

TENGIZCHEVROIL

fueling progress

Corporate
responsibility
report

2019
2020





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responsibility
report | 2019
2020

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Preface by leadership team

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At Tengizchevroil (TCO), our primary purpose is to create value for the Republic of Kazakhstan (RoK), our four shareholders, and the communities where we live and operate. We are proud to continue making a major contribution to the country's economic progress and future. We strive to operate in a safe, reliable, and environmentally responsible manner and our “TCO Way” values of Diversity and Inclusion, High-Performance, Integrity and Trust, Partnership and Protecting People and Environment, define us and guide our actions in delivering results.

These results include delivering safe production of 26.5 million tonnes in 2020, accounting for approximately 35 percent of total crude oil production in the country. TCO was also the largest contributor and taxpayer to the national economy in 2020, with over \$6.6B in direct payments to the RoK. Last year, TCO continued to be the leading purchaser of domestic goods and services with \$3.5 billion spent on local suppliers, including \$2.4 billion for the Future Growth Project - Wellhead Pressure Management Project (FGP-WPMP), which is of national importance. These results were achieved while at the same time the share of Kazakhstani citizens in TCO's workforce was 84%.

In 2020, the world, Kazakhstan and our industry faced many challenges all at once – the COVID-19 pandemic and low oil prices as a result of over supplied oil markets. TCO had to navigate this uncertain and challenging business landscape and take the necessary decisions to first protect our people while protecting our business. None of these efforts would have been possible without the unwavering support of our shareholders, the Republic of Kazakhstan, the communities where we operate and society as whole.

We hope you enjoy this report where we share highlights of TCO's efforts to aspire to its core values and to operate responsibly. We look forward to the coming year with hope and optimism and we wish all citizens of the Republic of Kazakhstan health, happiness and a prosperous 2021.

Eimear Bonner, TCO General Director

Aibek Krambayev, TCO Deputy General Director



Eimear Bonner
TCO General Director



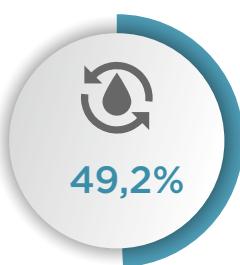
Aibek Krambayev
TCO Deputy General Director

Our achievements in 2020

Safety, Health and Environmental Protection



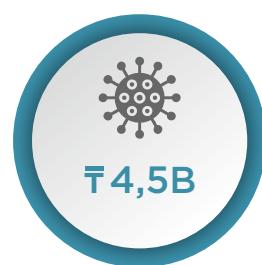
TCO Gas Utilization



Water reuse rate



Types of waste are sent for recycling



Helping Kazakhstan in dealing with the COVID-19 pandemic

Contribution to the Economy of Kazakhstan

Direct payments to the Republic of Kazakhstan

\$ 6,6B

Goods and Services purchased from Kazakhstani Suppliers in 2020 – more than

\$ 3,5B

Since 1993, TCO has purchased Goods and Services from Kazakhstani suppliers of over

\$ 36,4B

Workforce Development



Kazakhstani personnel employed in the Base Business, including FGP-WPMP

84%

Share of Kazakhstani Managers and Supervisors assigned to the Base Business

85%

Investment into communities

Since 1993, TCO has allocated more than **\$2.1 B** to fund various Social Projects and programs for the residents of Atyrau Oblast and the employees

The "Egilik" Voluntary Social Infrastructure Development Program Budget allocated – **\$25 MM** for 2020

Social Investment Program Budget – **\$2.2 MM** for 2020

The TCO Way

Who we are?

We are a leading company that produces oil, gas and associated products that fuels the modern economy. Our history is closely interlinked with the rise of an independent Kazakhstan.

What we do?

We safely and reliably produce products that heat homes, fuel cars, support businesses and benefit society, and we make a significant contribution to the economic progress of the Republic of Kazakhstan and Atyrau Oblast where we operate.

What we believe?

We strive to operate in a safe, reliable and environmentally responsible manner and our TCO Way values of Diversity and Inclusion, High-Performance, Integrity and Trust, Partnership and Protecting People and Environment, define us and guide our actions in delivering results. We operate in a socially responsible manner and are committed to investing in the communities where we operate and in the well-being of our employees. We believe that sustainable local companies are beneficial to the economy and society and we support businesses to help them enhance their capabilities and to prosper.

Our primary purpose is to create value for the Republic of Kazakhstan, our four shareholders, the communities where we live and operate and ourselves. We are proud to contribute to the country's economic progress and future – we are building a new legacy for generations to come.

Why we do what we do?

How we do it?

We conduct our business responsibly, we deliver results, the right way and we always strive to be the best at getting better. We differentiate our performance through our people - our diverse and inclusive workforce, working as one focused team, as well as through technology, digitalization, innovation, and functional expertise. We build respectful, trusting, collaborative and productive relationships with government, our shareholders, communities, business partners, customers and each other.

Where we come from?

We respect the history, traditions and culture of Kazakhstan. We are grateful to the early pioneers for their hard work and dedication to discover and develop one of the world's most technically-challenging oilfields. They left a strong foundation for future generations.

Where we are going?

