



Tengizchevroil

Corporate Responsibility Report

2015-2016



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About our Reporting

This report covers 2015 and 2016 and is our fifth biannual report.

Our first report was published in 2008.

Between reports, we will update our Corporate Responsibility activities on our public website.

Please visit the Corporate Responsibility (CR) section of www.tengizchevroil.kz for updates and more details.

What is Corporate Responsibility?

Corporate Responsibility is defined by governments, businesses, non-governmental organizations and communities in many different ways. The evolving concept has as many names as there are definitions; designations such as corporate citizenship, sustainable development, business responsibility, social responsibility, the triple bottom line, earning the license to operate and many more.

The purpose of this report is to share with you, Tengizchevroil's (TCO) stakeholders, our company's definition of CR and to share our progress toward excellence. Tengizchevroil will continue to report on its efforts and activities in CR on our Web site. We welcome your comments on Corporate Responsibility. Please share your thoughts about the topic and stay up to date on our efforts at www.tengizchevroil.kz.

A Message from Our Leadership



Dear Readers,

At TCO, CR is not just what we give back to our communities or how we treat our employees. CR includes our ethics and the integrity that guides our interactions with each other and with our stakeholders.

CR is our environmental performance and our substantial contribution to the economy of Kazakhstan. It is how we collaborate as employees and with Government and local communities. Corporate Responsibility is a fundamental part of our company and our commitment to Kazakhstan. This report presents an overview of how that commitment guides everything we do. TCO has worked hard to continuously strengthen our CR efforts. We are proud to share these results with you.

TCO's mission, vision and core values are the foundation for our accomplishments and leadership in Corporate Responsibility. Core values are defined in the TCO Way and through our Strategic Intents.

At TCO, we measure success in CR in the following areas:

- **Corporate Responsibility and Governance**
- **Excellence in Operational Performance as it relates to Health, Environment and Safety**
- **Strategic Workforce Development**
- **Community Investment and Engagement**

In this report, you will read about our ongoing improvements in all of these areas. We continue to strengthen our industry-leading governance standards and we have made excellent progress in minimizing our environmental footprint through investments in operational excellence and in workforce training and development. We are a dedicated and leading investor in the Atyrau region where we are headquartered and where many of our employees and their families live and work. Additionally, we value our partnership with the Atyrau Oblast Akimat that is focused on improving the community in which we operate.

Tengizchevroil is proud of the progress we have made over the past 24 years. Looking ahead, we will strive to remain one of the leading Kazakhstani companies in CR as we work and grow for the benefit of Kazakhstan and its people. This report continues a formal dialogue about Corporate Responsibility between Tengizchevroil and Kazakhstan. We pledge to progress that dialogue through future reports, our corporate Web site and most of all, our actions in the years to come.

Best regards, **Ted Etchison** General Director

A handwritten signature in blue ink that reads "Ted A. Etchison".

Murat Mukashev Deputy General Director

A handwritten signature in blue ink that reads "Murat".

Tengizchevroil overview

History

The Tengiz field in western Kazakhstan was discovered in 1979.

In April 1993, Tengizchevroil JV was formed between the Republic of Kazakhstan and Chevron Corporation.

Current partners are:
Chevron, 50 percent;
KazMunaiGas, 20 percent; Exxon-Mobil Kazakhstan Ventures Inc., 25 percent; and LukArco, 5 percent.



TCO partners

50%

Chevron

25%

ExxonMobil
Kazakhstan
Ventures Inc

20%

KazMunaiGas

5%

LukArco

The Field

The 1,600-square-mile project license area includes the Tengiz field and a smaller, but sizable, Korolev field.

Total recoverable oil at Tengiz and Korolev fields is from 750 million to 1.1 billion tonnes (6 to 9 billion barrels).

Estimated oil in place in Tengiz field is 3 billion tonnes (26 billion barrels).

At a world class size of 180 million tonnes (1.5 billion barrels), Korolev is one-sixth the size of Tengiz.

Tengiz field is the world's deepest developed super giant oil field with the top of the reservoir at about 4,000 meters (13,000 feet).

Tengiz reservoir is 12 miles wide by 21 kilometers (13 miles) long, the oil column measures an incredible one mile thick.

The reservoir area is so large that one would have to run nearly two marathons to cover the entire distance around it.

1,600 miles²
project licence area

3,180,000,000 tonnes

estimated oil at Tengiz and Korolev fields





The TCO Way

The TCO Way sums up who we are, what we do, what we believe, and our vision for the future. It is a unifying framework for our goals, values, strategies, and initiatives. Our values define a culture that can sustain superior business performance.

At the heart of The TCO Way is our mission and vision.

Mission:

Our mission is to create superior value for the Republic of Kazakhstan and Atyrau Oblast, our employees and shareholders.

Vision:

To be the safest, most efficient and profitable oil and gas enterprise in the world.

Values:

- Integrity
- Trust
- Diversity
- Ingenuity
- Partnership
- High Performance
- Protecting People and the Environment

Strategic Intents:

- Be the Leader in Safety and Environmental Performance
- Invest in Our Workforce to Achieve Our Mission and Vision
- Be the Most Respected Company in Kazakhstan
- Achieve Superior Operational Performance

Operational Excellence

Excellence starts with Operational Excellence (OE). The business of extracting and delivering energy has a direct and positive influence on the lives of people as well as the development of communities and nations. Tengizchevroil takes seriously its responsibility to produce and deliver energy products in a safe and environmentally responsible way. TCO has continuously improved safety and environmental performance over our history. We have done so through significant monetary investment, technology development and implementation and through our dedication to operational excellence.

Tengizchevroil strives for Operational Excellence in all areas of our business. The TCO Way helps us define the spirit in which we work and our Operational Excellence Management System (OEMS) guides us as to how exactly we will maintain world-class standards. OEMS is a standard company-wide approach designed to systematically manage everything from safety, health and the environment, to reliability and efficiency.

OEMS enables TCO to steward safety, health and environmental efforts and to continuously improve the reliability and efficiency of our operations. Driven by leadership, it provides a system for adopting best practices and standards, to help ensure that our company attains world-class performance and delivers sustained value. Using OEMS, we effectively integrate OE objectives, plans, processes and behaviors into our daily operations to protect people and the environment – today and in the future. OEMS is critical for helping TCO to continuously improve our safety record, environmental performance, operational reliability and ability to respond to incidents.

Supporting our workforce to learn new safety-related processes and behaviors is also critical for TCO to continuously improve our safety culture. Processes and programs such as TCO's Behavior Based Safety program and Job Hazard Analysis process have been instrumental in establishing a work environment where employees are continuously planning and discussing safe work with their colleagues and safely returning home after each workday.



TCO Elements of Operational Excellence



1. Security of Personnel and Assets

Provide a physical and cyber security environment in which business operations may be successfully conducted



2. Facilities Design and Construction

Design and construct facilities to prevent injury, illness and incidents and to operate reliably and efficiently and in an environmentally sound manner.



3. Safe Operations

Operate and maintain facilities to prevent injuries, illness and incidents



4. Management of Change

Manage both permanent and temporary changes to prevent incidents



5. Reliability and Efficiency

Reliability

Operate and maintain wells and facilities to ensure asset integrity and prevent incidents.

Efficiency

Maximize efficiency of operations and conserve natural resources



6. Third-Party Services

Systematically improve third-party service performance through conformance to Operational Excellence



7. Environmental Stewardship

Strive to continuously improve environmental performance and reduce impacts from our operations



8. Product Stewardship

Manage potential health, environmental, safety (HES) and integrity risks of our products throughout a product's life cycle



9. Incident Investigation

Investigate and identify root causes of incidents to reduce or eliminate systemic causes and to prevent future incidents



10. Community and Stakeholder Engagement

Reach out to the community and the workforce to engage in open dialogue to build trust and long-term positive relationships.



11. Emergency Management

Prevention is the first priority, but be prepared to respond immediately and effectively to all emergencies involving Tengizchevroil wholly owned or operated assets. For company products or interests such as common carriers, chartered vessels and facilities operated by others, be prepared to monitor the response and, if warranted, take appropriate actions.



12. Compliance Assurance

Verify conformance with OE requirements in applicable company policy and government laws and regulations. Train the workforce regarding their OE-related responsibilities.



13. Legislative and Regulatory Advocacy

Work ethically and constructively to influence proposed laws and regulations, and debate on emerging issues.

