

 <div><b>ҚазМұнайГаз</b> <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small></div>	JSC “National Company “KazMunayGas”	
Title: Corporate Standard “Uniform Occupational Safety Management System in the KazMunayGas Group”		
Document type: <b>IMS Corporate Standard</b>	No. <b>KMG-ST-3669.1-13</b>	Page <b>1 of 120</b>
Developed by: _____ B. Azhgaliyev ____ 2020	Checked by: K. Saktaganov _____ ____ 2020	Approved by the Resolution of the Board of Directors JSC NC “KazMunayGas” dated ____ 2020 Minutes No. ____

**Corporate Standard**  
**Uniform Occupational Safety Management System**  
**in the JSC NC “KazMunayGas” Group**


 <b>ҚазМұнайГаз</b> <small>NATIONAL COMPANY ҰЛТТЫҚ КОМПАНИЯСЫ</small>	<b>Corporate Standard “Uniform Occupational Safety Management System in the JSC NC “KazMunayGas” Group”</b>	
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## 1. PURPOSE, OBJECTIVES AND GENERAL

1.1. The purpose of the Corporate Standard “Uniform Occupational Safety Management System in the JSC NC “KazMunayGas” Group” (the Standard) is to practice and implement elements of the Health, Safety and Environmental Management System in the KMG Group.

1.2. The Standard defines priority health and safety (H&S) activities, structure and responsibility of all participants of the H&S management process, analysis and assessment of occupational and behavioral risks/hazardous and harmful occupational factors, hierarchy of controls, how to evaluate and review performance of the implemented activities to improve them.

1.3. The Standard is a part of the Health, Safety and Environment Management System in JSC NC “KazMunayGas” Group, and establishes requirements for occupational safety management system in the course of operational activities (requirements for preparation, adoption and implementation of solutions to conduct a series of administrative and technical, social and economical, sanitary and hygienic, medical and preventive, legal activities to improve work, prevent work-related injuries and occupational diseases).

1.4. The Standard contains and establishes detailed provisions, recommended practices and guidelines governing the uniform procedure of arranging and conducting the work to achieve the goals of safe and healthy working conditions, safe production, timely identification, eliminate and mitigate risks/hazardous and harmful occupational factors during work, health and performance of an employee in the process of work.

1.5. The Standard has been developed based on valid legal, industrial and regulatory documents of the Republic of Kazakhstan, national and international standards, best H&S practices of the International Association of Oil & Gas Producers (IOGP), and is an internal KMG document.


1.6. The Standard is intended to:

- 1) improve and integrate the H&S Management System at all levels of work;
- 2) make plans based on the identified risks/hazardous and harmful occupational factors affecting H&S, develop targets and schedules to achieve them;
- 3) establish the single procedure to train employees in safe work techniques;
- 4) comply with H&S requirements during design, construction, commissioning and operation of production facilities;
- 5) provide employees with Personal Protective Equipment (PPE);
- 6) ensure appropriate hygiene and sanitary working conditions;
- 7) make sure that incidents and accidents, near misses are timely and properly investigated and recorded, and eliminate their causes;
- 8) encourage employees to be more active and engaged in ensuring safe working conditions;
- 9) reinforce workplace discipline and morale;
- 10) make sure and control that employees follow OH&E guidelines, codes and instructions;
- 11) raise H&S responsibility of managers, engineers and technicians;
- 12) certify working conditions in production facilities;
- 13) review and take measures for continuous improvement.

1.7. H&S objectives are addressed by joint efforts of the KMG Board of Directors, KMG Management, Heads of Business Lines, Heads of Business Areas, Heads of Structural Units, CEOs of KMG Group Organizations and Line Managers according to their assigned roles and duties as established herein, and employee representatives as defined by the Labor Code of the Republic of Kazakhstan.

1.8. The main H&S governing bodies within the HSE Business Area in the KMG Group are the Committees:

- 1) at the KMG Group level: the KMG BoD Committee (HSE&SD Committee) headed by a member of the KMG Board of Directors;

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2) at the KMG Headquarters level: the KMG Committee headed by the Chairman of the KMG Board;

3) at the KMG Group Organization level: the KMG Group Organization Committee headed by Chief Executive Officer.

To optimize and make work more efficient at the KMG Group Organization level, various HSE committees, coordination boards and permanent commissions can be combined in a Committee unless it contradicts Statutory Requirements.

1.9. Supervision over compliance herewith and coordination of H&S activities shall be the responsibility of KMG H&E Department/HSE Service.

1.10. The HSE Service is equivalent to the main structural units of the KMG Group and reports directly to the CEO of the KMG Group Organization.

1.11. This Standard establishes H&S requirements; where sections of the Standard are interlinked with other HSE disciplines (responsibility, training, control and monitoring, management of hazardous and harmful occupational factors), such disciplines are appropriately referred to.

## 2. SCOPE

2.1. The requirements hereof are binding on employees of the KMG Group and contractors, and are applicable to all contractors of KMG Group Organizations, which provide services and carry out work, including any associated work and services for production facilities.


2.2. KMG Group Organizations may apply this Standard as established by developing and approving a similar Standard or bringing internal documents in line with the Standard. Requirements hereof shall not be made less stringent when included in similar standards and internal documents of the KMG Group Organization.

2.3. Where an international treaty ratified by the Republic of Kazakhstan establishes requirements other than those provided herein, the requirements of such international treaty shall apply.

## 3. DEFINITIONS AND ABBREVIATIONS

This Standard features the following definitions and abbreviations:


<b>KMG</b>	Joint-Stock Company “National Company “KazMunayGas”.
<b>KMG Group</b>	KMG and legal entities with fifty or more percent of voting shares (interests) directly or indirectly owned or held in trust by KMG, as well as legal entities whose activities KMG is entitled to control.
<b>KMG Management (Executives)</b>	Chairman and Members of the Board.
<b>Head of Business Line</b>	A Deputy Chairman of the Board leading a relevant Business Line: Exploration and Production, Oil Transportation and International Projects, Gas Transportation and Marketing, Refining and Petrochemistry, Strategy Investments and Business Development, Economics and Finance.
<b>Head of Business Area</b>	A Head of structural unit leading a relevant Business Area: Economics and Finance, Strategy, Human Resources Management, Corporate Security, Health and Environment, Legal, Risk Management, Transformation.
<b>Heads of Structural Units</b>	Directors of departments, divisions, services, supervision and analytical

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centers (which are not included as a part of the department).

<b>KMG Headquarters</b>	All KMG structural units, except for KMG branches and representative offices in Kazakhstan and abroad.
<b>H&amp;E Department</b>	Health and Environment Department of KMG.
<b>HSE Service</b>	A structural unit of the KMG Group Organization, which is responsible for HSE business or, if there is no such unit, an employee, who coordinates HSE activities of structural units within the KMG Group Organization.
<b>Structural unit</b> (as used herein)	An operating unit of the KMG Group Organization, which has dedicated, specific functions within the production process (production branches, administrations, central bases, representative offices).
<b>Statutory Requirements</b>	Requirements of legal regulations and concessions, including international conventions, standards and treaties, and interstate agreements.
<b>Committees</b>	Permanent advisory bodies of the KMG Board of Directors (HSE&SD Committee) / KMG / KMG Group Organization, which are intended to coordinate and monitor progress of the HSE Policy and Strategy implementation.
<b>HSE&amp;SD Committee</b>	Health, Safety, Environment and Sustainable Development Committee of the KMG Board of Directors.
<b>Development strategy</b>	A long-term strategic planning document, which contains the Statement of KMG Mission, Vision, Strategic Goal, Strategic KPIs and Strategic Initiatives.
<b>Policy</b> (as used herein)	Intentions and areas of development of the organization as officially worded by Top HSE Management of KMG.
<b>HSE</b>	Health, Safety and Environment business area, which includes such areas as: occupational safety, health and workplace hygiene, workplace sanitation, industrial, fire and transportation safety, emergencies, environment protection (emissions, discharges and waste management), rational use of natural resources (water, flora and fauna).
<b>Line manager</b> (as used herein)	Managers, engineers and technicians of KMG Group Organizations, who directly manage the work (chief geologists, chief mechanics, chief power engineers, heads of areas/shops), and managers of other services.
<b>MS</b>	Health, Safety and Environment Management System in the JSC NC “KazMunayGas” Group (Version 1).
<b>Certification of working conditions in production facilities</b>	Activity to evaluate production facilities (shops, areas, workplaces, and other standalone units of industrial employers) and establish how safe, harmful, hard, stressful it is to work there, establish workplace hygiene, whether working environment meets the health and safety standards.
<b>Safe work</b>	A state of security of employees ensured by a series of activities, which prevent employees from being exposed to harmful and/or hazardous occupational factors during work.
<b>Safe working environment</b>	Working environment where the levels of exposure of employees to occupational factors do not exceed the established standards.
<b>Harmful working</b>	Working environment which contains harmful occupational factors.



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**environment**

**Harmful occupational factor** An occupational factor, which can result in a disease or impaired performance and/or adversely affect reproductive function of employees.

**Work hygiene** A series of sanitary and epidemiological measures and means to preserve health of employees, prevent harmful effects of working environment and work process.

**Permanent H&S Commission** Permanent health and safety commission.

**Permanent H&SE commission** Permanent health and safety examination commission.

**Operating unit** A sector of a structural unit of the KMG Group Organization, which has specific, clearly defined functions in the production process, specifically:

- 1) shops, areas, units, including grouped ones;
- 2) special equipment and process transport fleet;
- 3) repair, maintenance sectors and other auxiliary and service sectors.

**Workplace sanitation** A system of sanitary and hygienic, administrative activities and technical means, which prevent or mitigate exposure of employees to harmful occupational factors.

**Work-related injury** A damage to an employee’s health caused during performance of his/her work-related duties, which resulted in disability.

**Occupational supervision** Supervision over compliance with sanitary standards and guidelines, hygienic standards, fulfilment of sanitary and epidemic prevention activities.

**Occupational factors** Technical, sanitary, hygienic, amenities and other conditions, which affect an employee in accordance with legal and other regulations of the Republic of Kazakhstan.

**Incident** Any unexpected event, which occurred as a result or in the process of production activities of the KMG Group Organization, which resulted or could result in a work-related accident, fire, explosion, crash, traffic accident or any other event, which has effect on business and reputation of the KMG Group.

**Safe behavior culture** A concept, which includes values, beliefs and philosophy forming the basis for health and safety management, and a total of modes of operation and behavior patterns, which embody and reinforce such philosophy.


**Work-related accident** Exposure of an employee to a harmful and/or hazardous occupational factor in the process of their job duties or employer assignments, which resulted in a work-related injury, sudden health impairment or poisoning of the employee causing a temporary or permanent disability or death.

**Behavioral control** A method to control behavioral risks, when the target goals are achieved using means, which change behavior of a person or persons.

**BBSO** Behavior-based safety observation.

**Hazardous occupational factor** An occupational factor, which can lead to an employee’s temporary or permanent disability (work-related injury or occupational disease) or



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death.

**Occupational safety**

A system to ensure safety of life and health of employees during work, which includes legal, social and economical, administrative and technical, sanitary and epidemiological, medical and preventive, rehabilitative and other activities and means.

**Near miss**

Conditions (equipment, behavior and environment), which could result in an injury/damage or situation posing hazard for life and health of employees.

**Production facility**

Buildings, facilities, rooms, oil refining process equipment and units, drilling rigs and drilling equipment, gas compressor stations, oil pumping stations, tank farms, utilities and landfills, other technical devices, means of transportation and special equipment used for production and located on the lands (contracted lands) of the KMG Group Organization.

**Occupational disease**

A chronic or acute disease caused by exposure of an employee to harmful and/or hazardous occupational factors in the process of performing their job duties.

**KMG employee**

An individual employed by KMG and working under an employment contract.

**KMG Group Organization employee**

An individual employed by the KMG Group Organization and working under an employment contract.

**Workplace**

A place, where an employee stays temporarily or permanently to perform their duties during work.

**Risk**

A probability that an adverse event may occur, which will adversely affect: the ability to ensure the proper quality – for the quality management system; the ability to achieve strategic goals successfully – for the risk management system, health of KMG Group employees – for the health and safety system.

**Personal protective equipment (PPE)**

Personal protective equipment designed to protect an employee against exposure to harmful and hazardous occupational factors, including protective garments, protective shoes (clothes, shoes, headwear, gloves, etc.).

**Occupational health and safety management system**

A management system or a part of management system applied to comply with the occupational health and safety policy (ISO 45001:2018).

**Corrective action**

An activity intended to eliminate the cause of non-conformance.

**Workplace discipline**


Proper performance by the employer and employees of obligations established by legal regulations of the Republic of Kazakhstan, agreements, employment contracts, collective agreements, employer records, constitutive documents.

**Hierarchy of controls**

Systematizing the existing controls based on the relative importance of each for protection of people; the hierarchy emphasizes that engineering and design controls are more important than administrative controls, personal protective equipment and training.

**Authorized officer (employee representative)**

Employee representatives and trade unions elected by employees to represent interests of employees in the organization during collective bargaining, executing and amending the Collective Agreements, to control

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implementation, and to exercise the right to participate in the management of organization, also to ensure H&S, settle disputes between employees and employer.

**Authorized bodies**

Central executive bodies, which provide H&S management and cross-sector coordination, and their territorial offices.

**Management of change**

A process of managing scheduled changes (temporary or permanent), which affect H&S performance, such as changes to statutory requirements, production processes, procedures, equipment and technologies, organizational chart, products and services, H&S knowledge and information about hazards and associated risks/hazardous and harmful occupational factors.

**Emergency**

A situation in the specific area resulting from an accident, disaster or catastrophe, which have caused or may cause death of people, damage to health, environment and facilities, considerable financial losses and disturbance to living conditions of the population.

**IOGP**

International Association of Oil & Gas Producers.

## 4. LEADERSHIP, COMMITMENT AND RESPONSIBILITY

### 4.1. Leadership and Commitment

KMG Board of Directors, KMG management, Heads of Business Lines, Heads of Business Areas, CEOs of KMG Group Organizations, Line Managers shall demonstrate leadership, commitment and responsibility through personal example:

- 1) provide all resources as necessary for the MS to function and achieve H&S performance targets;
- 2) pay continuous attention to importance of compliance with Statutory Requirements, internal H&S documents and achievement of the target goals;
- 3) through personal example, demonstrate safe behavior and follow KMG Golden Rules, engage and encourage other employees to observe H&S;
- 4) assist employees with demonstrating leadership, commitment and engagement in achievement of goals by supporting and encouraging H&S programs and initiatives;
- 5) promote continuous improvement of the MS.

### 4.2. Main H&S Focus Areas and Authorities


For leadership and commitment, the KMG Group has defined the main H&S focus areas and authorities as described in (KMG-F-3689.1-13 / ST-3669.1-13) hereto.

### 4.3. H&S Responsibility

4.3.1. The H&S focus area at all management levels of the KMG Group business operations shall be prioritized and consistent implementation of the series of social and economical, administrative and technical, legal activities intended to create and ensure safe and healthy work environment, reinforce workplace discipline and morale, and keep the work orderly.

4.3.2. KMG Management, Heads of Business Lines, Heads of Business Areas, CEOs of KMG Group Organizations shall be responsible for creating and ensuring safe and healthy work environment; while H&S coordination shall be the responsibility of KMG H&E Department and HSE Service.

4.3.3. KMG Management shall be fully responsible for the tasks and duties imposed to KMG to create safe and healthy work environment, implement new tools and methods to prevent work-related injuries and occupational diseases, and shall establish the degrees of responsibility of Heads of Business Lines, Heads of Business Areas, Heads of Structural Units for H&S activities.

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4.3.4. H&S responsibility of Heads of Business Lines, Heads of Business Areas, Heads of Structural Units, KMG H&E Department / H&E manager is defined in accordance with job duties and internal documents regulating allocation of manager responsibilities, and the current management structure of KMG.

4.3.5. Chief Executive Officer (director general, director of a regional production structural unit or branch, base or representative office) shall be personally responsible for H&S assurance in the KMG Group Organization and establish H&S responsibility of Chief Operating Officer, Line Managers.

4.3.6. H&S responsibility on all work levels is defined in accordance with job duties, and internal documents regulating allocation of manager responsibilities, and the current management structure of the KMG Group Organization.

4.3.7. All KMG Group employees including managers of all levels shall be responsible for violation and/or failure to comply with H&S codes, guidelines and instructions, internal H&S regulations and this Standard, internal administrative documents of the KMG Group, H&S requirements of job descriptions, and ordinances of authorized bodies in accordance with Statutory Requirements.

4.3.8. In the event that adherence to instructions, orders or commands of a line manager results in a violation of and/or failure to comply with H&S codes, guidelines and instructions, an employee may and shall refuse to follow them.

4.3.9. Unawareness of an employee and/or improper application of H&S codes, guidelines and instructions within their job duties and the assigned work shall not relieve them from the responsibility for violation of and/or failure to comply with Statutory Requirements.

4.3.10. Refusal of an employee to carry out work in cases provided for in p. 4.3.8. hereof, and intervention of an employee in situations, which create an actual threat to life and health of employees or surrounding people shall not be the grounds for disciplinary action against the employee or holding them liable for damages.

4.3.11. This Standard defines how to arrange, coordinate and carry out H&S activities in the KMG Group, including those for contracted work/services. It governs roles, duties of officials in ensuring safe and healthy work environment, establishes responsibility for failure to comply with H&S codes, guidelines and instructions.


## **5. DESCRIPTION**

### **5.1. STRATEGY, POLICY AND COMPLIANCE WITH STATUTORY REQUIREMENTS**

5.1.1. Ensuring occupational safety is one of the key initiatives of the KMG Development Strategy in order to implement a process safety management system, which is an effective tool to improve not only safety and performance, but also cost-efficiency and quality.

5.1.2. Implementation of the key H&S initiatives requires application of unified, efficient approaches and methods in order to comply with Statutory Requirements and international H&S standards, based on evaluation and analysis of occupational and behavioral risks, effective contractor (subcontractor) management when delivering hazardous work/services.

5.1.3. The key initiatives are aimed at introducing systemic H&S transformations, creating the atmosphere of precaution, prevention, and revision of the existing stereotypes, moving from inefficient and unnecessary emergency and accident response philosophies, introducing positive changes to health and life of employees of the KMG Group.

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5.1.4. The major H&S priorities are:

- 1) Create safe working conditions in workplaces and operating units through prevention, identification and elimination of occupational risks / hazardous and harmful occupational factors.
- 2) Improve work safety and safe behavior culture in employees based on managers’ commitment to H&S goals.
- 3) Develop leadership and H&S management skills in managers of all levels.
- 4) Encourage employees to carry out production operations safely and involve employees in risk (hazardous and harmful occupational factors) management processes.
- 5) Introduce effective H&S approaches and practices for arrangement of production processes and conducting work procedures.
- 6) Involve employees in identification, evaluation, analysis and management of risks (hazardous and harmful occupational factors) including behavioral risks (behavior-based control), and incident and accident investigations.
- 7) Apply effective H&S management methods and systems (communicative, informational, reporting systems).
- 8) Continuously develop and train employees on all levels to improve H&S performance.
- 9) Provide PPE.
- 10) Monitor, evaluate performance and efficiency of H&S management, review it for improvement.

## 5.2. H&S ACTIVITIES MANAGEMENT

### 5.2.1. H&S Activities Management in KMG Headquarters / Responsibilities

5.2.1.1. One of the main strategic initiatives under the KMG Strategic Goal of Corporate Management and Sustainable Development Improvement is to ensure occupational safety through support and continuous improvement of MS, introducing a process safety management system in the KMG Group.


For this purpose, **the KMG BoD Committee** (HSE&SD Committee) defines the main areas of the KMG HSE Policy, provides overall coordination of the KMG Group and contractors, with the priority of creating and ensuring safe and healthy working conditions and reaching the level of the international oil and gas leaders.

5.2.1.2. **KMG Committee** (with support of the KMG BoD Committee):

5.2.1.2.1. Creates and adopts the single KMG Group Policy aimed at consistent improvement and enhancement of working conditions, improvement of H&S activities management, introducing the latest scientific and technical achievements, best practices, current risk (hazardous and harmful occupational factors) management tools and methods, preventing work-related injuries and occupational diseases, incidents and accidents, ensuring transparent, complete and credible H&S information. For this purpose, it arranges annual H&S forums and workshops involving KMG Group Organizations, reviews annual reports. Clears the assigned items and makes sure that KMG Group Organizations clear items of the joint decisions made at workshops and annual report review meetings.

5.2.1.2.2. Monitors correct implementation of and strict adherence by KMG Group and contractors to Statutory H&S Requirements, guidelines, codes and standards. Summarizes H&S law application practice, develops improvement suggestions, submits them for review of the relevant authorized bodies.

5.2.1.2.3. Makes arrangements to implement H&S decisions of the Government of the Republic of Kazakhstan, state supervision authorities, and monitors their implementation within the KMG Group, makes timely arrangements as appropriate to eliminate the identified flaws.

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5.2.1.2.4. Arranges for development of new and reviewing of the existing KMG corporate H&S standards (guidelines, instructions, standard provisions and other regulations and guidelines), approves them as established.

5.2.1.2.5. Arranges for scientific studies to improve H&S for employees, recommends scientific and technical achievements to be implemented in the work to improve and enhance working conditions, shares best H&S practices.

5.2.1.2.6. In the beginning of the year and quarterly during a reporting year, reviews H&S progress in KMG Group Organizations and gives recommendations how to improve this progress.

5.2.1.2.7. Under valid Statutory Requirements, arranges for moral and financial incentives to encourage the H&S activities within the KMG Group. For this purpose, it holds H&S competitions/contests.

5.2.1.2.8. Overall management of H&S activities in KMG shall be the responsibility of the KMG Management.

5.2.1.2.9. Management of H&S related financial and economic issues in KMG and assistance with addressing such issues within the KMG Group shall be the responsibility of Heads of Business Lines, Heads of Business Areas.

5.2.1.2.10. All administrative and coordination activities in KMG and methodological H&S support shall be the responsibility of the KMG H&E Department.

#### 5.2.1.3. **KMG Management**

5.2.1.3.1. KMG Management manages KMG activities in compliance with Statutory Requirements and directs the development of administrative H&S regulations.

5.2.1.3.2. Pursuant to Statutory Requirements, KMG Management:

- 1) guarantees employees the rights for H&S;
- 2) hires employees for a production facility based on regulatory requirements;
- 3) provides employees with PPE, including employees who visit production facilities of the KMG Group;
- 4) ensures compliance with the established employee training and briefing procedure;
- 5) hires qualified employees for KMG H&E Department and does not allow them to be involved in activities not included in their functional duties;
- 6) timely compensates for the damage inflicted to health of an employee in case of a work-related injury, occupational disease, or other health damage associated with work duties;
- 7) prioritizes funding of H&S activities;
- 8) takes measures to prevent accidents and emergencies, save lives and health of employees in case of such emergencies, including first aid for the injured;
- 9) investigates work accidents and occupational diseases as established, assists authorized bodies in investigating causes of incidents and accidents;
- 10) creates healthy and safe working environment;
- 11) supervises observance of H&S requirements;
- 12) ensures the work and rest schedule for employees in accordance with Statutory Requirements and internal KMG documents;
- 13) takes necessary measures to save life and health of employees in case of accidents and emergencies.

5.2.1.3.3. KMG Management manages the activities of the KMG Committee, and assists in the activities of the KMG BoD Committee.


#### 5.2.1.4. **Head of Business Line**

5.2.1.4.1. A Head of Business Line follows Statutory Requirements, H&S regulations and internal KMG documents.

5.2.1.4.2. Head of Business Line (for the assigned business line):

- 1) provides overall management of the supervised issues in accordance with H&S requirements;



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2) sets H&S goals and objectives for the supervised Heads of Business Areas (Heads of Structural Units);

3) ensures that H&S activities are timely and fully funded;

4) effectively allocates the necessary resources to implement H&S activities;

5) analyses root (systemic) causes of major incidents and accidents in production facilities;

6) implements and evaluates performance of corrective and preventive actions to improve H&S and MS in general;

7) arranges and supervises employees’ compliance with Statutory H&S Requirements, internal code of conduct, H&S codes, guidelines and instructions, execution of orders, instructions, commands and other H&S decisions of the KMG Management, resolutions, ordinances and other legal instruments of authorized bodies;

8) arranges, approves and/or participates in development of look-ahead and current plans of the KMG Group as per the Rules for Preparation, Approval, Amendment and Monitoring of (Individual) Development Plan of JSC NC “KazMunayGas” (KMG-PR-150.11-24), the Rules for Development, Approval and Monitoring of Business Plans of JSC NC “KazMunayGas” subsidiaries and affiliates (KMG-PR-84.9-66), which include activities to improve H&S and prevent work-related injuries and occupational diseases, accidents and emergencies.

9) arranges, approves and/or participates in planning of investment project implementation activities as per the Rules for Review and Monitoring of Investment Projects for Subsurface Use Contracts of JSC NC “KazMunayGas”, its Subsidiaries, Jointly Controlled and Controlled Entities (KMG-PR-2138.2-38), the Rules for Review, Approval and Monitoring of Major Oil and Gas Projects of JSC NC “KazMunayGas” (KMG-PR-1793.4-38), the Rules for Review of Investment Projects of JSC NC “KazMunayGas” and its Subsidiaries, Jointly Controlled and Controlled Entities for Construction, Upgrades and Retrofitting of Fixed Assets (KMG-PR-2139.2-38) to ensure efficiency of the implemented projects and minimize risks, including H&S risks;

10) arranges, approves and/or participates in review of proposals from KMG Group Organizations to replace, upgrade equipment, improve work processes with improper or hazardous working conditions. Defines if such proposals need to be included in working conditions improvement programs;

11) arranges, approves and/or participates in development of social development plans for teams, integrated H&S improvement activities, development and implementation of measures to reinforce workplace discipline and morale, strengthen control over observance of the internal code of conduct;

12) arranges sharing of H&S experience;

13) takes active part in the KMG Committee activities (as approved) for the supervised issues, provides support to improve MS pursuant to the Regulations on Health, Safety and Environment Committee of JSC NC “KazMunayGas” (KMG-PR-847.1-13);

14) arranges and monitors (for the supervised activity either directly or through CEO’s of KMG Group Organizations):

- licensing of the subordinate activities and operations, compliance with the obtained licenses, ordinances of authorized bodies and administrative controls;


- implementation of technical audit activities for obsolete and expired fixed assets;

- work by contractors (repairs, construction and commissioning, other work/services), coordinates contractors involved in construction, upgrades and repairs of production facilities, special contractors and construction and installation contractors;

- work of the Commission for preventive inspection and review of upgrade and expansion projects for the existing production facilities in accordance with H&S regulations and codes;

- proper fulfilment of industrial safety expert examination of design and estimates for construction of production facilities, and design documentation for newly commissioned production facilities;



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– work of the Commission for preventive inspections and review of new construction projects in accordance with H&S guidelines and codes; prepares appropriate conclusions on proper commissioning of production facilities;

– issuing new / updating existing H&S legal regulations, safety regulations and operational regulations based on comprehensive survey;

– bringing production facilities, specifications, instructions and other regulations in line with new standards;

– timely implementation of H&S design solutions during start-up of new and upgraded production facilities (together with the appropriate units).

#### **5.2.1.5. KMG H&E Department / H&E Manager**

5.2.1.5.1. KMG H&E Department / H&E Manager follows Statutory Requirements, HSE regulations and internal KMG documents.

5.2.1.5.2. KMG H&E Department / H&E Manager arranges and/or carries out the following activities:

1) development of midterm and short-term H&S goals, programs and roadmaps;  
2) review and evaluation of H&S priorities in the current situation (benchmarking) with best international practices and approaches, development of recommendations for continuous improvement of MS;

3) review of circumstances and causes of work-related injuries, occupational diseases, accidents resulting in environmental damage, development of activities to prevent them in subsidiaries and affiliates, and contractors;

4) H&S inspections (audits) on sites of the KMG Group Organizations, follows up on implementation of the issued recommendations;

5) monitoring over implementation of activities to create and ensure safe and healthy working environment, H&S programs in the KMG Group Organizations;

6) control over timely reporting of H&S incidents and accidents to the KMG Management;

7) preparation and issuing periodic H&S reports for the KMG BoD Committee within the established time frame;

8) review and approval of H&S related part of business plans, annual production programs and budgets of the KMG Group in accordance with the Rules for Development, Approval, Correction and Monitoring of (Individual) Development Plan of JSC NC “KazMunayGas” (KMG-PR-150.11-24), the Rules for Development, Approval and Monitoring of Business Plans in Organizations of the JSC NC “KazMunayGas” Group (KMG-PR-84.9-66);


9) examination of H&S related requirements of contracts, existing and new projects in accordance with the Rules for Review and Monitoring of Investment Projects for Subsurface Use Contracts of JSC NC “KazMunayGas”, its Subsidiaries, Jointly Controlled and Controlled Entities (KMG-PR-2138.2-38), the Rules for Review, Approval and Monitoring of Major Oil and Gas Projects of JSC NC “KazMunayGas” (KMG-PR-1793.4-38), the Rules for Review of Investment Projects of JSC NC “KazMunayGas” and its Subsidiaries, Jointly Controlled and Controlled Entities for Construction, Upgrades and Retrofitting of Fixed Assets (KMG-PR-2139.2-38);

10) establishment, maintenance and participation in the KMG Committee as established;

11) participation in investigations of fatalities in the KMG Group in accordance with the Statutory Requirements, preparation of investigation reports for KMG Management and KMG Board of Directors;

12) participation in internal investigations of incidents and accidents, identification of root (systemic) causes in accordance with the Rules for Reporting and Investigating Incidents in JSC NC “KazMunayGas” (KMG-PR-2235.1-13);

13) preparing and sharing lessons learned from incidents and accidents, news flashes and flyers, other H&S materials for internal communications within the KMG Group;

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14) monitoring over compliance of KMG Group Organizations with Statutory Requirements, fulfilment of KMG Management instructions, ordinances by public H&S oversight and monitoring authorities;

15) H&S activities management improvement, introduction of the latest scientific and technical achievements, best practices, state-of-art tools and methods to prevent work-related injuries, occupational diseases and accidents;

16) development of the register of significant H&S risks / hazardous and harmful occupational factors in the KMG Group, development of an action plan to mitigate them;

17) recognition, identification and evaluation of significant risks / hazardous and harmful occupational factors in the KMG Group in accordance with the Methods of Risk Identification and Assessment, Selection of Risk Management Practices of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities (KMG-MD-986.3-37), Model Regulations for Arrangement of Production and Non-Production Risk Management in JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities (KMG-PR-251.3-37);

19) coordination of accident and emergency response system of the KMG Group in accordance with Crisis Management Regulations of JSC NC “KazMunayGas” (KMG-RG-3313.1-13);

20) monitoring changes in Statutory H&S Requirements, participation in workshops to amend the current H&S legislature;

21) review of key H&S indicators in the KMG Group in accordance with the Rules for Reporting on Key Health and Safety Indicators of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities (KMG-PR-2407.1-13);

22) preparation of the H&S-related section of the annual KMG sustainability report in accordance with the international standards of Global Reporting Initiative (GRI);

23) preparation and submission of H&S reports as part of KMG membership in IOGP (International Association of Oil and Gas Producers) in accordance with international standards, participation in IOGP functional committees;

24) introduction and implementation of Behavior-Based Safety Observation (BSO/BDSO) programs in the KMG Group in accordance with the Behavior-Based Safety Observation Rules of JSC NC “KazMunayGas” (KMG-PR-2312.1-13);

25) control and monitoring over application of the Qorgau chart in the KMG Group as required by the Qorgau Chart Application Regulations for JSC NC “KazMunayGas” Group (KMG-RG-3537.1-13);

26) review of key H&S indicators in the KMG Group in accordance with the Rules for Reporting on Key Health and Safety Indicators of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities (KMG-PR-2407.1-13);


27) coordination of development and technical support of the corporate HSE data management system in accordance with the Rules for Corporate Health, Safety and Environment, Industrial and Fire Safety, Emergency Prevention Data Management System of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities (KMG-PR-2198.1-13);

28) development and maintenance of the system of unified corporate regulations and methods of H&S and methodological support in the KMG Group;

29) arrangement and holding of H&S symposiums, forums and meetings involving KMG Group managers and employees, follows up on resolutions;

30) arrangement and holding of the contest in accordance with the Rules for Procedure and Criteria for Annual Competition Initiated by the Chairman of the Management Board of JSC NC “KazMunayGas” – “Best Innovative Health, Safety and Environment Ideas and Practices of the KazMunayGas Group” (KMG-PR-2191.2-13);

31) control over provision of safe and healthy working environment for employees of KMG Headquarters, H&S and fire safety induction;

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32) together with the KMG HR Structural Unit, ensuring competences and necessary employee training in accordance with the Corporate Standard for Health, Safety and Environment Competences in JSC NC “KazMunayGas” (KMG-ST-3467.1-13);


33) monitoring and review of H&S related KPIs achievement.

