

Action plan to improve KMG's ESG rating:

		Approve KMG's 2060 Low-Carbon Development Programme and related Action Plan (2024–2025)		
		Provide TCFD disclosure as part of KMG's reporting (2024–2025)		
		Disclose information in line with CDP's Climate Change questionnaire (on an annual basis)		
		Disclose information on activities and risks related to climate change and its impact on the Company (2024–2025)		
			Disclose information in line with CDP's Water Security questionnaire (on an annual basis)	
				Develop a programme to bring down pollutant emissions (2024)
				Implement the World Bank's Zero Routine Flaring by 2030 initiative (2030)
		Create the Biodiversity Programme (2025)		
			Develop and approve the Programme for Development and Engagement of Local Communities in the Regions of Operation (2024–2025)	
			Develop the Human Rights Programme and carry out a human rights impact assessment (2025)	
			Update and approve KMG's HR Policy (2024)	
		Implement the Green Office project (2024–2026)		

		On a step-by-step basis, increase the share of women on the Board of Directors and Supervisory Boards to 30% (2023–2030)		
		Update and approve the KMG Board of Directors' Succession Policy that supports diversity (2024)		
				Approve KMG's Water Resources Management Programme (2024)
			Introduce a pilot project to deploy carbon capture, utilisation and storage (CCUS) (2025)	

Commitment to UN Global Compact principles and 17 Sustainable Development Goals

KMG's approach to sustainable development is based on aligning the Company's interests and plans with the basic principles of the UN, universal human values, global trends, and development priorities in Kazakhstan.

KMG reiterates its commitment to all the **ten principles of the UN Global Compact**.

- Principle 1. Businesses should support and respect the protection of the internationally proclaimed human rights.
- Principle 2. Businesses should make sure that they are not complicit in human rights abuses.
- Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
- Principle 5. Businesses should uphold the effective abolition of child labour.


- Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
- Principle 7. Businesses should support a precautionary approach to environmental challenges.
- Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.





KMG is committed to all the **17 Sustainable Development Goals of the United Nations (UN SDGs)**.

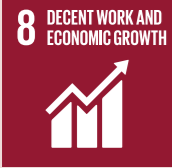

We prioritise ten SDGs and twenty-four targets in line with our strategic goals and priorities and report on our contribution to their achievement.


Implementation of sustainable development goals at KMG


SDGs	Priority targets	KMG's contribution
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.6. Reduce the number of deaths and injuries from road traffic accidents</p> <hr/> <p>3.8. Achieve health coverage, including access to quality essential healthcare services, and access to safe, effective, quality, and affordable essential medicines and vaccines</p> <hr/> <p>3.9. Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>Travel Management project</p> <p>In order to improve transport safety and foster a safe driving culture, a phased roll-out of the Travel Management project is planned between 2023 and 2025. It involves the introduction of an automated vehicle monitoring system across KMG's subsidiaries and associates with the largest fleets within KMG Group.</p> <p>The following activities were completed as part of the project roll-out:</p> <ul style="list-style-type: none"> ■ Diagnostics of transportation management processes was successfully completed at seven of KMG's subsidiaries and associates (Karazhanbasmunai, Ozenmunaigas, Mangistaumunaigaz, Oil Services Company, Oil Transport Corporation, KazTransOil, and KMG-S). ■ A detailed roadmap for the Travel Management project roll-out was approved at five of KMG's subsidiaries and associates (Karazhanbasmunai, Ozenmunaigas, Mangistaumunaigaz, Oil Services Company, and Oil Transport Corporation). <p>Convincer frontal collision simulator</p> <p>To raise employee awareness across KMG's subsidiaries and associates about the importance of using seat belts, three Convincer crash simulators were acquired by KMG Group (KazTransOil, Ozenmunaigas, Oil Transport Corporation).</p> <p>Outcome</p> <p>As part of a campaign to stop road accidents run in 2023, the Convincer simulator was used for practical training, involving 7,783 employees of KMG's subsidiaries and associates.</p> <p>A total of 1,451 employees of KMG's subsidiaries and associates and 454 employees of contractors completed defensive driving training in line with international RoSPA standards</p> <hr/> <p>Personnel health improvement programme</p> <p>A personnel health improvement programme is currently being developed for the period of 2024–2028. Its main focus areas include:</p> <ul style="list-style-type: none"> ■ implementation of an information system that will enable monitoring and observation of the health status of employees with chronic diseases and production personnel; ■ introduction of comprehensive preventive programmes for chronic diseases; ■ adoption of innovative approaches to pre-shift medical examinations; ■ reduction of employee illness rates, as well as improvement in the accessibility and quality of medical care; ■ discussions with labour unions regarding conditions for improving employee health at the workplace. <p>Health insurance</p> <p>Medical examinations and vaccination of employees are carried out on a regular basis.</p> <p>Outcome</p> <p>100% of KMG's employees are covered by health insurance</p> <hr/> <p>Leadership initiatives</p> <p>The Code of Employees' HSE Leadership and Commitment has been introduced and is being implemented.</p> <p>Qorgau Card</p> <p>The Qorgau Card programme is aimed at identifying and reporting unsafe conditions / unsafe behaviour / unsafe actions / hazardous factors</p>

