



SOCIAL IMPACT

- 57 Safety practices
- 65 Occupational health
- 75 Employment practices
- 91 Conflict and security
- 97 Local communities



CLARIFYING QUESTIONS SERVE TO MAKE SURE THAT YOU UNDERSTAND THE SUBJECT UNDER DISCUSSION AND ALSO THAT YOU UNDERSTAND YOUR INTERLOCUTOR'S POSITION ON THE SUBJECT.

FEEDBACK CAN BE PROVIDED ONLY AFTER THE OTHER PARTY HAS CONFIRMED ITS READINESS TO RECEIVE IT.



GRI 2-23

BUSINESS PRINCIPLE: health, safety and the environment

BUSINESS PRINCIPLE: people

BUSINESS PRINCIPLE: communities

Note: details of the principles are described in the relevant chapters.

2023

SAFETY PERFORMANCE:

Lost Time Injuries
Frequency

0.05

RTI frequency

0

EMPLOYEES:

4,080
people

13%
general salary increase

INDUSTRIAL RELATIONS MONITORING:

23 thous.
employees from

172
contractor companies

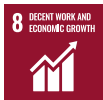
LOCAL COMMUNITIES:

The Project for the
post-utilization and
reclamation of lands of the
resettled Berezovka and
Bestau villages was approved

WHY IS IT IMPORTANT TO US? GRI 3-3

Health, Safety and Asset Integrity are the key elements for successful development and operation of any oil and gas condensate field. Safety of personnel in operations related to risks of H₂S, potential leaks and road incidents is of paramount importance for our Company. Our goals are that every employee is to come back home safe and sound and production leaks are entirely excluded.

KPO utterly commits to support effective HSE culture both internally and externally.



GRI 2-23

SAFETY PRACTICES

BUSINESS PRINCIPLE:

Health, safety

We have a systematic approach to health, safety, security management in order to achieve continuous performance improvement.

To this end, we manage these matters as critical business activities, set standards and targets for improvement, and measure, appraise and report performance externally.

2023

Road Safety activities completed by

88%

HSE Culture activities completed by

100%

31,977

HSE Cards

HSE LEADERSHIP TOURS:

212%

by senior management

270%

middle managers

The ISO 39001 supervisory audit has been successfully completed

SAFETY PRACTICES

In order to minimize safety risks and impact of the Company, we have set a number of targets. The results of their implementation are presented further in the table.

Tab. 6. Our targets in safety GRI 3-3

Our targets in 2023	Status	Actions taken to implement targets in 2023	Targets for 2024
Improve safety culture in KPO with focus on leadership and behavioural aspects. Implement Safety Leadership and Culture Program.	Completed	KPO launched the Safety Leadership and Culture (SLP) Program in July 2023. Internal SLC Coaches were trained to deliver Safety Orientation session for all KPO and contractors' staff. The target for 2023 was to cover 4,500 Company and contractors' employees; 5,506 were covered.	<ul style="list-style-type: none"> Continue conducting Safety Leadership & Culture Orientation sessions and cover 10,000 Company and contractors' employees. Train the SLC Coaches to deliver sessions for supervisors & workforce. Build a team of Lead SLC Coaches to develop internal resources for long-term impact.
Implement HSE Communication Plan for 2023	Completed	Initiatives and campaigns included in the 2023 HSE Communications plan were implemented by 100%.	Implement HSE Communications plan for 2024
Successfully pass surveillance audit on the Standard ISO 39001	Completed	KPO successfully passed first surveillance audit on the Standard.	Successfully pass 2 nd surveillance audit on the Standard ISO 39001

HEALTH AND SAFETY PERFORMANCE GRI 3-3, 403-2, 403-9, SDG 3.9, 8.8

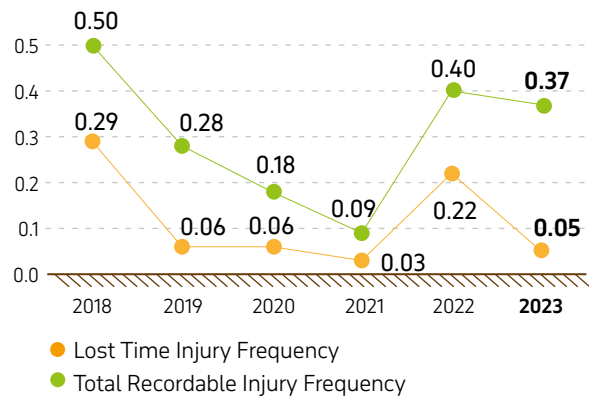
We plan our health and safety activities by tracking our progress and monitoring the world events. We calculate frequency of incidents over a set amount of work in man-hours. Our health and safety records are presented for the period 2018–2023 with a focus on 2023.

Graph 1 demonstrates Lost Time Injuries Frequency (LTIF)² and Total Recordable Injury Frequency (TRIF)³.

In 2023, the total number of recordable injuries in KPO slightly increased from 13 in 2022 to 14 in 2023. At the same time, the number of Lost Time Injuries decreased from seven in 2022 to two injuries in 2023. In 2023, LTIF was 0.05 (vs 0.22 in 2022) and TRIF – 0.37 (vs 0.40 in 2022).

At KPO, every incident is investigated to avoid recurrence. Additionally, we share learnings from incidents with our contractors and other interested parties and adopt safety improvement practices from other companies.

Graph 3. LTI and TRI frequencies: KPO and contractors, 2018–2023 GRI 403-9



Note: KPO uses the following method to calculate LTI and TRI frequencies:

²Frequency of Lost Time Injuries (LTIF) = number of Lost Time Injuries (lost work day cases + fatalities) x 1,000,000 / man-hours.

³Frequency of Total Recordable Injuries (TRIF) = number of recordable incidents (lost work day cases + medical treatment cases + restricted work day cases) x 1,000,000 / man-hours.

Table 7 represents KPO LTIF versus contractors LTIF for the past four years. KPO and contractors' data are presented separately. To obtain a consolidated indicator, a calculation formula should be applied, and not just a summarized data used.

Tab. 7. Lost Time Injuries frequency: KPO vs contractors, 2020–2023 (GRI 403-9)

Performance Indicators	2023	2022	2021	2020
Lost Time Injury Frequency (KPO)	0.00	0.00	0.14	0.00
Lost Time Injury Frequency (contractors)	0.06	0.27	0.00	0.07

Table 8 represents KPO TRIF versus contractors' TRIF.

Tab. 8. Total Recordable Injury Frequency: KPO vs contractors, 2020–2023 (GRI 403-9)

Indicators	2023	2022	2021	2020
Total Recordable Injury Frequency (KPO)	0.45	0.00	0.14	0.00
Total Recordable Injury Frequency (contractors)	0.35	0.50	0.08	0.22

Note: First Aid Cases are not included into calculations of occupational injuries.

KPO strives to make work places safe. Despite this, during 2023 there were 14 incidents, resulting in various injuries of KPO and contractors' employees.

Tab. 9. Incidents (total recordable injuries) in 2023 (GRI 403-9)

Injury Type	Description	Number
Lost Work Day Cases	Ribs injury as a result of major RTI	1
	Finger injury as a result of pinching	1
Total Recordable Injuries, where employee returned to work after medical treatment or was transferred to restricted work	Chin injury (cut) while using grinding machine	1
	Finger injury as a result of pinching	3
	Arm injury as a result of pinching	1
	Elbow injury as a result of losing balance and falling	1
	Feet injury (bruise and sprain) as a result of ankle twisting	1
	Knee injury as a result of falling	2
	Leg injury as a result of falling into the ditch	1
	Foot injury as a result of tripping	1
	Back and leg injury as a result of falling from height	1
TOTAL		14

One severe (major) Road Traffic Incident (RTI) was registered in 2023 – a contractor's Gazelle truck collided with another contractor's KAMAZ mixer truck resulting a serious injury to Gazalle truck driver.

The RTI frequency⁴ per 1 million km driven in KPO and contractors increased from zero in 2022 to 0.02 in 2023. In 2023, the kilometers driven by KPO vehicles amounted to 41.8 million km, compared to 39.3 million km in 2022. (GRI 403-9, SDG 3.6)

Fatality Frequency in KPO and our contractors in 2019 – 2023 remains zero. (GRI 403-9, SDG 3.9)

⁴ KPO RTIF calculation method: $RTIF = \text{number of RTI (severe)} \times 1,000,000 / \text{km driven}$

In 2023, KPO and contractors' employees worked 37,823,703 man-hours: 18% of them (6,652,986 man-hours) worked by KPO employees and 82% (31,170,717 man-hours) by contractors' employees.

Tab. 10. Manhours worked: KPO vs contractors, 2020–2023 GRI 403-9

Indicators	2023	2022	2021	2020
Man-hours worked (KPO)	6,652,986	6,629,709	6,924,081	7,269,825
Man-hours worked (Contractors)	31,170,717	25,885,889	25,340,974	26,955,757
Total	37,823,703	32,515,598	32,265,055	34,225,582

In 2023, no high potential incidents (HPI)⁵ were recorded in KPO.

Tab. 11. High Potential Incidents: KPO vs contractors, 2020–2023 GRI 403-9

Indicators	2023	2022	2021	2020
High Potential Incidents (KPO)	0	0	0	1
High Potential Incidents (Contractors)	0	7	1	1
Total	0	7	1	2

In 2023, 125 near misses (NM)⁶ were registered in the Company; of which 74 (59%) were reported through the Incident Notification Procedure, and 51 (41%) – through HSE cards. For each near miss same as for

each incident, KPO performs a thorough investigation, identifies the causes and develops recommendations to correct the shortcomings and prevent their recurrence.

Tab. 12. Near misses: KPO vs contractors, 2020–2023 GRI 403-9

Indicators	2023	2022	2021	2020
Near misses (KPO)	41	24	22	27
Near misses (Contractors)	84	58	43	46
Total	125	82	65	73

FATALITY FREQUENCY⁷ IN KPO AND OUR CONTRACTORS IN 2019–2023 REMAINS ZERO. GRI 403-9

⁵ High Potential Incident (HPI) – any unplanned or uncontrolled event or chain of events that could have resulted in injuries to be accounted.

⁶ Near-miss – any unplanned or uncontrolled event or chain of events that could have resulted in injuries to be accounted for, asset damage, the environment, or an incident related to process safety, but such consequences, by coincidence, were avoided.

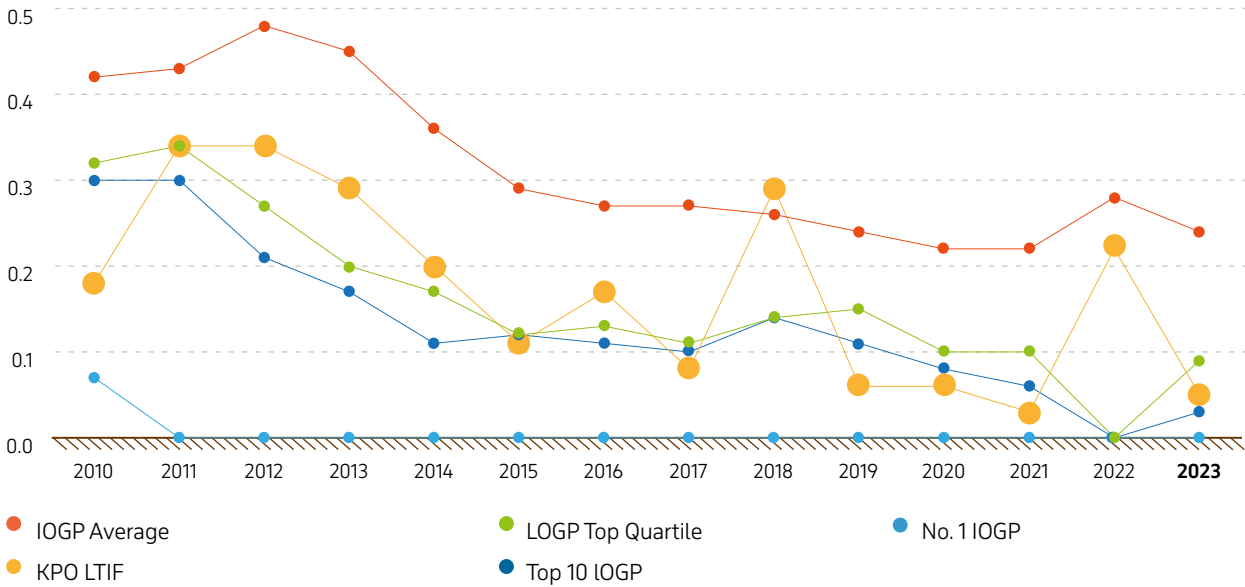
⁷ Fatality frequency calculation method used by KPO: fatality frequency (per million man-hours worked) = number of fatalities x 1,000,000 / man-hours worked.

Peer comparison GRI 3-3

Every year we review our key safety performance indicators against the other O&G producers' indicators reported by International Organisation of Oil and Gas Producers (IOGP). IOGP annually publishes HSE performance indicators on the website www.iogp.org.

In 2023, the number of Lost Time Injuries in KPO decreased -2 LTIs in 2023 versus 7 LTIs in 2022. If compared with other peer companies in 2023, KPO LTIF is ahead of IOGP average, but behind the performance of IOGP Top 10 (see graph 4).

Graph 4. KPO Performance versus IOGP, 2010-2023



HSE IMPROVEMENT PLAN FOR 2023 GRI 2-23, 3-3, 403-7, SDG 8.8

The overall objective of KPO HSE Improvement Plan is to improve Health, Safety and Environment management, to further control risks and to prevent harm to people and the environment. This is done by implementing Key Focus Elements that are over and

above KPO's day to day business activities to deliver tangible benefits and improvements.

In 2023, KPO applied a structured approach in preparation of the HSE Improvement Plan to ensure the Plan and the KPIs support each other and HSE objectives are achieved.

Tab. 13. 2023 KPO HSE Improvement Plan consisted of level I-II-III interlinked objectives

LEVEL I (main goal):	No harm, no leaks
LEVEL II (supporting goals):	<ul style="list-style-type: none"> • Personal Health • Personal Safety • Asset Integrity and Process Safety • Road Safety • Minimized Environmental Impact
LEVEL III (how this will be achieved):	Key Focus Areas

Monitoring of the Plan was arranged by means of Traffic Light system (Green, Yellow, Red) applied to Levels I, II and III.

To achieve the common goal of zero incidents, KPO works together with its stakeholders to implement the Plan and strengthen safety barriers. The subordinate plans with more details are

implemented to address the Improvement Plan's objectives.

In the following paragraphs, we present the activities implemented in 2023 on HSE Leadership, HSE Culture and Road Safety. Environment protection, Asset Integrity, Risk Management and Health activities are covered in relevant chapters.

