the corporate website. 2. If the dividend policy of the company that prepares consolidated financial statements uses figures of the statements to determine the dividend amount, then the respective provisions of the dividend policy shall take into account the consolidated financial statements. 3. Substantiation of the proposed distribution of net profit, including for dividend payout and the company’s internal needs, and its assessment for compliance with the company’s dividend policy, along with explanations and economic substantiation of such distribution for internal needs in the reporting period, were included in the materials for the general shareholders meeting the agenda of which included an item on profit distribution (including payout (announcement) of dividends).	☑ Full ☐ Partial ☐ None	
1.2.2	The company shall not resolve to pay out dividends if such resolution, while formally remaining in line with statutory restrictions, is not economically feasible and may lead to a false representation of the company’s performance.	1. The regulations on the company’s dividend policy, in addition to statutory restrictions, define financial/economic circumstances under which the company shall not resolve to pay out dividends.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Regulations on the Dividend Policy of PJSC LUKOIL do not explicitly specify financial/economic circumstances under which the Company shall not resolve to pay out dividends. At the same time, the above Regulations, in accordance with Recommendation 31 of the Code, specify financial and economic conditions of dividend payout, and if such conditions are not met, the Company shall not resolve to pay out dividends. These conditions are implicit indications of the financial/economic circumstances under which the Company shall not resolve to pay out dividends.

1.2.3	The company shall not allow the dividend rights of its existing shareholders to be impaired.	1. In the reporting period, the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.	☑ Full ☐ Partial ☐ None	
1.2.4	The company shall strive to exclude any ways for its shareholders to receive profit (income) from the company other than dividends and liquidation value.	1. During the reporting period, persons controlling the company did not receive profit (income) from the company through means other than dividends (e.g., using transfer pricing, unjustified provision of services to the company at inflated prices, or loans to controlling persons and/or their controlled persons to replace dividends).	☑ Full ☐ Partial ☐ None	
1.3	Corporate governance system and practices ensure equal opportunities for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company.			
1.3.1	The company has created conditions for fair treatment of each shareholder by the company's governance bodies and controlling persons, including conditions ruling out abuse of minority shareholders by major shareholders.	1. In the reporting period, persons controlling the company did not abuse the rights of company shareholders, there were no conflicts between persons controlling the company and company shareholders, and whenever there were any, the board of directors paid due attention to them.	☑ Full ☐ Partial ☐ None	
1.3.2	The company shall not perform actions which lead or may lead to artificial redistribution of corporate control.	1. Quasi-treasury shares do not exist or did not participate in voting in the reporting period.	☐ Full ☐ Partial ☑ None	Criterion 1 is not complied with. In the reporting year, the entities controlled by the Company held shares in PJSC LUKOIL (quasi-treasury shares) and participated in voting, since in the current geopolitical situation refusal to participate in voting using quasi-treasury shares carries a risk for reaching a quorum at General Shareholders Meetings and consequently causes the

				need to re-convene General Meetings, which would lead to additional expenses for the Company. In the future, if the above risks reduce, the Company plans to abandon voting using quasi-treasury shares at General Shareholders Meetings.
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares and are also enabled to freely dispose of their shares without any hindrance.			
1.4	Shareholders are provided with reliable and effective methods for recording their rights in shares and are also enabled to freely dispose of their shares without any hindrance.	1. The processes and terms of provision of services by the company's registrar meet the requirements of the company and its shareholders and ensure the recording of their rights to shares and exercise of shareholders' rights in the most effective way.	☑ Full ☐ Partial ☐ None	
2.1	The board of directors shall carry out the strategic management of the company, establish the basic principles of, and approaches to, setting up a risk management and internal control system in the company, control activities of the company's executive bodies, and perform other key functions.			
2.1.1	The board of directors shall be responsible for passing resolutions related to the appointment and removal of executive bodies, including due to their inadequate performance. The board of directors shall also ensure that the company's executive bodies act in accordance with the approved growth strategy and along the company's core lines of business.	1. The board of directors has the authority stipulated in the charter to appoint and remove members of executive bodies and to set out the terms and conditions of their contracts. 2. In the reporting period, the nomination (appointments, HR) committee reviewed the matter of alignment between professional qualifications, competencies, and experience of members of executive bodies and current and expected needs of the company in line with its approved strategy. 3. In the reporting period, the board of directors reviewed the report(s) by the sole executive body or members of the collective executive body (if any) on the implementation of the company's strategy.	☑ Full ☐ Partial ☐ None	

2.1.2	The board of directors shall define the main long-term targets of the company's operations, assess and approve its key performance indicators and key business goals as well as the strategy and business plans for the company's core lines of business.	1. In the reporting period, the board of directors reviewed at its meetings matters related to the progress in the implementation of the strategy and its updates, approval of the company's financial and business plan (budget), and consideration of the implementation criteria and performance (including interim criteria and performance) of the company's strategy and business plans.	☑ Full ☐ Partial ☐ None	
2.1.3	The board of directors shall determine the principles of, and approaches to, organizing a risk management and internal control system in the company.	1. The principles of, and approaches to, organizing a risk management and internal control system in the company are defined by the board of directors and set forth in the company's internal documents that define its risk management and internal control policy. 2. In the reporting period, the board of directors approved (revised) the acceptable risk exposure (risk appetite) of the company, or the audit committee and/or risk committee (if any) reviewed whether the matter of revising the company's risk appetite should be submitted to the board of directors for review.	☑ Full ☐ Partial ☐ None	
2.1.4	The board of directors shall define the company's policy on remuneration and/or reimbursement (compensation) of costs incurred by members of the board of directors, executive bodies, and other key executives of the company.	1. The company has developed and put in place the policy (policies) on remuneration and reimbursement (compensation) of costs incurred by members of the board of directors, executive bodies, and other key executives of the company, approved by the board of directors. 2. In the reporting period, the board of directors reviewed matters related to the said policy (policies).	☑ Full ☐ Partial ☐ None	
2.1.5	The board of directors shall play a key role in preventing, identifying, and settling internal conflicts between the company's bodies, shareholders, and employees.	1. The board of directors plays a key role in preventing, identifying, and settling internal conflicts. 2. The company has set up a system for identification of transactions involving a conflict of interest and a set of measures to resolve such conflicts.	☑ Full ☐ Partial ☐ None	