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 <p>Achieve gender equality and empower all women and girls</p>	<p>5.1 End all forms of discrimination against all women and girls everywhere</p> <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<p>KMG staunchly upholds the requirements of labour legislation in the Republic of Kazakhstan, ensuring compliance with its provisions, which prohibit any forms of labour discrimination against individuals based on their origin, social status, position, wealth, gender, race, nationality, language, religion, beliefs, place of residence, age, physical disabilities, or affiliation with public associations.</p> <p>Our recruitment processes are conducted without any restrictions or biases related to gender, age, or any other characteristics. A unified system of remuneration and social benefits is established for all.</p> <p>Increasing the share of women on the Board of Directors and Supervisory Boards across KMG Group to 30% by 2030</p> <p>Promoting WEPs established by UN Women and the UN Global Compact The Women's Empowerment Principles (WEPs) are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.</p> <p>Within this initiative, the following steps are planned:</p> <ul style="list-style-type: none"> ■ Signing the CEO Statement of Support for the Women's Empowerment Principles ■ Conducting a self-assessment using the WEPs Gender Gap Analysis Tool to evaluate our strategic approach to gender equality, identify gaps and opportunities for continuous improvement, and help set goals and objectives ■ Disclosing gender-disaggregated data in sustainability reports to communicate our progress to stakeholders <p>Outcome</p> <p>The share of women on the Board of Directors, the Management Board, and Supervisory Boards:</p> <ul style="list-style-type: none"> ■ Since the beginning of 2023, a number of new appointments were made to KMG's Board of Directors and Management Board. Saya Mynsharipova was elected to the Board of Directors by the resolution of the extraordinary General Meeting of Shareholders of KMG, minutes No. 4/2023 dated 14 August 2023. Diana Aryssova was appointed as Deputy Chair of the Management Board of KMG in April 2023.


