



KPO ESG REPORT 2024



Our contribution in global changes

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KPO ESG-REPORT is available in e-format on the KPO website in the state language, as well as in Russian and English.

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Have you ever thought about your personal ESG-FOOTPRINT?



Responsibility for climate change starts with you!

INTRODUCTION

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LETTER FROM GENERAL DIRECTOR / GRI 2-22 /



Currently KPO pursues a wide range of initiatives focused on decarbonisation such as energy efficiency, methane emissions reduction and assessing lower and zero carbon opportunities. In November 2024, KPO showcased its achievements at the 29th UNFCCC COP 29 conference and confirmed its compliance with the OGMP 2.0 Gold Reporting Pathway. This brings KPO closer to achieving the key 2025 goal of becoming an OGMP 2.0 Gold reporting standard.

The natural disaster that swept across a number of regions of the country in early 2024 left no-one indifferent. I am extremely proud to share about the role of KPO and its shareholders in supporting WKO communities by donating funds to support the affected families. Thanks to this funding, more than 1,100 families have moved into their new homes. KPO has always felt its responsibility to West Kazakhstan oblast, our host region, and in such a difficult period we could not remain on the side-line.

In 2024 we proudly celebrated the 125th Anniversary of Kazakhstan's First Oil and the 45th Anniversary of Karachaganak's discovery. These milestones are not just a celebration of the past but a reminder of an incredible legacy that we feel to be a part of.

In this report, you will find the highlights of KPO's operation and learn about the key initiatives that we implemented last year. We take pride in our accomplishments but also recognize that there is much work ahead of us. We believe that sustainable development is our shared path, and we are ready to walk it together with you. I hope that this report will expand your understanding of how KPO has fared in the field of sustainable development. Your comments and suggestions regarding both the format and details of disclosure will be most appreciated and used to make our future reports better.

Yours sincerely,
Marco Marsili
 KPO General Director

Dear Readers,

I am pleased to present to you the ESG-Report of Karachaganak Petroleum Operating B.V. Kazakhstan Branch for the year 2024. This will be the seventeenth report since the Company began publishing its non-financial reports. Not only does this document provide a report on our activities for the past year, but it also describes our values and commitment to the principles of sustainable development.

In a world of rapid change, we understand that our responsibility to society and nature is becoming increasingly pertinent. We strive to innovate, improve processes, and invest in a future that is beneficial for all. Our goals of reducing our carbon footprint, enhancing working conditions, and maintaining social justice remain at the forefront of our efforts.

ABOUT THIS REPORT / SDG 12.8, 16.10 /

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

KPO has been reporting on its efforts and achievements in sustainable development since 2008, for the past 16 years. In 2009, the Company adopted a [Sustainability Development Charter](#), under which it commits to "report to our external stakeholders a full and honest review of performance" in the area of sustainability. The provisions of KPO Sustainability Development Charter meet the widely acknowledged definition of Sustainable Development as "development that meets the needs of the present without compromising the ability of future generations to meet their needs".

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

The report also presents production indicators and development plans, our energy transition approaches, as well as social and environmental projects, economic

partnerships, implemented through engagement with stakeholder groups.

It is today when we feel the results of what we laid down over 25 years ago. Compliance with the principles of sustainable development has been and remains our "license" for the further development of Karachaganak, because we acknowledge the scale of our impact in terms of the region, the country and the world.

Report scope and boundaries / GRI 2-3, 3-3 /

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

This publication is for the KPO performance in 2024. This document presents both our performance for 2024 and our plans for 2025. In order to demonstrate our sustainability commitments, our performance on material topics is presented in comparison with previous years.

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

The 2023 ESG-Report was issued at the end of July 2024. The archive of all our issued sustainability reports is available on our website at www.kpo.kz/en/sustainability.

Applicable global reporting initiative standards

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

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

Independent assurance

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

In order to externally verify the data disclosed in this Report, KPO has applied to the experts of PwC Kazakhstan. Report of Independent Limited Assurance by PwC Kazakhstan is presented on pages 163-165 of this Report. / GRI 2-5, 2-17 /

In terms of internal content concurrence and definition of material topics, Sustainability Report is approved by the Company's Directors Committee and at the preparation stage, coordinated with the members of the Sub-committee on Sustainable Development on the part of the operating companies. / GRI 2-5, 2-14 /

KPO non-financial reporting history

KPO has been reporting on its sustainable development since 2008.

- From 2008 through 2012**, our early publications were prepared in accordance with the GRI Guidelines 3.
- From 2013 through 2016**, KPO reports were issued in accordance with the Fourth Guideline of the Global Reporting Initiative (GRI G4). In 2014, KPO was one the first company in Kazakhstan to have applied the requirements of the GRI G4.
- From 2017 to 2024**, KPO sustainability reports were issued in accordance with the requirements of the GRI Standards and UN SDGs.

- The soundness and high quality of KPO's sustainability reporting has been repeatedly acknowledged in annual competitions and national ratings by «Expert RA Kazakhstan».
- In 2018, KPO made it to the finals of the Asia Sustainability Reporting Awards 2018 in the categories "Best Environmental Reporting" and "Best Workplace Reporting".
- Starting from 2019, KPO is among the top ten non-financial companies in terms of ESG information disclosure in the PwC Kazakhstan rating.
- Owing to the environmental disclosure in the report, KPO remains in the top three in the World Wildlife Fund (WWF) Environmental Information Transparency Rating for Oil and Gas Companies in Kazakhstan since 2017.
- In December 2023, KPO has been named among the leaders the latest "Top-50 Companies in Kazakhstan" for disclosure of ESG information by PwC Kazakhstan as part of their annual rating based on 2022 performance reports.
- As part of the PwC Kazakhstan contest for best 2022 annual reports, KPO has become a winner in the nominations "Best Practice in ESG disclosures" and "Best Practice in Environmental disclosures".
- In December 2024, KPO was awarded a diploma as a winner in the nomination «Best Practice in ESG disclosures» and was included in the top ten leaders in the 5th edition of the Rating of the 50 Best Companies in terms of ESG information disclosure, conducted by PwC Kazakhstan based on the results of annual reports 2023.
- In February 2025, KPO received an award at the KASE annual report competition in the category "Best Sustainability Report for 2023". The annual reports were assessed by KASE employees, as well as Kazakhstani experts in the field of annual report assessment and preparation.

KPO 365



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

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

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

OUR MISSION / GRI 2-22 /

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

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

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

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

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

KPO BUSINESS STRATEGY / GRI 201-2, SDG 7, 8.4, 12, 13, 16.b, 17.14 /

The KPO mission reflects our commitment to ensuring long term social, environmental and economical sustainability, which we plan to achieve through executing our "KPO 365 Strategy", consisting of – 3 objectives, 6 focus areas and 5 roads (see fig. 1). / GRI 2-22 /

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

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

Fig. 1. KPO 365 Strategy



Ensuring KPO's long term social, environment & economic sustainability

CLIMATE-RELATED RISKS AND OPPORTUNITIES / GRI 201-2 /

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

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

In 2024, within the framework of KPO's Green Strategy, key activities were successfully implemented across all five strategic areas. Techno-economic studies aimed at reducing greenhouse gas emissions were conducted. The wind measurement campaign was completed, and the selection and development of a heat recovery concept for gas turbine generators was initiated.

Opportunities for implementing offset projects in the West Kazakhstan region in the field of sustainable agriculture were assessed. Measures to improve water use efficiency were taken, including the expanded use of recycled water and the integration of digital technologies to optimize processes.

Comprehensive studies on upgrading waste management facilities were carried out to enhance the levels of waste recycling and reuse, including drilling waste. KPO continues to actively integrate sustainable solutions as part of a broader initiative to minimize environmental impact and achieve decarbonization goals.

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

In 2024, KPO joined the UNEP international program under the OGMP 2.0 initiative and submitted a long-term monitoring plan, in which it set targets to reduce specific methane emissions for the period 2025–2029.

Based on the results of the published IMEO (International Methane Emissions Observatory) report and efforts presented at the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29) in Baku, KPO was recognized by OGMP in the form of Gold Pathway status. In the second half of 2024, the Company successfully conducted full-scale instrumental monitoring covering all sources of methane emissions in the Karachaganak oil and gas condensate field, using state-of-the-art equipment to detect and record methane emissions.

Despite the successes achieved, KPO recognizes the importance of continuous improvement. As one of Kazakhstan's leading oil and gas companies, KPO is committed to identifying the risks and opportunities of the energy transition in advance.

Commercial risk (medium and long term)

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

Regulatory risk (short, medium and long)

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

Physical risks (short, medium and long)

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

Reputational risks (long-term)

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

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

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



/ GRI 2-23 /

BUSINESS PRINCIPLE: Communication and engagement

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

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

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

MATERIAL TOPICS AND STAKEHOLDERS ENGAGEMENT / GRI 2-29, 3-1, 3-2, SDG 17.16, 17.17 /

The success of sustainable development and the ESG agenda depends on effective dialogue between business and its stakeholders. We are bound with our stakeholders by multiple ties and are interested to hear their opinions. The ESG – report is the main tool for regularly informing stakeholders about our activities in sustainable development, including addressing key issues and related changes that impact one way or another the Company and its stakeholders during the reporting period. In addition, the report presents the large number of indicators that allow us to analyze KPO's impact on the development of the region as a whole.

In working on this Report, we draw on the extensive experience of our Parent Companies and follow the requirements of internationally recognized non-financial reporting practices.

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

KPO departments determine their stakeholders based on the analysis of risks and material topics, and share their experience of engagement in this Report. Given the scale of the KPO's activities, our stakeholders are a large number of diverse groups and organizations.

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

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

The most significant groups of stakeholders and ways of interaction in 2024 are presented on the figure 3.

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

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

The topics disclosed for the reporting period are tracked regularly in the process of multilateral interaction with our Parent Companies, the PSA LLP Authority, various regulatory bodies, contractors, industry partners, employees, trade unions, local communities and the media. The stakeholders raise their issues

at various sessions, from meetings of the Village Councils to forums, conferences, public hearings, social surveys, audits, and by addressing them directly to the Company. (See Fig. 3) / GRI 2-29 /

Among the topics identified as a result of interaction between key departments and their main stakeholders, the most significant topics for 2024 were highlighted. We also conducted a survey among the Company's employees, who are one of the priority stakeholders' group. The top eight topics selected over the past three years are presented in Table 1.

Table 1. Comparison of the most material topics according to the Key stakeholders' opinion surveys for 2021-2024

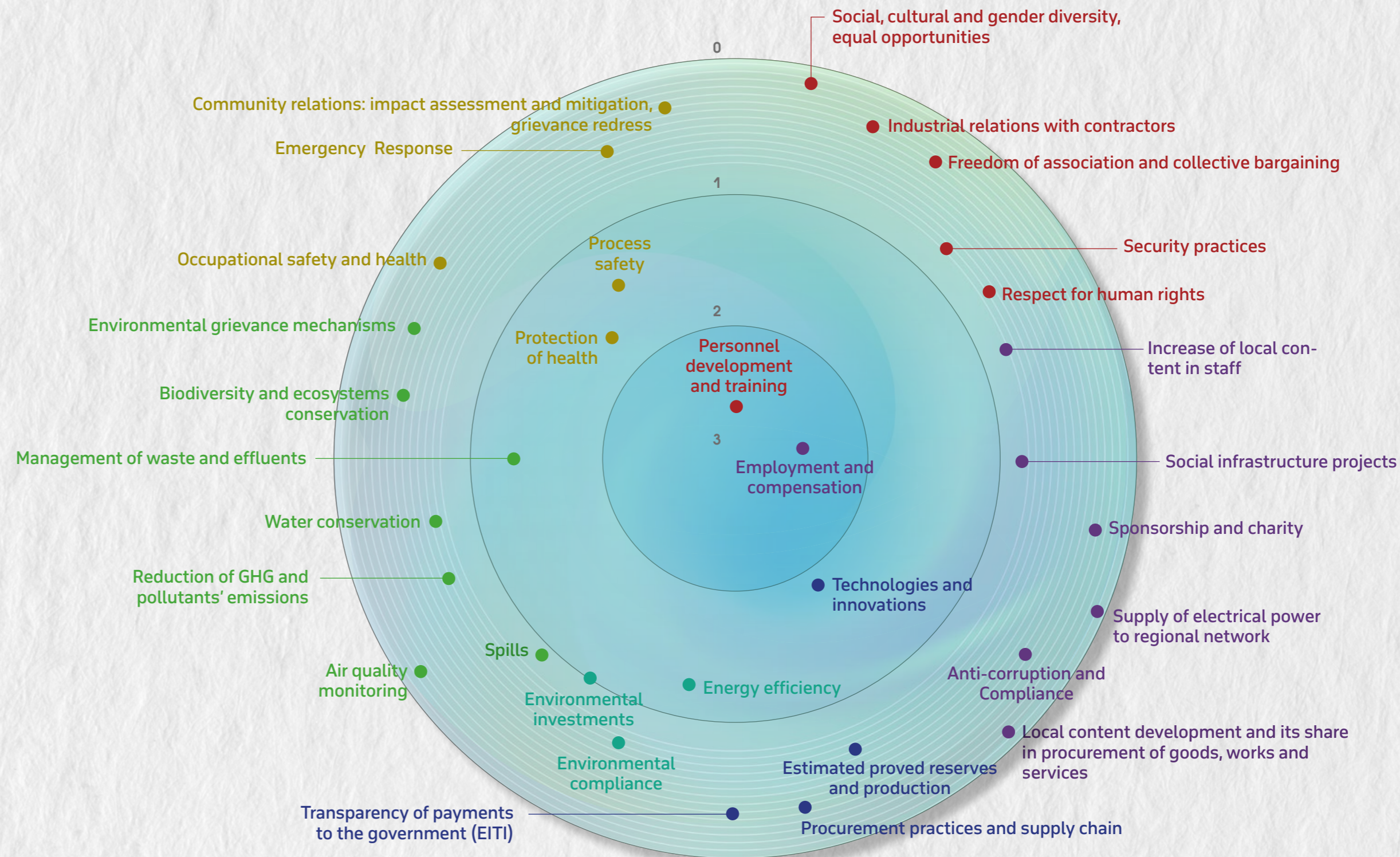
2024	2023	2022	2021
1. Personnel development and training	1. Technologies and innovations	1. Security practices	1. Security practices
2. Employment and compensations	2. Environmental compliance	2. Occupational Health and Safety	2. Occupational Health and Safety
3. Technologies and innovations	3. Occupational health and safety	3. Protection of employees' health	3. Protection of employees' health
4. Protection of employees' health	4. Personnel development and training	4. Asset Integrity	4. Asset Integrity
5. Asset Integrity	5. Energy efficiency	5. Emergency response	5. Emergency response
6. Management of waste and effluents	6. Process safety	6. Industrial relations with contractors	6. Air quality monitoring
7. Energy efficiency	7. Reduction of GHG and pollutants' emissions	7. Employment and compensations	7. Reducing of GHG and pollutants' emissions
8. Environmental investments	8. Water conservation	8. Increase of local content in staff	8. Water conservation

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

The result of this survey also confirms the importance of HSE, asset integrity and personnel development topics. At the same time, environmental protection topics continue to be important for KPO staff, unlike the results of the external stakeholder's survey. As part of the Report's preparation, we aim to continuously

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

Fig. 2. Material topics of KPO Sustainable development based on survey results in 2024 / GRI 3-1, 3-2 /



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

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



KPO gives special attention to such stakeholders as local communities and contractors' employees. Disclosures on social initiatives and activities related to these vulnerable groups are provided in chapters "Local Communities", "Industrial Relations", "Occupational Health" and "Supporting Social Infrastructure". / GRI 2-23 /



BUSINESS PARTNERSHIPS AND ASSOCIATIONS / GRI 2-17, 2-28, SDG 17.16, 17.17 /

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

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

The issues discussed as part of the KAZENERGY framework include: labor relations, social welfare services at the Projects, development of an Industry Agreement as a basic document for draft collective agreements, the development of professional standards designed to replace the unified Wage Rate Book of works and professions, and other.

Topics related to the environmental protection are implemented through the development and application of Best Available Technologies in the oil and gas industry, improvement of environmental legislation including the draft of the new RoK Water Code, timely participation of subsoil users in comments to regulations, amendments on regulation of GHG emissions and decarbonization, establishing environmental quality standards for the environmental components, working on the draft Tax Code of the Republic of Kazakhstan and others.

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

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



The power of society lies in a conscious action by each and everyone



/ GRI 2-23 /

BUSINESS PRINCIPLE:
Economic

Long term profitability is essential to achieving our business goals and creating value for our shareholders and the Republic of Kazakhstan.

BUSINESS PRINCIPLE:
ENVIRONMENT

We continually look for ways to reduce the environmental impact of our operations.

2024

PRODUCTION

Total Production

143.3
Mboe

Total equivalent stable oil

10,968
kT

Total gas production

23,942
Mscm

Oil export

10.93
mln tonnes

WELL STOCK

Total well stock

577

Production wells in operation

132

Injection wells

22

0
significant spills

OPERATIONS

- 16** KPO facilities
- 18** Products and export routes
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- 24** Asset Integrity
- 27** Critical incident management

OVERVIEW / GRI 2-1, 3-3, OG1 /

KPO is the Operator of the Karachaganak oil and gas condensate field (KOGCF) which is located in North-West Kazakhstan and covers an area of over 280 km². Karachaganak is a unique field with complex operating conditions, not in the least due to extreme continental climate. The field is some 1,600 m thick and very complex and unique with its top at a depth of around 3,500 m. The extracted hydrocarbons contain up to 4.5% of highly toxic and corrosive hydrogen sulphide (H₂S), as well as carbon dioxide (CO₂) which can be highly corrosive in certain conditions. / GRI 2-1 /

According to the latest Reserves Re-Determination Report for the Karachaganak field (accepted by the RoK

State Reserves Committee (GKZ) on 17.11.2017), it is estimated that the Karachaganak Field contains some 13.6 billion barrels of liquids and 59.4 trillion cubic feet of gas, of which approximately 16.1% of liquids and 15.1% of gas have been recovered as of 2024. / OG1 /

The Company invests heavily into the application of leading-edge technologies to maximize sustainable economic value and minimise environmental impact. The total investment in the development of the Karachaganak oil & gas condensate field since the signing of the FPSA in 1997 to 31.12.2024 has totalled over USD 32.8 bln. As of end 2024, 4,080 people worked in the KPO organisation.

KPO FACILITIES / GRI 2-6 /

Hydrocarbon production and processing at KPO involve three major interconnected units: Karachaganak Processing Complex (KPC), Unit 2 and Unit 3. The infield system, comprising approximately 2,000 kilometres of pipelines, efficiently links the major facilities and facilitates production flows from the wells and among the units. Additionally, the system includes an Early Oil Production Satellite (EOPS) and Eco Centre, as illustrated in the Figure 4.

There are two transportation systems, operated by KPO:

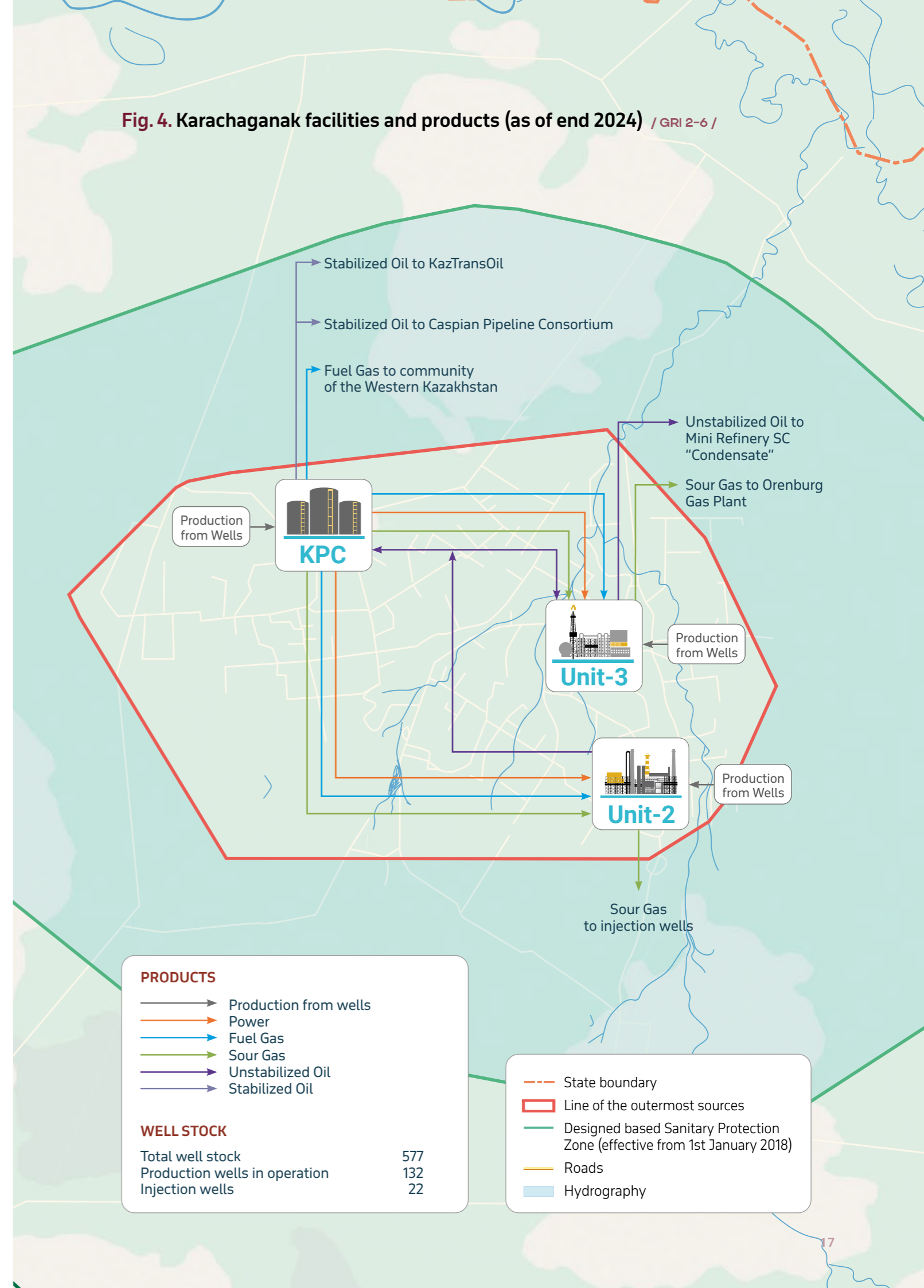
1. Karachaganak – Atyrau Transportation System (KATS):
 - Equipped with pumping stations at KPC and Bolshoi Chagan.
 - Features a receiving and storage facility at the KPO Terminal in Atyrau.
2. Karachaganak – Orenburg Transportation System (KOTS):
 - Used for transporting gas to Orenburg Gas Plant in the Russian Federation.

As of end 2024, 132 producing and 22 re-injection wells were online at Karachaganak, from a total well stock of 577 wells. In 2023, a new category “Surface waste and wastewater accumulation areas observation wells” consisting of 94 wells was added to the special well stock as well as one abandoned well of this category is U2-GN-1. Therefore, number of special wells was increased by 95 wells and consists of 279 wells as of 01.01.2025.

As of end 2024, **132** producing and **22** re-injection wells were online at Karachaganak, from a total well stock of **577** wells.

In 2024, 5 production wells and 2 gas injection wells were commissioned after drilling. As of the end of 2024, drilling was in progress on 2 production wells.

Fig. 4. Karachaganak facilities and products (as of end 2024) / GRI 2-6 /



PRODUCTS AND EXPORT ROUTES / GRI 2-6 /

KPO produces liquid hydrocarbons, raw gas and fuel gas.

To maximize net revenue, in 2024, 99% of liquid production was exported as stabilised oil to the world markets via the following routes:

- the Caspian Pipeline Consortium (CPC) pipeline,
- the Atyrau – Samara pipeline and further through the Transneft system.

The CPC pipeline delivers KPO oil to CPC Marine Terminal in the Black Sea (Yuzhnaya Ozereyevka), whereas Atyrau-Samara pipeline was used in 2024 to deliver oil to Adamova Zastava with final Buyer's

destination to Germany (Schwedt Refinery) and to Ust-Luga port in the Baltic Sea (refer to Fig.5).

CPC pipeline is the main KPO export route; the Atyrau-Samara route to Adamova Zastava was activated and maximized in 2024 under prevailing political and economic situation since its netback appeared to be higher than CPC. The Atyrau-Samara route is also normally used as a backup in case of planned or unplanned CPC disruptions.

In 2024, KPO continued to take actions to comply with international sanctions caused by geopolitical conditions.

Fig. 5. KPO export routes in 2024 / GRI 3-3 /



Oil export activities in 2024

In 2024, KPO exported a total historical record of 10.93 mln tonnes of oil, of which:

- 9.81 mln tonnes were delivered through CPC.
- a historical record of 1.11 mln tonnes was exported via Atyrau-Samara route with a split:
 - 1.1 mln tonnes – via Druzhba pipeline to Adamova Zastava.
 - 0.018 mln tonnes were lifted at the port of Ust-Luga in the Baltic Sea.

Unstabilised gas condensate deliveries

In January 2024 KPO delivered 11.55 kt of unstabilised gas condensate to the Refinery of Condensate JSC as part of commissioning work on new wells.

Gas production and utilization

Gas produced at the Karachaganak Field is utilized for:

- Re-injection into the reservoir to maintain reservoir pressure.
- Sales as raw gas to KazRosGas LLP (KRG) under the long-term Gas Sales and Purchase Contract.
- Sweetening (removing H₂S) to use in various field processes, generate electricity at the Gas Turbine Power Plant for KPO facilities, and to supply electricity to the local power supply – company to meet FPSA obligations.
- KPO successfully achieved its initial target in 2024 by delivering 8.7 bcma of raw gas to KRG for processing at the Orenburg Gas Processing Plant (OGP). This achievement demonstrates strong performance despite technical obstacles from OGP side during certain months of 2024.

In 2024, KPO continued to supply fuel gas for electricity generation to Batys Energoresursy LLP (BER). However, as a result of regulatory changes in Kazakhstan's Law on Electric Power, which transferred electricity supply responsibilities to regional power grid companies, BER ceased operations as of January 1, 2025, following the expiration of its license.

KPO remains dedicated to providing stable fuel gas supplies and supporting local communities.

In light of these changes, KPO has aligned its fuel gas sales strategy with the reformed electricity market. Starting in 2025, fuel gas will be sold to "Zapadno-Kazakhstanskaya regionalnaya elektrosetevaya kompaniya" LLP for electricity generation at the KPC Power Plant (at no cost).

KPO remains dedicated to providing stable fuel gas supplies and supporting local communities. As part of its ongoing social responsibility efforts, KPO continues to provide free power generation capacities to regional grids, helping to meet the energy needs of local populations in West Kazakhstan Oblast. These actions reflect KPO's commitment to promoting energy accessibility and sustainability within the region.

OPERATIONS AND SALES IN 2024 / GRI 2-6 /

In 2024, KPO produced 143.3 mln barrels of oil equivalent (BOE) in the form of stable and unstable liquids and gas. Gas production in 2024 reached 23.9 bln m³. In 2024, to maintain reservoir pressure,

KPO re-injected ~ 14.2 bln m³ of gas into the reservoir, a volume equivalent to about 59.4% of the total gas extracted.

Tab. 2. Production in 2024

		2024	2023	2022*
Total Production (gas injection exclusive)	Mboe	143.3	142.7	128.5
Total equivalent stable oil	Kt	10,968	10,858	10,134
Total gas production	Mscm	23,942	22,386	19,442
Gas Injection into a reservoir	Mscm	14,231	12,650	11,131
Sweet Gas for internal needs	Mscm	960	919	843

*Full turnaround year

Tab. 3. Sales in 2024

		2024	2023	2022
Total Sales	Mboe	137.5	136.7	124.9
Stable Liquids <i>Oil and stabilised condensate to CPC and Atyrau-Samara</i>	kt	10,929	10,648	10,171
Unstable Liquids <i>Unstabilised condensate to Condensate SC's refinery</i>	kt	12	104	30
Raw Gas <i>to Orenburg Gas Plant</i>	Mscm	8,738	8,805	7,455
Sweet Gas <i>to the West Kazakhstan Oblast to generate electricity for community</i>	Mscm	61	65	70

In 2024, with regards to customer health and safety, KPO has had no significant incidents of non-compliance with regulations, resulting in a fine, penalty or a warning. / GRI 416-1 /

WELLS TECHNOLOGIES / SDG 12.6 /

In 2024, KPO continued building on the strong foundation laid in the past years, working on minimising the impact of drilling and well services operations on the environment. As previously, we continued our journey towards zero emission and applied measures listed below to reduce greenhouse gas (GHG) emissions, and consumption of water and resources:

- High-efficient environmentally friendly burners to eliminate where possible / reduce the need for flaring and the need for disposal of contaminated fluids.
- Continued drilling campaign, delivering wells that will allow increased oil production offsetting existing high gas producing (GOR) wells.
- High Rate Well Test setup with High Pressure Separators combined with multiphase high-rate flow pumps (High Gas Volume Fraction Pumps – HGVF) to enable 'zero' flaring well test / clean-up activity on new wells.
- Continued the use of the light rigs instead of the 3,000 HP heavy rigs to carry out intervention and carry out scope such as top hole drilling. This ensured lower emissions and lower environmental footprint to achieve our objectives.
- Our in-field Eco Centre or waste management centre enables recovery of base oil from contaminated drilling fluids and drilled cuttings for re-use in well intervention activities.

- Continued GHG emissions reduction plan and piloted other improvement initiatives. Implemented use of electric drive wireline truck and other electric driven auxiliary equipment to carry out well interventions. Implemented a number of initiatives too on our rig sites, including initiation of engine monitoring systems and installation of new Tarpaulin winterization on the rigs to conserve energy and improve energy efficiency.

The KPO Well Operations team continuously works on developing internal procedures, workflows, technology improvements and innovations aimed at improving efficiency and well operations' performance. The following was achieved throughout 2024:

- Development and implementation of a "Business Improvement Plan" to drive efficiency of well delivery with strong focus on digitalisation and performance improvement.
- Step-up in well integrity monitoring and well integrity status – preventing and reducing the possibility of well integrity related environmental emissions.
- Utilisation of new technologies like local expander (ability to repair a well locally), Wellgrab for intelligent wellbore equipment retrieving scope amongst others for)– driving efficient production.

TURNAROUND

The KPO Turnaround strategy is focused on optimisation of production and minimisation of cost by maximising intervals between turnarounds and through the reduction of actual turnaround durations. This must be achieved whilst ensuring safe, reliable continuous operations and regulatory compliance. Historically, all KPO Units had full field turnarounds every 3 years.

During 2023, an extensive technical review covering equipment maintenance strategies and regulatory compliance led to the approval of extending the full field turnaround interval from three to four years, effective from 2022. The next full field turnaround is thus scheduled for 2026.

The turnaround strategy executed in 2024 aligned with previous years. Generally, a full field turnaround is a massive undertaking, creating a heavy workload

for both KPO and contractor staff and equipment. KPO seizes opportunities to execute smaller shutdowns of individual production trains whenever possible to minimise peak workload during full field turnarounds and reduce HSE risks associated with concurrent activities.

In 2024, Unit 3 conducted individual train outages and a short full unit pit stop for scheduled maintenance from April to September. The scope included replacement of E108, E208 & E408 heat exchangers, routine preventive and maintenance work, and minor modifications.

Unit 2 conducted annual scheduled maintenance on injection compressors, covering minor inspections and PSV re-certification on compressors 360 A/B/C/D, as well as statutory maintenance, from 18 August through 29 September 2024.



DEVELOPMENT PROJECTS

As a Contractor to the Republic of Kazakhstan, KPO has an obligation to conduct all operations necessary to ensure the Field is developed and petroleum is produced in accordance with Good Oilfield Practice.

Following the completion of the Karachaganak Phase II Initial Programme in 2003, KPO has been funding and

PLATEAU EXTENSION PROJECTS

Since 2014, to manage the increasing gas-oil-ratio and maintain the Field's liquid production plateau, KPO has successfully delivered the following major projects:

- 2019: 5th Trunkline and Gas Reinjection Wells (5TL&W) Project to upgrade the injection network capacity downstream of Unit 2 through installation of a new trunk line, and drilling and completion of new gas injection wells.

KARACHAGANAK EXPANSION PROJECT

KPO is continuing development of the Field via the Karachaganak Expansion Project 1 (KEP1), which is set to significantly boost gas-reinjection volumes, maintaining reservoir pressure and extending the Field's liquid production plateau. KEP1 is managed by one integrated team, but split into two projects delivered in parallel:

- KEP1A project was sanctioned in December 2020 and comprises the 5th Injection Compressor (5IC), slug catcher and inlet facilities, gathering and reinjection network expansions and associated utilities. The KEP1A Project pursues the opportunity to utilise the available dehydration capacity installed by KGDBN in the Karachaganak Processing Complex (KPC) and available capacity of 6TL&W to increase overall gas re-injection, integrated within existing systems, utilities and facilities. The integration philosophy creates synergies and reduces CAPEX. First Gas Reinjection was achieved 1 month ahead of schedule in July 2024 and the facilities are in operation. Formal handover to Operations is expected in early 2025.
- KEP1B project was sanctioned in November 2022 and comprises the 6th Injection Compressor (6IC), gas dehydration unit, gathering network expansion,

implementing a rolling work programme that includes drilling of new development wells, undertaking workovers on existing wells, upgrading production facilities and other projects required to maintain a high production level.

- 2021: KPC Gas De-bottlenecking (KGDBN) Project aimed at increasing the overall KPC gas processing by expanding the gas handling capacity.
- 2022: 4th Gas Reinjection Compressor (4IC) Project aimed at increasing the daily average volume of gas re-injected into the reservoir and improving reservoir pressure support.
- 2024: 6th Trunkline and Gas Reinjection Wells (6TL&W) Project to upgrade the injection network capacity through installation of a new trunk line and drilling and completion of new gas injection wells.

reinjection network expansion and associated utilities. KEP1B maximizes synergies with KEP1A to reduce CAPEX. KEP1B construction is well progressed: major civil works and foundations are complete, erection of structural steel is ongoing and piping installation is ongoing. The long lead items are also well progressed: the gas turbine-compressor has been placed on its foundation, the gas dehydration column has been erected and the Drizo unit has been manufactured and is ready to be shipped. First Gas Reinjection is planned for Q3 2026 and the project is ahead of schedule.

KPO's dedication to local content is a cornerstone of its operations. KPO is highly focused on supporting local communities and building the local economy. KEP1A project achieved 54% local content overall, significantly exceeding expectations. This includes substantial local content for goods, underscoring KPO's aspiration to develop local manufacturers in Kazakhstan's oil and gas industry. The project has also created job opportunities for nearly seven thousand local people during the construction phase and will continue to provide further employment opportunities for the local community during the operation phase. KEP1B project continues to prioritize local content.

KARACHAGANAK GAS PLANT PROJECTS

KPO has identified an opportunity to enhance the value from the Karachaganak field through the monetization of sales Gas and Liquefied Petroleum Gas (LPG) by means of a new processing plant, the Karachaganak Gas Plant, and a bundle of liquids production plateau extension projects, collectively referred to as KGP Supporting Projects. Both are grouped together under the heading of '**KGP Projects**'.

The would be Karachaganak Gas Plant (KGP) is a new stand-alone facility near the Karachaganak Processing Complex that process sour gas (H₂S and CO₂) to produce Dry Natural Gas and LPG for sales. It includes mainly a new gas processing plant with integrated Greenfield and Brownfield facilities and a rail infrastructure that connects with the main RoK rail

network. The KGP facilities gather and process sour hydrocarbons and evacuate Dry gas and LPG.

The KGP Supporting Projects comprise the following initiatives:

- Six new Object 2&3 wells
- Four Permian Ph2B wells
- The 7th Trunkline
- Two new Gas Injectors
- Three workovers in Permian
- One workover in Object 2+3
- Boosters at RMSW and RMSH.

In 2024 KGP Projects was in the selection phase, with all necessary steps ongoing to ensure economic viability.



Why is it important to us? / GRI 3-3 /

The main objective of Asset Integrity is to prevent major accidents and reduce the risks to people, environment, assets, and the Company's reputation. It is an outcome of good design, construction, operating and maintenance practices.

Asset Integrity is achieved when facilities are structurally and mechanically sound and perform the processes to produce the products for which they were designed. Barriers that relate to the plants, people and processes are defined to reduce the risk for a major accident to a level that is as low as reasonably practicable.



Norbert Jallais
Safety, Environment and
Asset Integrity Director

ASSET INTEGRITY / GRI 3-3, 403-2, 403-7, OG13, SDG 3.9, 8.8 /

KPO monitors potential threats to its operations and mitigates Asset Integrity risks through its barrier management system. The Asset Integrity department together with the Units continuously assess the health status of the safety barriers to identify weaknesses, implement mitigating measures and establish plans to re-instate these barriers to its original design to prevent any major accident.

The Asset Integrity Management Framework is a set of processes to prevent major accident hazards and to raise Asset Integrity and Process Safety awareness amongst the KPO employees, contractors and subcontractors working at the Karachaganak field.

The Asset Integrity Framework Management System consists of the following key processes:

- **Barrier Management** – through the application of a structured process supported by the using of the Barrier Model tool;
- **Asset Integrity Performance Analysis** – through the use of Key Performance Indicators;
- **Management of Change system for Brownfield Modifications** – through the use of the Management of Change database;

- **Asset Integrity Assurance** – through the use of reviews, audits, verifications and assessments;
- **Asset Integrity Improvement Culture initiatives** – through the production of e-Learning modules on the Mechanical Isolation Procedure, Process Safety Fundamentals and the Barrier Management process. / GRI 2-25 /

In 2024, KPO Asset Integrity department has been working on further enhancement of the Barrier Model software at operational facilities/units in terms of their ownership of the BM and its and integration with other software applications. A Cumulative Risk Assessment methodology was developed and introduced to address these. Monthly BM review meetings with units were exercised. Training of newcomers has been continued.

In order to minimize Asset Integrity risks, a number of targets were defined for 2024. The results of the implementation are presented in the table.

Tab. 4. Targets in Asset Integrity / GRI 3-3, 403-2, 403-7 /

2024 targets	Target achievement	Actions taken in 2024	Targets for 2025
<ul style="list-style-type: none"> • Enhance and Implement Phase II of Cumulative Risk Assessment with additional Asset Integrity inputs 	Completed	<ul style="list-style-type: none"> • Cumulative Risk Assessment was embedded in BM monthly review meetings with Units; 	<ul style="list-style-type: none"> • Enhance and Implement Phase III of Cumulative Risk Assessment with additional Asset Integrity inputs;
<ul style="list-style-type: none"> • Enhance ownership of BM by Unit Focal Points; 	Ongoing	<ul style="list-style-type: none"> • Conducted BM monthly review meetings with Units as per 2024 schedule; • Continued verification of the effectiveness of Mitigation measures and Recovery plan implementation with a stronger involvement of the Unit; 	<ul style="list-style-type: none"> • Conduct monthly review meetings with Units as per 2025 schedule.
<ul style="list-style-type: none"> • Finalize BM e-learning and achieve 100% completion (only for newcomers, if required); 	Completed	<ul style="list-style-type: none"> • All current users have been trained 	
<ul style="list-style-type: none"> • Integrate BM Dashboard with RiskPoynt Database (Digitalization & Continuous Improvement); 	Completed	<ul style="list-style-type: none"> • BM dashboard has been integrated to RiskPoynt Database 	
<ul style="list-style-type: none"> • Further develop enhanced functionality of the RiskPoynt Database. 	Completed	<ul style="list-style-type: none"> • Completed notification of safety critical work orders in RiskPoynt Database. 	
<ul style="list-style-type: none"> • Perform analysis of Process Safety Fundamentals implementation; 	Completed	<ul style="list-style-type: none"> • Questionnaires to participants • Analysis of HSE cards; 	
<ul style="list-style-type: none"> • Continue PSF awareness sessions for KPO newcomers and contractors' personnel; 	Completed	<ul style="list-style-type: none"> • As per Asset Integrity Plan 	
<ul style="list-style-type: none"> • Coach Unit HSE staff to conduct PSF roll outs by themselves at the Units; 	Ongoing	<ul style="list-style-type: none"> • As per Asset Integrity Plan 	<ul style="list-style-type: none"> • Expand number of trainers within operations on PSF.
<ul style="list-style-type: none"> • Continue promoting PSF culture including contests and incentives. 	Completed	<ul style="list-style-type: none"> • Quizzes completed 	

Loss of Primary Containment

/ GRI 403-2, OG-13 /

According to KPO requirements, all Loss of Primary Containment (LoPC) Process Safety Events (PSE) were identified, analysed, categorized and followed up by corrective actions to prevent re-occurrence.

/ GRI 2-25 /

In 2024, the number of Process Safety Events (PSE) has increased compared to 2023. Tier-1: 3 PSEs, Tier-2: 1 PSE and Tier-3: 22 PSEs, in total 26 PSEs occurred during 2024.

The 2024 Tier-1 had 3 PSEs:

- The Dry gas seal struck the hand of Contractor employees at Unit-2. Both workers visited Unit-2 Medical Sick Bay where they were rendered the first aid. After that, one worker was sent to Aksai

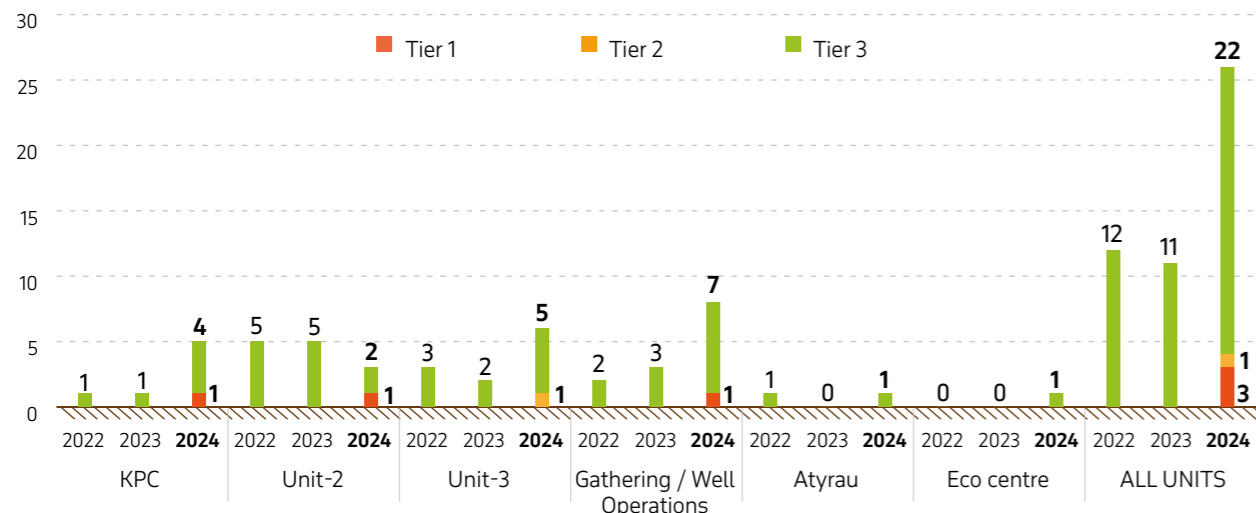
hospital for X-ray and further examination. Another worker returned to his job duties.

- Gas and condensate release occurred of Well's flowline at Gathering. The contracting company was performing preparatory works for the repair of pipeline related to replacement of its defective part. No injuries were reported.
- Gas leak was detected on the Pressure Safety Valve line at KPC. There was no activation of gas detectors, no plant shutdown and evacuation of personnel. Desalter was stopped, isolated and depressurized.

One Tier-2 PSE occurred at Unit 3. General gas alarm went off as a result of H₂S detectors activation. All Unit 3 personnel were evacuated to the muster points. No injuries were reported.

For all process safety events, KPO conducts investigations, root cause analyses and develops action plan. / GRI 2-25 /

Graph 1. Loss of Primary Containment at KPO by process facilities, 2022 – 2024 / OG13 /



Note: For Process Safety Event definition (Tier-1/2/3), please refer to the International Standard IOGP 456.

In 2024, KPO has undertaken a number of activities addressing the key risks or barriers, including process containment and remediation of risks. / GRI 2-25 / Amongst those were Process Containment remedial works and replacement of some equipment. 20 Barrier Model risks were resolved – 1 high risks, 13 medium and 6 risks were closed. The activities were focused on ensuring BM risk records have effective mitigations and have effective recovery plans in place. Training and coaching of operational staff in the use of Barrier Model application is ongoing.

In 2025, the following key activities are planned on Barrier Management process:

- Continue conducting Unit BM pre-meetings with Unit focal points and monthly Unit BM meetings as per 2025 schedule;
- Continue verification of the effectiveness of mitigation measures and recovery plan implementation;

- Support BM integration for upcoming new projects;
- Continue staff training and awareness; organize BM roll-out sessions and BM e-learning for newcomers or staff new in their role;
- Support the closure of BM risks and recording the new Unit BM risks;
- Strengthen the Barrier Management process. Integrate BM risks identified from compliance assurance activities of key processes and risks associated with operational integrity critical processes;
- Promote, motivate and coach Units in the usage of BM Dashboard and Asset Integrity / Process Safety dashboards.

