

# SHARED CHALLENGES JOINT SOLUTIONS



**2025**

**SUSTAINABLE  
DEVELOPMENT  
REPORT**

## REPORT CONCEPT

# SHARED CHALLENGES JOINT SOLUTIONS

The 2025 Sustainability Report of KMG is based on a shared understanding of the common challenges faced by the oil and gas industry, the economy, and society amid global transformation.

The climate agenda, energy transition, and rising social expectations require coordinated and well-balanced solutions implemented with the participation of all stakeholders.

The visual concept of the Report builds on the slogan “Shared Challenges. Joint Solutions” and reflects the integration of the Company’s key areas of activity within a unified approach to sustainable development. Inspired by elements of traditional Kazakh ornamentation, the concept highlights the Company’s connection to national identity and its strategic role in the country’s socio-economic development, symbolizing the unification of resources, competencies, and efforts aimed at achieving sustainable development goals.

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# KEY PERFORMANCE INDICATORS OF THE KMG GROUP

## Production indicators

### Oil and Gas Production

PRMS 2P reserves (million tonnes of oil equivalent)



Oil and condensate (thousand tonnes)



Natural and associated gas (million m<sup>3</sup>)

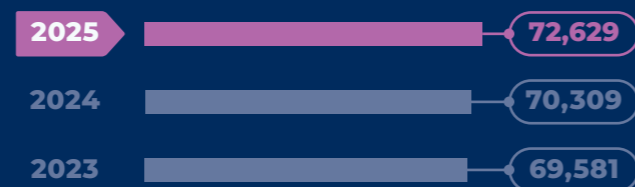


### Oil Transportation <sup>1</sup>

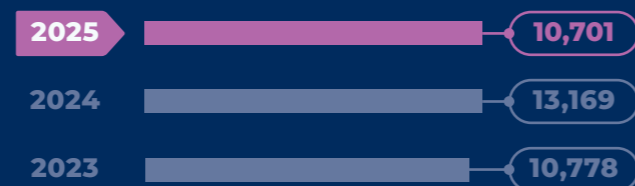
Volume of mainline and marine transportation (KMG's share), (thousand tonnes)



Pipeline transportation (KMG's share) (thousand tonnes)



Marine transportation (KMG's share) (thousand tonnes)



Freight turnover of crude oil <sup>2</sup> (million tonne\*km)

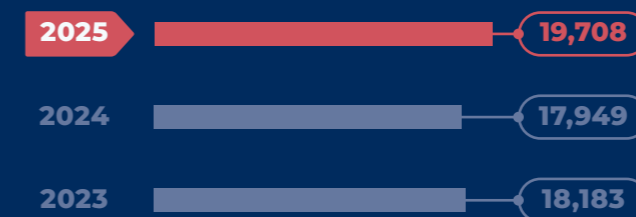


## Refining and Marketing

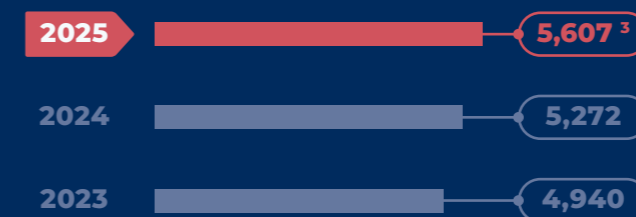
Oil refining (thousand tonnes)



Production of oil products (thousand tonnes)



Wholesale sales of KMG oil products produced in Kazakhstan (thousand tonnes)



- The consolidated volume of oil transportation takes into account the transportation volume of each individual pipeline company based on KMG's operating share (excluding KazTransOil JSC). A portion of oil volumes may be transported by two or three pipeline companies and, accordingly, these volumes are counted more than once in the consolidated oil transportation volume.
- The freight turnover of crude oil for each individual pipeline company is calculated based on KMG's operating share (excluding KazTransOil JSC).
- The volume of wholesale sales of KMG's own oil products produced in Kazakhstan increased by 6.4% compared to 2024 and amounted to 5,607 thousand tonnes, of which 5,113 thousand tonnes were sold on the domestic market and 495 thousand tonnes were exported.

## SERVICES

- Ground transportation, including cargo and passenger transportation and field transport support services
- Offshore operations support
- Oil and gas wells drilling and development
- Underground and major well repairs
- Production of oilfield equipment
- Automation of technological processes
- Technical maintenance of measurement instruments, automation and telemechanics systems; telecommunications, radio and cable/satellite communication services at oilfields; inspection and repair of measurement systems; maintenance of emergency communication systems
- Oil spill response services
- Extraction and transportation of drinking water; provision of seawater transportation
- Catering and maintenance services for social facilities, etc.



# Sustainable Development Indicators

## Environmental Responsibility:

Energy saving (thousand GJ)



Water withdrawal volume (million m<sup>3</sup>)



Greenhouse gas emissions (Scope 1) (million tonnes of CO<sub>2</sub>)



Volume of utilized historical waste (thousand tonnes)

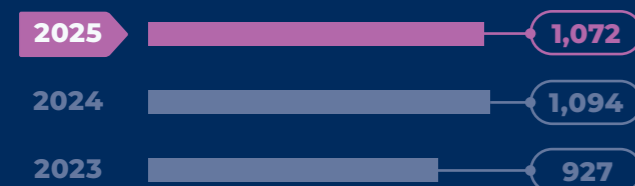


Associated petroleum gas utilization rate (%)

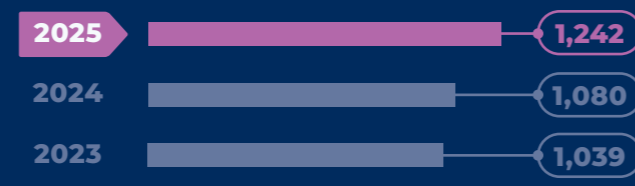


## Economic Responsibility:

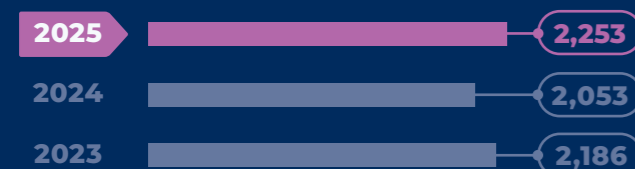
Profit (KZT billion)



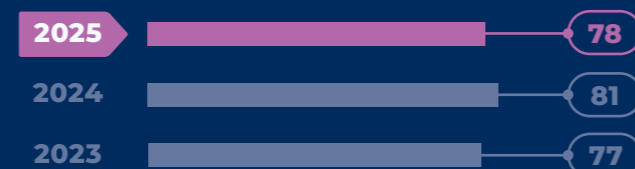
Taxes <sup>4</sup> (KZT billion)



Procurement volume <sup>5</sup> (KZT billion)

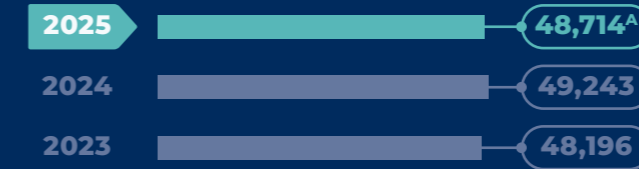


Share of in country value in procurement (%)

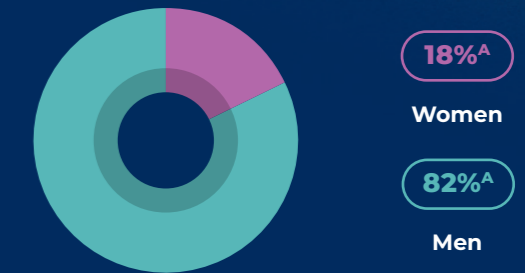


## Social Responsibility:

Headcount (persons)



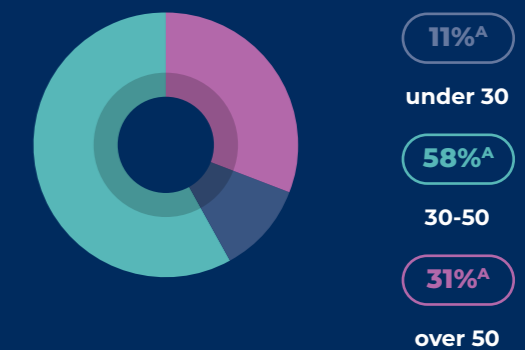
Employees by gender (%)



Employee turnover (%)



Employees by age group (%)



Average training hours per employee per year (hours)



Social support for employees and non-working pensioners (KZT billion)



Lost Time Injury Rate (LTIR)



Support for regions of operation (KZT billion)



Fatal Accident Rate (FAR)



4. Taxes and other mandatory payments to the state budget

5. Volume of goods, works and services supplied across the KMG Group

# MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



## GRI 2-22

### DEAR STAKEHOLDERS,

I am pleased to present to you the KMG Sustainable Development Report for 2025.

KMG is the largest asset of Samruk-Kazyna JSC and a key contributor from the oil and gas sector to Kazakhstan's energy security. The year 2025 reaffirmed KMG's ability to remain resilient amid market volatility. Throughout the year, the Board of Directors exercised strategic oversight over the implementation of key ESG initiatives and made decisions aimed at ensuring the Company's long-term development. The Company's net profit for the reporting period amounted to KZT 1,072 billion, and dividends paid to shareholders totaled KZT 300 billion. Since the IPO, the market value of KMG's securities has demonstrated a positive trend: the share price increased by 158% in 2025 compared to 2022.

### ESG as a Strategic Priority

The Board of Directors views sustainable development as an integral part of strategic management and a key driver of the Company's long-term competitiveness. In 2025, we focused on delivering the KMG Development Strategy 2022–2031, managing key risks, integrating ESG factors into decision-making processes, and achieving our sustainability performance targets.

We continue to strengthen climate risk assessment and enhance our readiness for the energy transition. The “BBB” rating assigned by MSCI confirms the robustness of our governance framework. ESG indicators are integrated into the leadership performance evaluation system and corporate KPIs, ensuring accountability for achieving sustainable results.

In 2025, the Board of Directors approved a Roadmap for the implementation of artificial intelligence (AI) projects, reinforcing digitalization and AI as tools for enhancing operational efficiency, industrial safety, and decision-making quality. Key expectations include achieving tangible benefits through automation and data analysis, improving safety across production assets, and building a sustainable ecosystem of competencies that will allow digital technologies to be scaled across the entire Company.

In December 2025, the Board of Directors held a dedicated meeting on sustainable development to review the progress of the low-carbon development program and measures to reduce injury rates within the KMG Group.

## Responsibility to Regions and Society

KMG provides employment for around 50,000 people across the regions where it operates. Investments in infrastructure and social facilities in the Mangystau, Aktobe, Kyzylorda, and West Kazakhstan regions remain an integral part of our mission as a national company.

In 2025, the Board of Directors Committee on Health, Safety, Environment, and Sustainable Development regularly reviewed issues related to occupational health and industrial safety, environmental safety, and the progress of measures under the low-carbon development program and also heard reports from the heads of subsidiaries on industrial safety and sustainable development matters.

## Environmental Responsibility and Climate Commitments

We are consistently reducing our environmental footprint and progressing in the implementation of our long-term climate strategy. The Board of Directors continuously monitors the implementation of major infrastructure projects, including the construction of the Kendirli seawater desalination plant and the hybrid power plant in the Mangystau region, as well as the construction of the Mirny wind power plant in the Zhambyl region.

In 2025, the construction of the Kendirli desalination plant with a capacity of up to 50,000 m<sup>3</sup> of drinking water per day was completed. The project will not only ensure sustainable water supply for the region but also created 91 permanent jobs, becoming an important element of Mangystau's infrastructure development.

In September 2025, a 50 MW solar power plant was commissioned in the Mangystau region, and construction of a 120 MW hybrid wind and gas power plant is ongoing. These initiatives support carbon intensity reduction and contribute to the development of a resilient energy infrastructure.

In 2025, KMG continued advancing climate initiatives: the Company submitted methane emissions reporting, including Scope 3, under OGMP 2.0 and received a positive state environmental review for the forest-climate project jointly implemented with Chevron in the Pavlodar region.

The Company demonstrates a systematic approach to remediating historical environmental damage: in 2025, 338.8 thousand tonnes of historical oil-contaminated waste were treated. Since 2018, 4.6 million tonnes of waste have been processed, and historical contamination has been fully eliminated at the contract area of Karazhanbasmunai JSC.

## Long-Term Value and Strategic Growth

The Board of Directors prioritizes transparency, strong corporate governance, and accountability. ESG principles are integrated into the risk management framework and leadership performance evaluation. We maintain a balanced approach between operational resilience, social responsibility, and disciplined capital management.

In 2026, the Board of Directors will continue providing oversight of the implementation of the KMG Development Strategy 2022–2031. Key areas of focus will include progress on the low-carbon development program, the quality of ESG disclosures, and industrial safety across the KMG Group.

I would like to thank KMG's management and employees for their consistent efforts in advancing the ESG agenda.

Sincerely,

**NURLAN ZHAKUPOV**

Chairman of the Board of Directors  
NC KazMunayGas JSC

# MESSAGE FROM THE CHAIRMAN OF THE MANAGEMENT BOARD



## GRI 2-22

### DEAR COLLEAGUES, PARTNERS, AND SHAREHOLDERS,

The year 2025 was a period of stable performance and steady progress for KMG across all key development areas. Despite ongoing volatility in global oil markets, shifts in logistics conditions, geopolitical constraints, and the continued transformation of the global energy landscape, the Company maintained its resilience and delivered strong operational and financial results.

By the end of the year, KMG strengthened its position across the entire value chain and continued building the foundation for further growth.

### Strengthening positions in key areas

In 2025, the Company achieved an increase in oil and condensate production, reaching 26.2 million tonnes, which is 10% higher than the 2024 level. Additional gains were achieved through the successful commissioning and ramp-up of the new Third Generation Plant under the Future Growth Project at the Tengiz field, as well as through the introduction of new technologies at mature fields. Another important achievement was the commissioning of the Western Prorva and Karasor West fields, which resulted in 2.66 million tonnes of reserves being brought into development.

Work continued on the development of transportation infrastructure and the diversification of export routes. By the end of 2025, oil shipments from the Port of Aktau via the Baku–Tbilisi–Ceyhan route totaled

1.3 million tonnes, while oil transportation volumes to Germany increased to 2.1 million tonnes, exceeding the 2024 level by 40%. The Company also continues to systematically develop additional supply routes, which is critical for enhancing the resilience of export logistics.

Significant results were also achieved in refining. In 2025, Kazakhstan's three refineries processed 17.5 million tonnes of crude oil, of which 14.4 million tonnes accounted for KMG's share. Production of light petroleum products amounted to 13.6 million tonnes, which is 1.2 million tonnes higher than in 2024. This represents a record-high level for the Company.

The expansion of JV CASPI BITUM LLP was completed, and preparations are continuing for capacity expansion at the Shymkent and Pavlodar refineries. In the medium term, these projects will not only strengthen the Company's position in refining but also improve its ability to meet domestic market demand.

### Investment in growth and resource base expansion

KMG is currently entering an active phase of implementing a large-scale investment program.

KMG is implementing a large scale geological exploration program encompassing 23 projects at various stages of maturity, with priority focus on deep and underexplored areas. During the reporting period, new contracts were signed with international partners, including CNOOC and Sinopec.

The Company remains open both to expanding cooperation with existing partners and to establishing new strategic partnerships.

The Company is developing new business areas intended to serve as additional growth drivers. Major projects in petrochemicals and gas processing are ongoing, alongside efforts to expand refining capacity and develop supporting infrastructure. This approach not only strengthens KMG's core business but also ensures the consistent diversification of the Company's operations.

### People, competencies, and responsible development

In 2025, the Company continued to make systematic investments in the training and development of its workforce. The scale of the challenges facing KMG requires the development of new competencies and the attraction of qualified specialists. Therefore, the Company continues its systematic efforts in personnel training and professional skills development, including in such areas as petrochemicals, geological exploration, technology, and digitalization. For us, it is important not only to implement projects, but also to build our own professional capabilities to ensure their long-term support and operation.

We consistently strengthen our industrial safety culture, enhance risk management practices, deploy digital monitoring tools, and prepare for the rollout of intelligent industrial safety systems.

Alongside the development of its traditional business, KMG continues its work in the field of low-carbon development. In 2025, together with Eni, a 50 MW solar power plant was commissioned in Zhanaozen, marking the first phase of a hybrid power plant with a total planned capacity of 247 MW. We view such initiatives as part of a gradual and practical approach to the energy transition. In the Zhambyl Region, a project is underway to construct the Mirny wind power plant with a capacity of 1 GW, including an energy storage system of 300 MW / 600 MWh. In 2025, basic engineering for the project was completed, while detailed engineering reached 81%.

### Environment, infrastructure, and social responsibility

For KMG, sustainable development goes beyond production performance and encompasses a strong focus on environmental protection, social responsibility, and quality of life in its regions of presence. In 2025, the Kenderli seawater desalination plant with a design capacity of 50 thousand cubic meters per day was commissioned in the Mangystau Region. The plant is intended to ensure a stable supply of drinking water for the local population. The Company also continued to implement environmental initiatives as part of the nationwide "Taza Kazakhstan" environmental campaign launched at the initiative of the President of the Republic of Kazakhstan, Kassym-Jomart Tokayev, as well as greening projects and oil waste management activities. We believe that the Company's development should be accompanied by a tangible contribution to regional development, enhanced environmental responsibility, and the strengthening of a safety culture.

### Looking ahead

Today, KMG is a company with a robust resource base, stable operational performance, and a large investment portfolio. We remain financially resilient and continue building a solid foundation for future growth.

In a rapidly evolving global energy landscape, KMG will continue strengthening its market position, expanding its competencies, developing new business directions, and creating long-term value for Kazakhstan.

I would like to thank the employees of the KMG Group for their professionalism and dedication, and our partners and shareholders for their trust and continued support.

Sincerely,

**ASKHAT KHASSENOV**

Chairman of the Management Board  
NC KazMunayGas JSC



# ANNIVERSARY YEAR OF THE ATYRAU OIL REFINERY

ATYRAU OIL REFINERY LLP CELEBRATED ITS 80TH ANNIVERSARY. ESTABLISHED IN 1945 AS THE FIRST OIL REFINING ENTERPRISE IN KAZAKHSTAN, THE REFINERY PLAYED A PIVOTAL ROLE IN SHAPING THE NATIONAL OIL REFINING INDUSTRY AND, FOR DECADES, HAS CONTRIBUTED TO THE COUNTRY'S INDUSTRIALIZATION AND THE STRENGTHENING OF ITS ENERGY SECURITY.

Today, Atyrau Oil Refinery LLP is a strategic asset of KMG, ranks among the largest employers of the Atyrau Region (**over 2.5 thousand employees**), and conducts its operations in accordance with the principles of industrial safety, corporate governance, and sustainable development. In its anniversary year, the contribution of the refinery's employees was recognized with state and industry awards.

In 2024, the refinery processed **5.5 million tonnes of crude oil** for the first time, ranking among the country's 15 largest taxpayers with tax payments totaling **KZT 155 billion**. In 2025, the positive trend continued: the refining depth reached 88%, and the yield of light oil products amounted to 75%. As part of its long-term development strategy, Atyrau Oil Refinery LLP plans to increase its refining capacity to **6.1 million tonnes** per year and further improve the efficiency and environmental sustainability of its operations.



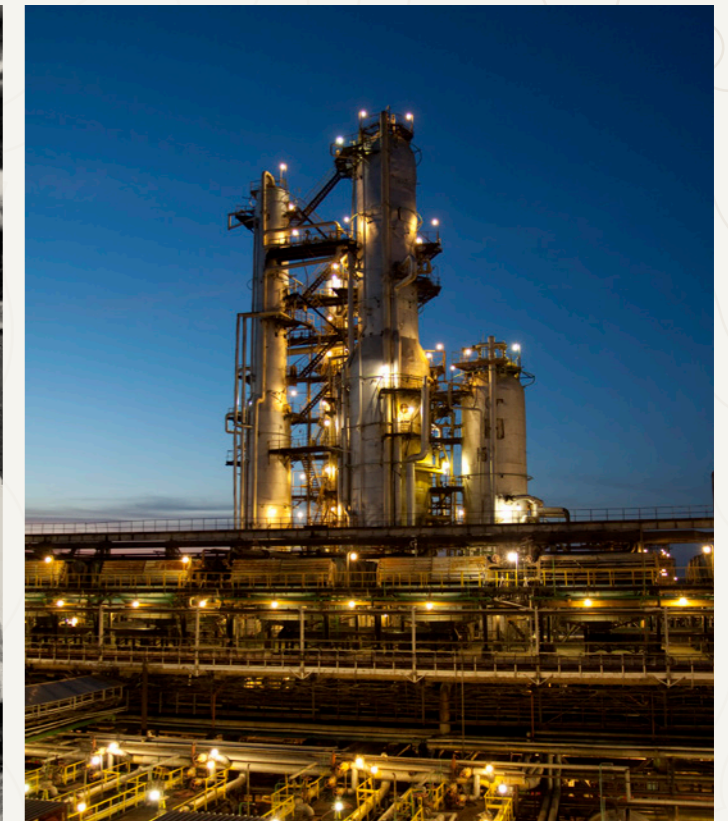
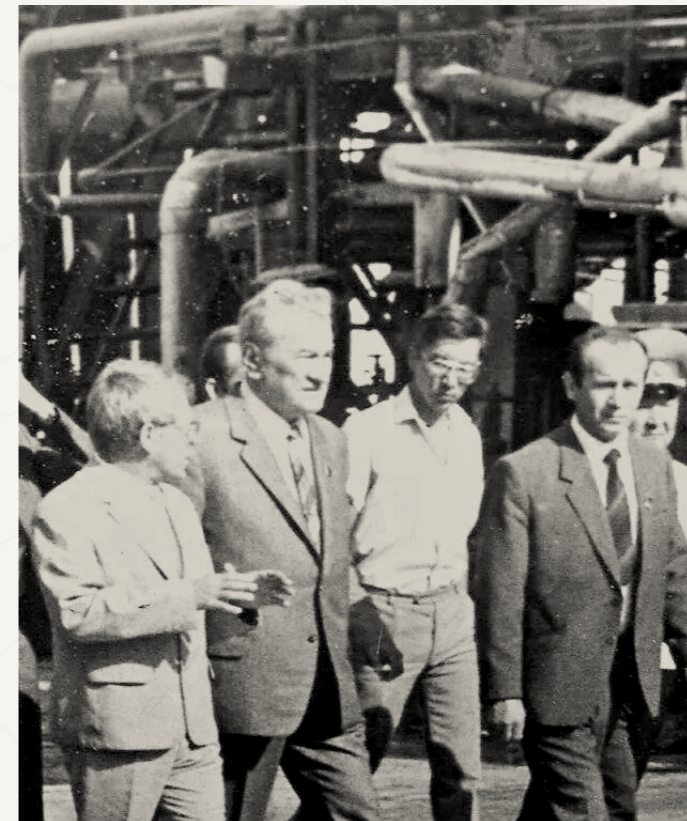


# ANNIVERSARY YEAR OF THE SHYMKENT OIL REFINERY

**THE SHYMKENT OIL REFINERY (PETROKAZAKHSTAN OIL PRODUCTS LLP) CELEBRATED THE 40TH ANNIVERSARY OF ITS COMMISSIONING. LAUNCHED IN 1985, THE REFINERY HAS BECOME ONE OF THE KEY OIL REFINING CENTERS OF KAZAKHSTAN AND PLAYED AN IMPORTANT ROLE IN SHAPING THE INDUSTRIAL INFRASTRUCTURE AND SOCIO-ECONOMIC DEVELOPMENT OF THE SOUTHERN REGION OF THE COUNTRY.**

In its anniversary year, the enterprise showcased the results of technological modernization and digitalization efforts: pilot projects in the fields of predictive analytics and occupational safety were presented, aimed at enhancing equipment reliability and improving the level of industrial safety. Other landmark events included the opening of the memorial facility “Linear Oil Refining Complex, 6U Modification – the Heart of the Plant” and the corporate museum, which reflect the production and engineering heritage of the Shymkent Oil Refinery.

The plant continues to maintain high production performance: over 180 million tonnes of crude oil have been processed in 40 years, and in 2025 the refining depth reached 88%, with the share of light oil products amounting to 82%. As part of the anniversary celebrations, special attention was paid to social responsibility and the development of human capital. More than 150 employees and veterans were recognized with state and industry awards, and social projects aimed at improving the quality of life for the region’s population were implemented.





# ANNIVERSARY YEAR OF THE VEGA REFINERY

**IN 2025, ROMPETROL CELEBRATED THE 120TH ANNIVERSARY OF THE VEGA REFINERY, MARKING A SIGNIFICANT MILESTONE IN THE COMPANY'S HISTORY. ON 1 DECEMBER 1905, THE VEGA REFINERY (PLOIEȘTI, ROMANIA) WAS COMMISSIONED, FEATURING EUROPE'S FIRST CONTINUOUS-OPERATION VACUUM DISTILLATION UNIT FOR PROCESSING HEAVY CRUDE OIL TO PRODUCE MINERAL OILS.**

In 2007, the controlling stake in Rompetrol was acquired by KMG, strengthening the Company's position in the international market. This acquisition led to the modernization and expansion of production at the Vega Refinery, which in 2015 achieved record output levels for bitumen and n-hexane.

Between 2019 and 2020, the Vega Refinery completed the cleanup of toxic waste, disposing of a substantial volume of pollutants. In 2022, investments were made to enhance operational efficiency, which contributed to an improvement in the plant's environmental performance. Currently, the Vega Refinery is wholly owned by Rompetrol Rafinare S.A., which is controlled by KMG International N.V. and the Ministry of Energy of Romania.



# YEAR OF WORKING PROFESSIONS



Throughout the year, KMG implemented comprehensive programs aimed at developing its human capital.

**270**  
EMPLOYEES

Under the “KMG Kásip” program, 270 employees received training across 12 specialties

**99**  
SPECIALISTS

99 specialists were sent to partner companies for experience exchange

**250**  
STUDENTS

More than 250 students took part in dual education, and approximately 800 completed industrial internships

**47**  
WOMEN

A total of 47 women participated in the JanAru educational program

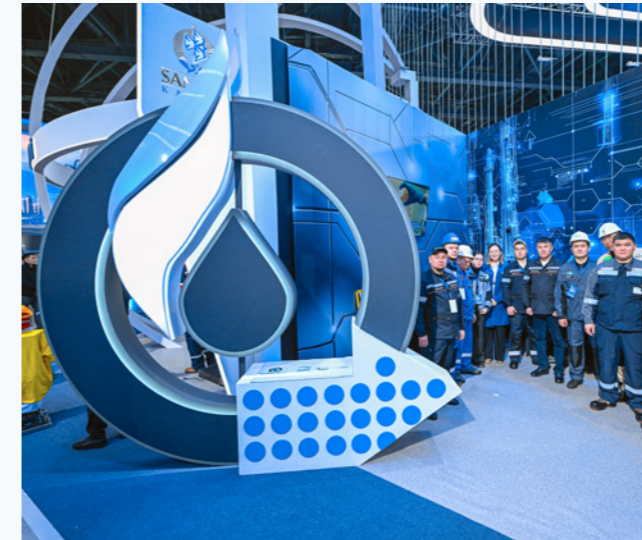
**24**  
PROJECTS

24 projects with an aggregate economic effect of KZT 900 million were selected under the “ALYP” program

The KMG Skills competition served as a platform for showcasing best professional practices.

In December, a grand closing ceremony of the “Year of working professions” was held, during which 58 outstanding employees of subsidiaries and affiliates were recognized. In his welcoming remarks, Chairman of the Management Board Askhat Khassenov emphasized the Company’s priority focus on the development of technical professions, staff upskilling, and improvement of working conditions, including the construction and modernization of more than 250 socially significant facilities within the KMG Group of Companies.

A key outcome of the year was the opening of the country’s first training and production site at the Atyrau Oil and Gas University named after Safi Utebayev, where more than 3,000 students receive practical training. In addition, KMG organized a youth forum, the Munaily Marathon–2025 charity run, with the proceeds directed to a rehabilitation center for children, along with other initiatives that underscored the Company’s systematic approach to human capital development and social responsibility.



## E – Environment

### 1. KMG’s Participation in the “Taza Kazakhstan” Initiative and the Opening of a Park in Astana

As part of the nationwide environmental initiative of the Head of State “Taza Kazakhstan”, KMG opened the KazMunayGas Park in Astana, where more than 1,300 trees have been planted across an area of 2.5 hectares. The Company consistently implements environmental programs: in 2025, over 113.7 thousand trees and 150 thousand pine seedlings were planted as part of reforestation efforts, hundreds of community clean-up events were conducted, and the development of green zones in KMG’s operating regions continues.



### 2. The Company’s Rating in the Carbon Disclosure Project (hereinafter — CDP)

In 2025, KMG maintained a rating of “B” in CDP, confirming the sustainability of the Company’s approaches to climate risk management, the consistency of its environmental disclosures, and the integration of the climate agenda into its corporate governance system.

### 3. Development of the Digital Hydrogen Atlas

The Company has developed a digital Hydrogen Atlas, which enables the assessment of hydrogen production and utilization potential across various regions of Kazakhstan and serves as a tool for making investment and strategic decisions.

### 4. Launch of a Pilot Project for the Production of Green Hydrogen

A pilot project for the production of green hydrogen was launched in Atyrau, marking a practical step in implementing KMG’s climate strategy and advancing the transition to low-carbon technologies.



## S – Social

### 1. Opening of a correction center for children in Kulsary

With the support of Embamunaigas JSC, a correction center providing assistance to 146 children was opened in the city of Kulsary, contributing to the development of the region’s social and inclusive infrastructure.

### 2. Launch of the JanAru program to support women in working professions

KMG launched the JanAru program aimed at expanding career opportunities for women in blue-collar professions, developing their skills, and increasing their engagement in production processes.

### 3. KMG charity marathon in Aktau

A charity marathon was held in Aktau with the participation of employees of the KMG Group, combining corporate volunteering with support for social initiatives in the region of the Company’s operations.

### 4. Implementation of the “Men saqtanamyn” Initiative

The KMG Group initiated the implementation of the “Men saqtanamyn” initiative, aimed at fostering a culture of personal responsibility for occupational safety and reducing workplace injuries.



## G – Governance

### 1. Credit Rating Upgrade by S&P Global Ratings

S&P Global Ratings upgraded the Company’s credit rating to “BBB-” with a stable outlook, reflecting the Company’s financial resilience and the effectiveness of its corporate governance framework.

### 2. Placement of debut Eurobonds in Chinese yuan

KMG successfully placed its debut issue of Eurobonds denominated in Chinese yuan, expanding access to international capital markets and diversifying its funding sources.

### 3. Certification of KMG’s Anti-Bribery Management System

KMG successfully underwent an external audit, resulting in the issuance of a certificate confirming that the Company’s anti-bribery management system complies with the requirements of the ST RK ISO 37001-2017 (ISO 37001:2016) standard, affirming a high level of corporate compliance and adherence to ethical standards.

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## COMPANY PROFILE

### GRI 2-1

National Company KazMunayGas JSC (hereinafter referred to as KMG, the Company) is the largest vertically integrated oil and gas company in Kazakhstan, performing a full production cycle – from geological exploration and hydrocarbon production to their transportation, processing, and marketing of petroleum products, as well as the provision of specialized services.

The Company was established on February 20, 2002, in accordance with the Presidential Decree of the Republic of Kazakhstan No. 811 “On Measures for Further Safeguarding State

Interests in the Oil and Gas Sector of the Country’s Economy” and the Government Decree No. 248 dated February 25, 2002. KMG became the legal successor of the national oil and gas companies Kazakhoil, Oil and Gas Transportation, KazMunayGas – Refining and Marketing JSC and KazMunayGas Exploration Production JSC. The founding entity of KMG was the Government of the Republic of Kazakhstan, represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan.

## Share Capital Structure

As of December 31, 2025, the shareholding structure of KMG is as follows:



Samruk-Kazyna JSC

67.42%



Ministry of Finance  
of the Republic of Kazakhstan

20%



National Bank  
of the Republic of Kazakhstan

9.58%



Shares in free float  
on the KASE and AIX stock exchanges

3%



## KMG Group Structure

As of the end of the reporting period, the KMG Group comprised 105 legal entities, including 26 companies within the KMG International N.V. Group, in which KMG holds 50% or more of the voting shares (equity stakes). Of the total number of companies, 55 operate in the territory of the Republic of Kazakhstan, while the remaining assets are located in Romania, Georgia, Switzerland, the Netherlands, Canada, Bulgaria, Moldova, the Russian Federation, Turkey, the United Kingdom, Germany, the United Arab Emirates, Gibraltar, the British Virgin Islands, and the Marshall Islands.

The optimization in the number of legal entities within the KMG Group of Companies, including through the liquidation or reorganization of subsidiaries and affiliates, is being carried out under privatization and divestment programs.

KMG's Comprehensive Privatization Plan for 2021–2025, approved by the Decree of the Government of the Republic of Kazakhstan, includes:

- ◉ Divestment of 52 companies, including 48 companies of the KMG International N.V. Group;
- ◉ Inclusion of 95 companies within the perimeter of KMG's IPO;
- ◉ Identification of 7 companies for which the terms and conditions of divestment or reorganization were determined by the Board of Samruk-Kazyna JSC (as of the reporting date, activities were completed for 6 companies, with 1 company retained for new project implementation).

In accordance with the Government Resolution No. 894 dated October 24, 2025<sup>6</sup>, an optimization (privatization) plan for 2026–2030 was developed, which includes:

- ◉ Transfer of 5 companies to a competitive environment;
- ◉ Liquidation of 1 company.

Additionally, on December 4, 2025, the KMG Board of Directors approved the List of Non-Strategic Assets (NSA) of KMG to be divested from the structure of Samruk-Kazyna JSC during 2023–2032 (hereinafter referred to as the NSA List), according to which 2 companies are subject to full or partial divestment from KMG in 2025.

Within the framework of the NSA List implementation in 2025, the following changes were made to KMG's asset structure:

- ◉ Liquidation of 1 company – KazMunayGas Exploration Production JSC;
- ◉ Sale of ownership interest in Polymer Production LLP.

Furthermore, in 2025, 1 company was divested from KMG's structure – Kenderli Desalination Plant LLP, established in 2025 and transferred free of charge to the communal ownership of the Mangystau region Akimat.






During the reporting year, 2 new companies were also established: Zhylyoi Operating LLP and Akkaiyn Operating LLP.

6. Government Resolution of the Republic of Kazakhstan No. 894 dated October 24, 2025, includes 4 companies (TenizService LLP, Aysir Turizm ve Insaat A.S., KMG International N.V., KazMunayGas – Service LLP), which were previously included in the Comprehensive Privatization Plan of KMG for 2021–2025.

# GEOGRAPHY OF OPERATIONS

THE COMPANY'S HEAD OFFICE IS LOCATED IN ASTANA, WITH A REPRESENTATIVE OFFICE IN AKTAU



-  OPERATING UPSTREAM ASSETS
-  MEGAPROJECTS
-  OPS, OIL PUMPING STATION
-  MOPS, MAIN OIL PUMPING STATION
-  OPERATING OIL PIPELINE

-  MunayTas North-West Pipeline Company LLP
-  Kazakhstan-China Pipeline LLP
-  Caspian Pipeline Consortium
-  KazTransOil JSC
-  Exploration and production
-  Exploration and production
-  Refinery

# BUSINESS MODEL AND VALUE CHAIN

## Business Model

### Competitive Advantages

**Unique geographical location**

**Full integration across all stages of the value chain**

**Financial stability**

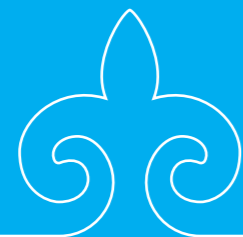
**Diversified portfolio of exploration assets**

**Leadership in Kazakhstan's oil transportation sector**

**Modern oil refineries**

**Oil and gas chemistry projects as a new growth driver for the company**

**Modern corporate governance system and commitment to sustainable development principles**



### Areas of Activity



#### Exploration and Production of Hydrocarbons:

Exploration and development of oil and gas fields, ensuring stable production levels and a diversified asset portfolio.



#### Oil and Gas Transportation:

Participation in all oil transportation projects in Kazakhstan, holding a **56%** market share and controlling a significant portion of gas infrastructure.



#### Refining and Marketing of Oil and Petroleum Products:

Management of the largest refineries in Kazakhstan and Romania, ensuring oil refining and the sale of oil products both in domestic and international markets.



#### Oil and Gas Chemistry:

Development of new business areas, including polypropylene production and polyethylene projects.



#### Service Maintenance:

Technical maintenance, equipment repair, and other service activities to ensure uninterrupted operations.

### Strategic Priorities



#### Resource Base Expansion:

Ensuring sufficient reserves for core operations and prospective growth areas.



#### Increasing Efficiency of the Value Chain:

Maximizing benefits from activities in exploration, transportation, refining, and marketing of oil and petroleum products.



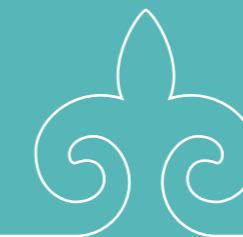
#### Business Diversification and Product Portfolio Expansion:

Developing oil and gas chemistry direction through the creation of new capacities.



#### Sustainable Development and Reducing Carbon Intensity of Production:

Progressive reduction of the carbon footprint and implementation of energy-saving technologies.



### Stakeholders



**SHAREHOLDERS:** Ensuring stable growth in production indicators. High level of corporate governance.



**INVESTMENT COMMUNITY:** Investment profitability, transparency, and implementation of ESG practices.



**GOVERNMENT:** Contribution to Kazakhstan's economic development through tax revenues, export income, attracting foreign investments, and the multiplier effect on SME development.



**EMPLOYEES:** Creating safe and favorable working conditions, social guarantees, ensuring fair wages, and professional development.



**SOCIETY:** Implementing social and environmental initiatives aimed at improving the quality of life for the population and protecting the environment.



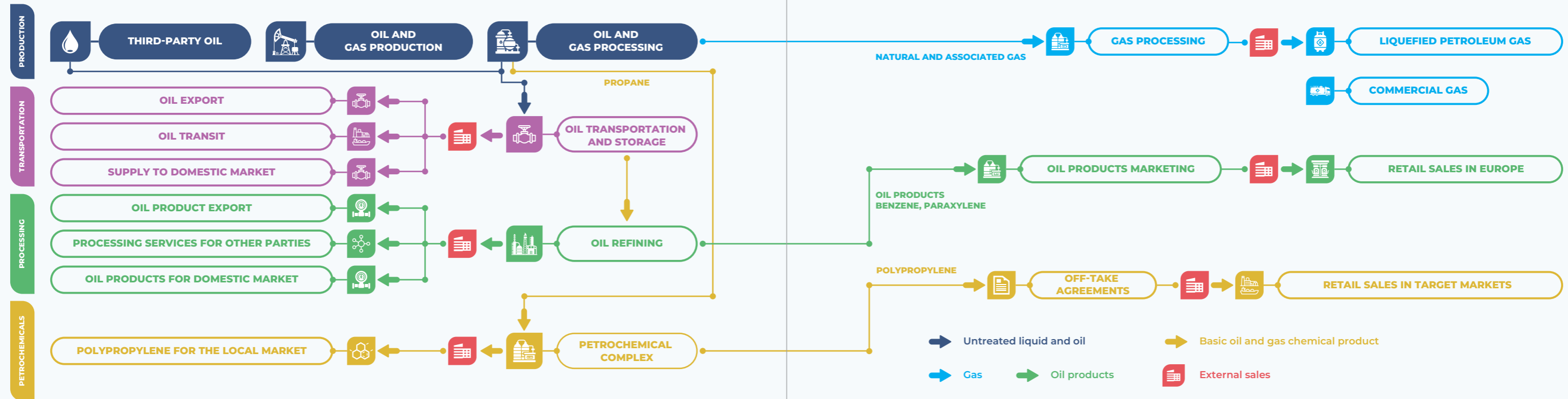
**CLIENTS AND PARTNERS:** Providing high-quality products and services, maintaining long-term and mutually beneficial relationships.



**CONTRACTORS:** Transparency in procurement, fair cooperation terms, and safety on sites.

# Value Chain

GRI 2-6



## Production, transportation, and sales of oil and gas

In 2025, KMG's oil and gas condensate production totaled 26,211 thousand tonnes (544 thousand barrels per day), which is a 10% increase compared to the previous year. The production volume of associated and natural gas (before reinjection) increased by 19.8%, reaching 11,450 million cubic meters.

The total volume of main pipeline and marine oil transportation in 2025 was 83,330 thousand tonnes, reflecting a slight decrease (less than 0.2%) compared to the previous year, indicating stable transportation volumes.

KMG's share of sales and shipments of produced crude oil and gas condensate increased by 9.4% to 26,280 thousand tonnes, of which 66.7% was exported.

To meet domestic market needs, KMG supplied 8,740 thousand tonnes of its own oil and gas condensate, including 5,411 thousand tonnes of crude oil from its operating assets (Ozenmunaigas JSC, Embamunaigas JSC, KazakhTurkMunai LLP, Urikhtau Operating LLP), to the Atyrau Oil Refinery LLP, Pavlodar Petrochemical Plant LLP, Shymkent Refinery (PetroKazakhstan Oil Products LLP) for further processing and sale of petroleum products.

## Refining and sales of petroleum products

As of the results of 2025, KMG's share of hydrocarbon feedstock processing reached a historic high of 20,980 thousand tons, which is 9.5% above the previous year's level.

KMG's share of processing volume at Kazakhstani refineries increased by 3.2% to 14,698 thousand tonnes. This growth was driven by the stable operation of PetroKazakhstan Oil Products LLP without any scheduled maintenance shutdowns, as well as increased oil supplies to Pavlodar Petrochemical Plant LLP to boost the production of light petroleum products. Processing volumes at KMG International N.V.'s plants in Romania rose by 27.9% to 6,282 thousand tonnes, driven by the restoration of production capacity following scheduled major repairs and the restart of the mild hydrocracking unit in 2024.

The volume of petroleum products output at Kazakhstani and Romanian refineries totaled 19,708 thousand tonnes, representing a 10.1% increase:

- At Kazakhstan refineries, production increased by 3.4% to 13,528 thousand tonnes. The rise in refining throughput led to higher yields of light petroleum products: gasoline production increased by 7.0%, and diesel fuel by 15.4%.
- In Romania (KMG International N.V.), the Petromidia and Vega refineries increased production by 28.5% to 6,180 thousand tonnes due to the restoration of production capacities following scheduled major repairs and the restart of the mild hydrocracking unit.


**TABLE 1. SALES OF KMG'S OWN PETROLEUM PRODUCTS, THOUSAND TONNES**

	2024			2025			%		
	Domestic Market	Export	Total	Domestic Market	Export	Total	Domestic Market	Export	Total
Gasoline	1,582	-	<b>1,582</b>	1,833	9	<b>1,842</b>	+15.8%	-	<b>+16.4%</b>
Diesel <sup>7</sup>	1,673	-	<b>1,673</b>	2,009	-	<b>2,009</b>	+20.1%	-	<b>+20.1%</b>
Other	1,328	688	<b>2,016</b>	1,271	486	<b>1,757</b>	-4.3%	-29.4%	<b>-12.9%</b>
<b>Total</b>	<b>4,583</b>	<b>688</b>	<b>5,272</b>	<b>5,113</b>	<b>495</b>	<b>5,607</b>	<b>+11.5%</b>	<b>-28.1%</b>	<b>+6.4%</b>

The volume of wholesale sales of KMG's own petroleum products increased by 6.4%, reaching 5,607 thousand tonnes. The growth was driven by increased production and sales of light petroleum products in the domestic market: gasoline and diesel fuel sales increased by 15.8% and 20.1%, respectively.

7. In 2025, KMG additionally sold 295 thousand tonnes of imported diesel fuel.

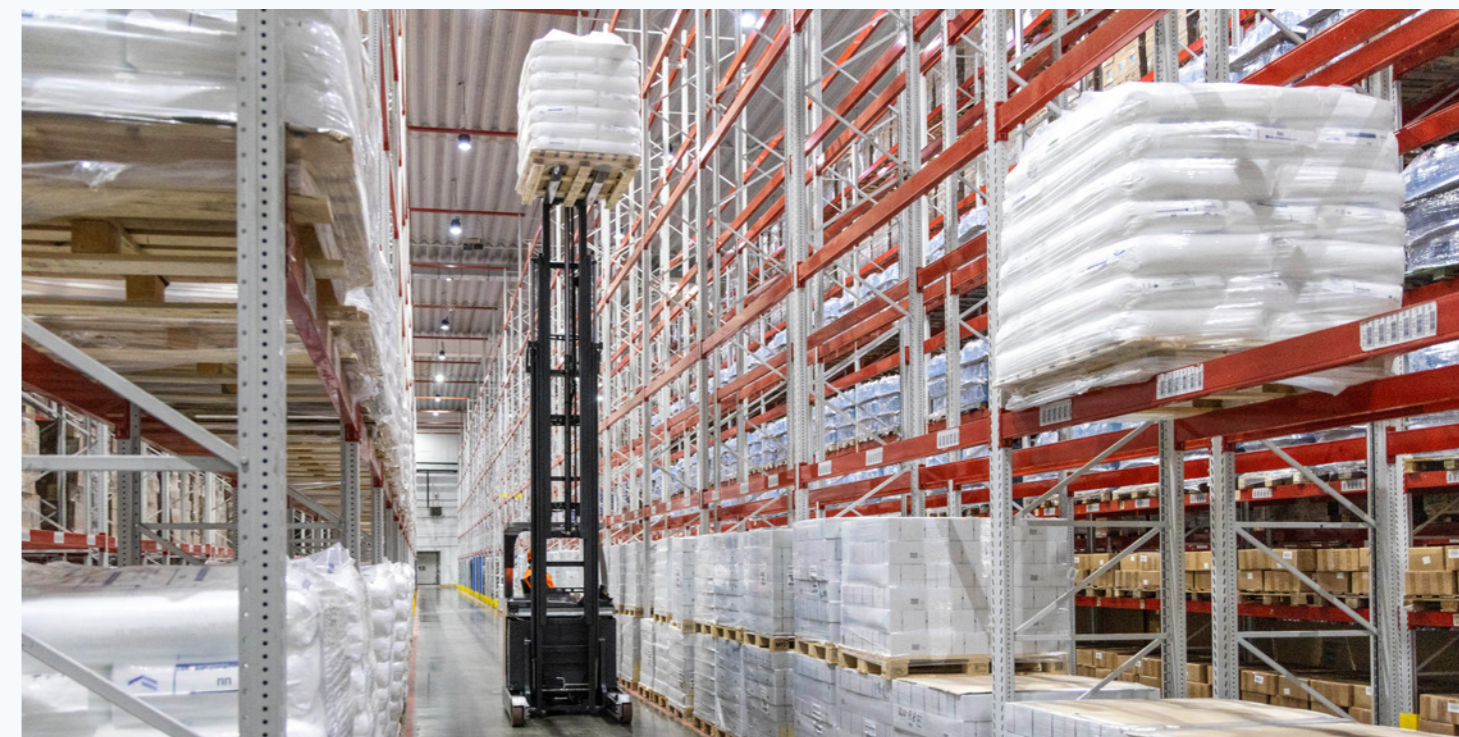
**TABLE 2. POLYPROPYLENE: PRODUCTION AND SALES, THOUSAND TONNES**

	2024 (KMG'S SHARE)	2025 (KMG'S SHARE)	%
<b>Production</b>	123.3	186.6	<b>+51.4%</b>
<b>Sales:</b>			
🕒 Domestic market	11.3	19.4	<b>+71.3%</b>
🕒 Export	112.1	161.4	<b>+44.0%</b>
<b>Total sales</b>	<b>123.4</b>	<b>180.8</b>	<b>+46.5%</b>

Production figures for the Kazakhstan Petrochemical Industries Inc. LLP plant showed steady growth. During the reporting period, polypropylene production reached 377 thousand tonnes. Thanks to the stabilization of production processes, polypropylene output increased by 51.4% compared to the previous year, reaching 186.6 thousand tonnes attributable to KMG.

The total polypropylene sales volume increased by 46.5% compared to 2024, amounting to 180.8 thousand tonnes attributable to KMG:

- 🕒 Polypropylene sales to the domestic market increased by 71.3%, reaching 19.4 thousand tonnes.
- 🕒 Polypropylene export sales increased by 44.0%, reaching 161.4 thousand tonnes. The main growth was driven by shipments to European countries, Turkey, and Russia.



# STRATEGY AND SUSTAINABLE DEVELOPMENT

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## IMPLEMENTATION OF THE CORPORATE STRATEGY AND KEY RESULTS

### GRI 2-22

In 2025, the development of the oil and gas industry developed against the backdrop of ongoing structural changes in the global energy sector, market transformation, and increasing requirements for business sustainability. Long-term climate targets, technological shifts, and changes in investment priorities are shaping a new configuration of conditions for industry companies and require well-considered strategic decisions.

In this context, KMG is implementing a corporate strategy aimed at strengthening the energy security of the Republic of Kazakhstan, ensuring the sustainable development of the business, and maintaining long-term financial stability. The Company continues to consistently develop its operations as a national vertically integrated oil and gas company that adheres to high standards of industrial safety, environmental responsibility, and corporate governance.

The implementation of KMG's Development Strategy for 2022–2031 is based on expanding the value-creation chain, improving operational efficiency, and diversifying the business. The Company maintains its focus on stable cash flow generation from its core business while simultaneously developing new growth areas, including oil and gas chemicals and low-carbon development projects. During the reporting period, KMG continued to implement the Low-Carbon Development Program until 2060 (hereinafter – LCDP-2060, LCDP), which sets the targets for reducing greenhouse gas emissions and defines the key areas for decarbonization (for more details, see the Climate Change and Low-Carbon Development section).

Planning horizons under LCDP-2060 are as follows: short-term – 0–1 year, medium-term – 1–10 years, and long-term – over 10 years (up to 2060). These horizons are aligned with the asset lifecycle and the goals of LCDP-2060.

KMG's View of the External Environment. For strategic and investment planning, KMG applies a scenario-based framework that includes: (i) the IPCC physical scenarios (RCP 2.6/4.5/8.5) to assess the impacts of temperature change, droughts,

and extreme events; and (ii) the transition scenarios of the Network for Greening the Financial System (NGFS) (NDC, "Below 2 °C", "Delayed Transition", "Net Zero Emissions by 2050") to evaluate regulatory tightening, carbon pricing, the energy mix, and technologies. On this basis, a stress test of the sustainability of the strategy and plans is conducted.

Modern global trends confirm that the sustainable development of oil and gas companies is achievable when energy security, business diversification, and consistent adaptation to the climate agenda are addressed simultaneously. In this regard, KMG structures its activities with a view to maintaining a balance between investment in development and adherence to capital discipline.

A key competitive advantage of the Company remains its resilient production cycle across hydrocarbon extraction, transportation, and processing, which ensures reliability of supply and stability of financial performance. The exercise of the priority right to acquire subsoil-use assets contributes to the replenishment of the resource base and the formation of long-term growth potential.



Access to feedstock resources positions the oil and gas chemicals sector as one of the Company's key growth drivers, enabling it to deepen processing and expand its product portfolio. KMG views the development of this sector as an important element in increasing added value and diversifying the business amid the transformation of global energy markets.

As part of its commitment to sustainable development principles, the Company is building a portfolio of low-carbon projects aimed at reducing the carbon intensity of production and improving resource-use

efficiency. The adoption of modern technologies, the development of energy saving solutions, and the systematic reduction of the carbon footprint are becoming integral components of the corporate strategy.

Thus, KMG is consistently implementing a strategy aimed at shaping a financially resilient, technologically advanced, and flexible business model capable of effectively responding to global challenges and delivering long-term value for the state, investors, and society.

## VISION



A national vertically integrated oil and gas company that meets high safety standards and the principles of sustainable development, focused on maximizing financial performance.

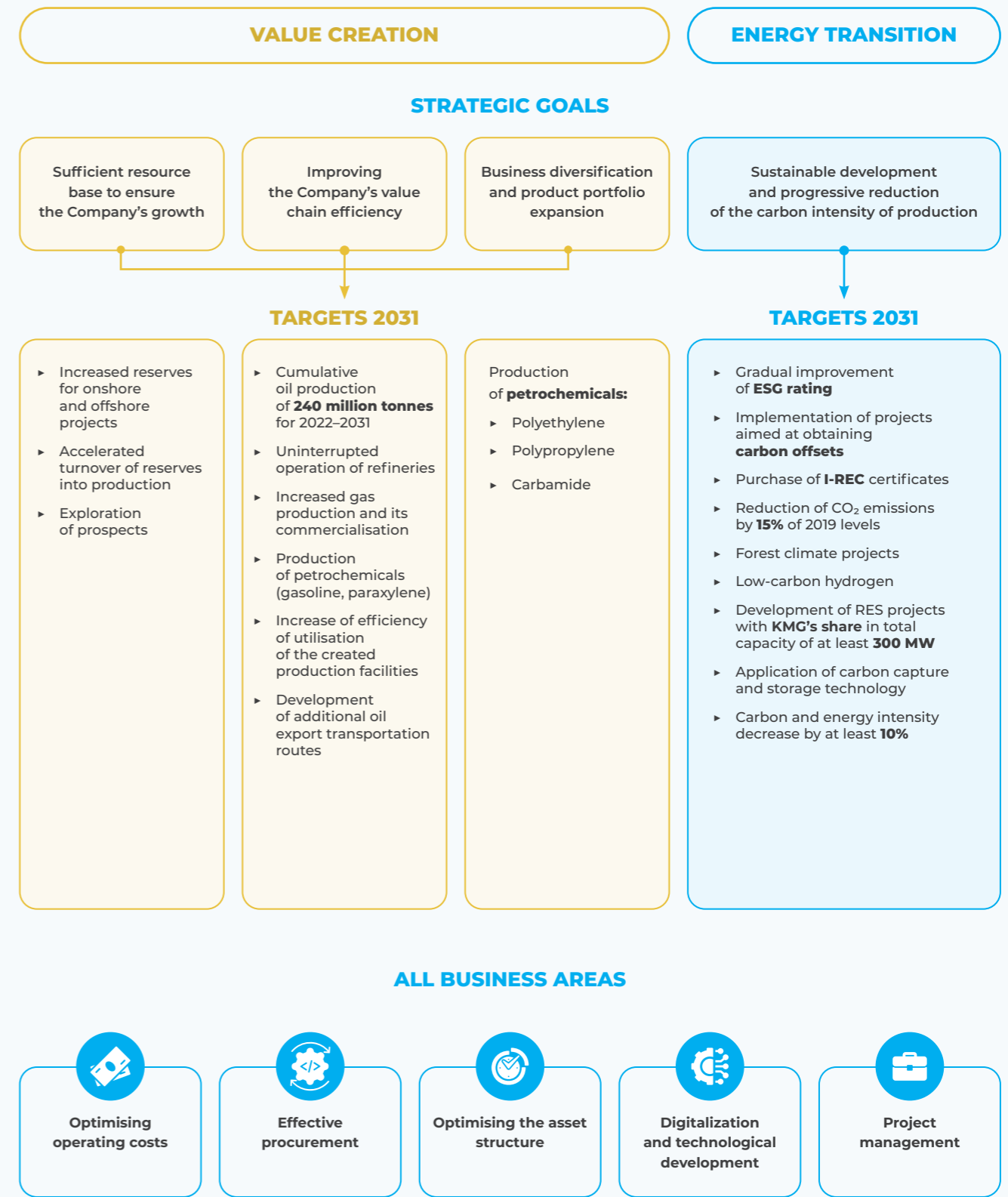
## MISSION



We develop natural resources efficiently and rationally to ensure energy security, development, and prosperity for Kazakhstan, while caring for future generations.



## Strategic Focus Areas





## Strategic Goal No. 1

### Sufficient resource base to ensure the Company's long-term growth

Ensuring sustainable production levels and building a foundation for growth in the medium and long term remain the Company's key priorities. To this end, a systematic program is being implemented to replenish the resource base, based on geological exploration, strategic partnerships, and selective M&A transactions.

In 2022–2025, cumulative growth in hydrocarbon reserves is ensured through the acquisition of stakes in the Kashagan, Kalamkas-sea and Khazar, Dunga projects, as well as active geological exploration.

During the reporting period, the main seismic surveys under the project geological exploration of the subsurface 1.0 were completed, and the implementation of the exploration project portfolio continued across prospective areas, including Zhylyoi, Bolashak, North Ozen, and Berezovsky, for which subsoil exploration and production contracts have been signed. To reduce geological and financial risks, the Company has engaged strategic partners, including the China National Offshore Oil Corporation (hereinafter — CNOOC) and the Sinopec Petroleum and Chemical Corporation (hereinafter Sinopec).

Concurrently, during the reporting period, a new stage of geological exploration of the project geological exploration of the subsurface 2.0 was launched, providing for preparatory activities and advanced seismic surveying. The search for and potential acquisition of additional assets is considered on an ongoing basis, provided that economically sound and strategically relevant opportunities are available.



## Strategic Goal No. 2

### Improving the Company's value chain efficiency

As part of KMG's Development Strategy, the Company is improving efficiency across the entire value chain – from production and refining to oil transportation and international assets – thereby ensuring the sustainability of its operational and financial performance.

In the reporting year, oil and condensate production amounted to approximately 26.2 million tonnes (2024 – 23.8 million tonnes), which is in line with the Strategy's targets. In 2025, gas production reached 11.45 billion m<sup>3</sup> (2024 – 9.5 billion m<sup>3</sup>). During the reporting period, key initiatives were implemented, including the launch of the Third Generation Plant of Tengizchevroil LLP (hereinafter — TCO) and achieving 1 billion barrels of cumulative production at the Kashagan field.

In the transportation segment, the diversification of export routes was further strengthened: 1.3 million tonnes of oil were transported through the Port of Aktau toward Baku (-7%), and 2.1 million tonnes via the Druzhba pipeline (+40%). In refining and petrochemicals, efficiency improvements continued: the annual refining depth is estimated at 90.1% (2024 – 87.4%), and key production facilities were commissioned and modernized.

The implementation of Strategic Goal No. 2 ensured the stability of key operational indicators and created a foundation for further efficiency gains.



## Strategic Goal No. 3

### Business Diversification and Product Portfolio Expansion

As part of its 2022–2031 Development Strategy, the Company is consistently expanding its oil and gas chemicals segment as one of the key drivers of value creation and enhanced business model sustainability.

In 2025, the implementation of oil and gas chemical projects covered the main product lines targeting domestic and international markets. Construction of the polypropylene production project (capacity — 500,000 tonnes per year) was completed and the commissioning certificate was signed. In 2025, 377,000 tonnes of products were produced, including 186,600 tonnes attributable to KMG (+51.4% compared to the previous year).

Under the Polyethylene project (capacity — 1.25 million tonnes per year), construction works have commenced and Engineering, Procurement and Construction (hereinafter — EPC) contracts have been signed; the project is being implemented with the participation of strategic partners SIBUR and Sinopec. Under the Carbamide project, a framework agreement was signed with China National Petroleum Corporation (hereinafter — CNPC), and the Feasibility Study has been completed.

The implementation of these projects forms the basis for the development of the oil and gas chemical clusters, the deepening of feedstock processing, and the expansion of the product portfolio, while supporting the phased diversification of the business.



## Strategic Goal No. 4

### Sustainable Development and Progressive Reduction of Carbon Intensity of Production

The Company continued to implement a comprehensive approach to sustainable development aimed at the gradually reducing of the carbon intensity of production processes and the development of low-carbon energy sources. Relevant initiatives are being carried out within the framework of the long-term climate and investment agenda, taking into account industry-specific factors and the regional context of company's operations.

Key areas of focus during the reporting period included projects in renewable and hybrid power generation, as well as measures to manage greenhouse gas emissions, including methane. The implementation of these initiatives enables the Company to simultaneously address decarbonization objectives, improve the reliability of energy supply, and reduce operational risks.

In the Mangystau Region, implementation continues on the hybrid power plant project in Zhanaozen with a total installed capacity of 247 MW, comprising a solar power plant (50 MW), a wind power plant (77 MW), and a gas-fired power plant (120 MW). In 2025, the installation of photovoltaic panels for the solar power plant was completed in full. In September 2025, comprehensive testing was completed and the 50 MW solar generation facility was commissioned. The project is being implemented in partnership with Eni during the period 2024–2026.

In the Zhambyl Region, the “Mirny” wind power plant project is underway, with an installed capacity of 1 GW and an energy storage system of 300 MW / 600 MWh. In December 2025, a Subscription Agreement was signed, providing for the acquisition by KMG Green Energy LLP of a 20% equity interest in Aktas Energy LLP (a joint venture with Total Energies Renewables SAS). The project partners are Total Energies Renewables SAS and “Qazaq Green Power” PLC, with an implementation timeframe of 2025–2028.

As part of its methane emissions management efforts in 2025, the Company conducted field measurements at the facilities of JV KazGerMunai LLP and Mangistaumunaigas JSC jointly

with Carbon Limits. In May 2025, reporting on methane emissions of subsidiaries and affiliates was submitted to UNEP, along with an action plan for implementing the requirements of the OGMP 2.0 initiative. In addition, satellite monitoring of methane emissions at subsidiary facilities, launched in 2023 with the support of OGCI and UNEP’s IMEO, is ongoing.

The comprehensive implementation of these projects and initiatives provides the foundation for the consistent reduction of climate-related risks, improved energy efficiency, and enhanced long-term resilience of the Company’s operations.

## Key Performance Indicators

In 2025, key corporate initiatives of KMG were successfully implemented, enabling the achievement of the established performance targets.

### CORPORATE PERFORMANCE TARGETS ACHIEVEMENT IN 2025

Corporate Performance Indicators	Actual 2025 (Actual 2024), Indicator Description
Oil and gas condensate production volume	26,211 thousand tonnes (2024 – 23,837 thousand tonnes)
Implementation of investment projects	8 projects (2024 – 6 projects)
EBITDA margin excluding trading	45% (2024 – 44%)
TSR (total shareholder return)	40.65% (2024 – 28.55%)
Integrated industrial safety indicator	75% (2024 – 125%)
Share of in-country value in procurement of goods, works and services of the KMG Group	In 2025, the share of in-country value in the procurement of goods, works and services of the KMG Group amounted to 70% for goods and 90% for works and services (2024 – 55% and 89%, respectively).
Approval of the Roadmap for projects involving artificial intelligence (at least 6 projects)	The KPI reflects the approval of the Roadmap for projects involving artificial intelligence (the Roadmap must include at least 6 projects with AI components).  The Roadmap was approved by the KMG Board of Directors on 4 December 2025.  <i>(Indicator introduced in 2025.)</i>

The performance indicator values are preliminary. Final approval of the actual 2025 indicator values by the KMG Board of Directors is expected in June 2026.

