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the Board of Directors of  
JSC NC “KazMunayGas”  
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**CODE OF CORPORATE SOCIAL RESPONSIBILITY  
OF JSC “NATIONAL COMPANY “KAZMUNAYGAS”**

**2012**

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## 1. GENERAL PROVISIONS

### Introduction

The Code of Corporate Social Responsibility of JSC“National Company “KazMunayGas” (hereinafter, the “Code”) was developed in accordance with the Development Strategy of JSC“National Company “KazMunayGas” (hereinafter, the “KMG”) and is aimed at its support and assistance in implementing the strategic objectives of KMG: value growth, building an effective investment portfolio and improvement of management efficiency.

### Purposes

The purpose of this Code is systematizing the KMG approaches to CSR and Sustainable Development activities. The Code shall promote efficiency and unification of CSR and Sustainable Development management in all KMG subsidiaries and affiliates.

### Objectives

The objectives of this Code are:

- Establishment of general principles and priorities of KMG activities in the field of CSR and Sustainable Development, which will serve as a basis for setting goals and objectives in the field of CSR and Sustainable Development, as well as for assessment of the effectiveness of relevant activities
- Highlighting the main areas of KMG CSR and Sustainable Development activities.

### Validity Period and Procedure for Amending the Code

This Code is a normative document and is valid for the period from 2012 to 2022.

This Code is approved by the decision of the KMG Management Board and authorized by the decision of the KMG Board of Directors.

## 2. TERMS, DEFINITIONS AND ABBREVIATIONS

For the purpose of this Code, the following terms, definitions and abbreviations are used:

**Stakeholder engagement**—procedures and processes implemented to engage Stakeholders in their activities

**United Nations Global Compact** — a voluntary agreement between the UN and the business community to promote responsible corporate governance practices and ensure business participation in addressing the most pressing challenges of globalization

**S&A**—subsidiaries and affiliates, including jointly controlled entities and joint ventures of KMG

**KMG Roadmap for Social Responsibility and Sustainable Development (RSRSD)** — a process programme for implementation of the plan to introduce the integrated social responsibility and Sustainable Development management system in KMG

**Non-financial reporting verification**—an audit of non-financial reporting for compliance with the criteria established by GRI Guidelines, AA1000APS, etc.

**Stakeholders**—individuals and legal entities whose interests are affected by KMG activities and who have or believe they have legal claims regarding certain aspects of KMG activities

**Corporate Social Responsibility (CSR)**—a system of consistent economic, environmental and social measures implemented on the basis of continuous Stakeholder engagement and aimed at mitigation of non-financial risks, as well as long-term image and business reputation improvement, greater capitalization and competitiveness ensuring efficiency and Sustainable Development

**KPIs**—key performance indicators

**Non-financial reporting public verification**—a tool for independent confirmation of the information disclosed by companies on implementation of the principles of responsible business conduct in corporate strategies, thus increasing public confidence in the company. This form of approval is of independent value and is required regardless of the presence or absence of a professional audit opinion on the report

**Sustainable Development Reporting (non-financial reporting)** — informational reporting on Sustainable Development activities in the form of regular reports on the range of issues reflected in this policy, as well as on the various Stakeholders' matters of concern

**HSE** — occupational health, safety and environment protection, including fire, blowout, marine safety, prevention of and response to emergencies

**GRI Guidelines** — a guide to Sustainable Development Reporting (version 3) developed by the Global Reporting Initiative

**SRSD** — social responsibility and sustainable development

**ISO 14001 standards** — ISO standards for environmental protection

**SA 8000 standard**—a standard for certification of enterprises in the field of labour relations

**ISO 26000 standards**—ISO standards for social responsibility

**AA1000APS standard** — Accountability Principles Standard. It provides a framework for companies to identify and respond to the most important Sustainable Development challenges. Other AA1000 series standards are based on the principles of this standard and aim to achieve them

**AA1000AS standard** — Accountability Assurance Standard. It provides verifying organizations with a methodology for assessing the level of compliance with the AA1000APS standard's basic principles, on which reporting companies are based

**AA1000SES standard** — Stakeholder Engagement Standard. It provides guidelines for organizing Stakeholder engagement process in order to achieve manageable, predictable and sustainable results in improving CSR efficiency

**Sustainable Development**—the development that meets today's needs without compromising the ability of future generations to meet their own needs<sup>1</sup>.