HSE LEADERSHIP AND CULTURE GRI 3-3, 2-23, 2-29, 403-5, SDG 8.8

In order to prevent accidents and injuries, to protect our people, environment and assets, the Safety Leadership and Culture Program was launched in KPO in July 2023. The approach was to build our in-house capabilities and develop own resources.

With this purpose, and based upon certain criteria, candidates were selected for the "Train the Trainer" course. Approximately 200 candidates were interviewed, of whom 88 KPO employees and contractors' personnel were selected and trained. They attended a three-day "Train the Trainer" course to become SLC Coaches delivering Safety Orientation sessions for all KPO and contractors' employees. 372 sessions were held and 5,506 KPO employees and contractors were covered against the target to cover 4,500 people.

Aimed at implementing the plans and general vision of the Safety Leadership and Culture Programme, two Commitment workshops were held for Directors and Managers of KPO and contractor companies performing medium and high-risk activities for KPO.

Team members were identified and Project Management Office (PMO) established to coordinate the implementation of the program. Nine monthly meetings of PMO were held. The main objectives of PMO were to:

- Provide overall governance, direction and strategy of Safety Leadership and Culture Programme implementation;
- Develop a strong partnership between KPO and Contractors;
- Address issues regarding Safety and Leadership Culture Programme implementation.

In July and December 2023, an anonymous Pulse Survey was conducted to understand the state of the company's safety culture. Both KPO and Business Partners employees took part in the surveys. Based

on the surveys' results and feedback from the SLC Orientation sessions and from the Safety Commitment workshops, some areas for improvement were identified which require more work to be done in 2024.

SLC Coaches recognition event was held in December 2023 to sum up the results of 2023 work.

HSE Promotion and Awareness-Raising Tools GRI 2-29, 3-3

The Company's key commitment is to ensure health, safety and environment.

Thanks to the concerted efforts of all HSE functions all the scheduled activities and campaigns related to the HSE communication enhancement were 100% completed in 2023.

The quarterly HSE quiz was launched. Every employee could check his/her basic HSE knowledge and, if won, receive a gift. In addition, the continuous focus was made on prompt communication and raising awareness of employees through daily pop-up messages and regular Safety Moments on relevant topics and preventive recommendations. Throughout the year 15 Safety Moments were issued covering different topics such as hearing protection, importance of reporting near misses, recent hand and finger injury cases in KPO, and other.

In April 2023, in anticipation of the World Day for Safety and Health at Work, the 2022 award ceremony for the best HSE performance took place in KPO. The Unit-2 team received the main award in the nominated category "Best KPO Department Health and Safety Performance of the Year". "Yelzhas" company became the winner for the best performance among the s companies. The honorary award was also given to Schlumberger company for safety commitment and best practices in safety enhancement.

The winners of individual awards for intervention and reporting of potential hazards and unsafe behaviour received the monetary award. Besides, the incentive monetary awards were also given to those who made the particular contribution to the safety improvement and supporting various health and safety initiatives and campaigns additionally to their main job.

In August 2023, the Safety Day on the topic "Stop Work Authority" took place at all KPO facilities. The agenda covered the statistics on injuries sustained over the period of 2022–2023, the video-message from General Director and the reminder to promote and empower every employee on the authority and a duty to stop any unsafe activity or unsafe act.

The Annual HSE Forum has been an integral part of communication tool over the years. In November 2023, KPO held annual HSE Forum with its contractors on the theme "Leaders in change". The Forum involved the Senior Management of KPO and key contractor organisations. The Forum was also livestreamed allowing more participants to join online. The purpose of the Forum was to jointly review current changes and challenges in Health, Safety and Environment and the role of Leaders in effective implementation of changes as well the improvement of an overall Safety Culture at the Karachaganak Field.

The topics covered within the forum: changes to RoK Eco Code and KPO Waste management process; changes to the KPO and Business Partner processes of Random alcohol screening and Fitness to work; Road traffic incidents and violations; Stop Work Authority; Safety Leadership and Culture.

In order to efficiently engage each of attendees into discussion, they were involved into separate interactive sessions, team tasks and surveys to enable comprehensive analysis of current cultural behaviours and beliefs and planning of improvement and prevention activities.

In July 2023, Contractor HSE management workshop was conducted with KPO contract owners / KPO designated persons on the key responsibilities and expectations in Contractor HSE management. The workshop was chaired by General Director to stress on the importance of the process and the role of contract owners and KPO designated persons in achieving the goal of zero harm and zero leaks. Workshop discussion covered the key responsibilities in managing Contractor HSE, increasing involvement of Contractors' Senior Management in HSE tours, concerns/suggestions/actions for further improvement of the process etc.

With the aim of Safety Culture improvement, the following leading HSE indicators/targets were set as mandatory for employees to receive the 2023 Annual HSE Bonus:

- The ratio of Near Misses (NM) reported to total man-hours shall not be less than the yearly target of 2.6;
- By the end of the year, employees were to undergo LSR e-learning "Working at Height" and make at least one positive intervention or a safety improvement discussion with colleagues.

KPO managed to reach the target at least 2.6 ratio of Near Miss reporting versus total man-hours, and HSE bonus was paid to those KPO and manpower employees who timely underwent the e-learning and completed online report on intervention.

Management presence on work sites

For tracking the overall HSE performance and management interaction with employees at work sites, KPO practices HSE site tours: HSE Leadership tours engaging KPO Directors/Controllers, as well as Contractors' senior management, and HSE Management tours for Level 2-3 Managers. The main principle of this program is interaction with the workforce.

In 2023, the total number of HSE Leadership tours amounted to 176 compared to the planned 83 having resulted in 212% plan completion and HSE Management tours amounted to 944 compared to the planned 350 having resulted in 270% plan completion.

IN 2023, HSE LEADERSHIP TOURS RUN BY THE TOP MANAGEMENT COMPLETED BY 212%, AND BY THE MIDDLE MANAGERS – BY 270%.

ROAD SAFETY GRI 3-3, 403-9

To ensure more sustainable road safety performance, KPO continues implementing its annual Road Safety Improvement Plan. In 2023, KPO has completed 88% activities of the Plan.

The key road safety achievements/implemented activities in 2023 are:

- ISO 39001: Road Traffic Safety Management System – successful (zero non-conformities) pass of 1st surveillance audit;
- Update of IVMS and Dashboard camera management and Load Haulage Safety procedures;
- Road traffic safety assurance review of 13 top low-performance contractors;
- Workshops for contractors on safe load transportation and driver's fatigue management;
- Mini forums with drivers to share experience and receive proposals on road safety improvement;
- Road Safety Stand-Down for drivers on risks of driving in winter, including risk of hitting animals on the roads;
- Joint ventures (TCO, NCOC, CPC and KPO) collaboration meetings on road safety;
- Catastrophic RTI drill with involvement of KPO Emergency Response and Health teams;
- Implementation of stickers with QR code in all vehicles to give access to drivers to all the main road safety information / requirements;

- Update of KPO Road Hazard Assessments for the main routes (new hazards, risks, control measures, new format) and upload to KPO Intranet;
- Implementation of Blue driver category (100 points) in IVMS RAG report and revision of points within green, amber, red driver categories;
- Driving competence assessment of more than 200 drivers both randomly and by applying risk-based approach, e.g. based on IVMS BRAG reports, vehicle type, load type, km driven.

Also, within the framework of cooperation on road safety improvement with the authorities and the community, KPO carried out/participated in the following activities in 2023:

- At the initiative of the Burlin Region's Education Department, in May and June 2023, KPO took part in road safety awareness events for children, which included conducting contests and memorable gifts for participants;
- KPO renewed road safety billboards in Aksai;
- KPO sent a letter to the authorities in June 2023 with road safety improvement proposal with regard to the roundabout on the way from Aksai to the Field and the it was implemented by the authorities.



At the "Young Pedestrian School" campaign event, 1 June 2024

WHY IS IT IMPORTANT TO US? GRI 3-3

Fitness for work is a broad concept as it deals with the relationship between a worker and his or her ability to perform their job duties safely and competently. The objective of fitness for work examinations is to identify physical and psychological limitations which may be incompatible, or cause particular problems, with performing a specific task or employment in a particular location.

For employees who have been assessed as 'unfit' or 'fit with restrictions', the Company provides job modification or transfers the worker to alternative work. This ensures that the employee is removed from a potentially harmful environment, but continues to be employed.

Equally important is the legal compliance with the Republic of Kazakhstan fitness for work requirements. This includes the Employer's duties such as an arrangement of and payment for the medical examinations, categorisation of the workers in relation to their working conditions, suspending workers who have not timely attended a periodic medical check-up, taking action to improve employees' health, reporting suspected occupational illness, etc.



GRI 2-23

OCCUPATIONAL HEALTH

BUSINESS PRINCIPLE:

HSE

We have a systematic approach to health, safety, security management in order to achieve continuous performance improvement.

2023

364

employees were trained in First Aid

868

employees sought assistance under Employee Assistance Programme

CONDUCTED:

179 thous.
pre-shift medical examinations

30 thous.
measurements of physical factors and air at units and facilities as part of the Sanitary and Hygiene monitoring programme

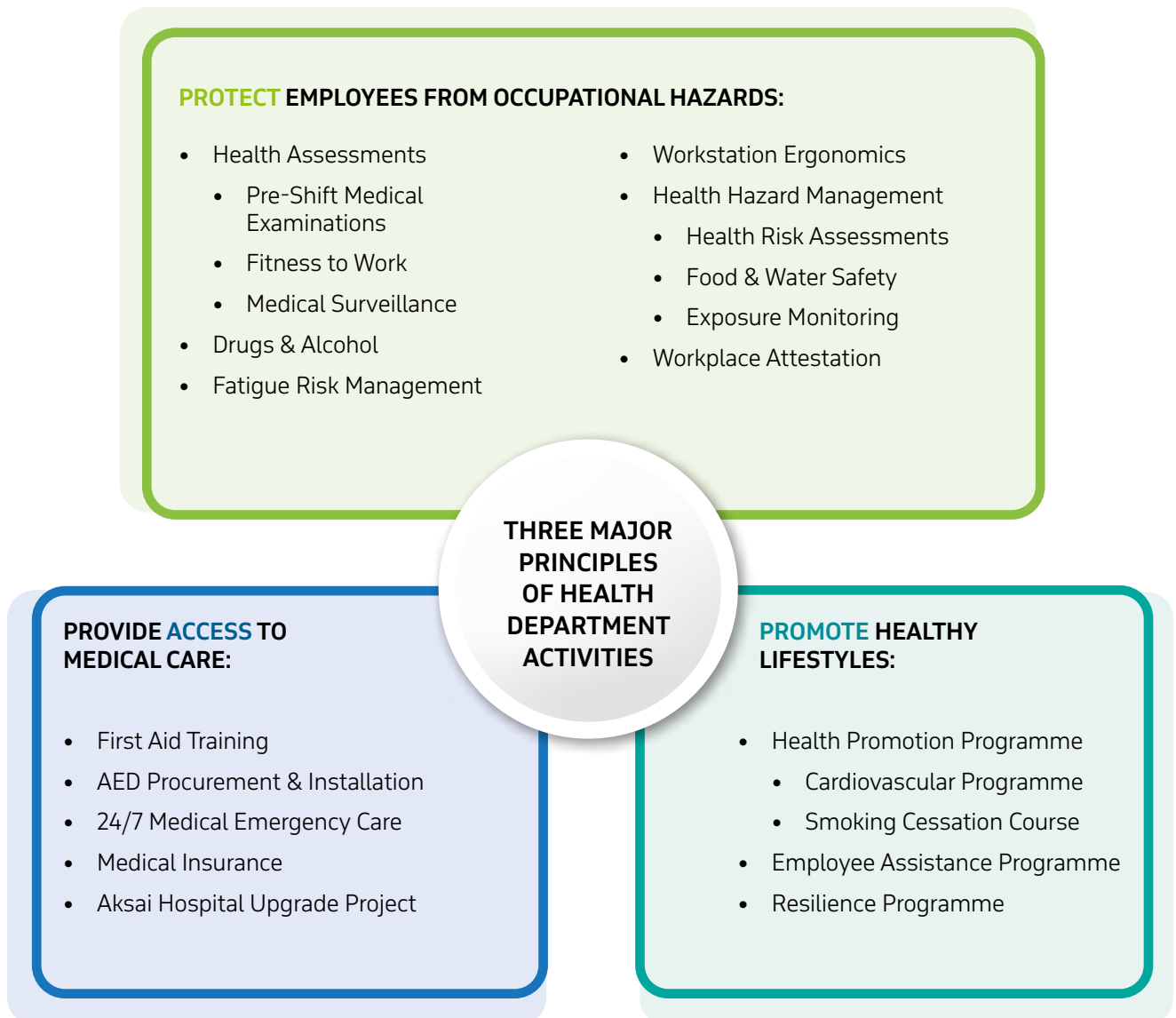
2
audits of contractors' sick bays

36
inspections of contractors' catering facilities

OCCUPATIONAL HEALTH

Three main principles form the basis of the Health Department's activities: Access, Protect and Promote as shown on pic. 9:

Pic. 9.



The results of the implemented targets that were set to minimize certain risks and the impact of workplace factors on the occupational health of employees are given below.



Tab. 14. Out targets in health protection (GRI 3-3, 414-2, SDG 3.4, 3.5, 3.8, 3.9, 8.8)

Our 2023 targets	Progress status	Actions taken in 2023	Targets for 2024
ACCESS			
Conduct audits of Medical Emergency Response (MER) systems in main KPO contractor companies	Completed	Two comprehensive audits (Sicim and KMG Parker) were performed to assess the preparedness of contractors in meeting minimum Medical Emergency Response (MER) standards. The audits evaluated contractors' compliance with MER guidelines and identified areas for improvement.	In connection with the expansion of the KEP 1, to conduct an audit of the contractor's medical sickbays on this project
Medical Emergency Response (MER) Team Onboarding Pack and Program	New target Completed	The MER Team Onboarding Pack and Program has been successfully implemented. The relevant teams have undergone training sessions outlined in the onboarding pack, ensuring they are equipped with the necessary knowledge and resources to fulfil their roles effectively.	–
Automated External Defibrillators (AED) Procurement & Installation	Completed	10 additional AEDs have been acquired which have been strategically installed across KPO sites to ensure accessibility in case of emergencies.	Conduct AED Refresher Training for First Aiders
Develop a new medical insurance program	In progress	The scope of work was developed with consideration of the lessons learned from the previous insurance contract management, employee feedback and benchmarking against peer companies. Tender was started.	Organise transition to a new medical insurance program, facilitating smooth communication and minimal disruption
New targets		Improve First Aid level by training enough First Aiders amongst employees and by ensuring enough First Aid boxes and AED (Tier 1) Conduct assessment and prepare a plan to digitalize Doctors' Medical Aid (Tier 2)	
PROTECT			
Carry on contractor welfare facility inspections	Completed	<ul style="list-style-type: none"> • 2 audits of contractors' sick bays conducted; • 36 inspections of contractors' catering facilities done. 	Continue participation in contractors' welfare and HSE audits
Update the Fatigue Risk Management (FRM) guideline such that it applies not only to the safety critical positions, but also to all Company and Contractors employees	Completed	The Fatigue Risk Management Procedure was revised. Now it applies not only to the safety critical positions, but also to all Company and contractors employees. More departments conducted their FR assessments and developed FRM plans.	Further implement the Fatigue Risk Management Procedure to ensure it is applied both by the Company and contractors for managing fatigue risks
Conduct an audit of the legionellosis risk reduction plan implementation	Not completed	Awareness training was delivered to Infrastructure and Services contractor personnel.	<ul style="list-style-type: none"> • Conduct a review of the legionellosis risk reduction plan implementation; • Run more Legionella awareness training sessions for the Facilities Management personnel.