#### 5.2.1.6. Head of Business Area (Head of Structural Unit)

5.2.1.6.1. A Head of Business Area (Head of Structural Unit) follows Statutory Requirements, H&S regulations and internal KMG documents.

5.2.1.6.2. A Head of Business Area (Head of Structural Unit) for the supervised area ensures:

- 1) that employees are aware of and/or know Statutory H&S Requirements;
  - 2) H&S induction at hiring, periodic H&S knowledge assessments in accordance with Statutory Requirements, also whenever an employee is sent to production facilities of the KMG Group;
  - 3) that H&S related duties and responsibilities are included in job descriptions of employees;
  - 4) in accordance with the assumed functions and rights:
    - ensures that KMG H&E Department is timely informed as established about incidents and accidents in the subordinate KMG Group Organizations or projects they implement;
    - ensures that H&S status reports of the subordinate KMG Group Organizations or projects they implement are submitted to KMG H&E Department in accordance with internal KMG documents;
    - monitors compliance with Statutory H&S Requirements and contractual H&S conditions in the subordinate KMG Group Organizations or projects they implement, takes measures to avoid non-conformances;
    - monitors fulfilment of the scheduled H&S activities in the subordinate KMG Group Organizations or projects they implement;
    - where provided by Statutory Requirements, participates in investigations of work-related incidents and accidents and development of prevention activities;
    - ensures, as established, that H&S activities, prevention of work-related injuries and occupational diseases, incidents and accidents are included in work programs and budgets of the subordinate KMG Group Organizations or projects they implement;
    - ensures, within his/her competence and as established, that H&S activities, including all types of insurances for employees and fixed assets, are funded, as provided by Statutory Requirements, in the subordinate KMG Group Organizations or projects they implement.
- 5.2.1.6.3. The Head of Business Area (Head of Structural Unit) for the subordinate area, directly or through CEO’s of KMG Group Organizations, within their competence, arranges for or carries out:
- 1) licensing of the subordinate activities and operations, compliance with the obtained licenses, ordinances of authorized public oversight authorities of the Republic of Kazakhstan and administrative controls;
  - 2) technical audit activities for obsolete and expired fixed assets;
  - 3) work by contractors (repairs, construction and commissioning, other work/services), coordinates contractors involved in construction, upgrades and repairs of production facilities, special contractors and construction and installation contractors;
  - 4) work of the Commission for preventive inspection and review of upgrade and expansion projects for the existing production facilities in accordance with H&S regulations and codes;
  - 5) proper fulfilment of industrial safety expert examination of design and estimates for construction of production facilities, and design documentation for newly commissioned production facilities;
  - 6) commissions for preventive inspections and review of new construction projects in accordance with occupational safety regulations and codes; prepares appropriate opinions on proper commissioning of production facilities;

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7) preparation of suggestions to provide extra benefits and compensations for harmful working conditions, control of their implementation;

8) development of regulations on KMG structural units, job descriptions so that they include functions and duties to observe H&S requirements, create safe working environment;

9) development of a draft collective agreement, arranges and monitors its performance;

10) introducing the optimum work and rest schedules for specific categories of employees who need limited exposure to hazardous and harmful occupational factors, and more rest between shifts;

11) maintenance of the balance between work and rest;

12) development of a summary activity plan for initial and advanced employee training, arranges for fulfilment of H&S training and advanced training programs for employees;

13) development and introduction of evidence-based workplace engineering and management;

14) development and introduction of H&S improvement activities (workplace arrangement and maintenance; sharing best practices and safe working practices; improvement and enhancement of working environment; minimizing hard, intense and manual work; introducing rational work and rest schedules; enhancing forms and systems of moral and material incentives for working environment improvement);

15) H&S qualification for managers of all levels and employees;

16) activities to ensure safety of workplaces and premises, timely repair, clean and tidy workplaces, fire safety;

17) activities to provide employees with PPE in accordance with free issue standards and working conditions;

18) activities to issue new / update existing H&S legal regulations, safety regulations based on due diligence;

19) monitoring over condition of vehicles and observance of H&S during handling, warehousing and transportation of goods and materials;

20) activities to keep administrative buildings in the state of good repair, ensure timely and appropriate preventive maintenance, administrative controls over operation of facilities, creating safe working conditions for employees.

5.2.1.6.4. Whenever the Head of Structural Unit and/or employees visit production facilities of the KMG Group Organization (for the subordinate activity), they shall take notice of H&S non-conformances (unsafe actions or conditions) and provide recommendations, as established, to remove the identified non-conformances.

## **5.2.2. Health and safety activities management in the KMG Group Organization (Responsibilities)**

5.2.2.1. One of the main objectives of the KMG Group Organization in the course of its operational activities is to comply with Statutory Requirements and KMG internal H&S regulations/standards to prioritize creation and maintenance of safe and healthy working environment so that KMG can reach the H&S level of the oil and gas leaders.


With that in mind, the **KMG Group Organization Committee** (with the support of the KMG Committee):

5.2.2.1.1. Adopts and implements the single KMG Group Policy aimed at consistent improvement and enhancement of working environment, improvement of H&S activities management, introducing the latest scientific and technical achievements, best practices, current risk (hazardous and harmful occupational factors) management tools and methods, preventing work-related injuries and occupational diseases, transparent, full and credible H&S information.

5.2.2.1.2. Every year, takes part in and/or arranges H&S forums and workshops in the KMG Group.

5.2.2.1.3. Monitors over proper implementation and strict adherence by the KMG Group Organization and contractors to valid Statutory H&S Requirements, regulations, codes and standards.



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Summarizes H&S law application practice, develops improvement suggestions, submits them for review of the relevant authorized bodies.

5.2.2.1.4. Participates in implementation of H&S related resolutions of the Government of the Republic of Kazakhstan, state supervision authorities and follows up on their implementation in the KMG Group Organization, makes timely arrangements as appropriate to remove the identified deficiencies.

5.2.2.1.5. Participates in development/review of the valid KMG H&S regulations/standards, approves them as established.

5.2.2.1.6. Participates in scientific studies to improve H&S for employees, recommends scientific and technical achievements to be implemented in the work to improve and enhance working environment, shares best H&S practices within the KMG Group.

5.2.2.1.7. In the beginning of the year and quarterly during the reporting year, participates in H&S progress reviews in the KMG Group Organization, follows up on implementation of the provided recommendations to improve this progress.

5.2.2.1.8. Under valid Statutory Requirements, arranges for moral and material incentives for H&S activities in the KMG Group Organization. For this purpose, it arranges H&S contests.

5.2.2.1.9. For operational supervision and coordination of H&S activities, internal monitoring over compliance with H&S requirements in the KMG Group Organization, which operates involving more than 50 employees, an HSE Service is established, which reports directly to CEO of the KMG Group Organization.

5.2.2.1.10. Status of the HSE Service is on par with the main operating units of the KMG Group Organization.

5.2.2.1.11. The KMG Group Organization with up to 50 employees shall appoint an H&S specialist considering the specific activities, or impose H&S responsibilities to another employee.

5.2.2.1.12. Operational supervision and coordination of H&S activities in the KMG Group Organization shall be the responsibility of the HSE Service or a specialist encharged with H&S responsibilities. Job duties of HSE employees are established based on job duties of CEO of the KMG Group Organization.

5.2.2.1.13. In job descriptions for employees of the KMG Group Organization, as required hereby and according to the actual allocation of roles, certain clauses of job duties can be transferred from one employee to another by a company order. Job duties of employees shall cover all clauses of H&S requirements.

5.2.2.2. **Chief Executive Officer** (director general, directors of regional structural operating units or branches, bases and representative offices) provides overall management of the H&S activities, in particular:

1) creates conditions to raise creative spirit in employees to improve working environment; in accordance with the valid provisions and recommendations, establishes the main indicators and terms for material encouragement of employees for H&S activities;


2) ensures that work processes, production equipment, facilities, industrial and auxiliary buildings meet the requirements of H&S standards, regulations and codes;

3) ensures that employees observe Statutory H&S Requirements, safety standards, regulations and codes, fulfil decisions and resolutions of authorized bodies, execute orders and follow KMG instructions, ordinances by state oversight and monitoring authorities;

4) adopts and introduces KMG Policy in the KMG Group Organization, makes sure that it is communicated to all employees and contractors;

5) ensures that all necessary (financial, material and human) resources are available to introduce, maintain and improve MS;

6) ensures and defines prioritized funding of H&S activities;

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7) provides mandatory insurance for employees against accidents in the course of job duties in accordance with Statutory Requirements;

8) arranges for periodic (at least once every 5 years) working conditions based certification of production facilities, and mandatory pre-shift examination of employees involved in highly hazardous work, work with equipment and machinery in accordance with Statutory Requirements;

9) creates the necessary sanitary and hygienic conditions for employees, ensures issue and repair of PPE, provision with preventive treatment products, detergents and disinfectants, first aid kit, milk, dietary nutrition, personal and collective protective equipment as established by the Statutory Requirements;

10) defines roles, allocates responsibilities and accountability, delegation of appropriate authorities to promote effective performance of the H&S management system;

11) ensures initial and advanced H&S training for employees;

12) ensures functioning of the Permanent Commission and Permanent Examination Board, appoints the chairman and members;

13) arranges for timely investigation of occupational accidents and other work-related damage to health of employees, occupational diseases;

14) supervises timely reporting on accident victims, with explanatory notes in format and on dates as established by Statutory Requirements;

15) monitors proper and timely investigation and recording of accidents;

16) arranges for internal H&S control to observe the established H&S requirements in workplaces/shops and sites, take immediate measures to clear the identified non-conformances;

17) establishes, leads and coordinates the Committee with composition and procedure of work defined by an internal document of the KMG Group Organization;

18) makes sure that H&S issues of the KMG Group Organization and contractors are reviewed by the board, during meetings of managers, engineers and technicians, reviews information from managers of individual structural units about the work they implement to improve H&S and reduce work-related injuries, takes measures as appropriate to clear the existing deficiencies;

19) approves structure, staffing and work plans of the HSE Service;

20) takes measures to raise accountability of managers, engineers and technicians for compliance with H&S standards, regulations and codes, timely fulfilment of the scheduled H&S activities, ordinances of state oversight and monitoring authorities;

21) makes sure, as established, that authorized H&S bodies and KMG Headquarters are immediately informed about all incidents and accidents in accordance with Statutory Requirements and internal KMG documents;

22) makes sure that all incidents and accidents are reported to KMG Headquarters in accordance with the Rules for Reporting and Investigating Incidents in JSC NC “KazMunayGas” (KMG-PR-2235.1-13), Crisis Management Regulations of JSC NC “KazMunayGas” (KMG-RG-3313.1-13).

**5.2.2.3. Chief Operating Officer** (deputy general directors, deputy directors of regional structural operating units, bases and representative offices, technical directors, chief engineers):


**5.2.2.3.1. Deputy Chief Operating Officer** arranges, directly manages creation and maintenance of safe and healthy working environment, in particular:

1) arranges and oversees that employees comply with Statutory H&S Requirements, safety standards, regulations and codes, execute orders and follow instructions of KMG and KMG Group Organization, ordinances by state oversight and monitoring authorities, Committee recommendations;

2) arranges for development and introduction of advanced H&S systems and formats;

3) arranges H&S activity planning based on risk (hazardous and harmful occupational factors) management, development and implementation of overall work mechanization and activities to minimize manual, hard and intense work, increase power per employee;



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4) arranges development and implementation of activities to improve work, reinforce performance discipline, foster H&S improvement initiatives and creativity in employees of the subordinate structural units;

5) arranges sharing the H&S experience among structural units of the KMG Group Organization;

6) arranges supervision over timely provision of PPE to KMG Group Organization structural units as provided by codes and regulations;

7) improves scientific organization of production, work and management, promotes and widely applies scientific and technical achievements, best H&S practices;

8) defines main focus areas for employees of the subordinate structural units of the KMG Group Organization to improve H&S activities management;

9) leads and arranges development, review and approval as established of H&S improvement activities, follows up on their implementation;

10) arranges and monitors research, development of H&S instructions, charts, process regulations, technical documentation;

11) controls funding and completion of H&S activities, takes administrative and disciplinary actions to fulfil H&S activities in full and within the assigned periods, is accountable for their completion;

12) controls compliance with H&S regulations and codes, safety requirements within activities of KMG Group Organization structural units and contractors;

13) oversees that the subordinate structural units are provided with materials, tools, equipment and instruments to monitor hazardous and harmful occupational factors to implement work improvement and enhancement activities;

14) takes measures to fit production equipment and facilities of KMG Group Organization structural units with safety hardware, which improves work conditions and safety in accordance with the valid regulations;

15) as established by the Statutory Requirements, participates in investigations of work-related incidents and accidents, development of prevention activities, follows up on their implementation;

16) heads the Permanent H&S Commission, checks H&S activities management and status in structural units;

17) reviews (at least once in 6 months) H&S status of KMG Group Organization structural units during employee meetings, technical board meetings or Permanent Commission meetings, reviews information from managers of structural units about work they implement to improve working conditions, reduce work-related injuries;

18) reviews and approves HSE Service activity plan;

19) submits HSE Service staffing suggestions to CEO of the KMG Group Organization;


20) ensures, arranges and controls that work processes, production equipment, facilities, industrial and auxiliary buildings of the KMG Group Organization meet the requirements of valid H&S standards, regulations and codes;

21) arranges development and controls implementation of technical audit of obsolete and expired fixed assets;

22) arranges fire watch and maintenance of all production facilities of the KMG Group Organization;

23) ensures appointment of officers in charge of safe operation of potentially hazardous equipment, units and materials.

**5.2.2.3.2. Deputy Chief Officer for Capital Construction** arranges and directly manages scheduling, creating and maintaining safe and healthy working environment based on H&S risk (hazardous and harmful occupational factors) management, establishing and achieving goals in the subordinate construction, installation and repair units, and:

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1) arranges and oversees that employees of the subordinate structural units comply with safety standards, regulations and codes during construction and installation, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, Committee recommendations;

2) arranges control over inclusion of necessary H&S activities in phases and stages of newly constructed, expanded or reconstructed facilities, manages commissioning of industrial and auxiliary production construction facilities, does not permit them to be commissioned if they deviate from the valid codes and standards;

3) arranges technical supervision over construction of facilities to make sure they comply with H&S regulations, codes, standards, and that newly constructed and/or reconstructed facilities conform to construction and/or reconstruction design;

4) leads development and arranges review of H&S improvement activities and Social Development Plan of the KMG Group Organization, follows up on their implementation;

5) participates in the Permanent Commission of the KMG Group Organization to review and address H&S issues for their areas of responsibility;

6) takes part in development of specifications for introduction of new equipment and advanced construction and installation technologies to improve and enhance work environment, mechanize labor-intensive processes and operations;

7) participates (at least once in 6 months) in the Permanent H&S Commission, checks (randomly) management and status of H&S activities in construction, installation and other subordinate structural units, takes measures to rectify the identified deficiencies and improve H&S activities;

8) plans and arranges, as established, timely and adequate reconstruction, capital construction and construction of facilities as provided by H&S improvement activities, follows up on their complete implementation;

9) ensures and controls that design and estimates for construction of industrial and auxiliary facilities are in line with H&S regulations, codes and standards;

10) provides that sanitary facilities and amenities are included during construction and/or reconstruction of industrial facilities and complexes;

11) when preparing orders about composition of state commissions for industrial facilities and complexes commissioning, ensures that HSE employees, representatives of state oversight and monitoring authorities are included among members of such commissions;

12) participates in investigations of work-related incidents and accidents, development of prevention activities, follows up on their implementation in their area of responsibility.

If a KMG Group Organization has no position of the Deputy Chief Officer for Capital Construction, the corresponding H&S responsibilities are imposed on the Head of Capital Construction.


**5.2.2.3.3. Deputy Chief Officer for Social** arranges and oversees safe operation and proper condition of social facilities, in particular:

1) arranges and leads activities to create and ensure safe working environment in social facilities;

2) arranges and oversees that employees of the subordinate structural units comply with Statutory H&S Requirements, internal code of conduct, safety standards, regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

3) arranges and holds sports and recreational events, operation of healthcare centers and other prevention and treatment facilities of the KMG Group Organization;

4) arranges repair, cleaning and washing of PPE;

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5) participates in the Permanent H&S Commission of the KMG Group Organization to review and address H&S issues within their areas of responsibility, check structural units and production facilities;

6) participates (at least once in 6 months) in the Permanent H&S Commission, checks (randomly) management and status of H&S of the subordinate structural units, takes measures to rectify the identified deficiencies and improve H&S activities;

7) provides sanitary facilities, amenities and equipment for KMG Group Organization structural units in accordance with sanitary standards, special meals, milk and soap, timely repair of sanitary facilities and amenities;

8) ensures that the managed units fulfil, in addition to their main tasks, the safety and health functions;

9) arranges and ensures safety of food and hot meals in production facilities and rotation camps for employees;

10) develops activities to improve and reinforce workplace discipline and morale in social facilities, makes sure they are implemented;

11) leads and arranges for development and review of the relevant activities of the Social Development Plan for the team and H&S improvement activities, follows up on the scheduled activities;

12) executes contracts with healthcare centers for health promotion services for employees of the KMG Group Organization and their families, supervises their performance;

13) arranges and controls that employees pass periodic and pre-shift medical examinations, analyses and develops activities following the completed work.

If the KMG Group Organization has no position of the Deputy Chief Officer for Social, the corresponding H&S responsibilities are imposed on the head of the social unit.

**5.2.2.3.4. Deputy Chief Officer for Economics and Finance** arranges and oversees funding of H&S activities, in particular:

1) arranges and oversees that employees of the subordinate structural units comply with Statutory H&S Requirements, internal code of conduct, safety standards, regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

2) ensures timely and full funding for H&S activities within the budget of the KMG Group Organization under a separate H&S cost item, insurance of employees, production facilities and equipment, H&S activities;

3) ensures funding of compensation payments for accidents, as established by the Statutory Requirements;


4) participates in the Permanent H&S Commission to review and address issues within their areas of responsibility.

If the KMG Group Organization has no position of the Deputy Chief Officer for Economics and Finance, the corresponding H&S responsibilities are imposed on the head of economics and finance.

**5.2.2.3.5. Deputy Chief Officer for Geology and Geophysics** ensures and manages arrangement of safe working environment for geological prospecting, geological exploration, drilling and downhole logging during well testing and survey, in particular:

1) makes sure that equipment, instrumentation and appliances used for geological prospecting, geological exploration, downhole logging and well surveys meet the requirements of H&S and industrial safety standards, regulations and codes;

2) leads development and arranges review, as established, of the relevant comprehensive activities to improve and enhance working environment in the subordinate structural units, follows up on their implementation;

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3) arranges development of overall mechanization and activities to minimize manual, hard and labor-intensive work;

4) arranges and oversees that employees of the subordinate units comply with the Statutory H&S Requirements, safety standards, regulations and codes, industrial safety requirements, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

5) as a leader of the team/sub-commission within the Permanent H&S Commission, at least once in 6 months, checks (randomly) H&S activities management and status of the subordinate structural units, with the results being properly recorded and discussed;

6) ensures that input data of well construction design meets the actual conditions (formation pressures and formation fluid densities for open flow);

7) to avoid man-made incidents and emergencies, monitors compliance with field development designs;

8) monitors compliance with industrial safety codes and regulations for well suspension;

9) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state supervision and monitoring authorities, for issues within their competence.

If the KMG Group Organization has no position of the Deputy Chief Officer for Geology and Geophysics, the corresponding H&S responsibilities are imposed on the head of geology and geophysics.

5.2.2.3.6. **Head of HSE** oversees that the KMG Group Organization complies with the Statutory Requirements, legal regulations and other H&S documents, interacts with authorized H&S bodies, in particular:

1) oversees execution of resolutions, ordinances by authorized bodies, orders, instructions, executive orders and other H&S decisions of KMG and the KMG Group Organization;

2) controls H&S activities of HSE Services in structural units of the KMG Group Organization;

3) directly manages and coordinates activities of HSE Services in the KMG Group Organization structural units, maintaining the single work management style and seeking to improve the performance;

4) schedules H&S activities of the KMG Group Organization;

5) makes sure that the KMG Group Organization structural units are provided with H&S legal regulations and other documents;

6) makes sure that H&S technical documentation is properly maintained as provided by standards, regulations and other regulatory documents;

7) makes sure that the KMG Group Organization structural units are provided with the necessary PPE;

8) ensures effective performance of the MS in the KMG Group Organization;

9) conducts operational analysis of the working environment in production sites of the KMG Group Organization, evaluates risks/hazardous and harmful occupational factors and takes measures to rectify the identified H&S non-conformances;

10) develops and submits suggestions to the KMG Group Organization management to improve management of activities aimed at creating healthy and safe working environment;


11) analyses situation and causes for work-related injuries and occupational diseases in the KMG Group Organization and develops activities to prevent them;

12) informs the KMG Group Organization management about incidents and accidents;

13) manages activities of the Permanent Commission to check H&S status on sites of the KMG Group Organization;

14) timely informs the KMG Group Organization structural units about incidents and accidents in other structural units;



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15) participates in the Permanent Examination Board of the KMG Group Organization to assess employees’ H&S knowledge;

16) promotes introduction of new technical aids and processes to ensure safe working environment, reduce work-related injuries and occupational diseases, incidents and accidents;

17) participates in the Commission for acceptance of constructed and reconstructed facilities;

18) takes part in collective bargaining to discuss H&S issues, creation of healthy and safe working environment and routines, funding of H&S activities, improvement of occupational health;

19) supervises work and rest schedules, provision of guarantees and compensations to employees involved in hard work, work with harmful (particularly harmful) and/or hazardous working conditions, provision of employees with medical and preventive aids;

20) as provided by the Statutory Requirements, arranges or participates in accident investigations in the KMG Group Organization;

21) makes sure that the KMG Group Organization follows the investigation procedure, records and reports accidents and other work-related damage to the health of employees;

22) provides guidance to the KMG Group Organization structural units in preparing lists of jobs and occupations for periodic medical examinations and screenings for employees involved in harmful (particularly harmful) and/or hazardous working conditions as established by the Statutory Requirements;

23) develops an induction briefing program, which shall reflect the KMG H&S Policy, conducts inductions for all new employees, temporary employees, secondees, students and trainees who are there for workplace briefing or internship;

24) arranges protection of property interests of the KMG Group Organization employees by entering into a mandatory employee insurance contract against work-related injuries;

25) prepares drafts of H&S-related orders and instructions of the KMG Group Organization management and suggestions to improve H&S activities management;

26) submits suggestions to the KMG Group Organization management about staffing of HSE Services with qualified employees, rational deployment and transfer of staff;

27) submits suggestions to the KMG Group Organization management about incentives for structural unit employees for their active involvement in H&S;

28) holds operational, guidance and advisory liaison with H&E Department of the KMG Headquarters, local state oversight and monitoring authorities, research and development, design and engineering companies regarding H&S issues;

29) within their competence, issues instructions for the heads of the services, chief specialists, structural unit managers and officials of the KMG Group Organization to rectify the identified non-compliances with the H&S regulations and codes, and deficiencies in activities management;

30) prohibits work on certain sites, machinery, equipment and machines where working conditions pose hazard for life and health of employees;


31) suspends from work those who have departed from H&S regulations and standards (through heads of the relevant units) and immediately informs managers of the respective KMG Group Organization structural units accordingly;

32) arranges reporting about victims of work-related accidents and costs of H&S activities, comprehensive activities (in the established formats), information, records and reports of H&S activities of the KMG Group Organization;

33) supervises technical audit of obsolete and expired fixed assets, and follows up on the activities developed following the audit;

34) supervises fire safety activities in the KMG Group Organization;

35) as new H&S legal regulations come into force or existing H&S legal regulations are revised, arranges for bringing internal documents of the KMG Group Organization and production facilities of structural units in line with their requirements.

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5.2.2.4. **Line managers** (chief geologists, chief mechanical engineers, chief power engineers, site/shop managers), Heads of structural units:

5.2.2.4.1. **Head of Equipment and Machinery Repair and Operation** arranges development and timely scheduled preventive repairs, administrative and technical activities to prevent incidents and accidents, occupational diseases associated with operation of equipment and machinery, in particular:

1) arranges introduction of best practices to improve repair management in the KMG Group Organization structural units;

2) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, for the issues within their competence;

3) through equipment and machinery repair services of the KMG Group Organization Structural Unit, arranges timely and appropriate investigation, recording of near miss incidents with aboveground equipment;

4) arranges training and advanced training for equipment repair employees, participates in their knowledge assessments, ensures guidance to employees of the KMG Group Organization structural units for arrangement of training in safe working practices, preparing and developing necessary safe work programs, instructions, follows up on implementation of this work;

5) ensures (through equipment repair services of the KMG Group Organization structural units) safe operation and timely industrial safety activities (testing, technical certification and inspection of hoisting machinery, hoisting and pulling gear, pressure tanks and vessels, oil and water heating furnaces with gas and other fuels, ventilation systems, electric gas welding equipment, acetylene, oxygen units, pumps and compressors, other equipment and machinery);

6) supervises maintenance and repair of equipment and machinery, compliance with industrial safety requirements during operation, and takes measures to rectify the identified deficiencies in the KMG Group Organization structural units;

7) arranges technical diagnostics of equipment, arranges and oversees timely and appropriate maintenance and repair of equipment assigned to the equipment repair service, takes measures to rectify the identified deficiencies;

8) inspects H&S activities management and status, compliance with safety regulations and codes in the KMG Group Organization structural units, participates in the Permanent H&S Commission of the KMG Group Organization, leads the relevant team/sub-commission;

9) monitors condition and safe operation of vehicles, hoisting machinery used for handling, and transportation means of structural units, unless monitoring of vehicles and special equipment is assigned to another employee;

10) supervises compliance with safety requirements during handling operations in the subordinate structural units;


11) conducts technical audit and undertakes work to rectify safety-related design deficiencies in equipment, machinery, to replace obsolete and worn out machinery and equipment in a timely manner, makes necessary arrangements for technical diagnostics using non-destructive examination methods, unless this is assigned to other units or other responsible officers;

12) summarizes details of design deficiencies in equipment, machinery, which caused incidents and accidents, prepares appropriate suggestions to be issued to manufacturers and developers (research and development companies);

13) as established by the Statutory Requirements, participates in investigations of work-related incidents and accidents, analyses root (systemic) causes and develops activities to prevent re-occurrence;

14) takes part in development of Social Development plans for teams and comprehensive activities to improve H&S, industrial safety;



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15) brings mechanical equipment, machinery, gear, units, utilities, which have been made under old designs and regulations, in line with new safety requirements;

16) arranges and holds welder qualifications;

17) arranges and ensures execution of H&S-related orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

18) arranges and holds expert examination of technologies, hardware, materials used in hazardous production facilities, other than construction materials used in hazardous production facilities.

5.2.2.4.2. **Head of Power** arranges development and timely implementation of administrative and technical activities to prevent incidents and accidents associated with operation of electrical and heat-power units, in particular:

1) ensures introduction of advanced technologies and best practices, as well as improvement of repair management in the KMG Group Organization structural units;

2) arranges safe operation of gas facilities under the valid regulations, unless safe operation of gas facilities is the responsibility of Chief Mechanical Engineer, or if the KMG Group Organization has no Chief Mechanical Engineer role;

3) arranges and monitors timely and appropriate preventive inspections and scheduled preventive repairs of electrical and heat-power units;

4) arranges and ensures execution of orders and instructions of KMG and the MG Group Organization, ordinances by state supervision and monitoring authorities, for issues within their competence;

5) arranges training and advanced training of employees of the chief power engineer services, KMG Group Organization structural units, and participates in their knowledge assessments;

6) supervises compliance of the KMG Group Organization structural units with Operational Regulations (OR) and Safety Regulations (SR), conformance of electrical and thermal power units to safety regulations and codes, and (through heads of relevant structural units) arranges safe operation, takes measures to rectify the identified deficiencies;

7) arranges training and qualification of electrical and non-electrical staff as required by OR and SR;

8) conducts technical audit activities to remove safety-related design deficiencies in power equipment, timely replaces obsolete and worn out power equipment; makes arrangements for and participates in testing of new equipment prototypes;


9) summarizes details of design deficiencies in power equipment and appliances, which caused incidents and accidents, prepares appropriate suggestions to be issued to manufacturers and developers (research and development companies);

10) inspects H&S activities management and status, compliance with H&S standards in the KMG Group Organization structural units as part of the Permanent H&S Commission of the KMG Group Organization, leads the relevant team/sub-commission;

11) as provided by the Statutory Requirements, participates in investigation of work-related incidents and accidents, identification of hazards and evaluation of risks / hazardous and harmful occupational factors in workplaces; participates in development of activities to prevent and mitigate them;

12) ensures (through heads of structural units or chief power engineer services of the KMG Group Organization) that incidents and accidents, inconsistencies in operation of electrical and heat-power units are timely and properly investigated and recorded;

13) takes part in development of Social Development plans for teams and comprehensive activities to improve H&S;

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14) ensures guidance to employees of the structural units for arrangement of training in safe working practices, preparing and developing necessary safe work programs, instructions, follows up on implementation of this work;

15) arranges and monitors safe operation of boilers and electrical equipment of boiler units in accordance with the valid industrial safety requirements;

16) brings power equipment, units, utilities, which have been made under old designs and regulations, in line with new H&S regulations and regulatory documents.

**5.2.2.4.3. Head of Marketing and Procurement** arranges and directly manages creation and maintenance of safe and healthy working environment in the subordinate units (bases, warehouses and sites), in particular:

1) makes sure that needs of the KMG Group Organization structural units in protective clothes, footwear, preventive treatment aids, detergents and disinfectants, dietary meals, milk, personal and collective protective equipment, H&S devices and equipment are met in comprehensive, timely and evenly manner, makes arrangements to meet their requests;

2) arranges and oversees that the KMG Group Organization structural units timely and properly prepare requests for protective clothes, footwear, PPE; leads preparation by the Marketing and Procurement Service of request summaries for the KMG Group Organization;

3) ensures that special clothes, protective shoes and other PPE, detergents, dietary meals, medicines, preventive aids, safety signs are timely purchased; makes sure that they are supported by quality certificates;

4) ensures that employees of the subordinate structural units comply with the Statutory H&S Requirements, safety standards, regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

5) participates in development of appropriate activities to improve H&S by procuring materials, equipment, instruments;

6) participates in the Permanent H&S Commission to review and address H&S issues, at least once every 6 months, checks (randomly) H&S status of the subordinate structural units;

7) makes sure that receipt, storage, issue and recording of protective clothes, footwear and other PPE are properly arranged;

8) supervises condition of bases, warehouses and sites, railways, access ways, handling sites, availability and condition of necessary road signs and safety signs, vehicle traffic safety, safe working environment during handling, warehousing and transportation of cargoes, sound condition and safe operation of hoisting machinery and gear, takes measures to rectify the identified deficiencies;

9) purchases the necessary equipment to repair, wash and dry-clean protective clothes and footwear;

10) purchases equipment, materials and other commodities, which require certificates of conformance issued by certification bodies.


**5.2.2.4.4. Head of Production Transportation** arranges and directly manages creation and maintenance of safe and healthy working environment in the subordinate transportation organizations, in particular:

1) arranges and oversees that employees comply with the Statutory H&S Requirements, safety standards, regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

2) arranges H&S and road safety training and advanced training for executives, engineers and technicians of the subordinate structural units;

3) provides overall management of road safety activities, guides all services and units to implement road traffic accident prevention activities;

4) ensures guidance for road safety services of the KMG Group Organization and its transportation units, analyses their performance, develops activities to improve their operations;

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5) continuously monitors compliance with safe work and rest conditions, routines and medical services for drivers, special machinery operators and repair staff, makes arrangements to procure all necessary equipment for medical rooms of transportation units;

6) records and analyses road accidents, submits to the KMG Group Organization management road traffic accident (RTA) reports and information and details of measures taken to prevent RTA;

7) ensures that production processes, equipment, vehicles, industrial and amenity buildings and rooms of the subordinate transportation organizations comply with safety standards, regulations and codes;

8) controls readiness of the rolling stock for departure and performance of vehicles en route;

9) together with the relevant services, arranges road safety contests, monthly traffic safety campaigns;

10) participates in occupational hazard and risk management, development of the appropriate activities to mitigate risks, improve H&S; and arranges for their implementation;

11) participates in the Permanent H&S Commission to review and address road safety and H&S issues, at least once every 6 months, checks H&S activities management and status of the subordinate transportation organizations;

12) takes measures to provide production facilities with diagnostics, maintenance, repair and operation equipment for vehicles, which improve road safety and working conditions;

13) as established by the Statutory Requirements, participates in investigations of work-related incidents, accidents and RTA, development of activities to prevent them;

14) continuously monitors hydrometeorological support of the KMG Group Organization transportation units, provision of necessary meteorological information under a contract with a hydrometeorological agency;

15) holds meetings involving executives, engineers and technicians of transportation organizations (at least once every 6 months) to review H&S, road safety issues, reviews information from managers of certain organization about H&S, work-related injuries, comprehensive H&S, road safety improvement activities;

16) continuously monitors condition of roads in operated and attended facilities of the KMG Group Organization, takes measures to repair them, limit traffic speed in defective road sections, place necessary road signs;

17) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, requirements for safe operation of vehicles and special equipment, within their competence.