Spills / GRI 306-3 (2016) /

In 2024, no cases of significant spills¹ were recorded at the territory of the Karachaganak field.

¹The definition of a significant spill is applied to an incident, which has caused contamination of the environment through hydrocarbon/chemical spills to land or water and volume of spilled hydrocarbon/chemical exceeding 1,000 litres (as per KPO Incident classification).

Why is it important to us? / GRI 3-3 /

Emergency response and crisis management are the key processes of the KPO management system since, if an emergency situation escalates, KPO and contractors' personnel, as well as the neighbouring communities, may happen to be within the possible hazard impact area.

Emergency preparedness and response implies a recognition of possible irregularities and accidents, as well as creation of an organizational structure and resources for the mitigation of such accidents' effects on people, the environment, the Company's assets and reputation. These resources are also used to render support to the Burlin District state emergency and rescue capabilities in fighting fires on residential and agricultural lands, as well as in combating floods.

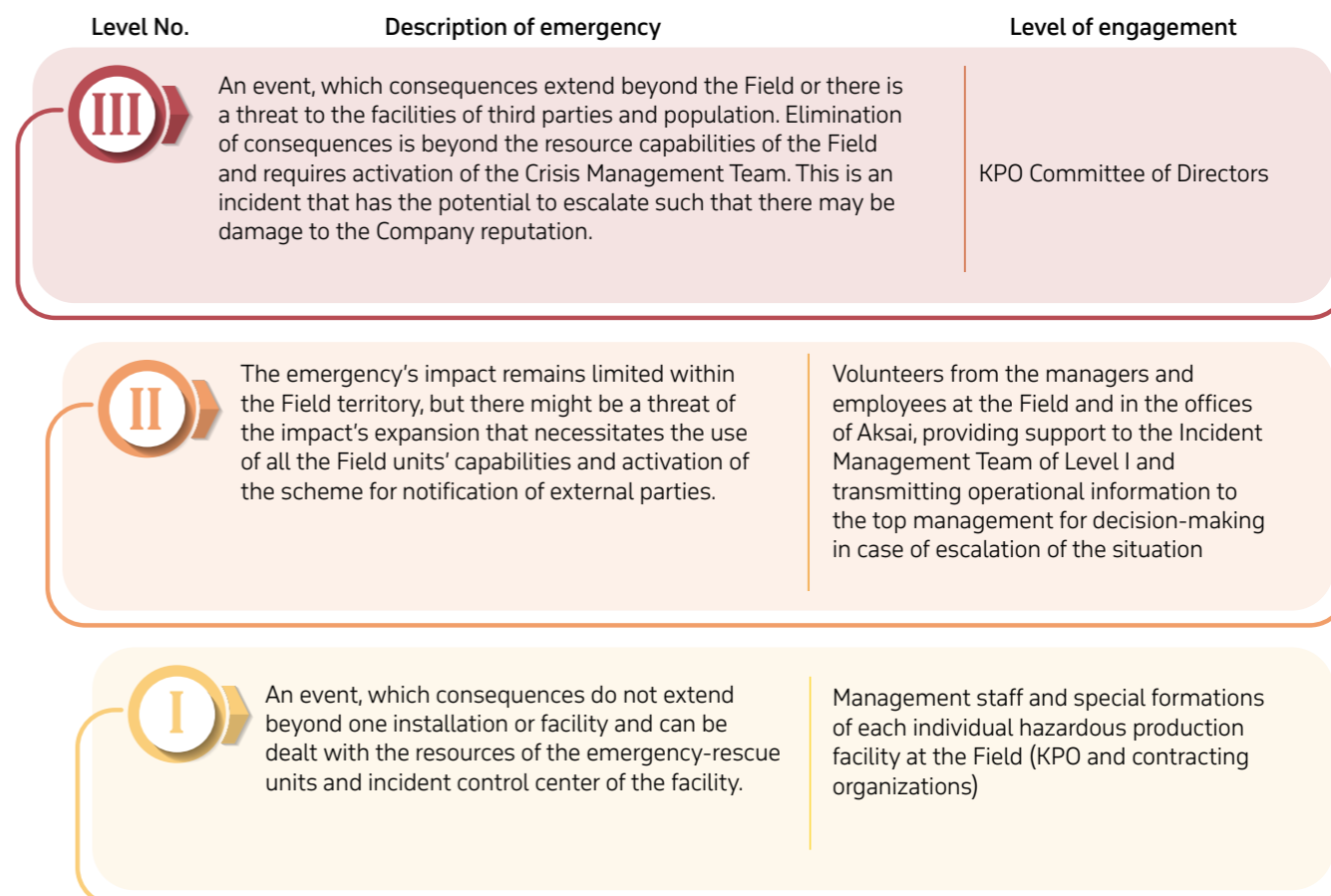


Meirlan Klyshev
Operations HSE Manager

CRITICAL INCIDENT MANAGEMENT / GRI 3-3, SDG 3.9 /

In case of any incident, accident or emergency, KPO operates a robust three-level Emergency Response system used to trigger a prompt response, assessment of emergency scale, planning and implementation of actions to localize and eliminate emergency and its consequences. The system is graphically shown on figure 6.

Fig. 6. KPO emergency response system / GRI 3-3, 403-5 /



In 2024, KPO continued training of Incident Management Team in accordance with the approved schedule.

Weekly, theoretical and practical trainings were carried out throughout 2024 with the involvement of KPO Civil Protection Units, namely:

- firefighting teams,
- gas rescue team,
- voluntary emergency-rescue team,
- medical units.

Totally, 52 drills have been conducted with the involvement of KPO Civil Protection Units at the training area.

Moreover, in 2024, KPO continued training of staff in civil protection via the e-learning system, as required by the RoK legislation.

In 2024, as part of ensuring the readiness of level I forces and resources, all Company's hazardous production facilities conducted monthly emergency response drills with the involvement of the Facility Incident Command Team (ICT), emergency rescue teams and KPO and contractors' personnel.

The total number of emergency response drills conducted in 2024 at KPO facilities for the purpose of exercising the actions of level I incident command teams and emergency rescue units amounted to 113 drills (113 in 2023).

During 2024, the Company conducted 13 emergency training exercises were conducted, of which 7 emergency training exercises were carried out with involvement of the II FIMC level.

In 2024, practical training was held for donning filter hood:

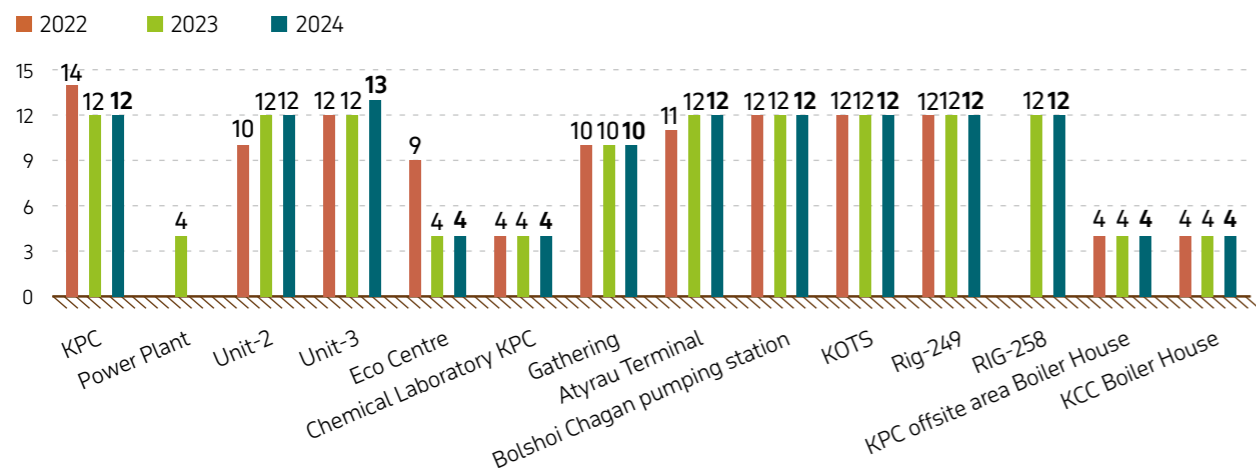
- AVON NH – 15, 392 people were trained in 7 classes,
- SCBA – 1,039 people were trained in 95 classes.

The level II and III centres' members took part in the following real mobilizations and drills, which allowed maintaining the readiness level: / GRI 3-3 /

Tab. 5. Level II and III drills conducted in 2024

Type of drill	Date	Objectives	Participants
Table Top exercise	03 September 2024	"Actions of teams and resources for eliminating oil spill at the intersection of Ural River with KATS pipeline". In the course of the exercise, the following actions were worked out: Emergency Response system delivery and deployment of equipment intended to contain oil on the water surface and skim it, the first-priority actions of the IMT and ICT in case of petroleum products spill on the linear section of the KATS export pipeline.	ERS and KPO units together with WKO Emergency Department
Integrated Exercise "IRBIS"	11 October 2024	"Gas leak followed by ignition and fire at the MP Gas Dehydration and Dew Point Control Unit with a toxic fluid release". Exercise objectives were to: <ul style="list-style-type: none"> • Practice KPO procedures, plans and means in response to a major emergency, involving resources at all levels. • Determine the preparedness level of KPO resources and equipment for a major emergency incident with long-term consequences, including multiple casualties, environmental damage, production facilities impact, property loss, production shutdown and reputational damage. • Practice internal and external notification and communication process. 	Personnel of Centres of the I, II, III KPO ER levels, the PARIS team
Table Top exercise	06 December 2024	"Road Traffic Incident". In order to test the level of preparedness of KPO emergency response services and teams (ECC, KPO ERS, FERS, Security, Medical Service) in case of a road traffic incident with a large number of casualties, a tactical triage exercise was conducted.	ERS and KPO units, Security

Graph 2. Emergency response drills completed in 2022-2024



KPO continues its active engagement with local authorities in the periods of high water, fire hazard and winter.

Throughout 2024, representatives of KPO emergency rescue teams and units responded to 14 calls by going out to settlement to provide assistance in extinguishing steppe fires at agricultural facilities, household outbuildings, and forest belt fires.

KPO continues its active engagement with local authorities in the periods of high water, fire hazard and winter.

Community preparedness

/ GRI 2-23, 2-29, 3-3 /

KPO maintains awareness of the community on the procedure for responding in case of emergency situation at the Karachaganak Field and along the export pipeline KATS and general fire safety requirements during fire hazard period.

In 2024, following the approved plan, 11 meetings were held for 94 people with the rural districts Akims and the community located around the Field to discuss such issues as: importance of the central monitoring station, village alarm stations and their intent, abidance by fire safety regulations during farming operations in fire hazard period.

6 practical drills with activation of a single warning signal "Attention All" and use of the Village Alarm stations equipment were carried out to exercise joint actions of the rural districts Akimats and responsible people when managing evacuation of the community in case of threat from the field area, interaction with ECC Dispatcher. 66 people were involved during practical drills.

To maintain constant readiness of village alarm stations, throughout the 2024, the Community Protection Specialist of the KPO Emergency Response Department jointly with Business-partners representatives carried out monthly testing of emergency alarm signals and public address systems, as well as the maintenance of this equipment. Such village alarm stations are installed in seven villages that are situated around the Field.



/ GRI 2-23 /

BUSINESS PRINCIPLE:

Business integrity

We insist on honesty, integrity and fairness in all aspects of our business and expect the same in our relationships with all those with whom we do business.

The direct or indirect offer, payment, soliciting or acceptance of bribes in any form is unacceptable and we strongly reject any kind of associated behaviour.

KPO staff must avoid conflicts of interest between their private activities and their part in the conduct of KPO's business, and any actual or potential conflict of interest must be declared to KPO.

BUSINESS PRINCIPLE:

Compliance

We comply with all applicable laws and regulations of the countries in which we operate.



Responsible leadership - in balance with the society

GOVERNANCE

- 32 Governance structure and management approach
- 40 Business Conduct
- 42 Compliance
- 47 Digitalization and continuous improvement

2024

BUSINESS CONDUCT:

113
reports to Hotline

91%
of employees signed the Annual Ethics and Compliance Declaration

332
employees who work at high risk of committing compliance violations attended the Anti-Corruption and Bribery course

CERTIFIED IN ACCORDANCE WITH:

ISO 14001:2015
Environmental Management System

ISO 45001:2018
Occupational Health and Industrial Safety

ISO 50001:2018
Energy Management

ISO 39001:2012
Road Safety Management System

Why is it important to us? / GRI 3-3 /

A well-built management system is the key to the sustained organizational success. KPO has established a well-balanced and integrated system of governance, risk management, business planning, internal control and compliance. The integrated management system approach enables appropriate decision-making and provides adequate control mechanisms to ensure strategies, directions and guidance from senior management are carried out systematically and effectively.



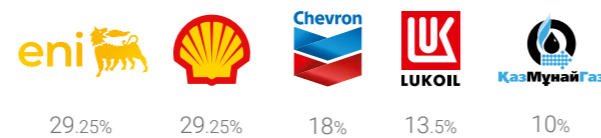
Drew Weaver
Corporate Governance Director

GOVERNANCE STRUCTURE AND MANAGEMENT APPROACH / GRI 3-3, SDG 16.16 /

Karachaganak Petroleum Operating B.V. Kazakhstan Branch was established in 1997 as a Joint Venture to operate the Karachaganak Oil and Gas Condensate Field (further as Karachaganak Field or the KOGCF) in accordance with the Final Production Sharing Agreement (FPSA) / GRI 2-1 /

KPO brings expertise from its five Contracting Companies, represented by their respective affiliates, named herein:

Agip Karachaganak B.V., Shell Kazakhstan, Chevron International Petroleum Company, Lukoil Overseas Karachaganak B.V. and KMG Karachaganak LLP. / GRI 2-6 c /



ORGANISATIONAL STRUCTURE / GRI 2-9, 2-10 /

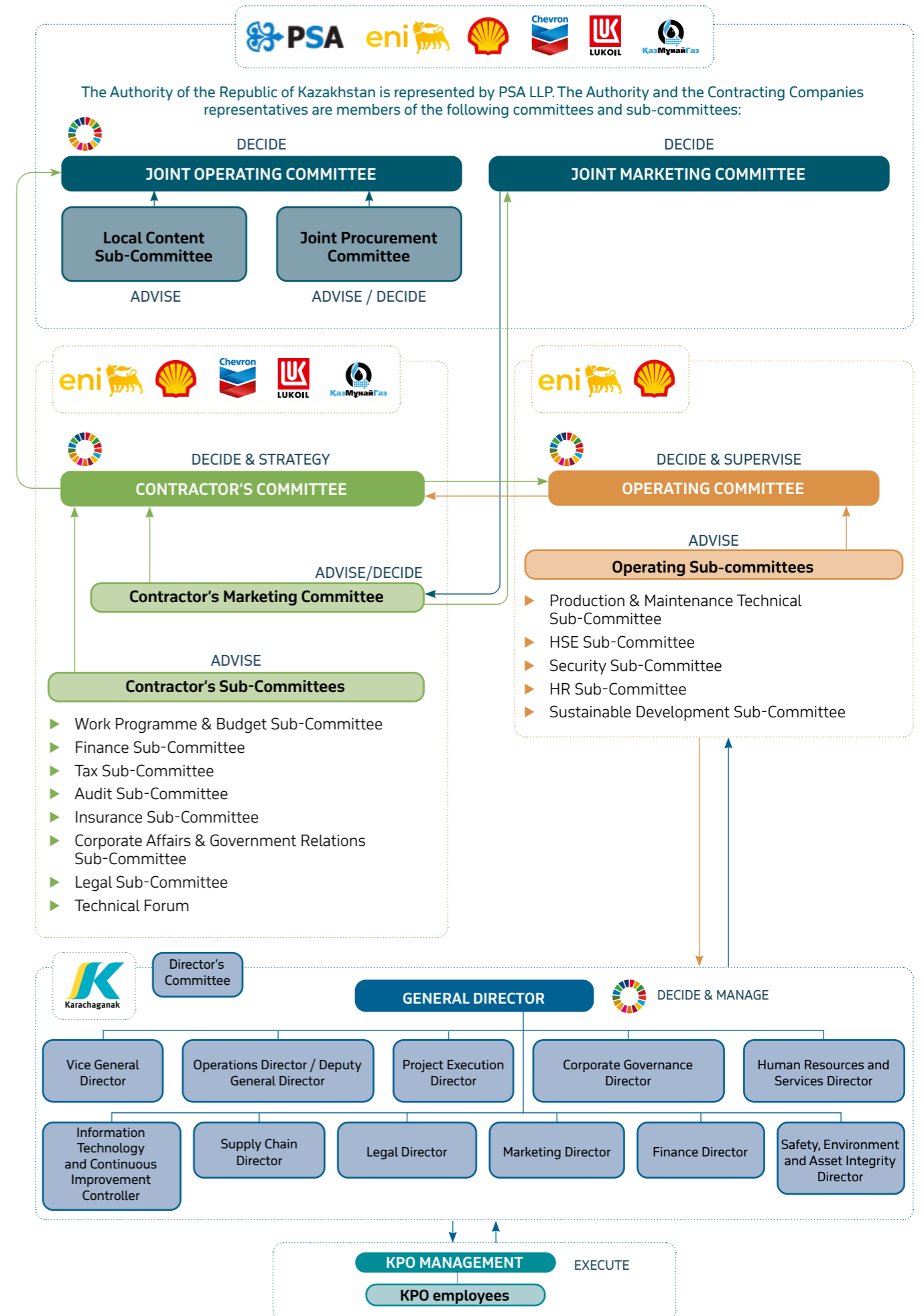
KPO organisational structure was designed to enable KPO to meet its business objectives and to satisfy the requirements from the Republic of Kazakhstan (the Authority represented by the PSA LLP) and the Contracting Companies by continuously assessing its external environment. In order to carry out the petroleum operations stipulated in the FPSA, there is a Co-operatorship model of Karachaganak field represented by Agip Karachaganak B.V. and BG Karachaganak Limited (respective affiliates of Eni Spa and Shell; Shell has officially acquired 100% of BG Group).

KPO has two high governing bodies: the Joint Operating Committee (JOC) and the Joint Marketing Committee (JMC), which are formed by representatives

of each of the five Contracting Companies and representation of the Authority under the FPSA. As per the FPSA requirements, the Chair of the JOC is always a representative from the Authority, and the JOC Secretary is a senior executive from the Operating Contracting Companies. / GRI 2-11 /

In addition, in order to satisfy the requirements of the Joint Operating Agreement (between the Parent Companies) and the Operator Participants Agreement (between the Operators Eni and Shell). There has been established certain sub-committees, at Contractor and Operator level, dealing with specific matters. Graphical view of the full governance structure is given on figure 7.

Fig. 7. Karachaganak venture senior management structure (as of 31.12.2024) / GRI 2-9, 2-12, 2-13 /



Nomination, selection, and performance evaluation of Parent Company representatives as members of any part of governance structure are carried out in accordance with the internal regulations of the Parent companies themselves and the authorized body on the part of the RoK. KPO, as a reporting entity, does not have access to this information. Parent companies report on these matters individually in their sustainability reports. / [GRI 2-10, 2-18](#) /

KPO submits various types of reports to committees, sub-committees, and to representatives of Operator, Parent Companies, the Authority of the Republic of Kazakhstan, the PSA LLP Authority, and other authorized bodies of the Republic of Kazakhstan. The highest governing body for addressing sustainable development issues is the Joint Operating Committee. In order to support KPO sustainable development, the JOC members control and manage engagements with stakeholders based on the exchange from the above listed formal committees. / [GRI 2-13 b](#) /

Joint Operating Committee

The JOC is responsible for the overall supervision of petroleum operations and of social and infrastructure projects to ensure that activities are carried out in accordance with the FPSA and Settlement Agreement. Matters pertaining to the JOC include: review and approval of the annual Work Programme and Budget, social and infrastructure projects, and any changes to the Field Development Plan. JOC meetings take place normally no less than two times per year. In 2024, the JOC meetings were held in June and November.

The JOC is chaired by a representative from the Authority. The Authority and the Contractor (Parent companies) each appoint five representatives to attend the JOC. The JOC representatives shall have deputies, who shall also be appointed by the Authority and the Parent Companies respectively. The Akim of the West Kazakhstan Oblast attends the JOC meetings as the community representative, but without voting rights. KPO is invited as a guest, and is not a member of this committee.

JOC members are remunerated by their respective companies and selected by the senior management of each participating entity, based on each candidate's individual experience and respective companies' policies. / [GRI 2-10, 2-19](#) /

The highest governing body for addressing sustainable development issues is the Joint Operating Committee.

JOC Sub-Committees

The JOC has established several sub-committees, such as the Joint Procurement Committee (JPC) and the Local Content Sub-committee (LCS).

The JPC is responsible for the approval or endorsement of the main contracts to be awarded by KPO, and acts in accordance with the JOC Tender Procedures as approved by the JOC. Membership and voting rights for the JPC are similar as for the JOC, and its decisions also need to be unanimous.

The Local Content Sub-committee consists of KPO representatives and the PSA Authority. The LCS is responsible for the provision of assistance to the JOC on issues related to local commodities, works and services, increase of local staff employment, training and development of Kazakhstani employees. The LCS is also involved in discussions and reviews of plans and programmes related to local content as proposed by the Republic, the Authority, or Parent Companies.

Joint Marketing Committee

The JMC is responsible for all activities relating to the marketing of hydrocarbon and non-hydrocarbon products under the FPSA. This Committee approves proposals concerning transport, processing, swaps and the sale of petroleum products. Decisions are taken with the objective of maximising net revenues. The JMC is chaired by a representative from one of the Parent Companies. The KPO Marketing Director has the right to participate in JMC meetings without voting rights.

Contractor's Committee (ConCom) and Operating Committee (OpCom)

As defined by the Joint Operating Agreement (JOA), the Karachaganak Joint Venture operates utilising two bodies for management and decision-making. One body is the Contractor's Committee (ConCom), which is responsible for determining all the Parent (Contracting) Companies' position on matters

subject to the decisions of the JOC. The other body is the Operating Committee (OpCom), which oversees the management of the Venture and ensures compliance with the FPSA requirements.

The highest governing body for developing sustainable development strategies is the Contractor's Committee.

The highest governing body for developing sustainable development strategies is the Contractor's Committee. These activities to deliver the strategic objectives are initiated and submitted for discussion at the meetings of the Operating Committee by KPO representatives, discussed at the level of the Operating Committee. Contractor's Committee monitors the design and implementation effectiveness of the organization's processes as part of the annual internal audit by all Parent companies. / [GRI 2-12](#) /

ConCom and OpCom Sub-Committees

The different subcommittees, at Contractor and Operator level, provide professional advice and assurance in specific areas of expertise at operational and corporate levels. Each Sub-Committee has its own purpose and objectives stipulated in the respective 'Terms of Reference'.

The topics on sustainable development, such as social, economic, environmental topics are captured in Sustainability Sub-committee at Operator level – represented by both Operators and KPO. Its main purpose is to advise on identified issues, concerns and impacts of KPO business on the communities living in KPO's direct impact area. / [GRI 2-12](#) /

The topics on sustainable development, such as social, economic, environmental topics are captured in Sustainability Sub-committee at Operator level – represented by both Operators and KPO.

The Sustainable Development Sub-Committee reviews issues such as the post-resettlement monitoring of the former Berezovka and Bestau villages, engagement with Burlin District and Karachaganak field adjacent communities, NGOs, and also the sustainability reporting. / [GRI 2-12](#) /



Director's Committee / GRI 2-9 /

The KPO Directors Committee is the executive body. This is an advisory body for making operational decisions for managing the Company, including collective decisions.

The Directors Committee includes heads of all key divisions in the Company. The directors are represented both by secondees from the Operating companies and KPO employees from among the citizens of the Republic of Kazakhstan. All Director's Committee members are nominated by the OpCom. The appointment of directors is subject to the terms of the Joint Operating Agreement. The term of appointment of directors is three years. Each nominee for a relevant director position undergoes strong selection by the Operators based on his/her professional qualification and background.

Representatives of the Operator companies – Shell and Eni – are alternately appointed to the positions of General Director and Operations Director, Deputy General Director. The KPO organisational structure does not provide for a position of an independent director.

The gender ratio at the time of issue of the Report made up 82% for men and 18% for women. KPO Directors do not include representatives of underrepresented social groups. The latest information about the KPO Directors Committee is provided on our website in section "[KPO Management](#)".

General Director is the most senior manager of KPO reporting directly to the Contractor's Committee. A number of Directors and Controllers are directly reporting to him. General Director is accountable for achieving the overall performance targets set for KPO by the Contracting Companies and as defined in the approved plans and budgets. Directors Committee chaired by General Director monitors progress of key issues identified by reporting Committees and proactively identifies and tracks "hot issues" and agrees solutions and allocation of resources with the relevant business leaders.

The members of the Directors Committee participate in all major forums related to sustainability topics, thereby increasing their awareness of ESG issues. In 2024, KPO Directors and Controllers participated in the following forums: Safety Leadership & Culture Commitment Workshop, conference on "KPO local content development and procurement process", KPO Roundtable: Top 50 Companies Delve into Integrated Environmental Permitting in Kazakhstan's Oil and Gas Sector, KPO Local Content Workshop, Workshop on "Local Content in Goods: Strategic Development of the Country and Industry", HSE Leadership and Culture Programme Meeting with Contractors, Annual IR Forum, IMB Center Annual Forum, KPO, TCO, NCOC and CPC-K HSE Forum, Safety Summit (Safety Leadership & Culture Commitment Workshop) with contracting organizations, The VII International Environmental Forum "Uralsk Green Forum", IMB Center's Localization of Goods in the Oil and Gas Sector workshop-exhibition, KASE Award Ceremony for the 2023 Annual Report Competition. / GRI 2-17 /



MANAGING RISKS / GRI 2-12, 2-13 /

Petroleum operations must be carefully managed with respect to people, the environment, and assets. As a responsible oil and gas Operator, KPO makes particular emphasis on managing business risks encompassing all dimensions.

The risk management process includes activities required to identify, assess, monitor, manage, and report risks that may impact the achievement of objectives. This is a dynamic and continuous process.

In 2024, the Risk Committee discussed and reviewed various business risks, including but not limited to:

1. Severe road traffic incidents with involvement of primary and/or secondary logistics
2. Major Asset Integrity and Process Safety accident
3. Technical water supply challenges
4. Power Generation capacity constraints
5. Increase in occupational safety injuries
6. Exposure to major cybersecurity incidents
7. Decrease in gas supply to Orenburg
8. KGP fails to take Final Investment Decision (FID)
9. Social tension
10. Bribery/ Corruption

KPO works on mitigating these risks through its management systems and continuous assessment in order to positively shape business strategy and change management.

To ensure the effectiveness of the risk management process, KPO implements the following reporting steps:

- **Twice per year:** by conducting Risk Committee meetings;
- **Continuously:** regular assessment and update on risks evolution at Risk Owner level to ensure well-timed and effective implementation of preventive actions to mitigate identified risks, and timely informing the Integrated Risk Management focal point.

Detailed disclosure on measures to reduce key specific risks related to social, environmental and economic material topics is provided in the relevant chapters of this Report.

Business and safety risks: The Integrated Risk Management Procedure and HSE Integrated Management System Framework define and describe this process, as well as roles and responsibilities across the Company. It also aimed at synchronizing business goals and targets with business risks on each level of the organization. Corporate Governance Controllership is responsible for adoption, maintenance, monitoring and continuous improvement of the integrated risk management system, covering both business and safety risks.

For business risks, this process is regulated by the Integrated Risk Management Procedure, and risks are reported through Corporate Risks Register, which is a risk model listing main business risks as well as relevant preventive and remedial actions.

For safety risks, this process is regulated by the HSE Risk Management Framework. Risks are reported through Corporate HSE Risks Register, which is a risk model listing main safety risks as well as relevant preventive and remedial actions. The HSE risk model outcomes feature into the business risk model.

The final risk model is reviewed and summarized in the preparation for the KPO Risk Committee meetings, which is participated by KPO senior management.

/ GRI 2-12, 2-13 /

Process Safety risks: Key Process Safety risks are recorded in the Barrier Model containing all detailed process safety risks, which are under management of Safety & Asset Integrity Controllership and regulated with the HSE Risk Management Framework. More details are provided in the Asset Integrity chapter.

ASSURANCE / GRI 2-12, 3-3 /

At KPO, the commitment to fostering a culture of internal assurance is paramount for promoting the sustainability and responsible growth of the Company. KPO demonstrates its commitment by delivering two key processes to support its business objectives:

- a value assurance process for capital expenditure projects,
- an audit process for internal, external and contractor audits.

In 2024, KPO has continued prioritizing value assurance, rigorously evaluating all development projects to ensure sound decision-making. This comprehensive process, from opportunity identification through the operational phase, is meticulously detailed in our updated documents: the Projects Value Assurance Policies and Management System, and the Projects Value Assurance Events Guideline. Our objective remains steadfast: to maximize investment value, while placing a heightened focus on sustainability and environmental stewardship.

With the substantial nature of our investments, KPO engages in a mix of both internal and external value assurance events, including participation from Parent Companies, to guarantee the optimal performance of our project maturation processes. Such thorough assurance procedures serve a dual purpose: they enhance transparency and accountability, and they are pivotal in driving sustainable, long-term growth for KPO.

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A key highlight for 2024 was the integration of our KPO Green Strategy. This forward-thinking initiative has led us to develop innovative conceptual proposals aimed at minimizing environmental impact in our new capital projects. This strategic move underscores our commitment to not only maintaining but elevating the sustainability of our operations, aligning with our vision for a greener future.

Regarding audit assurance, which is captured in the Internal Corporate Audit Procedure, the internal audit function provides risk based independent assurance on the design and operating effectiveness of governance, internal controls and processes as set out in KPO Control Framework, and systems. The internal audit function identifies any gaps which may impact the capability of KPO to deliver its business objectives.

KPO implements its annual audit plan covering risk areas across the business activities such as: governance, contracting & procurement, internal and contractor HSE management, financial, accounting, production operations, logistic processes and many others. Besides of that, the internal audit function follows-up of identified audit actions. The results of these audits are reported to KPO management and Parent Companies at the Audit Sub-Committee.

Further, KPO Parent Companies conduct audit on annual basis based on their own internal risks assessments. This provides an additional independent assurance level on the design and operating effectiveness of the KPO Control Framework. The results of these audits are reported to KPO management and Parent Companies at the Audit Sub-Committee. / GRI 2-12 /



The results of these audits are reported to KPO management and Parent Companies at the Audit Sub-Committee.

Finally, external certified auditors provide assurance on effectiveness of the KPO Control Framework and compliance with the international standards and RoK laws is provided through ISO certification including surveillance audits.

Moreover, KPO through internal corporate audit department carries out its own HSE internal audit plan on annually basis. For example, in 2024 KPO conducted 14 HSE audits.

Integrated HSE Management System

/ GRI 3-3, 403-1, 403-7, 403-8 /

Continuous improvement and commitment are KPO's priority in ensuring the health and safety of the workforce with minimum impact to the environment.

KPO manages HSE issues through its Integrated HSE Management System, which is certified in accordance with ISO 14001:2015 (Environmental Management System), ISO 45001:2018 (Occupational Health and Safety), and ISO 50001:2018 (Energy Management). Additionally, from 2022, KPO has obtained the ISO 39001:2012 (Road Traffic Safety Management System) certificate.

In order to maintain its credentials in relation to the ISO requirements, in 2023, KPO had passed through the re-certification process of ISO 14001:2015, ISO 45001:2018 and ISO 50001:2018 and surveillance auditing process of ISO 39001:2012. Both KPO employees and contractor staff work intensively towards maintaining these processes.

The KPO HSE requirements are extensively communicated at internal and external levels, such as to all KPO staff but also with all contractors and subcontractors (i.e. inclusion of HSE requirements in each awarded contract).

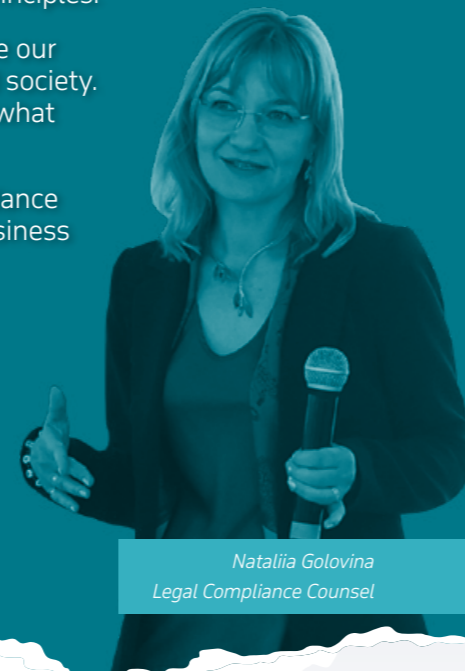
Each year KPO undertakes a range of HSE programmes, trainings, initiatives and campaigns. These include but are not limited to HSE inductions, job specific HSE training, and various other HSE programmes, such as Safety Leadership and Culture Programme, HSE Card Programme, HSE Award Incentive Scheme, Health Risk Assessments, Resilience Programme, Environmental Culture and Awareness Enhancement Programme, and other.

Why is it important to us? / GRI 3-3 /

At KPO, we share a set of core values – honesty, integrity and fairness as foundation for our respect for people. By making a commitment to these in our working lives, each of us plays our part in protecting and enhancing KPO's reputation. Our shared core values underpin all the work we do and are the foundation of our Code of Conduct and the KPO Business Principles.

The **KPO Business Principles** govern how KPO conducts its affairs and outline our responsibilities to shareholders, customers, employees, business partners and society. The Code of Conduct describes the behaviour KPO expects of employees and what employees can expect of KPO.

We are judged by how we act. Our reputation will be upheld if we act in accordance with the law, the KPO Business Principles and our Code. We encourage our business partners to live by the KPO Business Principles or by equivalent principles.



Natalia Golovina
Legal Compliance Counsel

BUSINESS CONDUCT

/ GRI 2-23, 2-24, 3-3, SDG 10.3, 16.5, 16.8 /

KPO BUSINESS PRINCIPLES / GRI 2-23 /

KPO conducts its business based on KPO Business Principles, which were introduced in 2019 and signed by all members of the KPO Board of Directors. Prior to that, Business Principles were the part of the Code of Conduct.

Our Business Principles govern how we conduct our business and set high standards of performance and ethical behaviour. We also expect all of our stakeholders, including contractors and suppliers, to respect and adhere to these Business Principles.

Fig. 8. KPO Business Principles cover seven main categories:



The full text of the KPO Business Principles and a short video are available on our [website in Business Ethics section](#).

CODE OF CONDUCT

The KPO Code of Conduct is a fundamental compliance document aimed to protect the activities and reputation of the Company and its employees. The Code of Conduct is a system of business ethics and corporate culture general rules at KPO, required of all KPO employees, contractors' employees and other persons working on behalf of KPO, without distinction or exception. / GRI 2-23 /

The Code of Conduct includes provisions on respecting the principles of free enterprise and fair competition,

protecting human rights and the Company assets, providing equal opportunities, zero-tolerance for corruption and legitimization of proceeds of crime (money laundering), any harassment at work, and also regulates some aspects of national and international trade, labour protection, safety and environmental protection, protection and exchange of information, including personal data. / GRI 2-24 /

The full text of the KPO Code of Conduct is available on our [website in Business Ethics section](#). / GRI 2-23 (c) /

HUMAN RIGHTS / GRI 2-23, 2-24, 408-1, 409-1, SDG 8.7 /

Grounded in the principles proclaimed in the United Nations Universal Declaration of Human Rights and the core conventions of the International Labor Organization, KPO is committed to respecting human rights and complying with applicable laws and regulations in the line of its duty. Moreover, these norms are spelled out in the Constitution of the Republic of Kazakhstan (RoK), in the Labor Code of the RoK, in the Code of the RoK "On the health of the people and the healthcare system", the Law of the RoK "On civil protection", in the Environmental Code of the RoK and in relevant regulations.

The observance of human rights is a prerequisite of our "license to operate". Our activities are based on respect for human rights of our stakeholders starting from our employees, contractors, local communities and local authorities. Following these goals, at KPO we regularly engage with our external stakeholders and always strive to contribute, both directly and indirectly, to the general wellbeing of the communities in which we operate.

Human rights issues are an integral part of the Company's internal regulations describing compliance with requirements in terms of social contribution, safety, human resources. For this reason, human rights requirements are embedded in the Code of Conduct and in KPO existing framework, manuals and policies. These include:

- **Social performance** – we have social performance plans and address the social impacts of our operations on local communities.

- **Security** – company-wide security requirements help keep staff, contractors and facilities safe in a way that respects human rights and the security of local communities.
- **Human resources** – our policies and standards help us establish fair labour practices, ethical labour relations, a positive work environment and conditions.
- **Contracting and procurement** – we seek to work with contractors and suppliers, who contribute to sustainable development and are economically, environmentally and socially responsible.

As part of the overall KPO Compliance Framework, KPO has adopted and successfully implemented the new Ethics and Compliance Training Programme, which addresses major points of the principles and commitments listed above.

KPO has a zero-tolerance approach to modern slavery and child labour is committed to identifying and minimizing so far as possible the risk of child labour, slavery and human trafficking occurring in its supply chains and in all areas of its business.

In 2024, there were no cases of child labor and human trafficking in KPO and its contractors. / GRI 408-1, 409-1 /

COMPLIANCE / GRI 2-24 /

ANTI-CORRUPTION / GRI 205-1, 205-3 /

KPO pays special attention to the issue of anti-corruption. The KPO Anti-Bribery and Corruption and Anti-Money Laundering Manual (hereinafter referred to as the Manual) is based on the Code of Conduct and Business Principles and define KPO requirements for compliance with national and international laws prohibiting bribery and corruption. The manual is mandatory for all KPO Staff, including seconded employees of Parent Companies, full-time employees and employees of sending parties (recruitment agencies). / 2-24 (a-ii, a-iii) / Management defines work processes related to gifts and hospitality and helps staff assess potential corruption risks. Particular attention is paid to:

- Contracting,
- Gifts and hospitality,
- Funding social investment,
- Interaction with government agencies,
- Conflict of interest.

The KPO General Director, directors or managers identify key legal and ethical compliance risks in the relevant directorates/departments, as well as assess and monitor risks. / 2-24 (a-i) /

The Risk Assessment "Exposure to major breach of the Code of Conduct and of the Ethics and Compliance policies and procedures" includes an assessment of all KPO activities for risks related to corruption.

To mitigate the corruption risks, the following rules and processes have been established:

- Due Diligence is applied before entering into a contract or any binding agreement with a counterparty (please, read more in Suppliers' ethical due-diligence).
- Bribery and any facilitation payments (including accepting a bribe, giving a bribe, commercial bribery,

mediation in bribery and commercial bribery) are prohibited.

- Strict rules and restrictions have been established for such business processes as charity and sponsorship, with mandatory recording of expenses and preliminary review of all participants in the process.
- Any payments (direct or indirect) at the expense of the Company's funds to political parties, political organisations or their representatives are prohibited. / GRI 415-1 /
- The basic principles for giving and receiving gifts and hospitality, thresholds, levels of agreement and approval have been established, and an appropriate register is maintained.
- Principles and rules have been established for reporting a conflict of interest (actual, potential and perceived). All cases of a conflict of interest are recorded in the respective register, and measures are taken to resolve it by the responsible business unit (Please, read more in Conflict of Interest).
- Trainings are held on a regular basis and employees' awareness of anti-corruption and other ethical requirements are checked (please, read more in Compliance awareness training). / 2-24 (a-iv) /
- Processes for reporting violations of the Company's internal documents and applicable laws have been regulated, procedures have been established for investigating and liability for violations of the Company's internal rules.

Conflict of interest / GRI 2-15 /

Conflicts of Interest in KPO are regulated by the Code of Conduct, the Anti-Bribery and Corruption and Anti-Money Laundering Manual. The latter Manual is designed to provide guidance to KPO's various hiring managers and the Legal Directorate to assist them in managing apparent, potential or actual conflicts of interest. The Committee of Operators oversees the management of such conflicts by conducting compliance audits. Conflicts of interest may arise if KPO employees have Immediate Family Members who are KPO employees, government officials, contractors, suppliers, competitors and KPO business partners. Such cases are handled and managed within the Company.

Legal Compliance Department reminds all employees of the need to declare a conflict of interest on a regular basis. Every eligible candidate shall sign Conflict of Interest Declaration prior to employment.

General Director and Legal Compliance Department ensure overall employee awareness on significance of conflicts of interest and about the need to follow all compliance standards and requirements via corporate mail.

Compliance awareness training / GRI 205-2 /

All KPO employees receive regular trainings on various compliance topics.

In 2024, the Compliance Department conducted 24 in-person sessions on the Anti-Corruption and Bribery course for employees who work at high risk of committing compliance violations. 332 employees attended this course, including the KPO Directors Committee.

In addition, Compliance Department conducted face-to-face training on Trade Compliance for the relevant personnel. A total of 16 sessions were held, attended by 274 employees.

Besides, each KPO employee is required to certify on an annual basis that he or she has read and understood the Business Principles, the Code of Conduct, the Anti-Bribery and Corruption and Anti-Money Laundering Manual and sign the Annual Ethics and Compliance Declaration. As per the 2024 year-end results, 91% of employees, including seconded employees of Parent Companies, full-time employees signed the Annual Ethics and Compliance Declaration.

All compliance policies and procedures are available to each employee on the KPO Intranet. The KPO Business Principles and the Code of Conduct are available to all stakeholders on the KPO intranet.

Suppliers' ethical due-diligence / GRI 2-23, 205-1, 205-2, 414-1 /

KPO is committed to achieving and maintaining the highest standards of corporate governance, particularly in respect of compliance with ethical and legal requirements. KPO's success is based on all its business partners, who play an important and valued role in our continuing business success, sharing that commitment.



KPO conducts an Ethical Due Diligence assessment of business partners to determine the risks associated with each potential business partner and to identify appropriate mitigation measures for those aspects that may pose a risk. / GRI 2-24 /

Each potential business partner receives a questionnaire asking information about its ownership, management and conduct of business including its ethical business practices. As part of its due diligence, KPO also uses open-source information to corroborate information received from partners and to verify feedback on business practices and reputation in the marketplace. KPO uses an international compliance database, the Kazakhstani database of legal entities, and open national databases, including tax and court databases, as well as independent international experts. Then, a risk assessment is performed to determine the acceptability of the business partner and, if relevant, mitigation measures to be applied to any residual risks. / GRI 2-24, 2-25 /

Moreover, KPO requires its business partners to comply with applicable Kazakh and international laws combatting corruption and bribery through obligations incorporated in KPO's standard contracts.

All business partners are required to complete an Annual Compliance Certificate certifying their compliance during the preceding calendar year with the representations, warranties and commitments set forth in each KPO contract in Article, Ethics and Business Practices. / GRI 2-24 /

KPO is confident that the above activities have alerted its business partners to KPO's high standards of ethical business. KPO cooperates with its business partners and along with business partners are obliged to comply with all applicable laws to prevent corruption and bribery.

Hotline and other compliance measures

/ GRI 2-25, 2-26, 3-3, SDG 16.10 /

To support the Company's Ethics and Compliance Programme, KPO has a toll-free, anonymous and confidential [Hotline](#).

The Hotline is an important tool for KPO's employees, contractors and stakeholders to promote a fair and safe working environment. Hotline provides an avenue for employees and third parties (contractors, suppliers and any other interested parties) to report possible illegal, unethical or improper conduct, such as discrimination, sexual harassment, conflicts of interest, improper financial practices or bribery. The caller may report on the alleged misconduct either by telephone or by completing an online report form. Incoming reports are handled by an independent, third-party provider, which guarantees their confidentiality and anonymity. Further, reports are forwarded to certain KPO responsible persons, who ensure that they are professionally handled. KPO employees can also report concerns directly to the Legal Compliance Department, HR or their respective line managers.

In 2024, Legal Compliance Department received 113 new reports through the Hotline and directly. / GRI 2-16 / Most of the complaints were related to the workplace relationship matters, conflicts of interests and contractual matters. In 2024, 123 investigations were completed, including investigations on reports received in 2023. 41% of the investigated reports were proved as partially or fully substantiated. All investigations were conducted in accordance with the KPO's Compliance Investigation Procedure and/or Discipline Handling Procedure, depending on the nature of report.

The compliance investigation team duly investigates the received reports and, in case the allegations are substantiated, consequence management actions are identified and carried out. In 2024, 70 consequence management actions were recommended, of which 81 were completed and closed (this also includes actions recorded in 2023). The quality of investigations is ensured by the continuous maintenance and updating of the "Logbook of Complaints", which helps to measure

the performance of investigations and conduct trend and root cause analysis in case of unsatisfactory performance.

All consequence management activities are monitored and controlled in accordance with applicable KPO policies. KPO Ethics Advisory Board monitors and decides on the most significant investigations and consequence management processes. Once discussed, agreed upon and approved by the Ethics Advisory Board, consequence management activities become mandatory in the respective Directorates/departments. All these activities are recorded, tracked and monitored using a dedicated logbook ("Register of Activities").

ANTITRUST / GRI 206-1, 3-3 /

Antitrust laws protect free enterprise and fair competition. Supporting these principles is important to us, not only because it is the law, but because it is what we believe in.

