

MESSAGE

OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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Christopher John Walton

Chairman of the Board of Directors

Dear Readers,

I am pleased to present to you the JSC NC "KazMunayGas" 2020 Sustainability Report.

The year 2020 will be remembered as a year of challenges. The challenges that we faced have shown the importance and the value of our efforts to implement the philosophy of sustainability and to improve corporate governance.

Despite the challenging times, our strategic priorities in the reporting year remained the same. In the year 2020, a special focus was devoted to ESG, i.e. Environmental and Social responsibility and corporate Governance issues.

To improve the Company's sustainability performance, in 2020, the Board of Directors approved the ESG rating as a corporate KPI. This involved an independent review of ESG by a rating agency.

KMG obtained an ESG rating from Sustainalytics, an international rating agency. For its first rating, KMG received 69 points. The Agency's experts reviewed more than 48 ESG criteria of the Company.

The Company employees' health and safety are a major priority. This is evidenced by the fact that, for the first time, we managed to achieve a zero work-related fatality rate over the 12-month period. Furthermore, we took measures to reduce incidence rates and the spread of COVID-19, which prevented mass infection and suspension of operations.

Reducing carbon emissions from operations is among the key environmental ESG challenges for KMG. It is worth noting that the climate change issues are overseen by the Board of Directors and the Safety, Health, Environment and Sustainable Development Committee of KMG's Board of Directors.

During the year, departmental KPIs for 2021 were approved which include the development of activity plans and targets until 2030 to cut the emissions of pollutants and greenhouse gases, and ensure water and energy savings in the KMG Group.

The Safety, Health, Environment and Sustainable Development Committee is active. In 2020, the Committee had four meetings where it addressed 40 sustainability matters.

These included approval of new corporate policies and procedures in relation to the sustainability management system, health and business process safety management. The sustainability management system implementation status is being monitored regularly.

An important strategic issue for KMG is the transition to a low-carbon operating environment. We are reviewing our activities to develop an energy transition in accordance with the Paris Agreement. We are also working on ways to ensure the embedded integration of climate risk management into the Company's business strategy. The Company Strategy will be revised in 2021 to include low-carbon development as one of our strategic goals.

We are committed to integrate the UN Sustainable Development Goals into the Company activities. In March 2020, KMG's Board of Directors and Management Board had an extended meeting and approved the priority SDGs; they are now being integrated into KMG's business processes.

Along with the Sustainable Development System, we give a lot of attention to fostering a sustainable development culture. Despite being in remote work mode, in 2020, we conducted sustainability training for the Corporate Centre and subsidiary employees. Over 85% of employees were also successfully trained

in corporate values and passed tests on ethical procedures and principles.

Given the growing interest of stakeholders in KMG's ESG performance, we have decided to carry out the independent verification of sustainability reporting on an annual basis. This will help improve the transparency and consistency of our non-financial reporting.

In conclusion, I would like to highlight that, despite the pandemic, we managed to take timely measures to ensure our employees' safety and health, to improve corporate governance and to continue implementing our sustainability goals and objectives, including the Company's ESG rating improvement.

Yours sincerely,

Christopher John Walton

Chairman of the Board of Directors