# Managing material topics in KPO GRI 3-3

Good governance is essential for ensuring the sustainability of large-scale investments, and particularly important in a complex governance structure as the one of KPO in which our strong governance, internal controls and assurance processes are vital to our ongoing success.

In all aspects of its activities and in accordance with the FPSA, KPO operates to internationally recognized standards, which are implemented through a number of policies, procedures and appropriate best practices embedded in KPO's management systems.

KPO's management systems and regulatory documents related to sustainable development for each of material topics are shown on the following table.

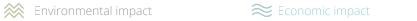## Managing documents on sustainability issues in KPO (by material topics) GRI 3-3

| Material topics | | Management System documents |
|---|---|---|
| **Social topics** | **Personnel development and training** | Annual Training Plan<br>Business Continuity Plan for Training Development Centre<br>Training Planning and Budgeting Preparation Procedure for KPO Employees<br>Enhanced Development Programme<br>KPO scholarship for national employees and their children |
| | **Industrial relations with contractors** | Industrial Relations Policy<br>Contractor HSE Performance Management Strategy<br>Schedule D – Contract HSE Requirements<br>Schedule H – Contract Industrial Relations<br>"Care for People" Programme |
| | **Freedom of association and collective bargaining** | Collective Agreement<br>Policy on Labour Disputes<br>Discipline Handling Procedure |
| | **Security practices** | Security Management System Framework<br>KPO Security Policy<br>In-House Investigation Policy<br>Employees' Personal Data Management Policy<br>KPO Clear Desk Policy |
| | **Respect for human rights**<br><br>**Social, cultural and gender diversity, equal opportunities** | KPO Sustainable Development Chapter<br>KPO Business principles<br>KPO Code of Conduct<br>Hotline<br>Ethic and Compliance Training Program<br>Compliance Investigations Procedure |

| Material topics | Management System documents |
|---|---|
| **Socio-Environmental topics** | |
| **Occupational safety and health** | Health, Safety and Environmental Policy<br>Golden Rules<br>Life Saving Rules<br>Health, Safety and Environmental Management System Framework<br>Safety & Asset Integrity Controllership System Manual<br>$H_2S$ Protection Strategy<br>KPO 4-Year Strategic HSE Plan<br>KPO HSE Improvement Plan 2023<br>Safety Leadership & Culture Programme |
| **Protection of health** | Occupational Health and Health Promotion Policy<br>No Smoking Policy<br>Prohibition on Use of Alcohol, Drugs, Psychotropic and Toxicomanic Substances (their analogues) in KPO<br>COVID Outbreak Prevention Policy<br>Employee wellness plan for 2023<br>Fatigue Risk Management Programme<br>Mental Health Programme<br>Stress Resilience Programme |
| **Process safety** | Safety & Asset Integrity Controllership System Manual<br>KPO 5-YEAR Strategic Asset Integrity Plan<br>Process Safety Fundamentals<br>Simultaneous Operations Risk Management Strategy<br>Competence Development and Assurance Philosophy<br>Barrier Model Guideline |
| **Emergency Response** | Terms of Reference for the KPO Civil Defence<br>Terms of reference for the KPO evacuation commission<br>Strategy for Protection of People in H2S Emergencies in the Field<br>Field Manning Strategy<br>Action Plan for Elimination of Emergency Situations |
| **Community relations: impact assessment and mitigation, grievance redress** | KPO Social Performance Policy and Standards<br>KPO Community Grievance and Suggestion Management Procedure<br>Socio-economic Baseline and Impact Assessment Operating Procedure<br>Stakeholder Engagement Operating Procedure<br>Cultural Heritage Operating Procedure<br>Involuntary Resettlement Operating Procedure<br>KPO Community Development Procedure |