The KPO Code of Conduct regulates the rules for all employees to combat illegal practices, including price fixing, market sharing, output limitation or bid-rigging, as well as anticompetitive or monopoly practices.

COMPLIANCE WITH LAWS AND REGULATIONS / GRI 2-27 /

KPO complies with all applicable laws and regulations of the countries in which it operates.

All members of the KPO Board of Directors and the Legal Directorate ensure that all compliance matters are resolved in accordance with the FPSA and the Joint Operating Agreement, all applicable RoK and international laws governing oil and gas companies, and KPO policies and procedures governing compliance processes.

In 2024, a total of eleven cases of administrative offences were in process, of which 4 (four) cases with State Institution "WKO Ecology Department" and State Institution "Atyrau Region Ecology Department",

In October 2024, the Company held its 'KPO Ethics Day' dedicated to corporate ethical values and raising the level of ethical leadership. This event was launched in 2023 with the purpose to create a communication platform for discussing latest issues related to ethics and compliance. The event was attended by KPO management of the first and second levels, as well as representatives of the Operator – Shell and ENI and external stakeholders.

In 2024 the Company launched a new project – the Ethical Leadership Program aimed at driving awareness and engagement on corporate ethics and compliance principles across KPO.

KPO employees are prohibited from discussing with competitors, even in private, issues that may be perceived as a violation of antitrust laws, and even more so from entering into agreements with them on such issues.

In 2024, KPO has no any pending or completed legal actions related to unfair competitive behaviour and violation of antitrust laws.

5 (five) cases by the order of Burlin District Police Department, 1 (one) case with State Institution "WKO Emergency Situation Department of RoK Ministry of Internal Affairs", and 1 (one) case with SI "WKO State Architectural and Construction Supervision Authority".

10 out of 11 administrative offence cases mentioned relate to the period of 2024 (one case from 2023). During the reporting period, KPO was subjected to administrative fines in total amount 970,019,394 KZT: KPO has paid administrative fines related to one administrative offence cases for a total amount of 1,846,000 KZT, administrative fines 9,405,370 KZT have been cancelled based on KPO's petitions and fines in total 958,768,024 KZT are currently under appeal.

Why is it important to us? / GRI 3-3 /

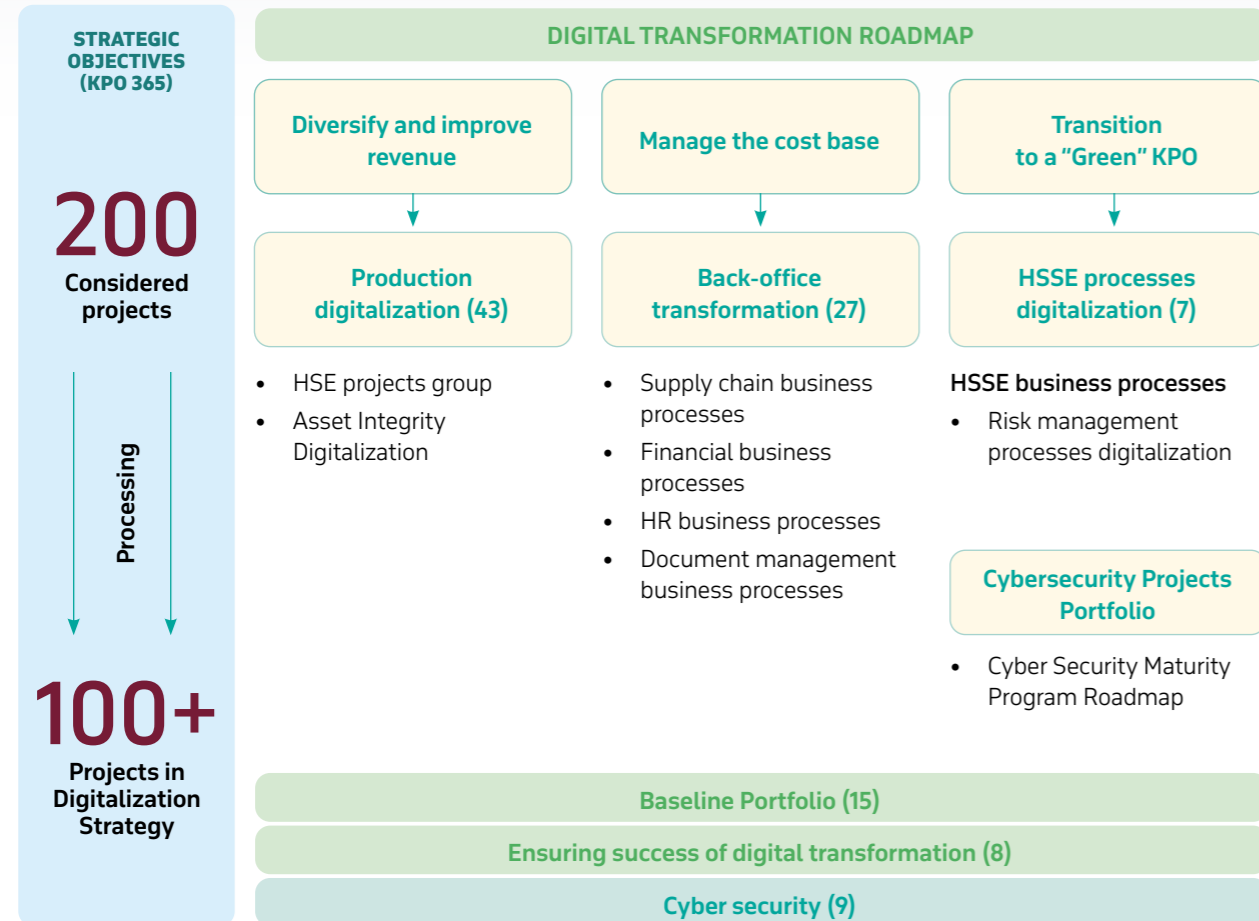
The whole world is going digital and KPO cannot stay apart, if we wish to upkeep the attractiveness of the oil and gas business for the country and for investors. KPO is actively pursuing digital initiatives, raising efficiency, and reducing routine operations. Projects implemented in 2024 brought about measurable results, improving quality of the business processes, reducing routine operations, introducing the Electronic Digital Signature extensively throughout all of the systems.

Nowadays IT / digital resources are all around us in business and private lives, so it is becoming vital to know how to use them safely. Besides, Cyber Security is one of enablers of the KPO Strategic Priorities to safeguard our Crown Jewels – people, data and applications, from cyber threats like phishing, ransomware or targeted attacks.



Serikov Bakhtiyar
Enterprise Architecture
Manager

DIGITAL TRANSFORMATION ROADMAP 2024-2028



DIGITALIZATION AND CONTINUOUS IMPROVEMENT / SDG 9.4 /

KPO implements its digital transformation in conformity to the Digitalization Strategy and Roadmap approved in 2023. The Program encompasses over 100 projects in 6 key portfolios: Baseline, Production, Automation of HSSE Processes, Back-office Processes Digitalization, Ensuring Success of Digital Transformation, and Cyber Security Maturity Program. Our key digitalization achievements in 2024:

- Telemetry Phase II Completion:** 17 wells have been connected to the telemetry system in 2024 (2021 – 9 wells, 2023 – 15 wells), which improves production forecasting, enhances prompt response capabilities, optimizes maintenance, and reduces the risks of standstills. The data have been integrated with the analytical and production systems, streamlining controls and operational efficiency. Cyber security has been ensured, while the data transfer to the forecast models expedites the digital transformation and boosts production safety.
- Smart search:** An AI search platform was created for the unstructured data, reducing the search time by 90% – the engineers are finding data in 10 minutes instead of an hour. This tool enhances productivity, automates routine tasks, improves access to information and the interfaces between units, while ensuring accurate analyses and accelerating the decision-making.
- Simplified modelling for production forecasts:** A rapid AI production forecasting system has been rolled out, speeding up the calculation at a 20-fold rate – development of scenarios takes minutes instead of hours. It improves the accuracy of forecasts, simplifies the data access, optimizes planning and decision-making, reduces risks of deviations from the planned performance indicators, and streamlines the production management efficiency.
- Production forecasting:** The "Production Forecasting Tool" has been implemented to automate the production forecasting, that integrates all work stages in one platform. The forecasting time has been reduced from 26 to less than 14 days, which renders the data more up-to-date and improves the accuracy of calculations. Besides, there is less dependence on Excel reports and correspondence, which improves the process by 70%.

- Maintenance and engineering based on smart systems:** Work on creation of a Master Catalogue and on a design of a system for the Unit-3 process flow diagrams development has been completed aiming to improve the way the industrial workflows are managed and documented. The outcome is a precise and coherent representation of the equipment, pipelines, and instruments, streamlining the decision-making and preparedness for operations. Introduction of smart process flow diagrams improves the quality of documentation and management, enhances co-operation, lowers risks, and facilitates transition from design to operations and maintenance.
- Transport request services (phase 2):** The transport request service has been automated through a mobile App and a digital control room. Now employees can book the nearest available vehicle without participation of any control room operators, their expectation time was reduced from one hour to 20 minutes and the number of steps is twice less. The system already covers 20% of the car fleet and is planned to be fully rolled out by the end of 2025, increasing availability of transport and ensuring its better use.
- Project management methodology roll-out:** Project management workflows have been formalised and standardised in KPO. The standard and the procedure have been updated, ensuring a unified approach towards planning, execution, and monitoring of the digitalization projects. It made the workflows more transparent and allocation of resources more efficient, reducing risks and enabling timely achievement of targets.
- Digital venture workflow management system upgrade:** A unified corporate platform has been created with workspaces for each business unit, high level workflow cards, and regulatory documentation. The previous corporate portal with over 6,000 documents complicated the navigation and the information update. The project resulted in a normalised and automatic business process management system, streamlining the data access and bringing them increasingly up-to-date.
- Risk management:** The risk management system has been streamlined in SAP GRC, allowing to introduce new functions, close gaps, and improve the automated reporting and monitoring. Approval of risk mitigation actions is now automatic, and the system has been updated in compliance with the current requirements from 2018.

- **Implementation of the electronic document management system:** the pilot phase was implemented in 2024, the configuration and testing of the correspondence module was completed. The system is being integrated with SAP to optimize document management processes.

The projects implemented in KPO confirmed efficiency of the digital transformation, demonstrating substantial improvement of operational processes, data management, and automation of essential functions. For further development we need to continue

CONTINUOUS IMPROVEMENT

The Continuous Improvement (CI) participates in the improvement of business processes, which includes training of employees in Lean Six Sigma (LSS) supported by ENI. 90+ employees have received the certificates by 2024, including 7 certified with the "Six Sigma Yellow Belt". This training includes implementation of projects on improvement of the business processes helping to streamline them. The processes have been mapped for KPO key functional areas:

- **Contracts and Procurement Enhancements**
CI team reviewed over 60 business processes in KPO procurement, including all regulatory documents, as part of the e-Procurement program roll-out. A targeted process has been developed (TO-BE), reflecting suggestions from all key stakeholders jointly with the subject-matter specialists and a business partner. The purpose of this project is to introduce a unified procurement system, encompassing the entire C&P process (end-to-end), allowing us to streamline, speed up, increase transparency, and improve interaction with suppliers. The expected outcome of the system roll-out includes efficiency increased by 46%, reduction of phases by 56%, removal of paperwork turnaround by 80%, and the duration of operations decreased by 54%.
- **Advancements in Production & Maintenance (P&M)**
Production Forecasting process was identified as one of the priorities for continuous improvement. CI team in collaboration with RPE experts, P&M

scaling the successful decisions, integrating the best technologies, and enhancing the analytical tools. Special attention should be paid to extending the AI usage, strengthening cyber security, and improving digital platforms for the support of strategic decisions. A coherent development of digital initiatives will ensure a further growth in effectiveness, reduce operational risks, and boost the competitive positions of KPO. KPO continuously revises and updates its strategic documents.

Production Optimization group, and Marketing specialists have been working on Digital Oil Field project that aims to cover end-to-end Production forecasting process with use of advanced analytics tools (ML technologies) and provide significant process optimization. As a result, the process duration has been reduced from 26 to 14 days, improving the overall process by 70%. The project is at the completion stage and when the system is stable the Company will perceive the achieved advantages.

- **HR Recruitment Process Overhaul**
CI team has held a large-scale analysis of all 44 HR business processes, by interviewing the HR team, drawing diagrams of the current business processes, identifying painful issues and possibilities for their mitigation. Process optimization and automation opportunities have been identified for 29 business processes. One proposal has already been implemented, other 9 have been accepted by a User Department and passed to IT&T for implementing. Work on endorsement of the remaining proposals is ongoing.

These initiatives make part of a broader strategy to enhance operational efficiency, cut costs, and improve service delivery across the board. Additional mechanisms were identified for 2025 to enhance the CI maturity. DCI team provides support for the KPO Business Units in order to line up digitalization process across the entire company through an integrated approach to analysis and optimization.



KPO employee speech at the 2025 Digital Almaty Forum

CYBER SECURITY MATURITY PROGRAM

Cyber Security Department was established at the end of the 2022 year and the Cyber Security Maturity Program was launched in 2023 in order to reach out level of Oil & Gas supermajors average. The main results of Cyber Security Maturity Program in 2024:

- In 2024 the **Cyber Security Awareness and Training Campaign (CS A&T)** was implemented and made operational. This campaign is an annual strategic initiative, its purpose is to train and motivate our employees to follow best practices and avoid sprawling threats, such as, phishing, spear phishing, ransomware, malware, social engineering schemes, and much more. It consisted of cyber security lessons, learning videos, phishing imitations, posters, TV presentations, pop-up messages, monthly informational bulletins and the awarding part.
- Cyber threat identification and monitoring tools have been introduced for the Information Security Coordination Centre as part of the CS A&T

Campaign, works on improvement and integration with the existing system are currently ongoing. The value of this Centre establishment includes the following:

- ▶ **Online monitoring:** covers 100% of the IT infrastructure.
- ▶ **Automatic discovery and response:** processing 70-100 notification in the online mode, significantly reducing the need for manual intervention.
- ▶ **Better risk management:** a more efficient identification and removal of vulnerabilities; tasks that previously required up to three weeks, do not take more than one day anymore.

Cyber-attacks are becoming ever more sophisticated, and our goal is to keep improving our security system continuously.



/ 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.

*Your choice today is
the life of your children
tomorrow*



SOCIAL IMPACT

- 53** Safety practices
- 61** Occupational safety and health
- 69** Care for people
- 85** Security
- 87** Industrial relations
- 91** Local communities

2024

SAFETY PERFORMANCE:

Lost Time Injuries
Frequency

0.18

RTI frequency

0

EMPLOYEES:

4,080
people

9.8%
general salary
increase

INDUSTRIAL RELATIONS MONITORING:

20 thous. employees from

169 contractor companies

LOCAL COMMUNITIES:

KPO provided

US\$ **64** mln

for purchase of housing
for flood-affected households
in WKO

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 traffic incidents is of paramount importance for our Company. Our goals are that every Company's and Business Partner's (Contractor) 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.



Vitalii Li
Safety Controller



/ GRI 2-23 /

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.

2024

HSE LEADERSHIP TOURS:

Road Safety activities completed by

95%

HSE Culture activities completed by

90%

31,627

HSE Cards

242%

by senior management

295%

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 2024	Status	Actions taken to implement targets in 2024	Targets for 2025
<ul style="list-style-type: none"> Continue conducting Safety Leadership & Culture (SLC) 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. 	Completed	<p>Safety Leadership & Culture Orientation sessions were continued in 2024, 12,609 Company and contractors' employees were covered vs targeted 10,000;</p> <p>Phase II of SLC program was launched on July 2024 and provided "Train the Trainer in Action" for certified coaches and also recruited new coaches. 102 coaches trained in total.</p>	
Implement HSE Communication plan for 2024	90% Completed	Initiatives and campaigns included in the 2024 HSE Communications plan were implemented by 90%.	Implement HSE Communications plan for 2025 by 90%.
Successfully pass 2 nd surveillance audit on the Standard ISO 39001	Completed	KPO successfully passed 2 nd surveillance audit on the Standard in 2024.	Successfully pass recertification audit on the Road Traffic Safety Management System Standard ISO 39001
Successfully pass 2 nd surveillance audit on the Standard ISO 45001	Completed	KPO successfully passed 1 st surveillance audit on the Standard in 2024.	Successfully pass surveillance audit on the Occupational Health and Safety Management System Standard ISO 45001

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

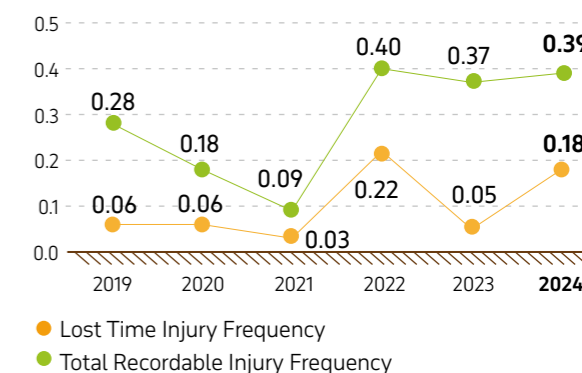
We plan our health and safety activities by tracking our progress and monitoring the world events. We calculate frequency of incidents over a set amount of work in man-hours. Our health and safety records are presented for the period 2019–2024 with a focus on 2024.

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

In 2024, the total number of recordable injuries in KPO slightly increased from 14 in 2023 to 15 in 2024. The number of Lost Time Injuries also increased from two in 2023 to seven injuries in 2024. In 2024, LTIF was 0.18 (vs 0.05 in 2023) and TRIF – 0.39 (vs 0.37 in 2023).

At KPO, every incident is investigated to avoid reoccurrence. 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, 2019 – 2024 / 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, 2021-2024 / GRI 403-9 /

Performance Indicators	2024	2023	2022	2021
Lost Time Injury Frequency (KPO)	0.00	0.00	0.00	0.14
Lost Time Injury Frequency (contractors)	0.22	0.06	0.27	0.00

Table 8 represents KPO TRIF versus contractors' TRIF.

Tab. 8. Total Recordable Injury Frequency: KPO vs contractors, 2021-2024 / GRI 403-9 /

Indicators	2024	2023	2022	2021
Total Recordable Injury Frequency (KPO)	0.44	0.45	0.00	0.14
Total Recordable Injury Frequency (contractors)	0.38	0.35	0.50	0.08

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

KPO strives to make work places safe. Despite this, during 2024 there were 15 incidents, resulting in various injuries of KPO and contractors' employees.

Tab. 9. Incidents (total recordable injuries) in 2024 / GRI 403-9 /

Injury Type	Description	Number
Lost Work Day Cases	Leg injury as a result of falling	2
	Hand injury as a result of dry gas seal displacement (struck by DGS)	1
	Ribs injury (fracture) as a result of falling from height	1
	Leg injury by the jet of pressure water	1
	Head injury as a result of losing balance and falling	1
	Leg injury as a result of soil collapse	1
Total Recordable Injuries, where employee returned to work after medical treatment or was transferred to restricted work	Leg injury as a result of striking by the fire hose	1
	Feet injury (fracture) as a result of ankle twisting	1
	Toe injury as result of slipping	1
	Hand injury (puncture wound) as a result of tripping	1
	Eyebrow and cheekbone injury as a result of striking against the pipe	1
	Head injury as a result of falling and hitting against the handrail	1
	Head and hand injury as a result of tripping and falling against the glass door	1
	Finger injury as a result of mouse bite	1
TOTAL		15

No severe Road Traffic Incidents (RTI) were registered in 2024.

The RTI frequency⁴ per 1 million km driven in KPO and contractors decreased from 0.02 in 2023 to zero in 2024. In 2024, the kilometers driven by KPO vehicles amounted to 56.7 million km, compared to 41.8 million km in 2023. / GRI 403-9 /

The increase was mostly due to the review of the KPO reporting boundaries to align them with the IOGP guidelines. Effective from May 2024, KPO road traffic

statistics includes the overall kms driven within and outside the field by KPO and all contractors (primary and secondary logistics) if the journey is on Company business.

Fatality Frequency⁵ in KPO and our contractors in 2020 – 2024 remains zero. / GRI 403-9 /

In 2024, KPO and contractors' employees worked 38,129,473 man-hours: 18% of them (6,827,029 man-hours) worked by KPO employees and 82% (31,302,444 man-hours) by contractors' employees.

Tab. 10. Man-hours worked: KPO vs contractors, 2021-2024 / GRI 403-9 /

Indicators	2024	2023	2022	2021
Man-hours worked (KPO)	6,827,029	6,652,986	6,629,709	6,924,081
Man-hours worked (Contractors)	31,302,444	31,170,717	25,885,889	25,340,974
Total	38,129,473	37,823,703	32,515,598	32,265,055

In 2024, nine high potential incidents (HPI) were recorded in KPO vs zero HPI in 2023.

Tab. 11. High Potential Incidents: KPO vs contractors, 2021-2024 / GRI 403-9 /

Indicators	2024	2023	2022	2021
High Potential Incidents (KPO)	2	0	0	0
High Potential Incidents (Contractors)	7	0	7	1
Total	9	0	7	1

In 2024, 77 near misses (NM)⁶ were registered in the Company: of which 58 (75%) were reported through the Incident Notification Procedure, and 19 (25%) – 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, 2021-2024 / GRI 403-9 /

Indicators	2024	2023	2022	2021
Near misses (KPO)	24	41	24	22
Near misses (Contractors)	53	84	58	43
Total	77	125	82	65

⁴ KPO RTIF calculation method: RTIF = number of RTI (severe) x 1,000,000 / km driven

⁵ Fatality frequency calculation method used by KPO: fatality frequency (per million man-hours worked) = number of fatalities x 1,000,000 / man-hours worked.

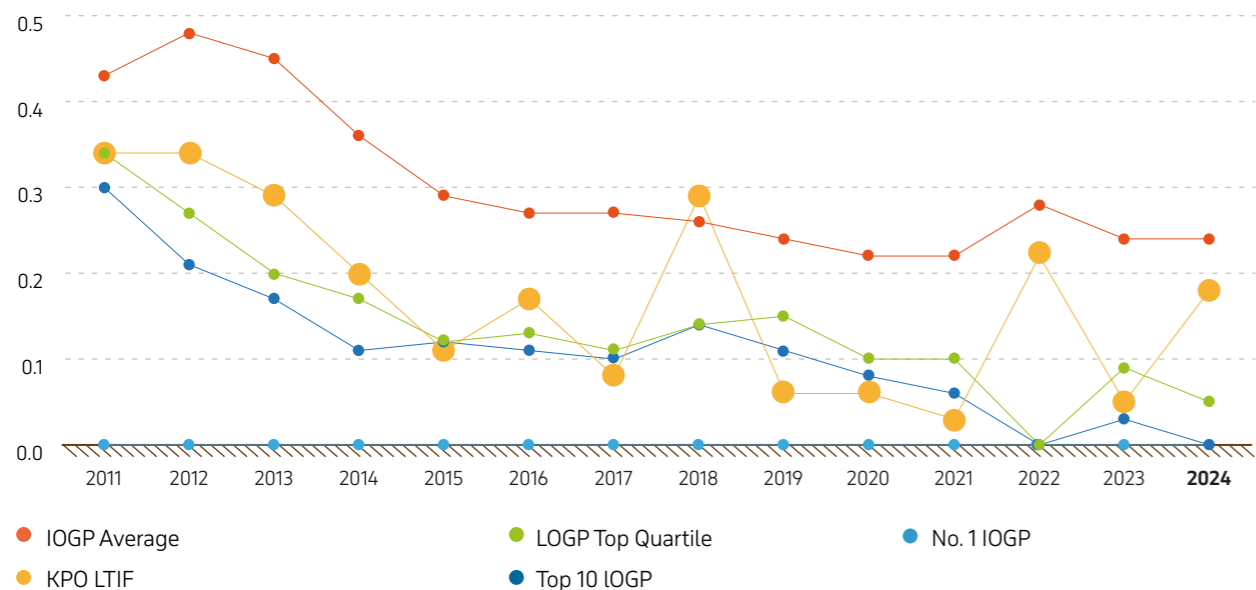
⁶ Near-miss – any unplanned or uncontrolled event or chain of events that could have resulted in injuries to be accounted for, asset damage, the environment, or an incident related to process safety, but such consequences, by coincidence, were avoided.

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 2024, the number of Lost Time Injuries in KPO increased – 7 LTIs in 2024 versus 2 LTIs in 2023. If compared with other peer companies in 2024, KPO LTIF is ahead of IOGP average, but behind the performance of IOGP Top 10 (see graph 4).

Graph 4. KPO Performance versus IOGP, 2011–2024



HSE IMPROVEMENT PLAN FOR 2024 / 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 2024, 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. 2024 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"> Occupational Health Occupational Safety Asset Integrity and Process Safety Road Safety Environment
LEVEL III (how this will be achieved):	Key Focus Areas

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 2024 on HSE Leadership, HSE Culture and Road Safety. Environment protection, Asset Integrity, Risk Management and Health activities are covered in relevant chapters.

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

In 2024, KPO continued conducting Safety Leadership & Culture (SLC) orientation sessions. 12,609 people were covered with safety orientation sessions in 2024 vs targeted 10,000.

In July 2024, Phase II of SLC program was launched and provided "Train the Trainer in Action" for certified coaches and also recruited new coaches. 102 coaches were trained in total.

"SLC in Action" sessions started for KPO and Contractors supervisory level staff and frontline workforce where they are given certain skills to be applied during day-to-day operations on site.

- SLC Phase II Supervisory level – 135 sessions held for KPO and Contractors' supervisors and 1,479 employees were covered;
- SLC Phase III for Frontline Workforce – 75 sessions held for KPO and Contractors workers and 950 were employees covered.

Project Management Office meetings were held on a monthly basis to coordinate the implementation of the program.

SLC coaches' regular meetings and 2 refreshment forums for coaches were held to review the progress, share insights, address challenges, align on safety goals, and ensure continuous improvement in fostering a proactive safety culture across the organization.

Lead SLC coaches were selected and trained. Lead SLC coaches provide strategic direction, mentorship, and oversight to ensure consistency and effectiveness in safety leadership practices.

In January and August 2024 Commitment workshops were held for Directors and Managers of KPO and Contractors who perform medium and high-risk activities for KPO.

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

The Company's key commitment is to ensure health, safety and environment. / GRI 2-23 /

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 2024.

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 18 Safety Moments were issued covering different topics such as use handrail, why near miss reporting is important, do not tolerate reckless driving, and other. On 30 April 2024, KPO held its annual HSE Awards Ceremony for the best HSE performance among KPO departments, individuals and Contractors.

The General Projects team and KPC team received the main award in the nominated category "Best KPO Department HSE Performance Operations & Projects of the year", "Best KPO Department HSE Performance non-operations of the year" received – Asset Accounting. "Akbarys" company became the winner for the best performance Operations & Projects among the Contractors' companies, for the best of non-operations departments – "Ligabue". 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.

On 4th September, Safety Day meetings commenced at KPO offices and facilities to discuss and prevent the recurrence of recent incidents, which resulted in serious injuries. Open dialogue sessions focused on the theme “Before I Start Work,” emphasizing the importance of taking a moment to check, cross-check and really ensure all safety measures are in place before commencement of any task. The discussions involved more than 9,000 KPO employees and Contractors.

The Annual HSE Forum has been an integral part of communication tool over the years. In 2024 the Forum was combined with the Safety Leadership and Culture program and the HSE Summit was held on the 3rd of December. The Summit involved the KPO and Contractors’ Senior Management, Unit Managers, Project Managers, Superintendents and SLC coaches. The subject of the Summit was ‘Safer Together’ to highlight that joint efforts are key to make a step change in improving safety culture. During the event the following important topics were discussed:

- Areas of concern raised during SLC sessions and surveys;
- Sharing experience of SLC implementation from our Contractors;
- Health risk factors and health promotion in KPO and Contractors;
- Road safety – from Reactive to Proactive.

Lead SLC coaches from SLS OIL and KPO shared 5 areas of concern raised during SLC sessions and via anonymous surveys by KPO and Contractors’ employees, and openly voiced the problems coming from the ground.

In June 2024, the meeting between KPO and Contractors’ Senior Management (73 companies with high and medium HSE risk participated) was held to emphasise the HSE Leadership & Culture, reinforce the contractual obligations and HSE requirements, and share the concerns raised during work execution. The main messages were addressed:

- Senior Managers have the power and duty to change the Safety Culture, that is why Safety Leadership is the priority.

- Nowadays, we face challenges in the whole world (e.g., inflation) and it impacts the financial situation of many companies. However, any decision related to cost reductions shall not influence on safety issues (PPE, welfare, etc).
- Schedule D describes the minimum HSE requirements to the contract and it shall be strictly followed.

With the aim of Safety Culture improvement, the following leading safety indicators/targets were set as mandatory for employees to receive the 2024 Annual HSE Bonus:

- New indicator was introduced – Proactive Safety Behavioral Index (PSBI). PSBI shall not be less than the yearly target of 490 (PSBI criteria = Unsafe Acts + Unsafe Conditions + Stop Work Authority + Near Misses / million man-hours ≥490);
- By the end of the year, employees were to undergo LSR e-learning “Safe mechanical lifting” and “Line of Fire” and to attend “Safety Leadership & Culture Program” training.

KPO managed to reach the PSBI target (566 vs target 490) and HSE bonus was paid to those KPO and manpower employees who timely underwent the e-learning and attend the SLCP training.

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, Level 2-3 Managers and Contractors’ senior management. The main principle of this program is interaction with the workforce.

In 2024, the total number of HSE Leadership Level 0-1 tours amounted to 203 compared to the planned 84 having resulted in 242% plan completion and HSE Management tours amounted to 1,758 compared to the planned 595 having resulted in 295% plan completion.

ROAD SAFETY / GRI 3-3, 403-2 /

To ensure more sustainable road safety performance, KPO continues implementing its annual Road Safety Improvement Plan. In 2024, KPO has completed 95% activities of the Plan.

The key road safety achievements/implemented activities in 2024 are:

- ISO 39001: Road Traffic Safety Management System – successful pass of the 2nd surveillance audit (zero non-conformities);
- Road traffic safety assurance review of 12 low-performance Contractors;
- Seasonal road safety awareness campaigns for KPO and Contractors’ personnel;
- 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;
- Catastrophic RTI drill with involvement of KPO Emergency Response and Health teams;
- Implementation of stickers with QR code for passengers, with information on road safety on all vehicles of primary logistics;
- Implementation of stickers “Am I driving vehicle safely?” on all secondary logistics vehicles;

- Revision of IVMS points within Green, Amber, Red driver categories;
- KPO Defensive driving training improvement with involvement of external experts from ROSPA certified DDT centre;
- Operator Cold Eye Review of KPO Road Traffic Safety MS;
- Holding events with involvement of Contractors dedicated to the Transport Worker’s Day, where drivers demonstrated their skills in providing pre-medical care and extinguishing fires using fire extinguishers.

In 2024, a memorandum of cooperation on prevention of road traffic injuries in Aksai was signed between KPO & the local authorities.

Within the framework of cooperation on road safety improvement with the local authorities and the community the following activities implemented in 2024:

- Organization of events dedicated to International Children’s Day & World Day for remembrance for road traffic victims, with contests and memorable gifts for children;
- Renewal of road safety billboards in Aksai.



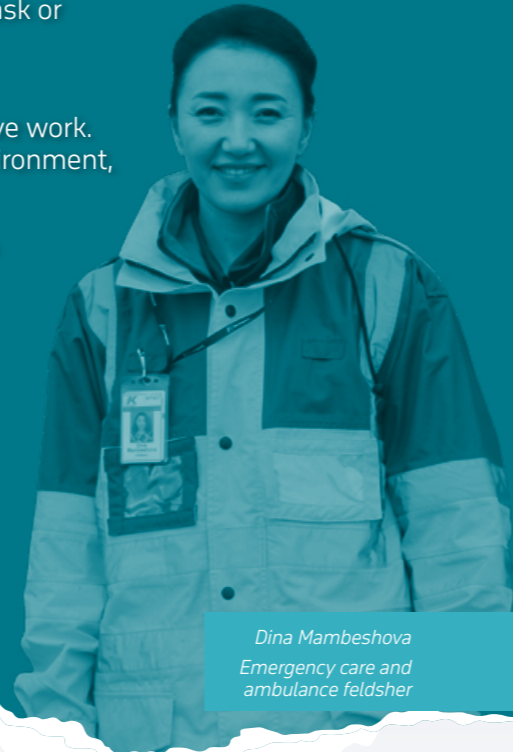
At the “Young Pedestrian School» campaign event, 1 June 2024

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.



Dina Mambeshova
Emergency care and ambulance feldsher



/ GRI 2-23 /

BUSINESS PRINCIPLE: HSE

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

2024

FIRST AID COURSE COMPLETION:

Mandatory – **1,040** employees

Voluntary – **152** employees

587 employees sought assistance under Employees Assistance Programme

CONDUCTED:

176 thous. pre-shift medical examinations

More than **30** thous. measurements of physical factors and air at KOGCF

2 audits of contractors' sick bays

28 inspections of contractors' catering facilities

OCCUPATIONAL SAFETY AND HEALTH

Pic. 9. Basic principles of KPO Health Department activities



PROTECT EMPLOYEES FROM OCCUPATIONAL HAZARDS:

- Health Assessments
 - Pre-Shift Medical Examinations
 - Fitness to Work
 - Medical Surveillance
 - Drugs & Alcohol
 - Fatigue Risk Management
- Workstation Ergonomics
 - Health Hazard Management
 - Health Risk Assessments
 - Food & Water Safety
 - Exposure Monitoring
 - Workplace Attestation

PROVIDE ACCESS TO MEDICAL CARE:

- First Aid Training
- AED Procurement & Installation
- 24/7 Medical Emergency Care
- Medical Insurance
- Aksai Hospital Upgrade Project



PROMOTE HEALTHY LIFESTYLES:

- Health Promotion Programme
 - Cardiovascular Programme
 - Smoking Cessation Course
- Employee Assistance Programme
- Resilience Programme

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 2024 targets	Progress status	Actions taken in 2024	Targets for 2025
ACCESS			
In connection with the expansion of the KEP 1, to conduct an audit of the contractor's medical sickbays on this project	Completed	Audit was conducted, related recommendations and actions were provided and closed	Conduct the follow-up audit of BP's medical sick bays
Conduct AED Refresher Training for First Aiders	Completed	85% of the total number of First Aiders at KPO have completed the refresh AED using training.	
Organise transition to a new medical insurance program, facilitating smooth communication and minimal disruption	Completed	The transition was implemented successfully.	Collect and use feedback to ensure continuous quality of the medical insurance services.
Improve First Aid level by training enough First Aiders amongst employees and by ensuring enough First Aid boxes and AED (Tier 1)	In a progress	Based on the Order of the Minister of Health of the RoK dated December 15, 2020, No. ҚР ДСМ-269/2020 "On the approval of the Rules for providing first aid by individuals without medical education, including those who have undergone appropriate training, and the Standard for providing first aid," all Company employees working at hazardous production facilities have started undergoing first aid training.	Train all Company employees working in hazardous conditions in first aid skills.
Conduct assessment and prepare a plan to digitalize Doctors' Medical Aid (Tier 2)	In a progress	Request were sent to KPO IT department	To obtain Budget approval for digitalize Doctors' Medical Aid (Tier 2)
PROTECT			
Continue participation in contractors' welfare and HSE audits	In progress	The Sanitary Laboratory personnel participated in 11 audits.	Continue participation in contractors' welfare and HSE audits
Further implement the Fatigue Risk Management Procedure to ensure it is applied both by the Company and contractors for managing fatigue risks	In progress	Roll-out of the Fatigue Risk Management Procedure continued.	Run more seminars and "train-the-trainer" sessions for Business Partners to increase awareness of risks and controls among their 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. 	Completed	Training sessions were delivered.	Continue implementation of the Legionella Management Procedure

Our 2024 targets	Progress status	Actions taken in 2024	Targets for 2025
Implement the Workplace Attestation corrective action plans	In progress	Some actions are closed; others are in progress due to longer-term target dates.	Follow up on the pending actions on the Workplace Attestation corrective action plans
<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. 	Completed	The Policy on Prohibition of the Use of Alcohol in KPO has developed and implemented	Continue implementation of the The Policy on Prohibition of the Use of Alcohol in KPO
Provide "by request" radiation survey services	In progress	Radiological surveys of well tubing were conducted at requests from Well Operations Department	
Sanitary Compliance & Risk Based Monitoring Plan: to prioritize areas with higher sanitation risks and mitigate potential health hazards	In progress	Health Hazard Register has been updated.	
Conduct six Health Risk Assessments as per the updated HRA Improvement Plan	Completed	Five HRAs were done. One HRA was rescheduled to 2025 due to the assessment unit (KEP1) not yet being commissioned.	Conduct HRAs according to the plan
Implement 'Fitness To Work' assurance measures for business partners (contractors) engaged KPO projects or activities.	Completed	The Plan was implemented; 99.5% BP workers had up-to-date FTW certificates.	Random checks of continuous compliance
PROMOTE			
Continue supporting facilitators who run sessions, provide training to new volunteers	In progress	Although the overall activity went down, facilitators continued sessions.	Continue providing training to volunteers and support for facilitators.
Consider alternative ways to provide mental health support to employees	In progress	Request for EAP program for KPO employees at the stage of raising	Follow up with the raised request on the EAP program
Implement 2024 Health Promotion Plan, including: <ul style="list-style-type: none"> Cardiac Risk Intervention Campaign – Biometric, Nutrition Program – Eat Better. 	Completed	Both Biometric Assessment and Nutrition Program were a great success.	Continue Biometric Program

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 2022–2024

Medical support indicators	2024	2023	2022
Number patients who admitted to clinics	1,666	1,814	2,092
Number of emergency calls	101	102	121
Number of patients delivered to medical facilities	53	83	105
Number of sessions and exercises	372	311	276
Number of first-aid trained employees	394	364	330
Pre-shift medical examination (drivers / operators / electricians)	2024	2023	2022
Examinations	176,471	178,923	148,594
Number of "unfitness to work" cases	160	162	191
Random alcohol tests SDG 3.5	4,163	1,105	1,688
Positive random alcohol test results	0	1	0

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.

In June 2024, the project resumed its activities, but with an emphasis and strengthening of the field of obstetrics, pediatrics and neonatology. For 6 months, the professional medical personnel of the contractor – University Medical Centre (UMC) worked at the Aksai Central District Hospital, conducted practical trainings at the workplace for the medical personnel of the Central District Hospital, provided seminars and lectures. During the project's activities, the key, practicing personnel/ doctors of the Aksai Central District Hospital underwent training at the Medical Holding in Astana. In December 2024, according to the set deadlines and plans, the project was successfully completed.

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

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 2024, a new medical insurance program was launched. It was designed to improve the service quality by having two providers compete for customers. Despite the initial difficulties, the transition went on well.

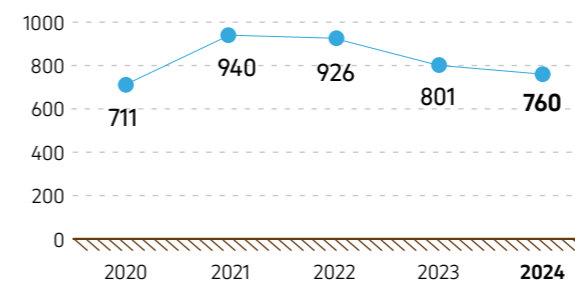
At the time of the start of the new program, there were 9,382 insured employees and their family members.

Sick leave absence monitoring

/ GRI 403-3, 403-10 /

The sickness absence rate in 2024 continued a downward trend since the COVID-19 pandemic peak.

Graph 5. KPO personnel sick leave absence rate, 2020–2024



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.

Occupational diseases

/ GRI 403-2, 403-3, 403-10 /

According to the Protocol of 2002 to the Occupational Safety and Health Convention, 1981 (No. 155), the term "occupational disease" covers any disease contracted as a result of an exposure to risk factors arising from work activity.

Occupational disease is a key indicator of the state of the Health Risk Management System of an organisation.

Good practice includes promoting a culture of risk prevention and well-being in the workplace, assessment and management of risks and proactive monitoring of ill-health.

Another way to reduce the occurrence of work-related diseases is by implementing workplace health promotion activities.

In 2024, no occupational diseases were registered among KPO employees.

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

Fitness to work examinations are intended to determine if covered employees are physically and medically capable of performing the duties of the position efficiently and without posing a hazard to themselves or others.

In KPO, we ensure compliance with the relevant Republic of Kazakhstan regulations and also adapt the industry guidelines (IOGP/IPIECA).



In 2023 the Business Partners' Fitness to Work Compliance Verification Plan was developed for the contract owners with the aim to improve control over BPs' compliance with the regulatory FTW requirements. In 2024, the implementation of the Plan was completed.

Total Number of Active Contracts	Total Number of Workers on these Contracts in KPO Field	Number of up-to-date FTW certificates	Total number of FTW Certificates requested for verification	Total number of FTW Certificates received for verification
175	15,986	15,909 (99.5%)	1,330	1,326 (99.6%)

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	2024		2023		2022	
	No. of measurements	No. of non-conformances	No. of measurements	No. of non-conformances	No. of measurements	No. of non-conformances
Noise	486	124	492	122	420	91
Vibration	84	29	84	29	75	16
Electromagnetic fields	3,988	6	3,964	63	3,968	27
Electrostatic fields	2,505	0	2,419	0	2,342	0
Lighting	3,726	513	3,581	589	3,045	27
Microclimate	7,044	668	6,474	790	6,258	575
Workplace air	13,035	0	12,612	0	13,965	0
Total	30,868	1,340	29,626	1,593	30,073	736

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

PROMOTION OF HEALTHY LIFESTYLE / GRI 3-3, 403-6, SDG 3.4, 3.8 /

Besides the usual World Health Organisation's calendar-based activities and Employee Assistance Program, the Health Promotion Program in 2024 included a Biometrics Assessment Program and the Nutrition Program.

Tab. 17. Outcomes of 2024 Health Promotion Programs

Programme Name	Description	Outcome
Healthy Heart (Biometric Assessment)	Building upon the successful Cardiovascular Risk Management Program the year before, a Biometrics Assessment Program was implemented in 2024. Medical Teams (doctor and feldshers) travelled to various KPO locations offering employees to assess their cardiovascular risk based on biometric measurements (height, weight, blood pressure and lipid profile test) followed by a consultation.	775 employees participated (>20% of the workforce). According to the consensus opinion of the participants, the Program was an overwhelming success.
Eat Better (Healthy Nutrition)	Healthy eating habits are the cornerstone of a healthy lifestyle. One of the country's leading nutrition experts from the Kazakh National Academy of Nutrition was invited to deliver online training courses. The training was followed by a Cookbook Competition among KPO employees. The Academy expert jury judged the recipes.	More than 100 employees joined the training. More than 30 recipes were submitted and a Cookbook published with the best recipes selected by the jury.
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 2024, a total of 587 employees sought assistance through various communication channels.



Swimming tournament

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 actively invests in the development of national workforce using the international expertise of our Parent companies, organizing targeted training programs and collaborating with educational institutions.

KPO HR policy and employee relations are regulated by The Labor Code of the Republic of Kazakhstan, the provisions of the Final Production Sharing Agreement, the Resolutions of the Contractors Committee, the Joint Operating Committee, and Collective Agreements, ensuring fair and transparent working conditions.



Slushash Izbassarova
KPO Human Resources
and Services Director



/ GRI 3-3, 2-23 /

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.

2024

NATIONALIZATION PROGRAMME:

5

positions nationalized

2

positions abolished

95%

employees are RoK citizens

EMPLOYEE RELATIONS:

54

grievances received and resolved

TRAINING COMPLETED BY:

3,986

KPO employees

18,165

contractors' employees

179

employees completed certified international programmes

CARE FOR PEOPLE

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 approach allows the Company to form a strong team consisting of highly qualified specialists.

The company bases its personnel decisions on objective factors, including qualifications, professional merits, work results and business qualities of employees. This concerns all aspects of work activity, such as hiring, certification, career growth, training and development, disciplinary measures, wages and employment termination. 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 81% of the total workforce. Expatriates from different countries of the world make up about 5% of the entire team.

Women make up 26% 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 18% 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 (9%) 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. 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 2024, 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 through the Hotline available 24/7 hours. Additionally, feedback is collected in the process of personal engagement with line managers and occasional coffee break meetings with directors. 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 is a platform where women can share knowledge, provide mutual support and strengthen their connections.

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 safe and friendly working environment where every woman can unleash her potential and reach any career heights.

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.

During the six years of the Club's operation since 2019, the Company held a number of events to involve female employees in discussions on multiple hot topics.

In 2023, the KPO Female Club held six sessions which were conducted both off- and online such as to include as many people as possible of those wishing to attend. The topics discussed at the club meetings throughout the year covered mental and physical health, caring for people and inclusion, coaching and mentoring in the Company, developing a female career in a male team, and a woman's contribution to corporate values. Additionally, speakers from other organizations were invited, including men, which allowed for maximum diversity in the topics and sessions' atmosphere. We believe that such meetings are very useful and help our female employees be more resourceful and effective both at work and in life.

