

TOGETHER
TOWARDS SUCCESS

2024





2024



Production:

143,3

mln BOE



Investment in environmental protection measures:

458,9

mln*



Investment in field development:

32,8

bln*



Gas utilization:

99,95%



Local Content:

65%



Investment in social projects:

47,2

mln*

* Since assuming the operatorship of Karachaganak from 1998 till end of 2024



OUR PERFORMANCE IN 2024

LETTER FROM GENERAL DIRECTOR

Dear readers,

At KPO, we remain committed to the responsible development of the Karachaganak field, balancing operational excellence, environmental stewardship and social impact. In 2024, we made significant progress in enhancing production efficiency, advancing sustainability initiatives, and strengthening partnerships between our stakeholders that drive long-term value.

In 2024, KPO produced 143.298 million barrels of oil equivalent. 14,231.242 Mscm of dry sour gas were injected into the reservoir, which is circa 59.4% of the total gas produced.

KPO hit its historical record of crude oil export of 10.93 mln tonnes in 2024. In addition to sales via CPC pipeline which commemorated 20 years from the 1st CPC lifting of Karachaganak crude oil on 9th June 2024, KPO delivered 1.1 million metric tons of crude oil to Adamova Zastava (Poland) within the framework of intergovernmental connections between the Republic of Kazakhstan and Germany.

A major highlight of the year was the successful start-up of the Karachaganak Expansion Project Phase 1 (KEP-1A) gas re-injection compression project. This accomplishment marks a major milestone for KPO, showcasing our ability to deliver large-scale projects.

Environmental responsibility remains a cornerstone of our operations. We have put in place a comprehensive Environmental Management System to reduce environmental impact and continuously improve efficiency. Emissions reduction, waste disposal and the application of new technologies are among the company's focus areas. KPO's specific indicator of CO2 emissions has totalled 66 tons per thousand tons of hydrocarbon production. KPO has achieved an outstanding gas utilisation rate of 99.95% and we were able to ensure environmental safety at the world-class

KPO hit its
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of **10.93 mln**
tonnes in 2024.

level due to the successful application of advanced emission reduction solutions and technologies.

KPO has been actively contributing to the involvement of Kazakhstani suppliers and manufacturers of goods in the development of the Karachaganak field. In 2024, the share of Local content in KPO contracts for the supply of goods, works and services reached 65%.

Demonstrating its continued commitment to supporting the local community, KPO provided 2 billion tenge to support flood relief efforts in WKO. In addition, KPO also supported the WKO Akimat programme in rehousing displaced families.

I welcome you to read this Brochure and hope it will prove helpful in better understanding where we are and how we manage our core businesses. Much more information is available with KPO's annual sustainability report and website: www.kpo.kz.

Marco Marsili
KPO General Director

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KPO General Director



2024 HIGHLIGHTS



START-UP OF THE KARACHAGANAK EXPANSION PROJECT PHASE 1A (KEP-1A)

KEP-1A Project is the latest in a series of major projects successfully delivered by KPO to manage increasing gas-oil-ratio and maintain the field's liquid production plateau.

This significant milestone was reached with the successful operation of the 5th compressor at full discharge pressure, enabling gas from the Karachaganak Processing Complex (KPC) to be reinjected into the reservoir through the new KEP-1A gas reinjection system for the first time. The project was safely completed one month ahead of schedule, liquidating over 22 million man-hours. The project created job opportunities for nearly seven thousand local people during the construction phase and will continue to provide further employment opportunities for the local community during the operation phase.

This milestone aligns the RoK Government's vision for the energy sector, reinforcing Karachaganak's position as a critical asset in Kazakhstan's energy landscape. The successful completion of the fifth injection compressor phase represents a major advancement in the continued development of the Karachaganak field, ensuring long-term production stability and economic growth.

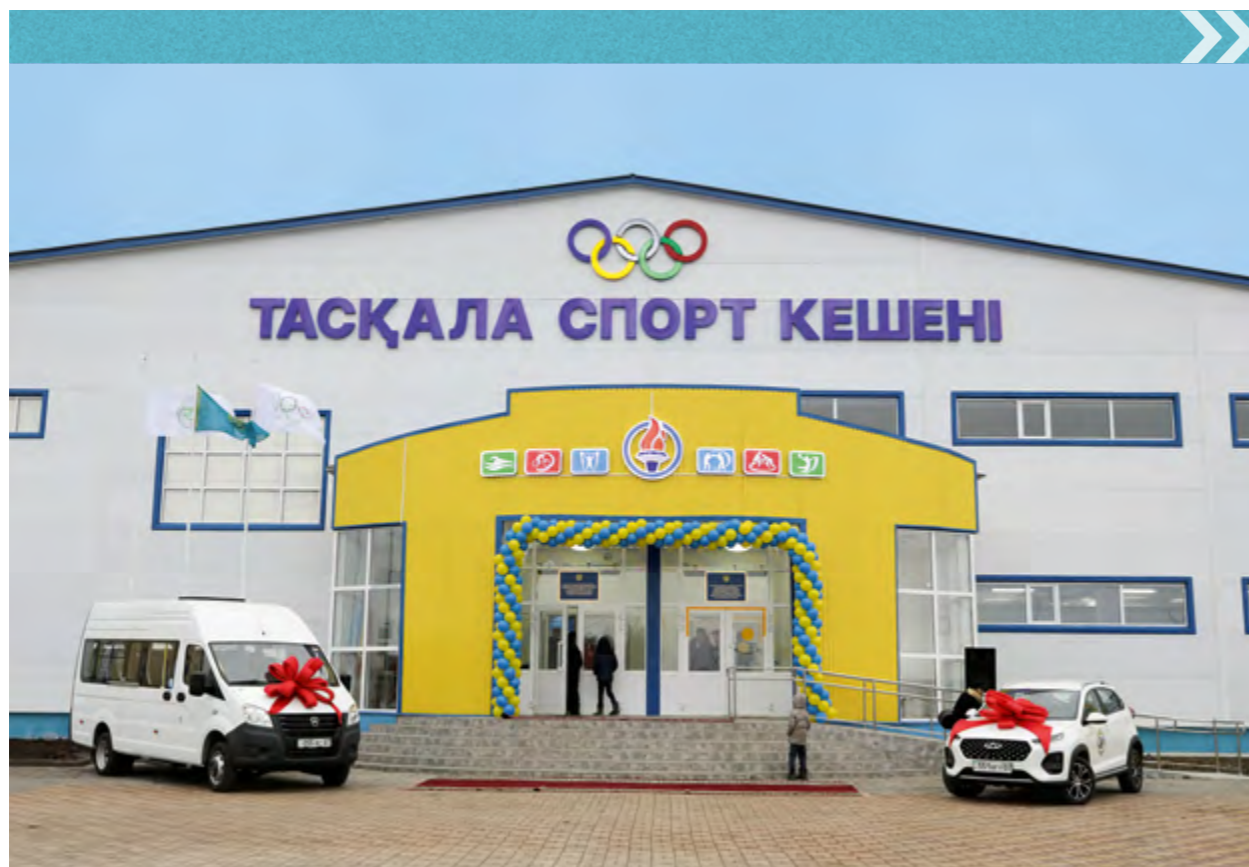
KPO JOINS THE OIL AND GAS METHANE PARTNERSHIP OGMP 2.0

KPO is proud to announce its accession to the prestigious United Nations flagship initiative, the Oil and Gas Methane Partnership (OGMP) 2.0. This strategic alliance underscores KPO's unwavering dedication to elevating the environmental performance of its operations while reducing methane emissions, a critical driver of climate change.

OGMP 2.0 is a global initiative that unites oil and gas sector in cutting methane emissions across the extraction, production, and transportation. Given methane's significant impact on global warming, this collective effort is paramount in safeguarding our planet's future. By joining OGMP 2.0, KPO reaffirms its commitment to upholding the highest standards of environmental integrity and sustainable development. The company pledges to implement advanced technologies and best practices aimed at mitigating its environmental footprint and fostering responsible resource utilization.