2.1.6	The board of directors shall play a key role in ensuring the company's transparency, the timeliness and completeness of its information disclosure, and unhindered access to the company's documents for shareholders.	1. In its internal documents, the company has designated the persons responsible for the implementation of its information policy.	☑ Full ☐ Partial ☐ None	
2.1.7	The board of directors shall control the company's corporate governance practices and play a key role in its significant corporate events.	1. In the reporting period, the board of directors considered the results of self-assessment and/or external assessment of the company's corporate governance practices.	☑ Full ☐ Partial ☐ None	
2.2	The board of directors shall be accountable to the company shareholders.			
2.2.1	Performance of the board of directors shall be disclosed and made available to shareholders.	1. The company's annual report for the reporting period includes the information on individual attendance at board of directors and committee meetings. 2. The annual report contains key results of assessment (self-assessment) of the board of directors' performance in the reporting period.	☐ Full ☑ Partial ☐ None	Criterion 1 is not complied with. PJSC LUKOIL's Annual Report for 2024 does not include information on individual attendance at Board of Directors and Board Committee meetings due to non-disclosure of information about the composition of the Board of Directors in line with Resolution of the Russian Government No. 1102 dated July 4, 2023. Should the right to restrict information disclosure set forth in Resolution of the Russian Government No. 1102 dated July 4, 2023 be terminated, the Company plans to resume its usual practice of disclosing relevant information. Criterion 2 is complied with.

2.2.2	The chairman of the board of directors shall be available to communicate with company shareholders.	1. The company has in place a transparent procedure enabling shareholders to forward inquiries to the chairman of the board of directors (and, if applicable, to the senior independent director) and receive feedback.	☑ Full ☐ Partial ☐ None	
2.3	The board of directors shall manage the company in an efficient and competent manner and make fair and independent judgements and decisions in line with the best interests of the company and its shareholders.			
2.3.1	Only persons with impeccable business and personal reputation, possessing the knowledge, skills, and experience required to make decisions falling within the authority of the board of directors and to perform its functions efficiently, shall be elected to the board of directors.	1. In the reporting period, the board of directors (or its nomination committee) assessed nominees to the board of directors in terms of having the required experience, knowledge, business reputation, absence of a conflict of interest, etc.	☑ Full ☐ Partial ☐ None	
2.3.2	The company's board of directors shall be elected as per a transparent procedure enabling shareholders to receive information about nominees which is sufficient to get an idea of their personal and professional qualities.	1. Whenever the agenda of the general shareholders meeting held in the reporting period included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of assessment of their professional qualifications, experience, and competencies against existing and expected needs of the company as carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code as well as the information on whether there is the nominee's written consent to be elected to the board of directors.	☑ Full ☐ Partial ☐ None	

2.3.3	The board of directors shall be balanced, including in terms of qualifications of its members, their experience, knowledge, and business qualities, and it shall have the trust of shareholders.	1. In the reporting period, the board of directors analyzed its needs in terms of professional qualifications, experience, and knowledge and identified competencies that the board of directors required in the short and long term.	☑ Full ☐ Partial ☐ None	
2.3.4	The company has a sufficient number of directors to organize the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors, and enable the company's significant minority shareholders to elect a nominee to the board of directors for whom they vote.	1. In the reporting period, the board of directors reviewed whether the number of members on the board of directors was in line with the company's needs and with the interests of shareholders.	☑ Full ☐ Partial ☐ None	
2.4	The board of directors shall include a sufficient number of independent directors.			
2.4.1	An independent director shall be a person of sufficient professionalism, experience, and self-reliance to form his/her own opinion, able to make impartial judgements in good faith independent from the company's executive bodies, particular groups of shareholders, or other stakeholders. It should also be taken into account that in normal conditions a nominee (elected member of the board of directors) cannot be considered independent if he/she is related to the company, its significant shareholder or contractor, the company's competitor, or the government.	1. In the reporting period, all independent members of the board of directors met the independence criteria set forth in Recommendations 102–107 of the Code or were determined to be independent by resolution of the board of directors.	☑ Full ☐ Partial ☐ None	
2.4.2	The compliance of nominees to the board of directors with the independence criteria shall be assessed, and a regular review of compliance of independent members of the board of directors with such criteria shall be performed. Substance shall prevail over form in such assessments.	1. In the reporting period, the board of directors (or the nomination committee of the board of directors) formed its opinion on the independence of each nominee to the board of directors and presented respective opinions to shareholders. 2. In the reporting period, the board of directors (or the nomination committee of the board of directors) reviewed	☑ Full ☐ Partial ☐ None	

		at least once the independence of the current members of the board of directors (following their election). 3. The company has developed procedures defining the actions to be taken by a member of the board of directors if he/she ceases to be independent, including the obligation to timely notify the board of directors thereof.		
2.4.3	At least one third of the total elected number of members of the board of directors shall be constituted by independent directors.	1. At least one third of the total number of members of the board of directors is constituted by independent directors.	☑ Full ☐ Partial ☐ None	
2.4.4	Independent directors shall play a key role in preventing internal conflicts in the company and in the performance by the latter of material corporate actions.	1. In the reporting period, independent directors (who did not have a conflict of interest) carried out a preliminary assessment of material corporate actions implying a possible conflict of interest, and the results of such assessment were presented to the board of directors.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company's Charter includes no list of transactions or other actions deemed to be material corporate actions. In the context of absence of a uniform approach to defining "material corporate actions" in the Russian legislation, the Company intends to amend its internal documents alongside with amendments to applicable laws. That said, the Company also organizes periodic meetings of its sole executive body with directors to brief them on the key aspects of the Company's operations, including material transactions. This enables the directors to assess their decisions, including for possible conflicts of interest.
2.5	The chairman of the board of directors shall facilitate the best performance of assigned duties by the board of directors.			
2.5.1	The board of directors shall be chaired by an independent director, or a senior independent director shall be chosen from among the elected independent directors to coordinate the activities of independent directors and enable	1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. 2. The role, rights, and duties of the chairman of the board of directors (and, if applicable, of the senior independent	☐ Full ☑ Partial	Criterion 1 is not complied with. In the reporting year, the Chairman of the Company's Board of Directors was elected by a unanimous decision of the Board from among the

