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**ENGAGING COMMUNICATION
LEADS PEOPLE TO ACTION**



LETTER FROM GENERAL DIRECTOR GRI 2-22

I AM PLEASANTLY IMPRESSED WITH THE SCOPE AND MAGNITUDE OF KPO'S OPERATION AND THE LEVEL OF ITS SOPHISTICATION AS AN ORGANIZATION THAT IS CONSTANTLY DEVELOPING AND ADAPTING TO CHANGES.

Marco Marsili
KPO General Director

Dear Readers,

As a new General Director, I am pleased to present to you the ESG-Report or Sustainability Report of Karachaganak Petroleum Operating B.V. Kazakhstan Branch for the year 2023. This will be the sixteenth report since the Company began publishing its non-financial reports.

I am pleasantly impressed with the scope and magnitude of KPO's operation and the level of its sophistication as an organization that is constantly developing and adapting to changes. Today, in the face of rapid technological development and innovations, sustainable future depends on our ability to cooperate and to share experience. Perhaps that was one of the reasons why Communication was chosen as the key topic of this Report, for the way we communicate affects the performance efficiency and the end results of any team's effort.

When asked about the highlights of 2023, the first thing that comes to my mind is generation and implementation of the KPO-365 Business-Strategy which is aimed at transforming the Company's operational ethos and organization model. This multi-level strategy is intended for KPO long-term development and evolution, based on the values and the principles of sustainable development. In 2023, six focus areas of KPO-365 have been further progressed, including the maturation of Gas, Power and Water Management Strategies.

The Lost Time Injury (LTI) rate in KPO and its contractor companies was only 0.05 in 2023 compared to 0.22 in 2022; there was a reduction in the number of LTI from seven in 2022 down to two in 2023. The Total Recordable Injury Frequency was 0.37 in 2023. The Road Traffic Incident Frequency of KPO and its contractor companies was 0.02 in 2023. There was only one major Road Traffic accident that resulted in an injury of a contractor's driver.

We continue to work restlessly to improve the safety culture at production units, offices and infrastructure facilities. Throughout the past year we have been actively working to implement The Safety Leadership and Culture Programme, which is a key tool for safety enhancement at the workplace. Furthermore, 125 near misses have been identified through the implementation of the HSE cards, which is indicative that the system effectively helps preventing incidents at production facilities.

Over the reported period, KPO has produced more than 143 mln barrels of oil equivalent of stable and unstable liquid hydrocarbons, export raw gas and sweet fuel gas for own consumption. Four production wells and three injection wells were drilled in 2023. Well Operations Department performs both wells repair and production optimization, providing production of 2.5 mln barrels annually without incidents. We have also made significant improvements in safe drilling operations through a number of programmes, including the Coaching Programme for Drilling Supervisors.

In 2023, the Company exported 10.8 mln tonnes or 85.3 bln barrels of crude oil via various routes. New records in gas reinjection were achieved owing to the start-up of the 4th Gas Reinjection Compressor. A new export route via the Druzhba pipeline was explored with a final destination in Germany (p.Adamova Zastava), through which about 1 mln tons of oil was delivered.

In the past year, we have made a significant progress in the implementation of Karachaganak Expansion Project Phase 1 (KEP-1), including the construction of the 5th Gas Reinjection Compressor and the auxiliary facilities. In parallel, other opportunities have been progressed, including the Karachaganak Gas Plant.

The 2023 turnaround and shutdown were carried out without incidents which has allowed enhancing the integrity and operational efficiency of the main production facilities, as well as safety of process equipment.

Information technology plays a primary role in the way we do business today. Significant changes in KPO production philosophy took place owing to the active work of newly created Digitalization Department. Comprehensive Digitalization strategy and Road map have been developed that will bring the Venture's digital capability to a new level. The new projects portfolio includes Wells Telemetry Project, Timesheets and Transport Request Digitalization Project and Cyber Security Maturity Program, including training of employees and creation of Security Management Centre.

With respect to environmental protection, in 2023 KPO has achieved a world-class gas utilization rate of 99.95%. Currently KPO pursues a wide range

of initiatives focused on decarbonisation such as energy efficiency, methane emissions reduction and assessing lower and zero carbon opportunities. Furthermore, at the beginning of 2024 KPO joined the UN Environment Program on Oil and Gas Methane Partnership (OGMP 2.0) – by doing so we emphasise our commitment to methane emissions reduction.

KPO has also made significant progress in developing a new water management strategy aimed at reducing technical water consumption and looking for opportunities to utilize available volumes of treated wastewater from municipal facilities.

The Company actively works on projects that promote the introduction of "green" technologies, GHG emissions reduction and introduction of efficient waste management techniques. In 2023, as part of the Green Office project we gave up using disposable plasticware in all KPO offices outside the Field and did several other initiatives dealing with waste segregation, environmental awareness raising and promotion of "green" thinking formation. To this end, the Uralsk Green Forum has again proved to be an effective communication tool and platform for discussing the most urgent environmental issues.