Performance

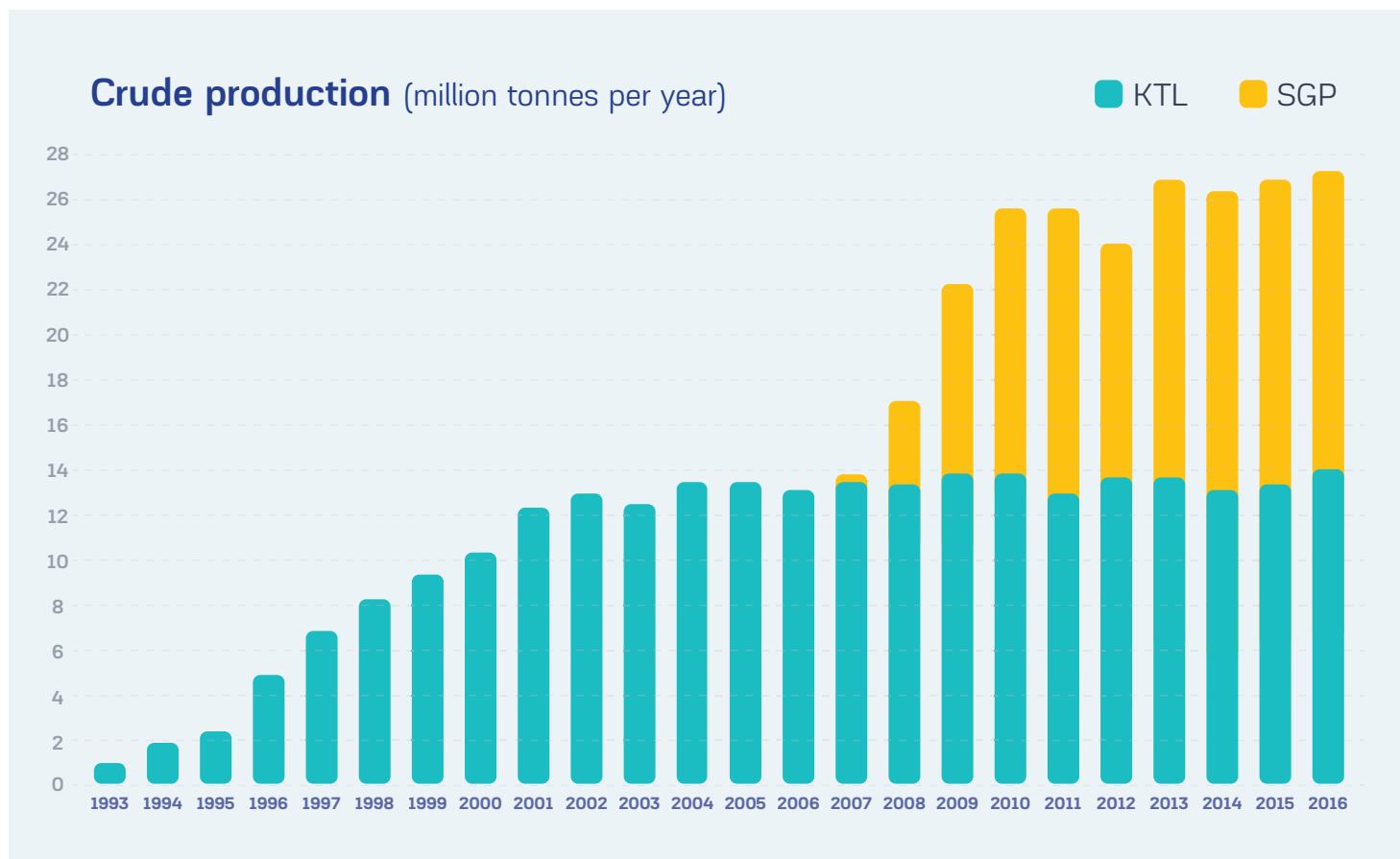
Economic Impact

From 1993 to 2016, TCO has made a significant direct financial impact on the Republic of Kazakhstan, contributing over \$116 billion to Kazakhstan entities, including purchases of Kazakh goods and services, tariffs and fees paid to the state-owned companies, profit distributions to Kazakhstani shareholder, taxes and royalties paid to the Republic and Kazakhstani employee's salaries. Payments totaled \$8.2 billion in 2015 and \$4.7 billion in 2016.

Payments totaled:
2015 - **\$ 8.2 billion**
2016 - **\$ 4.7 billion**

Production and Sales

- Tengizchevroil produced and sold 27.16 million tonnes of crude oil in 2015 and 27.56 million tonnes of crude oil in 2016. In 2015, TCO offloaded the last shipment of bulk sulfur from the sulfur pads – two years ahead of schedule
- In 2015, TCO sold over 1.27 million metric tonnes of LPG, 6.85 billion cubic meters of dry gas and over 2.7 million tonnes of sulfur
- In 2016, TCO sold over 1.35 million metric tonnes of LPG, 7.21 billion cubic meters of dry gas and over 2.33 million tonnes of sulfur



Future Growth Project

In 2016, TCO Partners announced approval for the final investment decision of the Future growth Project - **Wellhead Pressure Management Project (FGP-WPMP)**, the next major expansion of the Tengiz oil field.

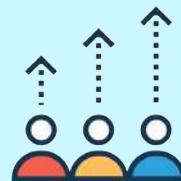
The FGP-WPMP is being constructed simultaneously to realize significant efficiencies and cost savings. Based on TCO's highly-successful SGI/SGP expansion project, FGP will expand production by approximately 12 million tonnes per year/260,000 barrels per day to about 39 million tonnes per year/850,000 barrels per day.

WPMP will keep the existing Tengiz plants full by lowering the flowing pressure at the wellhead and then boosting the pressure to the inlet requirements of the six existing processing trains.

Aim

FGP will expand production by approximately
12 million tonnes per year/
260,000 barrels per day to about
39 million tonnes per year/
850,000 barrels per day.

**creation of
20,000
jobs**



The main FGP-WPMP equipment will be fabricated in Kazakhstan, South Korea and Italy and pre-assembled into modules for transportation to Tengiz and final assembly.

By the end of 2016, FGP-WPMP has completed 56% of overall engineering and finalized 90% of the 346 Procurement Contracts awarded, with more procurement opportunities to come for Kazakhstani businesses.

At FGP-WPMP peak construction and fabrication expected creation of about 20,000 jobs. TCO has engaged Kazakhstani entities to participate in FGP in engineering, procurement and fabrication services and has pre-screened over 1,730 Kazakhstani companies by the end of 2016.





Tengizchevroil and the environment

Environmental Monitoring

TCO conducts ongoing environmental monitoring in the territory of our operations, reporting to the appropriate government authorities on the results of our air, water and soil monitoring.

Our integrated environmental monitoring program is carried out by licensed contractors and data are analyzed by relevant TCO departments.

New state of the art environmental laboratory

A new laboratory at TCO Industrial Base-Maintenance and Operations Area Consolidated Laboratory facility was commissioned to support sampling and analysis designed to ensure quality environmental data resulted from the TCO Environmental Monitoring Program.

Laboratory facilities were upgraded including the installation of world-class laboratory equipment. This high performing laboratory will allow TCO to receive the most accurate and reliable data on the environmental condition, in particular, quality of air, ground water and soil.

Air monitoring

TCO's ongoing air monitoring helps improve environmental performance. Monitoring enables TCO to evaluate the performance of our environmental programs and informs the implementation of appropriate mitigation measures, including preventive and remedial maintenance.

The Sanitary Protection Zone (SPZ) is an area around the plant that has been identified by appropriate government authorities, and which provides a buffer between nearby communities and the plant. No emissions above the norm have been found at the SPZ boundary.

The comprehensive TCO industrial environmental monitoring program directs the sampling program and identifies where data are collected. This program includes several different ways to monitor air to ensure all emissions are captured accurately. The program is reviewed and approved annually by local and state agencies.

Mobile laboratories complete daily flare plume monitoring. Air samples are taken at various locations upwind and downwind of the plant, ranging from .5 to 16 kilometers from the plant.

SPZ border air monitoring is completed quarterly at 11 specific fixed locations. Stationary sites are located in TCO Rotational Village and Zhana Karaton village. Samples are collected and analyzed 4 times a day at TCO Rotational Village and once a week in Zhana Karaton village to ensure TCO that air quality is not affected in any way by TCO operational activities.

There are 12 automated environmental monitoring stations (EMS) within the area of TCO's production facilities. The stations are equipped with modern gas analyzers to detect hydrogen sulfide (H₂S), carbon monoxide (CO), nitrogen dioxide (NO₂), sulfur dioxide (SO₂) and mixture of saturated hydrocarbons. Each EMS is in automatic operation 24 hours a day.

All EMS are equipped with uninterrupted power supply system in case of power outage in the station to allow TCO access to continuous reliable data. All equipment involved in air monitoring are verified and calibrated by certified contractors in a timely manner using certified gas mixtures.

Fixed equipment, such as chimney stacks of production units, boilers and gas turbine stations, is also a source of emissions at TCO production facilities. Emission monitoring is carried out directly on the source of emission at designated equipped sampling sites.

Vent gas flow is measured by means of Pitot tube and pressure difference transmitter. Instruments go through required RoK certification, and works are done by trained and skilled professionals. The monitoring is conducted to maintain continuous control and assurance with established emissions limits.

The data collected is compared with the applicable Republic of Kazakhstan (RoK) air quality standards. Emissions monitoring enables TCO to analyze data and then take the necessary actions for air protection.



Landfill Gas Monitoring

Monitoring of landfill gas at municipal solid waste landfill and industrial waste landfill at TCO's Tengiz Eco Center is conducted according to the Environmental Code.

Gas monitoring is conducted at a certain depth of waste to identify the volume and composition of gas generated from waste decomposition; on the surface of landfill, and at facility's SPZ to detect any cases of uncontrolled gas emissions to the surface.

Thus, the 21 installed gas outlet pipes help TCO to safely operate the landfill and determine the level of waste decomposition and its environmental impact.

Monitoring of landfill gas is conducted by the third-party accredited environmental Laboratory according to an approved methodology.