We have embarked on the next major expansion of the Tengiz oil field. FGP-WPMP is a state-of-the-art project that will create a legacy of a trained skilled workforce, new facilities, technology transfer through partnerships between Kazakhstani and international companies, and upgraded infrastructure in the region. FGP-WPMP is a landmark project for the nation that will deliver the promise of a world-class petroleum resource to future generations of Kazakhstanis.



we are TCO

Mission

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

Vision

To be the safest, most efficient and profitable oil and gas enterprise in the world, most admired for its people, partnership and performance



The TCO Way

Getting results the right way

The TCO Way explains who we are, what we believe, how we achieve our mission and where we aspire to go

It establishes a common understanding of our values and behaviors not only for us, but for all who interact with us

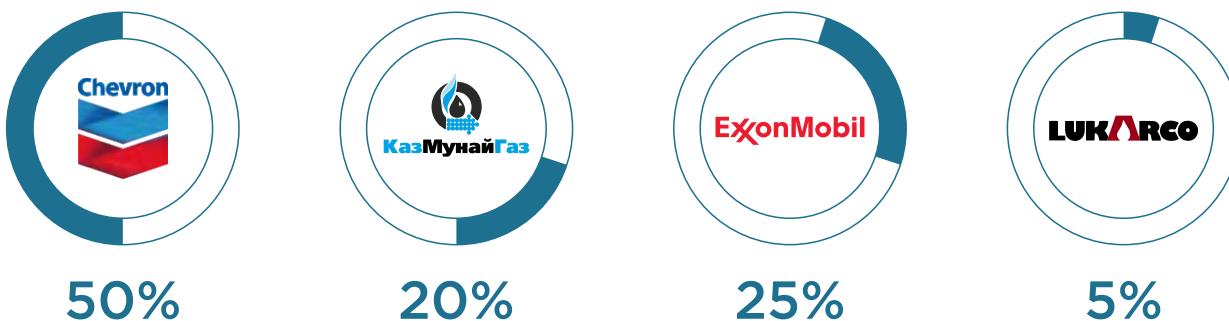
TCO Strategy in sustainable development

A sustainable corporate strategy in a company is critical to achieving long-term and sustainable results. We are guided by the values inscribed in the TCO Way principles. These values define who we are and how we conduct our business. We strive to operate safely and responsibly, continually improving quality and bringing value to the communities in which we live and work. In addition, we adhere to high standards of integrity and legal compliance.

This report describes the work carried out by Tengizchevroil in 2019 and 2020. At the same time, updates and more detailed information on corporate responsibility can be found in the corresponding section on the website www.tengizchevroil.com.

The story of TCO

The Tengiz oil field, located in the western part of Kazakhstan, was discovered in 1979. Tengizchevroil was formed in April 1993 as a joint venture, with the Government of the Republic of Kazakhstan and Chevron Corporation as its original founding Partners. Today, TCO is a partnership between Chevron (50% share), JSC NC KazMunayGas (20% share), ExxonMobil Kazakhstan Ventures Inc. (25% share) and LukArco (5% share).



About the oil field

The 2,500 km² (1,600 sq. mi) project license area includes the Tengiz field and the smaller, but sizable, Korolevskoye field. The recoverable oil reserves at Tengiz and Korolevskoye fields are estimated in the range from 750 million to 1.1 billion tons of oil (from 6 to 9 billion barrels). The estimated oil in place in the Tengiz field reservoir is 3 billion tons (26 billion barrels). World-class reserves at the Korolev field are estimated at 180 million tons (1.5 billion barrels). The Tengiz field is the world's deepest giant oil field, with the top of the reservoir standing at a depth of about 4,000 m (13,000 ft). The Tengiz reservoir is 19 km (12 miles) wide and 21 km (13 miles) long, and the oil column is 1 mile thick. The area of the oil field is so large that it would take two marathon distances to run around it.

A photograph showing two industrial workers in a factory or refinery setting. One worker, wearing a red jacket and a red hard hat, is seated, while the other, wearing a blue jacket and a white hard hat, is standing and pointing towards something off-camera. They are surrounded by large pipes, valves, and industrial machinery. A yellow vertical pipe stands prominently in the background.

**Occupational safety
and health**

Protecting People and the Environment is a core value in the TCO Way. We have an unwavering commitment to personal and process safety. We strive to operate in a safe, reliable, and environmentally responsible manner.

Occupational safety and health

Every employee of TCO and Business Partner Companies is responsible for making sure that work can be safely started, and also, has the right to suspend temporarily or completely stop any work if unsafe behavior or conditions are observed.

To organize the Occupational Safety and Health and comply with the Industrial Safety requirements during work execution with an increased level of risk, TCO has developed and implemented instructions and procedures for Occupational Safety and Health (OSH) that meet the requirements of the applicable legislation of the Republic of Kazakhstan. The TCO Safe Work Practices Management Group, together with other teams, ensure that OSH guidelines and procedures are continuously implemented and maintained, and also, they assess the effectiveness of these processes and develop plans for their improvement. In addition to the OSH instructions and procedures, TCO has a number of documents that regulate the Company's arrangement of Occupational Safety and Health. These include documents, such as the "Production Operations Personnel Fatigue Risk Management Program", the "Guidelines for Occupational Safety and Health During Outside Work Execution in Hot and Cold Weather Conditions", the "Short-Service Employee Management Program", and others.