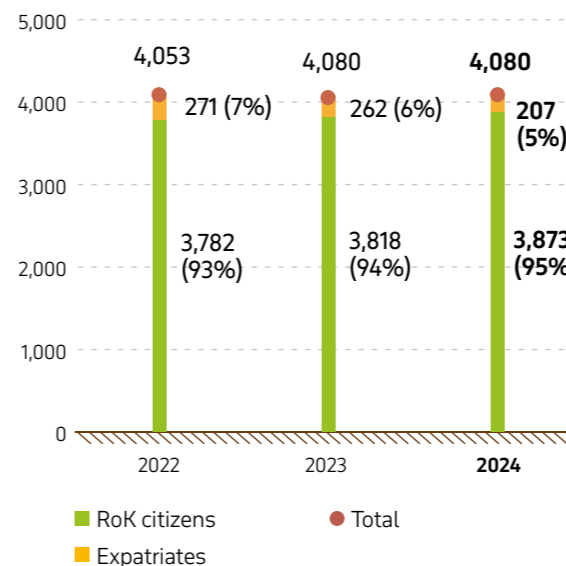
The atmosphere created in the Women's Club helps women maintain a balance between career and family, get a boost of inspiration, strengthen motivation for personal growth, and increase social activity.



PERSONNEL STATISTICS

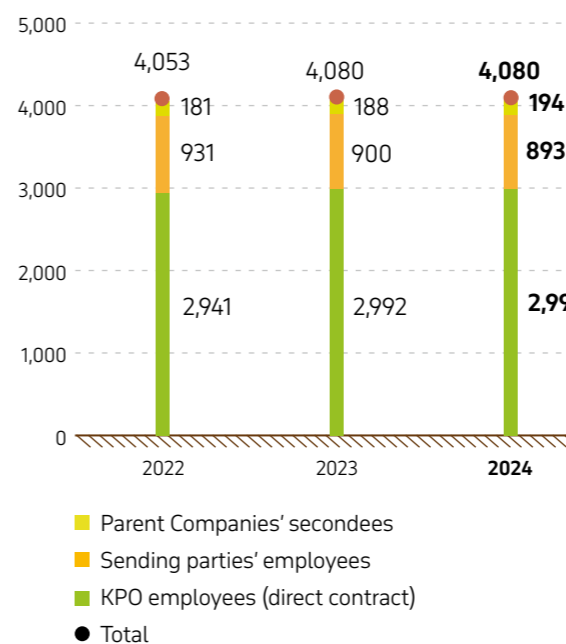
As of end 2024, the total number of KPO personnel made up 4,080 people with 3,873 of them being RoK citizens and 207 other countries' citizens.

Graph 6. KPO personnel, 2022–2024 / GRI 2-7, 405-1(b) /



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.

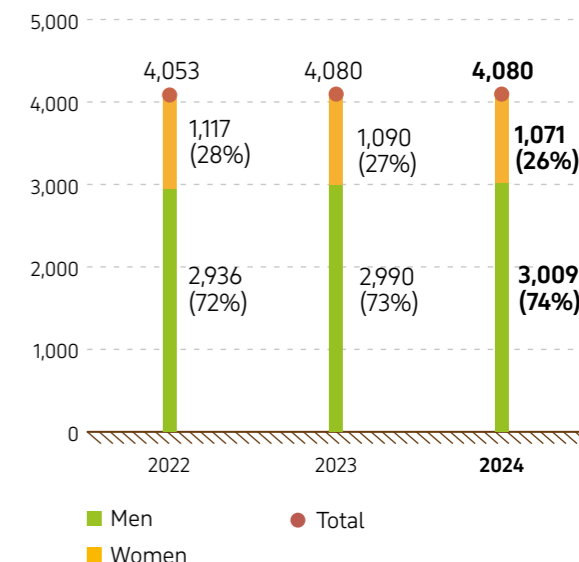
Graph 7. KPO personnel by type of employment, 2022–2024 / GRI 2-7, 2-8 /



As of end 2024, the number of permanent employees was 3,993 people, of them 1,016 women and 2,977 men. The number of temporary employees totalled 87, of them 55 women and 32 men. KPO offers only full-time job. / GRI 2-7, 405-1(b) /

Graph 8 shows the ratio of personnel by gender. In 2024, 3,009 men and 1,071 women worked at KPO. / GRI 2-7 /

Graph 8. KPO personnel by gender, 2022–2024 / GRI 2-7, 405-1(b) /



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 addition, in 2024, the work of the Labour Relations and Disciplinary Investigations department was aimed at preventing labour discipline violations. In particular, during the reporting period, about 31 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.

In 2024, 54 requests were registered directly to the Employee Relations and Labour Investigations Department (67 requests in 2023), as well as 13 requests registered through the Hotline and transferred to the HR Department. The received grievances addressed such issues as labour misconduct, conflict resolution, insults, inappropriate behaviour, and abuse of power. 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.

Non-material motivation of employees for their work achievements is a regular practice. In 2024, 207 employees of the company received awards and certificates of honor from 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 implementation continues, under which eight major sporting events were held jointly with trade unions: 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. The main priority of the Employee Relations Department's activities in 2024 was the preparation and negotiations on the conclusion of a New Collective Agreement for 2025–2027. This year, four Trade Unions took part in the negotiations:

- 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".

On 02 December 2024 the signing procedure of the New Collective Agreement for 2025–2027 took place. The event was attended by KPO General Director Marco Marsili, as well as members of the negotiating committees from the employees' and employer's side. The new agreement was the result of an equal dialogue and the parties' desire to resolve important issues in the interests of all participants of the labour process. Provisions of the Collective Agreement are applied to all KPO employees regardless of their membership in the Trade Unions. / GRI 2-30 /

Trade unions play a key role in supporting and protecting employees' rights.



The signing procedure of the New KPO Collective Agreement for 2025-2027

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 has 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)⁷. 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' audit⁸ evaluated as satisfactory in 2022.

⁷JOC members and functions are described in the chapter "Governance structure and management approach".
⁸Details about audit processes can be found in chapter "Corporate Governance / Assurance".

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	2024	2023
1. Executive Management	-	-
2. Department/Unit Management	1.2	1.2
3. Professional staff	0.9	0.9
4. Qualified workers	1.3*	1.2

Category 1 is represented only by men.

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 /

During 2024, the company hired new employees from among graduates of the special technical training program without experience in the oil and gas industry. Given that work at the field involves working in difficult conditions, where the use of physical force is required, the participants in such training are mainly men. Given the lack of experience, the salary offered to them is lower than that of existing more experienced workers. Also during the year, due to reaching retirement age and participating in the voluntary termination of employment program, experienced male workers who had high salaries left the company. This led to a decrease in the overall average salary of men in this category.

Tab. 20. The annual total compensation ratio for the organization's highest-paid individual to the median annual total compensation for all direct employees, 2020-2024 / GRI 2-21 /

2024	2023	2022	2021	2020
6.7	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. The review conducted in 2023 has shown that the average salary at KPO was higher than an average salary in the West Kazakhstan Oblast. In 2024, actions were taken to retain highly skilled technical personnel critical to ensuring efficient production. 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. In January 2024, a general wage increase of 9.8% was implemented, reflecting the inflation rate of the previous year.

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. In December 2024, a new collective agreement was signed, which will be valid from 2025 to 2027. Under the terms of the Collective Agreement for 2022-2024, KPO pays bonuses on Oil & Gas Worker's Day, end of year bonus, 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 2024, 25 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.

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. Everyone who was due for assessment in 2024 was assessed.

Early in the year, line managers inform subordinates about their expectations to work performance, behaviour and HSE compliance along with annual targets. The targets are recorded in a specially designed form, communicated to employees, and their implementation is monitored throughout the year. 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".

Since 2023, Kazakhstani personnel who are auxiliary and support technical personnel, whose work does not imply the achievement of annual goals, subject to their compliance with the Company's requirements for health, safety and environmental protection and relevant acts of the employer based on the results of the annual assessment of work performance, receive quarterly bonuses instead of an annual bonus.

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 2024, five positions previously held by expatriate personnel were nationalised, and two positions were abolished. As of December 2024, local employees made up 95% of the total Company's staff. In total, in the period of 1999–2024 274 expatriate specialists were replaced with national employees, and 305 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			
			2024	2023	2022	2021
1+2	Executive management and their deputies, Department / Unit management	Minimum 70%	86%	86%	86%	85%
3+4	Professional staff / qualified workers	Minimum 90%	98%	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 2024, over 30 companies provided their quarterly, bi-annual and annual 'Local Content in

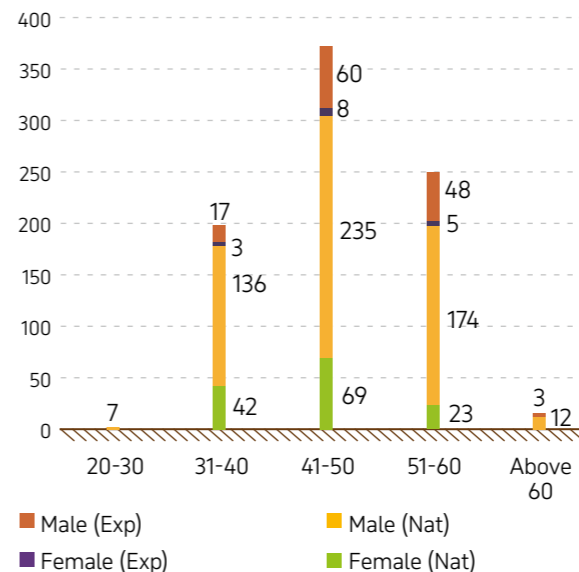
Staff' reports. The local content in staff within these organizations has made up to 82% in the category 'Department / Unit Management' and 98% in the category 'Professional staff / Qualified workers'.



Professional development programme for production operators and maintenance technicians as per OPITO standards

Graph 14 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.

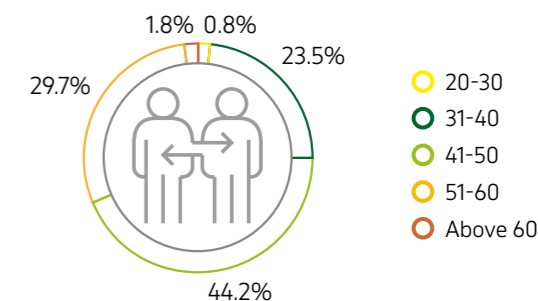
Graph 14. Number of senior and mid-level managers (RoK citizens and expatriates) by age and gender, 2024 / GRI 405-1(a), SDG 5.5.2 (CO50502) /



Percentage of senior and mid-level managers by gender, 2024



Percentage of senior and mid-level managers by age, 2024



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, second and third intakes of the Program were held in the period from 2009 to 2020. In the second half of 2021, KPO launched the fourth intake of the Enhanced Development Program 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 Program.

In the period of 2022 – 2024 the training and development of the program participants was implemented in accordance with their Enhanced Development Plans.

During the IV Intake, as part of the Enhanced Development Program a number of leadership events and forums were conducted in order to deploy new tools and successfully apply the obtained knowledge at work. As well as, during the defined period the program participants worked closely with a team of internal coaches in the role of a coachee (client) in the format of individual coaching sessions and developed their managerial competencies.

By the end of fourth intake, 51% of the participants have occupied the planned positions.

In December, 2024 Talent Development and Secondment Administration department announced the launch of V Intake of Enhanced Development Program for 2025–2027 for National Staff. EDP V Intake will be linked directly to Succession Planning program.

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:

- Five 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 2024, 921 employees with technical qualification completed initial assessment and received CMS certificates. KPO has reached 77% of the competency compliance required for technical personnel.

In line with the Competency Management System Expansion Plan 2022–2024, in the fourth quarter of 2022, the program for guaranteeing the competence of Group Leaders in industry (KPC, Unit-3, Unit-2, Maintenance and Gathering Departments, Eco center, Chemical Laboratory and the Department for Modification of Field Facilities), which began in 2018, was completed. Also in 2023, the initial assessment for all Engineers and Leading Engineers of the Maintenance Department was completed.

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.

According to the KPO 365 strategy, in 2024, work began on the implementation of the project: "Digitalization of competency assessments" – the process of using the corporate LMS system to assess the knowledge of newly hired technical personnel was initiated. Also in the process of implementation – assessment of the competence of KPO personnel using a mobile device (Ex-Tablet). The uniqueness of the mobile application "MOBILE ASSESSMENT" is that it will be fully synchronized with our existing system (CMS). Assessment of personnel competence using the Ex-Tablet (MOBILE ASSESSMENT) will significantly reduce the time of assessment, optimize costs, reporting, etc.

Within the framework of the competence management system, the Talent Development and Secondment Administration department has a system of the technical and behavioural assessment of personnel. In 2024, over 268 technical and behavioral competency assessments were conducted, based on the results of which 104 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. 360-degree assessment describes personal and managerial competencies that help identify strengths and areas for development.

Based on the assessment results, feedback sessions are conducted and individual development plans are developed. In 2024, 291 individual development plans were created for employees through the SAP system.

PERSONNEL TRAINING AND DEVELOPMENT / SDG 4 /

Personnel training / GRI 404-2 /

Annually, KPO offers a variety of training programs designed to achieve key 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, in accordance with RoK legislation and company procedures.

In 2024, 98% of the Company's local employees participated in professional development programs, encompassing professional training, retraining, and engagement in online seminars and conferences.

Besides, in 2024, KPO continued to provide training for company 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 2021 – 2024
/ GRI 404-2 /

Programme name	2021	2022	2023	2024
Well control/well pressure control during gas, oil and water shows (IWCF)	61	46	59	22
Non-destructive testing certification (NDT)	13	20	50	30
CIPS International diploma (certified programme of Chartered Institute of Procurement and Supply)	13	19	19	43
Emergency response training course MEMIR by OPITO standard	17	17	11	8
International certificate in Health, Environment and Safety (NEBOSH)	9		12	17
Certified internal auditor (CIA)			4	2
ACCA Diploma in International Financial Reporting (DiplIFR)	2		3	1
Master of Business Administration (MBA)	1	1	6	4
American Petroleum Institute certification (API)	10	9	8	12
Project Management Professional (PMP)® Certification	1		13	
IEMA International certificate in Environmental Management (IEMA)	1	1		2
ASME Plant Inspector		23	17	17
Coaching in organization and business (ICF)			12	8
IOSH Managing Safely				10
Certified International Purchasing Professional (CIPP)				3
Total number of employees, completed certified training programmes	128	136	214	179

Training statistics / GRI 404-1, 403-5 /

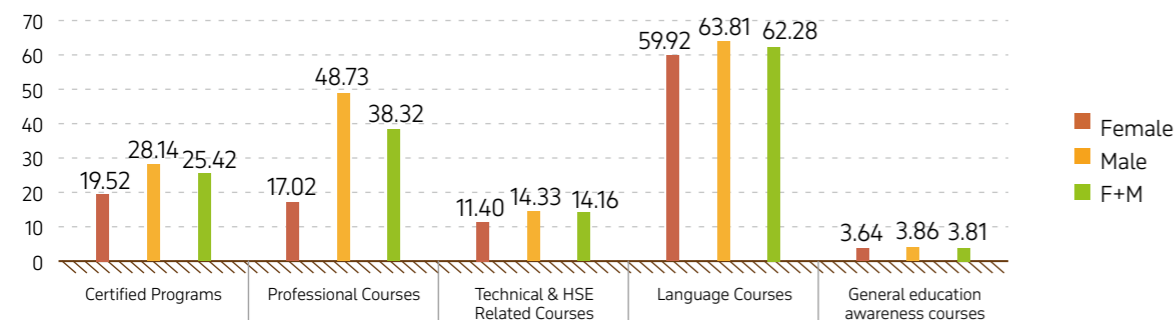
As responsible organization, KPO ensures annual mandatory HSE training for both its own staff and personnel of its contractor organizations.

In 2024, 631,691 hours of training (649,922 hours in 2023) were held, of which 457,549 were provided to KPO employees (388,487 in 2022), including general

education awareness courses on cybersecurity and civil defence topics. The remaining 174,142 hours (261,436 hours in 2023) were dedicated to HSE mandatory courses for the contractor organizations' employees.

In total, in 2024 22,151 people were trained, 3,986 of them – KPO employees and 18,165– contractor personnel. The average training hours are given in graph 15.

Graph 15. Average number of training hours per one training course passed by nominated KPO employees in 2024, by type, by gender / GRI 404-1, SDG 5.1 /



Training arranged for KPO employees in 2024 by categories is shown in Table 23.

Tab. 23. Training of employees by categories, 2022–2024 / GRI 404-1, 2-4 /

Category	2024		2023		2022*	
	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	17.51	11	13.89	0	0
2. Department/Unit Management	844	74.02	834	57.81	631	50.68
3. Professional staff	2,075	71.38	2,104	56.32	1,542	59.02
4. Qualified workers	1,166	211.64	1,236	179.31	1,113	154.48



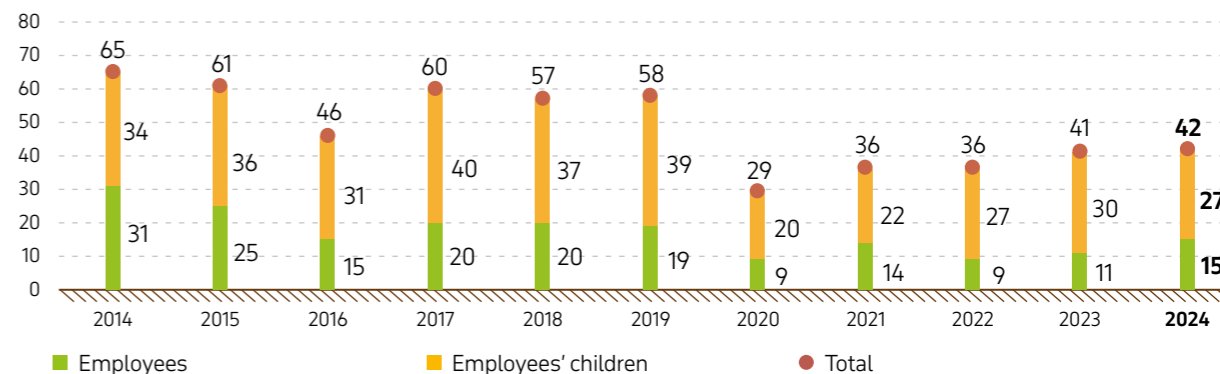
KPO SCHOLARSHIP PROGRAMMES AND PARTNERSHIP WITH UNIVERSITIES / SDG 4.3, GRI 404-2 /

KPO aims to elevate its employees' qualifications and attract emerging talent by fostering collaboration with universities.

In 2024, within this programme KPO allocated 42 KZT mln (equivalent to US\$ 87,500) to sponsor scholarships for 15 KPO employees and 27 children of employees.

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

Graph 16. Dynamics of engagement in the KPO Scholarship Programme, 2014–2024



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 34 educational institutions in Kazakhstan, playing a vital role in developing professional personnel for the oil and gas industry of the Republic of Kazakhstan.

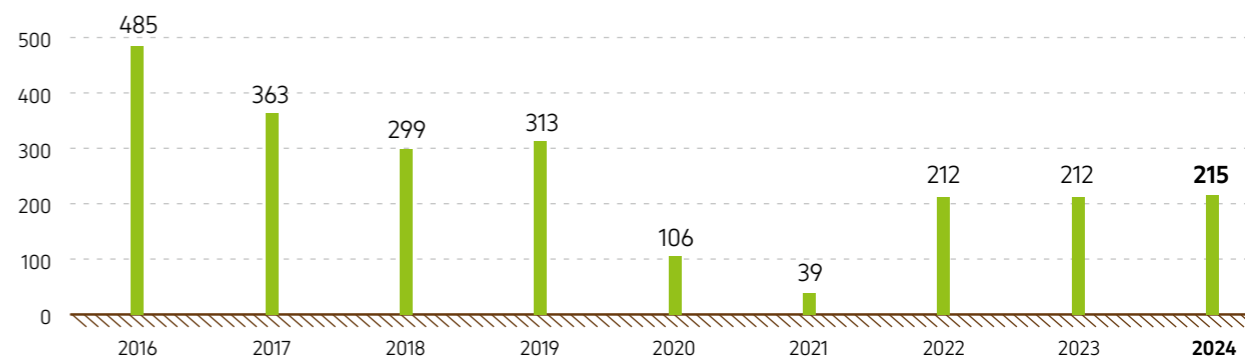
Internship in the international company offer students a real-world work environment and introduce them to international business practices. By combining theoretical training with practical experience at the company, students gain the necessary competencies for professional activities and are

better prepared for their careers. In addition, student placement allows students to make informed decisions about their future career paths.

KPO's partnership with universities is facilitated through the Student Placement Programme on the basis of bilateral agreements.

In 2024, 215 students from 22 educational institutions had practical and pre-graduate internship for 44 specialities in various departments of the Company. From 2014 to 2024, the Company has employed 242 people out of those, who successfully completed the student placement programme.

Graph 17. Number of students completed internship at KPO, 2016–2024 / GRI 2-8 /





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 2024, KPO signed agreements for scholarship of 137 students from different universities of Kazakhstan.

Graduates Development Programme

/ GRI 404-2, SDG 4.3, 4.4 /

The key objective of the Graduates Development Programs is a fulfillment of basic manpower needs with adequately qualified young people in order to ensure the safe operation of core departments / critical job functions.

Professional Development Programme for production operators and maintenance technicians, introduced in KPO since 2008 and based on the international standard of the Offshore Petroleum Industry Training Organization (OPITO). The program is a crucial component of the KPO talent pipeline, essential for sustaining the success of Production Operations.

The successful candidates undertake internationally recognised training with both academic and practical development. If successful on the programme, the trainees take positions as technicians in the production units and start their careers with a very solid technical and vocational background.

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.

At the time of issuing this report, the Graduates Development Programme had been successfully implemented at KPO for 17 years. Over 584 production operators and maintenance technicians have been trained under this programme and currently productively work at the Company's production facilities.

38 trainees from Intake 2022–2023 were hired into the Field department during 2024.

In August 2024, 47 students of the 2023 Intake have completed the theoretical part of their training in the specialties of Mechanical Technicians and Production Operator and were assigned to on-the-job training at the production facilities.

On 30th of September 2024, KPO has completed the selection process of the next intake of students for participation in this programme in the specialties of Production Operator and Electrical and Instrument Technicians. Based on the selection results, 47 recent graduates of higher and secondary specialized educational institutions of the Republic of Kazakhstan, had started the theoretical part of training from 10 months up to 12 months. Following this, the trainees will be assigned to on-the-job training at the production facilities.

SECURITY

Minimizing risks for the Company assets is achieved through separate goals and short-term and long-term plans as described below.

Table 24. Our Security Targets / GRI 3-3 /

Our 2024 targets	Status	Actions taken to complete targets in 2024	2025 targets
Continue gradual upgrade of Distributed Optic Sensor (DOS) system equipment on the export pipelines to ensure zero illegal taps.	Completed	Purchase of equipment.	Continue gradual upgrade of Distributed Optic Sensor (DOS) system equipment on the export pipelines to ensure zero illegal taps.
Continue knowledge refreshment on the Voluntary Principles on Security and Human Rights (VPSHR) for security personnel as well as training for new personnel	Completed	As of the end of 2024, the training covered 100% of security company staff. / GRI 410-1 / 100% of security contracts include the provision on VPSHR training.	Continue increasing knowledge of security personnel on the Voluntary Principles on Security and Human Rights (VPSHR) as well as training for new personnel.
Continue the SMS project in cooperation with relevant KPO directorates/ departments through monitoring.	In progress	The SMS pre-FEED package issued with assistance from PED.	Run an EPC tender for the SMS project based on the pre-FEED.
<ul style="list-style-type: none"> Run a tender for procurement of materials and the SMS construction at Bolshoi Chagan Pumping Station (BCPS). Complete the SMS design for Pilot Camp. Obtain a positive expert opinion for the design. 	In progress	<ul style="list-style-type: none"> Launch a tender for the SMS construction at BCPS. Design activities relating to the Pilot Camp SMS. 	<ul style="list-style-type: none"> Completion of the tender for the SMS construction at BCPS. Completion of design activities for the Pilot Camp SMS.
Continue digitalization of the business processes of Access Control and Reporting Section, digitalization of materials inventory removal (movement) tracking.	In progress	<ul style="list-style-type: none"> Automating the approval process for personal badges requests for KPO employees and visitors using EDS (in PAS). Introducing an electronic visitor registration system with automatic visit notification circulated. 	<ul style="list-style-type: none"> Automating the approval process for personal badges requests for BP staff using EDS. Executing a pilot inventory movement tracking digitalization project in IT&T Department.

In 2024, Security and Industrial Relations Department revealed 1,671 security violations, 86% of which were related to the Strategy for protection of people in the event of H₂S incidents while the rest involved the material movement procedures, Policy on Prohibition of the Use of Alcohol, Drugs, Psychotropic and Toxic Substances (their analogues) in KPO, Company Facilities Access Control and Presence Procedure and violation of the borders of the field perimeter. A significant number of registered violations is due to the measures undertaken to prevent the entry to the field of those individuals who do not follow the Strategy for protection from H₂S.

32 internal investigations were conducted including 15 complaints which were provided to law enforcement bodies.

Throughout 2024, Company revealed and prevented unauthorized removal/movement of KPO and contractors' assets worth over KZT 220 mln.

Using new Sintela software as the platform for the Distributed Optic Sensors system significantly improved the quality of observations in general and contributed to better threat identification and patrol quality improvement.

Why is it important to us? / GRI 3-3 /

In conducting its field operations and delivering its expansion projects KPO mainly relies on contractors as our key business partners. On average, there are 20,000+ contractor and subcontractor workforce engaged in the Karachaganak Project. Therefore, building a robust industrial relations management system by both KPO and its contractors and/or subcontractors is pivotal for achieving business objectives and production targets.

KPO strives to create and maintain adequate working conditions for its employees while monitoring the level of contractors' working conditions in line with human rights provisions under the Constitution and the UN Convention on Human Rights.



Saltanat Kuzhagulova
Industrial Relations Advisor



/ GRI 3-3, 2-23 /

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.

2024

CONDUCTED:

1,788
inspections of contractor organizations facilities

7
audits

14
sessions of the tripartite district commission

58
Collective Agreements of contractor organizations

184
applications received and resolved

Improvement of living and labour conditions at

58
contractor organizations

SOCIAL IMPACT

■ Environmental impact

■ Economic impact

■ Appendices

INDUSTRIAL RELATIONS

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

To prevent contractor and/or subcontractor workers' rights violations, workforce conditions are continuously monitored and analysed to detect and address potential situations, causes and/or conditions that caused deterioration of social conditions or infringement of the workers' legitimate rights. Failure to provide adequate social conditions or comply with legal requirements by contractors and subcontractors may give rise to the above risks. In 2024, on average there were 20 k workers from 169 companies who provided services at the Karachaganak field; 54 companies were subject to monitoring of the Industrial Relations Section according to the criteria of clause 7.3 of the Industrial Relations Policy. Throughout the year the number of contractors' workforce varied from 17 to 23 k as some projects commenced and completed at the KOGCF. / GRI 2-8, 414-2 a /

When checking on violations of the contractor and subcontractor workers' rights KPO strives to ensure that all concerns raised are given careful and timely consideration to ensure prompt resolution of the issues. Positions of all parties will be presented and reviewed with reasonable steps taken to protect and redress labour rights of the workers in line with the RoK laws, KPO Industrial Relations Policy, contractual obligations and the Declaration on Social Security Contribution Compliance, including:

- Continuously monitoring of social conditions provided by contractors and checking for full and timely payment of wages, provision of PPE, catering etc.;
- Organising forums and conferences on relevant topics (social welfare, discussions on challenges in the realm of industrial relations, sharing experience etc.);
- Interacting with and involving relevant labour authorities for grievance settlement and conducting awareness raising activities;

- Continuing introducing minimum salary into the contracts for provision of services at the rate of KZT 830 per hour after making of all compulsory payments. This is implemented as new contracts for provision/rendering of services are awarded;
- Monitoring and evaluating contractors' wage level;
- Succession/transfer of skilled personnel from the existing contractor (whose contract expires) to a new one. This implicit practice helps maintain employment level in the region and maintain stable social environment during dissolution of the contract for provision of services.

In 2024, on average there were 20 k workers from 169 companies who provided services at the Karachaganak field; 54 companies were subject to monitoring of the Industrial Relations Section according to the criteria of clause 7.3 of the Industrial Relations Policy.

In maintaining stable social environment among contractors' workforce, KPO continues to implement a general wage monthly allowance of KZT 60 k, after tax deductions. As of the end of 2024, the implementation of this programme has improved financial conditions of more than 15 thousand of contractor and subcontractor personnel. The goal of this approach is an equal attitude to all beneficiaries while focusing on the lower-paid workers.

In 2024, 43 contractors showed positive trend in adjusting salaries in 2024 to account for the 2023 inflation rate (indexation).

In 2024, Industrial Relations Section visited over 1,788 work sites and accommodation sites on a regular basis, including 7 joint audits with contract holders and 6 internal investigations in the industrial relations area. The internal audit findings were also shared with relevant authorities and law enforcement bodies for taking further actions.

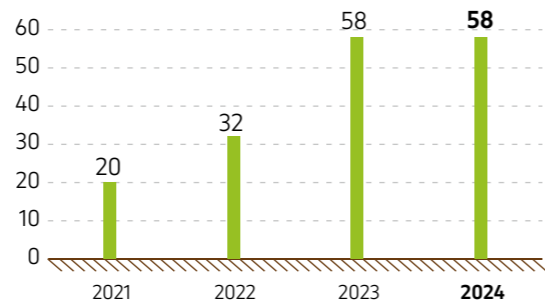
In 2024, 43 contractors showed positive trend in adjusting salaries in 2024 to account for the 2023 inflation rate (indexation).

Throughout 2024, 14 tripartite district and oblast commission sessions were held to address risks that were identified in relation to contractors and subcontractors. As part of the monitoring, KPO keeps record of contractors' collective agreements as this is a good sign that employees' rights for freedom of association and collective bargaining are respected.

As of 2024, KPO contractors had 58 valid collective agreements. / GRI 407-1 /

In total 184 complaints/concerns regarding different matters from contractors' employees were received and addressed in 2024, of which 88% dealt with compensation and benefits (the increase in claims is due to the introduction of KZT 60 k general allowance), 7% dealt with HSE matters and 5% were related to the provision of social conditions. / GRI 2-25, 2-26 /

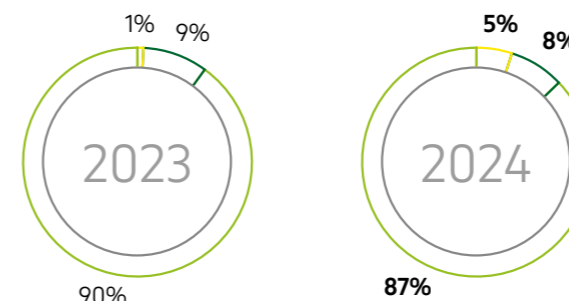
Graph 18. Growing trend of KPO contractors' collective agreements, 2021-2024



Apart from written complaints, Industrial Relations Section also handles up to 10 phone calls on average daily and holds meetings with contractors and subcontractors. 90% of contractors' complaints and concerns are directly communicated to KPO S&IRD.

41 contractors took steps to improve living and labour conditions as a result of the monitoring, audits and processing of the received complaints. It contributed positively to maintaining comfortable working environment. There were no cases of suppliers being terminated as a result of assessment of actual and potential negative social consequences. / GRI 414-2 /

Graph 19. Contractors' applications to KPO, 2023-2024.



- Compensation and benefits
- HSE
- Social conditions

Compliance with the declared working and social conditions is monitored in an effort to prevent infringement/violation of the workers' rights. Holistic approach is taken during this work: each complaint/concern is carefully evaluated with all detailed information provided to thoroughly check the facts relating to the complaints and/or concerns received.

Starting from 2023 KPO has been hosting an annual Industrial Relations Forum. The Forum objective is to change approach to collaboration, develop and implement actions to maintain comfortable regional social environment and contractor / subcontractor workforce morale. Also, in 2024 Industrial Relations Section conducted sessions with Industrial Relations staff from business partners to identify potential industrial relations risks while searching for mutually

beneficial risk reduction measures and sharing experience.

The negative conflict escalation trend decreased dramatically: during the reporting period there was one case (v. seven cases in 2023) of a pre-strike conflict which was promptly contained thereby avoiding escalation and heightening of tensions. Fast response helped prevent the conditions that could cause mass discontent.

Regular assessments of social environment carried out by KPO Industrial Relations Section helped identify key causes of mass discontent e.g. salary which does not meet workers' expectations, lack of feedback from the company management.



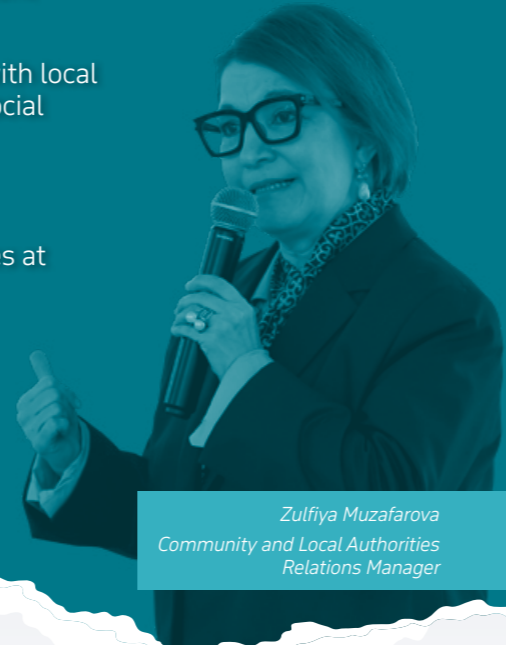
2024 IR Forum, organized by KPO

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 a constructive 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.



Zulfiya Muzafarova
Community and Local Authorities
Relations Manager



/ GRI 2-23 /

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.

2024

12
meetings of the Village Councils

29
grievances were received and closed

177
vouchers for pensioners to the sanatorium provided

In November, 2024 a Memorandum of Understanding was signed between Shell Kazakhstan, Eni, KPO and Eurasia Foundation of Central Asia which gave start to the Project – Batys AgroHub

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 25 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. 25. Targets in community engagement / GRI 3-3, SDG 4, 8, 10, 16 /

2024 targets	Target achievement	Actions taken in 2024	Targets for 2025
Implement the 2024 Community Development Programme as per approved budget	Completed	The Akzhaiyk sanatorium recreation for the elderly community members was implemented. The Scholarship Programme for rural school graduates successfully continued.	Implement the 2025 Community Development Programme as per approved budget
Conduct 10 Village Council meetings in three rural districts on social and environmental issues	Completed	12 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 10 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, environmental 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 2024, 12 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 2024, 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.

In 2024 seven residents of Priuralnoye, Uspenovka and Karachaganak Villages graduated from West Kazakhstan Oblast Universities and Colleges obtaining Diplomas of Schoolteachers and medical nurses. Most of the graduates return to work at local Schools and Clinics in rural communities of Burlin District and Aksai City. The graduates provided positive feedback to KPO about its Scholarship programme which allows the local youth from families with low income to get a tertiary education.

In 2024 a new group of eight students were enrolled in West Kazakhstan Oblast Universities and Colleges from Priuralnoye and Zharsuat Villages. They will study at Medical Colleges to become dentists and at West Kazakhstan Universities studying history, geography, maths. Upon graduation they plan to return to Burlin District to work as Schoolteachers and medical staff.

As part of the Community Development Programme, KPO provided 177 vouchers for the elderly of Burlin district for health recreation in the Akzhaiyk Sanatorium.

SUPPORT PROVIDED DURING THE SPRING FLOOD

On 1 April, 2024 the local authorities of West Kazakhstan Oblast declared Emergency Situation due to spring flood which affected Terekty, Akzhayik and Burlin Districts and the City of Uralsk in West Kazakhstan Oblast.

As a socially responsible corporate citizen KPO worked closely with WKO authorities and other stakeholders in the region to provide maximum assistance to all those in need.

Within March – April, 2024 KPO and its Business Partners in close collaboration with local authorities mobilized over 125 specialized vehicles to conduct various protection activities, ensuring the safety of communities in need, dispatching a fleet of loaders, excavators, and bulldozers to bolster flood prevention activities in Uralsk, and above mentioned Districts.

KPO's contribution to construction of temporary dams in Aksai, Kentubek, Zharsuat, Burlin, Oblavka, Bumakol, and Kanay Villages in Burlin District was crucial in preventing flooding and safeguarding the mentioned villages.

Thanks to engagement of KPO Community Relations team with local residents and the support provided by the Company in repair of the road connecting the Karachaganak Field with the Karachaganak Village with installation of 2 culverts completed in 2023 the Village of Karachaganak was not affected by the 2024 Spring Flood. KPO received a thanking letter from local authority for this assistance.

KPO provided financial support in the amount of US\$ 64 mln transferring it to Akzhayik Private Fund for purchase of housing for flood-affected households in West Kazakhstan Oblast.

COMMUNITY FEEDBACK MECHANISM / GRI 2-16, 2-25, 2-26, 413-1, SDG 16.10 /

In 2024, in accordance with KPO Community Grievance Procedure, we received 29 complaints and requests from the local community near the Karachaganak Field. These included 3 gas odor complaints and 26 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.

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.



KPO engagement with local authorities of Zharsuat rural district and discussion of flood prevention measures

DEMOLITION PROJECT OF RESETTLED VILLAGES OF BEREZOVKA AND BESTAU

In 2024 KPO started the implementation of the Demolition Project of Berezovka and Bestau Villages resettled at the end of 2017 to Aksai and Araltal in Burlin District. According to Detailed Engineering Design (DED) of the Project prepared within 2022 – 2023 all the rubble from the territory of resettled Villages has to be transported to Aksai-based waste dump. However, the Ecological Conclusion

for the mentioned DED for Demolition Project was withdrawn to make some new amendments to waste disposal part. The new Ecological Conclusion issued in October, 2024 included additional scope of activities on disposal and processing of domestic solid waste and construction waste. It is planned to complete the Demolition Project in the summer season of 2025.

NEW SOCIAL INVESTMENT PROJECT – BATYS AGROHUB.

In 2024 the Shell Kazakhstan and Eni Consortium which are the partner companies of KPO provided financial support for a 3-year social investment project on development of agrobusiness in Burlin District in West Kazakhstan Oblast where they jointly operate the Karachaganak Oil & Gas Condensate Field.

The Project's name is Batys AgroHub and it is aimed at supporting local farmers in Burlin District to help develop agriculture and support economic growth in the region. The Batys AgroHub Project is implemented by the Eurasia Foundation of Central Asiain partnership with the Local Community Foundation. KPO provides administrative and logistical support to the Project.

In November, 2024 a Memorandum of Understanding (MoU) was signed between Shell Kazakhstan, Eni, KPO and Eurasia Foundation of Central Asia which gave start to the Project.

On 24 – 25 December, 2024 Batys AgroHub training was held in Aksai, involving 36 participants from various communities of Burlin District. During the training the participants learned about the vegetables farming techniques and were provided with guidance for preparing grant applications. A total of 34 participants successfully completed the training and received Certificates. These certificates grant them eligibility to participate in the grant competition.

PUBLIC HEARINGS / GRI 2-29, SDG 16.10 /

In 2024, the Burlin District Akimat, in collaboration with KPO, held public hearings on the draft report on potential impacts from the project "WMC Solid Industrial Waste Burial Landfill, the second stage of construction. KOGCF, WKO". The hearing was attended by representatives of concerned state authorities, interested community, KPO, NIPIneftegaz JSC design contractor.

At the public hearings, KPO and NIPIneftegaz JSC representatives informed the participants of the public hearings about the planned work activities, possible environmental impacts during the construction and operation of the Landfill, and measures aimed at reducing such environmental impacts.

At the public hearings, questions were raised by participants regarding the project's completion timeline and the potential environmental and public health impacts of the Landfill. Representatives from both KPO and NIPIneftegaz JSC provided comprehensive answers to all questions raised.

The public hearing was considered to have taken place. Subsequently, the Environmental Authority issued a conclusion to KPO that the draft report on potential impacts from the project "WMC Solid Industrial Waste Burial Landfill, the second stage of construction. KOGCF, WKO" is in compliance with environmental legislation.



Nature is not a place to visit. It's our home.

ENVIRONMENTAL IMPACT

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/ GRI 2-23 /

BUSINESS PRINCIPLE:
Environment

We have a systematic approach to environmental 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.

We continually look for ways to reduce the environmental impact of our operations.

2024

KZT **2.9** bln
environmental investments

Specific GHG emissions
66
tons of GHG/ thousand
tons of hydrocarbons'
production

Gas utilization
99.95%

14 years
of implementation of the
Biodiversity Action Plan at the
Karachaganak Field territory

Generated waste
58,124
tons

Recycled waste
36,562
tons

Water consumption
373,609
m³

Reuse of treated wastewater
32,234
m³

Why is it important to us? / GRI 3-3 /

Climate change is emerging as one of today's key global challenges, requiring a responsible approach from the business community. For KPO, climate action, sustainable development, and adherence to ESG principles are central to our operations. Our commitment to achieving carbon neutrality reflects our dedication to minimizing environmental impacts, ensuring long-term sustainability, and contributing to global climate protection efforts.

A significant milestone was the adoption in 2023 of Kazakhstan's National Carbon Neutrality Strategy by 2060, which outlines clear objectives and mechanisms for decarbonizing the country's economy. KPO actively integrates these strategic goals into corporate processes and planning, guided by our responsibility towards society and the environment.



Ruslan Mukangaliyev
Environment Controller

CLIMATE CHANGE AND ENERGY TRANSITION

The KPO Green Strategy is in line with the KPO-365 Strategy's objectives and the KPO Environmental Concept's principles.

The KPO Green Strategy covers five (5) key areas: GHG reduction, power strategy, offsetting strategy, water management and waste management.

- **GHG reduction**

In 2024 KPO has undertaken a number of engineering and feasibility studies on solutions for GHG emission reduction measures. Renewable energy measures were explored, and a wind measurement campaign was completed, and a concept selection phase was initiated for waste heat recovery at the existing GTG and installation of heat recovery boilers at the new GTG as part of the Karachaganak Gas Plant scope. Besides, the work on identifying measures and improving energy efficiency in the company is also ongoing. KPO actively improves its practices and implements modern advanced technologies to reduce methane emissions. Commitment to emissions reduction is integrated into business planning, production processes and reporting. In February 2024, KPO joined the OGMP-2.0 initiative having prepared the Multi-Year Methane Emissions Reduction Plan aligned with the UN Environment Programme. This initiative helps companies monitor and prioritize actions to reduce methane emissions. The maximum annual methane emissions by 2029 are set at 0.05 tonnes of methane per thousand tonnes of produced hydrocarbons.

- **Power strategy**

The main objective of the Power strategy is to ensure stable electricity supply that meets current and future KPO requirements as well as export obligations under the FPSA, considering the need to reduce greenhouse gas emissions, comply with regulations and implement the best available technologies. Intensive work continues to make final decisions on projects included in the KPO Power strategy.

- **Offset strategy**

Carbon offset projects play an essential role in the decarbonization process in the medium and long-term perspectives as other solutions gain momentum. Through the offset strategy, KPO intends to compensate the shortfall in GHG emission quotes in addition to GHG reduction projects based on the engineering solutions. In 2023–2024, the feasibility of offset projects in the West Kazakhstan Oblast was assessed, and potential opportunities in sustainable agriculture, i.e. improved pasture management and the use of zero tillage in agriculture, were identified.

- **Water Management**

Considering global and local water security risks, KPO aims to improve the efficiency of water resources utilisation by increasing the use of recycled water for technical needs of production facilities, introducing water-saving and digital technologies. The Aksai Sewage Treatment Plant Upgrade Project is assessed as one of

the major alternative long-term sustainable sources of technical water. The project passed the concept selection stage and currently its further implementation depends on the decision of local authorities.

- **Waste Management**

In 2024, a number of studies were conducted to find alternatives to upgrade the company's existing waste treatment facilities, reduce waste generation, and increase recycling and reuse through the implementation of advanced technologies and sustainable waste management. These activities will continue in 2025.

ENVIRONMENTAL MANAGEMENT APPROACH

ENVIRONMENTAL MANAGEMENT SYSTEM / GRI 2-23, 2-24, 3-1, 3-3 /

KPO has certified to use the Integrated HSE Management System certified to comply with

international standards [ISO 14001:2015](#), [ISO 45001:2018](#) and [ISO 50001:2018](#), as well as HSE Policy targeted to continuous improvement.

In 2024, KPO successfully passed the ISO 14001 audit that confirmed compliance with the requirements of the standard.

The key environmental commitments of the Company's HSE Policy include the following significant impacts:

- prevention of the environmental pollution,
- reduction of greenhouse gas emissions,
- biodiversity and ecosystems conservation,
- conservation of resources,
- continuous improvement in environmental performance.

In 2023, the KPO Environmental Concept has been developed, – the Company's strategic vision for achieving the environmental goals until 2037. The Concept has outlined the Company's activities in minimizing its environmental impact.

To achieve the set environmental targets within the established time frame, the KPO Environmental Work Programme was developed, where the activities and specific tasks for further ensuring the maximum possible environmental impact mitigation and sustainable development of the Company were defined.

As part of maintaining an effective environmental management system and to comply with the requirements of the new Environmental Code, KPO environmental procedures are regularly reviewed.

As required by the international standard ISO 14001: 2015, KPO continues to work on improving the environmental aspects identification process and environmental risks assessment.