Embracing the UN's flagship methane management program marks a significant step for KPO in reducing greenhouse gas emissions and harmonize its operations with global environmental benchmarks. The company not only acknowledges its corporate obligation to society and the planet but also recognizes the imperative of international collaboration in combating climate change.





KPO COMMISSIONS A NUMBER OF EDUCATIONAL AND SPORTS FACILITIES

In 2024 as part of the programme to eliminate emergency schools and address the issue of triple-shift schools in the region, KPO successfully completed construction of schools in Saralzhyhyn village, Kaztalovskiy district and Zharsuat village, Burlin district. New schools are equipped with modern facilities, including classrooms, multimedia rooms, gym, library and other essential amenities designed to create a comfortable environment for children's education.



Besides, KPO commissioned Sports and Health Centres in Kaztalov village, Kaztalovskiy district and Taskala village, Taskalinskiy district. New centres enhance sports in region and improve conditions for a healthy lifestyle, providing possibility to arrange a wide range of sports events and training sessions. The buildings include specialized halls for wrestling, boxing, and gymnastics, a multi-purpose sports hall for basketball, volleyball, and other sports, as well as administrative offices. The complexes meet contemporary standards and provide comfortable conditions for sports activities.

Karachaganak today is playing a significant role in the social, economic and cultural development of West Kazakhstan Oblast. The list and hierarchy of the KPO social projects are agreed jointly with the West Kazakhstan Oblast Akimat. Moreover, their implementation is carried out solely by Kazakhstani contractors. KPO has long been actively engaged with local businesses in terms of procurement of works, goods and services, which in itself is an example of a socially responsible business strategy.



PROFESSIONAL DEVELOPMENT PROGRAMME FOR PRODUCTION OPERATORS AND MAINTENANCE TECHNICIANS

KPO launched a professional development programme for production operators and electrical & instrumental technicians as per OPITO standards. Based on the selection results, two groups of 47 people in total, including recent graduates of higher and secondary specialized educational institutions of the Republic of Kazakhstan, were formed to participate in the programme.

This professional development programme provides participants with the necessary technical knowledge and skills that align with the requirements of KPO's Production and Maintenance Department. Through a combination of theoretical and practical training, as well as hands-on experience in the workplace, programme participants acquire the necessary professional knowledge and competencies for further successful work in the company. A qualified and professional workforce not only helps achieve production targets successfully but also contributes to the realisation of long-term development goals.

The training programme for young specialists based on the international standards of the OPITO Oil and Gas Academy has been successfully implemented at KPO for 16 years. Over this period, more than 600 production operators and maintenance technicians have been trained and are now working effectively at the company's production facilities.





KPO FACILITIES

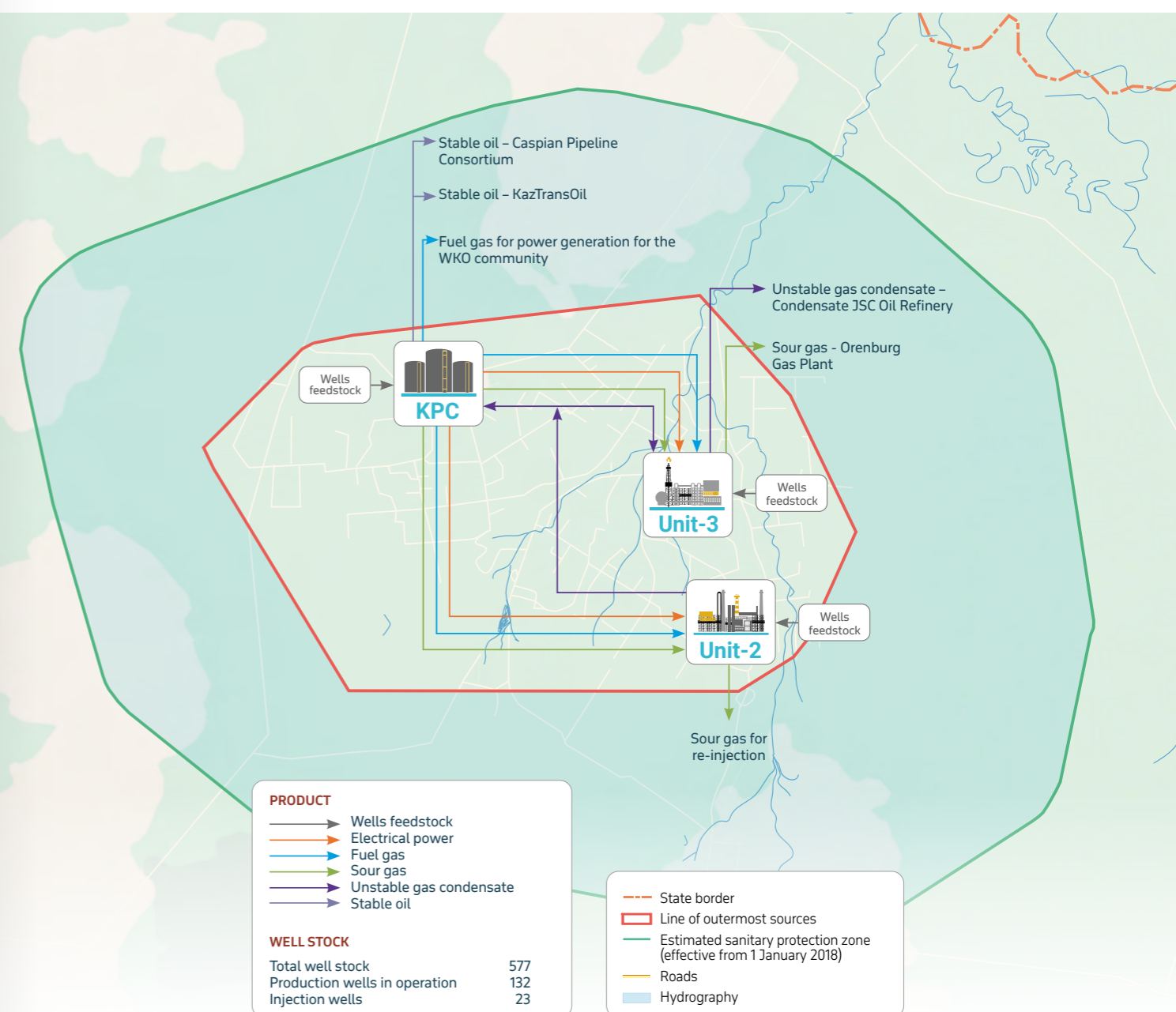
Hydrocarbon production and processing take place at three major interconnected units: the Karachaganak Processing Complex (KPC), Unit-2 and Unit-3. The infield pipeline system extends approximately 2,000 kilometres. This system connects major production facilities and wells. The facilities also include an Early Oil Production Satellite (EOPS) and Eco Centre.

As of the end of 2024, there were **133** producing wells and **23** re-injection wells online at Karachaganak, out of a total of **578** wells.



You are welcome to watch our documentary mini-series about Karachaganak field.

Karachaganak facilities and products





OUR PRODUCTS AND EXPORT ROUTES



KPO extracts and processes stabilised and unstabilised liquid hydrocarbons, raw gas, and fuel gas.

In 2024, **9.81 million tons** or **77.5 million barrels** of crude oil were exported via the CPC pipeline to Novorossiysk on the Black Sea. KPO also exported 1.1 million tons via the Atyrau-Samara route to Adamova Zastava through the Druzhba pipeline, with the buyer's destination being the Schwedt Refinery in Germany. In addition, 0.018 million tons or 0.13 million barrels were lifted via Atyrau-Samara pipeline at the port of Ust-Luga in the Baltic Sea for further delivery to the European Union.

Throughout 2024, KPO re-injected approximately 14.2 billion m³ of gas into the reservoir to maintain reservoir pressure, which is equivalent to about 59.4% of the total gas extracted.

In 2024, KPO delivered 11.55 kt of unstabilised gas condensate to the Refinery of Condensate JSC as part of commissioning of the new wells.