## Performance Evaluation

To ensure the implementation of strategic objectives in the area of sustainable development at the executive level, key performance indicators (KPIs) for the Chairman of the Management Board (the Company’s corporate KPIs) related to the implementation and development of the sustainable development system were approved for 2025:

- “Implementation of investment projects”, including sustainability-related projects, such as the construction of a hybrid power plant with an installed capacity of 247 MW in partnership with Eni;
- “Integrated industrial safety indicator”, aimed at reducing the level of occupational injuries, identifying unsafe conditions and hazardous factors, and ensuring systematic reporting on them across the KMG Group.

In addition, for the reporting year, functional sustainability KPIs were established at the level of the Deputy Chairmen of the Management Board and the heads of structural units. These KPIs cover the environmental, social, and governance aspects of the Company’s activities, including:

- the implementation of investment projects, including sustainability related projects;
- reducing the number of production downtime days at KMG’s subsidiaries and affiliates in the Mangystau Region caused by social risks, including strikes by employees of KMG subsidiaries and contractors;
- developing and improving the social and living infrastructure of KMG subsidiaries and affiliates, including the construction and renovation of socially significant facilities;
- achieving target indicators for the CDP rating and the ESG rating;
- approving and implementing environmental protection programs;
- reducing the non-work-related fatality rate (NWRF);
- implementing and completing Qorgau cards across subsidiaries and affiliates;

- conducting workshops on organizing and preparing for emergency response;
- conducting emergency response drills for major accidents and emergencies at hazardous production facilities;
- implementing measures to improve electricity planning and consumption efficiency across subsidiaries and affiliates;
- Implementation of the action plan within the framework of the Year of working professions in the KMG Group;
- Implementation of KMG’s Human Resources Policy;
- Automation of HR processes at the KMG corporate center;
- Development and implementation of KMG’s Corporate Well-being Program.



## Development of the Sustainability Management System

The Company continued to refine its sustainability management system, focusing its efforts on the integration of ESG approaches into key business processes and management decision-making. During the reporting period, priority attention was given to decarbonization, the management of climate and water-related risks, the reduction of environmental impacts, the advancement of social responsibility, and the improvement of corporate governance practices.

Throughout the year, the Company implemented and updated programs and action plans in the areas of low-carbon development and land rehabilitation. Work continued the disclosure of climate and environmental information in accordance with international guidelines and standards, including IFRS S2 and CDP, as well as on improving the quality of non-financial reporting.

In the social domain, the Company further developed its approaches to human capital management, occupational health and industrial safety, engagement with local communities, and the protection of human rights. In the area of corporate governance, 2025 saw continued integration of ESG considerations into the leadership performance evaluation system, enhanced transparency of disclosures, and the further development of anti-corruption and compliance procedures.

The implementation of these initiatives is aimed at strengthening business resilience, mitigating ESG risks, and creating long-term value for stakeholders, while ensuring the Company's consistent progress in line with national and international sustainable development goals. Below is an overview of the key activities implemented during the reporting period, as well as the results achieved and the current progress of the Company in the field of sustainable development.



## KEY INITIATIVES IN THE FIELD OF SUSTAINABLE DEVELOPMENT AND THE STATUS OF THEIR IMPLEMENTATION IN 2025

Key Area	Key Activities	Implementation Status
<b>ENVIRONMENTAL</b>		
<b>Greenhouse Gas Emissions Management and Low-Carbon Development</b>	Updating and implementing the low-carbon development action plan	The plan was approved by the decision of the KMG Management Board in March 2025
	Disclosure of climate information and climate-related risks (CDP Climate Change)	The information is disclosed in the Sustainable Development Report. The CDP questionnaire has been completed and submitted. A "B" rating was received. More details: <a href="https://www.cdp.net/en/data/scores">https://www.cdp.net/en/data/scores</a>
<b>Water Resources Management</b>	Development of the Water Resources Management Program	The Program has been developed
	Calculation and disclosure of water balance and water-intensity indicators	The information is disclosed in the Sustainable Development Report and the CDP questionnaire
	Disclosure of information in the CDP Water Security questionnaire	The CDP questionnaire has been completed and submitted. A "C" rating was received. More details: <a href="https://www.cdp.net/en/data/scores">https://www.cdp.net/en/data/scores</a>
<b>Pollution Emissions Management</b>	Development of pollution emissions reduction targets	The program has been developed
	Disclosure of flaring activities	The information is disclosed in the Sustainable Development Report. See details in the Environmental Responsibility section
	Implementation of World Bank initiatives to end routine flaring of associated gas	Flaring volume has been reduced by 86.4% compared to 2017. The information is included in the Sustainable Development Report. See more in the section The Company's Contribution to the Achievement of the UN Sustainable Development Goals

Key Area	Key Activities	Implementation Status
<b>Biodiversity and Land Restoration</b>	Development of the Biodiversity Program	The program has been developed
	Development and approval of rules for the closure and restoration of disturbed lands	The rules were approved by the decision of the KMG Management Board in February 2025
	Disclosure of information on land restoration	The information is disclosed in the Sustainable Development Report
<b>Development of Sustainable Products and Technologies</b>	Pilot project on CO2 capture, storage, and utilization (CCUS)	Screening of emission sources completed, further work is underway
	Development of a feasibility study for blue hydrogen production	A feasibility study for blue hydrogen production has been completed
	Feasibility study of the SAF (Sustainable Aviation Fuel) project	In September 2025, a Framework Agreement was signed with Lanzajet on transitioning to the Front-End Engineering Design stage (hereinafter — FEED), under which all technical and economic solutions for the plant construction will be developed
<b>SOCIAL</b>		
<b>Interaction with Local Communities</b>	Development of Local Communities Development and Engagement Program	The program is under development
	Disclosure of information on local community engagement	The information is disclosed in the Sustainable Development Report
<b>Human Rights</b>	Update of the Human Rights Policy	The Policy was approved by the decision of the KMG Board of Directors in June 2025
	Development of the Human Rights Program and human rights impact assessment	The Statement of Commitment on Human Rights and Gender Equality was signed in February 2025. An assessment of the Human Rights Policy and HRDD procedures was carried out.
<b>Human Capital Development</b>	Update of the KMG Human Resources Policy	The Policy was updated and approved by the decision of the KMG Board of Directors in December 2024
	Disclosure of information on human capital	The information is disclosed in the Sustainable Development Report
	Implementation of the “Green Office” project	A number of initiatives on the rational use of resources have been introduced

Key Area	Key Activities	Implementation Status
<b>Occupational health and safety</b>	Update of the OHS, Process Safety and Environmental Safety Roadmap	The Roadmap was approved by the decision of the KMG Management Board in February 2025
	Update of safety KPI reporting rules (contractor perimeter for LTIR/FAR)	The rules were updated and approved by the decision of the KMG Management Board in December 2024
	Disclosure of safety performance indicators	The information is disclosed in the Sustainable Development Report
<b>GOVERNANCE</b>		
<b>Board of Directors</b>	Disclosure of information on the composition and independence of the Board of Directors and its committees	The information is disclosed in the Annual Report and the Sustainable Development Report
	Gradual increase of the share of women on the Board of Directors to 30%	The implementation of the initiative continues. The share of women on the Boards of Directors / Supervisory Boards within the KMG Group is 13.1%
<b>Transparency of remuneration</b>	Disclosure of remuneration of Board members and senior management	The information is disclosed in the Annual Report
	Updating and approving the Rules for evaluating the performance of senior managers, managerial staff, the Head of Internal Audit, the Corporate Secretary, the Head of the Compliance Service, and the Ombudsman, considering sustainable development KPIs	The rules have been updated
	Disclosure of corporate KPIs and their performance results (by weight) in KMG's reporting	The information is reflected in the Annual Report
<b>Anti-Corruption Measures and Compliance</b>	ISO 37001 certification	A certificate of conformity to the ST RK ISO 37001-2017 (ISO 37001-2016) standard has been obtained
	Disclosure of tax information in accordance with the GRI standard and OECD Action 13	The information is disclosed in the Sustainability Report and on the corporate website of KMG

# THE COMPANY'S APPROACH TO SUSTAINABLE DEVELOPMENT MANAGEMENT

## GRI 2-22

KMG recognizes the nature and scale of its impact on the economy, the environment, and society, and views sustainable development as a key factor in long-term business stability and performance. In this regard, the Company consistently integrates sustainability principles into its core business processes and corporate governance system.

Sustainable development management within the Company is carried out in accordance with the requirements and recommendations of international standards and initiatives, including the UN Global Compact, as well as in line with the Corporate Governance Code of Samruk-Kazyna JSC. The Company also supports the UN Sustainable Development Goals (UN SDGs), integrating them into the formation of strategic priorities and the implementation of operational activities.

KMG's Development Strategy for 2022–2031 defines sustainable development as one of the key strategic objectives. As part of its implementation, the Company commits to establishing a systematic approach to stakeholder engagement, integrating ESG factors into management decision-making processes, and achieving target performance indicators in the area of sustainable development.

## Sustainable Development Management System

The Sustainable Development Management System includes the following interrelated elements:

- **Strategy, policies and goals** - developing a long-term vision and integrating sustainable development principles into corporate governance and operational activities.
- **Identification and management of risks and opportunities** - incorporating ESG risks into the corporate risk management system, as well as analyzing opportunities related to sustainable development.

- **Integration of ESG approaches into business processes** - incorporating aspects of sustainable development into strategic and operational planning, investment activities, human resources management, and supply chain management.
- **Engagement with stakeholders** - building regular and systematic dialogue with key stakeholders, taking into account their expectations and interests.
- **Reporting and monitoring** - preparation of annual non-financial reporting in accordance with international standards and conducting independent assurance of disclosed information.
- **Development of corporate culture and competencies** - implementation of training and awareness programs for employees in the field of ESG, and fostering a culture of responsible business conduct.



## Corporate Policies and Key Regulatory Documents

To strengthen the sustainable development management system and ensure the consistent integration of ESG principles across the KMG Group of Companies, key corporate policies, programs, and regulatory documents covering environmental, social, and governance aspects were adopted, updated, and implemented in 2025.

### The key documents include:

#### ENVIRONMENTAL BLOCK (E):

- Environmental Policy.
- Energy Policy.
- Emissions Management Policy.
- Policy on the Closure of Facilities and Reclamation of Disturbed Lands at KMG's Subsurface Areas and Fields.
- KMG Low-Carbon Development Program until 2060 (LCDP-2060).
- Corporate Standard on Water Resources Management.
- Standard for Conducting Environmental Impact Assessments (EIA) of Proposed Activities.
- Waste Management Standard.
- Guidelines for the Management System in the Field of Occupational Health, Industrial Safety, and Environmental Protection.
- Regulation on Energy Conservation and Energy Efficiency Improvement within the KMG Group.
- List of Identified Environmental Aspects, Environmental Risks and Opportunities, and Environmental Impact Mitigation Measures for 2025.

#### SOCIAL BLOCK (S):

- Code of Leadership and Commitment of KMG Group Employees on Compliance with Occupational Health, Industrial Safety, and Environmental Protection Requirements.
- Regulations on Risk Management in the Areas of Occupational Safety, Health, and Environmental Protection During High-Risk Operations at the KMG Group.
- Occupational Health and Industrial Safety Policy.
- Policy on the Safe Operation of Ground Vehicles.

- Human Rights Policy.
- Human Resources Policy.
- Youth Policy.
- Corporate Social Responsibility Code.
- Model Regulations for the Unified Internal Communications System.
- Model Rules for Social Support for Employees of the KMG Group of Companies.
- Model Regulations on Activities Involving Interaction between Subsidiaries and Contractors Operating at KMG Facilities.
- Corporate Standard on Occupational Health and Safety.
- Corporate Standard on Safety Management of Production Processes.
- Corporate Standard on Competency Assurance in Occupational Health, Industrial Safety, and Environmental Protection.
- Corporate Standard on Interaction with Contractors in Occupational Health, Industrial Safety, and Environmental Protection.
- Corporate Standard on the Provision of special clothing, Protective Footwear, and Personal Protective Equipment (PPE).
- Unified Occupational Health and Safety Management System.
- Regulation on the Use of the "Qorgau" Card.
- Regulation on the Safe Operation of ground Vehicles.
- Regulation on the Organization of Emergency Medical Assistance.
- KMG Crisis Management Regulation.
- Corporate Standard on Occupational Health and Safety – "Life Saving Rules" for KMG Group Employees.
- Rules for Providing Financial Assistance to KMG Retirees.
- Rules for Employee Training and Development of KMG Employees.
- Rules on the Procedure for Awarding and Recognizing Employees of the KMG Group of Companies.
- Work Instruction for Assigning Employees to Long Term Training Programs.

- Model Regulations on Developing Information Literacy Among Employees of the KMG Group of Companies.
- Roadmap for Improving Occupational Safety, Health, and Environmental Protection in the KMG Group of Companies for 2025–2027.

#### CORPORATE GOVERNANCE BLOCK (G):

- Corporate Governance Code.
- Sustainable Development Policy.
- Sustainable Development Framework.
- Sustainable Development Management System Guide.
- Guidelines for Preparing the Sustainable Development Report.
- Code of Business Ethics.
- Anti-Corruption Standards.
- Anti-Corruption Policy.
- Information Security Policy.
- Guidelines for the Information Security Management System.
- Confidential Information Policy.
- Policy on Resolving Conflicts of Interest Among Employees and Officials.
- Internal Control System Policy.
- Corporate Risk Management System Policy.
- Policy on the Closure of Facilities and the Reclamation of Disturbed Lands at KMG's Subsurface Plots and Deposits.
- Rules for the Closure of Facilities and the Restoration of Disturbed Lands at KMG's Subsurface Plots and Deposits and at its Subsidiaries and Affiliates.
- Security Policy.
- Rules for Conducting Anti-Corruption Monitoring and Internal Analysis of Corruption Risks at KMG.

- KMG Corporate Regulation on Physical Security and Anti-Terrorism Protection.
- Internal Control System Regulation.
- KMG Economic Security Regulation.
- Regulations on the Supply of KMG Oil to the External Market.
- Economic Security Regulation.
- Quality Policy.
- Guidelines on Quality.
- Rules for Assessing Customer Satisfaction with Services.
- Rules for Planning Oil Refining and Petroleum Product Production within the KMG Group of Companies.
- Regulations for reviewing complaints regarding violations of the laws of the Republic of Kazakhstan, KMG's internal documents, and those of its subsidiaries and affiliates.
- Model Regulations on the Ombudsman of KMG Group's subsidiaries and affiliates.
- Rules for Resolving Corporate Conflicts at KMG.

### Role of the governing bodies in sustainable development management

#### GRI 2-12, GRI 2-13, GRI 2-14

**The Board of Directors** bears strategic responsibility for sustainable development issues, including the approval of key policies and consolidated reporting in this area.

The most significant ESG issues, initiatives, and the results of their implementation are discussed during regular meetings, as well as at a separate annual meeting dedicated to sustainability issues and at meetings of the Board's specialized Health, Safety, Environment, and Sustainable Development Committee.

**Health, Safety, Environment, and Sustainable Development Committee** coordinates sustainable development processes, establishes key performance indicators, and monitors their achievement. Additionally, the following are involved in the sustainable development management system:

- Management Board** - ensures the implementation of sustainable development principles, monitors the achievement of goals and KPIs, and oversees the execution of initiatives.
- Deputy Chairman of the Management Board** responsible for sustainable development - coordinates approaches to achieving goals and KPIs, oversees the implementation of corporate standards, and supervises the preparation of reports.
- Department responsible for sustainable development** - provides methodological support, coordinates the management of climate and ESG risks and opportunities, and oversees the preparation of sustainability reports.
- Relevant business units** - implement initiatives, participate in risk and opportunity assessments, and provide data for reporting.

### Selection and Implementation of Sustainable Development Initiatives

Sustainable development initiatives are developed based on the analysis of climate and ESG risks and opportunities, stakeholder expectations, and the Company's strategic priorities. The process includes the following stages:

- identifying material topics considering economic, environmental (including climate), and social aspects;
- setting priorities taking into account stakeholder perspectives;
- assessing the economic and technological feasibility of initiatives;
- developing and implementing action plans with established goals, KPIs, timelines, and responsible units;
- monitoring and evaluating effectiveness, with the possibility of adjusting approaches and measures.

## Performance Assessment and Improvement of the Management System

The Company regularly monitors the effectiveness of implemented sustainability initiatives using a system of key performance indicators for sustainable development that cover economic, environmental, and social aspects.

To continuously improve the sustainable development management system, the following activities are carried out:

- monitoring the achievement of target indicators;
- management reviews;
- internal and external audits of reporting;
- assessment of the maturity of the management system;
- development and implementation of corrective actions.

The results of this analysis are used to update strategic priorities, enhance the effectiveness of the sustainability management system, and develop new initiatives in the area of sustainable development.



# APPROACH TO DETERMINING MATERIAL TOPICS

## GRI 3-1, GRI 3-2

Identifying material topics is one of the key stages in preparing the Sustainable Development Report. The Company conducts this process in accordance with the requirements of the GRI Standards, including the GRI Sector Standard 11: Oil and Gas Sector (2021). The applied approach enables the identification and disclosure of topics that have the greatest impact on the Company's operations, stakeholders, and sustainable development overall.

The process of determining material topics is aimed at ensuring transparency, comparability, and completeness of non-financial disclosures, as well as integrating the results into strategic and operational management.

## Stages of the Materiality Assessment Process

### 1. IDENTIFICATION OF MATERIAL TOPICS

At the first stage, a comprehensive analysis of internal and external factors affecting the Company's activities is conducted. The analysis takes into account:

- ⦿ Regulatory requirements and international standards;
- ⦿ The Company's strategic priorities and development goals;
- ⦿ Stakeholder expectations and demands;
- ⦿ Industry trends and best practices;
- ⦿ ESG risk and opportunity analysis.

### 2. ASSESSMENT OF TOPIC SIGNIFICANCE

The identified topics are evaluated from two complementary perspectives:

- ⦿ Impact on the economy, environment, and society, including the scale and nature of potential and actual impacts associated with the Company's activities;
- ⦿ Relevance to stakeholders, including shareholders, employees, partners, local communities, and other groups.

The assessment is carried out using stakeholder engagement tools, including surveys and analytical methods.

### 3. PRIORITIZATION OF TOPICS

Based on the evaluation, a materiality matrix is developed, ranking topics according to their level of importance. Topics identified as most material are included in the Sustainable Development Report and serve as the basis for defining the Company's strategic and operational priorities.

### 4. VERIFICATION AND APPROVAL

The results of the analysis and prioritization are reviewed by the Company's management. The final approval of the list of material topics is carried out with the involvement of the Board of Directors, ensuring completeness, objectivity, and reliability of the disclosed information.

## Regular Review of the List of Material Topics

The materiality assessment process is dynamic and subject to regular review. This allows KMG to reflect changes in the external environment, Company strategy, and stakeholder expectations. This approach enables the timely identification of emerging and intensifying risks and opportunities, as well as ensuring the relevance, completeness, and comparability of disclosed non-financial information.

As part of preparing the 2025 Report, a routine review of the list of material topics was conducted, taking into account:

- ⦿ the results of engagement with stakeholders, including representatives of government bodies, local communities, investors, and employees;
- ⦿ changes in the regulatory and public agenda regarding environmental protection and social development;
- ⦿ analysis of the actual and potential impacts of the Company's activities on natural and social systems;
- ⦿ and the strengthening of requirements in international non-financial reporting standards regarding the disclosure of issues related to impacts on biodiversity and the socio-economic development of the regions where the Company operates.

As a result of this review, the list of material topics was expanded from 12 to 14. Two additional topics were included: **GRI 11.4 "Biodiversity"** and **GRI 11.15 "Local Communities"**.

The inclusion of **GRI 11.4 "Biodiversity"** in the list of material topics is driven by a deeper understanding of the nature and scale of the Company's impacts on natural ecosystems in the regions where it operates. The implementation of oil and gas projects is associated with potential risks to terrestrial and aquatic ecosystems, including land transformation, impacts on flora and fauna, and changes to natural landscapes. Considering the strengthening of global and national agendas on biodiversity conservation, as well as growing expectations from investors and society,

the Company deemed it necessary to designate this area as a standalone material topic to ensure a more systematic approach to managing related environmental risks and implementing measures to prevent, minimize, and compensate for negative impacts.

The inclusion of **GRI 11.15 "Local Communities"** reflects the increasing importance of the social dimension of sustainable development and the need for a more structured approach to managing the socio-economic aspects of the Company's operations in the regions where it is present. KMG's activities have a multifaceted impact on local communities, influencing employment, infrastructure development, and social stability. Expanding the list of material topics to include this area is driven by the Company's commitment to considering the expectations of residents and authorities, increasing the transparency of social investments, systematically managing social risks and opportunities, and building sustainable, long-term partnerships.

The inclusion of "Biodiversity" and "Local Communities" as separate material topics reflects the evolution of the Company's approach to sustainable development management and its transition to a more comprehensive and integrated consideration of environmental and social factors. Expanding the list of material topics contributes to improving the quality of management decisions and further developing the sustainability management system in accordance with international best practices.



## Key Topics

In the 2025 Report, the list of material topics was updated and expanded to 14, while maintaining comparability with previously disclosed topics.

### LIST OF MATERIAL TOPICS

Nº	Material	3	5	7	8	9	11	12	13	15
1	11.1 Greenhouse Gas Emissions								✓	
2	11.2 Climate adaptation, sustainability and transition			✓	✓	✓		✓	✓	
3	11.3 Air emissions	✓					✓			✓
4	11.4 Biodiversity							✓		
5	11.5 Waste	✓						✓		✓
6	11.6 Water and Wastewater							✓		✓
7	11.7 Closure reclamation	✓			✓		✓			✓
8	11.8 Asset Integrity and Critical Incident Management						✓			
9	11.9 Occupational Health and Safety	✓			✓					
10	11.10 Employment Practice		✓		✓					
11	11.11 Non-discrimination and Equal Opportunities	✓	✓		✓					
12	11.14 Economic Impacts		✓		✓	✓				
13	11.15 Local Communities	✓	✓							
14	11.20 Anti-corruption							✓		

## CONTRIBUTION OF THE COMPANY TO THE ACHIEVEMENT OF THE UN SUSTAINABLE DEVELOPMENT GOALS

### UN Global Compact

Since 2006, KMG has been a participant of the United Nations Global Compact and actively contributes to its implementation. The Company's annual Sustainable Development Report reflects its progress in fulfilling the principles of the UN Global Compact.

In its operations, the Company strives to achieve sustainable development by integrating the UN principles, global trends, national development priorities of the Republic of Kazakhstan, and universal values into its business strategy.

Area	Principle
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights.
	2. Businesses should make sure that they are not complicit in human rights abuses.
Labour relations	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
	5. Businesses should uphold the effective abolition of child labour.
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	7. Businesses should support a precautionary approach to environmental challenges.
	8. Businesses should undertake initiatives to promote greater environmental responsibility.
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.

These principles form the foundation of KMG's strategic initiatives aimed at sustainable development and the creation of long-term value for stakeholders.

The Company recognizes all 17 UN Sustainable Development Goals and consistently integrates them into its operations. Taking into account its strategic priorities and key development objectives, KMG focuses on contributing to the achievement of 10 priority SDGs and 23 related targets, within which the Company's core initiatives and projects are implemented.



<https://unglobalcompact.org/what-is-gc/participants/6810>



## Integration of the Sustainable Development Goals into KMG's Operations



### GOOD HEALTH AND WELL-BEING

#### SDG TARGETS:

- 3.6.** Reduce the number of deaths and injuries resulting from road traffic accidents.
- 3.8.** Achieve universal health coverage, including access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines.
- 3.9.** Substantially reduce the number of deaths and illnesses resulting from exposure to hazardous chemicals and air, water and soil pollution and contamination.

#### KMG'S KEY INITIATIVES

- 🎯 "Trip Management" Project – implementation of a transport management system with a focus on traffic safety.
- 🎯 Employee Wellness Program (2024–2028) – health monitoring for employees with chronic conditions, preventive measures, innovative pre-shift health screenings, improved accessibility and quality of medical care.
- 🎯 Medical Insurance – regular medical checkups and employee vaccinations.
- 🎯 Measures to reduce occupational health risks and prevent adverse exposure to harmful factors.

#### KMG'S RESULTS FOR 2025:

- 🎯 The Trip Management Project has been put into industrial operation in KMG's oilfield service subsidiaries.
- 🎯 In three oilfield service subsidiaries (Oil Services Company LLP, Oil Construction Company LLP, Oil Transport Corporation LLP), the Trip Management Project has completed the transition to a digital format.
- 🎯 A unified system functionality has been implemented, including planning, analytics, and road safety modules.
- 🎯 1,592 employees of subsidiaries and 3,410 contractor employees completed Defensive Driving training.
- 🎯 20,073 employees of KMG subsidiaries and 2,321 contractor employees participated in practical safety belt demonstration exercises.
- 🎯 The Action Plan for KMG's Employee Health Improvement Program for 2025–2027, comprising 26 activities, was approved; the average implementation rate in 2025 amounted to 77.9%.
- 🎯 21,546 employees received training in providing first pre-medical aid (paramedic skills) at the workplace.
- 🎯 1,633 medical emergency drills of all levels were conducted, testing the Emergency Medical Response Plan.
- 🎯 The phased implementation of the Automated Medical Examination System (hereinafter – AMES) has continued since 2021 – 69 hardware units were installed in 2025.
- 🎯 100% of KMG employees are covered by the medical insurance program.
- 🎯 Annual occupational sanitary and epidemiological inspections were conducted across all subsidiaries.
- 🎯 The safety of drinking water, workplace air quality, and working conditions have been confirmed.



## GENDER QUALITY

### SDG TARGETS:

- 5.1.** Eliminate all forms of discrimination against all women and girls everywhere.
- 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.

### KMG'S KEY INITIATIVES

- 🕒 Implementation of the Women's Empowerment Principles (WEPs), including a gender gap self-assessment and public disclosure of gender composition data.
- 🕒 Strict adherence to the labor legislation of Kazakhstan to prevent any form of discrimination.
- 🕒 JanAru educational program.
- 🕒 Increase the share of women in top management positions across KMG Group to 30 % by 2030.

### KMG'S RESULTS FOR 2025:

- 🕒 A WEPs self-assessment was conducted, identifying strengths and areas for improvement in advancing gender equality.
- 🕒 KMG's HR policy is implemented based on the principles of gender equality, diversity, and non-discrimination.
- 🕒 A non-discriminatory and transparent approach to recruitment and selection has been ensured.
- 🕒 The JanAru educational program was implemented for women in working professions in the oil and gas industry.
- 🕒 Women's representation on the KMG Board of Directors and Supervisory Boards reached 13.1% in 2025.



## AFFORDABLE AND CLEAN ENERGY

### SDG TARGETS:

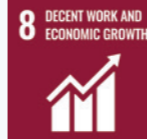
- 7.1.** Ensure universal access **to affordable**, reliable and **modern** energy services.
- 7.b.** Expand infrastructure **and upgrade** technology supplying modern **and sustainable** energy services.

### KMG'S KEY INITIATIVES

- 🕒 Improving energy efficiency through equipment upgrades and the implementation of automated metering systems.
- 🕒 Development of Renewable Energy Resources (RES) projects: wind power projects (1 GW) in partnership with TotalEnergies Renewables SAS and Qazaq Green Power PLC, and a hybrid power plant (247 MW) in partnership with Eni.
- 🕒 Procurement of "green" electricity (15% of total consumption by 2031).
- 🕒 Production of Sustainable Aviation Fuel (SAF) based on ethanol.

### KMG'S RESULTS FOR 2025:

- 🕒 During the reporting period, 87 energy efficiency and energy-saving measures were completed, resulting in a reduction of greenhouse gas emissions by 128.3 thousand tonnes of CO<sub>2</sub>.
- 🕒 A 50 MW solar power plant was commissioned in the Mangystau Region; construction of a 120 MW gas-fired power plant under the hybrid project is ongoing.
- 🕒 The detailed design phase of the 1 GW "Mirny" WPP project with an energy storage system is nearing completion.
- 🕒 10,000 green certificates (I-REC) were purchased.
- 🕒 Under the SAF production project, a framework agreement was signed with LanzaJet to advance the project to the FEED stage.



## DECENT WORK AND ECONOMIC GROWTH

### SDG TARGETS:

- 8.5.** Achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.
- 8.6.** Substantially reduce the proportion of youth not in employment, education or training.
- 8.8.** Protect labour rights and promote safe and secure working environments for all workers.

### KMG'S KEY INITIATIVES

- 🕒 Youth engagement programs, graduate training and employment, preparation of specialized professionals, and internship opportunities.
- 🕒 Social support for employees through collective agreements (more than 50 types of benefits).
- 🕒 Leadership Code and employee commitment to complying with industrial safety requirements.
- 🕒 "Qorgau" Safety Card – identification and prevention of unsafe working conditions.

### KMG'S RESULTS FOR 2025:

- 🕒 Employment of approximately 49 thousand workers ensured, of whom 82% are men and 18% are women; the Company applies a non-discriminatory approach to remuneration and personnel selection.
- 🕒 Programs for the development of young specialists and staff training are being implemented, including "Zhas Maman", dual training, "Alyp", and "Zheti qadam".
- 🕒 Collective agreements are in force across the KMG Group, providing for more than 70 types of social support.
- 🕒 The volume of financing for social benefits in 2025 totaled KZT 114 billion.
- 🕒 Implementation of "Qorgau" Safety Card is underway – a total of 12,530 cards were completed in 2025.
- 🕒 The 9th annual HSE Forum was held, aimed at strengthening leadership and safety culture.
- 🕒 Occupational working conditions assessments and corporate occupational safety audits were carried out across all subsidiaries; based on the results, 613 recommendations were issued to 15 subsidiaries.



## INDUSTRY, INNOVATION AND INFRASTRUCTURE

### SDG Targets:

- 9.1.** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.

### KMG'S KEY INITIATIVES

- 🕒 Development and implementation of the Advanced Base and Artificial Intelligence (hereinafter — ABAI) information system for centralizing all production data across the KMG Group and processing it using artificial intelligence and machine learning.
- 🕒 Within KMG's LCDP until 2060, priority measures to improve energy efficiency are being implemented, including the development of energy management, the introduction of automated systems for accounting and managing energy resources, the application of best available techniques, and the modernization of equipment and the vehicle fleet.

### KMG'S RESULTS FOR 2025:

- 🕒 Continued development and scaling of digital solutions: replication of the "Waterflood Management" module, development of the "Digital Well Rating" and "Production Planning and Monitoring" modules, as well as optimization of the ABAI system architecture.

**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.

- Pilot projects in industrial safety and digital monitoring are being implemented, including the automated intelligent occupational safety system "TUMAR" and predictive analytics solutions for equipment failure at refineries.
- In 2025, 87 measures were implemented, ensuring a reduction of 128.3 thousand tonnes of CO<sub>2</sub> and annual energy savings of 1,935.5 thousand GJ.
- Measures to modernize equipment and infrastructure are being carried out, including burner replacement, installation of variable-frequency drives, implementation of solar thermal solutions, and improvement of the energy efficiency of technological processes.



## SUSTAINABLE CITIES AND COMMUNITIES

### SDG TARGETS:

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

### KMG'S KEY INITIATIVES

- Participation in the "Taza Kazakhstan" initiative aimed at improving the environmental situation.
- Creation of a "green belt" through landscaping projects.
- Implementation of Best Available Techniques (BAT) to reduce environmental impacts step-by-step.
- Development of a pollutant emission reduction program.
- Implementation of the World Bank's "Zero Routine Flaring by 2030" Initiative.
- Development of "green offices" and separate waste collection systems.

### KMG'S RESULTS FOR 2025:

- Environmental and volunteer initiatives were implemented, including participation in the "Taza Kazakhstan" campaign (282 community clean-up events involving more than 9,000 participants).
- Landscaping and reforestation programs continue: since 2021, approximately 650 thousand trees have been planted. The total number of trees planted across the KMG Group in 2025 amounted to 263.7 thousand, including 150 thousand pine seedlings planted in the Kostanay Region with KMG's financial support.
- Automated emission monitoring systems with online data transfer were implemented in 5 subsidiaries; an integrated environmental permit was obtained, and measures to introduce BAT are being carried out.
- A program to reduce pollutant emissions has been developed and is expected to be approved by the end of 2026.
- Since 2017, the volume of routine flaring of raw gas has been reduced by 86.4%; continuous monitoring and measures for further reductions are underway.
- Green office initiatives are being implemented, including separate waste collection and the installation of a reverse vending machine – since 2023, more than 76 thousand containers have been collected.



## RESPONSIBLE CONSUMPTION AND PRODUCTION

### SDG TARGETS:

- 12.4.** Achieve the environmentally sound management of chemicals and all waste throughout their life cycle, in accordance with agreed international principles, and significantly reduce their release into air, water and soil in order to minimize their negative 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 disclose information on the efficient use of resources in their reporting.

### KMG'S KEY INITIATIVES

- Historical oil waste disposal program.
- "Tazalyq" project at Atyrau Oil Refinery LLP for wastewater treatment.
- Implementation of a waste management standard.
- Water resource management program.

### KMG'S RESULTS FOR 2025:

- A total of 4,668 thousand tonnes of historically accumulated oil waste has been disposed of across the KMG Group since 2019.
- In 2025, approximately 338.8 thousand tonnes of historically accumulated oil waste were disposed of at Ozenmunaygas JSC and Mangistaumunaigas JSC.
- At Atyrau Oil Refinery LLP, the second stage of the project "Reconstruction of Mechanical Treatment Facilities (closed-type MTF)" was completed.
- In 2025, the waste management standard was implemented in KMG's subsidiaries and affiliates.
- A draft Water Resource Management Program has been developed, including action plans for subsidiaries and affiliates. Approval of the Program is expected by the end of 2026.



## CLIMATE ACTION

### SDG TARGETS:

- 13.2.** Integrate climate change response measures into policies, strategies and planning.
- 13.3.** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

### KMG'S KEY INITIATIVES

- Implementation of internal carbon pricing.
- Participation in the Carbon Disclosure Project and disclosure of climate-related risks in accordance with IFRS S2.
- Methane emissions management in cooperation with international partners.
- Forest-climate offset project in partnership with Chevron in Pavlodar Region.
- Participant in the UNEP OGMP 2.0 methane initiative.
- Participant in the Charter on the Decarbonization of the Oil and Gas Sector.
- Participant in the Caspian Methane Emissions Reduction Accelerator.

### KMG'S RESULTS FOR 2025:

- The action plan for the implementation of KMG's Low-Carbon Development Program until 2060 was approved.
- Projects in the field of hydrogen energy are being implemented: as part of the pilot project for the development of green hydrogen, a solar power supply system was commissioned for the laboratory building of KMG Engineering LLP; delivery of an electrolyzer is expected; the feasibility study for blue hydrogen has been completed.

- A framework agreement was signed with LanzaJet to move the SAF production project to the FEED stage.
- A positive conclusion of the state environmental review was obtained for the forest-climate project.
- Training activities and practical methane leak measurements were conducted; reporting was completed in accordance with the OGMP 2.0 standard, and a draft corporate standard on methane emissions management was developed.
- With the support of OGCI, aerial monitoring of methane leaks is being conducted, and proposals have been submitted to improve national regulation in the oil and gas sector.



## LIFE ON LAND

### SDG TARGETS:

- 15.3.** Combat desertification, restore degraded land and soil, including land affected by desertification, droughts and floods, and strive to achieve land degradation neutrality.
- 15.5.** Take significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and ensure the conservation of threatened species and prevent their extinction.

### KMG'S KEY INITIATIVES

- Construction of a desalination plant in Kenderli with a capacity of 50 thousand m<sup>3</sup> of water per day.
- Land rehabilitation activities.
- Execution of the "Tazalyq" environmental project aimed at improving environmental conditions.
- Development of a biodiversity conservation program and cooperation with environmental organizations.
- Implementation of the principles of the mitigation hierarchy (avoidance, minimization, restoration, compensation).

### KMG'S RESULTS FOR 2025:

- In 2025, the desalination plant in Kenderli was commissioned and subsequently transferred to the local executive body.
- Activities aimed at restoring contaminated land and reducing pollutant discharges are being implemented.
- As part of reforestation efforts, 150 thousand pine seedlings were planted in the Kostanay Region.
- Reconstruction of the wastewater disposal system and reclamation of evaporation fields continues at Atyrau Oil Refinery LLP, including drainage and reclamation of sectors and the conversion of an open canal into a pipeline.
- At Atyrau Oil Refinery LLP, the project for the reconstruction of mechanical treatment facilities (closed-type MTF) has been completed.
- A draft Biodiversity Conservation Program has been developed; the principles of the mitigation hierarchy are embedded in KMG's Environmental Policy.



## PARTNERSHIPS FOR THE GOALS

### SDG TARGETS:

- 17.1.** Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.
- 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.
- 17.17.** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

### KMG'S KEY INITIATIVES

- Disclosure of tax reporting, including in accordance with the GRI standard and the OECD Country-by-Country Reporting Action 13 initiative.
- Strengthening transparency in corporate governance.
- Participation in international initiatives on sustainable development, environmental protection and emissions reduction.
- KMG's Results for 2025:
- KMG annually discloses information on taxes, payments to the state, and its operations, adhering to leading transparency standards.
- The Company actively cooperates with international agencies and intergovernmental organizations in the implementation of sustainable development projects.
- The Company is a member of international initiatives such as IOGP (International Association of Oil and Gas Producers), CDP (Carbon Disclosure Project), World Bank Zero Routine Flaring and OGMP (Oil and Gas Methane Partnership).

# CLIMATE AND ESG RISK MANAGEMENT

## KMG's Approach to Managing ESG and Climate Risks

The Company manages ESG and climate-related risks within the framework of the Corporate Risk Management System (hereinafter — CRMS), which operates on a consolidated basis. Climate-related and other ESG risks are integrated into the Company's overall risk management system and are considered alongside production, financial, strategic, and operational risks.

Climate risk management is carried out in accordance with the provisions of KMG's Low-Carbon Development Program until 2060, approved by the Board of Directors in 2024, as well as with the requirements of the national environmental and climate legislation of the Republic of Kazakhstan.

Climate risks at KMG are identified in the Risk Register as material risks, including:

- ⦿ physical climate risks;
- ⦿ energy transition and carbon-regulation risks;
- ⦿ risks associated with greenhouse gas emissions, methane, and flaring;
- ⦿ reputational and financial implications of climate-related factors.



## Corporate Management of Climate and ESG Risks

Responsibility for managing ESG and climate risks is allocated within the existing corporate governance model of KMG:

- ⦿ **Board of Directors provides** general oversight of the risk management system, approves key strategic documents, including LCDP-2060, and reviews information on material risks.
- ⦿ **Management Board** ensures the implementation and functioning of the Corporate Risk Management System and oversees the execution of activities related to climate and ESG risk management.
- ⦿ **Risk Owners and Functional Units** are responsible for identifying, assessing, monitoring, and implementing measures to manage risks within their areas of competence.

### KMG's CRMS operates based on the following principles:

- ⦿ regular updating of the Risk Register;
- ⦿ assignment of risk owners;

- ⦿ monitoring of key risk indicators (KRIs);
- ⦿ reporting at the corporate level.

KMG's risk management system is an integral part of corporate governance and is aimed at ensuring business resilience and the achievement of strategic and operational objectives. The system covers all management levels and applies to KMG, including its subsidiaries and affiliates, ensuring a unified approach to identifying, assessing, monitoring, and mitigating risks on a consolidated basis.

Risk management processes are implemented in accordance with international practices and principles, including the "three lines of defense" model, which provides for a clear distribution of roles and responsibilities among operational units. This structure enhances the transparency of processes, ensures the timely identification of risks, and strengthens the effectiveness of the internal control system.



KMG'S "THREE LINES OF DEFENSE" MODEL FOR MANAGING CLIMATE AND ESG RISKS

Line	Coverage	Roles and Responsibilities
<b>Operational Management (First Line)</b>	Managers and employees of KMG business units and subsidiaries who make decisions within operational, production, and investment activities	<ul style="list-style-type: none"> <li>Identification and preliminary assessment of climate and ESG risks, including physical and transition risks</li> <li>Integration of climate-related factors into operational activities, project planning, and investment planning</li> <li>Implementation of risk-management measures at the asset and business-process level</li> <li>Monitoring of key risk indicators within the respective areas of responsibility</li> </ul>
<b>Risk Management and Internal Control Function (Second Line)</b>	Specialized functions of the corporate center that provide methodological support, coordination, and monitoring of the risk management system at the Company level	<ul style="list-style-type: none"> <li>Development and updating of regulatory documents on risk management, including climate-related and ESG risks</li> <li>Consolidation and analysis of information on climate risks at the KMG Group level</li> <li>Assessment of the potential financial and operational impacts of climate risks</li> <li>Preparation of reporting and analytical materials for the Management Board and the Board of Directors</li> </ul>
<b>Internal Audit (Third Line)</b>	The Internal Audit function of KMG, which provides an independent assessment of risk management and internal control processes	<ul style="list-style-type: none"> <li>Independent assessment of the effectiveness of the risk management system, including climate-related and ESG risks</li> <li>Review of the adequacy of risk identification, assessment, and monitoring processes</li> <li>Evaluation of the effectiveness of measures for managing climate risks</li> <li>Providing the Board of Directors with independent assurance regarding the reliability of the risk management system</li> </ul>

This model ensures the integration of climate-related and ESG risk management into business decision-making processes, enhances transparency and accountability, and supports the timely identification and effective management of risks that may have a significant impact on KMG's strategy, financial performance, and overall resilience.

Risk management issues, including climate-related risks, are regularly reviewed by the Management Board and the Risk Committee, while monitoring results are submitted to the Board of Directors on a quarterly basis.

Sustainable development and the management of ESG factors are integrated into KMG's Development Strategy for 2022-2031 and are regarded as key elements of the Company's long-term resilience and competitiveness.



**Processes for Identifying and Assessing Climate Risks**

The identification of climate-related and ESG risks is carried out within the framework of the Company's regular risk management processes, including:

- annual updating of the Risk Register;
- quarterly monitoring of material risks;
- analysis of realized risk events.

**Physical Climate Risks**

As part of LCDP-2060, KMG conducted an assessment of physical climate risks using the Intergovernmental Panel on Climate Change (hereinafter — IPCC) scenarios (RCP 2.6, 4.5, 8.5). The analysis covers:

- increases and decreases in temperatures;
- droughts and water scarcity;
- extreme weather events (floods, storms, high winds);
- long-term climate changes affecting asset resilience.

The results of the assessment are used to develop asset-level adaptation measures but are not integrated as a standalone formalized assessment tool within the Corporate Sustainability Management System.

**Transition Climate Risks**

Transition risks are assessed with consideration of:

- tightening environmental and climate regulations;
- changes in the emissions trading system;
- potential increases in costs associated with emissions and energy;
- shifts in product demand and technological requirements.

Under LCDP-2060, NGFS scenarios were used to assess potential impacts of the energy transition; however, these scenarios are applied for analytical and strategic purposes and are not used as a mandatory element of the corporate risk assessment process.



### Management, Monitoring, and Response Measures

#### Climate-related and ESG risk management includes:

- ⦿ **Integration into planning processes**  
Climate factors are considered when developing strategic and investment decisions, including planning measures to reduce emissions and improve energy efficiency.
- ⦿ **Risk and indicator monitoring**  
As part of the Corporate Risk Management System (CRMS), key risk indicators reflecting environmentally and climate-significant factors are used, including:

  - ▶ emissions and flaring indicators;
  - ▶ incidents and environmental accidents;
  - ▶ fines and financial consequences related to environmental violations.
- ⦿ **Implementation of measures**  
Key measures for managing climate-related and ESG risks include:

  - ▶ energy efficiency improvement programs;
  - ▶ development of renewable energy sources (RES) and reduction of carbon intensity;
  - ▶ methane emissions management programs (LDAR);
  - ▶ CCUS pilot projects and offset initiatives;
  - ▶ adaptation of infrastructure to physical climate risks.

- ⦿ **Reporting and transparency**  
KMG ensures the disclosure of information on climate risks and related actions through:

  - ▶ annual reporting on the implementation of LCDP-2060;
  - ▶ corporate ESG reporting;
  - ▶ participation in international voluntary disclosure initiatives.

KMG's risk profile during the reporting year was shaped by significant external influences, including macroeconomic and geopolitical volatility, regulatory and sanction-related constraints, as well as increasing environmental and social requirements. These factors underscore the growing importance of proactive risk management and the adaptation of business processes to the conditions of the low-carbon transition.

During the reporting year, the Company updated the consolidated Risk Register and enhanced the regulatory framework for risk management, including the approval of:

- ⦿ The Risk Management System Policy for KMG and its subsidiaries and affiliates;
- ⦿ The Instruction on organizing the risk management process, including procedures for identification and assessment for KMG subsidiaries and affiliates.

Additionally, the monitoring of sanctions-related and regulatory risks was strengthened, and a pilot project on the automation of key risk indicators was launched.

The key climate-related and ESG risks, along with the corresponding management measures, are presented in the table below.

## Climate and ESG Risks

### CLIMATE RISKS AND LOW-CARBON DEVELOPMENT

Risk Description	Risk Mitigation Measures
<b>ENVIRONMENTAL ASPECT</b>	
<p>Climate risks for KMG are associated with the transition to a low-carbon economy and with the physical impacts of climate change.</p> <p><b>These include:</b></p> <ul style="list-style-type: none"> <li>⦿ Transition risks – tightening regulatory requirements, technological changes, market and reputational risks.</li> <li>⦿ Physical climate risks – extreme weather events (floods, droughts) and chronic climate changes (water stress, rising temperatures).</li> </ul> <p><b>Potential Impact</b></p> <p>Climate risks may lead to increased operational and capital expenditures (quotas, fines, compliance), suspension of operations in case of violations, reduced profitability of certain assets, reputational risks, and impacts on ESG ratings and access to capital.</p> <p>Climate-related opportunities may influence demand for the Company's products and the long-term resilience of the business.</p>	<p>KMG is actively working to reduce climate risks, including:</p> <ul style="list-style-type: none"> <li>⦿ Continues the implementation of LCDP until 2060, carrying out regular monitoring of the implementation of action plans of subsidiaries and affiliates.</li> <li>⦿ Keeps records of energy consumption and greenhouse gas emissions, participates in the OGMP 2.0 initiative, conducts regular instrumental, aerial, and satellite measurements of methane emissions, develops the LDAR system, trains personnel, and implements the corporate standard for methane emissions management.</li> <li>⦿ Low-carbon projects and technologies. Projects in the field of renewable energy sources (including the launch of an SPP as part of the hybrid project), CCUS (with a transition to the consideration of small-scale pilot solutions), sustainable aviation fuel (SAF – transition to the FEED stage), as well as the development of hydrogen energy (green, blue, and natural hydrogen, including pilot projects) are being implemented and worked out.</li> <li>⦿ Partnerships and international cooperation: Agreements and memorandums have been signed with international and regional partners in the field of decarbonization, methane management, and sustainable initiatives.</li> <li>⦿ Capacity building and knowledge exchange: Training events, practical workshops, and technical sessions with the participation of international experts (IFC, OGCI, IMEO, INPEX, etc.) are conducted for employees of the corporate center and subsidiaries and affiliates.</li> </ul> <p><b>KMG continues to improve adaptation measures to climate change, reducing the impact of climate risks on the Company's operations.</b></p>



RISK OF NEGATIVE ENVIRONMENTAL IMPACT

Risk Description	Risk Mitigation Measures
<b>ENVIRONMENTAL ASPECT</b>	
<p>KMG is exposed to the risk of negative environmental impact, including emissions of pollutants into the air, water and soil contamination, as well as increasing environmental regulatory requirements.</p> <p>Noncompliance with environmental standards may lead to stricter sanctions, additional financial costs, and damage to the Company's.</p> <p><b>Potential Impact</b></p> <p>The realization of environmental risk may lead to fines, excess payments, environmental remediation costs, and legal liability. Furthermore, a decline in environmental performance may negatively impact investment attractiveness and the long-term sustainability of the business.</p>	<p>To minimize environmental impact, KMG implements a comprehensive set of actions:</p> <ul style="list-style-type: none"> <li>⦿ Implementation and development of automated emission monitoring systems with online data transmission to state authorities and the use of unified emission calculation methodologies.</li> <li>⦿ Implementation of measures to reduce pollutant emissions, including reducing the volumes of raw gas flaring and participation in international initiatives (Zero Routine Flaring).</li> <li>⦿ Improvement of the water resources and waste management system, including the development and implementation of corporate standards and programs in subsidiaries and affiliates.</li> <li>⦿ Carrying out work on the disposal of "historical" oil waste and the remediation of oil-contaminated lands.</li> <li>⦿ Conducting environmental audits and monitoring followed by the implementation of corrective actions.</li> <li>⦿ Application of best available techniques (BAT), obtaining integrated environmental permits, and participation in the development of industry BAT reference documents.</li> <li>⦿ Preventive management of regulatory environmental risks through interaction with government authorities and industry associations.</li> <li>⦿ Enhancement of environmental risk management through regular meetings, training of subsidiaries and affiliates, and engagement of stakeholders.</li> </ul> <p><b>KMG continues to improve environmental protection measures, ensuring compliance with environmental requirements and reducing the impact of its operations on the environment.</b></p>



RISK OF OIL SPILLS DURING OFFSHORE OPERATIONS

Risk Description	Risk Mitigation Measures
<b>ENVIRONMENTAL ASPECT</b>	
<p>Oil spills may occur due to violations of technological procedures, pipeline accidents, equipment failures, and challenging natural conditions in the Caspian Sea.</p> <p>Risk factors include shallow waters, high reservoir pressure at the fields, the presence of hydrogen sulfide, and seasonal freezing of the surface.</p> <p><b>Potential impact</b></p> <p>Oil spills can cause severe environmental damage, halt production processes, and result in significant financial costs for response and compensation efforts.</p>	<p>To minimize the risk of oil spills during offshore operations, KMG implements a set of preventive measures, including:</p> <ul style="list-style-type: none"> <li>⦿ Continuous monitoring of technological processes and the condition of equipment.</li> <li>⦿ Scheduled preventive maintenance of pipelines and equipment.</li> <li>⦿ Personnel training and oil spill response drills.</li> <li>⦿ Effective functioning of the North Caspian Environmental Response Base.</li> <li>⦿ Monitoring of abandoned wells.</li> <li>⦿ Participation in working groups on accident prevention.</li> </ul> <p>Based on the results of 2025, no cases of oil spills during offshore operations were recorded. Considering the absence of incidents and the preservation of process controllability, the risk of oil spills in 2025 is assessed as stable, without deterioration compared to 2024.</p> <p><b>KMG continues to improve its oil spill prevention and response system, reducing potential environmental and financial risks.</b></p>



RISK OF INDUSTRIAL ACCIDENTS AND TECHNOGENIC DISASTERS AT PRODUCTION FACILITIES

Risk Description	Risk Mitigation Measures
<b>ENVIRONMENTAL ASPECT</b>	
<p>KMG's production activities involve a high level of hazard, creating the risk of accidents, explosions, fires, and other industrial disasters. Potential causes include equipment wear and tear, violations of technological processes, human error, and adverse external factors.</p> <p><b>Potential Impact</b></p> <p>Accidents at production facilities may lead to injuries and fatalities of employees, destruction of equipment and infrastructure, significant financial recovery costs, and environmental damage.</p>	<p>To prevent accidents, KMG implements a comprehensive set of measures:</p> <ul style="list-style-type: none"> <li>○ Preventive actions during well drilling operations.</li> <li>○ Regular maintenance and diagnostics of equipment.</li> <li>○ Industrial safety assessments and identification of potential hazards.</li> <li>○ Ensuring compliance with optimal technological operating modes of equipment, as well as regular certification and expert inspection of technical devices at hazardous production facilities.</li> <li>○ Briefings and training of personnel on the safe operation of equipment, industrial and fire safety, including the issuance of permits and qualification certificates.</li> <li>○ Monitoring the implementation of industrial safety enhancement measures.</li> <li>○ Property insurance contracts to cover potential damages.</li> </ul> <p><b>KMG continues to improve its systems for preventing and responding to technogenic risks, ensuring robust protection of personnel, equipment, and the environment.</b></p>



OCCUPATIONAL INJURY RISK

Risk Description	Risk Mitigation Measures
<b>SOCIAL ASPECT</b>	
<p>The risk of occupational injuries is associated with non-compliance with occupational safety rules, violations of workplace discipline, and exposure to hazardous and harmful production factors. This may lead to accidents, loss of working capacity, and threats to employee life.</p> <p><b>Potential Impact</b></p> <p>Occupational injuries may result in serious consequences, including:</p> <ul style="list-style-type: none"> <li>○ Deterioration of employee health, temporary or permanent disability;</li> <li>○ Reduced production efficiency and unplanned downtime;</li> <li>○ Financial losses related to compensation, fines, and legal claims</li> <li>○ Reputational risks for the Company.</li> </ul>	<p>To prevent workplace injuries, KMG implements a systematic approach to occupational health and safety:</p> <ul style="list-style-type: none"> <li>○ Ensuring safe working conditions and introducing new technologies.</li> <li>○ Strengthening production control by line managers (foremen/department heads) at hazardous facilities with the mandatory involvement of senior management.</li> <li>○ Preventive training and instruction of employees, including the courses "Effective On-the-Job Instruction", "Danger Zone: Principles of Safe Interaction with Equipment", and "Defensive Driving".</li> <li>○ Comprehensive inspections of subsidiaries and affiliates with the identification of systemic non-conformities in the field of industrial safety.</li> <li>○ Implementation of the behavioral safety observation program and the Near Miss reporting system using the "Qorgau" card.</li> <li>○ Integration of the process safety management (PSM) system, replication of the "Trip Management", "TUMAR", and electronic work permit systems, and implementation of the "STOP Road Accidents" campaign.</li> <li>○ Implementation of a labor safety culture development program with the involvement of all levels of personnel, based on compliance with life-saving rules in day-to-day production activities, and holding HSE Forums with the participation of managers of subsidiaries and affiliates, contractors, and HSE departments.</li> <li>○ Updating the corporate standard on interaction with contractor organizations.</li> </ul> <p><b>KMG is committed to reducing injury rates by ensuring safe working conditions and fostering a strong safety culture among employees.</b></p>



RISK OF OCCUPATIONAL DISEASES

Risk Description	Risk Mitigation Measures
<b>SOCIAL ASPECT</b>	
<p>KMG’s production activities involve exposure to adverse factors such as intoxication, pollution, vibration, noise, and significant physical strain. Prolonged exposure to these factors can lead to occupational diseases. There is also a threat of infectious disease outbreaks, including new virus strains, which may impact employee health and the stability of production processes.</p> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>⦿ Development of occupational diseases, temporary or permanent loss of employees’ working capacity.</li> <li>⦿ Increase in the level of morbidity and growth of costs for medical and social support.</li> <li>⦿ Potential workforce reduction and decreased production efficiency.</li> <li>⦿ Risk of infectious disease spread affecting operational activities.</li> </ul>	<p>To reduce the risk, KMG implements a set of measures aimed at protecting employees’ health and preventing occupational diseases:</p> <ul style="list-style-type: none"> <li>⦿ Regular workplace certification on working conditions.</li> <li>⦿ Mandatory medical examinations of employees and monitoring of their health status.</li> <li>⦿ Occupational sanitary control and improvement of working conditions.</li> <li>⦿ Implementation of the Employee Health Improvement Program for 2025–2027, including disease prevention, comprehensive health improvement measures, and sanitary and educational activities.</li> <li>⦿ Training in first aid skills; in 2025, 1,193 employees were trained to reduce the risk of fatal incidents at work.</li> <li>⦿ Implementation of the automated medical examination system (hereinafter — AMES); in 2025, 69 units were installed at KMG subsidiaries and affiliates.</li> <li>⦿ Use of portable medical devices for early detection of risk factors for chronic diseases, reduction of unplanned hospitalizations, and increased motivation for a healthy lifestyle.</li> <li>⦿ A working group of specialists from the KMG Corporate Center and subsidiaries and affiliates has been established to conduct audits and verify compliance with corporate standards.</li> <li>⦿ Conducting medical emergency drills at production facilities, including the participation of contractors; in 2025 – 1,633 drills.</li> </ul> <p><b>KMG continues to enhance its occupational health and safety system, minimizing the risks of occupational diseases, the threat of infectious disease spread, and ensuring safe working conditions.</b></p>



SHORTAGE OF QUALIFIED PERSONNEL

Risk Description	Risk Mitigation Measures
<b>SOCIAL ASPECT</b>	
<p>This risk is associated with employee turnover, a shortage of specialists with the required competencies, and potential challenges in attracting and retaining qualified personnel. The shortage may be driven by a competitive labor market, workforce migration, and evolving professional requirements.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>⦿ Decreased efficiency and productivity of the Company.</li> <li>⦿ Increased workload on existing staff, risking process disruptions.</li> <li>⦿ Delays in the implementation of strategic projects.</li> <li>⦿ Higher costs for recruitment, training, and onboarding of new employees.</li> </ul>	<p>KMG implements a comprehensive approach to attract, develop, and retain talent:</p> <ul style="list-style-type: none"> <li>⦿ Regular monitoring of turnover reasons and exit surveys.</li> <li>⦿ Conducting employee surveys to identify needs, assess satisfaction with working conditions, and increase engagement.</li> <li>⦿ Improvement of motivational programs and working conditions.</li> <li>⦿ In 2025, the updating and approval of internal regulatory documents aimed at ensuring employee rights and supporting sustainable development were carried out, including the KMG Human Rights Policy, the KMG Youth Policy and that of its subsidiaries and affiliates, the Rules of Labor Regulations and Labor Relations Management, the Rules for Search and Selection, Coordination of Appointment (Election) and Early Termination of Powers of Heads of Executive Bodies of Legal Entities of the KMG Group of Companies, and other internal regulatory documents.</li> <li>⦿ Implementation of the KMG HR Policy Action Plan for 2025–2026.</li> <li>⦿ Development of corporate culture, internal communications, and team building initiatives.</li> <li>⦿ Creation of career opportunities and professional development programs.</li> </ul> <p><b>KMG continues to reduce human capital risks by creating attractive conditions for professional growth, engagement, and long-term retention of employees.</b></p>



TERRORISM RISK

Risk Description	Risk Mitigation Measures
<b>SOCIAL ASPECT</b>	
<p>The risk is associated with the possibility of terrorist and other violent acts directed against the Company's personnel, contractors, and assets. KMG's operations cover regions where there is a likelihood of security threats, and the use of modern technical means increases potential vulnerability, which requires the implementation of systematic measures to protect employees and facilities.</p> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>⦿ Threats to the life and health of employees.</li> <li>⦿ Disruption of operational activities, damage to the Company's assets.</li> <li>⦿ Increased costs for security and infrastructure restoration.</li> <li>⦿ Reputational and legal risks.</li> </ul>	<p>KMG implements a comprehensive set of safety measures:</p> <ul style="list-style-type: none"> <li>⦿ Inspection of the condition of security systems, engineering and technical protection equipment, monitoring of video surveillance systems, access control systems, and evacuation schemes.</li> <li>⦿ Personnel training on anti-terrorism protection.</li> <li>⦿ Cooperation with law enforcement agencies.</li> <li>⦿ Emergency response drills and training.</li> <li>⦿ Organization of security and regulatory measures, access control, prevention of threats from visitors, foreign nationals, and contractors.</li> <li>⦿ Certification of facilities vulnerable to terrorism, in accordance with counterterrorism legislation.</li> <li>⦿ Conducting internal inspections and corrective actions when violations of access control and on site security procedures are identified.</li> </ul> <p><b>KMG continues to enhance the physical security and anti-terrorist protection system, ensuring the safety of employees and assets.</b></p>



SOCIAL CLIMATE IN REGIONS OF OPERATION

Risk Description	Risk Mitigation Measures
<b>SOCIAL ASPECT</b>	
<p>The social situation in the regions of presence of KMG's subsidiaries and affiliates may be characterized by increased sensitivity to issues of wages, working conditions, employment, and social guarantees, which under certain circumstances may lead to social tension, labor conflicts, and unauthorized strikes by employees of subsidiaries and affiliates.</p> <p>In 2025, no strikes or protest actions were recorded in KMG's subsidiaries and affiliates. At the same time, 9 strikes were recorded in contractor organizations in the Mangystau Region, which were resolved within the legal framework in cooperation with the relevant government authorities.</p> <p><b>Potential Impact</b></p> <ul style="list-style-type: none"> <li>⦿ Reputational risks and reduced public trust in the Company.</li> <li>⦿ Potential disruptions to operations.</li> <li>⦿ Increase in operational costs related to resolving labor disputes.</li> <li>⦿ Impact on the Company's investment attractiveness.</li> </ul>	<p>KMG is taking a comprehensive approach to stabilize the social climate:</p> <ul style="list-style-type: none"> <li>⦿ Implementation of Roadmaps for improving working conditions, social and living infrastructure in KMG subsidiaries and affiliates (renovation of accommodation facilities, dining facilities, sanitary and household premises, and employee recreation areas). As of the beginning of 2026, 190 out of 275 facilities have been completed.</li> <li>⦿ Conducting regular reporting meetings of management with labor collectives and trade unions, development of the internal communications system and feedback mechanisms.</li> <li>⦿ IR screening of contractor organizations, control over compliance with legislation and working conditions.</li> <li>⦿ Support for the development of the sociocultural component of the city of Zhanaozen, interaction with local executive and supervisory authorities.</li> <li>⦿ Support for local employment, including the development of digital and transparent employment tools in the city of Zhanaozen.</li> <li>⦿ Development and implementation of action plans of KMG subsidiaries and affiliates based on the results of measurements of the Social Stability Index (SRS).</li> <li>⦿ Automation of the contractor organizations database for prompt monitoring of the social situation and early detection of risks.</li> </ul> <p><b>Despite the continuing sensitivity of the social agenda in the regions of presence, the implemented system of monitoring and preventive response enables KMG to effectively manage this risk and maintain a stable social environment.</b></p>



COMPLIANCE RISKS

Risk Description	Risk Mitigation Measures
<b>CORPORATE GOVERNANCE</b>	
<p>Compliance risks are associated with potential instances of corruption, violations of legislation, and internal regulatory documents, which may result in financial losses, reputational damage, and legal consequences. Ensuring transparency in business processes and adherence to ethical standards is a key priority for KMG.</p> <p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>⦿ Financial losses and fines.</li> <li>⦿ Erosion of trust from investors and partners.</li> <li>⦿ Legal liability for the Company and its employees.</li> <li>⦿ Reputational risks affecting the sustainable development of the business.</li> </ul>	<p>KMG implements a range of measures to prevent compliance risks:</p> <ul style="list-style-type: none"> <li>⦿ Conducting internal analysis of corruption risks followed by the development of corrective actions.</li> <li>⦿ Regular anti corruption monitoring and compliance audits.</li> <li>⦿ Updating and implementing internal compliance policies and action plans on anti corruption.</li> <li>⦿ Promoting a corporate culture of integrity and ethics, including the “Compliance Ambassador” initiative.</li> <li>⦿ Operation of the hotline and response to identified violations and conflicts of interest.</li> <li>⦿ Organization of seminars, trainings, and explanatory work on the anti corruption policy, including working with insiders and informing about closed periods.</li> </ul> <p><b>KMG continues to improve its compliance control system, ensuring transparency of business processes and minimizing the risk of legal violations.</b></p>



**Continuous Improvement of the System**

KMG's system for managing ESG and climate risks is subject to **regular review and updating**, taking into account:

- ⦿ changes in the external environment and regulation;
- ⦿ results of monitoring and realized risks;
- ⦿ accumulated practical experience in implementing LCDP 2060.