**5.2.2.4.5. Head of Technical Operations** arranges and ensures management and development of production in accordance with H&S requirements, safety regulations and codes, in particular:

1) develops administrative and technical activities to improve labor management, controls and work performance, further improve working environment;

2) develops technical documentation for production management, technology, mechanization and automation, upgrades of operated facilities in accordance with H&S regulations and codes;


3) develops and follows up on implementation of seasonal preparations of structural units to ensure safe conditions and accident-free performance;

4) arranges that typical process unit diagrams are developed and implemented in accordance with H&S requirements;

5) introduces scientific management of labor, improvement of repair, production mechanization and automation technologies intended to improve and enhance work conditions;

6) participates in testing of new equipment and tools, gives recommendations to ensure H&S;

7) participates in development of plans for introduction of new equipment and facilities to further improve operations technology and production management, raise degree of mechanization and H&S level;

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8) participates in work-related hazard and risk management, development of risk mitigation activities, H&S improvement activities, development and introduction of activities to prevent work-related injuries and occupational diseases, incidents and emergencies;

9) participates in the Permanent H&S Commission, checks up on H&S status, makes necessary arrangements to rectify the identified deficiencies;

10) as provided by the Statutory Requirements, participates in investigations of work-related incidents and accidents and development of prevention activities;

11) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state supervision and monitoring authorities, within their competence.

**5.2.2.4.6. Head of Process Service** arranges and ensures that process services and subordinate structural units comply with H&S requirements, in particular:

1) develops look-ahead and current schedules to introduce new technologies, ensures that new processes are introduced to improve and enhance working environment, mitigate risks / hazardous and harmful occupational factors;

2) ensures development of technical documentation for production management, technology, mechanization and automation, upgrades of operated facilities in accordance with H&S standards, regulations and codes;

3) participates in work-related risk management, development and implementation of risk mitigation activities, H&S improvement activities, prevention of work-related injuries and occupational diseases, incidents and emergencies;

4) participates in the Permanent H&S Commission, supervises H&S status of facilities, make necessary arrangements to rectify the identified deficiencies;

5) as provided by the Statutory Requirements, participates in investigations of work-related incidents and accidents, development of prevention activities;

6) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

**5.2.2.4.7. Head of Economic Planning** arranges and ensures production budget planning subject to H&S requirements, safety standards, regulations and codes, in particular:

1) together with HSE Service, ensures mandatory planning of budgeting funds as a separate cost item to implement H&S improvement programs;

2) ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities within their competence.

**5.2.2.4.8. Head of Accounting and Reporting** arranges and ensures that costs for implementation of H&S improvement activities in the KMG Group Organization structural units are properly accounted for, in particular:

1) arranges recording of costs for H&S activities of all funding sources;

2) supervises proper expenditure, costing of H&S activities by the accounting department;


3) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities within their competence.

**5.2.2.4.9. Head of Capital Construction** arranges and ensures risk management, creation and maintenance of safe and healthy working environment in the subordinate services and repair and construction units, in particular:

1) arranges and oversees that employees of the subordinate units comply with the Statutory Requirements, H&S regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

2) arranges technical supervision over construction of facilities to make sure they comply with H&S regulations, codes, standards, and that newly constructed and/or reconstructed facilities conform to design;



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3) leads development and arranges review of the corresponding comprehensive H&S improvement activities and Social Development Plan for teams, follows up on their implementation;

4) participates in the Permanent H&S Commission of the KMG Group Organization to review and address H&S issues within their areas of responsibility, leads a team/sub-commission within the Permanent Commission;

5) takes part in development of specifications for introduction of new equipment and advanced construction and installation technologies to improve and enhance working environment, mechanize labor-intensive processes and operations;

6) as a leader of the H&S team/sub-commission within the Permanent H&S Commission, at least once in 6 months, checks (randomly) H&S activities management and status in the subordinate units, takes measures to rectify the identified deficiencies and improve performance in their areas of responsibility;

7) manages commissioning of constructed industrial and auxiliary facilities, does not permit them to be commissioned with deviations from the valid codes and standards;

8) when preparing orders about composition of state commissions for acceptance of industrial facilities and complexes, ensures that employees of HSE Services, representatives of state supervision bodies and state labor inspectors are included among members in such commissions;

9) as established, addresses timely funding of reconstruction, overhaul and capital construction of facilities as provided by comprehensive H&S improvement activities, follows up on their full implementation;

10) controls that H&S requirements in accordance with regulations, codes and standards are included in design and estimates for construction of production and auxiliary facilities;

11) when deciding on phases of construction and reconstruction of structural units and operating units, ensures that they include sanitary facilities and amenities;

12) as provided by the Statutory Requirements, participates in investigations of work-related incidents and accidents, development of prevention activities, follows up on their implementation;

13) participates in development and implementation of activities following technical audit of obsolete and worn out fixed assets as a part of the Commission for safe operation of buildings and facilities;

14) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence;

15) arranges and holds expert examination of technologies, hardware, materials used in hazardous production facilities, except for construction materials of hazardous production facilities.

**5.2.2.4.10. Head of Development and Construction of Fields** ensures and develops look-ahead and current production management and development schedules in accordance with H&S codes and standards, industrial safety requirements during development and construction of fields:

1) arranges risk management during operations, develops and introduces new, advanced processes to eliminate risks / hazardous and harmful occupational factors;


2) ensures that activities of the subordinate services and structural units are managed and arranged in compliance with H&S requirements;

3) ensures development of technical documentation for production management, technology, mechanization and automation, upgrades of operated facilities in accordance with H&S and industrial safety standards, regulations and codes;

4) makes sure that the KMG Group Organization structural units timely and properly carry out repairs, preventive inspections of process equipment and facilities;

5) supervises compliance with H&S and industrial safety requirements during development and construction of new fields;

6) includes activities to ensure safe operations when defining the main fields of research and development, design and engineering and testing, ways to improve performance;

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7) participates in development and implementation of H&S improvement activities and prevention of work-related injuries and occupational diseases, incidents and emergencies;

8) participates in the Permanent H&S Commission, supervises H&S status of facilities, makes necessary arrangements to rectify the identified deficiencies;

9) as required, participates in investigations of work-related incidents and accidents, development of prevention activities;

10) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

5.2.2.4.11. **Head of Geology** ensures and manages the work of the geology service and coordinates activities of services, structural units to comply with H&S standards, regulations and codes, in particular:

1) provides overall management to arrange safe working environment during geological exploration, drilling, downhole logging, well testing and surveying;

2) arranges introduction of well development flow charts and designs subject to the H&S requirements;

3) participates in development of look-ahead, annual, phased and current schedules of geological exploration and includes H&S activities in them;

4) participates in the Permanent H&S Commission of the KMG Group Organization;

5) includes safety measures in the geotechnical documentation being developed to avoid emergencies during construction, operation, surveying and treatment of bottomhole zone;

6) arranges and ensures execution of orders, monitors compliance with the valid H&S provisions, instructions, execution of KMG and the KMG Group Organization instructions, ordinances by state oversight and monitoring authorities, within their competence;

7) to avoid man-made emergencies, makes sure that wells are developed in accordance with flow charts, if non-conformances are identified, immediately informs the KMG Group Organization management.

5.2.2.4.12. **Head of Well Drilling and Workover** ensures and arranges hazard and risk (hazardous and harmful occupational factors) management, creation and maintenance of safe and healthy working environment in the subordinate services and operating units, in particular:

1) arranges and oversees that employees comply with the Statutory Requirements, H&S standards, regulations and codes, execute orders and follow instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

2) arranges and oversees introduction of the latest scientific and technical achievements in H&S, and activities to ensure safe operation of process equipment and other equipment;

3) arranges development of activities for overall mechanization of work and activities to minimize manual, hard and labor-intensive work, increase power per employee;

4) ensures that well construction process, production equipment and facilities meet the requirements of safety standards, regulations and codes;


5) defines the main areas of drilling, process mechanization and automation, production management for the subordinate units and research organizations subject to the H&S requirements;

6) leads development and arranges review, as established, of the corresponding comprehensive activities to improve and enhance working environment of drilling, workover organizations and other subordinate structural units, arranges and follows up on their implementation;

7) takes measures to fit structural unit facilities and production equipment with safety devices, which improve work conditions and safety in accordance with the valid regulations;

8) as required, participates in investigations of work-related incidents and accidents, development of prevention activities, follows up on their implementation;



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9) as a leader of the team/sub-commission within the Permanent H&S Commission, at least once in 6 months, checks (randomly) H&S activities management and status of the subordinate structural units, with the results being properly recorded and discussed;

10) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

**5.2.2.4.13. Head of Operations Management** ensures and oversees that production processes and specific activities in structural units of the subordinate services are properly managed and implemented in the safe manner, in particular:

1) monitors compliance with safety regulations and codes, H&S standards and other regulations, ordinances by state oversight and monitoring authorities, instructions from HSE employees, orders and instructions by KMG and the KMG Group Organization;

2) makes sure that safe working instructions are timely revised as appropriate;

3) supervises development of comprehensive H&S improvement activities in the subordinate services of structural units;

4) participates in the Permanent H&S Commission of the KMG Group Organization, at least once in 6 months checks H&S status of the subordinate services of structural units, takes necessary measures to rectify the identified deficiencies;

5) immediately communicates to the upper management of the KMG Group Organization the incident and accident reports from structural units, participates in arrangement of investigations and damage control;

6) in case of an emergency (incident, accident) controls and, when required, assists structural units with necessary local medical aid and transportation of the injured to a health care facility;

7) assists the HSE Service with transportation of members of the incident and accident investigation commission to the scene of incident;

8) monitors safe operation of the assigned vehicles and special equipment both in their own unit and in the subordinate services of the KMG Group Organization structural units in accordance with the internal provisions on safe operation of vehicles and special equipment;

9) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

**5.2.2.4.14. Head of Human Resources** arranges and ensures compliance with H&S requirements of the human resources service and subordinate structural units, in particular:

1) ensures development and introduction of evidence-based workplace engineering and management;

2) ensures development and introduction in the KMG Group Organization Structural Units of activities to improve workplace arrangement and maintenance; share best practices and safe working practices; improve and enhance working environment and workplace culture; minimize hard, labor-intensive and manual work; introduce reasonable work and rest schedules; improve forms and systems of moral and material incentives for improvement of working environment;


3) participates in development of social development plans for teams, comprehensive H&S improvement activities, development and implementation of measures to strengthen workplace discipline and morale, tighten control over observance of the internal code of conduct;

4) prepares suggestions to grant extra benefits and compensations for harmful working conditions;

5) arranges development of regulations on KMG structural units, job descriptions so that they include functions and duties to observe H&S requirements, create safe working environment;

6) together with other services of the KMG Group Organization, prepares a draft collective agreement, arranges and follows up on the performance;

7) ensures the optimum work and rest schedules for specific categories of employees who need limited exposure to hazardous and harmful occupational factors, and more rest between shifts;

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8) makes sure that the KMG Group Organization structural units maintain the balance between work and rest;

9) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

10) makes sure that the KMG Headquarters and structural units properly hire, transfer and discharge employees after medical examinations (as provided) and corresponding H&S briefings;

11) supervises performance of collective agreements by subordinate KMG Group Organization structural units, compliance with the internal code of conduct, workplace discipline;

12) controls how services of the KMG Headquarters and structural units of the KMG Group Organization follow the work and rest schedule, employ females and adolescents, grant benefits and compensations for hazardous and harmful work conditions;

13) develops an activity plan summary for training and advanced training of employees including HSE employees, arranges fulfilment of H&S training and advanced training programs for employees;

14) ensures that employees of the KMG Group Organization timely pass HSE training and knowledge assessments under the training program and the training and knowledge assessment schedule;

15) includes HSE topics in the program for qualification of employees and managers of the KMG Group Organization;

16) does not admit to work new employees until they pass induction;

17) does not approve and does not allow job descriptions to be approved if they do not include H&S responsibilities;

18) supervises and arranges amendments to job descriptions of H&S employees if an employee role and/or the KMG Group Organization structure change;

19) arranges scheduling, implementation, analysis of training and knowledge assessment for employees of the KMG Group Organization;

20) arranges periodic medical examinations and activities associated with medical examinations as provided by the Statutory Requirements, if there are no social services in the organization;

21) participates in the Permanent H&S Commission of the KMG Group Organization, checks H&S status of the subordinate services and structural units, takes necessary measures to rectify the identified deficiencies.

**5.2.2.4.15. Head of Legal** arranges and conducts labor law and legal education activities for employees of the Headquarters and the KMG Group Organization structural units, addressing H&S topics as well:

1) conducts necessary work to improve legal regulation of issues associated with ensuring safe working environment;


2) controls that services of the Headquarters and structural units of the KMG Group Organization comply with and properly apply statutory labor requirements (regarding work and rest schedules, employment of females and adolescents, hiring, transferring and discharging employees, etc.);

3) participates in development of legal documents governing employment relationships in the Headquarters services and the KMG Group Organization structural units (internal code of conduct, collective agreements and employment contracts, provisions, job descriptions, etc.);

4) participates in preparation of draft administrative H&S documents (regulations, instructions, orders, executive orders, etc.) and ensures their compliance with the Statutory Requirements;

5) participates in activities to ensure compliance with statutory labor requirements and application of remedies, development and implementation of measures to strengthen workplace discipline;

6) participates in activities involving all types of H&S insurances;

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7) periodically informs employees of the KMG Group Organization about new provisions of the Statutory Requirements, arranges that officials study legal and regulative H&S documents applicable to their activities;

8) provides legal assistance to executives of the Headquarters services and employees of the KMG Group Organization structural units with proper application of the Statutory Requirements;

9) provides guidance for the legal work in the field of H&S, checks status of this work in the Headquarters services and the KMG Group Organization structural units;

10) explains H&S related legal issues when requested by employees of the Headquarters services and the KMG Group Organization structural units, sends them reference materials about the valid statutory labor requirements and relevant application practice;

11) represents interests of the KMG Group Organization in judicial bodies in proceedings concerning H&S;

12) reviews compliance of job descriptions and occupational instructions with the Statutory H&S Requirements;

13) arranges and ensures execution of orders and instructions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities, within their competence.

### **5.2.3. H&S Activities Management in the Structural Unit (Responsibilities)**

5.2.3.1. Overall management and responsibility for proper management of H&S activities in the Structural Unit shall lie with the Chief Executive Officer.

5.2.3.2. Administrative and technical employees of Structural Units shall implement administrative and technical, sanitary and hygienic activities to create and maintain safe and healthy working environment during work, make sure that employees follow the established H&S regulations, codes and instructions, and execute orders and follow instructions of the superior bodies, ordinances by state oversight and monitoring authorities.

5.2.3.3. Direct management of safe working environment provision activities in Structural Units shall lie with Deputy Chief Operating Officer, and with respective managers of operating units, sites, crews.

5.2.3.4. **Chief Executive Officer** (director general, directors of regional operating structural units or branches, bases and representative offices) provides overall management of and is personally responsible for creation and maintenance of safe and healthy working environment during operations, in particular:

1) reviews and approves HSE Service work schedules;


2) provides overall management of the Structural Unit and ensures professional training for workers, training in safe working practices for employees as required by the valid guidelines;

3) provides overall management of roles allocation, allocates duties, approves regulations on departments and services, job descriptions for executives, engineers and technicians so that they include functions and responsibilities to create safe working environment, and occupational instructions for workers based on the Unified Rating and Skills Guide for Jobs and Occupations (URSG), considering the specifics of operations;

4) makes arrangements to hire qualified specialists for the HSE Service, deploy and transfer them efficiently, as approved by the relevant service of the superior organization;

5) ensures management of operations, production processes and individual activities, operation of production equipment and vehicles, upkeep of warehouses and other auxiliary facilities of the Structural Unit as required by safety standards, regulations and codes;

6) ensures that production buildings and facilities are operated in accordance with the safety regulations and codes, and sanitary facilities, amenities and devices are maintained and used as intended;

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7) ensures that newly constructed and reconstructed operating units and facilities are commissioned in accordance with construction codes and regulations, and does not permit them to be commissioned until safe and healthy working environment is provided;

8) ensures that employees of the Structural Unit observe Statutory H&S Requirements, industrial safety requirements, safety standards, regulations and codes, and comply with ordinances by authorized bodies;

9) ensures that work-related incidents and accidents, occupational diseases are timely and properly investigated;

10) makes sure that employees pass mandatory pre-employment and periodic medical examinations and pre-shift medical check-ups in accordance with the Statutory Requirements;

11) ensures that the HSE Service functions as intended, does not allow HSE employees to be involved in activities, which are beyond their official functions and not related to their duties;

12) defines main areas of HSE Service activities to improve activity management, provides vehicles and mobile communication means for HSE employees;

13) ensures development and introduction of new, advanced formats and systems of material and moral incentives for best performance and active involvement in H&S;

14) reviews and approves accident reports, submits them to the intended receivers in accordance with the Statutory Requirements;

15) reviews (at least once a quarter) H&S status of operating units, sites during meetings with engineers and technicians, reviews information from managers of individual operating units about work they implement to improve H&S, reduce work-related injuries, about progress of H&S improvement programs and collective agreement, and makes appropriate decisions;

16) takes measures to raise accountability of engineers, technicians and workers for compliance with safety standards, regulations and codes, workplace discipline, timely implementation of the scheduled H&S activities;

17) arranges development of plans to improve and enhance working environment and approves them after they have been reviewed as established, provides the necessary materials and equipment to implement such plans, arranges supervision over timely and full completion of the scheduled activities;

18) arranges development and approves, as established, structure and number of staff in the HSE Service in accordance with the typical structure and staffing standards, specifics of production and typical provisions on the HSE Service;

19) includes a relevant service in the Headquarters structure, or a special role in the HSE Service to address fire safety, emergencies; defines their job duties;

20) assigns a room for H&S office, makes arrangements to fit it with the necessary facilities, visual aids, furniture and appliances;

21) timely and immediately informs a superior organization and the appropriate authorized state body about work-related incidents and accidents in accordance with the valid Statutory Requirements;

22) arranges activities to evaluate occupational and behavioral risks, develop preventive activities to mitigate risks;


23) supervises timely reporting about accident victims, with explanatory notes in format and on dates as established by an authorized statistics body;

24) arranges for internal H&S inspections to observe the established H&S requirements in workplaces and take immediate measures to rectify the identified non-conformances;

25) forms and coordinates a Committee with composition and work procedures as defined by an internal document;

26) arranges reporting about victims of work-related accidents and costs of H&S activities, comprehensive activities (in the established formats), information, records and reports of H&S activities in the Structural Unit;



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27) approves an internal code of conduct developed under the KMG Group Organization guidelines;

28) ensures that deputies and other engineers and technicians take part in periodic H&S checks in operating units, sites and facilities, arranges for the Permanent H&S Commission.

**5.2.3.5. Chief Operating Officer** (deputy general directors, deputy directors of regional operating structural units, bases and representative offices, technical directors, chief engineers):

**5.2.3.5.1. Deputy Operating Officer** arranges, directly manages creation and maintenance of safe and healthy working environment, in particular:

- 1) arranges introduction of advanced H&S systems and formats;
- 2) arranges introduction of new, safer processes, best international practices, scientific and technical achievements, best H&S practices, supervises their implementation as required;
- 3) arranges reviews of new process designs, capital construction and reconstruction designs;
- 4) reviews and approves plans and schedules of scheduled preventive repairs of production equipment and facilities;

5) arranges and monitors that executives, engineers and technicians of operating units and sites observe requirements of safety standards, regulations and codes, execute orders and instructions of the superior bodies, ordinances by state oversight and monitoring authorities, Committee recommendations;

6) arranges vocational training for employees, timely and appropriate training of personnel in safe working practices;

7) oversees that employees are trained in emergency response plans, and that workers are trained in safe working practices;

8) arranges H&S training and advanced training of engineers and technicians, reviews and approves briefing programs, knowledge assessment questionnaires for employees, leads and chairs the Permanent Examination Board;

9) arranges development of activities for overall mechanization of work and activities to minimize manual, hard and labor-intensive work, increase power per employee;

10) arranges development of provisions on incentivization for best H&S performance and active involvement in H&S;

11) takes measures to fit production equipment and facilities with safety devices, which improve working environment and safety in accordance with the valid regulations;

12) makes arrangements to provide engineers and technicians of operating units and workplaces with H&S regulations, codes, instructions, posters, safety signs and other aids and regulations;

13) as a leader of the Permanent H&S Commission of the Structural Unit, at least once a quarter (randomly) checks H&S status of operating units and facilities, checks up on implementation of activities to mitigate occupational risks, improve and enhance H&S, execution of ordinances by state oversight and monitoring authorities, worker training and briefing management, takes prompt measures to rectify the identified deficiencies;


14) during meetings with engineers and technicians, technical councils or Permanent H&S Commission meetings, reviews (at least once a quarter) H&S in operating units, facilities, reviews information from managers of certain operating units and facilities about work they do to improve H&S; makes decisions, as appropriate;

15) reviews and approves subjects for innovators and inventors so that they include H&S topics, prepares suggestions to be included in subject schedules of research and design institutions;

16) leads development and preparation of safe working instructions, approves them as established;

17) leads development of H&S improvement activities, arranges them to be reviewed as established and submits them for approval, arranges and follows up on their implementation;



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18) ensures that all necessary information, materials and aids are provided for timely and proper investigation of work-related incidents and accidents, occupational diseases in accordance with the valid Statutory Requirements;

19) supervises timely reporting about accident victims, with explanatory notes in format and on dates as established by an authorized statistics body;

20) makes sure that H&S technical documentation is properly maintained as provided by standards, regulations and other regulatory documents;

21) arranges and participates, as provided by the Statutory Requirements, in incident and accident investigations, development of activities to prevent them, hazard identification and occupational risk assessments, arranges that investigation records are submitted to the appropriate state bodies and superior organizations, arranges and follows up on the scheduled activities following incidents and accidents, occupational risk mitigation activities;

22) prepares relevant materials about design deficiencies in equipment, machinery and appliances, which threat to injure employees, submits them to superior organizations and other Structural Units, manufacturers and developers, arranges technical audit and activities following such audits;

23) approves the list of highly hazardous activities, defines persons in charge of safe practices of highly hazardous work, reviews and approves highly hazardous work schedules, appoints persons in charge of safe operation of potentially hazardous equipment, units and materials.

5.2.3.5.2. **General Deputy** arranges provision of prioritized materials, equipment and instruments for H&S improvement activities, in particular:

1) arranges and ensures safe operation of motor vehicles and other transportation means, special equipment, hoisting facilities, proper and safe management and performance of handling operations;

2) arranges and ensures transportation of employees to and from work, also when they work overtime, supervises condition of motor vehicles for employee transportation, together with the transportation organization management takes measures to rectify the identified deficiencies;

3) arranges for provision of employees with soap, detergents and disinfectants, milk, dietary meals in accordance with the valid codes, regulations, instructions; takes measures to procure first aid equipment for production facilities;

4) ensures that PPE is received, stored and used in accordance with regulations, arranges repair, washing and dry cleaning of PPE;

5) ensures proper operation and appropriate condition of auxiliary facilities (canteens, boiler rooms, recreational facilities, health centers, health care rooms, medical units, etc.);

6) ensures safe and healthy working environment for employees of the subordinate operating units, departments, warehouses, handling sites and other work sites;

7) ensures medical and preventive services for employees;

8) arranges that employees undergo mandatory pre-employment and periodic medical examinations and pre-shift medical check-ups in accordance with the Statutory Requirements;

9) ensures that medical rooms are properly fitted and operate uninterruptedly;


10) participates in development of comprehensive H&S improvement activities, ensures that the scheduled activities are completed on the established dates;

11) takes part in the Permanent H&S Commission of the Structural Unit to review issues within their competence, at least once a quarter, checks (randomly) H&S status of operating units, warehouses and other work sites, takes measures to rectify the identified deficiencies;

12) makes arrangements to form a complex of prevention and treatment facilities in the Structural Unit (medical rooms, saunas, gyms, etc.);

13) arranges disinfection, desinsection and deratization;

14) ensures and supervises disposal of solid and liquid household waste as required by sanitary standards.

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**5.2.3.5.3. Deputy Chief Officer for Capital Construction** arranges and ensures expert examination of construction designs for new, reconstructed and expanded facilities, in particular:

1) arranges reviews of construction designs for new, reconstructed and expanded facilities for compliance with construction and sanitary codes and regulations, and prepares relevant opinions;

2) arranges, oversees and ensures technical supervision over compliance of construction and installation in the structural unit with technical documentation, GOSTs, construction codes and regulations, safety regulations and codes, and ensures maintenance of the relevant documentation;

3) arranges and, together with the relevant departments, services, supervises timely and full completion of H&S activities within phases of construction and reconstruction projects;

4) arranges advanced training of employees and training in safe working practices for personnel of the subordinate units. Participates in the Commission for assessment of health and safety knowledge of employees in the subordinate units;

5) together with construction and installation contractors, establishes procedures of work in the Structural Unit so that to ensure safe working practices; reviews and submits for approval relevant documents for construction and installation in the functioning structural unit (operating unit, site);

6) together with the general contractor, prepares constructed and reconstructed facilities for commissioning in full compliance with the valid construction codes, and does not permit them to be commissioned with deficiencies, which impair working environment, arranges activities of the working acceptance commission;

7) provides technical supervision and arranges technical audit of obsolete and worn out buildings and facilities, identifies facilities which do not meet the requirements of safety regulations and codes, facilities subject to overhaul, upgrade or shutdown, makes the necessary arrangements;

8) participates in development of comprehensive H&S improvement activities, ensures that the scheduled activities are completed on the established dates, ensures that facilities to be overhauled or reconstructed are timely designed and included in the itemized lists of facilities;

9) as provided by the Statutory Requirements, participates in arrangement of incident and accident investigations in the managed units, hazard identification and occupational risk assessments, arranges and follows up on accident prevention activities and hazard and risk mitigation activities;

10) ensures safe and healthy working environment for employees of the subordinate operating units, departments and other work sites;

11) takes part in the Permanent H&S Commission to review issues within their competence, at least once a quarter, checks (randomly) H&S in the subordinate operating units, departments and other work sites, takes measures to rectify the identified deficiencies.

**5.2.3.5.4. Head of HSE** reports directly to the Chief Executive Officer of the KMG Group Organization, arranges activities to create safe and healthy working environment in the Structural Unit, in particular:


1) manages the Permanent H&S Commission of the Structural Unit and periodically checks H&S status of operating units and facilities, engages engineers and technicians from other services of the Structural Unit; functions as Deputy Chairman of the Permanent Commission;

2) participates in development of new and revision of existing safety working instructions, standards, memos, provides guidance to managers of operating units and services for development of local instructions, briefing programs and training of workers in safe working practices;

3) arranges the H&S office, takes measures to fit it with necessary training and visual aids, training equipment, simulators, etc.;

4) takes measures to provide H&S regulatory documents, regulations, instructions, posters and other aids;

5) arranges for experience exchange among Structural Units and shares best H&S practices;

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6) together with the relevant departments, services, arranges occupational hazard and risk management, development of risk/hazardous and harmful occupational factors mitigation activities, improvement and enhancement of working environment, summarizes and analyses these activities;

7) develops comprehensive H&S improvement activities and gets them approved by the relevant services, follows up on their implementation;

8) coordinates H&S activities of auxiliary and operating units of the KMG Group Organization, interacts with local state supervision bodies;

9) oversees compliance with the Statutory H&S Requirements, safety regulations and codes, standards and other H&S regulatory documents, industrial and fire safety requirements, execution of resolutions of KMG and the KMG Group Organization, ordinances by state oversight and monitoring authorities;

10) makes sure that production equipment and facilities are fit with safety devices, which improve working environment and safety;

11) handles routine and advisory liaison with local state supervision bodies, research and development centers and other structural units for issues within their competence;

12) arranges and makes sure that H&S recommendations and developments of research and design institutions are introduced in production process;

13) together with the relevant departments and services, checks proper management and safety of production processes and activities, condition and proper operation of production equipment and devices, buildings and facilities, sanitary facilities, amenities, sanitary and hygienic condition, availability, serviceability, proper operation and application of protective equipment;

14) conducts operational analysis of the working environment in production sites, evaluates risks and takes measures to rectify the identified H&S non-conformances;

15) together with other services, arranges working conditions based certification of production facilities in accordance with the applicable certification procedures established by the Statutory Requirements;

16) makes sure that employees are provided with dietary meals, milk, soap, detergents and disinfectants, which meet appropriate PPE standards, specifications and manufacturing conditions, checks how PPE receipt, storage, cleaning, washing and repair is managed;

17) controls timely and proper training of employees in safe working practices, briefings and employee knowledge assessment reports, checks that briefing and knowledge assessment logs, personal briefing record cards are properly maintained;

18) makes sure that H&S technical documentation is properly maintained as provided by the standards, regulations and other regulatory documents;

19) develops an induction program, which shall reflect the KMG Policy, holds inductions for newly hired employees of the structural unit;


20) arranges the Permanent H&S Examination Board, participates in the said Board, schedules employee knowledge assessments;

21) gives instructions to heads of the units, chief specialists and other officials to remove the identified deficiencies in work and non-conformances to mandatory safety regulations and codes;

22) prohibits work on certain sites, machinery, equipment and machines if work conditions pose hazard for life and health of employees, suspends certain persons from work (through heads of the relevant units), if they violate safety regulations and codes, and has the right to check H&S knowledge of personnel out of schedule;

23) prohibits using substances, raw products, materials, which have not passed toxicological, sanitary, radiation inspections of their impact on human body and health;

24) together with technical services of the KMG Group Organization, promotes H&S as established through contests, lectures, exhibitions, displays and stands, by distributing regulations, instructions and posters, videos;

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25) analyses (at least once a quarter) general H&S status of units, and non-conformances to safety regulations and codes, safe working instructions, reviews performance of the undertaken activities and solutions;

26) analyses and summarizes activities of the HSE Service, identifies causes for deficiencies and takes measures to eliminate them, develops and undertakes activities to improve employee performance;

27) ensures that the procedure for investigation and recording of accidents and other work-related damage to the health of employees is observed;

28) participates in reviews of design and technical documentation for unconventional equipment, construction of new facilities, upgrade of certain operating units, services, sanitary facilities, amenities, overhaul of buildings, facilities and process equipment, and process regulations for safe working practices;

29) makes sure that the developed designs pass state expert examination for compliance with the H&S requirements;

30) participates in the commission for acceptance of newly constructed and reconstructed production facilities, sanitary facilities, amenities and warehouses, equipment and processes, testing and introduction of new equipment prototypes;

31) participates in reviews of H&S status within plans and results of the Structural Units operations;

32) communicates incidents and accidents to the heads of operating units and services of the Structural Units, when informed accordingly by the KMG Group Organization;

33) registers and records work-related incidents and accidents and occupational diseases, analyses causes for them; together with employees of the relevant units, develops activities to prevent them, follows up on their implementation, makes reports and compiles other information about accidents and occupational diseases;

34) prepares draft orders, resolutions, instructions, executive orders, guidance and summary documents for H&S;

35) makes suggestions to the Structural Unit management regarding H&S performance improvement, hiring, rational deployment and transferring of qualified employees for the department, other issues;

36) makes suggestions to the Structural Unit management about incentives for certain employees for high H&S performance, and disciplinary actions against heads and employees of structural units for violations of safety regulations and codes;

37) prepares documents for an insurance company should the insured event occur to make compensation payments for damage caused by a work-related accident;

38) monitors disinfection, desinsection and deratization;

**5.2.3.6. Line managers** (chief geologists, chief mechanical engineers, chief power engineers, site/shop managers), Heads of Structural Units:

**5.2.3.6.1. Head of Geology** arranges and ensures safe working environment during well development and surveying, downhole logging and geophysical surveys, in particular:


1) supervises proper and safe development and surveying of wells, downhole logging and geophysical surveys;

2) includes safety measures in the developed geotechnical documentation to avoid emergencies during construction, operation, surveying and workover of wells, makes sure that valid input data is issued to develop well constriction designs;

3) participates in H&S knowledge assessments of employees of operating units and departments reporting to the geology service;

4) participates in the Permanent H&S Commission of the Structural Unit, checks H&S status during site visits;



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5) supervises well suspension operations, ensures that they are safe;

6) to avoid man-made emergencies, ensures that reservoir engineering is conducted as per a flow chart, immediately communicates inconsistencies to the Structural Unit management.