Our environmental and energy management systems are regularly audited and confirmed as effective and compliant with the international standards ISO 14001:2015, ISO 50001:2018, and ISO 14001:2015.

During the past year, we have successfully implemented the annual personnel training and professional development programs. In 2023, local content reached 98% in professional and technical and 86% in managerial positions. At the same time, KPO local content in procurement, goods, works and



services has reached 63.24% or US\$ 756.1 mln in monetary terms. As part of the long-term initiatives, KPO proactively interacts with International Oil & Gas Machine Building Centre (IMBC). Owing to a team work accomplished with IMBC during 2022–2023, we have concluded a number of contracts with local producers for a total amount over US\$ 94 mln. Moreover, 30 contracts worth US\$107 mln were awarded to Kazakhstani companies for the supply of locally produced goods in the period of 2022-2023.

Engagements with contractors or business-partners are also on the rise, which is very reassuring. Each business partner (contractor) organization contributes to ensuring stable production activities at Karachaganak field. To maintain a positive social atmosphere, it is crucial to have a regular constructive dialogue between KPO and business partners on all pressing issues, including HSE, creation of favourable working conditions, protection of employees' labour rights, requirements of the RoK Environmental Code, etc.

In terms of social performance KPO has been pursuing a large-scale program of social infrastructure development. Last year, work continued on 24 social projects, 18 of which were commissioned. This included 13 new schools, two sports and health centres, a visitor centre and road repairs in the West Kazakhstan region. Also, the Central District Hospital in Aksai received new medical equipment. Since 1998, construction of more than 250 social and infrastructure facilities were funded by the Company.

By the end of 2023, the Karachaganak Partners have invested US\$ 31.3 bln into the development of the Karachaganak oil and gas condensate field.

All these achievements testify to the diligence, coordinated work and commitment by the entire KPO team highs. We strongly encourage other companies to join us on a journey to innovations and sustainability.

Only through concerted efforts we will be able to create an innovative, effective and environmentally sustainable energy future. By sharing thoughts and building a constructive dialogue with all stakeholders we will improve the business environment and create new opportunities.

I hope that this report will expand your understanding of how KPO has fared in the field of sustainable development. Your comments and suggestions regarding both the format and details of disclosure will be most appreciated and used to make our future reports better.

Yours sincerely,

Marco Marsili
KPO General Director



ABOUT THIS REPORT

SDG 12.8, 16.10

Karachaganak Petroleum Operating B.V. Kazakhstan branch (KPO) is an international oil and gas company, incorporated in the Netherlands in 1998, engaged in oil and gas exploration and production in the West Kazakhstan region of the Republic of Kazakhstan. On behalf of its Parent Companies Shell, Eni, Chevron, Lukoil and KazMunayGas, KPO is the Operator of the Karachaganak Field, one of the world's largest oil and gas condensate fields, under the Final Production Sharing Agreement ("FPSA") signed between them and the Government of Kazakhstan. **GRI 2-1, 3-3**

KPO has been reporting on its efforts and achievements in sustainable development since 2008, for the past 15 years. In 2009, the Company adopted a [Sustainability Development Charter](#), under which it commits to "report to our external stakeholders a full and honest review of performance" in the area of sustainability. The provisions of KPO Sustainability Development Charter meet the widely acknowledged definition of Sustainable Development as **"development that meets the needs of the present without compromising the ability of future generations to meet their needs"**.

This Report is our sixteenth in a row. The Report is a tool of transparency and communication with all stakeholders about the impact of KPO activities on the region of its presence as part of the presented material topics. In this document, we disclose our performance over the reporting period through the prism of three pillars of sustainable development: social (S), environmental and economic (E), and also management approach (G) in conducting business.

The report also presents production indicators and development plans, our energy transition approaches, as well as social projects, environmental initiatives and economic partnerships, implemented through engagement with stakeholder groups.

It is today when we feel the results of what we laid down over 20 years ago. Compliance with the principles of sustainable development has been and remains our "license" for the further development of Karachaganak, because we acknowledge the scale of our impact in terms of the region, the country and the world.

Report scope and boundaries

GRI 2-3, 2-6, 3-3

The boundaries of the KPO Sustainability Report relate to all Company operations in the allotment area of the Karachaganak Oil & Gas Condensate Field and export pipeline systems: Karachaganak-Orenburg Transportation System (KOTS) and Karachaganak-Atyrau Transportation System (KATS).

This publication is for the KPO performance in 2023. This document presents both our performance for 2023 and our plans for 2024. In order to demonstrate our sustainability commitments, our performance on material topics is presented in comparison with previous years.

Following the established practice and as per the GRI Standards principles, we try to tell both our achievements and issues. In the Contents we have outlined the most material topics from our point of view, which are then disclosed in detail in the chapters of the same name.

The 2022 Sustainability report was issued at the end of June 2023. The archive of all our issued sustainability reports is available on our website at www.kpo.kz/en/sustainability.

KPO non-financial reporting history

KPO has been reporting on its sustainable development since 2008.

