

## PERSONNEL DEVELOPMENT

### SOCIAL RESPONSIBILITY

KMG’s Strategy and Code of Corporate Social Responsibility reflect the goals of social responsibility aimed at providing social support to employees, participating in the development of operating regions, promoting social partnership, developing human capital, ensuring social stability among KMG Group employees, and enhancing personnel involvement.

KMG Group achieves these goals through fair collective bargaining with employees, close cooperation with local executive bodies and trade unions, and streamlined internal communications between employers and employees across KMG Group.

KMG complies with the legal and regulatory requirements applicable in the Republic of Kazakhstan, as well as with international laws and treaties regulating oil companies, and is aware of its responsibility to shareholders, the public and investors for the impact on the economy, environment and society, for the creation of long-term business value, and for sustainable growth in the long run. All employees of the Company have the right to safe and healthy working conditions, to recognition and fair evaluation of their contribution to the Company, to assistance

in enhancing their professional skills, and to open and constructive discussion of the quality and effectiveness of their work. The Company has a zero tolerance policy for discrimination by nationality, race, religion, age, gender, political beliefs or other grounds.

We promote meritocracy, fairness, and integrity while providing every employee with a workplace conducive to new achievements and assessing their respective contributions to KMG’s overall success based on merit. We also foster a culture of understanding and engagement, and support among our employees at all levels.

In 2020, KMG’s sustainability performance was evaluated for the first time at the international level by the Sustainalytics rating agency, the social aspect was scored at 70, which reflects the Company’s robust social responsibility performance (KMG was ranked 36th out of 119 industry peers worldwide).

### EMPLOYEE HEADCOUNT

KMG Group (consolidated) provides employment to more than 60,000 people across its operating regions. The actual headcount for KMG Group at end-2020 was 60,173 people, of whom 57,073 full time employees while 3,100 employees were outstaffed.

Indicator	Unit	2017	2018	2019	2020
Actual headcount for KMG Group (consolidated)	Employee	68,757	66,110	61,587	60,173
Actual headcount for KMG Group (subsidiaries and associates and 50% and more owned jointly controlled entities)	Employee	83,360	79,441	74,956	73,066



Indicator	Unit	2018	2019	2020
Male	%	81	82	81
Female	%	19	18	19
Blue-collar employees	%	91	91	92
White-collar employees	%	9	9	8
Employees aged 31 to 50, including	%	61	58	60
◆ Male	%	81	80	80
◆ Female	%	19	20	20
Employees aged over 50, including	%	24	27	28
◆ Male	%	82	82	82
◆ Female	%	18	18	18
Employees aged under 30, including	%	15	14	12
◆ Male	%	83	85	83
◆ Female	%	17	15	17
Jobs created in 2020	jobs	926	385	961
Of average headcount,	%	1.3	0.6	1.6
Employment terminated	employees	8,281	4,512	3,513
Managers at all levels, including,	%	9	11	11
◆ Male	%	83	83.5	82
◆ Female	%	17	16.5	18
Turnover rate for KMG Group	%	11	7	6

Considering that the Company's activities involve heavy, dangerous and hazardous working conditions, 81% of employees are male and 19% are female. Blue-collar employees account for 92% of the total headcount while white-collar employees make up 8%.

In terms of age, the majority of employees (60%) are between 31 and 50 years old, of which 80% are male and 20% are female.

Employees aged over 50 account for 28% of the total headcount; 82% of them are male and 18% are female.

The share of young people aged under 30 is 12% of the total headcount, including 82% of male and 17% of female employees.

In 2020, KMG created 961 jobs, which accounts for 1.6% of the average headcount. The number of employees whose employment was terminated in the reporting period is 3,513.

The percentage of employees who are managers at all levels is 11% of the total headcount. 18% (2019: 16.5%) of managers are female and 82% (2019: 83.5%) are male.

The turnover rate for KMG Group in 2020 was 6% (2019: 7%).

#### COVID-19 pandemic-related events

As part of anti-crisis measures related to the COVID-19 pandemic and the global decline in oil prices, a new organisational structure of KMG Corporate Centre was approved to ensure:

- ◆ the Corporate Centre's focus on solving strategic tasks
- ◆ significant optimisation of business processes, elimination of overlapping functions
- ◆ 34% reduction of the headquarters staff
- ◆ elimination of managing directors' positions, threefold reduction in the number of departments – from 60 to 20
- ◆ waiver of bonuses and company cars 30% reduction of top managers' salaries.

These measures helped reduce the payroll by about KZT 5 bln. No blue-collar employees were made redundant, their compensation was not changed.

To prevent the spread of COVID-19 and maintain continuous production, KMG's crisis management team has developed algorithms comprising the following key steps:

- ◆ Giving leaves to employees
- ◆ Transiting to remote work
- ◆ Increasing shift duration for rotating staff to at least 28 days
- ◆ If a leave cannot be granted or remote work cannot be arranged (in case of production processes), employees in the risk group and those not involved in the production process are to be put on standby retaining 70% of their monthly salary (Between April and December, payments to employees put on forced standby amounted to about KZT 9.5 bln)
- ◆ Transiting to a rotating schedule at key production facilities (OzenMunaiGaz, KazGPZ, Atyrau Refinery, KazTransOil)

Throughout the pandemic, KMG Group spent KZT 4.4 bln to procure goods, works and services aimed at preventing COVID-19 among employees of subsidiaries and associates.

On top of that, we sponsored the national healthcare system and local executive bodies during the pandemic and spent KZT 6.2 bln to purchase medical equipment and other goods needed to combat COVID-19.