**5.2.3.6.2. Head of Equipment and Machinery Repair and Operation** ensures proper and safe operation, timely maintenance and scheduled preventive repairs of the assigned equipment, in particular:

1) ensures that condition of equipment, machinery and tools meets the requirements of operational regulations; arranges technical audits of obsolete and worn out equipment and machinery;

2) ensures proper and safe operation, timely testing as provided by the regulations, technical certification and inspection of hoisting machinery, hoisting and pulling gear, pressure tanks and vessels, electric gas welding equipment, acetylene, oxygen units, pumps and compressors, abrasive wheel testers, other equipment and machinery;

3) arranges safe operation of gas facilities in accordance with the valid regulations;

4) ensures timely diagnostics of critical parts and assemblies of equipment and tools, reviews and approves, as established, punch lists for equipment repair, certificates of release of equipment and machinery for and from repair;

5) ensures proper maintenance of technical documentation for equipment and appliances as provided by the applicable regulations;

6) ensures effective functioning of ventilation systems and units, timely preventive inspections and repair;

7) ensures that employees are admitted to maintenance of complex machinery and units under the established procedure;

8) arranges and holds training and knowledge assessment for employees of the equipment and machinery repair and operation service, ensures timely training, qualification and knowledge assessment for employees maintaining hoisting machinery, pressure vessels and other equipment;

9) ensures that industrial safety requirements are observed during operation of equipment, repair, installation and commissioning by employees of the equipment and machinery repair and operation service in the operating units and facilities of the Structural Units;

10) ensures execution of orders, instructions, executive orders of management and employees of the HSE Service of the KMG Group Organization, and activities to improve and enhance working environment, ordinances by state oversight and monitoring authorities;

11) ensures that near miss incidents with aboveground equipment are timely investigated and recorded, participates in investigation of their causes;

12) participates in development of administrative and technical activities to prevent incidents, accidents and occupational diseases, introduce best practices and improve management of repairs associated with operation of equipment and machinery;


13) participates in investigations of incidents and accidents of various severity, development of prevention activities;

14) summarizes materials about design deficiencies of equipment, machinery and appliances which have caused accidents or pose hazard of injury for employees, and prepares appropriate suggestions to address these issues, which are to be submitted to the KMG Group Organization;

15) participates in development of local safe working instructions for employees of the equipment and machinery repair and operation service, takes part in development of safe working instructions for employees of operating units and sites, provides them to the subordinate services, assists employees of operating units, sites with development of instructions;

16) checks H&S status, ensures that employees observe safety regulations and codes during repair and operation of equipment, as a part of the Permanent H&S Commission checks H&S status of the subordinate facilities, analyses the identified inconsistencies, develops activities to rectify them;



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17) arranges development of requests for appliances, instruments and devices, makes arrangement to provide facilities with them;

18) during commissioning of a hazardous production facility, conducts acceptance tests, technical certification involving a state inspector;

19) documents and arranges registration and de-registration of a hazardous equipment, issues requests to an authorized body;

20) arranges and holds expert examination of technologies, hardware, materials used in hazardous production facilities, except for construction materials used in hazardous production facilities.

**5.2.3.6.3. Head of Chief Power Engineer Service (Department)** ensures reliable and safe operation, timely and appropriate preventive inspections and tests, scheduled preventive repairs of electrical and heat-power units, in particular:

1) ensures that condition of equipment and plants meets the requirements of Electrical Installation Code, operational and safety regulations;

2) ensures timely internal inspections, hydraulic testing, certification and repair of steam and water heating boilers, participates in management of safe operation of gas facilities in accordance with the valid regulations, unless this is the responsibility of the Head of Repair and Operation of Aboveground Process Equipment;

3) ensures that technical documentation for equipment and appliances is properly maintained as provided by the applicable regulations;

4) ensures timely checks of serviceability of protective earthing and insulation resistance of electrical and process equipment and units as required by the regulations and instructions, ensures technical activities for electrostatic elimination;

5) ensures availability and timely testing of protections within the time frames established by the regulations, checks that protections devices are properly stored and used;

6) as established, admits employees to maintenance of electrical installation, steam and water heating boilers, other complex equipment;

7) arranges and conducts training, knowledge assessments for employees maintaining electrical installations, steam boilers; supervises employee training, participates in a commission to assess employees' knowledge, assign electrical safety group I to non-electrical employees;

8) ensures safe working environment for employees during maintenance of equipment and repair, installation and commissioning in the functioning operating units and facilities of the structural unit;

9) ensures introduction of devices, which improve working environment and contribute to automation and safe operation of electrical installations, steam and water heating boilers and other equipment;

10) ensures execution of orders and instructions of the Structural Unit management, activities to improve and enhance working environment, ordinances by state oversight and monitoring authorities;


11) monitors condition, safe operation, timely manner and quality of repair and testing of electrical and heat-power units, equipment and networks, takes measures to rectify the identified deficiencies;

12) takes measures to identify and eliminate design deficiencies in electrical and heat-power equipment;

13) participates in management of technical audits of obsolete and worn out electrical and heat-power equipment;

14) makes arrangements to fit workplaces and facilities with safety signs, posters, instructions and other visual aids as provided by the operational regulations;

15) participates in timely development of local instructions for safe working practices for employees, who maintain electrical and heat-power units, takes part in development of such

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instructions for workers of operating units and sites, provides guidance to the heads of operating units for development of such instructions;

16) as required, participates in investigation of incidents and accidents occurred during operation of electrical installations, boilers and other power equipment, and development of preventive activities;

17) participates in the Permanent H&S Commission of the Structural Unit, checks H&S status of operating units and facilities, analyses the identified deficiencies, develops activities to eliminate them;

18) participates in development of comprehensive H&S improvement activities, ensures that they are completed on the established dates.

**5.2.3.6.4. Head of Operations Management** ensures and supervises safe operation of the assigned utility vehicles, special equipment, in particular:

1) participates in proper management and safe implementation of production processes and certain operations as required by the safety regulations and codes;

2) participates in the Permanent H&S Commission of the Structural Unit, checks H&S status of operating units and facilities, make necessary arrangements to rectify the identified deficiencies;

3) takes part in development of comprehensive H&S improvement activities, production management and process improvement plans, introduction of new, best practices, improved designs, equipment, machinery and other devices;

4) takes messages from operating units, sites and facilities of the Structural Unit about incidents and accidents, immediately notifies management and HSE Service of the Structural Unit accordingly;

5) arranges for urgent transportation of accident victims to medical facilities and/or to provide first aid on site;

6) arranges timely transportation of the incident and accident investigation commission to the scene of the incident;

7) together with other services, as appropriate, takes timely measures for damage control of incidents and accidents;

8) informs the Operations Management Service of the KMG Group Organization about the incident or accident, takes measures to prevent re-occurrence.

**5.2.3.6.5. Head of Production Transportation** arranges and directly manages creation and maintenance of safe and healthy working environment in the subordinate operating units, in particular:

1) arranges and oversees that employees of the subordinate operating units comply with the Statutory H&S Requirements, safety standards, regulations and codes, execute orders and follow instructions of the management, HSE Service of the KMG Group Organization, Structural Unit, ordinances by state oversight and monitoring authorities;

2) arranges recording and analysis of RTA; submits to the KMG Group Organization management RTA reports, information and details of the implemented preventive measures;


3) arranges sharing of H&S and road safety experience among operating units, together with the finance service, arranges road safety competitions, contests, monthly campaigns;

4) manages road safety activities, guides operating units to implement RTA prevention activities, arranges safe operation of vehicles and special equipment in accordance with the Statutory Requirements;

5) provides overall management of the road safety service of the Structural Unit, analyses performance, develops activities to improve operations;

6) continuously monitors compliance with safe work and rest conditions, routines and medical services for employees (drivers, special repair staff and other employees), makes arrangements to procure all necessary equipment, instruments and analyzers for medical rooms of transportation units;

7) arranges pre-shift medical examination of drivers in accordance with the valid codes and regulations;

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8) monitors and ensures that production processes, equipment, vehicles, industrial and amenity buildings and rooms of the subordinate units comply with safety standards, regulations and codes;

9) arranges rolling stock readiness control and monitoring of vehicles performance en route;

10) takes measures to provide production facilities with diagnostics, maintenance, repair and operation equipment for vehicles, which improve safety and working environment;

11) participates in H&S, road safety training and advanced training of employees of the Structural unit and operating units;

12) participates in the Permanent H&S Commission to review and address H&S issues, personally checks H&S status of the subordinate operating units;

13) analyses inspection/audit results and participates in development of activities to rectify non-conformances to safety regulations and codes, arranges their implementation;

14) continuously monitors hydrometeorological support of operating units, provision of necessary meteorological information under contracts with hydrometeorological agencies;

15) holds meetings with engineers and technicians of operating units (at least once a quarter) to review H&S, road safety issues; reviews information from the heads of certain operating units about H&S, work-related injuries, H&S and road safety improvement activities;

16) as established by the Statutory Requirements, participates in investigations of work-related incidents, accidents and RTA, development of activities to prevent them.

**5.2.3.6.6. Head of Technical Operations** arranges and ensures fulfilment of look-ahead production development and preparation plans in accordance with the requirements of safety standards, regulations and codes, in particular:

1) develops and implements plans for introduction of new equipment, technologies, automation and mechanization of production processes to improve and enhance working environment;

2) ensures that safety measures are included in technical documentation for production management, technology, mechanization and automation, upgrades of operated facilities;

3) develops and timely reviews emergency response plans, prepares drill (emergency exercise) schedules;

4) arranges introduction of new technical aids and innovative proposals to improve production technology and process, raise level of mechanization, automation and H&S;

5) monitors development of production management plans, work schedules, ensures that they are provided to operating units and sites, that work is done in accordance with design;

6) participates in development of comprehensive H&S improvement activities, ensures that the scheduled activities are completed on the established dates;

7) participates in the Permanent H&S Commission of structural units of the KMG Group Organization;


8) periodically checks H&S status during visits to operating units, sites, facilities, and monitors production processes and operations in accordance with technical documentation and safety regulations;

9) as required, participates in investigation of incidents and accidents, hazards identification and workplace risk assessments, development of hazard and risk mitigation activities following such investigations;

10) ensures development of activities for autumn and winter, floods and other abnormal climatic conditions;

11) develops and ensures fulfilment of look-ahead production development and preparation plans as required by the safety standards, regulations and codes, monitors compliance of buildings, facilities and technical devices with safety regulations.

**5.2.3.6.7. Head of Procurement** arranges and provides operating units of the structural units with PPE required for working environment improvement and enhancement activities, materials, which meet the requirements of standards, in particular:

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1) arranges timely and proper preparation of requests for PPE in accordance with the established procedure (properly sized, in line with valid standards, specifications and intended purpose), and takes measures to fully supply employees with appropriate PPE;

2) provides operating units of the structural units with properly sized protective cloths, footwear and other PPE in accordance with the purpose, soap, detergents and disinfectants;

3) ensures supplies of necessary equipment to repair, wash and dry-clean PPE, unless repair, washing and dry-cleaning of PPE is delegated to special companies;

4) ensures that PPE is properly received, stored, issued and recorded;

5) ensures that safety regulations are observed during handling, warehousing, storage and transportation of cargoes and materials;

6) arranges H&S and fire safety training and briefing for employees and warehouse clerks, and other employees;

7) participates in the Permanent H&S Commissions to check the subordinate facilities.

**5.2.3.6.8. Head of Support Base** arranges and ensures operation, repair of equipment, maintenance of processes in accordance with safety regulations and codes, in particular:

1) together with the Head of Equipment Repair and Operation and the Head of Chief Power Engineer Service, arranges timely preventive inspections, scheduled prevention repairs of equipment and units;

2) ensures safe operation of hoisting machinery and other highly hazardous equipment of the support base;

3) arranges and participates in development of H&S improvement activities, ensures that the scheduled activities are completed on the established dates;

4) arranges H&S checks in operating units and facilities;

5) arranges safe working training for employees of operating units and sites of the base, timely knowledge assessment for employees;

6) participates in management of technical audits of obsolete and expired fixed assets, and the subsequent activities;

7) makes sure that employees of the base observe safety regulations and codes, execute orders and instructions of management on the established dates, ordinances by state oversight and monitoring authorities, Committee recommendations, comments and suggestions of an authorized H&S body;

8) involves all engineers and technicians and functional supervisors of the base in creation and maintenance of safe and healthy working environment;

9) allocates safe working environment duties among managers of the base units and their deputies, other engineers and technicians;

10) takes measures to fit production facilities and employees with necessary PPE, appliances and devices, posters as required by safety regulations and codes;


11) makes arrangements to enhance working environment in the base facilities, ensure normal air, improve illumination, temperature conditions and water consumption, reduce noise and vibration;

12) holds monthly meetings with managers of base units and functional work supervisors, involving the HSE Service;

13) reviews results of H&S inspections, reviews information from structural unit managers and functional work supervisors about H&S, arranges that activities to remove the identified inconsistencies are developed and implemented on the established dates;

14) participates in the Permanent Commission of the KMG Group Organization Structural Unit, development and implementation of activities following such commission’s work;

15) as provided by the Statutory Laws, participates in incident and accident investigation, workplace hazard and risk identification, takes part in development of activities following investigations, management over implementation of such activities on the established dates.

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5.2.3.6.9. **Head of Capital Construction** provides technical supervision over construction of facilities to make sure they comply with safety regulations and codes, and that newly constructed and reconstructed facilities conform to design, in particular:

- 1) participates in development of H&S improvement activities;
- 2) participates in acceptance of constructed and reconstructed production and auxiliary facilities, does not permit them to be commissioned with deficiencies, which impair H&S;
- 3) takes part in management of technical audit of buildings, facilities and other expired and obsolete fixed assets;
- 4) arranges activities following technical audits on the established dates;
- 5) arranges repair of sanitary facilities and amenities;
- 6) ensures acceptance of design and estimates for construction and reconstruction of facilities provided that expert examination and other authorization procedures involving relevant state supervision bodies have been passed;
- 7) as established by the Statutory Requirements, participates in the commissions to investigate incidents and accidents occurred at the facilities during activities, capital construction and reconstruction plans.


5.2.3.6.10. **Head of Human Resources** arranges and ensures compliance with H&S requirements of the human resources service, in particular:

- 1) arranges and ensures that employees are properly hired, discharged and transferred in accordance with the Statutory Requirements and as established by the KMG Group Organization structural units;
- 2) arranges and monitors observance of work and rest schedule, internal code of conduct and site regulations, overtimes, employment of females and adolescents;
- 3) arranges study of working conditions and, following workplace assessment, prepares suggestions for the management about extra benefits or compensations for harmful working environment;
- 4) arranges development and implementation of training and advanced training of employees; includes H&S topics in training and advanced training programs;
- 5) arranges development of the structural unit provisions, job descriptions, includes healthy and safe working environment functions, responsibilities and rights in them; makes sure that the appointed employees familiarize themselves with job descriptions, instructions, amendments, revisions, and orders they need to fulfil as part of their duties;
- 6) participates in development of the relevant sections of social development plans, comprehensive H&S improvement activities and collective agreements, arranges and follows up on their implementation;
- 7) ensures development and implementation of activities to strengthen workplace discipline and morale, enforce control over observance of the internal code of conduct;
- 8) arranges activities to improve workplace culture and develop competitions, contests in the Structural Unit in accordance with H&S performance;
- 9) participates in the Permanent H&S Commission of the KMG Group Organization structural unit to review H&S issues within their areas of responsibility;
- 10) does not admit to work the newly hired employees until they pass induction, and if they have no appropriate permits;

5.2.3.6.11. **Head of Economics** ensures timely budget planning to implement H&S improvement activities, in particular:

- 1) ensures that funds to implement H&S improvement activities are included in schedules and budgets as a separate cost item in accordance with the approved program;
- 2) ensures calculation of material damage incurred by the Structural Unit as a result of an incident, accident, production failure;



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3) timely recalculates compensation for the victims of incidents and accidents within the period established for personal income indexation.

5.2.3.6.12. **Head of Legal** arranges and promotes labor law and legal education among employees of the Structural Unit so that they observe H&S regulations and codes, in particular:

1) conducts necessary work to improve legal regulation of issues associated with ensuring safe working environment;

2) controls that the Structural Unit observe and properly applies Statutory Labor Requirements, including work and rest schedules, employment of females and adolescents, hiring, transferring and discharging employees;

3) participates in development of legal documents governing labor relationship in the structural unit (internal code of conduct, collective agreements and employment contracts, job descriptions and other documents);

4) participates in preparation of draft administrative H&S documents (provisions, instructions, orders, executive orders, etc.) and ensures that they meet the valid Statutory Requirements;

5) participates in activities to ensure compliance with statutory labor requirements and application of remedies, development and implementation of activities to strengthen workplace discipline;

6) participates in activities involving all types of insurances;

7) periodically, at least once a month, informs employees of the structural unit about amendments to the valid Statutory H&S Requirements, arranges that employees study the Statutory Requirements applicable to their H&S activities;

8) provides legal assistance to managers and employees with proper application of the Statutory H&S Requirements;

9) when executing collective agreements and employment contracts, makes sure that their terms and conditions meet the Statutory Requirements.

If there is no legal service in the organizational chart, the responsibilities shall lie with a legal specialist.

5.2.3.6.13. **Head of Accounting and Reporting** arranges and ensures that costs for implementation of H&S activities are properly accounted for, in particular:

1) as established, accounts for costs for H&S improvement;

2) timely pays compensations to victims of accidents within the time frame established for personal income indexation.

5.2.3.6.14. **Head of Operating Unit (Head of Shop)** arranges and maintains production processes in accordance with design, requirements of safety regulations and codes, in particular:

1) arranges storage, transportation, application and neutralization of toxic, caustic, explosive and fire hazardous substances in accordance with the industrial safety requirements, ensures maintenance of H&S documentation;


2) as a functional supervisor and manager of work, bears full responsibility for creation and maintenance of safe working environment in their unit;

3) ensures serviceability and safe operation of equipment, machinery, appliances, safety guards, transport means, hoisting machinery, sanitary facilities as well as production and auxiliary rooms and facilities;

4) ensures proper operation of ventilation systems and units, maintaining them in the state of good repair, ensures normal air, lighting, temperature and drinking water consumption, reduced noise and vibration;

5) arranges highly hazardous work subject to permits to work as established (in accordance with provisions, instructions);

6) arranges and holds training in safe working practices for employees in a timely and proper manner, makes sure that worker briefings are timely and of good quality;

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7) prepares and participates in certification of production facilities based on working conditions, evaluation of occupational and behavioral risks;

8) arranges development and approves schedules of employee knowledge assessments, checks employee knowledge and arranges issue of knowledge assessment certificates;

9) within the established periods, ensures execution of orders and instructions of managers and employees of the HSE Service of the KMG Group Organization, ordinances by state oversight and monitoring authorities, Committee recommendations, comments and suggestions of authorized H&S employees;

10) ensures that employees of the operating unit observe safety regulations and codes, and safe working instructions;

11) monitors H&S status, periodically checks proper operation of equipment, machinery, appliances and tools, ventilation systems and units, heating and lighting systems, availability and serviceability of safety guards, automatic control and signaling devices, and other protections, condition of production and auxiliary rooms, at least twice a month conducts level 2 of control inspections;

12) develops new and revises the existing instructions of safe working practices and makes them available to the workers, draws up a list of instructions for each section of the operating unit;

13) develops staff briefing programs, and after approval by the Deputy Chief Operations Manager makes them available to functional site supervisors, develops questionnaires to assess knowledge of the workers;

14) conducts initial briefing of employees and briefing of functional site supervisors;

15) by a written order, assigns qualified workers to train new employees indicating the duration of training and the person in charge; electrical workers are allowed to work alone in accordance with the rules for operation of consumer electrical installations;

16) ensures making of timely entries into the personal briefing record cards of operating personnel on their induction, workplace briefing, training in safe working practices and techniques, and knowledge assessment results;

17) at least once a month, at meetings of functional site supervisors, engineers and technicians or at tool box talks, considers issues of H&S status in the operating unit, studies the inspection findings, reviews information about H&S status at the facilities, and examines individual inconsistencies in safety rules;

18) collects, studies and summarizes the comments and suggestions of employees, functional site supervisors, H&S officers, develops specific measures to improve and normalize working conditions and reduce risks on the basis of such comments and suggestions and taking into account the results of working conditions based certification, risk assessment; communicates the details on the above to the management of the structural unit of the KMG Group Organization for their inclusion in the relevant plans, events and the collective agreement;


19) arranges for timely implementation of the activities planned;

20) within the established time frame informs the management of the structural unit about the H&S status of the operating unit, the activities carried out to improve and normalize working conditions, execution of orders, implementation of directions and instructions;

21) identifies the need for and provides employees with PPE, soap, detergents and decontaminants, special food, milk as prescribed by the standards and regulations, as well as arranges for the timely cleaning, washing and repair of PPE;

22) immediately reports to any of the executives of the KMG Group Organization, the head of the HSE Service an accident, emergency or incident in the operating unit;

23) takes part, together with an employee of the HSE Service, in the arrangements for investigation of incidents and accidents, in developing measures to prevent similar cases;

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24) ensures that the activities provided for in the accident or incident reports are carried out in a timely manner, and, as they are completed, submits information to the HSE Service; after the injured person recovers from the temporary disability, reports the consequences of the accident;

25) upon receipt of relevant information from senior managers and the HSE Service, informs the functional site supervisors about the incidents and accidents that have occurred, arranges for inspection of facilities in order to prevent accidents for similar reasons, takes prevention measures;

26) engages all engineers and technicians of the operating unit and functional site supervisors in the activities to create and maintain safe working conditions;

27) distributes responsibilities for the activities to create and maintain safe working conditions among their deputies, specialists, and other engineers and technicians of the operating unit;

28) participates in the development of job descriptions for engineers and technicians of the operating unit, stipulating H&S related duties, makes instructions, regulations, rules or their extracts, and other necessary documents on H&S available to engineers and technicians of operating units;

29) organizes control over the life of fixed assets subject to technical audit;

30) in a timely and formal manner, notifies the management of the structural unit of the KMG Group Organization about the need to conduct their technical audit, and about the obsolete and worn out fixed assets kept by the operating unit that are subject to technical audit; based on the technical audit findings, arranges for appropriate activities within the prescribed time frame;

31) arranges for moral and material incentives for the H&S related activities of the operating unit, including participation in the Health and Safety competition among the structural units of the KMG Group Organization.

**5.2.3.7. Group or Team Leader (Coach or Foreman):**

**5.2.3.7.1. A functional site supervisor (foreman, mechanic)** arranges for and ensures workers' compliance with labor and production discipline, rules and instructions for safe working practices, process flow patterns and regulations, ensures the use of safe working techniques, in particular:

1) conducts pre-shift H&S status checks;

2) ensures proper management and safe conduct of work, operation of equipment, mechanisms, tools, instrumentation and protective equipment, as well as proper maintenance of workplaces, takes measures to eliminate the identified inconsistencies;

3) in the event that inconsistencies are identified at some workplace that cannot be promptly eliminated by the efforts of a shift, watch, team, informs the management of the operating unit and makes a relevant entry in the H&S inspection log maintained by form (KMG-F-3672.1-13 / ST-3669.1-13);

4) supervises work in hazardous conditions in accordance with pre-developed plans, work management projects or permits to work;


5) ensures a rational placement of materials, spare parts, parts, tools, devices at workplaces, their storage, makes sure the passages and approaches are not cluttered-up, obstructed;

6) ensures workers' compliance with labor and production discipline, rules and instructions for safe working practices, process flow patterns and regulations, ensures the use of safe working techniques;

7) does not allow operation of faulty equipment and use of faulty tools, devices, etc., takes measures to stop operations where there is a threat to the health and life of workers;

8) in the event that an employee consumes alcohol, potent drugs, psychotropic substances and their analogues, ensures that such employee is taken to a specialized health care facility for examination, and further takes measures to deny them access to production facilities;

9) for an employee who is not feeling well, ensures that such employee is also taken to a health care facility and, where the health care provider recommends so, releases the employee from work;

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10) arranges for implementation of the planned activities to ensure safe working conditions, recommendations of the Permanent Health and Safety Commission, as well as proposals of workers and H&S officers within the prescribed time limits, eliminates the identified inconsistencies and shortcomings;

11) monitors the uninterrupted operation of ventilation systems and installations, proper illumination of workplaces, availability and good condition of protecting and safety devices, automatic control and signaling devices, condition of workplaces, mandatory application and proper use of PPE by workers, conducts the level (stage) 1 of H&S control;

12) at least twice a month, holds tool box talks to review H&S at workplaces;

13) manages activities to eliminate inconsistencies and deficiencies in the condition of workplaces, equipment and mechanisms identified during inspections, analyses the identified inconsistencies and deficiencies, communicates orders and instructions, circumstances and causes of accidents to the workers;

14) collects and summarizes the comments and suggestions made by workers, H&S officers, and passes them on to the management of the operating unit;

15) informs the management of the operating unit in due time about the H&S status at the facilities, the activities carried out to improve H&S, compliance with orders and instructions;

16) in a timely manner, briefs the workers on safe working practices and makes relevant entries in a log;

17) in a timely manner, makes entries in the personal briefing record cards of workers on their induction, workplace briefing, training in safe working practices and techniques, and knowledge assessment results;

18) when issuing job assignments for work in hazardous conditions (based on permits to work), gives them a pre-job briefing and makes relevant entries in the log and in the permit to work, denies access to work to those who have not been briefed and/or tested for knowledge of H&S requirements or failed them;

19) participates in the development and revision of instructions for safe working practices, submits proposals to the management of the operating unit on amendments to the instructions;

20) participates in the development of measures to reduce the workplace risks, to prevent incidents and accidents, carries out activities within their competence, and reports to the head of the operating unit on their implementation;

21) exercises constant control over the internship of newly hired workers, at the end of the internship conducts an interview to assess the workers' safe working skills and knowledge of instructions;

22) where necessary, explains the rules and instructions to the workers, demonstrating proper working techniques;


23) draws up schedules for testing the workers' knowledge, participates in the knowledge assessment process;

24) immediately notifies the management of the operating unit about the accident, and where necessary, one of the heads of the structural unit of the KMG Group Organization, arranges for the provision of first aid to the injured person, makes sure they are taken to a health care facility;

25) takes measures to ensure the workplace and the equipment are in the same condition they were in at the time of the incident, provided this does not threaten the life or health of the personnel available on site and does not cause an accident;

26) makes proposals to the management of the operating unit regarding incentives to the proactive workers, team leaders and H&S officers for the successful performance of their job duties and persistent health and safety efforts, and also requests the punishment for those who do not follow the safety rules in accordance with the Statutory Requirements;

27) before the start of a work shift, checks for the pre-shift examination of workers.

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**5.2.3.7.2. Operating Team Leader (Crew Leader)** ensures and monitors the observance by the team workers of labor and production discipline, H&S instructions, in particular:

1) allows the performance of work that requires a special permit and proper records only subject to permits to work and other necessary documents;

2) participates in level 1 of control over the H&S status, before starting work regularly checks the condition of workplaces, their compliance with safety requirements, checks equipment, tools, personal protective equipment, fences and other devices that ensure the work safety, takes measures to eliminate the identified deficiencies;

3) when taking over the shift, points out certain issues of safe working practices to be followed during the shift to the team workers, where necessary, gives instructions on safe working techniques for the job ahead, individual process operations, through personal example demonstrates strict compliance with the H&S requirements;

4) makes disposition of labor force within the team in accordance with the technological (production) process, gives the team workers the necessary instructions for safe working practices that are binding on them;

5) interrupts the operation of machines, equipment, structures where their further operation may entail a threat to the health and life of workers;

6) denies access to work for the team workers who are under the influence of alcohol, potent drugs, psychotropic substances, as well as those not feeling well, and immediately informs the functional site supervisor or the line manager;

7) makes the functional site supervisor aware of the H&S status at the facilities;

8) submits proposals to the management on taking disciplinary measures towards the team workers for failure to perform their duties, in particular for violation of the H&S instructions;

9) takes action to ensure the team strictly complies with the H&S instructions;

10) makes proposals to the management regarding incentives to the proactive team workers for their persistent H&S efforts;

11) monitors the proper condition and mandatory use of protective cloths, footwear and other PPE by the team workers, the condition of protecting and safety devices, automatic control and signaling devices;

12) in the event of an incident or accident, arranges for emergency calls to:

–fire protection service in case of fires;

–emergency rescue service in case of accidents, incidents;

–gas rescue service in case of a sudden release (breakthrough) of gases and vapors;

–ambulance service in case of accidents, severe burns, poisoning;

13) arranges for the provision of first premedical aid to the injured person and makes sure they are taken to a health care facility;

14) takes measures to ensure the workplace and the equipment are in the same condition they were in at the time of the incident (provided this does not threaten the life or health of the personnel available on site and does not cause an accident);


15) immediately informs the functional site supervisor (line manager) about the accident;

16) demands that the team workers put in proper order their workplaces, equipment and tools at the end of the shift;

17) in case of their absence from the workplace due to operational needs, designates a responsible employee from among the team workers, who is adequately experienced and knowledgeable in safe working practices, to be in charge of making decisions and reporting an emergency (injury, incident, accident, etc.) or a near miss.

**5.2.3.8. Employee (operating personnel/workers)** is responsible for meeting the requirements of H&S instructions by type of work and occupation, in particular:



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- 1) undergoes mandatory pre-employment and periodic (during employment) medical check-ups (examinations);
- 2) undergoes training in safe working practices and techniques, H&S briefing, workplace briefing and testing of H&S, fire and industrial safety knowledge;
- 3) exercises control and monitoring over the H&S status, inspects their workplace before the start of a shift (working day);
- 4) makes sure the equipment, fixtures, tools and devices are in working order;
- 5) checks the availability and proper functionality of fences, safety devices, interlocking and signaling devices, personal and group protective equipment, condition of walkways, crossings, platforms, staircases, railings, and makes sure they are not cluttered-up, obstructed;
- 6) reports the identified deficiencies to the foreman (team leader) and is involved in their elimination, as instructed by the foreman (team leader);
- 7) in the course of work, the employee is obliged to:
  - comply with the internal code of conduct;
  - keep their workplace clean, use properly and only for their intended purpose the PPE, collective protective equipment, devices, tools, control and safety devices that ensure H&S;
  - use safe working techniques, while observing all H&S and industrial safety requirements and instructions for safe working practices;
  - take notice of the behavior of other employees, their observance of personal safety measures, reminds them of the need to use safe working techniques, comply with H&S, fire and industrial safety, industrial sanitation requirements;
  - inform their line manager about all malfunctions of equipment, tools, devices, violations of safety requirements, emergency situations, as well as about accidents and disorders (poisoning);
- 8) in the event of a hazardous or emergency situation threatening the human life and health, immediately notifies their line or superior manager;
- 9) takes the necessary measures for emergency control, accident localization and elimination;
- 10) in case of a personal injury, removes injury-causing factors, provides first aid to the injured person, and calls an ambulance, reports to their line manager or a dispatcher;
- 11) in case of fire, uses any means of communication or engages the surrounding people to report to the fire department, the site supervisor and, where possible, takes measures to extinguish the fire using primary fire extinguishing equipment.

#### **5.2.4. Guidelines for Managing Activities of the HSE Service of the Structural Unit**

5.2.4.1. The main objective of the HSE Service is to carry out prevention activities to ensure safe working conditions aimed at incident and injury free working practices.


5.2.4.2. The HSE Service activities are guided by the effective Statutory H&S Requirements, industrial and fire safety requirements, decrees and decisions of state authorities and trade union bodies, rules, standards, codes and instructions, as well as decisions of KMG and the KMG Group Organization.

5.2.4.3. The HSE Service functions in accordance with annual plans (activities) and quarterly plans (activities) developed based on the annual plans approved by the Chief Executive Officer of the Structural Unit. Annual work plans are drawn up before the beginning of a calendar year.

5.2.4.3.1. Quarterly activity plans of the Service are based on the annual plan and detail and specify individual activities, as well as add unscheduled activities.

5.2.4.3.2. Activity plans of the HSE Service are coordinated with the relevant functions, depending on the planned activities.

5.2.4.3.3. The activity plans of the Service include all activities to be carried out by or with the involvement of employees of the HSE Service. Such activities as conducting an induction briefing, drawing up plans for the Service activities for the next months, maintaining routine correspondence, etc., are not included in the activity plans.