Our 2023 targets	Progress status	Actions taken in 2023	Targets for 2024
Certify eight operational facilities with regard to labour conditions	Completed	Ten units within KPO underwent thorough workplace attestation. Corrective action plans were developed based on the findings of the assessments.	Implement the Workplace Attestation corrective action plans
Modify the Random Alcohol Testing Program for the Company employees in order to include testing of contractors' personnel at KPO production facilities	In progress	The potential alcohol testing process for KPO contractors was designed. Randomization tools were shortlisted and IT application was developed. Alcohol coordinators are nominated.	<ul style="list-style-type: none"> Finalize KPO alcohol procedures covering employees and contractors. Assess and resolve and remaining HR and legal aspects. Establish referral process for contractors and worker consultation.
Ionising Radiation Exposure Monitoring	New target Completed	Comprehensive monitoring of ionising radiation exposure was conducted across KPO facilities. Data regarding naturally radioactive nuclide levels and personnel exposure were collected and analysed for compliance with regulatory standards.	Provide "by request" radiation survey services
Implement the Sanitary Compliance Monitoring Plan	New target Completed	Sanitary Compliance inspections were conducted to assess compliance with sanitary regulations and standards and any non-compliances were addressed through the implementation of corrective measures.	Sanitary Compliance & Risk Based Monitoring Plan: to prioritize areas with higher sanitation risks and mitigate potential health hazards
New targets		Conduct six Health Risk Assessments as per the updated HRA Improvement Plan Implement 'Fitness To Work' assurance measures for business partners (contractors) engaged KPO projects or activities.	
PROMOTE			
<ul style="list-style-type: none"> Train facilitators in order to implement the Resilience Program; Launch the Resilience Programme among the Company employees; 	Completed	50% of Program Facilitators have successfully delivered at least 4 Resilience modules in their teams.	Continue supporting facilitators who run sessions, provide training to new volunteers
Carry out an interest assessment within the work teams to identify their interest for webinars and group sessions on various psychological aspects. Based on the assessment findings, draft a plan for holding such sessions.	Completed	The service provider EAP Lotus MHH conducted 7 webinars covering various mental health topics, with 404 KPO employees participating.	Consider alternative ways to provide mental health support to employees
Implement Employee Wellness Program in 2023, including a pilot program for the reduction of heart disease risks	Completed	After 6 months of pilot enrolment, 40% of the target group have shown improved Cardiovascular Risk Scores.	Implement 2024 Health Promotion Plan, including: <ul style="list-style-type: none"> Cardiac Risk Intervention Campaign – Biometric, Nutrition Program – Eat Better.

IMPROVING THE QUALITY OF EMERGENCY CARE GRI 3-3, 403-3

Medical Support Section provide round-the-clock medical emergency response in the Karachaganak field and in Aksai offices. Apart from emergency calls, doctors and feldshers of the five sick bays provide outpatient care to patients, carry out pre-shift, pre-trip

and post-trip medical examination, undertake health communication activities at industrial facilities, conduct regular sessions and exercises with personnel involved in the general emergency response process.

Tab. 15. Healthcare deliverables in 2023

Medical support indicators	
Number patients who admitted to clinics	1,814
Number of emergency calls	102
Number of patients delivered to medical facilities	83
Number of sessions and exercises	311
Number of first-aid trained employees	364
Pre-shift medical examination (drivers / operators / electricians)	
Examinations	178,923
Number of "unfitness to work" cases	162
Random alcohol tests SDG 3.5	1,105
Positive random alcohol test results	1

Digitalization program in Health Department SDG 9.1, 9.4

The Electronic System of Medical Examination (ESME) is designed to streamline the pre-shift medical examination process by facilitating automated assessments required by the RoK regulations, covering pre-shift, pre-trip, and post-trip medical checks. This software-hardware complex efficiently measures blood pressure, pulse, body temperature, alcohol levels in exhaled air, and detects signs of substance use within 2-3 minutes, significantly reducing the time compared to conventional manual examinations, which typically take 5-6 minutes or longer. All collected data, along with photo and video records, are securely stored in an electronic logbook.

Currently, there are 7 ESME units installed across all KPO clinics. In 2023 alone, a total of 178,923 medical examinations were conducted, resulting in 162 employees being declared unfit for work due to medical reasons. The system's high accuracy has encouraged many workers to prioritize their health, leading to initiatives such as weight loss and improved blood pressure management.

CURRENTLY ALL KPO CLINICS ARE EQUIPPED WITH ESME UNITS.

Emergency Capability Upgrade Project in Aksai Hospital GRI 3-3, 203-1, SDG 3.8, 9.1, 9.4

The 5-year Aksai Hospital Upgrade Project, initiated in January 2020, has significantly bolstered the hospital's capabilities in medical emergency and intensive care. This progress is evident through improvements in key performance indicators within the hospital.

Acknowledging the substantial advancements made in emergency and intensive care capabilities from 2020

to present, and in response to requests from the WKO Akimat, regional health authority, and the Aksai district hospital, in 2023 the project was temporarily halted to refocus efforts on enhancing obstetrics, gynaecology, and paediatric neonatology services—a critical priority for stakeholders.

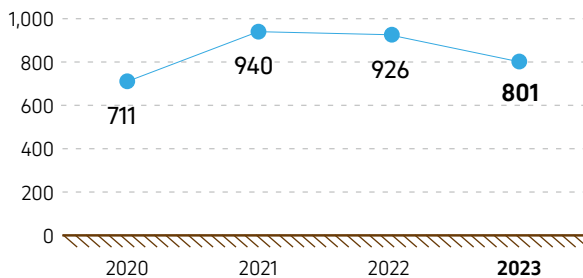
Preparatory activities for resuming the project in 2024 are underway, with the aim of delivering the Aksai Hospital Upgrade Project in time and within the approved budget.

DISEASE CONTROL AMONGST EMPLOYEES GRI 403-3, 403-6, SDG 3.5, 3.8

Sick leave absence monitoring GRI 403-3, 403-10, 2-4

In 2023, sickness absence among KPO employees decreased by 13.5% compared with 2022. Starting from 2020, the data in Graph 6 was updated in connection with the launch of the e-system of accounting sick leaves. Earlier, some data was accounted in the following reporting periods as some sick leaves were submitted by employees after formalizing timesheets. Accordingly, the data from 2020 was re-calculated.

Graph 5. KPO sick leave absence rate, 2019–2023



Note.: KPO uses the following method to calculate the sick leave absence rate:

- Sick leave absence rate = actual number of days lost due to absence from work (due to illness) x 100 / total number of employees. There is no information about the days of absence from the workplace for other reasons.
- KPO has adopted a methodology for calculating employees' absence from workplace by the number of employees (not man-hours), since this methodology is a regulatory requirement.

Medical insurance

KPO employees and their families are provided with medical insurance that covers medical services in addition to those available through guaranteed free health care and mandatory RoK social medical insurance.

In 2023, a tender was launched for a new medical insurance contract for the national employees and their family members. The strategy is to get two providers so that the insured have a choice. The new scope was developed with the consideration of the employees' opinion and suggestions and offers significant improvements compared with the current package. For example, limits for dental care and medicines have been increased substantially, and employees now have a greater choice of clinics.

Occupational diseases GRI 403-2, 403-3, 403-10

Health protection is one of the key Company's priorities and plays an essential role in the professional life field. A work activity must not lead to a health damage under any circumstances, i.e. Health protection is above the work efficiency.

The Company provides employees with such working conditions so they could adequately perform their job tasks without compromising their health.

In 2023, no occupational diseases were registered among KPO employees.

Fitness for work GRI 403-2, 403-3, 403-6

In 2023, a greater focus was given to fitness to work (FTW) of contractors and agencies' personnel. A Contractor Fitness To Work Guideline was developed for the contract owners with the aim to improve control over contractors' compliance with the regulatory FTW requirements. Continuous monitoring of employees' health condition allows diagnosing illnesses at an early stage, undertake respective prevention measures,

avert their progress and provide medical treatment as needed. It is a good opportunity to maintain and care for occupational health.

There were gaps in KPO's managing the fitness for work process of recruitment agencies staff. Identified by an internal audit, the gaps necessitated corrective actions which have been included in the 2024 Health Plan.

Fatigue risk management

The oil and gas industry has a number of characteristics, which can contribute to fatigue⁸. KPO has a Fatigue Risk Management Procedure that outlines the management processes that minimise the risks of work-related injury or incidents due to fatigue. In pursuit of continuous improvement, the Procedure was revised in 2023. Now it applies not only to the safety critical positions, but also to all Company and contractors' employees. More departments conducted their fatigue risk assessments and developed fatigue risk management plans.



Employees of KPO Health Department

⁸ Fatigue is a lack of mental alertness arising from lack of sleep.

OPERATIONAL CONTROL OF INDUSTRIAL FACILITIES GRI 403-3, SDG 3.9, 8.8

KPO regularly monitors the Occupational Health and Hygiene at units and facilities. The below table shows the monitoring data for the last three years.

Tab. 16. Monitoring of workplace factors, 2020–2023

Workplace factors	2023		2022		2021	
	No. of measurements	No. of non-conformances	No. of measurements	No. of non-conformances	No. of measurements	No. of non-conformances
Noise	492	122	420	91	368	83
Vibration	84	29	75	16	63	12
Electromagnetic fields	3,964	63	3,968	27	3,676	50
Electrostatic fields	2,419	0	2,342	0	2,048	0
Lighting	3,581	589	3,045	27	2,743	730
Microclimate	6,474	790	6,258	575	5,250	360
Workplace air	12,612	0	13,965	0	12,342	0
Total	29,626	1,593	30,073	736	26,490	1,235

Non-compliance is reported to a respective unit management and corrective actions are developed, which are then tracked for closure by Synergi.

Workplace Attestation

Statutory attestation of production facilities, which is conducted every five years, is aimed at evaluating working conditions.

In 2023, the scheduled mandatory attestation with regard to labour conditions was conducted at 10 facilities, namely, KPC, Unit 2, Unit 3, Main Workshop, Main Warehouse, Chemical Laboratory, Bolshoi Chagan Pumping Station, Atyrau Terminal, Gathering Department and Transport Department.

The significance of the workplace attestation results cannot be overestimated: not only it evaluates working conditions against the regulatory standards, but also provides the grounds for compensatory worker entitlements such as additional 5% pension allowances for work in hazardous environments.



PROMOTION OF HEALTHY LIFESTYLE

GRI 3-3, 403-6, SDG 3.4, 3.8

In 2023, the Health Promotion Program was re-structured to make it more interactive and engaging. One part was based on the World Health Organisation's World Health Day calendar:

03.03.2023



WORLD HEARING DAY

Addressed hearing impairment's impact on workforce and community. Included Best HSE Card for Noise/hearing protection.

17.05.2023



WORLD HYPERTENSION DAY

Highlighted modifiable risk: high blood pressure. Included Toolbox talks on Hypertension and blood pressure checks in KPO Clinics.

14.06.2023



WORLD BLOOD DONOR DAY

Focused on significance of blood donation for community. Included communication on becoming a donor, eligibility, benefits and KPO donors' interview in KPO newsletter.

25.09.2023



VACCINATION DAY

Promoted vaccinations with a webinar and Free Influenza Vaccine offer for KPO and Parent Companies' employees.

29.09.2023



WORLD HEART DAY

Raised heart health awareness with toolbox talks and linking to more information sources.

10.10.2023



WORLD MENTAL HEALTH DAY

Raised awareness and drives actions that promote and protect everyone's mental health. Includes a webinar with participation of Employee Assistance Programme provider.

Tab. 17. Outcomes of Healthy lifestyle programmes, 2020–2023

Programme Name	Description	Outcome
Cardiovascular Programme	Pilot Cardiovascular Risk Management Program, launched in 2023, serves to get insights for a company-wide replication. A European Society of Cardiology "HeartScore" risk calculator was used to evaluate a 10-year risk of fatal and non-fatal cardiovascular disease among a selected group of high-risk employees. The participants were given individual health improvement plans and follow-up visits in the KPO Filed clinics were arranged to monitor progress.	11 out of 18 participants (61%) had their risk reduced. The vast majority of them positively assessed the program in an opinion survey.
Smoking Cessation Course	In 2023, Health Department organized 2 offline courses of a renowned smoking cessation method (Allen Carr's "Easyway to Stop Smoking") for employees with highest CVS risk.	27 employees participated. The number of those who quit smoking is to be determined.
Employee Assistance Programme	The Employee Assistance Programme (EAP) was implemented at KPO in 2020 with the primary aim of supporting mental health and preventing harm to KPO employees. This includes addressing associated somatic diseases, self-harm, and mitigating the risk of suicides resulting from mental health challenges such as anxiety, depression, and panic attacks. The programme offers confidential consultations conducted by qualified third-party psychologists using multimedia, video, or face-to-face sessions, available 24/7 through a dedicated hotline. Additionally, group sessions and webinars are available as part of the programme.	In 2023, a total of 868 employees sought assistance through various communication channels. During the same year, the service provider EAP Lotus MHH conducted 7 webinars covering various mental health topics, with 404 KPO employees participating.
Resilience Programme	KPO Resilience Programme launched at KPO in 2018 is a voluntary thirteen modular programme developed for small teams. Participating employees may choose to become resilience facilitators by undertaking a short and engaging training class run by Health Department. Following the training, facilitators themselves run the modules for their colleagues with support from the Health Department. The goal is to develop employees' resilience skills and minimize the risk of stress related illnesses and conditions: depression, alcoholism, suicide risk. The programme was frozen during the Covid pandemic and revitalized in 2022. KPO Management supported the recommencement of the Resilience Program in 2023, the materials had been revised with account for the past experience, and from the beginning of 2023, new facilitators will be engaged to deliver the Program.	50% of Program Facilitators have successfully delivered at least 4 Resilience modules in their teams.