The raw gas from the Karachaganak Field is transported to the Orenburg Gas Processing Plant (OGP) in the Russian Federation through the Karachaganak-Orenburg Transportation System (KOTS) under the long-term Gas Sales and Purchase Contract between KazRosGas LLP (KRG) and KPO.

KPO successfully achieved its initial target in 2024 by delivering 8.7 bcma of raw gas to KRG for processing at OGP. This achievement demonstrates strong performance despite technical obstacles from OGP side during certain months of 2024.

Sweetened gas (H₂S-free) is used in various field processes, including electricity generation at the Gas Turbine Power Plant to power KPO's own facilities and for export to local power supply companies to meet FPSA obligation.

In 2024, KPO continued to supply fuel gas for electricity generation to Batys Energoresursy LLP (BER). However, due to regulatory changes in Kazakhstan's Law on Electric Power, which transferred electricity supply responsibilities to regional power grid companies, BER ceased operations as of January 1, 2025, following the expiration of its license.

Considering these changes, KPO has adjusted its fuel gas sales approach and, from 2025 onward, will sell fuel gas to "Zapadno-Kazakhstanskaya regionalnaya elektrossetevaya kompaniya" LLP for electricity generation at the KPC Power Plant (at no cost).

KPO remains committed to energy stability and sustainability, ensuring uninterrupted gas supplies while supporting local communities. As part of its social responsibility efforts, KPO continues to provide free power generation capacity to regional grids, helping to meet the electricity needs of West Kazakhstan Oblast.

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PRODUCTION AND SALES

Production in 2024

		2022	2023	2024
Total production*	Mboe	128.5	142.7	143.3
Total equivalent stable oil	Kt	10,134	10,858	10,968
Total gas production	Mscm	19,442	22,385	23,942
Gas injection Gas re-injected into a reservoir, not sold	Mscm	11,131	12,650	14,231
Fuel gas production	Mscm	842.9	918.9	960

* The total figure of production does not include the volume of gas Injection

Sales in 2024

		2022	2023	2024
Total Sales	Mboe	124.9	136.7	137.5
Unstable liquids Condensate to the Refinery of Condensate JSC	Kt	30	104	11.6
Stable liquids Oil and stabilised condensate to CPC and Atyrau-Samara	Kt	10,171	10,648	10,929
Raw gas to Orenburg Gas Plant	Mscm	7,455	8,805	8,738
Sweet gas to the WKO community	Mscm	70	65	60.8

Karachaganak Processing Complex (KPC) >>>





KARACHAGANAK PRODUCTION PLATEAU EXTENSION PROJECTS



KPO has established a strong track record of successful development projects. The Karachaganak Gas Debottlenecking Project was successfully completed and brought into operation in March 2021. The fourth Injection Compressor Project (4IC) followed a year later, with its successful completion and start of operation in May 2022.

In 2024, KPO successfully commissioned the Karachaganak Extension Project-1A (KEP-1A) facilities, including the fifth Injection Compressor. These projects will make a significant contribution and bring additional value to the Republic of Kazakhstan and the Karachaganak Partners. Furthermore, these projects will create new job opportunities for Kazakhstani citizens. One of KPO's priorities during the execution of these projects is maximizing local content to enhance the competitiveness of local contractors.

In parallel, the project team continues to work on the Karachaganak Expansion 1-B Project (6th

Injection Compressor). It is currently in execution phase and by the end of 2024, had achieved over 70% progress. The current plan is to commence operations in September 2026.

Karachaganak Gas Plant Project

In 2024, KPO continued to evaluate the Karachaganak Gas Plant (KGP) project, which aims to maximize the monetization of sales gas and liquefied petroleum gas (LPG) while expanding condensate production capacity. The viability of KGP project is still under active consideration, with ongoing studies assessing its feasibility and potential benefits. These studies also explore the integration of new processing capacity to complement the field's existing infrastructure. While the timeline for full-scale development is still under review, KPO remains committed to advancing evaluations and proceeding once a final investment decision (FID) is made.

In 2024, KPO successfully commissioned the Karachaganak Extension Project-1A (KEP-1A) facilities, including the fifth Injection Compressor.



CARING FOR THE ENVIRONMENT



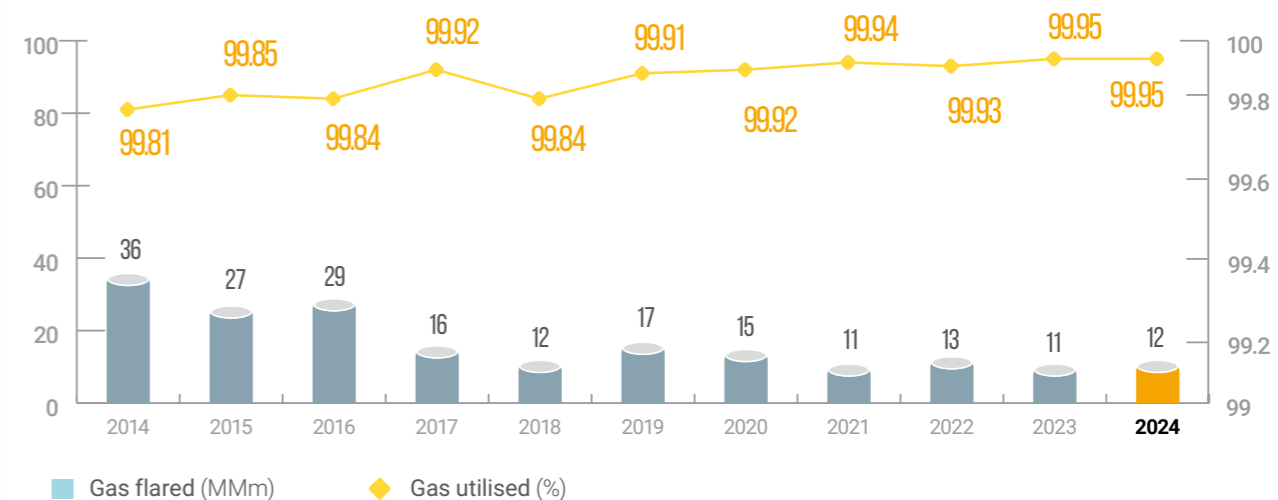
In the development and operation of a technically complex field like Karachaganak, environmental protection is a top priority and a critical factor in decision-making. The ability to work in harmony with nature is challenging but essential. KPO's efforts in environmental protection have earned multiple recognitions from industry peers in Kazakhstan and internationally.

Since assuming operatorship in 1998, KPO has invested more than **\$459 million** in environmental protection initiatives. Since the project's inception, the "green economy" has been an integral part of KPO's operational ethos and has recently become Kazakhstan's official policy. KPO focuses on biodiversity conservation and minimizing its environmental footprint, which is why a wide variety of animals, including rare species listed in the "Red Book" of endangered species, can be found in the Karachaganak field.



The company utilizes the most advanced techniques, recognized as globally innovative. Particular emphasis is placed on reducing emissions, recycling waste, and introducing new technologies. In 2024, the gas utilization rate at Karachaganak reached 99.95%, a world class achievement.

Gas utilization and flaring, 2014 – 2024





ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEMS

The company implements Environmental and Energy Management Systems to identify risk factors early, eliminate negative environmental impacts, and continuously improve performance indicators in this area.

- ✓ In August 2024, KPO successfully completed a surveillance audit for compliance with ISO 14001:2015 and ISO 50001:2018.

The audit found no deviations, and KPO's environmental and energy management systems were recognized as effective and in full compliance with international standards.



ENVIRONMENT PROTECTION ACTIONS

AIR EMISSIONS

The implementation of environmental protection measures in 2024 resulted in the following achievements:

The use of a surface pump to handle a high gas ratio during well operations reduced emissions by 5,361.13 tons.

The use of a hydrocarbon-based stimulation fluid (Lamix or diesel) lowered air emissions by 699.43 tons.