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<div data-bbox="83 306 243 466">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p data-bbox="83 489 451 583">Ensure access to affordable, reliable, sustainable and modern energy, improve energy efficiency and increase the share of renewable energy</p>	<p data-bbox="504 306 1113 327">7.1. Ensure access to affordable, reliable and modern energy services</p> <p data-bbox="504 1270 1196 1314">7.b Expand infrastructure and upgrade technology for supplying modern and sustainable energy services</p>	<p data-bbox="1670 306 2873 380">KMG Group's key strategic energy saving and energy efficiency initiatives include process equipment upgrades, deployment of energy saving technologies, optimisation of heat generation and consumption, and the development of the Group's own generation assets, including RES-based ones.</p> <p data-bbox="1670 396 1813 417">Our initiatives:</p> <p data-bbox="1670 434 2549 455">The 2031 Low-Carbon Development Programme was approved and its priority focus areas defined.</p> <p data-bbox="1670 472 1944 493">Improved energy efficiency:</p> <ul data-bbox="1670 510 2813 758" style="list-style-type: none"> ■ introducing the best available technologies (BAT); ■ upgrading boiler and furnace equipment; ■ upgrading process units consuming thermal energy; ■ upgrading machinery; ■ implementing management programmes to streamline the operation of machinery and pumping equipment by introducing variable speed drives (VSD); ■ installing thermal insulation on core and auxiliary equipment; ■ optimising the transport fleet; ■ introducing automated fuel and energy accounting and management systems; ■ establishing energy management services. <p data-bbox="1670 774 1762 795">Outcome</p> <p data-bbox="1670 812 2555 833">KMG approved an Action Plan to implement the 2022–2031 Low-Carbon Development Programme.</p> <p data-bbox="1670 850 2861 898">In 2023, 60 initiatives were implemented, resulting in savings of ca. 22.2 thous. tonnes of reference fuel, an equivalent to the emissions reduction of 45 thous. tonnes of CO₂.</p> <p data-bbox="1670 915 2873 1039">A technological audit of furnaces and boiler equipment was conducted at KMG Group's production assets (Ozenmunaigas, Embamunaigas, Mangistaumunaigaz, and Karazhanbasmunai). Following its completion, 23 initiatives were developed, 14 of which were approved as economically and technically viable and will be included in the audited subsidiaries' and associates' action plans implemented as part of the Low-Carbon Development Programme. The overall savings potential of these initiatives is 32.1 thous. tonnes of reference fuel or 42.9 tonnes of CO₂.</p> <p data-bbox="1670 1056 1961 1077">Sustainable aviation fuel (SAF)</p> <p data-bbox="1670 1094 2881 1142">In September 2023, KMG together with Air Astana, with the support of the European Bank for Reconstruction and Development, started a feasibility study of the SAF market and its prospects in Kazakhstan.</p> <p data-bbox="1670 1159 2867 1180">At the meeting on 23–24 November 2023, the study participants identified SAF technologies with the highest potential in Kazakhstan.</p> <p data-bbox="1670 1197 2801 1245">At the next stages, they will be scrutinised to assess the feasibility of SAF production by KMG and review the relevant regulatory framework in Kazakhstan. The feasibility study results will be presented in 1H 2024.</p> <p data-bbox="1670 1262 1938 1283">Renewable energy projects:</p> <ul data-bbox="1670 1299 2801 1430" style="list-style-type: none"> ■ 1 GW wind power plant jointly with Total Eren; ■ 120 MW hybrid power plant jointly with Eni; ■ Achieving an at least 15% share of green energy in our energy procurement by 2031; ■ Purchase of 10,000 International Renewable Energy Certificates (I-REC) to certify the consumption of power generated from renewable energy sources (completed in December 2023). <p data-bbox="1670 1446 1762 1467">Outcome</p> <p data-bbox="1670 1484 1718 1505">2031:</p> <ul data-bbox="1670 1522 2427 1598" style="list-style-type: none"> ■ Achieving a 15% share of renewable energy in KMG's energy consumption ■ Implementing renewable energy projects with a total capacity of at least 300 MW ■ Developing the hydrogen energy sector in the Republic of Kazakhstan


