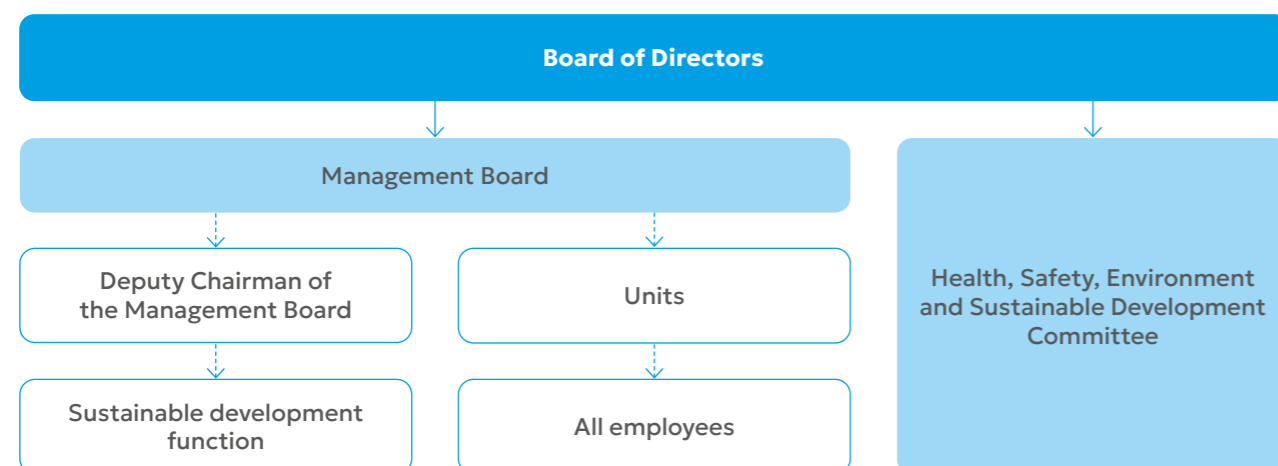


Ensuring sustainable development

Sustainability management

In its 2022–2031 Development Strategy, KMG identifies sustainability and gradual reduction in carbon intensity of production as one of its strategic goals. To that end, all our business processes and decision-making embed sustainability principles.

Approach to sustainability management



The Board of Directors of KMG engages in strategic oversight and control over implementation of sustainable development principles. It also approves the Company’s annual Sustainability Report.

The Health, Safety, Environment and Sustainable Development Committee (HSE&SD) of the Board of Directors considers and manages sustainability matters, develops recommendations on sustainability policy, annual Sustainability Report, action plans and other internal documents on sustainability that fall within the remit of the Board of Directors, implements ESG aspects of sustainable development, builds a governance system to oversee sustainability, defines sustainability goals and KPIs, monitors KMG’s progress in the area of sustainability, and integrates sustainability into KMG’s key processes.

The Management Board is responsible for proper execution and implementation of the Company’s sustainability principles, policies, standards, and action plans. It also monitors KMG’s sustainability activities and progress against goals and KPIs in this area.

Deputy Chairman of the Management Board responsible for sustainable development coordinates approaches to achieve goals and KPIs in sustainability initiatives and oversees the preparation of sustainability reports and the implementation of corporate sustainability standards.

The sustainable development function of KMG’s Strategy and Efficiency Management Department is responsible for initiating, coordinating and implementing the sustainable development management system, supporting its integration into the Company’s business, providing methodology support in sustainability matters, annual preparation and approval of the Sustainability Report, assisting the Company’s units as needed in identifying and managing sustainability risks and in developing a stakeholder map and ways of interaction, and engaging with rating agencies on matters related to the assignment and maintenance of the Company’s ESG rating.

Units of KMG are responsible for implementing the sustainable development management system, analysing external and internal factors, identifying sustainability risks, developing a stakeholder map and ways of interaction, running sustainable development initiatives, and preparing information for the Sustainability Report as per international standards.

All employees of KMG, at their respective level, implement sustainability principles and activities by acting as role models and following respective policies and standards.