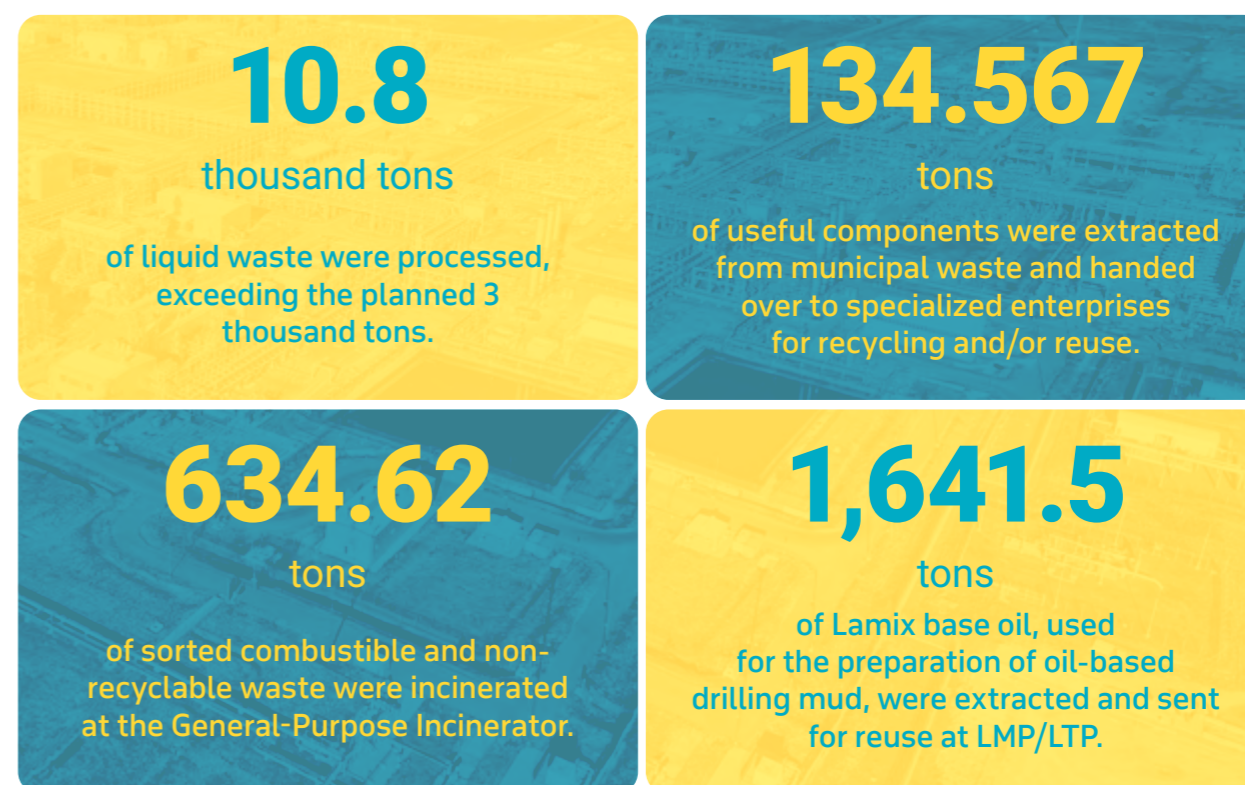
WASTE AND WASTEWATER MANAGEMENT

Efforts focus on mitigating real and potential hazards that the generated waste may pose to people and the environment. The company employs the following waste management methods:









2024 results:


To establish a safe and efficient waste management system and mitigate risks, KPO carried out the following activities in 2024:



GREENHOUSE GAS EMISSIONS

The following was sorted and dispatched for processing and reuse as recyclable materials:

 <p>5.23 tons of scrap metal – a 31% increase compared to 2023 (3.64 tons).</p>	 <p>32.28 tons of plastic waste, maintaining the 2023 level (32.2 tons).</p>	 <p>88 tons of wastepaper – a 6% increase compared to 2023 (83 tons).</p>
 <p>6.26 tons of glass (broken glass), maintaining the 2023 level (6.53 tons).</p>	 <p>Due to the extraction of useful waste components and waste incineration, the amount of waste disposed of in the environment was reduced by 88%.</p>	 <p>1,584.07 tons of construction waste were handed over to specialized organizations for recycling and reuse.</p>

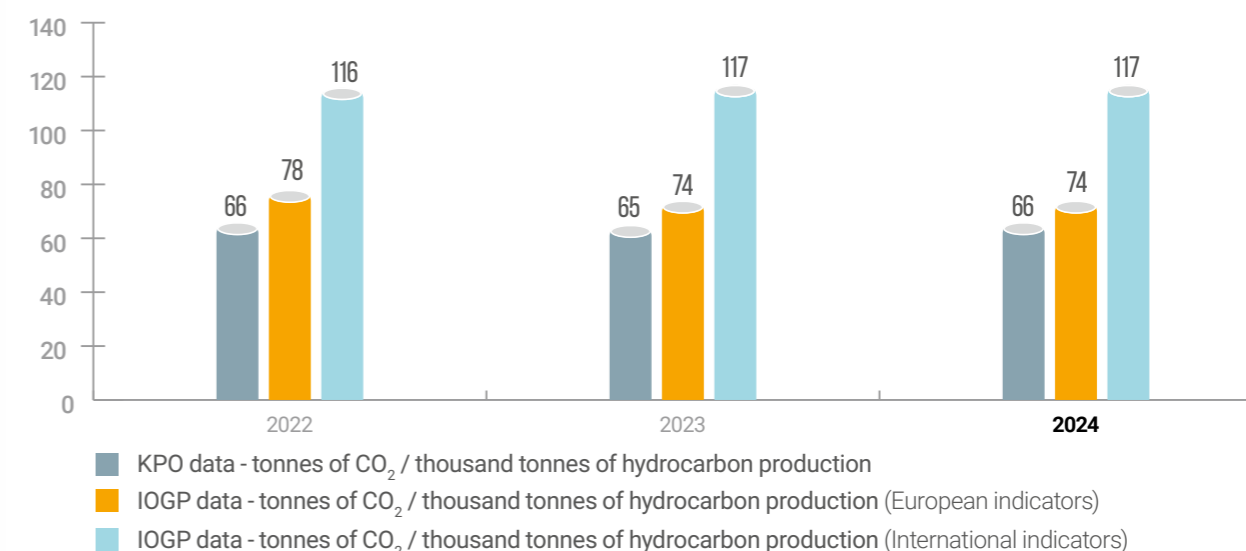
 In 2024, the volume of treated wastewater reused at the Karachaganak field for drilling mud preparation, irrigation of planted trees, and dust control amounted to **32,234 m³**. The majority of the treated effluent was used for drilling operations, while the rest was used for dust suppression at the construction sites and for technical needs of field facilities.

2024

In 2024, the KPO's specific CO₂ emissions indicator totaled 66 tons of CO₂ per thousand tons of hydrocarbon production.

KPO's specific greenhouse gas (GHG) emissions per unit of hydrocarbon production were 11% lower than the European benchmarks and 44% lower than the international benchmarks.

Specific GHG emissions, 2022-2024



ENVIRONMENTAL MONITORING

KPO carries out comprehensive environmental monitoring as outlined in the Production Environmental Control (PEC) Programme. Within the PEC scope, both environmental emissions (emissions to air, discharge of wastewater, and the treatment and disposal of wastes) and the quality of environmental components (air, surface and underground water, and soil) are monitored to assess the potential impact of production activities on the environment.

The PEC Programme defines the sampling and measurement locations, the list of monitored components, and the monitoring frequency.

KPO conducts air quality monitoring through sampling and analysis by an accredited laboratory and, in addition, through 18 automatic Environmental Monitoring Stations (EMS) permanently deployed at the Karachaganak field and along the Sanitary Protection Zone perimeter. Each station is equipped with four analyzers designed for the continuous measurement of hydrogen sulfide (H₂S), sulfur dioxide (SO₂), nitrogen dioxide (NO₂), and carbon monoxide (CO) levels in the air. The EMS also activates a warning alarm in case of high emission concentrations.