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 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work</p>	<p>8.5. Achieve full and productive employment and decent work for women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6. Substantially reduce the proportion of youth not in employment, education or training</p> <p>8.8. Protect labour rights and promote safe and secure working environments for all workers</p>	<p>KMG employs over 49,000 individuals. Ensuring gender equality and non-discrimination at all levels is integral to our human capital development. We embrace global sustainability initiatives, including those that promote equal opportunities for both men and women, and uphold the principle of equal pay for work of equal value.</p> <p>Recruitment and development programmes for young professionals skilled in production occupations</p> <p>Zhas Maman programme run by Atyrau Refinery and Pavlodar Refinery to attract and develop young talent.</p> <p>In 2022–2023, Atyrau Refinery hired 7 out of 31 people enrolled in the programme, and Pavlodar Refinery hired 1 individual (the only one enrolled).</p> <p>Dual training: a programme offering training, internship, and further employment with KMG Group. In 2022–2023, Embamunaigas hired 4 out of 99 people enrolled in the programme, Atyrau Refinery hired 17 out of 62 people enrolled, and Pavlodar Refinery employed 36 out of 53 people enrolled.</p> <p>Internship programme: the programme kicked off with a focus on three professions: process unit operator, pump and compressor operator, and instrumentation and control technician. Interns complete their training and practical internships at Atyrau Refinery. In 2022–2023, Atyrau Refinery hired 29 out of 60 individuals enrolled in the programme.</p> <p>KMG provides social benefits to its employees in line with collective bargaining agreements and internal regulations. Collective bargaining agreements are in place at 25 KMG's subsidiaries and associates. The social package offered by them encompasses over 50 types of social benefits. Currently, all terms and conditions outlined in the collective bargaining agreements and internal regulations are fully adhered to across all KMG enterprises.</p> <p>For more details, see the Personnel Development section.</p>
 <p>Build resilient infrastructure, promote sustainable industrialisation and foster innovation</p>	<p>9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being</p> <p>9.4. Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p>	<p>KMG's Digital Transformation Programme promotes the expansion of scientific research and development of technological capabilities across industrial sectors. KMG invests heavily in relevant scientific research and local capacity building. The development of domestic technological capacities to ensure industrial diversification will also have a positive impact on the climate situation in the country.</p> <p>Development of the ABAI Information System</p> <p>Under the project, all production data of KMG Group will be centralised in a single Big Data database and will be processed and analysed using AI and machine learning.</p> <p>The ABAI information system will comprise 17 standalone modules, each designed to tackle specific operating issues.</p> <p>Outcome</p> <p>Six ABAI modules implemented (Database, Map Builder, Technological Mode, Selection of Downhole Pumping Equipment, Selection of Well Interventions and Assessment of Their Efficiency, and Production Planning and Monitoring) Effects achieved:</p> <ul style="list-style-type: none"> data collection and production reports exporting automated; production increased thanks to more efficient process operations at Ozenmunaigas and Kazgermunai; number of well services reduced owing to reduced number failures of downhole pumping equipment at Ozenmunaigas and Mangistaumunaigaz; well interventions effectiveness improved at Ozenmunaigas and Mangistaumunaigaz; additional production gains secured thanks to an enhanced system for maintaining reservoir pressure at Kazgermunai. <p>The 2031 Low-Carbon Development Programme was approved, with the following priority areas in energy efficiency defined:</p> <ul style="list-style-type: none"> streamlining energy management and establishing energy management services; introducing automated fuel and energy accounting and management systems; exploring possibilities to implement breakthrough innovations across the assets of specific subsidiaries and associates; introducing the best available technologies (BAT); upgrading machinery; optimising and upgrading the transport fleet. <p>Outcome</p> <p>2031:</p> <ul style="list-style-type: none"> 100% of subsidiaries and associates covered by energy management services; 10% energy intensity reduction from the 2019 level.

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 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p>11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p>	<p>Implementation of the best available technologies aimed at gradual reduction of environmental impact</p> <p>In 2024, several companies within KMG Group, which are among the 50 largest pollutant emitters in Kazakhstan, plan to develop a programme aimed at improving their environmental performance. This programme will be based on national industry-specific guidelines on best available technologies and will require a comprehensive environmental approval of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan.</p> <p>Drafting a programme to bring down pollutant emissions</p> <p>KMG Group is planning to develop a programme with the aim of reducing pollutant emissions and mitigating its environmental impact.</p> <p>Implementation of the World Bank's Zero Routine Flaring by 2030 initiative by 2023</p> <p>KMG is involved in the World Bank's 2015 initiative to eliminate the routine flaring of associated petroleum gas by 2030. This global effort brings together governments, oil companies, and public organisations to maximise the beneficial utilisation of associated petroleum gas. In alignment with this initiative, the Company implements its Emissions Management Policy, which aims to fully eradicate routine gas flaring by 2030.</p> <p>Green Belt tree planting initiatives</p> <p>Atyrau Refinery has committed to planting 10,000 trees in the city of Atyrau over the course of three years, in line with the Memorandum of Cooperation it signed with the Akimat of the Atyrau Region and KMG on the margins of the environmental conference held on 5 June 2023.</p> <p>Outcome</p> <ul style="list-style-type: none"> With the well-being of the population in mind, our oil refineries are implementing measures to improve the environment and air quality. These efforts align with the targets of the Green Kazakhstan National Project. As part of this initiative, they have set a target to reduce emissions by 20% over the next five years. The installation of automated systems for monitoring pollutant emissions is currently underway. Construction and installation works are being carried out in accordance with the relevant roadmaps. In 2023, Atyrau Refinery donated 200 fully grown root-balled ash trees to the Akymat of the Atyrau Region. The trees were planted in the retro park area. Furthermore, as part of the Memorandum, Embamunaigas planted around 22 thous. tree saplings during 2022 and 2023. As part of the Green Belt initiatives, a memorandum was signed between the Akymat of the Atyrau Region and Embamunaigas to undertake greening efforts on a designated 243 ha area in the local village of Talkayran.