KMG considers the management of climate and ESG risks as **an element of ensuring the long-term sustainability of the business**, while the goals and tools for their management are adjusted as the regulatory framework, technologies, and corporate priorities evolve.

**ESG Rating**



**MSCI Assessment**

According to the assessment of the international financial company MSCI, KMG maintained an ESG rating of **“BBB”** in the reporting year, which corresponds to an average level within the industry. This reflects balanced management of environmental, social, and governance risks.

According to the MSCI methodology, a **“BBB”** rating reflects the Company's moderate exposure to material ESG risks and its ability to manage them at a level comparable to industry peers.

**Environmental Component (E)**

In the environmental pillar, MSCI notes KMG's strong performance on biodiversity and land use, where the Company demonstrates efforts to reduce its negative environmental impact and implement land reclamation activities for disturbed areas.

In the area of climate change and carbon emissions management, MSCI notes the integration of climate aspects into the Company's development strategy and risk management system. KMG's practices in the field of energy efficiency, the use of cleaner energy sources, and the reduction of greenhouse gas emissions are assessed at an average level, while MSCI classifies KMG's emission reduction targets as moderate.

At the same time, MSCI indicates high exposure to risks related to pollutant emissions and waste, due to the specifics of the Company's operations. The further development and formation of a comprehensive program to reduce pollutants with established targets and a formalized management system is viewed as an additional opportunity to strengthen the Company's performance in this area.

**Social Component (S)**

In the social sphere, KMG demonstrates an average level of indicators compared to international industry peers. In the area of engagement with local communities, MSCI notes a high share of the Company's operations that may potentially affect ecosystems and living conditions of the population, as well as the need for further development of a systematic approach to assessing and managing social risks.

At the same time, the Company demonstrates relatively strong performance on the key issue of occupational health and industrial safety. In the “Health and Safety” category, KMG's performance in 2025 reflects a well-developed occupational health and safety management system and compliance with industry standards.

**Corporate Governance (G)**

In terms of corporate governance, MSCI notes the presence of an independent majority on the Board of Directors, which contributes to effective oversight of the Company's activities. At the same time, MSCI identifies areas for improvement, including issues of gender diversity in the composition of the Board of Directors, remuneration disclosure, and risk management in the area of business ethics.



## International financial company MSCI (New York, USA)

MSCI Inc. is an American financial services company that provides global equity, bond, and real estate indexes, ESG and climate products, and portfolio analytics. MSCI Inc. assists investors worldwide in making informed investment decisions by providing data and analytical tools for assessing risks and opportunities across various asset classes.

### MSCI Assessment Methodology

The MSCI ESG Rating represents an industry-comparable assessment of companies' management of material environmental, social, and governance (ESG) risks and opportunities. The assessment is conducted taking into account factors that may impact the sustainability of financial performance, reputation, and value creation of a company.

Ratings are assigned on a seven-point scale ranging from AAA (highest level of ESG risk management) to CCC (lowest level), with the analysis focused on peer comparison within the same industry and taking into account financially material ESG factors.

### For reference



The ESG Rating constitutes an evaluation of a company's environmental, social, and corporate governance risks. It represents a strategic instrument leveraged by investors in the investment decision-making process, enabling the identification of a company's risks and opportunities with a view to determining its long-term sustainability and resilience.



# CORPORATE GOVERNANCE

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## CORPORATE GOVERNANCE SYSTEM

### GRI 2-9

The corporate governance system of KMG is based on respect for the rights and legitimate interests of shareholders and key stakeholders, including the state, strategic partners, counterparties (suppliers and buyers), investors, Company employees, municipalities, local communities, and residents of the regions where the Company operates.

KMG's corporate governance is consistently improved in accordance with the requirements of the legislation of the Republic of Kazakhstan, international standards, and best corporate practices. The development

of the system is aimed at ensuring transparency and accountability, enhancing management efficiency, and strengthening the trust of investors and other stakeholders.

An important element of corporate governance is the integration of sustainability principles, which contributes to long-term value creation, effective risk management, and consideration of environmental, social, and governance (ESG) factors in the Company's strategic and operational processes.

### Corporate Governance Structure

The corporate governance structure of KMG is built in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter, and the Company's internal documents, and is aimed at a clear delineation of the functions of strategic management, control, and operational leadership.

**General Meeting of Shareholders** – the supreme governing body that determines the main areas of the Company's activities and makes decisions on key issues, including the approval of the development strategy and other fundamental aspects of operations.

**Board of Directors** the governing body accountable to the General Meeting of Shareholders, carries out the general management of the Company's activities, sets strategic development guidelines, oversees the work of the executive bodies, and ensures the effective functioning of the corporate governance system.

To provide detailed consideration of issues and preparation of decisions, specialized committees operate under the Board of Directors:

- ◉ **Nomination and Remuneration Committee** – reviews matters of HR policy, remuneration systems, motivation, and employee development;

- ◉ **Strategy and Portfolio Management Committee** – supervises strategic development, investment activities, and business transformation;
- ◉ **Audit Committee** – oversees financial reporting, internal control, and risk management;
- ◉ **Health, Safety, Environment and Sustainable Development Committee** – ensures the integration of sustainable development principles into the Company's key processes, as well as into strategy and decision making processes.

The committees operate on the basis of approved regulations, consider issues within their competencies, and regularly present the results of their work and recommendations to the Board of Directors for managerial decision making.

**The Management Board** is a collegial executive body, accountable to the Board of Directors, and carries out the management of the Company's current activities, ensuring the implementation of the approved strategy and the achievement of the established indicators.

**The Internal Audit Service** provides an independent assessment of the effectiveness of the internal control

system, risk management, and corporate governance, and is functionally accountable to the Board of Directors.

**The Corporate Secretary** ensures compliance with corporate governance procedures, coordination of interaction among governance bodies, and proper disclosure of information.

**The Compliance Service** monitors compliance with the anti corruption legislation of the Republic of Kazakhstan, KMG's internal documents, and principles of business ethics.

**The Ombudsman** reviews employee appeals and facilitates the resolution of issues related to labor relations and compliance with ethical standards.

## Composition of the Board of Directors

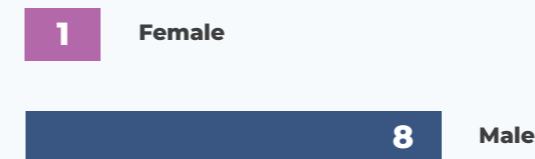
As of December 31, 2025, the Board of Directors of KMG consists of 9 members:

- ⊙ 8 men and 1 woman (share of women – 11.1%);
- ⊙ 8 citizens of the Republic of Kazakhstan and 1 citizen of the United Kingdom;
- ⊙ age composition: from 36 to 78 years, average age – 55 years, including:
  - from 36 to 49 years – 5 persons;
  - from 50 to 59 years – 1 person;
  - from 60 to 78 years – 3 persons.

Nº	Full name	Status	Date of Election (initial)	Other Significant Positions and Responsibilities
1	<b>Nurlan Zhakupov</b>	Chairman of the Board of Directors, representative of Samruk-Kazyna JSC	05.05.2025	Chairman of the Management Board of Samruk-Kazyna JSC; member of the Board of Directors of Air Astana JSC; Chairman of the Board of Directors of KEGOC JSC
2	<b>Askhat Khassenov</b>	Executive Director, Chairman of the Management Board of KMG	28.05.2024	Chairman of the Management Board of KMG
3	<b>Arman Argingazin</b>	Independent Director	30.05.2023	Chairman of the Board of Directors of NAC Kazatomprom JSC, Independent Director; member of the Board of Directors of Kazakhstan Investment Development Fund, Independent Director
4	<b>Armanbai Zhubayev</b>	Independent Director	06.04.2023	Founder of STRATEGYLAB LLP; member of the Board of Directors of NAC Kazatomprom JSC, Independent Director; member of the Board of Directors of NGK Tau-Ken Samruk JSC, Independent Director; member of the Board of Directors of Samruk-Energo JSC, Independent Director

5	<b>Uzakbay Karabalin</b>	Non-Executive Director, representative of Samruk-Kazyna JSC	18.02.2016	Deputy Chairman of the KAZENERGY Association
6	<b>Saya Mynsharipova</b>	Independent Director	14.08.2023	Member of the Board of Directors of NC QazaqGaz JSC, Independent Director; member of the Board of Directors of Samruk-Kazyna Construction JSC, Independent Director
7	<b>Yelzhas Oтынshiyev</b>	Representative of Samruk-Kazyna JSC	27.06.2023	Managing Director for Strategy and Asset Management of Samruk-Kazyna JSC; member of the Board of Directors of NAC Kazatomprom JSC; Member of the Board of Directors of NC QazaqGaz JSC
8	<b>Philip Malcolm Holland</b>	Independent Director	17.08.2020	Chairman of the Board of Directors of Velocys PLC, as well as Non-executive Director and Chairman of the Safety, Climate and Risk Committee of EnQuest PLC.
9	<b>Askar Shakirov</b>	Independent Director, Senior Independent Director	06.11.2023	Extraordinary and Plenipotentiary Envoy of the 1st Class

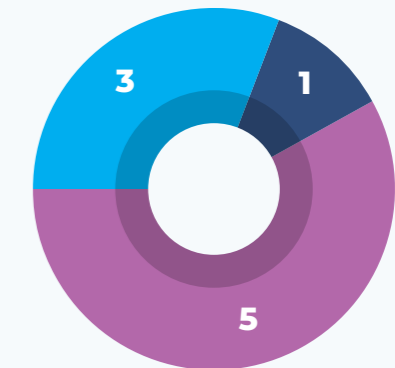
### GENDER DIVERSITY



### TERM OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS, NUMBER OF PERSONS



### COMPOSITION OF THE BOARD OF DIRECTORS



- Executive Director (Chair of the Management Board)
- Representatives of Samruk-Kazyna JSC
- Independent Directors

### Representation of key stakeholders is ensured within the composition of the Board of Directors:

- Major shareholder (Samruk-Kazyna JSC) – **3 members** of the Board of Directors (N. Zhakupov, U. Karabalin, Y.Otyynshiyev);
- Independent directors – **5 members** of the Board of Directors, representing the interests of all shareholders and ensuring the objectivity of decision-making;
- Executive management – Chairman of the Management Board of KMG (A.Khasenov).

### Term of Office of the Board of Directors

The term of office of the Board of Directors is three years. Re-election of members for a period of more than six consecutive years is possible upon special consideration, and in exceptional cases – more than nine years; in such cases, a detailed justification is required for independent directors, which must be disclosed to stakeholders.

### Independence

The Company's Board of Directors is formed in compliance with the requirements of the Corporate Governance Code regarding the proportion of independent directors – their number exceeds 50% of the composition. The committees under the Board of Directors are chaired by independent directors, while the Chair of the Board of Directors is a representative of Samruk-Kazyna JSC.

### Procedure for Nomination and Selection of Candidates for the Board of Directors

#### GRI 2-10, GRI 2-11

The nomination and selection of candidates for the Board of Directors, including independent directors, are carried out according to objective criteria and with consideration of the need for diversity in the composition of the Board of Directors, ensuring the principles of transparency,

fairness, and professionalism in the manner established by the KMG Corporate Governance Code, the Regulations on the KMG Board of Directors, and the relevant documents of Samruk-Kazyna JSC applicable to KMG.

#### The process includes the following stages:

- 1. Planning:** analysis of the current composition of the Board of Directors, determination of the required candidate profile (necessary competencies, experience, personal qualities).
- 2. Search for candidates:** use of the pool of candidates, engagement of specialized recruitment agencies, consideration of proposals from stakeholders (shareholders, Board members).
- 3. Candidate screening:** assessment of compliance with criteria (education, experience, business reputation), verification of the absence of conflicts of interest and compliance with independence criteria (performed by the structural units of Samruk-Kazyna JSC).
- 4. Interviews and coordination:** candidates undergo interviews with managing directors of Samruk-Kazyna JSC, the Chair of the Board of Directors, and the Chair of the Nomination and Remuneration Committee.
- 5. Decision-making:** the final decision on election is made by the General Meeting of Shareholders.

#### Selection criteria include:

- successful experience in managerial positions (at least 5 years) and/or as a member of a board of directors (at least 3 years);
- competencies in strategy, finance, audit, risk management, the oil and gas sector, sustainable development (ESG), and law;
- impeccable business and personal reputation;
- ensuring diversity of composition (gender, age, professional background).

Candidates for the Board of Directors must possess the knowledge, skills, and experience necessary for the Board to perform its functions and to ensure long-term value creation and sustainable development of the Company, as well as have an impeccable business and personal reputation.

In accordance with the KMG Board of Directors Succession Policy, both election and succession plans are based on merit and objective criteria, and in this context promote diversity in terms of gender, social and ethnic background, cognitive and personal strengths.

The Chair and members of the Board of Directors are elected by the General Meeting of Shareholders.

In accordance with corporate standards and the legislation of the Republic of Kazakhstan, the Chair of the Company's Management Board may not be elected as the Chair of the Board of Directors.



## Chairman of the Board of Directors

#### GRI 2-11

In the reporting year, the activities of the Board of Directors were carried out under the leadership of two Chairs of the Board of Directors.

Until March 27, 2025, the Chairman of the Board of Directors was the representative of Samruk-Kazyna JSC Yernat Berdigulov.

Since May 05, 2025, the Chairman of the Board of Directors has been the representative of Samruk-Kazyna JSC, N.Zhakupov, who has many years of experience in corporate finance, strategic management, and investments.

In accordance with the KMG Corporate Governance Code and the Regulations on the Company's Board of Directors, the Chairman of the Board of Directors plays a key role in organizing the effective work of the Board of Directors. In performing duties, the Chairman of the Board of Directors ensures the formation of a balanced agenda focused on strategic priorities, creates conditions for open and constructive dialogue between members of the Board of Directors, the Management Board, and shareholders of KMG, and provides oversight of the implementation of the decisions of the Board of Directors and assignments to KMG management.

A key event of the reporting year was the election of a Senior Independent Director. By the decision of the Board of Directors dated February 11, 2025 (Minutes No. 1/2025, Item No. 6), the independent director A. Shakirov was elected to this position. In accordance with best international practices, the following functions of the Senior Independent Director are established in the Regulations on the Board of Directors:

- performing the role of advisor to the Chairman of the Board of Directors;
- organizing the annual evaluation of the Chairman of the Board of Directors (including through meetings of independent directors);
- participating in succession planning for the Chairman of the Board of Directors in cooperation with the Nomination and Remuneration Committee;



## Role of the Board of Directors in Overseeing Impact Management

### GRI 2-12, GRI 2-13

The Board of Directors ensures strategic oversight and control over the integration of sustainability principles into all business processes and decision-making processes.

**The powers and responsibilities of the Board of Directors in the area of sustainable development include:**

1. **Strategic guidance:** defining the priority areas of the Company's activities with consideration of ESG factors, approving the Development Strategy, and monitoring its implementation.
2. **Approval of policies and documents:** approval of the Sustainability Policy, LCDP-2060, the Action Plan for improving the ESG risk rating, and other internal documents in the field of sustainable development.

- ⦿ acting as a mediator in case of disagreements between KMG shareholders, the Management Board, the Chair, and members of the Board of Directors;
- ⦿ ensuring an accessible channel for KMG shareholders on issues not resolved through ordinary communications;
- ⦿ participating in meetings with major KMG shareholders to understand their positions.

The interaction between the Chairman of the Board of Directors and the Senior Independent Director contributed to improving the effectiveness of the Board of Directors. Overall, the activities of the Chairman of the Board of Directors and the Senior Independent Director in 2025 were aimed at ensuring the strategic focus of the Board's work, improving the quality of decision-making, and strengthening dialogue with all stakeholders.

3. **Approval of reporting:** approval of KMG's annual Sustainable Development Report.
4. **Risk oversight:** supervision of the risk management system, including the identification, assessment, and management of environmental, social, and climate risks.
5. **Setting goals and key performance indicators (KPIs):** approval of sustainability-related key performance indicators for the Company's management.
6. **Monitoring ESG ratings:** review of information on KMG's ESG rating and the status of implementation of the Action Plan to improve KMG's ESG risk rating.

## Role of the Health, Safety, Environment and Sustainable Development Committee

To provide in-depth consideration of sustainability issues, the **Health, Safety, Environment and Sustainable Development Committee** (hereinafter — HSESDC) is chaired by an Independent Director, thereby ensuring the objectivity and independence of its recommendations.

### Main Areas of Work of the HSESDC:

Providing assistance to the Board of Directors on issues of:

- ⦿ ensuring safety, occupational health, and environmental protection;
- ⦿ implementing the principles of sustainable development and integrating ESG goals into the strategic planning and socio economic development of KMG;
- ⦿ social obligations and programs of KMG within the framework of concluded subsoil use contracts;
- ⦿ ensuring the environmental efficiency of KMG;
- ⦿ defining the main directions of KMG policy in the field of safety and occupational health, environmental protection, and initiatives aimed at improving the safety, occupational health, and environmental management system;
- ⦿ developing and approving program documents in the field of safety, occupational health, and environmental protection;
- ⦿ approving and monitoring the implementation of KMG's LCDP 2060 activities;
- ⦿ approving and monitoring the implementation of the Action Plan to improve the ESG risk rating, as well as reviewing information on KMG's ESG rating;
- ⦿ application of new, environmentally friendly, energy saving technologies, or discontinuation of existing technologies, as well as the use of other opportunities to expand the scale and scope of KMG's activities, increase economic efficiency, and improve the quality of KMG's operations;
- ⦿ developing and approving the manual for the management system in the field of occupational health, industrial safety, and environmental protection;

- ⦿ monitoring KMG's key performance indicators in the field of occupational health, safety, and environmental protection;
- ⦿ approving the Sustainability Policy, KMG's annual Sustainable Development Report, action plans, and other internal documents in the field of sustainable development, the approval of which falls within the competence of the Board of Directors;
- ⦿ integrating the social, economic, and environmental components of sustainable development –except for components related to “Financial Issues” – into KMG's activities in accordance with the Code and best international practice;
- ⦿ forming the management system in the field of sustainable development across three spheres: economic, environmental, and social;
- ⦿ defining goals and KPIs in the field of sustainable development;
- ⦿ exercising control over the implementation of sustainable development in KMG, including monitoring the fulfillment of sustainability KPIs, taking corrective actions, and implementing a culture of continuous improvement;
- ⦿ analyzing the internal and external environment across the three spheres: economic, environmental, and social;
- ⦿ integrating sustainable development into KMG's key processes, including risk management, planning, human resources management, investments, reporting, and others, as well as into strategy and decision making processes.

In 2025, the **HSESDC** held 9 meetings, at which 61 issues related to the implementation of sustainable development principles in KMG were reviewed.

### Key Agenda Items of the HSESDC in the Reporting Year:

- ⦿ Report on industrial safety, occupational health, and environmental protection.

- Hearing reports of the first heads of subsidiaries and affiliates on the state of industrial safety, occupational health, and environmental protection in the supervised subsidiaries and affiliates (Karazhanbasmunai JSC, Oil Services Company LLP, Ozenmunaigaz JSC, Mangistau Munaigaz JSC, Embamunaigaz JSC, Kazgermunai JV LLP, Atyrau Oil Refinery LLP, Pavlodar Petrochemical Plant LLP, PetroKazakhstan Oil Products LLP, Ozenmunaiservice LLP).
- Recognition of the Corporate Standard for conducting environmental impact assessment of proposed activities within the KMG Group as invalid.
- Report on the elimination of violations in Karazhanbasmunai JSC.
- Status of implementation of LCDP - 2060 for the year 2024.
- Report on the results of the investigation of a fatal accident at Ozenmunaigaz JSC.
- Imposition of disciplinary action on a member of the KMG Management Board.
- Approval of the HSESDC Work Plan for 2026.
- Measures being taken to improve the level of industrial safety in the KMG Group and contracting organizations, aimed at preventing and reducing injuries and ensuring compliance with KMG's corporate requirements and standards.
- Report on the activities of the HSESDC for 2024.
- Measures taken by the Board of Directors to increase the long term value and sustainable development of KMG, and factors affecting the growth of long term value and sustainable development of KMG.
- Approval of the KMG Sustainable Development Report for 2024.
- ESG rating and the status of implementation of the Action Plan to improve KMG's ESG risk rating.
- KMG's contribution to achieving the Sustainable Development Goals.

The **HSESDC** reviewed and approved the KMG Sustainable Development Report for 2024.

Officials and employees of KMG regularly participated in the work of the **HSESDC**, and the recommendations developed by **HSESDC** were adopted by the Board of Directors.

#### Key Decisions of the Board of Directors and Oversight Results in 2025:

In 2025, as part of overseeing impact management, the Board of Directors made the following key decisions:

##### 1. Approval of strategic documents:

- the relevance of the Development Strategy for 2022–2031 was confirmed;
- the Roadmap for the implementation of artificial intelligence in production processes was approved;
- participation in the construction project of the “Mirny” wind power plant with an energy storage system (total capacity of 1 GW) was approved;
- the transfer of the “Kendirli” desalination plant to municipal ownership was approved.

##### 2. Improvement of the regulatory framework:

- the KMG Code of Business Ethics in a new edition was approved;
- the KMG Human Rights Policy in a new edition was approved;
- the Anti Corruption Instruction was approved;
- the KMG Risk Management System Policy in a new edition was approved.

##### 3. Monitoring and control:

- reports on the implementation of KMG's LCDP were reviewed;
- reports of the first heads of KMG subsidiaries and affiliates on the state of industrial safety were heard;
- the results of investigations of fatal accidents were reviewed, and instructions were given to strengthen safety measures;
- the status of the ESG rating and the implementation of the Action Plan to improve KMG's ESG risk rating were reviewed.

## Conflict of Interest

### GRI 2-15

Regulation of conflict of interest at KMG is carried out in accordance with the Conflict of Interest Resolution Policy and the Code of Business Ethics approved by the Board of Directors. These documents establish unified requirements for identifying, disclosing, and resolving situations in which the personal interests of employees or officials may influence or create the appearance of influencing the objectivity and impartiality of decision-making.

Each employee and official of the Company bears personal responsibility for complying with the requirements of internal documents in this area.

To prevent potential risks, mandatory disclosure of information on possible conflicts of interest is carried out during hiring, appointment, or transfer to another position.

Situations subject to disclosure include, among others:

- ownership of shares or interests in counterparty companies or organizations competing with KMG;
- participation in the management bodies of counterparties or competitors;
- the presence of contractual or other commercial relationships with KMG counterparties;
- intention to acquire Company assets or securities;
- other circumstances that may affect the independence of decisions made.

The procedure for reviewing potential conflicts of interest includes an analysis of possible affiliations, assessment of the nature and degree of risk, and measures for its resolution. Additionally, control is exercised over compliance with the anti-corruption legislation of the Republic of Kazakhstan and the Company's internal standards.

If a conflict of interest is identified, measures are taken to prevent or minimize it, including recusal of the employee from participation in decision-making on the relevant matters or other corrective actions.

Information on identified conflicts of interest involving members of the Board of Directors is communicated to shareholders. In 2025, no cases of conflict of interest involving members of the Board of Directors were recorded.

The following mechanisms apply to members of the Board of Directors to prevent and resolve conflicts of interest:

- 1. Annual confirmation of independence:** each independent director provides a written confirmation of compliance with the independence criteria established by the Law of the Republic of Kazakhstan “On Joint Stock Companies” and the KMG Corporate Governance Code. The Board of Directors reviews the submitted information and confirms the independence status. In 2025, all 5 independent directors confirmed their status, and no circumstances affecting independence were identified.
- 2. Notification obligation:** a member of the Board of Directors must immediately notify the Chair of the Board of Directors in writing of any circumstances that may result in loss of independence or create a conflict of interest. In 2025, no such notifications were submitted.
- 3. Declaration of potential conflicts:** when nominating candidates for the Board of Directors, a conflict of interest check is carried out (by the structural units of Samruk-Kazyna JSC).
- 4. Recusal from voting:** a member of the Board of Directors who has an interest in a transaction does not participate in voting on that issue (in accordance with the legislation of the Republic of Kazakhstan and KMG's internal documents).

#### Disclosure of Information on Potential Conflicts of Interest:

- **Simultaneous membership in several boards of directors:** information on directors' memberships in the boards of directors of other organizations is disclosed in GRI 2 9 (other significant positions). All cases of membership in other boards of directors were recognized as not creating a conflict of interest with activities at KMG.
- **Ownership of shares of suppliers and other interested parties:** based on the results of annual declaration and inspections conducted in 2025, no cases were identified where members of the Board of Directors owned shares (interests) of KMG suppliers, contractors, or other counterparties that could affect the objectivity of decisions.

- Controlling shareholders:** the controlling shareholder of KMG is Samruk-Kazyna JSC (major shareholder). Its representatives are members of the Board of Directors (3 members), which ensures consideration of the interests of the state when making strategic decisions. Mechanisms for preventing conflicts of interest between the controlling shareholder and other shareholders are established in the KMG Corporate Governance Code and include, in particular, the presence of independent directors (more than half of the composition) and the leadership of all Board Committees by independent directors.
- Related parties, their relationships, transactions, and account balances:** information on transactions with related parties is disclosed in KMG's annual financial statements. Oversight of the approval of such transactions is carried out by the Board of Directors and the Audit Committee in accordance with the legislation of the Republic of Kazakhstan. In 2025, all related party transactions requiring approval by the Board of Directors were reviewed and approved in accordance with the established procedure.

KMG consistently develops a culture of transparency and integrity, ensuring the creation of an environment in which the timely disclosure of potential conflicts is regarded as an integral element of corporate responsibility.

## Notification of the Board of Directors on Critical Issues

### GRI 2-16

The Board of Directors receives regular reports on the Company's activities covering key strategic, financial, and operational aspects, as well as information on critically important issues. These include:

- Report of the Chairman of the Management Board – on major changes and the overall activities of the Company.
- Financial and operational reports – on preliminary results, investment projects, and the implementation of KMG's Development Strategy.
- Reports on occupational health and environmental protection – including information on significant incidents and preventive measures.
- Reports on risks and corporate governance – execution of the Board of Directors' decisions, reports of the Board Committees, and analysis of corporate transactions.

In the event of urgent issues, including financial indicators, critical incidents, or operational matters, the Board of Directors is notified immediately.

The Board of Directors reviews the effectiveness of impact-management processes with the following frequency:

- monthly:** reports of the Chairman of the Management Board on key changes and the overall activities of the Company, including information on occupational health and industrial safety, financial indicators, and the results of investment project implementation;
- quarterly:** reports on key risks (including financial risks), reports of the Internal Audit Service, reports of the Compliance Service;
- once every six months:** reports on the implementation of the Development Strategy, reports on the results of monitoring and analysis of the implementation of investment projects of KMG and its subsidiaries and affiliates;
- annually:** strategic session (analysis of the external environment and relevance of the strategy), meeting on sustainable development issues (review of the sustainability system, LCDP 2060, industrial safety), approval of the Sustainability Report;
- as needed:** extraordinary review of significant incidents (e.g., fatal accidents), timely review of critical changes in the external environment (sanctions risks, legislative changes).

In 2025, the following important concerns were brought to the attention of the Board of Directors:

Category	Nature / Examples
<b>Industrial safety</b>	Fatal incidents (including 8 at Ozenmunaigas JSC). Each case was investigated, the Board of Directors heard reports and issued instructions to strengthen safety measures.
<b>Sanctions risks</b>	The inclusion of Lukoil PJSC in the U.S. OFAC SDN sanctions lists created a threat for the Kalamkas-Sea-Khazar project. The Board of Directors was informed about measures to mitigate the consequences (negotiations with OFAC, search for alternative insurance solutions).
<b>Risks of major investment projects</b>	Increase in the cost of the "Construction of a hydrogen production unit" project at Pavlodar Petrochemical Plant LLP; repeated extension of deadlines for the "Hydrotreated Jet Fuel Production" project at Pavlodar Petrochemical Plant LLP.
<b>Employee appeals</b>	Appeals to the Ombudsman regarding violations of labor rights and legitimate interests of employees (working conditions, household issues, relations in the team). Based on the review, recommendations were made to management, and changes to the regulatory framework were introduced.
<b>Conflicts of interest</b>	A case of conflict of interest was revealed, related to hiring a close relative of an employee. The employee was dismissed, the manager was subject to disciplinary action.
<b>Ethical violations</b>	Cases of gross or unethical behavior of managers were identified; based on the results of internal investigations, disciplinary actions were applied, including dismissal.

All of the above factors were reviewed at the meetings of the Board of Directors and/or its specialized committees, and corresponding decisions were made and instructions were given to the Company's management.



## Balance of Competencies

### GRI 2-17

The Board ensures a balance of competencies, experience, and professional knowledge, which contributes to making objective and effective decisions in the interests of KMG and taking into account the principles of sustainable development.

#### Development of Board Skills

Members of the Board of Directors regularly improve their professional skills, including the management of economic, environmental, and social aspects. The Nomination and Remuneration Committee analyzes the balance of competencies and knowledge, ensuring their alignment with the Company's strategic goals. Information on completed training is updated on the KMG website.

In 2025, the Board of Directors continued systematic work on developing collective knowledge and competencies in the field of sustainable development:

1. **The Professional Development Program for Board Members for 2025–2026 was approved** (decision of the Board of Directors dated May 26–27, 2025 (Minutes No. 9/2025, Item No. 4)), including the following topics related to sustainable development:
  - ⦿ assessment of investment projects in the oil and gas industry (taking into account ESG factors);
  - ⦿ issues of carbon regulation and the development of carbon markets;
  - ⦿ updating knowledge on the Code of Business Ethics and anti corruption procedures;
  - ⦿ review of technological innovations in production and petrochemicals (in the context of reducing environmental impact).

2. **Board members participated in the following training activities** (free of charge or at their own expense):

- ⦿ S. Mynsharipova – training “Project Management I: Intensive” (Business Academy EU, August 3–15, 2025);
- ⦿ S. Mynsharipova– training “Assessment of Investment Projects in the Oil and Gas Industry” (Business Academy EU, November 12–14, 2025);
- ⦿ S. Mynsharipova– seminar “Algorithm for Conducting the Evaluation of the Board of Directors” (Governance & Management Consulting, December 19, 2025).

3. **Raising awareness through the review of ESG issues at meetings:**

- ⦿ when approving the Sustainability Report for 2024, Board members received detailed information about KMG's position in ESG ratings (MSCI), the dynamics of key indicators, and the factors influencing the rating;
- ⦿ at HSESDC meetings, the status of the implementation of the Action Plan to improve the ESG risk rating was reviewed, including measures to reduce emissions, develop practices in biodiversity and water use, and improve occupational health and industrial safety.

**The Corporate Secretary ensures regular communication to Board members about relevant conferences, seminars, and training courses** on sustainable development and corporate governance, as well as provides analytical reviews and materials for self-study.

## Evaluation of the Activities of the Board of Directors

### GRI 2-18

The Board of Directors, its committees, and its members undergo an annual evaluation in accordance with the KMG Corporate Governance Code. Once every three years, an independent consultant is engaged. The purpose of the evaluation is to determine the contribution of the Board of Directors and each member to the growth of the long-term value and sustainable development of KMG, identify areas for improvement, and take measures to increase effectiveness.

#### The evaluation includes:

- ⦿ the balance of composition, skills, experience, and competencies;
- ⦿ understanding of the Company's strategy, objectives, and values;
- ⦿ functioning of the Board of Directors and committees, interaction with the Management Board and shareholders;
- ⦿ quality of information, discussions, and risk identification processes;
- ⦿ succession planning and professional development of Board members.

The results of the evaluation are taken into account when re-electing members of the Board of Directors, revising the composition of the Board of Directors, and determining remuneration for Board members.

In 2025, the evaluation of the activities of the Board of Directors was not conducted.

In December 2024, the Board of Directors decided to conduct an external evaluation in 2025, covering the Board of Directors, its committees, the Chair, Board members, and the Corporate Secretary, as part of the KMG corporate governance diagnostic in the second half of 2025, together with an external evaluation of the activities of KMG's Internal Audit Service (in accordance with the International Professional Standards for Internal Auditing), including the purpose of determining the effectiveness and efficiency of KMG's internal audit system.

However, taking into account the recommendations of the Audit Committee and the Nomination and Remuneration Committee, the Board of Directors

decided to conduct a separate external evaluation of the Board of Directors for 2024. The evaluation and review of its results are planned for 2026.

In December 2025, the Board of Directors decided to conduct an evaluation of the activities of the Board of Directors, the Board Committees, the Chairman and members of the Board of Directors, and the Corporate Secretary based on the results of 2025 in the form of a self-assessment through a questionnaire.

Thus, the evaluation of the activities of the Board of Directors based on the results of 2024 (through an external evaluation) and based on the results of 2025 (in the form of a self-assessment questionnaire), will be carried out, and the evaluation reports will be reviewed and discussed by the Board of Directors in 2026. Regarding areas for improvement of the Board of Directors, an Action Plan for improving the activities of the Board of Directors will be developed.

## Remuneration

### GRI 2-19, GRI 2-20

#### Remuneration of the Board of Directors

The remuneration system for members of the Board of Directors is aimed at attracting and retaining highly qualified specialists capable of ensuring effective strategic leadership and long-term value creation for the Company, taking into account the principles of sustainable development.

#### Remuneration structure:

- ⦿ The remuneration of members of the Board of Directors consists only of **a fixed (annual) component**. A variable component (bonuses, performance-based awards) is not provided for members of the Board of Directors.
- ⦿ The amount of remuneration is determined by the decision of the General Meeting of Shareholders and is paid to independent directors and representatives of Samruk-Kazyna JSC (except for employees of Samruk-Kazyna JSC, who do not receive remuneration for serving on the Board of Directors, but may receive additional payment at the expense of Samruk-Kazyna JSC).

- Remuneration is paid quarterly in proportion to the period of serving on the Board of Directors. A condition for receiving remuneration for the reporting period is the participation of a member of the Board of Directors in more than half of all meetings held (with the exception of absences due to illness).

**Remuneration amount:**

- In 2025, the total remuneration paid to all members of the Board of Directors amounted to 207,200,000 KZT (this amount is identical to the 2024 indicator).

**Expense compensation:**

In addition to remuneration, members of the Board of Directors are compensated for documented expenses related to performing their duties outside their place of permanent residence:

- travel expenses;
- communication and documentation expenses.

**Process of determining remuneration:**

- The methodology for determining remuneration complies with the internal documents of Samruk Kazyna JSC on forming the boards of directors of portfolio companies.
- Matters related to the remuneration of members of the Board of Directors, when necessary, are preliminarily reviewed by the Nomination and Remuneration Committee of the Board of Directors (composed exclusively of independent directors), which prepares recommendations for submission to the General Meeting of Shareholders.
- The final decision on the amount of remuneration is made by the General Meeting of Shareholders.
- In 2025, external consultants were not engaged to determine the remuneration of Board members. No changes were made to the remuneration policy; accordingly, no matter was submitted to shareholders for voting.

**Relation to Impact Management:**

Given the fixed nature of the remuneration of Board members, there is no direct dependence of compensation amounts on impact management results related to the economy, the environment, and people. However, an indirect link is ensured through:

- the inclusion of independent directors with ESG competencies (environment, occupational health and safety, sustainable development) on the Board of Directors;
- the work of the Board Committee on Health, Safety, Environment and Sustainable Development (chaired by an independent director), which provides recommendations to the Board of Directors on impact management issues;
- the annual evaluation of the performance of the Board of Directors, which considers the contribution of members to ensuring the Company's sustainable development.

**Remuneration of the Management Board**

The Board of Directors determines the remuneration policy and the procedure for evaluating the performance of Management Board members in accordance with the corporate human resources management standards of the Samruk-Kazyna Group of Companies.

Remuneration for the reporting year is paid to members of the Management Board based on the assessment of their performance.

The motivation system is oriented toward achieving the strategic and operational goals of the Company and is based on measurable and interrelated indicators established in the balanced scorecard of key performance indicators (KPIs). The KPI scorecard includes corporate and functional indicators.

For the preliminary review of matters related to the formation of a transparent and objective remuneration system, the Nomination and Remuneration Committee operates under the Board of Directors.

## Composition of the Management Board

**The composition of the KMG Management Board as of the end of 2025:**

<b>Askhat Khassenov</b>	Chairman of the Management Board
<b>Kurmangazy Iskaziyeu</b>	First Deputy Chairman of the Management Board
<b>Bekzat Abaiyldanov</b>	Deputy Chairman of the Management Board (Exploration and Production)
<b>Aset Magauov</b>	Deputy Chairman of the Management Board (Oil Refining, Petrochemicals, and Marketing of Oil and Petroleum Products)
<b>Bulat Zakirov</b>	Deputy Chairman of the Management Board (Oil Transportation and International Projects)
<b>Ruslan Balykbayev</b>	Deputy Chairman of the Management Board (Major Oil and Gas Projects)
<b>Diana Arysova</b>	Deputy Chairman of the Management Board (Economy and Finance)
<b>Shafkat Kudabayev</b>	Deputy Chairman of the Management Board (Legal Support and Corporate Security)
<b>Kazbek Kussainov</b>	Deputy Chairman of the Management Board (Corporate Development)



## Consultations with Stakeholders

### GRI 2-25, GRI 2-26

The Board of Directors and the Management Board of KMG maintain ongoing dialogue with stakeholders on economic, environmental, and social issues. Interaction is based on the principles of transparency, accessibility of information, and timely response to inquiries.

The Board of Directors ensures interaction with stakeholders on impact-management issues through the following mechanisms:

- ◉ **Shareholders:** direct representation of Samruk-Kazyna JSC on the Board of Directors (3 members); participation of representatives of Samruk-Kazyna JSC in meetings of the Board of Directors and its committees; consideration of issues initiated by shareholders at General Meetings of Shareholders.
- ◉ **Investors:** review of reporting prepared in accordance with international standards (GRI) for subsequent publication; ensuring information disclosure.
- ◉ **Government authorities:** consideration of issues related to KMG's participation in the implementation of state programs, KMG's interaction with the Ministry of Energy of the Republic of Kazakhstan, and KMG's reporting to state authorities.
- ◉ **Local communities:** consideration and decision making on issues related to the implementation of social projects and regional development programs; consideration (within the activities of the HSESDC) of issues related to impacts on local communities and the environment; review of reports of the Compliance Service and the Ombudsman on the operation of the feedback channel (the "Nysana" hotline).
- ◉ **Expert community:** involvement of external experts in the work of the Board Committees (in 2025 – experts from among employees of Samruk-Kazyna JSC). Hearing the opinions of international experts from S&P Global and Rystad Energy during the strategic session.

- ◉ **Employees:** review of Ombudsman reports on appeals related to violations of employee rights and labor disputes, and the results of their review (in 2025, the Ombudsman reviewed 87 appeals).

The Company uses various communication channels, including the official website, press service, public events, and the annual Sustainability Report, which is a key tool for information disclosure and engagement with internal and external stakeholders.

For targeted engagement with specific stakeholder groups, specialized platforms and feedback channels operate:

- ◉ **For investors** – section on the official website: <https://www.kmg.kz/ru/investors/>, containing up-to-date financial and corporate information.
- ◉ **For employment matters – job portals:**
  - ▶ NC KazMunayGas JSC: <https://work.kmg.kz/#/>
  - ▶ Samruk Kazyna JSC: <https://qsamruk.kz/vacancy>
- ◉ **For reporting violations of employee rights** – hotline: [nysana@cscc.kz](mailto:nysana@cscc.kz).
- ◉ **Confidential reporting system** – portal: <https://www.sk-hotline.kz/>.

#### Functional communication channels:

- ◉ Ombudsman: [ombudsman@kmg.kz](mailto:ombudsman@kmg.kz)
- ◉ Occupational health and environment: [hse@kmg.kz](mailto:hse@kmg.kz)
- ◉ Sustainability: [sustainability@kmg.kz](mailto:sustainability@kmg.kz)

These mechanisms allow stakeholders to submit inquiries, proposals, and reports on possible violations, as well as to receive necessary information in a convenient form.

The Company views consultations and feedback as an important element of the corporate governance and sustainable development system, contributing to strengthening trust, increasing transparency, and improving managerial decision-making.

## Compliance with Legislative Requirements

### GRI 2-27, GRI 206-1

#### Antimonopoly Regulation

In the reporting year, certain KMG subsidiaries and affiliates were participants in inspections and court proceedings related to the application of antimonopoly and tariff legislation.

An investigation was conducted by the Agency for Protection and Development of Competition of the Republic of Kazakhstan against Atyrau Oil Refinery LLP on indications of abuse of dominant position. Based on the results of the investigation, a conclusion was issued, which was appealed in court. The decision of the court of first instance was not in favor of the Company; an appeal was filed within the time limits established by law.

With respect to KazMunayGas-Aero LLP, matters concerning the execution of an antimonopoly authority's order were under consideration. The judicial authorities confirmed the validity of the regulator's position. The Company availed itself of the legally established mechanisms for the review of judicial acts. By Resolution of the Government of the Republic of Kazakhstan No. 785 dated 22.09.2025, KazMunayGas-Aero LLP was granted the following types of activities: "Wholesale trade of aviation gasoline and kerosene" (NCEA 194) and "Other retail trade outside stores" (NCEA 194-1) for a period until December 31, 2029.

With respect to NWTC MunayTas LLP, an administrative case related to tariff regulation was examined. Following the judicial proceedings, an administrative fine was imposed, which was duly paid in the prescribed manner.

Regarding the administrative claim filed by Business Jet Fuel LLP against the Agency for Protection and Development of Competition of the Republic of Kazakhstan, appealing the response on the absence of signs of violation of competition legislation in KMG's actions, KMG participated in the court proceedings as an interested party. Judicial authorities at all levels rejected the plaintiff's claims. A key factor ensuring the successful outcome of the case was the timely receipt of official legal clarifications from the antimonopoly authority regarding issues raised by Business Jet Fuel LLP related to aviation fuel marketing activities.

Effective reduction of regulatory risks in the area of antimonopoly legislation, which carries potentially large administrative fines, is best supported by proactive work within the organization itself. In this direction, in 2025, a special unit for internal antimonopoly compliance and support – the Antimonopoly Compliance Group – was established within the Corporate Center of KMG under the Department of Oil and Petroleum Products Marketing. This initiative corresponds to leading international standards of large commercial organizations.



#### Litigation

In the reporting year, 832 civil and administrative cases were reviewed, of which decisions not in favor of the KMG Group were issued in 49 cases.

A total of 81 administrative offense cases were considered, with subsidiaries and affiliates held administratively liable in 15 cases.

No cases of criminal liability for violations of legislation were recorded in the reporting year.

## Anti-Corruption

### GRI 2-15, GRI 3-3, GRI 205-1, GRI 205-2, GRI 205-3

KMG carries out its activities based on the principles of legality, integrity, and business ethics, implementing a systematic approach to preventing corruption and ensuring transparency of business processes.

The Company's approach to managing anti-corruption matters is based on preventing, detecting, and responding to violations. The main goal is to reduce corruption risks in operational and investment activities, as well as to ensure conscientious interaction with employees, counterparties, and government authorities. Management is implemented through internal policies and procedures, risk-based due diligence of third parties, built-in control mechanisms, and employee training programs. The effectiveness of the approach is evaluated based on the results of inspections, investigations, and reports submitted through feedback channels, and the findings are used to improve procedures and preventive measures.

Anti-corruption functions are performed by the Compliance Service, which is integrated into the activities of all business units of the KMG Group. The system is based on four key elements: policies, procedures, control, and training.

The Compliance Service periodically reports on the results of its activities to the Audit Committee of the Board of Directors and the Company's Board of Directors, and also submits information on the anti-corruption measures taken to authorized government agencies.

The Company has internal documents regulating anti-corruption issues, including:

- Anti Corruption Policy;
- Whistleblowing Policy;
- Conflict of Interest Resolution Policy;
- Rules for third party compliance checks in KMG and its subsidiaries and affiliates;
- Internal control rules for delimiting access rights to insider information and preventing unauthorized use of such information by insiders;
- Code of Business Ethics;
- Regulations on the Compliance Service.

### In the reporting year, planned development of the system was carried out, including:

- updating internal regulatory documents;
- implementing procedures for third party due diligence for compliance with anti corruption requirements;
- conducting training activities in the corporate center and subsidiaries and affiliates;
- improving corruption risk management elements.

One of the areas of work is conducting internal analysis of corruption risks, which allows identifying factors of potential violations and weaknesses in business processes. In 2025, the analysis was carried out in 33 subsidiaries and affiliates, as well as in the Company's corporate center.

Compliance control is embedded in the Company's key business processes, including procurement procedures, counterparty due diligence, and consideration of certain corporate decisions. All significant matters are accompanied by the conclusion of the Compliance Service. The policy is implemented centrally and extends to subsidiaries and affiliates, where compliance officers and administrators operate.

### The Company carries out:

- verification of counterparties and business partners;
- verification of candidates for positions with managerial and administrative functions;
- conflict of interest control (including employee declarations);
- control over the handling of insider information.

All contracts include an anti-corruption clause requiring the counterparty to comply with the Company's requirements and confirm familiarity with internal documents.

The Company applies a risk-based approach to interaction with partners. Before concluding contracts, third-party due diligence is conducted using specialized software and open government information sources, including analysis of the company, beneficiaries, country of registration, and other risk factors. Based on the results, a risk level is assigned and a conclusion of the Compliance Service is prepared, which is used when deciding on cooperation. In cases of a high-risk category, entering into contractual relations is not recommended.

If signs of corruption violations are identified, the information is communicated to management and, if confirmed, is submitted to authorized government bodies in accordance with the law. Investigation results are analyzed to improve control procedures and training; anonymized cases are used in preventive training programs.

In December 2025, the Company underwent certification under the standard ST RK ISO 37001 "Anti-bribery management system". The certificate was registered on December 26, 2025 and is valid until December 25, 2028.

During the reporting period, 3<sup>A</sup> confirmed cases of corruption were recorded across the KMG Group of Companies. In all cases, disciplinary measures were applied to employees, and contractual relationships

with business partners were either terminated or not renewed. No court proceedings against the Company or its employees on corruption-related grounds were reported. The Company continues to develop an anti-corruption culture, including the involvement of senior management in initiatives aimed at raising awareness among employees and business partners of anti-corruption legislation requirements and internal business ethics standards. In 2025, anti-corruption training was completed by 6,590<sup>A</sup> employees, representing 14%<sup>A</sup> of the total workforce (48,714 employees), including all 9<sup>A</sup> members of the KMG Management Board. At the same time, 100%<sup>A</sup> of employees and members of the Management Board were familiarized with the Company's anti-corruption policies.



## ECONOMIC PERFORMANCE

KMG ensures the reliable functioning of the oil and gas sector, supports the regions where it operates, and implements priority sustainable development projects. The Company creates long-term economic value for stakeholders through investment activities, stable financial results and tax contributions, job creation, social initiatives, and the development of domestic producers.

During the reporting period, the Company continued to implement its strategic priorities aimed at increasing operational efficiency, investment attractiveness, and the sustainable development of its business model amid the transformation of the global energy market.

In 2025, the Company's economic priorities were implemented in line with sustainability principles, climate and ESG factor assessments, and the long-term transformation of the business model in the context of the global energy transition. The Company's net profit for the reporting period amounted to KZT 1,072 billion. The volume of dividends paid to shareholders amounted to KZT 300 billion. Since its IPO, KMG's share price<sup>8</sup> has shown positive growth: the stock price increased by 158% in 2025 compared to 2022.



## Economic Value Generated and Distributed

GRI 3-3, GRI 201-1, GRI 201-4, GRI 415-1

TABLE 3. INDICATORS OF ECONOMIC VALUE GENERATED AND DISTRIBUTED

Indicator	2023	2024	2025
<b>Direct economic value generated, KZT billion</b>			
Total revenue <sup>9</sup>	9,242	9,238	10,445 <sup>A</sup>
<b>Economic value distributed, KZT billion</b>			
Operating expenses <sup>10</sup>	6,303	6,104	7,310
Wages and employee benefits	612	722	776
Payments to capital providers	584	593	599
Payments to government	798	846	1,007
Investments in local communities	6	4	4
<b>Economic value retained, KZT billion</b>			
	<b>939</b>	<b>969</b>	<b>748<sup>A</sup></b>

KMG did not receive any financial assistance in monetary form from the government<sup>A</sup> during the reporting period and does not make donations for governmental or political purposes. KMG does not engage in lobbying activities or political financing, taking into account all forms of lobbying and political expenditures, including non-monetary contributions.

KMG is one of the largest taxpayers in the country. During the reporting period, the Company paid KZT 1,242 billion in taxes, which were directed toward financing government programs and supporting economic development.



8. December 8, 2022, secondary trading of KMG shares commenced on the Astana International Exchange (AIX) of the Astana International Financial Centre and on the Kazakhstan Stock Exchange. The placement price per share was KZT 8,406 (2022).
9. Total revenue – includes total revenue and other income as presented in the consolidated statement of comprehensive income.
10. Operating expenses represent total expenses and costs recognized in the consolidated statement of comprehensive income, excluding corporate income tax and other taxes, employee wages and benefits, finance costs, and impairment losses on property, plant and equipment.

## Tax Policy and Payments to the State

GRI 207-1, GRI 207-4

### Approach to Taxation

KMG has a Corporate Tax Accounting Policy (hereinafter – CTAP) in place, which ensures unified principles and approaches to tax accounting across all entities of the KMG Group of Companies. The Policy has been developed in accordance with the requirements of the tax legislation of the Republic of Kazakhstan, International Financial Reporting Standards (IFRS), as well as the Company's internal regulatory documents, and is aimed at enhancing the comparability and transparency of tax information.

The Company's tax policy is based on the following key principles:

- Obligation to Pay Taxes – KMG and its subsidiaries and affiliates ensure timely and full payment of taxes and other mandatory payments to the state budget of the Republic of Kazakhstan.
- Fairness of Taxation – double taxation of the same object within the same period is not allowed.
- Integrity – refusal to use aggressive tax optimization schemes and avoidance of unjustified tax benefits.

In implementing its tax policy, the Company takes into account the specifics of its operations, as well as the potential economic and social impacts of its decisions. The approach to taxation is aligned with the KMG Development Strategy for 2022–2031 and supports the long term sustainability of the business.

The Corporate Tax Accounting Policy applies to all subsidiaries and affiliates of the KMG Group, except for:

- Entities engaged in subsoil use operations under production sharing agreements that provide for a special stable tax regime;
- Entities registered outside of Kazakhstan.

Based on CTAP, KMG and all its subsidiaries have developed and implemented individual Tax Accounting Policies that consider the specific characteristics of their industry operations.

Information on tax payments remitted to the budget is disclosed annually on the KMG corporate website: <https://www.kmg.kz/ru/investors/reporting/>

### Tax Administration and Control

GRI 207-2

Issues of tax risk management are integrated into the corporate risk management system. Within the existing procedures, the Company regularly analyzes amendments to tax legislation and their enforcement practices, assesses potential implications for the KMG Group, and prepares proposals to improve regulation where necessary.

More details on the risk management process are provided in the section “Climate and ESG Risk Management”.

### Stakeholder Engagement

GRI 207-3

KMG is included in the list of large taxpayers subject to tax monitoring in accordance with the tax legislation of the Republic of Kazakhstan. The Company maintains relationships with government bodies strictly within the legal framework, ensuring systematic and continuous dialogue with all stakeholders through business correspondence, participation in meetings and public consultations, and via official communication channels.

KMG continuously analyzes challenges related to the application of tax legislation across the Group, followed by the development and submission of substantiated proposals for its improvement. The Company's initiatives aim to:

- ensure predictable and favorable tax conditions for KMG Group's operations;
- systematically improve Kazakhstan's tax legislation, customs legislation, and the Customs Union regulations, as well as the legislation on transfer pricing;
- enhance operational efficiency and increase overall corporate value.

Protection of the KMG Group's interests in the regulatory sphere is carried out through:

- developing proposals (including justifications, presentations, and calculations) to adjust tax and related legislation;
- reviewing and preparing expert opinions on draft legal acts related to taxation, subsoil use, and enforcement of tax legislation;
- supporting legislative initiatives of the KMG Group through direct participation of KMG representatives in advisory and consultative bodies under industry associations and government agencies (Kazakhstan Taxpayers Association), the KAZENERGY Association, the National Chamber of Entrepreneurs “Atameken”, as well as in working groups with authorized bodies and the Parliament of the Republic of Kazakhstan.

The Company maintains active engagement with shareholders, industry associations, and other stakeholders, ensuring transparency in tax administration, compliance with legislation, and timely responses to inquiries. This approach allows KMG to maintain regulatory stability, minimize legal and tax risks, and consistently strengthen stakeholder trust.

## Investment Projects

GRI 3-3, GRI 203-1, GRI 203-2

KMG implements an investment program aimed at expanding the resource base, modernizing infrastructure, improving operational efficiency, and advancing sustainability projects. During the reporting period, the Company continued to prioritize investment projects in line with its strategic objectives, as well as climate and ESG risk assessments. The implementation of these projects generates a multiplier effect for the economy of Kazakhstan, stimulates the development of related industries, and contributes to job creation.

### Overview of the Investment Portfolio

In accordance with the KMG Development Strategy for 2022–2031, the Company consistently builds an investment portfolio aimed at long term growth, resilience, and technological modernization. The portfolio includes a wide range of projects focused on business diversification, expanding the product range, improving the efficiency of the value chain, and strengthening the resource base. The portfolio covers both KMG's traditional areas – exploration, transportation, and oil refining – and new development vectors such as petrochemicals, alternative energy, and decarbonization projects at the Company's existing assets.

As of the end of 2025, the total value of investment projects involving the Company amounted to KZT 62,499 billion, including KZT 22,354 billion<sup>11</sup> attributable to KMG.

As part of the long term growth strategy and efforts to strengthen competitive positions, in 2025 KMG continued to actively advance its investment activities. During the year, final investment decisions (FIDs) were adopted for projects totaling KZT 544 billion, of which KZT 531 billion correspond to KMG's share.



11. Taking into account KMG's participation in megaprojects (Tengiz, Kashagan, Karachaganak) and joint ventures. Includes historical project costs and foreign-exchange adjustments. The data reflect preliminary cost estimates for exploration projects, assuming their further implementation.

TABLE 4. PORTFOLIO OF INVESTMENT PROJECTS

Field of activity	Total value of the investment portfolio, KZT billion		Value of the investment portfolio attributable to KMG, KZT billion	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Exploration and production of oil and gas	42,747	52,300	13,216	16,451
ESG projects	991	728	363	200
Service projects	–	–	–	–
Oil transportation	368	411	136	154
Oil refining and marketing of petroleum products	587	573	501	364
Oil and gas chemistry	6,460	8,353	5,063	5,051
Other	117	134	111	134
<b>Total</b>	<b>51,270</b>	<b>62,499</b>	<b>19,390</b>	<b>22,354<sup>A</sup></b>

## Implementation of Investment Projects in 2025

### EXPLORATION AND PRODUCTION OF OIL AND GAS

**Project: Geological Study of Subsoil for Advanced Seismic Survey on Five Blocks (GSS 1.0)** (Mugodzhar, Berezovsky, Zharkyn, Bolashak, and Northern Ozen)

Within the project, field seismic surveys were conducted, including data processing and interpretation. Subsoil use contracts were obtained for three blocks: Northern Ozen, Bolashak, and Berezovsky.

**Project: Geological Study of Subsoil for Advanced Seismic Survey on Three Blocks (GSS 2.0)** (Southern Shu–Sarysu, Shygys, Bereke)

During the reporting period, licenses for geological study were obtained for three blocks – Southern Shu Sarysu, Shygys, and Bereke – for the purpose of conducting advanced seismic surveys aimed at reducing geological risks and determining input data for geological and techno economic assessments.

### New Subsoil Use Contracts for Exploration

Contracts for exploration and production of hydrocarbons were signed for several technically complex blocks:

- Northern Ozen block (Mangystau Region);
- Bolashak block (Mangystau Region);
- Zhylyoi block (Atyrau Region);
- Berezovsky block (West Kazakhstan Region).

### Kalamkas-sea and Khazar Field Development Project

In 2025, the basic design was completed and a package of documents was prepared for the Final Investment Decision (FID) to proceed to the next stage of the Kalamkas-sea and Khazar project.

### Rozhkovskoye Field Development Project

Under the Rozhkovskoye field development project, the transition to project equipment for Phase 1 with a design capacity of 1.6 million m<sup>3</sup> of gas per day was completed. Actual gas production in 2025 amounted to 469 million m<sup>3</sup>, and gas condensate production totaled 343 thousand tonnes.

### Urikhtau Project

In 2025, work was carried out on drilling and completion of two production wells at the East Urikhtau field. Pipeline overhaul works were also completed.

A key focus during the reporting period was preparations for the industrial development of the gas-condensate part of the field. The project provides for the development of approximately 30 billion m<sup>3</sup> of natural gas reserves. In 2026, the industrial development of the Central Urikhtau field is planned to commence, with gradual annual ramp-up of gas production to a potential level of 1 billion m<sup>3</sup> per year.

### MAJOR PROJECTS: TENGIZ, KARACHAGANAK, KASHAGAN

KMG participates in the development of the country's largest oil and gas assets – the Tengiz (20% participation interest), Kashagan (16.87%) and Karachaganak (10%) fields – in partnership with international strategic investors.

### Tengiz

TCO completed the implementation of the Future Growth Project / Wellhead Pressure Management Project (FGP/WPMP). Under the project, TCO's production capacity increases by 12 million tonnes per year. As of the end of 2025, project expenditures amounted to USD 47.8 billion (approved budget – USD 48.9 billion).

TCO has now reached its design capacity: current daily production is approximately 33 thousand tonnes. Total daily oil production of TCO amounts to approximately 120 thousand tonnes.

### Karachaganak

In January 2025, production testing for the Fifth Gas Re-Injection Compressor project was completed. In March 2025, the commissioning certificate was signed.

The Sixth Gas Re-Injection Compressor project is in the active construction stage. The forecasted commissioning date is March 2026. The project supports the hydrocarbon production plateau at 10–11 million tonnes per year.

### Kashagan

Oil production at the field continues under Stage 1. In parallel, Stage 2 projects are under consideration, aimed at increasing total oil and condensate production to approximately 710 thousand barrels per day (~89.5 thousand tonnes per day).

- **Stage 2A.** Provides for an increase in production by 6.3 thousand tonnes per day (to 63 thousand tonnes per day / 500 thousand barrels per day) through the supply of raw gas to the planned gas processing plant of NC QazaqGaz JSC, with a capacity of 2.5 billion m<sup>3</sup> per year. An agreement on basic design has been signed between NCOC and NC QazaqGaz JSC. Following its completion, readiness for implementation will be assessed, conditions for raw gas offtake will be agreed, and a joint investment decision will be made.
- **Stage 2B.** Envisages an additional production increase of 26.5 thousand tonnes per day (210 thousand barrels per day) – up to 89.5 thousand tonnes per day (710 thousand barrels per day) – with additional production of 6 billion m<sup>3</sup> of raw gas per year. Conceptual studies continue on potential synergies with the Tengiz field.



## OIL REFINING AND PETROLEUM PRODUCTS MARKETING

Given the expected increase in domestic demand for petroleum products, ensuring reliable supply to the domestic market through the development of local refining remains a priority for KMG. In this regard, options are being considered to expand the production capacity of PetroKazakhstan Oil Products LLP to 12 million tonnes per year and Pavlodar Petrochemical Plant LLP to 9 million tonnes per year.

KMG is implementing projects to extend turnaround intervals at all refineries, accompanied by a set of measures aimed at improving equipment reliability.

**Atyrau Oil Refinery LLP.** In 2025, as part of the project to improve refinery performance, subprojects aimed at removing technological bottlenecks to increase the output of light petroleum products were prioritized.

**Pavlodar Petrochemical Plant LLP.** Projects are being implemented to produce winter diesel fuel, including the reconstruction of the diesel hydrotreating unit with the integration of a dewaxing unit, and the construction of a hydrogen production unit. Commissioning is planned for 2026.

**JV CASPI BITUM LLP.** In 2024–2025, the project to increase oil processing capacity to 1.5 million tonnes per year, with road bitumen output of up to 750 thousand tonnes per year, was implemented.

### Construction of the Gas Processing Plant (GPP) in Zhanaozen

The project is being implemented by Kazakh Gas Processing Plant LLP and provides for the processing of natural and associated gas in volumes of up to 900 million m<sup>3</sup>.

On 17 February 2025, a positive conclusion of the RSE “Gosexpertiza” was received for the 1st start up complex (hereinafter – SC 1) of the Project. For SC 1, general construction works were completed, equipment for the main step down substation was delivered, and installation works are underway.

On 14 July 2025, a positive conclusion of RSE “Gosexpertiza” was received for the working design documentation of the 2nd start up complex (hereinafter – SC 2). Within SC 2, construction and installation works of auxiliary buildings and structures are ongoing. Production of long lead equipment is in progress, and deliveries

of manufactured equipment to the construction site are underway in stages. Continuous interim inspections and acceptance of work stages are conducted with the participation of the EPC contractor and the Client at manufacturing facilities in China.

## PETROCHEMICALS

KMG is developing its petrochemical business segment, which has a high potential for a multiplier effect across the entire national economy. KMG’s integrated petrochemical complex includes the following key facilities:

- polypropylene production plant (Kazakhstan Petrochemical Industries Inc. LLP);
- polyethylene production plant;
- gas separation complex (hereinafter – GSC);
- main pipelines for transporting ethane and propane in Atyrau Region.

In 2025, the investment phase for the construction of the polypropylene production plant in Atyrau Region (a project of Kazakhstan Petrochemical Industries Inc. LLP) was completed.

### Construction of the First Integrated Petrochemical Complex in Atyrau Region – Phase Two (Polyethylene Production)

On March 31, 2025, main construction works began at the polyethylene plant with a capacity of 1.25 million tonnes per year, located in the special economic zone of Atyrau Region.