In 2024, KPO completed the following main activities:

- ✓ Environmental monitoring was carried out fully in accordance with the planned scope of the 2024 PEC Programme at the Karachaganak Oil, Gas & Condensate Field (KOGCF) and along the export pipeline. The annual monitoring scope for 2024 included: over 100,000 samples collected, approximately 120,000 laboratory tests performed, and 28,000 instrumental measurements conducted.
- ✓ Information reports were prepared regarding gas odour complaints received from the communities (three complaints). One complaint was received from three settlements – Aksai, Oblavka and Zhanatalap. Compared to 2023, the number of gas odour complaints decreased sixfold in 2024. The number of MPC one-time exceedances also decreased twentyfold (2023 – 178 cases, 2024 – 9 cases). All KPO facilities operated under normal conditions, no well flaring/clean-ups were performed at the time of the exceedances and the community gas odour complaints. No malfunctions of process equipment, leaks, unauthorized emissions, or emergency or scheduled shutdowns of the process were recorded.
- ✓ Monthly air monitoring results within the settlements were published in local print media and posted on information boards in rural akimats, local clubs, and KPO Main Office.

BIODIVERSITY

The Biodiversity Action Plan (BAP) is one of the key measures aimed at preventing ecosystem disturbance and biodiversity loss. In 2020, a Biodiversity Action Plan for 2021-2023 was developed.

As part of the 2022 BAP implementation, flora monitoring was conducted to update the species database. The studies revealed no significant changes in the diversity of flora species and no negative impacts on habitats or fauna. Additionally, recommendations were received regarding the installation of bird protection devices.





Over

1,5

million trees

were planted covering
an area of more than
800 hectares.



ENVIRONMENTAL INITIATIVES

Community Cleanup day in Aksai



On September 20, 2024, the VII Uralsk Green Forum (UGF) was held under the theme "Climate Change: Challenges and Prospects for Advanced Technologies" which gathered more than 250 participants. The forum adopted a joint resolution, in which the forum participants called for creating conditions to further promote the principles of carbon neutrality and incentives for the introduction of green technologies for the sustainable development of the region.

The Uralsk Green Forum concluded with a tree planting initiative – a joint effort by forum participants and the charitable foundation, "Sunny Uralsk".

To identify, promote, and share environmentally friendly traditions, customs, and practices among KPO employees and business partners, the video contest "Ecology and My Family" was held. The contest winners were awarded at the VII International Environmental Forum Uralsk Green Forum.

In July, a training video on the 2023 environmental indicators was released for all company employees. Additionally, e-learning on the environmental management system was also conducted, with approximately 1,700 employees completing the training.

More than 100 KPO employees participated in the city improvement and cleaning campaigns Uralsk and Aksai. Such initiatives help reshape public attitudes toward waste and encourage waste minimization.

In 2024, the following measures were implemented as part of the Green Office Project Action Plan:

- ✓ Drain restrictors were installed on faucets, reducing water flow in faucets in sanitary rooms of some offices.
- ✓ Motion sensors were installed in all sanitary rooms to control lighting in leased buildings, along with the replacement of old meters with new ones and continuous monitoring of electricity consumption.
- ✓ Energy efficiency improvements included insulating walls, replacing windows and seals, and upgrading the heating system and radiators to reduce heat loss.
- ✓ New contract amendments were introduced to include water and energy saving provisions.
- ✓ Disposable tableware consumption in the company's leased offices in Uralsk and Aksai decreased 43% compared to 2023.

PERSONNEL DEVELOPMENT

2024

As of the end 2024, the total number of KPO employees, including both within the company and those working on temporary projects, amounted to **4,080**, with **3,886** being nationals and **194** seconded from parent companies.

Nationals:

3,886

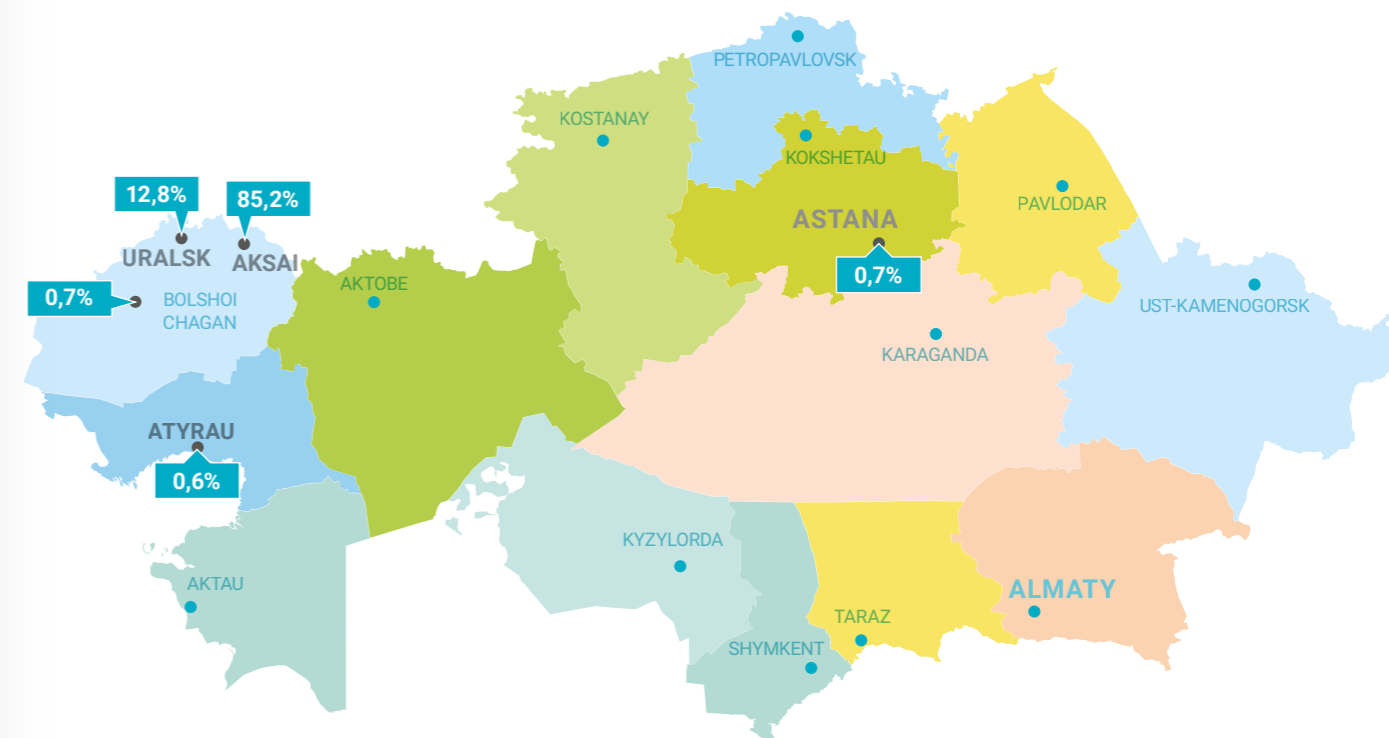


Parent companies' secondees

194



The map shows the distribution of KPO workers across different regions of Kazakhstan.



LOCAL CONTENT IN STAFF

The KPO Program for Increasing Local Content in Staff 2020-2025 was approved by the authorities in 2020. As part of this program in 2024, 3 positions held by expatriate personnel were nationalized, and 2 positions were eliminated. At the end of 2024, local employees made up 95% of the total staff. From 1999 to 2024, 272 expatriate specialists were

replaced by local staff, and 305 positions occupied by expatriate personnel were eliminated.

Below is a progress update on the KPO Plan for Increased Local Content in Staff by categories of employees

Category	Description	RoK Legal requirements	2024
1+2	Executive Management and their Deputies, Department / Unit Management	Minimum 70%	86%
3+4	Professional staff /Qualified workers	Minimum 90%	98%

TRAINING AND DEVELOPMENT

Since the signing of the FPSA, over USD 245 million has been allocated to the development of local staff. KPO consistently provided comprehensive training for the company's employees, covering specific and internationally certified training programmes, language skills development, and mandatory HSE training.

