

**Company Name** Lukoil  
**Industry** Extractives  
**UNGP Core Score (\*)** 7.5 out of 26

Score	Out of	For indicators
<b>Governance and Policy Commitments</b>		
1	2	A.1.1 Commitment to respect human rights
2	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
<b>Embedding respect and Human Rights Due Diligence</b>		
Embedding respect		
1	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
<b>Remedies and Grievance Mechanisms</b>		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
<b>7.5</b>	<b>26</b>	

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: UNGC principles 1 &amp; 2: In the Company Social Code of PJSC Lukoil states that the Company is 'a party to the UN Global Compact'. [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a>]</li> <li>• Met: UDHR: The Company states that 'we fully support the fundamental principles of the Universal Declaration of Human Rights'. In addition, the 2019 Annual Report indicates that 'LUKOIL embraces and respects fundamental human rights and is committed to the fundamental principles of the UN Universal Declaration of Human Rights in its activities'. [Code of business conduct and ethics, 11/12/2018: <a href="http://lukoil.com">lukoil.com</a> &amp; 2019 Annual Report, 18/05/2020]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs: The Company indicates that it 'reaffirms its commitment to the principles of human rights compliance, including freedom of speech, set forth in the Universal Declaration of Human Rights and other UN documents, such as UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Voluntary Principles on Security and Human Rights'. However, no evidence found of explicit commitment to the UN Guiding Principles themselves. [2019 Sustainability Report, 2020: <a href="http://lukoil.com">lukoil.com</a>]</li> <li>• Not met: OECD: See above. [2019 Sustainability Report, 2020: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: ILO Core: The Company states "as a party to the UN Global Compact, the Company seeks to be unwaveringly committed to the basic principles of labor relations and environmental protection stipulated in the UN and International Labour Organization (ILO) conventions." [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a> &amp; Code of business conduct and ethics, 11/12/2018: <a href="http://lukoil.com">lukoil.com</a>]</li> <li>• Met: UNGC principles 3-6: The Company highlights under the 'UN Global Compact Principles' section of the social code: 'As a party to the UN Global Compact, the Company seeks to be unwaveringly committed to the basic principles of labour relations and environmental protection stipulated in the UN and International Labour Organization (ILO) conventions'. [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a>]</li> <li>• Met: Explicitly list All four ILO apply to EX BPs: The obligations assumed under the General Agreement extend to all areas of activity and subsidiaries directly controlled by the Company, and also require the notification of the organizations with which it interacts (contractors, license holders and major suppliers)." This covers UNGC principles 3 - 6: 'The Company respects the rights of trade unions, including the rights enshrined in the core ILO conventions: the right of every employee to be represented by a trade union of their choice and the basic trade union rights concerning freedom of association and the right to organize employees in trade unions, as well as the right to collective bargaining; ruling out any forms of forced or compulsory labor; actual ruling out of child labor; encouraging and ensuring equal opportunities and treatment of employees in the employment sector including equal remuneration for men and women for work of equal value as well as non-discrimination in the labor and employment sector'. [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Explicit commitment to All four ILO Core: In its website the Company states: 'The Company respects the rights of trade unions, including the rights enshrined in the core ILO conventions: the right of every employee to be represented by a trade union of their choice and the basic trade union rights concerning freedom of association and the right to organize employees in trade unions, as well as the right to collective bargaining; ruling out any forms of forced or compulsory labor; actual ruling out of child labor; encouraging and ensuring equal opportunities and</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>treatment of employees in the employment sector including equal remuneration for men and women for work of equal value as well as non-discrimination in the labor and employment sector.' [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Respect H&amp;S of workers: The Social Code covers health, safety and environment requirements covering employees. [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a>]</li> <li>• Met: H&amp;S applies to EX BPs: The Company also states that it 'ensures the adherence of all contractors to HSE standards and regulations that are on a par with those of the Company', however, it is not clear whether it applies to joint ventures. The Company HSE Policy states 'To achieve the set goals, LUKOIL Group assumes the following obligations: ensure that all the organizations operating in the territory of and/or on behalf of LUKOIL Group organizations, at all stages of a facility life cycle, conduct their work in compliance with HSE and emergency response rules and standards applicable across LUKOIL Group organizations'. The Company has clarified that this includes workers at joint venture operations. [Social Code, 24/10/2017: <a href="http://lukoil.com">lukoil.com</a> &amp; HSE Policy, 21/06/2018: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul>
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Regular stakeholder engagement: In the Sustainability Report the Company discloses the Company's stakeholder engagement with communities in 2017. This includes state and municipal legislative and executive authorities, shareholders and investors, employees and trade unions and local communities. With regards to the local communities the Company discloses all of the events in 2017 that resulted from this stakeholder engagement. Moreover, in the document Preserving the traditions of the North, the Company indicates that 'It is essential for the company to ensure that the indigenous population approves the site layout of service and production facilities. (...) At the key stages of projects implementation the Company consults with the representatives of the indigenous people, whose interests may be affected'. Also, in its tab Engagement with the indigenous small numbered peoples of the North, it states that ' LUKOIL places a great emphasis on cooperation with the indigenous small numbered peoples of the North' and it lists major forms of engagement with these peoples. Finally, in its 2019 Annual Report, it indicates 'We carry out social research and questionnaires, whereby local residents in our operating regions are surveyed to ensure effective project planning and then we assess project performance'. [Sustainability Report 2017, 2017: <a href="http://lukoil.com">lukoil.com</a> &amp; Preserving Traditions of the North, N/A: <a href="https://lukoil.com">https://lukoil.com</a> 2020\2020 Lukoil\2020 Lukoil\2020_Lukoil_fase_2\2020_Lukoil_2_fase.docx#_Hlk47074894 1,344,518,0,, HYPERLINK "<a href="http://lukoil.com">lukoil</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design</li> <li>• Not met: Regular stakeholder design engagement: See above. Also the Company indicates that 'The opinions of local residents are taken into account when deciding on project implementation parameters'. However, it is not clear company regularly engages with affected stakeholders/representatives in the development or monitoring of its human rights approach. [2019 Sustainability Report, 2020: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The Company indicates that 'If any breaches of the law or corporate policies are established, the incident is raised with the manager, recommendations for remediation are made, and a feedback channel is established with the reporting individual'. However, no publicly available statement found of a formal statement committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to. [2019 Annual Report, 18/05/2020]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with EX BPs to remedy impacts</li> </ul>

## Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is signatory to the UNGC.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Senior responsibility for HR: The Company indicates, in its 2019 Annual Report, that 'To ensure compliance with the corporate business ethics standards, including respect for human rights, a Business Ethics Commission was set up, chaired by the Company's President'. As its stated in the 2017 Annual Report, 'The Commission has nine persons, seven of which are also members of the Management Committee'. No more recent evidence found in relation to the composition of the Business Ethics Commission, only that is chaired by the Company's President. [Annual report, 2017: <a href="http://lukoil.com">lukoil.com</a> &amp; 2019 Annual Report, 18/05/2020]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Day-to-day responsibility</li> <li>• Not met: Day-to-day responsibility for EX BRs</li> </ul>
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations</li> <li>• Not met: identifying risks in EX business partners</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders: The Company indicates that 'At the key stages of projects implementation the Company consults with the representatives of the indigenous people, whose interests may be affected'. Although there is evidence of engagement with affected or potentially affected stakeholders, it is not clear it is in the context of a global system in place to identify its human rights risks and impacts. The Company has provided more comments to CHRB regarding this indicator. However, evidence was not material. [Preserving Traditions of the North, N/A: <a href="https://lukoil.com">https://lukoil.com</a> 2020\2020 Lukoil\2020 Lukoil\2020_Lukoil_fase_2\2020_Lukoil_2_fase.docx#_Hlk47074894 1,344,518,0,, HYPERLINK "<a href="http://lukoil.com">lukoil</a>]</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> <li>• Not met: Explains use of HRIAs or ESIA (inc HR)</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context)</li> <li>• Not met: Public disclosure of salient risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks</li> <li>• Not met: Including amongst EX BPs</li> <li>• Not met: Example of Actions decided: Regarding project implementation in indigenous areas, the Company indicates that 'At the key stages of projects implementation the Company consults with the representatives of the indigenous people, whose interests may be affected. The internal documents, effective in the company, limit the access to the territories of communal family lands for the company's and contractors' employees. Limitations include barrier gates and information stands on limitation of access to the territory of the traditional national resource use, prohibition of aviation over nomad camps and reindeers pasture areas etc'. However, this indicator looks for an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations. [Preserving Traditions of the North, N/A: <a href="https://lukoil.com">https://lukoil.com</a> 2020\2020 Lukoil\2020 Lukoil\2020_Lukoil_fase_2\2020_Lukoil_2_fase.docx#_Hlk47074894 1,344,518,0,, HYPERLINK "<a href="http://lukoil.com">lukoil</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including EX business partners</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

## Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company indicates that 'Any Company employee (including from international entities) can approach Company management. Other stakeholders can liaise with the Commission using the contact phone numbers listed in the Whistleblowing section of the Code of Business Conduct and Ethics. The Company accepts anonymous reports that may be submitted via communication channels available on a 24-hour basis (email, speak-up hotline)'. [2019 Annual Report, 18/05/2020]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Number grievances filed, addressed or resolved: The Company indicates that: 'The Business Ethics Commission registered seven reports in 2019; (...) LUKOIL did not receive any complaints concerning human rights, including with regard to contractors working at the Group's facilities'. [2019 Annual Report, 18/05/2020]</li> <li>• Not met: Channel is available in all appropriate languages</li> <li>• Not met: Expect EX BPs to have equivalent grievance system</li> <li>• Not met: Opens own system to EX BPs workers: The Company has a 'support desk for bidders' including a telephone number and email address. However, it seems deemed for bids and not reporting human rights violations (among other topics). [Code of business conduct and ethics, 11/12/2018: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The Company indicates that 'Stakeholders can contact the Business Ethics Commission via all available communication channels', including an email, writing to the Business Ethics Commission or via telephone. [2019 Sustainability Report, 2020: <a href="http://lukoil.com">lukoil.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects EX BPs to have community grievance systems</li> <li>• Not met: EX BPs communities use global system</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided</li> <li>• Not met: Says how it would remedy key sector risks: The Company indicates, in its 2019 Annual Report, that 'All reports are investigated, including with the involvement of the employer entity and, if necessary, a trade union representative. The reporting individual is always kept informed about the progress and the outcome of their complaint. If any breaches of the law or corporate policies are established, the incident is raised with the manager, recommendations for remediation are made, and a feedback channel is established with the reporting individual. The Business Ethics Commission registered seven reports in 2019; all of them were reviewed within an average review period of two weeks'. Moreover, it states in its Business Code of Conduct that each team member must: 'should there</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>be any questions as to the application of the Code or any doubts as to compliance with ethical standards, seek advice from the immediate superior. Should the immediate superior fail to provide sufficient explanations, seek advice from the Business Ethics Commission. However, it is not clear the Company's approach to provide or enable a timely remedy for victims, as evidence seems focused in complaint resolution. [2019 Annual Report, 18/05/2020 &amp; Code of business conduct and ethics, 11/12/2018: <a href="http://lukoil.com">lukoil.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

## Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found.

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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