The project includes the construction of two major units – a pyrolysis unit and a polymerization unit, as well as offsite facilities.

#### ○ Construction of the Pyrolysis Unit

In September 2024, an EPC contract was signed for the pyrolysis unit with a consortium comprising Tecnicas Reunidas S.A. (Spain) and Sinopec Engineering Incorporation (China). In January 2025, long lead equipment orders were placed. In March 2025, the EPC contractor began main construction works at the pyrolysis unit, including pile driving and foundation installation. In 2026, delivery of long lead equipment and the start of metal structure and equipment installation works are planned.

#### ○ Construction of the Polymerization Unit and Offsite Facilities

On May 29, 2025, an EPC contract was signed for the polymerization unit and offsite facilities with Tecnimont S.p.A (Italy) in consortium with Sinopec Shanghai Engineering Co. (China). Earthworks and piling works are underway. Engineering activities and procurement of long lead and large size equipment are ongoing. In 2026, the installation of metal structures and equipment is scheduled to begin.

### Construction of the Gas Separation Complex

On August 5, 2025, an EPC contract for the construction of the Gas Separation Complex was signed. The GSC is expected to process up to 9.1 billion m<sup>3</sup> of dry gas per year from the Tengiz field and annually produce up to 1.6 million tonnes of ethane and 360 thousand tonnes of propane.

Working documentation is being prepared, and long lead equipment orders have been placed. Early construction activities have begun, including site preparation: grading, removal of the topsoil layer, and delivery of inert materials. In parallel, modernization of the contractor’s (CCIC) existing camp is in progress, including setup of temporary office facilities. In November 2025, test piles were installed to verify bearing capacity in actual soil conditions.

In 2026, the main focus will shift to transitioning into the active construction phase.

### Construction of Main Pipelines (Ethane, Propane) in a Single Corridor in Atyrau Region

In the 2nd quarter of 2025, a final investment decision was made to transition the project to the construction phase. The project envisions the construction of two main pipelines (an ethane pipeline and a propane pipeline), each approximately 210 km long, for transporting ethane and propane fractions in liquefied form from the Tengizchevroil (TCO) facilities and the gas separation complex at the Tengiz field to polyethylene and polypropylene production plants.

In December 2025, an EPC contract was signed with a consortium consisting of China Petroleum Pipeline Engineering Co., Ltd., CITIC Construction Co., Ltd., and CPPE Kazakhstan LLP.

In 2026, it is planned to develop and approve the Technical Regulation of the Republic of Kazakhstan “On the requirements for main ethane and propane

pipelines for transporting ethane and propane fractions in liquefied form”, as well as to develop and approve the Working Design with a positive conclusion from the State Expertise (RSE “Gosexpertiza”) on project documentation, place equipment orders, and begin construction and installation works.

## Prospective Projects in the Oil and Gas Chemical Industry

KMG is considering the implementation of promising projects aimed at developing Kazakhstan’s chemical industry. This area will stimulate the local economy, create jobs, increase tax revenues, boost the country’s export potential, and help meet domestic market needs.

#### ○ Prospective Project: Construction of a Terephthalic Acid (TPA) and Polyethylene Terephthalate (PET) Plant

The project is planned for implementation by KMG PetroChem LLP. At the current stage, a strategic partner has not been determined; negotiations are underway with potential strategic partners. The financing structure and other parameters will be clarified after the partner and project configuration are finalized.

#### ○ Prospective Project: Construction of a Gas-Chemical Complex for Urea Production

In 2025, during the official visit of the President of the People’s Republic of China, Xi Jinping, to the Republic of Kazakhstan, a four-party Framework Agreement was signed between KMG, CNPC, the Ministry of Energy of the Republic of Kazakhstan, and the Akimat of Aktobe Region, achieving several key arrangements aimed at deepening cooperation in the oil and gas sector, including joint implementation of the project.

The construction of a urea and methanol production complex in Aktobe Region will provide the agricultural sector with nitrogen fertilizers and industry with high-demand chemical feedstock, reducing import dependence for both products and strengthening the country’s export and industrial potential. In the 4th quarter of 2025, pre-FEED (pre-project studies) was completed.

## SUSTAINABLE DEVELOPMENT PROJECTS

### Construction of a Seawater Desalination Plant in Mangystau Region

As part of its commitment to sustainability priorities and enhancing the social impact of its activities, KMG continues to implement infrastructure projects aimed at ensuring water supply for the western regions of Kazakhstan.

In 2025, the construction of the “Kenderli” seawater desalination plant in the Tokymak area of the Mangystau Region was completed, and the facility was commissioned in October. In December 2025, the plant was transferred free of charge to the communal ownership of the Akimat of the Mangystau Region. The total project cost amounted to 120.8 KZT billion. The project was implemented using the own funds of Ozenmunaigas JSC, received as part of government-provided benefits on the mineral extraction tax (MET).

### Construction of a Hybrid Power Plant in Mangystau Region

A project for the construction of a hybrid power plant is being implemented in the Mangystau

Region jointly with the Italian energy company Eni S.p.A, with a shareholding structure of 51% for Eni and 49% for KMG.

The project combines generation from renewable energy sources (wind and solar) with a gas-fired power plant (GasPP). In 2024, an EPC contract for the construction of the GasPP and the solar plant was signed. In September 2025, the solar power plant was commissioned, while construction and installation works for the GasPP are ongoing.

### Construction of the “Mirny” Wind Power Plant (Aktas Energy JV)

KMG Green Energy LLP (20%), Qazaq Green Power PLC (20%), and TotalEnergies Renewables SAS (60%), through their joint venture Aktas Energy LLP, are implementing the construction of the “Mirny” wind power plant in the Zhambyl Region with a capacity of 1 GW, using a 300 MW / 600 MWh battery energy storage system. This is the largest renewable energy project in the Republic of Kazakhstan.

The project provides for the installation of 150 onshore wind turbines with a capacity of 6.5–7.7 MW each. The equipment suppliers—Envision Energy and SANY Renewable Energy—are among

the world's leading manufacturers of renewable energy equipment. In 2025, basic engineering was completed, detailed design reached approximately 81% readiness, and technical documentation is under expert review.

The project aims to enhance energy supply reliability and address electricity shortages in the southern regions of the country, while reducing greenhouse gas emissions by more than 2 million tonnes of CO<sub>2</sub> annually. It is expected to make a significant contribution to KMG's decarbonization goals, ESG agenda, and diversification of the Company's energy portfolio.

### Sustainable Aviation Fuel (SAF) Production Development Project

As part of the development of a project to construct Central Asia's and the CIS's first sustainable aviation fuel (SAF) plant, a feasibility study was conducted in 2025 by ICF SH & E Limited with the participation of KMG, the European Bank for Reconstruction and Development, KMG-Aero, and Air Astana. The project supports Kazakhstan's Carbon Neutrality Strategy by 2060 and IATA's<sup>12</sup> commitment to achieving net-zero emissions by 2050. SAF is considered a promising alternative to fossil jet fuel due to significant CO<sub>2</sub> emission reductions.

The study determined that the most suitable initial technology for SAF production in Kazakhstan is alcohol-to-jet (AtJ), based on the availability of feedstock in the country. The technology can operate on ethanol derived from any biological or non-biological raw material and enables up to 95% emissions reduction while improving energy efficiency.

To further promote decarbonization and green energy development, on March 31, 2025, a tripartite agreement was signed between the U.S. company LanzaJet, KazMunayGas-Aero LLP, and Dostyk Leasing LLP (Bio Operations) to prepare a feasibility study for the construction of a SAF production plant in Kazakhstan. The project aims to localize advanced American technologies and establish the region's first SAF production facility, aligning with Kazakhstan's climate and energy priorities while opening opportunities for long-term industrial and technological cooperation with the United States.

**See more in the section “Climate Change and Low-carbon Development.”**



## Procurement Practices

### GRI 3-3, GRI 204-1

The total volume of the annual procurement plan for 2025 amounted to 1,299 KZT billion excluding VAT. The priority areas of KMG's procurement activities remain the reduction of single source procurement and the expansion of competitive procedures. Competitive procurement is carried out through open tenders, request for quotations, the electronic store, and the commodity exchange.

Based on the results of 2025, the volume of competitive procurement across the KMG Group reached 626 KZT billion, which represents 48% of the annual procurement plan and reflects the Company's commitment to the principles of fair competition and sustainable development. Single source procurement is used only in exceptional cases where it is impossible to conduct a competitive procedure.

**TABLE 5. AMOUNT OF COMPETITIVE PROCUREMENT, KZT BILLION, EXCLUDING VAT <sup>13</sup>**

Year	Goods		Works and services		Total	
	Amount	Share, %	Amount	Share, %	Amount	Share, %
2025	285	22	341	26	626	48
2024	258	22	335	29	593	51
2023	302	25	320	26	622	51



13. Competitive procurement includes procurement through open tender, request for quotations, e-store, and commodity exchange.

### Preliminary Qualification of Potential Suppliers

Improving procurement activities in accordance with the requirements and standards of Kazakhstani and international practices is one of the priority tasks for KMG. An effective tool for achieving this goal is the implementation of the mechanism for conducting the preliminary qualification of potential suppliers.

Preliminary Qualification (PQ) <sup>14</sup> is a process of evaluating potential suppliers for compliance with qualification requirements established in accordance

with the Procurement Rules of Samruk Kazyna JSC. The evaluation is carried out through questionnaires and audits.

The main objectives of PQ are to identify qualified and properly selected suppliers, and to improve the efficiency of procurement of goods, works, and services for the needs of the portfolio companies of Samruk Kazyna JSC.

14. Potential suppliers who have passed the PQ procedure are included, by decision of the Qualification Commission, in the Register of Qualified Potential Suppliers, which is publicly available on the Samruk-Kazyna JSC procurement portal.

### Category-Based Procurement

Category management in procurement is a process of developing an integrated approach to reducing costs associated with procurement activities and the use of goods, works, and services (GWS) included in priority categories.

Categorization is carried out by grouping GWS into procurement categories based on common characteristics of the procurement subject and/or a shared market of potential suppliers. Categories may include one or multiple types of goods, works, and services. Priority categories are those with high levels of expenditure, criticality, potential for savings, and manageability.

Category management increases the potential for savings through more detailed analysis by developing and approving a procurement category strategy. This strategy defines the optimal approach to procuring goods, works, and services, based on maximizing benefits in the long term or short term perspective. Procurement category strategies must include objectives and tasks, internal and external environment analysis, approaches to category management, supplier development requirements, calculation of benefits, and an implementation plan.

Category management significantly reduces the costs of acquiring and using goods, works, and services through strategic planning, detailed analysis of procured products and services, and total cost of ownership calculations, as well as through cross functional collaboration with various business units. This procurement method is effective because it ensures both quality and transparent pricing when working with reliable manufacturers and suppliers.

**Procurement category management includes:**

- categorization of procured goods, works, and services and identification of priority procurement categories;
- development (updating) and approval of procurement category strategies for priority categories;
- implementation of procurement category strategies;
- monitoring of procurement category strategy implementation;
- supplier development.

**TABLE 6. VOLUME AND BENEFITS OF CATEGORY-BASED PROCUREMENT IN 2023–2025, KZT MILLION**

Indicator	2023	2024	2025
Volume of category based procurement	115,545.23	124,942.2	<b>112,183.33</b>
Benefits from category management in procurement	7,534.63	13,368.3	<b>18,296.6</b>

### Import Substitution and Local Content

KMG consistently implements a policy aimed at developing localization and supporting domestic manufacturers by increasing the share of local content in procurement, concluding long term contracts, and establishing new production facilities within the Republic of Kazakhstan.

### Local Content in Procurement

Based on the results of 2025, the total volume of procurement amounted to 2,253 KZT billion, while the share of local content reached 78% (2024 – 81%). The change in this indicator is due to the adjustment of the methodology for calculating in country value in ST KZ certificates (excluding VAT and profit from the calculations) in accordance with the updated Rules for Determining the Country of Origin of Goods dated April 28, 2024<sup>15</sup>.

Starting from January 1, 2026, ST KZ certificates will be abolished and replaced by the Register of Kazakhstani Manufacturers, which will reflect the share of in country value in the products of Kazakhstani producers.



**TABLE 7. TOTAL VOLUME OF SUPPLIED GWS, INCLUDING LONG-TERM PROCUREMENT CONTRACTS, AND THE SHARE OF IN-COUNTRY VALUE IN GWS PROCUREMENT**

Year	Goods		Works and services		Total	
	Total amount (KZT billion)	Share of local content, %	Total amount (KZT billion)	Share of local content, %	Total amount (KZT billion)	Share of local content, %
<b>2025</b>	<b>547</b>	<b>46</b>	<b>1,706</b>	<b>88</b>	<b>2,253</b>	<b>78</b>
<b>2024</b>	<b>503</b>	<b>55</b>	<b>1,550</b>	<b>89</b>	<b>2,053</b>	<b>81</b>
<b>2023</b>	<b>606</b>	<b>50</b>	<b>1,580</b>	<b>88</b>	<b>2,186</b>	<b>77</b>

The total volume of goods, works and services supplied, including long-term procurement contracts, was calculated excluding procurements carried out under special procedures and procurements of KMG entities in which KMG holds less than a 50% ownership interest.

The Company assesses the share of procurement spending with local suppliers<sup>16</sup>. In 2023, this indicator amounted to 92%, increased to 96% in 2024, and reached 87%<sup>A</sup> by the end of 2025.

15. Amendments to Annex 5 to the Rules for Determining the Country of Origin of Goods, the Status of Goods of the Eurasian Economic Union or Foreign Goods, Issuing a Certificate of Origin of Goods and Canceling Its Validity, and Establishing the Forms of Certificates for Determining the Country of Origin of Goods dated April 28, 2024

16. Local suppliers refer to suppliers of goods and services that are resident entities of the Republic of Kazakhstan.

## Offtake Contracts and Support for Domestic Manufacturers

KMG actively promotes the development of import substitution in procurement, guided by the requirements of the Law of the Republic of Kazakhstan “On Procurement of Certain Entities of the Quasi Public Sector” dated June 8, 2021. A Program to Support the Creation of New Productions is being implemented, which provides for the conclusion of offtake contracts.

The main goal of the Program is to support private entrepreneurs launching new productions and implementing technological modernization to manufacture products demanded by companies of the Samruk Kazyna JSC. Offtake contracts allow companies to receive guaranteed orders for products whose production will be organized in the Republic of Kazakhstan.

In 2025, the Company continued its policy of developing in country value and expanding cooperation with domestic manufacturers. During the reporting year, the Company’s and affiliates concluded 124 offtake contracts totaling 16 KZT billion.

**TABLE 8. VOLUME OF KMG OFFTAKE CONTRACTS**

Year	Quantity, pcs	Total contract value, KZT million
2025	124	16,031
2024	137	58,688
2023	64	1,687

### CASE STUDY



**In October 2025**, the Kaskor-Mashzavod LLP plant in the city of Zhanaozen was commissioned to produce oilfield equipment (tubing, sucker rods, heating furnaces) for Ozenmunaigas JSC. The implementation of this investment project was carried out under sub paragraph 14 of Article 73 of the Procurement Rules of Samruk Kazyna JSC, which provides a mechanism for concluding direct targeted contracts with enterprises that guarantee the localization of goods production in the city of Zhanaozen. The total amount of attracted investment for the project amounted to 17 KZT billion, which made it possible to create 251 permanent jobs.



## Imported Goods

In 2025, the share of imported goods and goods without a certificate of Kazakhstani origin amounted to 34%, or KZT 186 billion.

**TABLE 9. IMPORTED GOODS IN PROCUREMENT**

Year	Amount, KZT billion	Share, %
2025	186	34
2024	112	22
2023	158	28



## Principles of Sustainable Development in Working with Contractors

KMG builds its engagement with contractors on the principles of sustainable development, which include legality and transparency of business processes, compliance with contractual obligations, and zero tolerance for corruption. When selecting suppliers, KMG focuses on a combination of key factors: optimal balance of price and quality, delivery conditions, and the business reputation of the counterparty.

In turn, KMG places reciprocal requirements on its partners, requiring them to:

- Comply with applicable legislation
- Ensure fair treatment of employees
- Prohibit the use of child labor
- Provide safe working conditions
- Comply with environmental standards
- Follow principles of ethical business conduct

These requirements form an integral part of the contracts concluded by KMG with counterparties. Their inclusion helps protect labor rights, ensure favorable working conditions for citizens of the Republic of Kazakhstan, and strengthen environmental safety.

KMG is confident that the implementation of these measures contributes to reducing instances of improper conduct among partner companies and enhances the level of responsibility among participants in procurement processes.



# STAKEHOLDER ENGAGEMENT

## GRI 2-29

### Approach to Stakeholder Engagement

KMG views systematic and effective engagement with stakeholders as an integral part of sustainable development management. The Company recognizes that constructive dialogue with government authorities, investors, employees, business partners, local communities and other stakeholder groups is an important factor in achieving strategic goals and ensuring the long-term sustainability of the business.

Stakeholder engagement is carried out in accordance with international approaches and best practices, including the requirements of the AA1000 Stakeholder Engagement Standard (AA SES 2015) and GRI Standards, as well as in line with the Company's internal regulations and tools, including KMG's Stakeholder Map.

### Principles of Engagement

In building engagement, the Company is guided by the following fundamental principles:

- ⦿ **Consideration of interests and respect for positions** – the opinions, expectations and requests of stakeholders are taken into account when forming management decisions.
- ⦿ **Transparency and openness** – the Company ensures regular and reliable disclosure of information about its activities, plans and sustainable development initiatives.
- ⦿ **Accountability and fulfillment of commitments** – KMG strives to faithfully comply with the obligations it has undertaken toward stakeholders.
- ⦿ **Dialogue and engagement** – interaction is built on the basis of two way information exchange and the involvement of key stakeholders in discussions of significant issues.
- ⦿ **Flexibility and continuous improvement** – the engagement approach is viewed as a dynamic process that involves regular assessment of effectiveness and adjustment of tools and formats.

### Stages of Stakeholder Engagement

The stakeholder engagement process in the Company is implemented in stages and includes the following key steps:

- 1. Identification of stakeholders and material topics**
  - ⦿ Formation and regular updating of KMG's Stakeholder Map, with the definition of engagement formats and channels;
  - ⦿ Analysis of the role of stakeholders in the Company's activities and identification of their key expectations.
- 2. Classification and prioritization**
  - ⦿ Assessment of the degree of influence and significance of different stakeholder groups;
  - ⦿ Identification of priority groups requiring deeper and more systematic communication.
- 3. Engagement planning**
  - ⦿ Development of activities based on engagement levels (information, consultation, partnership, participation in decision making);
  - ⦿ Determination of the frequency and tools of engagement, including meetings, surveys, public consultations and joint initiatives.
- 4. Implementation of activities**
  - ⦿ Conducting planned communication and consultation activities;
  - ⦿ Ensuring continuous dialogue and information exchange with key stakeholder groups.
- 5. Effectiveness assessment and approach development**
  - ⦿ Analysis of engagement effectiveness and incorporation of lessons learned;
  - ⦿ Development of feedback mechanisms and integration of stakeholder suggestions into strategic and operational management processes.

The Company regularly evaluates the effectiveness of its stakeholder engagement and continuously improves this process in line with international practices and evolving expectations of society and the business environment.



## Stakeholder Engagement Outcomes

KMG builds systematic engagement with stakeholders, viewing it as an important tool for enhancing business resilience and achieving strategic priorities. The Company strives to consider the expectations of various stakeholder groups and maintain regular and substantive dialogue with them.

In 2025, KMG continued to advance the sustainable development agenda, with particular focus on improving corporate governance, strengthening environmental responsibility, and developing social partnerships with key stakeholder groups.



### Shareholders

#### SHAREHOLDER ENGAGEMENT SYSTEM

**Communication methods:** publication of reporting, disclosure of information on the corporate website, holding general meetings of shareholders, disclosure of information through the Kazakhstan Stock Exchange.

**Interests and expectations:** the Company's financial stability, adherence to corporate governance principles, return and growth of investments, enhancement of operational efficiency, and integration of sustainable development principles into the strategy.

#### Things we do

KMG consistently works to improve its financial and operational performance, ensuring business resilience and long-term growth of shareholder value. During the reporting year, the Company continued the implementation of strategic initiatives aimed at the modernization of assets and enhancement of operational efficiency.

A significant element of the strategy was the further development of the Low-Carbon Development Program until 2060, focused on reducing environmental impact and transforming the business model in line with climate considerations. Alongside this, KMG remains committed to high standards of corporate governance, ensuring transparency of disclosure and the protection of shareholder rights.



### Investors

#### INVESTOR ENGAGEMENT SYSTEM

**Communication methods:** roadshows, regular reporting, engagement with analysts, press releases and public communications.

**Interests and expectations:** development of ESG practices, transparent risk management, investment attractiveness, application of international non financial reporting standards.

#### Things we do

The Company maintains an open and consistent dialogue with the investment community, providing up-to-date information on strategic priorities and development prospects. Significant attention is given to the development of ESG disclosure in accordance with international standards, including GRI, IFRS S2 and the OGMP 2.0 initiative.

KMG continued the implementation of energy efficiency and low-carbon development projects, contributing to increased interest from sustainable investors and international rating agencies.



### Government Authorities

#### SYSTEM OF ENGAGEMENT WITH GOVERNMENT AUTHORITIES

**Communication methods:** consultations, participation in working groups, submission of reports, meetings and official communications.

**Interests and expectations:** compliance with legislative requirements, timely payment of taxes and mandatory payments, fulfillment of social obligations.

#### Things we do

KMG ensures full compliance with legislative requirements and actively participates in the discussion and development of regulatory initiatives affecting the oil and gas sector and sustainable development issues. The Company responsibly fulfills its tax obligations and continues to invest in regional development projects, social infrastructure and environmental initiatives, contributing to sustainable socio-economic growth.



### Employees and Trade Unions

#### SYSTEM OF ENGAGEMENT WITH EMPLOYEES AND TRADE UNION ORGANIZATIONS

**Communication methods:** meetings between management and employee teams, training and development programs, internal communication platforms.

**Interests and expectations:** safe working conditions, opportunities for professional development, competitive remuneration, improvement of working conditions.

#### Things we do

KMG places priority attention on occupational health and industrial safety, as well as on creating a comfortable and safe working environment. During the reporting period, the Company continued to implement measures for workplace modernization and the development of health protection programs.

Training systems, professional development and human capital development programs create conditions for the career growth of employees. Transparent HR procedures and competitive working conditions help attract and retain qualified specialists. To strengthen employee engagement, the Company actively develops internal communications and maintains constructive dialogue with trade union organizations.



### Local Communities and the Public

#### SYSTEM OF ENGAGEMENT WITH LOCAL COMMUNITIES AND THE PUBLIC

**Communication methods:** public consultations, social and charitable programs, feedback mechanisms including hotlines.

**Interests and expectations:** job creation, social investments, responsible environmental practices.

#### Things we do

The Company recognizes its social responsibility and contributes to improving the quality of life in the regions where it operates. During the reporting year, KMG continued the implementation of social initiatives in the areas of education, healthcare, and community support.

Special attention is given to environmental matters, including emission reduction, the rational use of water resources and the restoration of disturbed lands. The implementation of corporate social responsibility programs supports the development of regional infrastructure and the formation of a sustainable social environment.



### Clients and Partners

#### SYSTEM OF ENGAGEMENT WITH CLIENTS AND PARTNERS

**Communication methods:** business negotiations, contractual relations, implementation of joint projects.

**Interests and expectations:** reliable supply, quality of products and services, transparency of business processes.

#### Things we do

KMG ensures stable delivery of products and services while adhering to high standards of quality and operational reliability. The Company consistently improves logistics processes and supply chain management systems. Transparent interaction rules and adherence to the principles of fair competition contribute to strengthening long term partnership relations.



### Contractors

#### SYSTEM OF ENGAGEMENT WITH CONTRACTOR ORGANIZATIONS

**Communication methods:** tender procedures, industry specific conferences, working meetings.

**Interests and expectations:** transparency of procurement, equal conditions for cooperation, high level of safety at sites.

#### Things we do

The Company continues to develop transparent and efficient procurement procedures, including through the introduction of digital supplier selection tools. Particular attention is given to occupational health and industrial safety of contractor organizations, including training and monitoring compliance with established standards.

The development of partnership relations based on mutual trust contributes to improving the quality of services and reducing operational risks.

KMG consistently strengthens engagement with all stakeholder groups, introducing best international practices and enhancing the corporate governance system. Open dialogue, consideration of stakeholder interests, and the implementation of priority sustainable development initiatives contribute to achieving the Company's long term goals and generating positive socio economic and environmental impact.

## MEMBERSHIP AND PARTICIPATION OF KMG IN INITIATIVES AND ASSOCIATIONS

### GRI 2-28

KMG is an active participant in international and national initiatives aimed at promoting sustainable development, protecting the environment, reducing environmental impact, and enhancing safety standards.

### Climate and Environmental Initiatives:



The World Bank's initiative "Zero Routine Flaring by 2030" – since 2015, KMG has supported this initiative and consistently reduced the volume of associated gas flaring.



Global Methane Initiative (GMI) – since 2017, KMG has participated in the initiative's activities, implementing projects to reduce methane emissions and support methane utilization



CDP – KMG annually discloses information on greenhouse gas emissions and water footprint across all KMG Group assets.



Caspian Environmental Protection Initiative (CEPI) – participation since 2020 in initiatives aimed at protecting the environment of the Caspian region.



The Oil & Gas Methane Partnership 2.0 (UNEP) – joined in 2023 to enhance transparency of reporting and reduce methane emissions.



Oil and Gas Decarbonisation Charter – participation since 2023; joined during COP28 to support the reduction of the carbon footprint of the oil and gas sector.

### Social and Professional Initiatives:



Cooperation with the Public Association "Veterans of the Oil and Gas Industry" – since 2021, KMG has collaborated with the expert council of industry veterans to support the transfer of professional experience and provide advisory assistance.

### National and International Associations:



National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" – cooperation on matters of legal regulation and protection of business interests.



Association of Taxpayers of New Kazakhstan – participation in improving tax legislation and enhancing tax literacy among enterprises.



KAZENERGY – active participation in committees and working groups, including chairing the Coordinating Council on Ecology and Social Responsibility.



Association of Legal Entities "Association of Kazakhstan Machinery Industry" – support and development of the machine building industry and consolidation of sectoral enterprises.



UN Global Compact – KMG is a participant of the initiative and annually publishes a sustainability progress report.



Association of Producers and Consumers of Petrochemical Products – promotion of sustainable development of the petrochemical industry of the Republic of Kazakhstan.



IOGP (International Association of Oil and Gas Producers) – membership since 2018 and implementation of international industrial safety standards.



Renewable Energy Association "Qazaq Green" – development of competencies and promotion of renewable energy projects.



IAOT (International Association of Oil Transporters) – membership since 2015, promoting international cooperation and exchange of best practices in the transportation and storage of oil and petroleum products.



Ecojer – membership since 2021 in the association of regional environmental initiatives.



Kazakhstan Welding Association "KazWeld" – support for the development of welding technologies and training of specialists in line with international standards.



## Disclosure of Information

The PwC Kazakhstan Rating of the 50 Best Companies for Non-Financial Disclosure in Corporate Reports – the Company consistently ranks among the Top 5 companies for ESG disclosure.

The ESG Disclosure Rating conducted by PwC Kazakhstan is an annual assessment of the quality and completeness of sustainability-related disclosures by Kazakhstani companies. The Rating evaluates annual reports and sustainability reports, including integrated and social reports, with the aim of identifying leaders and providing recommendations for improving disclosure practices.

The assessment covers the following key areas: Sustainable Development Strategy, Corporate Governance, Social Policy and Human

Capital Management, Environmental Impact and Environmental Management, Reporting Practices and Alignment with International Standards. Companies are evaluated against 76 criteria.

The purpose of the rating is to support the development of ESG reporting in Kazakhstan and to contribute to improving the quality of sustainability management in the country.

KMG continues to strengthen partnerships and integrate best global practices in the fields of sustainable development, environmental protection, and safety.



## ДИПЛОМ

ЛУЧШАЯ ПРАКТИКА РАСКРЫТИЯ ESG-ИНФОРМАЦИИ

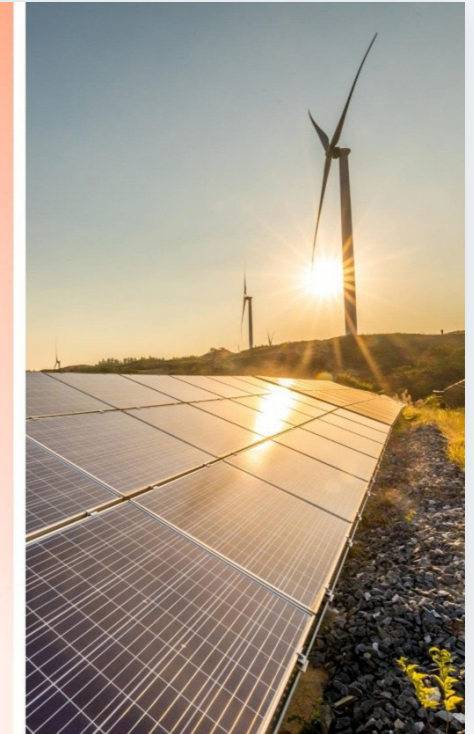
АО НК «КазМунайГаз»

Лучшее раскрытие ESG-информации  
в нефтегазовом секторе  
(по оценке отчетов за 2024 год)

Наталья Лим

Партнер, Руководитель Strategy&  
и ESG-консалтинга в Евразии

2025 г.



## ДИПЛОМ

ЛУЧШАЯ ПРАКТИКА РАСКРЫТИЯ ESG-ИНФОРМАЦИИ

АО НК «КазМунайГаз»

Годовой отчет/Отчет об устойчивом развитии  
за 2024 год вошел в ТОП-10 Рейтинга раскрытия  
ESG-информации PwC Kazakhstan

Наталья Лим

Партнер, Руководитель Strategy&  
и ESG-консалтинга в Евразии

2025 г.



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## HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

### GRI 3-3, GRI 402-1

The Company's human resources policy is developed in accordance with the Labor Code of the Republic of Kazakhstan and the corporate standards of Samruk - Kazyna Group of Companies. It defines key principles and areas of human resources management aimed at supporting the Company's strategic goals, such as growth, value chain efficiency, and sustainable development. KMG is committed to internationally recognized human rights and strictly adheres to labor legislation, guaranteeing non-discrimination on any basis, including origin, gender, race, and religion. The principles of equality and social responsibility underpin the HR policy, contributing to the creation of a safe and inclusive work environment.

#### Core principles of KMG's human resources policy:

- Meritocracy and fairness – ensuring transparency in HR processes and supporting high-potential employees.
- Fostering an engaged culture – collaborative work towards the Company's strategic goals at all levels.
- Social responsibility – upholding labor rights, ensuring safe working conditions, and supporting employees' social well-being.
- Teamwork and creativity – promoting team spirit, initiative, and a creative approach to problem-solving.
- Openness – nurturing a corporate culture of constructive dialogue and feedback.
- Continuous learning – ongoing enhancement of employees' knowledge and skills.
- Gender equality and inclusion – providing equal opportunities and conditions for all employees.
- Succession planning – ensuring knowledge, experience, and values are passed from one generation of employees to the next.

KMG is committed to international standards in the field of labor and sustainable development, including the principles of the UN Global Compact, the UN Sustainable Development Goals, and the fundamental principles and rights at work enshrined in the International Labor Organization (ILO).

KMG's corporate values – safety, efficiency, responsibility, and teamwork – form the foundation for all actions and decisions affecting the Company's development and competitiveness. Its HR policy supports the Company's mission to efficiently develop natural resources and ensure Kazakhstan's energy security, while protecting future generations. Strategic goals such as business diversification and reducing carbon intensity require the Company to have highly qualified and engaged personnel, emphasizing the importance of a systematic approach to human resources management.

In the event of changes to working conditions, the Company shall notify the employee in writing no later than fifteen calendar days in advance. The minimum period for significant changes in the Company's operations is four weeks.

The effectiveness of the human resources policy is assessed using indicators such as labor productivity, staff turnover, employee engagement index, internal appointments, the level of training and employee development, gender balance in management bodies, and other metrics.

The company implements systematic human capital development programs, including professional training, talent pool development, support for young professionals, and management skills development. During the reporting period, special attention was paid to occupational safety, employee engagement, and the development of a culture of sustainable development.

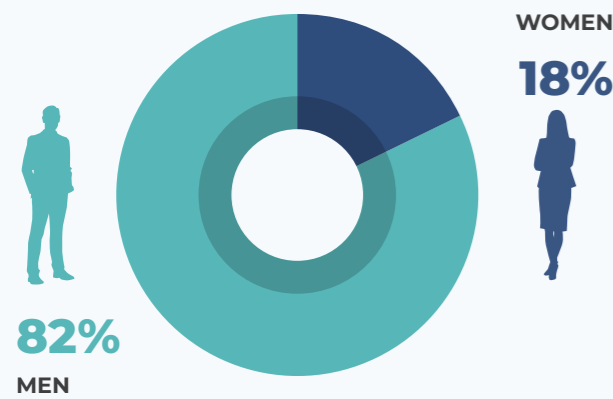
## Workforce size and structure

GRI 2-7, GRI 2-8, GRI 202-2, GRI 401-1, GRI 401-3, GRI 405-1

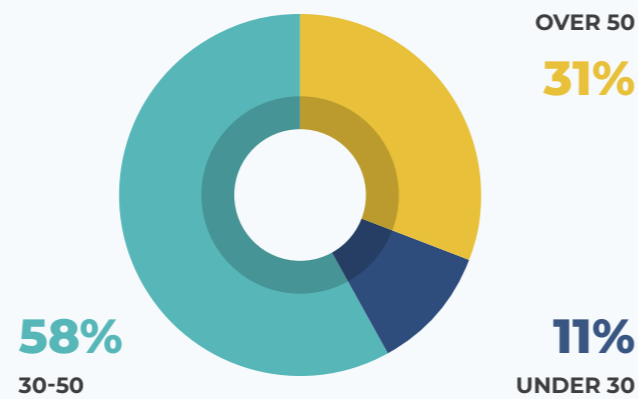
KMG remains one of the country's largest employers. As of the end of 2025, the KMG Group's headcount was 48,714 people, down 1% from 2024. The gender breakdown of the workforce is 82% men and 18% women, reflecting the industry-specific nature of the oil and gas sector, which is characterized by a high proportion of production and physically demanding occupations.

The number of employees with disabilities at the end of 2025 was 569, representing 1.2% of the total workforce. This figure represents a moderate increase compared to previous years: 0.9% in 2023 and 1.1% in 2024.

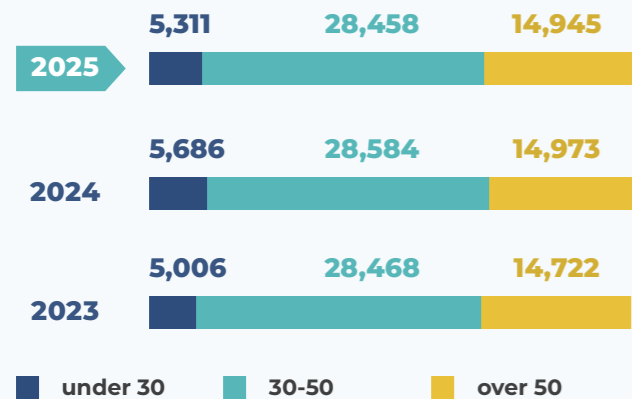
STAFF STRUCTURE BY GENDER GROUPS AS OF THE END OF 2025



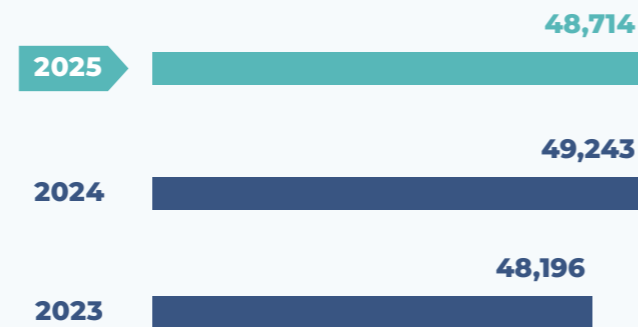
STAFF STRUCTURE BY AGE GROUPS AS OF THE END OF 2025



STAFF STRUCTURE BY AGE GROUPS AS OF THE END OF 2025

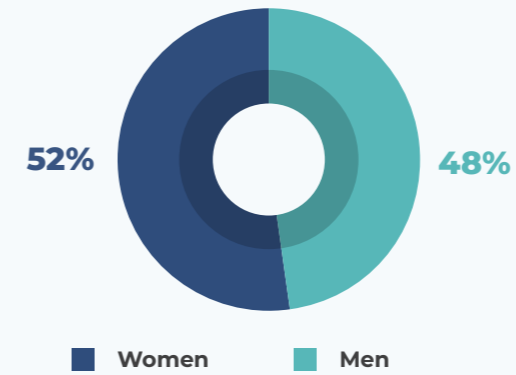


TOTAL HEADCOUNT AS OF THE END OF 2025

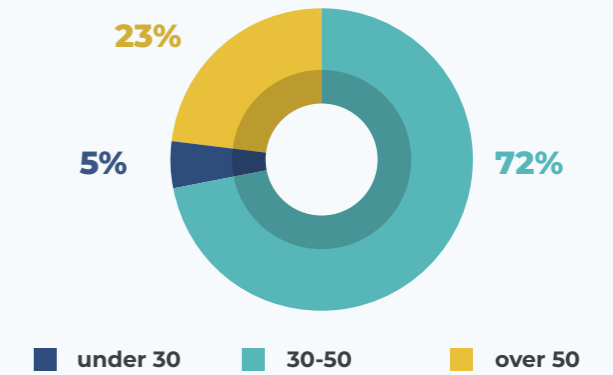


In the structure of administrative and management personnel (AMP), 48% are men and 52% are women, while among production personnel (PP), the proportion of women is significantly lower - 15%, and men - 85%.

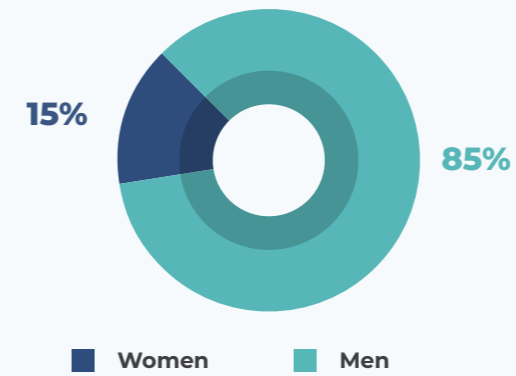
AMP STRUCTURE BY GENDER GROUPS AS OF THE END OF 2025



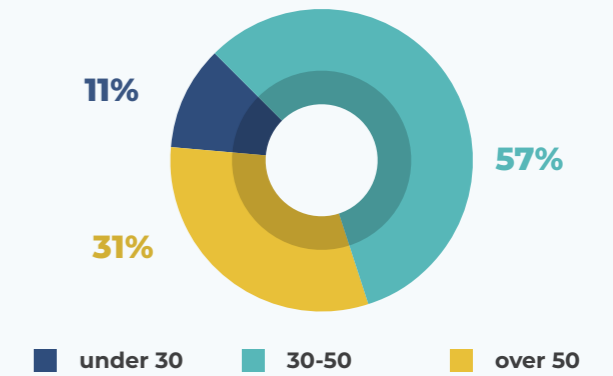
AMP STRUCTURE BY AGE GROUPS AS OF THE END OF 2025



PP STRUCTURE BY GENDER GROUPS AS OF THE END OF 2025



PP STRUCTURE BY AGE GROUPS AS OF THE END OF 2025



The share of senior executives<sup>17</sup> in the regions of operation<sup>18</sup> hired from representatives of the local community is 100%<sup>A</sup> (2024 - 90%).

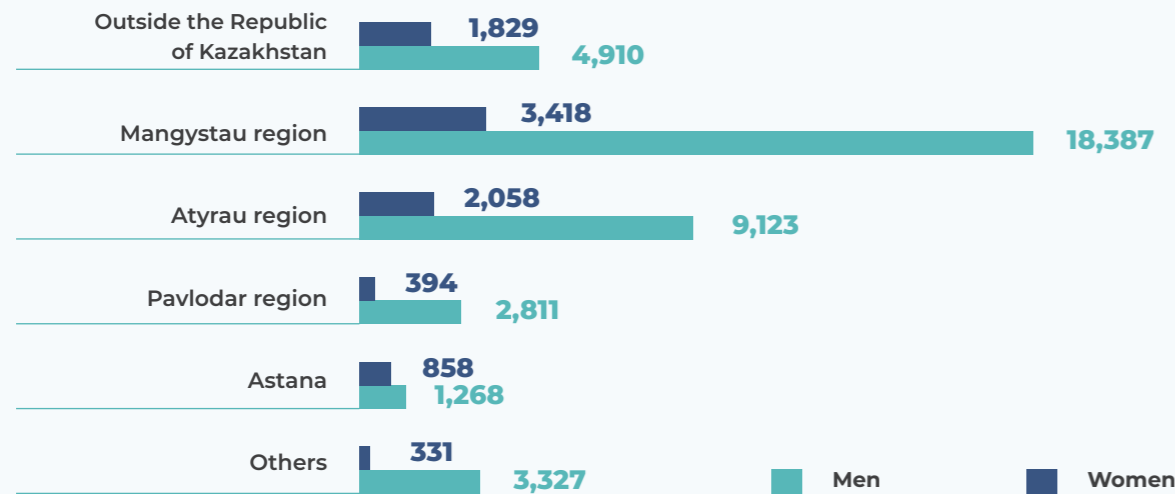
The largest regions in terms of personnel numbers are Mangystau (21,805 people), Atyrau (11,181 people), Pavlodar (3,205 people) and Astana (2,126 people). A significant number of employees also work for companies KMG outside the Republic of Kazakhstan (6,739 people).

In 2025, 3,321 people were engaged under outstaffing arrangements, which is 1% lower than in 2024. Employees engaged under civil law contracts totaled 189 people, which is 29% lower than in the previous year.

17. Senior executive - the first manager and his deputies.

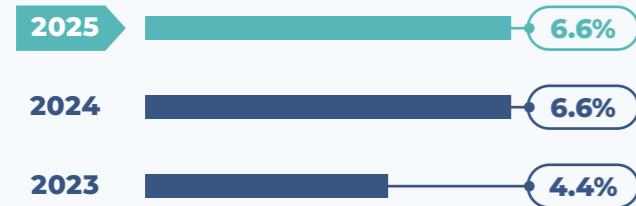
18. Region of operations - region (region, district) of operational activities.

HEADCOUNT OF EMPLOYEES BY REGION IN 2025

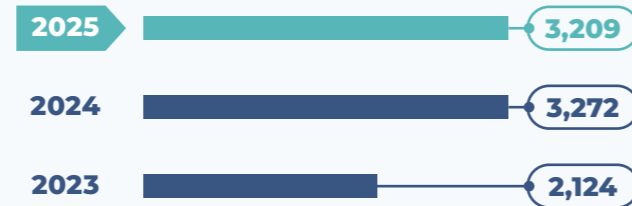


Employee turnover<sup>19</sup> at the end of 2025 amounted to 6.6%. A total of 3,209 employment contracts were terminated.

TURNOVER RATE



TERMINATED EMPLOYMENT CONTRACTS, PERSONS



As of the end of 2025, 475 employees were on parental leave, including 433 women and 42 men. All employees, in accordance with the labor legislation of the Republic of Kazakhstan, are entitled to parental leave.

TABLE 10. EMPLOYEES ON MATERNITY LEAVE

Year	Men	Women	Return rate	Retention rate
2025	42	433	97%	86%
2024	43	484	114%	51%
2023	43	537	100%	-

19. Employee turnover = A / B × 100, where: A – the number of employees who left voluntarily, by mutual agreement, or due to the employee's fault, as of the end of the reporting period; B – the average headcount during the reporting period

Recruitment and onboarding

GRI 401-1

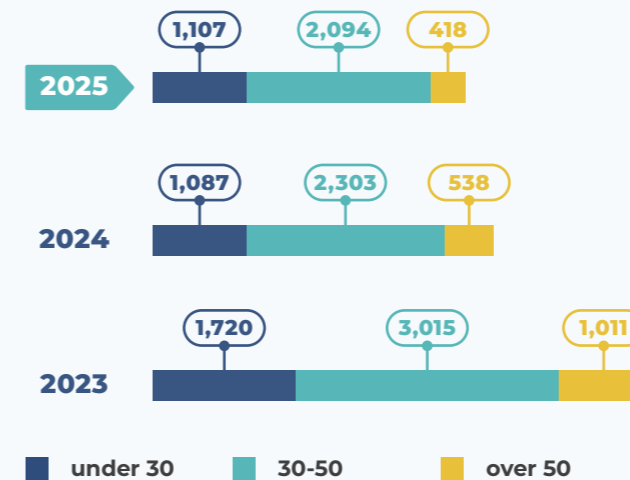
Effective human resource management at KMG is based on systematic workforce planning that takes into account the Company's strategic plans, including the development of oil and gas chemistry, strengthening KMG's role in major oil and gas projects, commencement of production at new fields, the energy transition, and the reduction of the carbon footprint. KMG seeks to attract highly qualified specialists who meet business requirements.

The main approaches to talent acquisition include:

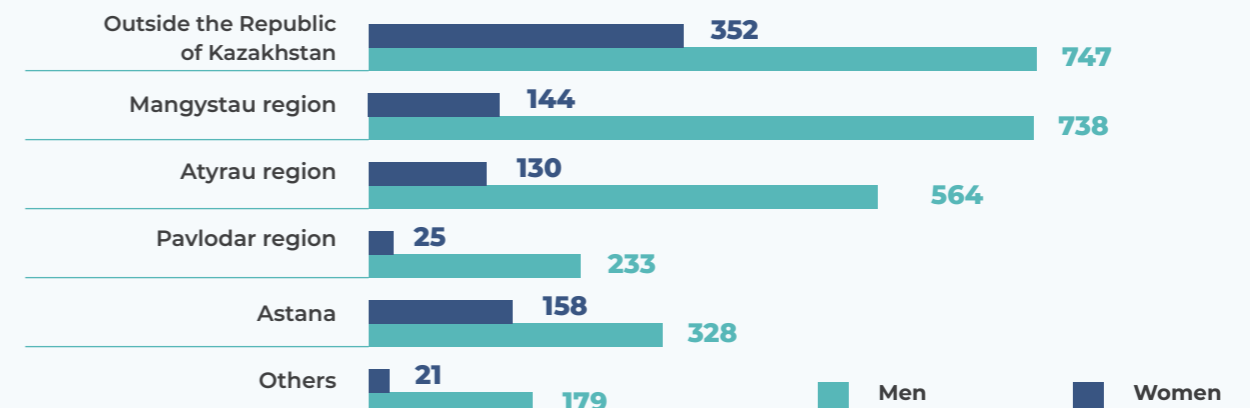
- HR brand promoting, aimed at strengthening the Company's attractiveness as an employer, is carried out through partnerships with leading universities, participation in industry events, and the implementation of career guidance programs.
- Digital recruitment is enabled through the use of corporate and external recruiting platforms, allowing for greater reach and transparency in recruitment processes.
- Transparent competitive selection process provides priority consideration of candidates from the KMG Group's internal talent pool when filling vacancies.
- Creating an attractive employer value proposition (EVP) includes competitive compensation, opportunities for professional development, and a system of social benefits.

During the reporting year, the Company hired 3,619 people, representing 7% of the average headcount. In terms of gender, women accounted for 23% of the total number of employees hired during the reporting year, while men accounted for 77%. In terms of age structure, new employees accounted for the largest number in the 30 and 50 age groups – 58%, while those under 30 and over 50 accounted for 30.5% and 11.5%, respectively.

NUMBER OF HIRED EMPLOYEES BY AGE



NUMBER OF HIRED EMPLOYEES BY REGION IN 2025



To ensure the successful integration of newly transferred employees, KMG applies a comprehensive adaptation system that includes:

- Corporate adaptation – familiarization with the Company's history, values, strategy, and structure.
- Social adaptation – establishing effective communication within the team.
- Organizational adaptation – learning the Company's rules and procedures.
- Technical adaptation – training in the use of corporate IT systems and equipment.
- Professional adaptation – mastering job-related processes and role expectations.
- Psychophysiological adaptation – supporting adaptation to work and rest schedules.

## Training and development

### GRI 404-1, GRI 404-2, GRI 403-5

Continuous professional development is one of the priorities of the KMG Group's HR policy. KMG invests in employee training in alignment with the strategic needs of the business and modern technologies. In 2025, KMG continued the implementation of its human resources policy aimed at enhancing professional qualifications and developing employees' personal, business, and managerial competencies. Training and development activities are focused on preparing personnel for the Company's key strategic areas.

During the reporting year, total investments in employee training and development amounted to KZT 5,193.2 million, with 2,818 training activities delivered. The average number of training hours per employee reached 34 hours, which is 1 hour lower than in 2024. On average, men completed 35 hours of training, while women completed 30 hours, which is 5 hours higher than in the previous year and reflects increased participation of women in professional development programs.



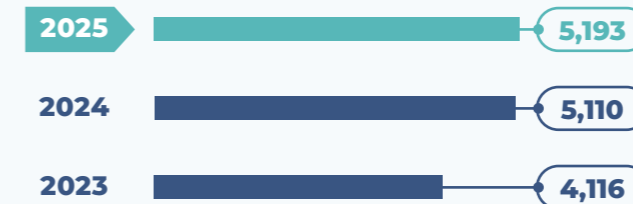
As part of the Year of Working Professions, in February 2025 the "City of Working Professions" festival was held in Astana at the EXPO International Exhibition Center. The event brought together representatives of working and technical occupations from KMG's subsidiaries, including lathe operators involved in the repair of oilfield equipment, non destructive testing specialists, CNC equipment electronics technicians, instrumentation specialists, oil and gas petrochemistry technologists, oil and gas production supervisors, refinery process unit operators, and other professionals.

Employees of the subsidiaries presented information on their production projects, employment opportunities, career development prospects, and the development of working professions. Presentations, equipment demonstrations, and meetings with young people and job seekers were organized.

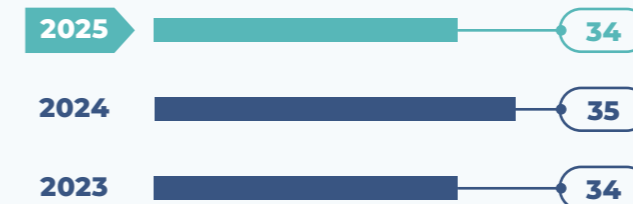
Visitors to the "House of Oil Workers" were able to see samples of geological rock formations, petroleum products, and finished polypropylene products.



### TRAINING INVESTMENTS, KZT MILLION



### AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE



### Key topics of training and professional development programs included:

- Risk management;
- Mandatory safety training;
- Economics and finance;
- Mandatory Occupational Health and Industrial Safety, Civil Defense and Emergency Situations, and Energy Management Training;
- Integrated management systems, ISO standards;
- Safe Driving (RoSPA);
- Legislation;
- International standards of safe work practices;
- Purchase of goods, works and services;
- Certification training;
- Corporate governance, project management;
- Vocational training;
- Information technology, AI;
- Diversity, Equity and Inclusion;
- Production (exploration and production, transportation, processing and marketing, service projects, etc.);
- Sustainable development.

### Development of professional and managerial competencies

During the reporting year, the Company continued the strategic development of human capital by enhancing employees' qualifications and professional competencies. Training covered international certifications, occupational health and safety, management systems, technical programs, and environmental standards.

- International professional and managerial qualifications** were obtained by 119 employees, including programs such as IOSH, NEBOSH, PMP, IPMA, CFA, ACCA, sPHRi, ICA, CIA, and PECB ISO 31000 Risk Manager.
- Occupational health, industrial safety, and fire safety training** were completed by 1,026 employees, including Defensive Driving, RoSPA, IWCF, HAZOP/HAZID, strategic risk management, and ISO 31000 risk management.
- Management systems and auditing** were mastered by 149 employees in areas including ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 17025, HACCP, API Spec Q2, internal auditor training, and integrated management systems.
- Environment and sustainability** included training for 30 specialists in product carbon footprint calculation.
- Technical and industry specific programs** were attended by 325 employees, including NCCER, DeltaV, seminars, and training for independent directors.

In March 2025, a networking event titled Worker to Worker was held in Atyrau with the participation of 41 specialists from subsidiaries and affiliates. The event included practical sessions on working at height safety and welding technologies, as well as site visits to Kazakhstan Petrochemical Industries Inc. LLP and Atyrau Oil Refinery LLP, facilitating experience sharing and the adoption of best practices.

## Modular programs

Modular programs are implemented to enhance employees' professional and managerial competencies, with dedicated initiatives focused on women and young employees.

- “KMG Kasip” – a general program for employees of subsidiaries and affiliates; 270 participants completed training across four modules: lean production, occupational safety culture, leadership fundamentals, financial and digital literacy, health and well-being.
- “JanAru” – a program for women in working professions; 45 participants completed modular training and developed projects based on lean thinking. The winning projects were implemented in workplaces and received recognition at the national level.
- “Alyp” – a program for young employees; a total of 63 employees participated, and authors of the 24 best lean production projects presented their initiatives at the youth forum in Shymkent, demonstrating strong employee engagement in innovation activities.
- “Zheti qadam” – a program for young employees aimed at developing leadership potential; based on the results of 2024–2025, three finalist winners implemented projects focused on improving operational efficiency.

## Employee performance and career development reviews

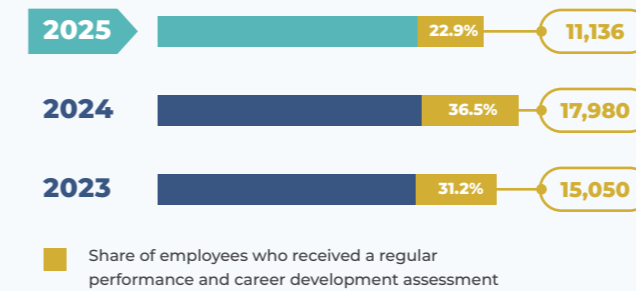
### GRI 404-3

KMG aims to enhance labor efficiency through a performance evaluation system that also facilitates employee potential development and career advancement. The core principles of the performance evaluation system include:

- Cascading corporate KPIs – ensuring the connection between strategic goals and specific indicators across areas of activity and business processes.
- Transparency and efficiency – implementation of a management by objectives system to increase the openness and objectivity of the evaluation process.
- Transfer of experience is a mandatory KPI for transferring knowledge from foreign specialists to Kazakhstani employees.
- Feedback – providing assessment results at all levels of managers and employees to adjust individual development plans (IDPs).
- Regularity of assessment – systematic assessment while maintaining the methodological basis for monitoring the dynamics of effectiveness, and, if necessary, using additional blocks to track the development of new competencies and the implementation of new tasks.

During the reporting year, 11,136 employees underwent regular performance and career development assessments, representing 22.86% of the total number of employees, confirming the Company's commitment to a systematic approach to human capital development.

### PERFORMANCE EVALUATION AND CAREER DEVELOPMENT



### Professional skills competitions

In the reporting period, the competitions “The Best Specialist” and KMG SKILLS were held among employees of KMG subsidiaries and affiliates in Atyrau at the APEC training center. The competitions covered more than 20 professions, including oil production and treatment operators, mechanics, electrical technicians, welders, boiler and process unit operators, turners, drivers, well workover crews, as well as specialists in laboratory analysis and wastewater treatment. These initiatives help identify top professionals and promote the introduction of best practices into production processes.

### Employee awards

In March 2025, a system of KMG lapel badges was developed and approved to recognize professionalism, loyalty, and active participation in the Company's life. The following types of lapel badges were established:

- “Üzdik munaishy” (The best oil worker)
- “Üzdik munai gaz óńdeýshi” (The best oil and gas processing specialist)
- “Üzdik tasymaldaúshy” (The best oil transporter)
- “Eńbek sińirgen munaishy” (Distinguished oil worker)

In addition, the honorary title “Honored employee of NC KazMunayGas JSC” was instituted. In celebration of the Oil and Gas Industry Workers' Day and Republic Day, 263 employees of the Group of Companies were awarded the newly established lapel badges.

These initiatives contribute to enhancing employees' qualifications and professional excellence, strengthening a culture of knowledge and experience transfer, and promoting the adoption of best practices in production processes.

## Succession system and talent management

KMG is developing the internal talent pool and succession system for key positions. This approach includes:

- Selection of high-potential employees and preparation for leadership positions.
- Development of career paths and individual development programs.
- Transfer of knowledge from foreign specialists to local employees.
- Development of cross-functional expertise and internal mentoring.

To support the professional development of young specialists, newly hired employees, and members of the talent pool, the KMG Group has established an Institute of Internal Trainers and Mentors. Activities related to the formation and development of the talent pool are carried out within the framework of the “MANSAP” project.

In 2023–2025, a mentoring program was implemented under which successors from pools “A” and “B” acted as mentors for pool “C”. At the end of 2024, the selection for the production talent pool was conducted in the following areas: oil refining and petrochemicals, exploration and production, transportation and marketing, and oilfield services assets. More than 700 employees of the KMG Group participated in the selection process. In the reporting year, 47% of appointments to key positions were made by the talent pool.



## Young professionals engagement

The Company prioritizes the training and development of young professionals, viewing them as a strategic resource for ensuring the sustainable development of the Company and the industry as a whole. Working with young people encompasses career guidance, training, inclusion in the corporate environment, and the development of professional competencies.

### Training and retraining of personnel

The company implements training and retraining programs for the unemployed and employees of its subsidiaries and affiliates, with subsequent employment opportunities. In 2025, 12 candidates, including the children of Ozenmunaigas JSC pensioners and unemployed residents of Zhanaozen, began training at Marine Bolashak LLP, with employment planned upon completion of the program. An additional nine unemployed women from the Mangystau region completed training as part of the EMPOWERMENT-2025 women's support project.

### Interaction with educational organizations

During the reporting year, internships were organized for teachers and masters of industrial training from specialized educational institutions based on KMG's subsidiaries and affiliates, including Toraigyrov University, APEC College, Aktobe Regional University named after K. Zhubanov, as well as production sites: Pavlodar Petrochemical Plant LLP, Kazakhstan Petrochemical Industries Inc LLP and Karazhanbasmunai JSC.

KMG also participated in working groups and meetings with educational institutions and government agencies on the development and updating of professional standards and educational programs.

## Youth activities and involvement

In April 2025, the KMG Youth Forum was held, bringing together 220 young professionals from 32 subsidiaries and affiliates. The forum provided a platform for sharing experiences, discussing career development, participating in training and motivational sessions, and strengthening corporate ties.

Throughout the year, young professionals participated in meetings with oil and gas industry veterans as part of the "Working Man" initiative, which aims to share experience and develop professional values.

### Research and feedback

An online survey of 372 young professionals was conducted from July to December 2025. The survey identified key expectations of young people, including the development of teamwork, expanded opportunities for professional growth, and improved incentive systems.

### Career guidance and practical training

During the reporting year, open days, job fairs, tours, and guest lectures were held for students and pupils of specialized educational institutions. More than 50 employers presented over 200 professions. Tours and educational events were organized at the production facilities of EmbamunaiGas JSC, Atyrau Oil Refinery LLP, Kazakhstan Petrochemical Industries Inc. LLP, KazTransOil JSC, and other KMG subsidiaries and affiliates.

### Dual education and volunteering

Over 250 students completed dual training in the 2024–2025 academic years, with mentors assigned to subsidiaries and affiliates. Additionally, over 200 students were involved in the Company's corporate volunteering programs and youth initiatives.

## Compensation and motivation management

### GRI 202-1, GRI 202-2, GRI 401-2, GRI 405-2

The Company implements a comprehensive compensation and incentive system aimed at attracting, retaining, and developing personnel, as well as increasing employee engagement and achieving the Company's strategic goals. The system is based on the principles of fairness, transparency, objectivity, and equal opportunity and includes both tangible and intangible incentives.

### Financial compensation and remuneration

The Company applies to a graded remuneration system that ensures internal equity and market competitiveness. Remuneration levels are determined based on the complexity of job functions, qualifications, level of responsibility, and individual performance of employees.

The bonus system is focused on the achievement of key performance indicators and includes incentive mechanisms that stimulate improvements in production and managerial efficiency. To maintain competitiveness, the Company regularly monitors the labor market and conducts salary benchmarking. The principles of remuneration and bonus setting are communicated to employees, ensuring transparency of the system.

## Equality and non-discrimination in remuneration

KMG applies uniform approaches to compensation for comparable positions, regardless of employees' social and demographic characteristics. The ratio of women's average compensation to men's average compensation across the Company was 84%. Across employee categories, this figure was 80% <sup>A</sup> for administrative and management personnel and 91% <sup>A</sup> for production personnel. Differences in remuneration levels are driven by the distribution of employees across positions and levels of responsibility within the category.

In the reporting year, the ratio of the base (entry level) salary in the Company to the minimum wage established by national legislation amounted to 6.6 for men and 6.0 for women. In KMG's foreign assets, the same indicator varied from 1.0 to 5.1 for men and from 1.0 to 2.9 for women, reflecting differences in national remuneration systems and industry specific characteristics of the region of operation.

KMG strives to ensure a fair and effective remuneration system and to create an environment in which every employee feels valued and motivated for long term employment and development within the Company.

## Social benefits and pension programs

### GRI 201-3

KMG employees are provided with an expanded package of social benefits, including voluntary health insurance for employees and their families, non-state pension provision, compensation for physical education and health activities, and various forms of financial support in difficult life situations.

In accordance with collective agreements, the Company provides social support to non-working pensioners, including financial assistance for state and national holidays, lump sum payments for anniversaries, and partial reimbursement of spa treatments. Additionally, a support program is implemented for pre-retirement age employees, providing the opportunity for early retirement with compensatory payments.

**TABLE 11. SOCIAL CONTRIBUTIONS AND MANDATORY PENSION CONTRIBUTIONS, KZT BILLION**

2023	2024	2025
79	101	114

## Non financial motivation and recognition of achievements

Alongside financial remuneration, KMG actively uses non financial motivation instruments aimed at developing professional excellence, teamwork, and corporate culture.

As part of the Year of working professions, the professional skills championship “KMG Skills” was held, with the participation of around 100 employees from 19 subsidiaries and affiliates. The competitions covered 13 working professions and contributed to the dissemination of best production practices.

To strengthen team spirit and promote a healthy lifestyle, the KMG Summer Spartakiad was organized with the participation of more than 700 employees from 30 subsidiaries and affiliates, as well as the first Winter Spartakiad of the Samruk Kazyna Group of Companies. As a result of the latter, the KMG team took first place.

