



## **GLOBAL FRAMEWORK AGREEMENT**

**between**

**INDUSTRIALL GLOBAL UNION,**

**RUSSIAN PROFESSIONAL OIL, GAS AND CONSTRUCTION  
WORKERS' UNION,**

**INTERNATIONAL ASSOCIATION OF TRADE UNION  
ORGANIZATIONS OF PUBLIC OPEN JOINT STOCK COMPANY "OIL  
COMPANY "LUKOIL"**

**AND**

**PUBLIC OPEN JOINT STOCK COMPANY  
"OIL COMPANY "LUKOIL"**

## 1. PREAMBLE

This Agreement (hereinafter referred to as Agreement) is made by and between IndustriALL Global Union (hereinafter referred to as IndustriALL), Russian Oil, Gas and Construction Workers' Union (hereinafter referred to as ROGWU), International Association of Trade Union Organizations of Public Joint Stock Company "Oil Company "LUKOIL" (hereinafter referred to as IATUO LUKOIL) and Public Joint Stock Company "Oil Company "LUKOIL" (hereinafter referred to as LUKOIL) (hereinafter referred to collectively as Parties).

By entering into this Agreement the Parties hereby confirm their adherence and full support to international standards, including the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, the UN Global Compact and the United Nations Guiding Principles on Business and Human Rights. These instruments incorporate, among others, the rights reaffirmed in the ILO Declaration on Fundamental Principles and Rights at Work (Freedom of Association and Collective Bargaining, conventions 87 and 98; Non-Discrimination, conventions 100 and 111; Prohibition of Forced Labour, conventions 29 and 105; Ban on Child Labour, conventions 138 and 182) and convention 94 concerning Labour Clauses in Public Contracts.

The Parties expect similar joint labour management initiatives.

The object hereof is to create an open channel for exchange of information and enable dialog between IndustriALL and LUKOIL.

The dialog between IndustriALL and LUKOIL shall take place at international level and by trade unions and heads of the LUKOIL Group organizations at the local and national levels where are trade union organizations of IATUO LUKOIL.

The object of this Agreement is to ensure continuous improvement of industrial relations and development of adequate approaches to production activities in the organizations of LUKOIL Group operating in different countries.

The scope of this Agreement shall include every field of operations and organizations of the LUKOIL Group.

LUKOIL shall ensure that every company it deals with follows the requirements and principles outlined in this Agreement.

LUKOIL shall advise its contractors and major suppliers of the existence of this Agreement and request them to abide by the requirements and principles outlined herein.

LUKOIL and IndustriALL hereby state their adherence to observance of the fundamental human rights at the work place, and in the regions of LUKOIL's operations.

The Parties also acknowledge the importance of life and health safety and welfare of

personnel everywhere where LUKOIL is present.

The goal behind this Agreement is to provide the best protection to those involved in the production or other activities of LUKOIL Group organizations and those affected by them.

The Parties acknowledge the principles contained herein and LUKOIL's own values formalized in LUKOIL's Social Code. The Parties hereby undertake to monitor the practical performance hereof, and discuss any possibilities of improving the practices of ensuring personal development and protecting personnel of LUKOIL Group organizations based on the cutting-edge economic and social principles and sustainable development principles, thus contributing to elimination of poverty.

The obligations set out in this Agreement represent the free will of LUKOIL and are supplementary to the applicable law of the relevant countries in which LUKOIL Group organizations operate.

## **2. HUMAN RIGHTS**

2.1. LUKOIL acknowledges the basic human rights and undertakes to operate in accordance with the provisions of the United Nations Universal Declaration of Human Rights.

2.2. Being highly appreciative of the additional opportunities available to it due to a vast national and cultural diversity of its employees and locals residing in the areas of operations of LUKOIL Group organizations, LUKOIL conducts its operations in accordance with the following principles:

2.2.1. Respect for and preservation of traditions of national tolerance, amicability, preservation of national and cultural values, arts and crafts in the areas of operations of LUKOIL Group organizations;

2.2.2. Respect for religious beliefs of the personnel and local residents.

## **3. RIGHTS AND OBLIGATIONS OF TRADE UNIONS AND HUMAN RIGHTS AT THE WORKPLACE**

3.1. LUKOIL shall respect the rights of trade unions, including those formalized in ILO's basic conventions:

3.1.1. LUKOIL respects freedom of association and encourages collective bargaining, the process whereby employee representatives and employers, or their representatives, negotiate the actual application of employment terms and working conditions, and enter into mutually acceptable collective agreements in line with ILO Conventions No. 87 and No.98.

3.1.2. Exclusion of any forms of forced or coerced labor prohibited under ILO Conventions No. 29 and No. 105 and other documents.

3.1.3. Actual exclusion of child labor prohibited under ILO Conventions No.138 and No.182.

3.1.4. Encouragement and assurance of equal opportunities and attitude towards personnel in the field of employment, including equal compensation payable to men and women for work of the same value, and exclusion of discrimination in the field of employment, occupation, career development and vocational training under the requirements of ILO Conventions No.100 and No.111. The principle of equal pay for work of equal value shall apply regardless of the employee's type of employment contract.