### **3. GENERAL PRINCIPLES OF KMG CSR AND SUSTAINABLE DEVELOPMENT ACTIVITIES**

#### **3.1. Principles of KMG CSR and Sustainable Development Activities**

KMG CSR and Sustainable Development activities are based on the following general principles:

- **Minimizing risk.** The work aimed at reducing negative consequences of doing business for key Stakeholders, including KMG employees, customers, partners, suppliers and contractors, local communities and other Stakeholders
- **Maximizing benefits.** Contributing to social and economic development by investing in the projects profitable for shareholders and, as a consequence, for other Stakeholders. Supporting high financial results is a primary obligation to the shareholder
- **Accountability and responsibility to key Stakeholders.** Building trust relations with Stakeholders, which implies greater transparency and openness. Creation of a mechanism to involve Stakeholders in the development of a corporate code of conduct with its further implementation in practice
- **System approach.** It ensures efficient implementation of CSR functions and directions in the corporate governance system

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<sup>1</sup>Brundtland Commission Report—*Our Common Future*, UN (1987, 1989 – Russian translation).

- **Integrity.** KMG strives to integrate CSR and Sustainable Development principles into its daily operations by planning its CSR and Sustainable Development activities and creating an effective integrated management system based on international standards
- **Complexity.** This principle is aimed at coordinating KMG simultaneous activities in the three areas of Sustainable Development: economics, environmental and social policy, and business ethics
- **Social orientation.** This principle is aimed at the society as a whole or at its most important parts and groups
- **Innovative approach** to CSR activities and technologies inside and outside KMG
- **Transparency** of all KMG actions in this area and its non-financial reporting. KMG strives to raise awareness among Stakeholders about all aspects of its activities and to ensure that the information provided to them is reliable, meaningful and timely. For these purposes, KMG prepares financial and non-financial reporting that is submitted for audit by an independent auditor, as well as publishes information on the corporate website and organizes various public events
- **Accountability** to its Stakeholders and the society as a whole, as well as compliance with assumed obligations and applicable standards
- **Interaction** with all Stakeholders on a regular, open and dialogic basis
- **Responding** to assessments, criticism and expectations of all Stakeholders in all areas of their social responsibility, i. a. reflected in non-financial reporting
- **Public verification** of non-financial reporting.

KMG has joined the Global Compact initiated by the United Nations, which is a value-based framework for UN collaboration with business at all levels.

KMG assumes the following principles:

1) *In the field of human rights:*

To support and respect the protection of human rights proclaimed by the international community

To ensure its non-involvement in violation of human rights

2) *In the field of labour relations:*

To support freedom of association and the effective recognition of the right to conclude collective agreements

To advocate the elimination of all forms of forced and compulsory labour

To advocate the elimination of discrimination in employment and occupation

To ensure occupational safety and health of employees, conducting health improvement programmes and providing social assistance to employees

To create an effective system of motivation and social assistance of employees, educational programmes and advanced training of employees

To form and develop bench strength

To develop corporate culture

To implement the principle of social partnership

3) *In the field of environmental protection:*

To help prevent negative environmental impacts

To take measures aimed at increasing responsibility for the environmental health

To promote development and dissemination of environmentally sound technologies

To support initiatives on using alternative energy sources, reducing energy consumption and improving energy efficiency

4) *In the field of fighting corruption:*

To fight all forms of corruption and other illegal actions, including extortion and bribery

To follow the principles of fair competition

5) *In the field of interaction with society:*

To ensure the principles of transparency, fairness and accessibility of any information to the public, except for confidential information

To engage in dialogue with all Stakeholders and interact effectively on a balance of interests

To promote, within its competence, the implementation of state programmes

To provide sponsor and charitable assistance, to hold charity events

To maintain the reputation of a responsible taxpayer, contributing to the financial stability of the Republic of Kazakhstan

6) *In the field of observing the rights of manufacturers, suppliers and consumers of goods, works and services:*

To comply with the terms of the contracts concluded

To continuously improve the levels of customer service and the quality of the services provided by KMG

To strive to implement advanced technologies and processes in line with global business practices

To consider innovations as a tool to improve KMG operations and efficiency

To comply with the prohibition on the use of insider information

To offer equal opportunities to any potential suppliers for participation in procurement, provided that support is given to disabled people's associations (individual disabled persons carrying out entrepreneurial activity) included into the Register of Disabled People's Associations of Samruk-Kazyna JSC, domestic manufacturers, and domestic entrepreneurs.