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5.2.4.3.4. The activity plans of the HSE Service should provide for:

- 1) organization of the development of annual H&S activities, H&S agreements;
- 2) management of and participation in activities of the Permanent H&S Commission, its groups/sub-commissions;
- 3) arrangement for comprehensive and targeted inspections (audits) of H&S status, occupational safety at facilities and participation in these inspections;
- 4) review of projects for construction and reconstruction of production facilities;
- 5) preventive supervision over construction of new and reconstruction of existing facilities;
- 6) participation in the activities of review commissions for commissioning new and reconstructed production facilities;
- 7) management of and participation in the activities of the employee knowledge assessment commission;
- 8) participation (depending on production conditions, on a case-by-case basis) in the activities of the employee knowledge assessment commission in operating units;
- 9) organization of and participation in the development of programs, questionnaires, exam cards for employee training and knowledge assessment, and provision of guidance to heads of operating units in the development of programs, questionnaires for employee training and knowledge assessment;
- 10) organization of and participation in the development and revision of H&S instructions;
- 11) arrangement of the H&S office, “occupational safety corners” in operating units and at facilities;
- 12) arrangement and holding of H&S competitions, contests, presentation of videos, etc.;
- 13) preparation for and holding of meetings, sessions, exchange of experience on H&S issues.

5.2.4.4. One of the main duties of the HSE employees is to manage work and monitor:

- 1) compliance with the Statutory H&S Requirements, industrial and fire safety requirements, rules, standards, codes and instructions, execution of orders and implementation of instructions, measures to improve health and safety, ordinances of state control and supervision bodies, and proposals of H&S officers, activities based on possible accidents;
- 2) proper arrangement and safe conduct of production processes and work, operation of equipment, mechanisms, structures;
- 3) working conditions based certification of production facilities in accordance with the certification procedure established by the Statutory Requirements;
- 4) timeliness and quality of briefings, employee knowledge assessment, keeping briefing logs, personal briefing record cards and knowledge assessment protocols;
- 5) availability, serviceability and proper use and operation of protective equipment, provision of employees with PPE.


To accomplish these objectives, the HSE employees must be present in operating units, teams, at facilities for most of their working time.

5.2.4.4.1. When visiting operating units, sites and other production facilities, the HSE employees must first find out whether any repair, complex or hazardous work is being performed, check their organization (issue of work orders, permits to work, etc.) and performance, where necessary.

5.2.4.4.2. The HSE employees shall arrange and conduct comprehensive and targeted inspections of the H&S status at production facilities, cross checks between operating units and sites.

5.2.4.4.3. To check the H&S status in the Structural Unit, a Permanent Health and Safety Commission (Permanent H&S Commission) is established. The HSE Service submits proposals to the management on the members to be nominated to the Commission.

5.2.4.4.4. The HSE Service draws up an activity plan for the Permanent H&S Commission ensuring that each operating unit (shop), site, facility is checked at least once a year.

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5.2.4.4.5. In accordance with the Permanent Commission activity plan, the HSE employees arrange for and participate in the H&S inspections, document the inspection findings (draw up reports), and prepare a draft decree or order, where necessary.

The inspection findings must be communicated to the heads of the relevant operating units (shops), sites, facilities.

When arranging for the H&S inspections, the HSE employees shall be guided by the attached guidelines.

5.2.4.5. Personnel safe working training (induction briefing, employee knowledge assessment) are arranged and conducted by the HSE employees.

The HSE employees develop induction briefing programs, conduct induction briefings for employees, manage and participate in activities of the employee knowledge assessment commission, arrange development and revision of instructions, provide guidance to heads of operating units, services in the development of instructions, employee briefing programs.

5.2.4.6. The HSE Service conducts an operational analysis of working conditions at production sites, a risk assessment and takes measures to eliminate the identified H&S violations.

Develop and submit to the management proposals for improving activities aimed at creating healthy and safe working environment.

5.2.4.7. On a monthly basis, the HSE Service reviews the status and causes of work-related injuries and occupational diseases, and develops measures to prevent them.

5.2.4.8. In order to identify possible deficiencies in a timely manner, the HSE employees shall study the incoming design documentation for the construction or reconstruction of production facilities and social amenities, taking into account the compliance of design solutions with the safety standards, rules and regulations.

5.2.4.8.1. At the same time, they should focus on monitoring and solving the following:


- 1) sealing of process equipment to prevent possible release of explosive and toxic substances;
- 2) installation of safety and interlocking devices, instrumentation;
- 3) rational arrangement of equipment and communication lines to ensure the required driveways, walkways and access for their inspection and repair;
- 4) insulation of pipelines and equipment with a high temperature of external surfaces;
- 5) mechanization of processes for lifting, moving, loading and unloading raw materials, supplies, removing and installing heavy fittings, parts and devices;
- 6) prevention of atmospheric emissions of toxic and explosive substances through breathing and safety valves, arrangement of control over the air environment of production premises;
- 7) efficiency of ventilation systems and proper installation of ventilating system;
- 8) compliance of sanitary facilities and amenities, and auxiliary premises with the building codes and regulations;
- 9) installation of lightning arresters and protection against static electricity;
- 10) automatic warning and fire extinguishing system;
- 11) location of fire hydrants, fire breaks.

5.2.4.8.2. The HSE Service provides its feedback on the design documentation to the Capital Construction Service or another relevant unit.

5.2.4.8.3. During construction or reconstruction of facilities, the HSE employees must arrange for preventive control over performance of work in accordance with the design, proper pressure and other tests.

5.2.4.8.4. The HSE employees, who are the members of the commission, shall sign an acceptance report of the working and state commission only if the occupational safety is ensured at the facility being put into operation, and all the designed H&S activities have been completed.

If these requirements are not met, they shall not sign the report but shall submit their comments to the chairman of the commission.

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5.2.4.9. When investigating and recording work-related incidents, the HSE employees should be guided by the effective Statutory Requirements.

5.2.4.9.1. Having received a notice of an incident, the HSE employees must immediately find out the available information on the time and place of the incident, the full names of the injured, their occupations, the nature of injury and condition at the time of injury. Then they must promptly inform the head of the KMG Group organization about the incident and go to the scene in order to control and manage the situation until the commission arrives.

5.2.4.9.2. After approval of the report, the HSE employees shall record the incident in a special log, in the prescribed form, and further monitor implementation of the activities planned.

5.2.4.10. When developing the H&S improvement activities, the HSE employees should be guided by the statutes and regulations in force in the Republic of Kazakhstan, H&S regulatory documents and this Standard.

In the future, together with employees of other departments and representatives of trade union bodies (if any), they monitor implementation of these plans and activities.

5.2.4.11. In order to ensure operational efficiency and a unified procedure and easy use of documentation, the following file register is recommended for the HSE Service of the Structural Unit:

1) copies of orders, ordinances, resolutions, and instructions of the structural unit, superior organizations, state control and supervision bodies, trade union bodies (if any), as well as resolutions and minutes of meetings of the technical council and Permanent Commission, workshops, conferences, etc.;

2) plans and activities for improving health and safety (annual, quarterly, etc.) and records on their implementation;

3) activity plans of the Service (annual, quarterly). Permanent H&S Commission activity plans. Records on their implementation;

4) H&S inspection reports, ordinances of state control and supervision bodies, records on their implementation;

5) records on investigation of accidents (reports, explanatory notes, photographs, opinions, notices on the effects of accidents, etc.);

6) reports, certificates and information about the health and safety status, implementation of activities to improve health and safety, those injured during accidents, cost of health and safety activities, etc. (annual, quarterly, current, etc.);

7) records on provision of employees with protective clothes, footwear and other PPE;

8) records on contests/competitions;

9) health and safety related correspondence;

10) injured persons log;

11) induction briefing log;

12) knowledge assessment log (protocols).

5.2.4.12. The H&S file register must be approved by the CEO of the Structural Unit.


## 5.3. PLANNING

### 5.3.1. Managing Risks (Hazardous and Harmful Occupational Factors)

#### 5.3.1.1. Guidelines for Working Conditions Based Certification of Production Facilities

5.3.1.1.1. Working conditions based certification of production facilities is carried out in accordance with the Rules for Mandatory Periodic Working Conditions Based Certification of Production Facilities, and is actually a tool for managing H&S risks (hazardous and harmful occupational factors) at workplaces.



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5.3.1.1.2. Certification of workplaces by conditions involves employees and takes place at least once every five years, as well as after reconstruction, modernization, installation of new equipment or technologies.

5.3.1.1.3. In accordance with the effective Statutory Requirements, the KMG Group Organizations are obliged to ensure the working conditions based certification of workplaces.

5.3.1.1.4. The working conditions based certification of workplaces is carried out by designated laboratories accredited in accordance with the Statutory Requirements.

5.3.1.1.5. All workplaces of the KMG Group Organization are subject to the working conditions certification. The working conditions based certification of workplaces includes a comprehensive assessment of the working conditions, evaluation of the safety of workplaces and provision of employees with PPE.

5.3.1.1.6. Assessment of working conditions (risk assessment) is based on measurements and comprehensive analysis of factors of the working environment and the labor process.

5.3.1.1.7. To measure the parameters of hazardous and harmful occupational factors, determine the workload and intensity, assess the workplace safety and provision of employees with PPE, a designated laboratory is engaged, which should be properly accredited for such measurement activities and types of work.

#### **5.3.1.2. Risk (Hazardous and Harmful Occupational Factors) Identification Guidelines**

5.3.1.2.1. Assessment of risks / hazardous and harmful occupational factors is a continuous and systematic process, and is carried out in stages, taking into account previously identified hazards. Assessment of risks / hazardous and harmful occupational factors relies on identification of hazards that have arisen during work. Where such hazards cannot be completely eliminated, their risk / hazardous and/or harmful occupational factor for the health and safety of employees should be assessed. Based on the assessment, informed decisions can be made to improve safety. Based on the risk assessment, priorities (immediate, medium- and long-term) need to be set.

5.3.1.2.2. The procedure for assessing and managing risks (hazardous and harmful occupational factors) is applied in accordance with the health risk assessment matrix of the KMG Group Occupational Health and Workplace Hygiene Corporate Standard (KMG-ST-3485.1-13), which will minimize their impact on employees being present at the workplace, and reduce the level of work-related injuries and occupational diseases.

#### **5.3.1.2.3. Planning and Preparation for the Assessment of Risks / Hazardous and Harmful Occupational Factors**

5.3.1.2.3.1. The KMG Group Organization shall plan activities for the arrangement and implementation of risk (hazardous and harmful occupational factors) assessment. Planning should rely on the analysis of background information that is prepared at the employer level and at the level of its structural units, and also include an analysis of the following basic background information:

1) organizational chart, staffing level, types of activities of the organization, work performed at workplaces, time spent in the hazardous area by an employee per work shift, details on the production process, equipment and its technical condition (based on the inspection findings);

2) results of the analysis of work-related injuries;

3) results of the analysis of occupational diseases;


4) results of pre-employment and periodic medical examinations;

5) results of previous risk / hazardous and harmful occupational factor reducing activities.

5.3.1.2.3.2. The KMG Group Organization shall ensure allocation of the resources required to assess risks / hazardous and harmful occupational factors, determine assessment objectives, and designate the persons involved in these activities.

5.3.1.2.3.3. Risks (hazardous and harmful occupational factors) are assessed by a group or a team (hereinafter – the “assessment group”), which includes competent and trained employees of the KMG Group Organization or the Structural Unit (Line Managers, HSE employees, and other



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employees of structural units who are involved in the processes of H&S risk (hazardous and harmful occupational factors) management) in accordance with the Corporate Standard for Competence Assurance in Health, Safety and Environment in the KazMunayGas Group (KMG-ST-3467.1-13).

5.3.1.2.3.4. To manage activities of the assessment group, a manager is appointed who acts as a contact person for the assessment of risks / hazardous and harmful occupational factors and liaises with the management and employees of the KMG Group Organization or the Structural Unit.

5.3.1.2.3.5. Involvement of employees in the assessment of risks / hazardous and harmful occupational factors is crucial, since it is the risks to which employees are exposed that are assessed.

5.3.1.2.3.6. The assessment team members shall have knowledge of:

- 1) statutory H&S Requirements;
- 2) procedure for assessing risks / hazardous and harmful occupational factors at workplaces;
- 3) specific features of the work being assessed.

5.3.1.2.3.7. The assessment team members shall have:

- 1) the ability to identify and assess potential adverse effects of existing hazards;
- 2) analytical skills.

5.3.1.2.3.8. When developing and implementing risk management, a specialist should be appointed to be in charge of risk management.

5.3.1.2.3.9. Should there be no employees in the KMG Group Organization or the Structural Unit that are competent and trained in assessment of risks / hazardous and harmful occupational factors, specialists (experts) from other organizations can be engaged in the manner prescribed by the Statutory Requirements.

5.3.1.2.3.10. The KMG Group Organization or the Structural Unit shall independently choose the method of assessment it deems the most effective. There are various methods of assessment. The assessment should not be carried out at once until completion. It is recommended to flexibly combine the timing of assessment activities and other work.

5.3.1.2.3.11. The assessment team leader is responsible for assembling the assessment team, determination of the required assessment methods and requisites, identification of the training needs, skills for the assessment team members, and arrangement of such training.

5.3.1.2.3.12. The assessment team’s objective is to plan and arrange the assessment, instruct employees and provide advice, summarize the assessment findings.

#### **5.3.1.2.4. Managing Risks (Hazardous and Harmful Occupational Factors)**

5.3.1.2.4.1. Planning of H&S activities relies on the process of identifying hazards, assessing and managing risks (hazardous and harmful occupational factors), following which the highest risks are revealed.

5.3.1.2.4.2. The methodology and criteria used by the KMG Group Organizations to assess the H&S risks (hazardous and harmful occupational factors) should be determined to ensure their consistent application, and be preventive.


5.3.1.2.4.3. The methodology (methods, procedure) within the KMG Group may vary depending on:

- 1) the size of the Organization and types of its activities, products and services;
- 2) the complexity of processes and interprocess communications;
- 3) the H&S competence of employees.

5.3.1.2.4.4. When developing procedures for H&S risks / hazardous and harmful occupational factors, it is necessary to determine how employees will be informed before starting their work.

5.3.1.2.4.5. The methodology should describe the process of continuous proactive identification of emerging hazardous situations and related risks / hazardous and harmful occupational factors. Hazardous situations may arise in the cases including but not limited to:

- 1) frequent and occasional work;
- 2) emergencies;

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3) human factor (behavioral);  
4) actual performance of work with insufficient resources;  
5) implementation of operating procedures, taking into account:  
– those who have access to the workplace, including contractors, visitors and others;  
– those who are in the immediate vicinity of the workplace and may be affected by the work carried out at the workplace;  
– field workers who are not under direct control of the Organization;  
– design of workplaces, processes, installations, machines/equipment, operating procedures and activity management, including their adaptation to human capabilities;  
– actual or estimated changes in the organizational chart, technological processes and equipment, commissioning of new facilities, changes in work and CM (change management);  
– changes in knowledge and information about hazards;  
– incidents and injuries that occurred in the past both within the KMG Group and in the oil and gas industry as a whole, including accidents and their causes;  
– faulty equipment or worn out/obsolete equipment;  
– how work is managed and social factors, including workload, hours of work, leadership situation, and corporate culture.

5.3.1.2.4.6. Hazard identification and assessment of risks / hazardous and harmful occupational factors in the workplace must be done before any change is made, or new working techniques, materials, processes or equipment are applied.

5.3.1.2.4.7. The process of identifying hazards and assessing risks / hazardous and harmful occupational factors, developing activities aimed at reducing high H&S risks involves employees who have knowledge of risks, statistics of their occurrence, and consequences.

5.3.1.2.4.8. Based on the assessment results, high H&S risks / hazardous and harmful occupational factors serve as the basis for setting goals and developing activities aimed at their reduction, and should be a priority when allocating resources.

5.3.1.2.4.9. Identification of hazards and risk assessment should take into account:

1) daily (routine, ordinary) and rarely performed work, as well as the activities of contractor employees who have access to the working area;

2) human factor (the likelihood of an operational error, fatigue due to stressful job, errors with frequently repeated actions, etc.);

3) hazards identified, both near and outside the working area, which can adversely affect the health and safety of employees;

4) infrastructure, equipment and materials located in the working area, regardless of their provider;

5) changes or estimated changes in technological operations and processes;

6) working area projects, technological processes, structures, machines, process equipment and work management.


5.3.1.2.4.10. Hazard identification should ensure detection, identification and description of all hazards available at the workplace, and estimation of potential damage to health and safe working conditions.

5.3.1.2.4.11. Assessment of risks / hazardous and harmful occupational factors should:

1) be consistent with the complexity of the working process being assessed and the potential consequences;

2) deliver results in a simple and understandable form that allows traceability, reproducibility and use for risk management;

3) should there be any doubts about the results of the assessment of a risk / hazardous and harmful occupational factor, or where pre-estimates indicate a high risk, options for risk assessment based on instrumental and/or laboratory measurements shall be considered, during which the methods

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provided for by the effective Statutory Requirements, as well as measuring instruments verified in accordance with the established procedure shall be used;

4) when assessing risks / hazardous and harmful occupational factors, all possible effects of the identified hazards on the health and safety of an employee should be considered, and the exposure to hazards with time should also be taken into account.

5.3.1.2.4.12. Risks / hazardous and harmful occupational factors should be assessed by comparing the analysis results with the risk acceptance criteria.

5.3.1.2.4.13. The KMG Group Organization or the Structural Unit shall document the identified hazards, the results of assessment of risks / hazardous and harmful occupational factors, and keep this information up to date.

5.3.1.2.4.14. The KMG Group Organization or the Structural Unit shall regularly analyze the results of risk assessment to substantiate risks related managerial decisions.

5.3.1.2.4.15. When selecting risk controls or planning changes to existing controls, risk mitigation options should be considered in accordance with the hierarchy of controls – the preferred implementation sequence, which are considered as follows:

- 1) eliminating risks, for example, using water-based paints instead of acetone ones;
- 2) reducing risks, for example, using safety guards or covers, using 110 V electrical equipment instead of 240 V equipment, as well as two-handed control means, a trip mechanism;
- 3) isolating risks, for example, carrying out electric welding, paintwork in designated areas or premises;
- 4) controlling the level of exposure to or contact with a hazardous occupational factor by means of hardware or engineer equipment (relay and differential protection) and changing the working pattern or methods, in particular, reducing the duration and frequency of exposure, alternating the nature of work, reducing the number of people exposed to a hazardous factor;
- 5) using and properly applying PPE;
- 6) observing labor discipline, H&S rules and instructions.

5.3.1.2.4.16. Integration of risk management within the KMG Group is based on internal documents – “Methods of Risk Identification and Assessment, Selection of Risk Management Practices of JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities” (KMG-MD-986.3-37), “Model Regulations for Arrangement of Production and Non-Production Risk Management in JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities” (KMG-PR-251.3-37), which establish uniform approaches and tools for managing production and non-production risks in the KMG Group.


5.3.1.2.4.17. When determining the risk management methodology, the KMG Group Organizations and their Structural Units should take into account their conditions and factors.

5.3.1.2.4.18. High-risk works in the KMG Group must be performed in accordance with the “Rules for Identifying Health, Safety and Environment Hazards and Risks during High-Risk Works of JSC NC “KazMunayGas” (KMG-PR-2629.1-13).

### **5.3.1.3. Behavior-Based Safety Observation Guidelines**

5.3.1.3.1. Behavior-based safety observation or behavioral monitoring through conversation with an employee aims at identifying hazardous actions and hazardous conditions in the workplace, not punishing the employee. Employees shall not be held liable for violations of or departures from the H&S requirements identified through the behavior-based safety observation (BSO).

5.3.1.3.2. BSO allows to establish non-compliances with H&S requirements due to unsafe behavior of the employees themselves, to generalize and analyze the revealed facts in order to establish the causes and determine measures to eliminate such causes without applying administrative action against employees.

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5.3.1.3.3. BSO shall be carried out by those responsible for H&S and employees independent of the activity being inspected in accordance with the Rules for Behavior-Based Safety Observation of JSC NC “KazMunayGas” (KMG-PR-2312.1-13).

5.3.1.3.4. The BSO results should be consolidated, analyzed by the degree of recurrence, hazard and severity of consequences for which corrective actions should be developed.

### **5.3.2. Health and Safety Programs and Activity Plans**

#### **5.3.2.1. Development and Content of the Plan of Administrative and Technical Activities**

5.3.2.1.1. The H&S activities in the KMG Group Organizations and their Structural Units are developed by the HSE Services for each year (before the beginning of a planning year). All structural units (departments and services) should be involved in the development of activities.

5.3.2.1.2. The structural units shall in due time submit their proposals to the HSE Service, which will analyze, summarize them, and prepare a project of activities for the next year broken down by quarters and specifying the financing requirements. The proposals of departments and services should reflect the H&S issues they deal with in their areas of activity.


5.3.2.1.3. The project of activities shall be coordinated with the relevant departments, services and approved by the CEO of the KMG Group Organization or the Structural Unit.

5.3.2.1.4. The approved, financially feasible activities, broken down by quarters and indicating the persons or structural units in charge, shall be communicated to the work performers by the HSE Service within a week.

5.3.2.1.5. To simplify and clarify the activity plans, the HSE Services are recommended to plan quarterly (operating) activities on the basis of annual activities, which should provide a monthly breakdown and specify deadlines, financing requirements, specific work performers.

5.3.2.1.6. The H&S activities (annual, quarterly) in the KMG Group Organizations and Structural Units should include the following:

- 1) organization and implementation of appropriate levels of control over the H&S status;
- 2) inspections of proper performance and appropriate recording of high risk work;
- 3) control over observance of the rules of operation, over timely inspection and testing of vessels, pressure apparatus, steam and water-heating boilers, electrical installations, hoisting machines and mechanisms, sling and load gripping devices and devices, etc.;
- 4) control over observance of process flow patterns, regulations, instructions;
- 5) training exercises as per emergency response plans simulating an emergency involving an accident, fire or industrial failure to be eliminated by employees;
- 6) arrangement and conduct of working conditions based certification of production facilities, analysis, review of certification results;
- 7) arrangement and conduct of assessment of production and behavioral risks;
- 8) arrangement of recording, analysis and assessment of H&S status at facilities, in operating units, structural units;
- 9) control over timely implementation of activities, review of their progress by managers, the Permanent Commission, the Management Board of the KMG Group Organization and Structural Units;
- 10) consideration at technical meetings of the progress of activities provided for by the equipment preventive maintenance and repair system;
- 11) holding of meetings, conferences, forums, assets related to H&S;
- 12) arrangement and conduct of contests/competitions dedicated to H&S, production culture;
- 13) development, revision, issue of local H&S instructions, guidelines, leaflets, video materials and other H&S manuals;
- 14) purchase and introduction of technical training aids, reference, regulatory and technical documentation, posters and video materials, safety signs, equipping the H&S offices;

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15) arrangement and implementation of the necessary H&S promotion activities;

16) arrangement of H&S experience sharing, implementation of the relevant best world practices;

17) analysis and collation of the results of the H&S activities of the KMG Group Organizations and Structural Units, preparation of the prescribed H&S activity reports;

18) fulfilment of long-term instructions of state control and supervision bodies;

19) implementation of activities based on the results of a technical audit of obsolete and worn out fixed assets;

20) fire supervision and service activities;

21) sanitary and technical service activities;

22) activities for all types of H&S insurance;

23) purchase of protective cloths, footwear and other PPE;

24) arrangements for catering.

The above list of activities is not exhaustive, it can be supplemented depending on the specifics of the KMG Group Organizations and Structural Units, and taking into account the instructions, orders of superior bodies.

It is recommended to split the activities into two sections:

1) “Administrative”, which are developed and carried out under the responsibility of the HSE Services;

2) “Technical”, which are developed and carried out under the responsibility of the production Structural Units (departments, services).

5.3.2.1.7. Quarterly operations plans of the structural units shall be coordinated with the HSE Service, other concerned units, endorsed by them, and then approved by the Deputy Chief Operations Manager.

5.3.2.1.8. The H&S activities shall be adequately funded, and shown as a separate item in the budget of the KMG Group Organization.

5.3.2.1.9. Activities shall be developed based on:

1) results of the assessment of risks / hazardous and harmful occupational factors;

2) results of the working conditions based certification of production facilities;

3) results of internal inspections of the occupational safety and working conditions, condition of buildings, structures, equipment, production and amenity premises (reports, certificates, information);

4) suggestions and comments of the employees of the KMG Group Organization and/or representatives of employees;

5) results of the analysis of investigation records on work-related injuries, occupational diseases, incidents and accidents;

6) decrees, orders and other legal enactments of state regulatory authorities;

7) outcome of the implementation of plans, programs for improving working conditions and other documents reflecting the state of the working environment;


8) other indicators.

5.3.2.1.10. Implementation of the H&S activities stipulated by the annual (quarterly) activity plans are monitored by the heads of structural units (heads of business lines) of the KMG Group Organization, and controlled by the HSE Service.

#### **5.3.2.2. Health and Safety Programs**

5.3.2.2.1. In order to implement the KMG Policy, achieve strategic H&S goals, minimize high H&S risks / hazardous and harmful occupational factors, the KMG Group Organizations and Structural Units develop activity programs (plans), which should specify activities, responsible persons and deadlines, and monitor their implementation.



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5.3.2.2.2. Activities aimed at reducing high H&S risks / hazardous and harmful occupational factors should be a priority in the development of production programs, business plans of the KMG Group.

5.3.2.2.3. Activities should be specific and formulated in such a way that their implemented can be demonstrated.

5.3.2.2.4. Responsible persons are obliged to carry out or take appropriate measures to arrange and perform activities in a timely manner.

5.3.2.2.5. A deadline should be set for each activity.

5.3.2.2.6. When developing activities to reduce high H&S risks, it is necessary to take into account the existing risk controls (briefings, instructions, protective equipment) and their effectiveness (whether briefings are actually provided, whether instructions are followed, whether the protective equipment is supplied in sufficient number and is in working order).

When being defined, the activities to reduce high health and safety risks should not duplicate the existing activities.

5.3.2.2.7. Activities to implement the KMG Policy, achieve strategic goals and reduce high H&S risks / hazardous and harmful occupational factors can be established by the following documents of the KMG Group:

- 1) production program;
- 2) business plan;
- 3) administrative and technical activity plan;
- 4) high H&S risk reduction program (plan).

5.3.2.2.8. When developing H&S activity programs (plans), the most effective areas in ensuring favorable production and social and economic working conditions through the use of scientific and technical achievements are taken into account, as well as recommendations based on the findings of the Permanent Commission’s inspections at all levels of control, state regulatory bodies (in order to reduce recurring inconsistencies that become systemic). Recommended H&S areas (topics) or activities are defined in (KMG-F-3676.1-13 / ST-3669.1-13) hereto.


### **5.3.2.3. Employee Health Services Management Guidelines**

5.3.2.3.1. Health care to the KMG Group employees is provided by feldsher’s or medical stations, primary healthcare units or outpatient clinics where the KMG Group Organizations and Structural Units are registered, or on contractual basis.

5.3.2.3.2. Provision by a primary healthcare unit, outpatient clinic, feldsher’s or medical station of health care services to employees of the KMG Group Organizations and Structural Units is managed and carried out in accordance with the Statutory Requirements and the Regulations on Emergency Medical Care in the KazMunayGas Group (Version 1).

5.3.2.3.3. Health care for employees of the KMG Group Organization and Structural Units includes the following main preventive activities:

- 1) pre-employment, periodic medical examinations and pre-shift medical check-ups;
- 2) mass preventive activities carried out by prevention and treatment facilities in the process of medical surveillance for all employees, or only for women or for employees engaged in certain jobs, and other prophylactic measures to prevent diseases;
- 3) arrangements for prevention and treatment, sanitary and hygienic care to employees, considering the working conditions, including health care to employees of structural units who are sick or injured;
- 4) study, analysis of general and occupational morbidity and development of specific activities to eliminate their causes;
- 5) conduct of medical expert review to confirm disability, ability to work, medical screening of diseased employees for health resort treatment, and issue of sick leave certificates;

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6) health resort and health improving services for employees and their families by a network of prevention and health improving facilities of the KMG Group or a system of trade union health resorts depending on a territory or sector, and other forms of medical and health services.

5.3.2.3.4. Employees engaged in heavy work, work in harmful (particularly harmful) and/or hazardous working conditions, as well as work associated with traffic, undergo mandatory pre-employment medical examinations, periodic medical check-ups and pre-shift medical examinations in order to confirm their fitness for the assigned job, and prevent occupational diseases.

In addition, such mandatory medical examinations for the specified work and the work associated with hazardous, harmful substances and unfavorable occupational factors are carried out to identify early forms of diseases and to develop health improving activities aimed at preventing and reducing occupational morbidity.

5.3.2.3.5. Periodic medical examinations provide dynamic monitoring of the health status of employees working in hazardous conditions and the timely establishment of the initial symptoms of occupational diseases, their prevention and identification of common diseases that prevent further work in hazardous conditions.

5.3.2.3.6. In order to further streamline the mandatory pre-employment, and periodic medical examinations of employees, in accordance with the effective Statutory Requirements, the following were approved:

1) list of harmful occupational factors, jobs for which mandatory medical examinations are carried out;

2) rules for conducting mandatory medical examinations.

5.3.2.3.7. In accordance with the provisions on the management of health and safety activities hereof, the administration of the KMG Group Organization, the Structural Unit (CEO, their deputies, head of human resources) ensures the required medical examinations of employees.

5.3.2.3.8. All newcomers to be engaged in work associated with harmful substances and unfavorable factors must undergo a pre-employment medical examination in accordance with the Statutory Requirements.

Responsibility for ensuring proper hiring and transfer to another job of employees who are subject to the prescribed medical examinations according the nature of their work rests with the head of human resources of the KMG Group Organization or Structural Unit.


5.3.2.3.9. The management of the KMG Group Organization or Structural Unit, by order or another administrative regulatory instrument, determines the categories of employees subject to periodic medical examinations by operating units, jobs and adverse factors, and coordinates them with the authorized body.

5.3.2.3.10. The HR Service of the KMG Group Organization or Structural Unit draws up a list of employees subject to medical examinations, indicating operating units, jobs, hazardous and harmful occupational factors to which employees are exposed, length of service in these conditions. The referred list is coordinated with the territorial authorized bodies.

5.3.2.3.11. The management of the KMG Group Organization or Structural Unit issues an order on medical examinations of employees. The administration (HR Service, heads of relevant departments) ensures and is responsible for the timely appearance of employees for medical examinations and check-ups.

5.3.2.3.12. A prevention and treatment facility, based on the summarized results of medical examinations, draws up a final report containing relevant conclusions and proposals, which is submitted to the management of the KMG Group Organization or Structural Unit.

To the final report, the prevention and treatment facility attaches a list of names of those who are recommended for transfer to another job, who have indications for inpatient and health resort treatment, dietary nutrition, dynamic observation.

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5.3.2.3.13. The management of the KMG Group Organization or Structural Unit is obliged to organize health centers, namely:

- 1) provide premises for a health center, the area and set-up whereof must comply with current standards, depending on the category of the health center;
- 2) provide prevention and treatment facilities with communication means, appropriate medical equipment, devices for their proper functioning;
- 3) provide transport for transportation of sick employees or those with work-related injured to a health care facility.

5.3.2.3.14. Pre-shift medical examination by jobs is carried out by a health care worker of a specialized healthcare provider on a contractual basis.

5.3.2.3.15. The examination shall be carried out no earlier than 30 minutes (for drivers of vehicles), 1 hour before the start of the work shift (watch), upon presentation of the itinerary sheet (trip ticket), assignment under work order. Where several trips must be done during one day, the examination is carried out once, before the first trip.

5.3.2.3.16. The log is filled in by the health care worker who performed the medical examination, and is kept in the examination room.

Health care workers analyze the reasons for suspension of persons engaged in these jobs, and based on the analysis form risk groups, which include those who are prone to cardiovascular diseases, alcohol and psychoactive substance abuse, long-term and frequent illnesses (chronic diseases).

5.3.2.3.17. The management of the KMG Group Organization or Structural Unit shall be liable for admitting those who have not undergone a pre-employment or periodic medical examination to work; for engaging those who are not allowed to work for medical reasons; for failure to take the measures recommended based on the results of medical examinations.

5.3.2.3.18. A specialized health care facility that provides the KMG Group Organization or Structural Unit with relevant services on a contractual basis, summarizes the results after completion of mandatory periodic medical examinations of employees engaged in heavy work, in harmful (particularly harmful) and/or hazardous working conditions, and issues a final report in accordance with the Statutory Requirements.