SDGs	Priority targets	KMG's contribution
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	<p>12.4. Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment</p> <p>12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <hr/> <p>12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>Water Resources Management Programme</p> <p>In order to establish measurable goals for reducing water intake and increasing water reuse, KMG Group has developed long-term Water Resources Management Programme.</p> <p>Tazalyq</p> <p>Atyrau Refinery is actively implementing an ambitious Tazalyq project, which aims to bring about significant environmental improvements.</p> <p>Programme to dispose of legacy oil waste</p> <p>A dedicated programme is in place to facilitate the disposal of KMG's historical oil waste and decontaminate oil-contaminated soils.</p> <p>Outcome</p> <p>From 2018 to 2023, a total of 3.2 mln tonnes of oil products was recovered as part of the legacy waste disposal efforts.</p> <hr/> <p>Carbon Disclosure Project</p> <p>The Company calculates its water footprint and posts its Water Security Questionnaire on the website of the CDP.</p> <p>Green Office</p> <p>Company-wide green initiatives are being actively promoted, and the Green Office principles, including the introduction of separate waste collection, and water and energy saving in the office, are being gradually implemented.</p> <p>Outcome</p> <p>As part of our efforts to implement the Green Office initiative and reduce plastic and metal waste generation, a reverse vending machine was installed on the first floor of our office in the Emerald Towers business centre. Since its introduction, the machine has successfully collected 17,516 plastic bottles and 3,403 aluminium cans.</p> <p>The Water Security Questionnaire for the year 2022 was posted on the CDP platform.</p>