| Material topics | | Management System documents |
|---|---|---|
| **Socio-Economic topics** | **Employment and compensation** | HR Management System Manual<br>Annual Pay Review<br>Remuneration Policy for Kazakhstan Employees<br>Procedure of Reduction of the number or the staff of KPO employees<br>Program on Voluntary Dissolution of Employment Relationship with Provision of Benefits for KPO Employees |
| | **Increase of local content in staff** | 2020–2025 Programme for Local Content Increase in Staff<br>Procedure of Nationalisation plan development and reporting on its implementation |
| | **Social infrastructure projects** | Karachaganak Field's Final Production Sharing Agreement (Annex 5)<br>Social Projects Department Management System<br>Social Investment Operating Procedure<br>Social and Infrastructure Projects Control Procedure<br>Social and Infrastructure Projects Management of Change Procedure |
| | **Sponsorship and charity** | KPO Sponsorship and Donations Policy<br>KPO Scholarship Programme for Rural District Community |
| | **Supply of electrical power to regional network** | Karachaganak Field's Final Production Sharing Agreement (Art.I, Section 1.1.) |
| | **Anti-corruption and Compliance** | Anti-Bribery and Corruption and Anti-Money Laundering Manual<br>Guidelines on Managing Conflicts of Interest<br>Trade Compliance Manual<br>Ethic and Compliance Training Program<br>Ethical Due Diligence Procedure |
| | **Local content development and its share in procurement of goods, works and services** | Local Content Policy<br>Local Content Development Programme 2022–2023<br>Procedure on Reporting purchased goods, works and services<br>Local Content Audit Procedure<br>Early Tender-Trial Order Testing Procedure |
| **Economic topics** | **Technologies and innovations** | Digital Roadmap<br>Digitalization and Continuous Improvement Strategy<br>Business Communications Social Media and Use of IT Policy |
| | **Estimated proved reserves and production** | Reserves Re-Determination Report for the Karachaganak field |
| | **Procurement practices and supply chain** | Contracts and Procurement Policy<br>Karachaganak JOC's Tender Procedures<br>Annex 1 to JOC Resolution dated April 2020<br>Ethical Due Diligence Procedure |
| | **Transparency of payments to the government (EITI)** | Karachaganak Field's Final Production Sharing Agreement (Art.XIX);<br>Tax Accounting Policy of Kazakhstan Branch of Karachaganak Petroleum Operating B.V. |

| Material topics | | Management System documents |
|---|---|---|
| **Environmental-Economic topics** | **Energy efficiency** | KPO Energy Policy and Green Rules<br>Energy Management System Manual<br>Guideline on Green Office<br>Energy Management System Plan |
| | **Environmental compliance** | Environmental Controllership Guidance<br>Environmental Impact Assessment Arrangement Procedure during Development of Construction Projects<br>Procedure for identification of Environmental Legislation Requirements<br>Environmental Legal Compliance Register |
| | **Environmental investments** | KPO Environmental Protective Measures Plan<br>Summary Environmental Aspects Register KPO<br>Environmental Culture and Awareness Enhancement Program for 2022–2024 |
| **Environmental topics** | **Spills** | Oil Spill Contingency Plan<br>KOTS and Gathering main pipelines and infield pipelines rivers / aerial crossings oil |
| | **Air quality monitoring** | PEC: Production Environmental Monitoring<br>Environmental Monitoring Data Assurance Programme |
| | **Reduction of GHG and pollutants' emissions** | Conditions Compliance Procedure<br>Air Emissions Management Procedure<br>Greenhouse Gas Emissions Management Procedure<br>Procedure for measuring industrial emissions with instruments at the KOGCF facilities<br>Vertical Flare Hydrocarbon Flaring Accounting and Reporting<br>Accounting and Reporting Procedure for hydrocarbons flaring at vertical and horizontal Flare Stacks |
| | **Water conservation** | Water Management Strategy<br>Procedure for the management of water consumption and discharge, accounting and reporting during KPO water management activities<br>Karachaganak Field Potable and Technical Water Consumption Records and Report Procedure<br>Procedure for register, storage and utilization of saltsaturated subsurface water in cell No 2 |
| | **Management of waste and effluents** | Waste Management Procedure;<br>Procedure on Acceptance and Classification of Waste at WMC (Eco Centre) Solid Industrial Waste Burial Landfill |
| | **Biodiversity and ecosystems conservation** | Biodiversity Action Plan |
| | **Environmental grievance mechanisms** | Odour Complaints Management Procedure for the communities adjacent to the Karachaganak field |