Air sampling is conducted at TCO's landfill in the following locations:

- at the baseline point located at the windward side of each landfill;
- at each gas outlet pipe located at the landfills;
- at the point of landfill surface, no more than 1 meter from each gas outlet pipe, at the leeward side; and
- at municipal solid waste landfill SPZ and industrial waste landfill boundary.



Ground water monitoring

It is critical to protect water resources from pollution, especially in arid climates like the Caspian region of Kazakhstan.

TCO has developed a ground water monitoring program across the TCO partnership area to assess protection of water resources in the region from TCO operations.

TCO performs regular and routine industrial monitoring of ground water to obtain information about the condition of environment and assess if there have been any impacts from production activity. The first two water-bearing horizons down from the ground surface are subject to routine monitoring.

Hydrogeological conditions of the region include complicated saline-dome tectonics, rock salt plugs located comparatively close to the surface, as well as arid climate, weak natural drainage conditions and absence of permanent water courses that results in generation of highly mineralized ground waters across the TCO partnership area (salt brines with mineralization varied from 17 to 286 grams per liter exist and are considered unfit for drinking and domestic purposes).

The chemical composition of the observed natural ground waters contains chloride-sulfate, sodium-magnesium and chloride-sodium-magnesium along with high concentration of heavy metals.

Analysis of background groundwater data have historically showed concentrations of dissolved substances, sulfates and heavy metals in ground waters that exceed applicable water quality standards for household/drinking and public/general water consumption.

These high background concentrations are the high natural concentrations of these components in ground waters in the region and not associated with TCO operations.

Sampling and analysis of ground waters is performed according to current standard methodological

guidelines of the Republic of Kazakhstan and TCO's industrial environmental monitoring program. Currently, samples are taken from 122 wells near production facilities and within Tengiz and Korolev oilfields as well as from background wells remote from production facilities to provide information on natural conditions.

Modern sampling equipment is used (such as expendable loaded samplers and tips, peristaltic pump) to ensure the collection of high-quality data, avoid any possibility of cross-contamination, and prevent water contact with oxygen during sampling.

Electric level indicator is used to measure ground water level. The sampling and analysis for potential contaminants on groundwater is conducted regularly. All results received for chemical analysis and water level measurement are registered and entered in TCO's database to better document changes over time.

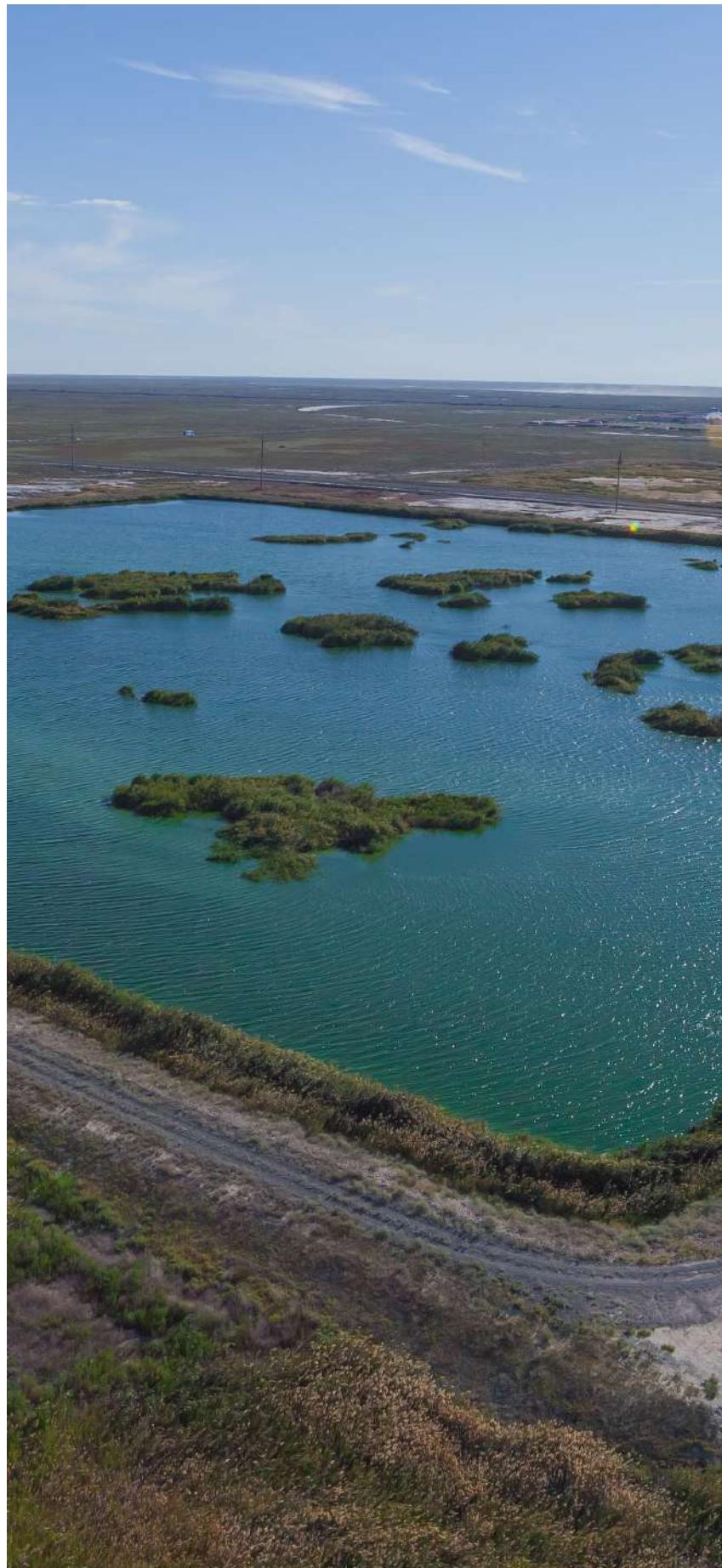
Groundwater monitoring is done through a network of observation wells. Unserviceable wells are decommissioned, old or failed wells are replaced with new ones, and damaged wells are restored when required to ensure a competent and comprehensive groundwater monitoring network.



Waste water monitoring

Monitoring of waste water, both industrial and sanitary, allows TCO to control the effluents placed in evaporation ponds and subsurface horizons (industrial water is disposed of in injection wells) as well as to ensure compliance with established environmental standards of the Republic of Kazakhstan.

Waste water is monitored at discharge points into evaporation ponds and injection wells. Frequency of sampling and analysis of samples comply with the TCO industrial environmental monitoring program and schedules of analytical control. No sampling is carried out if effluents are not discharged into evaporation ponds.



Leachate Material Monitoring

Requirements of SNIP RoK 1.04-14-2003 "Landfills for neutralization and disposal of toxic industrial waste. The main provisions of the design" and CH RoK 1.04-15-2002 "Landfills for municipal solid waste" have been used in designing and constructing landfills to minimize the impact from their operation.

Watertight screens (waterproof protection), drainage systems and leachate collection resulting from biochemical degradation of waste are all installed at TCO landfills to provide data on waste decomposition and the potential for leachate generated to affect underlying soil. Leachate is drawn from drainage systems to the evaporation ponds which are also equipped with watertight screens.

Leachate monitoring at all three TCO landfills includes visual surveys of the area adjacent to the landfills at industrial waste and solid domestic waste landfills, observations over the level of the leachate in inspection shafts, and evaluation of data on the chemical composition of the leachate.



Radiation monitoring

TCO monitors and reports the radiological condition within the area of our operations. The radiological monitoring program is completed once a year as an equivalent gamma radiation dose.

The rates of radiation measurement in 2016 do not exceed 0.09 Sv/h within the area of production facilities. The permissible limit of effective dose of gamma rays at industrial facilities in RoK is equal to 2.5 Sv/h. The highest readings, still well below the permissible limits, were reported as 0.06 Sv/h.

TCO's environmental data collected in the industrial control program is submitted to the State agency in accordance with the RoK established procedure quarterly.



Air Protection

Protection of air quality includes record-keeping to understand trends and increases or decreases in pollutant concentrations and taking actions to systematically decrease hazardous substances emissions when feasible. TCO rigorously complies with legislative requirements of Republic of Kazakhstan and implements a whole set of air protection activities through implementation of state-of-art technologies.

TCO has successfully achieved a decrease of air emissions while still increasing oil production volumes. From 2000 to 2016 the air emission rate was reduced from 8.3 kilograms per ton oil produced (kg/T) to 2.41 kg/T while oil production increased from 10.5 MM tons to 27.6 MM tons. TCO decreased overall air emissions by 71% while realizing an increase in oil production by 162%.

Conservation and Rational Use of Water Resources

TCO uses water every day for technical and potable needs in the course of conducting its operations. TCO recognizes the value of fresh water as a fundamental social, environmental and economic resource and places a great importance on water conservation.

Fresh water is a scarce resource in the Tengiz area due to the arid conditions in the region and the lack of available potable water. TCO has recognized that consistently implementing water conservation practices is a requirement for maintaining a license to operate and achieving business and environmental performance targets.

Evergreen Technology

Evergreen burner technology is an established international practice in facilitating the management of remaining materials of well flow back operations. The technology, developed in 1997, is currently operated in more than 40 countries including the United Kingdom, Russia, Norway, Denmark, Greenland and Ireland. Over 200 Evergreen units are being used, many under the same environmental conditions that exist in Tengiz.