Environmental aspects electronic management system

Environmental Aspects Register is developed and used by KPO to manage environmental aspects [EnvAR](#).

Environmental Aspects Register of the Company's divisions are annually reviewed and updated in line with the actual status. Based on the Company's divisions registers, the Consolidated register of the most significant environmental aspects is developed to devise additional activities/ control measures to reduce risks and improve the environmental condition. In 2024, the Consolidated Register of Significant Environmental Aspects of KPO covered the following aspects:

- 1) Pollutant emissions into the atmosphere and greenhouse gases,
- 2) Waste formation and management,
- 3) Detection of unauthorized waste disposal,
- 4) Treatment and discharge of domestic wastewater,
- 5) Generation and disposal of industrial wastewater,
- 6) Spills / leaks (hydrocarbons and/or chemicals),
- 7) Water resources consumption.

ENVIRONMENTAL COMPLIANCE

KPO runs its business in accordance with the environmental legislation of the Republic of Kazakhstan (RoK). KPO annually requests and obtains an Environmental Impact Permit (EEP) from the RoK Ministry of Environmental Protection. This permit sets the limits for contaminants emissions, discharges and limits for accumulation and burial of waste.

Two environmental administrative fines were filed in relation to the events of 2022–2023 for a total amount of KZT 908.62 mln following the unscheduled inspection carried out in the 2024. In 2024, the Company is appealing in court the decisions on imposing an administrative penalty for exceeding emissions limits in the amount of KZT 849.34 mln. and discharge limits in the amount of KZT 59.28 mln. The process of partial appealing the court decision that imposed an administrative penalty for exceeding pollutant discharge limits in the amount of KZT 50 mln is also ongoing. / GRI 2-27 /

Implementation of the Environmental Code

The 2025 Environmental Impact Permit for KOGCF facilities was obtained in 2024 as part of the Rok Environmental Code (EC) requirements. In 2024, the Plan for implementation of the Rok Environmental Code's requirements was 94% completed.

During the year 2024, as member of the working groups under the Foreign Investors' Council, Rok Ministry of Ecology and Natural Resources, Ministry of Energy, National Chamber of Entrepreneurs "Atameken" and the KAZENERGY Association, the Company took part in 147 meetings and commented and introduced proposals for 74 projects of the Rok laws and regulations in environment protection, as a result the following changes been made to corresponding Rok regulatory legal acts:

1. The Rok EC in accordance with the Law No. 121-VIII dated 08/07/2024. The deadline for providing financial support has been extended for 5 years, meaning that existing facilities shall provide financial support for the fulfillment of obligations to eliminate the consequences of its operation starting from July 1, 2029. In October, the Methodology for Determining the Amount of Financial Support was amended in accordance with the Rok Environmental Code.
2. The Working Group for review of the Sour Gas Processing Development Program (SGDGP) and its Guidance was approved by the Order of the Rok

Minister of Energy dated June 29, 2024, approval process was systematized.

3. A Working Group has been created to develop structural solutions and ensure a smooth transition to the Integrated Environmental Permit (IEP), as well as to address issues related to the suspension of environmental permits. The draft Orders for development of Process Emissions and Discharge Limits have been coordinated with other state authorities and anti-corruption expert review panel. In November, a round table was arranged for KazEnergy, operators and the MENR. As a result, 'NIT' JSC and the Committee for Environmental Regulation and Control of the RoK MENR were advised to work on eliminating the technical shortcomings of the e-Licensing System to ensure the IEP smooth issuance.
4. "The MENR supported the business in cancellation of amendments to the Rok Environmental Code, initiated by the deputies of the Mazhilis of the Rok Parliament, to return to damage calculation using the indirect method for category 1 and 2 Operators for compensating environmental damage from environmental pollution by excessive and unauthorized emissions.
5. In April 2025, the Head of State signed the new Water Code of the Republic of Kazakhstan, which aims to introduce new mechanisms for water conservation and water sources protection, the water resources management approaches with the priority on its protection, measures to prevent and eliminate harmful water effects, such as flood control measures, as well as stricter state regulation and control of water funds use and protection.
6. Discussion of the draft new Rok Tax Code. The draft law proposes to exclude retrospective fees/penalties in case of IEP revocation or suspension and not to apply increasing coefficients (2, 4, 8) to emissions from construction and installation works and reclamation and (or) liquidation works. Some amendments to the list of pollutants have also been proposed.

Environmental Public Hearings

/ GRI 2-29 /

In 2024, the Company held public hearings on application materials for obtaining the 2025 Environmental Impact Permit for KPO facilities located within the **KOGCF**. According to the Rok Environmental Code, the public hearings were held on 15-18 October 2024 by means of open meetings in 4 rural districts of the Burlin region (Uspenovskiy, Priuralnyi,

Zharsuatsky, Pugachevsky). 84 construction projects, 3 Emission Limits Projects, Waste Management Program, Production Environmental Control Program and Environmental Protective Measures Plan were presented for public consideration.

Information about the planned public hearings was brought for attention of the state authorities and the public through announcements at the Unified Environmental Portal, in a periodical printed publication (newspaper), TV channel and on bulletin boards of local executive authorities of administrative-territorial units.

All projects submitted for discussion at the public hearings in 2024 were endorsed by the state authorities and the public. The results of public hearings were reflected in the protocols of public hearings. A package of documents submitted for the public hearings, including the discussion results, are available on the website <https://ecoportal.kz/>.

All projects submitted for discussion at the public hearings in 2024 were endorsed by the state authorities and the public.

Supplier environmental assessment

/ GRI 308-1, 308-2 /

Based on the Rok Environmental Code, KPO as an operator of the KOGCF and condensate export pipeline KPC Bolshoi Chagan-Atyrau facilities is obliged to obtain an Environmental Impact Permit, which also includes Business Partner-organizations engaged to perform works and to provide services on the territory of KPO facilities. Business Partners shall comply with the terms of the Environmental Permit conditions and bear responsibility for their non-compliance under the laws of the Republic of Kazakhstan.

Thus, since 2021, KPO has been continuously working to improve its engagement with suppliers. In the 2021–2022 period, the Business Partners' control system has been implemented and further developed in 2023 and 2024.

In 2023, the Company's HSE requirements reflected in Schedule D of contracts were revised. This has allowed proceeding with amendments to existing contracts upon which a number of suppliers are required to manage their own wastes generated within the KPO facilities area. Subsequently, all suppliers performing works at KPO facilities shall handle safe storage of waste at workplaces. While KPO will handle further collection and transportation of waste involving a specialized contractor.

In 2023, KPO has implemented a practice of limited-scope audits of Business Partners by means of the KPO Environmental Controllship to check their compliance with terms of the KPO Environmental Permit. As a result of the audits, accounting systems for fuel consumption at stationary emission sources and Business Partners waste flows were improved. In 2024, internal environmental control system during works or operational environmental control is subject to the audits.

On 22nd December 2023, as part of raising the environmental awareness, improving the Environment Management System and fulfilling requirements of the contracts' Schedule D, KPO held a workshop on familiarization with the new Rok Environmental Code's requirements for the Environmental Engineers. The workshop was attended by representatives of the 57 Business Partners. The workshop provided attendees with detailed requirements of the new Rok Environmental Code, as well with better understanding of the Operator and Business Partners' responsibilities on the environmental protection.

In 2024, the Company implemented procedural and organizational measures to upgrade the Waste Management System to handle waste generated from services provided by Business Partners under the contracts at the KPO facilities. This includes centralized collection of all waste by a single specialized waste management organization to ensure compliance with the Environmental Code, and to improve transparency and efficiency in waste management.

2024 ENVIRONMENTAL PROTECTIVE MEASURES PLAN / GRI 3-3, SDG 9.4 /

To achieve the set environmental goals, KPO annually develops Environmental Protective Measures Plans (hereinafter referred as the EPMP). EPMP focuses on ensuring environmental safety, improving environmental protection methods and technologies, ensuring rational use of nature and maintaining

compliance with the ISO 14001 and ISO 50001 international standards.

In 2024 KPO operated the business based on the issued environmental permits. The EPMPs were developed and approved for each of the Permits obtained.

Tab. 26. KPO 2024 Environmental Protective Measures Plans and Environmental Permits issued

#	2024 EPMP	Valid 2024 Permits	Permit Issuing Authority
1	KPO 2024 EPMP for KOGCF	Environmental Impact Permit (effective period: Jan1 to Dec 31, 2024)	Committee for Environmental Regulation and Control of the Ministry of Environment, Geology and Natural Resources of the Republic of Kazakhstan
2	KPO 2024–2030 EPMP for the KPC-Bolshoi Chagan-Atyrau export condensate pipeline (WKO)	2020 Environmental Emissions Permit (effective period: 01.01.2024 – 31.12.2030): 1. Air pollutant emissions; 2. Pollutants discharged with wastewater.	WKO Akimat, West-Kazakhstan Oblast Administration of Natural Resources and Nature Use Control
3	KPO 2024–2030 EPMP (Atyrau Oblast)	Environmental Impact Permit (effective period: Jan1, 2024 to Dec 31, 2030)	Atyrau Oblast Akimat, Atyrau Oblast Administration of Natural Resources and Nature Use Control

In 2024, the total actual costs of the environmental measures implemented at Karachaganak Field amounted to KZT 2.9 bln against KZT 2.6 bln planned and that is 111%.

The KPO 2024 EPMP implementation by sections is shown in Table 28.

Tab. 27. 2024 Environmental Protective Measures Plan Progress, % / GRI 3-3 /

#	Sections of Environmental Protective Measures Plan	KPO measures implementation, %:		
		KOGCF	KPC-Bolshoi Chagan-Atyrau export condensate pipeline (WKO)	KPC-Bolshoi Chagan-Atyrau export condensate pipeline (AO)
1	Air conservation	168%	100%	100%
2	Conservation and rational use of water resources	116%	N/A*	N/A*
3	Land conservation	100%	N/A*	N/A*
4	Flora and fauna conservation	100%	N/A*	100%
5	Production and consumption waste management	152%	N/A*	N/A*
6	Introduction of management systems and best safe technologies	100%	N/A*	N/A*
7	Environmental scientific research and design-survey works	N/A*	100%	100%
8	Environmental awareness and promotion	N/A*	100%	100%
TOTAL:		KZT 2.9 bln (USD 6,286,170 mln)	KZT 5.3 mln (USD 12,626)	KZT 16.2 mln (USD 35,363)

* N/A – measures are not applicable.

The environmental effect from the implementation of environmental protection measures is presented in Table 29.

Tab. 28. Environmental effect from the implementation of environmental protection measures to reduce emissions and waste, 2024 / GRI 3-3 /

Air emissions	The reduction in actual pollutant emissions into the atmosphere as a result of implementation of measures with the introduction of advanced technologies for 2024 amounted to 6,034 tonnes, including: <ul style="list-style-type: none"> Use of a surface pump to transfer product with high gas volume fraction during the well test resulted in reduction of emissions by 5,364 tonnes. Use of hydrocarbon-based fluid for the reservoir operations (Lamix or Deisel) helped to reduce the amount of air polluting emissions by 670 tonnes.
Water consumption	<ul style="list-style-type: none"> The volume of reuse of treated wastewater, including rain and melt water, for 2024 amounted to 32,234 m³, which led to a reduction in fresh water intake for technical needs from surface sources. Treated waste waters were re-used for the KOGCF technical purposes, as well as for dust suppression and drill mud preparation.
Waste Management	<ul style="list-style-type: none"> In 2024, 561.293 tonnes of non-recyclable production and consumption waste were disposed by high-temperature incineration, including residues received after segregation of solid municipal waste, medical waste, dehydrated sludge from silt areas. This helped to reduce the volume of buried waste by 88%. As a result of municipal waste segregation at the segregation plant, 134.567 tonnes of useful components (waste paper, plastic, glass and scrap metal) were extracted for subsequent transfer to specialized companies for processing and (or) reuse. This helped to reduce the volume of municipal waste by 15.5%. The volume of liquid waste processing equals to 10,888.42 tonnes. Treatment at the LTP helped to reduce the volume of waste by 95%. 1,641.5 tonnes of base oil (10.2% of the total mass of drilling waste processed at TCC) recovered during processing the 16,132.53 tonnes of oil-based drill cuttings and other industrial waste.
Land reclamation / GRI 304-3, SDG 6.6, 15.1, 15.5 /	In 2024, land reclamation was carried out after the completion of construction work on 55.4 hectares area.

ENVIRONMENTAL MONITORING / GRI 3-3, 413-1, SDG 3.9 /

KPO implements a number of environmental programs that cover all aspects of operational activities. One of the key programs is a Production Environmental Control (PEC) Program developed in line with the Rok Environmental Code to meet the following objectives:

- obtaining reliable data about the Company's emissions and impact of production activities on the environment;
- rapid and proactive response to emergencies;
- minimizing the impact on the environment and human health;
- communication to stakeholders (local communities, state regulatory authorities, partner companies) about the environmental activities of the Company and risks for population health.

As part of the PEC program, the environmental emissions such as air emissions, wastewater discharge, waste treatment, waste accumulation and disposal, and the quality of environmental components such as air, surface and ground water, and soil are monitored.

In 2024, the PEC monitoring of the environment components has demonstrated that concentrations of target substances were on a par with those observed in

previous years. No negative impact on the environment from the KOGCF operations was identified.

KPO regularly keeps the production environmental control over the environmental condition at the Field's waste disposal facilities. In 2024, no direct negative impact on the environmental components has been revealed as a result of monitoring of the ground water and soil at the Eco Centre's Solid Industrial Waste Burial Landfill and the Temporary Liquid Drilling Waste Storage Site, as well as in cells 35A and 35B. Quantitative control over the movement of waste is carried out to account for the volume of burial, as well as the volumes and time of waste accumulation.

Air quality monitoring is carried out through the collection and analysis of samples by the accredited laboratory as well as by 18 stationary automatic EMS's. To assess the quality of atmospheric air, sanitary and hygienic limits are used – maximum permissible concentrations (MPC). To determine the level of atmospheric pollution, the registered concentrations of monitored components are compared against the MPC and demonstrated in fractions.

In 2024, over 100 thous. samples were taken by the laboratory, about 115 thous. laboratory sample analyses and 28 thous. measurements were conducted as part of the PEC.

The Company pays special attention to protection of atmospheric air in the Field area, at the SPZ boundaries and in settlements adjacent to the Karachaganak Field.

Sanitary Protection Zone / SDG 11.4, 15.2 /

The current estimated Sanitary Protection Zone (SPZ) at the KOGCF is valid from January 1, 2018. In 2021, KPO successfully completed the relocation of environmental air monitoring stations commenced in 2018. The relocation of these stations was performed due to the change of the Sanitary Protection Zone to ensure correct performance of the continuous air monitoring and to comply with the Rok legal requirements. The plot map of the KOGCF with SPZ marked, as of end 2023 is available for viewing on the KPO website in the section [Sustainability/Environmental monitoring/Sanitary protection zone](#).

In 2024, KPO has continued the implementation of the Project "Organization and improvement of the estimated KOGCF Sanitary Protection Zone", having completed "The first phase of planting the KOGCF SPZ and extending the SPZ boundaries". The aim of the Project is to take care of existing forest stands and to plant new trees, as well as to install information signs at the SPZ boundaries. In order to protect historical and cultural heritage sites from

potential negative impact, the Project also provides for the installation of relevant signages at the boundaries of the protected heritage sites. Earlier in 2019, KPO organized the large-scale archaeological research on this topic (see the details in the [KPO Sustainability Report 2019](#), pp. 85-88). / SDG 11.4 /

In 2024, the boundaries of the Sanitary Protection Zone were expanded. According to the project the total number of information signposts is 62. In 2023, 42 signposts and 8 boards were installed. The remaining 20 information signposts are expected to be installed during the project implementation (2025–2028). In 2024, no work was carried out, 2025 budget for installation of historical and cultural heritage site signs has not yet been approved by the PSA Authority.

In 2024, the Project on KOGCF ESPZ Development and Upgrade was updated due to changes in land use within the KOGCF ESPZ area and plans for construction of a new facility (Aksai STP water line – Konchubai pump station). In the period from 2025 to 2028, the planned forest belt locations will be corrected by relocating them to the reserve lands.

A consolidated layout plan of the SPZ development and landscaping facilities will be agreed with the stakeholders.

The total area of the sites planned for green construction for the entire project period will be 249.1 ha, of which 151.9 ha are new plants, and 97.2 ha – reconstruction of the existing ones.

Table 29. Key performance data for 2025–2028

Type of works:	Forest belts reconstruction	Planting of new forest belts	TOTAL:
Total area of forest belts, according to the 2021 Project, ha	97.2	151.9	249.1
Area covered in 2023-2024, ha	36.5	0	36.5
Remaining area to be covered after 2024, ha	60.7	151.9	212.6
Planned under the 2025 EPMP	16.2	9.6	25.8
Planned under the 2026 EPMP	26.4	20.4	46.8
Scope planned for 2027–2028	18.1	121.9	140.0
Total area of forest belts for the 2025–2028, ha.	60.7	151.9	212.6

The overall timeline of the entire Project implementation includes the period from spring 2023 down to 2028:

- 2022 – surveys, fieldwork and development of the Project’s work documentation.
- 2023 – demarcation of the SPZ.
- 2024 – Installation of guide posts at the boundaries of the protected cultural and historical heritage sites.
- 2023 – 2026 – forest belts reconstruction.
- 2025 – 2028 – establishment of new forest belts.

Construction of capital facilities in the process of project implementation is not foreseen. The work is being carried out by the contractor. The plot map "Key design solutions of the development and upgrade of the KOGCF ESPZ for 2023–2028" is available for viewing on the KPO website in the section [Sustainability/Environmental monitoring/Sanitary protection zone](#). Consolidated layout plans of the SPZ development and landscaping facilities were agreed with the stakeholders, economic organizations and agricultural producers.

Tab. 30. The annual average concentrations of the monitored air components recorded by EMS in 2024

Monitored components	Actual annual average concentration, mg/m ³	MPC one-time ⁹ , mg/m ³	Exceedance of MPCone-time*
H ₂ S	0 – 0.002	0.008	no
SO ₂	from 0.001 to 0.010	0.5	no
NO ₂	from 0.001 to 0.010	0.2	no
CO	from 0.1 to 0.4	5.0	no

* Criteria of air quality at the SPZ boundary is MPC one-time EMS are configured to give a signal when the MPC one-time is exceeded.

All the EMSs take measurement of the four main pollutants (H₂S, SO₂, NO₂, CO) on a continuous basis, i.e. 24/7.

According to the data received from EMSs at the SPZ boundary in 2024, the actual daily, monthly, quarterly and annual average concentrations of the monitored components did not exceed the established sanitary and hygienic limits.

Meanwhile, 8 cases of 20-minute exceedance in H₂S concentration were recorded during the year.

Pursuant to the requirement of the Rok Environmental Code (Sub-it. 8, It. 2, Article 184), KPO delivered notices regarding the exceedance recorded at the EMS-013,

Atmospheric Air Monitoring by automatic Environmental Monitoring Stations / GRI 413-1 /

18 stationary automatic Environmental Monitoring Stations are installed along the perimeter of the KOGCF and the SPZ (EMSs 001 – 018) integrated into a single automatic environmental monitoring system.

Four out of 18 EMSs are located in the Field and within the SPZ. As of the end of 2023, 13 EMSs are located at the ESPZ boundary: 006 – 018 EMSs; EMS 005 is located near the Aksai town.

Annual average concentrations of the monitored components recorded by the EMS in 2024 at the KOGCF SPZ boundary are shown in the table 30. The column 'Actual annual average concentration' shows the minimum and maximum average concentrations of the monitored air components recorded by each EMS.

EMS-009 and EMS-006 to the WKO Environmental Department.

It should be noted that no connection has been found between the exceedances recorded at the EMS-009, EMS-07 and EMS-006 and KPO field operations. At the time of the exceedances all KPO facilities were functioning in normal operation mode, no well flaring/clean-ups were performed. No malfunctions of process equipment, leaks or unauthorized emissions, emergency or scheduled shutdowns of the process were recorded. No direct H₂S sources were revealed at the KPO facilities. It is assumed that three cases of 20-minute exceedances, recorded by the EMS –013 on 27 August, could be related to a gas leak from the RBVS, pipeline No. 508.

⁹ MPC one-time is a maximum permissible one-time concentration of a chemical substance (mg/m³) in the ambient air of settlements. This concentration shall not cause a reflex response in human bodies (holding of a breath, irritation of eyes, upper respiratory tract, etc.) in case of 20-30 min of inhalation.

Tab. 31. One-time MPC exceedances recorded by EMS at the KOGCF SPZ in 2024

EMS No.	Monitored components	MPC one-time, mg/m ³	Number of exceedances	Frequency ratio of MPC one-time exceedance
EMS-006	H ₂ S	0.008	4	1.75
EMS-009	H ₂ S	0.008	1	1.25
EMS-013	H ₂ S	0.008	3	from 1.25 to 7.25

Moreover, one case of H₂S exceedance was recorded by the EMS-005 located at the entrance to the Aksai town with MPC one time exceeded by a factor of 1.625 times.

No gas odour complaints from the local communities adjacent to the KOGCF were raised on the date the MPC exceedances were recorded.

Air quality data from all 18 KPO automatic EMSs are transmitted online to the West Kazakhstan Oblast Environmental Department via the Ecomonitor portal.

Atmospheric air monitoring at the Karachaganak Field's SPZ boundary

Along with the continuous monitoring of atmospheric air quality run by the automatic EMS, the accredited Contractor laboratory conducts air sampling at the KOGCF SPZ boundary, at 8 compass points (rhumbs). Sampling at the SPZ boundary is performed daily at the route monitoring posts¹⁰ with the following frequency:

- 4 times a day at the N, E, S, W sampling points;
- once a day at the sampling points of NE, SE, SW, NW.

Annual average concentrations of the monitored air components recorded at route monitoring posts at the KOGCF SPZ boundary in 2024

Monitored components	Actual annual average concentration, mg/m ³	MPC one-time, mg/m ³	Exceedance of MPC
H ₂ S	0.002-0.002	0.008	no
SO ₂	0.003 – 0.004	0.5	no
NO ₂	0.025	0.2	no
CO	0.438 – 0.450	5.0	no
CH ₃ SH	Not detected	0.006	no
CH ₄	from 1.104 to 1.124	50*	no

* The determined approximate safe level of impact. MPC for methane is not determined.

In 2024, over 44,000 air samples were collected and analysed for the content of the same components measured at the EMSs: hydrogen sulphide (H₂S); sulphur dioxide (SO₂); nitrogen dioxide (NO₂); carbon monoxide (CO). Additionally, air samples are analyzed for methane (CH₄) and methylmercaptan (CH₃SH).

In 2024, according to the results of air monitoring at eight route monitoring posts at the KOGCF SPZ no exceedance of MPC of the monitored components was recorded.

Annual average concentrations of the monitored air components at the SPZ boundary in 2024 are shown in the table below. The column 'Actual annual average concentration' shows the minimum and maximum average concentrations of the controlled air components per 8 points.

Atmospheric air monitoring in the villages adjacent to the Karachaganak Field / GRI 413-1 /

In six villages located along the perimeter of the field: Zharsuat, Zhanatalap, Dimitrovo, Karachaganak, Priuralnoye, Uspenovka, and in Aksai town, stationary air monitoring posts have been installed. Air sampling is carried out four (4) times a day (at 1, 7, 13 and 19 hours according to the State Standard) by the permanent personnel of the contracted laboratory, who reside in the villages. Approximately 52,000 air samples were collected and analyzed at the stationary posts in 2024.

Air samples are chemically tested in the Aksai laboratory for the content of five main components in accordance with the State Standard and ruling documents: hydrogen sulphide (H₂S), sulphur dioxide (SO₂), nitrogen dioxide (NO₂), carbon monoxide (CO), and methylmercaptan (CH₃SH). In addition, every 10 days the air is monitored for concentration of volatile organic components: benzene (C₆H₆), toluene (C₇H₈), xylene (C₈H₁₀).

Monthly air monitoring results are distributed to the villages for posting on the information boards and

monthly published on [the KPO web-site](#) and local print media (Burlinskie Vesti, Borli Jarsysy, Budni Aksaya). If any gas odour complaint is raised by someone of the community, an unscheduled air sampling is performed at the stationary posts.

In 2024, no MPC exceedances were recorded for the daily average concentrations of the monitored air components in the villages.

In 2024, 3 complaints with respect to gas odour were raised by the villagers living in proximity of the Karachaganak Field and in Aksai. The unscheduled air sampling was carried out in the villages, the analysis results of which showed that the concentrations of the monitored components did not exceed the established MPCone time. Each complaint from an initiator with respect to gas odour was addressed.

2024 annual average concentrations of air components monitored in the seven villages are shown in table 32. The column 'Actual annual average concentration' shows the minimum and maximum values of annual average concentrations of the controlled air components. Criterion for assessing air quality in settlements is MPC daily average.

Tab. 32. Annual average concentrations of monitored air components in the villages adjacent to KOGCF in 2024 / GRI 413-1 /

Monitored components	Actual annual average concentration, mg/m ³	MPC daily average ¹¹ , mg/m ³	Exceedance of MPC daily average
H ₂ S	0.001-0.002	0.008**	no
SO ₂	0.003 – 0.004	0.05	no
NO ₂	0.021 to 0.026	0.04	no
CO	0.424 – 0.445	3.0	no
C ₆ H ₆	0.163 to 0.171	0.3**	no
C ₇ H ₈	below MDL*	0.6**	no
C ₈ H ₁₀	below MDL*	0.2**	no
CH ₃ SH	not detected	0.006**	no

* Measurements recorded were below the method's minimal detection limit (MDL). MDLs for monitored components: C₇H₈ – 0.14 mg/m³; C₈H₁₀ – 0.14 mg/m³.

** MPCone-time. MPCdaily average for hydrogen sulphide and methylmercaptan is not established, therefore, MPCone-time is referred to for comparison purpose; MPCone-time is also applied to assess the content of benzene, toluene and xylene in the air as the frequency of components' sample collection and analysis is once in ten days.

¹⁰ A route monitoring post is designed for regular air sampling at the certain fixed locations (points) with portable equipment.

¹¹ MPCdaily average – maximum permissible daily average concentration of chemical substance in the ambient air of settlements, mg/m³. This concentration shall not have direct or indirect adverse effect on human body in case of inhalation during indefinitely long-term period (years).

Why is it important to us? / GRI 3-3 /

Air pollution harms human health, affects food security, hinders economic development, leads to loss of biodiversity, contributes to climate change and degrades the environment that people rely on for their livelihoods. The United Nations recognize air pollution as one of the major threats to human and planetary health.

The KPO industrial complex operation is inevitably associated with the air pollutant emissions. Pollutants are generated on all process stages: production, preparation, storage and transportation of gas and condensate. Reduction of emissions, recycling of waste and application of new technologies remain the most important issues on the Company's agenda. The Company's mission in this matter is to minimize the negative impact of its activities.



Aidar Gizatov
Air and Greenhouse Gas
Emissions Section Head

AIR EMISSIONS

KPO manages air pollutant emissions based on the limits established in the Environmental Impact Permit.

To control compliance with the limits, the Company monitors industrial emissions. At the KPO facilities, the air emissions are mainly released from sour gas and mixture of formation fluids (MFF) flaring, fuel gas

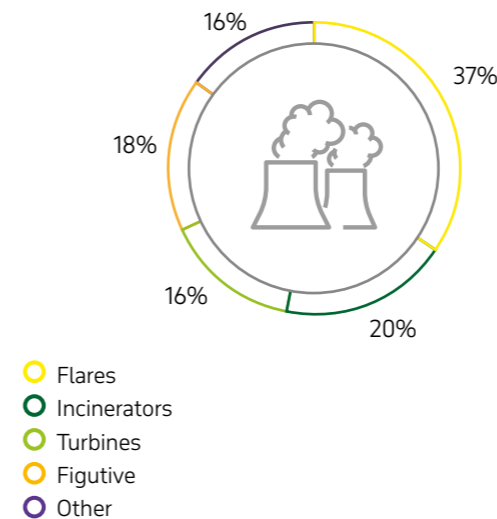
flaring in turbines, furnaces and boilers, from diesel fuel flaring in diesel-generator units. The sulphur dioxide, carbon oxide and nitrogen oxides are the main combustion products.

Across KPO the direct greenhouse gas (GHG) emissions are regulated under the national quotas trading system.

Tab. 33. Emissions management targets / GRI 3-3 /

Our 2024 targets	Target achievement status	Actions taken in 2024	Targets for 2025
Explore additional opportunities for implementation of Tail Gas Treatment Units	Completed by 50%	<ul style="list-style-type: none"> Alternative operating modes (changes in operating pressure) tested in field but yielded no improvement in SO₂ emissions. KPO in-house study completed indicating presence of very fine disulphides mist requiring new technology and/or innovative equipment to reduce SO₂ emissions Third party verification study to confirm/verify KPO in-house study. Investigation of new technology and flue gas desulphurization in progress. 	<ul style="list-style-type: none"> Third Party verification study of existing separation system. Inhouse & external study of technologies of removing SO₂ from the exhaust stream (post incineration gas) kicked off. Development of Feasibility Study for SO₂ emissions reduction by mid-year

Graph 20. Pollutant emissions in KPO by main air pollution sources, in 2024



In 2024, the total amount of air emissions was increased by 8% compared to 2023, totalling 6,198 tonnes. The increase in emissions in 2024 is justified by the increase of condensate production by 1%, and gas by 7% compared to 2023, and commissioning of the KEP-1A facilities. Table 34 shows data on permissible and actual KPO emissions for the 2022-2024 period.

Across KPO the direct greenhouse gas (GHG) emissions are regulated under the national quotas trading system.

Tab. 34. Permitted and actual volumes of pollutant emissions, 2022-2024 / GRI 305-7, SDG 3.9, 12.4 /

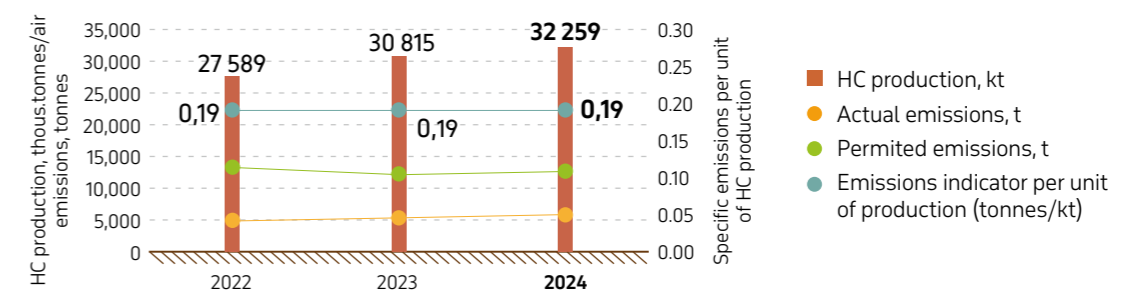
Annual volume of emissions by pollutants, in tonnes:	2024	2023	2022
Permitted emissions:	12,602	11,346	12,005
Actual, including:	6,198	5,765	5,236
Nitrogen oxides (NO _x)	1,505	1,362	1,182
Sulphur dioxide (SO ₂)	2,294	2,251	2,143
Carbon dioxide (CO ₂)	1,235	1,159	1,142
Volatile organic compounds	539	513	534
Hydrogen sulphide (H ₂ S)	3	3	3
Solid particles	578	441	198
Other	45	36	34

Note: Emission volumes data are provided in accordance with the data of statistical report «2-TP Air».

In KPO, emissions are calculated using the methods specified in MPE project and recommended for use in the Republic of Kazakhstan.

In 2023, specific emissions per unit of production amounted to 0.29 tonnes per 1,000 tonnes of hydrocarbons (HC) produced same as in 2023.

Graph 21. Volume of HC production and environmental emissions in 2022-2024

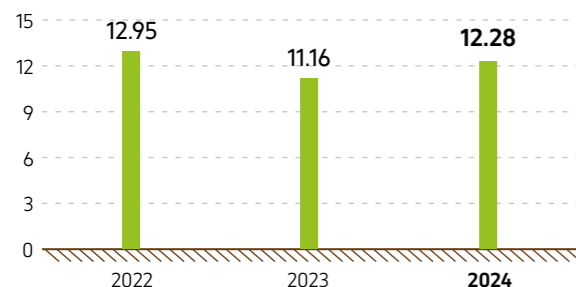


GAS FLARING / OG6, SDG 3.9, 7.3, 8.4, 12.2, 12.4, 12.5 /

In 2024, the total amount of gas flared reached 0.05% (0.05% in 2023) of the total volume of gas produced or 0.34 tonnes per thousand tonnes of produced hydrocarbons. Such a low flaring emission rate resultant from flaring testifies of high operational performance against the global industrial average rate of 8.77 tonnes per one thousand tonnes and European average rate of 2.23 tonnes per one thousand tonnes, as follows from the 2023 IOGP Report. This confirms the very high level of KPO for this indicator among the global and European oil and gas producers and makes Karachaganak the leading oil and gas condensate field in Kazakhstan in terms of gas utilization.

The slight increase in gas flaring volumes in 2024 comparing to 2023 is due to the commissioning and start-up of the 5th Gas Re-injection Compressor's turbine and the KEP-1A facility's high pressure flare.

Graph 22. Volumes of produced gas flared in 2022-2024 (mln m³)



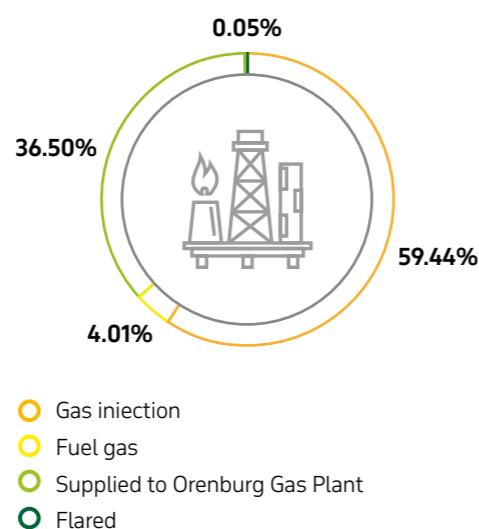
Gas Utilization

/ OG6, SDG 3.9, 7.3, 8.4, 12.2, 12.4, 12.5 /

Pursuant to the legislation requirements, KPO develops and approves with the Regulatory Authorities the Sour Gas Processing Development Programs.

In 2024, the KPO gas utilization rate reached 99.95% (99.95% in 2023). The performance target approved by the Rok Authority under the 2024 Associated Gas Processing Development Program is 99.85%.

Graph 23. Gas utilization and flaring in 2024



GREENHOUSE GASES

Direct Greenhouse Gas emissions

/ GRI 305-1, 305-7, SDG 3.9, 12.4, 13.1, 13.2 /

Direct greenhouse gas (GHG) emissions are regulated across KPO under the National Quotas Trading System. KPO obtained quotas for 2024 GHG emissions (CO₂) in the amount of 2,294,107 tonnes based on specific emissions indicators (benchmarks). In 2024, actual emissions have amounted to 2,118,011 tonnes of CO₂, which made 92.3% of the quota. In January 2024 the residual of the 2023 quota worth 788,530 tonnes of CO₂ was added up to the Company.

To ensure the level of GHG emissions is in compliance with the issued quota, KPO quarterly assess GHG emissions for carbon dioxide (CO₂) and methane (CH₄). The emissions were assessed using the calculation method and based on the Company's operations data (in terms of fuel consumption and laboratory data on fuel composition) according to the Order No. 9 of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated January 17, 2023 "On Approval of Greenhouse Gas Emissions and Absorption Calculation Methodologies".

Rates used for analysis of the GHG emissions are calculated quarterly as per the laboratory data of the certified KPO Chemical Laboratory.

To convert the GHG emissions into carbon dioxide equivalent (CO₂-eq.), the global warming potential values were used according to item 4 of Decision of Conference of the Parties 6/CP.27 of November 17, 2022.

At the year-end, independent certified organization shall verify monitoring results and produce an Inventory report for the reporting period.

According to the verified GHG Emissions Inventory Report for 2024, the total volume of GHG emissions amounted to 2,139,054 tonnes in CO₂-equivalent, of which CO₂ contribution equalled to 2,118,011 tonnes of CO₂-equiv. (99%), CH₄ - 12,133 tonnes of CO₂-equiv. (0.6%), N₂O - 8,910 tonnes of CO₂-equiv. (0.4%).

Information on the dynamics of generated GHG emissions is provided in Table 35. The slight increase in GHG emissions (by 6%) in 2024 compared to 2023 is due to commissioning of the 5th Gas Re-injection Compressor and High Pressure Flare.

Tab. 35. Dynamics of GHG emissions generated from KPO production activities, 2022-2024
/ SDG 13.2.2 (C130202) /

Total volume of greenhouse gas emissions from stationary and fugitive sources, tonnes of CO ₂ equivalent					
From fuel combustion at stationary sources	From fuel combustion at flares and incinerators	Fugitive emissions	Total GHG emissions in 2024	Total GHG emissions in 2024	Total GHG emissions in 2024
1,980,948	149,145	8,961	2,139,054	2,012,982	1,851,066

Total volume of greenhouse gas emissions from mobile sources, tonnes of CO ₂ equivalent			
Flaring diesel and gasoline from mobile sources	Total GHG emissions in 2024	Total GHG emissions in 2024	Total GHG emissions in 2024
	1,683	1,680	1,750

The Methodology for calculating GHG emissions from fugitive emissions sources

To count the GHG emissions from fugitive emission sources, KPO uses its own methodology developed for efficient monitoring and approved by the Ministry of Ecology, Geology and Natural Resources of the Republic

of Kazakhstan in 2020. This Methodology has allowed gaining more accurate data of methane (CH₄) emissions from fugitive emission sources at KPO facilities and significantly minimize calculations uncertainty. The Methodology is applied during the annual GHG emission inventory process.

The Scope 2 emissions calculation has been conducted only for the purchased energy in the field facilities.

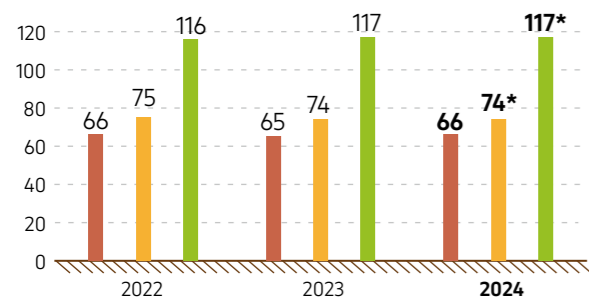


Specific greenhouse gas emissions

/ GRI 305-4, SDG 13.1 /

In 2024, the KPO specific indicator of CO₂ emissions totalled 66 tonnes of CO₂/thousand tonnes of produced hydrocarbons. Graph 21 shows the dynamics of specific GHG emissions comparing to the specific emissions data provided by the IOGP. The actual specific GHG emissions in KPO are lower than the European indicators by 11% and lower than the international indicators by 44%.

Graph. 24. Dynamics of specific GHG emissions per unit of HC production*, 2022–2024



- KPO data – tonnes of CO₂/thousand of HC production
- IOGP data – tonnes of CO₂/thousand tonnes of YC production (European indicators)
- IOGP data – tonnes of CO₂/thousand tonnes of HC production (International indicators)

Indirect greenhouse gas emissions

/ GRI 305-2 /

Indirect GHG emissions at KOGCF resulting from the consumption of imported electric power in 2024 account for an insignificant part (less than 0.1%), since the Company has a gas turbine power plant, the main purpose of which is to provide its own electricity to the entire production complex of the Field and nearby settlements.

These emissions are not subject to accounting and are not included in the reporting under the internal system of quotas for GHG emissions of the Republic of Kazakhstan. Information on them is provided only in reports to KPO Parent Companies. In 2024, the indirect GHG emissions at KPO amounted to 946 tonnes of CO₂.

* The data was sourced by Annual report of the International Associations of Oil and Gas Producers (IOGP) – “Environmental Performance Indicators – 2023 data”. The 2023 data was used for comparison purpose in 2024, as the 2024 IOGP Report was not available at the time this Report was prepared.

Why is it important to us? / GRI 3-3 /

KPO is one of the leading oil and gas companies of the Republic of Kazakhstan, being both supplier and user of fuel and energy resources (FER) and recognizes the need for the rational use and increase of the energy efficiency level in the Company.

Reinforcement of the carbon regulation policy and energy saving and energy efficiency requirements in Kazakhstan bring serious challenges for KPO. As both one of the large GHG emitters and the FER consumer in the country, the Company faces the necessity of the adaptation to new standards and regulations.

KPO is actively engaged in dialogue with shareholders, the state, the PSA LLP authority and other stakeholders to jointly define the strategy for future field development and create favourable conditions for technology investments, which are not paid off under current conditions but valuable in the long term.



Aigul Kireyeva
Sustainability Manager

ENERGY EFFICIENCY

KPO assumes responsibility to preserve favourable conditions for life-sustaining activity of future generations and make contributions in achieving the goal to decrease energy intensity and decarbonization of the economy of the Republic of Kazakhstan. Ensuring energy resources extraction, while transitioning to low-carbon technologies, is one of the challenges that we faced with. Our priority targets require continuing energy efficiency

activities and their assessment, including application of the best available technologies, implementation of fast-track projects, energy-efficient equipment and environmentally friendly materials.

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



Tab. 36. Energy efficiency targets / GRI 3-3 /

Our 2024 targets	Target achievement status	Actions taken in 2024	Targets for 2025
Conduct a surveillance audit of the Energy Management System for compliance with the ISO 50001:2018 standard	Completed	A surveillance audit for compliance with the ISO 50001:2018 standard was successfully conducted in August 2024. The Company did not get any non-conformance as per the audit results.	Conduct a second surveillance Audit of the Energy Management System against the ISO 50001:2018 standard.
Conduct an annual energy analysis of the Company and continue monitoring of energy efficiency performance for equipment/processes that have a significant impact on KPO energy intensity	Completed	Company's energy review for 2024 was conducted. The Company's energy performance is regularly monitored (every quarter).	Conduct an annual energy review and continue monitoring of energy performance for equipment and processes that have a significant impact on energy intensity
Continue work on implementation of the activities scheduled for 2024	Completed	Activities scheduled for 2024 were partially implemented	Carry out scheduled activities and continue review and search for new opportunities to improve energy efficiency as part of the KPO Green Strategy

New targets for 2025

Conduct a mandatory energy audit of the Company in accordance with the Rok legislation to assess its current level of energy consumption.

Establish an Energy Efficiency Working Group consisting of KPO and parent companies' experts, for centralized coordination, process optimization, and accelerating the identification and implementation of opportunities to improve energy efficiency

ENERGY CONSUMPTION

KPO carries out an annual energy review and energy efficiency monitoring as part of the energy efficiency measures. Following the review, in 2024 KPO experienced less than 1% increase in energy intensity against 2023 that was due to start-up of the 4th Gas Injection Compressor in 2024.

In 2024, the energy consumption totalled 1,252,863 tonnes of coal equivalent compared to 1,189,548 tonnes of coal equivalent in 2023. Table No. 37 shows the energy consumption volumes broken down by energy type.

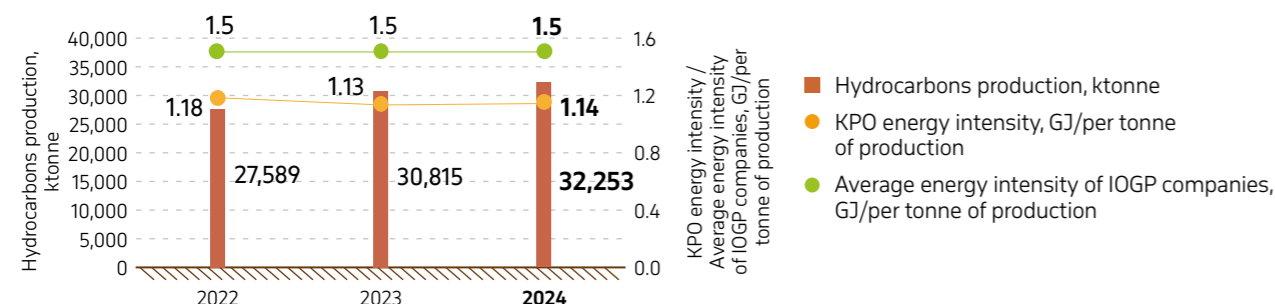
Tab. 37. KPO energy consumption in 2022-2024 / GRI 302-1 /

Type of energy	UOM	Energy consumption, physical units			Energy consumption, tons of oil equivalent (toe)			Energy consumption, GJ		
		2024	2023	2022	2024	2023	2022	2024	2023	2022
Fuel gas	thous.m ³	1,013,782	962,528	897,582	1,248,979	1,185,834	1,105,821	36,607,575	34,756,795	32,411,614
Electric energy (purchased)	MW/h	5,881	5,867	7,229	723	722	889	21,203	21,162	26,057
Diesel	m ³	716	700	760	903	883	958	26,453	25,881	28,079
Gasoline	m ³	228	233	233	251	257	258	7,359	7,533	7,562
Heating (in rented offices)	Gcal	14,032	12,948	9,448	2,007	1,852	1,351	58,815	54,282	39,598
TOTAL					1,252,863	1,189,548	1,109,277	36,721,405	34,865,652	32,512,909

In 2024, the KPO energy intensity indicator was 1.14 GJ/tonnes of hydrocarbons, which was below the average energy intensity indicator of the companies that submitted their reports to the IOGP¹² (1.5). The outcomes of this comparison analysis provide the basis for identifying areas of significant energy

consumption and possibilities for improving Company's energy characteristics, and determining energy policy, setting efficiency goals and targets and working out energy saving and energy efficiency measures. / GRI 3-3 /

Graph 25. Dynamics of energy intensity, 2022-2024 / GRI 302-3 /



¹² Data source: Annual reports of the International Association of Oil and Gas Producers (IOGP) – "Environmental Performance Indicators – 2023 data". For comparison purpose, the 2023 data are used in 2024, as 2024 IOGP Report was not issued at the time this Report was prepared.