	the interaction with the chairman of the board of directors.	director) are duly set out in the company's internal documents.	☐ None	non-executive directors with high professional qualifications, industry expertise, and experience in management positions. In the reporting year, a senior independent director was not chosen from among the independent directors, as the Company proceeded from the fact that all directors have equal rights and that independent directors did not propose to appoint a senior independent director. At the same time, the Deputy Chairman of the Board of Directors was elected from among the independent directors. Criterion 2 is complied with.
2.5.2	The chairman of the board of directors shall maintain a constructive environment at meetings, enable free discussion of agenda items, and supervise the execution of resolutions passed by the board of directors.	1. The performance of the chairman of the board of directors was assessed as part of the procedure for assessing (self-assessing) the board of directors' performance in the reporting period.	☑ Full ☐ Partial ☐ None	
2.5.3	The chairman of the board of directors shall take all steps necessary for the timely provision to members of the board of directors of information required to pass resolutions on agenda items.	1. The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to members of the board of directors of full and accurate information regarding items on the agenda of the board meeting.	☑ Full ☐ Partial ☐ None	
2.6	Members of the board of directors shall act reasonably and in good faith in the best interests of the company and its shareholders, relying on sufficient information and exercising due care and prudence.			
2.6.1	Members of the board of directors shall make decisions based on all information available, without conflict of interest, subject to equal treatment of the company shareholders, and assuming normal business risks.	1. The company's internal documents provide that a member of the board of directors shall notify the board of directors if he/she has a conflict of interest in respect of any item on the agenda of the board meeting or the board	☑ Full ☐ Partial	

		committee meeting, prior to the discussion of the relevant agenda item. 2. The company's internal documents provide that a member of the board of directors shall abstain from voting on any item in connection with which he/she has a conflict of interest. 3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.	☐ None	
2.6.2	The rights and obligations of members of the board of directors shall be clearly defined and set out in the company's internal documents.	1. The company has adopted and published an internal document clearly defining the rights and obligations of members of the board of directors.	☑ Full ☐ Partial ☐ None	
2.6.3	Members of the board of directors shall have sufficient time to perform their duties.	1. Individual attendance at board and committee meetings as well as the sufficiency of time devoted to working on the board, including board committees, were reviewed as part of the procedure for assessment (self-assessment) of the performance of the board of directors in the reporting period. 2. In accordance with the company's internal documents, members of the board of directors shall inform the board of their intentions to join governance bodies of other organizations (except for entities controlled by the company) or of the relevant appointment made.	☑ Full ☐ Partial ☐ None	
2.6.4	All directors have equal access to the company's documents and information. Newly elected directors are furnished with sufficient information about the company and performance of the board of directors as soon as possible.	1. In accordance with the company's internal documents, members of the board of directors are entitled to have access to information and documents required for the performance of their duties regarding the company and entities under its control, and the company's executive bodies must provide relevant information and documents. 2. The company has in place a formalized induction program for newly elected members of the board of directors.	☑ Full ☐ Partial ☐ None	

2.7	Meetings of the board of directors, preparation for such meetings, and participation of members of the board of directors shall ensure efficient performance by the board of directors.			
2.7.1	Meetings of the board of directors shall be held as needed, taking into account the scale of operations and goals of the company at a particular time.	1. The board of directors held at least six meetings in the reporting year.	☑ Full ☐ Partial ☐ None	
2.7.2	Internal documents of the company shall provide for the procedure for arranging and holding the board meetings, enabling members of the board of directors to prepare for such meetings in a proper manner.	1. The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and sets out, in particular, that the notice of the meeting shall be given, as a rule, at least five days prior to such meeting. 2. In the reporting period, members of the board of directors not able to be present at the board meeting venue could participate in discussing agenda items and voting remotely via audio- or videoconferencing.	☑ Full ☐ Partial ☐ None	
2.7.3	The format of the meeting of the board of directors shall be determined taking into account the importance of items on the agenda. The most important matters shall be dealt with at meetings of the board of directors held in person.	1. The company's charter or internal document provides for the most important matters (including those listed in Recommendation 168 of the Code) to be discussed at in-person meetings of the board of directors.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Regulations on the Board of Directors of PJSC LUKOIL list matters to be discussed only at in-person meetings of the Board of Directors. This list largely matches the list set out in Recommendation 168 of the Code; however, it reflects the existing practices of the Company's corporate governance and the distribution of powers among its governance bodies. For instance, due to the large number of Company subsidiaries, coordination of their operations, including approvals of material transactions, is referred to the jurisdiction of the Company's sole executive body in order to increase the efficiency of the decision-making process.

2.7.4	Resolutions on the most important matters relating to the company's operations shall be passed at a meeting of the board of directors by a qualified majority or by a majority of all elected board members.	1. The company's charter provides for resolutions on the most important matters, including those set out in Recommendation 170 of the Code, to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected board members.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company's Charter provides for resolutions on certain material matters within the scope of authority of the Board of Directors (such as an increase in the charter capital, or public offering by the Company of its bonds or other issue-grade securities) to be passed unanimously by all directors. The most important matters brought up for approval by the Board of Directors are subject to preliminary discussion by dedicated Committees of the Board of Directors, which ensures a unanimous approach to the final decision in most cases. In 2024, resolutions on the matters set out in Paragraphs 1 and 10 of Recommendation 170 of the Code were passed unanimously by the Company's Board of Directors. The Board of Directors did not consider any matters set out in Paragraphs 2, 3, 4, 5, 6, 7, 8, and 9 of Recommendation 170 of the Code in 2024.
2.8	The board of directors shall set up committees for pre-review of the most important matters related to the business of the company.			
2.8.1	To pre-review matters related to controlling the company's financial and business activities, an audit committee shall be set up, comprised of independent directors.	1. The board of directors has set up an audit committee comprised solely of independent directors. 2. The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code. 3. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analyzing, assessing, and auditing accounting (financial) statements. 4. Meetings of the audit committee were held at least once a quarter during the reporting period.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Audit Committee of the Company's Board of Directors is headed by an independent director, and independent directors make up the majority of its members (as permitted by the Listing Rules of PJSC Moscow Exchange), with a non-executive director also serving on the Committee. The decision to include one non-executive director on the Committee was prompted by the Board's intention to distribute the workload associated with participation in the Committees more evenly among the directors, to ensure that their professional competencies are aligned with the Committees' functions, and to make better use of the potential and experience of non-executive directors.