#### **4. PRIORITY KMG ACTIVITIES IN THE AREA OF CSR**

In order to ensure sustainable development, the following CSR priorities will be given special attention:

##### **4.1. Efficient Regulation of Social and Labour Relations Based on the Principles of Social Partnership**

**Purpose:** Providing opportunities for decent and productive work in conditions of equality, security and human dignity, implementing effective personnel policy and creating a positive model of social and labour relations.

**Key objectives:**

##### **Labour Remuneration and Motivation Policy**

Given the fundamental nature of the remuneration and motivation policy in its relations with employees, KMG will follow the principles listed below:

Unity of remuneration and motivation policy in the applicable regulatory documents and mechanisms of remuneration for KMG employees

Establishing a guaranteed level of remuneration in KMG for all professional and qualification groups of employees at a level above the statutory minimum wage, based on the need to meet basic living needs and provide a certain income, taking into account local conditions

Establishing and maintaining a fair and competitive remuneration level depending on the employee's knowledge and experience, level of responsibility, complexity and scope of work

Ensuring fair and consistent remuneration within and between units

Objectivity of the system of remuneration and motivation of employees and its competitiveness at the national level

Using flexible bonus systems that take the full account of each employee's individual labour contribution.

### **Improvement of Basic Labour Conditions**

KMG strives to ensure safe and ergonomic organisation and hygienic conditions for all workplaces in KMG.

KMG activities in this area comprise:

Creating safe labour conditions

Bringing employee workplaces in line with KMG standards

Development of local regulatory documents and implementation of a programme to improve camps and team support bases to bring them up to the corporate standards, and construction of new facilities in accordance with KMG standards.

### **Health Services**

In order to preserve and promote physical and psychological health of each employee, KMG conducts the following activities:

Ensuring funding for the activities aimed at protecting employees' health

Organizing accounting and analysis of the causes of employee morbidity, disability and mortality at KMG in order to develop measures to address them

Monitoring labour conditions of KMG employees for timely implementation of measures to ensure safe work organization

Monitoring the targeted and specialized protection of the rights of pregnant women, breastfeeding mothers and mothers with many children.

### **Implementation of Effective Policies for Young Employees**

Given that KMG potential for sustainable development depends on an inflow of skilled and competent young employees, KMG has an ongoing policy aimed at facilitating the following:

Training gifted school graduates in higher education institutions of the Republic of Kazakhstan and foreign countries (CIS and abroad) in oil and gas industry specialities to meet the needs of KMG

Establishing staff rotation and bench strength programmes to attract young specialists

Reviving the mentoring school.

### **Implementation of a Social Policy in Line with the KMG Capacities and Level of Development**

KMG activities in this area comprise:

#### **Housing and Credit Policy**

Given the urgency of addressing the issue of housing for employees, KMG housing policy will be based on the following principles:

Security and availability of housing loans for each KMG employee through second-tier banks and financial institutions of the Republic of Kazakhstan

Providing guarantees to second-tier banks and financial institutions of the Republic of Kazakhstan in the form of deposit funds to optimize mortgage rates for KMG employees.

### Corporate Social Security and Insurance

KMG supports additional corporate social insurance and social security in the following forms:

Voluntary health insurance

Creation of conditions for development of an employee's participating interest in the formation of own pension savings

Corporate personal life insurance system.

All types of personal insurance under the corporate system may be provided with the employee's participating interest in their financing, except for additional insurance against accidents at work, which is financed by the employer.

KMG also provides free information and consulting services to employees to expand their insurance coverage and protect their interests in the insurance market.

### Health, Sports, Physical Education and Recreation

Promoting the development and maintenance of a healthy lifestyle, KMG implements comprehensive programmes on health improvement and involvement in physical culture and sports for employees and their families, carries out systematic promotion of a healthy lifestyle and preventive medical measures among employees, provides health resort treatment, and conducts an employee morbidity analysis.