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<div data-bbox="83 306 243 466"> </div> <p data-bbox="83 489 492 611">Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<p data-bbox="492 306 1202 331">13.2. Integrate climate change measures into policies, strategies and planning.</p> <hr/> <p data-bbox="492 1205 1228 1255">13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</p>	<p data-bbox="1659 306 1982 331">Reduction of methane emissions</p> <p data-bbox="1659 344 2905 445">KMG entered into a Memorandum of Understanding with Carbon Limits, a global leader in methane leakage management. In line with the MoU's roadmap, KMG's employees completed training in methane leakage management. Plans for 2024 include simulation-based training using the LDAR programme for methane leakage detection and repair and an inventory of methane emissions at KMG's assets using Mist, a methane inventory systematic tool.</p> <p data-bbox="1659 457 2092 483">Joining Oil and Gas Methane Partnership 2.0</p> <p data-bbox="1659 495 2905 546">The Company joined the UNEP OGMP 2.0 methane initiative, which entails setting its individual targets for reducing methane emissions and reporting methane emissions to UNEP.</p> <p data-bbox="1659 558 2092 583">Joining Oil and Gas Decarbonisation Charter</p> <p data-bbox="1659 596 2905 646">KMG joined the Oil and Gas Decarbonisation Charter at the 28th Conference of the Parties to the UN Framework Convention on Climate Change.</p> <p data-bbox="1659 659 1893 684">Forest-climate projects</p> <p data-bbox="1659 697 2905 747">A designated project area of 2,000 ha in the Pavlodar Region was identified, and an assessment of its potential for GHG sequestration is currently underway.</p> <p data-bbox="1659 760 2092 785">Expansion of GHG emissions reporting scope</p> <p data-bbox="1659 798 2905 877">To improve GHG emissions reporting and management across the Group, KMG made an inventory of Scope 3 indirect emissions across 12 categories and designed a methodology to collect inputs with the aim of subsequently integrating it into its GHG Emission Monitoring and Reporting Methodology.</p> <p data-bbox="1659 890 1762 915">Outcome</p> <ul data-bbox="1659 928 2905 1180" style="list-style-type: none"> ■ KMG approved an Action Plan to implement the 2022–2031 Low-Carbon Development Programme. ■ The Company is developing a pilot project to deploy carbon capture, utilisation and storage (CCUS) and explore the potential for CO₂ injection to enhance oil recovery from depleted oil reservoirs. ■ A feasibility study is being carried out to assess the opportunities for the low-carbon production of hydrogen, technical, commercial and economic viability of investments in construction, and potential for blue hydrogen production with further CO₂ injection into oil and gas fields to intensify oil recovery. ■ A benchmark for light petroleum products was developed. ■ Changes are being made to the Company's GHG Emission Monitoring and Reporting Methodology, taking into account Scope 3 emissions. ■ Guidelines are being developed for methane leak detection and emissions reduction at KMG's subsidiaries and associates. <hr/> <p data-bbox="1659 1201 1997 1226">Internal carbon pricing framework</p> <p data-bbox="1659 1239 2905 1318">KMG developed internal carbon pricing mechanisms with a view to implementing carbon footprint reduction planning and ensuring relevant action by subsidiaries and associates as well as fully assessing the impact of carbon-related regulations on its financial and economic performance. Currently, efforts are underway to integrate these mechanisms into business processes across KMG Group.</p> <p data-bbox="1659 1331 1715 1356">CDP</p> <p data-bbox="1659 1369 2905 1419">The Company calculates its carbon footprint and posts its Climate Questionnaire on the website of the CDP (formerly Carbon Disclosure Project).</p> <p data-bbox="1659 1432 2905 1512">According to the Oil and Gas Benchmark published by the World Benchmarking Alliance, which evaluates low-carbon transition and social impact indicators, KMG ranked 37th among the top 100 global oil and gas companies in 2023. This marks a significant improvement from its 77th position in 2022.</p> <p data-bbox="1659 1524 2226 1549">Task Force on Climate-related Financial Disclosures (TCFD)</p> <p data-bbox="1659 1562 2905 1642">As part of activities to improve international ratings on climate risk management and sustainability, in 2023 KMG teamed up with the European Bank for Reconstruction and Development for a project to develop an action plan for corporate climate governance and disclosure aligned with the TCFD recommendations.</p> <p data-bbox="1659 1654 2905 1734">In addition, KMG was advised to add new measures to its decarbonisation list, namely steps aimed at climate change mitigation and adaptation in order for the Company to achieve its climate goals, reduce risks, and capitalise on climate-related opportunities. The analysis insights were leveraged to develop a Corporate Climate Governance Plan.</p> <p data-bbox="1659 1747 1762 1772">Outcome</p> <p data-bbox="1659 1785 2905 1835">In December 2023, an updated Internal Carbon Pricing Programme was approved, which includes a mechanism for applying an implicit carbon price to assess the Company's carbon regulation costs.</p>

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 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<p>15.3. Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.</p> <p>15.5. Take significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.</p>	<p>KMG implements projects and initiatives aimed at curbing discharges and reducing fresh water withdrawal from natural sources:</p> <p>Carbon Disclosure Project</p> <p>The Company calculates its water footprint and posts its Water Security Questionnaire on the website of the CDP. Efforts are underway to develop KMG Group's Water Resources Management Programme.</p> <p>Tazalyq</p> <p>Atyrau Refinery is actively implementing an ambitious Tazalyq project, which aims to bring about significant environmental improvements.</p> <p>Construction of desalination plants</p> <p>A formation water desalination plant is a unique project to address the water supply issue in the Mangistau Region. The plant will free up at least 6.2 mln m³ of the Volga River water annually to help develop the region.</p> <p>A desalination plant near the Kenderly recreational zone, Mangistau Region. Its planned capacity is 50,000 m³ per day.</p> <p>Land remediation</p> <p>The Company works to ensure recovery of historical oil wastes and oil-contaminated soil treatment.</p> <p>Outcome</p> <p>Tazalyq: The project to upgrade closed-loop mechanical treatment plants at Atyrau Refinery is nearing completion. Phase 1 was completed, and Phase 2 construction is in its final stages.</p> <p>Reconstruction of the channel for wastewater treated to standard quality and reclamation of evaporation fields are also underway. The evaporation fields were split into four sectors, with the work progressing in stages. Sectors 1 and 2 of the fields were fully drained and reclaimed. A pipeline was laid in place of the previously existing open channel, which had been used for discharging wastewater from Atyrau Refinery to the evaporation fields.</p> <p>Mitigation hierarchy to manage biodiversity risks</p> <p>In its planning and operations, the Company relies on mitigation hierarchy to manage biodiversity risks, with four key steps in place: avoidance, minimisation, rehabilitation/restoration, and offset.</p> <p>Biodiversity Conservation Programme</p> <p>We are developing a Biodiversity Conservation Programme, setting goals and action timelines related to preserving biodiversity in collaboration with local and international conservation organisations.</p> <p>Forest-climate projects</p> <p>As part of KMG's Low-Carbon Development Programme until 2031, forest-climate projects are expected to be implemented, delivering benefits for terrestrial ecosystems.</p> <p>Outcome</p> <p>A designated project area of 2,000 ha in the Pavlodar Region was identified, and an assessment of its potential for GHG sequestration is currently underway.</p>