- **From 2008 through 2012**, our early publications were prepared in accordance with the GRI Guidelines 3.
- **From 2013 through 2016**, KPO reports were issued in accordance with the Fourth Guideline of the Global Reporting Initiative (GRI G4). In 2014, KPO was one the first company in Kazakhstan to have applied the requirements of the GRI G4.
- **From 2017 to 2022**, KPO sustainability reports were issued in accordance with the requirements of the GRI Standards and UN SDGs.

Applicable global reporting initiative standards

This Report and has been prepared in accordance with the requirements of the GRI Standards 2021 and applying the requirements of GRI standards Oil and Gas Sector 2021. In addition, we studied the ESG agenda, which is largely consistent with the requirements of GRI standards. We conduct a regular comparative analysis of our contribution to the United Nations' SGD implementation in Kazakhstan. Also, we look at the new standards and guidelines, such as CSRD, SASB and their applicability to our Company.

Our goal is to ensure the appropriate level of transparency and reliability in our sustainability report, as required by the GRI Standards, which we consider as most applicable for us in sustainability reporting.

Independent assurance GRI 2-5

KPO started assuring its Sustainability Report in 2009. Since then, thirteen KPO reports have been assured by auditing companies to verify the reliability of the information disclosed. We believe that the practice of independent assurance enables us maintaining a good level of transparency and truthfulness in our non-financial reports.

In order to externally verify the data disclosed in this Report, KPO has applied to the experts of PwC Kazakhstan. Report of Independent Limited Assurance by PwC Kazakhstan is presented on pages 161-164 of this Report.

In terms of internal content concurrence, Sustainability Report is approved by the Company's Directors Committee and at the preparation stage, coordinated with the members of the Sub-committee on Sustainable Development on the part of the operating companies.



The soundness and high quality of KPO's sustainability reporting has been repeatedly acknowledged in annual competitions and national ratings by "Expert RA Kazakhstan".



Owing to the environmental disclosure in the report, KPO remains in the top three in the World Wildlife Fund (WWF) Environmental Information Transparency Rating for Oil and Gas Companies in Kazakhstan since 2017.



In 2018, KPO made it to the finals of the Asia Sustainability Reporting Awards 2018 in the categories "Best Environmental Reporting" and "Best Workplace Reporting".



In December 2023, KPO has been named among the leaders of the latest "Top-50 Companies in Kazakhstan" for disclosure of ESG information by PwC Kazakhstan as part of their annual rating based on 2022 performance reports.



Starting from 2019, KPO is among the top ten non-financial companies in terms of ESG information disclosure in the PwC Kazakhstan rating.



As part of the PwC Kazakhstan contest for best 2022 annual reports, KPO has become a winner in the nominations "Best Practice in ESG disclosures" and "Best Practice in Environmental disclosures".

KPO 365



There are **"3" objectives** in KPO 365. They are intended to remain stable year on year. These are the core foundations that set up the rest of the 365 strategy and they are the driving force behind making KPO a world-class producer, that is resilient and sustainable.

There are the **"6" focus areas** in KPO 365 which are intended to remain stable with updates on a 3-yearly cycle if required.

There will be **"5" roads** for each focus area in KPO 365, which will be the annual short-term strategies developed to progress KPO's long-term vision. They are planned to be reviewed and confirmed/updated annually, and then to be linked to the annual KPI's and become the input to the business planning updates that follow.

OUR MISSION

Mission of the Karachaganak Petroleum Operating B.V. is to develop the Karachaganak Field in an environmentally and economically sound manner while simultaneously creating the socio-economic development opportunities for local communities.

To support the achievement of our mission, we continue embedding sustainable development thinking into the way we do business. This means that in all our activities we shall:

- look to minimise impacts and maximise opportunities linked with its presence;

- consider the consequences of our decisions in the long-term;
- engage our stakeholders in a constructive dialogue;
- incorporate strong governance and transparency.

Guided by the principles of sustainable development established in the KPO Sustainable Development Charter, as well as the KPO Business Principles, the Company conducts its activities by contributing to the achievement of the UN sustainable development goals and objectives. [SDG 16.b](#)