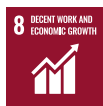


WHY IS IT IMPORTANT TO US? GRI 3-3

Developing and operating the Karachaganak Field requires thousands of dedicated and talented employees in a wide range of disciplines, from petroleum engineers and technicians to accountants and logistics specialists.

Our people are the key to our success. Company invests in the development of our national workforce using the international expertise of our Parent companies, appropriate classroom training and renowned educational institutions.

KPO HR policy and employee relations are regulated by the RoK Labour Code, the FPSA, the Resolutions of the Contractors Committee, the Joint Operating Committee, and Collective Agreements.



GRI 3-3, 2-23

EMPLOYMENT PRACTICES

BUSINESS PRINCIPLE:

People

We treat each other with respect, fairness and decency.

We respect and support the different cultures of our colleagues and the communities in which we work.

We value the diversity of people, beliefs, skills, and experience.

2023

NATIONALIZATION PROGRAMME:

12

positions nationalized

95%

employees are RoK citizens

EMPLOYEE RELATIONS:

67

grievances received and resolved

TRAINING COMPLETED BY:

3,967

KPO employees

22,887

contractors' employees

214

employees completed certified international programmes

EMPLOYMENT PRACTICES

HR POLICY GRI 3-3

Attracting and retaining qualified and talented professionals is one of the priorities required for successful business.

KPO strives to ensure competitive labour market conditions among oil companies in Kazakhstan, to attract high-potential candidates and to reduce the risk of staff turnover. Another important factor for the KPO attractiveness as an employer is due performance of undertaken commitments and respect for the employees' labour rights.

At KPO, we offer equal opportunities to everyone and treat everyone equally and do not discriminate in any way based on race, colour, religion, age, gender, sexual orientation, gender identity, marital status, disability, ethnic origin or nationality. This helps us ensure we always draw on the widest possible talent pool and attract more capable and talented people. All employment decisions, including hiring, evaluation, promotion, training, development, discipline, compensation and termination, are based solely on objective factors, including merit, qualifications, work performance and business considerations.

The approach of KPO to increase of local content in staff involves both replacing expatriate personnel with national staff and implementation of the local staff professional training and development. This helps ensuring that all operations are carried out competently, with high quality and in compliance with international standards. Such approach contributes to the replacement of foreign personnel with minimum risks for production activities, and the achievement of the set goals with the highest quality. To this end, KPO develops the Annual Training Plan, which is implemented taking into account the individual needs of each employee. Provision of training programmes allows the Company:

- to fulfil the requirements of the FPSA Annex 7 related to the training, re-training and professional development for Kazakhstani employees consistent with International Good Oil Field Practices, as well as HSE and industrial hygiene requirements;
- to deliver programmes that contribute to the increase of local content in staff and to supply the organization with skilled, qualified and competent workforce;

- to undertake training activities in order to achieve operational targets;
- to deliver specific and mandatory HSE certified training programmes for the Company's personnel, required by RoK legislation, the Company's internal procedures and best international practices.

Diversity and inclusiveness GRI 3-3, 405-1

Developing an inclusive culture, respecting and valuing the contribution of each employee, regardless of gender, age, nationality and other factors, is important for the Company's success.

The KPO team is multinational. We have residents from all regions of Kazakhstan, although vast majority of the employees come from the West Kazakhstan region constituting 82% of the total workforce. Expatriates from different countries of the world make up about 6% of the entire team.

Women make up 27% of the total workforce.

The predominance of men among the staff is due to the characteristics of oil & gas sector with primarily work on site, where gender imbalance is traditionally observed, especially in technical positions.

Management promotes equal opportunities for all employees, regardless of gender. Women constitute 17% among managerial positions (personnel categories 1-2). KPO strives for gender balance and diversity in the Company's leadership.

An analysis of the age composition shows that the largest group of employees is aged 31 to 50 (67%). It is important to consider the presence of young employees (8%) for bringing in new ideas, as well as experienced senior employees (24%), who bring wisdom and extensive experience. This diverse age composition contributes to an innovative and dynamic work process. Developing an inclusive culture, respecting and valuing the contribution of every age group, is important for the Company's success.

At KPO we also have employees with limited abilities. We provide them with individual support, including hybrid working schedule, to ensure more favourable working conditions enabling them to contribute to the overall success of the Company.



Klara Pykhanova, Production Support Manager, receives an award for KPO at the VIth Forum of the KAZENERGY Women's Energy Club "EMPOWERHER ENERGY FORUM"

Safety is paramount in the oil and gas industry, and therefore, heightened requirements for health suitability are imposed. Colleagues with disabilities mainly occupy office positions.

During the 2023, the Company held various events that allow employees to give feedback to management and to HR department. These include the KPO Townhall, the annual Employee Opinion Survey, the HR Open Day, and occasional coffee break meetings with directors. Additionally, feedback is collected in the process of personal engagement with line managers and through the Hotline available 24 hours. Once feedback is analysed, HR department publishes answers to the most pressing questions on the Intranet, and looks for solutions to optimize the identified problems.

Overall, KPO strives to make inclusion a core aspect of its corporate culture. We continue developing inclusive mindset across the Company, emphasizing the unique skills of each individual employee. This topic is also covered in the mandatory annual training for employees on the company's Code of Conduct.

KPO Female Network SDG 5

The KPO Women's Club was launched in May 2019 as a platform where women can share knowledge, provide mutual support and strengthen their connections. During the five years of the Club's operation, the Company held a number of events to involve female employees in discussions on multiple hot topics both at work and in life.

The mission of the KPO Women's Club is to promote the vision **'Women Support Women'**.

The goal of the Club is to create and maintain a positive culture of mutual support among female employees in the Company. We want KPO to be a safe and friendly working environment where every woman can unleash her potential and reach any career heights congruent to her talents and ambitions.

As an ESG-oriented company, KPO is committed to a gender-balanced human resource. In this regard, the Women's Club supports ideas aimed at empowering women in the oil and gas industry and further promoting them to leadership roles.

In addition, as part of the personnel development programmes conducted by the KPO HR Department, the mentoring initiative has been implemented where special attention is paid to the professional development of women, and an open dialogue is held on the importance of getting rid of cliches.

In 2023, the KPO Female Club held three sessions which were conducted both off- and online such as to include as many people as possible of those wishing to attend. During the sessions discussed were such topics as balance between career and family, self-care, introduction to sports and a healthy lifestyle, personal development through travelling. Among the speakers there were both women who hold leadership positions and inspire colleagues by their example, and enterprising young employees.

Additionally, speakers from other organizations and companies are invited. We believe that such sessions help our employees to get a boost of inspiration, insights and increase their social activity.

The KPO Women's Club adopts the best practices of oil and gas and energy companies to support working women and empower them in the industry. In October 2023, KPO participated in the VI Forum of the KAZENERGY Women's Energy Club "EMPOWERHER ENERGY FORUM". Klara Pykhanova, a member of the Women's Club Committee, spoke at the forum on behalf of KPO and highlighted the Company's activities in the field of sustainable development. On the Forum's side-lines, Slushash Izbassarova, KPO Director of Human Resources and Service Support was awarded the KAZENERGY Medal for the decades long active contribution to the development of the oil and gas industry. In addition, based on the results of the KAZENERGY Drawing Competition, the drawings

of five KPO employees and their children were used for promotional items of KAZENERGY. **GRI 2-28**

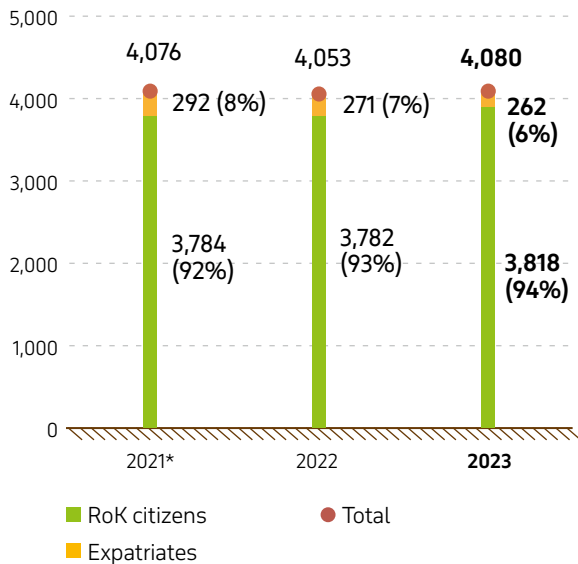
In December 2023, a delegation of the KPO Women's Club took part in the forum "Women's Participation in the ESG Agenda in the Fuel and Energy Complex" organized by Embamunaigas JSC. The sessions discussed such topics as the role of women in the promotion and implementation of various social and environmental initiatives, gender balance in enterprises, ESG approaches to reducing inequality, and others. Aigerim Sarguzhieva, Chairperson of the KPO Women's Club, took the floor as a speaker at the session "The Role of the Women's Movement in the Development of Society" and spoke about the ongoing activities of the KPO Women's Club and its plans for the future. At the final session of the KPO Women's Club at the end of the year, the members of the KPO delegation shared their experience of the forum.

PERSONNEL STATISTICS

As of end 2023, the total number of KPO personnel made up 4,080 people with 3,818 of them being RoK citizens and 262 other countries' citizens.

Graph 6. KPO personnel, 2021–2023

GRI 2-4, 2-7, 405-1 (b)

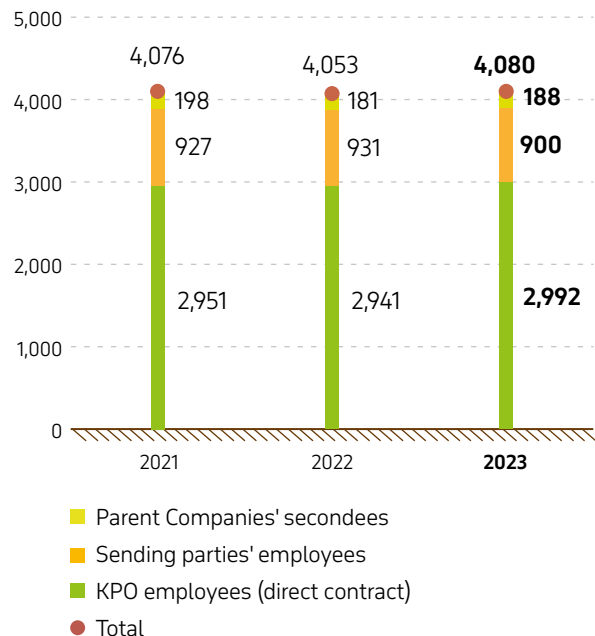


* Data for 2020–2021 has been corrected in the Sustainability Report 2022, in accordance with the changed approach of the methodology for calculating local and expatriate KPO personnel.

The graph 7 shows the ratio of personnel, taking into account the specifics of labour relations, to the total headcount of the Company at the end of the reporting period, broken down by years.

Graph 7. KPO personnel by type of employment, 2021–2023

GRI 2-7, 2-8



As of end 2023, the number of permanent employees was 4,002 people, of them 1,031 women and 2,971 men. The number of temporary employees totalled 78, of them 59 women and 19 men. KPO offers only full-time job.

GRI 2-7, 405-1(b)

Graph 8 shows the ratio of personnel by gender. In 2023, 2,990 men and 1,090 women worked at KPO. **GRI 2-7**

The map shows the distribution of the Company's personnel in the regions of Kazakhstan. In 2023, compared to the previous 2022, there is some increase in the share of personnel in Uralsk, from 8.4% to 12.6%, as well as a decrease in the share of personnel working in Aksai, from 89.6% to 85.4%. This change is associated with the continuing transfer of jobs from Aksai to Uralsk for some of the administrative personnel who are not directly involved in production. A new KPO office was opened in Uralsk for departments, like Contracts & Procurement and Operations Planning.

Graph 8. KPO personnel by gender, 2021-2023
GRI 2-7, 405-1(b)

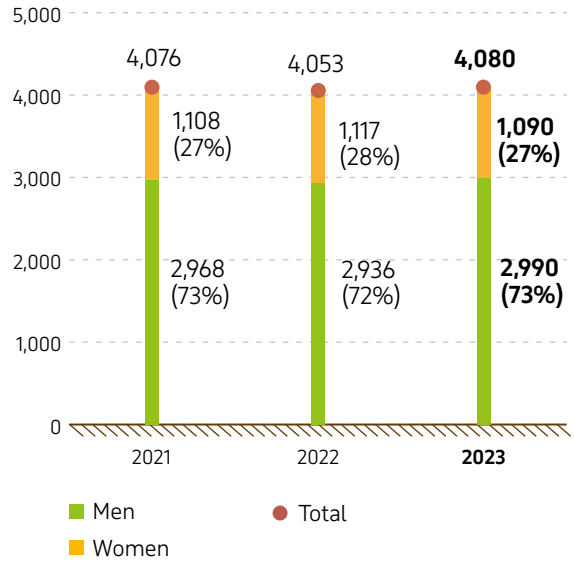
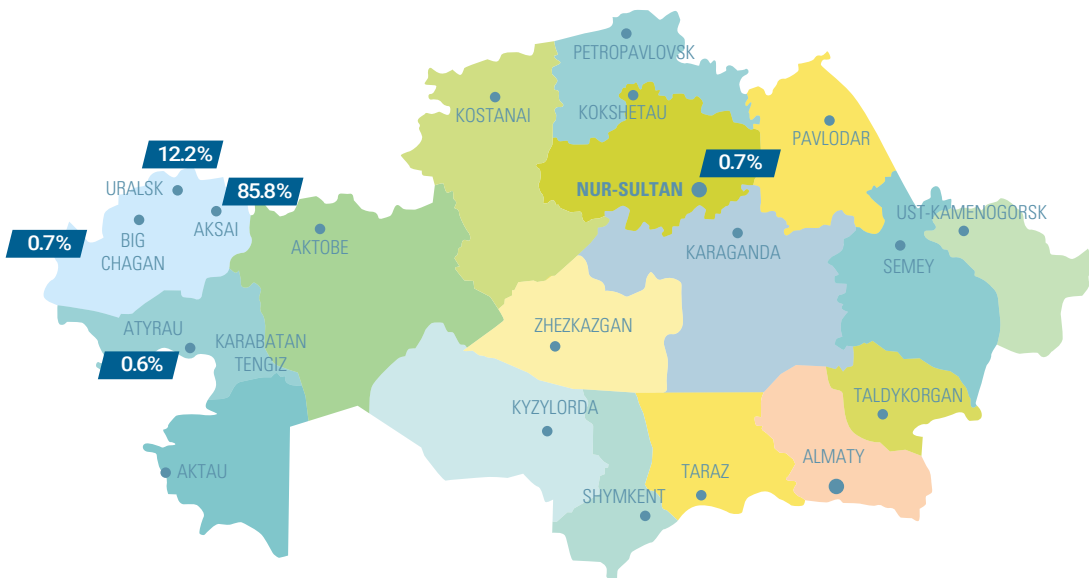


