

Improving the HSE management system

As a full-fledged member of the IOGP, KMG has learnt and implemented IOGP's best global practices and recommendations. This has positively impacted KMG's performance and overall HSE management system, as well as its capabilities and rating on the international scale.

To enhance the HSE management system, we updated the Rules for Reporting Key Health and Safety Indicators at KMG and Its Contractors. These rules establish the procedure for health and safety reporting and outline key performance indicators for contractors engaged in production activities within the contracted areas of the Company's subsidiaries and affiliates.

In order to promote a safety culture among employees and according to Samruk-Kazyna's Occupational Safety Action Plan, more than 15 thous. employees of KMG and its subsidiaries and associates took training in safety culture in 2024.

In addition to that, the Group organised strategic sessions on safety culture enhancement for 28 subsidiaries and associates, while also assessing the HSE competencies of General Directors, Deputy General Directors for Production, and Heads of HSE.

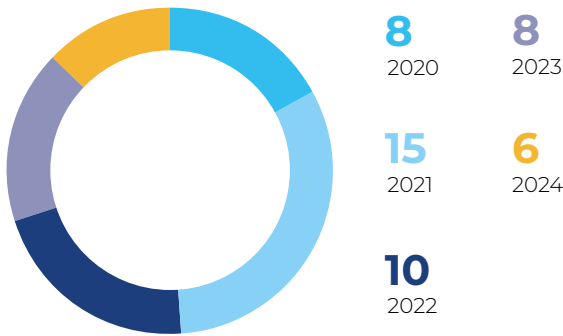
Occupational health and hygiene

The Company manages occupational health and hygiene matters in accordance with Kazakh laws and international occupational health standards. KMG is strongly focused on employee health protection and improvement, irrespective of the specific production process involved.

In 2024, the number of non-work related fatalities among employees of subsidiaries and associates decreased by two incidents, or 25%, year-on-year, the main reason behind these fatalities being cardiovascular diseases.

The Company runs the Employee Health Management Programme<sup>1</sup> designed to improve the quality of medical services and healthcare at production facilities, and to promote and implement employee wellness initiatives across KMG Group.

Fatalities not related to labour activities



Key objectives of KMG's Employee Health Management Programme:

- enhancing the quality of medical services and healthcare for employees at the production facilities of KMG Group;
- developing tools to foster employee engagement and motivation in pursuing a healthy lifestyle;
- improving working, recreation, and living conditions for employees of KMG Group's production facilities.

KMG has formed a dedicated working group focused on medical audits, bringing together experts from its Corporate Centre, subsidiaries, and associates.

A total of 15,126 employees have been trained in first aid skills to reduce the risk of fatalities at production sites.

According to the Regulations on Emergency Medical Care, KMG Group regularly tests the Emergency Medical Response Action Plan at each production facility on an annual basis. In 2024, subsidiaries and associates had 91 medical drills, including those involving contractors deployed at production sites.

The Company continues the automatation of medical examinations and rolled out 63 dedicated hardware systems at its subsidiaries and associates by the end of 2024.

SOCIAL RESPONSIBILITY

The Company achieves its key social responsibility objectives through the existing systems of internal communications between employers and employees, cooperation with local executive bodies and trade unions, and fair collective bargaining with employees.

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, communities, 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, recognition and fair evaluation of their contribution to the Company, assistance in enhancing their professional skills, and an 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 the Company's overall success based on merit. We also foster a culture of understanding, engagement, and support among our employees at all levels.

HR Policy

Approach to management and maintaining social stability

In 2024, social stability among KMG's employees remained strong, with the Samruk Research Services (SRS) index at 79%, up 4% vs 2023.

Based on SRS surveys, each enterprise develops action plans to minimise and eliminate the areas of concern identified in the course of determining the social stability indicators. The action plans set out initiatives designed to boost staff satisfaction levels, enhance confidence in the management, put in place feedback channels, and improve working, living, and catering conditions, etc.



In 2024, the Corporate Centre developed a unified form of the SRS improvement plan for all subsidiaries and associates, and introduced the practice of visiting KMG enterprises and providing assistance in drafting action plans to promote social stability.

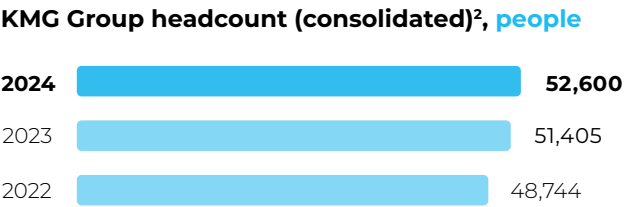
However, in late 2024, employee representatives from the Drilling Operations Department of Ozenmunaigas pressed demands regarding hiring, remuneration, unemployment in Zhanaozen, social support for employees of pre-retirement age, upgrading operator ranks, and additional payments.

Since 18 December 2024, a Conciliation Commission has been handling the claims from the Drilling Operations Department employees. KMG's negotiation strategy focuses on bringing the protest within the legal framework, addressing demands in line with Kazakhstan's labour laws, resolving legally addressable issues, and declining unlawful demands. This work proceeds in coordination with national and local government bodies.