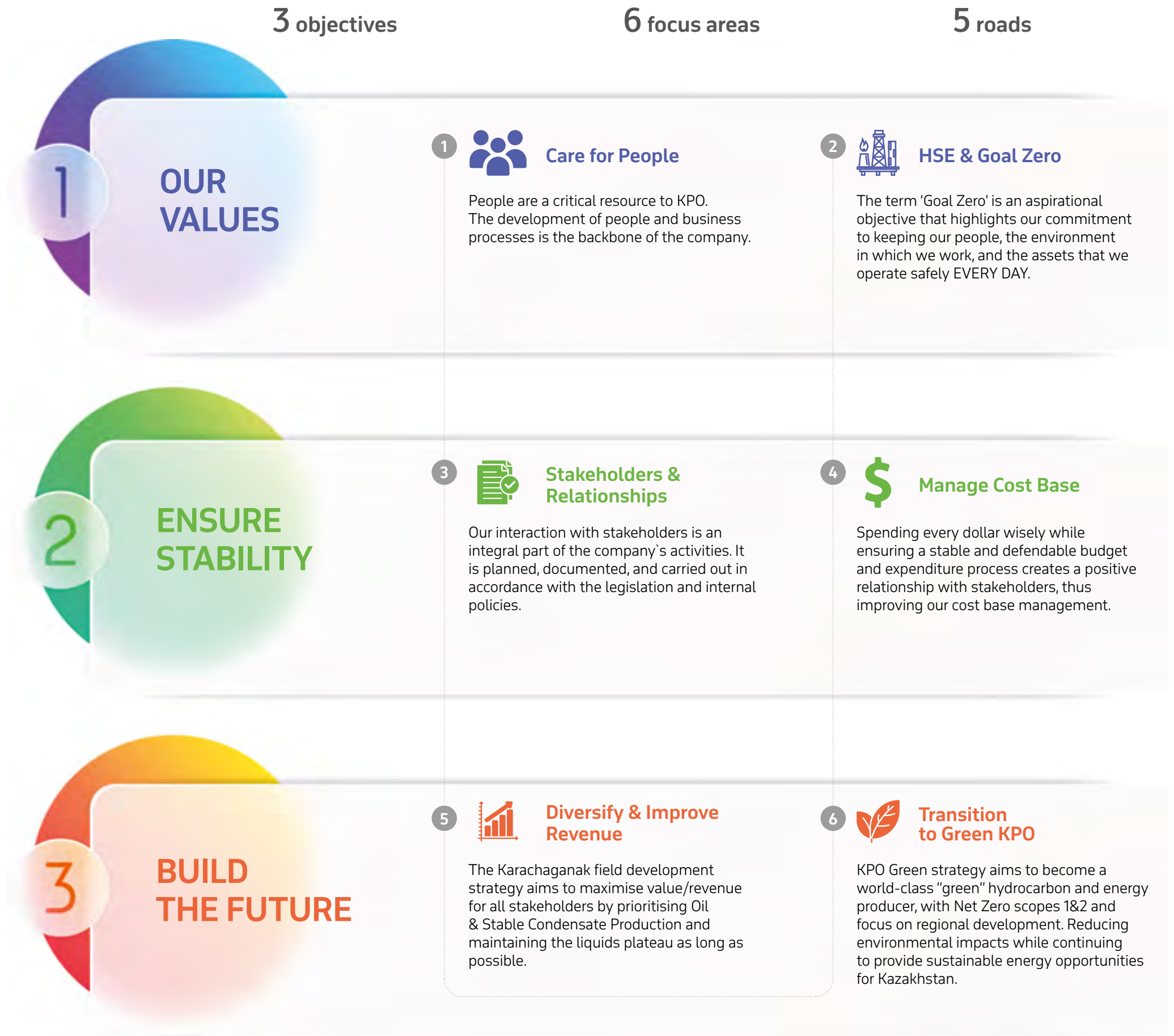
KPO BUSINESS STRATEGY [GRI 2-22, 201-2, SDG 7, 8.4, 12, 13, 16.b, 17.14](#)

The KPO mission reflects our commitment to ensuring long term social, environmental and economical sustainability, which we plan to achieve through executing our "KPO 365 Strategy", consisting of – 3 objectives, 6 focus areas and 5 roads (see fig. 1).

The objective of the KPO Business Strategy is to ensure there is alignment across the organisation on the Mission and an understanding of the framework designed to keep KPO on track to deliver on our promises.

Translating the Vision and Mission into tactical, tangible activities is critical in helping the organisation deliver on the strategic objectives. This is achieved through the embedding of the KPO Corporate Strategy 'KPO 365'. This strategy sets out the 'Building Blocks' that will position KPO for success in the future and is shown on fig. 1.

Fig. 1. KPO 365 Strategy



CLIMATE-RELATED RISKS AND OPPORTUNITIES GRI 201-2

We are consistently improving our approach to assessing and managing the risks and opportunities arising from climate change. This involves considering various time horizons and their relevance to risk identification and business planning. We actively monitor regulatory changes related to emissions trading systems, carbon pricing, renewable energy, and offsetting. These factors are incorporated into our potential scenarios that offer insights into how the energy transition might evolve in the medium and long terms. These insights guide our strategic vision, funds allocation, and GHG reduction targets.

We are working to effectively adapt our assets and operations to enhance our resilience to the physical risks related to climate change where needed. Activities are underway to protect assets and personnel from the physical impact of climate risks. In March-April 2024, KPO supported local authorities of the Burlin district of the West Kazakhstan Oblast on the construction of flood barriers and helped citizens who had suffered from flooding. KPO provided free financial aid worth KZT 2 bln for people, who lost housing in floods.

We are also collaborating with RoK Government by participating in various working groups to contribute in establishing regulatory frameworks that will enable us to achieve the Paris Agreement's goals.

In March 2024, KPO has joined the international Oil & Gas Methane Partnership (OGMP) 2.0 initiative, a comprehensive reporting system based on accurate emissions measurements. OGMP 2.0 is the UNO Environment Programme's flagship initiative aimed at improving reporting and reducing methane emissions in the O&G industry.