				Should shareholders elect more independent directors to the Board of Directors, the Company will strive to form an Audit Committee comprised solely of independent directors. Criteria 2–4 are complied with.
2.8.2	To pre-review matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee shall be set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	1. The board of directors has set up a remuneration committee comprised solely of independent directors. 2. The remuneration committee is chaired by an independent director who is not the chairman of the board of directors. 3. The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code, as well as the conditions (events) upon the occurrence of which the remuneration committee is to consider revising the company's policy on remuneration of members of the board of directors, executive bodies, and other key executives.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company combines the functions of the remuneration committee and the nomination committee within the HR and Compensation Committee of the Board of Directors. The HR and Compensation Committee of the Board of Directors is headed by an independent director, and independent directors make up the majority of its members (as permitted by the Listing Rules of PJSC Moscow Exchange), with a non-executive director also serving on the Committee. The decision to include one non-executive director on the Committee was prompted by the Board's intention to distribute the workload associated with participation in the Committees evenly among the directors, to ensure that their professional competencies are aligned with the Committees' functions, and to make better use of the potential and experience of non-executive directors. Should shareholders elect more independent directors to the Board of Directors, the Company will strive to form an HR and Compensation Committee comprised solely of independent directors. Criterion 2 is complied with. Criterion 3 is partially not complied with. The functions and tasks of the HR and Compensation Committee of the Board of

				Directors, provided for by the Regulations on the HR and Compensation Committee of the Board of Directors of PJSC LUKOIL, include the tasks listed in Recommendation 180 of the Code, save for the task specified in Paragraph 5 of Recommendation 180 – selection of an independent advisor on remuneration of members of executive bodies and other key employees. Until now, the Company has never engaged an independent advisor for such purposes and does not intend to do so in the short term. The Company believes that such engagement will involve additional time to be spent on preparing and sending all necessary information to the advisor, as well as additional financial expenses for the Company, and will eventually affect shareholders' income. However, the Company may engage such independent advisor should any significant shareholders express their interest. The HR and Compensation Committee of the Board of Directors regularly reviews at its meetings matters related to remuneration of the sole executive body and other key employees, which enables the Committee to oversee the introduction and implementation of the Company's policy on remuneration. The Regulations on the HR and Compensation Committee of the Board of Directors of PJSC LUKOIL do not explicitly define the conditions (events) upon the occurrence of which the Committee is to consider revising the Company's policy on remuneration of members of the Board of Directors, the sole executive body, and other key executives. At the same time, the Regulations set out that the HR and Compensation Committee of the Board of Directors of PJSC LUKOIL shall benchmark the Company's remuneration policies and programs for members of governance bodies against those of other companies and may revise the Company's remuneration policy for members of its Board of Directors and its sole

				executive body from time to time based on such benchmarking.
2.8.3	To pre-review matters related to talent management (succession planning), professional composition, and efficiency of the board of directors, a nomination (appointments, HR) committee shall be set up, predominantly comprised of independent directors.	1. The board of directors has set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee) predominantly comprised of independent directors. 2. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in Recommendation 186 of the Code. 3. In the reporting period, the nomination committee, independently or jointly with other committees of the board of directors or the company's authorized shareholder relations unit, has engaged with shareholders, not limited to the largest shareholders, with regard to selecting nominees to the company's board of directors with a view to forming the board best suiting the company's goals and objectives.	☐ Full ☑ Partial ☐ None	Criterion 1 is complied with. Criterion 2 is partially not complied with. The Company combines the functions of the remuneration committee and the nomination committee within the HR and Compensation Committee of the Board of Directors. The functions and tasks of the HR and Compensation Committee of the Board of Directors, provided for by the Regulations on the HR and Compensation Committee of the Board of Directors of PJSC LUKOIL, include (with minor text revisions) the tasks listed in Recommendation 186 of the Code, save for the task set out in Paragraph 4 of Recommendation 186 (description of individual duties of directors and the Chairman of the Board of Directors, including the time to be spent on the Company's activities, both inside and outside meetings, as part of scheduled and unscheduled work). Time commitments of the Company's directors considerably depend on the Board of Directors' and Committees' activity plans, the number of ad hoc meetings which cannot be predicted, involvement of a director with one or more Committees, professional experience, and a director's term on the Board. Therefore, it was difficult in the reporting year for the Company to reliably assess time commitment to estimate general hours for all directors in the long term. Criterion 3 is complied with.
2.8.4	Taking into account the company's scale of operations and level of risks, the company's board of directors made sure that the composition of its committees is fully in line	1. In the reporting period, the company's board of directors reviewed whether its structure was consistent with the scope, nature, goals, needs, and risk profile of the company	☑ Full	

	with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety, and environment committee, etc.).	and its operations. Additional committees were either set up or not deemed necessary.	☐ Partial ☐ None	
2.8.5	Committees shall be composed so as to enable comprehensive discussions of matters under pre-review, taking into account the diversity of opinions.	1. During the reporting period, the audit committee, the remuneration committee, and the nomination committee (or another relevant committee with combined functions) were headed by independent directors. 2. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee (or another relevant committee with combined functions), and the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee.	☑ Full ☐ Partial ☐ None	
2.8.6	Committee chairmen shall inform the board of directors and its chairman on the work of their committees on a regular basis.	1. During the reporting period, committee chairmen reported to the board of directors on the work of committees on a regular basis.	☑ Full ☐ Partial ☐ None	
2.9	The board of directors shall ensure performance assessment of the board of directors, its committees and members.			
2.9.1	The board of directors' performance assessment shall be aimed at determining the efficiency of the board of directors, its committees and members and consistency of their work with the company's development requirements as well as bolstering the work of the board of directors and identifying areas for improvement.	1. The company's internal documents define procedures for assessment (self-assessment) of the board of directors' performance. 2. Assessment (self-assessment) of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual members of the board of directors, and the board of directors in general.	☑ Full ☐ Partial ☐ None	