### Labour and Family Balance

Recognizing the importance of labour and family balance in human life and following in its practice the standards of Convention No. 156 of the International Labour Organization (employees with family obligations), KMG undertakes additional obligations to provide short-term vacations due to family circumstances, hold corporate holidays with the participation of employees' family members and organize summer holidays for children.

### **Strengthening Social Dialogue and Feedback from the Personnel, Creation of Conditions for Meaningful Interaction of Stakeholders Based on the Principles of Social Partnership**

KMG activities in this area comprise:

Interaction with trade unions on issues related to ensuring safe and comfortable labour conditions and a decent level of remuneration, taking into account relevant trade union recommendations

Holding joint discussions on issues related to rest and recuperation of employees, and other issues related to the provision of various social allowances to employees

Cooperation with trade unions on business restructuring and headcount optimization in order to minimize the risk of social conflicts

Concluding collective agreements.

### Corporate Culture Improvement

KMG activities in this area comprise:

Compliance with the Code of Corporate Conduct

Creation and development of a unified system of internal communications

Implementation of the Code of Conduct and its fulfilment system

Planning and implementation of measures to build and strengthen KMG reputation among its employees

Providing and developing a feedback system between employees and KMG Management

Conducting an annual personnel engagement survey with respect to unified methodological approaches throughout the KMG Group and taking appropriate measures to improve the Personnel Engagement KPIs

Monitoring the working environment using KMG forecasted social map.



## 4.2. Building a System of Personnel Training and Development

**Purpose:** Increasing the competitiveness of local labour.

**Key objectives:**

Creating professional standards within the national system of professional qualifications. Professional standards will serve as a reference point for educational standards applied in educational institutions while training specialists

Introduction of a system to train subjects of social and labour relations in legal literacy

Introduction of workforce planning

Training and professional development of all categories of employees

Vocational guidance work, introducing a dual-training system; training company managers and employees in preventive measures and negotiation techniques in crises

Modernisation of training centres

Creating conditions for innovation.

In order to improve the competitiveness of local labour, KMG takes the following measures:

Establishing a system of training and development of employees by creating professional standards within the national system of professional qualifications, introducing a dual-training system, etc.

Providing employees with opportunities for further professional education

Conducting special training programmes for the KMG bench strength at various levels of management.

## 4.3. Ensuring Health, Safety and Environment Protection

**Purpose:** Minimizing the risk of adverse impact on the environment, health and safety of employees.

**Key objectives:**

Environment protection

Creation of favourable, healthy and safe working environment for employees, prevention of industrial injuries and diseases

Compliance with occupational health and safety norms and standards

Implementation of the reporting system.

In order to ensure health, safety and environment protection in all units and taking into account the best practices of the world's leading companies, KMG takes the following measures:

Ensuring compliance with the principle of priority of the employee's life and health against the results of production activities

Ensuring implementation, maintenance and improvement of management systems in accordance with international standards (OHSAS 18001, ISO 14001)

Monitoring the compliance of the contractors working for KMG with the HSE principles and standards at the level required by KMG

Maintaining an open dialogue with all Stakeholders, including the public, regularly publishing the results of KMG environmental activities in the mass media and on the KMG website, as well as creating favourable opportunities for public scrutiny

Conducting regular and systematic training for employees in the area of HSE, including practical and emergency response exercise

Working on improving the reliability of process equipment, ensuring its safe and trouble-free operation

Monitoring the compliance with the HSE legislation, improving the quality of pre-design and design documentation, implementing projects that have passed state expert review

Conducting a preliminary estimate of HSE risks before launching any project, as well as throughout the whole life cycle of the project

Observing the priority that preventive measures have over those taken to eliminate the consequences of undesirable events, and implementing the entire available and practically implemented set of measures to prevent emergency situations

In the event of an emergency, taking all possible measures and using all available resources to mitigate its impact on the health of employees, the public and the environment

Requiring employees to comply with KMG HSE standards and norms.

#### **4.4. Defining a Unified Policy in the Field of Social Project Implementation**

**Purpose:** Improving the quality of life.

**Key objectives:**

Creating favourable conditions for sustainable business development in the long term

Cooperation with Stakeholders based on the principles of partnership.

KMG conducts a unified policy of rendering charitable and sponsor assistance in accordance with the principles of openness, dialogue, interaction and partnership, transparency, financial stability, and encourages employees to participate in charitable activities on a voluntary basis.