As a leading oil and gas company in RoK, KPO seeks to identify risks and opportunities in the energy transition beforehand.

Commercial risk (medium and long term)

The shift to a low-carbon economy and the possible extension of the EU cross-border carbon regulation (Carbon Border Adjustment Mechanism) to oil and gas might result in decreased sales volumes and/or profit margins due to the high energy-intensity of oil and gas products. Additionally, evolving preferences among investors and financial institutions could limit access to capital and raise its cost.

Regulatory risk (short, medium and long)

Kazakhstan's carbon market, as well as other markets, aims at a systematic transition of businesses to low-carbon technologies, by reducing the free quota on GHG emissions and developing of emissions trading system. Compliance costs are expected to increase due to the enhancement in carbon regulation. However, currently there a big uncertainty around carbon quota reduction rate, carbon pricing and other regulatory mechanisms. This makes it harder to determine the appropriate assumptions to be taken into account in projects planning and investment decision processes.

Physical risks (short, medium and long)

The potential impact of climate changes comes from risks, such as flooding and droughts, and high temperatures during the summer which could potentially impact KPO's facilities, operations and supply chain. The frequency of these hazards and impacts is expected to increase. Extreme weather events, whether or not related to climate change, could have a negative impact on KPO's financial condition.

Reputational risks (long-term)

In terms of reputational risks, KPO, if not recognised as one of the Climate Change champions, may potentially suffer from however intangible reputational risks. This highlights the need for each business to join and share the common responsibility across the O&G industry. Therefore, KPO's contribution to the all-out industry-wide effort should be visible and recognisable. This implies the pursuit of the best available technologies, practices and initiatives both in-house and borrowed from KPO Parent Companies, most of whom have already made a tremendous leap in their operational ethos in terms of energy transition.

Energy transition also brings opportunities for KPO to benefit from changing regulations and customer demand. As we strive to deliver greater value with fewer emissions, currently we are focusing on energy efficiency, renewable energy, nature-based offsetting opportunities and methane emissions control. Enhancing energy efficiency and incorporating renewable energy sources will help us reducing greenhouse gas emissions and the carbon footprint of our products. This will ensure compliance with legislation, prevent potential overage charges, and maintain our competitiveness. Carbon offsets play an immediate and valuable role as a bridge to the future of decarbonization in the short to mid-term as other solutions ramp up. More details are provided in the Climate Change and Energy Transition section of this Report.

Beyond that, controlling methane emissions is essential for several reasons, mainly because of methane's significant impact on climate change and air quality. Implementing effective monitoring systems can further enhance the reporting process and prevent the release of methane into the environment. Enhanced monitoring of methane emissions and transparent reporting are our top priorities for the next five years, from 2024 to 2029.



GRI 2-23

BUSINESS PRINCIPLE:**Communication and engagement**

We recognize that regular dialogue and engagement with our stakeholders is essential.

We are committed to reporting of our performance by providing full relevant information to legitimately interested parties, subject to any overriding considerations of business confidentiality.

In our interactions with employees, business partners and local communities, we seek to listen and respond to them honestly and responsibly.

MATERIAL TOPICS AND STAKEHOLDERS ENGAGEMENT

GRI 2-29, 3-1, 3-2, SDG 17.16, 17.17

Success of sustainable development depends on effective dialogue between business and its stakeholders. We are bound with our stakeholders by multiple ties and are interested to hear their opinions. The Sustainability report is the main tool for regularly informing stakeholders about our activities in sustainable development, including addressing key issues and related changes that impact one way or another the Company and its stakeholders during the reporting period.

In addition, the report presents the large number of indicators that allow us to analyze KPO's impact on the development of the region as a whole. In working on this Report, we draw on the extensive experience of our Parent Companies and follow the requirements of internationally recognized non-financial reporting practices.

It is important for us to maintain a constructive dialogue with our stakeholders and implement mutually beneficial solutions. Decisions are usually made through the engagement process of the two. Our interaction with stakeholders is an integral part of the Company's activities. It is planned, documented and carried out in accordance with the legislation and internal policies.

KPO departments determine their stakeholders based on the analysis of risks and material topics, and share their experience of engagement in this Report. Given the scale of the KPO's activities, our stakeholders are a large number of diverse groups and organizations. The most significant groups of stakeholders and ways of interaction in 2023 are presented on the figure 3.

The process of compiling our Sustainability report involves exchanging information and collecting data through interaction between various departments within the Company, as well as with stakeholders outside the Company. Over the years of reporting, we have identified a number of topics material for us, which are reviewed annually to highlight those that are most relevant and critical to our operations. In this issue, we continue to highlight their dynamics.

To define boundaries of our material topics, we are guided by the Standards of the Global Reporting Initiative (GRI) and their Standards for Oil and Gas sector. The most critical Key Performance Indicators are disclosed compared to those of the International Association of Oil and Gas Producers (IOGP). We report on the applicable GRI standards taking into account management approaches and Key Performance Indicators of the Company. At the same time, risks

and opportunities are assessed, as well as set goals are quantified in comparison with achievements of previous periods.