To ensure unbiased consideration of employee demands, representatives of the Ministry of Labour and Social Protection of Population attended the Conciliation Commission's meeting on 30 January 2025. The meeting minutes stipulate that the Conciliation Commission will await Ministry clarifications and convene on a quarterly basis to monitor the implementation of adopted decisions.

Staff composition

KMG Group employs around 50 thous. people across its regions of operation. KMG Group's headcount at the end of 2024 was 52,600 people, of whom 49,243 were full-time employees, while 3,357 employees were outstaffed.



<sup>1</sup> Approved by the resolution of KMG's Management Board dated 23 December 2022 (Minutes No. 68) as part of Strategic Initiative 24 (Personnel Health Management).

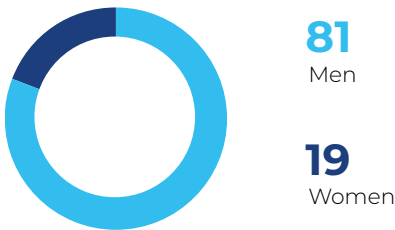
<sup>2</sup> Headcount includes the actual headcount for KMG Group, as well as employees who are temporarily absent due to long-term education or maternity leave and/or parental leave. As of the date of drafting the Annual Report, the indicators are verified by an independent auditor, with minor adjustments possible going forward.

Structure of KMG Group's staff headcount

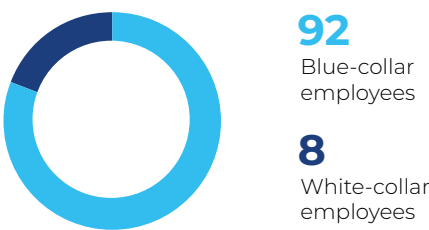
Indicator	Unit	2022	2023	2024
Men	%	82	81	81
Women	%	18	19	19
Blue-collar employees	%	92	92	92
White-collar employees	%	8	8	8
Employees aged 31 to 50, including:	%	59	58	58
• men	%	81	81	81
• women	%	19	19	19
Employees aged over 50, including:	%	30	31	30
• men	%	81	81	81
• women	%	19	19	19
Employees aged under 30, including:	%	11	11	12
• men	%	86	87	88
• women	%	14	13	12
Jobs created	–	88	918	17
Of average headcount	%	0.2	1.9	0.03
Newly hired employees	employee	5,860	5,746	3,928
Employees on maternity leave and parental leave	employee	864	623	527
• men	%	8	7	8
• women	%	92	93	92
Employees who returned to work from parental leave	employee	–	290	207
• men	%	–	8	11
• women	%	–	92	89
Employment terminated	employee	3,123	2,124	3,272
Managers at all levels, including:	%	10	10	10
• men	%	82	85	85
• women	%	18	15	15
Turnover rate for KMG Group	%	6	4.5	6.64

Given that the Company operates in harsh and hazardous conditions, 81% of employees are men and 19% are women.

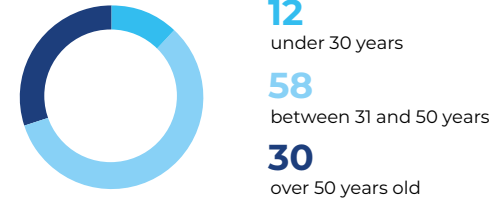
Gender composition of staff, %



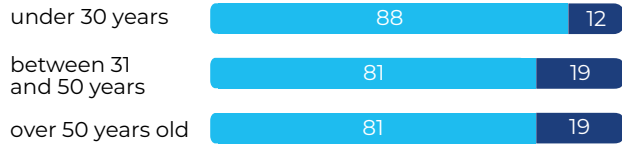
Share in the total number of employees, %



Age distribution of the staff, %



Gender and age diversity of the staff, %

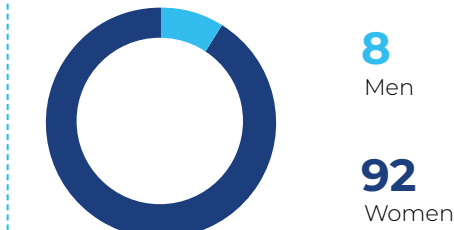


In 2024, KMG created  
**17** jobs, which accounts for  
**0.03%** of the average headcount

The 2024 turnover rate for KMG Group was  
**6.64%**  
(2023: 4.5%)

The number of employees on maternity and parental leave is  
**527**

Employees on maternity leave and parental leave, %



**10%**  
percentage of management staff  
at all levels

Managers at all levels, %

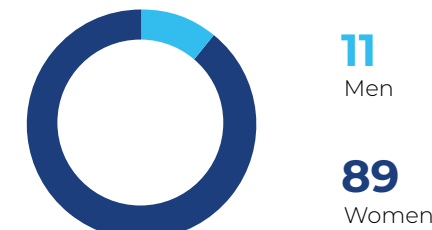


The Company hired in the reporting period  
**3,928** new employees

The number of employees whose employment  
was terminated in the reporting period is  
**3,272**

The number of employees who returned to  
work from parental leave is  
**207**

Employees who returned to work from parental leave, %



Full-time employee headcount by region

Number of employees	
Total:	49,243
Republic of Kazakhstan	42,333
• Abai Region	58
• Akmola Region	23
• Aktobe Region	1,132
• Almaty Region	20
• Atyrau Region	10,605
• West Kazakhstan Region	699
• Jetisu Region	179
• Karaganda Region	770
• Kyzylorda Region	265
• Mangistau Region	22,026
• Pavlodar Region	3,119
• North Kazakhstan Region	85
• Turkistan Region	228
• Ulytau Region	647
• Astana	2,120
• Almaty	16
• Shymkent	341
Outside the Republic of Kazakhstan	6,910

Equal rights for employees

Gender equality, diversity, inclusivity, and prevention of labour rights discrimination constitute core principles of KMG’s HR policy. The Company creates equitable conditions and opportunities across different social and age groups regardless of gender, race, nationality, religion, or other characteristics. This approach fosters the development of teams with diverse perspectives.