		3. Results of assessment (self-assessment) of the board of directors’ performance carried out in the reporting period were reviewed at the in-person meeting of the board.		
2.9.2	Performance of the board of directors, its committees and members shall be assessed regularly at least once a year. An external advisor shall be engaged at least once in three years to conduct an independent assessment of the board of directors’ performance.	1. The company engaged an external advisor to conduct an independent assessment of the board of directors’ performance at least once over the last three reporting periods.	☑ Full ☐ Partial ☐ None	
3.1	The company’s corporate secretary shall ensure efficient ongoing interaction with shareholders, coordinate the company’s efforts to protect shareholder rights and interests, and support the efficient operation of the board of directors.			
3.1.1	The corporate secretary shall have the knowledge, experience, and qualifications sufficient to perform his/her duties as well as an impeccable reputation and the trust of shareholders.	1. The biographical data of the corporate secretary (including information about age, education, qualifications, experience) as well as information about the positions in the governance bodies of other legal entities held by the corporate secretary for at least the last five years are published on the corporate website and in the company’s annual report.	☐ Full ☐ Partial ☑ None	Criterion 1 is not complied with. The above information is not published in the Company’s Annual Report for 2024 or on its website, taking into account PJSC LUKOIL’s general approach to disclosure of personal information of its key employees in 2024 driven by objective reasons of a geopolitical nature. In the future, the Company plans to resume its usual practice of disclosing information about the Corporate Secretary.
3.1.2	The corporate secretary shall be sufficiently independent of the company’s executive bodies and have the powers and resources required to perform his/her tasks.	1. The company has adopted and published an internal document – regulations on the corporate secretary. 2. The board of directors approves the appointment, dismissal, and additional remuneration of the corporate secretary. 3. The company’s internal documents stipulate the right of the corporate secretary to request and receive company documents and information from management bodies, units, and officers of the company.	☑ Full ☐ Partial ☐ None	*Note.* *In accordance with Paragraph 5.1 of the Regulations on the Corporate Secretary of PJSC LUKOIL, the size of remuneration (official salary) of the Corporate Secretary is determined by the Board of Directors of PJSC LUKOIL; in accordance with Paragraph 5.2 of the same, the cost of living adjustments and bonus payments for the Corporate Secretary are made in compliance with the Company’s local regulations on remuneration, unless otherwise established by resolution of the Board of Directors.*

4.1	Remuneration payable by the company shall be sufficient to attract, motivate, and retain people with competencies and qualifications required by the company. Remuneration payable to members of the board of directors, executive bodies, and other key executives of the company shall be in compliance with the approved remuneration policy of the company.			
4.1.1	The amount of remuneration paid by the company to members of the board of directors, executive bodies, and other key executives shall create sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company shall avoid unnecessarily high remuneration as well as unjustifiably large gaps between remunerations of the above persons and the company employees.	1. Remuneration of members of the board of directors, executive bodies, and other key executives of the company is determined based on the results of benchmarking the company's remuneration levels with those in peer companies.	☑ Full ☐ Partial ☐ None	
4.1.2	The company's remuneration policy shall be devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, shall ensure control over the introduction and implementation of the company's remuneration policy, revising and amending it as required.	1. During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and/or the practical aspects of its (their) introduction, evaluated their efficiency and transparency, and presented relevant recommendations to the board of directors with regard to its (their) revision as required.	☑ Full ☐ Partial ☐ None	
4.1.3	The company's remuneration policy shall include transparent mechanisms for determining the amount of remuneration due to members of the board of directors, executive bodies, and other key executives of the company and regulate all types of expenses, benefits, and privileges provided to such persons.	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to members of the board of directors, executive bodies, and other key executives of the company and regulates (regulate) all types of expenses, benefits, and privileges provided to such persons.	☑ Full ☐ Partial ☐ None	
4.1.4	The company shall define a policy on reimbursement (compensation) of expenses detailing a list of reimbursable expenses and specifying service levels that members of the board of directors, executive bodies, and other key executives of the company can claim. Such policy can make part of the company's remuneration policy.	1. The remuneration policy (policies) or other internal documents of the company define the rules for reimbursement of costs incurred by members of the board of directors, executive bodies, and other key executives of the company.	☑ Full ☐ Partial ☐ None	

4.2	The system of remuneration of members of the board of directors shall ensure alignment of financial interests of directors with long-term financial interests of shareholders.			
4.2.1	The company shall pay fixed annual remuneration to members of the board of directors. The company shall not pay remuneration for attending particular meetings of the board of directors or its committees. The company shall not apply any forms of short-term motivation or additional financial incentives for members of the board of directors.	1. During the reporting period, the company paid remuneration to members of the board of directors in line with the remuneration policy adopted by the company. 2. During the reporting period, the company did not apply any forms of short-term motivation or additional financial incentives for members of the board of directors linked to the company's performance results (indicators). The company did not pay remuneration for attending particular meetings of the board of directors or its committees.	☑ Full ☐ Partial ☐ None	
4.2.2	Long-term ownership of company shares shall help align the financial interests of members of the board of directors with long-term interests of shareholders to the utmost. At the same time, the company shall not link the right to dispose of shares to performance targets, and members of the board of directors shall not participate in stock option plans.	1. If the company's internal document(s) – the remuneration policy (policies) – stipulates (stipulate) provision of company shares to members of the board of directors, clear rules for share ownership by board members shall be defined and disclosed, aimed at stimulating long-term ownership of such shares.	☑ Full ☐ Partial ☐ None	
4.2.3	The company shall not provide for any extra payments or compensations in the event of early termination of powers of members of the board of directors resulting from the change of control or any other reasons whatsoever.	1. The company does not provide for any extra payments or compensations in the event of early termination of powers of members of the board of directors resulting from the change of control or any other reasons whatsoever.	☑ Full ☐ Partial ☐ None	
4.3	The company shall review its performance and the personal contribution of each executive to the achievement of such performance when determining the amount of remuneration payable to members of executive bodies and other key executives of the company.			
4.3.1	Remuneration due to members of executive bodies and other key executives of the company shall be determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration,	1. In the reporting period, annual performance indicators approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key executives of the company.	☑ Full ☐ Partial	