Evergreen burner fully incinerates residual products from bringing a well into production and minimizes air pollution. The equipment is a safe and environmentally-sensitive option to handle remaining materials specific to well flow back operations in Tengiz and is effectively being used to bring on wells required to achieve the production goals approved by the Government of the Republic of Kazakhstan.

Monitoring of soil

There are 58 soil sampling sites including 7 background points identified and sampled yearly for documenting the overall and local soil contamination within the TCO partnership area. Sampling sites for soil monitoring are located along the vector of wind diagram to understand if potential contamination is potentially spread via wind outside of the area. Location of test sites may slightly change depending on the composition of the soil cover, soil status and other conditions.

Soil monitoring program includes collection of soil samples and laboratory analysis for the following components: pH, ions of chlorine (Cl⁻), sulfate (SO₄²⁻), calcium carbonate (CaCO₃), calcium (Ca), magnesium (Mg), potassium (K), sodium (Na), hydrogen sulfide, total hydrocarbons, lead (Pb), copper (Cu), molybdenum (Mo), barium (Ba), nickel (Ni), strontium (Sr), arsenic (As), manganese (Mn), vanadium (V), titanium (Ti), iron (Fe), chromium (Cr), tin (Sn), polycyclic aromatic hydrocarbons, elemental sulfur, and bacterial and helminthological test. Discrete soil samples are taken from two horizons (0-5 and 5-20 centimeters) by the envelope method and analyzed by third party contractors.

To assess a soil quality in the areas of TCO industrial facilities the data obtained is compared versus RoK regulatory indicators and soil background concentrations.

Mobile sources emission control

All TCO vehicles are subjected to mandatory regular maintenance and inspection at specialized transport management facilities. TCO's motor vehicle fleet is constantly refreshed and the vehicles are kept in good working order.

Vehicle exhaust is checked with advanced small-size emission detection equipment separately for TCO cars and trucks at designated posts as part of mandatory inspection as well as after repair of major vehicle parts. The exhaust check is performed by trained personnel at a light duty vehicle checking station and a heavy-duty vehicle checking station in Tengiz. The testing results are logged and reviewed to take action, when warranted, to control the emissions from vehicles.

All TCO and contractor vehicles are equipped with vehicle operation control sensors to monitor driving speed and prompt motor shutdown if standing time exceeds 20 minutes. Deployment of such sensors has resulted in lower Motor Vehicle Accident rate, reduced emissions from idling vehicles, and has reduced vehicle maintenance costs. Thus, TCO ensures compliance with the current environmental requirements for mobile emission source.



Gas Flaring

TCO has implemented a series of major projects aimed to reduce gas flaring including Gas Processing Capacity Expansion, Gas Export Expansion and Gas Utilization Projects.

TCO has reduced gas flaring by 84% since 2000. However, there has been some increase in TCO's gas flaring from 2014 through 2016. This increase is related to TCO efforts to improve equipment reliability.

TCO has successfully conducted significant Turnarounds each year to replace aging equipment and improve reliability; replacing equipment often requires flaring to conduct the work safely. For the purpose of sustaining adequate production level, TCO has to flare gas from time to time to enable safe repair of failed equipment or pro-active replacement of equipment which may fail.

This approach is how TCO can attain world class reliability while maintaining the production the Republic of Kazakhstan requests. TCO will continue to manage operations effectively and flare gas only when permitted or when flaring is unavoidable to maintain safety of personnel and the plant.

TCO continues to look for additional opportunities to reduce gas flaring. Further investments in equipment reliability and innovative technologies will be central to our efforts.



Water consumption at TCO facilities

Since the Tengiz region does not have fresh ground or surface water, TCO facilities, like most other water users in the Atyrau Oblast, are supplied with fresh water through the Astrakhan-Mangyshlak water pipeline from the Kigash River, one of the Volga river's channels.

TCO facilities in Atyrau (TCO HQ office, Dostyk Village and the Atyrau Transit Hotel) are supplied from Atyrau municipal water distribution systems (potable water), and technical water systems for irrigation. Water supplied in Tengiz to satisfy technical and drinking water needs is subject to prior treatment at water treatment facilities. Design of those facilities allows TCO to operate them in an automatic mode which ensures the high quality of treated water.

Water treated this way meets SanPiN – “Sanitary and epidemiological requirements to water sources, service and potable water intake, service and potable water supply, places of cultural and domestic water use and safety of water bodies”, approved by the order #209 of the Republic of Kazakhstan National Economy Minister as of 16.05.2015. Monitoring of potable water quality is conducted in TCO facilities according to a work program and pursuant to regulatory norms.

One Major Capital Project which focused on fresh water conservation and wastewater management was TCO's Water Recycling Facility (WRF). This facility was commissioned in 2016 and is a major component of TCO's long-term, comprehensive environmental protection program. TCO's WRF treats domestic wastewater to technical water quality via reverse osmosis. The facility design indicates the WRF can produce up to 3600 m³/day of recycled water for industrial use in TCO operations.

The recycled water from the WRF is expected to increase TCO's annual recycled water rate approximately 30% and provide additional technical quality water to support construction of TCO's Future Growth Project.

The fresh water consumption per ton of produced oil was reduced from 0.36 cubic meters in 2006 to 0.13 cubic meters in 2016. TCO is developing a Water Master Plan to identify technically feasible opportunities that could reduce TCO's dependence on fresh water drawn from the Volga river.

The Plan will consider the feasibility and cost effectiveness of conservation measures, reuse technologies as well as alternative sources of water and propose their implementation by TCO or third-party water providers.

Wastewater Treatment and Discharge

All wastewaters in TCO are treated prior to disposal. Industrial wastewater and rainfall runoff undergo physical treatment, while sanitary wastewater is chemically, physically, and biologically treated prior to discharge or reuse. Wastewater disposal to evaporation ponds and subsurface injection are conducted in accordance with TCO's emissions permit. The permit was issued after extensive regulatory review of the maximum permissible discharges into evaporation ponds and underground reservoirs.

TCO's new sanitary water treatment facility (WTF) in Tengiz was successfully commissioned in 2013. The WTF was built to treat 6000 m³/day of combined sanitary waters from the Industrial Base, TCO rotational village and partly Shanyrak village. This project demonstrates TCO's commitment to superior environmental performance, one of our strategic

intents. The WTF has allowed TCO to discontinue discharge of wastewater to Industrial Base and TCO Village evaporation ponds and has provided the main feed water for the WRF.

The increased quality of treated wastewater from the WTF provides the WRF with adequate quality influent to produce high-quality water for TCO's industrial use.

Several additional important projects associated with the improvement of wastewater treatment, handling infrastructure and system integrity projects, have been started or are in the final stages of implementation. These projects, including Wastewater Upgrade, SGP Water Handling Upgrade, SGP Open Drains, and Wastewater Injection System Upgrade, will have positive impacts on operations and increase reliability of industrial wastewater treatment units.



Land Protection

Some soil disturbance, and the formation of man-made relief and other land quality changes occur during production of natural resources and construction works.

TCO annually monitors technologically disturbed lands (TDL) in the TCO partnership area to identify disturbed or contaminated areas and to reclaim them at a later stage. Conditions of contaminated lands are assessed, reclamation projects are developed, and findings on revealed and reclaimed areas are reflected in ArcGIS data base and cartographical materials. Information about land conditions are reported yearly to state land use authorities.

Reclamation of such disturbed lands includes collection and removal of garbage, restoration of natural landscape by filling in pits, and repairing the natural slopes and roughness of the terrain and the creation of conditions to encourage the growth of natural vegetation.

Elimination of the historical contamination is technically complicated. In 2009, TCO created a new project of assessment and reclamation of land with oil contamination and one of the goals was to improve the methods of assessing and engineering solutions to oil contaminated land and to share those best practices with the local companies operating in this sector. Local companies manage reclamation projects, equally increasing Kazakhstani content in services for TCO.

After reclamation, TDL naturally revegetate themselves and are covered with endemic drought-resistant and salt-sensitive vegetation in several years. TCO's continuous reclamation of disturbed lands is a part of TCO's environmental protection strategy and demonstrates commitment to principles of corporate social responsibility.

Reclamation of technologically disturbed lands

As of 2016 TCO has reclaimed/remediated 1320 ha of TDL reaching 97% of TDLs which were intended for reclamation/remediation works, most of which were lands with relief disturbances.

In particular, these included borrow pits in area size of 1154 ha, dump sites – 49 ha, piles – 32 ha, flare pits/drill cutting pits -35 ha etc.







Contribution to Kazakhstan's economy

Within 1993-2016, TCO has made direct financial payments of \$116 billion to Kazakhstan, including Kazakhstani employees' salaries, purchases of Kazakhstani goods and services, tariffs and fees paid to state-owned companies, profit distributions to Kazakhstani shareholder and taxes and royalties paid to the government. In 2016, direct payments to the Republic of Kazakhstan exceeded \$4.7 billion.

TCO has been consistently increasing Kazakhstani content in goods and services year by year. In 2002 the enterprise purchased goods and services from domestic producers for \$415 MM, and in 2015 these expenses reached over \$2.4 billion and over \$1.9 billion in 2016. Within 1993-2016, TCO has spent over \$22 billion to buy Kazakhstani goods and services.