Regardless of various standards` requirements, we do our best to provide more detailed information about the Company`s activities and material topics in sustainable development. Therefore, the information presented in the Report goes far beyond the GRI indicators.

Considered in the Report material topics tend to address issues related to the economic, environmental and social impacts of the KPO`s activities in general, as well as separately in the process of implementation of particular production operations.

The topics disclosed for the reporting period are tracked regularly in the process of multilateral interaction with our Parent Companies, the PSA LLP Authority, various regulatory bodies, contractors, industry partners, employees, trade unions, local communities and the media. The stakeholders raise their issues at various sessions, from meetings of the Village Councils to forums, conferences, public hearings, social

surveys, audits, and by addressing them directly to the Company. (See Fig. 3) **GRI 2-29**

At the end of 2023, in order to identify the most material topics for disclosing in this issue, we have conducted a survey amongst the key stakeholders. From the chosen external respondents the survey was answered by representatives of government bodies, parent companies and contractor organizations), as well as company`s employees. This survey has helped us to analyze our reporting process and to prioritize our list of material topics. Nevertheless, in 2023, all of the topics listed in Figure 2 remained material to KPO and its stakeholders. In 2024, we added new material topic – Climate change, as it is one of the most material topics in world and Kazakhstani agendas. **GRI 3-1, 3-2**

The survey results also showed the high importance of topics such as technologies and innovations, environmental compliance and occupational safety and health. This is followed by topics of personnel development and training, energy efficiency, and process safety. The topics of reduction of GHG and pollutants` emissions and water conservation were also highlighted as significant. The top 8 topics selected over the past three years are presented in Table 1.

Table 1. Comparison of the most material topics according to the Key stakeholders` opinion surveys for 2021–2023

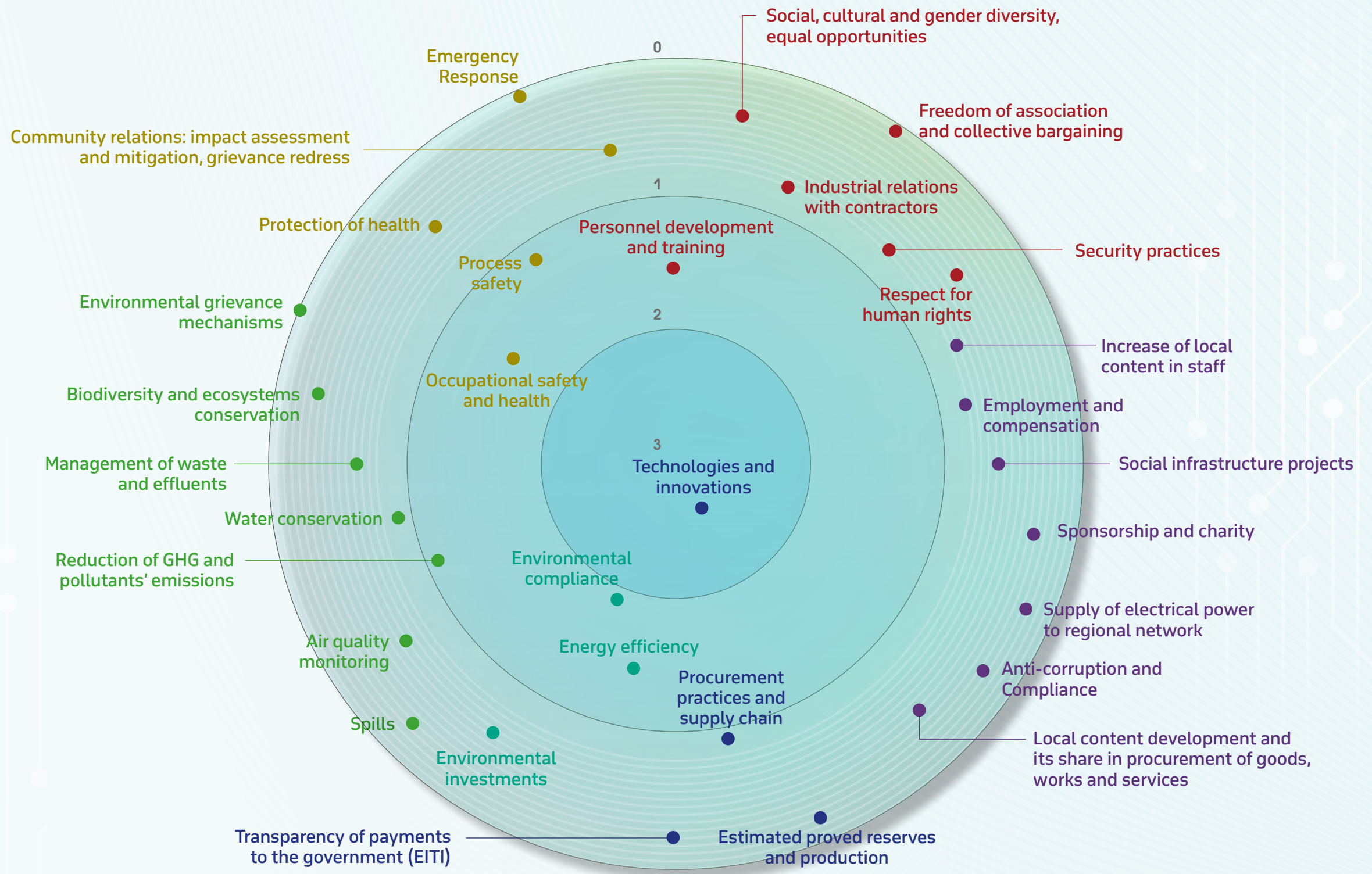
2023	2022	2021
1. Technologies and innovations	1. Security practices	1. Security practices
2. Environmental compliance	2. Occupational Health and Safety	2. Occupational Health and Safety
3. Occupational health and safety	3. Protection of employees` health	3. Protection of employees` health
4. Personnel development and training	4. Asset Integrity	4. Asset Integrity
5. Energy efficiency	5. Emergency response	5. Emergency response
6. Process safety	6. Industrial relations with contractors	6. Air quality monitoring
7. Reduction of GHG and pollutants` emissions	7. Employment and compensations	7. Reducing of GHG and pollutants` emissions
8. Water conservation	8. Increase of local content in staff	8. Water conservation