Within the framework of social responsibility and corporate volunteering, the charitable race “Munaily Marathon-2025” was organized, bringing together around 1,000 participants. All funds raised were donated to the “Balakai” rehabilitation center in the city of Zhanaozen.

Corporate cohesion and employee engagement were also supported through the participation of the KMG team in the humor festival “SK Azil Fest: Samruk Battle”, where the Company’s team became the winner of the final stage.

## Social policy

### GRI 2-30, GRI 3-3, GRI 401-2, GRI 407-1, GRI 409-1

KMG implements its social policy based on the principles of equality, fairness, and transparency, ensuring respect for ‘workers’ labor rights and the stability of social and labor relations. The company provides all employees with equal opportunities to exercise their rights and freedoms at work and prioritizes maintaining social stability within its workforce.

### Level of social stability

The company implements a range of preventative measures aimed at preventing social tensions and promptly resolving emerging conflicts within its subsidiaries and affiliates. This ensures the stability of workforces and the continuity of production processes.

In the reporting year, the number of strikes decreased by half compared to 2024, from 17 to 9. All strike cases were recorded exclusively in contractor organizations, while KMG fully complies with its obligations toward contractors.

The level of social stability within subsidiary workforces is assessed by the Private Institution Center for Social Interaction and Communications using the methodology of Samruk Research Services (SRS). The SRS index for the KMG Group amounted to 84%, corresponding to a level “above average” and reflecting a steady positive trend compared to previous years (75% in 2023 and 79% in 2024).

In addition, a social assessment covering all regions of KMG’s operations is conducted. In the reporting year, such assessments were carried out in 12 subsidiaries and affiliates, following which action plans were developed to mitigate identified risks and address detected violations.

## Employee living and working conditions

To improve working and living conditions for employees of subsidiaries and affiliates located in the Mangystau region, five year Roadmaps for the for employees of KMG’s subsidiaries and affiliates in the Mangystau Region, five year Roadmaps for the period 2023–2027 are being implemented. In 2025, the renovation of 275 social and utility infrastructure facilities was planned, with a total budget of KZT 21,826.2 million:

- capital construction – 32 facilities;
- major repair – 62 facilities;
- routine repair – 71 facilities;
- procurement of wagons, cultural cabins, and other facilities – 110 units.

## Trade unions and collective agreements

The Company builds its interactions with employees and their representatives on the principles of social partnership, equal dialogue, and strict compliance with the labor laws of the Republic of Kazakhstan. KMG actively participates in collective bargaining on the conclusion, amendment, and supplementation of collective agreements, ensuring adherence to established negotiation deadlines, the operation of joint commissions, and the provision of necessary information. Employees have the right to participate in collective bargaining through their representatives and to review the terms of signed collective agreements.

Interaction with trade unions occurs at the industry, regional, and local levels. At the industry level, key parameters of social partnership, including social guarantees, labor organization and remuneration, employment, gender and youth policies, occupational safety, and health, as well as mechanisms for preventing and resolving labor disputes, are defined in the Industry Agreement in the Oil and Gas, Oil Refining, and Petrochemical Industries of the Republic of Kazakhstan. KMG and its subsidiaries and affiliates actively participated in the development of this agreement and participated in the work of the Industry Commission on Social Partnership. The company is implementing the provisions of the Industry Agreement for 2023–2025, which are aimed at improving the social protection of employees, strengthening the role of trade unions, and ensuring safe working conditions.



Within the KMG Group, 30 trade union organizations operate, representing the interests of more than 35,914 employees. As of 2025, 85% <sup>A</sup> of KMG employees are covered by collective agreements. At the regional level, interaction is carried out through regional commissions on social partnership, which consider issues related to employment, occupational safety, and collective labor disputes. Conciliation commissions operate in all KMG companies.

To maintain social stability, KMG and its subsidiaries and affiliates hold regular meetings with trade union committees to discuss the implementation of collective agreements, labor discipline, working conditions and safety, employee complaints, the provision of social benefits and compensation, and other significant issues.

The remuneration system in KMG's subsidiaries and affiliates complies with industry standards and provides compliance with minimum levels of inter-category coefficients and the minimum monthly wage rate for first-category workers.

KMG's subsidiaries and affiliates located in the Mangystau, Atyrau, Aktobe, Kyzylorda, and Pavlodar regions offer their full-time employees a wide range of social benefits and guarantees. They provide their full-time employees with a comprehensive range of social benefits, including health protection, financial support, and equal opportunities for various categories of personnel.

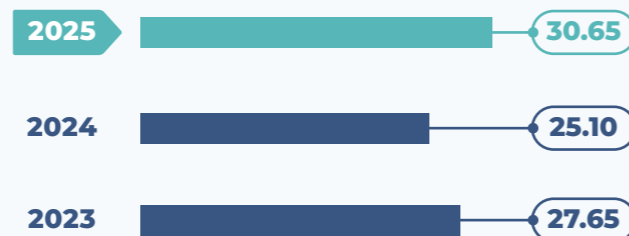
**Key areas of social support include:**

- ⦿ **Medical coverage and health improvement:** voluntary medical insurance for employees and their family members, reimbursement of treatment, medicines and dental services, sanatorium and spa treatment, and preventive medical examinations.
- ⦿ **Financial support:** financial assistance for annual leave, public holidays, and anniversaries; payments in difficult life situations, disability, occupational diseases, and early retirement; benefits for childcare up to the age of 18 months and for children with disabilities; maternity leave payments.

- ⦿ **Support for veterans and special categories:** employees involved in emergency response (Chernobyl nuclear power plant, Semipalatinsk test site), veterans of the Afghan and Tajik Afghan wars, as well as persons equated to WWII veterans, receive targeted assistance and social payments.
- ⦿ **Other benefits and programs:** additional sick leave payments, compensations provided for by collective agreements, and other support measures in line with the financial capacity of enterprises.

KMG continued its work to standardize collective bargaining agreements, ensuring uniform principles for the provision of voluntary social benefits, transparency in their distribution, and full compliance with obligations. The total amount of social support for employees and non-working pensioners amounted to KZT 30.65 billion.

**EXPENDITURES ON SOCIAL SUPPORT FOR EMPLOYEES AND NON-WORKING PENSIONERS, KZT BILLION**



## Internal communications

In 2025, the KMG Group of Companies continued the systematic development of internal communications aimed at maintaining a stable social climate, increasing employee engagement, and strengthening corporate culture. The internal communications system operates across all KMG subsidiaries and ensures regular dialogue with workforces through personal meetings with management, digital feedback channels, cooperation with trade union organizations, and the organization of thematic meetings.

As part of communication activities, 125 meetings were held, covering more than 12,000 employees of the KMG Group. During these discussions, employees raised more than 850 questions related to production processes, employment, occupational health and safety, and social support. Clarifications were provided and appropriate decisions were made on each issue. Special attention is paid to engagement with young professionals: in 2025, more than 50 meetings were held with the participation of over 2,000 young employees.

Feedback received during meetings and through existing communication channels is used in managerial decision making and in the development of measures to improve employees' social and living conditions. As a result of reviewing inquiries, more than 80% of issues are resolved at the level of subsidiaries and affiliates, while the remaining issues are escalated to the KMG level or require additional cross functional consideration.

Thus, the current internal communications system ensures regular dialogue with workforces, facilitates the timely identification of emerging issues, and supports the development of management decisions aimed at maintaining social stability within the KMG Group of Companies.

## Ombudsman

The Ombudsman is independent official reporting to the KMG Board of Directors. Their work is aimed at ensuring compliance with corporate ethics principles, clarifying the provisions of the Code of Business Ethics, facilitating the resolution of social and labor issues, and preventing violations of employee rights. In their work, the Ombudsman is guided by the principles of independence, neutrality, impartiality, confidentiality, and informality.

In early 2025, the KMG Board of Directors approved a new version of the Code of Business Ethics, developed by the Ombudsman Service. Implementation and dissemination of the updated provisions became a priority during the reporting year. As part of this work, 19 meetings were held with the workforce of subsidiaries and affiliates, including Ozenmunaigas JSC, OzenMunaiService LLP, Mangistaumunaigas JSC, Oil Construction Company LLP, Kazakh Gas Processing Plant LLP, Munaitecom LLP, KMG Security LLP, PetroKazakhstan Oil Products LLP, Ural Oil and Gas LLP, and other enterprises, including those at fields in the Mangystau Region.

During the meetings, the provisions of the updated Code were presented, working and living conditions, the quality of food and accommodation in rotational camps, corporate culture, and team relationships were discussed. Employees were informed of available channels for submitting complaints. Additionally, an online town hall was launched at KMG's corporate center, and the Code of Business Ethics and information on how to contact the Ombudsman were posted on the websites of subsidiaries and affiliates.

Since January 2025, Ombudsman has received 87 inquiries, including via email and the Nysana channel (112 in 2024). Each inquiry was followed by inspections, working meetings, and, where necessary, site visits. Following the review, the inquiries were provided with feedback, and recommendations were sent to the management of KMG and its subsidiaries and affiliates.

During the reporting year, collective and individual complaints related to violations of business ethics standards, management actions, and labor rights were reviewed. In some cases, instances of unethical behavior were confirmed, and disciplinary action was proposed. The analysis of complaints also identified specific systemic issues, for which recommendations were developed for improving internal regulations, including regulating labor relations for outsourced employees and ensuring the uniform application of social support measures.

Company employees can contact Ombudsman via the Nysana hotline, by email, or in person. During the reporting year, cooperation with the Samruk-Kazyna Ombudsman continued, including participating in joint field visits and developing methodological recommendations for interacting with workforces during labor disputes and strikes. Collaboration with the National Human Rights Center is also ongoing, involving the exchange of experience and providing methodological support.

## APPROACHES TO ENSURING HUMAN RIGHTS

GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 3-3, GRI 406-1, GRI 408-1

### Ethics and Integrity

The Company has a Code of Business Ethics (Code), updated in early 2025. The Code's provisions are mandatory for all Company employees, including management, and apply to subsidiaries, affiliates, and affiliates, as well as business partners and contractors. The Code establishes the fundamental principles of ethical conduct that form the foundation of the Company's corporate culture:

- ⦿ **Ethical conduct** – adherence to high moral standards, respect for traditions, cultural differences, and applicable laws.
- ⦿ **Professionalism** – continuous development of competencies, responsible job performance, and striving for excellence.
- ⦿ **Fairness and meritocracy** – equal opportunities for all employees, transparent recruitment and promotion procedures.
- ⦿ **Respect** – appropriate interaction with colleagues, partners, shareholders, government agencies, and other stakeholders.
- ⦿ **Openness** – honesty and transparency in business processes, open information sharing, and constructive dialogue.
- ⦿ **Environmental responsibility** – compliance with environmental standards and rational use of resources.

- ⦿ **Occupational health and safety** – ensuring safe working conditions and minimizing the risk of accidents.
- ⦿ **Sustainable development principles** – taking into account the long-term interests of the Company, society, and future generations.
- ⦿ **Prohibition of discrimination and harassment** – zero tolerance for coercion, intimidation, or unethical behavior.

Compliance with the Code is monitored by the Company's Compliance Service and Ombudsman's Office. All employees are required to read the Code and confirm their agreement with its provisions. Violations of the Code may result in disciplinary action in accordance with internal policies and the laws of the Republic of Kazakhstan.

The Company ensures the availability of confidential and accessible mechanisms for reporting potential violations of the Code and guarantees protection from retaliation for good faith reporting, fostering an open and ethical corporate environment. The KMG Ombudsman actively works to clarify the Code's provisions and addresses employee complaints regarding social and labor issues and ethical violations.

## Mechanisms for submitting appeals and complaints

The company ensures accessible and transparent mechanisms for filing appeals and complaints, providing multiple channels for reporting violations, consultations, and tracking the status of considerations.

### Main channels for submitting appeals

#### Compliance and Ethics Hotline

The KMG Compliance Hotline is independently administered by the international firm KPMG, ensuring impartiality in handling inquiries and protecting complainants. This channel is designed for reporting corruption risks, fraud, conflicts of interest, and other violations of corporate standards.

#### How to submit an appeal:

- ⦿ Hotline: 8 (800) 080-47-47
- ⦿ WhatsApp: 8 (771) 191-88-16
- ⦿ Email: mail@sk-hotline.kz
- ⦿ Internet portal: www.sk-hotline.kz

#### This channel accepts inquiries on the following issues:

- ⦿ Suspicions of corruption, fraud and abuse
- ⦿ Conflicts of interest of KMG employees and partners
- ⦿ Violations of corporate ethics and anti-corruption policies
- ⦿ Suspected of violating the law

The company guarantees confidentiality and protection of applicants from retaliation. Appeals are processed in strict accordance with international business ethics standards.

The process of registering and processing requests is fully automated: all messages from the hotline operator are forwarded in real time to KMG Group compliance officers for review.

On a quarterly basis, the Compliance Service informs the Audit Committee and the Board of Directors of KMG on the results of the review of requests received.

## Unified centralized hotline “Nysana”

The Nysana hotline was created to receive inquiries on social and labor issues. The channel is accessible to both Company employees and third-party stakeholders who encounter potential violations.

#### How to contact:

- ⦿ Hotline: 8 (800) 080-30-30
- ⦿ WhatsApp: 8 (778) 120 99 11
- ⦿ Email: nysana@cscs.kz
- ⦿ Internet portal: nysana.cscs.kz
- ⦿ Access via KMG's internal corporate portal

#### You can use this channel to report:

- ⦿ Violations in the field of labor protection and industrial safety
- ⦿ Labor conflicts
- ⦿ Other issues related to social and labor relations

The centralized hotline ensures prompt response, transparent review of complaints, and strengthening mechanisms for protecting employee rights within the KMG Group of Companies.

The hotline operates 24/7 and allows anonymous reporting. All reports are handled with due regard for confidentiality and the protection of the complainants.

## Unified information system for citizen appeals E-Otinish

E-Otinish platform is a state digital system of the Republic of Kazakhstan designed for the submission of applications by individuals and legal entities. It provides a structured, transparent, and legally regulated process for reviewing applications and appeals.

### Methods of submitting an application:

- ⦿ Official website: <https://eotinish.gov.kz>
- ⦿ E-Otinish mobile app (available in App Store and Google Play)
- ⦿ Public Service Centers (PSCs) operating throughout the Republic of Kazakhstan

### Key features of the system:

- ⦿ Automatic registration of requests with assignment of a unique identification number
- ⦿ Online tracking of the review status
- ⦿ Receiving an official response within the timeframes established by law

E-Otinish platform helps increase the transparency of the application processing processes and ensure compliance with the regulated deadlines for consideration.

## Statistics of requests

### Compliance and Ethics Hotline

In 2025, the compliance hotline received 136 calls. The main topics of these calls related to corruption, labor disputes, and procurement procedures.

Incoming reports were reviewed, including the necessary investigations and factual analysis. Based on these findings, applicants were provided with feedback, and where warranted, corrective measures were taken.

### Unified centralized hotline “Nysana”

During the reporting period, 87 inquiries were received through the Nysana communication channel regarding issues related to compliance with employee's labor rights, working and living conditions, remuneration, relations with management, and other aspects of social and labor relations.

All appeals were reviewed, with the necessary checks conducted and official explanations provided within the established timeframes.

### Unified information system for citizen's appeals E-Otinish

In 2025, the Company received 1,115 requests from individuals and legal entities through the E-Otinish platform.

## Regulations for handling appeals

The review of appeals received by KMG is carried out in accordance with the Regulations for the Review of Appeals, approved by the Board of Directors in 2024. This document establishes uniform requirements for the registration, analysis, and action taken based on the review of appeals.

Within the framework of the established procedure the following is ensured:

- ⦿ mandatory registration of all requests, including messages received through the E-Compliance system;
- ⦿ classification of appeals depending on their content (issues of corruption, business ethics, labor relations and other violations);
- ⦿ identification of responsible people and formation of working groups if necessary;
- ⦿ compliance with established review deadlines;
- ⦿ application of the principles of objectivity, completeness of analysis, confidentiality and protection of applicants from persecution;
- ⦿ providing feedback - informing applicants about the progress and results of the consideration of applications.

This procedure is aimed at creating a transparent and fair system for responding to requests, as well as strengthening trust on the part of employees and other stakeholders.

## Protection of human rights

KMG recognizes the importance of respecting and protecting human rights, guided by international standards and national legislation. The Company undertakes commitments to ensure respect for human rights throughout its value chain and expects the same approach from its partners, suppliers, and contractors.

KMG bases its activities on the principles set out in the following international standards and instruments:

- ⦿ the Universal Declaration of Human Rights;
- ⦿ the International Covenant on Civil and Political Rights;
- ⦿ the International Covenant on Economic, Social and Cultural Rights;
- ⦿ the UN Guiding Principles on Business and Human Rights;
- ⦿ the International Labour Organization Declaration on Fundamental Principles and Rights at Work;
- ⦿ the UN Declaration on the Rights of Indigenous Peoples;
- ⦿ the UN Voluntary Principles on Security and Human Rights;
- ⦿ the UN Global Compact.

The Company recognizes the right to freedom of association and the right to safe working conditions, does not tolerate any forms of discrimination or exploitative practices, and respects the cultural characteristics of local communities in the regions of its operations.

The Company does not use child labor, does not practice forced labor, and ensures equal rights for all employees regardless of race, religion, or gender.

No cases of discrimination were recorded during the reporting period <sup>A</sup>.

KMG conducts assessments and monitoring of the potential and actual impact of its activities on human rights. The Company also ensures the availability of accessible channels for submitting complaints and reporting potential violations, including anonymous reporting mechanisms.



## Diversity and inclusion

KMG adheres to the principles of equal opportunities, inclusiveness, and the creation of a working environment free from discrimination and bias. The Company recognizes that workforce diversity and an inclusive corporate culture contribute to improved performance and sustainable development.

### Gender equality

- ◉ KMG supports equal opportunities for women and men at all management levels and seeks to ensure the full involvement of women across all areas of activity.
- ◉ The Company ensures equal pay for equal work.
- ◉ Initiatives are implemented to increase the representation of women in management positions, including by expanding the share of women in succession planning pools.
- ◉ Considering the specifics of the oil and gas industry, KMG applies measures to minimize health risks for women working in production environments.

### Support for local personnel and socially vulnerable groups

- ◉ KMG actively engages local personnel in regions of operation, creating conditions for their professional development.
- ◉ The Company supports the employment of migrants and kandas (ethnic kazakhs who have returned to their historical homeland).

### Inclusion of people with disabilities

- ◉ KMG strives to create comfortable working conditions for people with disabilities.
- ◉ The Company ensures workplace adaptation and provides information on assistive technologies and other tools aimed at improving employee mobility and creating a supportive working environment.

### Fostering an inclusive corporate culture

- ◉ KMG promotes a workplace environment in which every employee feels accepted and respected.
- ◉ The Company develops internal training and awareness programs aimed at fostering respect for diversity and preventing discrimination.

KMG acknowledges that diversity and inclusion are not only elements of social responsibility but also key factors in enhancing competitiveness, operational efficiency, and innovation.

## Occupational health and protection of employee's rights

KMG ensures safe and healthy working conditions for all employees, which is an integral part of respecting and protecting human rights. The following measures have been implemented within the Company:

- ◉ Occupational health and safety policies aligned with international standards;
- ◉ Regular safety training programs;
- ◉ Monitoring systems to ensure compliance with safety regulations and mitigate workplace risks.

The Company respects employees' rights to freedom of association and collective bargaining in accordance with the legislation of the Republic of Kazakhstan.

## Prohibition of forced and child labor

KMG strictly adheres to a zero-tolerance policy regarding forced and child labor. The Company:

- ◉ Eliminates all forms of work performed under threat of punishment or against the will of the worker, in line with ILO Convention No. 29 on Forced Labor.
- ◉ Monitors compliance with labor standards both within the Company and among its suppliers and contractors
- ◉ Ensures that all employees work under voluntarily signed employment contracts and have the right to terminate their employment in accordance with applicable legislation.

## Consideration of appeals and human rights monitoring

KMG has implemented a multi-level appeals and complaints submission mechanism, which includes:

- ◉ hotlines and anonymous reporting channels;
- ◉ the Ombudsman and Compliance Service, ensuring impartial and independent review of complaints.

## Implementation of the human rights policy

To ensure effective implementation of its human rights policy, KMG undertakes the following measures:

### Training and raising awareness

- ◉ KMG regularly provides training to employees on human rights compliance, including the principles of diversity and inclusion;
- ◉ Conducts awareness initiatives for employees, suppliers, and contractors.

### Risk assessment and management

KMG conducts periodic assessments of risks related to potential human rights violations and develops response measures. The Company applies the principle of human rights due diligence in its operations and value chain.

### Transparency and reporting

- ◉ KMG discloses information on the implementation of its human rights policy in non financial reports, following international reporting standards;
- ◉ The effectiveness of human rights compliance measures is monitored, and corrective actions are taken when violations are identified.

### Stakeholder engagement

- ◉ the Company actively engages with public authorities, non governmental organizations, and international organizations on human rights matters;
- ◉ Conducts public hearings and consultations with local communities when implementing projects.
- ◉ KMG views the implementation of its human rights policy as a dynamic process that requires continuous improvement in line with leading international practices.

# COMMUNITIES AND SOCIAL INVESTMENT

**GRI 3-3, GRI 413-1, GRI 413-2, GRI 203-1**

KMG actively participates in charitable projects and social initiatives aimed at supporting local communities and improving the quality of life in the regions where it operates. The following projects were implemented during the reporting year.

## Completed Projects

**The “Daryn Joly” educational project**

As part of the project, 192 teachers from Zhanaozen and the Tupkaragan and Karakiya districts received training in modern teaching approaches. The program included learning digital technologies, implementing innovative teaching methods, and preparing students for subject-based academic competitions.

**Opening of a specialized burn unit**

A specialized burn unit was opened at the Zhanaozen City General Hospital. Conditions have been created to provide timely and high-quality medical care to patients with thermal injuries.

**Charity Samruk Marathon**

Charitable assistance was provided for the Charity Samruk Marathon social project. The total funding amounted to KZT 15 million. The funds were allocated to support significant social initiatives.

**“Road to School” program**

As part of a social initiative, sponsorship was provided to help children prepare for the school year. 536 students from low-income families in the Atyrau region were provided with school backpacks and school supplies.

**Provision of sports equipment for schools**

Sponsorship was provided to equip secondary schools in the Atyrau region with sports equipment. The project aims to promote mass sports and create conditions for the physical development of schoolchildren.

**Reforestation project**

Charitable assistance was provided to the “ULAN PLUS” public foundation to implement an environmental project in the Kostanay Region. As part of the initiative, 150,000 Scots pine saplings were planted in areas affected by the 2022 wildfires.

## In progress

**Investments in the regions Construction of the central city library**

A project to build a modern city library in Zhanaozen is underway. Construction is scheduled to be completed by the end of the third quarter of 2026. The facility will serve as a cultural and educational center and will include specialized amenities for people with visual impairments, including the Braille audience.

## Investments in the regions

Subsoil use contracts of KMG’s subsidiaries and affiliates provide for the allocation of significant funds for the development of regions where production operations are carried out and for providing social support to vulnerable populations.

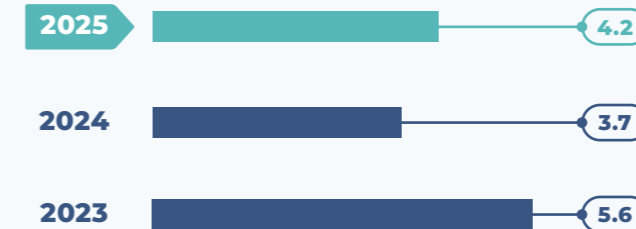
KMG provides systematic support for its regions of operation by investing in social and economic infrastructure. As part of this activity, the Company finances the construction of economically significant infrastructure facilities, educational and sports institutions, and also contributes to the development of local communities.

During the reporting period, the Company continued the implementation of social initiatives in partnership with local executive authorities, with a focus on sustainable community development and improving the quality of life in local communities.

Under agreements and memorandums concluded with local executive authorities, KMG’s subsidiaries and affiliates allocate funds that are distributed based on the needs of local communities. For these purposes, in the reporting year funds totaling KZT 4.2 billion <sup>A</sup> were allocated, including the following:

- ◉ JV Kazgermunai LLP: KZT 377 million for the socio-economic development of the Kyzylorda region.
- ◉ Ozenmunaigas JSC: KZT 1.723 billion to Ozeninvest Municipal State Enterprise for the maintenance of public utilities in the city of Zhanaozen.
- ◉ Embamunaigas JSC: KZT 884 million for the construction of new residential buildings in the village of Dossor, Makat district.
- ◉ Mangistaumunaigas JSC: KZT 140 million for the socio-economic development of the Mangystau region and its infrastructure.
- ◉ Kazakhoil Aktobe LLP: KZT 443.7 million for the socio-economic development and infrastructure of the Aktobe region under a memorandum with local authorities.
- ◉ Urikhtau Operating LLP: KZT 59 million for the socio-economic development of the region.
- ◉ Kazakhturkmnay LLP: KZT 326 million for the socio-economic development of the Aktobe region.
- ◉ Ural Oil and Gas LLP: KZT 59 million for the socio-economic development of the West Kazakhstan region.
- ◉ Karazhanbasmunai JSC: KZT 230 million for the socio-economic development of the Mangystau region.

**FUNDS TRANSFERRED TO LOCAL EXECUTIVE AUTHORITIES UNDER SUBSOIL USE CONTRACTS, KZT BILLION**



## OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 3-3, GRI 403-3, GRI 403-8, GRI 403-9

The Occupational Health, Safety, and Environment management system (MS) was developed in accordance with the requirements of the legislation of the Republic of Kazakhstan, industry and international standards ISO 14001 and ISO 45001, as well as internal regulatory documents on HSE.

The management system is based on global oil and gas industry's best practices and recommendations of the International Association of Oil & Gas Producers (IOGP) and includes 10 key elements based on fundamental principles: Goal Achievement, Leadership, Risk Management, and Continuous Improvement.



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# Occupational health, safety and environmental management system



### INTERNAL CONTROLS AND IMPROVEMENTS

- HSE Assessment Management System
- HSE committee System
- HSE Compliance and RT Audits
- Set of HSE culture Improvement Actions

### MONITORING

- HSE Reporting Rules
- HSE Traffic Safety Automation
- HSE KPI System
- Accident Investigation Procedure
- Automated Accident Investigation Module
- Benchmarking

### IMPLEMENTATION

- Healthcare Management System
- Transport Safety Program
- Emergency Response Management Standard
- Methane Leak Detection and Monitoring Program
- Waste Management Standard
- Water Management Standard
- Energy Efficiency Roadmap

### PRODUCTION INTEGRITY

- Fire Safety Preparedness
- LOTO
- Production Safety Management System

### RISK MANAGEMENT

- Risk management system
- EIA Risk Assessment Standard
- Behaviour-Based Safety Observations Programme

### STAKEHOLDERS

- Contractor Management Standard
- Contractor Reporting
- Public Hearings

### STANDARDS

- Development and implementation of HSE standards based on global best practice

### COURSE

- HSE Policy
- Transport Policy
- Alcohol Policy
- Atmospheric Emission Management Policy

### STRATEGY

- Ensuring Occupational Safety
- Environmental Responsibility

### GOALS

#### Zero:

- incidents
- spills
- discharges
- routine flaring

### LEADERSHIP

- Management commitment: Forum of managers, SPE
- Three-tier HSE Committee System

Since 2006, KMG has implemented an integrated management system (IMS) for quality, environmental protection, occupational health and safety in accordance with the requirements of ISO 9001, ISO 14001, and ISO 45001. Subsidiaries and affiliates with significant energy consumption are certified for compliance with the ISO 50001 standard. The effectiveness of the IMS is regularly confirmed by independent auditors. To improve the management system, the Company is certifying its occupational health and safety management system for compliance with the requirements of the international standard ISO 45001. As of December 31, 2025, 24 subsidiaries and affiliates of KMG held valid certificates of conformity.

From November 5 to 7, 2025, KMG underwent its first surveillance audit by TÜV Thüringen, the results of which confirmed KMG's compliance with the requirements of the international standards ISO 9001, ISO 14001, and ISO 45001.

The purpose of the management system is to provide a framework for managing risks and opportunities in the areas of occupational health, safety, and the environment. The expected outcomes of the system are the prevention of injuries and damage to the health of the Company's employees, as well as the provision of safe and healthy working conditions. A risk-based approach to occupational health, safety, and the environment through the implementation of effective preventative measures is critical for the Company.

To increase the level of commitment and involvement of managers at all levels and employees in industrial safety, occupational health, and environmental management processes, the Company has implemented and operates a three-tier committee system:

- **The first level** is the Committee on Health, Safety, Environment and Sustainable Development (HSESDC) of the Board of Directors of KMG.
- **The second level** is the HSE Committee at the KMG level.
- **The third level** is the HSE Committees at the level of subsidiaries and affiliates.

Risks in the areas of industrial safety, occupational health, and the environment are monitored quarterly, including environmental risks related to climate change and water scarcity. KMG regularly analyzes its industrial safety, occupational health, and environmental performance and conducts benchmarking against leading oil and gas companies that are members of the International Association of Oil & Gas Producers (IOGP).

Every year, the KMG Industrial Safety Department holds the Forum of General Directors of the KMG Group of Companies in the field of industrial safety, labor protection and the environment.

CASE STUDY



In January 2025, the 9th Annual CEOs Forum of KMG subsidiaries and affiliates titled “Leadership in Developing a Safety Culture” was held in Astana. The event was attended by KMG Management Board Chairman Askhat Khassenov, heads of the Company’s subsidiaries and affiliates, and representatives of major oil and gas companies, including TCO, KPO, and NCOC. The participants discussed key issues related to industrial safety, occupational health, and environmental protection.

In December 2025, KMG held an HSE Forum in Astana, where KMG management and heads of industrial safety, occupational health, and environmental protection units of subsidiaries and affiliates discussed key issues of workplace safety, injury reduction, and the development of safety culture. The central focus of the forum was the implementation of a preventive approach and the planning of safe processes prior to the commencement of work at production facilities.

One of the key areas of discussion was the expansion of digital solutions, including the **TUMAR** intelligent system, which automatically identifies violations and signals potential incident risks. Such systems contribute to risk reduction and the creation of a safer working environment.

As a result of the forum, strategic targets for 2026 were defined, including a 30% reduction in accidents. A special role in achieving these goals is assigned to line managers, who are present at production sites on a daily basis and serve as a key link in incident prevention.



# INDUSTRIAL PROCESS SAFETY MANAGEMENT

During the reporting year, the KMG Group of Companies developed approaches to process safety management and improved the resilience of production processes. A key focus was on establishing a unified management and methodological framework to ensure coordination between the Corporate Center and its subsidiaries and affiliates, as well as the application of comparable approaches to assessing and mitigating process risks.

An important area of work is the refinement and further development of the target process safety management (PSM) model, including formalizing the principles of interaction between key functions and establishing unified standard approaches to implementing and maintaining processes at the production unit level. Plans call for the consistent strengthening management of change (MOC) system and the development of the process safety information (PSI) database as fundamental elements ensuring the manageability of production changes, the relevance of technical data, and the transparency of management decisions. Particular attention will be paid to the integration of these processes with existing management systems and internal procedures to ensure their practical application without the creation of duplicate management frameworks.

In 2026, it is expected that organizational mechanisms for implementing technological security initiatives will be developed, including:

- Improving project management.
- Coordination of roles and responsibilities of process participants.
- Building sustainable channels of interaction between the corporate level and production sites.

This approach will improve the predictability of task execution, the quality of control, and the timeliness of management decisions when implementing changes and activities that affect the level of technological risks.

Developing employee competencies will remain a separate priority. Throughout the year, we plan to expand training on key process safety principles and tools, including change management and approaches to hazard identification and analysis. Training will focus on developing a shared understanding of requirements, improving collaboration between involved departments, and reinforcing practical skills in applying the developed approaches in daily operations. In addition, work will continue developing specialized experts capable of providing methodological support for processes and ensuring the sustainability of implemented solutions.

In terms of information support, further development of approaches to managing technical and organizational information used to support process safety decision making is planned. Priority will be given to improving the structure, accessibility, and relevance of data required for accurate risk assessment and decision making in the context of changes, as well as to enhancing practices for using this information in operational processes. This area includes the development of key databases and registries that support the systematic recording and analysis of information:

- ⦿ Process Risk Register – a database containing the assessment and classification of risks.
- ⦿ Incident Register – a system for recording and analyzing incidents to prevent accidents in the future.

Overall, the planned activities are aimed at strengthening a unified approach to process safety, developing process manageability, increasing the maturity of key practices, and developing sustainable competencies. This will enable a consistent reduction in the likelihood of major process safety incidents and improve the reliability of the KMG Group's production operations.

### Digitalization of occupational health and safety

The Company continued work on the development and implementation of the automated intelligent process safety system "TUMAR," aimed at preventing incidents and reducing negative impacts on employees during the performance of hazardous technological operations, including well workover activities.

In 2024, a pilot test of the "TUMAR" automated intelligent occupational safety system service was carried out on one capital well workover crew at the Zhetybai field operated by Oil Services Company LLP. In January 2025, a pilot launch of the system was conducted on 10 well workover and current repair crews at the Zhetybai and Kalamkas fields, during which all three modules operated normally.

The phased implementation of the TUMAR system continues across 60 well workover and current repair crews at the Zhetybai and Kalamkas fields at Oil Services Company. In 2026, the project is planned to be rolled out to the subsidiaries and affiliates of Ozenmunaigas JSC, Ozenmunaiservice LLP, Karazhanbasmunai JSC, and KazakhTurkMunai LLP.

In parallel, the implementation of an electronic permit to work system continues as part of the digitalization of industrial safety management processes. Since December 2023, the system has been in full industrial operation across all production structural units of Embamunaigas JSC. To replicate the solution, implementation activities were carried out in 2025 at Kazgermunai JV LLP.



## Key performance indicators

### GRI 403-9

As one of the largest industrial enterprises in the Republic of Kazakhstan, KMG places top priority on ensuring safe working conditions and protecting the health of its employees, as well as the population living in the areas where its production facilities are located. The Company consistently implements high standards of occupational health and industrial safety aimed at reducing operational risks and preventing accidents. According to the results of internal surveys, employees note that the Company provides a safe environment for carrying out their work activities.

In the reporting year, the number of people injured as a result of work related accidents remained unchanged compared to 2024 and amounted to 21 people. The number of road traffic accidents remained at the same level as the previous year, at 6. No fires were recorded in 2025.

During the reporting year, one fatal accident occurred at Ozenmunaigas JSC. During repairs to a water-oil emulsion heating furnace, a burner fell onto

a maintenance mechanic, resulting in severe bodily injuries and the subsequent death of the employee. The deceased's family received financial assistance in accordance with the terms of the collective bargaining agreement.

The investigation revealed that the incident occurred due to gross negligence on the part of the victim, violations of safety and health regulations, and deficiencies in the work organization. Following the investigation, corrective measures were implemented, including:

- ⦿ conducting additional briefings and explanatory work,
- ⦿ revising the technological regulations to incorporate safe work practices;
- ⦿ mandatory familiarization of employees with the updated requirements.

TABLE 12. KEY INDICATORS IN THE FIELD OF OCCUPATIONAL HEALTH AND SAFETY <sup>20</sup>

	2023	2024	2025
Total number of work-related accidents, number of cases	28	21	20 <sup>A</sup>
Total number of victims of work-related accidents, number of people	29	21	21 <sup>A</sup>
Including fatalities, number of people	2	1	1 <sup>A</sup>
Road traffic accidents, number of cases	19	6	6
Fires, number of cases	0	0	0

20. The classification and recording of occupational accidents are carried out in accordance with the requirements of the Labor Code of the Republic of Kazakhstan. In 2025, one fatal incident was recorded that was not related to production activities. Based on the results of the investigation, this incident was classified as non work related in accordance with Article 186 of the Labor Code of the Republic of Kazakhstan.

TABLE 13. KEY FACTORS OF INDUSTRIAL SAFETY

	2023	2024	2025	IOGP <sup>21</sup>
Lost Time Injury Rate (LTIR), per 1 million man hours	0.30	0.22	<b>0.21</b> <sup>A</sup>	0.21
Fatal Accident Rate (FAR), per 100 million man hours	2.11	1.03	<b>1.01</b> <sup>A</sup>	0.57
Motor Vehicle Collision Rate (MVCR), per 1 million kilometers traveled	0.25	0.08	<b>0.07</b>	0.04
Total man hours worked	95,674, 570	98,413, 639	<b>99,157, 257</b>	

## Transport security

### GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-9

The Company places a high priority on transport safety as one of the key factors in reducing operational risks and ensuring occupational health and safety for its employees.

As part of the “Trip management” project, the transition of key transport management processes of oilfield service subsidiaries and affiliates (Oil Services Company LLP, Oil Transport Corporation LLP, Oil Construction Company LLP) to a digital format was completed. Industrial operation of the electronic request module for transport and special equipment was launched, and paper based workflows were fully eliminated. Automation was implemented for demand planning, preparation and execution of transport schedules, as well as monitoring the availability of vehicles and drivers.

The system is integrated with GPS platforms, enabling real time monitoring of vehicle movement and online notifications of road safety related incidents (speeding, harsh braking, and rapid acceleration). Basic analytical tools were introduced to provide real time control over request volumes, fulfillment rates, fleet utilization, and actual equipment usage. Functional prototypes of the “Waybills” and “Maintenance” modules were developed and approved, enabling end to end tracking of trips, mileage, and vehicle technical condition, with subsequent integration into accounting systems.

In 2026, the replication of the “Trip management” project is scheduled to be rolled out across

the production assets of Karazhanbasmunay JSC, Mangistaumunaigaz JSC, and Ozenmunaigaz JSC, with the implementation of core modules, including electronic transport requests, transport schedules, and an analytical dashboard.

In the reporting year, 6 road traffic accidents were recorded. The road accident frequency rate decreased by 0.004 cases per 1 million kilometers traveled compared to 2024.

To enhance road safety culture and raise awareness of seat belt use, two head-on collision simulator trainers (Convincer) were purchased in 2025 for Kazakhoil Aktobe LLP and Embamunaigaz JSC. As of the reporting period, five Convincer simulators are in operation across the KMG Group (KazTransOil JSC, Ozenmunaigaz JSC, Oil Transport Corporation LLP, Kazakhoil Aktobe LLP, and Embamunaigaz JSC). Within the framework of the “Stop Traffic Accidents” campaign in 2025, practical simulator demonstrations were conducted with the participation of 22,394 people, including 20,073 employees of subsidiaries and 2,321 employees of contractor organizations.

An important element of improving transport safety is training under the Defensive Driving program in accordance with international RoSPA standards. In the reporting period, this training was completed by 5,002 people, including 1,592 employees of subsidiaries and affiliates and 3,410 employees of contractor organizations.

## Fire safety

### GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-9

No fires were reported at KMG facilities during the reporting year. To improve fire safety at the Company’s subsidiaries and affiliates, a Roadmap for Improving Industrial, Occupational, and Environmental Safety in the KMG Group of Companies for 2025–2027 was developed and approved. As part of the roadmap’s implementation, a series of fire prevention measures were implemented during the reporting year, and scheduled fire and tactical exercises were organized and conducted at all subsidiaries and affiliates.

In accordance with the four-party Memorandum of Cooperation in the field of emergency prevention and response between the State Oil Company of the Azerbaijan Republic, KMG, Tatneft PJSC, and Uzbekneftegaz JSC, an emergency response exercise involving a fire and an injured person at a well operated by Embamunaigaz JSC was conducted on 29 August 2025. The exercise involved forces and resources of the State Fire Service of the Atyrau Region Emergency Department of the Ministry

of Emergency Situations of the Republic of Kazakhstan, as well as delegations from international partners.

In addition, an exercise was conducted to respond to a simulated fire at a vertical steel oil storage tank at JV CASPI BITUM LLP, with the participation of representatives of Samruk-Kazyna JSC and the Mangystau Region Emergency Department of the Ministry of Emergency Situations of the Republic of Kazakhstan.

During the year, two fire drills were conducted at KMG’s corporate center, involving personnel evacuation and practicing actions to extinguish a simulated fire in the building.

To provide methodological support and enhance the readiness of personnel at KMG subsidiaries, measures were implemented during the reporting year to strengthen fire protection during fire hazardous, heating, and holiday periods, along with awareness raising activities to reinforce compliance with fire safety requirements.



21. Available IOGP indicators for 2024 (<https://www.iogp.org/>).

# INTERACTION WITH CONTRACTORS

## GRI 403-7, GRI 403-9

The company consistently improves its processes for interacting with contractors and subcontractors in the areas of industrial safety, occupational health, and environmental protection (HSE), aimed at enhancing a culture of safe work, as well as identifying, assessing, and managing risks at all stages of work.

As part of the KMG Roadmap for Improving Industrial Safety, Health, and Environment for 2025–2027, a series of measures aimed at enhancing safety at contractors and subcontractors has been implemented. These measures were developed based on an analysis of incidents occurring in the Production and Oilfield Services business areas, which are characterized by elevated levels of industrial risks.

A detailed analysis of incidents involving employees of contracting organizations was carried out, with classification by type of work, including drilling and tripping operations, repair works, work at height, and other high-risk activities. The analysis identified systemic root causes related to deficiencies in work management and organization, as well as insufficient oversight by line managers and contract administrators in ensuring compliance with HSE requirements.

Attention is paid to the allocation of responsibilities, the establishment of measurable key performance indicators for industrial safety, and the ranking of work types by risk level (low, medium, high). Performance indicators for industrial safety, health, and the environment have been introduced for contractors.

To strengthen oversight of interactions with contractors, mechanisms have been developed to enhance the role of contract administrators, line managers, and specialized HSE services, including conducting internal audits of contractors and subcontractors, analyzing the root causes of incidents and nonconformities, and developing and monitoring the implementation of corrective actions.

On November 28, 2025, an HSE forum was held with the participation of top executives of contractor organizations, general directors, and contract administrators of subsidiaries and affiliates in the Production and Service business areas. The forum identified key management and communication guidelines aimed at fostering a partnership approach and increasing contractor accountability for industrial safety results.

During the reporting year, KMG’s Industrial Safety Department conducted audits of contractor interactions at 15 subsidiaries and affiliates. Based on these audits, 613 recommendations were issued aimed at improving industrial safety, health, and environment management systems at both contractors and subsidiaries and affiliates. An additional 6,803 industrial safety inspections of contractors at production facilities were conducted.

During the reporting year, 941 contractors provided services and work for the Company’s subsidiaries and affiliates. Transportation services (22.02%), equipment maintenance and repair (15.73%), cleaning services (9.89%), and sanitary services (9.44%) accounted for the largest share of the total volume, while oilfield services accounted for 26.5%.

An assessment of the performance of contractors in the field of industrial safety, labor protection, and environmental protection for 2025 showed that the highest number of incidents were recorded in the areas of “Well drilling and repair” (35%), “Services” (26%), and “Transportation services” (26%).

To further reduce production risks, KMG will focus its work on auditing its subsidiaries and affiliates

for compliance with corporate contractor management requirements, developing the role of contract administrators and supervisors, implementing mandatory pre-mobilization audits, developing digital reporting, and ranking contractors based on their performance in the areas of industrial safety, health, and safety, as well as raising the requirements for the competencies and training of contractor employees.

To assess the effectiveness of industrial safety, labor protection, and environmental management, coefficients are used in accordance with international practice. Current indicators confirm the need to transition to new standards aimed at improving the effectiveness of contractor management.

The lost time injury rate (LTIR) per 1 million man-hours involving contractors in 2025 was 0.45.

The fatality rate (FAR) per 100 million people/hour involving contractors in 2025 was 10.38 due to the deaths of 8 production facility employees.

The motor vehicle crash rate (MVCR) involving contractors in 2025 was 0.07.

**TABLE 14. RATES OF ACCIDENTS, FATALITIES, AND ROAD TRAFFIC ACCIDENTS INVOLVING CONTRACTORS.**

INDICATOR	2023	2024	2025	IOGP
Lost Time Injury Rate (LTIR)	0.15	0.32	<b>0.45</b>	0.24
Fatality Rate (FAR)	5.08	3.86	<b>10.38</b>	0.84
Motor Vehicle Casualty Rate (MVCR)	0.28	0.05	<b>0.07</b>	0.03

# INDUSTRIAL SANITATION AND OCCUPATIONAL HYGIENE

**GRI 3-3, GRI 403-1, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-10**

In accordance with the requirements of the legislation of the Republic of Kazakhstan and international standards in the areas of worker health, industrial sanitation, and occupational hygiene, KMG systematically manages the preservation and promotion of employee health. The Company implements an active policy aimed at disease prevention and employee health promotion, regardless of the nature and conditions of its operations.

In the reporting year, the number of non-work-related deaths among subsidiaries and affiliates employees decreased by 4 cases, or 33% compared to 2024. Cardiovascular diseases remain the main cause of these deaths.

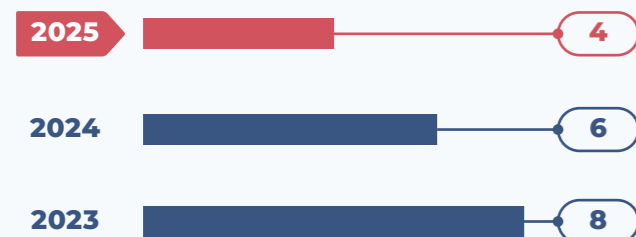
To prevent similar incidents, the company ensures that employees undergo mandatory medical examinations on time. The dynamic (“D”) personnel health monitoring system includes regular monitoring of key health indicators at the workplace, the development of individual recommendations, including the selection of specialized diets, and ongoing monitoring of employees’ health.

The KMG Group of Companies has implemented an Action Plan for the 2025–2027 Employee Health Program, aimed at improving the quality of medical care and emergency medical assistance at production facilities, as well as implementing comprehensive health promotion measures. The key areas of the Plan include the prevention of occupational diseases and risk factors, employee health monitoring, improvement of working conditions, and health education.

To monitor compliance with corporate health standards, a working group of specialists from the Corporate Center and subsidiaries and affiliates has been formed to conduct comprehensive audits.

During the reporting year, 21,546 employees were trained in first aid. In accordance with the Regulations for Organizing Emergency Medical Care at Production Facilities, 1,633 medical drills were conducted as part of the Emergency Medical Response Plans, including with the participation of contractors.

**NUMBER OF FATALITIES NOT RELATED TO OCCUPATIONAL ACTIVITIES**



The implementation of automated medical examination systems (AMES) continued: 69 hardware systems were installed in subsidiaries and affiliates during the reporting year. To early identify risk factors for chronic diseases and reduce unscheduled hospitalizations, Embamunaigas JSC is implementing a project to use portable medical devices that enable remote health monitoring and assess the cost-effectiveness of scaling up such solutions.

Kazakhoil Aktobe LLP is implementing a pilot project for an intelligent medical complex at the Alibekmola field, which includes the use of an AMES with pupillometry and oxygen cocktail preparation equipment. The system provides automatic measurements, alarms for abnormal readings, remote monitoring, and integration with digital medical platforms.

During the reporting year, Atyrau Oil Refinery LLP established a working group and developed

an Action Plan for the implementation of a food safety management system in compliance with the requirements of ST RK ISO 22000-2019 in the Company’s canteens as part of a pilot project to implement the HACCP food safety system.

As part of competency development and experience sharing, a practical exchange with North Caspian Operating Company was organized on September 22, 2025, including a visit to production facilities in the village of Bautino and an introduction to internal standards and the HACCP system. On September 23, 2025, a workshop and meeting on the implementation of the employee health program for 2025–2027 was held with the participation of 60 industrial sanitation and occupational hygiene specialists. During the event, 19 employees of the subsidiaries and affiliates received training in the international HACCP standard and received international certificates.



# ENVIRONMENTAL RESPONSIBILITY

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## AN APPROACH TO MANAGING ENVIRONMENTAL RESPONSIBILITY ISSUES

### Management approaches

#### GRI 3-3

Environmental responsibility is a key priority for KMG. The company is implementing a comprehensive set of measures aimed at improving environmental safety and gradually reducing its negative environmental impact.

KMG's environmental policy is an integral part of the Company's Development Strategy for 2022–2031 and is focused on achieving the long-term goal of preventing environmental damage (the “zero result” principle). This goal is achieved through the implementation of corporate standards, the use of modern technological solutions, the development of an environmental culture, and the continuous improvement of the environmental management system.

#### The key areas of the Company's environmental activities are:

- 🌱 management of air pollutant emissions;
- 🌱 reduction of raw gas flaring volumes;
- 🌱 rational use and protection of water resources;
- 🌱 management of industrial waste and reclamation of disturbed lands;
- 🌱 biodiversity conservation.

KMG's management and its subsidiaries and affiliates adhere to the principle of zero tolerance for environmental pollution. In its operations, the Company is guided by the requirements of the Environmental Code of the Republic of Kazakhstan and its own Environmental Policy, ensuring the systematic collection, analysis, and disclosure of environmental information.

#### Transition to the best available techniques

As environmental legislation in the Republic of Kazakhstan is being modernized, KMG is actively participating in the reform to transition to best available techniques (BAT). As part of this work, industry-specific BAT reference books have been developed for oil and gas production and processing. Companies classified as Category I facilities have begun obtaining integrated environmental permits (IEPs).

The KMG group, which falls under this regulation, includes the Atyrau and Pavlodar oil refineries, PetroKazakhstan Oil Products LLP, and KazakhOil Aktobe JSC. In April 2025, PetroKazakhstan Oil Products LLP received the IEP, the first oil and gas company to do so.



## Environmental dialogue and stakeholder engagement

KMG actively participates in industry initiatives and maintains constructive dialogue with government authorities, industry associations, and the expert community.

On 30 May and 14 November 2025, two round table discussions were held in Astana. The events were attended by representatives of the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan, the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan, KMG subsidiaries, as well as international companies specializing in technologies aimed at minimizing negative environmental impacts. The participants discussed key environmental protection issues, including proposed amendments and additions to the Environmental Code and the Water Code of the Republic of Kazakhstan, advanced technologies for reducing pollutant emissions and discharges, and matters related to waste recovery and disposal. Attention was paid to KMG's corporate and strategic objectives, the Company's environmental policy, and greenhouse gas management.



## Automated environmental monitoring system

In 2025, the Company continued its work on implementing the Automated Information System for Environmental Monitoring (AISEM), aimed at creating a unified digital environment for environmental protection. The project's primary goal is to increase the transparency of environmental monitoring, minimize the impact of human error, and ensure prompt monitoring of compliance with environmental requirements.

The AISEM functionality includes automation of environmental reporting for government agencies, maintenance of permitting database, calculation of environmental payments, prompt identification of deviations from regulatory indicators, environmental monitoring as part of industrial environmental control, and the generation of corporate reports with integration into the HSE KMG system.

The implementation of the AISEM contributes to increased efficiency in managing environmental aspects of the Company's activities and strengthens control over compliance with environmental legislation.

## Environmental assessment of the planned economic activity

KMG applies a systematic approach to assessing the environmental impact of its business activities, ensuring the timely identification, analysis, and mitigation of potential environmental risks. As part of this approach, environmental assessments are conducted at all stages of new projects, with stakeholder input and an assessment of the potential impact on ecosystems.

### Environmental assessment procedure and public participation

Environmental assessment involves a comprehensive analysis of the potential environmental impacts of planned projects and aims to identify and prevent potential negative consequences. A key element of this process is the consideration of stakeholder input, which is achieved through the following forms of engagement:

- ① holding working meetings and consultations with representatives of interested parties;
- ② collection of written and oral requests, suggestions and comments from the public;
- ③ organizing open meetings and public hearings.

All projects with a significant environmental impact are subject to mandatory public hearings with representatives of government agencies, non-governmental organizations, local communities, and other stakeholders. Public hearings are open, and their results must be recorded and published in open sources.

In 2025, KMG held 34 meetings with representatives of the public and organized 96 public hearings.

### CASE STUDY



**In November 2025**, Atyrau Oil Refinery LLP was visited by deputies of the regional maslikhat, representatives of political parties, and members of the public. During the visit, the guests discussed with the refinery's specialists the key areas of the enterprise's environmental activities as well as its upcoming projects.

**On 20 September 2025**, Pavlodar Petrochemical Plant LLP hosted an off site meeting of the Mazhilis of the Parliament of the Republic of Kazakhstan Committee on Ecology and Natural Resource Management. The meeting addressed issues related to environmental safety in the Pavlodar Region. The visit served as an important platform for open dialogue on environmental safety matters, demonstrated the transparency of the enterprise's operations, and confirmed the refinery's commitment to responsible environmental management.



## Updating internal corporate documents in 2025

In 2025, the following documents were approved in KMG's internal regulatory documents:

- List of identified environmental aspects, environmental risks and opportunities, and measures to reduce environmental impacts for 2025;
- Roadmap for improving industrial safety, labor protection and the environment of the KMG Group of Companies for 2025–2027.
- Standard for conducting environmental assessment in the KMG Group of Companies.



## Implementation of “green office” principles

KMG is implementing “green office” principles aimed at the rational use of natural resources, reducing waste generation, and enhancing employee environmental responsibility. This approach includes a range of measures to reduce the environmental footprint of office activities and foster sustainable behavior patterns within the corporate environment. In 2025, efforts in this area were further strengthened through the “Taza Kazakhstan” environmental initiative.

### Greening of office space

As part of the development of a separate waste collection system, a reverse vending machine for plastic bottles, aluminum cans, and glass containers is operating in the KMG building. Over 18,934 plastic bottles and approximately 3,548 aluminum cans were recycled during the reporting year. The total volume of containers collected in 2025 was 22,482 units.

The Company's central office is equipped with eco-friendly bins and containers for the separate collection of paper, plastic, glass, metal, and used batteries. Additionally, special cabinets have been installed for the safe storage and recycling of fluorescent lamps.

In order to reduce resource consumption, a number of additional measures are being implemented, including:

- automated reminders to employees to turn off office equipment at the end of the working day;
- information materials aimed at reducing printing volumes and preserving forest resources;
- development of electronic document management to minimize the use of paper;
- greening of office spaces, including through a corporate initiative to give houseplants to colleagues on their birthdays instead of traditional bouquets.

To support environmentally friendly modes of transportation, KMG buildings are equipped with bicycle parking.

## Environmental initiatives and employee engagement

KMG places special emphasis on engaging its employees in environmental initiatives. The Company runs a “Bring Your Own Tableware” campaign, offering discounts to employees who use reusable containers in coffee shops, cafeterias, and the office cafeteria.

In addition, starting in 2023, charging stations for electric vehicles have been operating in the KMG building on a pilot basis.

On June 5, 2025, as part of World Environment Day, KMG, with the support of the Earth Fund “Sustainable Development” and the Earth Ambassadors movement, held a master class for employees and their children, “The Future Starts Today”.

On December 11, 2025, with KMG's support, a presentation of the environmental fairy tale series “Platon's Magical Worlds”, created by 12-year-old author and creator Platon Nechayev, was held for employees' children in Astana. The event's goal was to promote environmental awareness among children and adolescents and support key environmental education initiatives within the KazMunayGas Group's “Taza Kazakhstan” environmental campaign action plan. The event took place in a warm New Year's atmosphere and brought together a wide range of participants: children, parents, representatives of government agencies, businesses, international organizations, and the creative community.

An eco-quiz was organized for the children, aimed at developing a caring attitude toward nature and practical knowledge about ecology. The program concluded with a creative workshop, PLATON 5D, during which the young participants created their own eco-heroes, defined their environmental missions, and presented their work.

KMG and its subsidiaries and affiliates traditionally support the international Earth Hour initiative, turning off lights and household appliances for one hour each year. In 2025, the Company again participated in the initiative, reaffirming its commitment to global efforts to reduce energy consumption and protect the environment.

KMG's systematic activities in the area of landscaping and greening are aimed at improving the environmental situation and creating green zones in the regions where the Company operates.

## CASE STUDY



### Campaign “Taza Kazakhstan”

As part of the national environmental campaign “Taza Kazakhstan”, on March 26, 2025, an Action Plan for the implementation of the campaign in the KMG Group of Companies for 2025 was approved, including 13 events aimed at introducing environmental initiatives, developing an environmental culture among employees, and increasing the volume of greening.

In accordance with the approved schedule, in 2025, the KMG Group of Companies held 282 cleanup days with the participation of 9,287 people, during which more than 5,900 bags of waste were collected.

KMG continued its participation in a large-scale environmental greening initiative. The KMG Group's tree planting plan for 2025 was 109,000 trees, with 113,700 trees planted by the end of the year. Additionally, in October 2025, 150,000 Scots pine seedlings were planted in the Kostanay region with KMG's financial support. The total tree planting volume for the KMG Group in 2025 was 263,700 trees.

On October 18, 2025, the KMG Park in Astana officially opened, with 1,320 trees planted. Throughout the year, employees of the Company and its subsidiaries and affiliates actively participated in environmental campaigns, tree planting, and landscaping activities.





### Environmental education and interaction activities with educational organizations

To enhance environmental awareness and awareness among its employees, KMG is consistently implementing a range of educational and awareness-raising initiatives. In 2025, the Company's subsidiaries and affiliates implemented a series of events aimed at developing environmental education and engagement among employees, as well as schoolchildren and students:

- ① open lessons and seminars for schools and universities on issues of air quality, waste management, water resources, carbon footprint and environmental aspects of industrial activities;
- ① participation of representatives of KMG and its subsidiaries and affiliates in meetings and scientific and practical events dedicated to the implementation of innovative and environmental solutions in production;

- ① conducting informational and educational seminars for students of specialized universities;
- ① organizing environmental competitions and creative events among children of the Company's employees;
- ① holding thematic environmental events (such as Paper Free Day, Plastic Free Day, and the collection of used batteries and plastic caps for subsequent recycling);
- ① implementation of internal communication activities on environmental and sustainable development issues, including newsletters and materials on the Green Office concept.

All events were covered through KMG's internal and external communication channels.

## CLIMATE CHANGE AND LOW-CARBON DEVELOPMENT

The Company views climate change as a key factor potentially impacting the long-term sustainability of its business, strategic priorities, investment attractiveness, and the socio - economic development of its regions of operation. Strengthening climate regulation, the development of carbon pricing mechanisms, changing hydrocarbon demand structures, and rising investor expectations regarding climate disclosure transparency pose both risks (regulatory, market, technological, physical, and transitional) and opportunities (improving energy efficiency, developing low-carbon products, and new business lines) for the Company.

Climate factors are integrated into strategic and investment planning, budgeting, asset management, and the corporate risk management system, ensuring that potential financial impacts are taken into account when making management decisions.

The climate agenda is an integral part of corporate governance, and the management of climate risks and opportunities is integrated into decision-making at the Board/Committee and Management Board levels.

### The Company's approach to climate change management is based on:

- ① compliance with national and international obligations of the Republic of Kazakhstan in the field of climate change, including the goal of achieving carbon neutrality by 2060;
- ① a gradual and economically justified reduction in the carbon intensity of activities, considering industry specifics, technological maturity and the availability of solutions.

### Key elements of the approach:

- ① strategic integration of the climate agenda into corporate and investment management processes;
- ① systematic identification and assessment of climate risks and opportunities within the corporate risk management system;
- ① development of adaptation mechanisms to physical and transient climate risks, including increasing the resilience of production and energy infrastructure;
- ① improving the transparency, monitoring, and quality of climate disclosures in line with international best practices (IFRS S2, GRI, CDP, ISO 14064)

### Climate strategy and goals

The Company's climate strategy is set out in the 2060 Climate Change Strategy, which is valid for the 2025 reporting year. The Climate Change Strategy aims to reduce greenhouse gas emissions, improve energy efficiency and conservation, develop low-carbon technologies, including renewable energy sources, methane emissions management (OGMP), and implement innovative projects in CCUS, hydrogen energy, sustainable aviation fuel (SAF), and offset projects. The strategy is integrated into capital planning, asset management, and the CRMS.

## Greenhouse gas emission reduction targets

In accordance with the LCDP-2060 the Company sets quantitative and qualitative targets for reducing greenhouse gas emissions and developing low-carbon solutions. These targets are based on national climate targets, international commitments, and energy transition scenarios.

The base year for assessing emissions dynamics was 2019, as it represents the period before the COVID-19 pandemic and reflects the typical level of the Company's operating activities.

KMG uses internal carbon pricing when evaluating investment projects and conducting scenario analysis. Internal price assumptions are updated annually and used in stress testing investment decisions.

KMG's operations are subject to the national emissions trading system (Kazakhstan ETS), and the EU ETS applies to certain assets (including those in the downstream perimeter). The company is implementing a compliance strategy: monitoring regulatory changes, energy efficiency programs, developing renewable energy sources, strengthening the Monitoring, Reporting, and Verification (MRV) system, preparing for expanded methane/carbon regulations, and the use of an automated monitoring system (AMS).



### Targets for 2031

- 15% reduction in direct (Scope 1) and indirect (Scope 2) emissions compared to the 2019 level;
- 32% reduction in methane emissions;
- 15% reduction in carbon intensity;
- at least a 15% share of renewable energy sources in the electricity consumption mix;
- complete elimination of routine gas flaring;
- implementation of a forest climate offset project covering 1,600 hectares.

### Targets for 2060

- 64% reduction in direct (Scope 1) and indirect (Scope 2) emissions, taking into account decarbonization measures and the use of offset mechanisms;
- 96% reduction in methane emissions;
- 60% reduction in carbon intensity;
- achievement of a 50% share of renewable energy sources in the electricity consumption mix;
- implementation of forest climate offset projects on an area of up to 11,600 hectares;
- injection of up to 421 thousand tonnes of CO<sub>2</sub> as part of CCUS projects;
- production of up to 1.4 million tonnes of sustainable aviation fuel (SAF) (portfolio target, subject to market and regulatory readiness);
- achievement of an "A" rating in the CDP climate rating.

The achievement of these targets establishes a long term pathway for reducing the Company's carbon footprint and supports a phased transition to a low-carbon development model. These targets and scenarios (realistic / "green" / deep decarbonization) are set out in the Low-carbon Development Program-2060, including forest climate projects, OGMP/LDAR, and CCUS/hydrogen/SAF initiatives.

To assess the materiality of impacts and support decision making, KMG applies both quantitative and qualitative approaches, including EBITDA based assessment, as well as Value at Risk (VaR) hand Cash flow at Risk (CFaR) methodologies.

## Integration of climate and ESG indicators into the management incentive system

To ensure the implementation of sustainable development principles and the LCDP-2060, climate and environmental aspects have been integrated into the Company's key performance indicator (KPI) system for management.

The remuneration of members of the Management Board and heads of functional areas partially depends on the achievement of indicators related to climate and environmental risk management, implementation of decarbonization projects, and enhancement of disclosure transparency.