Fig. 10. KPO personnel by region, 2023 **GRI 2-7, 3-3**

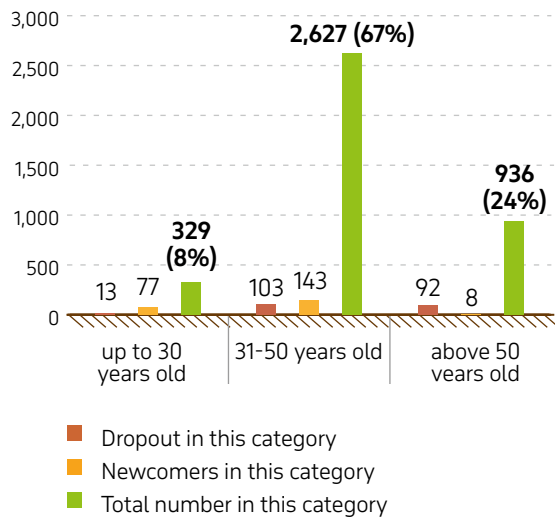


Tab. 18. Percentage of employees per employee category by gender and age, 2023 **GRI 405-1(b)**

Nº	Employee category	Share of employees in each category from total employees' number	Men	Women	Up to 30	31-50 years old	Above 51
1	Executive management and their deputies	0.3	0.27	0.02	0	0.15	0.15
2	Unit management	20.3	16.8	3.5	0.05	14.2	6.05
3	Professional staff	52.2	29.9	22.3	4.6	40	7.6
4	Qualified workers	27.2	26.4	0.8	3.5	14.2	9.5

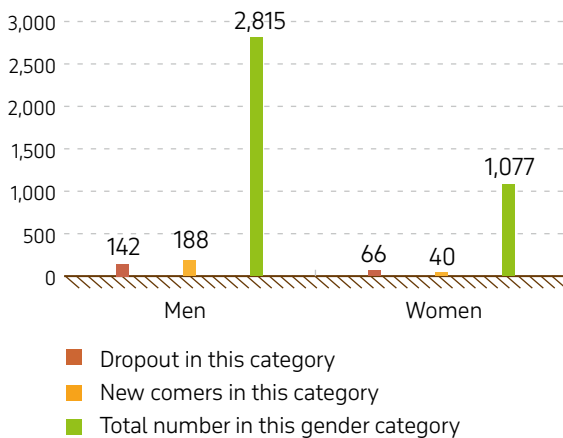
Graph 9 shows the turnover of KPO and sending parties employees in 2023 broken down by age groups regardless of the type of contract. **GRI 401-1**

Graph 9. Employees turnover by age, 2023 (KPO and sending parties) **GRI 401-1, 405-1(b)**



Graph 10 shows the turnover of KPO and sending parties employees in 2023 broken down by gender. In 2023, the new employees hired in KPO made up 5.9% of the average number of employees, in comparison to 2022 – 4.9%. The dropout made up 5.3%.

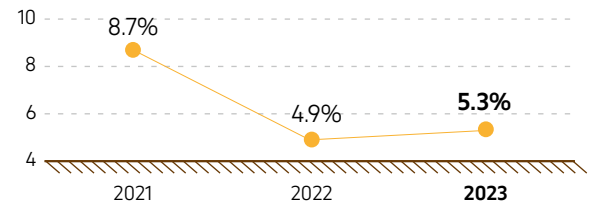
Graph 10. Employees turnover by gender, 2023 (KPO and sending parties) **GRI 401-1**



Formula of calculation of a turnover rate has been changed compared to 2022 data and includes a number of employees resigned on a voluntary basis, those who retired and those who were dismissed under disciplinary penalties in the reporting period.

The turnover made 5.3% in 2023 versus 4.9% in 2022 (see Graph 11). **GRI 401-1**

Graph 11. Dynamics of employees' turnover, 2019-2023 **GRI 401-1, 3-3**

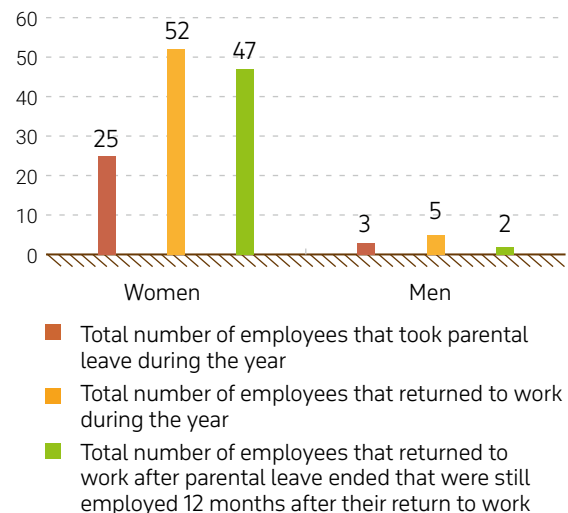


Note: Calculation formula: employees' turnover = the number of dropout employees / the average number of employees for the same period x 100.

KPO respects the right of its employees to retain their positions. Following the RoK Labour Code, an employee has the right for an unpaid leave to attend to a child up to the age of three years. In the 2023 reporting year, 204% of employees, who took parental leave, returned to work in the reporting period, with a 96% retention rate. In 2023, the return-to-work rate turned out to be high, because some employees who took parental leave for more than 1 year returned in 2023. **SDG 5.4**

Graph 12 shows the number of employees, who took a parental leave and a leave to attend to a child up to the three years age, and of those, who returned to work after parental leave ended, by gender, in 2023. Also, pregnant women working at the field are usually transferred to work in the city.

Graph 12. Child care leaves at KPO for 2023 **GRI 401-3**



EMPLOYEE RELATIONS SDG 8.8

Grievance mechanisms GRI 2-16, 2-26, 3-3

The Company has a few grievance mechanisms: applications to HR & Services Directorate either directly or through Trade Union, and via the anonymous Hotline.

In 2023, the work of the Labour Relations and Disciplinary Investigations department was aimed at preventing labour discipline violations. In particular, during the reporting period, about 42 training sessions were held with the Company's employees, including personnel at the field, offices in Uralsk and Aksai, as well as at the terminals in Bolshoi Chagan and Atyrau. In addition, a pop-up message communication channel was launched on strict compliance with the Labour Regulations and other acts of the employer.

Thanks to preventive work in 2023, HR received 67 applications, including grievances, which showed a decrease in the number of labour discipline violations by approximately 30% compared to the same period in 2022. Of the 67, 43 came through the Labour Relations Department's grievance mechanism, and 24 through the Hotline. The received grievances addressed such issues as labour misconduct, employment, conflict resolution, abuse of power, misconduct with contractor employees. All received grievances were reviewed and resolved, including in the pre-trial procedure and at the stage before the cases' consideration in the Conciliation Commission.

It is also worth noting the work carried out on non-material motivation of our employees. Thus, during the reporting period, 25 employees of the company were awarded various awards, including departmental awards of the Ministry of Energy of the RoK, the KAZENERGY association, as well as on behalf of the Akim of the West Kazakhstan region and the Burlin district.

A program to support a healthy lifestyle and sports activities was successfully launched and implemented, under which nine major sporting events were held jointly with trade unions: four football competitions, a volleyball tournament, a basketball tournament, a wrestling tournament "Kazaksha Kures", a table tennis tournament, and a swimming tournament.

Also, with the active participation of the HR department in Aksai, two clean-up days were organized.

Engagement with Trade Unions

Collective bargaining is essential in the Company. Trade unions play a key role in supporting and protecting employees' rights. Trade unions develop draft Collective Agreements addressing various aspects of social and labour relations and bargain with the Company to improve working conditions of the employees. Four Trade Unions represent the interests of KPO employees:

- Public Association "Local Trade Union of Karachaganak Petroleum Operating B.V. employees",
- Public Association "Karachaganak Local Professional Union of KPO employees and contractors",
- Public Association "TRUST" Local Trade Union of Karachaganak Petroleum Operating B.V. employees and contractor companies",
- Public Association "Burlin Local Trade Union of Oil and Gas Workers".

Provisions of the Collective Agreement are applied to all KPO employees regardless of their membership in the Trade Unions. GRI 2-30

Under the terms of the current Collective Agreement for 2022–2024, a number of new social payments and benefits were increased and introduced, such as the provision of advance payments, social assistance to families of employees raising disabled children, assistance to families of employees raising three or more children of school age, including children of 18 years old, the payment for combining duties has been increased in the amount of at least 10% of the monthly base salary. In addition, a number of benefits were agreed for veterans who retired from the Karachaganakgazprom JSC or the Company, including an increase of a bonus for the Oil & Gas Workers Day. GRI 401-2

In 2024, negotiations with Trade Union organizations are planned to conclude the new Collective Agreement for 2025–2027.

**TRADE UNIONS PLAY A KEY ROLE
IN SUPPORTING AND PROTECTING
EMPLOYEES' RIGHTS.**

Voluntary Dissolution of Employment Relationship GRI 404-2-b

Starting 2017, the Company supports the application of the Voluntary Dissolution of Employment Relationship Programme as part of the actual Collective Agreement and pursuant to the RoK Labour Code dated 2017 (Art. 52). The programme applies to men aged 58-63 and women aged 56 – 61. In 2023, 57 KPO employees applied for the voluntary dissolution of employment

relations (42 employees in 2022, 43 employees in 2021, 43 employees in 2020, 42 employees in 2019, 24 employees in 2018 and 45 employees in 2017).

In 2022–2023, the Programme for Voluntary Dissolution of Employment Relations on a nonrecurring basis was not applied and consequently closed. This programme was introduced one-time in 2021 to achieve goals for revising the number of employees that have been reached.

COMPENSATION AND BENEFITS GRI 2-19, 2-20, 2-21, SDG 8.1, 8.5

Success of any business largely depends on qualification, skills and motivation of employees, therefore KPO's HR policy is aimed at strengthening the leading position in the market and achieving strategic goals through creation and development of a professional team, as well as encouragement of efficient performance of work.

In order to ensure the employee right of remuneration as per qualification, complexity of work, quantity and quality of work performed, as well as working conditions, KPO applies the following tools:

- The remuneration system based on a consistent approach in setting wages;
- The job evaluation process system for effective organizational structure management, as well as to ensure the validity of remuneration;
- Annual Performance and Development Review Procedure;
- Wide range of additional benefits ensuring fair work conditions.

To arrange and apply all the listed tools KPO Reward and Organization department develops the KPO Remuneration, Allowances and Benefits Policy for Kazakhstani Employees. The provisions of the Collective Agreement are taken into account in the Policy. This Policy is annually approved by Joint Operating Committee (JOC)⁹. There is no voting during the Policy approval. Shall one of the parties does not agree with any provision of the Policy, the document is vetoed and being returned for further revision.

According to Art. 5 of Appendix 7 of the FPSA, the Policy is focused on commensurability and competitiveness of remuneration, allowances and benefits for national staff in comparison with appropriate remuneration, allowances and benefits of Kazakhstan oil and gas sector and used as a tool for attraction, retention and encouragement of national staff.

The assurance of the remuneration process is ascertained by KPO internal audit and Parent Companies' audit¹⁰ evaluated as satisfactory in 2022. This assessment was valid also for 2023.

According to the Remuneration Policy for Kazakhstani Employees, a base salary for national staff is established on the basis of the assigned personal grade, which in turn has special range. Grade is used to identify relative importance of a certain job position and its levels at the Company's positions hierarchy. Grades are assigned to all employees including top management.

Tab. 19. Ratio of average basic salary of women to men by employee categories GRI 405-2

Category	2023
1. Executive Management	–*
2. Department/Unit Management	1.2
3. Professional staff	0.9
4. Qualified workers	1.2

*Note: Category 1 is represented only by men.

⁹ JOC members and functions are described in the chapter "Governance structure and management approach".

¹⁰ Details about audit processes can be found in chapter "Corporate Governance / Assurance".

KPO top management except Deputy General Director and Digitalization and Continuous Improvement Manager are secondees from the KPO Parent companies. Their remuneration is set and paid by the Parent Companies. The Company applies a unified approach to establishing the fixed and variable parts of remuneration for all employees who have an employment contract with KPO, including directors, and uses a unified grade structure of remuneration for all its employees, which is the basis for determining wages.

GRI 2-19, 2-21b

Tab. 20. The annual total compensation ratio for the organization’s highest-paid individual to the median annual total compensation for all direct employees, 2020–2023 (GRI 2-21)

2023	2022	2021	2020
6.7	6.8	6.8	6.7

Note: Type of remuneration included into the calculation is the base salary. The data has been prepared based on the full-time equivalent rates.

KPO also takes into account the remuneration rate at the RoK oil and gas market and performs annual review, as a result the necessity to correct the remuneration rate for the certain positions can be applied.

Annually KPO participates in the Oil and Gas Sector Salary Survey conducted by Willis Towers Watson. Based on the results of the KPO wages comparison with the oil and gas labour market for 2022, in 2023 we have increased wages for over 1,100 employees in order to support competitiveness. The review conducted in 2023 has shown that the average salary at KPO was higher than an average salary in the West Kazakhstan Oblast. Whereby, in 2024 we plan to review our approach to the employees’ attracting and retaining.

The minimum salary of specialists recruited by KPO is provided in the Collective Agreement and set regardless of an employee’s gender.

Salary for KPO employees as well as for sending parties’ employees (from recruitment agencies) is set based on the single labour remuneration system applied in KPO that highlights no difference in the level of minimum salary for both categories of employees.

GRI 202-1

Pursuant to the existing procedures, every year KPO offers an upgrade on the employees’ remuneration, including indexation of the monthly basic salary not lower than official inflation rate in the RoK at the beginning of the year, annual performance bonus for those, who received positive ratings, and also individual pay rises and additional lump sum payments.

The indexation of wages reflecting the inflation level for 2022, by agreement with Trade Unions, was divided into two stages:

1. Early general salary increase by 7.5% from the 1st of August 2022;
2. Increase in wages by 13% from the 1st of January 2023.

Therefore, total benefit after two general increases have made up 21.5%, which is slightly higher the 2022 inflation level of 20.3% (as per the data of the National Statistics Bureau of the RoK Strategic Planning and Reforms Agency dated January 2023).