3.1.5. LUKOIL hereby undertakes to assume social responsibility for restructuring its subdivisions and organizations, and for delocalization of production facilities, including timely provision of information regarding LUKOIL Group organizations' plans to cut jobs.

3.1.6. Set fair wages and benefits, equaling or exceeding industry-specific requirements in the relevant country.

3.1.7. Working hours shall comply with appropriate national legislation.

3.1.8. Given the fact that the sustainable development potential of LUKOIL Group organizations depends on the influx of qualified and competent young professionals, LUKOIL has been continuously implementing its policies focusing on combining job duties of young professionals with professional development opportunities.

3.1.9. LUKOIL acknowledges family relations values and has been employing practices that meet the provisions of ILO Convention No. 156 (Convention Concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities) and has been paying special attention to protection of working women, pregnant women, breast-feeding mothers and mothers with many children.

LUKOIL confirms that absences due to maternity have no negative impact on the progression of career.

3.2. Given that the performance of the LUKOIL Group organizations, that employ members of the trade union organizations being combined, meets the vital interest of the members of such trade union organizations, IndustriALL, IATUO LUKOIL and ROGWU shall contribute to:

3.2.1. Maintenance of a sustainable working environment in LUKOIL Group organizations and best resolution of potential problems caused by the economic crisis in consideration of the interests of LUKOIL Group organizations and their personnel.

3.2.2. Creation of a positive image of LUKOIL Group organizations in the countries of presence of such organizations in accordance with the provisions hereof.

3.2.3. Resolution of potential conflicts between personnel and LUKOIL Group organizations on the basis of constructive cooperation.

3.3. Employment shall, as a main rule, be based on permanent employment. Temporary and part-time employees should as a main rule receive the same relative

terms and conditions as full-time permanent employees.

LUKOIL is committed to respect legal and contractual obligations to all workers under labor and social security laws, regulations, and collective bargaining agreements arising from the regular employment relationship (ILO Social Security (Minimum Standards) Convention 102).

#### **4. HEALTH, SAFETY AND ENVIRONMENT**

4.1. The parties acknowledge that the protection of workers' health and safety results from effective prevention systems based on the respect of three fundamental occupational health and safety rights:

- The right to be informed about work hazards;
- The right to refuse or shut down dangerous and unsafe work;
- The right to participate in workplace health and safety schemes, including the establishment of joint labor-management OHS committees in all LUKOIL operations, based on the existing practice of functioning of Institute of technical inspectors and the authorized (entrusted) persons of the union for the labor protection.

In particular, it shall include:

4.1.1. Observance of the principle of priority of employees' life and health safety over production results;

4.1.2. Creation of an environment that is safe for life and health, using the best practices that are generally acceptable in a given field;

4.1.3. Implementation of the principles outlined in the ILO Code of Practice on HIV/AIDS and the World of Work;

4.1.4. Support of the preventive approach to resolution of health, safety and environment problems;

4.1.5. Implementation of initiatives focusing on development of responsible attitudes to health, safety and environment;

4.1.6. Promotion of development and dissemination of safe and environmentally friendly technologies. Encouragement of education and professional training of personnel in the field of health, safety and environment, including where appropriate, educational and professional training programs launched jointly with the trade unions and heads of the LUKOIL Group organizations.

All employees shall have the opportunity to take part in relevant educational and training programs.

4.2. Being a major subsoil user and being fully aware of its responsibility toward the public in terms of preservation of the favorable environment and efficient use of natural resources, LUKOIL has been:



4.2.1. Continuously identifying and analyzing sources of danger and harm to people's lives and health, associated with the production operations conducted by LUKOIL Group organizations, and has been taking measures to eliminate or mitigate them;

4.2.2. Providing information on a regular basis and maintaining an open dialog with all those concerned about LUKOIL's health, safety and environmental activities;

4.2.3. Publishing its operations reports as well as reports highlighting the outcomes of assessment of environmental impact, and impact upon personnel and the locals.

## **5. RELATIONS WITH CONTRACTORS**

5.1. LUKOIL jointly with IATUO LUKOIL ensures control that contractors comply with ILO labour standards and the requirements and standards of industrial safety, labour protection and ecology, while working at the facilities of LUKOIL Group organizations.

5.2. Contractors and service organizations are allowed to work at the facilities of the organizations of the LUKOIL Group, if their level and organization of work in the field of industrial safety, labour protection and environmental protection comply with national labour legislation, other normative legal acts, national agreements and are not below the requirements established by local normative acts of LUKOIL. Conditions and liability of the contractor for failure to comply with the industrial safety requirements and regulations of environmental protection on the objects of LUKOIL Group organizations should be taken into account when concluding contracts with contractors.