Key documents that govern sustainability at KMG

E Environmental

- Environmental Policy
- Energy Policy
- Emissions Management Policy
- Site Closure and Land Reclamation Policy for Exploration Sites and Fields
- 2060 Low-Carbon Development Programme
- Corporate Water Resources Management Standard
- Waste management standard
- Environmental Impact Assessment Standard

S Social

- Occupational Health and Safety Policy
- Policy on Safe Operation of Land Vehicles
- Human Rights Policy
- HR Policy
- Youth Policy
- Code of Corporate Social Responsibility
- Corporate Standard for Occupational Health and Hygiene Management
- Corporate Standard for Process Safety Management
- Corporate Standard for Engaging Contractors on HSE
- Corporate Unified Occupational Health Management System
- Regulations on Emergency Medical Care
- Life-Saving Rules, a corporate health and safety standard for KMG Group employees

G Governance

- Corporate Governance Code
- Sustainable Development Policy
- Sustainable Development Concept
- Code of Business Ethics
- Anti-Corruption Standards
- Anti-Corruption Policy
- Information Security Policy
- Regulations on KMG Oil Supplies to International Market
- Economic Security Regulations
- Quality Policy
- Quality Manual
- Rules for Assessing Customer Satisfaction
- Rules for Planning Oil Refining and Production of Oil Products at KMG Group
- Regulations for Consideration of Appeals Regarding Violations of the Laws of the Republic of Kazakhstan, Internal Documents of KMG and Its Subsidiaries
- Model Regulations on the Ombudsman of Subsidiaries and Affiliates of KMG Group
- KMG Corporate Conflict Resolution Rules

Sustainable development KPIs for the management

In order to deliver against strategic sustainability targets for 2025, the following motivational KPIs were approved for the Chairman of the Management Board (corporate KPIs) related to the introduction of the sustainable development management system:

- implementation of investment projects, including sustainability projects (a new hybrid power plant with a capacity of 247 MW to be constructed jointly with Eni);
- a comprehensive OHS indicator aimed at reducing LTIR, identifying unsafe workplace conditions and hazardous factors, and ensuring that this information is clearly communicated across the Group.

For Deputy Chairmen of the Management Board and heads of units, the following sustainability KPIs were approved for 2025:

- implementation of investment projects, including a number of sustainability projects;
- reduction in the number of days of production downtime at subsidiaries and affiliates of KMG in the Mangistau Region resulting from strikes by employees of KMG subsidiaries and affiliates and their contractors;
- improvement of the social infrastructure of KMG subsidiaries and affiliates through the construction and repair of socially significant facilities;
- CDP rating;
- ESG rating;
- approval of priority environmental projects;
- Non-Work-Related Fatality Rate (NWR¹);
- completion of Qorgau cards at subsidiaries and affiliates;
- delivery of master classes on emergency response organisation and preparedness;
- emergency drills to eliminate the consequences of major accidents and emergencies at hazardous production facilities;
- implementation of measures to improve the efficiency of electricity planning and consumption at subsidiaries and affiliates;

- implementation of the action plan for the Year of Working Professions across KMG Group;
- implementation of the action plan for the HR Policy of KMG;
- automation of HR processes at KMG's Corporate Centre;
- development of KMG's Corporate Well-being Programme.

ESG rating

Since 2023, KMG's Board of Directors has been approving the ESG risk rating as one of the functional KPIs, reflecting the Company's intent to manage material ESG risks and commitment to sustainability principles in the international oil and gas market. Achievement of this KPI implies addressing the key ESG matters within KMG Group.

In 2025, KMG retained its ESG rating of BBB from the MSCI rating agency, which aligns with the average level within the industry. The Company demonstrates steady progress in biodiversity management and in employee health and safety. At the same time, performance remains at an average level across a number of environmental and social topics, with weaker positions in the areas of corporate governance, engagement with the public and local communities, and management of pollutant emissions and waste.

The key ESG challenges for KMG are reducing emissions and waste, carrying on with the Low-Carbon Development Programme, placing a stronger focus on public relations, and aligning its corporate governance system and business ethics with best global practices.

The action plan to improve KMG's ESG rating includes 43 measures that cover and factor in environmental and social risks for the business, as well as corporate governance risks for the Company.



