

It implies a sequence of actions required for employers to keep workers as safe as possible and create optimal working conditions for them, while also calling for stronger employee accountability for keeping both themselves and their colleagues safe.

In 2018, KMG decided to join the International Association of Oil and Gas Producers (IOGP) as a full member.

Over the years of its membership in IOGP, KMG has learnt and applied IOGP best global practices and recommendations, which has had a positive effect on KMG's performance and overall HSE management system, as well as KMG's capabilities and rating on the international scale. In 2022, KMG adopted IOGP's universal Life-Saving Rules to replace group-wide Golden Rules previously in effect.

Since 1991, IOGP has analysed 2,000 fatal accidents at some 100 IOGP member companies and identified the most frequent safety violations.

To prevent these violations, nine vital life-saving rules have been drafted to inform workers of actions they can take to protect themselves and their colleagues from fatalities.



For more details on occupational health and safety, see KMG's Sustainability Report.



### Occupational health and hygiene

The Company manages occupational health and hygiene matters in accordance with Kazakh laws and international occupational health standards. KMG is strongly focused on employee health protection and improvement, irrespective of the specific production process involved.

The number of non-injury related fatalities among employees of subsidiaries and associates reduced by seven incidents,

or 46%, year-on-year, the main reason behind these fatalities being cardiovascular diseases.

As part of strategic initiative 24 Personnel Health Management under the KMG Development Strategy for 2022–2031, the Company developed and approved internal documents on occupational health and hygiene:

- Employee Health Management Programme;

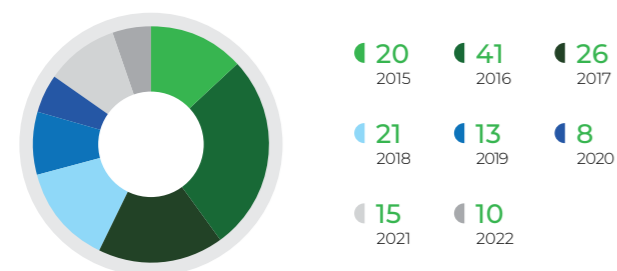
- Corporate Standard on Mandatory Medical Examinations;
- Regulations on Drafting a Group-wide Standard Programme of Occupational Hygiene.

To pursue relevant goals, KMG Group will approve an Employee Health Management Action Plan for 2023–2025.



For more details on employee health management, see KMG's Sustainability Report.

