

MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 102-10, 102-14, 102-44



Dear readers,

It is my pleasure to present JSC NC KazMunayGas' Sustainability Report for the reporting period.

During 2019, we continued our focused effort on delivering the principles of sustainability and improving the sustainability management processes.

During the reporting year, not only were we able to achieve solid operational and financial performance, but we also made considerable progress in sustainable development, in accordance with the best corporate governance practices.

For instance, firstly, we improved corporate and functional key performance indicators with due account for sustainability. The result of that was a new corporate key performance indicator for the next year, which would help us improve 28 corporate indicators, which, altogether, form the Company's overall ESG score. We reaffirm our commitment to follow the Global Sustainable Development Goals, and we have set specific goals in our functional corporate indicators to incorporate those into Company's Development Strategy.

Secondly, to improve the sustainability process, we have developed a corporate document titled Sustainability Management Guideline across the KMG Group. The Guidelines have been developed to embed the sustainability management principles throughout

all business processes of the KMG Group, effectively liaise with stakeholders, and ensure that sustainability performance is consistently improving.

In the mid-term, we are going to ensure that the sustainability management system is implemented in KMG's subsidiaries as well. We are planning to keep track of the implementation of the system and clarify the provisions of the Guidelines on a regular basis. That would promote a systemic approach to assessing the effectiveness of sustainability within the Company going forwards.

Thirdly, to facilitate the implementation of sustainability into our key business processes and to improve the ESG rating, we have set up a sustainability project office, approved a new composition of the Sustainability Working Group, and allocated the sustainability responsibilities.

In the fourth place, to raise awareness on sustainability, we arranged a corporate training course for the Company. For the first time, the new employee induction programme includes sustainability training.

We have stepped up the efforts of our Board of Directors in terms of sustainability. That said, the Health, Safety, Environment, and Sustainability Committee held three meetings in which it discussed more than thirty items to do with sustainability. We also had a joint meeting of the Board of Directors and the Management Board of KMG to discuss sustainable development. Since 2019,

we have been regularly reviewing the implementation of the sustainability system throughout KMG.

We were pleased to have published KMG's first-ever CDP Climate Change Programme Report in 2019. As the entire world seeks solutions to the climate change problem, KMG is committed to managing the climate risk by reducing emissions, launching an energy efficiency CAPEX programme, tracking its progress, and sharing best practices with other global players. November 2019 saw the launch of a Forum on Greenhouse Gas Emissions Management that was held in Nur-Sultan.

As we usher in a new decade, we must not compromise our commitment to leadership in sustainable development. We have already set strategic goals and initiatives in our long-term strategy to achieve the sustainability targets. As a member of the UN Global Compact, we reaffirm our progress in our annual sustainability reports. We have taken the lead in Kazakhstan in terms of Environmental Responsibility Rating among oil and gas companies and ESG disclosure. However, we still have much to accomplish in terms of integrating sustainable development into the Company's business processes at all levels. As each year passes, we will become a better corporate citizen.

Sincerely,
Christopher John Walton