1993 - 2016



**TCO has spent over
\$22 billion to buy
Kazakhstani goods and
services**

TCO's Kazakhstani Content Development Strategy

A key aspect of TCO's Kazakhstani Content development strategy is working with current and potential suppliers so that they understand the international quality and safety standards they must meet to do business with the oil and gas industry. The continued development of a Kazakhstani market for goods and services that meets high international standards is a cornerstone of the company's sustainable development strategy – and creates significant benefit for Kazakhstan.

TCO believes that if the company is to achieve its Kazakhstani Content objectives, it must generate long-term opportunities for the suppliers of goods and services. As such, TCO will continue to support the sustainable development of Kazakhstani suppliers, encouraging appropriate investments in infrastructure, Kazakhstani workforce training and the creation of jobs.

Doing Business With Tengizchevroil

Creating Successful Partnership with TCO

TCO's Supply Chain Management organization works to strategically leverage and manage the company's supply base to ensure goods and services are delivered safely, reliably, at a competitive cost, and always on a platform of quality and integrity.

TCO seeks partnerships with suppliers who have a strong safety culture, reliable operations, quality goods and services, competitive pricing, strong cost-management skills, innovative business solutions, and a strong customer and Kazakhstani Content development focus.

At TCO it is not only about delivering business results; we focus on delivering them in line with the TCO Way. We expect our suppliers to always adhere to the spirit and intent of these expectations and values.

Supplier Requirements

Suppliers that provide the high-quality goods and services used by TCO must demonstrate the following qualities:

- Excellent safety record and environmental performance
- Internationally recognized quality standards and management systems
- Commitment to developing and growing sustainable Kazakhstani content
- Cost competitiveness
- Financial stability
- Customer focus
- Innovative business solutions

Supplier Expression of Interest (SEOI)

Suppliers interested in doing business with TCO shall provide a Supplier Expression of Interest (SEOI) by submitting a SEOI Web Form through the SEOI web tool on the TCO external website: www.tengizchevroil.com. With the SEOI web tool TCO and Suppliers will be able to communicate on a single platform with the following advantages:

- Suppliers can express their interest to work with TCO by submitting a SEOI Web Form
- Suppliers will be able to update and maintain their own SEOI Profile created on the TCO SEOI web platform
- TCO staff can go to one place to identify potential suppliers of goods and services

Note: TCO also utilizes the O&G industry ALASH database (www.alash.kz) to identify prospective suppliers.

Suppliers interested in doing business with TCO



can express their interest to work with TCO by submitting a SEOI Web Form

through the SEOI web tool on the TCO external website:
www.tengizchevroil.com

Tengizchevroil Kazakhstani Content Success

TCO is committed to the increase of sustainable Kazakhstani Content and takes the following actions to ensure Kazakhstani commitments are met:

- Identification, development, and utilization of local suppliers
- Guiding major strategic suppliers to plan and develop local sources of goods and services
- Encouraging the formation of joint ventures between international companies and local companies

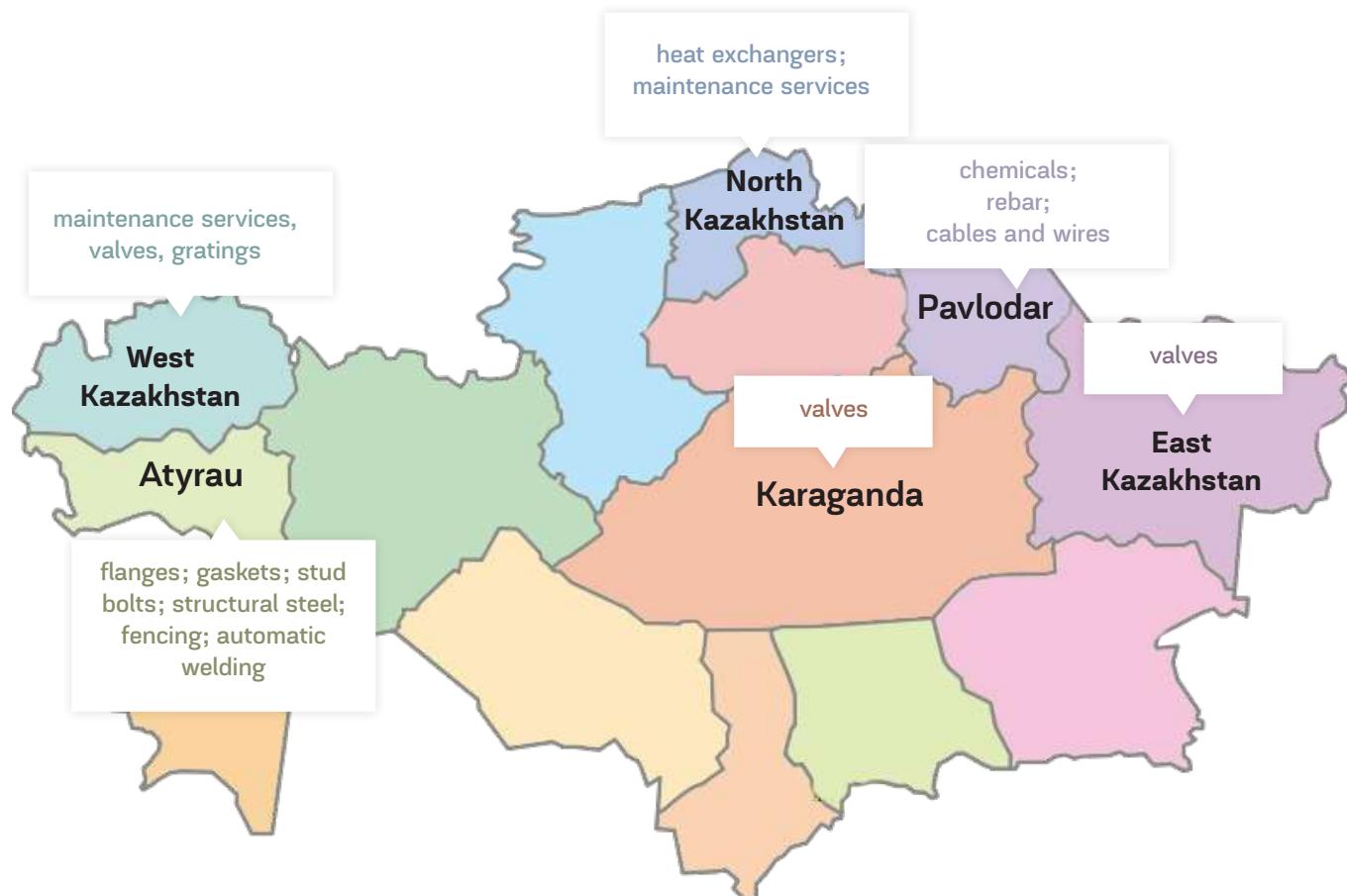
Because of these actions during the past year the following areas have seen the development of new, strong Kazakhstani companies in the following areas:

- Construction Materials
- Electrical Equipment and Cables
- IT and Telecom Equipment and Cables
- Production Chemicals
- Office Equipment
- Logistics
- Valve service and maintenance

Region Level Activities

TCO has agreement with RoK regions to assess market capabilities of local manufacturers according to TCO requirements. There are over 40 companies that are under the process of assessment as per TCO needs and which could lead to potential KC increase in the following regions:

TCO will continue current practice of regional site visits to learn the suppliers' potentials and study the markets.



Cooperation with European Bank for Reconstruction and Development for improving capabilities of local companies

In October 2015, TCO committed to partner with European Bank for Reconstruction and Development (EBRD) to strengthen SME's in Kazakhstan to grow into more successful businesses. TCO provided co-finance to support the EBRD's ongoing Kazakhstan Small Business Support Programme over initial period of 2 years (2015-2017).

The Programme enables SMEs to access a diverse range of consulting services by facilitating projects with local consultants and international advisers on a cost-sharing basis. Suppliers to TCO will be included in the Programme along with SMEs with no current direct links to TCO.

With support from TCO, EBRD targets to host at least 50 local SMEs at business clinics, seminars and informational events; train at least eight local consultants; and share the costs of business advisory projects for 12 SMEs.

Increased capacity and capabilities among supported businesses will contribute towards raising competitiveness of Kazakhstan's SME sector and increase opportunities for SMEs to become suppliers to TCO.

Since the Programme's launch the EBRD team has been actively working on generation, implementation and completion of advisory projects. As of the end of the reporting period, the project advancement rate stands at 50% for all of projects, with 6 projects started/approved with local consultants and 1 project with international advisers is at the concept development stage.

Market development activities were undertaken to strengthen the SME support infrastructure and to increase the awareness of the target group about the Programme launch. Also, various types of consultancy services addressed to meet the key needs of SMEs were introduced, such as access to finance, cost reduction, quality management and safety, raise public visibility of the Programme and its donor.

Stimulating Kazakhstani content growth in partnership with major suppliers

There is significant potential for Kazakhstani content within the major contractors and suppliers to TCO.

TCO enters long-term strategic relationships with these companies because they share TCO's values – one of which is a strong commitment to the development of Kazakhstani Content.

To do this, the supplier and TCO work together to develop a Kazakhstani Content Plan which outlines the investment, employment, training, and purchasing to promote Kazakhstani Content.

