

Health, Safety, and Environment (HSE)

Industrial safety, occupational health and environmental protection

To ensure compliance with the new environmental requirements and global trends, the Company declared 2021 the Year of the Environment. KMG is committed to the sustainable development principles and recognises its responsibility for environmental and social stability in the regions where it operates.

The sustainable development principles have an impact on the economic,

environmental, and social development of the Company. One of the key ESG challenges for KMG is carbon emissions from operations and emissions from the use of the Company's products.

In accordance with the 2016 Paris Agreement, Kazakhstan entered into voluntary unconditional commitments to reduce greenhouse gas emissions by 15% by 2030 as compared to 1990. The President of the Republic of Kazakhstan stated that Kazakhstan would reach carbon neutrality by 2060. In 2021, the Company developed a low-carbon development programme that complies with the laws of the Republic of Kazakhstan and KMG's internal documents. The transition

to "carbon neutrality" is an integral component of corporate governance. It systematises the Company's efforts to reduce carbon footprint. KMG Group's Emissions Management Policy has been approved. The Policy is aimed at complete elimination of routine flaring and is comprised of eight key principles, six of which directly address climate change. Reducing greenhouse gas emissions is an important component of one of our strategic goals.

Participation in initiatives and programmes



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The World Bank's Zero Routine Flaring by 2030 initiative



SUSTAINABLE DEVELOPMENT GOALS
UN 17 Sustainable Development Goals initiative



CDP
CDP climate programme



Global Methane Initiative



Caspian Environmental Protection Initiative – CEPI

Performance highlights

Social highlights

Indicator	2019	2020	2021
Lost-Time Incident Rate (LTIR)	0.34	0.29	0.31
Fatal Accident Rate (FAR)	1.48	0.00	2.93
Fatalities	2	0	1

Environmental highlights

Indicator	2019	2020	2021
NO _x emissions, tonnes per 1,000 tonnes of produced hydrocarbons	0.21	0.22	0.24
SO _x emissions, tonnes per 1,000 tonnes of produced hydrocarbons	0.20	0.23	0.22
APG flaring rate, tonnes per 1,000 tonnes of produced hydrocarbons	2.95	2.2	2.1

Health, safety and environment management system (HSE MS)

The health, safety and environment management system is designed to Kazakhstan's statutory requirements, ISO 14001 and ISO 45001 international industry standards, global best practices and guidelines, and recommendations of the International Association of Oil

& Gas Producers (IOGP). It covers ten areas and relies on four pillars: leadership, goal achievement, risk management, and continuous improvement.

Since 2006, KMG operates an integrated quality, environmental, and occupational health and safety management system

compliant with ISO 9001, ISO 14001, and ISO 45001. KMG's significant energy users are certified to ISO 50001. The effectiveness of HSE MS is verified by independent auditors on a regular basis.

To improve its management system, KMG has its HSE MS certified to ISO 45001.