	depending on the company's performance and the employee's personal contribution.	2. During the latest assessment of the system of remuneration of members of executive bodies and other key executives of the company, the board of directors (remuneration committee) made sure that the company applies efficient ratio of the fixed and variable parts of remuneration. 3. When determining the amount of remuneration due to members of executive bodies and other key executives of the company, account is taken of the risks incurred by the company in order to avoid encouraging unreasonably risky management decisions.	☐ None	
4.3.2	The company shall put in place a long-term incentive program for members of executive bodies and other key executives of the company with the use of company shares (options and other derivative instruments where company shares are the underlying asset).	1. If the company has in place a long-term incentive program for members of executive bodies and other key executives of the company with the use of company shares (financial instruments based on company shares), the program implies that the right to dispose of shares and other financial instruments used in this program shall take effect at least three years after such shares or other financial instruments are granted. The right to dispose of such shares or other financial instruments is linked to the company's performance targets.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company has in place the Long-Term Incentive Program for Key Employees of LUKOIL Group for 2023–2025 containing different incentive conditions. That said, the long-term incentives set out in the Regulations on the Long-Term Incentive Program for Key Employees of LUKOIL Group for 2023–2025 are intended to build an interest in the Company's long-term performance among key employees, enhance its investment case, create shareholder value, and encourage the improvement of the Company's corporate governance.
4.3.3	The compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, shall not exceed the double amount of the fixed part of their annual remuneration.	1. In the reporting period, the compensation (golden parachute) payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration.	☑ Full ☐ Partial ☐ None	
5.1	The company shall put in place an effective risk management and internal control system providing reasonable assurance in the achievement of the company's goals.			

5.1.1	The company's board of directors shall determine the principles of, and approaches to, organizing a risk management and internal control system in the company.	1. Functions of different management bodies and units of the company in the risk management and internal control system are clearly defined in the company's internal documents / relevant policy approved by the board of directors.	☑ Full ☐ Partial ☐ None	
5.1.2	The company's executive bodies shall ensure establishment and continuous operation of an effective risk management and internal control system in the company.	1. The company's executive bodies ensured the distribution of functions, powers, and responsibilities related to risk management and internal control between the heads (managers) of units and departments accountable to them.	☑ Full ☐ Partial ☐ None	
5.1.3	The company's risk management and internal control system ensures an objective, fair, and clear representation of the current state of the company and its future prospects, the integrity and transparency of the company's reporting as well as reasonable and acceptable risk exposure.	1. The company has an approved anti-corruption policy. 2. The company has arranged for safe, confidential, and accessible means (a hotline) of notifying the board of directors or the board's audit committee about violations of the law, the company's internal procedures, and code of ethics.	☑ Full ☐ Partial ☐ None	
5.1.4	The company's board of directors shall take necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to, its organization determined by the board of directors and that the system is functioning efficiently.	1. In the reporting period, the board of directors (the audit committee and/or risk committee (if any)) assessed the reliability and effectiveness of the company's risk management and internal control system. 2. In the reporting period, the board of directors reviewed the results of the assessment of the reliability and effectiveness of the company's risk management and internal control system. The information on the review results is included in the company's annual report.	☑ Full ☐ Partial ☐ None	
5.2	The company shall perform internal audits for the regular independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance.			
5.2.1	The company shall set up a separate unit or engage an independent external organization to	1. To perform internal audits, the company has set up a separate internal audit unit functionally reporting to the	☑ Full	

	carry out internal audits. The functional and administrative subordination of the internal audit unit shall be separated. The internal audit unit shall functionally report to the board of directors.	board of directors or engaged an independent external organization under the same principle of subordination.	☐ Partial ☐ None	
5.2.2	The internal audit unit shall assess the reliability and effectiveness of the risk management and internal control system and corporate governance. The company shall apply generally accepted standards of internal audit.	1. In the reporting period, the reliability and effectiveness of the risk management and internal control system were assessed as part of the internal audit procedure. 2. In the reporting period, internal audit assessed corporate governance practices (individual practices), including information interaction procedures (among them those related to internal control and risk management) at all management levels of the company, as well as interaction with stakeholders.	☑ Full ☐ Partial ☐ None	
6.1	The company and its business shall be transparent for shareholders, investors, and other stakeholders.			
6.1.1	The company shall develop and adopt an information policy ensuring an efficient exchange of information between the company, its shareholder, investors, and other stakeholders.	1. The company's board of directors approved an information policy developed in accordance with the Code's recommendations. 2. In the reporting period, the board of directors (or one of its committees) reviewed matters related to the efficiency of communication between the company, its shareholders, investors, and other stakeholders and feasibility (need) of revising the company's information policy.	☑ Full ☐ Partial ☐ None	
6.1.2	The company shall disclose information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	1. The company discloses information on its corporate governance system and general principles of corporate governance applied in the company, in particular, on the corporate website. 2. The company discloses information on the composition of executive bodies and the board of directors, independence of board members, and their membership in the board committees (as defined in the Code). 3. If the company has a controlling person, the company publishes a memorandum of the controlling person setting out the latter's plans for the company's corporate governance.	☐ Full ☑ Partial ☐ None	Criterion 1 is complied with. Criterion 2 is not complied with. The Company's Charter does not provide for a collective executive body. Information on the composition of the Company's Board of Directors, the independence of Board members, and their membership in the Board Committees is not disclosed in line with Resolution of the Russian Government No. 1102 dated July 4, 2023. Should the right to restrict information disclosure set forth in Resolution of the Russian Government