TCO then works with and monitors the supplier over the life of the contract to support these goals or make corrective actions if necessary.

Localization

TCO works with international suppliers and local companies to encourage the formation of joint ventures. TCO is currently focusing on the following areas:

-  Maintenance services
-  Construction materials production
-  Chemicals
-  Fittings and flanges manufacturing
-  Pump maintenance services
-  Fasteners manufacturing



Personnel development and management

One of TCO's strategies is investing into human resources to develop and empower a highly competent workforce that delivers results the right way.

TCO staff consists of personnel of different ages, various qualification, experience and interests. Despite the diversity of personnel and work environment the company ensures social security of its workforce through labor and industrial relations management; creation of effective general renumeration system; ensuring effective use of workforce capacities and potential; trainings and development, workforce potential planning; expanded package of social programs, benefits and initiatives aimed at maintaining corporate identity of employees, corporate culture, workforce commitment on corporate values and strategies.

Important element of personnel management is awareness of employees about company objectives and tasks and importance of each employee in achieving the aims.

TCO objectives and tasks communication is done through:

- Information in internal website
- Regular meetings of TCO management with staff
- Cascading under performance management process
- Monitoring of situations in TCO structural units by group of business partners
- Monitoring of situations in contractors by IR group in TCO facilities

Feedback from workforce is provided through:

- Regular meetings of TCO management with staff representatives
- Grievance committee on resolving individual labor disputes
- Hotline for complaints and suggestions of TCO and contractors' workforce (anaymous calls are reviewed)

TCO's social responsibility before its workforce is formalized in a collective agreement that has been in effect since 1996.

The Collective Agreement is updated and changed every three years. The last update came into effective on January 1, 2017. The Collective Agreement parties are the Trade Union of Tengiz Oilfield Employees, TCO Employees Union and the company management. The following constitute the key elements of the Collective Agreement.

The Collective Agreement reflects rights and obligations of the workforce and the company. At the same time, the Agreement provides opportunity to discuss a wide range of issues thus ensuring that workforce opinion is considered.

TCO was recognized with awards of Paryz Corporate Responsibility Competition several times in the nominations:

2008 – Silver Prize “The Best Social Project”
2009 – Golden Prize “The Best Collective Agreement”
2011 - Grand Prix – “Social Responsibility of Business”

Besides that, TCO closely cooperates with contractors to ensure they comply with labor legislation of Republic of Kazakhstan. Thus, TCO contracts concluded with contractors are amended with an attachment regulating TCO requirements in industrial relations (accommodation, catering and sanitary and hygienic conditions). In 2015 those requirements were incorporated in contractors concluded under FGP; and since 2016 they are gradually brought in base business contracts.

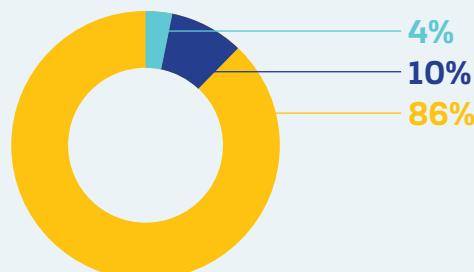


TCO Kazakhstani Content in Staff

■ kazakhstani ■ expatriate

■ russia and belorussian

Total workforce



Total managers & supervisor s



Strategic Planning and Hiring

The basis of personnel management process in TCO is workforce strategic planning for the nearest and mid-term perspective. Huge attention is paid to Kazakh Content in workforce.

TCO hiring process corresponds to best practices and conducted in an exposed manner and transparently. Information on vacancies is placed in company's external website, which provides for equal access for all potential candidates. TCO's attention is focused on talented university graduates besides experienced specialists based on company demands.

Candidates selection for TCO vacancies is implemented in several phases, which include tests and interviews with cross-functional team.

Workforce Development

In TCO various personnel training and development programs are implemented.

Newly hired employees have trainings on company processes and procedures aimed at the best adaption of the employees to corporate culture and company environment.

All TCO and contractor workforce must have safety training before to be allowed to work. The trainings include legislatively approved types along with system of specially developed corporate trainings and events aimed at avoiding and mitigating potential risks. In 2015-2016 more than 80,000 people had various safety trainings.

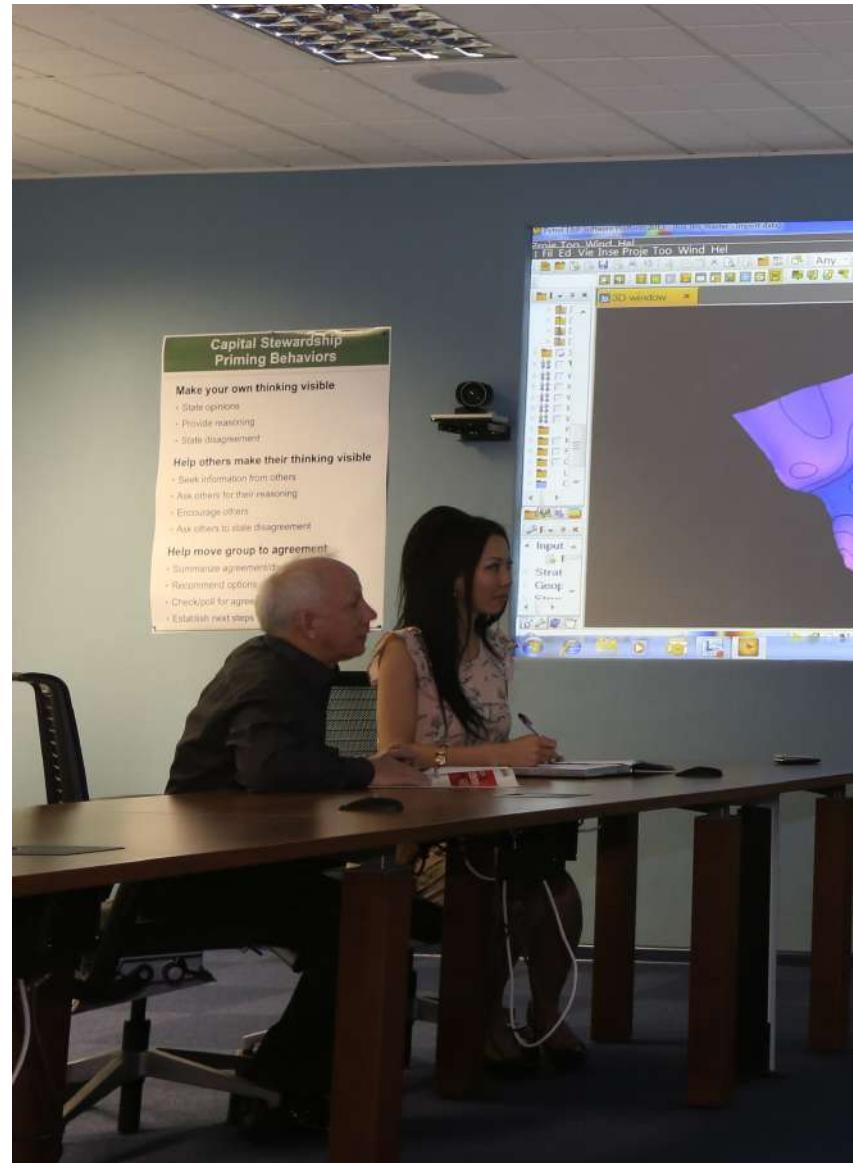
TCO trainings system includes structured program on leadership development, mentorship, international assignments, internal specialized programs on technical and profile disciplines, cross-functional assignments. Also, focus is made on planning succession and developing employees with high potential to meet company needs today and tomorrow.

TCO actively implements structured program on leadership development, which provides for consistent leadership competence development of employees of all levels in the organization structure.

For operating personnel, the company has four specialized programs on technical and profile disciplines in compliance with safety and reliability norms, and requirements of working with state-of-art technologies in plants. The programs consist of theoretical and practical clusters and provide fundamental study of production safety ensuring system's existing operational processes and requirements.

Accelerated development of technical universities graduates hired to TCO is done through Horizons Program developed by Chevron. The Program efficiency is ensured by official mentorship and cross-functional assignments besides mandatory classroom trainings on required engineering disciplines. Thus, program participants have opportunity to sharpen their theoretical and practical skills to the required level in a working environment.