Annual measures to improve KMG's ESG risk rating:

- disclose information through the Carbon Disclosure Project (CDP) questionnaire;
- disclose information on activities and risks related to climate change and its impact on the Company in KMG's reports and on the Company's website;
- disclose information on water balance and water consumption intensity as part of KMG's reporting;
- calculate water intensity indicators and disclose them as part of KMG's reporting;
- disclose raw gas flaring initiatives as part of KMG's reporting;
- disclose information on the management of offshore wells in KMG's reports and on the Company's website;
- disclose information on site closure and land reclamation across exploration sites and fields as part of KMG's reporting and on the Company's website;
- disclose information on the development and engagement of local communities in the regions of operation as part of KMG's reporting and on the Company's website;
- disclose information on human capital and development programmes in KMG's reports and on the Company's website;
- disclose LTIR (for employees and contractors) and FAR;
- as part of KMG's reporting, disclose information on the composition, independence, and diversity of the Board of Directors, including an assessment of the Board's performance and that of its committees as well as their make-up in terms of gender, nationality, citizenship, average tenure, and professional experience of Board members;
- disclose and break down the remuneration of each member of the Board of Directors and the Chairman of the Management Board of KMG as part of KMG's reporting;
- disclose information on corporate KPIs and their respective weights as part of KMG's reporting;
- disclose information on taxes in accordance with the relevant GRI standard and the Country-by-Country Reporting initiative under OECD Action 13.

¹ Non-Work-Related Fatality.

Measures taken to improve KMG's ESG risk rating in 2024–2025:

- approve KMG's 2060 Low-Carbon Development Programme (done);
- approve and implement the action plan for the 2060 Low-Carbon Development Program (done);
- revise the technology loss and flaring rates set out in the production flow charts of Atyrau, Pavlodar, and Shymkent refineries and the applicable national standards to reduce these rates using the latest calculation methods (done);
- introduce the World Bank's Zero Routine Flaring by 2030 initiative;
- develop the Site Closure and Land Reclamation Rules for Exploration Sites and Fields of KMG (done);
- conduct a feasibility study for the production of blue hydrogen (done);
- draft a Water Resource Atlas for producing green hydrogen (done);
- update the Human Rights Policy (done);
- update and approve KMG's HR Policy (done);
- update and implement KMG Group's 2023–2027 HSE Improvement Roadmap (done);
- update the Rules for Reporting Key Health and Safety Indicators at KMG and Its Subsidiaries and Associates as regards the selection of contractors for the purposes of LTIR and FAR calculations (done);
- elect members of the Nomination and Remuneration Committee exclusively from among the independent directors of KMG (done);
- update and approve the Procedure for Assessing Performance of Executives, Managers, Head of Internal Audit, Corporate Secretary, Head of Compliance, and Ombudsman with due consideration of the sustainability KPIs (done);
- complete certification audit under ST RK ISO 37001 (Anti-Bribery Management Systems – Requirements and Guidance for Use).

Measures in progress to improve KMG's ESG risk rating:

- draft and approve the Water Resources Management Programme with measurable targets and deadlines to curtail water use;
- develop a Biodiversity Programme, setting goals and action timelines related to preserving biodiversity in collaboration with local and international conservation organisations;
- set relevant emission reduction targets;
- introduce a pilot project to deploy carbon capture, utilisation, and storage (CCUS);
- draft and approve the Programme for Development and Engagement of Local Communities in the Regions of Operation;
- draft the Human Rights Programme;
- carry out a human rights impact assessment;
- implement the Green Office project and roll it out across subsidiaries and associates;
- increase the share of women on the Board of Directors and the Supervisory Boards to 30% on a step-by-step basis;
- update and approve the KMG Board of Directors' Succession Policy that supports diversity;
- develop and approve the procedure for terminating the powers of the Chairman of the Management Board.

KMG places significant emphasis on enhancing its sustainability culture. Accordingly, regular training courses on sustainability are conducted for employees of the Company's Corporate Centre, subsidiaries, and associates.

Commitment to UN Global Compact principles and the Company's contribution to Sustainable Development Goals

KMG's approach to sustainable development is based on aligning the Company's interests and plans with the basic principles of the UN, universal human values, global trends, and development priorities in Kazakhstan

KMG reiterates its commitment to all the

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principles of the UN Global Compact.

KMG is committed to all the

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Sustainable Development Goals of the United Nations (UN SDGs).

We prioritise

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SDGs and



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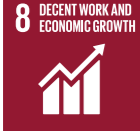

targets

in line with our strategic goals and priorities and report on our contribution to their achievement.



