

HEALTH, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM (HSE MS)

KMG’s health, safety and environment management system is designed to Kazakhstan’s statutory requirements, international industry standards ISO 14000 and ISO 45001, global best practices and guidelines, and recommendations of the International Association of Oil & Gas Producers (IOGP). The System covers ten areas and relies on four pillars: leadership, goal achievement, risk management and continuous improvement.

Since 2006, KMG operates an integrated quality, environmental, and occupational health and safety management system compliant with ISO 9001, ISO 14001, and OHSAS 18001. KMG’s significant energy users are certified to ISO 50001. The effectiveness of HSE MS is verified by independent auditors on a regular basis.

To improve its management system, KMG started certifying HSE MS to ISO 45001. The process is expected to be completed in Q1 2021.

The Company has in place a 3-tier system of committees which incorporates best HSE management practices to enhance commitment and involvement in HSE management of managers and employees at all levels:

- ◆ First tier – the Health, Safety, Environment and Sustainable Development Committee (HSE & SD Com)
- ◆ Second tier – the Health, Safety and Environment Committee at KMG level
- ◆ Third level – HSE committees at subsidiaries

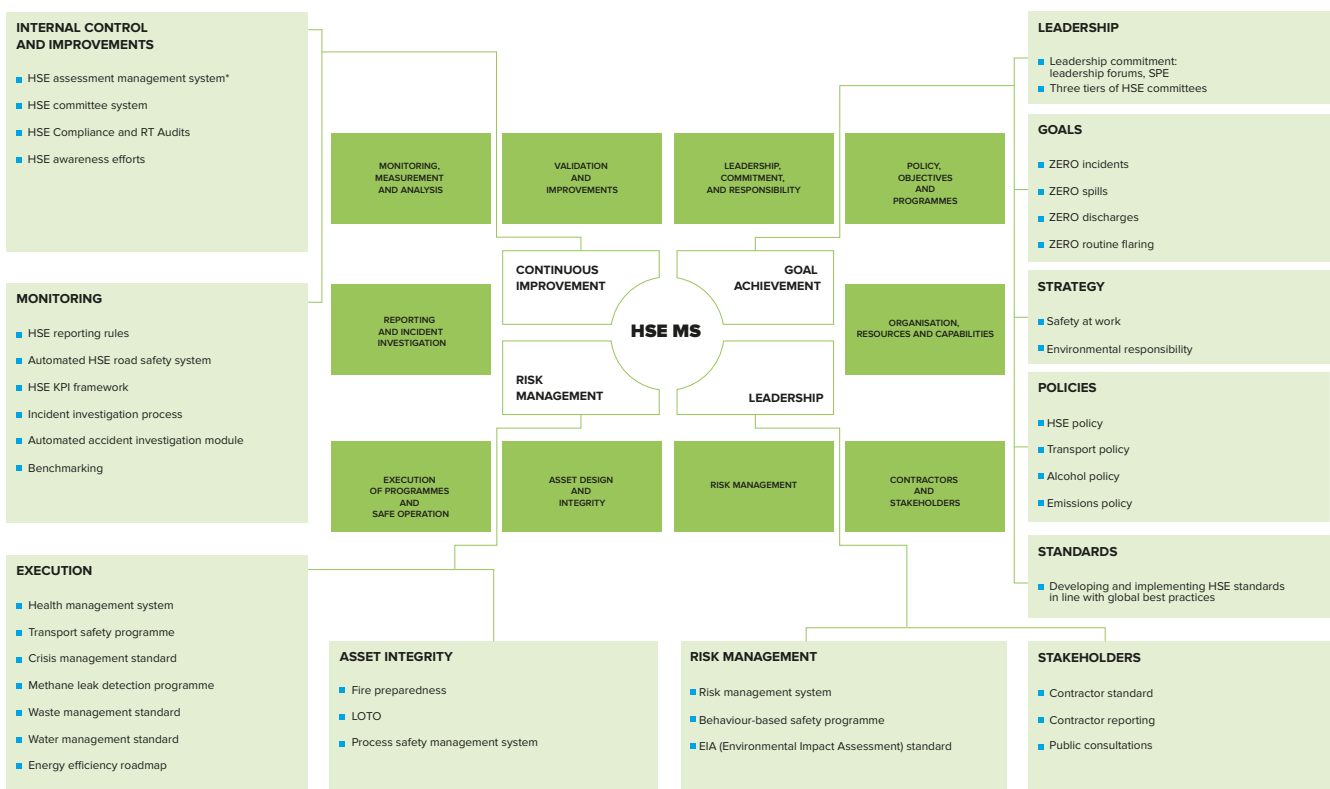
In 2019, the Health, Safety and Environment Committee was launched at JSC Samruk-Kazyna. During 2020, KMG was involved in the Committee’s and its Expert Group’s work. The Committee and its Expert Group unites the Fund’s portfolio companies to exchange best practices and develop single approaches to ensure occupational health and safety, including measures to prevent the COVID-19 pandemic. Many of KMG’s HSE approaches and pandemic response measures were adopted by other portfolio companies as best practices.

Safety, health and environmental protection reports are presented monthly at the meetings of KMG’s Board of Directors, and detailed, informative reports are presented at the meetings of the Health, Safety, Environment and Sustainable Development Committee. In 2020, the Committee held five meetings to discuss in detail the following key matters:

- ◆ Increasing APG utilisation rates
- ◆ KMG’s position in the Environmental Transparency Rating of Oil and Gas Companies
- ◆ Biodiversity conservation
- ◆ Water management
- ◆ Climate change

Quarterly HSE risk monitoring covers environmental, climate and water shortage risks. KMG conducts regular reviews of environmental protection metrics, comparing

HSE MS structure and implementation of industry best practices



1. HSE – Health, Safety and Environment.

them with the performance of global oil and gas associations (IOGP, IPIECA, CDP), along with audits of production facilities. The Company focuses on environmental aspects and environmental risks, assessing the environmental impact of planned activities, surveying public opinion as well as implementing environmental projects.

In 2020, KMG has considerably improved its HSE management system and adopted a number of industry global best practices. As a result, new corporate documents were developed and approved. In line with the KMG Strategy priorities, its HSE Policy was divided into separate policies: the Occupational Health and Safety Policy and the Environmental Policy, which are available on the corporate website.

As part of improving the corporate HSE management system, in 2020, KMG developed or updated and approved the following internal documents:

- ◆ KMG Group's Plan of Communication and Awareness of Risks in Health, Safety and Environment
- ◆ KMG Group's Corporate Unified Occupational Health Management System Standard
- ◆ KMG Group's Corporate Industrial Safety Standard
- ◆ KMG Group's Corporate Standard for Engaging Contractors on HSE
- ◆ KMG Group's Regulations on the Application of Korgau Card
- ◆ KMG Group's Corporate Standard for Building HSE Capabilities
- ◆ KMG Group's Corporate Standard for Assessing the Environmental Impact of Planned Activities
- ◆ KazMunayGas' Occupational Health and Safety Policy
- ◆ KazMunayGas' Environmental Policy
- ◆ KazMunayGas' Policy on Safe Operation of Land Vehicles
- ◆ KazMunayGas' Policy on Alcohol, Narcotic Drugs, Psychotropic Substances and Their Analogues
- ◆ KMG Group's Regulations on Safe Operation of Land Vehicles
- ◆ KazMunayGas' Instruction on the Fire Safety in Office Buildings