The degree of relevance of certain issues disclosed in this Report can be traced in figure 2. The importance of topics is shown in a ranking from 0 to 3, from the outer edge to the centre of the chart, with the most significant topics with a threshold value above one found in the inner layers of the chart.

The result of this survey also confirms the importance of HSE, asset integrity and personnel development topics. At the same time, environmental protection topics continue to be important for KPO staff, unlike the results of the external stakeholder`s survey.

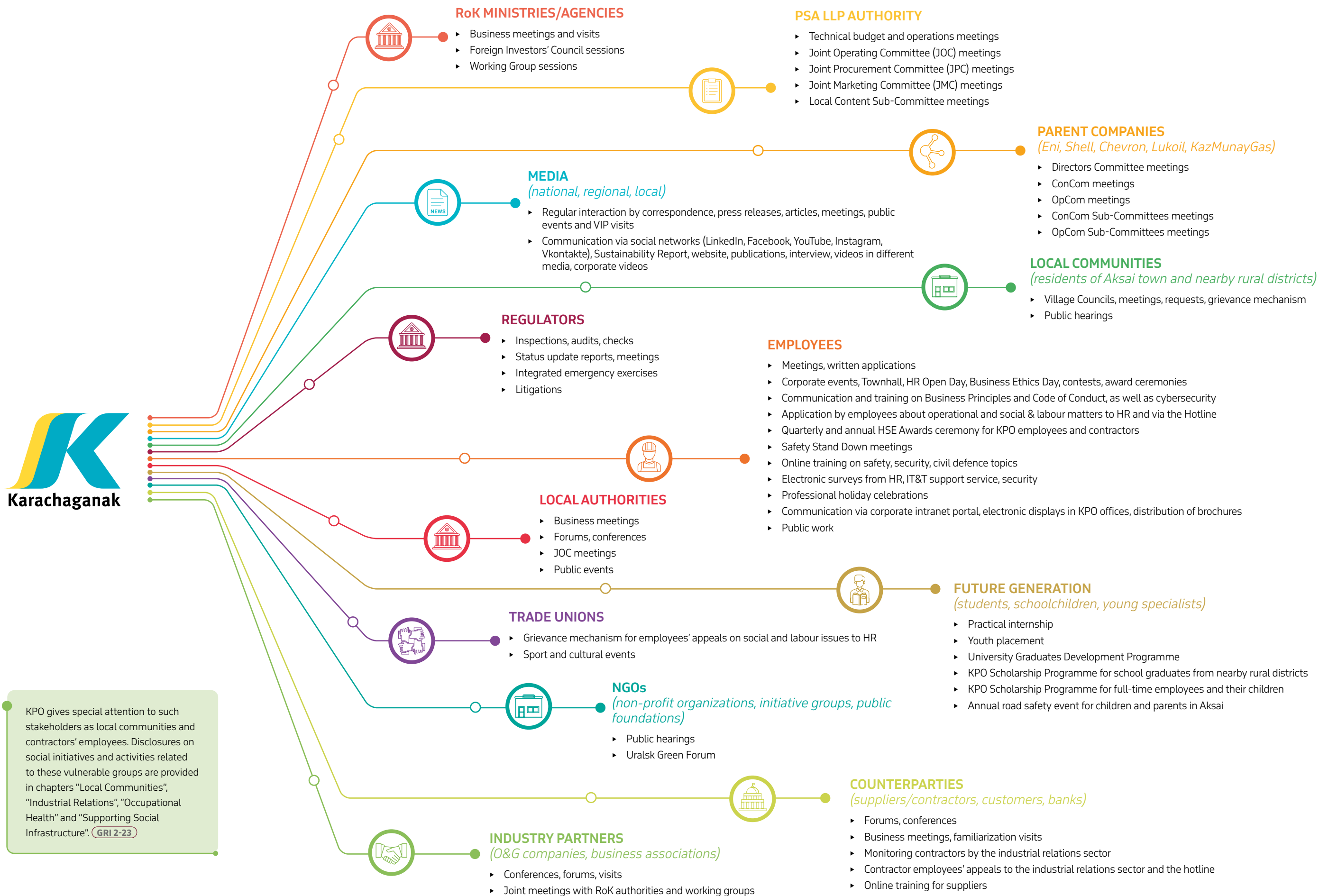
As part of the Report`s preparation, we aim to continuously raise public awareness of the material topics disclosed in the Report, both internal and external. Inside the printed copies of our ESG Report there are loose-leaf feedback forms for readers to fill in. We have also placed an online feedback form on our [website](#) and we are always open for the feedback on the Report in any form via Sustainability@kpo.kz. The comments and suggestions received are taken into account in the preparation of the next Report.