SDGs	Priority targets	KMG's contribution
<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p>	<p>17.1. Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection</p> <p>17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p> <p>Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<p>KMG makes tax disclosures in accordance with the relevant GRI standard and the Country-by-Country Reporting initiative under OECD Action 13.</p> <p>Payments to governments</p> <p>The Company issues annual reports on payments to governments with regard to the following types of payments:</p> <ul style="list-style-type: none"> ■ Taxes <p>All taxes other than the mineral extraction tax.</p> <ul style="list-style-type: none"> ■ MET <p>The mineral extraction tax (MET) is a mandatory tax payable by a subsoil user for each type of extracted mineral resources (such as crude oil), underground waters, and therapeutic mud.</p> <p>The tax amount is calculated based on the physical volume of resources (e.g. crude oil, gas condensate, or natural gas) extracted over the tax period.</p> <ul style="list-style-type: none"> ■ Signature bonus <p>The signature bonus is a one-off payment made by a subsoil user upon either acquiring a subsoil use right for a particular territory (subsoil area) or in case of its enlargement, in accordance with the legislation of the Republic of Kazakhstan.</p> <ul style="list-style-type: none"> ■ Other payments <p>This category encompasses all other payments to governments, including export customs duties.</p> <p>Outcome</p> <p>KMG follows the best global practices designed to improve transparency in government payments, enhance accountability for mining revenue management, and promote public awareness of the mining companies' activities in the regions where they operate.</p> <p>In pursuit of the UN Sustainable Development Goals, KMG actively collaborates with industry peers and international agencies and participates in intergovernmental organisations that focus on energy conservation, occupational health and safety, environmental protection, combating climate change, reducing emissions, and promoting sustainable green energy and similar initiatives.</p>



KMG prepares an annual Sustainability Report in line with GRI standards. KMG's Sustainability Reports are available on the [Company's website](#)



The Company's annual Sustainability Report also serves as Communication on Progress for the UN Global Compact: <https://www.unglobalcompact.org/what-is-gc/participants/6810>

Upholding human rights

KMG is committed to sustainable business development, with a strong focus on both financial and social performance.

We are dedicated to upholding internationally recognised human rights, as enshrined in the International Bill of Human Rights and ILO's labour standards, and implementing the UN Guiding Principles on Business and Human Rights.

KMG staunchly upholds the requirements of labour legislation in the Republic of Kazakhstan, ensuring compliance with its provisions, which prohibit

any forms of labour discrimination against individuals based on their origin, social status, position, wealth, gender, race, nationality, language, religion, beliefs, place of residence, age, physical disabilities, or affiliation with public associations.

We make no use of child or forced labour and acknowledge the equal rights of all employees, regardless of their race, religion, or gender.

No instances of discrimination were reported in 2023.

In 2022, KMG's Board of Directors approved the Human Rights and Public Relations Policy. For more details on this policy, see the Corporate Documents section on the Company's website.

We undertake the following human rights commitments:

- respecting human rights in accordance with international standards;

- introducing programmes to address human rights issues within the industry, with the approval by senior management of KMG and its subsidiaries and associates;
- monitoring and reporting the impact of business activities on human rights;
- following established procedures for handling complaints and grievances at KMG;
- providing remedies and legal protection to mitigate or alleviate any negative impacts;
- exercising due care in relation to human rights by monitoring the impact of business activities on human rights and preparing relevant reports;
- ensuring that employees have access to legal protection to address any negative impacts of business activities on human rights;
- communicating KMG's expectations regarding human rights to employees and third parties.