Fatalities not related to injuries



# PERSONNEL DEVELOPMENT

## Social responsibility

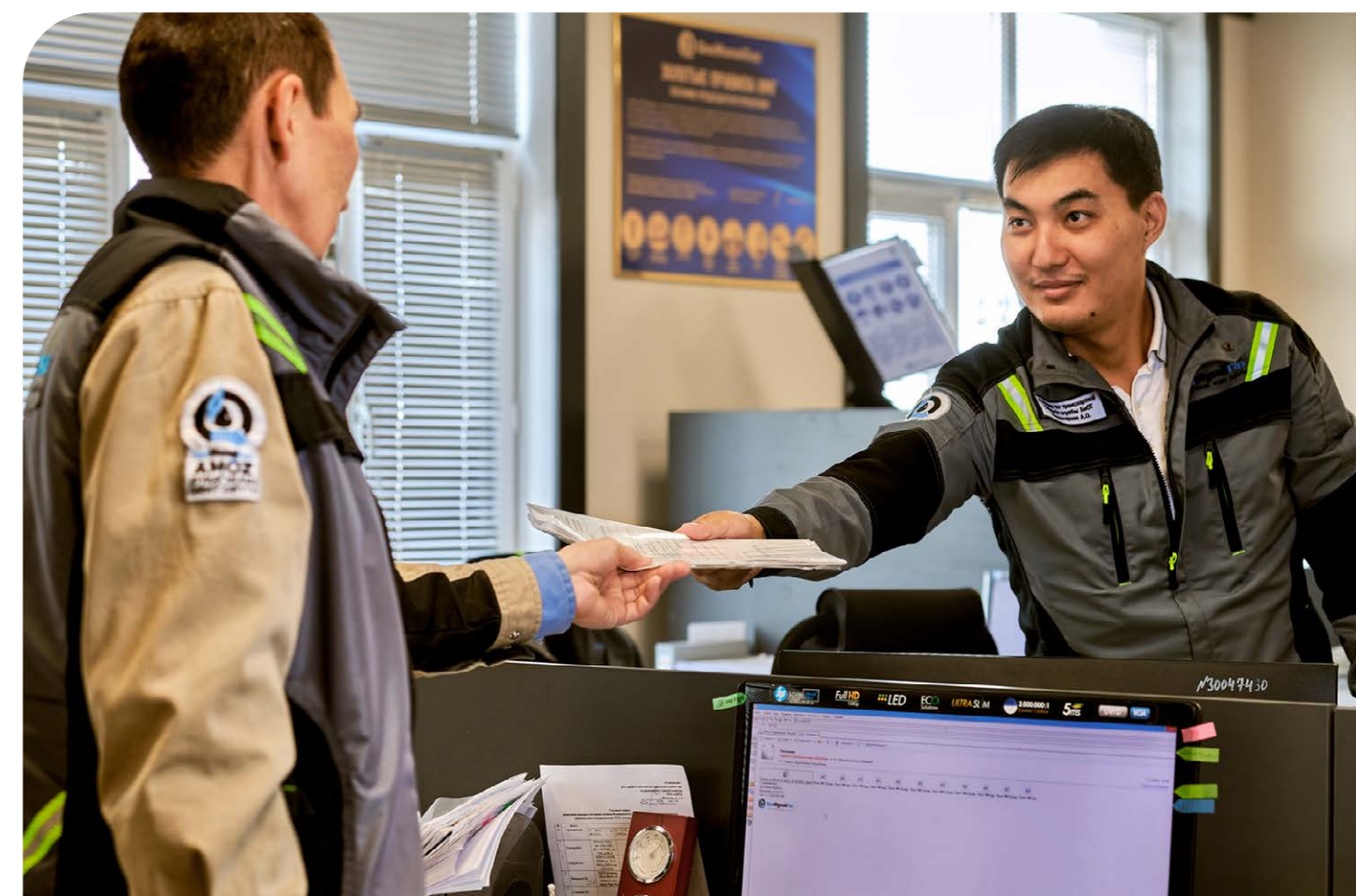
KMG's Code of Corporate Social Responsibility is developed according to the Company's Development Strategy to ensure social stability of operations, provide social support to employees, contribute to the development of the regions of operation, promote social partnership, and grow human capital.

The Company achieves its key social responsibility objectives through the existing systems of internal communications between employers and employees, cooperation with local executive bodies and trade unions, and fair collective bargaining with employees.

KMG complies with the legal and regulatory requirements applicable in the Republic of Kazakhstan, as well as with international laws and treaties regulating oil companies, and is aware of its responsibility to shareholders, communities, and investors for the impact on the economy, environment, and society, for the creation of long-term business value, and for sustainable growth in the long run. All employees of the Company have the right to safe and healthy working conditions, recognition and fair evaluation of their contribution to the Company, assistance in enhancing their professional skills, and an open and constructive discussion

of the quality and effectiveness of their work. The Company has a zero tolerance policy for discrimination by nationality, race, religion, age, gender, political beliefs or other grounds.

We promote meritocracy, fairness, and integrity while providing every employee with a workplace conducive to new achievements and assessing their respective contributions to the Company's overall success based on merit. We also foster a culture of understanding and engagement, and support among our employees at all levels.



## Social stability

KMG strives to ensure social stability at its enterprises through a constructive dialogue with employee representatives and aims to prevent any protests. We make ongoing comprehensive efforts to maintain social stability, including measures implemented under the group-wide social policy. Among other things, we carry out scheduled activities to improve social stability in subsidiaries and associates, compile a Social Stability Index, leverage internal communications, engage with contractors.

To maintain social stability at our enterprises, we are implementing a 2022 action plan to enhance social stability at subsidiaries and associates.

The action plan relies on Samruk Research Services surveys carried out by the Social Partnership Centre at Samruk-Kazyna for all major KMG subsidiaries and associates.

