

ESG rankings

KMG's Board of Directors approved a corporate KPI for 2021 – threshold ESG score of 65, up by 5 points compared to the previous target. Also, for the next years, a Corporate KPI of ESG rating was set, which is a clear indicator of the Company's control over, and commitment to sustainability initiatives.



ESG risk rating

28,4

ESG rating

72

In October 2021, Sustainalytics raised KMG's ESG rating from 69 to 72. The Company's ESG risk rating was improved from 34.5 to 28.4, moving KMG from the high risk category to the medium risk category and highlighting the Company's strong positions in managing material ESG risks in the international oil and gas market.

KMG's upgrade to the medium risk category is due to the Company's solid progress in sustainability and active efforts to integrate ESG practices into the strategy and operations.

We delivered improvements in our environmental policy, water risk management, programmes on GHG emissions reduction and community development, fatalities among employees, policies and programmes against bribery and corruption, etc.

KMG's key ESG challenges are still carbon emissions from operating activities and emissions from using the Company's products, as well as community relations in our regions of operation.

A major goal for KMG is to solidify its standing as a company with a medium-range ESG Risk Rating by 2031. To that end, the Company has developed and approved an action plan to improve KMG's ESG rating across key sustainability areas: decarbonisation, emissions, wastewater and waste, community management, human capital, and corporate governance.

Particular attention is paid to enhancing the sustainability culture. Sustainability training courses are held on a regular basis for employees of the Corporate Centre and subsidiaries and associates.

Commitment to UN Global Compact principles and 17 Sustainable Development Goals

KMG's approach to sustainable development is based

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

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

- **Principle #1.** Businesses should support and respect the protection of the internationally proclaimed human rights.
- **Principle #2.** Businesses should not be complicit in human rights abuses.
- **Principle #3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle #4.** Businesses should eliminate all forms of forced and compulsory labour.
- **Principle #5.** Businesses should uphold the effective abolition of child labour.
- **Principle #6.** Businesses should uphold the elimination of discrimination in respect of employment and occupation.
- **Principle #7.** Businesses should support a precautionary approach to environmental challenges.
- **Principle #8.** Businesses should undertake initiatives to promote greater environmental responsibility.
- **Principle #9.** Businesses should encourage the development and diffusion of environmentally friendly technologies.
- **Principle #10.** Businesses should work against corruption in all its forms, including extortion and bribery.



KMG is also committed to all the 17 Sustainable Development Goals (SDGs). Until 2025, the Company has identified six priority SDGs.

In 2021 progress can be seen in the list of initiatives incorporated into KMG's operating and day-to-day activities