Occupational hygiene

In accordance with regulatory requirements of the Republic of Kazakhstan, TCO has been performing assessments of facilities to define whether conditions for ensuring safety and health of employees meet various industry standards. The objective of such assessments is to protect the workforce and minimize impacts on production and include the following elements:

- **Assessment of actual working conditions and safety of the workplace**
- **Providing employees with necessary of personal and collective protection equipment, ensuring their compliance with working conditions and requirements of standards imposed on them**
- **Implementation of organizational and technical measures to improve working conditions and safety.**

Potable water quality control

In order to protect the safety of potable water, the Company implements the Operating Programs of Industrial Quality Control for Potable Water at TCO Facilities at the Tengiz Field and in Atyrau City. On a daily basis, potable water samples are delivered to the Central Plant Laboratory (CPL), as well as at the Atyrau branch's laboratories of the National Center for Expertise (NCE), where the samples are tested for 56 indicators. According to the results of all the analyses, potable water in the distribution network has met all the Sanitary & Hygienic requirements.

Monitoring for occupational hazards

The Program of Industrial Control at Workplaces is developed to assess the potential impacts of production on the health of a person, compliance with the Hygiene requirements during the execution of the production process, in accordance with the Sanitary & Hygienic standards of the Republic of Kazakhstan, and the Regulations for Control of Harmful Effects issued by the American Association of Industrial Hygiene (ACGIH). This Program of Industrial Control includes selection and laboratory studies of potentially hazardous factors in the production site. Typically, during these inspections' improvements are made in line with recommendations.



Fatigue risk management

In 2019, this Program was developed for managing the risk of fatigue by personnel who have been assigned high-risk jobs. The Program allows employees to assess their physical condition upon exposure to the risk of fatigue and communicate to this Management Group. This initiative was created to prevent the occurrence of any personnel incidents related to the risk of fatigue. In 2020, this program continued to be successful in protecting the safety and health of the workforce.

Mental health during COVID-19

To protect the mental health at the workplaces in connection with the COVID-19 pandemic, psychological support and assistance was provided in accordance with the TCO Employee Mental Health Program, which includes support for those employees who work remotely. Telephones are available for services related to the special Program of Psychological Support for TCO Employees (PPSE). These services are free of charge and provided in both Kazakh and Russian, around the clock, 7 days a week. Consultants can provide support and help, when an individual is stressed or anxious, tired, or overwhelmed or concerned.

Verification & validation

The Program of Verification and validation (V&V) for Safeguards is a systematic approach to ensure that safeguards to mitigate risks are available on-site and are in operational condition to perform high-risk tasks. This Program is focused on identifying vulnerabilities in safeguards and taking measures for further improvement. Since the V&V Program implementation and with the joint efforts of all the participants, since the program implementation over 120 thousand inspections have been carried out and more than 576 thousand safeguards have been checked.

Contractor health environment safety management (CHESM)

To ensure Safety for every personnel at Tengiz, all of them, without any exception, are being involved in the process of studying, understanding, and implementing our culture of protecting Safety, Health and Environment (SHE). TCO rewards its employees, as well as Business Partners' personnel, for excellent performance and leadership in the field of SHE.

Emergency response drills

According to the Law of the Republic of Kazakhstan “On Civil Protection”, TCO conducts training sessions on emergencies and Emergency Response Drills/Emergency Drill Exercises (hereinafter referred to as ERD/EDE respectively) to ensure the preparedness of personnel to fulfill their roles and responsibilities in any emergency. In both 2019 and 2020, the following drills were successfully completed at all the Tengiz facilities, under the operational control of TCO:

- 549 Emergency Drill Exercises (EDE), with involvement of the On-Scene Response Teams (ORT) from each facility and the TCO Emergency Response Team (ERT)
- 18 Emergency Response Drills (ERD), with activation of Level 2 Emergency Management Teams (Level 2 EMT) at the Incident Command Center and participation of TCO's ORT and ERT
- 2 ERDs, with activation of Level 3 EMT



According to the results of ERD, the members of Level 3 EMT and Crisis Management Team showed good management, interaction, and coordination skills, thus being able to perform successfully in a difficult environment, within a limited time frame.

In addition, TCO Representatives held its annual comprehensive ERD together with the Caspian Pipeline Consortium.



Environmental performance

Our approach –

Protecting the environment at
TCO facilities

The health and safety of our employees, operational safety and environmental protection are of primary importance to us.

TCO is committed to the continuous improvement of environmental performance. Since 2000, TCO has invested over \$3.1 billion on projects to minimize potential environmental impacts related to operations at the Tengiz field. This investment has enabled TCO to achieve reductions in flaring, improve wastewater treatment, increase water reuse, and manage waste safely.

TCO's environmental protection activities are focused on air protection, rational use of water resources, protection of subsoil and land, waste disposal, green planting of greenery, and environmental education.

Air protection

TCO maintains an air protection program that includes record-keeping, and monitoring to enable actions that reduce air emissions.

Between 2000 and 2020, TCO reduced air emissions by 71% with a corresponding 2.6 time increase in crude oil production volume. This was achieved by leveraging monitoring and emissions data to invest in capital projects to improve reliability.