In the reporting year, the incentive system included, among others, the following indicators:

### At the level of the Chairman of the Management Board (corporate KPIs):

- implementation of investment projects, including sustainable development initiatives and the construction of a 247 MW hybrid power plant;
- an integrated indicator for industrial safety performance.

### At the level of Deputy Chairmen of the Management Board and functional executives:

- implementation of investment and environmental projects;
- approval and implementation of environmental protection programs;
- implementation of measures to improve energy efficiency and optimize electricity consumption in subsidiaries;
- achievement of target levels in international CDP and ESG ratings.

Thus, climate and environmental factors are directly taken into account in evaluating management performance and determining the variable component of remuneration, contributing to the integration of sustainable development principles into the Company's operational and investment activities.



# CLIMATE RISK AND OPPORTUNITY MANAGEMENT SYSTEM

## Climate Risk and Opportunity Management within the LCDP-2060 Framework

### GRI 3-3, GRI 201-2

The Company takes a systematic and consistent approach to managing climate-related risks and opportunities, guided by corporate governance principles and the requirements of IFRS S2. The Company views climate-related risks and opportunities as factors that may affect its operations, investment decisions, financial stability, and long-term ability to create value.

### The role of governing bodies in the management of climate-related risks and opportunities

The KMG Board of Directors provides the highest level of oversight on climate change issues, including:

- approving strategic documents on low-carbon development, including the LCDP-2060.
- overseeing the integration of climate considerations into the Company's Development Strategy.
- monitoring progress in the implementation of key climate initiatives and targets.

### Role of Executive Management

The Company's Management Board ensures the operational implementation and integration of climate-related aspects into strategic and day-to-day management. Within the management structure, specific responsible officers have been designated, including:

- the Deputy Chairman of the Management Board, who coordinates the implementation of the climate agenda;
- heads of relevant divisions responsible for monitoring greenhouse gas emissions, managing carbon assets, and implementing low-carbon solutions.

The Decarbonization and Ecology Division (formerly the Low-Carbon Development Department) plays a central coordinating role in the implementation of the climate strategy, which:

- develops and monitors the implementation of the LCDP-2060 and the action plan for its implementation;
- provides methodological support for greenhouse gas emissions monitoring and reporting processes at the KMG Group level;

- coordinates interaction with subsidiaries;
- supports projects in the areas of renewable energy, methane management, CCUS, hydrogen energy, and offset projects.

To address environmental, climate, and sustainable development issues in detail, the Corporate Governance structure includes the Health, Safety, Environment, and Sustainable Development Committee (HSESDC).

### The Committee regularly:

- reviews information on climate risks and opportunities;
- analyzes the alignment of the Company's activities with the approved climate strategy;
- reviews proposals for improving climate policy and internal regulations.

Climate and ESG metrics are integrated into the executive performance evaluation system: the variable portion <sup>22</sup> of compensation depends on the achievement of approved targets, as well as on the results of external assessments and ratings (ESG and CDP ratings).

### Policies, Procedures and Internal Regulations

During the reporting period, the Company continued to apply and further develop internal regulatory documents aimed at strengthening the management system for climate aspects, including:

- the Methodology for Monitoring and Reporting Greenhouse Gas Emissions;
- the Methane Emissions Management Instruction;
- corporate MRV procedures and operating regulations for Automated Monitoring Systems (AMS) at Category I facilities.

These documents establish a unified and comparable approach to climate-related management across the KMG Group and provide the methodological basis for the preparation of climate-related disclosures.

<sup>22</sup> Quantitative data on the percentage of compensation (%) tied to performance targets is confidential

## Integration of Climate Risks into the Risk Management System

Climate risks are integrated into KMG's Corporate Risk Management System, which ensures their identification, assessment and monitoring alongside other strategic and operational risks.

### Within this approach, the Company:

- identifies physical and transition climate risks taking into account climate change scenarios;
- develops risk maps and action plans, including adaptation measures and measures to reduce adverse impacts;
- conducts regular monitoring of climate risks and reflects them in the Risk Register and Risk Map, as well as in corporate reporting.

To manage the identified risks, the Company implements adaptation and impact mitigation measures, including:

- improving the energy efficiency of assets;
- developing renewable energy sources;
- deploying CCUS technologies;
- developing hydrogen energy;
- reducing methane emissions.



## Transparency and Disclosure

Transparency and the quality of disclosures are important elements of KMG's corporate approach to climate risk management. On a regular basis, the Company discloses information on climate risks, greenhouse gas emissions and mitigation measures in accordance with applicable international standards and initiatives, including IFRS S2, GRI, CDP and ISO 14064.

The Company considers the integration of climate aspects into the corporate governance and risk management system to be a key factor in enhancing business resilience and adapting to the conditions of the energy transition in the medium and long term.



## Managing Climate Risks and Opportunities under the LCDP-2060

The Company is implementing the LCDP-2060, which is relevant to the reporting period, forms the basis of the Company's climate strategy and defines the key priorities, directions and instruments for reducing the carbon intensity of its operations.

The LCDP-2060 is aimed at the systematic management of climate risks and opportunities and is integrated into the Company's strategic, investment and operational management processes, including capital expenditure planning, asset management and the corporate risk management system.

The LCDP-2060 has been developed taking into account the industry-specific characteristics of the oil and gas sector, the national climate commitments of the Republic of Kazakhstan and global energy transition scenarios, including the goal of achieving carbon neutrality by 2060.

### The key elements of the LCDP-2060 include:

- ① integration of the climate agenda into core business processes, including investment planning, production activities and the risk management system;
- ② a phased reduction of greenhouse gas emissions and transition to a low-carbon development model through the use of proven and emerging technologies;
- ③ development of renewable energy sources, implementation of energy-efficient solutions and execution of methane emissions reduction measures, including the LDAR program;
- ④ application of CCUS technologies, development of hydrogen energy, as well as implementation of forest climate offset projects;
- ⑤ ensuring regular monitoring, progress assessment and disclosure in accordance with international standards.

Implementation of the LCDP-2060 is focused on reducing both transition and physical climate risks, as well as on creating sustainable development opportunities for the Company in the long term.

## Planning Horizons

The Company has identified three planning horizons for its operations, taking climate factors into account:

- ① **Short-term horizon (0-1 year)** – covers annual budgeting, operational planning and management of current climate risks and opportunities, including fulfilling monitoring and reporting obligations.
- ② **Medium-term horizon (1-10 years)** – corresponds to the Development Plan of the KMG Group of Companies and the business plans of its subsidiaries and affiliates, including achieving the targets of the LCDP-2060 for 2031, as well as taking into account the nationally determined contributions (NDCs) of the Republic of Kazakhstan.
- ③ **Long-term horizon (10-35 years)** – covers the Company's strategic goals, including the implementation of LCDP-2060, the development of low-carbon projects (RES, CCUS, SAF), the adaptation of assets to physical climate risks, and the alignment of activities with Kazakhstan's long-term climate goals until 2060.

## Decarbonization scenarios

As part of its climate strategy, the Company applies a scenario-based approach (IPCC RCPs and NGFS scenarios), which makes it possible to assess the resilience of KMG's strategy and business model under uncertainty in the climate, regulatory and technological environment. The scenarios are used to assess the potential impact of climate risks and determine priority response measures.

### Scenarios Used in the LCDP-2060:

#### 1. Realistic scenario

It involves a gradual reduction of the carbon footprint through:

- ① implementation of measures to improve energy efficiency and energy conservation at production facilities;
- ② implementation of renewable energy projects with a total installed capacity of approximately 1.3 GW in the Mangystau (hybrid power plant) and Zhambyl regions.

#### 2. Green development scenario

It is aimed at achieving the target indicators of the LCDP-2060 and provides for:

- ① expansion of energy efficiency measures;
- ② increasing the share of renewable energy sources in the energy balance to the level necessary to achieve decarbonization targets;
- ③ implementation of a forest climate offset project to offset part of the greenhouse gas emissions.

#### Within the framework of this scenario, the Company implements:

- ① **organic emission reduction** – through increased operational efficiency and modernization of production facilities considering possible changes in production volumes;
- ② **Inorganic emission reduction** – through the implementation of new technological solutions at the corporate level, including the construction of renewable energy facilities and the acquisition of renewable electricity for production needs with subsequent distribution within the KMG Group of Companies.

#### 3. Deep decarbonization scenario

The scenario envisages a **64% reduction in greenhouse gas emissions compared to 2019 levels** due to:

- ① large-scale implementation of CCUS technologies;
- ② active compensation policy, including the implementation of forest climate projects and the development of hydrogen energy.
- ③ development of hydrogen energy and production of sustainable aviation fuel (SAF).

Within the framework of the LCDP-2060, this scenario is considered a long-term development target, with the implementation of individual technologies entailing pilot testing and phased scaling, subject to regulatory and economic conditions. Based on the results of the pilot testing of these areas, the Company plans to determine targets for achieving carbon neutrality by 2030.

## Sustainability of the climate strategy

Based on the conducted scenario analysis, the Company assesses its climate strategy as sustainable in the long term, subject to the phased implementation of the LCDP-2060 and the adaptation of investment decisions to changing climatic and regulatory conditions.

At the same time, the Company recognizes the existence of a significant uncertainty associated with:

- the speed and severity of global climate regulation;
- availability and commercial maturity of CCUS, hydrogen and SAF technologies;
- development of carbon credit markets and offsetting mechanisms.

These factors are considered during the regular revision of the LCDP-2060, investment priorities and climate scenarios.

## Climate risk assessment

### Approach to climate risk assessment and scenario analysis

To identify and assess climate risks, the Company uses a scenario approach (RCP/NGFS), which allows it to consider the uncertainty of climatic, regulatory and market factors and assess their potential impact on the Company's activities over various time horizons.

### Within this approach, KMG considers two key types of climate risks:

- Physical climate risks** associated with changes in climate conditions and extreme natural events that may have a direct impact on the Company's production assets, infrastructure, and operational resilience; For KMG, the following are highlighted: chronic heat, water stress, wind loads, and acute events (floods/storms) affecting production continuity, costs, and safety. Adaptation measures

(infrastructure strengthening, water conservation, and emergency response) and the prioritization of vulnerable water basins (including the Ural and Caspian Seas) are envisaged. In 2025, the key stage of the Tazalyk project at Atyrau Oil Refinery LLP was completed, the corporate water resources standard is being updated, and the draft Water Resources Management Program has been submitted to the Management Board.

- Climate transition risks** associated with the global energy transition, including changes in carbon regulation (KazETS/EU ETS), technological development, demand structure, and the expectations of investors and other stakeholders. During the reporting period, requirements for online data transmission at Category I facilities were strengthened; administrative fines and/or disputes were recorded for a number of assets, confirming the materiality of the regulatory risk and the need to further strengthen LDAR and MRV.

### Physical Climate Risk Assessment

To analyze physical climate risks, the Company uses Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC), which reflect different levels of climate policy and emission intensity:

- RCP 2.6** – a low emissions scenario that assumes the implementation of strict climate policy and stabilization of global temperature growth;
- RCP 4.5** is an intermediate scenario reflecting moderate measures to reduce greenhouse gas emissions;
- RCP 8.5** is a high emissions scenario in which no significant measures are taken to limit them.

Using multiple climate trajectories allows the Company to assess the range of potential physical impacts on assets and operations, as well as identify vulnerabilities and priorities for adaptation measures.

## Assessment of climate transition risks

To assess transition risks, the Company applies scenarios developed **by the Network for Greening the Financial System (NGFS)**, which are widely used in international practice and take into account the relationship between climate policy, macroeconomic parameters, and the development of energy markets:

- The scenario based on Kazakhstan's Nationally Determined Contribution (NDC)** considers all adopted and declared climate policy measures, including those that are under implementation;
- The Below 2° C scenario** assumes a gradual tightening of climate policy with the aim of limiting the increase in global temperature to below 2°C;
- The “Delayed Transition” scenario** is characterized by a slow implementation of climate measures until 2030, followed by the need for more drastic and costly transformations;
- The Net Zero Emissions by 2050 scenario** is an ambitious trajectory that assumes rapid strengthening of climate policy, large-scale implementation of new technologies, and the achievement of carbon neutrality.

### Application of the results of scenario analysis

Based on the specified scenarios, the Company assesses climate risks at the corporate level and at the level of individual assets, which allows:

- identify the potential financial and operational impacts of climate factors;
- take climate risks into account in strategic and investment planning;
- to formulate and adjust measures for adaptation and risk management in the medium and long term.

The use of scenario analysis enables more informed management decision-making and increases the resilience of the Company's business in the context of the energy transition and changing climate agenda.

## Current and expected financial effects

As part of the phased development of the climate risk and opportunity management system, the Company is establishing and enhancing approaches to their identification, assessment and disclosure. At the current stage, priority is given to the qualitative disclosure of climate risks and the mechanisms for managing them, which is consistent with the maturity level of the existing climate strategy. Taking into account the transition to new international sustainability requirements, the Company plans to expand the scope of disclosures, including the phased introduction of quantitative indicators, such as current and expected financial effects of climate risks and opportunities, and their disclosure within IFRS S2-compliant reporting in subsequent reporting periods.

### Current period

- Carbon compliance costs (ETS). At the level of individual subsidiaries and affiliates, the impact of costs associated with compliance with emissions trading systems is observed. These effects are partially mitigated by energy efficiency measures, LDAR programs, and the increasing share of “green” electricity (in-house generation/purchase).
- Physical risks/insurance coverage. Preventive measures are being implemented in vulnerable locations, and insurance coverage is being updated. At this stage, the impact assessment is primarily qualitative.
- Regulatory effects: administrative fines/disputes related to compliance with air protection requirements (including ASM/emissions) were recorded for some assets in Q1–Q2 2025; weekly status monitoring of ASM readings and issues at subsidiaries and affiliates is underway.

### Risk of a significant adjustment in the next period

Given the current level of methodological certainty, quantitative linkage to specific items in the profit and loss statement, financial position, and cash flow for certain risks is limited; the risk of a material adjustment to balance sheet indicators is assessed qualitatively and will be refined as data and assumptions improve, and will also depend on the effectiveness of EE/LDAR/ASM programs, regulatory dynamics, and market conditions.

### Expected effects:

- **Short-term (0 –1 year).** Limited impact on profit/cash flow metrics from carbon compliance and “quick” efficiency measures; priority is compliance and organizational improvements.
- **Medium-term (1–10 years).** Increasing the share of “green” electricity (including through joint venture generation and/or contracts), achieving zero routine flaring, and reducing methane leaks are factors that will mitigate the operating cost profile. At the same time, targeted capital investments (CAPEX) are envisaged for energy efficiency, renewable energy, methane programs, and adaptation.
- **Long-term (10–35 years).** Scaling up CCUS, hydrogen solutions, and SAFs, as the appropriate markets and regulatory frameworks develop, will transform the cost structure, reducing the carbon tail of assets.

### Methodology for determining “significant effect”.

The company applies a combination of quantitative and qualitative criteria (including EBITDA- oriented metrics, frequency/probability, and time profile) and uses Value at Risk and Cash flow at Risk metrics to assess sensitivity to carbon, energy, and physical risk prices.

### Transition plan, goals and resourcing

The transition plan within the framework of the LCDP 2060 includes four key areas:

1. energy efficiency/resource conservation,
2. methane emissions management (OGMP/LDAR and complete abandonment of routine flare operations),
3. Renewable energy/hybrid generation and green procurement,
4. piloting CCUS, development of hydrogen energy, production of SAF and participation in offset initiatives (forest climate project 1,600 hectares – positive conclusion of the State Environmental Expertise and approvals received).

**Targets:** Reduction of Scope 1+2 by 15% by 2031 (by 2019) and by 64% by 2060, reduction of methane emissions by 32% by 2031 and by 96% by 2060, share of renewable energy in electricity consumption of at least 15% by 2031 and 50% by 2060. Monitoring – based on MRV with annual disclosure and independent verification. The operational and investment models use the internal “shadow” price of carbon.

### Climate scenario analysis

The identification, assessment, and management processes cover direct operations and the supply chain and are based on enterprise risk management (ERM), ISO 31000/ISO 14001 standards, environmental impact assessment procedures, and local risk assessment tools (e.g., WRI Aqueduct). The review frequency is more than once per year, using agreed-upon time horizons (short-, medium-, and long-term).

The climate strategy remains sustainable over the long term with the phased implementation of the LCDP and the adjustment of investment priorities to the dynamics of regulation, markets, and technological maturity. Areas of uncertainty include the pace and severity of regulation, the scalability of CCUS/hydrogen/SAF, and the evolution of carbon credit markets.

## Key projects within the framework of the climate strategy (LCDP-2060)

For the second year in a row, the company has received a CDP rating of “B”, confirming the sustainability of its decarbonization and climate management practices, which comply with international standards.

### 1. Energy efficiency, operational decarbonization and energy conservation

**Target:** To improve energy efficiency, automate energy management, and reduce direct emissions (Scope 1) with an additional impact on indirect emissions (Scope 2) through the purchase of green electricity under PPA contracts.

As part of the implementation of the LCDP until 2031, it is planned to implement approximately 250 measures in the field of energy efficiency and energy conservation at subsidiaries and dependent companies, which will save 548 thousand tonnes of fuel equivalent of fuel and energy resources and reduce approximately 931 thousand tonnes of CO<sub>2</sub> -eq.

### Work completed in the reporting year:

- The implementation of a portfolio of energy efficiency measures at production and processing assets (optimization of modes, modernization, automation) continues, operational control has been strengthened through MRV procedures and weekly status reports on ASM at Category I facilities.

- In 2025, **87** measures were implemented<sup>23</sup> to modernize process equipment, including replacing gas burners in furnaces, introducing energy-saving technologies, optimizing heat generation and consumption, upgrading lighting systems, and more. These measures resulted in annual savings of 1,935.5 thousand GJ of fuel and energy resources and a reduction in greenhouse gas emissions by 128.3 thousand tonnes of CO<sub>2</sub>.
- Energy-saving measures include the modernization of process furnaces and boilers, the installation of variable frequency drives on pumps, thermal integration of process flows, and the transition to energy-efficient lighting.
- The costs of compliance with emissions trading systems (KazETS/EU ETS) are partly offset by the effects of EE/LDAR and the increased share of green electricity under PPAs.
- At **Pavlodar Petrochemical Plant JSC**, the temperature of fuel oil supplied to section 001 of the KT 1 unit was increased, which reduced fuel oil consumption by 1,074 tonnes and decreased CO<sub>2</sub> emissions by 3.4 thousand tonnes (43.2 thousand GJ). Additionally, variable frequency drives (VFDs) were implemented in fan equipment of sections C-400 and C-200 (4.2 thousand GJ), in pump H 1 (0.3 thousand GJ), and optimization of power consumption in blowers A-710-UK-101 A/B and A-710-FA-301 resulted in energy savings of 1,677.8 MWh and reduction of 1.3 thousand tonnes of CO<sub>2</sub> emissions. Effect of the events: 49.2 thousand GJ.
- At **JV CASPI BITUM LLP**, faulty steam traps at the TGSS unit were replaced, and burners at furnaces F-1101 and F-1102 were upgraded. This resulted in savings of 17.100 thousand Gcal and reduction of 5.3 thousand tonnes of CO<sub>2</sub> emissions. Effect is 71,600 GJ.
- At **Karazhanbasmunai JSC** efficiency of the combined cycle gas turbine (CCGT) plant was increased through heat recovery from exhaust gases of the steam turbine. Thermal insulation of steam pipelines and injection wellheads was also implemented. These measures resulted in savings of 23.4 million m<sup>3</sup> of natural gas and reduction of 53.1 thousand tonnes of CO<sub>2</sub> emissions. Effect is 959,800 GJ.
- At **Ozenmunaigas JSC**, measures were undertaken to reduce fuel gas consumption in oil heating furnaces. In PP 0.63 type furnaces, replacement of 16 burners resulted in a projected effect of 143.2 thousand GJ, while replacement of 33 burners in UN 0.2 furnaces resulted in 107.1 thousand GJ. Overall, gas consumption was reduced by 5.8 million m<sup>3</sup>, and CO<sub>2</sub> emissions decreased by 11.0 thousand tonnes.
- At **Mangistaumunaigas JSC** replacement of burners (26 units) at PP 0.63 and PN 70 furnaces resulted in a reduction of associated

### The following events were held in the subsidiaries and affiliates:

- At **Atyrau Oil Refinery LLP**, the Prime G system was installed on furnaces H 701, H 703, H 702 and H 704, and the Prime D system on furnaces H 2001, H 2002 and H 2003, along with an automated fuel/air ratio control system. This resulted in savings of 0.406 thousand tonnes of natural gas and a reduction of CO<sub>2</sub> emissions by 0.8 thousand tonnes. Effect: 18.5 thousand GJ.
- At **PetroKazakhstan Oil Products LLP**, thermal insulation covers were installed on shut off valves, flange connections, pipelines and hatches, enabling savings of 0.8 thousand tonnes of fuel oil. The estimated CO<sub>2</sub> emission reduction amounted to 2.5 thousand tonnes (32.2 thousand GJ). Additionally, restoration of air heater X-718 at the isomerization unit C 700 allowed savings of 0.98 thousand tonnes of refinery gas and reduction of 2.4 thousand tonnes of CO<sub>2</sub> emissions (43.1 thousand GJ). Replacement of 137 steam traps resulted in savings of 4.107 thousand Gcal of heat energy and reduction of 1.3 thousand tonnes of CO<sub>2</sub> emissions (17.2 thousand GJ). Effect: 92.5 thousand GJ.

23. 2022 – 49 measures, the estimated annual savings of fuel and energy resources amounted to 2.057 million GJ, in physical terms – 33,448 thousand kW of electricity, 1,531 Gcal of thermal energy, 25,292 tonnes of boiler and furnace fuel and 21,732 thousand m<sup>3</sup> of natural gas, which is equivalent to a reduction in emissions of 136.7 thousand tonnes of CO<sub>2</sub>.

2023 – 60 measures (including 8 measures for the preparation of design and estimate documentation, as well as 52 energy efficiency measures), the estimated annual savings of fuel and energy resources of which amounted to 0.716 million GJ, in physical terms - 13,287 thousand kW of electricity, 10,776 Gcal of thermal energy, 2,489 tonnes of boiler and furnace fuel and 13,149 thousand m<sup>3</sup> of natural gas, which is equivalent to a reduction in emissions of 45 thousand tonnes of CO<sub>2</sub>.

2024 – 70 measures, the estimated annual savings of fuel and energy resources amounted to 2.4 million GJ, in physical terms: 48,114 thousand kW of electricity, 22,334 Gcal of thermal energy, 21,188 tonnes of boiler and furnace fuel and 29,003 thousand m<sup>3</sup> of natural gas, which is equivalent to a reduction in GHG emissions by 174.9 thousand tonnes of CO<sub>2</sub>.

petroleum gas consumption by 1.1 million m<sup>3</sup> and a decrease in CO<sub>2</sub> emissions by 2.6 thousand tonnes.

Effect: 38.2 thousand GJ.

- At **KazTransOil JSC** optimization of hot oil pipeline operations resulted in savings of 8.9 million m<sup>3</sup> of natural gas and reduction of 24.4 thousand tonnes of CO<sub>2</sub> emissions.  
Effect: 303,800 GJ.

**Effect.** Reducing specific energy consumption and emissions intensity mitigates operating costs and reduces energy cost volatility and ETS compliance.

**Next steps:** Scaling up best energy efficiency practices, integrating energy efficiency/carbon intensity KPIs into plans and budgets, and developing MRV analytics.

## 2. Development of renewable energy/hybrid generation and green power supply contracts (PPAs)

**Target:** Achieve a 15% share of renewable energy by 2031 and 50% by 2060 (renewable energy portfolio and PPA procurement), as well as ensure the sustainability and reliability of energy supply to critical assets, including reducing production sites' dependence on external grids and energy cost volatility.

### Work completed in the reporting year:

- Hybrid solutions are being implemented for fields (a combination of renewable energy sources and gas-fired maneuverable capacities), which reduces dependence on external energy supplies, increases the energy independence of fields, and reduces downtime.
- The renewable energy portfolio (wind power plants/solar power plants with storage) is progressing: early stages of construction and installation work have been completed and key deliveries are being contracted at a number of sites.
- A major project to build a 247 MW hybrid power plant in Zhanaozen, Mangistau Region, is being implemented jointly with Eni SpA (51% Eni, 49% KMG). The project includes wind (77 MW), solar (50 MW), and a gas-fired power plant (120 MW). The solar power plant was commissioned in September 2025, and the gas and wind power plants are scheduled to be operational in late 2026.
- In 2024, the EPC contract for gas-fired power plant and the solar power plant was signed. The solar power plant was commissioned in September 2025, and construction and installation work

are ongoing at gas-fired power plant. The hybrid format ensures stable generation and allows for variable renewable energy generation to be offset by flexible gas-fired capacity, reducing the risk of power outages at production assets.

- In the Zhambyl region, KMG Green Energy LLP (20%), together with Qazaq Green Power PLC (20%) and Total Energies Renewables SAS (60%), is implementing the country's largest project – the Mirny Wind Farm, a 1 GW wind farm with a 600 MWh energy storage system. Basic design was completed in 2025, and detailed design is approximately 81% complete. The project envisions the installation of 150 onshore wind turbines (6.5–7.7 MW each), supplied by Envision Energy and SANY Renewable Energy. The project is expected to reduce over 2 million tonnes of CO<sub>2</sub> per year and cover the electricity shortage in the southern regions, which is critical for the stability of the Company's assets.
- KMG's portfolio includes additional solar and wind power projects in the western and southern regions, the technical development of which is being conducted as part of the "ESG Projects" investment portfolio (991 KZT billion, KMG's share is 363 KZT billion). These projects provide synergies with the corporate goal of 15% "green" electricity by 2031.
- As part of the modernization of the production base for sustainable energy supplies, infrastructure is being expanded for the construction of a new gas processing plant in Zhanaozen, creating additional opportunities for hybrid solutions (a combination of gas-fired power plant and renewable energy sources).
- The Company is also actively developing its own power generation and renewable energy sources. In 2025, electricity consumption from renewable energy sources (RES) amounted to 37,230.9 thousand kWh.
- 10,000 I-Rec certificates purchased.

**Effect:** Substituting carbon-based electricity reduces ETS costs and stabilizes the cost profile; for downstream operations, it improves the carbon intensity of production.

## 3. Zero Routine Flaring

**Target:** Completely phase out routine flaring by 2031 and maintain target intensity levels according to IOGP methodologies.

### Work completed in the reporting year:

- The KMG Group's crude gas flaring rate for Q2 2025 is approximately 1.00 tonnes per 1,000 tonnes of hydrocarbons produced (IOGP methodology); flare mitigation action maps have been developed and prioritized for subsidiaries and affiliates.
- Annual reporting under the World Bank's Zero Routine Flaring initiative has been completed; since 2017, routine flaring volumes have been significantly reduced (target: ~89%).

**Effect.** The risk of fines and fees is reduced, the ETS profile is leveled, and hydrocarbon losses are reduced (positive effect on margins).

**Next steps:** Synchronize gas utilization programs associated with the development of gas processing and the introduction of local/hybrid energy sources at the fields; link to PPA/renewable energy input schedules.

## 4. Reduction of Methane Emissions (OGMP 2.0 / LDAR)

**Target:** Reduce methane emissions by 32% by 2031 and 96% by 2060; improve compliance with OGMP 2.0

### Status for the reporting period:

- KMG has joined the Oil & Gas Methane Partnership (OGMP 2.0), an initiative for methane emissions reporting at the oil and gas company level. OGMP 2.0 requires companies to submit annual methane emissions reports to UNEP, ranging from the lowest level of Level 1 to Level 5 of the gold standard. KMG has submitted two reports (for 2023 and 2024) on methane emissions (at Level 3).
- Work to determine the baseline level of methane emissions at subsidiaries and affiliates continues. With the support of international companies and consultants, instrumental measurements of methane emissions and leaks were conducted using LDAR (Leak Detection and Repair) equipment at Ozenmunaigas JSC, KazGPP LLP, JV Kazgermunai LLP, Embamunaigas JSC, and Mangistaumunaigas JSC.
- In autumn of 2025, partial aerial monitoring (by plane) of methane leaks was carried out with the support of the Oil and Gas Climate Initiative (OGCI), and data with coordinates of major leaks were sent to the subsidiaries for their elimination.
- With the support of OGCI and IMEO, UNEP continues satellite monitoring of methane

emissions at subsidiaries' facilities (starting in 2023).

- In 2024, KMG approved the Working Instructions for Methane Leak Management at KMG and its subsidiaries and affiliates. In 2025, a draft Corporate Standard for Methane Emissions Management at the KMG Group of Companies was developed.
- In 2025, in collaboration with the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan and international consultants, a package of proposals was prepared for the implementation of a system of state regulation of methane emissions.
- A series of trainings and seminars were held for specialists from subsidiaries and affiliates on methane emission management, including on quantifying methane emissions, gas utilization, and identifying the main sources of leaks, as well as methods for eliminating them.
- In order to reduce methane emissions, a pilot project to reduce methane leaks with the subsequent generation of carbon units on the voluntary market is being implemented at Embamunaigas JSC in cooperation with Vema Carbon.

**Effect.** Reducing leaks directly reduces raw material/fuel consumption and operating expenses (OPEX); indirectly, it reduces regulatory risks and potential ETS burden.

**Next steps:** Expanding LDAR coverage and measurement frequency, improving the accuracy of instrumental measurements (OGI/satellite/mobile platforms), and preparing for possible tightening of national methane regulations.

## 5. Carbon capture, use and storage (CCUS)

**Target:** Pilot CCUS technologies at priority sites and prepare for scaling after 2040; portfolio target: injecting up to 421,000 t CO<sub>2</sub> by 2060.

### Work completed in the reporting year:

- CO<sub>2</sub> sources in the Atyrau and Mangystau regions was completed; the terms of reference (TOR) for the feasibility study (FS) of a pilot project (10,000–20,000 t/year) at the Prorva gas treatment plant were prepared; and a preliminary assessment of the infrastructure and potential geological traps was conducted.

- As part of a quadripartite agreement with Tatneft, an exchange of experience in licensing, monitoring, and reporting on CO<sub>2</sub> injection has been launched. KMG Engineering LLP conducted a comprehensive feasibility study for the CCUS project in collaboration with Baker Hughes, including field selection, CO<sub>2</sub> injection modeling, and an assessment of underground storage potential. The estimated project cost is approximately \$11.5 million, with a potential impact of up to 21,500 tonnes of buried CO<sub>2</sub> per year; in its current configuration, the project is unprofitable.
- At the same time, work is underway to develop a regulatory framework and standardize it. Proposals have been prepared to amend the Environmental Code and the Subsoil Code to recognize CCUS as an emission reduction technology and to establish geological storage of CO<sub>2</sub> as a separate, licensed activity, aligned with ISO/TC 265 international standards for monitoring and safety. Initiatives have been initiated to include CO<sub>2</sub> capture, transport, and storage technologies in BAT references and to expand the taxonomy of “green” projects to ensure access to green financing.

**Effect.** Long-term – reduction of the “carbon tail” of assets and the possibility of using enhanced oil recovery (EOR) methods where geologically and economically justified;

Short term – R&D and capital expenditure on pilot preparation, no immediate impact on the P&L (impact expected as the product reaches commercial operation/monetization stage).

#### Next steps.

- Conducting feasibility studies and basic design (Front End Engineering Design, FEED);
- selection of the process flow diagram and licensor;
- development of a regulatory framework in collaboration with relevant government agencies (CO<sub>2</sub> accounting, permitting procedures, infrastructure, potential incentives) in line with the LCDP 2060.

#### 6. Development of hydrogen energy and low-carbon chemistry (hydrogen, ammonia, methanol)

**Target.** KMG is gradually building its competencies and project portfolio in the areas of “blue” and “green” hydrogen, as well as low-carbon derivatives (ammonia/methanol), taking into account integration with CCUS

and renewable energy sources. The company intends to prepare the technological and infrastructure base for future demand and export opportunities.

#### Work completed in the reporting year:

- An updated Water Resources Atlas has been prepared and applied to assess the potential for green hydrogen production in the western, central, and northern regions of Kazakhstan. Environmentally safe water intake points have been identified, and the systematization of water resource and renewable energy data has been completed. A calculator has been developed to calculate the potential for green hydrogen production, taking into account water availability and renewable energy potential. Intellectual property rights are being secured.
- A comprehensive series of research and development projects on hydrogen technologies has been completed, including the development of hydrogen storage materials, the creation of digital tools for assessing hydrogen production potential, the implementation of pilot projects, and a study of the potential of various types of hydrogen. Supply chain hypotheses for pilot solutions have been developed.
- In collaboration with Green Spark (Italy), the first pilot project for green hydrogen production is being implemented at the Atyrau branch of KMG Engineering LLP using renewable energy (solar generation). The 200 kW solar power plant was commissioned at the end of June 2025. Generation over 6 months is 115 MW\*hours. Design work for the second stage has been completed, including site determination and detailed calculations for the ventilation system of the container with the electrolyzer. The electrolyzer was installed at the end of December 2025, and preparations are underway for construction and installation work, the launch of which will ensure energy savings and create a closed cycle for hydrogen production based on renewable energy sources. At the same time, the solution is planned to be scaled across other KMG subsidiaries. The preliminary assessment of the project for the installation of small-scale renewable energy sources for Embamunaigas JSC with a capacity of 1.4 MW has been completed.
- In May 2025, the third annual seminar on hydrogen energy was held with the participation of government agencies, international organizations and scientific institutes.

- A feasibility study to produce “blue” hydrogen and its derivatives has also been completed. This study envisages the production of low-carbon hydrogen, ammonia, and methanol using gas from the Prorva gas treatment plant using CCUS technologies. The project, implemented with the participation of Casale S.A., has a design capacity of up to 20,500 t/year of “blue” hydrogen, 105,000 t/year of ammonia, and 50,000 t/year of methanol, with an estimated cost of approximately \$140 million. The project aims to diversify the gas chemical industry. KMG’s subsidiaries and affiliates have been familiarized with the feasibility study results, and the possibility of implementing a pilot project for the production of “blue” hydrogen at one of the subsidiaries and affiliates is being explored.
- The potential of natural “white” hydrogen is being assessed: production projects in the USA, China, and Africa have been analyzed, and work is underway to conclude an NDA with Terra-A.

**Expected impact:** Strengthening technological readiness and diversifying future revenue; through 2025, primarily analysis and engineering costs; financial impacts are projected as pilot projects progress to the commercial stage.

**Next steps:** developing hydrogen storage materials, preparing scientific publications, and conducting research aimed at improving the efficiency and sustainability of these technologies. Prioritizing pilot projects, linking them with CCUS/RES (electrolysis/CO<sub>2</sub> utilization) projects, preparing FEEDs, refining logistics and off-take models with potential consumers.

#### 7. Sustainable Aviation Fuel (SAF)

**Target:** The company is creating the conditions for local SAF production in cooperation with technology partners, focusing on the growing demand of the aviation sector and export markets.

#### Work completed in 2025:

- The completed Feasibility Study determined the estimated capacity of the future plant: processing 100,000 tonnes of bioethanol per year, producing 54,000 tonnes of SAF and 6,000 tonnes of RD. Bioethanol from the domestic producer BioOperations is being considered as the primary feedstock. A framework agreement for the transition to the Pre-FEED and FEED

stages was signed in 2025, and work is underway to establish a joint venture and prepare for the next stage of the project.

**Expected impact:** creation of a new low-carbon product and future revenue; in the short term – completion of FEED, formation of a raw material base and partnership model

**Next steps:** conducting FEED, selecting a technology platform (HEFA/ATJ, etc.), securing raw materials (including bioethanol/alternatives), financial model and agreements with potential after-takers.

#### 8. Natural solutions and offsets (forest climate projects)

**Target.** Forest climate projects are used as part of a portfolio of natural solutions to offset residual emissions and increase the sustainability of the climate strategy. The initial project is 1,600 hectares (Pavlodar region); by the LCDP 2060 horizon, the portfolio is expected to grow to six projects.

#### Work completed in 2025:

- A positive state expert review and necessary approvals for the 1,600-hectare project have been received; preparations for the implementation phase are underway, with regular consultations among participants.
- All preparatory stages of the project (soil research and analysis) have been completed, including the development of the Working Project and the passage of the state environmental assessment.
- In September 2025, the Ministry of Ecology and Natural Resources amended the Carbon Offset Approval Rules, making the Project’s current implementation economically unfeasible. KMG and Chevron will continue to analyze possible options for further implementation of forest climate initiatives in the Pavlodar region, taking into account current regulatory requirements.

**Expected impact:** generation of high-quality carbon units in support of the 2031/2060 targets; increased sustainability of the strategy under scenarios of increased regulation.

**Next steps:** contracting the work, setting up monitoring/accounting of absorption, preparation for registration and verification of units in recognized systems

## 9. Water and resistance to physical risks

**Target** is to reduce vulnerability to chronic heat, water stress, and flooding; and to establish quantitative water targets within the corporate Water Management Program.

### Work completed in 2025:

- **The Tazalyk project (Atyrau Oil Refinery LLP):** a key stage of the reconstruction of the treatment facilities has been completed.
- **Water Program:** document updated to reflect the new Water Code; approval Programs planned to end of 2026.
- Disclosure of water balance/intensity – in the Sustainability Report and CDP;

**Expected effect:** reduced likelihood of fines/stoppages and associated financial losses; increased operational continuity and insurance resilience in vulnerable locations.

**Next steps:** setting up Kazakhstan Petrochemical industries Inc. LLP on water consumption/discharges, expansion of reuse/desalination, inclusion of water projects in the CAPEX adaptation portfolio.

## 10. Regulatory readiness: ASM, BAT, IEP

**Target** is to reduce the likelihood of sanctions and shutdowns by ensuring reliable online emissions monitoring, the implementation of best available technologies, and the receipt of comprehensive environmental permits.

### Work completed in 2025:

- **ASM:** at Category I facilities – implementation/connection, operating regulations, weekly status meetings.
- **BAT:** participation in working groups; refinery production passports updated to take into account the reduction of losses/burning.
- **IEP:** submission/updating of packages; administrative fines/challenges were recorded in Q1-Q2 2025 – the materiality of the regulatory risk has been confirmed.

**Expected effect:** direct compliance result (reduced probability of fines/stoppages) and increased reliability of MRV.

**Next steps:** closing measurement/data transmission bottlenecks, scheduled preventative upgrades, and readiness for new requirements and industry methodologies.

## 11. Water and resistance to physical risks

**Target** is to reduce vulnerability to chronic heat, water stress, and flooding; and to establish quantitative water targets within the corporate Water Management Program.

### Work completed in 2025:

- **The Tazalyk project (Atyrau Oil Refinery LLP):** a key stage of the reconstruction of the treatment facilities has been completed.
- **Water Program:** document updated to reflect the new Water Code; approval Programs planned to end of 2026.
- Disclosure of water balance/intensity – in the Sustainability Report and CDP;

**Expected effect:** reduced likelihood of fines/stoppages and associated financial losses; increased operational continuity and insurance resilience in vulnerable locations.

**Next steps:** setting up Kazakhstan Petrochemical industries Inc. LLP on water consumption/discharges, expansion of reuse/desalination, inclusion of water projects in the CAPEX adaptation portfolio.

## 12. Regulatory readiness: ASM, BAT, IEP

**Target** is to reduce the likelihood of sanctions and shutdowns by ensuring reliable online emissions monitoring, the implementation of best available technologies, and the receipt of comprehensive environmental permits.

### Work completed in 2025:

- **ASM:** at Category I facilities – implementation/connection, operating regulations, weekly status meetings.
- **BAT:** participation in working groups; refinery production passports updated to take into account the reduction of losses/burning.
- **IEP:** submission/updating of packages; administrative fines/challenges were recorded in Q1-Q2 2025 – the materiality of the regulatory risk has been confirmed.

**Expected effect:** direct compliance result (reduced probability of fines/stoppages) and increased reliability of MRV.

**Next steps:** closing measurement/data transmission bottlenecks, scheduled preventative upgrades, and readiness for new requirements and industry methodologies.

# Greenhouse gas emissions

## GRI 3-3

### Normative and methodological basis

KMG's greenhouse gas emissions accounting and management system is based on international standards and national regulatory requirements. The company applies a unified approach to monitoring, accounting, and verifying greenhouse gas emissions, ensuring data comparability, process transparency, and the reliability of disclosed information.

In its activities, KMG is guided by the following standards and regulatory documents:

- ISO 14064 – standard for quantification and verification of greenhouse gas emissions;
- GHG Protocol – a methodology for calculating emissions for Scope 1, Scope 2 and Scope 3;
- IPCC Guidelines for National Greenhouse Gas Inventories;
- United Nations Framework Convention on Climate Change (UNFCCC);
- Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated January 17, 2023 No. 9 – national guidelines.

In addition, the KMG Group of Companies has developed and approved a Methodology for Monitoring and Reporting Greenhouse Gas Emissions, aimed at unifying accounting and reporting processes across the entire KMG Group of Companies.



### An approach to calculating greenhouse gas emissions

KMG uses a comprehensive approach to calculating greenhouse gas emissions, encompassing the full cycle of identification, quantification, and verification. The company systematically analyzes direct and indirect emission sources, as well as other significant categories, to develop a holistic view of the carbon footprint of its operations.

Emissions calculations are carried out in accordance with the best international practices, which ensures comparability of data over time and increases stakeholder confidence.

### Greenhouse gas emissions inventory

As part of its climate strategy, KMG regularly conducts an inventory of greenhouse gas emissions, ensuring comprehensive coverage of the main impact sources and comparability of data at the KMG Group level.

The emissions inventory is carried out in the following coverage areas:

- **Scope 1** – direct emissions arising from the combustion of fuel at the Company's production facilities, including the processes of extraction, processing and transportation of hydrocarbon raw materials;
- **Scope 2** – indirect emissions associated with the consumption of electrical and thermal energy purchased from third-party suppliers and used in the Company's production activities;
- **Scope 3** – other indirect emissions across the value chain, considering impacts associated with the use of sold products, logistics operations, business travel and other relevant sources.

Starting in 2023, the Company has consistently expanded the scope of its Scope 3 emissions calculations, focusing on the most significant categories in terms of their impact on the overall carbon footprint. Under this approach, the following key categories are included in the calculation:

- ◉ indirect emissions associated with energy consumption, including transmission losses of electricity;
- ◉ emissions arising from employees' business trips;
- ◉ emissions from employee commuting;
- ◉ emissions from transportation and delivery of finished products;
- ◉ emissions associated with the use of sold goods and services.

Expanding the scope of the inventory under Scope 3 allows the Company to more fully assess the impact of its activities throughout the value chain and use the obtained data in forming management decisions and climate initiatives.

### Implementation of internal carbon pricing

To integrate climate factors into management and investment planning processes, KMG is gradually introducing an Internal Carbon Pricing (ICP) mechanism. This tool is used to assess the potential impact of climate risks on financial performance and improve the validity of management decisions.

The use of internal carbon pricing allows the Company to:

- ◉ consider the financial risks associated with possible tightening of carbon regulations;
- ◉ redistribute investment priorities in favor of low-carbon and energy-efficient projects;
- ◉ determine the estimated ("shadow") cost of CO<sub>2</sub> emissions when assessing the sustainability of investment initiatives.

### Integrating carbon into investment decisions

Starting in 2022, calculating the carbon footprint and associated financial aspects will be included in mandatory feasibility studies for new capital projects. This approach ensures that climate factors are considered early in investment decision-making and contributes to the Company's project portfolio's resilience in the context of the energy transition.

### Transparency and disclosure of information

KMG consistently develops its greenhouse gas emissions and climate risk disclosure practices, ensuring transparency and comparability of reporting data. The company regularly publishes relevant information in accordance with international reporting initiatives and standards, including:

- ◉ **CDP** – Climate Disclosure of Emissions and Risks;
- ◉ **GRI** – Sustainable Development Reporting Standards;
- ◉ **IFRS S2 (International Financial Reporting Standard S2 – Climate-related Disclosures)** – disclosure information on climate risks and opportunities.

The approaches we use to calculate and disclose greenhouse gas emissions ensure the reliability and accuracy of reporting, allowing the Company to effectively manage its carbon footprint and adapt to changing climate regulation requirements.



### Volume of greenhouse gas emissions

#### GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5

As part of its climate impact monitoring, KMG calculates and discloses information on greenhouse gas emissions for all relevant coverage areas in accordance with the requirements of GRI 305: Emissions 2016.

The calculation of indicators is carried out in accordance with approved methodological approaches and ensures comparability of data over time, as well as transparency of information disclosure for stakeholders.

By the end of 2025, the volume of direct greenhouse gas emissions (Scope 1) for the KMG Group of Companies amounted to 8.0 million tonnes of CO<sub>2</sub> and 9.4 million tonnes CO<sub>2</sub>-eq.

TABLE 15. GREENHOUSE GAS EMISSION INDICATORS <sup>24</sup>

Greenhouse gas emission indicators		2023	2024	2025
<b>Scope 1. Direct emissions</b>	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	<b>7.44 / 8.57</b>	<b>7.7 / 9.06</b>	<b>8.0 / 9.4 <sup>A</sup></b>
<b>Breakdown by areas of activity</b>				
Production	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	2.33 / 3.44	2.64 / 3.98	2.57 / 3.9
Refining	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	5.01 / 5.03	4.92 / 4.94	5.25 / 5.3
Transportation	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.1 / 0.1	0.14 / 0.14	0.2 / 0.2
<b>Breakdown by country</b>				
Kazakhstan	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	6.55 / 7.68	6.99 / 8.35	7.1 / 8.4
Romania	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.88 / 0.88	0.69 / 0.69	0.97 / 0.97
Georgia	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.02 / 0.02	0.02 / 0.02	0.02 / 0.02

24. The calculation includes carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O). The assessment of emissions in CO<sub>2</sub> equivalent is inherently subject to uncertainty due to limitations in scientific knowledge used to determine emission factors, as well as the values of conversion factors for different gases to CO<sub>2</sub> equivalent. To harmonize emissions on a single basis, Global Warming Potential (GWP) factors from the IPCC Fifth Assessment Report were applied (methane – 28, nitrous oxide – 265). Data on direct greenhouse gas emissions are consolidated using the operational control approach and have been confirmed by conclusions of independent accredited organizations for each subsidiary.

Greenhouse gas emission indicators		2023	2024	2025
<b>Breakdown of emissions by greenhouse gas type</b>				
CO <sub>2</sub>	million tonnes of CO <sub>2</sub>	7.44	7.7	8.0 <sup>A</sup>
CH <sub>4</sub>	million t CO <sub>2</sub> -eq.	1.11	1.34	1.34 <sup>A</sup>
N <sub>2</sub> O	million t CO <sub>2</sub> -eq.	0.1	0.02	0.02 <sup>A</sup>
<b>Scope 2. Indirect emissions <sup>25</sup></b>				
<b>Scope 2</b> Indirect emissions (market-based method)	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	3.4 / 3.4	3.3 / 3.3	3.37 / 3.37 <sup>A</sup>
<b>Scope 2</b> Indirect emissions (location-based)	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	3.5 / 3.5	3.4 / 3.4	3.45 / 3.45 <sup>A</sup>
<b>Scope 3. Other indirect emissions</b>	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	<b>55,22 / 55,4</b>	<b>59,63 / 59,82</b>	<b>62,39 / 62,58 <sup>A</sup></b>
<b>Category 3</b> – Fuel- and energy-related activities	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.274 / 0.274	0.232 / 0.232	0.227 / 0.227
<b>Category 6</b> – Business travel	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.002 / 0.002	0.004 / 0.005	0.005 / 0.005
<b>Category 7</b> – Employee commuting	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.015 / 0.015	0.012 / 0.013	0.032 / 0.032
<b>Category 9</b> – Downstream transportation and distribution	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	0.356 / 0.362	0.320 / 0.323	0.364 / 0.371
<b>Category 11</b> – Use of sold products	million tonnes CO <sub>2</sub> / million tonnes CO <sub>2</sub> -eq.	54.57 / 54.75	59.06 / 59.25	61.76 / 61.95

25. Scope 2 emissions calculations include only CO<sub>2</sub> emissions and are performed using the location based method for subsidiaries and affiliates located in the Republic of Kazakhstan, due to the introduction of the Single Electricity Purchaser mechanism effective from July 1, 2023. The calculations apply a blended emission factor based on the national methodology and reflecting the actual electricity generation mix. For subsidiaries and affiliates located in other jurisdictions, both calculation methods—the market based and location based approaches—are applied.

**TABLE 16. GREENHOUSE GAS EMISSION INTENSITY INDICATORS**

Greenhouse Gas Emissions Intensity – Scope 1		2023	2024	2025
<b>Breakdown by business activities <sup>26</sup></b>				
Production	tonnes CO <sub>2</sub> eq. / tonne of HC produced	0.1676	0.1767	0.1751 <sup>A</sup>
Processing	tonnes CO <sub>2</sub> eq. / tonne of HC processed	0.2320	0.2233	0.2190 <sup>A</sup>
Transportation	tonnes CO <sub>2</sub> eq. / tonne transported	0.0023	0.0030	0.0043 <sup>A</sup>
<b>Greenhouse Gas Emissions Intensity – Scope 2 (Location based method)</b>				
<b>Breakdown by business activities</b>				
Production	tonnes CO <sub>2</sub> eq. / tonne of HC produced	0.0672	0.0548	0.0550 <sup>A</sup>
Processing	tonnes CO <sub>2</sub> eq. / tonne of HC processed	0.0834	0.0891	0.0840 <sup>A</sup>
Transportation	tonnes CO <sub>2</sub> eq. / tonne transported	0.0052	0.0045	0.004 <sup>A</sup>

26. In 2025, the Company revised the methodology for calculating greenhouse gas emissions intensity by business activities: intensity is now calculated based on physical volumes of production, processing, and transportation, which improves the comparability of the indicator and strengthens its linkage to operational efficiency.

## ENERGY CONSUMPTION AND ENERGY EFFICIENCY

### A systems approach to energy management

KMG is consistently developing its energy management system, viewing energy efficiency as a key factor in operational sustainability, competitiveness, and climate impact mitigation. At the KMG Group, energy conservation is integrated into production and management processes and implemented using a systems approach and unified methodological principles.

The international standard ISO 50001 “Energy Management Systems” is used as a basic framework, which ensures structured energy management, increased process transparency, and the use of reliable measurable data in decision-making.

To implement these principles, the Company has developed a regulatory framework, including the KMG Energy Policy and the Regulations on Energy Conservation and Energy Efficiency Management in the KMG Group, which apply to its subsidiaries and affiliates. This approach ensures uniformity of requirements while taking into account the industry and technological specifics of the companies.

### Strategic initiatives

In 2024, KMG approved the LCDP-2060, which identifies improving energy efficiency and the rational use of energy resources as key long-term priorities. The Company views the implementation of these priorities as an important tool for enhancing operational resilience, reducing its carbon footprint, and ensuring business competitiveness in the context of the energy transition.

Energy efficiency priorities are focused on developing a systematic and consistent approach to energy consumption management across the entire KMG Group of Companies, taking into account industry specifics and differences in the technological processes of the enterprises.

### Key areas for the implementation of strategic initiatives of the LCDP-2060

#### Long-term planning

KMG consistently develops comprehensive energy efficiency improvement plans, covering both current operational processes and prospective development projects. Long-term planning allows for anticipated changes in energy consumption patterns, technological trends, and climate requirements, as well as ensuring the continuity of activities across the KMG Group.

#### Effective Energy Management

The Company is implementing transparent and manageable energy management principles based on the use of reliable and comparable data. This allows decision-making processes to be based on objective information on energy resource flows, identify deviations, and improve energy efficiency at production facilities.

#### Centralized monitoring and control

One of the priorities is the development of centralized energy consumption monitoring tools that provide a unified approach to monitoring and managing operational processes in energy efficiency. This approach facilitates improved manageability, the timely identification of inefficiencies, and the dissemination of best practices within the KMG Group.

#### Interaction with government agencies

KMG maintains ongoing interaction with government agencies on energy conservation and energy efficiency, participating in discussions of regulatory initiatives and implementing national regulatory requirements. Cooperation in this area promotes coordinated actions and ensures that government priorities are taken into account when implementing corporate programs.

#### Replication of best practices

The company places special emphasis on identifying and disseminating successful energy conservation and efficiency practices. Replicating proven solutions across KMG Group companies accelerates the implementation of effective technologies and management approaches and improves the overall effectiveness of ongoing initiatives.

#### Cost optimization and rational use of resources

As part of its LCDP-2060 strategic initiatives, KMG is consistently identifying and eliminating unproductive energy costs, optimizing operating modes, and increasing resource efficiency. This approach is aimed at reducing costs and enhancing operational sustainability.

#### Improving profitability and efficiency

Reducing fuel and energy resource losses and minimizing inefficient costs contributes to increased profitability of production processes. The Company views increased energy efficiency as a key driver of improved financial performance and business sustainability.

#### Improving financial performance

The economic impact of reduced energy consumption translates into increased economic efficiency for the Company. Reducing energy costs allows for the reallocation of financial resources toward development, modernization, and the implementation of strategic initiatives.

The implementation of these strategic initiatives of the LCDP-2060 ensures KMG a sustainable reduction in energy costs, increased operational efficiency, and progressive progress towards achieving decarbonization goals.

## Energy consumption

### GRI 302-1

In 2025, the total fuel and energy resource (FER) consumption by the KMG Group amounted to 124.9 million GJ<sup>27</sup>, approximately 3.5% lower than the 2024 level (129.4 million GJ). This decrease in total fuel and energy resource consumption was due to a reduction in fuel use in key energy-intensive

operations. This primarily affected consumption during oil and gas exploration and production, as well as electricity consumption. Since these categories account for the largest share of the overall FER, their reduction had a decisive impact on the final reduction in the total indicator in 2025.

## Energy consumption indicators

### GRI 302-1, GRI 302-4

TABLE 17<sup>28</sup>

Indicator, thousand GJ	2023	2024	2025
<b>Consumption of fuel from non-renewable sources</b>			
<b>Liquid fuels, including:</b>	<b>1,578</b>	<b>1,805</b>	<b>1,785</b>
● Petrol	58	93	97
● Diesel fuel	1,520	1,712	1,689
<b>Boiler and furnace fuel, including:</b>	<b>17,846</b>	<b>5,221</b>	<b>3,398</b>
● Heating oil	14,157	2,500	1,824
● Oil	1,169	1,184	632
● Fuel oil	2,520	1,537	942
● Oil refinery gas	28,223	35,995	36,351
● Associated petroleum gas	12,933	13,809	12,737
<b>Gas, including:</b>	<b>46,794</b>	<b>53,509</b>	<b>52,067</b>
● Natural gas	30,264	34,725	32,873
● Stripped gas	16,461	18,718	16,324
● LPG	69	65	35
● Off-gases from the cold section	-	-	1,989
● Deethanizer off-gases	-	-	846
<b>Total:</b>	<b>107,373</b>	<b>110,339</b>	<b>106,337<sup>A</sup></b>

27. Includes energy generated from the combustion of off-gases from the cold section and deethanizer off-gases of Kazakhstan Petrochemical Industries Inc. LLP, which are classified as secondary products of the technological process.

28. Approved conversion coefficients established by Order of the Minister for Investment and Development of the Republic of Kazakhstan dated March 31, 2015 No. 387 are applied to convert various types of energy resources into a unified energy unit of measurement.

### Consumption of electricity and heat energy

Renewable energy	14	40	134
<b>Electricity, including:</b>	<b>15,583</b>	<b>17,736</b>	<b>17,442</b>
● Purchased	12,919	15,081	14,746
● In-house production by the Company	2,663	2,655	2,696
<b>Thermal energy, including:</b>	<b>20,348</b>	<b>26,722</b>	<b>21,384</b>
● Purchased	3,818	3,943	3,694
● In-house production by the Company	16,529	22,779	17,690
<b>Total:</b>	<b>35,931</b>	<b>44,458</b>	<b>38,826<sup>A</sup></b>
<b>TOTAL ENERGY CONSUMPTION</b>	<b>124,125</b>	<b>129,403</b>	<b>124,911<sup>A</sup></b>

## Structure of consumption of fuel and energy resources

KMG Group's energy consumption is determined by several key resource types, reflecting the specific nature of the Company's production activities. The structure of fuel and energy resource consumption in 2025 will be dominated by:

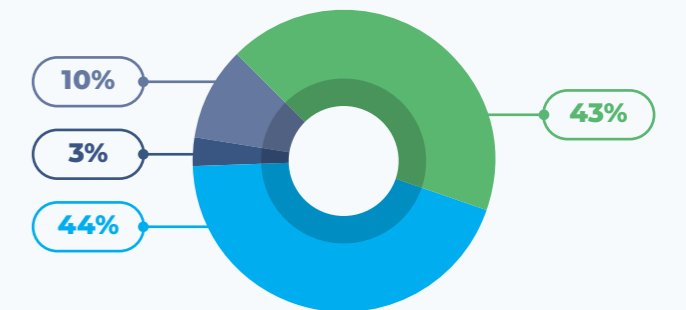
- Electric energy – 14.7 million GJ;
- Thermal energy – 3.7 million GJ;
- Motor fuel<sup>29</sup> – 1.8 million GJ;
- Boiler and furnace fuel<sup>30</sup> – 104.6 million GJ.

In 2025, the KMG Group of Companies' own generation volume amounted to 748.9 million kW·h of electric energy and 4,225.2 thousand Gcal of thermal energy.

29. gasoline, diesel fuel

30. heating oil, oil, fuel oil, refinery gas, associated petroleum gas, natural gas, stripped gas, LPG, waste gases

## ENERGY CONSUMPTION BY SEGMENT



- Oil and Gas Exploration and Production
- Oil Transportation and Production
- Oil and Gas Refining
- Petrochemicals

TABLE 18

Energy consumption by segment, thousand GJ	2023	2024	2025
Oil and gas exploration and production	55,083	57,285	53,166
Oil and gas processing	64,423	59,492	54,483
Oil transportation	4,619	4,229	4,183
Petrochemicals		8,397	13,079

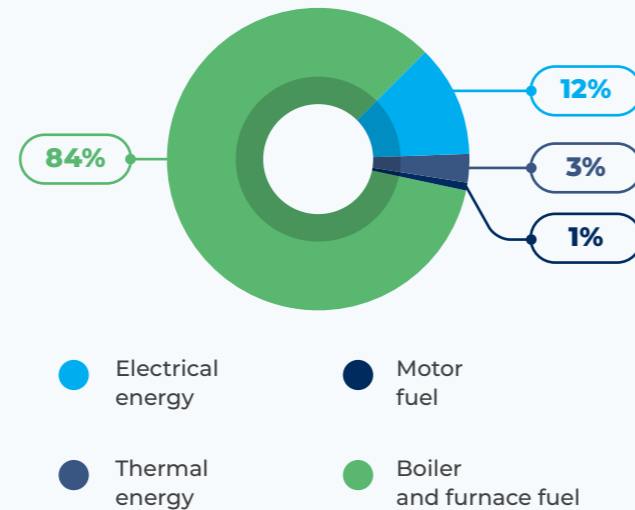
As part of its renewable energy development projects, KMG, together with its partners, continues construction of a 247 MW hybrid power plant in Zhanaozen, where a 50 MW solar power plant was commissioned in September 2025, and the launch of wind and gas generation (77 and 120 MW) is scheduled for the end of 2026. In addition, detailed design work is ongoing for the 1 GW Mirny project with an energy storage system. In 2025, the volume of electricity consumption from renewable energy sources amounted to 37,230.9 thousand kWh, and 10,000 I-Rec certificates were acquired.

**Reducing energy consumption**

**GRI 302-4, GRI 305-5**

KMG is consistently implementing energy efficiency measures aimed at optimizing energy consumption and reducing its carbon footprint. In 2025, 87 process equipment modernization projects were completed, including replacing furnace gas burners, implementing energy-saving technologies, optimizing heat generation and consumption, upgrading lighting systems, and other work. These measures resulted in annual savings of 1,935 thousand GJ of fuel and energy resources and a reduction in greenhouse gas emissions of 128.3 thousand tonnes of CO<sub>2</sub>.

**Structure of fuel and energy**



Energy-saving measures also included the modernization of process furnaces and boilers, the installation of variable frequency drives on pumps, thermal integration of process flows, and the transition to energy-efficient lighting systems, which provided an additional sustainable effect in terms of reducing energy consumption and increasing the efficiency of production processes.

**Economic and environmental impact:**

- Annual energy savings: 1,935 thousand GJ
- The equivalent reduction in greenhouse gas emissions is 128.3 thousand tonnes of CO<sub>2</sub>

TABLE 19. ENERGY SAVINGS OBTAINED FROM THE IMPLEMENTATION OF ENERGY CONSERVATION PROGRAMS, THOUSAND GJ

Indicator	2023	2024	2025
Energy savings obtained from the implementation of energy conservation programs, thousand GJ <sup>31</sup>	717	2,361	1,935 <sup>A</sup>
Equivalent greenhouse gas emissions reduction (Scopes 1 and 2) achieved through the implementation of energy efficiency programs, thousand tonnes of CO <sub>2</sub> <sup>32</sup>	45.1	174.9	128.3 <sup>A</sup>

**Volumes of reduced consumption:**

- Electricity – 22,468 thousand kW·h (81 thousand GJ)
- Thermal energy – 21,208 Gcal (89 thousand GJ)
- Boiler and furnace fuel <sup>33</sup> – 2,855 tonnes (118 thousand GJ)
- Dry stripped gas – 5,807 thousand m<sup>3</sup> (250 thousand GJ)
- Natural gas – 37,935 thousand m<sup>3</sup> (1,282 thousand GJ)
- Diesel fuel – 65 tonnes (3 thousand GJ)
- Associated petroleum gas – 3,310 thousand m<sup>3</sup> (112 thousand GJ)

The total costs for the implementation of energy efficiency measures in 2025 amounted to KZT 6,172.89 million.

The measures taken not only reduced energy consumption but also increased operational efficiency, lowering costs and minimizing environmental impact.



31. Energy resource savings are determined using a calculation based method based on the results of energy audits, including an assessment of implemented energy efficiency measures.  
 32. The calculation includes only reductions in CO<sub>2</sub> emissions and does not include other gases. To convert volumes of saved energy resources into a greenhouse gas emissions reduction equivalent, emission factors defined under the Scope 1 and Scope 2 calculation methodology are applied.  
 33. Fuel oil, refinery gas

## Energy intensity

### GRI 302-3

In 2025, the KMG Group's specific energy consumption in the hydrocarbon production sector amounted to 2.39 GJ per ton of produced hydrocarbons (HHC), 59% higher than the IOGP global average of 1.5 GJ/t. However, the KMG Group average is not representative due to significant differences in the energy intensity of individual enterprises. Ozenmunaigas JSC and Karazhanbasmunai JSC have a significant impact, with their specific energy consumption significantly exceeding industry standards.