In 2022, KMG's integrated index under Samruk Research Services was 74%.

Overall, social stability across KMG's teams was assessed as satisfactory. In terms of social well-being, there was a decline in employee satisfaction with the level of wages, which was directly related to the last year's increase in prices for basic food and non-food products.

In 2022, there were 11 cases of dissatisfaction among employees of KMG subsidiaries and associates at the beginning of the reporting year against the background of the January events in the country as a whole. The reason for the said dissatisfaction was an increase in liquefied gas prices due to the transition to the market pricing mechanism, which in turn intensified the protest sentiment among employees of KMG subsidiaries and associates. In February 2022, some employees of Ozenmunaigas suspended work in Zhanaozen requesting a wage increase of at least 40%. Following negotiations with trade union leaders and meetings with employees, KMG made a decision to increase wages by 30% vs

2021 to stabilise the situation, ensure seamless operation of facilities and prevent further conflict escalation.

Alongside this, all KMG subsidiaries and associates developed their own road maps for five years (2023–2027) to improve employees' working conditions and recreation. In 2023, KMG subsidiaries and associates plan to build over 40 social infrastructure facilities (canteens, administrative and production buildings, accommodation camps, etc.) and overhaul 115 social infrastructure facilities.

At the beginning of the year, there was a widespread dissatisfaction among third-party contractors over employee wages. To ensure social stability in the regions of operation, including the Mangistau, Atyrau, and Pavlodar regions, we worked to reduce the wage gap between KMG subsidiaries and associates and their contractors. To this end, 199 additional agreements were signed for the Mangistau, Atyrau, and Pavlodar regions. For more details, see the Subsidiary and Associate Interaction with Contractors subsection.

## Employee headcount

KMG Group employs more than 47,000 people across its regions of operation. The actual headcount for KMG Group at the end of 2022 was 47,526 people, of whom 44,688 were full-time employees, while 2,838 employees were outstaffed.

1 — Samruk Research Services is a sociological survey that reveals employees' mood, their social harmony, and the level of protest sentiment. In addition, the index helps identify matters of concern for employees of individual enterprises.

Indicator	Unit	2020	2021	2022
Actual headcount for KMG Group (consolidated)	Employee	60,173	47,437	47,526

Indicator	Unit	2020	2021	2022
• Male	%	81	82	82
• Female	%	19	18	18
Blue-collar employees	%	92	92	92
White-collar employees	%	8	8	8
Employees aged 31 to 50, including:	%	60	59	59
• Male	%	80	81	81
• Female	%	20	19	19
Employees aged over 50, including:	%	28	29	30
• Male	%	82	81	81
• Female	%	18	19	19
Employees aged under 30, including:	%	12	12	11
• Male	%	83	86	86
• Female	%	17	14	14
Jobs created	jobs	961	945	88
Of average headcount	%	1.6	2.1	0.2
Employment terminated <sup>2</sup>	employee	3,513	2,757	3,123
Managers at all levels, including:	%	11	11	10
• Male	%	82	82	82
• Female	%	18	18	18
Turnover rate for KMG Group	%	6	6	7 <sup>2</sup>

Given that the Company operates in harsh and hazardous conditions, 82% of employees are male and 19% are female. Blue-collar employees account for 92% of the total headcount, while white-collar employees make up 8%.

In terms of age, the majority of employees (59%) are between 31 and 50 years old, and of those 81% are male and 19% are female.

Employees aged over 50 account for 30% of the total headcount; 81% of them are male and 19% are female.

The share of young people aged under 30 is 11% of the total headcount, including 86% male and 14% female employees.

In 2022, KMG created 88 jobs, which accounts for 0.2% of the average headcount. The number of employees whose employment was terminated in the reporting period is 3,123.

The percentage of employees who are managers at all levels is 10% of the total headcount. 18% (2021: also 18%) of managers are female and 82% (2021: also 82%) are male.

The 2022 turnover rate for KMG Group was 7% (2021: 6%).

2 — Includes employees from consolidated companies with an ownership interest of 51% or above.