Gas flaring

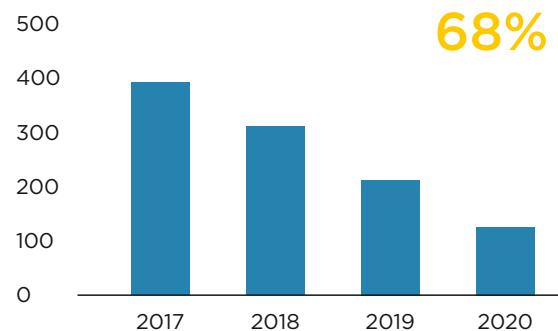
In 2009, TCO stopped continuous flaring of associated gas, which led to achieving greater results in gas utilization. 99% of the produced gas is exported or used for Company's internal needs.

The volume of gas flaring in 2020 has decreased by 68% compared to 2017. TCO continues to work effectively, ensuring operational safety and equipment reliability.



Over the past four years, TCO reduced gas flaring by

68%



Managing greenhouse gas emissions

The RoK initiated a revision of greenhouse gas (GHG) regulations in 2018. This revision includes allocation of GHG quotas, establishing an emissions trading system (ETS), and a measurement, reporting, and verification system that will enable RoK to meet its Nationally Determined Contribution to fulfill Paris Agreement requirements. Throughout this period of change, TCO has successfully operated within our GHG emissions quota.

Water resources management

Water use

TCO understands the high value of potable water and places great importance on its rational use. TCO facilities are supplied with potable water through the main waterline, from the water intake located on the Kigach River left bank. The Company's commitment to minimizing our use of potable water through resource conservation is especially important in such an arid region, where the Tengiz field is located, and TCO's water management system ensures the rational use of water. TCO is actively pursuing a campaign on potable water resources conservation to improve water efficiency and change the behavior of both the Company's employees and that of Contractors.

Wastewater treatment and discharge

All types of wastewater in TCO are treated using mechanical or biological processes, or post-treatment and decontamination prior to being discharged. The Wastewater Treatment Facility (WTF) at Tengiz and the Water Recycling Facility (WRF) are TCO's capital projects, which focus on potable water conservation and the efficient treatment of wastewater.

The WTF at Tengiz was originally designed to treat up to 6,000 m³/day of domestic wastewater and became operational in 2013. In 2019, the WTF upgrades were completed, that increased overall treatment capacity 25% to approximately 7,500 m³/day. This upgrade will assist with processing wastewater from the Future Growth Project's facilities. Successful implementation of this technology, which is the best one available today, has reduced wastewater discharges, increased water reuse, and improved environmental protection.

Currently, TCO Water Treatment Units provide reliable and efficient treatment of domestic wastewater from Tengiz facilities for discharge to evaporation lagoons in accordance with environmental requirements and for possible reuse. Successful implementation of this best available technology has reduced wastewater discharges, increased water reuse and enabled environmental protection.

Water reuse

The operation of WRF facilities supports TCO's initiatives on potable water conservation and sustainable wastewater management. The WRF was commissioned in 2016, and it is a key element of the TCO's long-term comprehensive program for rational use of water resources.

The WRF facilities provide water pre-treatment to a quality that is higher than the level of technical water, by using the Reverse Osmosis process. The facilities are designed to receive up to 3,600 m³ of recycled water per day for TCO's production needs. The high quality and high volume of recycled water from the WRF offsets at least 4,000 m³/day or more of technical water.

To achieve maximum reliability and further reduce consumption of potable water, the third stage of pre-treatment, ultrafiltration, was added to the WRF in Q3 2019. Because of ultrafiltration, TCO's annual water reuse rate has increased. As of December 2020, approximately 49.2% of water is reused at TCO facilities.

Other water conservation initiatives at Tengiz

TCO is implementing active campaign of conservation of freshwater resources by raising awareness and consciously minimizing water consumption, thereby achieving a change in the behavior of employees both in the company and business partners.



Waste management

Waste reduction and recycling initiatives are a priority to further reduce potential environmental impacts related to TCO operations.

Over 35 types of waste are sent for recycling at TCO. In addition, recycling projects are being implemented, such as collecting paper, cardboard, glass and plastic bottles, aluminum, metal cans from drinks and food products and sending them to third parties for further processing and recycling. Since 2019, TCO has increased the types of plastic sent for recycling. This initiative is helping to establish the waste recycling industry in Kazakhstan. By 2020, recycling/re-use of waste achieved 64% on the highest metric.

Waste management facilities

«Tengiz Eco Center» (TEC) is a centralized facility to manage all the TCO's waste, which is located in the area of the Tengiz field and is designed to safely accept, manage, store, and dispose of solid waste generated as a result of TCO operations.

The following operations are performed at the TEC facility:

- **Waste re-use (grinding/crushing of wood and concrete waste, by means of a chipper/rock-crusher)**
- **Medical waste management/purification at the Newster-10 Unit**
- **Pressing and baling paper, cardboard, and plastic waste for their recycling outside of TCO**
- **Temporary accumulation and storage of concrete, wood, and glass waste, used tires and batteries, before their recycling outside of TCO**
- **Utilization/disposal of industrial and solid municipal waste, which cannot be reused or recycled at landfills**

Landfills

TCO operates the TEC landfill for disposal of solid industrial waste. The landfill site also provides for temporary storage of waste pending off-site disposal or recycling; all facilities are built in accordance with international standards.