5.3.2.3.19. The KMG Group Organization or Structural Unit together with a specialized health care facility providing services under a contract, on the basis of the final report on the mandatory periodic medical examination, develops an annual activity plan for the recovery of identified diseased, agrees with the territorial authorized body (including transport), and ensures its approval by the head.

5.3.2.3.20. Identification and reduction of risks / hazardous and harmful occupational factors through the improvement of workplace hygiene and ergonomics, industrial sanitation at workplaces, use of preventive controls based on risk assessment, promotion and encouragement of a healthy lifestyle of employees during and after working hours shall be in accordance with the Statutory Requirements.


#### **5.3.2.4. Guidelines for Provision of Personal Protective Equipment for Employees**

5.3.2.4.1. In accordance with the Statutory Requirements and/or as per the internal regulatory documents of organizations governing the established standards, all employees are provided with PPE free of charge.

5.3.2.4.2. The main purpose of PPE is to protect a person against the exposure to hazardous and harmful occupational factors, as well as to protect against adverse environmental factors or mitigate these factors.

5.3.2.4.3. The PPE are generally used where potential exposure to hazardous and harmful occupational factors cannot be eliminated by means of design solutions for installations, machines and equipment, the technology used, the required production arrangements or collective protection means.

5.3.2.4.4. The procedure for providing employees with PPE, including procurement planning, filing applications, storage, issue, use, maintenance and disposal of PPE, shall comply with

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the Corporate Standard for Provision of Protective Clothing, Footwear, Personal Protective Equipment in the JSC NC “KazMunayGas” Group (KMG-ST-3407.1-13).

#### **5.3.2.5. Financing Health and Safety Improvement Activities**

5.3.2.5.1. Every year, in accordance with the effective Statutory Requirements, the KMG Group Organizations plan occupational safety improvement activities with a focus on implementation of activities provided for by the occupational safety arrangement to the collective agreement.

5.3.2.5.2. The activities under occupational safety arrangements are planned and implemented in accordance with the collective agreement.

5.3.2.5.3. Organizations must annually allocate the required funds for the planned occupational safety activities.

5.3.2.5.4. Composition and structure of costs for the implementation of occupational safety activities are determined by organizations in accordance with the Statutory Requirements, this Standard, and recommendations for the development of programs of priority H&S activities in compliance with the requirements of authorized bodies.

### **5.4. HEALTH AND SAFETY ASSURANCE**

#### **5.4.1. Health and Safety Documentation**

##### **5.4.1.1. H&S Documentation Management**

5.4.1.1.1. The H&S management processes in the KMG Group Organizations shall include the documentation required to ensure H&S and effectiveness of the MS in general, and be effected in accordance with the Rules for IMS Document Management in JSC NC “KazMunayGas” (KMG-PR-1.14-9).

5.4.1.1.2. The amount of documented H&S information in the KMG Group Organizations may vary depending on:

- 1) the size of the Organization and types of its activities, processes, products and services;
- 2) the need to demonstrate compliance with applicable Statutory and other requirements;
- 3) the complexity of processes and interprocess communications;
- 4) the competence of employees.

5.4.1.1.3. When generating and updating the H&S documentation, the Organization should ensure proper:

- 1) identification and imprint (e.g. title, date, author or reference number);
- 2) format (e.g. language, version, graphics), media (e.g. paper, electronic);
- 3) revision and approval to maintain suitability and compliance.

5.4.1.1.4. Health and safety documents need to be managed to ensure:

- 1) their availability and suitability for use;
- 2) their adequate protection (for example, against loss of confidentiality, misuse, or loss of integrity).

5.4.1.1.5. To manage documented information, the KMG Group Organization shall:


- 1) distribute, provide access, issue and use;
- 2) preserve and maintain in proper condition;
- 3) manage changes (e.g. version control);
- 4) define retention periods and disposal procedure.

5.4.1.1.6. External documentation should also be identified, as appropriate, and managed.

##### **5.4.1.2. Developing and Updating Health and Safety Regulations**

5.4.1.2.1. Being a national company, KMG may participate in the development and/or amendment of the existing H&S statutes and regulations of the Republic of Kazakhstan within the framework of the relevant plans and programs agreed with KMG.



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5.4.1.2.2. The requirements and procedure for the development of internal H&S regulatory documents (standards, rules, regulations and procedures) in the KMG Group are determined by the internal documents of the KMG Group Organizations.

5.4.1.2.3. Internal H&S regulatory documents in the KMG Group are developed in accordance with annual and long-term H&S plans (programs).

5.4.1.2.4. In the development of internal H&S regulatory documents, the third-party organizations appropriately experienced and (where necessary) licensed (accredited) by a relevant authorized body, can be involved as document originators.

5.4.1.2.5. The procedure for development of KMG’s internal H&S regulatory documents is determined by the Rules for IMS Document Management in JSC NC “KazMunayGas” (KMG-PR-1.13-59).

#### **5.4.1.3. Health and Safety Record Keeping**

5.4.1.3.1. Health and safety records of the KMG Group are kept in accordance with the Regulations on Record Keeping in the JSC NC “KazMunayGas” Group (RG-6.13-8).

#### **5.4.1.4. Health and Safety File Register**

5.4.1.4.1. For the purposes of a proper record keeping structure, the documents are classified in accordance with their significance, specifying the list of files with their retention periods, as per the standard file register of the HSE Service provided in (KMG-F-3674.1-13 / ST-3669.1-13) hereof.

5.4.1.4.2. The file register generation relies on the unified approach to the recording, systematization, application of document indexing, consistency of file indices.

5.4.1.4.3. Each file included in the file register must have a strictly defined index. The index consists of the designation of the structural unit and the serial number of a relevant file. The same serial numbers should be kept for similar files.

5.4.1.4.4. When grouping documents, their proper execution, availability of signatures, dates, indices, signatures of witnesses, “In file No. \_\_\_\_” marks, etc. are checked.

5.4.1.4.5. The documents inside the files are arranged in the order of resolving issues, chronologically, alphabetically, by indices, etc.

#### **5.4.1.5. Health and Safety Instructions Development Guidelines**

5.4.1.5.1. The H&S instructions are the employer's regulatory instrument detailing application of the Statutory H&S Requirements for works to be performed in production facilities, within an entity’s premises, on construction sites, vehicles and in other locations of the organization where such works are performed or official duties are fulfilled.

5.4.1.5.2. As compared to the H&S rules, which mainly determine the activities of the management of structural units ensuring technical equipment of workplaces and creation of safe working conditions, the H&S instructions determine the procedure, conditions and practices (techniques) for the safe performance by employees of their duties. They establish the code of conduct at the workplace, within the premises of the structural unit, as well as rules for the safe maintenance of equipment, machines, mechanisms, handling devices, tools and using PPE.


5.4.1.5.3. The H&S instructions are a practical guide for an employee in mastering safe working practices. An employee must be guided by the instructions when performing their job duties.

5.4.1.5.4. The H&S instructions are developed by the KMG Group Organization or Structural Unit both for each job on a site, in a shop, service, laboratory and the Organization as a whole, and for certain types of work and workplaces, as per the list compiled by the HSE Service or an H&S responsible person with the participation of the heads of concerned structural units of the KMG Group Organization or Structural Unit and employee representatives.

The H&S instructions may also be developed by H&S specialists of research institutions on a contractual basis at the request of the CEO of the KMG Group Organization.

5.4.1.5.5. The H&S instructions are developed on the basis of the H&S governing statutes and regulations of the Republic of Kazakhstan, rules for the development, approval and revision of H&S



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instructions, taking into account the safety requirements set forth in the operating and repair documentation of equipment manufacturers, as well as in the technological documentation of the KMG Group Organization and conditions of production.

## **5.4.2. Training and Knowledge Assessment**

### **5.4.2.1. Procedure for Training Employees in Safe Working Practices**

5.4.2.1.1. This Standard establishes the procedure for arranging and conducting briefings, training and employee knowledge assessment in safe working practices in the corporate system of the KMG Group. This provision of the section is developed on the basis of guiding documents for workplace briefing and advanced training of employees subject to the Statutory H&S Requirements.

Requirements for training and advanced training of employees in other HSE areas (industrial safety, fire safety, emergencies and civil defense) are determined by the relevant Statutory Requirements.

5.4.2.1.2. Training of employees in safe working practices provides for all types of briefings (introductory, workplace induction, refresher, unscheduled and targeted), knowledge assessment (primary, periodic and re-assessment).

Training of employees in safe working practices is also conducted during drills and advanced training by training modes (course, group or individual).

5.4.2.1.3. Employees should be trained in health and safety at the KMG Group Organizations and Structural Units regardless of the nature, complexity and hazard level of production, as well as the length of service, education and qualification of employees.

5.4.2.1.4. Timely and high-quality training of employees in safe working practices is one of the main instruments of preventing work-related injuries and occupational diseases.

5.4.2.1.5. Administration of the KMG Group Organization or Structural Unit shall provide employees with timely and high-quality training in safe working practices when they enter employment, on the job, special training courses, as well as when they are transferred to another job, when new rules are introduced, changes are made to technological processes.

5.4.2.1.6. When organizing employee training, administration of the KMG Group Organization or Structural Unit (deputy chief operations manager, heads of services, heads of operating units of the structural unit) shall:

- 1) develop and approve instructions for safe working practices, briefing programs;
- 2) provide all engineers and technicians, who train and brief workers, with necessary instructions, programs, manuals, etc.


5.4.2.1.7. Employees are allowed to work solo only after completion of the prescribed briefings in safe working practices, relevant workplace briefing, internship under special programs and knowledge assessment.

Electrical personnel (employees) are allowed to work solo in accordance with the operating and maintenance rules (OMR) and safety rules (SR).

5.4.2.1.8. To brief and train employees in safe working practices and promote H&S achievements, structural units should have H&S offices and other premises for training sessions.

5.4.2.1.9. Overall management and responsibility for proper arrangement, timely and high-quality training of employees in safe working practices for the KMG Group Organization or Structural Unit as a whole is imposed on managers, and in their structural units (operating units, sites) on the supervisors of these site.

5.4.2.1.10. Employees who violate H&S requirements are suspended from work and brought to disciplinary responsibility in accordance with the procedure established by the Statutory Requirements.

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5.4.2.1.11. Guidance and control over proper arrangement, timely and high-quality training of employees in safe working practices as well as proper documentation of training shall be the responsibility of the HSE Services of the KMG Group Organization and Structural Unit.

#### **5.4.2.2. Arranging and Holding Employee Briefings**

5.4.2.2.1. In accordance with the Introductory Safety and Health Briefing for Employees of JSC NC “KazMunayGas” (KMG-RI-195.2-13), briefings in safe working practices are conducted for all employees entering employment in order to make them aware of the general safety rules and codes, the main provisions of the H&S Statutory Requirements, internal code of conduct, rules of conduct within the premises of structural units in operating units, characteristics of risks / hazardous and harmful occupational factors, and other issues.

Each employee shall have their personal record cards for briefings, training and knowledge assessment by form (KMG-F-3670.1-13 / ST-3669.1-13) hereto.

A personal record card for briefings, training and knowledge assessment marked to confirm induction briefing is issued by an HSE employee. Once a worker completes the induction briefing and receives a personal record card, they shall hand it over to the head of an operating unit (shop).

Until the dismissal (transfer) of an employee from the operating unit (shop), their personal record card for briefings, training and knowledge assessment is issued and kept by the line manager in the operating unit (shop).

When the employee is transferred from one operating unit (shop) to another, their personal briefing record card is handed over to the head of a relevant operating unit (shop). Where the occupation is changed, a new personal briefing record card is issued and entries on the induction training are made there.

#### **5.4.2.2.2. Induction Briefing**

5.4.2.2.2.1. All employees who enter employment, regardless of their education, qualification and work experience in a given job or position, must undergo induction training in accordance with the Rules and Schedule for Training, Briefing and Knowledge Assessment in Personnel Health and Safety.

The induction briefing should also be conducted for employees seconded to the KMG Group Organization or Structural Unit, temporary employees, trainees and students who are there for workplace briefing or internship, and other persons admitted to its premises or operating units to perform work.

5.4.2.2.2.2. Induction briefing is conducted by one of the employees of the HSE Service or another engineer or technician who is entrusted with these duties, or by a responsible person specifically appointed by the management of the KMG Group Organization or Structural Unit (with a cluster induction briefing for employees of several structural units).


To ensure completeness and quality of the material presented on certain issues (internal code of conduct, fire safety, workplace sanitation, rules for first aid provision to victims of accidents, etc.), employees of a relevant service of the KMG Group Organization or Structural Unit should be involved in the conduct of induction briefing.

When conducting an induction briefing, the attached guidelines should be followed.

5.4.2.2.2.3. The induction briefing of employees is conducted in accordance with the program developed by the HSE employees and approved by the management of the KMG Group Organization or Structural Unit.

The induction briefing program and sample wording are developed on the basis of the standard program given in the guidelines, taking into account the peculiarities and specifics of production, and subject to the requirements of safety standards, rules and codes.

5.4.2.2.2.4. The induction briefing is conducted in a health and safety office or in specially equipped premises using modern technical teaching aids and the necessary visual aids relevant to the program content, and taking into account the specific conditions of the given structural unit.

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5.4.2.2.2.5. The induction briefing is conducted in full, both for a group of employees of a homogeneous occupation, and for individual employees of different specialties and positions. The timing for the induction briefing (days, hours) is specifically set in accordance with the current operating procedure.

5.4.2.2.2.6. Employees hired for a work in hazardous and harmful working conditions, as well as a work associated with maintenance of complex equipment and mechanisms (electrical installations, vehicles, etc.) are subjected to the induction briefing only after they undergo a pre-employment medical examination (in the prescribed cases) and are declared physically fit for the work to be performed.

5.4.2.2.2.7. The induction briefing is recorded in the induction briefing log by form (KMG-F-3674.1-13 / ST-3669.1-13) and in the personal record card for briefings, training and knowledge assessment by form (KMG-F-3670.1-13 / ST-3669.1-13) hereto, and the employee's acceptance memo is marked accordingly.

5.4.2.2.2.8. Guidance for and standard program of employee induction briefing are specified in (KMG-F-3674.1-13 / ST-3669.1-13) hereto.

#### 5.4.2.2.3. **Workplace Briefing**

5.4.2.2.3.1. Regardless of their education, qualification and work experience in a given occupation or position, employees shall have workplace briefing in addition to the induction briefing.

5.4.2.2.3.2. Workplace briefing is provided:

- 1) to all employees hired or transferred (regardless of the transfer period) from one structural unit (operating unit) to another, from one job to another, or to another site to perform a work of a different nature (where production conditions change);
- 2) in all other cases where an employee is assigned a job that is new for them;
- 3) to employees seconded to the given Structural Unit of the KMG Group Organization, to temporary employees;
- 4) to trainees and students who are there for workplace briefing or internship.


Workplace briefing is provided only to the employees whose job by nature requires them to stay in operating units, at facilities and workplaces.

5.4.2.2.3.3. The purpose of workplace briefing is to make each employee aware of the basic rules of safe working practices, as well as to supplement, refresh and solidify the employees' knowledge of safety requirements.

During workplace briefing, the following must be explained to an employee:

- 1) their main duties, code of conduct at the workplace, within the premises of the structural unit, operating unit, the content of instructions for safe working practices relevant to their job;
- 2) general information about the production process and equipment, mechanisms and machines being used;
- 3) safety requirements for the maintenance of equipment, mechanisms and machines they are going to operate (hazardous areas, protective, safety and sealing devices, automatic control and signaling devices and other protective equipment);
- 4) procedure for the preparation, arrangement and maintenance of workplaces (serviceability check of equipment, starting devices, apparatus, tools and fixtures, interlocks, grounding and other protective equipment);
- 5) safe working practices, identification of hazards and risks and activities to eliminate them;
- 6) personal protective equipment, procedure, rules for their application and use, fire safety requirements in the operating unit and at the workplace;
- 7) methods and ways of providing first (premedical) aid to victims in accidents, etc.

5.4.2.2.3.4. Workplace briefing shall be provided by the functional site supervisors, who directly supervise an employee, training for employees of operating units shall be provided by the heads of operating units. At the same time, the trainers are obliged to show an employee all hazardous areas in

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the workplace, equipment, familiarize with the ways of proper and safe arrangement of the workplace, safe working practices, and also emphasize unacceptability of using hazardous work techniques or taking other actions that may result in injury or poisoning of both the employees and surrounding people.

5.4.2.2.3.5. The employees allowed to maintain and repair electrical installations and other complex equipment and mechanisms shall be trained by a functional site supervisor together with employees of the relevant services (specialists of the equipment repair and operation service, the chief power engineer service, technologists, etc.).

5.4.2.2.3.6. Electrical personnel with at least a Level 3 qualification shall train the employees servicing electrical equipment and electrified units, and assign them an electrical safety qualification level.

5.4.2.2.3.7. The employees who are members of combined teams shall be briefed on all issues, relevant to both their main job and combined jobs.

5.4.2.2.3.8. Workplace briefing is provided in accordance with programs, instructions developed for employees of a homogeneous job or for certain types of work on the basis of safety rules and codes, standards, taking into account specific working and production conditions, and relevant to the job of a trainee.

5.4.2.2.3.9. Programs and instructions are developed by employees of the operating unit (managers, specialists), agreed with the HSE Service or the responsible person and other concerned structural units, officials and employee representatives, and approved by the head.

The approved instructions are recorded by the HSE Service or the responsible person in the H&S briefing log.

Procedure for the development of instructions for safe working practices and the content requirements are set out in the rules for the development and approval of H&S instructions of the KMG Group Organization or Structural Unit.

The instructions for hazardous jobs or types of work shall be revised at least once every 3 years.

The instructions are subject to early revision where the Statutory Requirements are changed; where a new equipment and/or technology is introduced; based on the results of investigation of work-related incidents, accidents and disasters.

Based on the revision results, the need for amendments to the instructions is determined.

5.4.2.2.3.10. Employees are required to comply with the instructions for safe working practices, which establish the rules for performing work and code of conduct (in production premises, at workplaces), the established requirements for handling machines and mechanisms, and use the PPE provided to them.

Failure to comply with these requirements is deemed a violation of workplace discipline and morale.

5.4.2.2.3.11. Primary workplace induction should be conducted for employees before admitting them to work solo, when transferring them from one job to another, or to a site to perform a work of a different nature (where production conditions change).


5.4.2.2.3.12. Depending on the nature of work, the primary induction of employees is provided over several shifts, and involves familiarization with the production process, demonstration of safe working practices, and is generally conducted individually for each employee.

Electrical personnel is briefed by an engineering technician of the chief power engineer service (equipment repair and operation service).

5.4.2.2.3.13. At the end of the briefing, a functional site supervisor shall make sure that the employee has learned safe working practices, and actually knows and understands the safety instructions and requirements relevant to their work and a specific workplace.

If, in the process of work, it will be revealed that the employee has not adequately acquired the knowledge of rules and instructions, or the facts of using improper, prohibited working techniques



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will be established, then the functional site supervisor shall be obliged to give the employee additional explanations and demonstrate proper working techniques.

5.4.2.2.3.14. The primary induction is recorded in the workplace briefing log by form (KMG-F-3675.1-13 / ST-3669.1-13) and in the personal record card for briefings, training and knowledge assessment by form (KMG-F-3670.1-13 / ST-3669.1-13) hereto.

5.4.2.2.3.15. In some cases, before being allowed to work solo, an employee whose work involves maintenance, testing, adjustment and repair of equipment, use of highly hazardous and harmful substances shall undergo a practical workplace briefing (internship) in addition to a primary induction.

The need for an internship and its duration reflecting the specifics of the work and professional training of an employee shall be determined by the management of the structural unit in agreement with the trade union bodies or employee representatives. The list of jobs for which an internship is required is approved by the management of the structural unit.

5.4.2.2.3.16. All employees (other than administrative staff), regardless of their education, qualification and work experience in a given occupation or position, must be provided with a refresher briefing in safe working practices at least once every six months. At high-risk facilities, a refresher briefing shall be provided once a quarter.

5.4.2.2.3.17. The purpose of a refresher briefing is to update, deepen and solidify the knowledge of safety requirements by employees when performing basic and other most frequent types of work and operations.

5.4.2.2.3.18. A refresher briefing is conducted by a functional site supervisor at the workplace in accordance with the primary induction program. During refresher briefings, all issues of primary induction are briefly worked out, taking into account the practical aspects of an operating unit and structural unit (positive and negative examples). In addition, during refresher briefings, an employee is being made aware of orders, instructions, letters received during the period after the previous briefing.

5.4.2.2.3.19. A refresher briefing is conducted in the form of a conversation, both with an individual employee and with a group of employees of a homogeneous occupation. Employees engaged in the maintenance and repair of electrical installations, as well as repair of equipment, shall be briefed by a functional site supervisor together with employees of the chief power engineer service and the equipment repair and operation service.

5.4.2.2.3.20. Employees who, for any reason (vacation, sickness, business trip, etc.), were not briefed on the day planned, must be briefed on the day they appear at the workplace.

5.4.2.2.3.21. Refresher briefings are recorded in the workplace briefing log and in the personal record card for briefings, training and knowledge assessment.


5.4.2.2.3.22. In special cases caused by production needs, unscheduled briefings in safe working practices should be provided to employees.

5.4.2.2.3.23. An unscheduled briefing of employees is conducted:

- 1) upon introduction of new or updated H&S standards, rules, instructions, as well as amendments thereto;
- 2) where the technological process changes, the equipment, devices and tools, raw materials, supplies and other factors affecting H&S are replaced or reconstructed;
- 3) in case of employees' non-compliance with safety requirements, which may result or have resulted in an injury, accident, explosion or fire, poisoning;
- 4) as ordered or instructed by the management of the structural unit, as directed by superior bodies and representatives of state supervision bodies, and in other similar cases.

5.4.2.2.3.24. An unscheduled briefing is provided for all employees (individually or for a group of employees of the same occupation), and, if necessary, for individual employees only (for example, for violators of safety rules and instructions for safe working practices).



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5.4.2.2.3.25. As is the case with primary and refresher briefings, an unscheduled briefing is also provided by functional site supervisors.

5.4.2.2.3.26. The scope, program, list of issues of an unscheduled briefing are established on a case-by-case basis by the management of the structural unit taking into account the circumstances and reasons for the briefing.

When compiling a program (questionnaire) for unscheduled briefing, only the part of the primary induction program should be used that is directly related to the reason for which the unscheduled briefing is conducted.

5.4.2.2.3.27. Should an unscheduled briefing be conducted only for employees of one operating unit (site, team), then the briefing program shall be compiled by the heads of such operating unit, and agreed with the HSE Service.

Where an unscheduled briefing is conducted for all employees of the structural unit (as ordered, instructed by superior bodies, directed by supervision authorities, etc.), the briefing program shall be compiled by the HSE Service, and approved by the head.

5.4.2.2.3.28. An unscheduled briefing is recorded in the workplace briefing log and in the personal record card for briefings, training and knowledge assessment, the same way as primary and refresher briefings, with the briefing topic (program) specified in the relevant column.

5.4.2.2.3.29. Familiarization of employees with newsletters, accident notices and H&S orders is documented as an unscheduled briefing and is recorded in the workplace briefing log and in the personal record card for briefings, training and knowledge assessment.

Note. Employees are allowed to review newsletters and notices in the letter and order processing logs maintained by forms prescribed in the internal documents of the companies' management system.

5.4.2.2.3.30. Targeted briefing is provided when performing one-time work that is not related to direct job duties (loading, unloading, cleaning of the grounds, one-time work outside the organization, shop and site), during response measures to accidents, natural disasters and catastrophes, in the performance of work which requires a permit to work.

5.4.2.2.3.31. A targeted briefing is conducted by the work supervisor in charge (functional site supervisor, head of site, etc.) and is recorded in the workplace briefing log and in the personal record card for briefings, training and knowledge assessment, or in other work permitting documents (e.g. permits to work, logs of work performed by order, in the course of routine operation, which record briefings completed).


### **5.4.2.3. Training and Knowledge Assessment for Employees by Jobs**

5.4.2.3.1. All employees entering employment must undergo pre-employment training organized by the employer, followed by a mandatory H&S knowledge assessment. Employees who have not completed a pre-employment training, briefing and/or H&S knowledge assessment shall not be allowed to work.

The list of employees, list of jobs and occupations for which training is provided, as well as the procedure, form of training, shall be established by the employer based on the nature of occupation, type of work, specifics of production and H&S conditions in agreement with employee representatives, and in its absence, by the regulatory instrument of the organization.

5.4.2.3.2. Training and employee knowledge assessment by trade jobs are conducted at least once a year. Employee training by trade jobs ends with a health and safety knowledge assessment (examination).

5.4.2.3.3. The date of knowledge assessment is set by the schedules approved annually by the heads of operating units, in agreement with the HSE Service (no later than the 20th day of December of the previous year). The exact knowledge assessment dates shall be determined by the dates of PEB meetings, to be no later than the knowledge assessment date prescribed by the schedule.

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Note. Forms of the employee knowledge assessment schedule can be prescribed by the internal documents of the companies’ management system.

5.4.2.3.4. Training (classes, lectures, workshops) by jobs in production entities is provided by the employer with the involvement of highly qualified specialists of the relevant industries, experienced engineers and technicians, and health and safety services of the organization itself.

Training of employees of hazardous production facilities and examination sessions can be provided by a training center certified by an authorized body.

5.4.2.3.5. The H&S training programs should provide for theoretical and workplace briefing, taking into account the specifics of the KMG Group Organization or Structural Unit, and approved by the head.

5.4.2.3.6. On-the-job (practical) training of employees is conducted at a designated training and production facilities of the KMG Group Organization or Structural Unit (in training workshops, operating units, sites, training grounds, at workplaces) under the guidance of a functional work supervisor or individually under the guidance of a skilled worker who is not released from their main job.

5.4.2.3.7. In some entities engaged in works which are subject to special H&S requirements established by the Statutory Requirements, employees undergo additional special training.

5.4.2.3.8. Employees who do not have a profession or have low qualification shall undergo a prescribed practical training (internship) under the guidance of a qualified employee before being allowed to work solo, until their training. The assignment for an employee’s practical training is documented by a written order of the head of an operating unit specifying duration of training and a person in charge who shall constantly monitor the training.

5.4.2.3.9. Employees who have a period off the job, position, occupation of three or more years, and for a hazardous work – more than one year, shall undergo an H&S training before they start working solo.

5.4.2.3.10. Employees who are subject to H&S knowledge assessment should be given a thirty day notice.

5.4.2.3.11. An employee who has successfully passed the knowledge assessment is provided with a certificate of knowledge assessment for H&S rules, codes and instructions issued by form established by the Statutory Requirements.

5.4.2.3.12. In case of unsatisfactory assessment result, a re-assessment of knowledge shall be conducted within a month. Until a re-assessment, the employee shall not be allowed to work solo.

5.4.2.3.13. Employee knowledge is assessed by PEB chaired by one of the heads of an operating unit, appointed by the management of the KMG Group Organization or Structural Unit. The PEB includes employees of the HSE Service, HR Service, deputy chief offices, senior functional site supervisors, and an employee representative.


Depending on the specific conditions (occupation of the employee being assessed, specifics of production, etc.), the PEB should include specialists of the equipment repair and operation service, the chief power engineer service, and other specialists.

When testing the knowledge of the employees of a drilling crew, well development and workover crews, a representative of a paramilitary unit engaged in prevention and elimination of gas and oil gushers should be included among the PEB members.

5.4.2.3.14. The number of the PEB members is generally determined based on specific conditions. A reduced PEB may also function, but shall have at least three members available.

5.4.2.3.15. Employees who have passed the knowledge assessment by a relevant board and have a certificate of H&S training and knowledge assessment may be involved in the PEB activities.

5.4.2.3.16. The employees’ knowledge is assessed on an individual basis using questionnaires (exam cards, tests) developed on the basis of rules and instructions. Questionnaires (exam cards, tests) are developed by the heads of operating units together with specialists, are agreed with the HSE

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Service and approved by the deputy chief operations manager of the KMG Group Organization or Structural Unit. The questionnaires (exam cards, tests) must rely on the H&S requirements for all types of work performed. The questionnaires (exam cards, tests) must be regularly reviewed.

#### **5.4.2.4. Health and Safety Training and Knowledge Assessment for Managers and Those in Charge of Health and Safety**

5.4.2.4.1. All executives and persons in charge of H&S of the KMG Group Organization or Structural Unit, the KMG Headquarters, who visit the production facilities of the KMG Group as part of their functional duties, periodically, at least once every three years, must undergo the H&S training and knowledge assessment at advanced training courses held by providers of vocational training, retraining and advanced training of personnel.

5.4.2.4.2. The H&S training is generally provided for groups under the programs agreed by a territorial subdivision of the authorized labor body.

5.4.2.4.3. The H&S knowledge of the executives and employees in charge is assessed at training centers (at the place of training) by an examination board consisting of at least three members established according the training center’s act.

5.4.2.4.4. Hired executives shall be tested in H&S within one month from the date of their employment contract.

5.4.2.4.5. The knowledge of executives is assessed as per the annual schedules.

The H&S and industrial safety knowledge assessment schedules are compiled by the HSE Service and approved by the head.

5.4.2.4.6. Executives shall undergo a re-assessment of their H&S knowledge in the following cases:

- 1) when new health and safety statutes and regulations are enacted, or amended;
- 2) when new equipment is commissioned or new technological processes are introduced upon the employer’s decision;
- 3) when a person in charge is transferred to another place of work or appointed to another position that requires additional H&S knowledge;
- 4) upon the decision of the accident investigation commission, when injuries occur – group, fatal or severe (resulting in a disability), as well as in the event of an accident, explosion, fire or poisoning. Applicable to employees of organizations, production facilities where such cases take place;
- 5) as requested by the state oversight and monitoring authorities, for employees of the KMG Headquarters – also by the decision of the KMG Management and KMG H&E Department;
- 6) for those who have a period off the job of more than one year.


5.4.2.4.7. The assess the executives’ knowledge, the examination board may use tests or exam cards. Exam cards or tests are developed taking into account the specifics of production, qualification requirements for specialists and the training program.

The assess the executives’ knowledge, the examination board uses tests techniques based on the statutes and regulations of the Republic of Kazakhstan. Tests are developed taking into account the specifics of production, qualification requirements for specialists and training program.

5.4.2.4.8. The results of the executives’ knowledge assessment are documented by a protocol, to confirm H&S knowledge a standard certificate is issued, and to confirm industrial safety knowledge an industrial safety certificate is issued which is valid in the Republic of Kazakhstan and for the period of validity stated therein.

5.4.2.4.9. Those who have repeatedly failed an exam shall not be allowed to work as prescribed by the Statutory Requirements.

5.4.2.4.10. As part of the MS implementation and maintenance, employees of the KMG Group may undergo the HSE training under special training programs (modules) as agreed with the structural units of the KMG Group supervising the process of personnel development and training.

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## 5.5. OPERATIONAL CONTROL

### 5.5.1. Expert Examination, Supervision and Safe Operation

#### 5.5.1.1. Expert Examination of Health and Safety Compliance of Pre-Design, Design Documentation

5.5.1.1.1. Review of the design documentation for construction and reconstruction of production facilities for compliance with the H&S requirements is aimed at strict compliance with the Statutory Requirements providing for industrial safety, healthy and safe working environment at production facilities of the KMG Group.

5.5.1.1.2. The scope and procedure for monitoring the project documentation for compliance with the H&S requirements are determined in accordance with the current regulatory documents governing requirements for H&S, industrial safety, sanitary and hygiene conditions, international codes and standards adopted by KMG.

5.5.1.1.3. Where necessary for the consideration of special (controversial) issues, the representatives of research, design and construction, and other specialized organizations may be engaged as consultants.

5.5.1.1.4. The heads of the KMG Group Organizations or Structural Units review the expert opinions of the H&S compliance supervision commissions, approve them without comments, or approve industrial designs only after the designers have made adjustments to reflect comments on identified departures from the rules and codes of H&S, industrial safety, sanitary and hygiene conditions, international codes and standards adopted by KMG.

5.5.1.1.5. The heads of research, design and construction organizations are obliged to review, accept and implement the proposals and recommendations of the authorized bodies, that provide for compliance with the H&S requirements in industrial designs, in newly created equipment, technological processes, as well as the requirements of international standards and treaties adopted by KMG, or where KMG is a member of international organizations or such treaties.

5.5.1.1.6. The content of the H&S requirements in the design documentation for construction, expansion, reconstruction of production facilities and amenities of the KMG Group is reviewed in accordance with the current regulatory documents.

#### 5.5.1.2. Supervision over Construction and Commissioning of Facilities

5.5.1.2.1. Supervision over construction and acceptance for operation of newly constructed or reconstructed facilities is aimed at ensuring compliance with the design requirements for these facilities in accordance with the effective Statutory Requirements, which state that no entity, shop, facility or site can be accepted and put into operation, unless they ensure a healthy and safe working environment.