				No. 1102 dated July 4, 2023 be terminated, the Company plans to resume its usual practice of disclosing relevant information. Criterion 3 cannot be applicable as the Company does not have a controlling person.
6.2	The company shall make timely disclosures of complete, updated, and reliable information to allow shareholders and investors to make informed decisions.			
6.2.1	The company shall disclose information based on the principles of regularity, consistency, and promptness as well as availability, reliability, completeness, and comparability of disclosed data.	1. The company defines the procedure for the coordination of all of the company's units and employees that are involved in disclosure or whose activities may result in the need to disclose information. 2. If company securities are traded on foreign regulated markets, the company shall ensure concerted and equivalent disclosure of material information in the Russian Federation and in the said markets in the reporting period. 3. If foreign shareholders hold a significant amount of company shares, during the reporting year, information was disclosed not only in the Russian language but also in one of the most widespread foreign languages.	☑ Full ☐ Partial ☐ None	
6.2.2	The company shall strive to avoid a formalistic approach to information disclosure and to disclose material information about its operations even if such disclosure is not required by law.	1. The company's information policy defines approaches to disclosure of information about other events (actions) that can have a material impact on the company's valuation and the price of its securities and that is not required to be disclosed by law. 2. The company discloses information on its capital structure, as stated in Recommendation 290 of the Code, in its annual report and on the corporate website. 3. The company discloses information on controlled entities that are material to it, including key areas of their operations, mechanisms for ensuring accountability of controlled entities, and powers of the company's board of directors to determine the strategy and assess the performance of controlled entities. 4. The company discloses a non-financial report – a sustainability report, environmental report, corporate social responsibility report, or another report containing non-	☐ Full ☑ Partial ☐ None	Criteria 1 and 4 are complied with. Criteria 2 and 3 are partially not complied with. In line with Resolution of the Russian Government No. 1102 dated July 4, 2023, the Company partially discloses additional information on its capital structure set out in Recommendation 290 of the Code and does not disclose information on controlled entities that are material to the Company. Should the right to restrict information disclosure set forth in Resolution of the Russian Government No. 1102 dated July 4, 2023 be terminated, the Company plans to resume its usual practice of disclosing relevant information.

		financial information, including factors related to the environment (including environmental factors and factors related to climate change), society (social factors), and corporate governance, except for the issuer's report and the annual report of a joint stock company.		
6.2.3	The annual report, as one of the most important tools of information exchange with shareholders and other stakeholders, shall contain information enabling assessment of the company's performance in the reporting year.	1. The company's annual report contains information on the result of the audit committee's assessment of internal and external audit effectiveness. 2. The company's annual report contains information on the environmental and social policies of the company.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Audit Committee of PJSC LUKOIL's Board of Directors assesses the effectiveness of the external audit process when reviewing material issues arising in the course of the independent external audit as well as when assessing the opinion of the Company's auditor for its presentation to shareholders in preparation for the Annual General Shareholders Meeting, based on which the Committee makes recommendations to the Board of Directors regarding the auditor selection and its subsequent approval by the General Shareholders Meeting. The Audit Committee assesses the effectiveness of the internal audit process by reviewing the report on performance of the annual audit and consulting plan of the Internal Audit Service of PJSC LUKOIL and on internal audits. Information on the Audit Committee's review of the above issues is available in the Company's Annual Report for 2024. The Audit Committee did not assess the effectiveness of the external audit process separately, and therefore the results of this assessment were not included in the Company's Annual Report, since it is outside the remit of the Audit Committee as per Section 3 of Recommendation 172 of the Code (which provides for effectiveness assessment of the internal audit function). Criterion 2 is complied with.
6.3	The company shall provide information and documents as per the requests of shareholders in compliance with principles of fairness and ease of access.			

6.3.1	Shareholders' exercise of their rights of access to the company's documents and information is not cumbersome.	1. The company's information policy (internal documents establishing the information policy) establishes a non-cumbersome procedure for providing shareholders with easy access to the company's information and documents as requested by shareholders. 2. The company's information policy (internal documents establishing the information policy) contains provisions stipulating that if a shareholder requests information on entities controlled by the company, the company shall take the necessary steps to obtain such information from the relevant entities controlled by the company.	☐ Full ☑ Partial ☐ None	Criterion 1 is complied with. Criterion 2 is partially not complied with. When providing information requested by shareholders, the Company is guided by Article 91 of the Federal Law On Joint Stock Companies that provides for no obligation of the Company to share information on legal entities controlled by it with its shareholders. The majority of PJSC LUKOIL subsidiaries, including those material to the Company, have their own websites which describe their operations. These websites can also be accessed via PJSC LUKOIL's official website.
6.3.2	When providing information to shareholders, the company shall ensure a reasonable balance between the interests of particular shareholders and its own interests consisting in preserving the confidentiality of important commercial information which may materially affect its competitiveness.	1. In the reporting period, the company did not refuse shareholders' requests for information, or such refusals were justified. 2. In cases defined by the company's information policy, shareholders are warned of the confidential nature of the information and undertake to maintain its confidentiality.	☑ Full ☐ Partial ☐ None	<u>*Note.*</u> *The Regulations on the Information Policy of PJSC LUKOIL include a reference to the Regulations on Provision of Information to Shareholders of PJSC LUKOIL which contain provisions prescribed by Criterion 2.*
7.1	Actions that significantly impact or may significantly impact the share capital structure or financial condition of the company and, respectively, shareholders' position (material corporate actions) shall be fairly executed, providing observance of the rights and interests of shareholders and other stakeholders.			
7.1.1	Material corporate actions shall include restructuring of the company, acquisition of 30 percent or more of the company's voting shares (takeover), execution by the company of significant transactions, increase or reduction of the company's charter capital, listing or delisting of the company shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's charter shall provide a list (criteria) of transactions or other actions classified as material corporate actions pertaining to the competence of the board of directors of the company.	1. The company's charter provides for a list (criteria) of transactions or other actions classified as material corporate actions. Resolutions on material corporate actions are referred by the company's charter to the competence of the board of directors. When execution of such corporate actions is expressly referred by law to the competence of the general shareholders meeting, the board of directors presents relevant recommendations to shareholders.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company's Charter includes no list of transactions or other actions deemed to be material corporate actions (see also the note to Paragraph 2.4.4). The decision-making procedure (procedure for referring such decisions to the competence of the Board of Directors or the General Shareholders Meeting under the Company's Charter or relevant laws) recommended by the Code is met with respect to most corporate actions that are deemed by the Code to be material corporate actions. Following the established practices, when addressing the matter of preparing for and holding the General Shareholders Meeting of the Company,