All KPO direct employees are provided with a package of benefits, which includes monetary and non-monetary benefits. The most of the benefits are provided for by the Collective Agreement. Under the terms of the Collective Agreement for 2022–2024, KPO pays bonuses on Oil & Gas Worker’s Day, FPSA anniversary as well as financial allowance for health resumption. Benefit amount also depends on individual employee grade. For the sending parties’ employees (from recruitment agencies), the relevant employers’ collective agreements are applied. (GRI 2-30, 401-2)

In accordance with the Collective agreement KPO grants to employees the right for paid educational leave (14 days per year) to pass examinations at the external study mode. In 2023, 20 employees exercised this right. (GRI 404-1)

Performance and Development Review and quarterly bonus (GRI 2-19, 3-3, 404-3)

Performance and Development Review (PDR) is one of the tools of feedback aimed at monitoring and enhancing work efficiency.

To improve and simplify work processes, changes have been made to the 2023 staff performance appraisal and development process.

This change provides timely incentives for the proper performance of work and compliance with labour discipline for those categories of personnel whose work does not imply the achievement of long-term goals. Starting from 1 QTR 2023, Kazakhstani employees belonging to technical auxiliary and support personnel, instead of an annual bonus on the results of performance assessment, receive quarterly bonuses subject to their compliance with the Company's requirements for HSE and relevant employer acts.

Currently the PDR process covers only those Kazakhstani employees, who occupy positions of line managers and specialists. The unchanged condition is that an employee has to have been employed at KPO for no less than half-year.

Early in the year, line managers inform subordinates about their expectations to work performance,

behaviour and HSE compliance along with annual targets. Targets are focused on fulfilment of the Company commitments and gradual development and performance improvement.

For employees holding managerial positions, whose goals are identified as Key Performance Indicators, assessment is taken in two stages: assessment of achievements in line with KPIs for this position and assessment of individual work performance.

The unified rating scale applied for PDR process includes "Strong", "Fully Effective" and "Needs Improvement".

Starting from 2023, the size of the PDR bonus has been fixed in the "Rules for assessing personnel's work performance and development."

DEVELOPMENT OF NATIONAL PERSONNEL GRI 405-1, 3-3

Development of national personnel is a continuous process in KPO. Professional competency is maintained and developed through the training and skill improvement system.

KPO conducts its activities in line with the Programme for Increasing of Local Content in Staff for 2020–2025 authorised by the Authority.

In 2023, 12 positions previously held by expatriate personnel were nationalised, and two positions were abolished. As of December 2023, local employees made up 95% of the total Company's staff. In total, in the period of 1999–2023 269 expatriate specialists were replaced with national employees, and 303 positions held by expatriate employees were abolished. The breakdown by categories is presented in table 21.

GRI 3-3

Tab. 21. Increase of Local Content in KPO staff by categories of employees GRI 202-2, 3-3

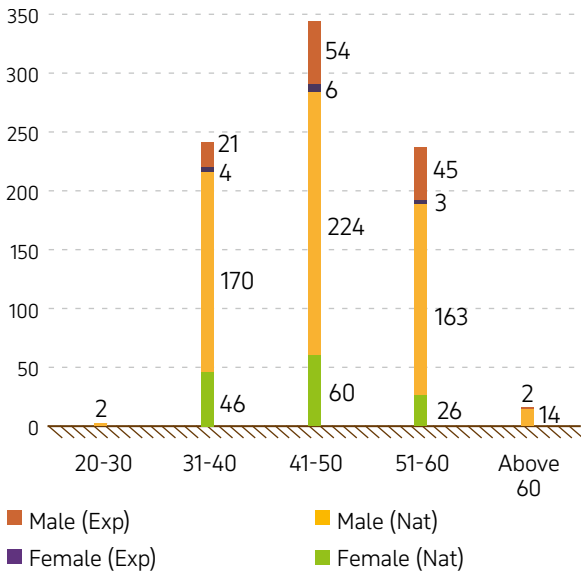
Category	Description	RoK legal requirement	Local content in staff		
			2023	2022	2021
1+2	Executive management and their deputies, Department / Unit management	Minimum 70%	86%	86%	85%
3+4	Professional staff / qualified workers	Minimum 90%	98%	98%	98%

Additionally, in accordance with the goals set in this Programme, KPO keeps tracking the local content in contractor personnel registered in the West Kazakhstan Oblast. In 2023, over 30 companies provided their quarterly, bi-annual and annual 'Local Content in

Staff' reports. The local content in staff within these organizations has made up to 89% in the category 'Department / Unit Management' and 98% in the category 'Professional staff / Qualified workers'.

Graph 13 presents the total number of expatriate and local senior and mid-level management at KPO split by age and gender. This includes KPO core structure and temporary projects.

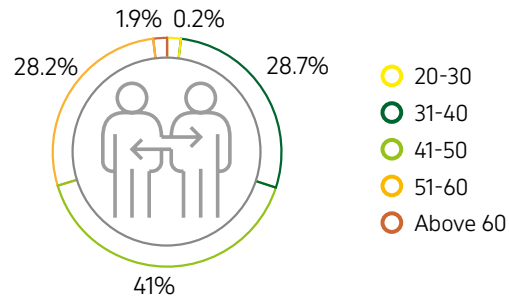
Graph 13. Number of senior and mid-level managers (RoK citizens and expatriates) by age and gender, 2023 GRI 405-1(a), SDG 5.5.2 (C050502)



Percentage of senior and mid-level managers by gender, 2023



Percentage of senior and mid-level managers by age, 2023



Enhanced Development Programme

GRI 404-2

In order to ensure the continuity of workforce planning and increase local content in staff, KPO implements the Enhanced Development Programme.

The programme is an integral part of the process of creating a talent pool, which guarantees consistent

manpower planning and the implementation of the Nationalization and Succession Planning Programs.

The process is focused on succession planning, selection of talented employees, assessment to reveal their strengths and weaknesses, development and implementation of individual development plans, and as a result appointing them to targeted positions.

The first and second intakes of the Programme were held in the period from 2009 to 2014. The third intake of the Programme continued in the period from 2017 to 2020. The total number of participants in the third intake was 161. By the end of third intake, 56% of the participants attained the roles as planned; and their individual development plans were completed by 77%.

In the second half of 2021, KPO launched the fourth intake of the Enhanced Development Programme for the period of 2021–2024. Based on the plan to increase local content in staff, departments' management nominated high-potential employees for further participation in the selection process.

Of the 79 candidates, 52 employees successfully passed the fourth intake of the Enhanced Development Programme.

In the period of 2022–2024 we will implement the training and development of the participants in accordance with their Enhanced Development Plans.

In 2023, as part of the Enhanced Development Programme a number of leadership events and forums were conducted in order to deploy new tools and successfully apply the obtained knowledge at work.

In 2023, 39% of participants have occupied the planned positions.

Competence Management System

GRI 3-3

Competence management system is applied at KPO as one of the most efficient methods for assessing the competency level of personnel.

The system is aimed at achieving and maintaining the required level of competency among technical staff, who work at hazardous industrial facilities, and at reducing and preventing potential incidents and accidents caused by lack of competency. Given the results of conducted competency assessments, the system enables developing tools for further training of personnel and ensuring funds are spent as intended, meanwhile contributing to raising HSE cultural awareness.

As per the Competency Management System (CMS) Policy, any contractor with a high or middle risk level of the contract that work on Company sites or equipment shall develop and operate its own Competency Management System. The contractors' personnel, responsible for the control and execution of high-risk works, shall have the ability to demonstrate knowledge and practical skills to work safely, technically sound and within the defined boundaries of responsibility. From 2019, the key requirements and rollout stages of such a system are identified during the HSE contractors' audits.

KPO CMS was certified by Offshore Petroleum Industry Training Organization (OPITO) in 2013. Every three years, the Company undergoes accreditation of the system requiring that compliance audits be conducted annually engaging the OPITO experts. In November 2023, KPO confirmed the competency management system accreditation till November 2024.

The scope of OPITO's accreditation includes:

- Six profession-oriented specialties: production operators, electrical technicians, instrument technicians, mechanical technicians, lead technicians and supervisors in production sector.
- Six production units and departments, including KPC, Unit 3, Unit 2, Eco Centre, Maintenance and Gathering departments.

In 2023, 741 employees with technical qualification completed initial assessment and received CMS certificates. KPO has reached 68% of the competency compliance required for technical personnel.

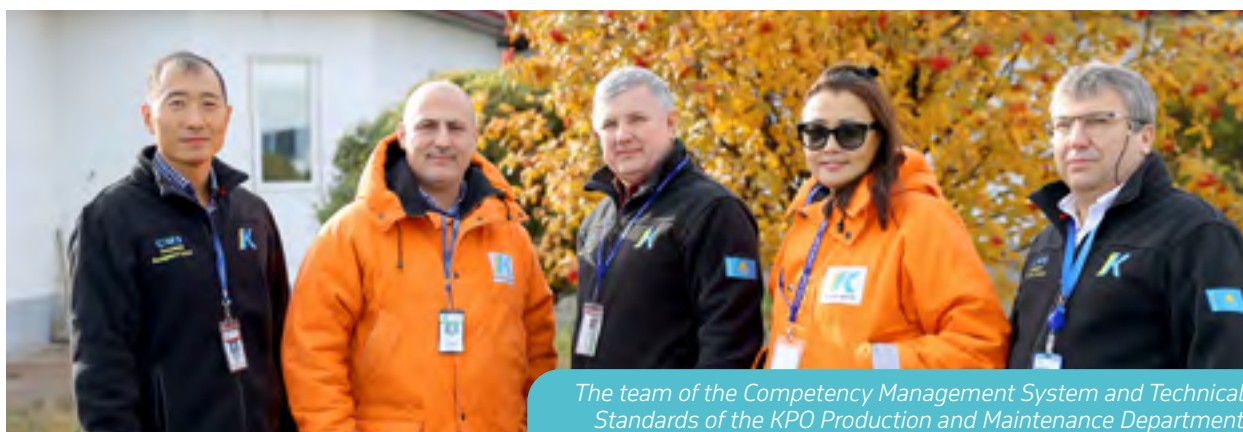
In line with the Competency Management System Expansion Plan 2022–2024, at the end of the II QTR 2023, the Competency Accreditation Programme for Industrial Supervisors working at KPC Chemical Laboratory which began in 2022 was completed. It was further launched in the Field Facilities Modifications Department and also for the Central Maintenance department engineers, specializing in instrumentation and automation and mechanical equipment.

Competency Assessment under 36 approved standards is carried out for over 220 supervisors and engineers. In order to obtain unbiased assessment results, superintendents take on the role of technical experts. Detailed information on the Competency Assessment for industrial supervisors, engineers and workers is provided monthly to the management of the Field and Production Directorate.

One of the areas for improving effectiveness of the KPO Competence Management System was the implementation of a Front-line barrier management (FLBM) project to protect personnel and equipment at Unit-3. As part of the FLBM framework, a huge amount of work has been done to analyze and optimize existing competency standards at all production facilities of the field – KPC, Unit-3, Unit-2, Gathering System, Central Heating Centre, and also has been developed additional competency standards, including standards for personnel of the KEP-1 project.

Within the framework of the competence management system, the Talent Development and Secondment Administration department has a system of the technical and behavioral assessment of personnel. In 2023, over 430 technical and behavioral competency assessments were conducted, based on the results of which 447 individual feedback sessions were provided for employees and their line managers. Technical competencies describe the specific knowledge and skills that are required for certain positions.

Also, as part of the System, a 360-degree assessment is conducted which helps devising an employee's personal development plan and assuring effective feedback process between an employee and a line manager. The process is conducted through the SAP system.



PERSONNEL TRAINING AND DEVELOPMENT SDG 4

Personnel training GRI 404-2

Annually, KPO conducts training programmes aimed to achieve the following objectives:

- **To enhance the individual job-related competencies** of employees, and address operational and career development needs.
- **To teach mandatory skills** required to perform the job at hazardous production facilities. The training obligations are subject to the RoK legislation and the Company procedures.

In 2023, 97% of the Company's local employees were trained or engaged in various professional development programmes, professional training and retraining, and took part in online seminars and conferences.

Besides, in 2023, KPO continued conducting training for employees on the specialized international programmes (see table 22), language skills, and professional and mandatory HSE courses.

Tab. 22. KPO personnel trained on the International Qualification certified programmes in 2020–2023

GRI 404-2

Programme name	2020	2021	2022	2023
Well control/well pressure control during gas, oil and water shows (IWCF)	13	61	46	59
Non-destructive testing certification (NDT)	3	13	20	50
CIPS International diploma (Certified programme of Chartered Institute of Procurement and Supply)	10	13	19	19
Emergency response training course MEMIR by OPITO standard		17	17	11
International certificate in Health, Environment and Safety (NEBOSH)	12	9		12
Certified internal auditor (CIA)	3			4
ACCA Diploma in International Financial Reporting (DipIFR)	3	2		3
Master of Business Administration (MBA)	1	1	1	6
American Petroleum Institute certification (API)	6	10	9	8
Project Management Professional (PMP) [®] Certification		1		13
IEMA International certificate in Environmental Management (IEMA)		1	1	
ASME Plant Inspector			23	17
Coaching in organization and business (ICF)				12
Total number of employees, completed certified training programmes	51	128	136	214

Note: The decrease in trained KPO employees under international certified programs in 2020 is due to restrictions caused by the COVID pandemic.

Training statistics GRI 404-1, 403-5

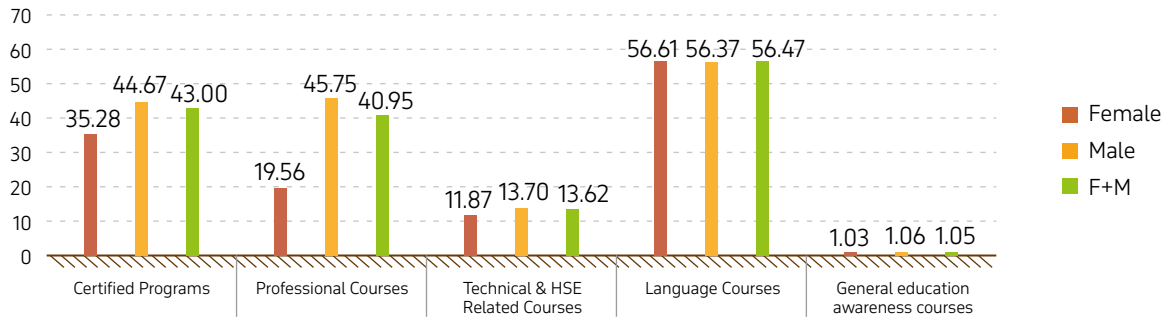
As responsible organization, KPO ensures annual mandatory HSE training both for its own staff and personnel of its contractor organizations.

In 2023, 649,922 hours of training (576,599 hours in 2022) were held, of which 388,487 were provided to KPO employees (294,951 in 2022), including general education awareness courses on civil compliance,

cybersecurity and civil defence topics. The remaining 261,436 hours (281,648 hours in 2022) were spent on the HSE mandatory courses for the contractor organizations' employees. The 2023 data has been updated with new online training courses.