While KMG assumes an appropriate share of social responsibility for the situation in the regions of its presence, it does not substitute or replace the responsibility of local authorities for the life of communities.

The main motivation when designing and implementing CSR-related programmes and projects shall be to ensure favourable conditions for sustainable business development in the long term.

In this regard, a unified policy of implementing social projects will be improved, which will define the main priorities of assistance, eliminate duplication and irrational use of funds, as well as contribute to achieving the maximum positive effect of the implemented social projects on the population and the KMG image.

##### *Sponsorship and Charity*

In accordance with the principles of social responsibility of the business, KMG uses existing opportunities for sponsorship and charitable assistance.

KMG sponsorship and charity activities are based on the following:

Transparency and openness in expenditure of funds in accordance with the current legislation of the Republic of Kazakhstan. Recipients shall provide reports to monitor the targeted expenditure of allocated funds

Monitoring the targeted use of allocated funds through recipients' reporting.

KMG does not support state-funded organizations, political parties, religious institutions, or activities based on any denomination or religion.

Charitable donations shall address social problems and/or support vulnerable social groups as well as, in exceptional cases, specific people in difficult life circumstances.

### Social Assistance for Retirees

KMG assumes additional social assistance obligations to support KMG retired employees, including those related to:

Payment of financial assistance to retirees on the public holidays of the Republic of Kazakhstan, on Oil and Gas Industry Workers Day, on anniversaries, as well as for health resort treatment

Inviting KMG retirees to festive and special events held by KMG to provide moral and psychological support.

#### **4.5. Creating a Unified Communication Strategy**

**Purpose:** Developing impeccable business and social reputation.

**Key objectives:**

Developing and implementing the KMG image and communication strategy.

Information activities, while complying with information security requirements, shall contribute to improving the image of KMG by way of:

Forming and implementing a holistic and coordinated information policy with all S&A

Reliable, regular, continuous and timely disclosure of information to Stakeholders, as well as analytical studies of KMG key business areas

Communicating the necessary and sufficient information about KMG activities to target audiences

Implementation of PR programmes developed on the basis of sociological research and media monitoring data

Creation of positive public opinion

Maintaining brand recognition and goodwill of KMG.

KMG activities will be based on the following principles:

Complying with ethical standards based on the principles of integrity, fairness, honesty and openness in relations with all Stakeholders

Non-dissemination of the information known to be false and unverified directly or through third parties

Respect for property rights, including intellectual property rights

Open publication of all information that is subject to disclosure.

In order to successfully implement its image and communications strategy and measure its performance, KMG conducts quantitative and qualitative reputation surveys on a regular basis.

#### **5. CSR PERFORMANCE AND NON-FINANCIAL REPORTING ASSESSMENT SYSTEM**

KMG reports on its CSR and Sustainable Development activities on an annual basis.

CSR and Sustainable Development Reporting is prepared at the corporate level.

KMG prepares CSR and Sustainable Development Reporting in accordance with the requirements set forth in the GRI Guidelines, version 3.

KMG shares the principles of CSR and Sustainable Development Reporting formulated in the GRI Guidelines, namely, the principles for defining the report content (materiality, stakeholder coverage, Sustainable Development context, completeness) and the principles for defining the report quality (balance, comparability, accuracy, timeliness, clarity and reliability).

KMG CSR and Sustainable Development Reports are primarily addressed to KMG Stakeholders and are published on the KMG corporate website.

CSR and Sustainable Development Reports are reviewed annually by KMG management bodies.

Non-financial CSR reporting shall undergo a system of professional and independent (public verification) audit.

## **6. KMG SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT ROADMAP**

In order to properly implement this Code, KMG is developing and implementing the *KMGSRSD Development Roadmap* Programme.

Based on the large-scale and process-oriented nature of building an effective SRSD management system at KMG, the implementation period of the *KMGSRSD Development Roadmap* may be from 1 to 3 years.

### **Purposes**

Introduction of a centralized integrated KMGSRSD management system based on the following up-to-date international standards:

- United Nations Global Compact
- SA 8000 — the standard for certification of enterprises in the field of labour relations
- ISO 9000, ISO 14001, OHSAS 18001 — ISO standards for quality management and environmental protection
- ISO 26000 — ISO standards for social responsibility
- AA1000 standards:
  - AA1000APS — Accountability Principles Standard
  - AA1000AS — Accountability Assurance Standard
  - AA1000SES — Stakeholder Engagement Standard
- GRI — the system for standardization of social reporting based on the three principles: economic, social and environmental performance.