Waste reuse

TCO is exploring opportunities to maintain the recycling rate achieved in 2019 and is making significant efforts to develop the local market for waste management services. TCO remains committed to developing Kazakhstani content together with our partners in recycling and continues to explore additional recycling opportunities with third-party service providers.



Environmental protection

TCO environmental protection activities are guided by Environmental Protection Plan (hereinafter – EPP) with involvement of a certified laboratory. This program is approved by state environmental regulatory agencies, and reports on EPP implementation are submitted to the government on a quarterly basis.

Air protection

There are 3 categories of stations to monitor the quality of atmospheric air: stationary, tracking and mobile. Additionally, automatic environmental monitoring stations are installed within and outside the Sanitary Protection Zone (SPZ). The objective of these stations is to measure concentrations of the main air pollutants established by the requirements of RoK legislation.

In 2020, TCO launched the Automated Emission Monitoring System (AEMS) Program. Technical assessment of data transmission from the AEMS to the environmental protection authorized body is underway. Test data from TCO was successfully sent to the Information Analysis Center to verify connection with the authorized body. The existing analyzers were also checked for data transmission readiness.

A technical assessment and integration of TCO's system with the "Kazhydromet" RSE system for online data transmission from some Environment Monitoring Stations (EMS) was completed in 2020. TCO prepared technical requirements with specialists of "Kazhydromet" RSE and developed a server from which "Kazhydromet" plans to collect data for publication using the "AirKZ" mobile application. Successful integration and transfer of test data to "Kazhydromet" RSE system was completed in 2020 and project completion is expected in the second half of 2021

Landfill gas monitoring

Landfill gas monitoring is performed in accordance with the RoK Environmental Code at solid waste landfill and industrial waste landfill at Tengiz Eco Center.



Filtrate monitoring at TEC

TCO monitoring of filtrate at industrial and solid waste landfills includes a visual survey of territory adjacent to these landfills. Monitoring includes observation of filtrate level in inspection wells, sample collection and laboratory analysis.

Soil monitoring

Soil quality is assessed by implementation of an annual soil sampling program at 55 locations within the area of TCO production facilities.

Groundwater monitoring

TCO has developed a ground water monitoring program across the TCO partnership area to assess water quality for protection of water resources in the vicinity of TCO operations. This includes monitoring groundwater levels and the collection of groundwater samples from monitoring wells for laboratory analysis.

Wastewater monitoring

Industrial and sanitary wastewater monitoring enables TCO to control quality of wastewater discharged to evaporation ponds and subsurface horizons (injection wells) and documents compliance with established environmental standards of the Republic of Kazakhstan.

Radiation monitoring

Within the framework of the industrial environmental protection program, TCO monitors the radiological conditions within the area of our operations. The radiological monitoring program identifies the level of gamma radiation of natural radionuclides (EDR) at a depth of 0.1 m from the surface of the measured sites.

Land reclamation

A systematic reclamation of land disturbed during geological prospecting and exploration is part of the strategic environmental protection plan. Reclamation of disturbed land includes collection and removal of garbage, restoration of natural landscape by filling in holes, leveling slopes, terrain irregularities, and creating conditions for the growth of natural vegetation.

TCO has been conducting annual monitoring of disturbed land to identify conditions of land resources in the Partnership territory and planning reclamation activities. TCO has also developed and successfully implemented projects for demolition and reclamation of old facilities sites built during early Tengiz field development to improve environmental conditions.

Biodiversity

FGP-WPMP project has been implementing additional conservation actions on biodiversity in project area and outside.

In 2019, TCO FGP-WPMP provided financial support to the Association for the Conservation of Biodiversity of Kazakhstan (ACBK), to implement projects that support conservation of the Sociable Lapwing.

The scope of work includes monitoring lapwing populations during pre-nesting, nesting and pre-migration periods.

This program continued in 2020.



Sturgeon hatchery support

TCO has completed four initiatives to improve conditions of the Ural-Atyrau Sturgeon Hatchery: purchased high-quality food for brood stock and fry, aerators for oxygen saturation of outgrowth ponds, an excavator for external dredging on the ponds. A Round Table was conducted that included an independent expert on fisheries, the Scientific and Production Center of Fisheries and representatives of Ural-Atyrau Sturgeon Hatchery, to assess possibilities for improving production processes of the Hatchery.

Support provided to the Ural-Atyrau Sturgeon Hatchery resulted in a significant increase in the concentration of dissolved oxygen in water and the weight of sturgeon breeding herds.



Ghost fishing nets removal

Abandoned (ghost) fishing nets cause harm to endangered marine species, including the Caspian Seal and sturgeon, if they are caught in the net. The Ghost Fishing Net Removal Project physically retrieves abandoned nets to protect and contribute to the growth of these endangered marine species.

In 2020, approximately 6,600 kg of abandoned nets and 1,500 kg of marine debris were collected per season.

Since 2014, 780 abandoned nets (16 200 kg) and over 6,000 kg of marine debris have been recovered from the Caspian Sea, and 53 sturgeon and 15 seals have been released from abandoned nets.