5.3. LUKOIL jointly with IATUO LUKOIL conducts a policy of informing employees of the contractor about safety, health and environment regulations, which are applied on the objects of LUKOIL Group organizations in line with the requirements of international safety standards.

## **6. PERFORMANCE OF THE AGREEMENT**

### **6.1. Information**

The Parties agree that it is critical to raise awareness of all employees about the content and the binding status of the Agreement, and promote proper understanding at all management levels.

6.1.1. LUKOIL makes the translation of this Agreement and disseminate copies hereof to all LUKOIL Group organizations where they are located.

6.1.2. IndustriALL shall publish the text of this Agreement in English on the web-site and keep its member organizations that are a part of LUKOIL Group well informed of the existence of this Agreement and provide clarifications as to the meaning hereof.

### **6.2. Annual Meetings**

As an additional measure of performance of this Agreement LUKOIL and

IndustriALL have agreed to hold annual meetings to discuss the practices of and experience in application of the approved principles and take appropriate action to uphold compliance when necessary. The goal of such meetings shall be to discuss issues that fall within the scope hereof so as to approve further joint course of action that facilitates continuous improvement of working practices and commitment to best practices. In addition to health, safety and environment issues that are common for the industry, such meetings shall address the following topics:

6.2.1. LUKOIL's general corporate health, safety and environment policy that covers personnel of LUKOIL Group organizations and, where appropriate, personnel of organizations related to LUKOIL, including suppliers and subcontractors;

6.2.2. Professional training and education of personnel. Exercise of trade union rights. Other mutually agreed matters.

6.3. The annual meetings shall normally be attended by 3-5 top managerial personnel representing IndustriALL, ROGWU, IATUO LUKOIL.

6.4. The Parties will communicate on a continuous basis in between the annual meetings to advance implementation of the Agreement and reach mutually agreed solutions to issues that may arise.

#### **6.5. International Network of Trade Union Representatives of LUKOIL Group organizations**

Supported and assisted by LUKOIL, IndustriALL shall build an international trade union network of LUKOIL Group organizations, and ensure efficient exchange of information between them.

To support the network, LUKOIL shall provide the trade union representatives with access to emails to enable exchange of information between the trade unions operating in various LUKOIL Group organizations and render assistance in holding annual meetings of trade union representatives representing every trade union organization that is a part of such network. They shall be allocated relevant time, continue to be eligible for salaries, have their traveling and accommodation expenses covered, and be provided with interpretation and translation services.

#### **6.6. Local industrial relations practices**

This Agreement made by and between the Parties shall be consistently implemented in all LUKOIL Group organizations, however it shall not be considered a replacement for the outcomes of collective negotiations and applicable tariff agreements and shall not run contrary to the local production relations practices governing information exchange, resolution of problems and holding of negotiations, but shall be supplementary to such processes. The Parties hereto acknowledge the principle that stipulates that industrial relations issues shall be best of all resolved as close to the work place as possible.

#### **6.7. Training Programs**

IndustriALL and LUKOIL shall cooperate to develop joint mechanisms of human resources training on the issues covered herein and implementation of such issues. Here belong the ILO's fundamental labor standards, implementation of the best practices in the field of health, safety and environment in the countries of LUKOIL's operations. Here also belong training programs for personnel of LUKOIL Group organizations.

Skills are key to the performance and development of LUKOIL, therefore the Group shall foster the ability of its employees to maintain and acquire the skills necessary to carry out their work.

## **7. ADMINISTRATION**

Officers responsible for administration of this Agreement shall include Secretary General of IndustriALL or a person designated by him and President of LUKOIL or a person designated by him.

## **8. DISPUTE RESOLUTION AND HANDLING POTENTIAL DIFFICULTIES**

Should any difficulty be observed in implementing this Agreement, the Parties hereto undertake to inform each other at the earliest opportunity in order to find a solution in the shortest possible time.

## **9. MISCELLANEOUS**

This Agreement is executed in the English and Russian languages, the Russian and English versions being equally binding.


## **10. TERM OF THE AGREEMENT**

The Parties confirm that starting from this Agreement signing date the agreement No. 1210604 entered into on 4<sup>th</sup> October 2012 between IndustriALL, ROGWU, IATUO LUKOIL and LUKOIL is considered null and void.

This Agreement shall enter into force upon signature and shall remain in effect for one year.

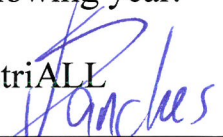
If none of the Parties has 30 (thirty) calendar days prior to expiration hereof given the other Parties hereto a notice of its intention to back out of this Agreement, this Agreement is automatically extended for each following year.

LUKOIL

  
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04 October 2018

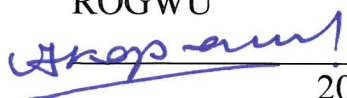
V.Yu. Alekperov

IndustriALL

  
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04 October 2018


Valter Sanches

ROGWU

  
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A.V. Korchagin

IATUO LUKOIL

  
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04 October 2018

G.M. Kiradiev