ENERGY MANAGEMENT SYSTEM / GRI 3-3 /

The ISO certification contributes to enhancement of the KPO reputation as a reliable partner to the Republic of Kazakhstan that takes appropriate actions to meet both regulatory requirements and international standards.

In August 2024, KPO successfully completed the surveillance audit against the ISO 50001:2018 standards. Following the audit, the KPO Energy Management System was recognized as corresponding to the international standards.

In accordance with the ISO 50001:2018 requirements, KPO Energy Policy was integrated into the HSE Policy to be used as the guiding principles to determine and evaluate the energy efficiency goals and targets. KPO Integrated HSE Policy is an integral part of the long-term field development plan and contributes

to achievement of strategic goals and targets of the Company. / GRI 2-23 /

KPO supports a trend on personal approach to eco-friendliness, green thinking and conscious consumption. Company has implemented and apply the "Green office" concept to ensure more efficient application of the existing procedures of environmental and energy management.

KPO Green Rules focus on driving forward the personnel's willingness to change and be inspired to take action and reduce not only individual but also Company's impact on the environment. These Rules contain clear and simple instructions for all KPO and contractors' personnel and visitors on how to contribute to the improvement of the environment.

ENERGY EFFICIENCY ACTIVITIES

In 2024, KPO continued implementation of scheduled activities in accordance with the Energy Saving and Energy Efficiency Plan. The Energy audit being carried out every five years is planned for 2025. In accordance with the approved Plan for Energy Saving and Energy Efficiency improvement the following activities were completed in 2024:

- The work continued on replacing lamps with LED ones at production facilities and utilities areas. 423 lamps were replaced in the Company facilities in 2024. The estimated savings in electrical power consumption per year from the replacement of the lamps was about 78,590 kW*h. In the period of 2020-2024, 8,202 lamps were replaced and around 1,346,755 KW/h saved.
- The work continues on implementation of the Green Office Project in KPO offices aimed at energy and water saving, as well as refusal from plastic disposable tableware.
- KPO process facilities were assessed against the Best Available Technologies (BAT) requirements in the field of energy saving and energy efficiency. Based on the assessment results, recommendations have been developed to bring KPO facilities into compliance with the BAT requirements currently in force in Kazakhstan.

- The opportunity of using renewable energy sources for power supply to buildings was assessed. One of the options considered was allocating a budget for implementation of a pilot project involving installation of solar panels to supply electricity to the emergency response station.
- A feasibility study of the GHG reduction opportunities for offset projects was carried out.
- This year, 73 employees have been trained on various topics related to energy saving, sustainable development, carbon neutrality and other aspects of energy efficiency.

Also, in 2024 as part of the Green Strategy, a number of studies were carried out, variety of options evaluated for achieving Energy concept goals, in particular, options of implementing energy efficiency activities were reviewed, including the use of BAT and installation of energy saving equipment.

PROMOTING ENVIRONMENTAL AWARENESS AND CULTURE

“Green thinking” is actively promoted amongst KPO and contractors’ employees. Activities raising environmental awareness and culture stimulate more careful attitude to the Company resources and raise personnel loyalty to the introduction of green technologies and practices.

In 2024, KPO carried out a number of activities among KPO and Business Partners’ employees as part of the Environmental Culture and Awareness Enhancement Program.

On 20th September 2024, [VII Uralsk Green Forum](#) dedicated to the theme “Climate change: Challenges and Prospects of Using Advanced Technologies” was held in Uralsk. The Forum was attended by officials of the President’s Office, the Ministry of Ecology and Natural Resources and the Ministry of Energy, the WKO Akimat, members of the WKO Maslikhat, representatives of natural resources user companies, industry and specialized associations, agencies, experts, republican and regional media. As part of the Forum, awards were presented to Business Partner and KPO employees who had most distinguished themselves in the field of environmental protection and sustainable development.

Moreover, to identify, attract and promote the positive experience of eco-friendly traditions, customs, and practices of the families of KPO and Business Partners’ employees, the company held a video contest “Ecology and My Family.” Winners of the contest were awarded as part of the VII International Environmental Forum, Uralsk Green Forum.

The VII International Environmental Forum “Uralsk Green Forum” ended with a joint tree planting – a collaboration with the Forum participants and the “Solnechnyi Uralsk” Charity Foundation. The report is available at the link.

As part of the Environmental Culture and Awareness Enhancement Program, training videos were released on the Environmental Management System and Environmental Indicators for 2023. Over 1,700 employees completed the training.

In 2024, over 100 KPO employees took part in Uralsk and Aksai clean-up and improvement campaigns. Such campaigns promote reassessment of people’s attitudes towards waste and minimization of its generation.

In November 2024, KPO participated in the 29th UNFCCC COP 29 conference. As part of the COP 29, the International Methane Emissions Observatory (IMEO) presented its annual report, which recognised that the operators of the Karachaganak field, Eni and Shell, were awarded the highest Gold Award for their level of methane emissions reporting. In addition, KPO confirmed its compliance with the OGMP 2.0 Gold Reporting Pathway, bringing it closer to achieving the key 2025 goal of becoming an OGMP 2.0 Gold reporting standard.

Green Office Project

Since 2020, the Company has been launching the “Green Office” project, the goal of which is to create a conscious concern for the environment and to minimize the environmental footprint of the Company’s offices.

In 2024, the following measures were implemented as part of the Green Office Project Implementation Plan:

- Installation of flow restrictors on faucets and reduction of water flow in faucets in the WC of some offices.
- Installation of sensors in all WC to switch on/off the lighting in the leased buildings, replacement of old meters with new ones, and continuous monitoring of meters and electricity consumption.
- Insulation of walls, replacement of windows with new ones, replacement of window seals and upgrading of heating systems and radiators to reduce heat loss.
- Amending new contracts to reflect water and energy conservation requirements.

As a result of the activities, consumption of disposable tableware was decreased by 44% compared to 2023 in the Company’s offices rented in Uralsk and Aksai.

“Say No to Plastic Cups” video and “Green Office Project” video presentation were released as part of the Green Office project’s informational support popping up on computer screens throughout the year.

Why is it important to us? / GRI 3-3 /

Ensuring access to safe water and sanitation is a human right.

Excessive and irrational water consumption can lead to impacts associated with the depletion of water resources and water shortage for industrial and economic needs, deterioration of aquatic ecosystems and decrease in the ability of water resources to naturally reproduce and purify.

The Company’s target is to use water resources rationally with the aim to preserve them. KPO controls clean water use at the company by undertaking a set of measures on conservation of water resources and re-use of treated water, wherever possible.



Almagul Kaibaliyeva
Senior Water
Management Specialist

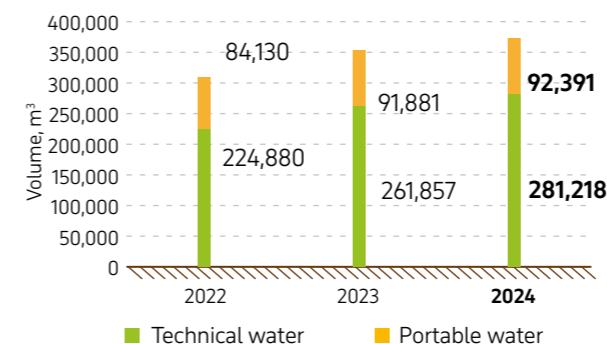
WATER CONSUMPTION AND WATER DISPOSAL / GRI 303-1 /

Protection and rational use of water resources is an important and priority task facing both all mankind and our company. Water is the source of life and a valuable industrial raw material. The results of our work on minimizing the risks of the Company’s production impact on the use of water resources are presented below.

WATER CONSUMPTION / GRI 303-5 /

In 2024 total water consumption by Company was 373,609 m³, of which technical water – 281,218 m³, potable water – 92,391 m³.

Graph 26. Water withdrawal in KPO, 2022–2024 / GRI 303-3, SDG 6.4.1 (CO6O401) /



In 2024, KPO consumed water by 6.9% more compared to 2023. Domestic water consumption was slightly higher than in 2023 which was due to the increase of well operations and construction of new facilities.

In 2024, the volume of water consumed for production processes and for technical needs made up 196,488 m³. / GRI 303-5 /

There is no seepage flow into the Konchubai Gully. The flow only occurs during the spring-time snow melt and rains. In 2021, the combination of prolonged dry periods and little snow floods observed in the region has led to a critical decrease in the water level in the holding pond No. 1 at the Konchubai gully. In this view, in the past last two years, KPO has been carrying out a number of activities allowing optimization of technical water consumption and increase the reuse of treated wastewater, rainwater, and melt water. Besides, after conducting experimental filtration studies at wells, produced water was sent to operational facilities for reuse for technical needs.

From January 2022 to March 2024, water was not taken from Konchubai Gully for technical purposes to avoid its damage.

During the 2024 spring-time snow melt, the Konchubai gully reached the design water level, which allowed to meet the demand for technical water for production needs at KPO facilities. / GRI 303-1, SDG 6.4 /

KPO Water supply sources / GRI 303-5 /

Prior to 2024, the main source of water supply for KPO production needs was a holding pond No.1 at the Konchubai gully. For the domestic needs, KPO used water from the Zharsuat water intake. Sources of water supply for domestic and process needs at the pumping station in Bolshoi Chagan is the Serebryakovskiy water intake, while the Atyrau pumping station is supplied from the Kigach water intake.

According to Atueduct Water Risk Atlas source of Water Resources Institute <https://www.wri.org> the Karachaganak Oil Gas Condensate Field is based in area with no water shortage.

If necessary, in 2025, alternative KOGCF water supply sources (Jurassic and Akchagylskiy horizons) can be used for technical needs. Permit documentation for the groundwater extraction is going to be completed this year prior to the water intake's operation.

Technical water is used from Holding Pond No.1 of the Konchubai Gully, under the Special Water Use Permit issued by the Zhaiyk-Caspian Basin Inspectorate № KZ43VTE00079540 Series Kas. Zhayik (surface) dated 19.10.2021 (valid till 24.05.2025).

Treated domestic, rainwater and melt wastewater is reused for technical purposes, if the quality complies.

In 2024, the potable water was used for domestic needs of KPO facilities. By exception, due to the lack of alternative water sources, the potable water on Bolshoi Chagan's Pumping Station is used for technical purposes to refill fire water tanks and ensure the fire safety.

On potable water usage for the Karachaganak Field facilities, KPO is the secondary user under contract with AksaiGasPromEnergO LLP, a supplier of potable water from Zharsuat water intake.

Table 38 shows KPO water consumption breakdown by source.

Tab. 38. KPO water consumption in 2022–2024, m³ / GRI 303-3, 303-5, SDG 6.4.1 (C060401) /

#	Source	Unit	Water quality	2024	2023	2022
1	Zharsuat water intake facility (household needs)	KOGCF	groundwater, potable	91,119	90,257	82,404
2	Study of water holding pond #1 at Konchubay gully	KOGCF	surface water, technical	277,606	206,140	14,130
3	Ground water from Akchagylsky aquifer, wells No. W-4, W-9	KOGCF	ground, technical water	–	–	4,967
4	Technical water from Holding Pond No. 2	KOGCF	surface water, technical	–	50,920	172,450
5	Reuse of rainwater and groundwater after wells testing for technical needs of KOGCF	KOGCF	Reuse	12,181	10,445	30,816
6	Serebryakovskiy water intake facility	Bolshoi Chagan Pump Station (BCPS)	groundwater, potable	1,272	1,624	1,726
	For household needs			548	645	670
	For production needs			724	979	1,056
7	Kigach water intake facility	Atyrau OPS	surface water, technical	3,612	4,797	2,517
	for household needs			864	776	749
	for production needs			2,748	4,021	1,768

Note: water consumption is metered using meters with measurements entered in the measurements logbooks and further in the KPO water consumption metering database.

TREATED WASTEWATER DISCHARGES / GRI 303-2, 303-4, SDG 6.3 /

KPO uses special man-made facilities for collecting treated household/domestic water and disposing industrial wastewater and storm runoffs, and these facilities prevent contaminants from entering the soil

and groundwater as well as allow collecting the treated wastewater for their re-use for technical needs, thereby reducing the fresh water intake. Wastewater collection facilities by type are presented in table 39.

Tab. 39. Table 12 KPO wastewater collection facilities by types

Type of wastewater	Treated domestic wastewater	Industrial wastewater and storm runoffs	Rainfall and snow melt wastewater
Facility and location	<ul style="list-style-type: none"> KCC holding ponds No.1 and 2 Evaporation ponds at Bolshoi Chagan OPS and Atyrau OPS 	<ul style="list-style-type: none"> KPC sediment pond Unit-2 sediment pond Unit-3 collecting ponds (two) 	<ul style="list-style-type: none"> KPC irrigation lagoons (two) KCC irrigation lagoon Unit-2 irrigation lagoon Eco Centre holding ponds (two)

Produced water extracted with hydrocarbons and process wastewater are treated and injected into the deep-lying formations of the KOGCF Subsurface Wastewater Disposal Polygons Nos. 1 and 2. Wastewater injection is the international practice of disposing wastewater, avoiding the formation of salt-containing waste on the surface during the treatment. Due to the reliable water shutoff and soil properties, which are perfect for the injection of wastewater, the migration of wastewater into upper aquifers is ruled out.

In 2019, the Company has developed the Unified concept of options for the treatment of wastewater injected into the underground strata, alternative to the strip column at Unit-3. Two alternative options were suggested for consideration as most appropriate solution:

1. Disposal of wastewater from Unit-3 to Unit-2 using the Unit-2 production water treatment system (the existing H₂S strip column);
2. Disposal of wastewater from Unit-3 to the existing 14" condensate pipeline to KPC.

Due to optimization of resources and maintaining compliance with the Rok requirements, the Company stopped project development on strip column installation at Unit-3 and from 2020 has continued development of the design project on the second alternative option of the wastewater treatment at Unit-3 as defined by the Unified Concept Report.

In 2020, the project "Unit 3. Process Water Line Jump-Over of the KOGCF" was implemented, the aim of the project was to reduce the H₂S concentration in the injected wastewater by re-routing process water from Unit-3 to KPC via the existing condensate pipelines. The project includes installation of a jump-over line to reroute produced water from Unit-3, which is currently supplied to Polygon 1 RP-1 and RP-3 wells, to KPC via the existing condensate pipelines transporting unstable condensate from Unit-2 and Unit-3. Water will be separated and further supplied to the KPC existing produced wastewater system.

According to the Rok legislation, the volumes of discharged wastewater and contaminants are estimated and justified in the Company project documentation and regulated by special permits. Wastewater generated as a result of the KPO economic and production activities is not discharged into the natural water bodies.

In the production process of hydrocarbons, the separated formation water is pumped down to the underground water horizons (polygons). In 2024, this volume has made up 712,600.45 m³. / GRI 303-3, 303-4 / This water volume includes the formation water, the water formed during the gas dewatering and the water after the caustic neutralization. Water taken from the Konchubai Gully for desalting of crude oil and for the the reverse osmosis is also injected into the polygons. In 2024, this water was 17,68% of the total water injection.

Table 40 shows the KPO discharge volumes in 2022–2024 by wastewater types and receiving facilities.

Tab. 40. Total discharge volume and contaminants by wastewater type and receiving facility, 2022–2024, m³ / GRI 303-4 /

Receiving facility	Type of wastewater	2024		2023		2022	
		Discharge volume, m ³	Amount of contaminants, tonnes	Discharge volume, m ³	Amount of contaminants, tonnes	Discharge volume, m ³	Amount of contaminants, tonnes
Holding ponds	Treated domestic wastewater	20,603	10.024	27,484	15.20	42,412	29.44
Subsurface Wastewater Disposal Polygons	Industrial wastewater, process and produced wastewater	865,917	69,631	808,777	68,826	764,139	60,699
Terrain of Bolshoi Chagan OPS and Atyrau OPS	Rainfall and snow melt wastewater	3,450	0.996	4,501	2.33	3,168	1.81
Total discharge		889,970	69,642	840,762	68,843	809,719	60,730

Note: water discharge volume is metered, meters data entered in the logbooks and further in the KPO water consumption metering database. The amount of contaminants discharged is defined by calculation as the product of the actual concentration of the contaminant before the discharge and the actual volume discharged.

In 2024, the volume of discharged wastewater increased by 5.5% as compared to 2023. Of which, in 2024, the volume of injected industrial wastewater increased by 6.6% as compared to 2023. The increase in industrial wastewater in 2024 was due to the produced water growth in the hydrocarbons production. The volume of discharged treated domestic wastewater decreased by 25% as compared to 2023 due to suspension of treated domestic wastewater discharge from the bio ponds of Trains A and B to the KCC holding ponds 1 and 2 to accumulate water for technical reasons.

In 2024, the discharge of contaminants amounted to 69,642 tonnes (which was 1.1% more compared to 2023 – 68,843 tonnes). Only 0.01 tonnes were discharged over the limit. Insignificant excess volume of discharged pollutants was reported for domestic wastewater, discharged into the KCC Holding ponds

No.2, namely the exceedance was on nitrite nitrogen. KPO controls the content of pollutants in wastewater. According to the Maximum Permissible Discharges (MPD) limits project for 2024, the composition of pollutants in discharges includes the following: suspended substances, ammonium nitrogen, nitrates, nitrites, BOD 20, BOD 5, petroleum products, sulphates, chlorides, iron, anionic surfactants, phosphates, COD, dry residue, pH value, sulfides, hydrogen sulphide, methanol, copper, zinc, aluminium. The Company made necessary payments for the generated contaminants discharges in 2024.

In general, wastewater injection has no effect on the environmental components such as soil, flora and fauna, as wastewater is injected into effectively isolated deep horizons with high-mineralized groundwater that is not used for domestic and potable, balneological, process needs, irrigation or livestock farming.

REUSE OF TREATED WASTEWATER AND OTHER WATER

/ GRI 303-3 (2016), SDG 6.3 /

In order to reduce fresh water intake, for such KOGCF technical needs as drilling, making drilling muds, watering of planted trees, dust suppression on roads and constructed sites and filling fire tanks KPO uses treated domestic, production storm wastewater and storm runoffs.

The wastewater is re-used at the Company facilities in line with the 2023–2028 Operating Procedure.

In 2024, the Company reused 32,234 m³ of treated wastewater for technical needs, mostly for making drilling mud. Table 41 shows the activities that utilize treated wastewater.

Tab. 41. Reuse of treated wastewater and groundwater in 2022–2024, m³

	2024	2023	2022
The total re-used volume, including:	32,234	56,467	75,452
For technical needs of KOGCF production facilities	12,181	13,383	42,161
For drilling and drilling mud preparation	10,087	26,095	18,509
For irrigation, hydro tests, and replenishing of fire tanks	2,323	1,996	10,376
Dust suppression and irrigation	7,643	14,993	4,406

Note: the volume of reused water is determined indirectly in m³ (motor hours, tank truck volume, number of trips, pumping capacity, etc.) with the completion of a Control ticket and measurements entered into the Logbook.

INDUSTRIAL WASTEWATER MANAGEMENT / GRI 303-2 /

The Karachaganak Oil and Gas Condensate Field facilities KPC, Unit-2, Unit-3 generates the industrial wastes associated with oil and gas processing, which are subsequently injected into the deep water-bearing horizons at Wastewater Disposal Polygons N1 and N.2.

According to the RoK legislation, the volumes of discharged effluents and contaminants are estimated and justified by the Company project documentation and regulated by special permits.





Tab. 42. Targets in managing effluents / GRI 3-3, SDG 6.3, 6.4 /

Our 2024 targets	Target achievement status	Actions taken in 2024	Targets for 2025
<ul style="list-style-type: none"> Carry out workover on injection well RP-7 in order to increase perforation intervals in the Triassic Reservoir. 	Postponed	RP-7 workover performance is deferred to 2025. The reason of RP-7 workover deferral to 2025 is the equipment pending delivery.	Carry out workover of well RP-7 in 2025
<ul style="list-style-type: none"> Carry out a post-project analysis of design solutions implementation (Amendment 3 to the Wastewater Disposal Project) 	Completed	<p>The post-project analysis of design solutions implementation as part of Amendment 3 to the project for wastewater injection into the deep water-bearing horizons in terms of updating design parameters and EIA chapter was performed.</p> <p>The post-project analysis conclusion is published on the official eco-portal of CERC on 26 June 2024.</p>	-
<ul style="list-style-type: none"> Perform trial and verify throughput capacity up to 115 m³/h of produced water. 	Q2 2025	<ul style="list-style-type: none"> The procedure for trial of KPC Water Treatment Unit in segregated mode has been prepared and issued. It was agreed that the trial will be carried out after commissioning of the 4th sand filter at KPC: <ul style="list-style-type: none"> The sand filter was installed on 31.08.2024 Commissioning is planned in 2025 	To carry out KPC Process Water Treatment unit trial in segregated mode with the total injection rate up to 115 m ³ /h in order to verify that this mode is generally feasible.
<ul style="list-style-type: none"> Obtain a licence for geological survey of the Jurassic ground water. Conduct prospecting and assessment work for groundwater. Compile a final geological report based on the results of prospecting and assessment works on the groundwater of the KOGCF. Present the geological report for approval of the State Commission for Subsoil Expertise Review. 	Completed	<ul style="list-style-type: none"> The licence for geological study of subsoil was obtained in 22.01.2024. Pilot filtration activities were conducted on wells 33RR and 36J in April-May 2024. The final geological report was compiled in June-July. On 15 October 2024 West-Kazakhstan subcommittee of the State Commission for Subsoil Expertise Review was held, where usable groundwater reserves at the KOGCF Jurassic ground water reservoir were approved in the amount of 900 m³/day under the category C1. 	<ul style="list-style-type: none"> Prepare a periodic report on geological study of subsurface resources Provide the periodic report to Geology Committee
<ul style="list-style-type: none"> Obtain a Special Water Use Permit for Jurassic wells. 	Not completed	An application for a Special Water Use Permit for Jurassic ground water reservoir production from wells J1 and J2 will be submitted after completion of wells drilling.	<ul style="list-style-type: none"> To drill wells J1 and J2 in 2025. Obtain Special Water Use Permit.
<ul style="list-style-type: none"> Take a Final Investment Decision on the project of water supply from Aksai Wastewater Treatment Plant. 	Not completed	The documents package has been prepared for Projects Value Assurance workshop required prior to taking a Final Investment Decision. Further works were suspended pending approval of the republican budget for the Aksai Wastewater Treatment Plant upgrade	<ul style="list-style-type: none"> Obtain confirmation from Akimat on budget allocation for Aksai Wastewater Treatment Plant upgrade. Hold the Projects Value Assurance workshop required prior taking a Final Investment Decision.

Managing produced and industrial effluent water is one of the key challenges faced by KPO in the Karachaganak field.

KPO's industrial water management strategy consists of implementation of a portfolio of interconnected projects aimed at removal of production restrictions in terms of produced water handling as well as ensuring personnel safety, asset integrity and environmental compliance.

Waste water disposal at Polygons N1 and N.2 is performed in accordance with "Addendum No. 3 to the Project for injection of the Karachaganak industrial wastewater into deep water-bearing horizons on adjustment of the design parameters and Environment Impact Assessment (EIA) section". In 2022 this document was agreed in accordance with the RoK regulations requirements by the Department of the Industrial Safety Committee as well as a positive conclusion on EIA section was received from the Committee for Environmental Regulation and Control.

In accordance with Addendum No. 3 to the Injection Project the design parameter, in terms of industrial wastewater injection volume at Polygon N2, was increased from 2023 until to the end of the Polygon operation in 2037 up to 1,100 thousand m³ per year, as well as the implementation of technical measures to increase the potential of the injection well stock through additional perforation of target and prospective injection intervals and hydraulic fracturing.

In 2024 in accordance with the requirements of the RoK Environmental Code and the "Rules for conducting of post-project analysis and forms of conclusion on post-project analysis results" for "Addendum No. 3 to the project for waste water injection into the deep water-bearing horizons on adjustment of design parameters and EIA section" the post-project analysis of design solutions implementation was performed and a Conclusion was developed by the author of the design project. This Conclusion was posted at the electronic portal of the Environmental Regulation and Control Committee to the RoK Ministry of Environment and Natural Resources.

Managing produced and industrial effluent water is one of the key challenges faced by KPO in the Karachaganak field.

Activities on upgrade of a caustic neutralisation unit have been in progress since 2022; major construction works have been completed by the end of 2024 and commissioning was being carried out; ready for start up is planned for the Q1 2025.

As part of the implementation of the design solution and in order to increase the perforation intervals in the Reservoir II, the workover of the well RP-7 planned in 2024 was deferred to 2025 due to equipment pending delivery.

Tab. 43. Industrial wastewater management projects, ongoing in 2024. / GRI 303-2 /

Project	Business driver	Note
Upgrade of a caustic neutralisation unit	Safe operations	Implementation of the project will provide improvement of the caustic neutralization process. Automation of the process will allow to reduce the risks for personnel exposure to toxic agents. It is important to note, that the upgraded Caustic Neutralisation Unit project will be able to partly utilize the Reverse Osmosis water which otherwise would have been disposed.
Upgrade of sand and guard filters	Maintaining production level	Upgrade of sand and guard filters will allow KPC to achieve water treatment capacity up to 115 m ³ /d.
Technical Water Supply from the Aksai Wastewater Treatment Plant	Maintaining production level	The project will enable to obtain an alternative long term sustainable technical water source. A Feasibility Study has been conducted by KPO for supplying technical water to the Field units after Aksai Wastewater Treatment Plant upgrade by the Akimat. KPO project implementation has been temporarily postponed awaiting Akimat confirmation on allocation of the Republican budget for Aksai Wastewater Treatment Plant upgrade project in 2025.

Why is it important to us? / GRI 3-3 /

If handled unsafely, hazardous production waste, and its storage and burial sites, pose threat to the environment and cause pollution of air, underground and surface waters, soil and vegetation, which may have a negative impact on the environment and the health of people.

KPO carries out complex work to prevent negative impact on the environment, i.e. carries out burial and accumulation only in the arranged waste storage sites, monitors the prevention of excess burial and accumulation of waste, as well as the timely removal of waste from accumulation sites.



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Waste Management Specialist

WASTE MANAGEMENT

/ SDG 3.9, 6.3, 12.4, 12.5 /

Waste handling in KPO is focused on reducing real and potential hazards that production waste, generated by the Company may pose to people and the environment.

Our target is to treat and recycle waste at our facilities, cut down waste transfer to landfills, reduce negative impact from burials, as well as to research and apply new methods and technologies.

As per the working monitoring program, KPO performs regular production environmental control (PEC) over the environmental conditions at the waste burial and accumulation sites in the field.

In 2024, the monitoring did not reveal direct negative effects on the environmental components. As part of the PEC, quantitative control is exercised over the movement of wastes to account for the burial volumes, as well as the volumes and time of waste accumulation. / GRI 306-1 /

The results of our work to minimize the risks of the Company's production waste impact on the environment are presented below in the table and further in the text.

KPO processes related to production, processing and transportation of raw materials, as well as the use of special equipment, materials and other required resources, inevitably involve generation of waste.

Measures taken by KPO to reduce the volume of generated waste, to ensure compliance with environmental safety rules during the accumulation, collection and transportation, segregation, reuse, recycling, treatment and reduction of waste, including reducing their hazardous properties, as well as environmentally friendly burial – all this enables to significantly mitigate the adverse impact on people and the environment. / GRI 3-3, 306-1 /



Tab. 44. Targets in waste management / GRI 3-3, SDG 12.4, 12.5 /

Our 2024 targets	Target achievement status	Actions taken in 2024	Targets for 2025
Ensure implementation of activities scheduled for 2024 as per KOGCF Waste Management Program, and as per the Waste Management Programs for Bolshoi Chagan OPS and Atyrau OPS.	Completed	All activities scheduled for 2024 in line with the Waste Management Program were implemented throughout the year.	Ensure implementation of activities scheduled for 2025 as per the KOGCF Waste Management Program, and as per Bolshoi Chagan OPS and Atyrau OPS Waste Management Programs.

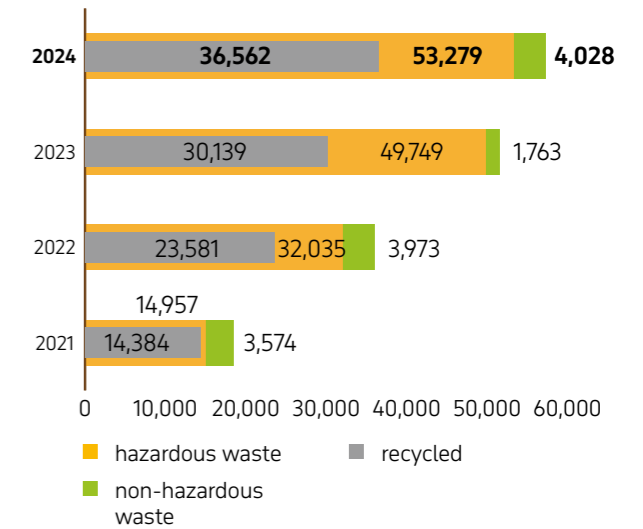
The KPO Waste Management Program for 2024 provides indicators and measures to gradually reduce the accumulated and generated waste volumes and level of hazardous properties. The Company applies the following waste management methods:

- waste recovery to process stream;
- waste treatment at the Eco-Centre facilities;
- waste burial at the Eco-Centre facilities;
- waste handover to specialist contractor organizations for further processing, reuse or destruction. / OG7 /

In 2024, the total amount of waste generated at KPO facilities was 58,124 tonnes. Compared to 2023, the volume of waste in 2024 in KPO increased by 5,737 tonnes, which was mainly due to the increase of well operations, and the new development projects. Graph 26 shows all types of waste generated in KPO.

According to the Unified Republican Form of the waste information reporting system, the total volume of waste generated in 2024 included both wastes generated and treated.

Graph 27. Quantity of waste generated at KPO facilities in 2021-2024, tonnes / GRI 306-3 /



Note: The municipal waste is not accounted for in this calculation due to their insignificant quantity (below 6%) compared to the production waste. The municipal waste is described further in the text in the waste handling methods table.

WASTE PROCESSING AND BURIAL / GRI 306-2, 306-4, 306-5 /

The Company production and consumption wastes are treated at the Eco-Center facilities or the waste management complex. The facility ensures cost-efficient and environmentally safe recycling and treatment of solid waste and fluids and is considered to be an example of the best drilling waste management practice in the West-Kazakhstan Oblast.

Drilling wastes are treated by means of technologies, which allow not only reducing their volume and hazards, but also recovering valuable components from them, and treating the waste for further reuse. Waste recycling back into production process exercised

by the Company is the best possible way to re-use the generated waste. The KPO Eco-Centre comprises five waste treatment facilities, as well as a Landfill for its safe disposal.

During 2024, all Waste Management Program (WMP) measures scheduled for 2024 including waste segregation, reuse, processing and reduction of their quantities and hazardous properties, were implemented throughout the year. During 2024 the following activities were implemented at the Eco-Centre:



Tab. 45. Eco-Centre facilities and recycling activities in 2024

Eco – Centre Units	Waste treatment activities in 2024
Thermo-mechanical Cutting Cleaning facility (TCC)	Owing to recovery technology of base oil and water from the treated oil-based drill cuttings, in 2024 the quantity of KPO buried waste was reduced by 18%. In 2024, 16,132 tonnes of waste were treated; 1,819 tonnes of base oil and water were separated.
General Purpose Incinerator (GPI)	Resulting from waste incineration in the GPI, quantity of waste was reduced by 88%. In 2024, 634.733 tonnes of waste were sent for incineration, following which 73.44 tonnes of ash were buried at the Eco-Centre Solid Industrial Waste Landfill.
Liquid Treatment Plant (LTP)	In 2024, 11,425 tonnes of liquid waste were treated. The process resulted in 10,888.42 tonnes of treated brines and muds, which were sent for re-use – preparation of drilling brines and muds.
Waste Segregation Unit (WSU)	In 2024, out of 867.417 tonnes of solid domestic waste, 525 tonnes were sent to General Purpose Incinerator for incineration, 117 tonnes, including waste paper, metal scrap, glass and plastic were sorted for handing over to the specialist organizations for treatment and reuse. 115 tonnes of solid domestic waste was handed over to specialized organizations for burial at the SDW Landfills. 242 tonnes of food waste was handed over to specialized organization for composting.
Solid Industrial Waste Landfill	At the end of 2023, 16 cells of the Solid industrial Waste Landfill were capped and closed.

In 2024, the Company continued to excavate wastes from the old Solid Waste and Spent Drilling Fluids Storage Site for further treatment at the Rotary Kiln Incinerator and burial at the Solid Industrial Waste Landfill. The waste is buried at the Landfill in compliance with the Rok environmental legislation.

In 2024, 3,538 tonnes were sent for treatment from the Solid Waste and Spent Drilling Liquids Storage Site. Processing of waste from the old Site is planned to continue in 2025. / GRI 306-4 /

Table 46 shows the waste handling methods used by the Company in 2024.

Tab. 46. KPO waste handling methods in 2024, tonnes / GRI 306-3, 306-5 /

#	Waste handling method	Generated hazardous waste	Generated non-hazardous waste	Municipal waste	TOTAL
1	Availability at the enterprise as at the beginning of 2024	364,798	23	23	364,844
2	Generated during the reporting year	53,279	4,028	817	58,124
3	Reused at the enterprise	4,491	568	0	5,059
4	Treated at the enterprise facilities	36,297	264	765	37,326
5	Incineration in General Purpose Incinerator (without energy recovery)	0.094	0.019	634.6	634.7
6	Burial at Solid Industrial Waste Landfill	22,404	6	0	22,410
7	Temporary storage of drilling liquid waste in Cells #35 A/B of Eco-Centre	5,570	0	0	5,570
8	Handed over to specialized contractor organizations	1,405	2,986	204	4,595
9	Availability in the enterprise as of end of 2024	380,203	235	1	380,439

Note: the amount of waste is defined by weighing of each batch of waste at the Eco-Centre weight scales prior to its transportation for treatment, segregation, removal, burial or other operations. Waste quantities are logged in the load supporting documents (control tickets, waste handover certificates) and further in the Company's waste accounting database.



The KPO waste is mainly produced during well drilling and workover activities. Whereby, depending on the type of the drilling mud used, the water or oil-based drill cuttings are generated. The solid and liquid drilling waste generated in 2024 amounted to 29,739 tonnes (79% of the initially generated waste, i.e., waste volume before treatment). Drilling waste volumes were significantly increased due to the growth of well operations.

Table 47 shows the main types of drilling waste broken down by handling methods. As table shows, only water-based muds and brines are subject to disposal at the Eco-Centre cells 35 A/B, and the water-based drill cuttings to be buried at the Landfill. Oil-based drilling cuttings are subject to burying after pre-treatment and extraction of the oil base. / GRI 306-5 /

Tab. 47. Waste generated from well operations by handling methods, 2021-2024 / OG7 /

#	Type of waste	Generated waste, tonnes			Handling methods
		2024	2023	2022	
1	Spent water-based drilling mud	53	579	1,154	Treatment at Liquid treatment plant (LTP)
		4,869	3,873	3,467	Temporary storage of drilling liquid waste (in Cells #35 A/B of Eco-Centre)
2	Water-based drilling cuttings	2,295	1,369	2,716	Burial
		0	98	0	Temporary storage of drilling liquid waste (in Cells #35 A/B of Eco-Centre)
		0	223	0	Treatment at Liquid treatment plant (LTP)
3	Spent oil-based drilling mud	1,749	2,596	1,257	Treatment at the Thermo-mechanical Cutting Cleaning facility (TCC) and Liquid Treatment Plant (LTP), heat treatment in the Rotary Kiln Incinerator (RKI)
		56	0	0	Handover to the specialized organizations
4	Oil-based drilling cuttings	16,634	15,779	5,760	Treated at the TCC with extraction of oil base, water and followed by the burial of the solid part, heat treatment in Rotary-Kiln Incinerator
5	Spent brines	3,392	2,931	3,022	Treatment at TCC and LTP, heat treatment in Rotary-Kiln Incinerator
		597	503	155	Temporary storage of drilling liquid waste (in Cells #35 A/B of Eco-Centre)
6	Oil cuttings	0	19	21	Heat treatment in the Rotary Kiln Incinerator, treatment at TCC
		94	0	0	Handover to the specialized organizations

Within the contract terms, the Company hands over part of the waste for recycling to specialized contractors, who make their own decision on further waste handling methods once the waste has been accepted from KPO, and report on its transfer to third parties on a quarterly basis. Depending on the type, specialized enterprises hand over the waste for treatment with subsequent production of consumer goods, demercurization, regeneration, thermal treatment, incineration, physical and chemical treatment, dismantling into component parts with further transfer to concerned enterprises as recyclables.

Based on Article 301 of the Rok Environmental Code that prohibits burial of waste plastic, plastic, polyethylene and polyethylene terephthalate packaging, waste paper, cardboard, paper waste, glass cullet at the Landfills, the Company carries out sorting and segregation of such waste engaging contractors that lease office buildings to the Company. These types of waste are then handed over to specialized enterprises to be used as recyclables. / GRI 306-4 /

For the whole period of the waste paper segregation from 2011 till the end of 2024, 1,000 tonnes of the waste paper had been collected and handed over to local enterprises to produce consumer goods.

The segregation of spent batteries was arranged in all company office premises. In 2024, 112 kg of batteries was collected. / GRI 306-4 /

Food Waste Treatment / GRI 306-4-c-ii /

In order to comply with the requirements of the Rok Environmental Code, during 2021-2022 KPO has implemented the most efficient way to handle food waste generated at the food facilities of the Karachaganak Field. The contract was signed for the biocomposting of food waste. In 2024, the Company handed over 337 tonnes of food waste from the food facilities of the Karachaganak Field to the food waste processing enterprise. The resulting biocompost is used in agriculture and forestry as organic fertilizers to restore and improve soil fertility.



Why is it important to us? / GRI 3-3 /

As an international oil and gas company, KPO makes great efforts to perform operations with minimal impact on biodiversity.

Since 2012, KPO has been monitoring the biodiversity to define the level of potential risks from its operational activities. In case of evidences that the Company's activities are having a significant impact on the environment in the West Kazakhstan region, the former would initiate monitoring to timely plan and implement activities required to preserve the ecosystems.

As part of the Biodiversity Action Plan, KPO carries out an assessment of the four main factors impacting the KOGCF biodiversity:

- Pollutant emissions;
- Physical impact (noise, light, vibration);
- Cattle grazing at KOGCF area;
- Mechanical impact (construction, pits, roads, etc.).



Nurgul Kuzembayeva
Operations Environment Manager

BIODIVERSITY

/ GRI 413-2, SDG 6.6, 11.4, 15.1, 15.5 /



Our 2024 targets	Target achievement status	Actions taken in 2024	Targets for 2025
<p>Carry out monitoring of fauna, including population of rare and endangered species (river beaver).</p> <p>Carry out monitoring of ichthyofauna and its food potential (the Berezovka River and Konchubai gully).</p>	Completed	<ul style="list-style-type: none"> • Monitoring of fauna species diversity within KOGCF, including population of rare and endangered species (river beaver), was carried out. • mammals; • birds; • amphibians; • reptiles; • A monitoring of ichthyofauna, plankton, and benthos was conducted at selected areas within the KOGCF in comparison with the previous studies. • KOGCF species diversity database was updated. 	Carry out the monitoring of fauna and laboratory analyses of soil and plants within the KOGCF.
Continue flora and fauna baseline studies along the KATS route.	In progress	Flora baseline studies were carried out along export pipeline KPC – Bolshoi Chagan – Atyrau route in Atyrau Oblast.	Carry out fauna baseline studies along the KATS export pipeline in WKO.

Karachaganak oil and gas condensate field (KOGCF) covers an area of more than 280 km². KPO shares the single territory with other users of natural resources, while it operates only on areas directly located under industrial facilities, pipelines and field roads.

Besides the KPO industrial facilities, there are other businesses deployed at the Karachaganak Field, which are either engaged in processing of some part of the raw product produced by KPO (such as JSC "Condensate") or provide maintenance services for the field and infrastructure facilities. Apart from KPO and third-party facilities, there are large areas in the field previously used as agricultural land and farming land plots. Until 1956 this area had been used for pastures and hayfields. After 1957, farmers started growing grain crops except the floodplains and slopes of the Konchubai and the Kalminovka gully, which remained as pastures. So far, the state reserve lands (SRL) prevail on the sanitary protection zone (SPZ) of the Karachaganak Field. However, some patches are still being used by farms.

Thus, the above factors create certain difficulties in identifying and delineating responsibility for potential negative impacts and often limit KPO ability to take practical actions for restoration of the environment and the biodiversity.

Nevertheless, KPO is aware that natural biodiversity is not subject to administrative and territorial divisions set up by humans and to preserve all the entire biological wealth of a certain territory and the fragile links in the chain of species interaction, all players must follow common principles and approaches. In this regard, Action of biological diversity within the contract areas is the subject of special attention by the Company.

KPO is aware that natural biodiversity is not subject to administrative and territorial divisions set up by humans and to preserve all the entire biological wealth of a certain territory and the fragile links in the chain of species interaction, all players must follow common principles and approaches.

Aiming to minimize impact on biodiversity in the Field, since 2012 KPO develops and implements the Biodiversity Action Plan (BAP) regardless that there are no particularly sensitive areas which require biodiversity monitoring. Biodiversity Action Plan is one of the measures used to prevent the disbalance of ecosystem and reduction of biodiversity; it's a risk-based assessment of KPO's presence in terms of its potential impact on environment.

BAP is developed in accordance with the IPIECA/OGP's 'BAP Instruction guidelines for Oil and Gas' and updated every three years. Also, the survey and monitoring frequency is set at regular intervals. As part of the BAP, the Company has developed guidelines for actions recommended for sensitive ecosystems in riverbank areas, along with the flora and fauna species database. The database is updated yearly upon completion of surveys.

As part of the BAP, KPO performs an analysis of factors impacting the Field's biodiversity.

Additionally, satellite images analysis is being conducted for KOGCF every 10 years to monitor the dynamics of changes in the ecosystems.

Export pipeline 'Karachaganak-Atyrau' (hereinafter as KATS) is one of the key facilities that support the Karachaganak field's development. The pipeline was put in operation in 2004, and its length is 635,5 km. In 2022 for the first time ever KPO developed BAP 2023–2030 for the territory located along the KATS pipeline route.

In 2023 and 2024 KPO carried out flora baseline studies along KATS route for the purposes of:

- Identification of priority (key) species of flora;
- Identification of indicator species of flora;
- Identification of factors impacting ecosystems along the KATS route;
- Selection of site locations and routes for further monitoring;
- Creation of flora database.

The KATS route runs all the way through the West Kazakhstan and Atyrau Oblasts, KPO has therefore decided to carry out the region baseline studies on a phased basis.

MONITORING OF BIODIVERSITY AT KOGCF / GRI 304-2 /

For 2024 reporting period KPO has performed the approved activities, planned in BAP for 2024–2026.

All BAP stages since 2011 are uploaded on KPO website www.kpo.kz in the section [Sustainable development / Environmental protection/Biodiversity / BAP](#).

The scope of work for 2024 included monitoring of fauna and ichthyofauna within the KOGCF, including laboratory studies on fish and shellfish from its water bodies.

The purpose of the monitoring was:

- obtaining data on terrestrial vertebrate species within the KOGCF in spring and autumn of 2024, comparing the data with previous studies.
- obtaining data on ichthyofauna and its food potential (plankton, and benthos) in the Berezovka River and Konchubai gully in 2024, comparing the data with previous studies. Berezovka River and Konchubai gully in 2024 and comparing the data with previous studies.

Fauna monitoring

The Field's faunal complex belongs to the western steppe zoogeographical realm and has a distinctly steppe character.

The field survey was conducted during the spring and autumn periods, within and outside the KOGCF SPZ boundaries, on 17 walking routes and 5 monitoring sites (considering the flood situation and the maximum filling level of water bodies).

2024 monitoring confirmed presence of the following species within the field and adjacent areas:

- 11 species of herpetofauna.
- 174 species of ornithofauna, of which 9 are listed in the Rok Red Book.
- 27 species of mammal fauna, of which 2 species are listed in the Rok Red Book.

No visible changes occurred in mammal species composition within the field and adjacent territories over the 2012–2024 period. At the same time, a significant number of wild boar (*Sus scrofa*) encounters were reported in the spring of 2024, which is due to the severe flood events. Additionally, in 2024 and 2021, a high population density of the Siberian roe deer (*Capreolus pygargus*) was observed.