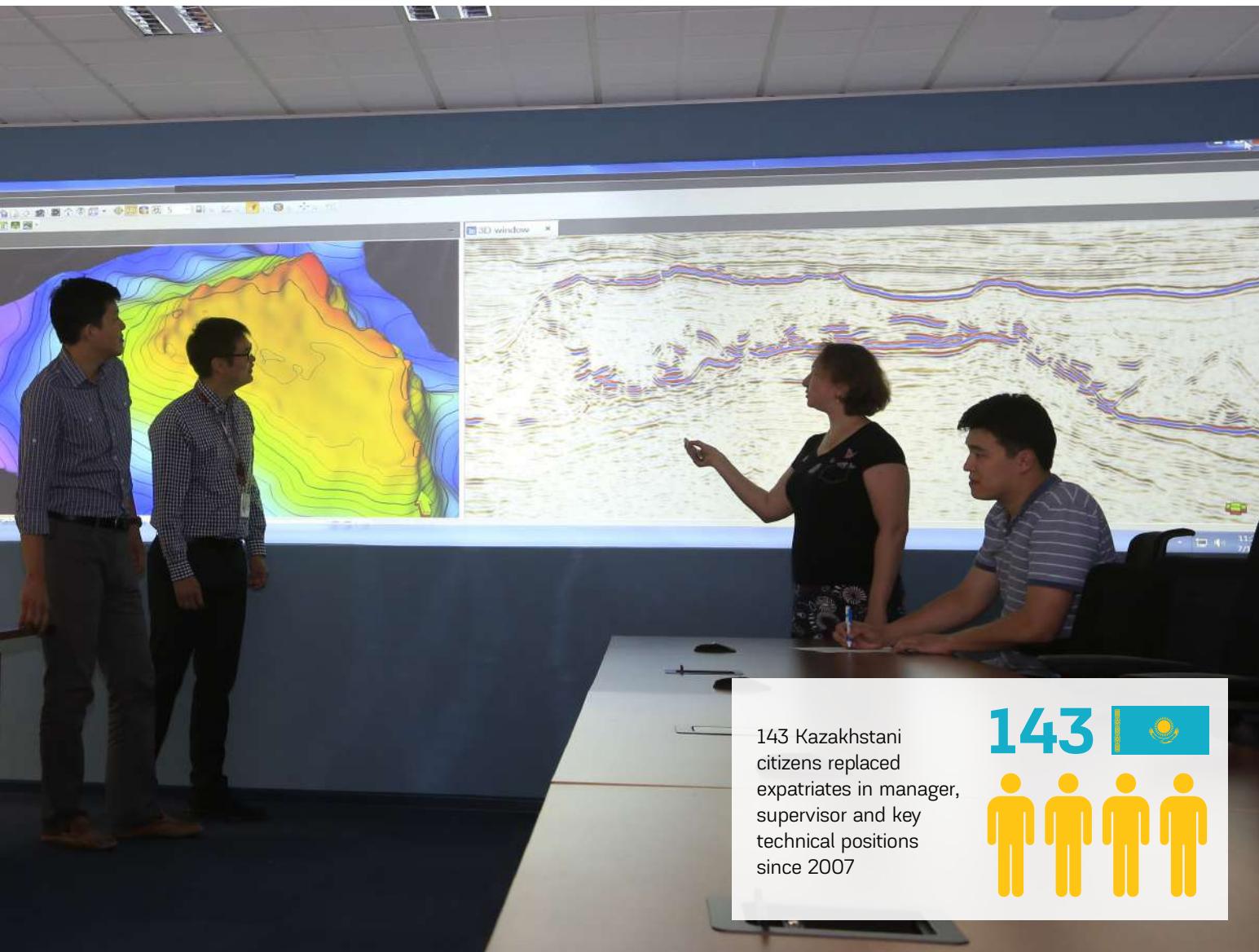
From 2015 to including 2016 company spent more



than \$10 MM on training programs. 19 employees got graduate and postgraduate (master) degrees at the company expenses under program on support for company employees to get education.

In 2016 more than 50 TCO employees had an opportunity to work in various business units of Chevron on international assignments and assignments within Kazakhstan to get and apply new knowledge and advanced skills in TCO after returning.

Besides this, TCO implements initiatives on unifying employees with different interests into informal networks like XYZ or Women's Network, which provide opportunity to demonstrate leadership skills and build informal relations with colleagues within the company. XYZ Network unifies a group of professionals, who are at their early or mid period of career development.



Vision of the Network is to establish and enforce mutually beneficial communications among professional groups to implement existing potential. And the Women' Network is based on the idea of leadership skills development and creation of a site for business communications on interests inside special groups. Vision of the Network is active engagement and development of network members to achieve business needs of the company.

To support organizational capabilities of company personnel, a process on talents management is in place. The main aim of the process is to reveal, monitor and develop high-potential employees, future leaders and meet company needs in terms of workforce skills today and in the future. Much attention is drawn on knowledge transfer from more experienced specialists to less experienced

personnel; in its turn, it supports such processes as succession planning, nationalization. To support personnel management process, there are split-level personnel development committees, which guarantee deployment of programs and processes warranting to TCO business human capitals with corresponding business knowledge at a right time in a right place.

Thus, in 2015, Kazakhstani employees comprised 86% of the TCO workforce, in comparison to 50% in 1993. Kazakhstani's hold 74% of supervisory positions.

In 2016, Kazakhstani employees comprised 85.7% of the TCO workforce. Kazakhstani's hold 74% of supervisory positions. As of the late 2016, 143 Kazakhstani specialists replaced expatriates in key managerial, supervisory and key technical positions.



Motivation of Personnel

Renumertion system is built on principles of unity, objectiveness, competitiveness of compensation and facilitates to increase individual work productivity (pay per job performance).

Annual renumeration progam is revised considering analysis of labor market of Republic of Kazakhstan and oil and gas industry, financial and economic condition of the company and inflation rate. TCO's all renumeration policies and procedures are developed in compliance with provisions of Collective Agreement and requirements of labor legislation of Republic of Kazakhstan.

TCO ensures competitive renumeration to its workforce, which allows attracting, retaining and motivating qualified personnel. The basis of material component is base salary and variable part of renumeration.

Amount of base salary depends on job roles, complexity of resolved tasks, level of responsibility and established for each employee with account for education and experience background.

Variable part of renumeration consists of short-term and long-term bonuses (annual bonus, safety bonus, recognition of services, at the discretion of TCO management).

Bonus system is aimed at achieving common targets, and interrelated with key performance metrics of employees and the company in increasing efficiency of gross productivity.

Besides that the company has a number of additional benefits and payments to its personnel like as payable/partially payable social vacation upon medical department's recommendation; health-improving allowance paid with annual vacation, the amount of which is set depending an employee's experience in TCO; etc.

TCO has an extensive social package for personnel. Below is a brief description of some most popular social programs of the company.

Medical Insurance Support of a Healthy Lifestyle

The company has programs aimed at helping its employees to take care of health of themselves and their families.

Republic of Kazakhstan insurance companies provide medical insurance coverage to TCO employees and their family members. The total number of insured persons was 8,761 in 2015, and 9,212 in 2016. TCO covers payments of services in the standard categories for employees. Employees can select other insurance categories, where TCO covers 50-70% of total package cost.

During the year a great number of sports events are arranged for Tengiz and Atyrau employees.

16 sports tournaments were organized in 2015-2016 among TCO departments and other oil and gas companies. The total number of participants in the events in Tengiz and Atyrau was 2,500 people.

As part of TCO's general strategy of promoting a healthy lifestyle, all TCO employees have an opportunity to use fitness center services, the cost of which is compensated by the company. Tengiz-based employees have access to fitness facilities, swimming pools and recreation areas.

Also, TCO compensates employees' costs of children's recreation at an amount of up to 60 minimum calculation index per a child a year. TCO spent \$565,000 on the program in 2015-2016.

Housing Loan Program

TCO's hallmark program has been the interest free mortgage loan program offered to employees for many years. With more than 1400 loans equaling more than \$104 million given over the life of the program since 2010, TCO's housing loan program has enabled employees to improve their quality of life.

Employees who might have struggled to get a loan before are given the chance to improve the living conditions of their families and avoid high interest rates sometimes associated with traditional loans.

The program is one of the most popular employee benefits.



TCO covers payments of services in the standard categories for employees. Employees can select other insurance categories, where TCO covers 50-70% of total package cost.

The total number of insured persons

in 2015



8,761 people

in 2016



9,212 people

Medical Services

Rotational employees at Tengiz are provided for at TCO's on-site clinics equipped with modern medical devices. These facilities provide annual check-ups for employees and other routine and emergency care as needed.

In TCO there exists effective a psychological support program to company employees and their families. It is free of charge and completely confidential.



Miras-Atyrau Kindergarten for TCO employees' children

On June 1, 2014, there was an opening ceremony of Miras-Atyrau Kindergarten, built by Tengizchevroil funding and designed for 350 persons for the company employees' children living in Atyrau.

The general sum to cover expenses on personnel for education in 2015 was USD \$1.4 million and \$1.5 million in 2016. The kindergarten curriculum is developed on the newest programs and methods of the Nursultan Nazarbayev Education Fund.

What makes it different is that the language of education is Kazakh, but students may prepare for school both in Kazakh and Russian, and study English additionally by IBPYP (International Baccalaureate Primary Years Program).



TCO Zhas Urpak Scholarship Program

TCO's scholarship program provides from 100 to 162 higher education grants per year for students. The Program is developed to provide financial aid to the children of employees and applicants from among talented school graduates and students. They must be Kazakhstani citizens planning on studying in Kazakhstani and international universities and colleges.

TCO has committed \$5.7 million to scholarships since 1998. The total sum of reimbursement and scholarship payments for students in the 2015-2016 academic year (199 students) was \$560,000.

TCO Long Service Award program

Reaching a jubilee milestone in company service provides an opportunity for the company to recognize an employee's long service and say thanks for their continuous contribution to the company's success.

Every TCO employee, who reaches a milestone in a work for the company (5 years and more) receives a service-award pin and gift. In 2015 439 TCO employees participated in the Program and in 2016 their number increase up to 464.