5.5.1.2.2. Supervision over compliance with the H&S requirements during the construction of facilities shall be exercised in accordance with the Statutory Requirements. Direct supervision is exercised by the construction supervision engineer (group).

### 5.5.2. Contractors Management


#### 5.5.2.1. Arranging and Monitoring Contractor Safe Practices

5.5.2.1.1. Interaction with contractors (subcontractors) is one of the key factors affecting the H&S performance of the KMG Group.

5.5.2.1.2. The KMG Group establishes uniform requirements for the effective H&S related management and control of contractors (subcontractors) performing work at production facilities in order to identify, assess and reduce hazardous and harmful occupational factors at all stages of production operations.

5.5.2.1.3. The KMG Group Organizations and Structural Units should apply to contractors (subcontractors) the principles of a single organization and control over safe working practices, while



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contractor (subcontractor) employees are obliged to comply with KMG’s corporate requirements for H&S and safe working practices.

5.5.2.1.4. The main principles for interaction with contractors (subcontractors) in the field of H&S are:

1) development and promotion of the concept of safe working practices and strive for zero injuries;

2) compliance of the contractor and subcontractor activities with the Statutory Requirements and the KMG Group requirements regulating H&S;

3) systematization of the approach to selection, interaction with and H&S performance analysis of the contractors and subcontractors;

4) effective management of hazardous and harmful occupational factors to ensure integrity of the KMG Group assets;

5) communication of approaches and methods for managing hazardous and harmful occupational factors to contractors;

6) introduction of mechanisms to motivate contractors in the field of H&S.

7) introduction of mechanisms to stimulate contractors to improve H&S;

8) improvement of H&S performance of the KMG Group Organizations.

5.5.2.1.5. The responsibility of contractors for compliance with the H&S requirements is regulated by the Corporate Standard for Contractor Engagement in Health, Safety and Environment in the KazMunayGas Group (KMG-ST-3524.1-13).

5.5.2.1.6. The CEOs of the KMG Group Organizations and Structural Units are responsible for determining the contractor obligations on safe working practices when entering into contracts.

5.5.2.1.7. Control and monitoring over compliance by contractors (subcontractors) with the agreed actions stipulated by the approved H&S plan and over safe working practices are imposed on the Line Managers of the production facilities being under their management or control.

5.5.2.1.8. Control over safe subcontractor practices is imposed on the Line Managers of the production facilities being under their management or control, and on an authorized person designated by the contractor.

#### **5.5.2.2. Compliance of Contractor Safe Practices**

5.5.2.2.1. All stages of arrangement and monitoring of contractor (subcontractor) safe practices shall be carried out in accordance with the “Corporate Standard for Contractor Engagement in Health, Safety and Environment in the JSC NC “KazMunayGas” Group” (KMG-ST-3524.1-13).


5.5.2.2.2. Based on the specifics of the work being performed, hazardous and harmful occupational factors, the KMG Group Organizations and Structural Units can establish and improve H&S requirements for contractors, and the KMG corporate requirements should not be made less stringent.

#### **5.5.3. Health and Safety Review**

5.5.3.1. The head of an operating unit of the KMG Group Organization or Structural Unit shall at least once a month address the H&S issues at operational meetings or tool box talks of the production facility.

5.5.3.2. At operational meetings or tool box talks, the findings of internal control inspections, BSO/BDSO, information of the line managers on the H&S status of the facilities are reviewed and analyzed, their evaluation is made for individual sites and for a production facility as a whole, the H&S related orders and instructions of the CEO, heads of branches / production departments, the circumstances and causes of incidents and accidents are communicated to the employees, the required instructions and assignments on their prevention are given, individual inconsistencies with safety rules and codes are analyzed, as well as the status of implementation of regulations, instructions and other legal acts. Operational meetings and tool box talks are documented by minutes.



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5.5.3.3. The management of the KMG Group Organization or Structural Unit (production departments) should address the H&S status of production facilities at least once a quarter at an operational meeting of managers and specialists.

5.5.3.4. At quarterly meetings, the results of H&S activities for the past period are reviewed, analyzed, as well as the progress of the administrative and technical activity plan, the results of internal control inspections, the status of compliance with the Permanent Commission reports and orders of state regulatory authorities, the issues are addressed that relate to work-related injuries and occupational diseases, accidents, the H&S risk analysis and assessment results are considered, the information of managers of individual production facilities is presented, the managers’ activities with regard to these issues are evaluated, measures for improvement are outlined. The issues addressed and resolutions adopted at quarterly meetings are documented by minutes.

5.5.3.5. The management of the KMG Group Organization or Structural Unit shall at least once a year hold an H&S meeting or forum, where the following issues are reviewed and analyzed:

- 1) results of internal control inspections and inspections by state regulatory bodies;
- 2) assessment for compliance of H&S with the Statutory Requirements and internal H&S documents;
- 3) analysis of the H&S risk assessment findings for the current period, their upward/downward trends as compared to previous periods and in terms of their likelihood and severity of consequences, as well as information on the number and occupations of those involved in the assessment of risks / hazardous and harmful occupational factors:
  - information from employee representatives;
  - communications received by the organization from external stakeholders, including complaints, for example, requests from employees of contractors regarding H&S issues;
  - effectiveness of H&S management;
  - investigation of incidents that could potentially lead to accidents (number of reported incidents, of which investigated ones, for which corrective and preventive actions have been developed, taken);
  - status of implementation of the corrective and preventive actions based on the findings of internal control inspections, as well as execution of resolutions, ordinances and other ad hoc regulations of state regulatory bodies;
  - results of the implementation of resolutions of previous meetings on the analysis of the H&S management;
  - changes in circumstances, including changes in the Statutory Requirements and other H&S management requirements;
  - proposals, recommendations, meeting agenda items related to H&S improvement.


The issues addressed and resolutions adopted at an annual meeting or forum are documented by minutes.

5.5.3.6. The management the KMG Group Organization or Structural Unit shall review the H&S management at planned intervals to ensure its continued suitability, adequacy and effectiveness. The review process includes appraisal of options for improvement and the need for changes in H&S management.

## **5.5.4. Emergency Preparedness and Response**

### **5.5.4.1. Emergency Preparedness**

5.5.4.1.1. The KMG Group’s emergency preparedness and response in order to prevent or minimize their effects on the health and safety of employees, and to reduce damage to the property of the KMG Group and stakeholders are ensured within the framework of the business continuity management system in accordance with the “Rules for Arranging Business Continuity Management Process in JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities” (KMG-PR-3203.1-37).

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5.5.4.1.2. The KMG Group’s preparedness to respond to emergencies is ensured by the following actions:

1) identification and recording of potential accidents based on the identification of risks / hazardous and harmful occupational factors, filling out the sections of the declaration of industrial safety and emergency engineering activities at hazardous production facilities, results of working conditions based certification of production facilities;

2) development and approval of accident or oil spill response plans, safety data sheets, inclusion of measures aimed at reducing the adverse impact on the health of employees and property of the KMG Group;

3) availability and implementation of plans and schedules for employee training and exercises, conduct of training sessions or drills to prevent, localize emergencies and eliminate their consequences (details of training sessions or drills are documented and used in the analysis of the MS);

4) consulting (informing) employees of the stakeholders on emergency response;

5) analysis of the actions of employees during accidents that have occurred, their causes and corrective and preventive actions taken.

5.5.4.1.3. Activities aimed at emergency prevention and prompt response, responsibility of officers and the necessary resources are detailed in the following documents of the KMG Group:

1) industrial safety declarations;

2) safety assessment reports on a hazardous production facility;

3) accident or oil spill response plans, etc.;

4) process regulations, process equipment operation instructions, H&S instructions, etc.

#### **5.5.4.2. Epidemic and Pandemic Preparedness**

5.5.4.2.1. The KMG Group’s preparedness for a potential epidemic and spread of various infectious diseases and response to them in order to prevent their spread among employees or minimize their effects on the health of employees of the KMG Group and stakeholders are ensured in accordance with the procedure established by the authorized bodies and KMG’s internal documents.

5.5.4.1.2. The KMG Group’s preparedness to respond to infectious diseases (plague, cholera, typhoid fever, rabies, tularemia, diphtheria, tetanus, rubella, hemorrhagic fever, anthrax, coronavirus infection and other infections) is ensured by the following preventive activities:

1) operations plans (algorithms) of response and response notification flow charts are developed in advance and are constantly adjusted for the cases where contagious patients are detected, activities are carried out to contain morbidity, and management decisions are taken to carry out preventive and anti-epidemic measures based on constant monitoring of the epidemiological situation


(where necessary, amendments are made to the action plan aimed at curbing the development of infectious diseases, taking into account the possible development of a pandemic, or the likelihood of further waves of a pandemic and their intensity, taking into account the forecast of the morbidity rate and potential damage);

2) the activities of the emergency operations center are revved up (where necessary, its 24/7 uninterrupted functioning is arranged) to control and coordinate in the event of a threat or detection of an infectious disease, and appropriate plans (algorithms) are put into practice, including those ensuring functioning of all life-supporting services and facilities;

3) a seamless interaction is ensured with authorized bodies for the exchange of operational information in order to prevent and reduce the effects of infectious diseases;

4) focus areas (activities) for the preparation, prevention and reduction of the effects of infectious diseases and response in case of their development are determined in order to reduce their impact on human health while minimizing disruptions and ensuring a smooth functioning of facilities, in particular:

– limitation of movements and contacts of employees, including social distancing;

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- transfer of the majority of employees to a remote (distance) working, in particular, it is mandatory for the risk group (employees aged 55 years and over who have chronic diseases, pregnant women, parents with many children, employees who have elderly or disabled dependants);

- increased attention to the functioning of ventilation and dust suppression systems;

5) capabilities of specialized health care providers of medical services during an epidemic (pandemic) are assessed and comprehensive assistance is provided to such providers, material and technical resources required to meet the needs are estimated, and, where necessary, additional medicines, medical equipment, detergents and disinfectants, textile products and tools, personal protective equipment and other consumables are purchased;

6) employees are made aware of and trained in the personal prophylactic measures and activities to prevent the spread of infection using all means and methods of promoting knowledge of the rules of behavior in case of disease, in particular encouraging frequent washing (treatment) of hands and observing respiratory hygiene, protecting others against potential infection when coughing and sneezing;

7) continuous prompt communication is maintained and epidemiological services are immediately notified of cases of infectious diseases (or suspected cases), and an agreement is reached on the exchange of information on the emerging epidemiological situation and coordination of joint actions;

8) where an employee is suspected of having an infectious disease, a specialized health care provider, the KMG Group Organization and the KMG Safety Management Centre are immediately notified;

9) anti-epidemic measures are taken, and sanitary-epidemiological and virological supervision and control are strengthened in order to identify potential single and group cases of an infectious disease, while each acute respiratory viral infection (ARVI) patient is considered as potentially infected;

10) suspected or identified contagious patients or those who were in contact with a patient shall be isolated till the arrival of the anti-epidemic team or ambulance service who will either confirm their status and/or evacuate them to a specialized health care facility (the room where the patients were identified or where they temporarily stayed shall be subjected to a current disinfection, and after evacuation of the patients, the terminal disinfection shall be performed);

11) where necessary, restrictive measures and quarantine are introduced to prevent the spread of infectious diseases, that provide for a special regime of business operations and other activities, in particular the following measures are taken:

- operational assessment of the situation, adoption and effective implementation of additional necessary measures to strengthen epidemiological control;

- updating the planned activities to reflect the information received and the experience of state bodies and other organizations involved in the fight against a pandemic;


- use of personal protective equipment and treatment of hands with skin antiseptics, disinfection regime at facilities and transport, regular ventilation and wet cleaning of premises where people work;

- medical examination of employees taking over a shift (watch);

- compiling a list of contact persons for examination and ensuring their medical screening;

- suspension from work of the employees who are potential sources of infectious diseases, or who have been in contact with contagious patients, until they test negative;

- compulsory hospitalization of patients and provisional hospitalization for epidemic indications of those who have been in contact with patients suffering from infectious diseases, for the duration of the incubation period;

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- where necessary, suspension or restriction of the activities (work, operation) of facilities until the outbreak of an epidemic or the risk of mass disease for employees is eliminated;
- carrying out sanitary and anti-epidemic (preventive) measures, including, where necessary, a quarantine in places of residence and rest of rotational employees;
- to ensure restrictive measures, a full control of entry/exit is provided, one or more checkpoints (cordons) are established, which should be equipped with disinfection barriers and thermal imagers or devices for remote human body thermometry, in which case those who have elevated body temperature and/or signs of an infectious disease shall be denied an access to premises and be suspended from work;
- the employees involved in elimination of the outbreak of an infectious disease who stay at the facility (within the premises) declared to be in quarantine or a zone of restrictive measures shall be provided with the necessary accommodation, meals and health care;
- the necessary supply of PPE (masks, respirators, gloves, shoe covers, protective suits, goggles, shields), disinfectants and detergents shall be maintained;
- the home quarantined individuals monitor their own symptoms, while being remotely interviewed or regularly examined by health care professionals;
- the activities of canteens and food services areas are arranged in accordance with the requirements for preventive and disinfection measures established for public catering arrangements;
- development of proposals for the introduction of rapid diagnostic tools (express tests) and infection diagnostic kits (including polymerase chain reaction, PCR);
- introduction of prohibitive measures against engagement of foreign workforce to work on a rotational basis from the countries declared unfavorable in terms of pandemic of infectious diseases;
- timely updates of information and media coverage of the morbidity situation;
- determining the need for and requesting (where necessary) assistance from KMG or the KMG Group Organization, or authorized bodies.

## **5.6. CONTROL, MONITORING AND ASSESSMENT OF HEALTH AND SAFETY PERFORMANCE**

### **5.6.1. Arranging Health and Safety Control**


5.6.1.1. Control over the safety and health status is the key preventive measure against work-related injuries, which is carried out through the prompt identification of departures of the H&S factors from the Statutory Requirements, safety rules and codes, H&S standards, and prompt decision-making on their elimination and removal of causes of the identified inconsistencies at all levels of management, and relevant periodic communications.

5.6.1.2. The main types of control are:

1) multilevel control over the H&S status exercised by the executives, engineers and technicians of the KMG Group Organization and Structural Units, as well as by the commissions of the KMG Headquarters and state supervision bodies;

2) working conditions based certification of production facilities, assessment of production and behavioral risks, control over the sanitary and technical condition of facilities, sites, operating units, technical audit of expired and obsolete fixed assets.

5.6.1.3. Operational control is carried out in accordance with a certain scheme and, depending on the structure of the KMG Group Organization, provides for three to five levels of control. The status and frequency of control levels, depending on the business line and structure, can be determined by the management of the KMG Group Organization.

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5.6.1.4. Production control over industrial safety, as decided by the management of the KMG Group Organization, can be combined with internal H&S control, and is carried out jointly.

5.6.1.5. One of the effective tools of production control is behavior-based safety observation in accordance with the KMG Golden Rules, the “Rules for Behavior-Based Safety Observation of JSC NC “KazMunayGas” (KMG-PR-2312.1-13) aimed at increasing the level of corporate culture and ways of demonstrating personal commitment and involvement of managers of all levels and employees in the H&S management processes.

#### **5.6.1.2. Level 1 of Control**

5.6.1.2.1. Every day at the beginning of work (shift, watch) and further in the process of work on a regular basis, a functional site supervisor together with an employee representative (if they are absent, independently) shall check (monitor) the H&S status at workplaces and take prompt actions to eliminate identified risks / hazardous and harmful occupational factors, near misses and inconsistencies. When performing checks, they should be guided by the guidelines.

5.6.1.2.2. In the case of territorial dispersion of production facilities (wells, communication lines, etc.), the functional site supervisor shall arrange the level 1 of control in a way to ensure that all facilities, workplaces where work is being or will be performed in the near future are checked within a week.

5.6.1.2.3. Before leaving for a work site (drilling site, well, station, profile, etc.) or before starting work at the site, the heads of operating units, together with an employee representative, shall check the condition of the workplaces and take prompt action to eliminate the identified risks, near misses and inconsistencies.

5.6.1.2.4. Risks / hazardous and harmful occupational factors, near misses and inconsistencies identified during the check shall be immediately eliminated, the remaining ones that cannot be eliminated by a team, shift, crew, or the elimination whereof is not within the competence of the functional site supervisor are recorded in the working conditions status log by form (KMG-F-3672.1-13 / ST-3669.1-13) hereto, for the purposes of subsequent appropriate measures.

The functional site supervisor reports these risks / hazardous and harmful occupational factors, near misses and inconsistencies to the management of an operating unit to ensure the necessary safety measures, including interruption of operations, are taken.

5.6.1.2.5. Along with the functional site supervisor, the head of an operating unit is also responsible for the proper arrangement and implementation of level 1 of operational control, who ensures elimination of identified risks / hazardous and harmful occupational factors, near misses and inconsistencies that cannot be eliminated by the efforts of the operating unit.


#### **5.6.1.3. Level 2 of Control**

5.6.1.3.1. The head of an operating unit of the Structural Unit, at least once a month, together with an employee representative (if they are absent, independently), shall check (monitor) the H&S status at facilities, workplaces, as well as the activities of functional site supervisors aimed at monitoring the H&S compliance and takes prompt measures to eliminate the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies. When performing checks, they should be guided by the guidelines.

5.6.1.3.2. To ensure regularity of the check of all facilities and completeness of level (stage) 2 of control, the head of an operating unit of the Structural Unit shall engage their deputies, functional site supervisors and other engineers and technicians of the operating unit to ensure that all facilities and workplaces are checked at least once a month.

5.6.1.3.3. Risks / hazardous and harmful occupational factors, near misses and inconsistencies identified during the check must be eliminated. Those of them that cannot be eliminated during the check are recorded in the working conditions status logs for further collection of information, analysis and development of corrective actions.



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Where observations identified during level 1 and level 2 of control cannot be eliminated by the efforts of a shop or their elimination is not within the competence of the head of an operating unit of the Structural Unit, they shall officially report those risks / hazardous and harmful occupational factors, near misses and inconsistencies to the management of the Structural Unit, and take the necessary safety measures.

If the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies can lead to an accident or employee injuries, the head of an operating unit of the Structural Unit (another inspector) shall suspend the work until they are eliminated.

5.6.1.3.4. Responsibility for the proper arrangement, implementation of level 2 of control and timely elimination of identified risks / hazardous and harmful occupational factors, near misses and inconsistencies rests with the head of an operating unit of the Structural Unit.

#### **5.6.1.4. Level 3 of Control**

5.6.1.4.1. At least once a quarter, the Permanent Commission (or the Committee) of the Structural Unit (production department) shall check the H&S status of operating units, sites and facilities, and also check activities of the heads of an operating unit of the Structural Unit and functional site supervisors related to level 1 and level 2 of control.

5.6.1.4.2. When visiting operating units and facilities as part of their main functions, the executives, engineers and technicians of the Structural Unit are obliged to check the H&S status of the facilities, take the necessary measures to eliminate identified risks / hazardous and harmful occupational factors, near misses and inconsistencies, and assist the heads of the units in their activities.

5.6.1.4.3. Where the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies can lead to an accident or employee injuries, the work should be immediately suspended until these violations and deficiencies are eliminated.

5.6.1.4.4. Risks / hazardous and harmful occupational factors, near misses and inconsistencies identified during the check must be eliminated.

The results of checks are discussed at an extended meeting of the Permanent Commission, and are documented by a report where the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies are detailed, the H&S status, the effectiveness and performance of the MS are assessed.

Based on the report, a corrective/preventive action plan should be developed by form (KMG-F-3673.1-13 / ST-3669.1-13) hereto.


Where the reasons for the identified inconsistencies cannot be eliminated by the efforts of the Structural Unit, these findings should be submitted in writing to the KMG Group Organization to enable appropriate decision-making.

5.6.1.4.5. Responsibility for proper arrangement and implementation of level 3 of control and for timely elimination of the identified inconsistencies and deficiencies, for implementation of the planned activities rests with the heads of the Structural Unit.

5.6.1.4.6. In the KMG Group Organizations, whose structure does not include Structural Units (such as NGDU) and where operating units (shops) directly subordinate to the KMG Group Organization (for example, oil refineries), level 3 of operational control is not exercised. In this case, the functions of level 3 of operational control are assigned to the Permanent Commission or the Committee of the KMG Group Organization.

#### **5.6.1.5. Level 4 of Control**

5.6.1.5.1. At least once every six months, the Permanent Commission (or the Committee) of the administration of the KMG Group Organization, which has production branches (production departments) in its structure, shall carry out a random inspection (audit) of the activity management and H&S status of facilities, activities of executives, engineers and technicians of all production branches (departments) and their individual structural units.

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5.6.1.5.2. Risks / hazardous and harmful occupational factors, near misses and inconsistencies identified during the inspection should be carefully analyzed, and their root (system) causes should be determined. For this purpose, the Permanent Commission inspection (audit) should be arranged in a way to ensure that the divisions of the administrations are covered by the inspection (audit) program so that their inspection (audit) could detect, to full possible extent, the cause of occurrence of risks / hazardous and harmful occupational factors, near misses and inconsistencies identified in the Structural Units, whose powers do not provide for handling such observations.

5.6.1.5.3. If the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies can lead to an injury or accident, the Permanent Commission is obliged to suspend the work until they are eliminated.

5.6.1.5.4. In the event that a risk / hazardous and harmful occupational factor, a near miss and inconsistency are identified in one unit, they should be checked in other units to determine if they are consistent.

5.6.1.5.5. The results of checks are discussed at an extended meeting of the administration of the KMG Group Organization, and are documented by reports where the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies are detailed, the H&S status, the effectiveness and performance of the MS are assessed.

5.6.1.5.6. Responsibility for the arrangement and implementation of level 4 of control rests with the first deputy head of the KMG Group Organization.

5.6.1.5.7. Members of the Permanent Commission should be trained in the inspection (audit) methods and principles in order to ensure objectivity and impartiality during inspections.

#### **5.6.1.6. Level 5 of Control**


5.6.1.6.1. Once a year, in accordance with the schedule approved by the KMG Management or KMG H&E Department, the Commission (or the KMG Committee) shall carry out, as agreed, an inspection (audit) of the activity management and H&S status in the KMG Group Organizations and Structural Units as per the approved list of issues and guidelines. Where necessary, as instructed by the KMG Management, unscheduled inspections (audits) of the H&S status can be arranged.

5.6.1.6.2. For each regular inspection (audit), a commission (group) is formed from among the members of the KMG Committee and employees of the KMG H&E Department. If necessary, the commission may include specialists of concerned structural units of the KMG Headquarters, as well as HSE employees of the KMG Group Organizations.

5.6.1.6.3. Based on the results of inspection (audit) and analysis of the KMG Commission activities, an analytical report is issued with recommendations for improving the H&S activities of an inspected (audited) Organization of the KMG Group. On the basis of KMG’s analytical report, a corrective action plan (activity plan) is drawn up by the KMG Group Organization, indicating the deadlines and those in charge of implementation of the recommendations (elimination of inconsistencies). The HSE Service submits the inspection (audit) materials to the relevant structural units of the KMG Group Organization or Structural Unit to implement recommendations, eliminate inconsistencies. Furthermore, within the time period specified in the report, it officially submits to the KMG Management or KMG H&E Department the information on the work done based on the findings of the KMG Commission inspection.

5.6.1.6.4. If the inspection identifies major administrative and technical omissions that cause injuries and accidents, the activity management and H&S status of the KMG Group Organization or Structural Unit should be addressed at a meeting of the KMG Management or KMG H&E Department, the Supervisory Board of the KMG Group Organization.

5.6.1.6.5. When visiting the KMG Group facilities as part of their main functions, employees of the KMG Headquarters are also obliged to inspect the activity management, H&S status of a facility being visited, take necessary measures to eliminate the identified inconsistencies, and provide practical assistance in resolving H&S issues.

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Information on the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies that cannot be eliminated by the inspected KMG Group Organization or Structural Unit, shall be reported by the KMG Headquarters employee to the KMG H&E Department in writing to ensure appropriate corrective actions.

#### **5.6.2. Managing Activities of the Permanent Health and Safety Commissions**

5.6.2.1. To monitor the H&S status and consider other H&S issues, all KMG Group Organizations and Structural Units establish Permanent H&S Commissions (Permanent Commissions) chaired by the CEO or deputy chief HSE manager.

5.6.2.2. The list of structural units, whose Permanent Commissions have groups/sub-commissions, is determined by the deputy chief operations manager together with the head of the HSE Service.

The Permanent Commission and its groups/sub-commissions include the CEO and/or their deputies, chief specialists, heads of services of the administration, their deputies and leading specialists of these services, HSE employees, an employee representative (where necessary).

5.6.2.3. To assure objectivity and impartiality, the inspection (audit) program should be compiled in a way to ensure that the members of the Permanent Commission do not audit their own activities. The composition of the Permanent Commission should not change from inspection to inspection without a good reason.

5.6.2.4. The Permanent H&S Commissions carry out their activities based on annual plans (programs) approved by the head of the KMG Group Organization or Structural Unit.

A plan (program) specifies deadlines, structural units, inspection criteria (Statutory Requirements, internal requirements, standards) for compliance.

#### **5.6.3. Recommended Practices for the Permanent Health and Safety Commission**

5.6.3.1. These guidelines set out the procedure for inspections (audits) of the H&S status of facilities, sites and operating units by functional site supervisors, heads of an operating unit of the structural unit, executives, engineers and technicians of the KMG Group Organizations and Structural Units, as well as employees of the KMG Headquarters.

5.6.3.2. Primary objectives:

1) assessment of compliance of processes, production equipment, protective equipment and work environment with the H&S laws, standards, rules and regulations;

2) evaluation of the effectiveness and performance of H&S.

5.6.3.3. The H&S status is inspected as follows:

1) selection of facilities to be inspected and parameters;

2) performance of the inspection procedure;


3) comparison of the findings with the Statutory Requirements;

4) determination of the causes of identified risks / hazardous and harmful occupational factors, near misses and inconsistencies with the working conditions of employees, the safety standards, rules and regulations, non-compliance with instructions, deficiencies in the H&S activity management;

5) development and justification of the necessary corrective actions to eliminate them.

5.6.3.4. The main method of monitoring the H&S status is preventive activities of executives, engineers and technicians of the KMG Group Organizations and Structural Units carried out directly at the facilities, in operating units and structural units. Review of the H&S status at operational meetings and tool box talks, addressing H&S issues, summing up the results for a certain period of H&S activities.

5.6.3.5. Inspections should be carried out in the presence of the heads of the facilities, sites, operating units, production facilities and structural units of the KMG Group Organizations or Structural Units being inspected, where necessary involving H&S representatives of employees and relevant specialists – mechanics, power engineers, technologists.

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5.6.3.6. When conducting inspections, for the teams an environment and conditions should be created that promote employees’ proactive attitude and initiative, where the entire team of the structural unit (site, operating unit) and the KMG Group Organization or Structural Unit – from a manager to an ordinary work performer – should participate in creating healthy and safe working environment.

5.6.3.7. Representatives of superior organizations may also be involved in inspections of levels (stages) 3 and 4 of control.

5.6.3.8. The inspection involves visual inspection of workplaces and equipment, if necessary, tests of equipment, mechanisms and devices, employee interviewing and review of the activity management and available H&S documentation.

Inspectors can check the safe behavior of employees, and assess the knowledge of safety codes and rules, instructions of individual employees.

5.6.3.9. During inspection of facilities, workplaces, the executives, engineers and technicians of a unit being inspected take prompt measures to eliminate the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies that pose a threat to the life and health of employees, and, where necessary, suspend their work. The inspectors provide the employees of the units being inspected with practical assistance in resolving the arising issues.

5.6.3.10. The inspection findings are recorded in logs or reports, depending on the level of control, one copy of a report is provided to the management of an operating unit or structural unit to ensure the identified risks / hazardous and harmful occupational factors, near misses and inconsistencies are eliminated, appropriate corrective actions are developed and carried out.

5.6.3.11. The inspection reports or certificates reflect the H&S status of operating units, structural units, conclusions and assessment of the H&S status, performance, and management of H&S. Observations (risks / hazardous and harmful occupational factors, near misses and inconsistencies) of the inspectors are provided.

Based on the Permanent Commission reports, corrective action plans are developed, which indicate the causes of the observations made, measures to eliminate the causes, those in charge of implementation of the measures, and timing of the measures.

5.6.3.12. The Permanent H&S Commission checks compliance with all Statutory Requirements included in the inspection plan, including, but not limited to:

1) execution of orders and resolutions, instructions, proposals, recommendations of authorized bodies, as well as implementation of proposals and elimination of comments recorded in the H&S status logs;

2) availability of the H&S activity (action) plans and the status of their implementation;

3) effectiveness of the activities of functional site supervisors, heads of an operating unit of the structural unit related to levels 1 and 2 of operational control, and discussion of the H&S status at meetings, operational meetings (regularity, completeness, adoption of necessary measures, etc.);

4) timely and complete implementation of the planned activities to improve H&S, to reduce risks / hazardous and harmful occupational factors, near misses and inconsistencies, as well as activities provided for in the accident and work-related injury investigation reports;


5) implementation of activities following the results of the working conditions based certification of production facilities;

6) procedure, form and documentation of the reviews of orders, instructions, newsletters by employees;

7) training and internship procedure for employees before they are allowed to maintain complex equipment and mechanisms, availability of a work permitting document;

8) establishment and composition of the employee knowledge assessment commissions of operating units, proceedings of the commissions (availability of schedules and schedule adherence,



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etc.), availability of programs (questionnaires), their content, recording of the results of employee knowledge assessment;

9) provision of employees, workplaces and facilities with the necessary instructions, memos, safety signs, and their condition;

10) availability of H&S related records (logs, data sheets, protocols, etc.) as per the approved list, and proper record keeping;

11) technical condition, serviceability and proper operation of equipment, mechanisms, instrumentation, devices and tools, ventilation and air purification devices, heating and lighting systems, grounding of equipment and structures, as well as automatic and mechanic means, vehicles, and their compliance with safety rules, standards and conditions of the work performed;

12) arrangement and implementation of preventive maintenance, technical diagnostics and audit of fixed assets – buildings, structures, equipment, technical examination of pressure vessels, lifting mechanisms and other equipment;

13) availability and serviceability of protective, safety and sealing devices, automatic control and signaling devices, remote control and other protective equipment;

14) proper and safe working practices, proper management of technological processes, employees’ compliance with safe working practices, process flow patterns, instructions, work orders;

15) preparation for and performance of high risk work, proper paperwork (work orders, permits to work, etc.), the briefing procedures before admitting employees to such work;

16) compliance by employees with the rules and instructions for safe working practices, production and labor discipline;

17) provision of employees and workplaces with PPE, their proper use and condition;

18) provision of operating units, facilities with amenities and sanitary appliances, their condition;

19) timely and high-quality performance of a range of activities to record and assess the H&S status of the facilities (reliability of the H&S assessment indicators) by functional site supervisors and heads of an operating unit of the structural unit;

20) organization and operation of the HSE Service, availability of appropriate specialists, their education, qualification, work experience, existence of job descriptions for the Service employees, scope of their activities, as well as availability of the Service activity plans and their implementation, provision with premises, transport, necessary means of communication, office equipment, reference and regulatory documents;

21) the H&S activities of executives, engineers and technicians, availability of their job descriptions specifying duties to ensure safe working environment and their performance, effective operational control and analysis of the H&S status of structural units (regularity, content, adoption of necessary measures), involvement of chief specialists in these activities, implementation of proposals and addressing concerns recorded in the H&S status logs, analysis of identified inconsistencies;


22) timely and high-quality operational analysis of and information on the H&S status;

23) results (quality, efficiency) of the H&S meetings held by the management of the KMG Group Organization and Structural Unit, discussion of H&S issues, including the findings of H&S status inspections, at various meetings, technical councils, tool box talks, conferences, forums, their frequency, quality of decisions made and their implementation;

24) development and implementation of the H&S improvement and enhancement activities, scope of the activities, timely and complete implementation of the activities planned, collective and individual contracts, agreements;

25) timely investigation of incidents and accidents, their proper qualification and duly maintenance of investigation records, compliance with the established procedure for operational information about incidents and accidents, implementation of activities specified by the incident and accident investigation reports, their effectiveness;



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26) organization of training for employees in safe working practices and adherence to the established training procedure, timely, regular and high-quality briefing of employees, availability of programs, questionnaires, their issue, adherence to employee knowledge assessment schedules, proper and accurate paperwork (logs, protocols, certificates, etc.);

27) procedure for the development and revision of instructions for safe working practices, availability of lists of departmental instructions, physical availability of the listed instructions, timely revision of instructions, their proper and accurate execution;

28) availability of the H&S office, its compliance with the requirements of the current regulatory documents, its equipment with the necessary guides and supplies, scope and management of its activities;

29) arrangements for the promotion of H&S in the structural unit, demonstration of videos, issue of newspapers and brochures, bulletins and news sheets, giving lectures, reports, conducting interviews, consultations on H&S related issues;

30) availability and proper execution of H&S documentation (logs, data sheets, plans, work orders, certificates/reports, etc.);

31) technical condition and proper operation of equipment, mechanisms, instrumentation, devices and tools, ventilation systems and installations, heating and lighting systems, grounding devices for equipment and structures, as well as automatic and mechanic means, vehicles, special equipment, their compliance with safety regulations and standards;

32) provision of employees, workplaces and facilities with the necessary tools, posters, safety signs and other means of visual propaganda;

33) provision of operating units and facilities of the structural unit of the KMG Group Organization or Structural Unit with amenities and sanitary appliances in accordance with the established standards, and their condition;

34) provision of employees and workplaces with PPE, their proper use, their condition, established standards of distribution, proper execution of requests for their issue, progressing of requests, arrangement of acceptance, storage, repair, dry cleaning and washing of PPE;

35) condition of buildings and structures (their floor structures, floors, walls and other structural elements), the premises of structural units, operating units, sites, facilities, walkways and driveways, workplaces, their compliance with the standards, layout of buildings and structures, placement of equipment in operating units;

36) compliance by employees with the rules and instructions for safe working practices, production and labor discipline;

37) employee financial and moral incentive practices for their H&S activities, introduction of a system for recording and analyzing the H&S status.