Karazhanbasmunai JSC consumes energy 5 times higher than the IOGP global average. This is due to the specific production conditions at the Karazhanbas field, where oil is extracted using steam and hot water displacement. This method is necessary due to the high paraffin content and the specific rheological properties of the oil, which require heating not only in winter but also in summer.

Ozenmunaigas JSC demonstrates energy consumption for production that is more than twice the industry standard. In 2024, the company introduced hot oil well treatment technology, which also increased energy consumption.

#### SPECIFIC ENERGY CONSUMPTION FOR THE EXTRACTION OF 1 TON OF HYDROCARBONS, GJ/T

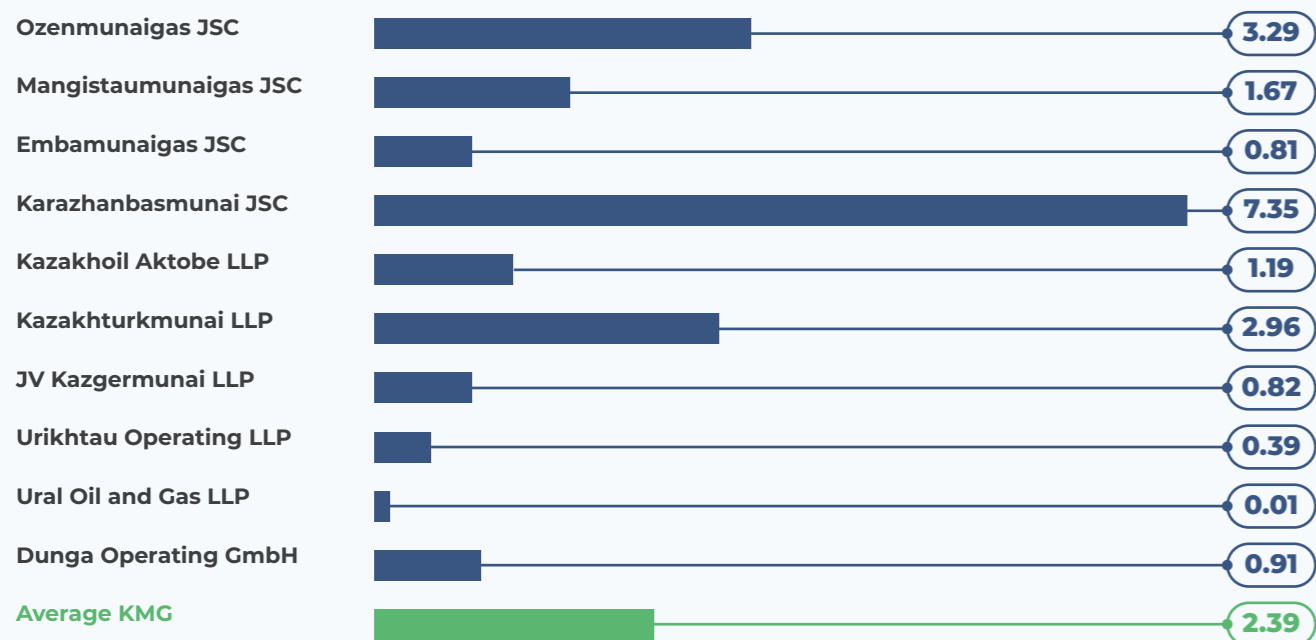


TABLE 20. SPECIFIC ENERGY CONSUMPTION (BY SEGMENT) <sup>34</sup>

GRI 302-3. Specific energy consumption (by segment)	Unit of measurement	2025
Oil and gas exploration and production	GJ/tonnes of extracted hydrocarbons	2.39 <sup>A</sup>
Recycling	GJ/tonnes of processed hydrocarbons	3.00 <sup>A</sup>
Transportation	GJ/tonnes	0.09 <sup>A</sup>
Petrochemicals	GJ/m <sup>3</sup>	0.01

KMG maintains records of energy resource consumption only within the organization; therefore, energy consumption outside the organization is not reflected in this Report.

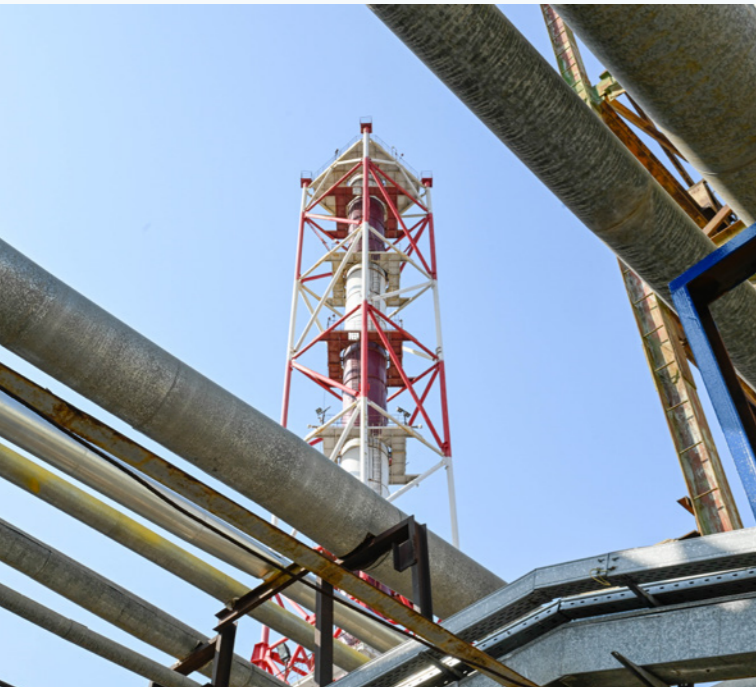


34. The calculation of the energy intensity indicator takes into account the types of energy and energy resources disclosed in Table 17.

## ATMOSPHERIC AIR PROTECTION

### GRI 3-3, 305-7

KMG considers air protection a priority for its environmental activities, given the direct impact of pollution levels on public health and the environment. As part of its environmental policy, the Company implements systematic measures to reduce pollutant emissions, introduces modern technological solutions and automated environmental monitoring systems, and consistently reduces gas flaring.



## Emissions Management and Equipment Upgrades

Reducing atmospheric emissions is one of KMG's environmental priorities. The company is implementing a range of measures aimed at modernizing equipment, implementing environmentally efficient technologies, and improving the energy efficiency of production processes.

This work includes a phased conversion of process equipment from fuel oil to natural gas, the use of new-generation additives, the modernization of burner systems, the optimization of operating modes, and the reduction of equipment runtimes. Additionally, measures are being implemented to clean exhaust gases, expand gas processing capacity, and construct corresponding facilities, thereby reducing air pollution. Regular production monitoring ensures the timely detection and elimination of potential leaks.

To reduce emissions of volatile organic compounds, KMG equips its oil and petroleum product storage tanks with floating roofs and pontoons, which minimize the formation of volatile fractions by eliminating free gas space.

## Modernization of production facilities

At the Atyrau Oil Refinery, the following measures have been implemented: the phased installation of internal floating covers on 60 pontoons at the tank farm, which effectively reduces hydrocarbon evaporative losses and VOC levels by 80-90%; the modernization of burner equipment (36 burners were replaced) at the EDP-AT-2 (Electric desalination plant, atmospheric-vacuum tube) units (2024); the introduction of additional heat exchange circuits at the EDP-AVT-3 units, which reduces fuel consumption by up to 30%; the dismantling of the REX oil trap and the closure of the open basins of the mechanical treatment facilities as part of the "Tazalyk" project, which reduced fugitive emissions and eliminated odor sources.

The comprehensive and systematic nature of the implemented measures, including modernization of the tank farm, updating process equipment, and eliminating accumulated environmental damage, has ensured a steady decline in emissions. As a result, from 2021 to 2025, Atyrau Oil Refinery LLP recorded a consistent reduction in pollutant emissions, confirming the effectiveness of the chosen environmental strategy and the Company's compliance with sustainable development principles.

In 2025, Pavlodar Oil Chemistry Refinery LLP replaced 12 heat exchanger tube bundles, reducing the risk of emissions from process fluid leaks. Eighteen new furnace burners were installed, reducing nitrogen oxide and carbon monoxide emissions. Hydromechanical and hydrodynamic cleaning of coils and transfer lines was performed to eliminate the risk of accidental emissions due to overheating and deposit accumulation. Boiler lining repairs were performed, including on the flue gas recovery steam boiler. As a result, equipment integrity was improved, heat loss was reduced, and unauthorized emissions into the atmosphere were prevented.

## Emission monitoring and automated control systems

KMG conducts comprehensive environmental monitoring, encompassing air quality, water resources, and soil cover. Industrial environmental monitoring is conducted on a regular basis, and measurement results are submitted quarterly to government regulatory authorities.

Particular attention is paid to monitoring air quality in areas where industrial facilities are located, including the use of permanent monitoring posts at the boundaries of sanitary protection zones. This allows for prompt response to changes in pollution levels and the implementation of corrective measures.

In accordance with the requirements of the Environmental Code of the Republic of Kazakhstan, effective January 1, 2023, automated emission monitoring systems (AFMs) will be implemented at Category I facilities, providing continuous, real-time emission monitoring and data transmission to government agencies. The AFMs are operational at Kazakhoil Aktobe LLP, Mangistaumunaigas JSC, Atyrau Oil Refinery LLP, Pavlodar Oil Chemistry Refinery LLP, and PetroKazakhstan Oil Products LLP; commissioning is nearing completion at Kazakhstan Petrochemical Industries LLP. The systems record concentrations of sulfur dioxide, nitrogen oxides, soot, and carbon monoxide, with data updated every 20 minutes.

The implementation of automated monitoring systems allows not only for monitoring emission levels but also for prompt adjustment of equipment parameters to further reduce negative environmental impacts.

## Emissions of pollutants into the atmosphere

### GRI 305-7

In 2025, KMG continued to implement environmental protection measures aimed at reducing pollutant emissions into the atmosphere. Total emissions amounted to 112.5 thousand tonnes, 3.7% lower than the 2024 level.

- nitrogen oxide (NOx) emissions amounted to 14.844 thousand tonnes, a decrease compared to the previous year;
- sulfur dioxide (SOx) emissions increased to 20.113 thousand tonnes, which is associated with changes in the operating modes of individual production units;
- carbon monoxide (CO) emissions decreased by 20% and amounted to 17.243 thousand tonnes due to the optimization of technological processes;
- the volume of other pollutants amounted to 60.320 thousand tonnes, demonstrating a steady decrease due to the implementation of environmental protection measures.

In 2025, the average specific nitrogen oxide (NOx) emissions for the KMG Group amounted to 0.36 tonnes per 1 thousand tonnes of hydrocarbon crude oil equivalent produced, compared to the IOGP average of 0.34. Therefore, the 2025 data show a decrease in emissions intensity compared to 2024, indicating an improvement in NOx emissions.

The average specific sulfur dioxide (SOx) emissions for the KMG Group of Companies in 2025 decreased compared to the previous year and amounted to 0.18 tonnes per 1 thousand tonnes of hydrocarbon raw materials produced in oil equivalent, with an average value for IOGP of 0.59.

**TABLE 21. VOLUME OF POLLUTANT EMISSIONS INTO THE ATMOSPHERE, THOUSAND TONNES <sup>35</sup>**

Volume of pollutant emissions into the atmosphere, thousand tonnes	2023	2024	2025
Nitrogen oxides (NOX)	15.27	15.22	14.84 <sup>A</sup>
Sulfur dioxide (SOX)	10.99	11.69	20.11 <sup>A</sup>
Carbon monoxide (CO)	22.96	21.50	17.24 <sup>A</sup>
Particulate matter (PM)	1.31	1.97	1.75 <sup>A</sup>
Other	68.93	66.38	58.57 <sup>A</sup>

**TABLE 22. SPECIFIC EMISSIONS OF POLLUTANTS**

Indicator	2023	2024	2025
Hydrocarbons production, t/1000 t.o.e. extracted hydrocarbons	2.2	2.2	2.1
Oil refining, t/1000 t of refined oil	3.0	2.9	2.5
Oil transportation, t/1000 t of transported oil	0.4	0.4	0.4

<sup>35</sup>. The Company does not emit persistent organic pollutants in its activities.

## Rational use of raw gas

KMG and its subsidiaries and affiliates operate in accordance with the principles of environmental responsibility, implementing a systematic approach to managing pollutant and greenhouse gas emissions. One of the Company's key priorities is reducing the flaring of raw gas in accordance with KMG's Environmental Policy and international approaches to sustainable development.

As part of its strategy to minimize raw gas flaring, KMG is consistently developing projects for its utilization and beneficial use. By the end of 2025, the raw gas utilization rate reached 98.8%. The flaring rate was 1.7 tonnes per 1 thousand tonnes of hydrocarbons produced.

The KMG Group's flaring rate remains 83% below the IOGP industry average of 10.0, demonstrating the high effectiveness of the measures being implemented.

The increase in flaring volumes in 2025 compared to the previous period is due to ongoing well testing and shutdown maintenance at the gas treatment plant in the Atyrau region. At the same time, the Company continues to implement measures aimed at further reducing gas flaring, including developing gas processing infrastructure and expanding its efficient utilization capabilities.

**TABLE 23. GAS FLARING VOLUME FOR 2023–2025**

Volume of raw gas flaring	2023	2024	2025
Total volume of raw gas flaring, million m <sup>3</sup>	33.35	35.2	43.94
Raw gas efficiency level, %	98.9	98.9	98.8
Raw gas combustion intensity, tonnes per 1,000 tonnes of extracted hydrocarbons	1.4	1.45	1.7

KMG participates in international initiatives aimed at reducing gas flaring. Since 2015, the Company has been a participant in the World Bank's "Zero Routine Flaring by 2030", which aims to phase out the regular flaring of associated petroleum gas and improve the efficiency of hydrocarbon resource use. As part of this initiative, KMG annually reports on its crude gas flaring volumes to the World Bank office in the Republic of Kazakhstan.

The Company is simultaneously implementing projects to process and integrate petroleum gas into production processes, including its use for heat and power generation. These projects reduce pollutant and greenhouse gas emissions and improve the energy efficiency of production facilities.

# WATER RESOURCES MANAGEMENT

## Management approach

GRI 3-3, GRI 303-1, GRI 303-2

In the face of climate change, water resources are becoming increasingly vulnerable, significantly impacting ecosystems, socioeconomic development, and public health. KMG recognizes its responsibility for the rational use of water resources and is implementing systemic measures aimed at reducing the negative impact of its production activities on aquatic ecosystems.

## Strategic approach to water resources management

KMG's approach to water resource management is based on international principles of sustainable development and aligns with UN Sustainable Development Goal 6, "Clean Water and Sanitation". The company strives to ensure rational and responsible water use and minimize water pollution.

In accordance with its Environmental Policy, KMG and its subsidiaries and affiliates consider water resource protection and the prevention of negative impacts on the aquatic environment among their key environmental priorities. The company consistently improves its water management processes, including implementing water conservation projects, expanding water recycling systems, and managing water shortage risks.

To systematize activities in this area, KMG has developed a 10-year Water Resources Management Program. The program aims to prevent water shortages, protect aquatic ecosystems, and reduce environmental impacts, as well as develop an effective water management system within the Company.

The program covers KMG's key operating subsidiaries and affiliates and includes an assessment of investment projects from a water use perspective. As part of its implementation, the Company's water footprint was analyzed, key water risks were identified, and recommendations for mitigating them were developed.

## Protection of water resources and rational water use

KMG is focused on reducing freshwater consumption and increasing the share of recycling and reuse of treated wastewater. To unify approaches to water resource management, a Corporate Water Resources Management Standard based on eight water principles was approved in 2018. This document regulates the activities of subsidiaries and affiliates in water

use and promotes increased management and staff engagement in water conservation.

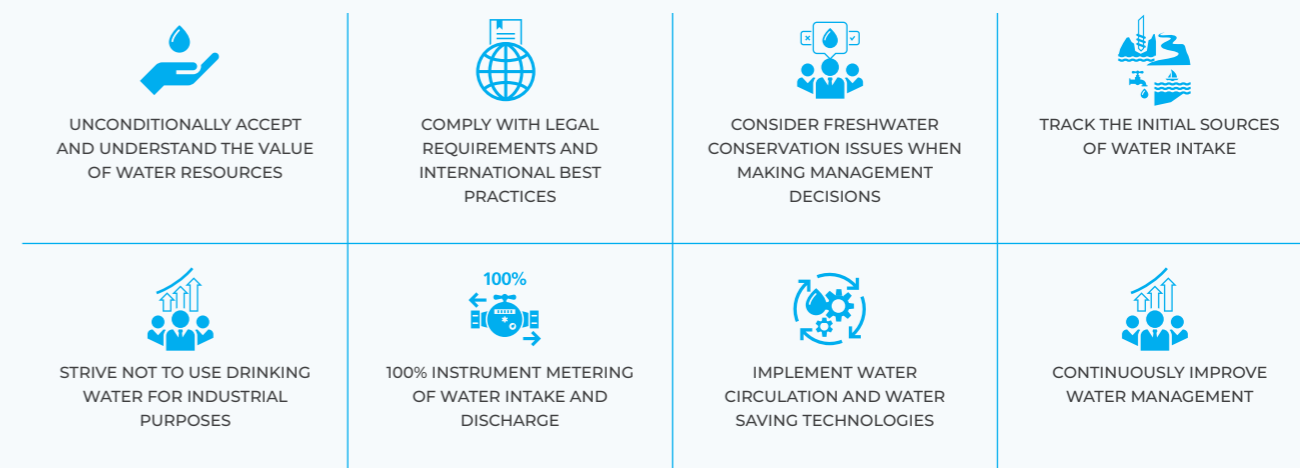
The Corporate Standard is planned to be updated in 2026, taking into account the new goals and priorities of the Water Resources Management Program.

## KMG water principles

Water is the basis of life, the source of all things existing. The stability and security of the state is determined by the abundance of clean fresh water, and the success and sustainability of business – by responsible, caring attitude to it. These principles express the Company's commitment and demonstrate its intention to conserve water resources for people, nature and well-being of current and future generations of our country.

We constantly use water – from daily needs to the extraction and processing of oil. And at the same time, within the daily routine, we must not forget how much water is priceless. Every employee of the Company can and should contribute to its preservation.

Chairman of the Management Board NC KazMunayGas JSC



KMG operates in accordance with international standards and the requirements of environmental and water legislation of the Republic of Kazakhstan. The Company has established and implemented processes for developing standards for permissible pollutant discharges, calculating impact indicators, and obtaining environmental permits, including discharge and water use permits.

## Monitoring and evaluation of water use

KMG ensures transparency of environmental activities by providing access to environmental information to shareholders, government agencies and the public.

Since 2020, the Company has been calculating its water footprint and annually disclosing water use data on the CDP platform as part of the Water Security Questionnaire. Based on the 2024 reporting, published in 2025, KMG's water management system received a rating of "C", corresponding to the Awareness Level. This level reflects the Company's processes for disclosing information and assessing water risks and forms the basis for further development and improvement of the maturity of its water management system.

KMG continues to implement measures to develop water-saving technologies and optimize the use of water resources, considering these areas as one of the key principles of sustainable development.



## Environmental and social projects in the field of water use

KMG and its subsidiaries and affiliates are implementing a range of environmental and social projects aimed at improving water use efficiency and reducing impacts on aquatic ecosystems. Key areas of focus include modernizing wastewater treatment facilities, developing water supply infrastructure in the regions where they operate, and implementing innovative technologies, including water desalination solutions.

### The "Tazalyk" project: modernization of treatment facilities of the Atyrau Oil Refinery LLP

One of the most significant environmental projects is the "Tazalyk" project, implemented by Atyrau Oil Refinery LLP. The project aims to comprehensively modernize the wastewater treatment system, including the reconstruction of mechanical and biological treatment facilities, evaporation fields, and the construction of a wastewater tertiary treatment unit.

The implementation of the project provides the following environmental effects:

- improving the quality of wastewater treatment;
- elimination of harmful fumes from open tanks;
- reducing the negative impact on the environment associated with the operation of evaporation fields.

The project increased the performance of mechanical wastewater treatment plants. Key achievements include:

- commissioning of two stages of reconstruction of mechanical treatment facilities (stage I – 2023, stage II – May 2024);
- increase in productivity to 1,000 m<sup>3</sup> per hour and growth in the volume of oil sludge processing to 12 thousand m<sup>3</sup> per month;
- the elimination of open pools, which made it possible to significantly reduce the evaporation of hydrocarbons.

Concurrently, measures are being implemented to reclaim evaporation fields, including drainage of areas, removal of vegetation, deep soil cultivation using biopreparations, and staged reclamation.

## Development of water infrastructure in the regions of presence

KMG prioritizes the development of water infrastructure in the regions where it operates, viewing the provision of high-quality water to the population as an important element of social responsibility and sustainable development. Two key infrastructure projects are being implemented in this area: the reconstruction of the Astrakhan-Mangyshlak main water pipeline and the construction of a desalination plant in Kenderli.

Reconstruction of the Astrakhan-Mangyshlak main water pipeline has been completed. The project aims to increase its capacity from 110,000 m<sup>3</sup>/day to 170,000 m<sup>3</sup>/day, ensuring a stable water supply for residents, agricultural facilities, industry, and oil and gas production enterprises in the Atyrau and Mangystau regions. The pipeline is the only centralized water supply source for several districts in the Atyrau region, as well as for the city of Zhanaozen and certain districts in the Mangystau region. Given the annual growth in water consumption by the population of 4-5%, the project's implementation plays a key role in strengthening the region's water security.

In 2025, KMG completed construction of the Kenderli seawater desalination plant, located near the city of Zhanaozen, with a design capacity of up to 50,000 cubic meters of drinking water per day. The project aims to ensure a sustainable water supply for the region's population, reduce the load on the Astrakhan-Mangyshlak main water pipeline, and improve the reliability of the Mangystau Region's infrastructure. The project created 91 permanent jobs, and up to 650 people were employed during construction.

## Innovative water purification and desalination technologies

KMG and its subsidiaries and affiliates are implementing innovative solutions in water treatment and desalination aimed at reducing freshwater consumption and increasing water efficiency.

Karazhanbasmunai JSC has completed a project to construct a desalination plant for produced water at the Karazhanbas field in the Mangystau region. Once fully operational, the plant will process up to 42,500 m<sup>3</sup> of produced water per day and produce up to 17,000 m<sup>3</sup> of desalinated water per day, thereby reducing freshwater withdrawals.

Results already achieved from the project implementation:

- in 2023, the volume of water intake was reduced by 2.6 million m<sup>3</sup>;
- in 2024 – by 4.07 million m<sup>3</sup> compared to 6.3 million m<sup>3</sup> in 2022,
- in 2025 – by 4.41 million m<sup>3</sup> compared to 6.3 million m<sup>3</sup> in 2022.

## Water purification and improving working conditions for employees

KazTransOil JSC has completed a project to install mobile water treatment stations at the Kalamkas Main Gas Oil Pumping Station and the Karazhanbas Oil Product Pumping Station. The project aims to provide workers with high-quality drinking water, improve working conditions, and enhance the social and environmental sustainability of production facilities.

The implementation of modern treatment plants has improved the Volga water to drinking quality in accordance with the sanitary requirements of the Republic of Kazakhstan. This has reduced the cost of centralized drinking water supplies and improved the environmental safety and sustainability of the facilities.

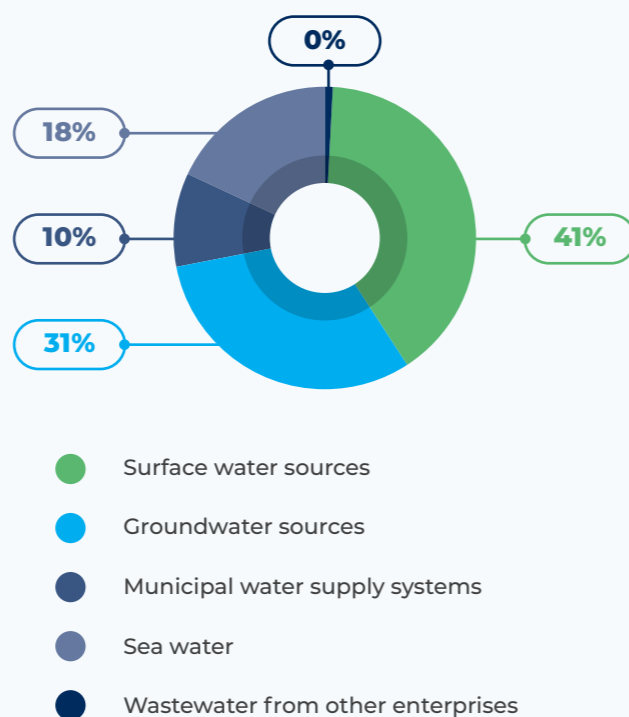
# Water footprint

## Water intake

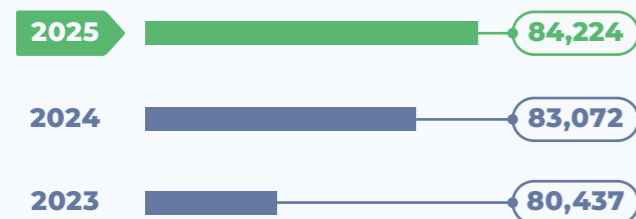
### GRI 303-3

In 2025, the total water abstraction of KMG amounted to 84.2 million m<sup>3</sup>. The main sources of water supply were surface water, accounting for 34.5 million m<sup>3</sup>, groundwater sources at 26.1 million m<sup>3</sup>, seawater at 15.4 million m<sup>3</sup>, as well as municipal water supply systems at 7.9 million m<sup>3</sup> and wastewater from other enterprises at 0.1 million m<sup>3</sup>. It should be noted that the total water abstraction volume is presented excluding formation water. More detailed information on water abstraction volumes including formation water is provided in Appendix E.

WATER INTAKE STRUCTURE BY SOURCES FOR 2025, %

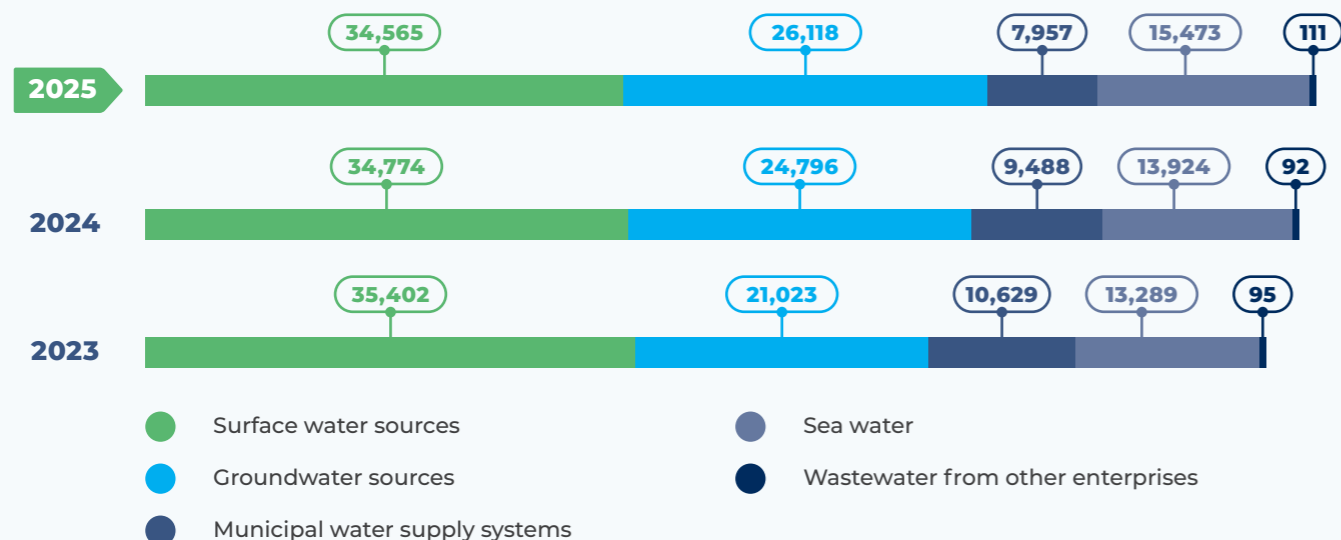


VOLUME OF WATER WITHDRAWN <sup>36</sup>, THOUSAND M<sup>3</sup>



STRUCTURE OF WATER INTAKE BY SOURCE IN 2025, THOUSAND M<sup>3</sup>

Water intake by KMG group of companies by according to sources, 84,224 thousand m<sup>3</sup>



36. Total volume of water withdrawn excluding formation water

Wastewater discharge and reuse According to data from the World Resources Institute (WRI), the Republic of Kazakhstan is classified as a region with a critical level of water scarcity, with a high level of water stress projected to persist over the next 15–20 years.

To assess potential risks, KMG conducts an analysis of water use at six subsidiaries operating in regions with elevated water stress levels, in accordance with the WRI Aqueduct methodology, including the basins of the Caspian Sea, the Syrdarya River, and the Ural River. In 2025, the total water abstraction in these regions amounted to 20.118 million m<sup>3</sup>.

To mitigate risks associated with water resource scarcity, KMG is implementing a set of measures aimed at reducing freshwater consumption, expanding closed-loop water supply systems, and strengthening water use monitoring. At the same time, the Company recognizes that access to water resources is a critically important factor for ensuring the sustainability

## Wastewater discharge and reuse

### GRI 303-4

In 2025, the total volume of wastewater discharged <sup>37</sup> across the KMG Group amounted to 10.2 million m<sup>3</sup>. Treated wastewater was directed to specialized facilities, including evaporation ponds, storage ponds, filtration fields, and reinjection facilities for disposal purposes. No direct discharge of wastewater into surface water bodies or onto land was carried out.

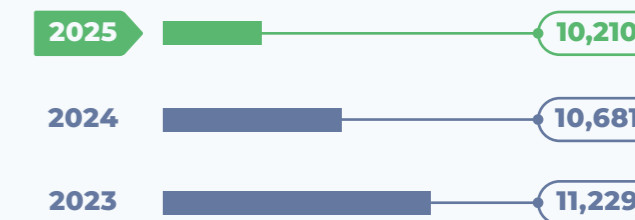
Enterprises that do not have their own storage or treatment facilities transfer wastewater for treatment to specialized external organizations. In 2025, the volume of wastewater transferred for external treatment amounted to 0.8 million m<sup>3</sup>, with all transferred wastewater characterized by a mineralization level exceeding 1,000 mg/l.

The total water abstraction volume also includes the water supplied by a subsidiary providing fresh technical water to consumers in the Atyrau and Mangystau regions, which amounted to 27.999 million m<sup>3</sup> in 2025. Of this volume, 21.995 million m<sup>3</sup> was not used by the KMG Group for its own domestic or industrial needs and was transferred to other parties for use.

37. Volume of water discharges excluding formation water

As a result, the total volume of wastewater disposal and water transferred to third parties without use by the KMG Group amounted to 32.205 million m<sup>3</sup> in 2025. It should be noted that the total wastewater disposal volume is presented excluding formation water. More detailed information on wastewater disposal volumes including formation water is provided in Appendix E.

VOLUME OF WATER DISCHARGES, THOUSAND M<sup>3</sup>



In 2025, the volume of wastewater discharged by KMG enterprises located in water-scarce regions amounted to 3.05 million m<sup>3</sup>, of which 0.029 million m<sup>3</sup> was transferred for treatment to specialized external organizations.

KMG considers wastewater not only as waste, but also as a potential resource for further use. Wastewater treatment facilities at the Company's enterprises are equipped with modern technologies for the removal of oil products and suspended solids. In particular, at oil refineries wastewater undergoes multi-stage treatment, including mechanical and physico-chemical treatment (in sand traps, oil separators, radial clarifiers and flotation units), followed by biological treatment.

One of the priority areas of KMG's water policy is the expansion of the reuse of treated wastewater. Treated water is used in technological processes, for irrigation of green areas, dust suppression at construction sites and roads, vehicle washing, as well as for replenishing fire-fighting systems.

In 2025, the volume of reused treated wastewater amounted to 9.7 million m<sup>3</sup>. A significant portion of this volume was used at oil refineries, totaling 5.2 million m<sup>3</sup>, which corresponds to approximately 38% of the total water abstraction of these enterprises.

In addition, during the reporting period, 528.02 million m<sup>3</sup> of water circulated within the closed-loop water supply systems of KMG's oil refineries, demonstrating the high efficiency of closed water cycles and a reduced need for freshwater abstraction.

### Water Consumption

#### GRI 303-5

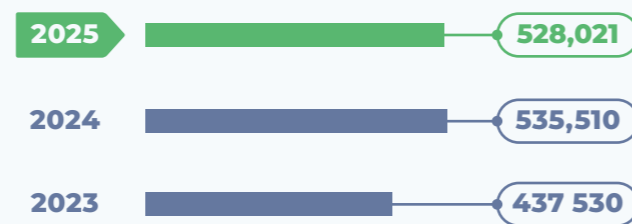
In 2025, KMG's total consumptive water use amounted to **56.397 million m<sup>3</sup>**. In 2025, the approach to calculating water consumption was refined to exclude volumes of water supplied to third parties by a subsidiary acting as a water supplier in the Atyrau and Mangystau regions.

More detailed information on water consumption including formation water is provided in **Appendix E**.

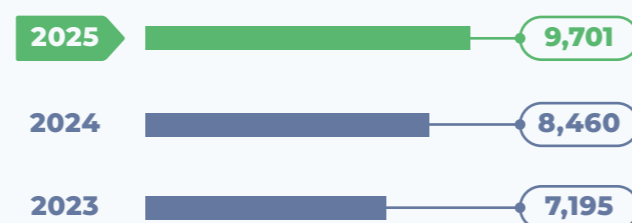
**TABLE 24. TOTAL WATER CONSUMPTION EXCLUDING FORMATION WATER**

	2023	2024	2025
Water consumption, million m <sup>3</sup>	80.437	83.072	56.397

#### VOLUME OF CIRCULATING (RECIRCULATED) WATER, THOUSAND M<sup>3</sup>



#### VOLUME OF REUSED (TREATED) WATER, THOUSAND M<sup>3</sup>

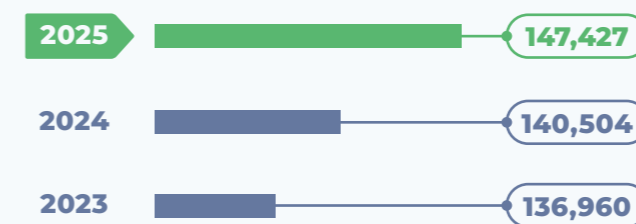


### Management of associated formation water in oil production

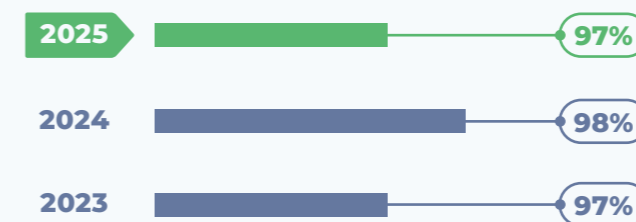
During oil production, significant volumes of associated formation water are generated and brought to the surface together with oil as part of a water-oil emulsion. At production facilities, the emulsion undergoes gravitational separation, after which the treated water is reinjected into the reservoir to maintain reservoir pressure.

In 2025, the total volume of associated formation water produced across the KMG Group amounted to 147.4 million m<sup>3</sup>, with 97% (143 million m<sup>3</sup>) of this volume reinjected into the reservoir. The achieved reinjection rate demonstrates the effectiveness of the associated formation water management system and enables a significant reduction in impacts on surface and groundwater resources.

#### VOLUME OF ASSOCIATED FORMATION WATER PRODUCED, THOUSAND M<sup>3</sup>



#### SHARE OF ASSOCIATED FORMATION WATER REINJECTED INTO THE RESERVOIR



### Environmental monitoring and protection of water bodies

KMG's production activities have the greatest environmental impact on the water bodies of the western region of the Republic of Kazakhstan, including the Ural and Kigach rivers, as well as the unique Kokzhide Sands ecosystem. These areas have high environmental, economic, and cultural significance.

To prevent adverse impacts on sensitive ecosystems, KMG implements a comprehensive environmental monitoring system that includes regular observation of environmental conditions and monitoring of water resource quality. The Company's activities in this area are carried out in accordance with the environmental legislation of the Republic of Kazakhstan and international principles of sustainable water use.



# WASTE MANAGEMENT AND LAND RECLAMATION

## GRI 3-3, 306-1, GRI 306-2

KMG's production activities generate various types of waste, including drilling waste, oil-contaminated waste, spent catalysts and chemical reagents, construction waste, used oils, and oily rags. In accordance with national environmental policy and KMG's Environmental Policy, the Company applies a systematic approach to waste management aimed at reducing waste generation, ensuring safe handling, and introducing environmentally sound technologies.

In 2024, the Waste Management Standard was approved, establishing unified requirements and step-by-step procedures for responsible units

of KMG subsidiaries. The document was developed to align KMG operations with the environmental legislation of the Republic of Kazakhstan and to improve the efficiency and transparency of the waste management system. In 2025, the Standard was implemented and is applied at production facilities of the subsidiaries as a mandatory internal regulatory document.



## Waste accounting and management system

### GRI 306-3, 306-4, 306-5

KMG exercises control over waste management at all stages of waste generation, accumulation, and disposal. The Company has implemented a system of separate waste collection based on the physical and chemical properties of waste and the volumes generated. Waste accounting data are submitted to the authorized state environmental authorities and recorded in the corporate HSE KMG information system.

Waste management processes include accumulation, disposal, recycling, or transfer of waste to specialized organizations that hold all required permits, including waste-processing licenses and valid environmental permits. To reduce environmental risks associated with waste transportation, KMG subsidiaries take measures to minimize transportation distances or to ensure waste processing directly at production sites.

Waste recycling and recovery activities carried out by specialized organizations are subject to oversight by KMG to ensure compliance with contractual terms,

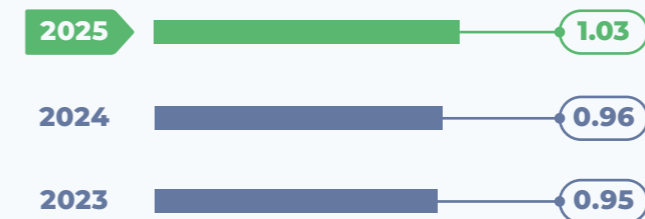
design specifications, and technical requirements. When necessary, control laboratory testing of recovered materials is performed.

In 2025, KMG's expenditures on oil waste remediation amounted to KZT 9.7 billion, of which KZT 3.8 billion related to historical oil waste.

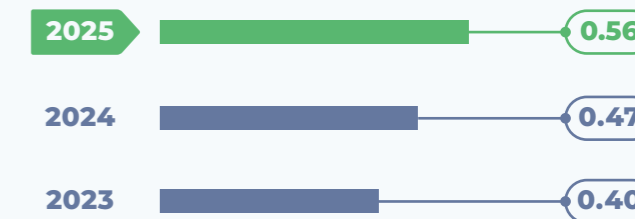
TABLE 25. WASTE GENERATED BY TYPE, THOUSAND TONNES <sup>38</sup>

Type of waste	2023	2024	2025
Hazardous waste	383.1	358.0	370.4 <sup>A</sup>
Non-hazardous waste	52.8	79.7	78.7 <sup>A</sup>
○ Ash-slag waste	-	-	-
○ Overburden	-	-	-
○ Other	52.8	79.7	78.7
<b>Total:</b>	<b>435.9</b>	<b>437.7</b>	<b>449.1 <sup>A</sup></b>

THE RATIO OF THE AMOUNT OF RECYCLED WASTE TO THE AMOUNT OF NEWLY GENERATED WASTE, T/T



THE RATIO OF THE AMOUNT OF RECYCLED WASTE TO THE AMOUNT OF ACCUMULATED AND NEWLY GENERATED WASTE, T/T



38. Waste is classified as hazardous and non hazardous in accordance with the Waste Classifier approved by Order No. 314 of the Acting Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated August 6, 2021.

## Remediation of Historical Contamination and Land Reclamation

KMG continues to implement programs for the disposal of historically accumulated oil-bearing waste and the restoration of contaminated land at the facilities of Mangistaumunaigas JSC, Ozenmunaigas JSC, Embamunaigas JSC and KazTransOil JSC.

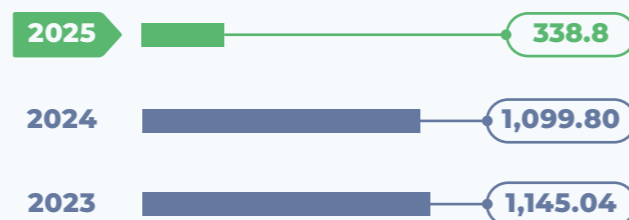
In 2025, about 338.8 thousand tonnes of historical waste were disposed of, reclamation of their territories was carried out and work began on clarifying the remaining volumes of oil-containing waste. The total area of reclaimed disturbed lands was 54.26 hectares.

Embamunaigas JSC has completed the cleanup of historically polluted lands within the boundaries of the contract territories and continues to eliminate pollution beyond them in accordance with the approved reclamation project and the positive conclusion of the State Environmental Assessment.

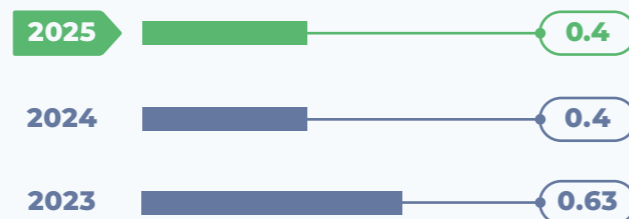
The implementation of these measures is part of KMG's systematic approach to waste management and restoration of disturbed lands and is aimed at reducing accumulated environmental damage, increasing the share of waste recycling and minimizing environmental impacts.



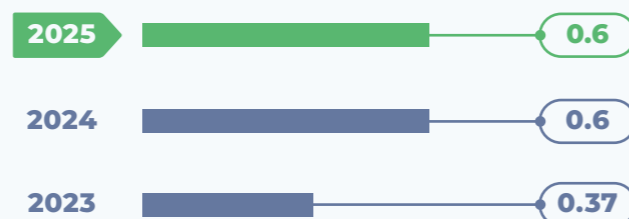
**HISTORICAL WASTE DISPOSED, THOUSAND TONNES**



**THE RATIO OF THE AREA OF POLLUTED LAND AT THE END OF THE YEAR TO THE BEGINNING OF THE YEAR, HA/HA**



**THE RATIO OF THE AREA OF RECLAIMED LAND DURING THE YEAR TO THE AREA OF POLLUTED LAND DURING THE YEAR, HA/HA**



## Decommissioning and Site Reclamation

In accordance with the legislation of the Republic of Kazakhstan and the terms of subsoil use contracts, KMG has legal obligations for the decommissioning and dismantling of production assets, as well as for the restoration of land areas at all fields. These obligations include the phased abandonment of non productive wells, dismantling of pipelines and production facilities, reclamation of contract territories, and remediation of environmental impacts.

The assessment of asset retirement obligations is carried out by the Company separately for each contract. As of December 31, 2025, the carrying amount of the KMG Group's provision for oil and gas asset retirement obligations amounted to KZT 142,314 million (as of December 31, 2024: KZT 142,009 million).

Procedures for the decommissioning and reclamation of contract territories are regulated by the Subsoil and Subsoil Use Code of the Republic of Kazakhstan and are implemented on the basis of approved project designs that have received positive expert reviews as required by law. Conservation of subsoil areas and technological facilities is also carried out in accordance with approved designs, except for certain categories of wells for which special rules apply. Requirements for well abandonment and conservation are established by the rules approved by Order No. 200 of the Minister of Energy of the Republic of Kazakhstan dated May 22, 2018.

For trunk oil and gas pipelines, in accordance with the Law of the Republic of Kazakhstan "On Trunk Pipelines", KazTransOil JSC is responsible for pipeline decommissioning upon completion of their service life and for undertaking environmental restoration activities, including land reclamation. A provision for these obligations is formed based on cost estimates for the relevant works. As of 31 December 2025, the carrying amount of the KMG Group's provision for pipeline decommissioning and land reclamation obligations amounted to KZT 24,053 million (as of December 31, 2024: KZT 37,405 million).

KMG continues to implement measures aimed at ensuring compliance with regulatory requirements and maintaining environmental safety during the decommissioning and reclamation of production facilities, consistently reducing the potential environmental impact of its operations.

## Management of offshore wells

In 2025, no well drilling activities were carried out in the Kazakh sector of the Caspian Sea.

Previously, together with strategic partners Eni and LUKOIL PJSC, geological exploration activities were completed at the "Zhenis" and "Abai" subsoil use blocks. With regard to the "Al Farabi" block, negotiations with LUKOIL PJSC are underway on the joint withdrawal of participants from the project and the termination of the contract.

In 2025, subsoil use contracts were signed for the "Zhylyoi" and "Bolashak" blocks, which are partially located in the Kazakh sector of the Caspian Sea. The contracts provide for the drilling of exploration wells within six years from the contract signing date. Given the high costs of offshore exploration, KMG seeks to share risks associated with exploration activities with international partners. In accordance with subsoil use contracts and joint operating agreements, all obligations related to offshore well management are delegated to specially established joint ventures.

Management decisions regarding drilling operations and offshore seismic surveys at joint ventures are taken by KMG and its partners within the framework of Supervisory Boards, Operating Committees, and their subcommittees (finance, technical, HSE, and procurement), in full compliance with international standards and the legislative requirements of the Republic of Kazakhstan. All duties related to offshore well management are detailed in the Operating Committee Regulations and the Joint Operating Agreement.

## Prevention and response to oil spills

KMG considers continuous preparedness for responding to emergency oil spills (OSR) as one of its key environmental safety priorities. Special attention is given to offshore operations in the Caspian Sea, whose ecosystem is highly vulnerable due to the enclosed nature of the basin.

During offshore oil and gas operations, the Company applies enhanced environmental requirements, including baseline environmental studies prior to the commencement of work, assessment of potential environmental and social impacts, as well as monitoring of emissions, impacts, and emergency events at all stages-before, during, and after the completion of operations.

Before the start of offshore drilling, KMG ensures full readiness of response teams and equipment for potential oil spill emergencies. Following the completion of operations, continuous environmental monitoring of abandoned wells is conducted, including monitoring of ambient air quality, the condition of seawater and seabed sediments, biodiversity assessments, laboratory sample analysis, and photo and video surveillance of wellheads.

During offshore operations, KMG strictly adheres to the following principles:

- ⦿ strict compliance with approved project solutions and environmental standards;
- ⦿ adherence to the “zero discharge” principle, requiring all waste and wastewater to be removed to shore;
- ⦿ equipping vessels with fish protection devices and strict prohibition of bilge water discharge;
- ⦿ prohibition of activities during the fish spawning season (from April 1 to July 15);
- ⦿ prohibition of fishing from production vessels within oil and gas operation zones;
- ⦿ limiting well testing and hydrocarbon flaring during nighttime hours;
- ⦿ compliance with special natural resource use regimes within offshore contract areas.

In 2025, a total of 587 incidents related to oil spills were recorded onshore, with a total spill volume of 622.7 tonnes. All spill cases were accounted for, regardless of volume or significance. The main causes of incidents included corrosion damage to oil pipelines, wear of steel pipes, and depressurization of collectors during hydrocarbon production and transportation. No offshore oil spills were recorded during the reporting year.

KMG implements a comprehensive system of measures aimed at reducing the number of accidents and failures of field pipelines, including regular diagnostics, reconstruction and replacement of equipment, the use of corrosion inhibitors, and pipeline cleaning. These measures contribute to improving the reliability and integrity of pipeline infrastructure.

KazTransOil JSC, in cooperation with law enforcement agencies, achieved the complete elimination of illegal taps into main oil pipelines. While two such incidents were recorded in 2019 with a total loss of KZT 6.4 million, no incidents were reported during 2020–2025. This result was achieved through enhanced monitoring by mobile teams equipped with GPS tracking, regular patrols of pipeline routes, and the deployment of the Optosense monitoring system.

KMG continues to improve its systems for the prevention and response to emergency oil spills, considering this area an unconditional priority and a key element in ensuring environmental safety and the sustainability of its operations.

## BIODIVERSITY PROTECTION

### Management Approach

**GRI 3-3, 101-2, 101-5, 101-6**

KMG is committed to biodiversity conservation and reducing impacts on ecosystems in line with the Company’s Environmental Policy. In its activities, KMG follows the principles of responsible environmental stewardship and implements measures aimed at preventing, minimizing, and mitigating the adverse effects of its operations on the natural environment.



**TABLE 26. COMPENSATION AND RESTORATION MEASURES FOR BIOLOGICAL RESOURCES**

Subsidiaries and Affiliates	Project	Expenditures, thousand KZT
Kalamkas Khazar Operating LLP	Fish stocking of the Ural River	106,737
Main Water Pipeline LLP	Fish stocking of the Kigach River	57,740
Isatay Operating Company LLP	Construction or reconstruction of fish reproduction facility infrastructure	35,408

### KMG's Principles and Commitments

In the area of biodiversity conservation, the Company adheres to the following key principles:

- ◉ refraining from activities within specially protected natural areas that are of critical importance for the habitats of rare and endangered species; when planning activities in environmentally sensitive areas, preliminary risk assessments are conducted;
- ◉ applying the impact management hierarchy, which includes avoidance, minimization, restoration, and compensation of potentially significant impacts;
- ◉ participating in scientific research programs and industry partnerships aimed at developing and implementing innovative solutions in the field of environmental protection and biodiversity conservation;
- ◉ enforcing a strict prohibition on illegal hunting, fishing, and any other unauthorized use of natural resources by Company employees or contractors within contract territories.

In 2025, KMG developed a long term Biodiversity Conservation Program covering all enterprises within the KMG Group and providing for a comprehensive approach to ecosystem protection and sustainable management. Approval of this document is planned for 2026.

### Monitoring and Assessment of Ecosystem Impacts

Baseline environmental studies, as well as drilling and well testing activities, have been carried out at sites located within the state protected zone of the Northern Caspian. According to the monitoring results, the current level of anthropogenic impact is assessed as minor and does not have a significant effect on animal and bird migration routes.

The main impact factors associated with offshore operations include:

- ◉ temporary increases in suspended solids concentrations during construction activities;
- ◉ changes in seabed sediment characteristics resulting from vessel traffic;
- ◉ noise impacts generated during drilling and facility operation.

To monitor the state of the environment, KMG conducts production environmental monitoring, including surveillance of abandoned wells, as well as scientific research in the fields of hydrology, hydrochemistry, hydrobiology, and ichthyology. These studies form part of a broader set of compensatory measures aimed at mitigating the unavoidable impacts on aquatic biological resources.

### CASE STUDY



Main Water Pipeline LLP carried out fish stocking activities in the Kigach River, releasing 52.167 thousand sturgeon fingerlings to support the conservation of biodiversity in the Caspian Sea and its coastal zone.

For the same purpose, in 2025 Kalamkas Khazar Operating LLP released 183.3 thousand juvenile fish into the Ural River as part of its compensatory measures.

Isatay Operating Company LLP compensated for damage to fish resources and other aquatic fauna by implementing measures that included transferring a compensatory amount intended for the construction of infrastructure for a fish reproduction facility or for the reconstruction of an existing fishery reproduction complex, totaling KZT 35,408.112 thousand.



**TABLE 27. COVERAGE OF SITES BY ENVIRONMENTAL ASSESSMENT, BIODIVERSITY MEASURES, AND MONITORING WITHIN ONSHORE AND OFFSHORE OPERATIONS**

Indicator	Onshore operations			Offshore operations		
	2023	2024	2025	2023	2024	2025
Sites where biodiversity aspects are covered by an EIA or an equivalent assessment (%)	100	100	100	100	100	100
Sites where regular environmental monitoring is conducted (%)	100	100	100	100	100	100
Sites with abandoned wells where regular monitoring of abandoned wells is carried out (%)	100	100	100	100	100	100



## Impact of power transmission lines on avifauna

One of the environmental aspects associated with production activities is the risk of bird mortality caused by collisions with power transmission lines and electrocution. This issue is particularly relevant for steppe and semi desert areas, where the limited presence of tree vegetation encourages bird, including raptor species, to use transmission line poles as resting and nesting sites.

KMG conducts monitoring of areas with an elevated risk of impacts on avifauna, including the identification of potentially hazardous zones as part of dedicated studies and production environmental monitoring. To mitigate adverse effects, the Company implements a set of preventive measures, including the installation of visual markers on power transmission lines and the application of other technical solutions designed to protect bird species.

## Strategic Approach to Biodiversity Conservation

KMG undertakes biodiversity conservation activities both within and outside specially protected natural areas. The Company's approach includes:

- conserving and maintaining wildlife habitats and migration routes;
- minimizing and compensating for potential ecosystem impacts;
- reducing the area of disturbed land through restoration and reclamation measures.

To reduce impacts on biodiversity, KMG also implements measures to optimize the duration, intensity, and level of environmental disturbance associated with oil production and transportation processes.

The Company remains open to cooperation and the development of partnerships in the field of biodiversity conservation and invites stakeholders to submit proposals and initiatives at: [hse@kmg.kz](mailto:hse@kmg.kz)

## Protected Areas and Biodiversity in KMG's Regions of Operation

### Ecosystem of the Northern Caspian and Measures for Its Conservation

The Northern Caspian is the most biologically productive part of the Caspian Sea and is characterized by high ecological value. Approximately 25 fish species inhabit the region, including sturgeon species, which account for 70–80% of global stocks within the Caspian basin. The eastern part of the Northern Caspian, as well as the deltas of the Volga, Ural, and Emba rivers, form part of specially protected natural areas and are of critical importance for preserving Eurasian biodiversity.

The Northern Caspian lies along the Siberian–Black Sea–Mediterranean migration route and serves as a breeding, migration, and wintering habitat for more than 70 bird species, including rare species listed in the Red Book of the Republic of Kazakhstan. Protected bird species are present in the region's terrestrial ecosystems, with the steppe eagle being the most abundant.

The Caspian seal, an endemic species of the Caspian Sea, is the only large marine mammal in the region. Its life cycle is closely tied to the shallow waters of the Northern Caspian, where breeding and seasonal migrations occur.

### Protected Areas and Environmental Monitoring

KMG carries out comprehensive environmental monitoring across its contract areas, including assessments of flora and fauna, marine water quality, seabed sediments, and ambient air. Monitoring activities are conducted at the Isatai, Abai, and Al-Farabi blocks, which are located near specially protected natural areas and conservation zones of the Caspian Sea.

### Protected Areas in KMG's Regions of Presence

In the Mangystau region, the Ustyurt State Nature Reserve, the Kendyrli–Kayasan conservation zone, along with several wildlife sanctuaries and a regional natural park, are located. These areas were established to preserve rare and vulnerable animal and bird species, including the little bustard and the saker falcon.

In the Aktobe region, the state nature reserve Kokzhide–Kumzhargan is located, containing unique geological formations of national and international significance.

### Environmental Oversight in Oil Production Areas

KMG ensures rigorous environmental oversight at oil production facilities located near protected natural areas. Continuous environmental and groundwater monitoring is performed at the Urykhtau, Alibekmola, and Kozhasai fields. At the Karazhanbas field, regular monitoring of flora and fauna is conducted as part of production environmental control.



# COMPLIANCE WITH LEGAL REQUIREMENTS AND ENVIRONMENTAL COSTS

## Environmental Protection Expenditures

KMG's environmental expenditures include costs associated with ensuring compliance with environmental requirements and reducing the environmental impact of its operations, including:

- payment of environmental charges for permitted emissions;
- financing of environmental protection measures;
- environmental risk insurance;
- implementation of compensatory environmental activities;
- investments aimed at preventing and minimizing adverse environmental impacts.

In particular, the volume of investments in the processing of oil contaminated waste has tripled since 2015, reflecting the Company's consistent efforts to enhance waste management practices.

In 2025, KMG's total environmental protection expenditures amounted to KZT 26.4 billion. Key areas of financing included:

- waste recovery (preparation for reuse, recycling, and disposal), as well as remediation of legacy contamination;
- reclamation of oil contaminated land;
- production environmental monitoring, including marine environmental monitoring;
- modernization of treatment facilities to reduce pollutant emissions and discharges;
- repair and maintenance of treatment infrastructure;
- implementation of technical and organizational measures to reduce emissions, including the replacement and installation of burners and filters, use of catalysts, and other technological solutions.



## Compliance with Environmental Legislation

### GRI 2-27

KMG maintains a systematic approach to ensuring compliance with the environmental legislation of the Republic of Kazakhstan across all of its production facilities. This work includes the identification and analysis of potential non-compliances, assessment of environmental risks, and implementation of measures aimed at preventing violations of environmental protection requirements.

In 2025, the Company was subject to fines totaling KZT 74.01 million, of which KZT 1,409.245 million\* was paid. In addition, two cases of non-financial sanctions were recorded, underscoring the importance of adherence to environmental standards.

The Company continues its efforts to ensure compliance with environmental requirements, mitigate environmental risks, and implement Best Available Techniques (BAT) to minimize its environmental impact.

ENVIRONMENTAL FINES, KZT MILLION



\* On January 30, 2025, Mangistaumunaigas JSC paid fines imposed in 2024 in the amount of KZT 30,939.488 million. On October 10, 2025, by a ruling of the Judicial Board for Administrative Cases of the Mangistau Regional Court, the previously paid amount was returned to the budget of Mangistaumunaigas JSC due to the absence of elements of an administrative off.

## APPENDICES

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## APPENDIX A: ABOUT THE REPORT

### GRI 2-3, 2-4, 2-5, 2-14, 3-1

NC KazMunayGas JSC has been publishing sustainable development reports annually since 2008. Since 2012, reporting has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, ensuring a systematic, consistent, and comparable approach to the disclosure of information on the Company's activities.

This Sustainable Development Report has been prepared in accordance with the GRI Standards, including the industry specific GRI 11: Oil and Gas Sector 2021, and reflects the material economic, environmental, and social aspects of KMG's activities. The preparation process also took into account the requirements of the SASB industry standards for the oil and gas sector, as well as IFRS S1 "General Requirements for Disclosure of Sustainability related Financial Information" and IFRS S2 "Climate related Disclosures", ensuring alignment with international ESG and climate reporting practices.

The reporting period covers the 2025 calendar year, from January 1 to December 31, 2025. To ensure comparability and facilitate trend analysis, key indicators are presented for a number of previous years. Financial and production results are disclosed based on consolidated data of the KMG Group of Companies. The Report uses data from management reporting and audited consolidated financial statements of KMG prepared in accordance with International Financial Reporting Standards and published annually.

The reporting boundaries include KMG and its subsidiaries and affiliates in which the Company directly or indirectly owns 50% or more of voting shares (equity interests), as well as legal entities under KMG's control. A detailed description of the consolidation perimeter and disclosure specifics for individual indicators is provided in the relevant sections and appendices of the Report.

The Report preparation process is based on the GRI principles, including the identification of material topics taking into account the Company's impacts on the economy, the environment, and society, as well as the assessment of their significance for stakeholders. As part of the preparation process, the list of material topics was updated, risks and opportunities were analyzed, and stakeholder engagement was carried out. More detailed information on the sustainable development management process and approaches to stakeholder engagement is disclosed in the relevant section of the Report.

To confirm the reliability and credibility of the disclosed data, selected indicators in the Report are subject to independent external assurance. Indicators marked with the symbol "A" have undergone independent external assurance providing limited assurance in accordance with ISAE 3000 (Revised). The assurance service provider is selected through a competitive tender process in accordance with the procurement procedures of Samruk-Kazyna JSC. The independent assurance report is presented as part of this Report.

The Sustainable Development Report is approved by a resolution of the Board of Directors of KMG and communicated to stakeholders through publication on the official corporate website and distribution of a printed version. Electronic and interactive versions of the Report are available on the Company's official website in Kazakh, Russian, and English.

The preparation of this Report is aimed at ensuring transparency of KMG's activities, disclosing the Company's approach to managing ESG risks and opportunities, and informing stakeholders about strategic priorities and performance in the field of sustainable development and long term value creation.

## Reporting boundaries

### GRI 2-2

The reporting boundaries of NC KazMunayGas JSC encompass subsidiaries and affiliates in which KMG directly or indirectly holds 50% or more of the voting shares (ownership interest), or which are under operational control of the Company in accordance with applicable regulatory requirements and corporate agreements.

In 2025, changes to the reporting boundary were driven by corporate restructuring. KazMunayGas Exploration and Production JSC was excluded from the reporting perimeter following the liquidation of the legal entity, and Polymer Production LLP was also excluded due to a reduction of KMG's ownership interest to 40%. During the reporting year, Coöperatieve KMG EP U.A., which carries out holding investment activities, was included within the reporting boundary. The total number of subsidiaries included in the reporting perimeter amounted to 63 subsidiaries.

### Consolidated reporting

As of December 31, 2025, the consolidated financial statements of KMG include the following key entities:

- ⦿ KMG Karachaganak LLP
- ⦿ KazakhTurkMunay LLP
- ⦿ KMG Kashagan B.V.
- ⦿ Ozenmunaigas JSC
- ⦿ Embamunaigas JSC
- ⦿ Dunga Operating GmbH
- ⦿ KazTransOil JSC
- ⦿ National Maritime Shipping Company Kazmortransflot LLP
- ⦿ Cooperative KazMunayGas PKI U.A.
- ⦿ Atyrau Oil Refinery LLP
- ⦿ Pavlodar Oil Chemistry Refinery LLP
- ⦿ KMG International N.V.
- ⦿ KMG Drilling&Services LLP

The sustainability reporting boundary includes 15 joint ventures whose operational activities are controlled by the Company and which are accounted for using the equity method in KMG's consolidated financial statements in accordance with IFRS.

## Approach to the consolidation of non-financial indicators

The approach to consolidating non-financial indicators is based on the principle of operational control. For organizations included in the reporting perimeter for the relevant sections and indicators, data is accounted for in full (100%), without proportional distribution by shareholding.

### Reporting Boundaries for Foreign Subsidiaries and Affiliates

When defining the boundaries of sustainability reporting, the requirements of the national legislation of the Republic of Kazakhstan, as well as the Company's applicable internal regulatory documents, are taken into account. Accordingly, indicators for certain areas of sustainable development are consolidated primarily with respect to entities operating within the territory of the Republic of Kazakhstan. Foreign companies of the Group operating in other jurisdictions and subject to different regulatory requirements, as well as applying their own internal regulatory documents that differ from the Company's policies, are not included in the consolidation perimeter for certain indicators, including industrial safety and occupational health indicators, procurement practices, and environmental indicators, with the exception of greenhouse gas emissions. Detailed reporting boundaries for all indicators are presented in Table 28 "Reporting Boundaries".