Our recruitment processes are conducted without any restrictions or biases related to gender, age, or any other characteristics. We establish equal pay and identical social support conditions for all employees, ensuring a fair remuneration system that delivers equal compensation for work of equal value.

In line with the global SDG of achieving gender equality and empowering all women and girls, women currently constitute 19% of KMG’s total workforce and hold 15% of management positions across all levels.

Training, development and personnel assessment<sup>1</sup>

One of strategic initiatives for enhancing efficiency in KMG personnel development focuses on providing staff with retraining and upskilling opportunities in promising areas, including petrochemicals, low-carbon development, digitalisation, and IT.

In the reporting period, the average academic training reached 35 hours per employee (2023: 34 hours; 2022: 39 hours). This includes 37.5 hours per man (2023: 32 hours; 2022: 34 hours) and 24.5 hours per woman (2023: 43 hours; 2022: 60 hours). Total investment in KMG Group employee training amounted to KZT 3.2 bln

In 2024, performance evaluations were conducted for 36% of KMG Group’s employees (up from 32.29% in 2023), including 28% of female (2023: 21.53%) and 38% of male employees (2023: 78.46%).

Main focus areas of training and professional development programmes

Risk management	Production (exploration and production, transportation, refining and marketing, service projects, etc.)
Economics and finance	Mandatory safety training
Integrated management systems, ISO and OHSAS standards	Safe driving (OPITO, RoSPA)
Laws and regulations	International standards for safe work practices
Procurement of goods, works, and services and Kazakh suppliers	Certification training
Corporate governance. Project management	Training in blue-collar jobs
Information technologies	Diversity, equality and inclusivity course

To prevent traffic accidents at production sites, a total of 3,404 KMG Group drivers who transport employees and hazardous goods completed defensive driving training in line with international RoSPA standards in 2024 (2023: 691; 2022: 350). Going forward, we expect to continue implementing the Defensive Driving programme to cover drivers of all categories across KMG Group.

255 employees received training under the Internal Auditor of Integrated Management System in accordance with the ISO/OHSAS programme. The Company also conducted training on risk assessment skills for 422 participants.

63 employees were trained in order to obtain international qualifications and certifications under DipIFR, ACCA, IPMA, CIMA, PMP, CFA, CIA and other programmes.

Key employees at KMG and its subsidiaries and associates in charge of strategic projects undergo certification under the IPMA international project management

standards on an annual basis. More than 500 employees participated in internal project management trainings across various subjects, with 62 successfully certified under IPMA standards. In total, 83 employees obtained certification in 2024.

The Risk Management Compliance&AML/CFT training programme was completed by 442 employees.

273 staff members received training on international standards for safe work practices, including IOSH, NEBOSH, ADR, IWCF, ISGOT, API Spec, BOSIET, and FROSIO. These internationally recognised certificates validate their advanced knowledge, commitment to safety protocols, and ability to reduce accident risks during drilling operations.

KMG teamed up with Samruk-Kazyna to run module training in IR School, HR School, CnB School, and Chief Geologist for 48 Group employees.

442 employees completed the Risk Management Compliance&AML/CFT training programme

273 employees received training on international standards for safe work practices

<sup>1</sup> As of the date of drafting the report, the indicators are verified by an independent auditor, with minor adjustments possible going forward.



ALYP transformation leaders training programme

In 2024, we completed another phase of the ALYP initiative for developing young talent as transformation leaders. This phase concluded the educational programme that kicked off in October at the Alyp Day forum, with 63 participants successfully trained.

The programme focused on cultivating participants' understanding of lean thinking culture ("Isirapsız közqaras") highlighting its crucial role in enhancing process efficiency, as well as systematic approach to problem-solving.

Programme components:

Module 1

DMAIC project implementation methodology

Module 2

Fundamentals of effective interaction and personal productivity

Module 3

Comprehensive finance and technology literacy

Following the module training, young professionals will put into action their newly acquired skills by implementing individual projects addressing specific challenges and eliminating production losses. Upon completing the programme, they will serve as mentors for the next generation of change agents.

63 people successfully trained as part of the ALYP initiative



Sustainability training

Employees who completed sustainability training:

- Training in carbon dioxide capture, storage, and utilisation (CCU/CCUS) at INPEX Corporation – six employees.
- Training in certification of conformity with GHG validation and verification standards – one employee.
- On-site GHG management – one employee.
- ESG strategic seminar – two employees.
- Waste management – 121 employees.
- Biodiversity impact management at production facilities – three employees.
- GHG emission management, carbon markets, ESG implementation – one employee.
- CCUS – three employees.
- Diversity and inclusivity – 55 employees.
- Sustainable development – eight employees.
- Enterprise low-carbon development. Carbon footprint of products – five employees.
- The Green Ports programme to implement environmental standards and obtain EcoPorts membership – two employees.
- Petro Decarbonisation – one employee.