#### **5.6.4. Recommendations for a Functional Site Supervisor**

5.6.4.1. One of the main responsibilities of a functional site supervisor is to ensure H&S for workers, which is achieved through regular checks of the H&S status and adoption of prompt measures to eliminate inconsistencies and violations.

5.6.4.2. An inspection under level 1 of control is carried out daily at the beginning and in the process of work, by walking around workplaces, in order to monitor the management of activities, the general condition of a facility, existence of hazardous conditions and risks.

First of all, a functional site supervisor shall find out whether there are any departures from the safety rules and codes, by asking the workers of the off-going shift (for shift working pattern) about them, or by reading the entries made in relevant logs, check if the concerns and deficiencies recorded in the H&S status log in the previous days have been addressed.

5.6.4.3. When walking around workplaces and inspecting equipment, a functional site supervisor shall check:

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1) condition and proper arrangement of workplaces (safe condition of the working area and workplaces, condition of walkways and driveways), proper warehousing and storage of parts, tools, materials;

2) technical condition and serviceability of equipment, mechanisms, instrumentation, devices and tools, their compliance with the safety rules and conditions of the work performed;

3) sealing of equipment, shut-off and control valves and communication lines;

4) condition of tanks, cylinders, receivers, gas holders and other devices, and pressure vessels;

5) availability and serviceability of protective, safety and sealing devices, automatic control and signaling devices, remote control and other protective equipment;

6) serviceability and uninterrupted operation of ventilation plants and local exhaust systems;

7) serviceability of lighting systems and illumination of workplaces;

8) availability and proper use by workers of protective clothing, footwear and PPE (helmets, gas masks, goggles, safety belts, etc.);

9) sanitary condition of workplaces, maintenance of sanitary facilities and amenities, provision of workplaces with washbasins, washing agents and detergents, washing accessories in showers, availability of complete medical kits;

10) availability and condition of instructions, posters, warning plates, safety signs, designations and markings of starting devices, control symbols;

11) compliance by employees with safe working practices, process flow patterns, instructions, work orders, production and labor discipline;

12) learning of safe working practices by employees serving internship;

13) availability and serviceability of primary fire extinguishing equipment;

14) availability and serviceability of grounding devices, and static voltage protection devices.

5.6.4.4. In the process of work, a functional site supervisor periodically monitors the H&S status and employees' compliance with the safety rules and codes.

5.6.4.5. The results of level 1 of control inspections and entries in the H&S status logs serve as initial data for operational analysis of the H&S status at weekly operational meetings and employee meetings, and are the basis for assessing the H&S status.

### **5.6.5. Recommendations for Managers, Engineers and Technicians of an Operating Unit**

5.6.5.1. The head of an operating unit of the structural unit, their deputies and other engineers and technicians of an operating unit check the following at facilities, in teams, at sites:

1) activities of functional site supervisors related to monitoring and analysis the H&S status (regularity and quality of inspections, their effectiveness);

2) availability and proper keeping of H&S records (H&S status logs, briefing logs, equipment data sheets, etc.);

3) execution of directions of the head of an operating unit of the structural unit, orders and instructions of the management of the KMG Group Organization or Structural Unit;


4) timely and complete implementation of the H&S improvement activities, proposals of the H&S representatives of employees;

5) timely and high-quality briefings of employees by functional site supervisors, proper and accurate paperwork for briefings, availability of employee knowledge assessment certificates and permits to work, their accurate execution, timely knowledge assessment, medical examinations, records of transfers;

6) proper and safe arrangement of workplaces (safe condition of the working area and workplaces, condition of walkways and driveways);

7) proper warehousing and storage of parts, tools, materials;

8) technical condition and serviceability of equipment, mechanisms, instrumentation, devices and tools, their compliance with the safety rules and conditions of the work performed;

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9) sealing of equipment, shut-off and control valves and communication lines, operation of ventilation and air purification installations, their condition;

10) availability and serviceability of grounding devices, and static discharge protection;

11) condition of tanks, cylinders, receivers, gas holders and other devices, and pressure vessels;

12) availability and serviceability of protective, safety and sealing devices, automatic control and signaling devices, remote control and other protective equipment;

13) illumination of workplaces and serviceability of lighting systems;

14) provision of workers with protective clothing, footwear and other PPE (helmets, gas masks, respirators, goggles, masks and face shields, safety belts, etc.), their condition, proper use;

15) sanitary condition of workplaces, maintenance of sanitary facilities and amenities, provision of workplaces with washbasins, washing agents and detergents, washing accessories in showers, availability of complete medical kits;

16) availability and condition of instructions, posters, warning plates, safety signs, designations and markings of starting devices, control symbols;

17) proper and safe working practices, proper management of technological processes, employees' compliance with safe working practices, process flow patterns, instructions;

18) preparation for and performance of high risk work, availability of proper paperwork (work orders, permits to work, projects, plans, etc.);

19) performance by work supervisors (functional site supervisors, team leaders, foremen, mechanics, etc.) of their duties to ensure safe working conditions provided for by the regulations and job descriptions.

5.6.5.2. The results of level 2 of control inspections serve as a source material for assessment of H&S status of the units and are discussed at operational meetings held by the head of an operating unit or employee meetings.

#### **5.6.6. Trade Unions and Employee Representatives**

5.6.6.1. Resolution of many issues of H&S management requires the presence of an employee, therefore it is done for all or a part of employees by an authorized representative of employees. Interests of the employees of the Organization during collective bargaining, signing and amendment of a collective agreement, monitoring of implementation, as well as in the exercise of the right to participate in the corporate management, and consideration of labor disputes are represented by a trade union or other representatives elected by the employees.

5.6.6.2. Public control over observance of the H&S related rights and legitimate interests of employees is exercised by trade unions and/or authorized representatives of employees in accordance with the Statutory Requirements.


5.6.6.3. Should the Organization have no trade union or have a trade union uniting less than half of employees, at a general meeting, employees may entrust representation of their interests to a specified trade union or to a representative authorized by employees. The procedure for election and functions of employee representatives (authorized persons) should be defined in a collective agreement.

5.6.6.4. Employee representatives (authorized persons) periodically report to the general meeting of employees that elected them, and may be recalled before the expiration of their powers by the decision of the body that elected them, if they do not perform their assigned functions or do not demonstrate the necessary insistence in protecting the H&S related rights of employees.

5.6.6.5. Employee representatives (authorized persons) may serve on the KMG Group Committees.

5.6.6.6. The main H&S related objectives of the employee representatives (authorized persons) are to:

1) assist in creating healthy and safe working environment;

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2) exercise public control over the H&S status of operating units and over observance of the legitimate H&S related rights and interests of employees;

3) represent the interests of employees in state and public organizations when considering labor disputes related to the application of the Statutory H&S Requirements, performance by the KMG Group of H&S related obligations stipulated by collective agreements or arrangements;

4) consult employees on H&S issues, assist them in protecting their rights to H&S.

## **5.7. HEALTH AND SAFETY IMPROVEMENT**

### **5.7.1. Incident and Accident Investigation**

#### **5.7.1.1. Accident Investigation and Recording**

5.7.1.1.1. An occupational accident is the exposure of an employee to an occupational factor in the process of performing their job duties or assignments given by the KMG Group Organization, which resulted in an injury, sudden health impairment or poisoning of the employee causing a temporary or permanent disability, occupational disease or death.

5.7.1.1.2. The basic principles of qualification, the procedure for investigating and recording occupational accidents involving workers, employees and other persons are determined by the Statutory Requirements.

5.7.1.1.3. In accordance with the Statutory Requirements, all occupational accidents shall mandatorily be investigated, their circumstances must be clarified in detail, the causes must be determined, objective conclusions must be made, and specific activities must be developed to prevent similar cases.

5.7.1.1.4. Timely and qualified investigation of occupational accidents is one of the most effective measures of preventing work-related injuries. Such an investigation of accidents allows an unbiased identification of the main causes of their occurrence and adoption of effective measures to prevent their subsequent occurrence.

5.7.1.1.4. Accident investigation records should be further used by the KMG Group when planning its activities to reduce the work-related injury rate.


5.7.1.1.5. To ensure a qualified and effective investigation of occupational accidents, the following principles must be observed:

- 1) timely and prompt investigation;
- 2) competence and expertise of investigating officers;
- 3) complete, consistent and unbiased investigation.

5.7.1.1.6. The Statutory Requirements define an employee's obligation to immediately report to their line manager every occupational accident, signs of occupational disease (poisoning), as well as a situation that poses a threat to human life and health.

5.7.1.1.7. A functional site supervisor is obliged to ensure that first aid is provided to an injured person and, if necessary, they are taken to the health care facility (health center, medical unit, polyclinic) to get a qualified health care, after which the supervisor shall immediately report the accident to the head of the operating unit; make sure that the accident scene (status of equipment and mechanisms, tools) is in the same condition it was in at the time of the accident until the investigation begins, provided this does not threaten the life and health of others, and discontinuity of the production process does not lead to another accident, as well as take photographs of the accident scene; immediately inform the injured person's close relatives of the work-related injury.

Where the post-accident conditions pose a threat to the health and life of other employees or can cause another accident, disruption of the production process, a functional site supervisor shall, first of all, eliminate the hazardous situation.

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5.7.1.1.8. The head of the KMG Group Organization or Structural Unit shall immediately report each occupational accident to the authorized body in due form as prescribed by the Statutory Requirements.

5.7.1.1.9. The KMG Group reviews and records incidents and accidents in accordance with the “Rules for the Corporate Information Management System for Health and Environment, Industrial and Fire Safety, Emergency Prevention of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities” (KMG-PR-2191.2-13).

5.7.1.1.10. KMG analyses and assesses the performance of H&S activities in accordance with the “Rules for Reporting on Key Health and Safety Indicators of JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities” (KMG-PR-2407.1-13).

#### **5.7.1.2. Internal Accident Investigation and Employee Involvement**

5.7.1.2.1. Incidents and accidents are investigated in accordance with the established Statutory Requirements. Furthermore, the Rules for Reporting and Investigating Incidents in JSC NC “KazMunayGas” (KMG-PR-2235.1-13) provide for internal investigation of an incident, to the extent it is not inconsistent with the Statutory Requirements.

5.7.1.2.2. Activities of the internal investigation commission related to accidents subject to special investigation shall be arranged after the KMG Group Organization obtains consent of the chairman of a duly appointed special investigation commission.

5.7.1.2.3. The purpose of the internal investigation of an incident or accident is to prevent recurrence of such cases in the future, by identifying and rectifying deficiencies in H&S management of the KMG Group Organization, taking into account the organization-specific reasons that caused and contributed to an incident or accident.

5.7.1.2.4. An internal investigation should identify which internal documents need to be revised or amended, which safety management practices need to be improved, which hazards need to be eliminated or mitigated. Development of plans and implementation of appropriate activities are aimed at achieving the internal investigation purpose.


5.7.1.2.5. All near misses must be subject to an internal investigation by the commission of the KMG Group Organization. The number of members and composition of the internal investigation committee is determined on a case-by-case basis. A record of near misses should be kept by the HSE Service, with the date and place of an incident, its characteristics and causes, cause elimination measures being detailed, and completion status marks available.

5.7.1.2.6. An internal investigation report is an internal document of the KMG Group Organization, the distribution whereof is determined by the internal documents of the KMG Group. After their approval, reports on internal investigation of near misses should be stored by the HSE Service in soft copies.

5.7.1.2.7. Reasons why internal investigations of accidents shall be conducted and employees shall be involved in risk (hazardous and harmful occupational factors) management processes:

- 1) preventing similar cases in the future;
- 2) eliminating risks / hazardous and harmful occupational factors associated with such cases;
- 3) addressing key hazards that led to such an event;
- 4) analyzing by categories of incidents and accidents (for example, frequently occurring – slipping, stumbling, falling);
- 5) additional training;
- 6) identifying the root (system) causes that led to failures in the risk management system for its revision;
- 7) providing recommendations for improvement;
- 8) preventing loss;
- 9) prescriptions of regulatory or supervisory authorities;
- 10) Statutory Requirements;



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- 11) benchmarking against other IOGP companies;
- 12) reporting to authorized bodies.

## **5.7.2. Near Miss Management**

### **5.7.2.1. Near Miss Reporting Systems**

5.7.2.1.1. A near miss (hazardous factors, situations), being the most informative event, is used not only to recognize near misses, but also to rectify and investigate them properly, which will reduce the number of incidents and accidents.

5.7.2.1.2. Near miss reporting systems are part of the employee training program.

5.7.2.1.3. In each structural unit and operating unit (shop, team), a near miss reporting process must be developed and introduced.

5.7.2.1.4. In each structural unit and operating unit (shop, team), employees responsible for reporting hazardous factors and situations must be designated.

5.7.2.1.5. In accordance with this process, the responsible employee provides information to the functional site supervisor, who, in turn, must notify the CEO of an incident, since when a crisis situation occurs, adequate response measures must be taken and, if necessary, the production process must be stopped.

5.7.2.1.6. A system for identifying near misses (Heinrich's Accident Triangle) should be introduced.

5.7.2.1.7. Managers of all levels, including the chief executive officer, should closely interact with employees, H&S issues (policies, guidelines, their implementation, efficiency) should be a constant subject of discussion, both in groups and face-to-face communication, to take into account the opinions of employees (feedback) or employee representatives.

5.7.2.1.8. The information exchange tools are meetings and sessions, H&S training, any toolbox talk should start with H&S issues.

5.7.2.1.9. To obtain information about near misses, random checks can be conducted, during which hazardous situations and walkdown of workplaces are recorded.

5.7.2.1.10. The mechanisms for reporting near misses are various types of communications: danger messages, for example, a Qorgau chart in accordance with the “Qorgau Chart Application Regulations for the JSC NC “KazMunayGas” Group” (KMG-RG-3537.1-57), H&S information stands, H&S meetings and sessions where employees report hazardous situations, H&S information systems and reporting, Internet.

### **5.7.2.2. Near Miss Recording and Analysis**

5.7.2.2.1. In order to prevent possible incidents and accidents, the KMG Group Organizations record and analyze near misses. Near misses may include equipment failures and incidents that have not resulted in injuries, damage to health, risks, hazardous situations, including the BSO results.

5.7.2.2.2. Access to near miss recording should be arranged for all employees of the KMG Group, employees of contractors and any visitors, including the KMG Management and authorized bodies.


5.7.2.2.3. Every day, the logs must be reviewed by the HSE employees to identify situations that require immediate response.

5.7.2.2.4. At least once a week, a review should be carried out for recurrence, hazard level, severity of consequences. For frequently recurring near misses that are detected repeatedly (3 or more times) – irremediable violations or violations occurring repeatedly after their elimination, a plan of corrective/preventive actions must be developed by form (KMG-F-3673.1-13 / ST-3669.1-13) hereto.

5.7.2.2.5. Every year the HSE Service summarizes and analyses all near misses to prevent them in the future.

## **5.7.3. Encouraging Health and Safety Improvement**

### **5.7.3.1. Employee Involvement and Engagement**

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5.7.3.1.1. The economic interest of Organizations and employees in ensuring healthy and safe working environment and compliance with H&S rules and regulations is one of the Statutory Requirements.

5.7.3.1.2. One of the main activities of the KMG Group Organizations to reduce work-related injuries is to further enhance administrative and awareness-raising work in teams, increase the responsibility of managers for occupational H&S, promote the interest of employees in improving H&S, strengthen a positive safety culture, increase employee motivation, communicate and share experience, introduce leadership skills in order to raise the level of commitment and involvement of managers at all levels and employees to/in H&S management processes.

5.7.3.1.3. These recommendations are applicable to the KMG Group and introduced in order to promote material interest of employees in the continuous improvement of working environment and prevention of work-related injuries.

5.7.3.1.4. Various types and forms of moral and material incentives used in the corporate system of KMG Organizations for achieving high H&S targets can also be used to reward teams for their success in improving H&S. Such reward, both for individual employees and for entire teams, can serve as a key lever in creating and ensuring safe and healthy working environment.

5.7.3.1.5. The effectiveness of moral encouragement is largely determined by its right combination with material incentives.

5.7.3.1.6. Measures to stimulate H&S improving activities should be carried out in a broad publicity environment (at toolbox talks, meetings and forums, in large-circulation publications, on bulletin boards, etc.).

#### **5.7.3.2. Forms and Conditions of Moral and Material Incentives**

5.7.3.2.1. Moral incentives include expression of gratitude, awarding ‘the best employee’ title, etc.

5.7.3.2.2. Material incentives include bonuses to employees, rewarding with valuable gifts, free vouchers for vacation centers, health resorts, etc.


5.7.3.2.3. Use of various forms of encouragement provides for a unity of assessment of performance of employees and individual teams, and interrelation of these forms of encouragement, which is reflected in the fact that material incentives also have moral significance, while moral incentives should be linked with material incentives.

5.7.3.2.4. Bonus award criteria should promote development of a creative initiative of the entire team, focus it on solving the key objectives of preventing work-related injuries and occupational diseases, further improving H&S through daily, systematic preventive activities.

5.7.3.2.5. Bonuses are awarded to employees of teams, sites, operating units, structural units (heads of sites, their deputies, mechanics, power specialists, technologists, functional site supervisors, etc.), as well as managers and employees of the KMG Group Organizations and Structural Units, for achieving high and advancing H&S targets.

5.7.3.2.6. The following key H&S criteria are established to award bonuses to employees of teams, sites, operating units, the KMG Group Organizations and Structural Units:

- 1) zero accidents (for teams);
- 2) lower work-related injury rate compared to the corresponding period of the last year (or the previous period). To be nominated for a bonus/reward, the injury rate for the reporting period should not be higher than the rate for the previous period (for operating units, sites);
- 3) identification and timely elimination of inconsistencies, non-compliances with safety rules and regulations;
- 4) zero accidents, explosions, inflammations, fires;
- 5) compliance with deadlines for briefings, employee knowledge assessment, and emergency training schedule in accordance with the emergency response plan;

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6) timely and high-quality implementation of the health and safety improvement measures provided for by an integrated plan, collective agreement, accident investigation reports, as well as recommendations and/or instructions of inspection commissions and state control and supervision bodies.

5.7.3.2.7. Bonuses are awarded to employees, individual teams, sites, operating units based on the decision of the management of the KMG Group Organization and Structural Unit. The indicators for bonus awards should be considered with an unbiased eye, and bonuses should be paid for the success achieved in improving H&S.

5.7.3.2.8. The records underlying the bonus award process for the given period related to an operating unit, site, team where incidents (accidents, explosions) and injuries occurred shall not be considered.

5.7.3.2.9. Other operating units, sites and teams, subject to achieving the H&S targets established for them, shall be awarded regardless of the overall indicators of the KMG Group Organization and Structural Unit.

5.7.3.2.10. Records underlying the award are prepared and submitted:

- 1) by functional site supervisors to the head of an operating unit of the structural unit;
- 2) by the head of an operating unit of the structural unit to the management of the structural unit of the KMG Group Organization. The submitted records are preliminarily considered by the HSE employees.

5.7.3.2.11. The criteria, targets and procedure of/for material incentives to employees and individual teams for their active H&S improvement measures, prevention of work-related injuries and occupational diseases should be established by each KMG Group Organization and Structural Unit both in general regulations on awarding bonuses to employees for achieving technical and economic targets, and in internal regulations developed and approved by the management of the KMG Group Organization or Structural Unit, in agreement with the employee representatives.

5.7.3.2.12. For the purpose of moral and material encouragement, the KMG Group Organizations shall hold H&S contests/competitions among their structural units, in accordance with the developed internal regulations on such contests/competitions.


#### **5.7.4. Committees**

5.7.4.1. By reference to best practices in H&S management, in order to increase commitment and involvement of managers at all levels and employees to/in H&S management processes, the KMG Group has created a system of HSE Committees.

5.7.4.2. The KMG Group Committees are consultative and advisory bodies of the process of ensuring, implementation and execution of H&S programs, plans and initiatives as part of the HSE activities, the main functions whereof include:

5.7.4.2.1. At the level of the KMG Board of Directors (HSE&SD Committee):

- 1) development of recommendations for the KMG Board of Directors to determine the focus areas of the KMG Policy and key HSE initiatives aimed at improving MS, as well as to develop and approve HSE related internal regulatory documents (standards);
- 2) monitoring the effectiveness of KMG’s HSE program documents in compliance with the objectives of the HSE&SD Committee;
- 3) coordination of the activities of officers and structural units of KMG to ensure accomplishment of the HSE&SD Committee objectives
- 4) monitoring and evaluation of HSE activities;
- 5) development and improvement of the HSE culture;
- 6) analysis of the results of investigation of occupational fatalities and major technological accidents, as well as development of recommendations for appropriate response measures;
- 7) enhancement and continuous improvement of HSE and MS as a whole.

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Members of the KMG BoD Committee (HSE&SD Committee) are elected in accordance with the procedure established by the KMG Charter.

11.4.2.2. At the level of the KMG Headquarters (KMG Committee):

1) assistance to the KMG Management Board in making HSE related decisions, in implementation of the KMG HSE Policy in order to achieve the set goals and objectives;

2) preparation of recommendations and proposals for the arrangement of an effective KMG corporate HSE management system and provision it with the necessary (financial, material and human) resources;

3) monitoring of KMG indicators in the field of HSE, analysis and assessment of the progress of the set goals and objectives;

4) coordination and effective interaction with the Committees of the KMG Group Organizations.

The members of the KMG Committee are appointed by the order of the Chairman of the KMG Management Board.

5.7.4.2.3. At the KMG Group Organization level (the KMG Group Organization Committee):

1) analysis of the statistics of incidents and accidents to identify change trends and compile a report, as well as provision of recommendations for corrective actions;

2) monitoring the implementation of internal regulatory documents (standards) in the field of H&S;

3) review of inspection reports and instructions of state regulatory bodies, and audit reports;

4) assisting in the development of policies, instructions;

5) monitoring the effectiveness of H&S training;

6) monitoring and raising of H&S awareness of employees;

7) analysis and assessment of the effectiveness of H&S management.

To optimize and make activities more efficient at the KMG Group Organization or Structural Unit level, various HSE committees (H&S industrial council, H&S performance improvement committees, etc.) can be combined in a Committee unless it contradicts Statutory Requirements.

5.7.4.3. Effective and efficient coordination between the KMG Headquarters and the KMG Group Organizations is ensured through the system of Committees (auxiliary branch) and the existing organizational structure of the KMG Group (flat organizational structure, hierarchy), which is designed to carry out not only production-related activities, but also implement the KMG Policy (implementing branch).

## 6. PERFORMANCE CRITERIA

Performance criteria include:

6.1. Compliance with the Statutory Requirements and this Standard in the KMG Group.


6.2. Effective assessment of risks / hazardous and harmful occupational factors aimed at avoiding and preventing accidents and injuries in the KMG Group.

6.3. Improvement of H&S related key performance indicators.

## 7. DOCUMENT REFERENCES


7.1. The Standard contains references to the following internal documents of KMG:

1.	Resolution of the Board of Directors of JSC NC “KazMunayGas” dated February 20. 2020. Minutes No. 2/2020	Health and Safety Policy of JSC NC “KazMunayGas”
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2.	Resolution of the Management Board of JSC NC “KazMunayGas” dated October 30, 2015. Minutes No. 54	“Golden Rules”, Corporate Code of Health and Safety Conduct of JSC “National Company “KazMunayGas”
3.	Version 1	Guide for Health, Safety and Environment Management System in the JSC NC “KazMunayGas”’s Group
4.	Resolution of the Board of Directors of JSC NC “KazMunayGas” dated December 12, 2018. Minutes No. 19/2018	Regulations on Health, Safety, Environment and Sustainable Development Committee of the Board of Directors of JSC NC “KazMunayGas”.
5.	KMG-PR-847.1-13	Regulations on Health, Safety and Environment Committee of JSC NC “KazMunayGas”
6.	KMG-PR-3203.1-37	Rules for Arranging Business Continuity Management Process in JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities
7.	KMG-PR-1.14-9	Rules for IMS Document Management in JSC NC “KazMunayGas”
8.	KMG-ST-3485.1-13	Corporate Standard for Occupational Health and Workplace Hygiene in the JSC NC “KazMunayGas” Group
9.	KMG-ST-3407.1-13	Corporate Standard for Provision of Protective Clothing, Footwear, Personal Protective Equipment in the JSC NC “KazMunayGas” Group
10.	KMG-ST-3524.1-13	Corporate Standard for Contractor Engagement in Health, Safety and Environment in the JSC NC “KazMunayGas” Group
11.	KMG-ST-3467.1-13	Corporate Standard for Competence Assurance in Health, Safety and Environment in the JSC NC “KazMunayGas” Group
12.	KMG-PR-434.8-6	Rules for Training and Development of Employees of JSC NC “KazMunayGas”
13.	KMG-PR-2191.2-13	Rules for Procedure and Criteria for Annual Competition Initiated by the Chairman of the Management Board of JSC NC “KazMunayGas” – “Best Innovative Health, Safety and Environment Ideas and Practices of the JSC NC “KazMunayGas” Group”
14.	KMG-PR-2198.1-13	Rules for the Corporate Information Management System for Health and Environment, Industrial and Fire Safety, Emergency Prevention of JSC NC “KazMunayGas”, its Subsidiaries and Dependent Entities



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15.	KMG-PR-2235.1-13	Rules for Reporting and Investigating Incidents in JSC NC “KazMunayGas”
16.	Version 1	Regulations on Safe Operation of Land Transport Vehicles of JSC NC “KazMunayGas”
17.	KMG-PR-2456.1-13	Rules for Testing and Assessing Preparedness of the JSC NC “KazMunayGas” Group Organizations for Prevention and Extinction of Fire
18.	KMG-PR-2312.1-13	Rules for Behavior-Based Safety Observation of JSC NC “KazMunayGas”
19.	Version 1	Regulations on Emergency Medical Care in the JSC NC “KazMunayGas” Group
20.	KMG-RG-3313.1-13	Crisis Management Regulations of JSC NC “KazMunayGas”
21.	KMG-PR-2407.1-13	Rules for Reporting on Key Health and Safety Indicators of JSC NC “KazMunayGas”, Its Subsidiaries and Dependent Entities
22.	KMG-PR-2629.1-13	Rules for Identifying Health, Safety and Environment Hazards and Risks during High-Risk Works of JSC NC “KazMunayGas”
23.	KMG-PR-2065.1-13	Rules for Isolation of Energy Sources of JSC NC “KazMunayGas”
24.	KMG-RG-3537.1-57	Qorgau Chart Application Regulations for the JSC NC “KazMunayGas” Group
25.	RG-6.13-8	Regulations on Record Keeping in the JSC NC “KazMunayGas” Group
26.	KMG-RI-195.2-13	Work Instructions “Introductory Safety and Health Briefing for Employees of JSC NC “KazMunayGas”

7.2. The Standard contains references to the following regulatory documents and standards:

1) ISO 45001:2018 “Occupational Health and Safety Management Systems. Requirements with Guidance for Use”.

2) GOST 12.0.230-2007 “Occupational Safety Standards System. Occupational Safety Management Systems. General Requirements. ILO-OSH2001”.

3) ST RK 12.0.002-2016 “Occupational Safety Standards System. Occupational Safety Management System in Organizations. Risk Assessment and Management Guide”.

4) ST RK 12.0.003-2010 “Occupational Safety Management System in Organizations. General Requirements for Development, Application, Assessment and Improvement”.

5) ST RK 12.0.005-2016 “Occupational Safety Standards System. Occupational Safety Management System in Organizations. Arrangement of Inspection (Audit)”.


6) Labor Code of the Republic of Kazakhstan.

7) Civil Protection Act of the Republic of Kazakhstan.

8) Order No. 1020 of the Minister of Health and Social Development of the Republic of Kazakhstan dated December 25, 2015 “Approval of the Model Regulations on Health and Safety Service in the Organization”.

9) Order No. 175 of the Minister of National Economy of the Republic of Kazakhstan dated February 28, 2015 “Approval of the List of Harmful Occupational Factors, Jobs Subject to Mandatory Medical Examinations”.

10) Order No. 1054 of the Minister of Health and Social Development of the Republic of Kazakhstan dated December 28, 2015 “Approval of the Rules for Providing Employees with Milk or

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Foodstuffs of Equal Value, Healthy and Dietary Meals, Special Clothing and Other Personal Protective Equipment, and Providing them with Collective Protection Equipment, Amenities and Devices at the Expense of the Employer”.

11) Order No. 927 of the Minister of Health and Social Development of the Republic of Kazakhstan dated November 30, 2015 “Approval of the Rules for Development, Approval and Revision of Health and Safety Instructions by the Employer”.

12) Order No. 1019 of the Minister of Health and Social Development of the Republic of Kazakhstan dated December 25, 2015 “Approval of the Rules and Schedule for Training, Briefing and Knowledge Assessment on Personnel Health and Safety”.

13) Order No. 1057 of the Minister of Health and Social Development of the Republic of Kazakhstan dated December 28, 2015 “Approval of the Rules for Mandatory Periodic Working Conditions Based Certification of Production Facilities”.

14) Order No. 982 of the Minister of Health and Social Development of the Republic of Kazakhstan dated December 21, 2015 “Approval of the Rules for Development, Revision, Approval and Application of the Unified Rating and Skills Guide for Jobs and Occupations of Manual Workers; Managers, Specialists and Workforce Qualification Reference Book, as well as Standard Qualification Profile of Managers, Specialists and Workforce”.

15) Order No. 239 of the Minister of National Economy of the Republic of Kazakhstan dated June 6, 2016 “Approval of the Sanitary Rules "Sanitary and Epidemiological Requirements for Production Control”.

16) Order No. 604-o-m of the Minister of Labor and Social Protection of the Population of the Republic of Kazakhstan dated December 3, 2013 “Approval of “Approval of Labor Standards”.

17) P 2.2.755-99. Hygienic Criteria for Assessing and Classifying Working Conditions by Harmful and Hazardous Factors of the Working Environment, Severity and Intensity of the Labor Process. (Registration number: ADZ RK No. 1.04.001.2000 dated November 30, 2000.)

18) Unified Rating and Skills Guide for Jobs and Occupations (URSG) approved by Order No. 266-p of the Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan dated November 15, 2002.

## 8. RECORD FORMS

1.	KMG-F-3689.1-13 / ST-3669.1-13	Main H&S Focus Areas and Authorities
2.	KMG-F-3671.1-13 / ST-3669.1-13	Typical File Register of HSE Service (recommended)
3.	KMG-F-3670.1-13 / ST-3669.1-13	Personal Briefing Record Card Form
4.	KMG-F-3674.1-13 / ST-3669.1-13	<b>Induction Briefing Log Form</b>
5.	KMG-F-3675.1-13 / ST-3669.1-13	<b>Workplace Briefing Log Form</b>
6.	KMG-F-3676.1-13 / ST-3669.1-13	<b>List of Health and Safety Activities (recommended)</b>
7.	KMG-F-3673.1-13 / ST-3669.1-13	<b>Plan of Corrective/Preventive Actions Form</b>
8.	KMG-F-3672.1-13 / ST-3669.1-13	Health and Safety Status Log Form
9.	KMG-F-3792.1-13 / ST-3669.1-13	Guidance for Induction Briefing