People strategy



84%

share of RoK citizens among overall workforce in TCO Base Business, including FGP-WPMP



85%

share of Kazakhstani Managers and Supervisors assigned to the Base Business



31

TCO employees are on assignments within the RoK and in various Chevron Business Units



25

Representatives of over 25 nationalities work together as One TCO team



11 404

number of insured TCO employees and their family members under health insurance program



\$81 MM

Since 2008, TCO has invested over \$81 million in training programs for TCO employees

6

facts to mention

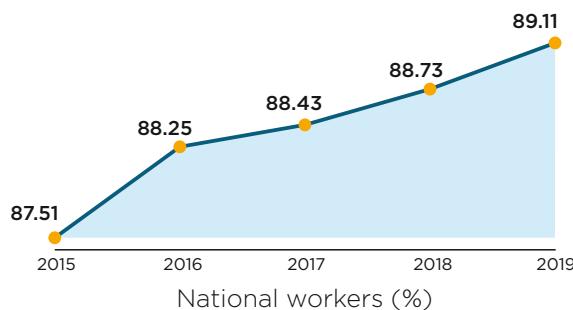
Strategic planning and recruitment

Our human resources management is based upon our strategic staffing planning for the near and medium term. Our primary focus during this process is developing Kazakhstani content in the workforce.



Strategic workforce development

One of TCO's core workforce development strategies is to invest in our people by developing and empowering a highly competent workforce that delivers results the right way. By the end of 2020, the percentage of Kazakhstani TCO direct hired employees in the Base Business was 84%, and the percentage of Kazakhstani managers in the Base Business was 85% of the total number of employees at the senior management level.



TCO's recruitment process is open, transparent and leverages advanced technologies. We utilize an external website to post our vacancies to ensure that all potential candidates have equal access to apply. We not only hire experienced specialists, but also talented graduates of higher education institutions, based on the needs of the company.

TCO provides its employees with a robust social package, by managing labor and industrial relations, delivering a competitive remuneration package, providing employee development opportunities through training, development, and challenging work assignments, and leveraging succession planning, social programs, incentives, and initiatives to sustain a strong corporate culture and employee commitment to TCO's values and strategies embodied in the TCO Way.

TCO's social responsibility to its employees is formalized in a collective agreement that has been effective since 1996. The collective agreement creates the possibility of discussing a wide range of issues, thus ensuring that the opinions of employees are considered.



Training and development

As a production company, TCO's highest priority is on the safety of its personnel and on performing work without injury or accidents, so all TCO employees and contractors receive mandatory safety training before they can access work.

Onboarding of new employees

TCO has an Onboarding Program that is mandatory for all new employees of the company.

The program provides a consolidated process of adaptation in all departments, which contains an extensive list of actions for both the new employee and his supervisor/line manager.

Horizons

TCO has successfully implemented the “Horizons” program. This program is designed to accelerate development of young professionals.

It is designed for technical university graduates, recruited to work for TCO, including young professional in several disciplines, whose total work experience does not exceed five years. The program combines a variety of training methods, including technical training, mentoring, job assignments, and assessment of professional competencies that complement and support each other.

Development of operating personnel

The company has four specialized programs for working personnel: “Official Operator Training Program”, “Official Maintenance Department Personnel Training Program”, “Official Automation Department Personnel Training Program”, and “Official Electrical System Operation Department Personnel Training Program”.

Mentoring program

In July 2016, TCO implemented a Mentoring Program that covered and brought together all types and forms of mentoring carried out in the organization to ensure effective transfer of knowledge from more experienced TCO employees and seconded employees to less experienced ones.

A special feature of the program is that thanks to carefully developed catalogues of skills, including extensive database of mentors, any employee can apply on the program website and quickly find a mentor for a given competence, considering their individual preferences on the language of communication and the format of interaction with the mentor.



Soft-skills development

One of the fundamental aspects in developing highly qualified personnel is improving their leadership skills, so it is very important for a company to have key expectations and standards of leadership behavior, which are described in the Leadership Competencies Model for all categories of employees. Consistent development of leadership competencies is performed through the Leadership Development Program, which includes customized trainings for each category of personnel.

English language

Improving English language proficiency remains one of the main priorities for professional development. This is important for maintaining effective communication among the workplace and doing business both locally and internationally. Additionally, TCO pays special attention to the Kazakh language study, which aligns with a national strategy of tri-lingualism and with the program for development and functioning of languages.

TCO constantly expands the variety of training programs and improves content to provide opportunities for the individual development of employees to achieve its business goals. The company invests in employees' education, providing them with financial assistance in obtaining higher education.



Talent management process

Talent management enables TCO to meet current and future needs for critical competencies and skills, focusing on finding and developing high-potential employees, talent, future leaders, and successors through competency assessment, targeted development, and knowledge transfer.

As part of the talent management process, the company supports such areas as succession planning, personnel nationalization, international assignments, assignments within the Republic of Kazakhstan, and cross-functional assignments between TCO departments. Since 2007, **375** Kazakhstani specialists have been appointed to the positions of managers, middle managers and key engineering and technical positions, replacing foreign employees.