The Company's main foreign asset is KMG International N.V., which operates in Europe and manages refining assets in Romania through Rompetrol Rafinare S.A. KMG International N.V., as well as Rompetrol Rafinare S.A. separately, publish their own sustainability reports prepared in accordance with applicable European regulatory requirements (ESRS/CSRD), available at: <https://www.rompetrol.com/group-reports>.

The Company consistently improves the processes for collecting and consolidating non-financial data across all subsidiaries. The Company estimates that the indicators for foreign subsidiaries and affiliates required for consolidation will be available on a comparable basis within the next three years.

With the exception of KMG International N.V., KMG has no other foreign subsidiaries and affiliates engaged in oil and gas production or refining as part of its core operations.

## Reporting boundaries by sections and indicators

The non-financial reporting sections are structured considering the specifics of KMG Group activities and include the following coverage scopes:

- ⦿ **Corporate Governance** – Includes all KMG subsidiaries and affiliates, regardless of ownership share.
- ⦿ **Financial and Operating Results** – Presented based on consolidated financial reporting prepared in accordance with International Financial Reporting Standards (IFRS).
- ⦿ **Human Resource Management** – Covers entities with the largest number of employees.
- ⦿ **Communities and Social Investments** – Applies to key subsidiaries involved in the implementation of social programs.
- ⦿ **Industrial Safety and Occupational Health** – Covers key production companies.
- ⦿ **Water Resource Management** – Involves enterprises with significant water use.
- ⦿ **Greenhouse Gas Emissions** – Includes the largest entities operating in oil and gas exploration, production, and processing.
- ⦿ **Air Emissions Control** – Covers entities with the highest emission volumes.
- ⦿ **Associated Gas Utilization** – Applies to companies with the most substantial volumes of associated petroleum gas.
- ⦿ **Energy Use and Efficiency** – Encompasses the most energy-intensive operations.
- ⦿ **Waste Management** – Includes the largest entities involved in oil and gas exploration, production, and processing.
- ⦿ **Biodiversity** – disclosures cover the Company's approach to managing biodiversity impacts, descriptions of the location and environmental context of sites with the most significant impacts, and qualitative characteristics of direct factors through which the Company's activities may affect ecosystems.







## APPENDIX B: GRI CONTENT INDEX

For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.



The service was performed on the English version of the report.

<b>Statement of use</b>	NC KazMunayGas JSC has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2025.
<b>GRI 1 used</b>	<b>GRI 1: Foundation 2021</b>
<b>Applicable GRI sector standard</b>	<b>GRI 11: Oil and Gas Sector 2021</b>

GRI Standard	Title of disclosure	Page	Omission / reason for omission and/or direct answers	GRI Sector Standard Ref. No.
<b>GRI 2: General Disclosures 2021</b>	<b>1. Organization and its reporting practices</b>			
	2-1 Organizational details	21		
	2-2 Entities included in the organization's sustainability reporting	222		
	2-3 Reporting period, frequency and contact point	221		
	2-4 Restatements of information	221		
	2-5 External assurance	221, 260		
	<b>2. Activities and workers</b>			
	2-6 Activities, value chain and other business relationships	28		
	2-7 Employees	124, 247, 248		
	2-8 Workers who are not employees	124, 247		
	<b>3. Governance</b>			
	2-9 Governance structure and composition	79		
	2-10 Nomination and selection of the highest governance body	82		
	2-11 Chair of the highest governance body	82, 83		
	2-12 Role of the highest governance body in overseeing the management of impacts	46, 84		
	2-13 Delegation of responsibility for managing impacts	46, 84		
	2-14 Role of the highest governance body in Sustainable Development Report	46, 221		
	2-15 Conflicts of interest	87, 96		
	2-16 Communication of critical concerns	88		
	2-17 Collective knowledge of the highest governance body	90		
2-18 Evaluation of the performance of the highest governance body	91			
2-19 Remuneration policies	91			
2-20 Process to determine remuneration	91			

	2-21 Ratio of annual total compensation	-	Information on remuneration of the Board of Directors is reflected in the KMG Annual Report for 2024 on the KMG website: <a href="https://www.kmg.kz/ru/investors/reporting/4">https://www.kmg.kz/ru/investors/reporting/4</a>	
	<b>4. Strategy, policies and practices</b>			
	2-22 Statement on sustainable development strategy	6, 8, 33, 44		
	2-23 Policy commitments	138		
	2-24 Embedding policy commitments	138		
	2-25 Processes to remediate negative impacts	94, 138		
	2-26 Mechanisms for seeking advice and raising concerns	94, 138		
	2-27 Compliance with laws and regulations	95, 259	Information unavailable/incomplete: information on administrative fines is currently unavailable or incomplete due to the absence of a centralized monitoring mechanism at the KMG Group level, which limits the organization's ability to collect comprehensive and consistent data. While environmental fines are disclosed, data for foreign subsidiaries remains incomplete due to differences in regulatory requirements and internal policies, resulting in limited comparability across entities. The organization is taking steps to enhance data collection and monitoring processes, with improved data availability and consistency expected in subsequent reporting periods.	
	2-28 Membership associations	118		
	<b>5. Stakeholder engagement</b>			
	2-29 Approach to stakeholder engagement	114		
	2-30 Collective bargaining agreements	135		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	48		
	3-2 List of material topics	50		

Greenhouse gas emissions				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	183		11.1.1
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	190	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies..	11.1.2
	302-2 Energy consumption outside the organization	-	Information unavailable. Energy consumption outside the organization is not recorded.	11.1.3
	302-3 Energy intensity	194	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.1.4
	302-4 Reduction of energy consumption	190, 192		
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	185		11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	185		11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	185		11.1.7
	305-4 GHG emissions intensity	185		11.1.8
Climate adaptation, sustainability and transition				
<b>GRI 3 Material Topics 2021</b>	3-3 Management of material topics	170		11.2.1
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	170	Climate risks are being identified; however, an assessment of their financial impacts is not currently conducted. The Company does not emit ozone depleting substances.	11.2.2
<b>GRI 305: Emissions 2016</b>	305-5 Reduction of GHG emissions	185, 192	Foreign subsidiaries are excluded due to the absence of comparable data caused by differences in regulatory requirements and internal policies.	11.2.3

Air emissions				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	196		11.3.1
<b>GRI 305: Emissions 2016</b>	305-6 Emissions of ozone-depleting substances (ODS)	-	Not applicable; The Company does not emit ozone-depleting substances	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	196, 198	Foreign subsidiaries are excluded due to the absence of comparable data caused by differences in regulatory requirements and internal policies.	11.3.2
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	-	Not applicable; no studies of this impact have been conducted in the Company	11.3.3
Waste				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	208		11.5.1
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	208		11.5.2
	306-2 Management of significant waste-related impacts	208		11.5.3
	306-3 Waste generated	208, 256	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.5.4
	306-4 Waste diverted from disposal	208, 256		11.5.5
	306-5 Waste directed to disposal	208, 256		11.5.6
Water and wastewater				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	200		11.6.1
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	200		11.6.2
	303-2 Management of water discharge-related impacts	200		11.6.3
	303-3 Water withdrawal	204, 254	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.6.4
	303-4 Water discharge	205, 254		11.6.5
	303-5 Water consumption	206, 254		11.6.6

Closure reclamation				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	123		11.7.1
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	123		11.7.2
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	128		11.7.3
<b>GRI 11: Oil and Gas Sector 2021</b>	Total monetary value of financial provisions created by the organization for decommissioning and site rehabilitation	211		11.7.6
Asset integrity and critical incident management				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	208		11.8.1
<b>GRI 306: Effluents and Waste 2016</b>	306-3 Significant spills	212		11.8.2
Occupational health and safety				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	147		11.9.1
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	154, 155, 158		11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	154,155		11.9.3
	403-3 Occupational health services	147, 158		11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	158		11.9.5
	403-5 Worker training on occupational health and safety	128, 158		11.9.6
	403-6 Promotion of worker health	158		11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	156, 158		11.9.8
	403-8 Workers covered by an occupational health and safety management system	147, 253	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.9.9
	403-9 Work-related injuries	147, 153, 154, 155, 156		11.9.10
	403-10 Work-related ill health	158		11.9.11

Employment practice				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	123		11.10.1
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	124, 127, 251		11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	133, 135		11.10.3
	401-3 Parental leave	124, 252		11.10.4
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	128, 252		11.10.6
	404-3 Percentage of employees receiving regular performance and career development reviews	130, 252		
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	-	Information unavailable/incomplete: information on purchases is currently unavailable, as procurement data is centrally managed by Samruk Kazyna JSC and is not fully accessible at the entity level. As a result, the organization is unable to disclose complete information for the reporting period. The organization is engaging with the central procurement function to obtain the required data, and partial availability of this information is expected in subsequent reporting periods.	11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	-	Information unavailable/incomplete: information on purchases is currently unavailable, as procurement data is centrally managed by Samruk Kazyna JSC and is not fully accessible at the entity level. As a result, the organization is unable to disclose complete information for the reporting period. The organization is engaging with the central procurement function to obtain the required data, and partial availability of this information is expected in subsequent reporting periods.	11.10.9
Non-discrimination and equal opportunities				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	123		11.11.1
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	133		
	202-2 Proportion of senior management hired from the local community	124, 133		11.11.2

<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	124, 247, 249, 250		11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	133	A country-by-country breakdown is not provided, as the Group's material economic activity is primarily carried out in the Republic of Kazakhstan.	11.11.6
<b>GRI 406: Non discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	138		11.11.7
<b>GRI 408: Child Labor 2016</b>	408-1 Units where there is a risk of child labor. Suppliers who may have the same problem	138		
Economic impacts				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of Material Topics	99		11.14.1
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed (EVG&D)	99	A country-by-country breakdown is not provided, as the Group's material economic activity is primarily carried out in the Republic of Kazakhstan.	11.14.2
	201-3 Defined benefit plan obligations and other retirement plans	134		
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	101, 144	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.14.4
	203-2 Significant indirect economic impacts	101	Information unavailable/incomplete: information on indirect economic impacts is currently incomplete, as the Company has not yet established a formal assessment methodology aligned with external reference points, stakeholder priorities, and relevant national and international standards, protocols, and policy agendas. As a result, the organization is not able to provide a comprehensive disclosure for the reporting period. The Company is in the process of developing appropriate assessment methodologies and processes, and the disclosure will be further expanded and updated in subsequent reporting periods.	11.14.5
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	108	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.14.6

Anti-corruption				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of Material Topics	96		11.20.1
<b>GRI 205: Anti corruption 2016</b>	205-1 Operations assessed for risks related to corruption	96	Information unavailable/incomplete: information on anti-corruption risk assessment and related training is currently incomplete due to limited access to comprehensive data, reflecting shortcomings in the existing data reporting system. As a result, the organization is not able to provide a complete disclosure for the reporting period. The Company is implementing improvements to its data reporting system to address these gaps, with full data availability expected within the next three years.	11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	96	Information unavailable/incomplete: information on anti-corruption risk assessment and related training is currently incomplete due to limited access to comprehensive data during the reporting period, reflecting gaps in data collection processes. In addition, data for foreign subsidiaries is unavailable or not comparable due to differences in applicable regulatory requirements and internal policies. The Company is taking steps to enhance its data collection and monitoring systems, with improvements planned over the next three years. Enhanced data availability and comparability are expected in subsequent reporting periods.	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	96	Foreign subsidiaries are excluded due to the absence of comparable data arising from differences in regulatory requirements and internal policies.	11.20.4

Biodiversity				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of Material Topics	213		11.4.1
<b>GRI 101: Biodiversity 2024</b>	101-1 Policies related to biodiversity	-	Not applicable; during the reporting period, the Company did not make any specific public commitments directly aligned with the 2030 and 2050 targets of the Kunming Montreal Global Biodiversity Framework.	11.4.2
	101-2 Management of biodiversity impacts	213		11.4.3
	101-3 Access to genetic resources and fair and equitable sharing of benefits	-	Not applicable; the Company's activities are not related to the use of genetic resources or to access and benefit sharing mechanisms.	
	101-4 Identification of biodiversity impacts	-	A formalized methodology for identifying the most significant impacts across the entire value chain has not been implemented as of the reporting date.	11.4.4
	101-5 Locations with biodiversity impacts	213, 258	Information unavailable/incomplete: information on the location, area, and environmental status of sites is disclosed; however, certain required elements are currently unavailable. Specifically, data on the proximity of sites to sensitive areas and classification in accordance with GRI 101 are not available. In addition, information on products and services within the value chain with the most significant impacts on biodiversity, as well as related mitigation actions, is not aggregated at the reporting level. As a result, the organization is not able to provide a complete disclosure for the reporting period. The Company is working to improve data aggregation and alignment with GRI requirements, with enhanced disclosure expected in subsequent reporting periods.	11.4.5

	101-6 Direct drivers of biodiversity loss	213	Information unavailable/incomplete: information on the location, area, and environmental status of sites is disclosed; however, certain required elements are currently unavailable or incomplete. Specifically, data on the proximity of sites to sensitive areas and classification in accordance with GRI 101 are not available. In addition, information on products and services within the value chain with significant impacts on biodiversity, as well as the countries/jurisdictions where related activities take place, has not been aggregated at the reporting level. As a result, the organization is not able to provide a complete disclosure for the reporting period. The Company is taking steps to improve data collection and aggregation processes, with enhanced data availability and alignment with GRI requirements expected in subsequent reporting periods.	11.4.6
	101-7 Changes to biodiversity	-	Systematized data on baseline ecosystem conditions and changes in ecosystem status, in line with the requirements of GRI 101 7, were not aggregated during the reporting period.	11.4.7
	101-8 Ecosystem services	-	The Company did not conduct a formal assessment of ecosystem services and their beneficiaries in accordance with the GRI 101 8 methodology.	11.4.8
<b>Local Communities</b>				
<b>GRI 3: Material Topics 2021</b>	3-3 Management of Material Topics	144		11.15.1
<b>GRI 413: Local communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	144		11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	144		11.15.3

Topics identified in the relevant GRI Sector Standards as non-material	
Topic	Explanation
<b>GRI 11: Oil and Gas Sector 2021</b>	
<b>Topic 11.12 Forced labor and modern slavery</b>	The risk of forced labor was assessed as relatively low
<b>Topic 11.13 Freedom of association and collective bargaining</b>	Although the topic was not identified as material, KMG provides detailed disclosure on collective bargaining agreements and engagement with trade unions. See the section "Human Capital Management and Development" (subsection "Trade Unions and Collective Bargaining Agreements")
<b>Topic 11.16 Land and resource rights</b>	The risk of violations of local communities' rights in the context of land use is assessed as relatively low
<b>Topic 11.17 Rights of Indigenous Peoples</b>	The regions in which the Company operates are characterized by low risks related to violations of Indigenous Peoples' rights
<b>Topic 11.18 Conflict and security</b>	The Company does not operate in conflict affected areas
<b>Topic 11.19 Anti competitive behavior</b>	Impacts related to anti competitive behavior were assessed as relatively low
<b>Topic 11.21 Payments to Government</b>	The Company strictly complies with the tax legislation of the Republic of Kazakhstan and international transparency standards. Accordingly, the Company annually publishes detailed information on tax payments in its Sustainable Development Report and on its official corporate website, including disclosures in accordance with GRI 207 "Tax" and the OECD BEPS Action 13 principles (Country by Country Reporting). As this disclosure is systematic, the topic "Payments to State" was not additionally identified as a priority in the materiality assessment process. See the section "Corporate Governance System" (subsection "Tax Policy and Payments to Governments")
<b>Topic 11.22 Public policy</b>	The Company does not make political contributions or other payments for political purposes

## APPENDIX C: SASB INDUSTRY-SPECIFIC METRICS

Topic	Code	Metric	Disclosure	Comments
Greenhouse Gas Emissions	EM-EP-110a.1	Total global Scope 1 emissions, methane share, share covered by regulations	185	
	EM-EP-110a.2	Total global Scope 1 emissions from: (1) flaring of hydrocarbons, (2) other combustion processes, (3) process emissions, (4) other venting emissions, (5) leaks	185	
	EM-EP-110a.3	Discussion of long-term and short-term management strategy or plan for Scope 1 emissions, reduction targets, and performance analysis	168	
Air Quality	EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), (4) particulate matter (PM <sub>10</sub> )	198	
Water Management	EM-EP-140a.1	(1) Volume of water withdrawn, (2) volume of water consumed; share of each in regions with high or extremely high-water stress	204	
	EM-EP-140a.2	Volume of produced water and returned water; share (1) discharged, (2) injected, (3) treated; hydrocarbon content in discharged water	205	
	EM-EP-140a.3	Share of hydraulic fracturing wells for which all chemicals used are disclosed		
	EM-EP-140a.4	Share of hydraulic fracturing sites where the quality of underground or surface water has deteriorated compared to baseline		
Biodiversity Impacts	EM-EP-160a.1	Description of environmental management policies and practices for active sites	161	
	EM-EP-160a.2	(1) Number and (2) total volume of hydrocarbon spills, (3) volume in the Arctic, (4) volume affecting shorelines with ESI indices 8-10, (5) volume recovered after spill	212	
	EM-EP-160a.3	Share of (1) proved and (2) probable reserves located near protected natural areas or habitats of endangered species	-	

Topic	Code	Metric	Disclosure	Comments
Safety, Human Rights, and Indigenous Rights	EM-EP-210a.1	Share of (1) proved and (2) probable reserves near conflict zones	-	Company does not operate near conflict zones
	EM-EP-210a.2	Share of (1) proved and (2) probable reserves near indigenous land	-	Company does not operate near indigenous land
	EM-EP-210a.3	Discussion of engagement processes and comprehensive assessment of impacts on human rights, indigenous rights, and activities in conflict zones	141	
Community Relations	EM-EP-210b.1	Discussion of the process for managing risks and opportunities related to the rights and interests of local communities	141	
	EM-EP-210b.2	(1) Number and (2) duration of non-technical delays		
Worker Health and Safety	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) nearmiss frequency rate (NMFR), (4) average hours of health, safety, and emergency response training for (a) employees and (b) contractors	153	
	EM-EP-320a.2	Discussion of management systems aimed at integrating safety culture throughout the exploration and production lifecycle	148	
Reserves Evaluation and	EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to projected price scenarios accounting for carbon emissions costs	-	At the moment, such studies are not being conducted
	Capital Expenditures	Estimated CO <sub>2</sub> emissions contained in proved hydrocarbon reserves	-	At the moment, such studies are not being conducted
	EM-EP-420a.3	Volume of investments in renewable energy, revenue from renewable energy sales		
	EM-EP-420a.4	Discussion of the impact of oil prices, demand, and climate regulations on capital investment strategy in exploration, acquisition, and asset development	-	At the moment, such studies are not being conducted

Topic	Code	Metric	Disclosure	Comments
Business Ethics and Transparency	EM-EP-510a.1	Share of (1) proved and (2) probable reserves in countries with the 20 lowest positions in Transparency International's Corruption Perceptions Index	-	The company does not operate in the specified regions
	EM-EP-510a.2	Description of the management system to prevent corruption and bribery throughout the value chain	96	
Legal and Regulatory Environment Management	EM-EP-530a.1	Discussion of corporate positions on government regulations or proposals concerning environmental and social factors affecting the industry	47	
Critical Incident Risk Management	EM-EP-540a.1	Process safety incident rate (PSE) for significant loss of primary containment (LOPC) Level 1 events		
	EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and emergency risks	151	
Operational Metrics	EM-EP-000.A	Production of: (1) crude oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	2, 248	
	EM-EP-000.B	Number of offshore fields	249	
	EM-EP-000.C	Number of onshore fields	249	

## APPENDIX D: DISCLOSURE ALIGNED WITH IFRS S2

Component	IFRS S2 Requirement	Disclosure Requirement	Information Disclosed in the Report	Report Section / Reference
Governance	S2.6(a)(i-v)	The role of the Board of Directors and its committees in overseeing climate-related risks and opportunities, including the frequency of consideration, agenda topics, management reporting, and whether relevant performance indicators are incorporated into remuneration policies	Oversight by the Board of Directors of climate-related risks and opportunities, approval of the Low-Carbon Development Program 2060 (LCDP-2060), targets, and investment priorities	Climate risk and opportunity management system
Governance			Review of climate-related matters by the relevant committee (HSESDC), regularity of oversight, management reporting, and monitoring of indicators	Climate risk and opportunity management system
Governance			Integration of climate-related ESG KPIs into the executive remuneration system	Climate risk and opportunity management system
Governance	S2.6(b)(i-ii)	Role of executive management, including responsibilities, authority, and governance processes	Role of the Management Board and executive management in the implementation of the LCDP-2060, including the allocation of responsibilities	Climate risk and opportunity management system
Strategy	S2.10 (c-d)	Identification of time horizons (short-, medium-, and long-term)	Definition of short-, medium-, and long-term planning horizons	Climate risk and opportunity management system
Strategy	S2.10(a-b)	Identification of climate-related risks and opportunities	Identification of physical and transition climate-related risks and opportunities	Climate risk and opportunity management system
Strategy	S2.13(a-b)	Impact of climate-related risks and opportunities on the business model, strategy, and financial planning	Impact of climate-related factors on the business model and strategy	Climate risk and opportunity management system
Strategy	S2.16(c-d)		Impact on financial and investment planning, including capital expenditures (CAPEX)	Climate risk and opportunity management system
Strategy	S2.14(a)(i-v)	Transition plan and decarbonization measures	Transition plan (LCDP-2060), decarbonization pathways and key measures	Climate risk and opportunity management system
Strategy	S2.14(b)	Implementation of key actions and projects	Implementation of projects related to energy efficiency, RES, methane reduction, CCUS, hydrogen, SAF, offsets, and water	Climate risk and opportunity management system; key projects within the climate strategy (LCDP-2060)

Component	IFRS S2 Requirement	Disclosure Requirement	Information Disclosed in the Report	Report Section / Reference
Strategy	S2.15(a,b)	Current and expected financial effects of climate factors	Current and expected financial effects of climate risks and regulation (ETS, penalties, insurance)	Climate risk and opportunity management system
Strategy	S2.16(a,c,d)	Expected financial effects across time horizons	Expected short, medium-, and long-term financial impacts	Climate risk and opportunity management system
Strategy	S2.16(b)	Risk of material adjustments to carrying amounts in the next reporting period	Qualitative assessment of sensitivity to changes in assumptions and regulatory developments	Climate risk and opportunity management system
Strategy	S2.22(a-b)	Scenario analysis and strategy resilience	Scenario analysis under the LCDP-2060 (RCP/NGFS), resilience of the development strategy and asset portfolio	Climate risk and opportunity management system
Risk Management	S2.25(a)	Processes for identifying, assessing, and priority setting of climate-related risks	Integration into ERM; data sources; prioritization criteria; regular updates of the risk register	Climate risk and opportunity management system
Risk Management	S2.25(b)	Processes for identifying, assessing, priority setting, and monitoring climate-related opportunities	Risk response and mitigation measures (RES, LDAR, CCUS, infrastructure adaptation)	Climate risk and opportunity management system
Risk Management	S2.25(c)	Extent and manner of integration of processes for identifying, assessing, priority setting, and monitoring climate-related risks and opportunities into the entity-wide risk management process	Monitoring and control, MRV, ACM, regulatory management reporting	Climate risk and opportunity management system
Risk Management	S2.25(c)	Integration of processes into the overall risk management system	Integration of climate-related risks into ERM, budgeting, and investment processes	Climate risk and opportunity management system
Metrics and Targets	S2.29(a)(i-vi)	Greenhouse gas emissions - Scope 1, Scope 2, Scope 3; boundaries, methodology, and assumptions	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions; consolidation boundaries, calculation methodologies, MRV	Greenhouse gas emissions

Component	IFRS S2 Requirement	Disclosure Requirement	Information Disclosed in the Report	Report Section / Reference
Metrics and Targets	S2.29(b)	Assets or activities exposed to physical risks	Assets/operations exposed to physical climate-related risks, qualitative information (without quantitative shares)	Climate Risk and Opportunity Management System
Metrics and Targets	S2.29(c)	Exposure to transition risks	Assets/operations exposed to regulatory and market changes (carbon regulation, ETS, ACM requirements)	Climate risk and opportunity management system
Metrics and Targets	S2.29(d-e)	CAPEX/OPEX directed at managing climate-related risks and opportunities	Investments in decarbonization, adaptation, and low-carbon technologies	Climate risk and opportunity management system;
Metrics and Targets	S2.29(f)(i-ii)	Internal carbon price (type, level, coverage, review)	Use of an internal carbon price in investment appraisal	Emissions reduction targets
Metrics and Targets	S2.29 (g)(i)	Description of how climate-related factors are taken into account when determining executive remuneration	Integration of climate-related ESG KPIs into the executive remuneration system	Climate change and low-carbon development
Metrics and Targets	S2.33-S2.35	Emissions reduction targets and progress metrics	Quantitative climate targets (2031/2060), baseline year, monitoring and progress tracking	Greenhouse gas emissions reduction targets
Metrics and Targets	S2.36(e)	Use of carbon credits/offsets	Approach to the use of carbon credits and offset projects (including removals)	Key projects within the climate strategy (LCDP-2060)

## APPENDIX E: ADDITIONAL INFORMATION

### Production Performance Indicators

TABLE 29. KEY PRODUCTION INDICATORS

Key Production Indicators	Unit	2023	2024	2025
<b>Oil and Gas Sector</b>				
Crude Oil and Gas Condensate Production	thousand tonnes per year	23,532	23,837	26,211
Crude Oil and Gas Condensate Production (per day)	thousand tonnes per day	64.471	65.128	71.811
Natural and Associated Gas Production	million m <sup>3</sup> per year	9,459	9,554	11,450
Natural and Associated Gas Production (per day)	thousand m <sup>3</sup> per day	25,915	26,125	31,370
Number of Drilling Sites (ownership share over 50%)	quantity	66	67	71
Oil and Gas Processing	thousand tonnes	19,593	19,158	20,980
<b>Production of Petroleum Products, including:</b>	<b>thousand tonnes</b>	<b>18,183</b>	<b>17,949</b>	<b>19,708</b>
Gasoline	thousand tonnes	5,628	5,566	6,264
Fuel oil	thousand tonnes	2,011	1,697	1,278
Vacuum gas oil (VGO)	thousand tonnes	179	258	0
Paraxylene	thousand tonnes	26	108	60
Diesel fuel	thousand tonnes	6,460	6,446	7,615
Benzene	thousand tonnes	23	28	36
Coke	thousand tonnes	630	630	692
Liquefied gas	thousand tonnes	878	883	1,107
Sulfur	thousand tonnes	108	102	126
Jet fuel	thousand tonnes	792	985	1,131
Furnace oil	thousand tonnes	38	18	0
Bitumen	thousand tonnes	574	557	772
Commercial crude oil	thousand tonnes	242	201	203
Feedstock for carbon black	thousand tonnes	9,542	0	0

Light naphtha	thousand tonnes	1	1	4
Propylene	thousand tonnes	117	83	82
Other	thousand tonnes	468	388	338
Installed processing capacity	thousand tonnes per day	75.8	75.8	76.5
<b>Oil transportation, including:</b>	<b>thousand tonnes</b>	<b>80,359</b>	<b>83,478</b>	<b>83,330</b>
via trunk pipelines	thousand tonnes	69,581	70,309	72,629
via maritime transport (tankers)	thousand tonnes	10,778	13,169	10,701

TABLE 30. INFORMATION ON THE NUMBER OF FIELDS

Indicator	2023	2024	2025
Total number of fields, units	66	67	71
Number of onshore fields, units	66	67	71
Number of offshore fields, units	0	0	0

### Social indicators

TABLE 31. INDICATORS OF WORKFORCE STRUCTURE AND HEADCOUNT AS OF DECEMBER 31 OF THE REPORTING YEAR, GRI 2-7, GRI 2-8, GRI 405-1

Indicator	2023		2024		2025		
	Men	Women	Men	Women	Men	Women	
<b>Headcount</b>	<b>48,196</b>		<b>49,243</b>		<b>48,714<sup>A</sup></b>		
By job categories	AMP	1,954	1,886	1,816	1,986	1,874 <sup>A</sup>	1,997 <sup>A</sup>
	PP	37,264	7,092	38,304	7,137	37,952 <sup>A</sup>	6,891 <sup>A</sup>
Outstaffing	3,209		3,357		3,321 <sup>A</sup>		
Under civil contracts	153		264		189 <sup>A</sup>		

**TABLE 32. WORKFORCE STRUCTURE AND HEADCOUNT INDICATORS BY CONTRACT TYPE AND WORKING TIME, GRI 2-7**

Indicator for 2025		Total	By contract type		By working hours	
			Permanent employees	Temporary employees	Full-time employment	Part-time employment
<b>Total</b>		<b>48,714</b>	<b>47,776</b>	<b>938</b>	<b>48,622</b>	<b>92</b>
By gender groups	Men	39,826	39,127	699	39,761	65
	Women	8,888	8,649	239	8,861	27
Abai Region		0	0	0	0	0
Akmola Region		0	0	0	0	0
Aktobe Region		876	863	13	876	0
Almaty Region		0	0	0	0	0
Atyrau Region		11,181	11,019	162	11,163	18
West Kazakhstan Region		349	319	30	349	0
Zhambyl Region		0	0	0	0	0
Zhetysu Region		607	602	5	607	0
Karaganda Region		638	636	2	636	2
Kostanay Region		0	0	0	0	0
Kyzylorda Region		161	146	15	161	0
Mangystau Region		21,805	21,413	392	21,783	22
Pavlodar Region		3,205	3,176	29	3,201	4
North Kazakhstan Region		0	0	0	0	0
Turkistan Region		0	0	0	0	0
Ulytau Region		462	460	2	461	1
East Kazakhstan Region		0	0	0	0	0
Astana city		2,126	2,069	57	2,118	0
Almaty city		0	0	0	0	0
Shymkent city		565	547	18	562	3
Outside the Republic of Kazakhstan		6,739	6,526	213	6,705	34

**TABLE 33. INDICATORS RELATED TO EMPLOYEES WITH DISABILITIES, GRI 405-1**

Indicator	2023			2024			2025		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Number of employees with disabilities	360	50	410	459	102	561	466	103	569 <sup>A</sup>
The Republic of Kazakhstan	355	47	402	428	95	523	431	90	521
Abai Region	1	-	1	1	0	1	0	0	0
Akmola Region	-	-	-	0	0	0	0	0	0
Aktobe Region	5	3	8	6	4	10	4	3	7
Almaty Region	-	-	-	0	0	0	0	0	0
Atyrau Region	91	12	103	107	20	127	111	25	136
West Kazakhstan Region	1	-	1	2	0	2	1	0	1
Zhambyl Region	-	-	-	0	1	1	0	0	0
Zhetysu Region	2	-	2	4	0	4	8	1	9
Karaganda Region	9	-	9	4	1	5	4	1	5
Kostanay Region	-	-	-	0	0	0	0	0	0
Kyzylorda Region	-	-	-	3	1	4	1	0	1
Mangystau Region	223	29	252	263	51	314	274	43	317
Pavlodar Region	7	-	7	15	6	21	13	6	19
North Kazakhstan Region	-	-	-	0	0	0	0	0	0
Turkistan Region	-	-	-	3	0	3	0	0	0
Ulytau Region	1	1	2	5	2	7	2	1	3
East Kazakhstan Region	0	0	0	0	0	0	0	0	0
Astana city	12	2	14	15	8	23	13	10	23
Almaty city	1	-	1	0	0	0	0	0	0
Shymkent city	2	-	2	0	1	1	0	0	0
Outside the Republic of Kazakhstan	5	3	8	31	7	38	35	13	48

**TABLE 34. INDICATORS OF WORKFORCE STRUCTURE AND HEADCOUNT BY JOB CATEGORIES, GRI 405-1**

Indicator		2025		
		AMP	PP	
<b>Headcount by job categories</b>		<b>persons</b>	<b>3,871</b>	<b>44,843</b>
By gender groups	Men	persons	1,871	37,952
		%	48	85
	Women	persons	1,997	6,891
		%	52	15
By age groups	Under 30	persons	200	5,111
		%	5	11.4
	30-50	persons	2,788	25,670
		%	72	57.2
	Over 50	persons	884	14,062
		%	23	31.4

**TABLE 35. INDICATORS OF THE STRUCTURE AND HEADCOUNT OF THE MANAGEMENT BOARD MEMBERS**

Indicator		2025	
		Men	Women
<b>Headcount of Management Board members</b>		<b>8</b>	<b>1</b>
By age groups	Under 30	-	-
	30-50	6	1
	Over 50	2	
Number of Management Board members who are citizens of the Republic of Kazakhstan	Number	9	
	Share, %	100	

**TABLE 36. EMPLOYEE HIRING AND TURNOVER INDICATORS, GRI 401-1**

Indicator	Hires, persons	Terminated employment contracts, persons	Employee turnover, %
<b>Total</b>	<b>3,619</b>	<b>3,209</b>	<b>6.59</b>
<b>By age groups</b>			
Under 30	1,107	547	1.12
30-50	2,094	1,388	2.85
Over 50	418	1,274	2.62
<b>By gender groups</b>			
Men	2,789	2,541	6.4
Women	830	668	7.5
<b>By region</b>			
The Republic of Kazakhstan	2,520	2,335	4.79
Abai Region	0	0	0.00
Akmola Region	0	0	0.00
Aktobe Region	47	59	0.12
Almaty Region	0	0	0.00
Atyrau Region	694	551	1.13
West Kazakhstan Region	18	46	0.09
Zhambyl Region	0	0	0.00
Zhetysay Region	25	28	0.06
Karaganda Region	42	98	0.20
Kostanay Region	0	0	0.00
Kyzylorda Region	22	31	0.06
Mangystau Region	882	839	1.72
Pavlodar Region	258	222	0.46
North Kazakhstan Region	0	0	0.00
Turkistan Region	0	0	0.00
Ulytau Region	16	16	0.03
East Kazakhstan Region	0	0	0.00
Astana city	486	385	0.79
Almaty city	0	0	0.00
Shymkent city	30	60	0.12
Outside the Republic of Kazakhstan	1,099	874	1.79

**TABLE 37. MATERNITY LEAVE, GRI 401-3**

Indicator		2025		
		Men	Women	Total
<b>Maternity Leave</b>				
Number of employees entitled to maternity or childcare leave (in accordance with the Labour Code of the Republic of Kazakhstan)	persons	39,823	8,891	48,714
Number of employees who took maternity leave and childcare leave	persons	42	433	475
Number of employees who returned to work after maternity/paternity leave	persons	17	270	287
Number of employees who returned to work after maternity/paternity leave in the previous year and remained employed after 12 months	persons	21	225	246
Number of employees scheduled to return to work after maternity/paternity leave in the reporting year*	persons	22	274	296
Return-to-work rate	%	77	99	97
Retention rate	%	124	83	86

**TABLE 38. TRAINING AND PERFORMANCE EVALUATION INDICATORS, GRI 404-1, GRI 404-3**

Indicator		2023	2024	2025	
Investment in training	million KZT	4,115.7	5,109.7	5,193.2	
Total training hours	hours	1,658,649	1,730,860	1,654,306	
Average training hours per employee per year	hours	18	35	34 <sup>A</sup>	
By gender groups	Men	hours	16	37.5	35 <sup>A</sup>
	Women	hours	27	24.5	30 <sup>A</sup>
By job categories	AMP	hours	17	43	34 <sup>A</sup>
	PP	hours	18	34.5	34 <sup>A</sup>
Number of employees who received regular performance and career development evaluations (performance appraisal)	persons	15,050	17,980	11,136	
By gender groups	Men	persons	11,809	15,381	8,940
	Women	persons	3,241	2,599	2,196
By job categories	AMP	persons	1,269	1,570	1,220
	PP	persons	13,781	16,411	9,916
GRI 404-3. Share of employees who received regular performance and career development evaluations	%	32%	36.5%	23%	

**TABLE 39. OCCUPATIONAL HEALTH AND SAFETY SYSTEM INDICATORS, GRI 403-8**

Indicator	2023	2024	2025
<b>Occupational Health and Industrial Safety Management System</b>			
Number of subsidiaries (including the parent company) holding ISO 45001:2018 certification whose occupational health and industrial safety management systems have undergone internal audits	27	29	24
Number of employees and percentage of the Company's total workforce covered by the Company's occupational health and industrial safety management system (employees) <sup>39</sup>	38,176	40,354	40,722 <sup>A</sup>
	%	%	84% <sup>A</sup>
Number of individuals and percentage of the Company's total workforce covered by the Company's occupational health and industrial safety management system (non-employees)	n/a	n/a	3,126 <sup>A</sup>
	n/a	n/a	89% <sup>A</sup>

**TABLE 40. EXPENDITURES ON ENSURING COMPLIANCE WITH INDUSTRIAL SAFETY REQUIREMENTS, KZT BILLION**

	2023	2024	2025
Amount of funds spent to ensure compliance with industrial safety requirements, including by area:	29.9	23.45	32.01
Occupational health and safety	14	7.2	13.63
Fire safety	9.5	4.1	11.19
Industrial safety	3.7	10.1	5.7
Training	0.9	1.79	1.42
Other	1.8	0.26	0.07

39. Starting from 2025, the methodology for calculating the indicator was refined: the calculation is based on the number of employees of subsidiaries certified under the ISO 45001 occupational health and safety management system. In previous reporting periods, the indicator was calculated based on the Company's total headcount (GRI 2-7). Accordingly, the data for 2023 and 2024 were restated to ensure comparability

## Environmental indicators

### Water resource management indicators

GRI 303-3, GRI 303-4, GRI 303-5

TABLE 41.

Indicator	2023	2024	2025
Total water withdrawal excluding formation water, thousand m <sup>3</sup>	80,437	83,072	84,224
Total water withdrawal, including formation water, thousand m <sup>3</sup>	217,397	223,557	231,651
Total volume of wastewater discharge excluding formation water, thousand m <sup>3</sup>	10,457	10,512	32,205 <sup>40</sup>
Total wastewater discharge including formation water, thousand m <sup>3</sup>	144,080	148,375	175,254
Water consumption, thousand m <sup>3</sup>	80,437	83,072	56,397

TABLE 42.

Structure of water withdrawal, discharges and water use as of the end of 2025, thousand m <sup>3</sup>	All regions	Water-scarce regions
Total Water Withdrawal, thousand m <sup>3</sup>	23,651 <sup>A</sup>	20,118 <sup>A</sup>
<b>By source:</b>		
Surface water sources	34,565	8
Groundwater sources	26,118	15,637
Sea water	15,473	1,017
Municipal water supply systems	7,957	3,441
Formation water	147,427	-
Water supplied by third-party organizations	111	15
<b>By water type:</b>		
Freshwater	36,282	5,398
Other water	195,368	14,720
<b>Total volume of water discharges, thousand m<sup>3</sup></b>	<b>175,254<sup>A</sup></b>	<b>3,049<sup>A</sup></b>

40. In 2025, the approach to calculating water consumption was refined to exclude volumes of water supplied to third parties by a subsidiary acting as a water supplier in the Atyrau and Mangystau regions. A volume of 21.995 million m<sup>3</sup> was excluded from the water consumption calculation and reflected in the wastewater discharge indicators.

By source:		
Surface waters	-	
Groundwater (injection)	143,049	
Artificial water bodies (evaporation ponds, storage ponds, and filtration fields)	9,402	
Transferred to third parties for treatment	808	
Transferred to third parties for use	21,995	
<b>By water type:</b>		
Freshwater	21,995	-
Other water	153,259	3,049
<b>Water consumption, thousand m<sup>3</sup><sup>41</sup></b>	<b>56,397<sup>A</sup></b>	<b>17,069<sup>A</sup></b>

TABLE 43.

Additional indicators	2023	2024	2025
Volume of reused (treated) water, thousand m <sup>3</sup>	7,195	8,460	9,701
Volume of circulating (recirculated) water, thousand m <sup>3</sup>	437,530	535,510	528,021
Volume of associated formation water produced, thousand m <sup>3</sup>	136,960	140,504	147,427
Share of associated formation water reinjected into the reservoir	97%	98%	97%

41. Water consumption is determined using a calculation method as the difference between water withdrawal (GRI 303-3) and water discharge (GRI 303-4).

## Waste Management

GRI 306-3, GRI 306-4, GRI 306-5

**TABLE 44. WASTE DIRECTED TO REUSE, RECYCLING OR RECOVERY** <sup>42</sup>

Waste directed to reuse, recycling or recovery, tonnes	2023			2024			2025		
	Within the Company	Outside the Company	Total	Within the Company	Outside the Company	Total	Within the Company	Outside the Company	Total
<b>Hazardous waste</b>	-	-	-	-	-	-	<b>20,734</b>	<b>104,752</b>	<b>125,486</b> <sup>A</sup>
Preparation for reuse	-	-	-	-	-	-	0	22	22
Recycling	-	-	-	-	-	-	20,685	28,769	49,454
Other recovery operations	-	-	-	-	-	-	49	75,961	76,010
<b>Non-hazardous waste</b>	-	-	-	-	-	-	<b>30,462</b>	<b>40,476</b>	<b>70,938</b> <sup>A</sup>
Preparation for reuse	-	-	-	-	-	-	1,588	974	2,562
Recycling	-	-	-	-	-	-	0	3,723	3,723
Other recovery operations	-	-	-	-	-	-	28,874	35,779	64,653

42. In 2025, KMG optimized and revised its methodological approach to accounting for waste sent for reuse, recycling, and recovery / disposal by applying separate accounting for these categories. At the same time, waste categories were refined to improve the quality of classification and data transparency. Due to the absence of separate accounting in previous periods, comparisons with indicators from prior years are not provided. Starting from 2025, historical waste generated in previous periods has been excluded from the reporting boundary, and indicators are compiled exclusively for waste generated in the reporting period. Information on the volumes of historical waste generated in prior periods and accounted for as part of land remediation and other restoration activities is disclosed in the section "Elimination of Historical Contamination and Land Remediation".

**TABLE 45. WASTE DIRECTED TO DISPOSAL** <sup>43</sup>

Waste directed to disposal, tonnes	2023			2024			2025		
	Within the Company	Outside the Company	Total	Within the Company	Outside the Company	Total	Within the Company	Outside the Company	Total
<b>Hazardous waste</b>	-	-	-	-	-	-	<b>0</b>	<b>244,969.1</b>	<b>244,969.1</b> <sup>A</sup>
Incineration (with energy recovery)	-	-	-	-	-	-	0	0	0
Incineration (without energy recovery)	-	-	-	-	-	-	0	63,250.3	63,250.3
Landfilling	-	-	-	-	-	-	0	26.4	26.4
Other disposal operations	-	-	-	-	-	-	0	181,692.4	181,692.4
<b>Non-hazardous waste</b>	-	-	-	-	-	-	<b>1,347.8</b>	<b>20,964.7</b>	<b>22,312.5</b> <sup>A</sup>
Incineration (with energy recovery)	-	-	-	-	-	-	0	0	0
Incineration (without energy recovery)	-	-	-	-	-	-	0	13.8	13.8
Landfilling	-	-	-	-	-	-	0	11,348.7	11,348.7
Other disposal operations	-	-	-	-	-	-	1,347.8	9,602.2	10,950

43. In 2025, KMG optimized and revised its methodological approach to accounting for waste sent for reuse, recycling, and recovery / disposal by applying separate accounting for these categories. At the same time, waste categories were clarified to improve the quality of classification and data transparency. Due to the absence of separate accounting in previous periods, comparison with indicators from prior years is not performed. Starting in 2025, historical waste generated in previous periods has been excluded from the reporting boundary, and indicators are formed exclusively based on waste generated in the reporting period. Information on volumes of historical waste generated in prior periods and accounted for within land remediation and other restoration activities is disclosed in the section "Elimination of historical contamination and land remediation".

## Biodiversity Protection Indicators

**TABLE 46. LOCATION AND SCALE OF OPERATIONS IN RELATION TO KEY BIODIVERSITY AREAS**

Site	Location	Key Biodiversity Areas (KBAs)	Location in relation to KBAs	Contract area size (sq. km)	Impact mitigation plan
Urykhtau	Mugalzhar District, Aktobe Region	State Nature Complex Reserve of Local Significance Kokzhide-Kumzhargan	Partially overlaps the territory	240	Hydrogeological monitoring
Alibekmola and Kozhasai	Mugalzhar District, Aktobe Region	Kokzhide Sands, Kokzhide Groundwater	Located nearby	157	Hydrogeological monitoring
Isatai	Central part of the Kazakhstan Sector of the Caspian Sea (KSCS), Northern Mangystau Region	Special environmentally sensitive zone of KSCS	Located within the protected area	1,060	Seasonal baseline environmental studies, regular environmental monitoring
Abai	North-western part of the KSCS, Atyrau District	Special environmentally sensitive zone of the KSCS	Located within the protected area	1,234	Seasonal baseline environmental studies, regular environmental monitoring
Al-Farabi	Southern part of the KSCS, Mangystau Region	Environmentally sensitive zone of the KSCS	Does not intersect with KBAs	6,047	Seasonal baseline environmental studies, regular environmental monitoring
Kalamkas-Khazar	North-western part of the Caspian Sea	Special environmentally sensitive zone of the Kazakhstan Sector of the Caspian Sea (KSCS)	Located within the protected area	1,707	Seasonal baseline environmental studies, regular environmental monitoring

## Compliance with laws and regulations

### GRI 2-27

**TABLE 47.**

Compliance with laws and regulations	Unit of measurement	2023	2024	2025
<b>Total number of cases of non-compliance with environmental legislation, including:</b>	<b>units</b>	<b>40</b>	<b>51</b>	<b>32<sup>A</sup></b>
Cases involving fines	units	40	51	30 <sup>A</sup>
Cases involving non-monetary sanctions	units	0	0	2 <sup>A</sup>
<b>Total number of cases of non-compliance with environmental legislation for which fines were paid:</b>	<b>units</b>	<b>40</b>	<b>51</b>	<b>30<sup>A</sup></b>
Assessed in the reporting year	units	39	50	28 <sup>A</sup>
Assessed in previous reporting periods	units	1	1	2 <sup>A</sup>
<b>Total amount of fines paid for violations of environmental legislation:</b>	<b>thousand KZT</b>	<b>91,563</b>	<b>196,306</b>	<b>1,409,245<sup>A</sup></b>
Assessed in the reporting year	thousand KZT	85,937	195,118	74,007 <sup>A</sup>
Assessed in previous reporting periods	thousand KZT	5,626	1,188	1,335,238 <sup>A</sup>

**TABLE 48. ENVIRONMENTAL PROTECTION EXPENDITURES BY ACTIVITY TYPE**

	Unit of measurement	2023	2024	2025
<b>Implementation of technologies, including:</b>	<b>KZT million</b>	<b>7,448.6</b>	<b>3,586.7</b>	<b>1,988.82</b>
⊙ BAT (Best Available Techniques)	KZT million	0.0	-	194.22
⊙ ACS (Automated Control Systems)	KZT million	906.6	1,533.8	1,794.60
Forest-climate projects	KZT million	-	-	-
Energy efficiency	KZT million	-	-	-
Research and development	KZT million	363.3	1,555.7	2,458.17
<b>Emission payments, including:</b>	<b>KZT million</b>	<b>3,420.5</b>	<b>3,430.8</b>	<b>5,420.12</b>
⊙ Amount of standard emission payments (tax)	KZT million	3,411.0	3,429.6	5,419.91
⊙ Amount of payments for excess emissions	KZT million	9.5	1.2	0.21
Other	KZT million	45,848.3	36,867.6	16,601.36
<b>Total:</b>	<b>KZT million</b>	<b>57,727.5</b>	<b>45,440.8</b>	<b>26,468.47</b>

## APPENDIX F: INDEPENDENT PRACTITIONER'S REPORT



### Independent practitioner's limited assurance report on JSC NC KazMunayGas' selected consolidated sustainability information

To the Shareholders, Board of Directors, and Management of JSC NC "KazMunayGas":

#### Limited assurance conclusion

We have conducted a limited assurance engagement on the selected consolidated sustainability information of JSC NC "KazMunayGas" (the "Company") and its selected subsidiaries and joint ventures under operational control of the Company as at 31 December 2025 and for the year then ended that is disclosed and marked with symbol "A" in the Sustainability Development Report for 2025 and is summarised in Appendix 1 to this report (the "Selected consolidated sustainability information" and the "Sustainability Report" respectively).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected consolidated sustainability information is not prepared, in all material respects, in accordance with the applicable criteria as presented in Appendix 1 to this report (the "Applicable Criteria").

#### Emphasis of matter

We draw attention to the "Reporting boundaries" section in Appendix A to the Sustainability Report, including Table 28 "Reporting boundaries", which describes that the sustainability reporting boundaries include selected subsidiaries and joint ventures under operational control of the Company. Certain Selected consolidated sustainability information as specified in Table 28 contains information within the reporting boundaries limited to entities operating in the Republic of Kazakhstan but excludes the Company's foreign subsidiaries. Our conclusion is not modified in respect of this matter.

#### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioner's responsibilities section of our report.

#### Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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#### Other matter

The comparative Selected consolidated sustainability information of the Company and its selected subsidiaries and joint ventures under operational control of the Company as at 31 December 2024 and for the year then ended was assured by another practitioner whose limited assurance report, dated 30 April 2025, expressed an unmodified conclusion. Our conclusion is not modified in respect of this matter.

#### Responsibilities for the Selected consolidated sustainability information

Management of the Company is responsible for:

- the preparation of the Selected consolidated sustainability information in accordance with the Applicable Criteria;
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of the Selected consolidated sustainability information, in accordance with the Applicable Criteria, that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances;

Board of Directors is responsible for overseeing the Company's sustainability reporting process.

#### Inherent limitations in preparing the Selected consolidated sustainability information

Under the Applicable Criteria there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected consolidated sustainability information should therefore be read in conjunction with the methodology used by management as described in the Sustainability Report, and for which the Company is solely responsible.

As discussed in the footnote to Table 15 "GHG emissions metrics" in the Sustainability Report, greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

#### Practitioner's responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Selected consolidated sustainability information is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Selected consolidated sustainability information.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- determine the suitability in the circumstances of the Company's use of the Applicable Criteria as the basis for the preparation of the Selected consolidated sustainability information;
- perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control; and
- design and perform procedures responsive to where material misstatements are likely to arise in the Selected consolidated sustainability information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2



**Summary of the work performed**

A limited assurance engagement involves performing procedures to obtain evidence about the Selected consolidated sustainability information. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of where material misstatements are likely to arise in the Selected consolidated sustainability information, whether due to fraud or error.

In conducting our limited assurance engagement, we:

- obtained an understanding of the Company’s reporting processes relevant to the preparation of its Selected consolidated sustainability information;
- performed inquiries of relevant personnel on the Selected consolidated sustainability information; and
- conducted limited substantive testing on a sample basis on the Selected consolidated sustainability information.

**Restriction on distribution and use**

Our report is intended exclusively for the Shareholders, Board of Directors and Management of the Company in accordance with the agreement between us, to assist the management of the Company in reporting on the sustainability performance and activities of the Company and its selected subsidiaries and joint ventures under operational control of the Company and in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected sustainability information. The Selected sustainability information therefore may not be suitable, and is not to be used, for any other purpose.

We permit this report to be disclosed in the Sustainability Report, which will be published on the Company’s website.

The maintenance and integrity of the Company’s website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected consolidated sustainability information when presented on the Company’s website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

*PricewaterhouseCoopers Tax & Advisory LLP*

30 April 2026  
Astana, Kazakhstan.



**Annex 1 to the Independent practitioner’s limited assurance report dated 30 April 2026**

The Selected consolidated sustainability information for the year ended 31 December 2025 disclosed and marked with symbol “A” in the Sustainability Report and subject to limited assurance procedures together with the Applicable Criteria, comprising relevant GRI disclosure requirements of GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (the “GRI Standards”) and where necessary supplemented with management’s internally developed criteria are set out below:

#	Performance measure	Location	Criteria used as the basis of reporting (Applicable Criteria) *
1	Employees	Table 32	GRI 2-7 a-b.
2	Workers who are not employees	Table 31	GRI 2-8 a.
3	Compliance with laws and regulations	Table 47	GRI 2-27 a-b.
4	Collective bargaining agreements	IV.Social Responsibility, Section “Trade unions and collective agreements”, 3 <sup>rd</sup> paragraph	GRI 2-30 a.
5	Direct economic value generated and distributed	Table 3	GRI 201-1 a.
6	Financial assistance received from government	III. Economic Performance, Section “Economic Value Generated and Distributed”, 1 <sup>st</sup> paragraph	GRI 201-4 a.
7	Proportion of senior management hired from the local community	IV.Social Responsibility, Section “Workforce size and structure”, 4 <sup>th</sup> paragraph	GRI 202-2 a.
8	Infrastructure investments and services supported	IV.Social Responsibility, Section “Investments in the regions”, 4 <sup>th</sup> paragraph	GRI 203-1 a.
9	Significant indirect economic impacts	Table 4	GRI 203-2 a.
10	Proportion of spending on local suppliers	III. Economic Performance, Section “Procurement Practices”, last paragraph	GRI 204-1 a.
11	Communication and training about anti-corruption policies and procedures	III. Corporate Governance System, Section “Anti-Corruption”, last paragraph	GRI 205-2 a-b., d-e.
12	Confirmed incidents of corruption and actions taken	III. Corporate Governance System, Section “Anti-Corruption”, last paragraph	GRI 205-3 a-c.
13	Energy consumption within the organization	Table 17	GRI 302-1 a-e.
14	Energy intensity	Table 20	GRI 302-3 a.
15	Reduction of energy consumption	Table 19	GRI 302-4 a.
16	Water withdrawal	Table 42	GRI 303-3 a-c.
17	Water discharge	Table 42	GRI 303-4 a-c.
18	Water consumption	Table 42	GRI 303-5 a-b.
19	Direct (Scope 1) GHG emissions	Table 15	GRI 305-1 a.
20	Energy indirect (Scope 2) GHG emissions	Table 15	GRI 305-2 a.
21	Other indirect (Scope 3) GHG emissions	Table 15	GRI 305-3 a.
22	GHG emissions intensity	Table 16	GRI 305-4 a.
23	Reduction of GHG emissions	Table 19	GRI 305-5 a.
24	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Table 21	GRI 305-7 a.
25	Waste generated	Table 25	GRI 306-3 a.



#	Performance measure	Location	Criteria used as the basis of reporting (Applicable Criteria) *
26	Waste diverted from disposal	Table 44	GRI 306-4 a-c. and management's internally developed methodologies described in footnote to Table 44
27	Waste directed to disposal	Table 45	GRI 306-5 a-c. and management's internally developed methodologies described in footnote to Table 45
28	New employee hires and employee turnover	Table 36	GRI 401-1 a-b.
29	Parental leave	Table 37	GRI 401-3 a-e.
30	Workers covered by an occupational health and safety management system	Table 39	GRI 403-8 a.
31	Work-related injuries	Table 12, Table 13	GRI 403-9 a.
32	Average hours of training per year per employee	Table 38	GRI 404-1 a.
33	Diversity of governance bodies and employees	Table 33, Table 34. Table 35	GRI 405-1 a-b.
34	Ratio of basic salary and remuneration of women to men	IV.Social responsibility, Paragraph "Equality and non-discrimination in remuneration", 1 <sup>st</sup> paragraph	GRI 405-2 a.
35	Incidents of discrimination and corrective actions taken	IV.Social Responsibility, Section "Protection of Human Rights"	GRI 406-1 a.

\* In addition to the GRI disclosure requirements outlined in the table above, the Applicable Criteria also encompass reporting principles and additional recommendations for reporting as detailed in GRI 1.

## APPENDIX G: GLOSSARY

Abbreviation	Definition
<b>AA1000 SES</b>	AA1000 Stakeholder Engagement Standard
<b>ABAI</b>	Advanced Base and Artificial Intelligence
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>AIX</b>	Astana International Exchange
<b>AMES</b>	Automated Medical Examination System
<b>AMP</b>	Administrative and managerial staff
<b>API Spec Q2</b>	API Specification Q2
<b>AtJ</b>	Alcohol-to-Jet (Sustainable Aviation Fuel pathway)
<b>BAT</b>	Best Available Techniques
<b>CAPEX</b>	Capital Expenditures
<b>CCUS</b>	Carbon Capture, Utilization and Storage
<b>CDP</b>	Carbon Disclosure Project
<b>CFA</b>	Chartered Financial Analyst
<b>CFaR</b>	Cash Flow at Risk
<b>CEPI</b>	Caspian Environmental Protection Initiative
<b>CIT</b>	Corporate Income Tax
<b>CNPC</b>	China National Petroleum Corporation
<b>CNOOC</b>	China National Offshore Oil Corporation
<b>COP</b>	Conference of the Parties (UN Climate Conference)
<b>CRMS</b>	Corporate Risk Management System

Abbreviation	Definition
<b>EOR</b>	Enhanced Oil Recovery
<b>EIA</b>	Environmental Impact Assessment
<b>EBITDA</b>	Earnings Before Interest, Taxes, Depreciation and Amortization
<b>EPC</b>	Engineering, Procurement and Construction
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	Environmental, Social and Governance
<b>ETS</b>	Emissions Trading System
<b>FAR</b>	Fatal Accident Rate
<b>FEED</b>	Front-End Engineering Design
<b>FID</b>	Final Investment Decision
<b>GHG Protocol</b>	Greenhouse Gas Protocol
<b>GMI</b>	Global Methane Initiative
<b>GJ</b>	Gigajoule
<b>GRI</b>	Global Reporting Initiative
<b>GFPP</b>	Gas-Fired Power Plant
<b>GPP</b>	Gas Processing Plant
<b>GSC</b>	Gas Separation Complex
<b>GSS</b>	Geological Study of Subsoil
<b>HAZID</b>	Hazard Identification
<b>HAZOP</b>	Hazard and Operability Study
<b>HEFA</b>	Hydroprocessed Esters and Fatty Acids
<b>HR</b>	Human Resources

Abbreviation	Definition
<b>HRDD</b>	Human Rights Due Diligence
<b>HSE</b>	Health, Safety and Environment
<b>HSESDC</b>	Health, Safety, Environment and Sustainable Development Committee
<b>IAOT</b>	International Association of Oil Transporters
<b>IATA</b>	International Air Transport Association
<b>ICA</b>	International Compliance Association
<b>IEP</b>	Integrated Environmental Permit
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS S1</b>	General Requirements for Disclosure of Sustainability-related Financial Information
<b>IFRS S2</b>	IFRS Sustainability Disclosure Standard S2 (Climate-related Disclosures)
<b>ILO</b>	International Labour Organization
<b>IMEO</b>	International Methane Emissions Observatory
<b>INPEX</b>	INPEX Corporation
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>IPO</b>	Initial Public Offering
<b>IOGP</b>	International Association of Oil & Gas Producers
<b>IOSH</b>	Institution of Occupational Safety and Health
<b>ISO (9001/14001/37001/45001/50001/17025/14064/22000)</b>	International Organization for Standardization
<b>IWCF</b>	International Well Control Forum
<b>I REC</b>	International Renewable Energy Certificate
<b>JSC</b>	Joint Stock Company
<b>JV</b>	Joint Venture

Abbreviation	Definition
<b>KASE</b>	Kazakhstan Stock Exchange
<b>KMG</b>	KazMunayGas
<b>KPI</b>	Key Performance Indicator
<b>KRI</b>	Key Risk Indicator
<b>KZT</b>	Kazakhstan Tenge
<b>LCDP-2060</b>	Low-Carbon Development Program until 2060
<b>LDAR</b>	Leak Detection and Repair
<b>LLP</b>	Limited Liability Partnership
<b>LTIR</b>	Lost Time Injury Rate
<b>MOC</b>	Management of Change
<b>M&amp;A</b>	Mergers and Acquisitions
<b>MET</b>	Mineral Extraction Tax
<b>MRV</b>	Monitoring, Reporting and Verification
<b>MSCI</b>	Morgan Stanley Capital International
<b>MVCR</b>	Motor Vehicle Crash Rate
<b>NACE</b>	Nomenclature of Economic Activities
<b>N.V.</b>	Naamloze Vennootschap (NL)
<b>NCCER</b>	National Center for Construction Education and Research
<b>NCOC</b>	North Caspian Operating Company
<b>NDA</b>	Non-Disclosure Agreement
<b>NDC</b>	Nationally Determined Contribution
<b>NEBOSH</b>	National Examination Board in Occupational Safety and Health
<b>NGFS</b>	Network for Greening the Financial System
<b>NSA</b>	Non-Strategic Assets
<b>NWRF</b>	Non-Work-Related Fatalities

Abbreviation	Definition
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OGCI</b>	Oil and Gas Climate Initiative
<b>OGMP 2.0</b>	Oil and Gas Methane Partnership 2.0
<b>OGI</b>	Optical Gas Imaging
<b>OHS</b>	Occupational Health and Safety
<b>OPEX</b>	Operating Expenditures
<b>PE</b>	Polyethylene
<b>PECB ISO 31000</b>	PECB ISO 31000 Risk Manager (cert.)
<b>PP</b>	Production personnel
<b>PPA</b>	Power Purchase Agreement
<b>PMP</b>	Project Management Professional
<b>PPE</b>	Personal Protective Equipment
<b>PRMS (2P)</b>	Petroleum Resources Management System (Proved and Probable Reserves)
<b>PSM</b>	Process Safety Management
<b>PwC</b>	PricewaterhouseCoopers
<b>RCP 2.6/4.5/8.5</b>	Representative Concentration Pathway
<b>RES</b>	Renewable Energy Sources
<b>RoSPA</b>	Royal Society for the Prevention of Accidents
<b>SAF</b>	Sustainable Aviation Fuel
<b>S&amp;A</b>	Subsidiaries and Affiliates
<b>SASB</b>	Sustainability Accounting Standards Board
<b>SDG / SDGs</b>	Sustainable Development Goal(s)

Abbreviation	Definition
<b>Sinopec</b>	China Engineering Incorporation
<b>S&amp;P (Global Ratings)</b>	Standard & Poor's Global Ratings
<b>SME</b>	Small and Medium-sized Enterprises
<b>SPP</b>	Solar Power Plant
<b>SRS</b>	Samruk Research Services
<b>TCFD</b>	Task Force on Climate-related Financial Disclosures
<b>TCO</b>	Tengizchevroil
<b>TPA</b>	Terephthalic Acid
<b>TSR</b>	Total Shareholder Return
<b>TUMAR</b>	Industrial Safety Information System "TUMAR"
<b>UN</b>	United Nations
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>VAT</b>	Value Added Tax
<b>VaR</b>	Value at Risk
<b>VFD</b>	Variable Frequency Drive
<b>WEPS</b>	Women's Empowerment Principles
<b>WPP</b>	Wind Power Plant
<b>WRI</b>	World Resources Institute

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