Leadership Training Programme

The Company is proceeding with its MANSAP project to develop the Succession Plan for Key Positions within KMG Group. In 2021–2024, we implemented development programmes for A, B and C pool positions.

In addition, KMG launched a mentoring programme (implemented in 2023–2024). As part of it, A and B pool successors serve as mentors for the C pool. In 2024, 35% of vacant positions were filled with succession/talent pool members.

Corporate culture, communication system, trade unions

Company-wide events

Uzdyk Maman professional skills competition

The annual Uzdyk Maman-2024 competition among blue-collar workers of KMG Group concluded in the Mangistau Region on 12 October.

The competition brought together 300 participants representing 17 oil and gas professions. This year, its scope widened to include employees from KMG International in Romania. All finalists are winners of preliminary rounds held within their respective teams.

The two-step competition featured theoretical knowledge testing followed by hands-on practical tasks. Competitions took place across various KMG subsidiary production facilities: Ozenmunaigas, Mangistaumunaigaz (Zhetybai), KazTransOil (Mangistau Oil Pipeline Department's training centre), and KMG Engineering (chemical analysis lab in Aktau).

The Uzdyk Maman-2024 participants highlighted that the annual competition strengthens connections between KMG subsidiaries' teams and enables them to refine professional skills in the oil and gas industry.

KMG sports competition

Between 10 and 14 August 2024, Pavlodar saw the finals of the KMG Group Sports Competition, celebrating both the 125th anniversary of oil industry in Kazakhstan and the 125th anniversary of Kanysh Satpayev. This major sporting event drew more than 600 athletes from 27 teams competing across 11 diverse sports: Arkan Tartu, arm wrestling, Assyk Atu, basketball, volleyball, cyber sports, minifootball, table tennis, swimming, Toguz Kumalak, and chess.

On 22–24 November 2024, Samruk-Kazyna Group held the 9th Sports Competition among its employees, a prestigious event featuring over 800 participants and awarding 210 medals across 11 sporting disciplines.

KMG athletes secured three first-place victories in men's volleyball, basketball, and men's arm wrestling in the under 80 kg category. These strong performances earned KMG the second place in the overall team classification.

Unified internal communications system

KMG places a great emphasis on implementing internal socially-oriented programmes. Our primary focus encompasses creating favourable conditions for employees through material incentives, retention and professional development initiatives, as well as labour safety measures. Special attention is paid to the prevention of social tension, labour disputes, and conflicts.

To this end, there is an ongoing dialogue with employees and their representatives. The unified internal communications system is set to increase the feedback efficiency. All enterprises hold mandatory scheduled meetings between the management and employees to discuss social, day-to-day, and operational matters.

The internal communications system serves to timely inform employees about goals and objectives of activities carried out at subsidiaries and associates, communicate the current situation in the organisation to the staff, and to listen to employees and their needs.

To nurture an ongoing dialogue with employees and ensure a feedback mechanism across KMG enterprises, a unified system of internal communications between employers and employees is in place. Among other things, it rests on reporting meetings between KMG's subsidiaries' chief executive officers and employees at least twice a year. At the meetings, CEOs inform employees about the current situation as regards economics, work scopes, production targets, occupational health and safety, HR, and social issues, and answer their questions. 2024 saw 67 reporting meetings covering 9,644 employees of KMG's subsidiaries and associates with over 300 questions asked. The key topics discussed were production issues, employment, health and safety, remuneration, social support, etc. All questions were answered and relevant decisions were made.

In addition, to create and maintain effective mechanisms for direct communications between employers and employees in subsidiaries and associates, timely inform employees about the goals and objectives of the company's operations, communicate the current situation in the enterprise to employees, create a positive image of the company among employees, and monitor the corporate social and psychological climate, subsidiaries' CEOs hold meetings with employees on personal matters; each subsidiary and associate has in place a CEO blog, corporate information website, screen for video announcements in order to inform employees about corporate updates. Information boards are used for ad-hoc messages and announcements.



Working conditions for employees

KMG Group takes systemic steps to improve working and leisure conditions. KMG’s subsidiaries and associates have employees’ living and catering conditions reflected in their plans to improve social stability. To strengthen these efforts, all KMG subsidiaries and associates developed their own road maps for five years (2023–2027) to improve employees’ working conditions and recreation.

In 2024, KMG subsidiaries and associates scheduled the improvement of 183 social infrastructure facilities, including the completion of 106 facilities: capital construction of 20 facilities, capital repairs of 23 facilities, current repairs of 51 facilities, and renovation of 12 wagons, cultural huts, and similar structures. The total investment was KZT 3.7 bln. In 2025, the remaining 77 facilities worth KZT 3.1 bln will be completed.