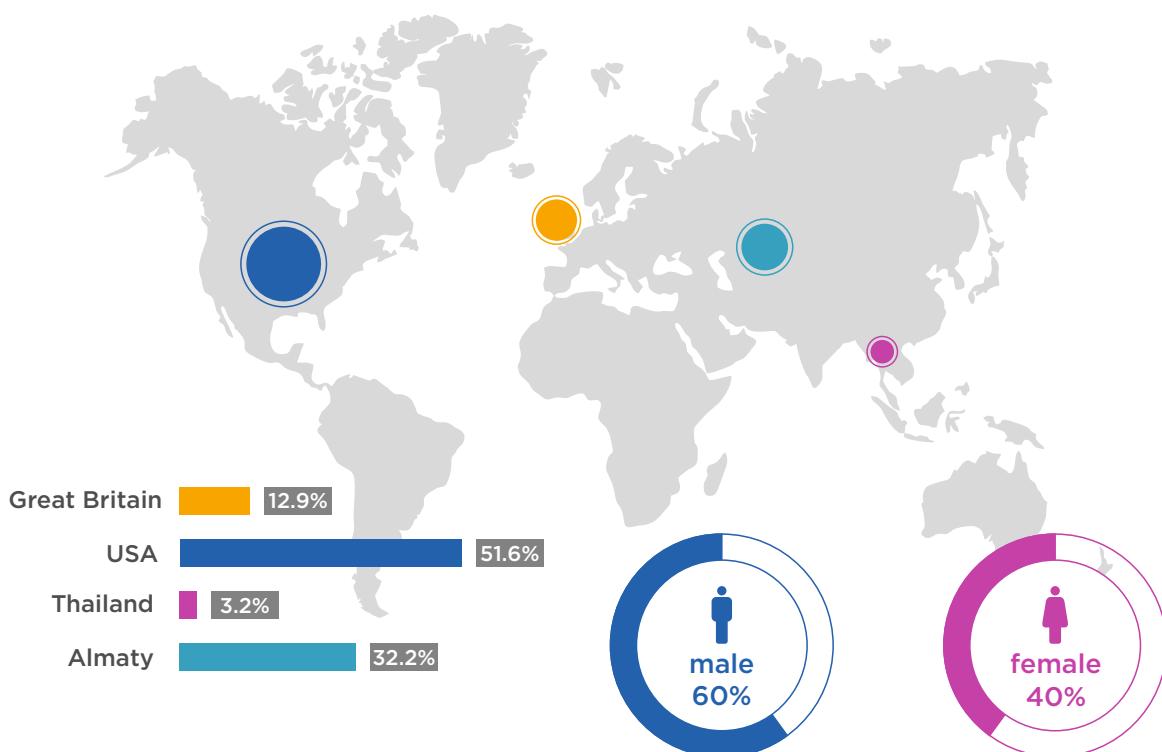
International experience

TCO continues to make efforts to provide Kazakhstani employees with the opportunity to gain international work experience in cooperation with Chevron.

This initiative is implemented through international appointment programs to various divisions of Chevron. Its main objective is to develop professional and leadership competencies of the most talented employees.

By the end of 2020, 31 TCO employees worked in various divisions of Chevron under temporary international assignments and assignments within the Republic of Kazakhstan.

TCO employees on overseas assignments and appointments within Kazakhstan



Personnel motivation

TCO's remuneration system is based on principles of unity, credibility, competitiveness and contributes to an increase of individual labor productivity (payment based on PMP results).

An employee bonus system is aimed at achieving common goals, motivates employees to improve the efficiency of the overall work, and consists of short-term and long-term bonus payments. In addition, the company has a number of additional benefits for employees, such as the provision of paid social leave, the payment of health benefits when granting annual leave, etc.

Medical insurance

In accordance with the legislation of the Republic of Kazakhstan, TCO provides mandatory insurance for employees. Voluntary medical insurance of TCO employees in Kazakhstan and their family members is provided by insurance companies of the Republic of Kazakhstan. The total number of insured members in 2019 was 11101, whereas in 2020 is increased by 11404.

TCO has a Premium health insurance program that offers a more expanded package and access to a wider range of health care providers.

Healthy lifestyle and sports programs

In order to promote healthy lifestyle, all TCO employees have the opportunity to use services of fitness and wellness centers, the cost of which is reimbursed by the company.

Medical services

Employees working on a rotational basis can use the services of a medical clinic located on the territory of Tengiz. The clinic is equipped with modern medical equipment. TCO also successfully provides psychological assistance to employees of the company and their family members.

Housing loan assistance program

For many years, TCO has been implementing a housing loan assistance program by issuing interest-free loans to purchase housing and improve housing conditions. In 2019 - 2020, more than 210 housing loans have been issued.

Long service award program

Annually, as part of the “Long Service Award” Program, an employee who has reached a work anniversary at TCO (5 years and more) receives a gift and an icon with the TCO logo. In 2020, 444 TCO employees participated in this program.

Kindergarten «Miras-Atyrau» for children of TCO employees

TCO funded the construction of the Miras Atyrau Kindergarten in 2014, which provides daycare for children of TCO employees living in Atyrau. The curriculum of the kindergarten was developed by the newest programs and methodologies of Nursultan Nazarbayev Education Foundation.

Partial reimbursement of expenses on children's holiday travel program

TCO reimburses the employees' expenses on holiday travel with children.

Zhas urpak program

TCO provides more than 100 scholarships per year to assist our employees' children in obtaining higher education. The program aims to provide financial assistance to the children of the company employees to study in national and foreign universities and colleges.

