

APPENDIX 7. ACRONYMS AND ABBREVIATIONS, DEFINITIONS AND CALCULATION FORMULAS

NAMES OF LUKOIL GROUP ENTITIES

Nizhny Novgorod oil refinery - LLC
LUKOIL-Nizhegorodnefteorgsintez

Ukhta oil refinery - LLC
LUKOIL-Ukhtaneftepererabotka

Perm oil refinery - LLC
LUKOIL-Permnefteorgsintez

Oil refinery in Romania - PETROTEL-
LUKOIL S.A.

Oil refinery in Bulgaria - LUKOIL
Neftochim Burgas AD

Oil refinery in Italy (ISAB) - ISAB S.r.l.

ABBREVIATIONS

APG - associated petroleum gas

CCUS (or CCS) - carbon capture, (utilization) and storage

CHPP - combined heat and power plant

DLS - distance learning system

EBITDA - Earnings before Interest, Taxation, Depreciation & Amortization

EITI - Extractive Industries Transparency Initiative

ESG - Environmental, Social and Corporate Governance

EOR - CO₂-Enhanced Oil Recovery

GHG - greenhouse gases

GPP - gas processing plant

HSE - health, safety and environment

HPP - hydro power plant

IMN - indigenous minorities of the North

KPI - key performance indicator

LLC - limited liability company

Media - all types of mass media

OJSC - open joint stock company

PPE - personal protection equipment

RES - renewable energy sources

STO - standard of an entity

SPP - solar power plant

TPU - territorial production unit

NAMES OF OTHER ENTITIES AND INITIATIVES

IATUO - International Association of Trade-Union Organizations of PJSC LUKOIL

ILO - International Labour Organization

ISO - International Organization for Standardization

UN - United Nations

PJSC LUKOIL - Public Joint Stock Company "Oil Company "LUKOIL"

RSPP - Russian Union of Industrialists and Entrepreneurs

ACCES - Arctic Climate Change, Economy and Society, a European research project that examines the impact of climate change on shipping in the Arctic region and the main economic sectors of the Arctic states, such as fisheries and oil and gas production.

CDP - Carbon Disclosure Project

SDGs - UN Sustainable Development Goals (the UN 2030 Agenda for Sustainable Development)

Climate Action 100+ - Global Initiative Climate Action 100+ (<http://www.climateaction100.org/>)

GRI - Global Reporting Initiative

WWF - World Wildlife Fund

OHSAS - Occupational Health and Safety Assessment Series

UNITS OF MEASUREMENT

boe - barrel of oil equivalent

p. p. - percentage point

toe, kg of oil equivalent - tonne (kilogram) of oil equivalent

CO₂E - CO₂ equivalent

INDICATORS, CALCULATION FORMULAS

Lost Time Accident Frequency Rate, LTAFR = number of accidents / employee headcount for a reporting period × 1,000 employees.

Lost Time Injury Frequency Rate, LTIFR = number of lost time injuries / number of man-hours worked × 1,000,000 man-hours.

Rate of Fatalities as a Result of Work-Related Injury = number of fatalities

as a result of work-related injury / number of hours worked × 1,000,000 man-hours.

Rate of High-Consequence¹ Work-Related Injuries = number of high-consequence work-related injuries (excluding fatalities) / number of hours worked × 1,000,000 man-hours.

The turnover rate is defined as the ratio of the number of employees dismissed due to turnover to the average headcount for a reporting period.

The number of employees dismissed due to turnover includes employees dismissed for absenteeism and other violations of labor discipline, as well as due to the employee's unsuitability for their position because of lack of skill; those who left on their own without serious cause (due to relocation, retirement, care for a child under 14 years of age, etc.) or by agreement between the parties (except for employees who were re-employed during the year).

OIL REFINERY YIELD IS CALCULATED USING THE FOLLOWING FORMULA:

$$\text{Refinery yield} = \frac{Q - (\text{FFO} + \text{L})}{Q} \times 100\%$$

where **Q** - is the actual volume of oil feed processed in crude distillation units (Atmospheric and Vacuum Distillation Units and Atmospheric Distillation Units), as well as received feed from the secondary refining processes (catalytic cracking, delayed coking, etc.);

FFO - is the gross amount of furnace fuel oil (fuel oil for sale + liquid fuel for technological (own) needs);

L - is the amount of irretrievable losses of oil refining, excluding the losses at crude oil electric desalting and dehydration plant.