Implementation of sustainable development goals at KMG

SDGs	Priority targets	KMG's contribution
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.6. Reduce the number of deaths and injuries from road traffic accidents</p> <hr/> <p>3.8. Achieve health coverage, including access to quality essential healthcare services, and access to safe, effective, quality, and affordable essential medicines and vaccines</p> <hr/> <p>3.9. Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p>	<p>KMG's contribution</p> <p>Travel Management project: implementation of a transport management system with an emphasis on traffic safety.</p> <p>2025 highlights</p> <ul style="list-style-type: none"> The Travel Management project went live. As part of the project, 120 employees across three oilfield service subsidiaries of KMG Group – Oil Services Company, Oil Construction Company, and Oil Transport Corporation – were trained to work in the Travel Management system. A total of 1,592 employees of KMG subsidiaries and associates and 3,410 contractor employees received training in the Defensive Driving course. A total of 20,073 employees of KMG subsidiaries and associates and 2,321 contractor employees took part in a practical demonstration on how to use seat belts. <p>2024–2028 Personnel Health Improvement Programme: monitoring the condition of employees with chronic diseases, prevention, innovative methods of pre-shift examinations, improving the availability and quality of medical care.</p> <p>Health insurance: regular medical examinations and vaccination of employees.</p> <p>2025 highlights</p> <ul style="list-style-type: none"> 21,546 employees received training in workplace first aid (paramedic skills). 100% of KMG employees are covered by the health insurance programme. <p>Implementation of a comprehensive set of measures to monitor and reduce occupational health risks and prevent the adverse impact of polluting factors</p> <p>Annual industrial sanitary and epidemiological control is conducted at subsidiaries and affiliates through procured services, covering testing of drinking water, workplace air quality, microclimate conditions, and other assessments to ensure safety and harmlessness to humans and the environment.</p>
 <p>Achieve gender equality and empower all women and girls</p>	<p>5.1. End all forms of discrimination against all women and girls everywhere</p> <p>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</p>	<p>Implementation of the Women's Empowerment Principles (WEPs), including self-assessment of the gender gap and disclosure of gender composition</p> <p>In 2025, KMG completed a WEPs self-assessment.</p> <p>Strict compliance with the labour laws of Kazakhstan regarding non-discrimination</p> <p>For more details, see p. 179</p> <p>JanAru educational programme</p> <p>To promote the professional and personal development of women, support gender policy, and mark the Year of Working Professions, the JanAru educational programme was delivered for women in working professions within the oil and gas industry.</p> <p>Increasing the share of women in the top management of KMG Group companies to 30% by 2030</p> <p>In 2025, the share of women on the boards of directors and supervisory boards across KMG Group stood at 13.1%.</p>

SDGs	Priority targets	KMG's contribution
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>Improve energy efficiency of operations</p> <p>Increase the share of renewable energy</p>	<p>7.1. Ensure access to affordable, reliable and modern energy services</p> <p>7.2. Expand infrastructure and upgrade technology for supplying modern and sustainable energy services</p>	<p>Improving energy efficiency through equipment modernisation and the introduction of automated metering systems</p> <p>Renewable energy development: wind farm projects (1 GW) in partnership with TotalEnergies Renewables and Qazaq Green Power and a hybrid power plant (247 MW) in partnership with Eni</p> <p>2025 highlights</p> <ul style="list-style-type: none"> Measures to reduce energy consumption; ➔ For more details, see p. 164-166 Development of renewable energy. ➔ For more details, see p. 158 <p>Achieving an 15% share of green energy in our energy procurement by 2031.</p> <p>In 2025, 10,000 International Renewable Energy Certificates (I-REC) were purchased.</p> <p>Production of sustainable aviation fuel (SAF) based on ethanol</p> ➔ For more details, see p. 160
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>8.5. Achieve full and productive employment and decent work for women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6. Substantially reduce the proportion of youth not in employment, education or training</p> <p>8.8. Protect labour rights and promote safe and secure working environments for all workers</p>	<p>KMG employs about 49 thous. people¹, 82% of them are men and 18% are women.</p> ➔ For more details, see p. 177-188 <p>The Company implements recruitment and development programmes for young professionals skilled in production occupations.</p> ➔ For more details, see p. 185-186 <ul style="list-style-type: none"> KMG Group provides social benefits to its employees in line with collective bargaining agreements and internal regulations. KMG Group's collective bargaining agreements provide for more than 70 types of social benefits. Code of Employees' HSE Leadership and Commitment Qorgau Card <p>KMG is implementing a programme aimed at identifying and preventing unsafe working conditions. The objective is full implementation and use of Qorgau cards.</p> <p>In 2025, a total of 12,530 Qorgau cards were completed.</p>
 <p>Build resilient infrastructure, promote sustainable industrialisation and foster innovation</p>	<p>9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being</p> <p>9.4. 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</p>	<p>Development and implementation of the ABAI information system to centralise all production information across KMG Group and process it using artificial intelligence and machine learning</p> <p>2025 highlights</p> <ul style="list-style-type: none"> The Waterflood Management module is being rolled out across Ozenmunaigas fields; Work is underway to develop, test, and implement the Waterflood Management module for Kazakhoil Aktobe and test the Digital Rating of New Wells module for Mangistaumunaigaz (Zhetybai field); Pilot projects in the fields of industrial safety and digital monitoring are underway, including the TUMAR automated information system and predictive equipment failure analytics solutions at the refineries. <p>The 2060 Low-Carbon Development Programme was approved, with its action plan updated in 2025 and the focus areas for energy efficiency improvement identified.</p> ➔ For more details, see p. 156-166

¹ Full-time employees.