Trade unions

The Company interacts with trade unions on the basis of social partnership principles governed by labour laws at the industry and regional levels. At the industry level, interaction areas are defined in the Industry Agreement in the Oil and Gas, Oil Refining and Petrochemical Sectors of Kazakhstan developed jointly with representatives of KMG and its enterprises. These areas comprise social guarantees, labour management, remuneration, employment, gender and youth policy, occupational health and safety, prevention and resolution of labour conflicts, etc.

There are 34 trade unions at KMG protecting the interests of 36,606 employees.

At the regional level, there are regional social partnership commissions; in addition to regional employment and health and safety issues, they also consider specific collective labour disputes. All KMG Group companies have reconciliation commissions up and running.

KMG together with its subsidiaries and associates is an active member of the Industry Commission for Social Partnership and Regulation of Social and Labour Relations in the Oil and Gas, Oil Refining and Petrochemical Sectors. The commission tackles issues related to companies’ working climate, HR development in the oil and gas, oil refining and petrochemical industries, creates industry qualification frameworks and professional standards. In its activities, KMG is compliant with the Industry Agreement in the Oil and Gas, Oil Refining and Petrochemical Industries for 2023–2025.

The Company complies with the key provisions of the Agreement on improving employees’ social protection, enhancing the role of trade unions, ensuring safe working conditions, health and safety, etc. As far as industry-specific remuneration principles are concerned, KMG’s subsidiaries and associates established minimal coefficients between different working categories and a minimal monthly wage rate for a first-class worker.

In order to foster continuous dialogue with trade unions, KMG and subsidiaries’ management regularly meets with trade unions to discuss the most pressing issues related to the implementation of the collective bargaining agreement, labour discipline, employee requests, occupational health and safety issues, social benefits and compensations, and other socially important issues.

Retiree support programme at KMG

Under its collective bargaining agreements, KMG Group fulfils additional obligations to provide social support for non-working retirees. Upon retirement and throughout their post-employment years, former employees receive comprehensive financial support including financial aid on national and state holidays and anniversaries, subsidised sanatorium treatment vouchers, etc.

In 2024, KMG’s spending on support for non-working retirees exceeded KZT 4 bln.

Youth engagement

KMG Group actively fosters collaboration with young talent and students and runs dual training and internship programmes for students aimed at engaging and supporting young specialists.

Dual training: a programme offering training, internship and further employment with KMG Group. In 2024, 149 students completed training, with 56 securing employment positions, while 231 continue their educational journey.

In 2023–2024, 60 young people completed the internship programme, with 31 of them offered jobs at KMG Group. In the reporting year, 20 additional interns were selected for a six-month internship at Atyrau Refinery, which helps develop skills to work as a process unit operator, process pump and compressor operator, instrumentation and control technician and mechanic.

To train niche experts, KMG Engineering runs the KMGE School programme for most sought-after professionals. The programme covers bachelor students who finished their first (technical and vocational education) or second (secondary education) year. Upon completing the programme, the students receive a relevant certificate and commit to working with KMGE for at least three years. In 2022–2024, 18 people were trained and hired as part of the initiative. Three more youths continue their training in 2025.

In 2024, KMG together with Mangistaumunaigaz implemented a unique project to train 60 unemployed young people of the Mangistau Region on the basis of the Caspian University of Technology and Engineering. This project met the need to ensure the stability of social, labour and economic relations and to reduce unemployment in the Mangistau Region. The intensive training programme helped its participants master the knowledge and skills needed for further employment

and adaptation at the workplace. The graduates were offered jobs at Mangistaumunaigaz.

We actively cooperate with educational institutions in the regions of operation with due regard to the industry’s development trends and modern technological requirements. KMG joins forces with Kazakhstan’s universities and vocational schools to organise and conduct field and pre-graduation internships for students. In 2024, the Company provided internships for 1,713 students. Karazhanbasmunai, Mangistaumunaigaz, Ozenmunaigas, Embamunaigas, Kazakhoil Aktobe, Kurmangazy Petroleum, PetroKazakhstan Oil Products, Kazakhturkmunay, Ural Oil and Gas, Urikhtau Operating, Atyrau Refinery, and Kazgermunai donated funds to finance university education for 1,966 students.

Social support for employees

Collective bargaining agreements

KMG actively engages in negotiations with its employees on developing, amending and supplementing collective bargaining agreements. We strictly adhere to negotiation timelines, facilitate joint commission operations, provide all necessary information, and rigorously uphold collective bargaining agreements. Under labour laws, every employee has the right to participate through their representatives in collective negotiations and agreement drafting, as well as to review the signed collective bargaining agreement.

The Company in no way restricts the right to freedom of association and collective bargaining by type of activity or location. As a socially responsible company, KMG fully endorses these fundamental rights and creates a favourable environment for employees to exercise their freedom of association.

To maintain social stability among KMG Group’s employees, we implement comprehensive measures designed to prevent employee discontent and tension. These proactive steps allow us to effectively manage a workplace environment and ensure uninterrupted production processes.

A key factor of social stability among KMG staff is social support for employees.

Currently, 21 KMG Group companies have in place collective bargaining agreements providing over 50 distinct social support categories for employees, their families, and non-working retirees. The companies that have not adopted collective bargaining agreements rely on their internal documents to govern their employee support activities.

In 2024, collective bargaining agreements covered 38,083 KMG Group employees.

In the reporting year, Ozenmunaigas, KMG EP-Catering, KazGPZ, and OzenMunayService signed new versions of collective bargaining agreements due to the expiry of their term. In addition, OzenMunayService, Oil Transport Corporation, and Water Production and Transportation Department adopted addendums to the respective agreements to enhance social packages. As initiated by their staff members, Kazakhstani branch of KMG Kashagan B.V. and KMG’s Corporate Centre signed new collective bargaining agreements, while KMG Green Energy, KMG Engineering, Pavlodar Refinery, MangistauEnergoMunay, Munaytelecom, Oil Services Company, KMG PetroChem, Kazmortransflot, and KMG-Security amended and supplemented their internal documents to expand the range and applications of social benefits.

over **50**  
distinct social support categories  
for employees and their families

**38,083** employees  
of KMG Group covered by collective  
bargaining agreements in 2024

Support measures

KMG subsidiaries in the Mangistau, Atyrau, Aktobe, Kyzylorda, and Pavlodar regions provide their full-time employees social benefits including:

- health improvement benefits paid together with annual leave;
- voluntary health insurance for employees and their families in case of illness / medical care / compensations for medications and dentistry;
- covering vouchers for employees under regular medical observation;
- covering sanatorium treatment vouchers following a preventive health examination;
- financial aid for those facing difficult life situations (treatment, surgeries);
- financial support for employees who participated in the Chernobyl NPP disaster cleanup, those affected by Semipalatinsk nuclear testing, veterans of the Afghan and Tajik-Afghan conflicts, and persons with Great Patriotic War veteran status;
- payments for employees recognised as disabled (due to work-related injury);
- additional temporary disability benefit;
- financial assistance for employees with disabilities;
- occupational disease allowances paid until recovery or established disability;
- child care financial support (for children up to 1.5 years old);
- annual financial assistance for employees with children with disabilities;
- maternity leave payments;
- allowances upon reaching retirement age;
- payments for early retirement;
- compensations for medications and dentistry;
- financial assistance on state holidays and anniversaries, subsidised sanatorium treatment vouchers, etc.
- other benefits for employees and their families.

In 2024, KMG continued to streamline collective bargaining agreements to establish a unified voluntary social benefits system across its facilities and establish transparent principles and approaches in determining and distributing benefits according to each facility's financial capabilities.

We maintained all social payments and guarantees within KMG Group, disbursing them in accordance with collective bargaining agreements. In total, KMG provided KZT 25 bln in social support for employees and non-working retirees in the reporting period.

Social support for employees<sup>1</sup>, KZT bln



Distribution of social support for KMG employees

Indicator	%
1. Social benefits for employees' health improvement and recreation:	35
• medical insurance	
• employee recreation	
• sports and physical exercise	
• subsidised temporary disability certificates	
2. Social benefits for employees' families:	33
• childbirth	
• child recreation	
• kindergarten	
• purchase of school supplies	
3. Financial assistance to retirees	17
4. Other types of social support	15

In 2024, a total of 11,124 employees of KMG Group received state, departmental and other awards in recognition of their outstanding contributions. The Company held celebrations of the 125th anniversary of the oil industry in Kazakhstan. Moreover, 10,652 awards were handed out for Oil and Gas Industry Workers' Day to mark the 125th anniversary of oil production in Kazakhstan, and 214 awards for Republic Day.

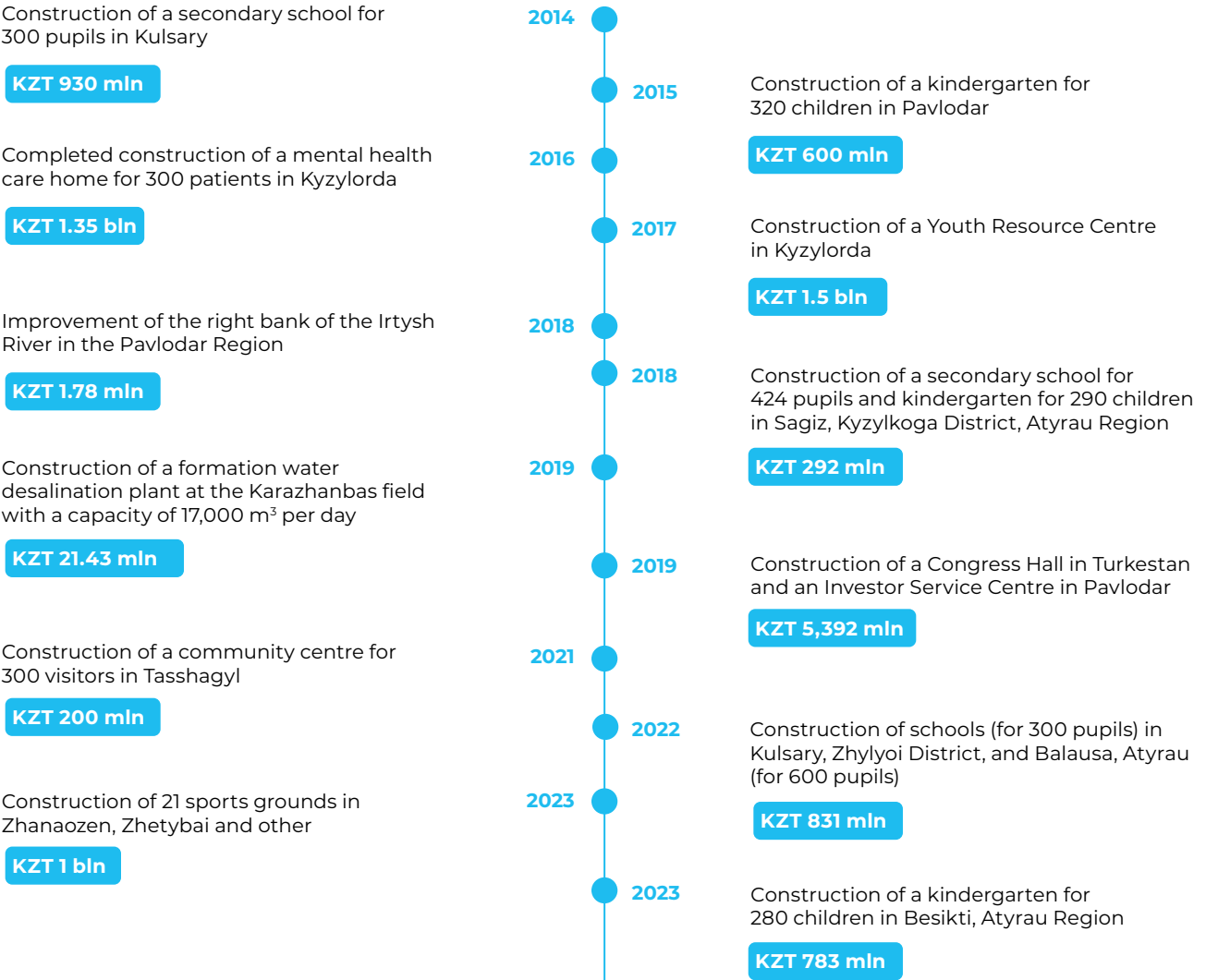
Development of the Company's regions of operation

Social and economic projects

KMG contributes to social and economic development in its regions of operation. We actively cooperate with local authorities, maintain an ongoing dialogue with key stakeholders, and focus on training and development of young skilled talent. We also run social initiatives for KMG Group's employees and are committed to supporting domestic producers through off-take agreements. Among other things, KMG Group companies invest in the development of socially important facilities, construction of sports complexes, and regional social and economic development under subsoil use contracts and the Comprehensive Development Plan.

In 2014–2024, the Company implemented social projects totalling KZT 255 bln

The largest projects include:



<sup>1</sup> The calculation includes consolidated companies with a shareholding of 51% or more.

2024 results:

Completed construction of a multifunctional sports complex in Uralsk (KZT 19.9 bln)

Launch of a Schoolchildren Palace in Kyzylorda financed by Kazgermunai (KZT 2.4 bln)

Implementation of the project titled “Otpan: Network of Anchor Schools in the Mangystau Region”. KMG renovated more than 50 classrooms and educational spaces in schools in Taushyk (Tupkaragan District), Zhetybai (Karakiya District), and Rakhat (Zhanaozen) (total of KZT 504 mln)

Launch of a Rehabilitation and Support Centre for special children in the Zhylyoi District, Atyrau Region (KZT 983.2 mln)

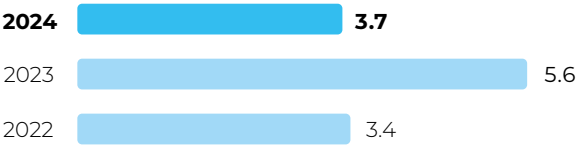
Planting of 4.4 mln saxaul seedlings on the dried seabed of the Aral Sea (KZT 420 mln) and over 600 trees in Astana (KZT 68 mln)

KMG implements the Zharkyn Bolashak project to enhance education level for children of the Mangistau Region. Currently, over 1,000 students who received grants study in 62 educational institutions across ten regions. In 2024, the Group allocated KZT 2.4 bln for this purpose

The subsoil use contracts signed by KMG subsidiaries provide for significant investment in developing the regions of operation and social support to vulnerable population groups. The Company's subsidiaries and associates also provide funds to local executive bodies, which are further distributed in line with the needs of local communities under agreements and memoranda concluded with the akimats of the respective regions. For instance:

- OMG allocated KZT 900 mln to finance for the development of social infrastructure in Zhanaozen and the Karakiya District of the Mangistau Region, and KZT 800 mln for the expansion of the activities of the Zhanaozen City Administration's state-owned enterprise Ozeninvest (up to 350 jobs) in the public utilities sector;
- Embamunaigas allocated KZT 617.7 mln to build a fitness and recreation centre for 150 visitors in Tandai (Makhambet District of the Atyrau Region), KZT 100.8 mln to finance the development of multifunctional sports grounds in Khimposelok, and KZT 68 mln to build multifunctional sports grounds in Birlik;
- KGM transferred KZT 375.6 mln for the socio-economic development of the Kyzylorda Region;
- As part of the Memorandum signed with the Akimat of the Aktobe Region to support its infrastructure and social and economic development, Kazakhoil Aktobe donated KZT 168 mln and transferred KZT 205.3 mln to the region's social fund, while Kazakhturkmunay allocated KZT 285.7 mln to support social infrastructure in Aktobe and Mangistau regions;
- Mangistaumunaigaz donated KZT 140 mln to support social and economic development of the Mangistau Region and its infrastructure;
- Urikhtau Operating donated KZT 34.4 mln to finance the region's social and economic development and infrastructure.

Funds transferred to local executive bodies (under subsoil use contracts), KZT bln



The approved 2024 budget for the North Caspian Project under the implemented social and infrastructure initiatives amounted to USD 40 mln. Projects in Atyrau, the Makat District, and the Mangystau Region were allocated USD 11 mln (KMG Kashagan's share – USD 1.85 mln).

The approved 2024 budget for the Karachaganak Project under the implemented social and infrastructure initiatives totalled USD 54 mln (KMG Karachaganak's share – USD 5.4 mln).

As part of the Egilik voluntary programme, Tengizchevroil finances significant projects agreed upon with local authorities, including the construction of kindergartens, schools, and other socially important facilities in Atyrau and the Atyrau Region with the Zhylyoi District. The programme's annual financing amounts to USD 25 mln.

The reporting year saw the completion of a 600-pupil secondary school in Bereke (Kulsary) and bank protection works along the Kursai River in Kulsary. The sports and recreation complex in Zhanatalap is almost complete, while numerous other initiatives are underway in the Atyrau Region.

In addition, Tengizchevroil allocated KZT 2 bln for flood mitigation and recovery efforts in 2024. To that end, the company sent 100 units of special-purpose equipment to Kulsary, arranged for meals for emergency workers and donated 550 thousand. l of lubricants and fuel. Tengizchevroil organised the construction of a 3 m-high and over 8 km-wide protective dam, involving around 100 employees and over 60 units of equipment.

Charity and sponsorship

Karazhanbasmunai provided KZT 32 mln in sponsorship assistance to build a kids' playground to mark the 50th anniversary of the first oil fountain at the Karazhanbas field.

PetroKazakhstan Oil Products transferred KZT 180 mln of sponsorship assistance to the Shymkent – kaysymdy kala corporate social development fund to finance social projects in Shymkent.

In April 2024, KMG provided assistance worth KZT 10 bln to regions affected by floods through the Samruk-Kazyna Trust Corporate Foundation, the single operator of charity Samruk-Kazyna fund.

SUPPLIER RELATIONS

The key principles of KMG Group's procurement activities include compliance with laws and internal requirements, transparency of procurement procedures, promotion of fair competition, and provision of equal opportunities for counterparties. At the same time, KMG implements

a number of initiatives in procurement to support domestic manufacturers as part of the Programme to Promote the Modernisation of Existing and Creation of New Production Facilities.

Procurement management at KMG companies is governed by two documents:

**Law of the Republic of Kazakhstan No. 47-VII ZRK On Procurement by Certain Quasi-Public Sector Entities dated 8 June 2021 (the “Law”),** which became effective on 1 January 2022.

The Law sets out the key principles and conditions of procuring goods, works, and services required for the business and statutory operations of companies from the quasi-public sector, including those owned by Samruk-Kazyna.

**Procedure for Carrying out Procurements by Joint-Stock Company Sovereign Wealth Fund Samruk-Kazyna and Companies Where JSC Samruk-Kazyna Directly or Indirectly Holds Fifty (50%) or More Percent of Voting Stock (Equity Stake) on the Right of Ownership or Trust Management (the “Procedure”),** approved by Resolution of the Fund's Board of Directors No. 193 dated 3 March 2022.

The Procedure was developed in furtherance of the Law's Article 14 and sets out key procurement principles and approaches, the general procurement management procedure, procurement management competence of the Fund and the Fund's operator for procurement, main requirements for procurement processes, the definition of applicable procurement methods, and grounds for the application of single-source procurement, while also specifying the procurement processes<sup>1</sup> related to procurement category management, procurement planning, supplier selection and management, and management of supply contracts.

To maintain and enhance transparency and efficiency in line with the most advanced international procurement standards and technologies, KMG Group uses the E-Procurement IT System portal (the “E-Procurement IT System”) providing unhindered access (with certain exceptions, primarily related to state secrets) to procurement information to all stakeholders and ensuring equal opportunities for all participants in the procurement process.

The E-Procurement IT System enables automation and standardisation of all procedures within the procurement cycle (from planning to contract management) to cut the time needed to perform relevant tasks and reduce human factor. E-procurement facilitates market access and thus contributes to improved efficiency, increased competition and reduced administrative burden and operating expenses.

Apart from the E-Procurement IT System, procurement entities can purchase goods (with a threshold of up to 20 thous. MCI (Monthly Calculation Index)) of specific brands and models from certain manufacturers online at [www.skstore.kz](http://www.skstore.kz) using the list of goods categories approved by the Fund's Management Board.

In addition to the public dissemination of information on procurement procedures and procurement contracts, including details of invitations to bid and the terms and conditions of contracts, the E-Procurement IT System envisages the advance establishment of requirements for participation in a competitive procurement, including selection criteria, bidding rules and publication thereof, while ensuring an efficient internal control system, including challenging the results of procurement in case of non-compliance with the rules or procedures established by regulations.

<sup>1</sup> Among other things, the specifications include applicable terms and requirements for the applicable documents and procedures.