### **Objectives**

Creating a centralized integrated SRSD management system of the national oil and gas holding, systematic introduction of international standards in SRSD management, preparation of non-financial reporting, audit, organization of the process of advanced training of responsible personnel in accordance with the requirements of international standards.

## **7. ECONOMIC FRAMEWORK FOR SOCIAL INITIATIVES**

As a bona fide participant in free competition and an effective owner, KMG assumes economically justified social and ethical obligations, which it intends to fulfil through the following economic sources and mechanisms:

### *Continuous Monitoring of Social Expenditures*

KMG continuously monitors and analyses social expenses and assesses their effectiveness with the help of a system for assessing the effectiveness and adequacy of investments in KMG social activities.

The performance evaluation system shall comprise:

Assessment of efficiency and sufficiency of use of funds under Collective Agreements

Assessment of efficiency and sufficiency of corporate programme funds

Assessment of efficiency and sufficiency of the activities on the relations with the population

Determination of the dependence of KMG capitalization increase on social policy investments.

### Control over Consumption of Medical Services in the Corporate Health Care System

In order to manage the unjustified growth in employee health care costs, KMG (under KMG voluntary health insurance programme):

Carries out, through the insurance medical company with which it interacts, expert control over the scope, timing and quality of medical care provided, including medical and economic examination of the invoices of medical institutions, scheduled and targeted examination of the quality of medical care, and examination as part of the work to protect the rights of the insured employees

Requires the medical insurance company with which it interacts, when agreeing on the amount of financing, to submit a report containing analysis of the consumption of medical services by the insured employees.

### Control over KMG Charitable and Sponsorship Activities

In order to monitor the use of funds allocated for charity and sponsorship, KMG adheres to the following principles:

Compliance with the effective laws of the Republic of Kazakhstan

Compliance with the KMG Development Strategy

Collegiality in decision-making, objectivity, transparency and accountability in the aid process as a whole for the KMG

Systemic approach to and continuity in sponsorship

Targeting support for socially vulnerable people.

### Optimization of Social Infrastructure Content

KMG admits that social infrastructure not being a part of core production may only be on the balance sheet of a business entity if there is an urgent need to replenish the lack of private and public sector services in the area or industry. KMG thus strives to resolve issues related to the maintenance of public amenities and other non-production facilities:

To transfer existing or newly built social infrastructure facilities to local government structures, provided that the profile of the facility, the level of access of personnel and local population to the services provided and its proper maintenance are guaranteed

To ensure the priority in the provision of services to KMG employees and retirees by the medical and health care institutions that are on their balance sheet.

### Implementation of Co-Financing Principles

KMG admits that the pooling of different sources of funding for the provision of social allowances forms a sound basis for dialogue among equals. KMG is therefore developing socially responsible relationships with its contractors and suppliers.

Taking into account that modern relations between the business and society establish joint responsibility for the actions of the attracted suppliers and contractors, KMG undertakes to choose them carefully.

The current scale and ramification of economic relations require KMG to have a special accounting, selection and monitoring system, which KMG is committed to develop. At the same time, KMG's main selection criteria for suppliers and contractors include:

Their adherence to the fundamental labour principles and rights adopted by the International Labour Organization

Implementation of an effective industrial safety and environmental protection policy

Ensuring transparency in the selection of suppliers and contractors

Minimizing the participation of agents in procurement.

## **FINAL PROVISIONS**

In order to confirm the sustainability and seriousness of the commitments made on socially responsible behaviour, KMG is implementing an internal mechanism to control the compliance with this Code. KMG also confirms its readiness to regularly provide the information on the implementation of this Code to the public.

Taking into account that unilateral acceptance of social obligations by a commercial enterprise in a competitive environment is impossible, KMG counts on the solidarity of other market participants as well as the cooperation with the government.

KMG Management is committed to implementing this Code and the obligations stipulated therein by allocating and providing the necessary resources in accordance with the KMG budget.

The Code is an open document and is freely distributed by KMG to its partners and any other stakeholders. KMG ensures that the results of the Code implementation are published in the KMG annual reports.