When calculating the aggregated "Oil refinery yield" indicator, the actual volume of oil feed (Q) comprises the feedstock (oil, gas condensate) processed in crude distillation units (Atmospheric and Vacuum Distillation Units and Atmospheric Distillation Units), excluding other types of feed processed in secondary refining processes (in the framework of the intragroup supplies).

DEFINITIONS

Claim relating to the breach of law means an administrative or criminal claim filed against PJSC LUKOIL, its subsidiaries, or PJSC LUKOIL employees or its subsidiaries' employees. Only completed cases in which a final decision has been rendered and which are not subject to further appeal are taken into account. Cases in which the entity was found not guilty are not taken into account in the disclosure of indicators.

Payroll means the indicator calculated in accordance with the instructions for filling out forms of federal statistical monitoring, approved by Order of Rosstat of 12 October 2008 No. 278 with amendments and additions approved by Order of Rosstat of 3 November 2009 No. 240. Payroll includes labor pay to employees in monetary and non-monetary forms accrued by an entity (including personal income

tax and other withholdings) for worked and non-worked time, compensation payments related to the work schedule and working conditions, additional payments and increments, bonuses, one-time incentive payments, as well as regular allowances for food and accommodation in accordance with the methodology for filling in the payroll field in form No. P-4 "Information on headcount and labor pay".

¹ High-Consequence Work-Related Injury is an injury having the following consequences: the employee died or was injured, and within six months of being injured the employee is unable to recover, has not recovered his health, or is not expected to recover his health.

Circulating water – means water that is consistently and many times used in processes based on the principle of closed systems without discharging into surface water bodies or sewage systems.

Material claim relating to the breach of law means a claim meeting one of the following criteria:

1) an award has become effective within a calendar year bringing PJSC LUKOIL, LUKOIL Group entities and/or their officials to administrative responsibility for the offense provided for in Chapter 8 of the Code of Administrative Offenses of the Russian Federation, with the imposition of the maximum possible fine provided for in the relevant article and/or a sanction in the form of administrative suspension of operations for up to 90 days;

2) a court decision has become effective to collect from PJSC LUKOIL, LUKOIL Group entities damages caused to the environment in accordance

with the requirements of the Federal Law “On Environmental Protection”, in the amount not less than the one determined in accordance with the Regulations on Collecting and Processing Data on Material Contingent Liabilities and Uncertainties with Regard to Income Taxes for the purposes of the consolidated financial statements of OJSC LUKOIL for a respective year.

Significant incident with environmental impact means an emergency with environmental impact. An emergency with environmental impact can include destruction of facilities and/or technical devices used at the facilities of LUKOIL Group entities, or any other event resulting in one or a combination of the following environmental impacts:

1) pollution of surface and underground water bodies which resulted in exceeding the established standards for permissible impact

2) uncontrolled release of hazardous substances – release of a hazardous

substance into the environment not provided for by technical regulations and/or project documentation that has not been restricted or contained by emergency protection systems and/or other systems and means of accident prevention and containment provided for by technical regulations and/or project documentation, or release in the absence of sufficient containment capability in such systems and means in the amount exceeding the threshold values for accidents presented in Tables 1 and 2 of Annex 4 to the Safety Manual “Methodological recommendations for the classification of man-made events in the field of industrial safety at hazardous production facilities of the oil and gas complex” dated 24 January 2018 No. 29, approved by Order of Rostekhnadzor of 24 January 2018 No. 29.

Significant regions of LUKOIL Group’s operation mean regions where the number of employees of one LUKOIL Group entity is 500 or more: 11 regions in the Russian Federation, and Belarus, Bulgaria, Georgia, Iraq, Italy, Romania, Romania, Uzbekistan abroad.

ROUNDING VALUES

The total values of the indicators given in the Report may differ from the sum of the indicators as a result of rounding.