Colonies of the European beaver (*Castor fiber*) are found in water bodies across the entire KOGCF and its SPZ territory. The population size and the area occupied by beavers depend on the water level in the water bodies. In the spring of 2024, the water level in most of the water bodies within the KOGCF and its SPZ significantly increased compared to the spring level of 2021. The rise in water levels triggered the migration of beavers and their settlement in previously abandoned old colonies in areas that had no water in 2021.

The results of the monitoring of wildlife (terrestrial vertebrates), as well as the analysis of population size and species diversity of fauna conducted during the spring and autumn periods of 2024, did not reveal any negative impact from the KOGCF industrial facilities on the faunal complex of the surveyed area.





Monitoring of KOGCF ichthyofauna

The protective regime within the KOGCF creates favourable conditions for the development of fauna in areas not affected by the company's activities. The industrial facilities' operation is a source of disturbance for most animals. At the same time, large areas are preserved to provide habitat conditions for a significant number of species from the faunal complex. Currently, on the territory of the KOGCF, conditions have been created that are close to protected natural areas in a number of respects: livestock grazing, haymaking and hunting are not carried out, vehicle traffic is regulated, and there are no permanent human settlements. A significant area, covering various biotopes, is under in-house security.

Ichthyofauna monitoring

In 2024, second monitoring of ichthyofauna and its food supply potential (plankton, benthos) was carried out at selected sites of the KOGCF and its adjacent territory (Berezovka River and Konchubai gully) taking samples of tissues of aquatic organisms (fish, shellfish) and bottom sediments for chemical analysis.

Regular monitoring of ichthyofauna, plankton and benthos at selected monitoring sites on the KOGCF and adjacent territories allows to evaluate potential negative impacts from the production activities. The monitoring is conducted once every six years.

Compared to 2018, the species composition of ichthyofauna in 2024 remained largely at the same level.

In 2024, the levels of heavy metals in the tissues of fish and shellfish were below the limit at most sampling points. However, it is not possible to assess the accumulation of heavy metals in the tissues of shellfish from 2018 to 2024 due to insufficient data. For more accurate conclusions regarding the accumulation of pollutants and more objective assessment of the biological status of water bodies within the KOGCF territory, the studies will be continued.

Biodiversity Action Plan at KOGCF territory for 2024–2026

Along with conducted analysis of KOGCF and adjacent territories ecosystems' dynamic pattern, a BAP for conservation of biodiversity at KOGCF territory for 2024–2026 was developed in 2023.

The BCP for 2024–2026 identifies main aspects of KPO activities on conservation of biodiversity in this region.

Tab. 48. Biodiversity Action Plan stages for 2024–2026

Period	The Scope of Work	Purpose
2024	Fauna monitoring, studies of ichthyofauna and hydrobionts species diversity within KOGCF	<ul style="list-style-type: none"> Determination of dynamic for fauna species diversity and population within KOGCF in comparison with the 2021 surveys. Determination of dynamic for ichthyofauna and hydrobionts species and population within KOGCF in comparison with the 2018 surveys.
2025	Monitoring of flora and soil	<ul style="list-style-type: none"> Study of vegetation condition. Perform of analysis for contamination in soils and plants.
2026	Survey of insect species diversity within KOGCF	<ul style="list-style-type: none"> Determination of dynamic for insect species diversity and population within KOGCF in comparison with the 2020 surveys.
2024–2026	Creation and support of geographic information system	<ul style="list-style-type: none"> Creation of a geographic information system on biodiversity

Monitoring of biodiversity at KATS

/ GRI 304-2 /

During 2024 KPO has executed the pre-planned activities as part of the 2023–2030 BAP for the areas along the KATS export pipeline route.

The scope of work for 2024 along the KATS pipeline included baseline monitoring of flora along the KATS section located in Atyrau Oblast, including laboratory studies.

Baseline surveys of flora and vegetation along the KATS pipeline route within AO was conducted at various type points:

- points near water crossings;
- points designated to different ecosystems;
- points near monitoring stations as part of PEC.

Total 36 points (sites) were surveyed, where 85 plant species belonging to 62 genera were registered. A baseline vegetation survey along the KATS pipeline route within the WKO identified flora and vegetation impacts such as transport, mechanical, agricultural and residential.

Of the factors listed above, KPO activities include transport and residential impacts. Residential impact is insignificant due to the fact that the transmission lines and block valve stations were built long ago, and only routine maintenance of these facilities is currently carried out.

The impact of transport on the ecosystems of the study area is the most significant of all the impact factors. It should be taken into account that not only KATS security service constantly inspects the pipeline, but also the security service of the Karachaganak-Uralsk high-pressure gas pipeline and the Uralsk-Atyrau-Samara oil pipeline, the pipes of which runs parallel to the KATS pipeline.

The mechanical factor was given separately due to the construction of dams and protective barriers during the flood period in May 2024, as earthworks were carried out to build flood control dams, leading to the disruption of the soil-vegetation layer. Since floods can occur every year, this factor should also be monitored.

There are a large number of settlements along the KATS pipeline route within the Atyrau Oblast (the closest to the KATS route are: Yeltai, Yntymak, Yesbol, Orlik, Koktogai, Oteshkali Atambayev, Kenoris, Aktogai, Makhambet, Zhalgansai) whose residents are engaged in agriculture and cattle breeding. Their activities affect the structure and condition of the herbaceous communities of the area used: pasture, haying, ploughing, fertiliser application, etc. In areas with no cattle grazing, the condition of the vegetation is satisfactory.

Total **36** points (sites) were surveyed, where **85** plant species belonging to **62** genera were registered.

During further flora monitoring along the KATS route, it is planned to track changes in the species composition (quantitative and qualitative indicators) of indicator and key plant species in communities affected by the agricultural impact factor.

According to the monitoring results along the pipeline, no disturbance of the vegetation cover was observed. The soil above the pipeline has been overgrown with native species in almost all areas, and in some places even small shrubs, subshrubs and bushes are present, indicating the restoration of the area.

During further monitoring, KPO will track the nature of ecosystem change under the influence of individual transport, mechanical, agricultural and residential factors and their combination, which, if necessary, will enable the development of measures to reduce the impact of different land users' activities on the region's ecosystems.

Laboratory tests were carried out to determine plants contamination by sampling from each monitoring site.

So far, it is difficult to make conclusions about the relationship between the content of pollutants in soils and plants due to lack of statistical data.

The dynamics of pollutant levels in soils and plants will continue to be monitored with a frequency of once in 6 years, which will allow to collect statistical data and help determine the degree of impact or lack thereof on the ecosystems along the KATS pipeline.

As a result of the background studies, KATS flora database (Atyrau Oblast) was created.

The Biodiversity Action Plan (BAP) for 2023–2030 prepared for the territory located along the KATS export pipeline route, identifies main aspects of KPO biodiversity conservation activities in this region.

Tab. 49. Stages of the 2023–2030 BAP for the territory located along the KATS export pipeline route.

Period	The Scope of Work	Purpose
2023	Baseline surveys for species diversity and vegetation condition along the KATS export pipeline section located in West-Kazakhstan Oblast	Identification of priority (key) and indicator specie of flora and study their condition.
2024	Baseline surveys for flora condition along the KATS section located in Atyrau Oblast	Identification of factors impacting ecosystems along the KATS route.
2025	Baseline surveys for fauna species diversity along the KATS section located in West-Kazakhstan Oblast.	Identification of priority (key) and indicator species of fauna and study of their population status.
2026	Baseline surveys for fauna species diversity along the KATS section located in Atyrau Oblast.	Identification of factors impacting ecosystems along the KATS route.
2027	Creation of a geographic information system on biodiversity along the KATS pipeline route	Introduction of KATS pipeline route's biodiversity information into the KPO GIS
2028	Monitoring of the soil and vegetation cover along KATS section, located in West Kazakhstan Oblast	Identification of the pasture impact on soil and vegetation cover state
2029	Monitoring of the soil and vegetation cover along KATS section, located in Atyrau Oblast	

Key species control

As part of biodiversity assessment, KPO makes a considerable focus on monitoring of rare plant and animal species. The priority of a particular species in matters of biodiversity conservation is determined by the priorities of international and local legislation, sensitivity and resistance to impacts and significance of possible negative impact of the company activities on the environment.

The main key species considered during the research period from 1990 to 2023 are shown on the website www.kpo.kz in the section [Sustainable development/Conservation of biodiversity/Significant species of flora and fauna registered at KOGCF area.](#)

All these species also exist outside the KOGCF. It should be noted that presence, absence or number of these species within the field is not a direct indicator of environmental well-being of the area. The distribution of individual species may change due to both local and global causes (climate change, desertification, etc.) that are not related to KPO activities. At the same time, it is necessary to plan and organize production activities in a way not to cause any direct and indirect effects on the population of individual species, which are an important part of the biodiversity at the Karachaganak Field and adjacent areas.

In 2023 and 2024, during the baseline surveys performed along the KATS export pipeline route within WKO boundaries, five species of flora included in

As part of biodiversity assessment, KPO makes a considerable focus on monitoring of rare plant and animal species.

the Red Data Book of the Republic of Kazakhstan and the list of endangered species were registered:

Within WKO boundaries:

- Carnation andrzejowskianus (Dianthus andrzejowski)
- Woodland tulip (Tulipa biebersteiniana)
- Schrenck's tulip (Tulipa shrenkii)
- Fischer's star of Bethlehem (Ornithogalum fischeranum);
- White water lily (Nymphaea alba).

Within AO boundaries:

- Schrenck's tulip (Tulipa shrenkii)

The category of **key / priority** species includes the species whose study and protection are of high priority for the area. First, these are species listed in the Red Data Book, IUCN Red List, as well as species that are rare or sparsely distributed in the area, they are the most vulnerable, quickly react to changes in habitat conditions and, thus, show indicator properties, in this regard, key species should be monitored.



CASE STUDY:

Oil spill response methods Net Environmental Benefits Analysis

Issue short description:

Hydrocarbons production, processing and transportation operations always imply a certain probability of emergency situations associated with deviation from specified production characteristics. One of the elements of preparedness to respond to situations that differ from the normal operation of oil and gas fields is the development of a system for early planning of actions aimed at both preventing and eliminating any emergency situations.

Considering that KPO's in-field and export pipelines intersect with various inland bodies of water located in the territories of the West Kazakhstan and Atyrau regions, the company carefully plans the actions that will be taken in the event of accidents on these pipelines by developing and maintaining Oil Spill Response Plans.

One of the elements of oil spill preparedness planning is the early selection and assessment of optimal oil spill response methods based on the Net Environmental Benefit Analysis (hereinafter referred to as NEBA).

Currently, several by-laws have been introduced in the Republic of Kazakhstan, the requirements of which are aimed at determining the procedure for selecting, coordinating and making decisions on NEBA.

Guided by the requirements of the Republic of Kazakhstan regulatory acts and following the practice of continuously improving the quality of environmental management of production activities, KPO conducted research in 2024. This resulted in the Republic of Kazakhstan Ministry of Ecology and Natural Resources Committee for Environmental Regulation and Control approving a report on optimal methods for oil spill response based on the net environmental benefits analysis of KPO's main and in-field pipelines.

The above report will be part of KPO's Oil Spill Response Plans.

Objective:

The range of issues included in the analysis varies significantly from country to country. In Kazakhstan, these issues are regulated by the «Rules for determining, approving and deciding on the choice of optimal methods for oil spill response at sea, inland waters and in the protective zone of the Republic of Kazakhstan based on the Net Environmental Benefits analysis» dated 09/02/2021 №353.

NEBA is used in planning actions in case of an emergency oil spill, as well as during response activities, when NEBA is used to ensure correct understanding of the prevailing conditions. By choosing the optimal oil spill response (OSR) methods in advance, it is possible to ensure a comprehensive study of OSR methods for various scenarios, considering the impact of each method on environmental components.

Decisions / actions:

The International Association of Representatives of the Oil and Gas Industry on Environmental and Social Issues highlights that there is no single tool or methodology of NEBA suitable and or universally be acceptable in all situations, due to the wide range and scale of possible oil spills scenarios, various conceptions about the value of environmentally sensitive areas and socio-economic facilities, as well as the real conditions at the oil spill response site.

The NEBA process provides an assessment of the potential environmental impact sufficient for the parties to compare and select preferred combinations of oil spill response methods.

Due to the fact that various natural and technological factors can cause oil spillage into water bodies, the NEBA report considers full transverse rupture of the pipeline at all areas at intersections as the worst possible scenario.

Results:

The NEBA report provides assessment of information on the natural environment, flora and fauna adversely affected by emergency oil spills, the possibilities and limitations of OSR methods, in order to minimize the harmful effects on the environment in the event of potential occurrence of emergency oil spills at the intersections of in-field pipelines and KATS export pipeline with various inland bodies of water located on the territories of West Kazakhstan and Atyrau regions.

The report examines eight scenarios of emergency oil and condensate spill at the water crossing sites: for KATS – three sections of crossings over the Zhaiyk, Barbastau and Kursai rivers, for in-field pipelines – one area of crossing over the Berezovka River. The matrices have been developed to select optimal OSR methods with mitigation indicators, taking into account territorial, climatic and other conditions of KPO.

The report identified areas of operational measures for application of certain oil spill response methods, as well as the time and period of these measures application. For each spill scenario, a separate concept of operational measures was evaluated with identified optimal methods.

NEBA was approved by the state regulatory body, the Republic of Kazakhstan Ministry of Ecology and Natural Resources Committee for Environmental Regulation and Control.

If the conditions and scenarios of oil spill provided for by the KPO Emergency Oil Spill Response Plan do not coincide with the actual conditions of the oil spill, then the decision on the admissibility of the use of chemicals or controlled combustion of the oil spill is considered promptly by the state authorized body in field of environmental management based NEBA.



*By thinking about others,
we care about ourselves*



/ GRI 2-23 /

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, our shareholders, our business partners, the local communities where we work and with each other.

BUSINESS PRINCIPLE:
Economic

We seek to compete fairly and ethically within the framework of applicable competition laws.

ECONOMIC IMPACT

- 138** Payments to the Republic
- 140** Supply chain
- 142** Local Content development
- 146** Supporting social infrastructure
- 148** Power supply

2024

SUPPLY CHAIN
385
contractors and suppliers

Contracts and contract
amendments for over
US\$ **1** bln

**LOCAL CONTENT SHARE
IN GOODS, WORKS
AND SERVICES:**

65%
or
679.7
US\$ mln

**PAYMENTS TO THE REPUBLIC
OF KAZAKHSTAN**
US\$ **2.459** bln

**SOCIAL AND
INFRASTRUCTURE
PROJECTS**
4
projects completed
in the WKO

Total invested
US\$ **8.8** mln

**POWER SUPPLY
TO THE WKO**
217.7
mln kwh

PAYMENTS TO THE REPUBLIC / GRI 207-1, 207-2, 207-3, SDG 8.1, 10.4 /

KPO performs its operations as the Operator in conformity to the terms of the Final Production Sharing Agreement (hereinafter "FPSA") executed between the Karachaganak Project shareholders and the Government of the Republic of Kazakhstan. / GRI 2-1 /

The Venture is financed by shareholders and all main assets built or acquired by KPO are not written off, exhausted or depreciated, considering the stipulated right of the shareholders to use the assets as per the FPSA. The FPSA envisages capitalization with regard to the debt and the capital. Accordingly, the KPO financial reporting does not contain information about the volumes of sales and results of financial and economic activities. The revenues resulting from the KPO activities are shared between the Government of the Republic of Kazakhstan and the shareholders who separately reflect information on their financial activities, including revenues, netbacks, capitalization and other in their financial reports. / GRI 2-6, 201-1 /

The KPO tax regime is regulated by the Final Production Sharing Agreement and the applicable tax legislation of the Republic of Kazakhstan. In accordance with the article XIX of the FPSA the current activities under the above-mentioned agreement is not subject to corporate income tax in Kazakhstan. The corporate income tax is a commitment of shareholders or Parent Companies of KPO and is reflected in their financial reports. / GRI 207-4 /

During the last few years KPO has been repeatedly recognised as the second largest tax-payer, whose contributions amount to a substantial part of the entire tax income of the state budget, in the National Reports on implementation of the Extractive Industries Transparency Initiative in the Republic of Kazakhstan.

KPO, wherever possible, seeks to build up an open dialogue and co-operative relationship with the tax authorities based on the mutual respect and transparency in order to form a favourable environment for business development and social area in West Kazakhstan Oblast. When tax benefits or tax exemptions are applicable KPO also seeks to ensure their transparency and compliance with legislative and regulatory framework.

KPO strictly follows the RoK legislation norms and fulfils its tax legal relationships in accordance with the Extractive Industries Transparency Initiative (EITI) global standard that promotes reflection of the income transparency and accountability in the oil & gas and mining industries.

On the practical plane, the KPO tax strategy consists of correct calculation of taxes, minimization of double taxation risks and prevention of any disputes with tax authorities. In relation with this, the Company's key principle is the timely payment of all taxes payable and prompt submission of all information required by the law or necessary for correct determination of taxes payable to the relevant authorities.

In accordance with Risk Management Systems (RMS) in place throughout Kazakhstan used in the planning and organisation of tax inspections, based on the tax authorities assessment, KPO was assigned a high level of risk in the first quarter of 2024, and medium level of risk of possible non-fulfilment of tax obligations to the Republic in the second, third, and fourth quarters of 2024.

For KPO, the level of risk could impact the amount of VAT return under the new VAT return rules with the RMS applied because the criteria to determine the level of tax payer's risk (low / medium / high) in the majority of cases are identical to the risk level criteria applied to confirm the credibility of the exceeded VAT return amounts.

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

KPO supports the Extractive Industries Transparency Initiative (EITI) in order to ensure the transparency of revenues and the whole value creation chain in the process of natural resources management in the Republic of Kazakhstan (RoK).

In 2024, KPO paid taxes to the RoK budget in the amount of US\$ 2.459 bln (as per the exchange rate in the internal SAP accounting system) in accordance with the EITI requirements. This information is reflected in the RoK National Report on the Extractive Industries Transparency Initiative for 2024.

Information about the taxes, paid by KPO to the state budget of the RoK, is publicly available at <http://egsu.energo.gov.kz> in the section "Final report on tax and non-tax payments/contributions from the RoK oil & gas and mining payers".

KPO submits separate EITI reports on its tax liabilities to the RoK authorities from 2014. KPO payments for the period from 2014 to 2024 are represented in Table 54.

Tab. 50. KPO taxes and compulsory payments in 2014-2024 (US\$)

2014	2015	2016	2017*	2018	2019	2020**	2021	2022	2023	2024
2.1 bln	1.2 bln	0.369 bln	0.746 bln	1.9 bln	1.6 bln	0.971 bln	1.6 bln	3 bln	2.156 bln	2.459 bln

Note: * Variance from the amount of 897MM published in the Sustainability Report 2017 is explained by the reflected return amount after the reconciliation of data between the payer and the beneficiary at a later stage.
 ** Starting from 2020 converting from KZT to US\$ KPO uses calculations at the moment of payment in accordance with the internal SAP accounting system and not in accordance with the RoK National Bank rate as of the end of the accounting period.



The KPO Tax Department team

Why is it important to us? / GRI 3-3 /

KPO procurement process is challenged with economic risks, such as limited market competition, inflation, exchange rate fluctuation, increase of raw material costs and searching for alternative sources of supply of the certain categories of goods and services. In order to maximize mitigation of these risks, KPO develops technical specifications and tender requirements in a transparent and objective way to ensure market competition, applies various compensation mechanisms covering potential economic fluctuations in contract terms and conditions, and other measures to secure KPO interests as described further.



Dos Santos Silvestre Carlos Antonio
Supply Chain Director

SUPPLY CHAIN / GRI 204-1 /

Development of the Karachaganak Field implies for Kazakhstan more than just generating income and taxes from oil and gas production. This is also an establishment of long-term and strong partnerships, which is supposed to positively impact and promote economic development in the region.

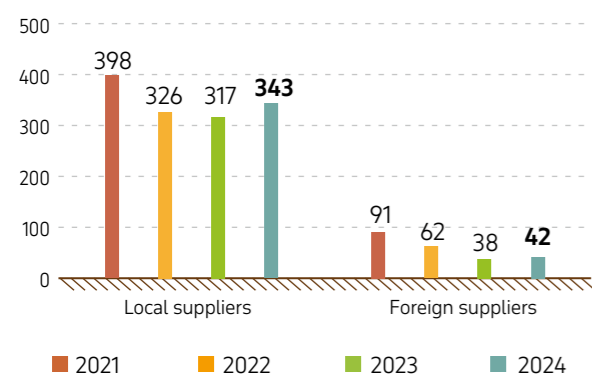
Working with local suppliers and contractors constitutes an essential part of the economic development of the region and Kazakhstan as a whole.

In 2024, KPO awarded contracts and contract amendments to 385 contractors and suppliers, nearly 89% of which were local entities.

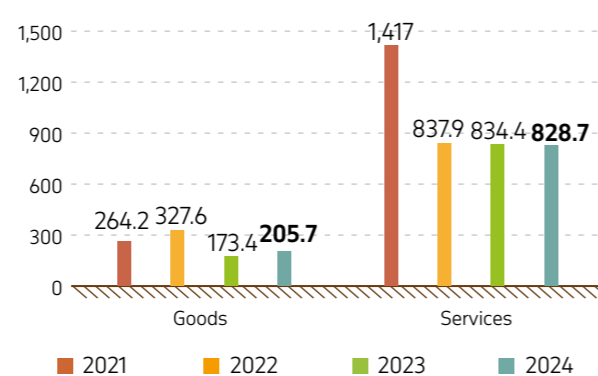
In 2024, KPO signed 220 contracts and contract amendments for delivery of goods worth about US\$ 0.21 bln and 509 contracts and contract amendments for services worth over US\$ 0.83 bln.

KPO insists on contractual relationships with suppliers and contractors, who maintain high standards and demonstrate commitment to personal and process safety when providing services or goods, as well as maintaining the set standards of ethics, compliance and sustainable development.

Graph 28. KPO contractors and suppliers, 2021–2024



Graph 29. Value of contracts and contract amendments (mln US\$), 2021–2024



KPO is committed to conducting its business ethically and in compliance with the established [Code of Conduct](#), all applicable laws and regulations. KPO insists on contractual relationships with suppliers and contractors, who maintain high standards and demonstrate commitment to personal and process safety when providing services or goods, as well as maintaining the set standards of ethics, compliance and sustainable development. These fundamental principles are incorporated in and are evaluated at every stage of the contract and procurement process until the closure of the contract. / GRI 414-1 /

KPO standard contract terms and conditions include number of provisions, which cover Ethics and Business Practices, anti-corruption and conflict of interest. Since 2022, the provisions for industrial relations between KPO and Contractors are in force in order to strengthen social responsibility of contractors and to ensure stable social environment within their own staff. Please read more in this Report in "Industrial relations".

KPO regularly update its standard terms and conditions of contracts to reflect the latest RoK legislation and KPO requirements.

COMMUNICATION WITH POTENTIAL SUPPLIERS / GRI 2-29, 3-3 /

KPO uses multiple opportunities to engage with potential suppliers and contractors and presents its requirements to the local market participants

To help local potential contractors and suppliers better compete and to minimize disqualification risks for such companies, KPO conducts structured pre-tender engagement sessions. In these sessions, clear explanations of KPO tender requirements are provided to the bidders, as well as lessons learned.

Development of local producers including cooperation with internationally recognised and experienced suppliers of goods, works and services are also encouraged.

As a transparent operator, KPO annually publishes its procurement plans on its [website](#) at www.kpo.kz.

Potential suppliers interested in participating in KPO tenders are encouraged to register and keep their

KPO performs its contracts and procurement activities in compliance with the legislation and the Karachaganak Joint Operating Committee's Tender Procedures, which regulate procurement of goods, works and services for the Karachaganak Project.

Digital tools are widely applied in contractual activities. In accordance with the latest Tender Procedure since 2020 KPO has been accepting electronic documents in processing tender submissions which extensively accelerate bid processes. The Tender Procedures focus on the development of local content including goods manufacturing in the Republic of Kazakhstan by means of early tenders, trial orders, contracts in exchange of investments, conditional bid reduction, and Kazakh-only tenders. At the end of 2023 KPO successfully awarded the contract for provision of e-procurement system, implementation support, run and maintain services. This will allow KPO to digitalize procurement process and increase its efficiency. The launch of the new system is ongoing.

"vendor's profile" up-to-date in [KPO Vendor database](#) (please see details at www.kpo.kz) or directly in Kazakhstan Unified Vendor ALASH Database. It is very important for potential contractors and suppliers to provide accurate and relevant information on their competencies and experience to be considered by KPO in its sourcing strategies.

KPO provides opportunities to companies to ask questions on the page <https://cp.kpo.kz/> on its website. The questions are directed to the responsible KPO department. There is also a tab with answers on "Frequently Asked Questions" available on this page.

KPO is actively engaged in the events conducted by Atameken, KazService, IMB Center and other oil-and-gas organisations or associations. Delivering Local Content targets is a key commitment of KPO to the Republic of Kazakhstan and is well recognized by KPO.

Why is it important to us? / GRI 3-3 /

KPO fully supports the initiatives of the Republic of Kazakhstan on development of Kazakhstani suppliers and recognises the importance of involving more domestic producers in the implementation of Karachaganak Project. For this purpose, KPO has introduced mechanisms into the procurement process to facilitate participation of domestic companies in KPO operations. At the same time, for the Company, the RoK Authority and local producers there are risks associated with quality of goods produced in Kazakhstan and increase in their production cost due to the limited market for raw materials in the Republic of Kazakhstan, as well as changing taxation system and certification requirements according to international standards.



Mukhtar Mankeyev
Vice General Director

LOCAL CONTENT DEVELOPMENT / GRI 203-2, SDG 8.1, 8.3, 9.2, 9.3, 17.7, 17.17 /

Since the beginning of the Karachaganak field development, KPO has been actively increasing the local content (LC) share in Karachaganak Project by engaging the Kazakhstani goods producers and service providers. This implies the reduction in import and increase the share of goods, services and works (GWS) of local nature in the total volume of goods, works and services procured for the Karachaganak Project.

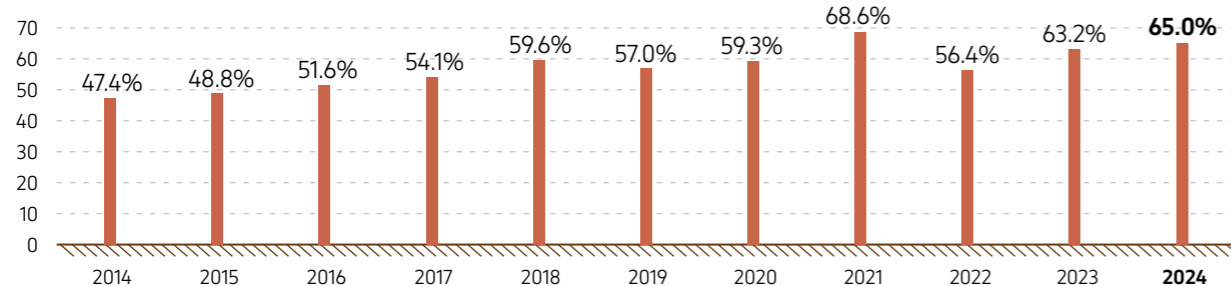
2024–2029 KPO LC Development Programme in GWS at the Karachaganak Project has been developed and approved by the JOC resolution 14/2024 on December 2024. The objectives of the Programme is in line with both state initiatives for the RoK machine building, industrialization and digitization development and KPO LC corporate policy. This Program defines

the LC development objectives and tasks, as well as the key performance assessment and monitoring indicators. / GRI 2-29, 3-3 /

In 2024, KPO LC development initiatives have led to the following results: / GRI 204-1 /

- The Local Content share in procurement of Goods, Works and Services in the Karachaganak Project for 2024 was 65.00% (equivalent to US\$ 679.7 mln) which is higher by 2% vs. planned 62%.
- Goods locally made in Kazakhstan were purchased in amount of US\$ 88.3 mln, which constitutes 42.3% of total scope of goods procured by KPO (of which 18.2% is the Local Content share as specified in the CT-KZ Certificate¹³).

Graph 30. Local Content share in total KPO purchases, 2014–2024. / GRI 204-1 /



¹³ Certificate confirming that the goods have been produced or processed in Kazakhstan. This certificate is intended for circulation in Kazakhstan, for example, when participating in the procurement of subsoil users or in public procurement.

Since the execution of FPSA in 1997, as at the end of 2024 the cumulative share of Local Content in Goods, Works and Services in Karachaganak Project had exceeded US\$ 10.80 bln. / GRI 204-1 /

KPO is placing major emphasis on increasing LC share in procurement of goods produced in Kazakhstan.

In 2024, 9 contracts with a total value of over US\$ 33 mln were signed for the needs of the Karachaganak Project for production of the following types of goods in Kazakhstan: electrical equipment (distribution board), valves, containers, heat exchangers, bulk materials, mechanical seals (spare parts), measurement instruments, personal protective instruments, concrete slabs, etc.

KPO is placing major emphasis on increasing LC share in procurement of goods produced in Kazakhstan.

Holding of "Kazakhstani tenders" contribute to the growth of competitiveness of local producers and suppliers. In 2024, KPO initiated 10 "Kazakhstani tenders" exclusively among local companies for the total amount of US\$ 36.9 mln. As a result, KPO awarded 1 contract to the total amount of US\$ 340 thousands. Other "Kazakhstani tenders" are in progress.

Tab. 51. "Kazakhstani tenders" initiated by KPO for 2021–2024

Period	Initiated		Executed contracts	
	Number of tenders	Amount of the order, mln USD	Number	Total value of the contract, mln USD
2021	12	50.2	11	22.2
2022	10	383.8	7	65.4
2023	7	60.5	2	8.2
2024	10	36.9	1	0.34

As part of the efforts to enhance the sustainable development of local suppliers in the region where it operates, West Kazakhstan Oblast (WKO), as of 2024 KPO paid US\$539.84 mln to enterprises in WKO for delivery of Goods, Works and Services, the share of local content in which reached US\$377.26 mln or 69.88%.

In addition, the Company regularly invites the WKO enterprises, including enterprises from machine building sector, to take part in market research and in tenders for delivery of Goods, Works and Services as well as to various activities organised by the Company to develop and improve the local businesses competitiveness. The results for 2024 are as follows:

Tab. 52. Share of KPO's local content in the supply of goods, works and services in WKO, 2024

Description	Number of contracts	Number of contractors	Expenses, mln USD	Local Content share, %	Local Content share, mln USD
Goods	92	47	55.04	10.35%	5.70
Works	39	24	309.97	65.66%	203.52
Services	196	105	174.83	96.12%	168.04
TOTAL	327	176	539.84	69.88%	377.26

LONG-TERM INITIATIVES / GRI 2-28 /

KPO actively cooperates with "International Oil & Gas Machine Building Centre" (IMBC), which was established to support development of oil and gas goods production in Kazakhstan. In this respect, IMBC acts as a connecting bridge between the largest oil and gas Operators and machine-building enterprises of the RoK.

The primary objective of the IMBC is to promote sustainable development of oil and gas goods production in Kazakhstan and to increase local content in Operators' procurement.

The main activity of the IMBC is to analyse, forecast, propose solutions and provide technical support to the producers. Taking this into account, the capability development plans are designed by IMBC to increase capacity of domestic companies. Also, IMBC serves as a bridge between Operators and investors who express interest in localization of oil and gas equipment production in the RoK, as well as with various financial institutions and state bodies to support such investment projects. IMB Centre, together with investors develop localization plans, which are submitted to the Operators for their consideration, thus the Centre contributes to technology transfer, including that of the world's leading manufacturers of oil and gas equipment.

During the 3-year period from 2021, the IMBC continued its co-operation with local manufacturers of Goods of Commodity Groups A, B, C on development of their potential, specifically with manufacturers of valves, electrical devices and instrumentation, piping, pumps and seals, air conditioning systems and process filters, insulation materials, chemicals, HVAC equipment, PPE etc. Thus, the IMBC is currently maintaining capacity development plans (CDP) with 14 local manufacturers. Implemented CDP are considered by KPO during the vendors pre-qualification process and tenders. Also, IMBC negotiates with companies wishing to localize their activities (investment cases) in the territory of the RoK and provided KPO with 23 investment cases for analysis of demands and further consideration in its operation activities.

In 2024, the Operators agreed Commodity group D was agreed on June 2024 (Compressors; Actuators; Steel and metal materials; Workshop equipment and handtools).

KPO involves companies to participate in the ongoing tenders. As per the cooperation with IMBC, 5 contracts were awarded in 2024, such as Trial order for the provision of junction and change boxes, provision of valves, measurement instruments, electrical materials and spare parts for existing equipment including the explosion protection (ex) materials etc.

In 2024 Operators agreed to expand mandate of IMBC. The new mandate provides for the admission of new members, which will have a generally positive impact on IMBC's activities.

KPO actively participates and takes a key role in jointly conducted events, such as:

- IMBC Forum on 10-Jul'24, Atyrau;
- Open Doors' Day on 10-12 Jul'24, Atyrau (23MoU signed);
- IMBC seminar on the goods at Tengiz, Kashagan and Karachaganak on Group A, 02-Oct'24, Atyrau;
- Seminar on IMBC of commodity of category B – attended by KPO on 12th December in Atyrau.

In the frame of OEM localization activities, since the introduction of the original equipment production localization initiative in 2019, KPO has signed 16 Road Maps for localization of goods and concluded 68 contracts with Original Equipment Manufacturers for the amount of over US\$ 4,821.6 mln. As a result, in 2024 supply of high-tech OEM goods, manufactured in RoK, was performed exceeding the actual LC percent of contractual commitments:

- Personal Gas Detectors of Honeywell. Localization: 56.6% (vs. commitment 15%);
- Remote Telemetry Unit. Localization: 51.8% (vs. commitment 15%);
- Well Head Control Panel. Localization: 30.9% (vs. commitment 14%).

KPO will continue implementation of the Road Maps, which includes the attraction of additional investments.

ENGAGEMENT ON LOCAL CONTENT / GRI 2.28, SDG 17.16, 17.17 /

Recognizing the crucial role of local businesses for KPO operations, the LCD team initiated eight series of online technical awareness webinars. KPO technical experts aimed these collaborative efforts, conducted in conjunction with Contracting & Procurement and HSE departments, to bridge the gap between the company and the local supplier community.

The webinars served as a vital platform for knowledge dissemination, focusing on key aspects of the company's Local Content development strategy, procurement processes and familiarizing with technical requirements for the following type of goods such as chemicals, valves, handling and firefighting equipment, HVAC, oil filters, isolation materials, piping products and electrical equipment.

Through interactive presentations and engaging Q&A sessions, the webinars empowered local suppliers with the knowledge and tools necessary to successfully participate in company tenders and contribute effectively to LC development initiatives.

These online events, conducted throughout the year, fostered a collaborative environment, strengthened relationships between the company and local businesses, and ultimately contributed to the achievement of the company's ambitious LC goals. Representatives of more than 150 local manufacturers and foreign companies, who are interested in or have plans for localization, took part in the webinars.



SUPPORTING SOCIAL INFRASTRUCTURE

/ GRI 203-1, SDG 9.1, 17.17 /

KPO implements social and infrastructure projects in the West Kazakhstan Oblast (WKO) on the annual basis under the terms of Annex 5 to the Final Production Sharing Agreement.

A list of social and infrastructure projects is annually agreed between KPO and the WKO Akimat. The list is compiled by the WKO Akimat in line with the state priorities and considering the needs for development of the West Kazakhstan Oblast infrastructure, education and healthcare systems, as well as sports and infrastructure in the region. Further, the list of the projects is approved by the KPO Joint Operating Committee.

From the moment of endorsement KPO manages projects, including procurement processes, until the facilities are fully completed and then handed over to the balance sheet of the Republic of Kazakhstan. In cases when the projects are not completed by the year end, the unspent funds are carried over to the next calendar year. All social and infrastructure projects are performed by Kazakhstani contractors.

/ GRI 3-3 /

In 2024, the construction of two Sports and Health Centres for 320 spectators was completed in Taskala village of Taskala district and Kaztalovka village of Kaztalovsky district. The construction of

the Centres has contributed to the development of sports infrastructure as well as to the improvement of healthy lifestyle conditions for the community. The Sports and Health Centres are fitted with modern sports equipment, which allows a wide range of sport events and workouts. The Centres' buildings include specialized halls for wrestling, boxing and gymnastics, gyms are designed and suitable for basketball, volleyball and other sports competitions, as well as administrative offices. The Sports and Health Centres meet modern standards and offer comfortable conditions for sports activities.

The construction of two new Sports and Health Centres in Saralzhyh village of Kaztalovka district, WKO and in Zharsuat village of Burlin district, WKO was completed as part of a comprehensive project to cover rural community in provision of modern educational institutions, implemented jointly with the WKO Akimat.

The new schools meet all modern requirements enabling most comfortable conditions for studies. These educational institutions have been equipped with all required equipment and classrooms, including assembly hall, sports hall with separate shower rooms and toilets, training classrooms, modern canteen and administration offices. Schools are fully furnished with modern training equipment and handed over on a turn-key basis. / SDG 4.a /



Opening of Secondary school No 17 in Uralsk

In addition, the relevant equipment and personal protective equipment were purchased under the project of establishing a vocational training centre at the premises of existing public college in Aksai. The project is being implemented as agreed by the WKO Akimat with the aim of import substitution as well as training and development of local manpower for Categories 4 and 3 in-demand jobs at enterprises to increase the competitiveness of Kazakhstani personnel.

This equipment will not only train novice specialists in welding practice but will also provide an opportunity for recognition of the experienced welders qualifications. It is planned to supply consumables in 2025.

Additionally in 2024, major repairs for four schools in Uralsk, Uralsk Youth Cultural Center (House of Culture), and reconstruction of two road sections of the highway "Podstepnoye – Fedorovka – RF border were commenced."

The completion of the revegetation project on the territory of the former Berezovka and Bestau settlements, which began in 2023, was postponed to 2025 due to additional scope of work introduced according to the issued Environmental Expert opinion. The list of projects completed in 2024 is shown in Table 56.

Tab. 53. Social and infrastructure projects completed by KPO in 2024 / GRI 203-1, SDG 17.17.1 (C171702) /

Area	Project name	Actual costs (mln KZT*)	Actual costs (mln USD)*
Civil construction	Construction of a small ungraded school for 60 pupils in Saralzhyh village of Kaztalovsky district, WKO.	793.3	1.7
	Construction of a small-staffing school for 108 children in Zharsuat village, Burlin district, WKO.	938.9	2.0
	Construction of Sports and Health Centre for 320 spectators in Kaztalovka village Kaztalovsky district, WKO	1,177.5	2.6
	Construction of Sports and Health Centre for 320 spectators in Taskala village, Taskalinskiy district, WKO	1,142.9	2.5
TOTAL:		4,052.6	8.8

*Amounts are VAT inclusive



Sports and Health Centre in Taskala village, Taskalinskiy district, WKO

POWER SUPPLY / SDG 7.1 /

For production needs within the Karachaganak field, KPO generates electrical power at its own Gas Turbine Power Plant (further as GTPP). Generated power is transmitted to the own production units: KPC, Unit 2, Unit 3, Gathering, Eco Centre, Pilot Camp, IT&T Data Centre in Aksai, Karachaganak – Atyrau transportation system covering the oil pumping station in Bolshoi Chagan and block valve stations 1-26.

Four turbines, three of which are dual-fuelled, are installed and operating at the KPO Gas Turbine Power Plant.

In 2024, annual boroscopic inspections of turbines were carried out at the GTPP to diagnose the internal condition of the turbine sections. An inspection of the hot-gas-path of turbine No. 4 was accomplished in February. Major repairs of turbine No. 2 were carried out from October to November. The works were performed without delays, within the schedule and in good quality. Materials and spare parts were provided in a timely manner.

POWER SUPPLY TO THE WEST KAZAKHSTAN OBLAST / GRI 203-1 /

As part of the Karachaganak Field Final Production Sharing Agreement (Art.I, Section 1.1.), KPO generates and exports power to the West Kazakhstan Oblast. In average, in 2024 the capacity to satisfy the needs of the West Kazakhstan Oblast communities is circa 25 MW in winter and circa 23 MW in summer.

KPO has been exporting power to power supply organizations, such as Batys Energoresursy LLP and Aksaienergo LLP till 30 November 2023 (Aksaienergo LLP closed from 1st December 2023), which in their turn have been supplying the power to the communities and other end consumers in the West Kazakhstan Oblast.

In the course of 2024, the total volume of KPO power export to WKO was equal to ~ 217.7 mln kWh. Decrease of the power export in comparison with 2023 was due

to the planned preventive maintenance of turbines and generator in 2024. The terms and scope of planned preventive maintenance are regulated by the operating hours of the main GTPP equipment.

Supply of power and fuel gas in 2022 – 2024 is listed in Table 54.

During 2023, electricity generation was mostly based on KPO's own gas. Purchases of gas from a third-party supplier for the production of electrical energy for the needs of the region amounted to some 10.8% of the total volume of gas consumption at the GTPP. In addition to the above period, gas supplies from a third-party supplier were carried out during certain periods of unstable operation of the fuel gas production plant at section 5-339 of the KPC facility.

Tab. 54. KPO's supply of power and the fuel gas use, 2022–2024

Description	UoM	2024	2023	2022
Power exported to WKO, including:	mln kWh	217.74	226.79	246.33
• to Batys Energoresursy LLP	mln kWh	21.74	202.74	220.05
• to Aksaienergo LLP	mln kWh	0.0	24.05	26.28
Use of fuel gas to generate power for WKO, including:	mln m3	75.59	77.50	84.74
• KPO gas sale to generate power for WKO	mln m ³	63.36	61.07	69.12
• From the third-party supplier to generate power for WKO	mln m ³	8.17	16.43	15.62

POWER SUPPLY SYSTEM

The local power system at the Karachaganak Oil Gas Condensate Field consists of 110 kV power grids, which, according to lines of responsibility, are owned by three entities represented by KPO, AksaiGasPromenergo JSC and Zapadno-Kazakhstanskaya REK LLP, as well as the KPO 35 kV power lines.

As part of the current initiative aimed to develop measures to reduce accident rate and to increase

the stability of the in-field power system in order to substantially minimize production losses due to the influence of the Power grid, a specially organized working group of KPO experts have performed an analysis based on which in 2023 the work with engagement of third parties was carried out to review of the received proposals.

OBLIGATIONS TO SUPPORT OF THE USE OF RENEWABLE ENERGY SOURCES / GRI 201-2, OG2 /

KPO generates power at its own Gas Turbine Power Plant, thus our Company is classified as a contingent consumer in accordance with the Law of the Republic of Kazakhstan on Support of the Use of Renewable Energy Sources (RES).

In 2024, KPO purchased such energy in the volume of **14,858,638 kWh** worth over **KZT 650 mln.**

Contingent consumers are obliged to purchase power generated at the RES facilities in amounts proportional to their share of planned consumption in total power consumption volume of the Republic. As a responsible entity, KPO purchases appropriate scopes of the RES energy from the authorized organization "Financial Settlement Centre on the RES Support" LLP, thereby complying with the legislative requirements aimed at supporting the renewables and contributing to the Green Energy development in Kazakhstan.

In 2024, KPO purchased such energy in the volume of 14,858,638 kWh (equivalent to 53,567 GJ) worth over KZT 650 mln.



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APPENDICES

- 151** GRI Content Index
- 163** Verification Report
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GRI CONTENT INDEX

Statement of use

The ESG-Report of the Kazakhstan branch of Karachaganak Petroleum Operating B.V. was prepared in accordance with the GRI Standards for the period 01.01.2024 – 31.12.2024.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

GRI 11: Oil and Gas Sector 2021, G4 Oil & Gas 2012

This report has been verified by the Price Waterhouse Coopers LLP (PwC) for compliance with the requirements of the GRI Standards. PwC performed a limited independent assurance of 5 specific disclosures in the Report, namely: 302-1, 303-3, 305-1, 306-3, 403-9; as well as 27 general indicators with the exception of 2-19, 2-20, 2-21.

UNIVERSAL STANDARDS			
No.	Disclosures	Location	Comments to SR / Omissions
GRI 2: General disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	4, 16, 32, 138, 182 (back cover)	
2-2	Entities included in the organization's sustainability reporting	This Report covers the operations and development projects of the KPO B.V. Branch in Kazakhstan	
2-3	Reporting period, frequency and contact point	4, 182 (back cover)	
2-4	Restatements of information	No restatements of information	
2-5	External assurance	5	
Activities and workers			
2-6	Activities, value chain and other business relationships	16-19, 32, 138, 140	No significant changes
2-7	Employees	71-72	b-iii – KPO does not have employees with non-guaranteed working hours. b-v – KPO does not have part-time employees. e – There were no significant fluctuations in the number of employees during the reporting period.
2-8	Workers who are not employees	83, 87, 71	a – As of 0.15.2025, the number of contractors employees amounted to 16,043 people. b – The number of contractors employees is determined on the basis of passes to the KOGCF facilities; Disclosure of employees turnover by type of contract is not applicable, due to employees turnover includes employees on a direct contract and sending parties' employees (from recruitment agencies). Employees seconded by parent companies are included in the turnover statistics of parent companies.