SDGs

Priority targets

KMG's contribution



Make cities and human settlements inclusive, safe, resilient and sustainable

11.6. By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Taza Qazaqstan environmental campaign

The Taza Qazaqstan national campaign initiated by President Kassym-Jomart Tokayev aims to improve the environment in Kazakhstan

Participation in the Taza Qazaqstan campaign: 282 clean-ups were held involving over 9 thous. people

[For more details, see p. 169](#)

In 2025, KMG Group planted more than 263.7 thous. trees in the regions where it operates, as well as 150 thous.. pine seedlings as part of reforestation in the Kostanay Region. In October 2025, the technical opening of a KMG park took place in Astana, where more than 1.3 thous. trees were planted.

[For more details, see p. 170](#)

Implementation of the best available technologies aimed at gradual reduction of environmental impact

[For more details, see p. 170-172](#)

Drafting a programme to bring down pollutant emissions

[For more details, see p. 171-172](#)

Introducing the World Bank's Zero Routine Flaring by 2030 initiative

[For more details, see p. 169, 172](#)

Development of green offices and separate waste collection

Corporate green initiatives are being actively advanced, with green office principles – including waste separation, water conservation and energy saving – rolled out in stages across office facilities.

[For more details, see p. 170-173](#)



Ensure sustainable consumption and production patterns

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 minimise their adverse impacts on human health and the environment

12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

Waste management standard

The Company has approved a waste management standard for KMG Group.

[For more details, see p. 173](#)

Programme to dispose of legacy oil waste

[For more details, see p. 173](#)




Water Resources Management Programme

A draft of KMG Group's Water Resources Management Programme was developed, including action plans for subsidiaries and associates. Approval of the Programme is planned by the end of 2026.

Carbon Disclosure Project

The Company calculates its water footprint and posts its Corporate Questionnaire on the CDP website.

[For more details, see p. 173](#)

SDGs	Priority targets	KMG's contribution
 <p>Take urgent action to combat climate change and its impacts</p>	<p>13.2. Integrate climate change measures into policies, strategies and planning</p>	<p>KMG's contribution</p> <p>Action plan to implement the LCDP 2060. For more details, see p. 156</p> <p>Reduction of methane emissions For more details, see p. 159</p> <p>Joining Oil and Gas Methane Partnership 2.0 For more details, see p. 159</p> <p>Forest-climate projects For more details, see p. 161</p> <p>The Company calculates its carbon footprint and posts its Corporate Questionnaire on the Carbon Disclosure Project website. For more details, see p. 162-164</p>
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss</p>	<p>15.3. Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world</p>	<p>Construction of a desalination plant in Kenderly with a daily capacity of 50 thous. m³ In October 2025, the plant was put into operation, with subsequent transfer to local executive authorities.</p> <p>Land remediation The Company is working to restore contaminated land and reduce discharges of pollutants.</p> <p>Mitigation hierarchy to manage biodiversity risks</p> <p>Biodiversity Conservation Programme A draft Biodiversity Conservation Programme was developed. Approval of the Programme is expected in 2026.</p>
 <p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p>	<p>15.5. Take significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species</p> <p>17.1. Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection</p> <p>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</p> <p>17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p>	<p>KMG makes tax disclosures in accordance with the relevant GRI standard and the Country-by-Country Reporting initiative under OECD Action 13.</p> <p>KMG actively cooperates with international agencies and intergovernmental organisations in implementing sustainable development projects.</p> <p>The Company is a member of international forums and initiatives, including the International Association of Oil and Gas Producers (IOGP), Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), and Oil and Gas Methane Partnership 2.0 (OGMP 2.0).</p>

[For more details on KMG's contribution to the UN SDGs, see our annual Sustainability Report published in line with GRI standards. The Report is available on the Company's website at <https://www.kmg.kz/en/sustainable-development/>.](#)