In 2024, KPO implemented the following internationally certified training programmes:

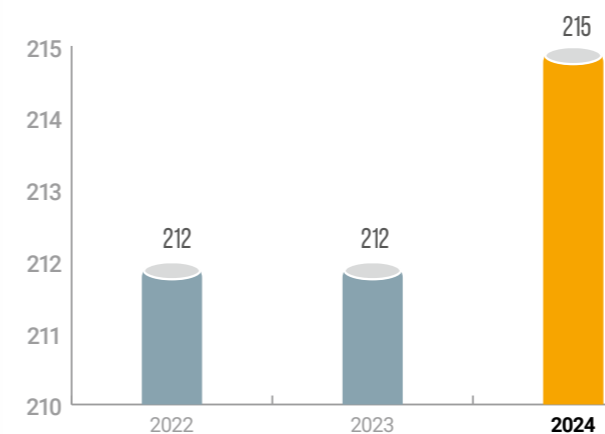
1. Well control/well pressure control during gas, oil and water shows (IWCF).
2. NDT – Non-destructive testing certification.
3. CIPS International diploma and certificate programs (Chartered Institute of Procurement and Supply).
4. Emergency response training course MEMIR by OPITO standard.
5. International certificate in Health, Environment and Safety (NEBOSH).
6. Certified internal auditor (CIA).
7. ACCA Diploma in International Financial Reporting (DiplIFR).
8. Master of Business Administration (MBA).
9. American Petroleum Institute certification (API).

10. Project Management Professional (PMP)® Certification.
11. IECEx/Compex certification. Explosion Protection.
12. ASME Plant Inspector.
13. Coaching in Organization and Business (ICF).
14. ISO 9001:2015 (Quality System Management), ISO 50001:2018 Energy Management System (Internal Auditor), ISO 14001:2015 Environmental management system (Internal Auditor), ISO 45001:2018 Occupational health and safety management system (Internal Auditor), Information Security Management System + Information Security Audit ISO 27001, ISO 19011 Standard "Guidelines for conducting audits".
15. Certified International Purchasing Professional (CIPP).
16. IOSH Managing Safely.
17. IEMA International certificate in Environmental Management (IEMA).
18. Professional development programme for production operators and maintenance technicians under OPITO standard.

KPO partnership with Kazakhstan Universities

KPO cooperates with 34 educational institutions in Kazakhstan, playing a vital role in developing professional personnel for the oil and gas industry of the Republic of Kazakhstan. KPO's partnership with universities is facilitated through the Student Placement Programme based on bilateral agreements. In 2024, 215 students from 22 educational institutions in 44 specialties completed practical and pre-graduation internships in various KPO departments. From 2014 to 2024, the Company has employed 242 people from those who completed the Student Placement Programme.

Number of students who completed internships at KPO from 2022 to 2024



Employee Relations and Labour Investigations

Employee relations refer to the relationship based on an agreement between the company and an employee to perform job duties for a salary. An employee who has entered into employee relations must follow the labor regulations, and the company must provide proper working conditions in accordance with the RoK Labor Code, Collective Agreement, and employment agreement. By maintaining open and constructive employee relations, the company seeks to inspire its employees to develop a positive working spirit and engage in the work process.

The main strategy of KPO's Employee Relations is keeping a balance of interests between the company and employees by creating a healthy work environment.

Employee Relations involves a wide variety of activities, including:

- ✓ Liaison with trade unions and coordination of their activities, including negotiations between representatives of the company and employees.
- ✓ Implementation of the employee's rewards and recognition program, which is key to employee engagement, making employees feel valued and understand the importance of their work.
- ✓ Participation in national competitions and events within the framework of social responsibility of business and human resources policy ("KAZENERGY", "Paryz", etc.).
- ✓ Resolution of labor disputes and labor discipline issues, including cases that fall within the remit of the Conciliation Committee.
- ✓ Implementation of the Advances/Loans/Material Aid Allowance program. This involves preparation of applications for the Committee's consideration (Advances for personal needs, material aid allowance to socially vulnerable employees, as well as employees and their family members in need of urgent medical care).



Awarding Ceremony dedicated to the 125th Anniversary of Kazakhstan's Oil



Working with trade unions

Working with trade unions is vital as it balances the interests of the employer and employees. The Improvement of working conditions for employees is always a focus of attention.

A collective agreement is the agreement made by both the company and trade unions resulting from a collective bargaining process. The trade unions develop draft Collective Agreements on various topics of social and labour relations and engage with the company to negotiate the proposed conditions. Employees' interests in KPO are currently represented by four trade unions:

- ✓ Public Association "Local Trade Union of KPO employees".
- ✓ Public Association "Karachaganak local trade union of KPO employees and contractors".
- ✓ Public Association "Local Trade Union of Karachaganak Petroleum Operating B.V. employees "TRUST" and contractors".
- ✓ Public Association "Burlin Local Trade Union of Workers of Oil and Gas Sector".

At the end of 2024, a new Collective Agreement was signed for the period from 2025 to 2027. The provisions of the KPO Collective Agreement

apply to all KPO employees regardless of whether they are union members or not. General Director noted that the new agreement was the result of an equal dialogue and the parties' desire to resolve important issues in the interests of all participants of the labour process.

Awarding

As part of stimulating and motivating the Company's employees, 207 employees received various awards, including RoK Ministry of Energy awards, KazEnergy Association awards, and WKO and Burlin akimat awards, dedicated to two festive events that took place in 2024 - 125th Anniversary of Kazakhstan's Oil and the 45th Anniversary of the Karachaganak Field's Discovery.

Cultural, mass and sport activities

A program of sports and mass events to promote a healthy lifestyle in KPO was successfully launched and implemented - eight major sports competitions and two clean-up days were held in Aksai jointly with trade unions.

SAFETY

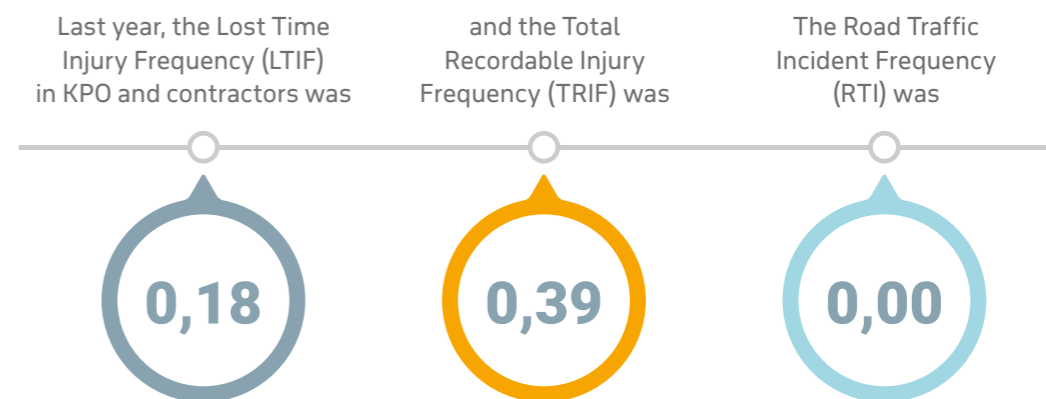
Our goal is to achieve maximum risk reduction of injuries and to minimize the severity of unforeseen situations. **Safety is a top priority at KPO.**

Throughout the year, the company continued its work on improving tools for ensuring industrial safety and integrity of facilities, with a special focus on enhancing skills in identifying sources of potential risk that can be eliminated by preventive measures and thereby prevent incidents. The reliability of the developed preventive measures has been repeatedly assessed to identify vulnerabilities.