TCO Pensioners

The status "TCO Pensioner" is given to people who reached retirement age during a period of work in the company as a permanent employee. In 2015 TCO's retirees numbered 80 and their number increased up to 91 in 2016. Annual individual material aid provided to TCO pensioners in 2015-2016 was 120 Monthly Calculation Index.

Since January 2017 annual individual material aid to TCO pensioners is increased up to 300 Monthly Calculation Index.

Contractors

Tengizchevroil maintains close relations with its contractors to ensure compliance with Republic of Kazakhstan Labor Code requirements and awareness of the importance of collective agreements.

TCO expects its contractors to fully comply with Labor Code requirements and TCO regularly audits contractors to ensure compliance with the Labor Code. TCO also expects contractors to develop workforce development plans and training philosophies, maximize the use of Kazakhstani goods and services. One of the most important requirements is full compliance with all environmental and safety performance requirements.

TCO management conducted 48 meetings with contracting organizations in 2014, with a focus on safety and controlling Industrial Relations issues on TCO premises.





Community investment

Since 1993, TCO has invested over \$1.3 billion to fund social projects and programs in the Atyrau Oblast for the community and employees.

Growth of TCO investments in Egilik program (in million USD)



Egilik voluntary social infrastructure program

In 1993, TCO implemented the 5-year Atyrau Bonus Fund, a \$50 MM investment to improve the infrastructure of Atyrau Oblast and Zhylyoi district. TCO, working with the Atyrau Oblast Akimat, selected a number of social projects to improve medical facilities, water delivery systems and other community infrastructure. All projects were successfully completed in 1998.

The Atyrau Bouns Fund program was replaced by the voluntary program Egilik. Implementation of the program began in 1999. Egilik has the same focus as its predecessor program – the improvement of people's social wellbeing through the building of community infrastructure.

Examples of investments are: schools and kindergartens; college in Kulsary; water treatment station in Atyrau; hospitals and family outpatient clinics in villages; expansion of the gas distribution system in Atyrau; improvement of heating system in Atyrau; construction of sports and recreation center; and the reconstruction of water supply system in Kulsary.

Projects must comply with the following criteria to be eligible for Egilik funding:

- Be visible and bring benefits to a wide range of communities;
- Be sustainable e.g. after commissioning the facility is transferred to the ownership of another legal entity with no further support from TCO;
- Comply with general business strategy of Tengizchevroil.

To identify potential Egilik projects, TCO undertakes a survey of the communities in Atyrau Oblast every three years to obtain direct input from the populace on what they see as the highest priority needs for social infrastructure development. Experts meet separately with community members and government representatives to assess community needs and identify local solutions being proposed to meet those needs. After careful review to ensure a proposed project meets Egilik requirements, a short list of projects is developed for discussion with the Atyrau Oblast Akimat. From this discussion will come the final list of Egilik projects to be implemented.

Community Investment Program

TCO's Community Investment Program is another TCO initiative aimed to develop region's social sphere with annual budget of over \$1 million.

TCO established an internal Community Investment Council (CIC) comprised of individuals from various departments to direct TCO's discretionary Community Investment Program budget.

The TCO CIC created a strategic framework that moves TCO's community investment from charitable giving to proactive programs that support the socio-economic goals and needs of both TCO and Atyrau Oblast.

TCO seeks to create a direct relationship between community investments and TCO's operations, moving from local tactical investments to community investment as a core business strategy. This requires subjecting community investments to the same scrutiny as other business investments.



TCO's CIP Strategy

A social baseline study was conducted to assess the needs within the communities. Considering the results of the social baseline, the CIC created a strategic framework that linked TCO business and socio-economic objectives with community needs and priorities. TCO developed the following focus areas and vision.

The vision for community investment is to:

- Add value to the business and community in an ethically and socially responsible way
- Build human, societal and organizational capacity to sustain a thriving local economy and society without dependence on TCO

Tengizchevroil Community Investment Focus Areas:

- Building capacity in people or organizations to benefit TCO and community
- Education, training and socio-economic development
- Health education and improvement
- Environmental education and improvement

We continue to be dedicated to adding value to the communities in which we operate. We streamlined our focus areas for investment, emphasizing a partnership approach. We apply the same vigor to planning, executing and measuring community investment that we use in other areas of our business.



Partnership Approach

TCO follows a partnership model for community investments. Public-private partnerships (PPP) bring together business, local institutions, government, non-governmental organizations (NGOs) and development agencies via shared missions, desired outcomes and accountability.

In these collaborative relationships, partners plan jointly, share resources and share risks and rewards. The partnerships provide opportunities to build social capital and capacity.

Most importantly, PPP investment is more likely to result in sustainable solutions that improve the local socio-economic environment.



Measurement

TCO's community investment monitoring, evaluation and reporting system ensures that the company maximizes development benefits for our host communities while investing in ways relevant to our business needs.

Monitoring involves the systematic and consistent collection of relevant data and information at regular intervals to measure project or program progress and partner performance.

Evaluation involves the systematic, objective and transparent appraisal of a partner or specific project or program design, results and effectiveness at a given point in time.

Reporting provides regular feedback on the progress, problems, successes and lessons learned from the project or program implementation.



Community investment projects

Tengizchevroil has been holding a widespread request for proposals every year starting from 2010. As a result, TCO established collaborative relationships with a few new NGOs.

Selected CIP programs were exciting and diverse, covering all of our goals, from health and education to the environment.

The common feature that united them is that their ultimate beneficiaries were communities in Atyrau oblast.

In 2015-2016, the following projects have been implemented:

Project: My professional choice

Youth Public Organization Independent Generation of Kazakhstan (IGK)

The aim of the project:

Developing vocational self-determination culture in students through vocational guidance support to students in the process of choosing a training profile and branch of future professional activity.

The project:

The project consisted of three trends: children's education, cooperation with specialists from educational institutions and the interaction with parents.

The target audience was teenagers from socially vulnerable groups of Atyrau city and Zhylyoi district.

The Project was implemented in 2015-2016.





Project: Capacity Building Initiative for English Language Teachers

British Council (BC)

The aim of the project in 2015:

Creation of own capacity of methodology trainers among the most proactive and educated English language teachers in Zhylyoi district of Atyrau oblast for further cascaded education and provision of methodology assistance to rural area teachers.

The aim of the Project in 2016:

To fulfil a program with the main goal of enhancing the level of language and quality of English language teaching amongst the English language teachers and teachers of other subjects teaching in English in Atyrau.

Project: Tech Age Society

International Research and Exchange Council (IREX) /
New Information Impulse (NII)

TCO has implemented partnership and further local NGO formation experience together with International Research and Exchange Council (IREX) who used to be TCO's Partner between 2010 and 2015 and now has transferred the Project to a local NGO called "New Information Impulse" (NII).

The aim of this Project is to teach information and communication technologies to Atyrau city and Zhylyoi district residents.

Participants of the Project are teachers, kindergarten tutors, unemployed people, students of orphanages and boarding schools, lone mothers, NGO and medical organizations' employees.

This Project is a bright example of the fact that TCO supports not only its main objective of implementing Community Investment Program, but also enhances creation and development of the local NGO's





“Orleu” Project

Eurasia Foundation of Central Asia (EFCA)

Project goal:

To help local community to proactively participate in solution of issues associated with multi-apartment houses and common recreation locations, looking for opportunities and assist in creation of multi-apartment houses management system.

The project:

The Project was implemented in two directions: first, ecologic education of youth and residents and their involvement in parks maintenance. Second, empowering residents to improve condition of their houses

The Project was implemented in 2015

Project: Zharkyra Social Entrepreneurship Development Program in Atyrau and Zhylyoi Region

Eurasia Foundation of Central Asia (EFCA)

The aim of the project:

To promote innovative social initiatives aimed at ensuring sustainable entrepreneurial solutions to social, economic and environmental issues of the communities in Atyrau city and Zhylyoi Region.

The project:

Zharkyra program is unique because it assists development of social entrepreneurship in Atyrau oblast and is being implemented first time in Kazakhstan.

The Project was executed in 2016.





Project: Empowering the Community to reduce and manage Hypertension in Atyrau Oblast

Kazakhstan Association of Family Physicians (KAFP)

The aim of is the project:

To prevent heart attacks and strokes by improving detection and management of cardio-vascular diseases at the primary care level and boosting the capacity of patients for self-care.

The project:

As per these goals and action plan KAFP implemented many activities within reported period of 2015-2016 based on a 3-level approach: education of medical personnel, public awareness and working with patients.

Project: Yntymak Community Development Program

NGO PYXERA Global

The aim of the project:

To address the needs of the local community in Atyrau and Kulsary through volunteers by increasing the social capital of the local community for sustainable economic prosperity.

The Program:

The Program is being implemented in two directions: educational projects and volunteer marathons.

Project execution period is 2015-2016.





Project: “Kazakhsha saira!” (Speak fluent Kazakh)

Z. Kabdolov Private Fund

Project goal:

Project goal is to develop and promote Kazakh language among Atyrau oblast community by producing and uploading electronic forms of Kazakh language learning in social media.

Project execution period: 2015.

Detailed information on social projects implemented
in 2015-2016 is available at TCO's website:

<http://www.tengizchevroil.com/ru/corporate-responsibility/community/community-investment-program>



Please send your feedback and comments to:

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2017**
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