Totally, in 2023 26,854 people were trained, 3,967 of them – KPO employees and 22,887 – contractor personnel. Average training hours are given in graph 14.

Graph 14. Average number of training hours per one training course passed by nominated KPO employees in 2023, by type, by gender GRI 404-1, SDG 5.1



Training arranged for KPO employees in 2023 by categories is shown in Table 23.

Tab. 23. Training of employees by categories, 2021–2022 GRI 404-1, 2-4

Category	2023		2022*		2021*	
	Number of people	Hours per employee	Number of people	Hours per employee	Number of people	Hours per employee
1. Executive Management and their Deputies	11	13.89	0	0	2	4
2. Department/Unit Management	834	57.81	631	50.68	674	48.6
3. Professional staff	2,104	56.32	1,542	59.02	1,809	47.15
4. Qualified workers	1,236	179.31	1,113	154.48	1,159	114.35

* Note: Statistics for 2021–2022 have been recalculated due to the adjustment of employee categories in accordance with the categorization of personnel in the KPO Programme for Increase of Local Content in Staff.



At the Safety Leadership and Culture Coaches Recognition Event

KPO SCHOLARSHIP PROGRAMMES AND PARTNERSHIP WITH UNIVERSITIES SDG 4.3

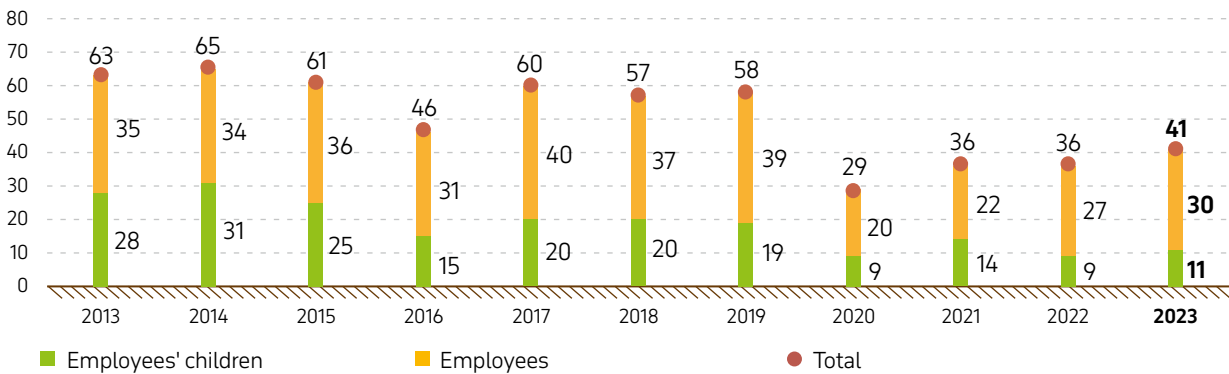
KPO works to enhance its employees' qualification and attract young professionals through cooperation with universities.

Scholarship programmes GRI 404-2

KPO Scholarship Programme is one of the constituent incentives for professional development and further education of employees and their children.

In 2023, within this programme KPO allocated 41 KZT mln (equivalent to US\$ 85,417) to sponsor scholarships for 11 KPO employees and 30 children of employees.

Graph 15. Dynamics of engagement in the KPO Scholarship Programme, 2013–2023



Note: Decrease in number of participants in a Scholarship Programme in 2020–2021 was related to COVID-19 limitations.

KPO partnership with Kazakhstani universities

KPO cooperates with 33 educational institutions in Kazakhstan, contributing to the training of professional personnel for the oil and gas industry of the Republic of Kazakhstan.

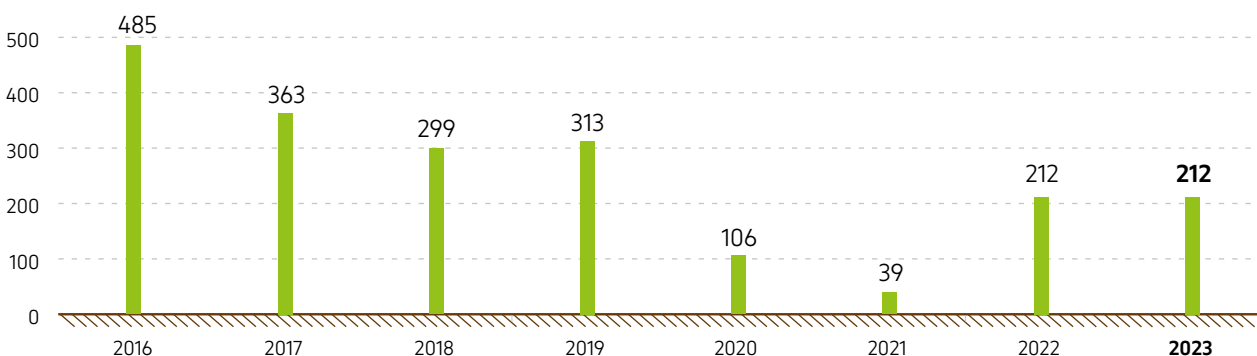
Internship in the international company helps students in preparing for real work, obtaining introduction to business approaches at the international level. Through connection of theoretical training and practical consolidation at the enterprise, students achieve the necessary level of competence and prepare for

professional activities. In addition, student placement allows students to make well-informed choices about future career.

KPO's work with universities is carried out through the Student Placement Programme on the basis of bilateral agreements.

In 2023, 212 students from 23 educational institutions had practical and pre-graduate internship for 17 specialities in various departments of the Company. From 2013 to 2023, the Company has employed 213 people out of those, who had passed the student placement.

Graph 16. Number of students completed internship at KPO, 2016–2023



Scholarship via KAZENERGY Association

According to the FPSA, KPO annually allocates USD 500 thousand for scholarship for young people under the Memorandum of Cooperation signed on September 29, 2015 between the Ministry of Energy of the Republic of Kazakhstan, PSA LLP, KPO B.V., NCOC N.V. and the KAZENERGY Association.

Each academic year as per the Protocol of the Committee for selection of candidates for the payment of education from the allocated funds, KPO concludes agreements with the educational institutions and arrange payments for education of students who had passed competitive selection.

In 2023, KPO signed agreements for scholarship of 138 students from 16 universities of Kazakhstan.

Graduates Development Programme

GRI 404-2, SDG 4.3, 4.4

The major target of the University Graduates Development Programme is to renew a pool of high potential personnel among local the graduates of the Kazakhstani universities to ensure safe operations of the Karachaganak Field facilities.

Since 2008, as part of dual education, KPO has been implementing the Professional Development Programme for Production Operators, Mechanical Technicians, Electrical Technicians and Instrument Technicians based on the international standard of the Offshore Petroleum Industry Training Organization (OPITO).

AS PART OF THE GRADUATES DEVELOPMENT PROGRAMME 537 PRODUCTION OPERATORS AND MECHANICAL TECHNICIANS HAVE BEEN TRAINED AND WORK TODAY AT THE COMPANY'S PRODUCTION FACILITIES.

Once selected, candidates are trained according to international standards gaining both theoretical and practical knowledge. Upon a successful completion of the programme, interns are hired by the Company and start their careers at the production units.

The value of this training programme lies in the methodology provided in a module format. This approach allows developing a set of competencies, which focus on the ability to address production issues in workplace.

The University Graduates Development Programme has been successfully implemented at KPO for 16 years at the time of issuing this Report. Over 537 Production Operators and Mechanical Technicians have been trained under this programme and currently productively work at the Company's production facilities.

21 trainees from Intake 2021 were hired into the Field department in January-February 2023.

In August 2023, 45 students of the 2022 Intake have completed the theoretical part of their training in the specialties of Electrical and Instrument Technician and Production Operator and were assigned to on-the-job training at the production facilities.

On 3rd October 2023, KPO has completed the selection process of the next intake of students for participation in this programme in the specialties of Production Operator and Mechanical Technician. Based on the selection results, 48 recent graduates of higher and secondary specialized educational institutions of the Republic of Kazakhstan, had started the theoretical part of training for 10 months. After that, the trainees will be assigned to on-job training at the production facilities.

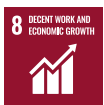
In December 2023, 10 students have successfully completed the 9-month Petroleum Engineering Development Programme, that was conducted jointly with ENI Corporate University for training of qualified specialists in geology, reservoir engineering and well operations. Upon completion of the programme, graduates received international certificates and were assigned for on-the-job training in the production departments of KPO.

WHY IS IT IMPORTANT TO US? GRI 3-3

Operational tasks at the Karachaganak field and works related to the execution of expansion projects are mainly performed with the aid of KPO contractors. On average, over 23 thousand employees from Kazakhstani contractor and subcontractor organisations are engaged in the Karachaganak Project. Therefore, the successful implementation of the set tasks and reaching the performance targets depend on how comprehensively the employment relations are built both in KPO and within the staff of contractor and subcontractor companies involved.

In order to mitigate any potential risks for security and social stability, KPO takes maximum efforts while ensuring integrity of operation facilities and security of all personnel at the Karachaganak field including contractors.

KPO strives to create and maintain decent working conditions for its employees, and to monitor the level of working conditions for the contractors' personnel, as part of compliance with human rights under the RoK Constitution and the UN Convention on Human Rights.



GRI 2-23

CONFLICTS AND SECURITY

BUSINESS PRINCIPLE:

Communication and engagement

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

BUSINESS PRINCIPLE:

Communities

We build productive, collaborative and trusting relationships with government, our shareholders, our business partners, the local communities where we work and with each other.

2023

1,024

inspections of contractor organizations facilities

Conducted

12
audits

12

sessions of the tripartite district commission

58

Collective Agreements of contractor organisations

226

applications received and resolved

Improvement of living and labour conditions at

53

contractor organizations

CONFLICTS AND SECURITY

INDUSTRIAL RELATIONS GRI 2-8, 2-24, 2-25, 2-26, 407-1, 409-1, 414-2, SDG 8.5, 8.7, 8.8

Continuous monitoring and analysis of the current situation with personnel are performed to prevent any violations of rights of the workers within contractor and subcontractor organisations, and also to identify and address any potential factors, as well as root causes and conditions contributing to social non-conformities, infringement of the legitimate rights of the employees. Such risks can be caused by an employer's failure to provide for acceptable social conditions and compliance with regulatory requirements. In 2023, 23,198 people from 172 contractor companies have been employed at the Karachaganak field; 53 out of 172 are being monitored by KPO Industrial Relations Section as per par. 7.3 "Industrial relations regulation". GRI 414-2 a

IN 2023, 23,198 PEOPLE FROM 172 CONTRACTOR COMPANIES HAVE BEEN EMPLOYED AT THE KARACHAGANAK FIELD; 53 OUT OF 172 ARE BEING MONITORED BY KPO INDUSTRIAL RELATIONS SECTION AS PER THE SET CRITERIA.

When examining an alleged violation of employee's rights, KPO seeks to ensure a comprehensive and prompt redress of all grievances /complaints and timely resolution of all issues. The process involves the review and analysis of opinions from all sides, followed by reasonable measures aimed at protecting and reclaiming the labour rights of employees in accordance with the RoK legislation, KPO Industrial Relations Policy and contractual commitments, and the Declaration of Acceptance of Social Security Obligations, including:

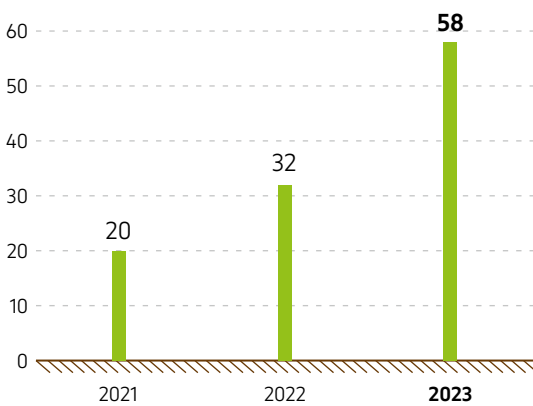
- Organising subject forums and conferences dedicated to the relevant themes (HSE, social welfare etc.);
 - Co-operation and engagement with competent labour protection authorities in the settlement of conflict situations, as well as awareness-raising and educational events;
 - Continued introduction of a minimum salary for contractor employees involved in the provision of services in the amount of KZT 830 per hour after taxes. Implementation is executed until the expiry of the effective agreements;
 - Monitoring and analysis of the contractor's wage level;
 - Succession/transfer of qualified personnel from an existing contracting company (whose contract is expiring) to a new one. This implicit practice helps to sustain employment in the region and maintain a stable social environment during the termination of the service contract.
- As part of maintaining a stable social environment in the contractors' teams, KPO continues to implement a single wage allowance of KZT 60 thousand monthly, after deduction of tax payments. By the end of 2023, through the implementation of this programme, the material condition of more than 18 thousand of contractor and subcontractor personnel has improved. The goal of this approach is an equal attitude to all beneficiaries, with substantial focus on the category of workers with the lowest wages.
- In 2023, the monitoring demonstrated a positive dynamic with 69 contractor companies indexing wages for 2023 to the rate of inflation in 2022.
- In 2023, members of KPO Industrial Relations Section have visited over 1,024 work sites and compact accommodation premises, including 12 joint audits with the contract holders. Based on the audits results, a good progress was made with the establishing of industrial relations units in large contractor companies.

12 sessions of the tripartite district commission were held during 2023 to discuss risks identified in the contractor and subcontractor companies. As part of the monitoring process KPO also follows the growing number of Collective Agreements in the contractor companies as they serve as an indicator of compliance with the employees' rights for freedom of association and collective bargaining.

In 2023 the number of Collective Agreements in KPO contractor companies has almost doubled: 58 contractor companies had Collective Agreements in place comparing to 32 companies in 2022.

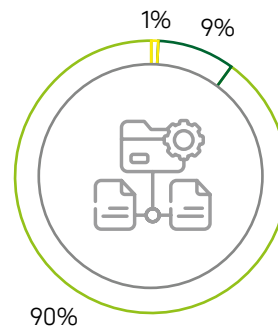
GRI 2-25, 407-1

Graph 17. Collective Agreements at KPO contractor organisations, 2021–2023



In 2023, total 226 complaints/grievances on different subjects from contractors' employees were received and closed. 90% of the grievances had to do with salary payment and remuneration issues (the growth in number was due to the introduction of the general salary increase by KZT 60 thousand), 9% of the grievances were related to HSE matters and 1% were related to the provision of day-to-day social conditions.