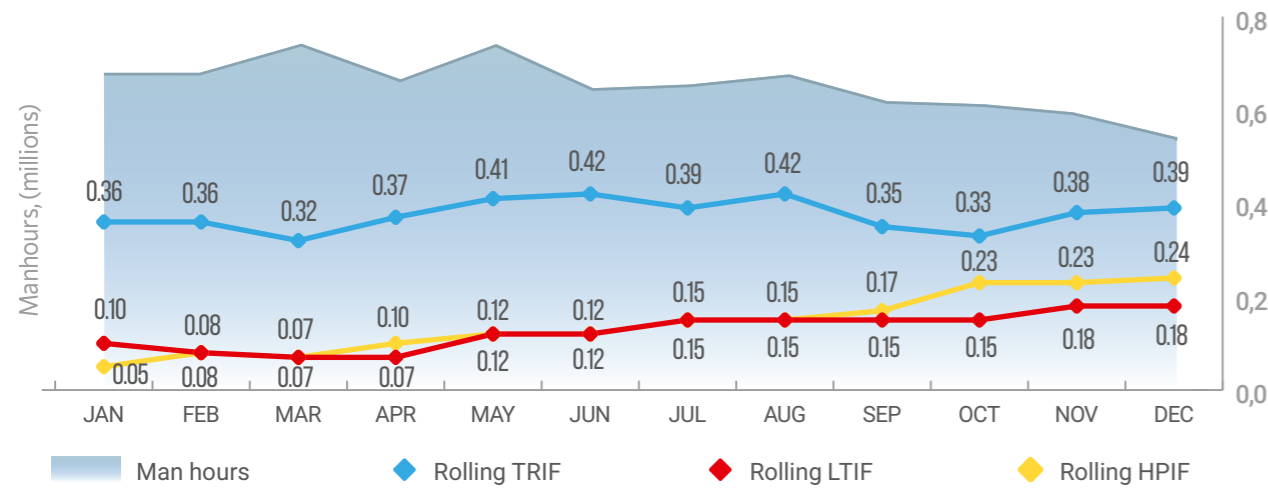
LTI – Lost Time Injury = Fatalities + Lost Work Day Cases (LWDC).

TRI – Total Recordable Injuries = Fatalities + Lost Work Day Cases (LWDC) + Restricted Work Day Cases (RWDC) + Medical Treatment Cases (MTC).

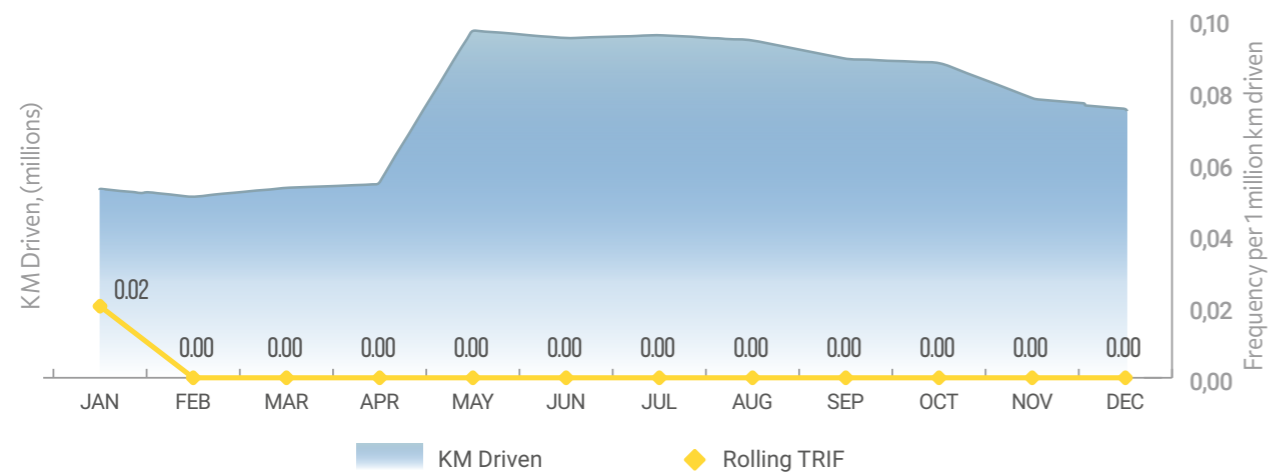
HPI – High Potential Incident.



2024 LTI, TRI, HPI Frequencies



2024 RTI Frequency



2024 Local Content Development Initiatives

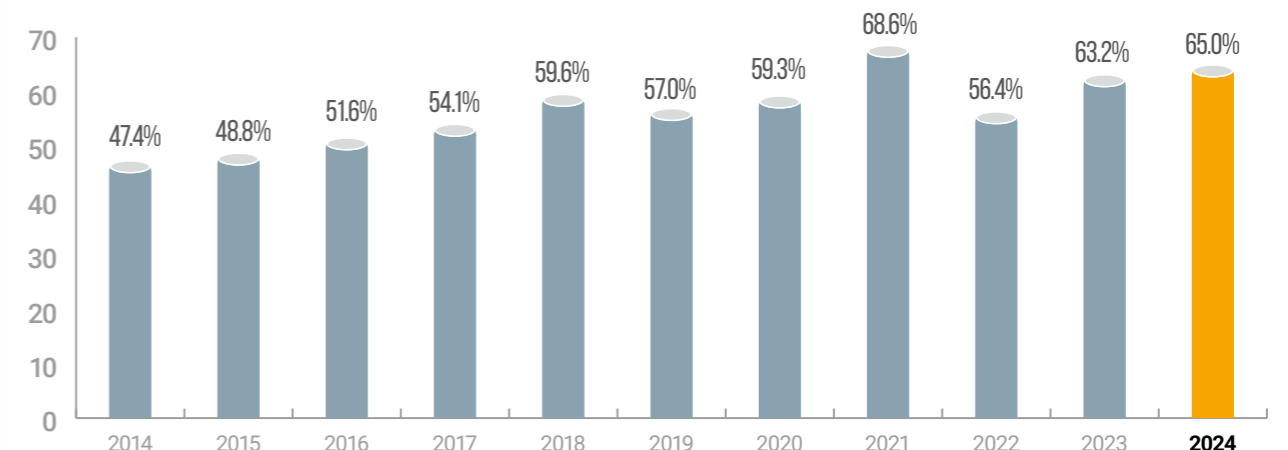
KPO is committed to optimizing local content in the development of the Karachaganak field. Operations are meticulously aligned with national and industry programs as well as KPO's Local Content Policy.

Through unwavering dedication, the local content share in the Karachaganak project reached USD 679.7 million, representing 65% in 2024.

KPO is dedicated to enhancing the level of local content in goods. In 2024, 42.3% (USD 88.3 million) of the total procurement expenditure was allocated to locally manufactured goods, with a local content share of 18.2% (USD 38 million), as verified by the CT-KZ certificate. In 2024, it reached the historical highest LC level of 18.2 percent in goods.

In 2024, KPO local content development initiatives have led to the following results:

- ✓ Successfully developed in close cooperation with the Authority and the MoE and approved the long-term Program "KPO 2024-2029 Local Content Development Program for Goods, Works, and Services at the Karachaganak Project".
- ✓ Implementation of LC support mechanisms stipulated by JOC Tender Procedure (Trial order statistics, the aim).
- ✓ 9 contracts with a total value of over US\$33 mln were signed for the needs of the Karachaganak Project for production of the following types of goods in Kazakhstan: electrical equipment (distribution board), valves, containers, heat exchangers, bulk materials, mechanical seals





SUPPORTING SOCIAL INFRASTRUCTURE

(spare parts), measurement instruments, personal protective instruments, concrete slabs, etc.

- ✓ 10 "Kazakhstani tenders" initiated exclusively among local companies for the total amount of US \$36.9 mln. As a result, KPO awarded 1 contract to the total amount of US \$340 thousand. Other "Kazakhstani tenders" are in progress.
- ✓ Achievements with IMBC:
 - ◇ New Mandate agreed by Operators (NCOC, TCO and KPO).
 - ◇ 10-Jul'24 - IMBC Forum, Atyrau.
 - ◇ 10-12 Jul'24 - Open Doors' Day, Atyrau (23MoU signed).
 - ◇ 02-Oct'24 - IMBC seminar on the goods at Tengiz, Kashagan and Karachaganak on Group A, Atyrau.
 - ◇ 12-Dec'24 - IMBC seminar on the goods at Tengiz, Kashagan and Karachaganak on Group B, Atyrau.
 - ◇ Commodity Group D - demand analysis ongoing.
- ✓ Since 2019, KPO has signed roadmaps for the localization of goods and concluded eight contracts with Original Equipment Manufacturers, amounting to over USD 48 million. As a result,

in 2024, KPO received high-tech OEM goods manufactured in the Republic of Kazakhstan, exceeding contractual commitments in terms of local content percentage.