				the Board of Directors approves the Board of Directors' position and recommendations for shareholders for voting on all agenda items, including those that may be classified as material corporate actions. There are inconsistencies with the Code's recommendations with respect to transactions involving controlled legal entities, which are specified in Recommendation 307 of the Code and which the Code recommends to refer to the competence of the Board of Directors. Due to the large number of Company subsidiaries, coordination of their operations, preliminary approval of their decisions regarding stakes in other entities as well as decisions on acquiring subsoil licenses, which may result in investments exceeding an amount in rubles equivalent to USD 150 million, decisions to approve material transactions by Company subsidiaries, and decisions on acquisition and disposal by the Company of equity interests in other entities are referred by the Charter to the competence of the Company's sole executive body. The Company also notes that the term "controlled legal entity material to the company" used in Recommendation 307 of the Code is used in applicable Russian laws only for disclosure purposes. Therefore, the Company believes that until this term is consolidated in corporate law, the Company's Charter cannot refer this matter to the competence of the Board of Directors.
7.1.2	The board of directors shall play a key role in making decisions or working out recommendations regarding material corporate actions relying on the opinions of the company's independent directors.	1. The company has in place a procedure enabling independent directors to express their opinions on material corporate actions prior to approval thereof.	☐ Full ☑ Partial ☐ None	Criterion 1 is partially not complied with. The Company's Charter includes no list of transactions or other actions deemed to be material corporate actions (see also the note to Paragraph 2.4.4). At the same time, in accordance with procedures provided for by the Regulations on the Board of Directors of PJSC LUKOIL, all members of the Board of Directors may participate in debates, put

				forward proposals, make comments, and speak on the substance of the matters under discussion.
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, equal terms and conditions shall be ensured for all shareholders of the company, and, in case of insufficient statutory mechanisms for protecting shareholder rights, additional measures shall be taken to protect the rights and legitimate interests of the company shareholders. In doing so, the company shall be guided by the corporate governance principles set forth in the Code as well as by formal statutory requirements.	1. Taking into account the specifics of the company's operations, the company's charter refers approval of transactions other than those stipulated by law and deemed material for the company to the board of directors. 2. In the reporting period, all material corporate actions were subject to the approval procedure prior to execution.	☑ Full ☐ Partial ☐ None	
7.2	The company shall execute material corporate actions in such a way as to ensure that shareholders timely receive complete information about such actions, allowing them to influence such actions and guaranteeing adequate protection of their rights when performing such actions.			
7.2.1	Information about material corporate actions shall be disclosed with explanations of the grounds, circumstances, and consequences.	1. If the company performed material corporate actions in the reporting period, the company in due time and in detail disclosed information about such actions, including the grounds for such actions and their circumstances and consequences for shareholders.	☑ Full ☐ Partial ☐ None	
7.2.2	Rules and procedures related to material corporate actions taken by the company shall be set out in the company's internal documents.	1. The company's internal documents provide for cases and procedure for engaging an independent appraiser to determine the value of the property disposed of or acquired pursuant to a major transaction or an interested-party transaction.	☐ Full ☑ Partial	Criterion 1 is complied with. Criterion 2 is complied with. Criterion 3 is partially not complied with.

		2. The company's internal documents provide for the procedure for engaging an independent appraiser to assess the value of company shares at their repurchase or redemption. 3. If there is no formal interest of a member of the board of directors, the sole executive body, a member of the collective executive body of the company, a person who is a controlling person of the company, or a person entitled to give the company instructions binding on the company, in the company's transactions, but there is a conflict of interest or other actual interest, the company's internal documents stipulate that such persons may not vote on the approval of such transaction.	☐ None	The Regulations on the Board of Directors of PJSC LUKOIL instruct directors to: – notify the Board of Directors of any conflict of interest they may have in respect of any item on the agenda of the Board meeting or the Board Committee meeting, prior to the discussion of the relevant agenda item – abstain from voting on any item in connection with which they have a conflict of interest. The above instructions for directors enable the Board of Directors to make unbiased decisions and help restrict decision making for directors whose stance may be affected by circumstances not formalized in applicable laws. In the reporting year, the sole executive body of the Company was not a member of the Company's Board of Directors and therefore could not vote on the matter of approving transactions for formal reasons. There are no shareholders of PJSC LUKOIL who are controlling persons of the Company or persons entitled to give the Company instructions binding on the Company. The Company's Charter does not provide for a collective executive body.

Appendix 2.
Major and Interested Party Transactions

THE LIST OF TRANSACTIONS MADE BY PJSC LUKOIL IN 2024 AND RECOGNIZED AS MAJOR TRANSACTIONS IN ACCORDANCE WITH THE FEDERAL LAW ON JOINT STOCK COMPANIES

In 2024, PJSC LUKOIL did not perform any transactions that are recognized as major transactions in accordance with the Federal Law On Joint Stock Companies.

THE LIST OF TRANSACTIONS MADE BY PJSC LUKOIL IN 2024 AND RECOGNIZED IN ACCORDANCE WITH THE FEDERAL LAW ON JOINT STOCK COMPANIES AS INTERESTED PARTY TRANSACTIONS IS NOT DISCLOSED IN ACCORDANCE WITH REGULATION NO. 1102 OF THE GOVERNMENT OF THE RUSSIAN FEDERATION OF 4 JULY 2023.