Fig. 2. Material topics of KPO Sustainable development based on survey results in 2023 GRI 3-1, 3-2



*Note: The importance of topics is shown in a ranking from 0 to 3, from the outer edge to the centre of the chart. The most significant topics are located within the inner circles of the chart.

Fig. 3. KPO engagement with stakeholders in 2023 GRI 2-29



BUSINESS PARTNERSHIPS AND ASSOCIATIONS GRI 2-28, SDG 17.16, 17.17

We consider our partnership in Kazakhstani associations, such as Kazakhstan Association of Oil Gas and Energy Section 'KAZENERGY', International Centre for Development of Oil and Gas Machine Building (IMBC), the Kazakhstan Business Council for Sustainable Development 'KAPUR', the Kazakhstan Union of Oilfield Service Companies, as strategically important. This gives us an opportunity to network with the industry peers and provides access to the collective lobbying tools such as working groups and committees.

In cooperation with the KAZENERGY Association we manage resolve many issues raised as by KPO, so from the side of RoK state stakeholders. Engagement is conducted in several aspects in the format of Coordination Councils, committees and working groups.

The issues discussed as part of the KAZENERGY framework include: labor relations, social welfare services at the Projects, development of an Industry Agreement as a basic document for draft collective agreements, the development of professional standards designed to replace the unified Wage Rate Book of works and professions, and other. Topics related to the environmental protection are implemented through the development and application of Best Available Technologies in the oil and gas industry, improvement of environmental legislation including the draft of the new RoK Water Code, timely participation of subsoil users in comments to regulations, amendments to regulations on regulation of GHG emissions and decarbonization, establishing environmental quality standards for the environmental components, working on the draft Tax Code of the Republic of Kazakhstan and others.

In early October 2023, KPO was vigorously involved in the KAZENERGY Eurasian Forum/Kazakhstan Energy Week, the key international event in the Caspian region. KPO team attended a number of technical sessions, round table meetings and panel discussions. As a panellist, KPO ex-General Director Giancarlo Ruiu spoke about cooperation between the Government and the foreign investors in achieving carbon neutrality by 2060. As part of the event, the VI Forum of the KAZENERGY Women's Energy Club

"EmpowerHer energy forum" discussed the role women play in promoting and achieving various social and environmental initiatives, effective strategies to reduce inequality. The details are provided in the chapter "KPO Female Club".

Active engagement in the project and initiatives of the International Centre for Development of Oil and Gas Machine Building (IMBC) that implements activities as part of the Action Plan for the Republican Oil and Gas Machine Building development, contribute to the increase of Local Content share in the procurement of goods, works and services of the Karachaganak Project.

In April 2023 r. KPO took part in the annual Oil and Gas Machine Building Forum initiated by the IMBC supported by the RoK Ministry of Industry and Infrastructure Development, RoK Ministry of Energy, large O&G operators NCOC and TCO. In his speech KPO ex-General Director Giancarlo Ruiu noted the signing of new contracts with none local manufacturers allowing to create over 150 workplaces with commitment to reach 75% local content share.

For more details on KPO's interaction with IMBC, see the Local Content Development chapter.

On 17 November 2023, KPO participated in the XI annual oilfield service conference "Kazneftegazservice-2023" organised by the Kazakhstan Union of Oilfield Service Companies in Atyrau. The conference was attended by the RoK Ministry of Energy, local authorities, National Chamber of Entrepreneurs, domestic oilfield service companies as well as large Kazakhstan operators.

The "Kazneftegazservice" conference is an effective platform for a dialogue and feedback between Kazakh oilfield service industry and experienced foreign contractors thereby promoting contacts and exchange of experience. The event was dedicated to participation of Kazakh engineering and construction companies in the petroleum industry. It is worth noting that since 2018 to date 277 domestic oilfield service companies were involved in the Karachaganak field operations with 600 contracts awarded for the total of USD 6 billion, of which more than USD 3 billion was spent with the local content share totalling 72%.