- ✓ Organized eight (8) online technical awareness webinars for more than 150 representatives of the local and foreign companies on the following topics: Contracting and Procurement (C&P), registration in KPO database, LC mechanisms, technical requirements and demands for chemicals, valves, handling and firefighting equipment, HVAC, oil filters, isolation materials, piping products and electrical equipment.

In the frame of KEP-1A/B projects:

- ✓ Major construction and engineering works are performed by the local consortium "KKS-SICIM" LLP.
- ✓ Over 4,000 jobs have been created for local staff.
- ✓ As of the end of 2024, more than 60% of the whole EPC value is spent on Local activities, services or goods.
- ✓ Since the FPSA commencement in 1997, the total local content share in KPO's expenditure for procurement of goods, works and services has exceeded USD 10.1 billion.

At IMBC Forum, Open Doors Day for Kazakhstani Manufacturers



In 2024, KPO managed to complete five social and infrastructural projects worth USD 47.2 million within the approved timeframes as part of the social and infrastructural projects implementation.

Social infrastructure projects completed by KPO in 2024 in West Kazakhstan Oblast:

- ✓ Construction of a small-scale school for 60 pupils in Saralzhyyn village of Kaztalovskiy district.

- ✓ Construction of a small-scale school for 108 students in Zharsuat village of Burlin district.
- ✓ Construction of Sports and Health Centre for 320 spectators in Kaztalovka village, Kaztalovskiy district.
- ✓ Construction of Sports and Health Centre for 320 spectators in Taskala village, Taskalinskiy district.
- ✓ Aksai Hospital Emergency Capability Upgrade Project.

	2022	2023	2024
Total number of projects	17**	24**	13**
Projects completed	3/14*	18/6*	5/8*
Actual spend mln. USD	5.6	43.2	47.2

* Projects with period of execution more than one year (projects carryover)

BUSINESS CONDUCT

KPO CODE OF CONDUCT

The Code of Conduct is a fundamental document at KPO as pertaining to all compliance aspects, the purpose of which is to protect the company's business. The Code of Conduct is a set of general rules relating to KPO business ethics and corporate culture, developed to be mandatory compliance for all KPO employees, contractors' employees, and other persons working on behalf of KPO, without any exclusion or distinction.

The Code of Conduct incorporates anti-corruption provisions and regulates some aspects of national and international trade, health, safety and environment, protection and exchange of information.

KPO BUSINESS ETHICS AND CORPORATE CULTURE AWARENESS

KPO creates and maintains a fair and equitable business environment where ethical business values outlined in KPO Business Principles, Code of Conduct, Anti-Bribery and Corruption, and Anti-Money Laundering Manual are the foundation for all its relationships.

All KPO employees undergo annual Ethics and Compliance trainings.

KPO HOTLINE

To support the company's Ethics and Compliance Programme, KPO has had a toll-free, anonymous and confidential Hotline in place since 2012.

The Hotline provides an important tool to combat fraud, violence and other forms of misconduct in the workplace as part of creating a positive working environment for KPO employees, contractors and stakeholders. The Hotline can be used to report all violations of the Code of Conduct and other possible problems, such as potential legal and ethical violations, discrimination, sexual harassment, conflicts of interest, bribery, etc.

COUNTERPARTIES ETHICAL DUE DILIGENCE

KPO has the Ethical Due Diligence Program to identify the risks associated with each of the potential contractors, and to determine appropriate measures to mitigate such risks.

In particular, for the purposes of ethical due diligence, each potential contractors is provided with a questionnaire requesting detailed

information, including questions concerning the ethical business principles to which such a partner is committed. KPO also uses open national and international databases (including tax and judicial databases) and other information from open sources to conduct due diligence.

KPO requires its contractors to comply with the laws of the Republic of Kazakhstan and international anti-corruption and anti-bribery regulations through commitments incorporated in the KPO model contract form.

KPO ETHICS DAY

In 2024, KPO hosted Annual Ethics Day event at the initiative and with the support of the Legal Directorate. The event was attended by KPO first and second tier management and representatives of Shell and ENI. The event provided an opportunity to discuss issues related to ethical leadership including hot topics of ethics and compliance. KPO Ethics Day has become an annual event organised in KPO.

COMMUNITY ENGAGEMENT

In the process of Karachaganak field development KPO works to prevent or minimize the negative impacts and maximize the benefits from our presence by strengthening our engagement with local communities, thus creating conditions for economic growth and development. KPO's policies, standards, and procedures in the area of corporate social responsibility are based on Performance Standards of International Finance Corporation.



In order to maintain effective dialogue with local communities on social and infrastructural support, KPO conducts meetings and consultations in the form of Village Council meetings with participation of Company employees and representatives from rural districts. Meetings and consultations are the fundamental basis of KPO activity in the area of corporate social responsibility. The existing dialogue in the format of Village Councils with local communities allows KPO to answer their questions, discuss suggestions and initiatives as they arise, helping to address their concerns. In particular, KPO held 12 meetings with the Village Councils in three rural districts located around the Karachaganak Field (Priuralnyi, Zharsuatskyi and Uspenovkyi) in 2024. At these meetings the members of the Village Councils and KPO Community Relations department discussed the community development programs, KPO specialists provided an update on the ongoing **Community Development Programs** and the environmental monitoring program.

One of the most important projects implemented in the framework of the social support for the local community is arrangement of health resort treatment and recreation for pensioners and summer camps for schoolchildren living in the villages around the Karachaganak field (Uspenovskiy, Zharsuatskiy, Priuralny rural districts of the Burlin District). In 2024, KPO provided vouchers for 177 elderly residents of Burlin district for health and recreational activities in the Akzhaiyk Sanatorium. In 2024 a number of Gratitude Letters were received by KPO from local residents of Burlin District thanking the company for care about health of elderly.

As part of its sponsorship and donation program KPO provides support to elderly community members in Burlin District and Uralsk providing a monthly subscription to 1 800 regional and local newspapers.

KPO's social performance program for local communities are also aimed at development of local youth. Eight school graduates from the Priuralnyi, Zharsuat and Uspenovskiy rural districts, who met the criteria of the KPO Scholarship Program, were enrolled in colleges and universities of West Kazakhstan Oblast. KPO funds their studies and monthly scholarship fees. Five students graduated and found jobs by their qualification.

The above-mentioned programs are popular, in demand by the local community, and supported by Burlin District authorities.

LIVE OUR VALUES

CARE FOR PEOPLE

Motivated and capable people drive the company

GOAL ZERO

No harm to people and the environment



- Nationalization
- Development & Performance
- Engagement
- Diversity & Inclusion
- Ethics & Compliance



- Safety Culture
- Business Partners
- Assets Protection
- Environmental Excellence
- Health

ENSURE

STABILITY

STAKEHOLDERS

Social responsibility and engaged shareholders

MANAGE OUR COST

Spend wisely and help build local capability



- RoK
- PSA
- Shareholders
- WKO & Community
- Internal



- Contracts
- Digitalize & Simplify
- Cost Optimization
- Local Content
- Inventory

BUILD THE FUTURE

DELIVER VALUE

Maximize production and deliver growth projects

ENERGY TRANSITION

Reduce our carbon footprint



- Operating Efficiency
- Facilities Optimisation
- Project Delivery
- Gas Project
- Export Routes



- Net Zero Ambition
- Power Strategy
- Offsetting Strategy
- Water Strategy
- Waste Strategy





KPO social
media:

