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About the Report

KMG Sustainability Report (hereinafter – the Report) highlights the company's approach to sustainable development, social, economic and environmental responsibilities, as well as key events and indicators for reporting period.

The Report is a corporate governance tool for us and a significant component of stakeholder interaction. In order to achieve consistency of our sustainable development goals, we believe it is crucial to regularly report and provide stakeholders with comprehensive information on the aspects of activities significant for them and receive feedback on the Report.

JSC NC "KazMunayGas" prepares the reports on its activities in the field of corporate social responsibility every year since 2008, starting from 2012 it publishes reports in accordance with the GRI reporting framework.

This report has been prepared in accordance with the GRI Standards: Core option.

The Report presents consolidated information on JSC NC "KazMunayGas" and its subsidiaries and affiliates (referred to in the Report as KMG, the Company, the Group of Companies) for the 2018 calendar year. The Report covers KMG subsidiaries and affiliates, in which fifty or more percent of the voting shares (interests) directly or indirectly belong to KMG on the right of ownership or trust management, as well as legal entities, whose activities are under the KMG control (*detailed scope of the reporting sections is provided in the Annex 1 to the Report*). The financial position and results of the Company's operations are presented using the company's consolidated data with organizational support from the relevant Blocks of the Company. When preparing this Report, the KMG's management and audited consolidated financial statements GRI 102-32, 102-46, 102-50, 102-52, 102-54

prepared in accordance with the international financial reporting standards were used.

This Report has been prepared in accordance with Global Reporting Initiative Sustainability Reporting Standards (GRI Standards, 2016) as well as GRI G4 Oil and Gas Sector Disclosures. To ensure data comparison and comparability capabilities, quantitative indicators are presented in dynamics over several years.

All KMG Sustainability Reports are available in Kazakh, Russian and English on the company's website.



The KMG Sustainability Report is

approved by decision of the KMG Board of Directors and communicated to the stakeholders through publication on the corporate website and distribution of the printed version.

Since 2006, KMG has been a member and active participant of the UN Global Compact (hereinafter – UNGC) and adheres to ten UNGC principles and 17 Sustainable Development Goals (hereinafter – SDG).

Annual Sustainability Report of the Company reflects our communication on Progress under the United Nations Global Compact and is available through the link.



The Report sections graphically indicate the SDGs for which the Company is taking measures to achieve and implement them. Integrating SDGs with the reporting data will make it possible to assess more effectively the progress in achieving the SDG objectives and focus efforts on improvement of Company's performance in implementing the principles of sustainable development.

Responsibility

Annexe



Recognizing the principles of the UN Global Compact, the Company declares its commitment to adhere in its activities to the following principles:

Human Rights	Principle 1	Business community should support and respect the protection of internationally proclaimed human rights.
	Principle 2	Business community should not be involved in violation of human rights.
Labour	Principle 3	Business community should support the freedom of association and the effective recognition of the right to collective bargaining.
	Principle 4	Business community should advocate liquidation of all forms of forced and compulsory labour.
	Principle 5	Business community should advocate eradication of child labour.
	Principle 6	Business community should advocate liquidation of discrimination in the area of labour and employment.
Environment	Principle 7	Business community should support a prudent approach to environmental issues.
	Principle 8	Business community should adopt initiatives to promote greater environmental responsibility.
	Principle 9	Business community should facilitate the development and dissemination of environmentally friendly technologies.
•	Principle 10	Business community should counteract corruption in all its forms, including extortion and bribery.
		Principle 2 Principle 3 Principle 4 Principle 5 Principle 6 Principle 7 Principle 8 Principle 9