Graph 18. Applications to KPO by contractor organisations, 2023



- Applications on provision of day-to-day social conditions
- Applications on HSE matters
- Applications on salary payment and remuneration issues

Apart from the written grievances, KPO Industrial Relations Section has been also processing average 10 daily phone calls and holding meetings with employees from contractor and subcontractor organisations. In general, as a result of the monitoring, audits and processing of received grievances, actions on improvement of living and labour conditions were taken in 53 contractor companies monitored by the Industrial Relations Section. This, in its turn, has contributed favourably to maintaining a stable moral and psychological atmosphere in the working teams. Percentage of suppliers identified in 2023 as having significant actual and potential negative social consequences, where improvements were agreed as a result of the assessment – 8%. No contract was terminated with suppliers as a result of the assessment of actual and potential negative social consequences.

GRI 2-26, 414-2

As part of the work performed to prevent an impairment of rights of employees, a monitoring has been ongoing for the compliance with the declared working conditions and social welfare. In the course of this work, a comprehensive approach is applied: each request/grievance is thoroughly scrutinized based on a complete set of information.

Tab. 24. Examples of contractor organisations' grievances to KPO Industrial Relations

#	Category	Examples of grievances	Result
1	Labour remuneration	Grievances regarding untimely payment of 60,000 tenge allowance or wages.	Based on the inspection results and clarification, employees receive appropriate payments.
2	HSE	Use of obsolete vehicles prone to breakdowns, for personnel transportation.	Based on the inspection results the vehicle was replaced with a newer one.
3		Unsatisfactory working conditions for workers at the security post, in front of the entrance to the red zone: uneven floor coverings, joints, accumulation of snow, rain and melt water. High risks of tripping and injury highlighted.	Based on the inspection results, shelter between the containers and security post was erected to protect from snow and rain, rubber floors with joints were removed and replaced with smooth slabs.
4	Social conditions	Unsatisfactory living conditions in the residence accommodation: cold rooms, sleeping places do not meet sanitary standards.	Based on the inspection results, together with KPO health department, employees were moved from 3-bed rooms to clean and comfortable 2-bed rooms with private bathrooms.
5		Insufficient size of the driver's room in the Pilot Camp.	Based on the inspection results the old driver's room was replaced with a new one with improved conditions.
6	Interaction between management and employees	Absence of contractor and subcontractor HR representatives observed at work sites.	Due to the increasing number of grievances, as recommended by KPO Industrial Relations Section, HR representatives from these companies were designated to be on duty at sites. As a result, communication between employees and management was established: HR and Accounting.



Participants of the Forum on regulation of social and industrial relations of KPO and contractors

Starting from 2023, KPO has decided to hold an annual forum on industrial relations. The purpose of the event is to improve communication and to maintain a favourable social atmosphere in the region and the moral and psychological climate within the personnel of contractor and subcontractor companies.

During the reporting period, seven pre-strike scenarios were registered, which have been timely localized,

thus preventing the spillover (escalation) of conflicts. The timely response has made it possible to prevent negative preconditions for mass discontent.

The analysis conducted by KPO Industrial Relations Sector indicate that the main triggers for discontent were a lack of feedback, a distorted and incorrect perception of the personnel by the management of some of the contractor companies, and low wages that do not meet people's expectations.

SECURITY

To minimize security risks for the Company and the latter's impact resulting from its activities, we have determined several targets – the results of their implementation are presented below.

Tab. 25. Our targets in security (GRI 3-3)

Our 2023 targets	Progress status	Actions taken to complete targets in 2023	Targets for 2024
Ensure zero illegal taps in the KPO export pipelines	Completed	Replacement of equipment and updating the distribution optical sensor system software made it possible to reduce the number of false alarms and increase the sensitivity of the system in difficult-to-reach and hard-to-reach places.	Continue scheduled distribution optical sensor system equipment upgrade to ensure zero illegal taps in the KPO export pipelines
Agree with all Unit Managers the installation of metal detectors and frames, and start purchase and installation process to increase objectivity and employee coverage during security checks.	Ongoing	Detailed design and principal agreement for installation of breath detectors has been developed and approved. The expected budget drawn up.	Request and justify necessary budget funds for program implementation.
Continue refreshment on Human Rights and Security Principles (HRSP) for security personnel, as well as training for new personnel.	Completed	As of end 2023, the training covered 100% contractor security personnel. (GRI 410-1) Conducting the HRSP training has been included in the terms of 100% contracts for providing security services.	Continue refreshment on Human Rights and Security Principles (HRSP) for security personnel, as well as training for new personnel.
<ul style="list-style-type: none"> Update project documentation in accordance with the updated requirements of the RoK legislation; Review and update the Phase 2 implementation strategy to reflect legislative updates to RoK legal requirements; Run a tender for designing of Eco Centre Security Management System. 	Ongoing	Security Management System Project, Phase 2 is in an active phase under the management of the KPO Project Execution Directorate. The same scope covers the Security Management System design engineering for Eco Centre.	Continue implementation of SMS design engineering, including interaction between KPO directorates/departments by the monitoring.
<ul style="list-style-type: none"> Complete the detailed design engineering of SMS at Bolshoi Chagan (BCPS). Start the SMS detailed design engineering work for Pilot Camp. 	Completed	Detailed designing of Security Management System at Bolshoi Chagan OPS is completed. Obtained positive conclusion from the State project departmental examination. Following the tender results, Contract was concluded with contractor organisation for the design of the Pilot Camp SMS.	<ul style="list-style-type: none"> Run a tender for procurement of materials and construction of the SMS at BCPS. Complete the Pilot Camp SMS design engineering work. Obtain positive expert conclusion for this project.
Complete the upgrade of vehicle passes – replacement of simple cards with electronic ones before the end of June 2023.	Completed	Replacement of vehicle passes was successfully completed within the established time frame. Process has been introduced for the electronic submission of applications for staff and vehicle passes.	Continue work on the digitalization of the sector's business processes for access control and reporting, and on the digitalization of accounting for the export of goods of material assets.

Following the results of 2023, KPO Security and Industrial Relations Department has revealed 1,374 violations, 94% of which were related to the Strategy for protection of people in the event of H₂S incidents while the rest involved Material and Asset Movement Control, Policy on Prohibition of the Use of Alcohol, Drugs, Psychotropic and Toxic Substances (their analogues) in KPO and violation of border of the Field perimeter. A significant number of registered violations is due to the measures undertaken to prevent individuals not following the H₂S Strategy when entering the Field.

27 internal investigations were conducted, including 11 applications which were submitted to law-enforcement agencies.

DURING 2023, KPO HAS REVEALED AND PREVENTED ATTEMPTS OF UNAUTHORIZED REMOVAL/RELOCATION OF KPO AND CONTRACTORS' ASSETS WORTH OVER KZT 200 MLN.

During 2023, KPO has revealed and prevented attempts of unauthorized removal/relocation of KPO and contractors' assets worth over KZT 200 mln.

The use of the new Sintela security software as a platform for the system of deployed optical sensors has significantly increased the overall monitoring quality, including more precise threat identification of threats and the improvement of patrolling.



WHY IS IT IMPORTANT TO US? GRI 3-3

Engagement with local communities to understand their needs and the local context is reflected in the principles of the KPO Sustainable Development Charter.

Building good relationships and maintaining dialogue with local government bodies and communities is essential for sustaining our 'social license to operate' in the West Kazakhstan Oblast.

By engaging with the local communities of the Burlin district during the implementation of construction projects, KPO aims to minimizing social and environmental risks, associated with the Company's activities at the Karachaganak field.



GRI 2-23

LOCAL COMMUNITIES

BUSINESS PRINCIPLE:

Communities

We aim to be good neighbours by continuously improving the ways in which we contribute directly or indirectly to the general wellbeing of the communities within which we work.

We build productive, collaborative and trusting relationships with government, the local communities where we work and with each other.

We strive to be open, straightforward, and transparent within the constraints of business confidentiality.

2023

14

meetings of the Village Councils

50

grievances were received and closed

250

vouchers for pensioners to the sanatorium provided

74

children rested at the summer camps

Over the past

20 years

children have had a rest as part of the Summer Camp Programme

LOCAL COMMUNITIES GRI 3-3, 413-1, OG12

In its operations, KPO strives to prevent or minimize negative impacts and maximize the benefits from its presence through continuous engagement with local communities, and creating conditions for their well-being and economic growth.

The targets in table 24 are aimed at supporting the local communities living in three rural districts of Burlin district – Priuralnyi, Zharsuat and Uspenovskiy villages located adjacent to the Karachaganak Field and Aksai town.

Tab. 24. Targets in community engagement GRI 3-3

2023 targets	Target achievement	Actions taken in 2023	Targets for 2024
Implement the 2023 Community Development Programme as per approved budget	Completed	The Akzhaiyk sanatorium recreation for the elderly community members and rest of schoolchildren at summer camp were implemented. The Scholarship Programme for rural school graduates successfully continued.	Implement the 2024 Community Development Programme as per approved budget
Conduct nine Village Council meetings in three rural districts on social and environmental issues	Completed	14 Village Council meetings were held in three rural districts. Along with this, additional meetings outside of Village Councils were held to answer the residents' questions.	Conduct nine Village Council meetings in three rural districts on social and environmental issues
Review and timely close all incoming grievances and suggestions from the communities	Completed	All received grievances were reviewed and effectively closed out	Review and timely close all incoming grievances and suggestions from the communities

Aiming to implement initiatives in the area of corporate social responsibility, KPO applies policies, standards and procedures based on the Performance Standards of International Finance Corporation. GRI 2-23-a-i

In order to maintain effective dialogue with local communities on social and infrastructural support, KPO conducts meetings and consultations in the form of Village Council meetings with participation of Company employees and representatives from rural districts.

In 2023, 14 Village Councils meetings were held in the Priuralnyi, Zharsuat and Uspenovskiy rural districts. During the meetings, the local residents were informed of the KPO Community Development Programmes for 2023, on the progress of students from these rural districts who study in colleges and universities of Uralsk under the KPO Scholarship Programme, as well as KPO Environmental Monitoring Programme.

Over the period of the Scholarship Programme for residents of the nearby rural districts from 2010 to 2023, 20 young men and women received education.

As part of the Community Development Programme, KPO provided 250 vouchers for the elderly of Burlin district for health recreation in the Akzhaiyk Sanatorium.

Also, in 2023 with funding assistance from KPO 74 children had recreation in the Summer Camp in Uralsk city. The summer camp programme includes a wide range of entertainment, educational and sports events allowing children to learn a lot of new and exciting things, about nature and make new friends.

Over the twenty years of implementation of this Programme KPO provided recreation for some 2 thousand children from the neighbouring communities.



Zulfiya Muzafarova, Community & Local Authorities Relations Manager, receives an Award "The Generous Heart" to KPO from Burlin District Akimat at the "Mega-Marapat" Ceremony

COMMUNITY FEEDBACK MECHANISM GRI 2-25, 2-26, 413-1, SDG 16.10

In 2023, in accordance with KPO Community Grievance Procedure, we received 50 complaints and requests from the local community near the Karachaganak Field. These included 19 gas odor complaints and 31 requests and suggestions of various nature from the local communities living in close proximity to the Karachaganak Field. Residents expressed their interest in the Company's social initiatives aimed at

supporting socially vulnerable groups of the population, resettled residents asked for clarifications, etc.

Check-ups carried out by the KPO Operations Environment Monitoring Team did not reveal any malfunctioning of the process equipment, leaks/emissions or MPC exceedances in each case reported. Upon completing the review, some feedback was communicated to the residents who had filed the complaints.

MONITORING OF RESETTLED COMMUNITIES OG12

Since resettlement of the first residents from Berezovka and Bestau villages to Araltal micro district and apartment buildings in Aksai at the end of 2017, KPO has been annually monitoring the livelihood restoration of the resettled families.

As part of the above monitoring, in the period 2018–2022, KPO carried out the following activities for residents resettled in apartment buildings in Aksai, including Araltal, where 100 detached houses were built:

- 2018–2019 – residents of 100 houses in Araltal were provided with 11,600 tons of top soil for the cultivation of household plots;
- 2018–2021 – 800 appeals and requests of resettled residents were registered in the KPO Community Feedback Log. All issues were resolved by the end of 2021.
- 2019 – KPO assisted in complete reconstruction and relocation of the Monument to the Soldier of the Great Patriotic War from the former Berezovka village to Araltal;
- 2020 – during the COVID-19 pandemic, in cooperation with the Burlinsky District's Akimat and

the Aksai town's Akim, KPO organized the delivery of food and essential goods on a mobile shop for residents of 100 houses in Araltal;

- In May, 2020 during the COVID-19 pandemic as part of the monitoring KPO Community Relations team undertook an informal survey of resettled households by phone. 226 households in Apartment Blocks 24 and 25 in microregion 10 of Aksai and 70 households in Araltal participated in the survey. The set of questions asked to residents included improvements, if any, since resettlement, employment/pensions, livelihoods, availability of KPO for contacts, and other. The residents requested that KPO provide support in moving the memorial to WW2 Soldier from the former Berezovka Village to Aksai, in installing a drainage system around the school and 100 houses built in Araltal and greening of the territory of Apartment blocks 24 and 25 in Aksai.
- 2020 – with assistance of Akim of the Aksai town of Burlin district, KPO delivered 150 tree saplings for landscaping the yard area of multi-storey buildings in 5 and 10 microdistricts in the Aksai, where resettled residents live;

- 2020–2021 – expiration of the warranty period for two apartment buildings in 10 microdistrict of Aksai, 100 detached houses in the Araltal microdistrict of Aksai, a school for 300 children in Araltal and a kindergarten for 320 children in 10 microdistrict of Aksai of Burlin district, built for the resettled residents of the former Berezovka and Bestau villages.
- 2022 – drainage system installation around a school and 100 houses in Araltal village was completed; a tender was held to select a contractor to develop Detailed Engineering Design (DED) for the Demolition and Land Reclamation Project of the resettled Berezovka and Bestau villages. We will inform readers about the implementation of this project in the next Sustainability Report.
- 2023 – KPO arranged a Commission visit to the territory of the resettled Berezovka and Bestau villages for visual inspection of the remaining facilities subject to demolition and post-utilization. The Commission comprised of local executive authorities of the Burlin District, the project engineering organization that developed the Detailed Engineering Design documentation, KPO and local residents. During the meetings, the Commission members informed the local organizations and residents about the upcoming project activities on post-utilization and land reclamation.

PUBLIC HEARINGS FOR DEMOLITION AND LAND RECLAMATION PROJECT GRI 2-29, SDG 16.10

In 2023, jointly with the project engineering organization AksaiGasService and KPO, the Burlin District Akimat held public hearings on the project for the post-utilization and reclamation of lands of the resettled Berezovka and Bestau villages. Representatives of the public, farms, and local residents took part at the hearings.

At the public hearings, representatives of the contracted project engineering organization briefed the participants about the activities to be performed including the project plan. Representatives of the farms had the opportunity to ask questions to the Project Owner regarding the timeline of the project, waste transportation, restrictions and rules the Sanitary Protection Zone.

The project was approved for action at the hearings.