UNIVERSAL STANDARDS			
No.	Disclosures	Location	Comments to SR / Omissions
Governance			
2-9	Governance structure and composition	32-33, 36	
2-10	Nomination and selection of the highest governance body	34, 32	
2-11	Chair of the highest governance body	32	
2-12	Role of the highest governance body in overseeing the management of impacts	35, 37-38	
2-13	Delegation of responsibility for managing impacts	33-34, 37	
2-14	Role of the highest governance body in sustainability reporting	5	
2-15	Conflicts of interest	42	
2-16	Communication of critical concerns	44, 74, 92	
2-17	Collective knowledge of the highest governance body	5, 36	
2-18	Evaluation of the performance of the highest governance body	34	KPO, as a reporting organization, does not have access to this information. Parent companies report on these issues individually in their sustainability reports.
2-19	Remuneration policies	34, 75-77	a-iii- Remuneration consultants are not engaged.
2-20	Process to determine remuneration	75	
2-21	Annual total compensation ratio	75-76	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	3, 6	
2-23	Policy commitments	9, 12, 15, 29, 31, 40, 41, 43, 51-52, 56-57, 60, 68, 86, 90-91, 95, 97, 113, 137	
2-24	Embedding policy commitments	40-42, 87, 97, 44	
2-25	Processes to remediate negative impacts	24-26, 44, 87-88, 92	
2-26	Mechanisms for seeking advice and raising concerns	44, 74, 87-88, 92	
2-27	Compliance with laws and regulations	45, 98	There were no fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods that were paid in the reporting period.
2-28	Membership associations	13, 144	KPO is a member of the KAZENERGY association. Business partnerships and associations
Stakeholder engagement			
2-29	Approach to stakeholder engagement	9-10, 12, 29, 57, 93, 98, 141-142, 179-180	
2-30	Collective bargaining agreements	74, 77	

UNIVERSAL STANDARDS				
No.	Disclosures	Location	Comments to SR / Omissions	
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	9, 11, 97		
3-2	List of material topics	9, 11	New topic added – Climate change	
TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
Topic 11.1 GHG emissions				
Energy efficiency; Reduction of GHG and pollutants' emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.1	97, 100-101, 106, 111-113	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	11.2	112	302-1 – c (ii, iii, iv), d. Not applicable. KPO does not keep separate records on steam consumption and energy consumption for cooling; these data are included in the total amount of electricity consumption. KPO does not sell electricity, heat, air conditioning and steam. f. – KPO applies standards, methods and conventions regulated by the RoK normative documents in energy saving and energy efficiency. g – 1 TCE = 29.31 Unit Converter – Data Tools – IEA
	302-2 Energy consumption outside of the organization	11.3		Not applicable
	302-3 Energy intensity	11.4	112	d – The KPO keeps records of energy consumption within the organization.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	11.5	109	d – The KPO does not use the base year for calculations.
	305-2 Energy indirect (Scope 2) GHG emissions	11.6	110	d – The KPO does not use the base year for calculations.
	305-3 Other indirect (Scope 3) GHG emissions	11.7		Information unavailable
	305-4 GHG emissions intensity	11.8	110	
G4 Oil and Gas Sector Disclosures 2012	OG6 Volume of flared and vented hydrocarbon		108	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
Topic 11.2 Climate adaptation, resilience, and transition				
Environmental investments; Environmental compliance; Climate change				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.2.1	96-97	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	11.2.2	6, 8, 149	
G4 Oil and Gas Sector Disclosures 2012	OG2 Total amount invested in renewable energy		149	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	11.2.3	96	Information incomplete
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria (partial disclosure)		99	Information incomplete
	308-2 Negative environmental impacts in the supply chain and actions taken		99	
Topic 11.3 Air emissions				
Air quality monitoring; Reduction of GHG and pollutants' emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.3.1	106	
GRI 305: Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	11.3.2	107, 109	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	11.3.3	20	There were not registered any impacts with regards to customer health and safety.
Topic 11.4 Biodiversity				
Biodiversity and ecosystems conservation				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.4.1	97, 100, 127	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	11.4.2	Website https://kpo.kz: Preservation of Biodiversity	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
	304-2 Significant impacts of activities, products, and services on biodiversity	11.4.3	129, 131; website https://kpo.kz: Monitoring of flora and fauna	
	304-3 Habitats protected or restored	11.4.4	101	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	11.4.5	Website https://kpo.kz: Preservation of Biodiversity	
Topic 11.5 Waste				
Management of waste and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.5.1	97, 122	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	11.5.2	122	
	306-2 Management of significant waste-related impacts	11.5.3	123	
	306-3 Waste generated	11.5.4	123-124	
	306-4 Waste diverted from disposal	11.5.5	123-124, 126	
	306-5 Waste directed to disposal	11.5.6	123-125	
G4 Oil and Gas Sector Disclosures 2012	OG7 Amount of drilling waste and strategies for treatment and disposal		123, 125	
Topic 11.6 Water and effluents				
Management of waste and effluents; Water conservation				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.6.1	97, 115	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	11.6.2	115	
	303-2 Management of water discharge-related impacts	11.6.3	117, 119, 121	
	303-3 Water withdrawal	11.6.4	115-117	
	303-4 Water discharge	11.6.5	117-118	
	303-5 Water consumption	11.6.6	115-116	
GRI 303: Water 2016	303-3 Water recycled and reused		119	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
Topic 11.7 Closure and rehabilitation				
Personnel development and training; Industrial relations with contractors; Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.7.1	69, 97	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	11.7.2	In accordance with the Collective agreement, KPO has the obligation to raise a minimum two-month (8 weeks) notice to Trade Unions in case of liquidation of the Company with a subsequent reduction in staff, system or amount of remuneration leading to deprivation of employees' conditions.	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	11.7.3	79	
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	11.4.4	101	
Topic 11.8 Asset integrity and critical incident management				
Spills; Process safety; Emergency Response				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.8.1	24	KPO impact boundary covers KPO facilities at the Karachaganak field, the export pipeline in West Kazakhstan and Atyrau oblasts. The topic covers KPO and contractors.
GRI 306: Effluents and Waste 2016	306-3 Significant spills	11.8.2	26	
G4 Oil and Gas Sector Disclosures 2012	OG13 Number of process safety events, by business activity	11.8.3	24-26	
Topic 11.9 Occupational health and safety				
Occupational safety and health; Protection of health				
GRI 3: Material Topics 2021	3-3 Management of material topics		24, 52, 60	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	11.9.2	39	
	403-2 Hazard identification, risk assessment, and incident investigation	11.9.3	24-25, 53, 59, 65; website https://kpo.kz: HSE Card Programme	
	403-3 Occupational health services	11.9.4	64-66	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
	403-4 Worker participation, consultation, and communication on occupational health and safety	11.9.5	website https://kpo.kz: HSE Card Programme	
	403-5 Worker training on occupational health and safety	11.9.6	27, 57, 82	
	403-6 Promotion of worker health	11.9.7	65-67	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	11.9.8	24-25, 39, 56	
	403-8 Workers covered by an occupational health and safety management system	11.9.9	39	
	403-9 Work-related injuries	11.9.10	53-55	There were no fatalities and lost-time injuries among employees in the reporting period. The number of total recordable injuries among employees = 3. There were no fatalities among the workforce who are not employees. The number of lost-time injuries among workforce who are not employees = 7. The number of total recordable injuries among workforce who are not employees = 12.
	403-10 Work-related ill health	11.9.11	65	
Topic 11.10 Employment practices				
Employment and compensation; Personnel development and training; Industrial relations with contractors				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.10.1	68-69	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	11.10.2	72-73	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	11.10.3	77	
	401-3 Parental leave	11.10.4	73	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	11.10.5		In accordance with the Collective Agreement, KPO has the obligation to raise a minimum two-month (8 weeks) notice to Trade Unions in case of liquidation of the Company with a subsequent reduction in staff, system or amount of remuneration leading to deprivation of employees' conditions.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	11.10.6	77, 82	
	404-2 Programs for upgrading employee skills and transition assistance programs	11.10.7	73, 79, 81, 83-84	
	404-3 Percentage of employees receiving regular performance and career development reviews		77	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	11.10.8	43, 141	
	414-2 Negative social impacts in the supply chain and actions taken	11.10.9	62, 87-88	The percentage of suppliers identified in 2024 as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of the assessment was %. There were no cases of termination of relationships with suppliers as a result of assessment of actual and potential negative social impacts.

Topic 11.11 Non-discrimination and equal opportunity

Increase of local content in staff; Respect for human rights; Social, cultural and gender diversity, equal opportunities

GRI 3: Material Topics 2021	3-3 Management of material topics	11.11.1	40-41, 68-69	KPO impact boundary covers Kazakhstan. Terms of the Collective Agreement are reviewed every 2-3 years.
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		76	202-1-a. Not applicable There are no differences in salary levels by gender. Karachaganak O&G condensate field located in the Western Kazakhstan Oblast (Republic of Kazakhstan) relates to 'significant location of operations'.

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
	202-2 Proportion of senior management hired from the local community	11.11.2	78	In the table "Increase of Local Content in KPO staff by categories of employees", the concept of 'Local' in the context refers to national employees, the citizens of the Republic of Kazakhstan. Karachaganak O&G condensate field located in the Western Kazakhstan Oblast (Republic of Kazakhstan) relates to 'significant location of operations'.
GRI 401: Employment 2016	401-3 Parental leave	11.11.3	73	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	11.11.4	77, 82	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	11.11.5	69, 71-72, 78-79	
	405-2 Ratio of basic salary and remuneration of women to men	11.11.6	76	Karachaganak O&G condensate field located in the Western Kazakhstan Oblast (Republic of Kazakhstan) relates to 'significant location of operations'. Basic salaries are established for employee categories regardless of gender, and hence basic salaries for women and men are equal.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	11.11.7		There were not registered any cases of discrimination during the reporting period.

Topic 11.12 Forced labor and modern slavery

Respect for human rights; Security practices; Freedom of association and collective bargaining

GRI 3: Material Topics 2021	3-3 Management of material topics	11.12.1	40-41	KPO impact boundary covers West Kazakhstan Oblast. Terms of the Collective Agreement are reviewed every 2-3 years.
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor		41	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	11.12.2	41, 87	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	11.12.3	43, 141	

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
Topic 11.13 Freedom of association and collective bargaining				
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.13.1	40, 85, 86	KPO impact boundary covers West Kazakhstan Oblast. Terms of the Collective Agreement are reviewed every 2-3 years.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	11.13.2	87-88	
Topic 11.14 Economic impacts				
Employment and compensation; Increase of local content in staff; Social infrastructure projects; Sponsorship and charity; Supply of electrical power to regional network; Local content development and its share in procurement of goods, works and services; Procurement practices and supply chain; Estimated proved reserves and production				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.14.1	68-69, 140, 142	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11.14.2	138	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		76	202-1-a. Not applicable There are no differences in salary levels by gender. Karachaganak O&G condensate field located in the Western Kazakhstan Oblast (Republic of Kazakhstan) relates to 'significant location of operations'.
	202-2 Proportion of senior management hired from the local community	11.14.3	78	By 'senior management' is meant to be Executive management and their deputies' given in category 1+2 in "Increase of Local Content in Staff by categories of employees" (Tab. 16, p. 70). 'Local' in the context refers to national employees, the citizens of the Republic of Kazakhstan.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	11.14.4	64, 146-148	
	203-2 Significant indirect economic impacts	11.14.5	142	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	11.14.6	142-143	
G4 Oil and Gas Sector Disclosures 2012	OG1 Volume and type of estimated proved reserves and production		16	Information incomplete

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
Topic 11.15 Local communities				
Community relations: impact assessment and mitigation, grievance redress; Environmental grievance mechanisms				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.15.1	90-91	The KPO impact boundary covers the local communities in villages along the perimeter of the Karachaganak field and Aksai town in the Burlin district of WKO
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	11.15.2, 11.15.4	91-92, 101, 103, 105; website https://kpo.kz: Atmospheric air monitoring in the villages adjacent to the Karachaganak field	
	413-2 Operations with significant actual and potential negative impacts on local communities	11.15.3	127, https://www.kpo.kz/en/sustainability/social-responsibility/community-engagement/monitoring-of-resettled-communities	
Topic 11.16 Land and resource rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.16.1	90-91	The KPO impact boundary covers the local communities in villages along the perimeter of the Karachaganak field and Aksai town in the Burlin district of WKO
G4 Oil and Gas Sector Disclosures 2012	OG12 Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process	11.16.2	90-91; website https://kpo.kz: Resettlement of the Berezovka and Bestau villages, KPO Sustainability Report 2017, pp.105-106	
Topic 11.17 Rights of indigenous peoples				
Not applicable for Kazakhstan				
Topic 11.18 Conflict and security				
Security practices; Respect for human rights				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.18.1	85, 87	The impact boundary covers KPO and contractors within the facilities of the Karachaganak field, the West Kazakhstan Oblast and the export pipeline facilities in the Atyrau Oblast

TOPIC-SPECIFIC DISCLOSURES				
GRI Standard / Material topics	Disclosure	GRI 11 Sector Standard Ref. No.	Location in Report	Comments to SR / Omissions
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	11.18.2	85	
Topic 11.19 Anti-competitive Behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.19.1	40-41	
GRI 206: Anticompetitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	11.19.2	45	
Topic 11.20 Anti-corruption				
Anti-corruption and Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.20.1	40-41	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	11.20.2	42-43	
	205-2 Communication and training about anti-corruption policies and procedures	11.20.3	43	
	205-3 Confirmed incidents of corruption and actions taken	11.20.4	42-43	During the reporting period, there were no confirmed cases of corruption identified at KPO.
Topic 11.21 Payments to governments				
Transparency of payments to the government (EITI)				
GRI 3: Material Topics 2021	3-3 Management of material topics	11.21.1	142	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	11.21.2	138	
	201-4 Financial assistance received from government	11.21.3		KPO did not receive monetary financial assistance from the republic for the reporting period and doesn't make any donations to government/political needs.
GRI 207: Tax 2019	207-1 Approach to tax	11.21.4	138	
	207-2 Tax governance, control, and risk management	11.21.5	138	
	207-3 Stakeholder engagement and management of concerns related to tax	11.21.6	138	
	207-4 Country-by-country reporting	11.21.7	138	
Topic 11.22 Public policy				
As stated in the KPO Business Principles and the Code of Conduct, Political Payments or "in-kind contributions" must never be made by KPO or by Trade Associations with KPO funds. KPO must not take part in party politics.				

VERIFICATION REPORT



Independent practitioner's limited assurance report on Karachaganak Petroleum Operating B. V.'s Selected sustainability information

To the Directors Committee of Karachaganak Petroleum Operating B.V.

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected sustainability information of Karachaganak Petroleum Operating B.V. (the "Company") as at 31 December 2024 and for the year then ended included in the KPO ESG Report 2024 and summarized in the Appendix 1 to this report ("Selected sustainability information" and the "ESG Report" respectively).

The selected sustainability information as at 31 December 2024 and for the year then ended in the ESG Report ("Selected sustainability information") are:

- selected sustainability information prepared in accordance with GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) and methodology and guidelines developed by the Company and disclosed in the ESG report (hereinafter together – the "GRI Standards and related methodologies") and summarized in Annex 1 to this report ("Selected GRI sustainability information").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected sustainability information is not prepared, in all material respects, in accordance with the GRI Standards published by the Global Reporting Initiative (GRI) (the "GRI Standards") applied as explained in the sections "About this report", "Material topics and stakeholder engagement" of the ESG Report (together the "Reporting Criteria").

Basis for the conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative selected sustainability information of the Company as at 31 December 2022 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.



Responsibilities for the Selected sustainability information

Management of the Company is responsible for:

- the preparation of the Selected sustainability information in accordance with the criteria contained in the GRI Standards applied as explained in the Reporting Criteria;
- designing, implementing and maintaining such internal control as management of the Company determines is necessary to enable the preparation of the Selected sustainability information, in accordance with Reporting Criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Directors Committee is responsible for overseeing the Company's sustainability reporting process.

Inherent limitations in preparing the Selected sustainability information

Under the GRI Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected sustainability information should therefore be read in conjunction with the methodology used by management of the Company as described in the ESG Report, and for which the Company is solely responsible.

Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional skepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company's use of Reporting criteria as the basis for the preparation of the Selected sustainability information.
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- design and perform procedures responsive to where material misstatements are likely to arise in the Selected sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Selected sustainability information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected sustainability



information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Selected sustainability information by:
 - making inquiries of the management of the Company, including the Sustainability Reporting Section of Public Relations and Media team and those with responsibility for sustainability reporting management and reporting;
 - conducting interviews of personnel responsible for the preparation of the Selected sustainability information and collection of underlying data;
 - performing analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected sustainability information;
- Evaluated the methods and data for developing estimates.
- Performed substantive testing on a sample basis on a Selected sustainability information to verify that the data have been properly calculated, recorded, compared and disclosed.

Restriction on distribution and use

Our report, including our limited assurance conclusion, has been prepared solely for the Directors Committee of the Company in accordance with the agreement between us, to assist the Management of the Company in reporting on the Company's sustainability performance and activities and in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected sustainability information. The Selected sustainability information therefore may not be suitable, and is not to be used, for any other purpose.

We permit this report to be disclosed in the ESG Report, which will be published on the Company's website.

The maintenance and integrity of the Company's website is the responsibility of Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected sustainability information when presented on the Company's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

Pricewaterhouse Coopers LLP

30 July 2025

Astana, Kazakhstan



Appendix 1 to the Independent practitioner’s limited assurance report dated 30 July 2025

The Selected sustainability information as at 31 December 2024 and for the year then ended disclosed in the ESG Report and prepared in accordance with the Reporting Criteria are set out below:

No.	Indicator	Link to GRI standard	Selected sustainability information (subsection, paragraph)
1	General information about the Company	2-1 Organizational details	“About this report”, first paragraph
	General information about the Company	2-1 Organizational details	“Governance structure and management approach”, first paragraph
	Operational information about the Company	2-1 Organizational details	“Overview”. first paragraph, first sentence
2	Entities included in the organization’s sustainability reporting	2-2 Entities included in the organization’s sustainability reporting	“GRI Content Index”, row «2-2»
3	Reporting period, frequency and contact point	2-3 Reporting period, frequency and contact point	“Report scope and boundaries”. first, second paragraph, first sentence
4	Restatements of information	2-4 Restatements of information	“GRI Content Index”, row «2-4»
5	External assurance	2-5 External assurance	“Independent assurance”, second, third paragraphs
6	Company facilities	2-6 Activities, value chain and other business relationships	“KPO facilities”, first, second paragraphs
	Company Export strategy and routes		“Products and export routes”, from the first to the fourth paragraphs
	Oil export activities		“Oil export activities in 2024”, first paragraph
	Unstabilised gas condensate deliveries		“Unstabilised gas condensate deliveries”, first paragraph
	Company Gas Utilization and Energy Support		“Gas production and utilization”, from the first to the fourth paragraphs
	Production and sales in 2024		“Operations and sales in 2024”, first paragraph
	2024 Production Continuity Metric		GRI Content Index” row “2-6”
7	The number of employees as of December 31, 2024, broken down by gender and age, permanent and temporary	2-7 Employees	Graph 6, Graph 7, Graph 8
	Fluctuations in the number of employees between reporting periods	2-7 Employees	“Personnel statistics”, third paragraph
8	Number of contractors as of December 31, 2024, by gender	2-8 Workers who are not employees	“Industrial relations”, first paragraph
9	Structure and composition of the governance body and its committees	2-9 Governance structure and composition	“Organisational structure”, from the first to the third paragraphs



	Structure and composition of the governance body and its committees	2-9 Governance structure and composition	“Director’s Committee”, from the first to the fifth paragraphs
10	Nomination and selection of the highest governance body	2-10 Nomination and selection of the highest governance body	“Organisational structure”, fourth paragraph
		2-10 Nomination and selection of the highest governance body	“Joint Operating Committee”, third paragraph
11	Chair of the highest governance body	2-11 Chair of the highest governance body	“Organisational structure”, second paragraph
12	The role of the highest governance body	2-12 Role of the highest governance body in overseeing the management of impacts	“Contractor’s Committee (ConCom) and Operating Committee (OpCom)”, second paragraph
	The role of the highest governance body		“ConCom and OpCom Sub-Committees”, from the first to the third paragraphs
	The role of the highest governance body		“Business and safety risks”, fifth paragraph
13	Delegation of responsibility for managing impacts	2-13 Delegation of responsibility for managing impacts	“Organisational structure”, fifth paragraph
14	Role of the highest governance body in sustainability reporting	2-14 Role of the highest governance body in sustainability reporting	“Independent assurance”, third paragraph
15	Conflict of interest	2-15 Conflict of Interest	“Conflict of Interest”, from the first to the third paragraphs
16	Communication of critical concerns	2-16 Communication of critical concerns	“Hotline and other compliance measures”, third paragraph
	Communication of critical concerns	2-16 Communication of critical concerns	“Grievance mechanisms”, third paragraph
	Communication of critical concerns	2-16 Communication of critical concerns	“Community Feedback mechanism”, first paragraph
17	Collective knowledge of the highest governance body	2-17 Collective knowledge of the highest governance body	“Directors Committee”, sixth and seventh paragraphs
18	Evaluation of the performance of the highest governance body	2-18 Evaluation of the performance of the highest governance body	Appendix “GRI Content Index”, row 2-18.
19	Statement on Sustainable Development Strategy	2-22 Statement on sustainable development strategy	“Letter from general Director”, third paragraph
	Company’s mission	2-22 Statement on sustainable development strategy	“The KPO mission”, from the first to the third paragraphs
	Company’s business strategy	2-22 Statement on sustainable development strategy	“The KPO Business Strategy”, first paragraph
20	Commitment to Responsible Business	2-23 Policy commitments	“Business Principle: Communication and engagement “, from the first to the third paragraphs
		2-23 Policy commitments	“Business Principle: Economic”, first paragraph
		2-23 Policy commitments	“Business Principle: Environment”, first paragraph
		2-23 Policy commitments	“Business Principle: Business integrity”, from the first to the third paragraphs



	2-23 Policy commitments	"Business Principle: Compliance", first paragraph	
	2-23 Policy commitments	"KPO Business Principles", first and second paragraphs	
	2-23 Policy commitments	"Code of Conduct", first and third paragraphs	
	2-23 Policy commitments	"Human Rights", first and fifth paragraphs	
	2-23 Policy commitments	"Suppliers' ethical due diligence", first paragraph	
	2-23 Policy commitments	"Business Principle: Health, safety and the environment", first and second paragraphs	
	2-23 Policy commitments	"HSE Promotion and Awareness-Raising Tools", first paragraph	
	2-23 Policy commitments	"Business Principle: HSE", first paragraph	
	2-23 Policy commitments	"Business Principle: People", from the first to the third paragraphs	
	2-23 Policy commitments	"Business Principle: Communication and engagement", first paragraph	
	2-23 Policy commitments	"Business Principle: Communities", first paragraph	
	2-23 Policy commitments	"Business Principle: Communities", from the first to the third paragraphs	
	2-23 Policy commitments	"Local Communities", third paragraph	
	2-23 Policy commitments	"Business Principle: Environment", from the first to the third paragraph	
	2-23 Policy commitments	"Energy Management System", third paragraph	
	21	Compliance with the principles of responsible business conduct	2-24 Embedding policy commitments
Compliance with the principles of responsible business conduct		2-24 Embedding policy commitments	"Human Rights", from the second to the fourth paragraphs
Compliance with the principles of responsible business conduct		2-24 Embedding policy commitments	"Anti-corruption", from the first to the third paragraphs
Compliance with the principles of responsible business conduct		2-24 Embedding policy commitments	"Industrial relations", first paragraph, first sentence
Compliance with the principles of responsible business conduct		2-24 Embedding policy commitments	"Environmental Management System", from the first to the seventh paragraphs
Compliance with the principles of responsible business conduct		2-24 Embedding policy commitments	"Suppliers' ethical due diligence", second paragraph



22	Approach to identifying and resolving complaints	2-25 Processes to remediate negative impacts	"Asset integrity", third paragraph
	Approach to identifying and resolving complaints	2-25 Processes to remediate negative impact	"Loss of Primary Containment", first and fifth paragraphs
	Approach to identifying and resolving complaints	2-25 Processes to remediate negative impact	"Suppliers' ethical due diligence", third paragraph
	Approach to identifying and resolving complaints	2-25 Processes to remediate negative impact	"Industrial relations", second, fourth, eighth paragraphs
	Approach to identifying and resolving complaints	2-25 Processes to remediate negative impact	"Community feedback mechanism", first, second paragraphs
	23	Communication channels	2-26 Mechanisms for seeking advice and raising concerns
Communication channels		"Grievance mechanisms", first paragraph	
24	Compliance with laws and regulations	2-27 Compliance with laws and regulations	"Compliance with Laws and Regulations", third and fourth paragraphs
	Compliance with laws and regulations	2-27 Compliance with laws and regulations	"Environmental compliance", second paragraph
25	Membership in associations	2-28 Membership in associations	"Business Partnerships and Associations", from the first to the fifth paragraphs
		2-28 Membership in associations	"Long-term initiatives", first paragraph
26	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"Material topics and stakeholder engagement", from the third to the fifth, tenth paragraphs
	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"Community preparedness", from the first to the second paragraphs
	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"HSE Promotion Awareness- Raising Tools", second, third paragraphs
	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"Public hearings", from the first to the fourth paragraphs
	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"Environmental Public Hearings", from the first to the third paragraphs
	Engagement with stakeholders	2-29 Approach to stakeholder engagement	"Communication with potential suppliers", first, second, fifth paragraphs
27	Number of employees covered by a collective bargaining agreement	2-30 Collective bargaining agreements	"Local Content Development", second paragraph
			"Employee Relations. Engagement with Trade Unions", second paragraph
28	Total energy consumption	302-1 Energy consumption within the organization	Table 37
	Energy calculation methodology	302-1 Energy consumption within the organization	Appendix "GRI Content Index", row 302-1.
29	Water withdrawal volume	303-3 Water withdrawal (2018)	Graph 26, Table 38, excluding "Reuse of rainwater and groundwater after wells testing for technical needs of KOGCF"
		303-3 Water withdrawal (2018)	"Discharges of treated wastewater, seventh paragraph, first and second sentence



30	Direct (Scope 1) GHG emissions	305-1 Direct (Scope 1) GHG emissions	Table 35
	Approach to accounting for direct greenhouse gas emissions	305-1 Direct (Scope 1) GHG emissions	"The Methodology for calculating GHG emissions from fugitive emissions sources", first paragraph
31	Waste generated	306-3 Waste generated (2020)	Graph 27 excluding recycled waste
		306-3 Waste generated (2020)	Table 46, line "Generated during the reporting year"
32	Number of employees injured in incidents related to Company operations	403-9 Work-related injuries	Graph 3, Table 7, Table 8, Table 9, Table 10, Table 11, Table 12

MANAGING MATERIAL TOPICS IN KPO / GRI 3-3 /

Good governance is essential for ensuring the sustainability of large-scale investments, and particularly important in a complex governance structure as the one of KPO in which our strong governance, internal controls and assurance processes are vital to our ongoing success.

In all aspects of its activities and in accordance with the FPSA, KPO operates to internationally recognized standards, which are implemented through a number of policies, procedures and appropriate best practices embedded in KPO's management systems.

KPO's management systems and regulatory documents related to sustainable development for each of material topics are shown on the following table.

Managing documents on sustainability issues in KPO (by material topics) / GRI 3-3 /

Material topics	Management System documents
Socio-Environmental topics	Occupational safety and health Health, Safety and Environmental Policy; Golden Rules; Life Saving Rules; Health, Safety and Environmental Management System Framework; Safety & Asset Integrity Controllership System Manual; H ₂ S Protection Strategy; KPO 4-Year Strategic HSE Plan; KPO HSE Improvement Plan 2024; Safety Leadership & Culture Programme;
	Protection of health No Smoking Policy; Prohibition on Use of Alcohol, Drugs, Psychotropic and Toxicomaneic Substances (their analogues) in KPO; 2024 Health Promotion Plan; Fatigue Risk Management Programme; Mental Health Programme; Stress Resilience Programme;
	Process safety Safety & Asset Integrity Controllership System Manual; Process Safety Fundamentals Guideline; Simultaneous Operations Risk Management Strategy; Barrier Model Guideline;
	Emergency Response Terms of Reference for the KPO Civil Defence; Terms of reference for the KPO evacuation commission; Strategy for Protection of People in H ₂ S Emergencies in the Field; Emergency Response Plan and Rectification of the Consequences of Accidents;
	Community relations: impact assessment and mitigation, grievance redress KPO Social Performance Policy and Standards; KPO Community Grievance and Suggestion Management Procedure; Socio-economic Baseline and Impact Assessment Operating Procedure; Relevant Parties Operating Procedure; Cultural Heritage Operating Procedure; Involuntary Resettlement Operating Procedure; KPO Community Development Procedure;

Material topics	Management System documents	
Social topics	Personnel development and training	Annual Training Plan; Business Continuity Plan for Training Development Centre; Training Planning and Budgeting Preparation Procedure for KPO Employees Enhanced Development Programme; KPO scholarship for national employees and their children;
	Industrial relations with contractors	Industrial Relations Policy; Contractor HSE Management Procedure; Schedule D – Contract HSE Requirements; Schedule H – Contract Industrial Relations;
	Freedom of association and collective bargaining	Collective Agreement; Policy on Labour Disputes;
	Security practices	Security Management System Framework; KPO Security Policy; In-House Investigation Policy; Employees' Personal Data Management Policy; KPO Clear Desk Policy;
	Equal opportunities, social, cultural and gender diversity	KPO Sustainable Development Chapter; KPO Business principles;
	Respect for human rights	KPO Code of Conduct; Hotline; Ethic and Compliance Training Program; Compliance Investigations Procedure;
Socio-Economic topics	Employment and compensation	Human Resources and Services Directorate Management System Manual; Annual Pay Review; Remuneration Policy for Kazakhstan Employees; Procedure of Reduction of the number or the staff of KPO employees; Program on Voluntary Dissolution of Employment Relationship with Provision of Benefits for KPO Employees;
	Local content in staff	2020–2025 Programme for Local Content Increase in Staff;
	Social infrastructure projects	Karachaganak Field's Final Production Sharing Agreement (Annex 5); Social Projects Department Management System; Social Investment Operating Procedure; Social and Infrastructure Projects Control Procedure; Social and Infrastructure Projects Management of Change Procedure;
	Sponsorship and charity	KPO Sponsorship and Donations Policy; KPO Scholarship Programme for Rural District Community;
	Supply of electrical power to regional network	Karachaganak Field's Final Production Sharing Agreement (Art.I, Section 1.1.);
	Anti-corruption and Compliance	Anti-Bribery and Corruption and Anti-Money Laundering Manual; Guidelines on Managing Conflicts of Interest; Trade Compliance Manual; Ethic and Compliance Training Program; Ethical Due Diligence Procedure;
	Local content development and its share in procurement of goods, works and services	Local Content Policy; Local Content Development Programme 2024–2029; Procedure on Reporting purchased goods, works and services; Local Content Audit Procedure; Early Tender-Trial Order Testing Procedure;

Material topics	Management System documents	
Economic topics	Technologies and innovations	Digital Roadmap; Digitalization and Continuous Improvement Strategy; Business Communications Social Media and Use of IT Policy;
	Estimated proved reserves and production	Reserves Re-Determination Report for the Karachaganak field;
	Procurement practices and supply chain	Contracts and Procurement Policy; Karachaganak JOC's Tender Procedures; Annex 1 to JOC Resolution dated April 2020; Ethical Due Diligence Procedure;
Environmental-Economic topics	Transparency of payments to the government (EITI)	Karachaganak Field's Final Production Sharing Agreement (Art.XIX); Tax Accounting Policy of Kazakhstan Branch of Karachaganak Petroleum Operating B.V.;
	Climate change	KPO-365 Business Strategy; KPO Green Strategy; KPO Environmental Concept;
	Energy efficiency	KPO Energy Policy and Green Rules; Energy Management System Manual; Guideline on Green Office; KPO Green Office Project Implementation Plan; Energy Management System Plan; Energy review and energy efficiency monitoring procedure;
	Environmental compliance	Environmental Impact Assessment Arrangement Procedure when developing planned activity projects; Emission, Waste Accumulation / Burial Limits Accounting and Monitoring Procedure; Environmental Legal Compliance Register; Action Plan on the Compliance with Requirements of the RoK Environmental Code;
	Environmental investments	KPO Environmental Protective Measures Plan; Summary Environmental Aspects Register KPO; Environmental Culture and Awareness Enhancement Program for 2025–2028;

Material topics	Management System documents	
Environmental topics	Spills	Oil Spill Contingency Plan; KOTS and Gathering main pipelines and infield pipelines rivers / aerial crossings oil;
	Air quality monitoring	PEC: Production Environmental Monitoring; Environmental Monitoring Data Assurance Programme;
	Reduction of GHG and pollutants' emissions	Air Emissions Management Procedure; Greenhouse Gas Emissions Management Procedure; Procedure for measuring industrial emissions with instruments at the KOGCF facilities; Vertical Flare Hydrocarbon Flaring Accounting and Reporting; Accounting and Reporting Procedure for hydrocarbons flaring at vertical and horizontal Flare Stacks; The methodology for calculating greenhouse gas emissions from fugitive emissions sources of Karachaganak Oil and Gas Condensate Field;
	Water conservation	KOGCF Water Strategy – Technical and Produced Water Management; Procedure for the management of water consumption and discharge, accounting and reporting during KPO water management activities; Karachaganak Field Potable and Technical Water Consumption Records and Report Procedure; Procedure for register, storage and utilization of saltsaturated subsurface water in cell No 2;
	Management of waste and effluents	Waste Management Procedure; Procedure on Acceptance and Classification of Waste at WMC (Eco Centre); Solid Industrial Waste Burial Landfill;
	Biodiversity and ecosystems conservation	Biodiversity Action Plan;
Environmental grievance mechanisms	Odour Complaints Management Procedure for the communities adjacent to the Karachaganak field.	

KPO'S CONTRIBUTION IN ACHIEVING UN SDG

SDG targets	Chapter / topic disclosed in the Report
3. Ensure healthy lives and promote well-being for all at all ages	
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	Occupational health and safety: Disease control in employees, Healthy lifestyle promotion
3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol	Occupational health and safety: Prohibition on Use of Alcohol, Drugs, Psychotropic and Toxicomaniac Substances (their analogues) in KPO, alcohol test.
3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	Health and safety performance: Road safety
3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	Health and safety: Improving the quality of emergency care, Disease control amongst employees, Medical insurance, Promotion of healthy lifestyle, Emergency capability upgrade project In Aksai hospital
3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	Asset Integrity, Emergency Response management, Safety Practices, Workplace Attestation, Environmental monitoring, Air emissions, Waste management, Water consumption and disposal
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	KPO scholarship programme and partnership with universities, Graduates Development Programme
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	KPO Scholarship Programme and Partnership with universities, Graduates Development Programme
4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	Supporting social infrastructure: construction of kindergartens, schools, sports complexes within the framework of social infrastructure projects
5. Achieve gender equality and empower all women and girls	
5.1 End all forms of discrimination against all women and girls everywhere	Compensations and benefits, Personnel training and development, KPO Female Network, Diversity and inclusiveness
5.4 Recognize and value unpaid care and domestic work	Data on Parental and child care leaves at KPO
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Number of local and expatriate managers by age and gender, KPO Female Network

SDG targets	Chapter / topic disclosed in the Report
6. Ensure availability and sustainable management of water and sanitation for all	
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Water consumption and disposal
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Re-use of treated and other wastewater
6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes	Biodiversity Conservation
7. Ensure access to affordable, reliable, sustainable and modern energy for all	
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	Power supply
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	KPO 365 Strategy, Obligations imposed by the Law on Support of the Use of Renewable Energy Sources
7.3 By 2030, double the global rate of improvement in energy efficiency	Energy efficiency
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	KPO Indirect economic impact on the region development: Supply chain, Local Content development, Payments to the Republic, Compensations and benefits
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises	Supply Chain, Local Content Development
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	KPO 365, Gas Flaring
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Compensations and benefits, Industrial Relations, Diversity and inclusiveness
8.7 Take immediate and effective measures to eradicate forced labour	Human Rights, Industrial relations
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Safety Practices, Workplace Attestation, Employee relations, Industrial relations
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	Supporting social infrastructure

SDG targets	Chapter / topic disclosed in the Report
9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries	Local Content development
9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	KPO 365 Strategy, Digitalization and continuous improvement, Digitalization program in Health Department, Obligations imposed by the Law on Support of the Use of Renewable Energy Sources, Environmental Protective Measures Plan
10. Reduce inequality within and among countries	
10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Business conduct, Code of Conduct, Diversity and inclusiveness
11. Make cities and human settlements inclusive, safe, resilient and sustainable	
11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	Research on preservation of historical and cultural heritage sites , Biodiversity Conservation, Case study "Move of the monument from Berezovka village to Araltal neighbourhood"
12. Ensure sustainable consumption and production patterns	
12.1 Implement the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries	KPO 365 Strategy
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	KPO 365 Strategy, KPO Green Strategy, Environmental Impact
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Waste management, Treated wastewater discharges, Reuse of treated and other wastewater, Industrial Wastewater Management
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Waste management
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	KPO 365, Technologies in drilling, Environmental Impact
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	KPO Sustainability Reports for the periods from 2009 to 2023, 10th Principle of the KPO Sustainable Development Charter
13. Take urgent action to combat climate change and its impacts	
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Climate-related risks and opportunities, Climate change and energy transition, KPO 365 Strategy, KPO Green Strategy
13.2 Integrate climate change measures into national policies, strategies and planning	Climate-related risks and opportunities, Climate change and energy transition KPO 365 Strategy, KPO Green Strategy
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	KPO 365 Strategy, KPO Green Strategy

SDG targets	Chapter / topic disclosed in the Report
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	
15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Biodiversity Conservation
15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally	Project "Organization and improvement of the estimated KOGCF sanitary protection zone"
15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	Biodiversity Conservation
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	
16.5 Substantially reduce corruption and bribery in all their forms	Business conduct
16.6 Develop effective, accountable and transparent institutions at all levels	Governance structure and management approach
16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	Sustainability Report, Public hearings, Grievance mechanisms
16.b Promote and enforce non-discriminatory laws and policies for sustainable development	KPO Code of Conduct , KPO Business Principles , KPO Sustainable Development Charter , KPO 365 Strategy
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	
17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed	Local Content Development, Obligations imposed by the Law on Support of the Use of Renewable Energy Sources, Best Available Techniques (BAT) for environmental protection
17.14 Enhance policy coherence for sustainable development	KPO 365 Strategy, KPO Sustainable Development Charter
17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	Stakeholder engagement, Business partnerships and associations, Uralsk Green Forum
17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	Supporting social infrastructure, Local Content development, Stakeholder engagement, Business partnerships and associations, Uralsk Green Forum

GLOSSARY

ABBREVIATION	DESCRIPTION
ASME	American Society of Mechanical Engineers
BAP	Biodiversity Action Plan
ConCom	Contractor Committee
COVID-19	Coronavirus disease of 2019
CPC	Caspian Pipeline Consortium
EMS	Environmental Monitoring Station
EOPS	Early Oil Production Satellite
EPMP	Environmental Protection Measures Plan
ESME	Electronic System of Medical Examination
FPSA	Final Production Sharing Agreement
Gcal	Gigacalorie
GHG	Greenhouse Gases
GOR	Gas Oil Ratio
GRI	Global Reporting Initiative
GTPP	Gas Turbine Power Plant
HC	Hydrocarbons
HSE	Health, Safety and Environment
ICT	Incident Control Team
IMT	Incident Management Team
IOGP	International Oil and Gas Producers' Association that collects safety incident and environmental data from its member companies globally since 1985.
ISO 14001	Internationally accepted standard that sets out requirements for putting in place an effective Environmental Management System
ISO 45001	Internationally accepted standard that sets out requirements for putting in place an effective occupational health and safety
ISO 50001	Internationally accepted standard that sets out requirements for putting in place an effective Energy Management System
ISO 39001	Internationally accepted standard that sets out requirements for putting in place an effective Road Safety Management System
JMC	Joint Marketing Committee
JOC	Joint Operating Committee
JPC	Joint Procurement Committee
KATS	Karachaganak Atyrau Transportation System
KOGCF	Karachaganak Oil and Gas Condensate Field
KOTS	Karachaganak Orenburg Transportation System
kt	kiloton

ABBREVIATION	DESCRIPTION
KPC	Karachaganak Processing Complex
KPI	Key Performance Indicators
LCS	Local Content Sub-committee
LOPC	Loss of primary containment
LTI	Lost Time Injury
LTIF	Lost Time Injury Frequency
MPC	Maximum permissible concentration
MPD	Maximum permissible discharge
Mscm	Million standard cubic metres
MW	Megawatt
NCOC	North Caspian Operating Company
NGO	Non-governmental organisation
O&G	Oil & Gas
OpCom	Operating Committee
OPITO	Offshore Petroleum Industry Training Organisation
OPS	Oil Pumping Station
Parent Companies or Contracting Companies	Relates to KPO shareholders – ENI, Shell, Chevron, Lukoil and KazMunayGaz National Company, who are partners as per the FPSA
PDR	Personnel Development Review
PEC	Production Environmental Control
PEP	Plateau Extension Projects
PPE	Personal Protective Equipment
RoK	Republic of Kazakhstan
RTI	Road Traffic incidents
RTIF	Road Traffic Incident Frequency
SDG	Sustainable Development Goals
SPZ	Sanitary Protection Zone
TCO	Tengizchevroil
TRI	Total Recordable injuries
TRIF	Total Recordable Injury Frequency
WKO	West Kazakhstan Oblast

CH ₄	Methane
C ₆ H ₆	Benzene
C ₇ H ₈	Toluene
C ₈ H ₁₀	Xylene
CO	Carbon monoxide
CO ₂	Carbon dioxide
H ₂ S	Hydrogen Sulphide
NO ₂	Nitrogen dioxide
N ₂ O	Nitrous oxide
SO ₂	Sulphur dioxide

KPO employees (direct contract) – employees with effective Employment Contracts with KPO.

Parent Companies secondees – Parent Companies' employees seconded to KPO on the basis of the Secondment Agreement. They mainly include senior managers and foreign specialists with specific skills in engineering and design, and international experience and knowledge necessary to ensure the introduction of international technologies in production. The expatriate personnel are attracted to share best international practice and knowledge in different spheres with national employees. However, KPO annually nationalizes the positions held by expatriate specialists in accordance with the Programme for Local Content Increase in Staff (for more details, see the chapter "Development of national personnel"). The KPO Board of Directors consists of seconded employees of the Parent Companies, except for the Vice General Director and the Digitalization and Continuous Improvement manager.

Sending party – Legal entity registered in accordance with the procedure established by the legislation of the Republic of Kazakhstan, providing manpower services, including a branch of the foreign legal entity.

Sending parties' employees – Staff providing services under KPO day-to-day supervision who have no direct contractual relationship with KPO but are employed and paid by an external company (manpower agency). The types of work performed by direct contract employees and sending parties' employees are identical.

Temporary employee – a person who has an employment relationship with the Company for limited time to replace a temporarily absent directly hired employee, who is on long-time leave, such as maternity, unpaid and child care leave, educational leave etc., or hired while doing a specific job.

FEEDBACK

/ GRI 2-29 /

We believe that our readers' feedback would help us improve our reporting.

1 Name, surname
Organization

2 Which stakeholder group best describes you?

- Parent companies
- Authorised body – PSA LLP
- Employees
- Local authorities
- RoK ministries / Agencies (industry)
- Regulators
- Counterparties (suppliers / contractors, customers, banks)
- Local communities
- Industry partners
- Media
- Non-government organisations
- Trade Unions
- Young generation (students, schoolchildren, young specialists)

If you do not belong to any of the groups listed above, please indicate your connection to KPO:

.....
.....

3 Which material topics or issues disclosed in the KPO ESG Report are important for you as a KPO stakeholder?
Please, limit your choice to 5 topics of the most interest to you.

Social topics:

- Personnel development and training
- Social, cultural and gender diversity, equal opportunities
- Industrial relations with contractors
- Freedom of association and collective bargaining
- Security practices
- Respect for human rights

Socio-Environmental topics:

- Occupational safety and health
- Protection of health
- Process safety
- Emergency Response
- Community relations: impact assessment and mitigation, grievance redress



FEEDBACK

/ GRI 2-29 /

We believe that our readers' feedback would help us improve our reporting.

3 Socio-Economic topics:

- Increase of local content in staff
- Employment and compensation
- Social infrastructure projects
- Sponsorship and charity
- Supply of electrical power to regional network
- Local Content development and its share in procurement of goods, works and services
- Anti-corruption

Economic topics:

- Technologies and innovations
- Estimated proved reserves and production
- Procurement practices and supply chain
- Transparency of payments to the government (EITI)

Environmental-Economic topics:

- Climate change
- Energy efficiency
- Environmental compliance
- Environmental investments

Environmental topics:

- Spills
- Air quality monitoring
- Reduction of GHG and pollutants' emissions
- Water conservation
- Management of waste and effluents
- Biodiversity and ecosystems conservation
- Environmental grievance mechanisms

4 Your suggestions for improving KPO ESG-Report:

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Please send your feedback, comments to this edition or contribution to the Report 2024 to the address indicated on the back cover, or by email at Sustainability@kpo.kz.



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**All our sustainability
reports are available at:**
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