Since 1998, TCO has allocated 7.2 million US dollars as financial assistance in obtaining higher education. In the 2019-2020 academic year, 102 students took part in the program.

TCO veterans

At the end of 2020, 348 former TCO employees held the status of “TCO Veteran,” a title given to employees who reached retirement age while working in the company.



Corporate culture

TCO's corporate culture is based on its values reflected in the "TCO Way" document. It is important for the company that its employees demonstrate diversity and inclusion, partnership, integrity and trust, high performance, and are committed to protecting people and the environment. Therefore, as a part of the annual performance management process, great attention is paid to how their results were achieved, and what behavior they demonstrated throughout the year.

Diversity & inclusion

TCO has a multinational workforce and we are proud of our inclusive work environment that respects the uniqueness and diversity of cultures of our employees, and values their individual talents, ideas, and contributions. Diversity and Inclusion are core values in the TCO Way, and we believe that each of our employees brings tremendous value to the workplace through the diversity of their experiences, nationalities, ethnicities, genders, ages, education and socioeconomic backgrounds, religious and political beliefs, and individual personalities.

Employee networks

One of the ways we celebrate diversity and inclusion at TCO is through our support of employee networks. TCO's XYZ Network and Women's Network create additional opportunities for our employees to learn, develop and transfer knowledge and experience.

TCO's employee networks are modeled after Chevron's employee networks. Chevron's XYZ Network was founded in 2000 and currently has approximately 14,000 members around the world. The Atyrau chapter of XYZ was founded in 2013 and includes TCO and Chevron Pipeline Plant employees. The Atyrau chapter of XYZ currently has over 700 members.

The mission of the XYZ Network is to connect generations, provide a platform for experience and ideas exchange with peers, learn business processes and generate innovative ideas. XYZ in Atyrau hosts more than 30 events every year.

The Women's Network was established in TCO in 2013 and provides an environment for self-fulfillment, experience exchange, professional development, and mentoring in Atyrau and Tengiz. The Women's Network is also advancing opportunities to increase awareness among the male population of challenges and opportunities facing women in the workplace.

So, for example, in 2020, the Women's Network team held 27 online master classes, webinars and meetings for more than 3000 participants and employees of the Company, recorded 4 podcasts with TCO leaders and experts, held 4 online concerts by uniting employees from different locations during isolation. It also organized and participated in 7 charity events to aid the elderly, low-income families, children's centers, COVID protection equipment for social and medical institutions, as well as educational master classes for adolescents from social institutions and universities in the city.

In addition to educational master classes, webinars and events, charitable projects for the population of Atyrau city and Zhylyoi district, the WEN also records podcasts and interviews, creating a unique platform for the development and growth of employees, which opens up new horizons in career and life.

The activities of the WEN allow active employees of the company to communicate easily and productively, develop their network, do charity work, gain profound digital and technical knowledge, collaborate, and achieve more. The mission of the WEN is to provide opportunities, inspire and develop!

Support to the Republic of Kazakhstan during the

The COVID-19 pandemic has united the communities around the world and in Kazakhstan, to help each other in getting through the challenges. The partnership between TCO and the RoK authorities was a shining example of this. Our top priority remained to protect the health and safety of our workforce and we worked very closely with the regional governmental authorities and local sanitary & epidemiology regulator (SES) on coordinating joint efforts for PCR testing, contact tracing, and the approval of isolation facilities. TCO's production continued uninterrupted and the company took actions to continue safely executing FGP-WPMP activities.

During this temporary demobilization
over 60 commercial flights were sent
to 17 regions of Kazakhstan
 a TCO aircraft performed
297 passenger flights and
23 trains and
190 buses
 were dispatched as well,
 in all regions across the country.



In addition, by August TCO had implemented a major crew change to refresh crews who had been on extended rotations. Then in September, TCO began the safe remobilization of tens of thousands of personnel to protect the company's continued ability to safely produce, avoid interruptions and keep executing FGP-WPMP critical path activities. All of this activity took place in close cooperation with the RoK authorities and in compliance with RoK sanitary requirements.



COVID-19 pandemic

From March to June 2020, to ensure the safety employees and reduce the spread of the disease, TCO successfully demobilized more than **27 000 personnel** from Tengiz to their homes and loved ones, with relevant compensation.



Along with the Business Partners and Contractors, TCO led an initiative to raise funds and build a multidisciplinary medical complex with 200 beds in Kulsary town, located in the Zhylyoi district near the Tengiz field.

In addition to all of this, TCO launched a special medical assistance program to support its employees and their families who reside in Atyrau and Atyrau Oblast. Hundreds of employees and their family members were able to make use of these resources.



Despite the tough market conditions in 2020, TCO continued to support the residents of Atyrau Oblast through its investments in social programs and infrastructure. As part of its community support during the COVID-19 situation, TCO has worked in close partnership with state authorities to sponsor **4,5 billion tenge** worth of medical equipment and supplies to be delivered to the local health authorities.

The Company purchased the following for the Atyrau region's needs:



More than 648,000 units of Personal Protective Equipment

56 Oxygen Concentrators

252 units of Medical Equipment

20 Artificial Lung Ventilation Devices

4 PCR devices for Diagnosing Coronavirus Infection

Medical Vehicles

Pyrometers

Thermal Imagers and Disinfectants

Mobile Intensive Care Vehicles and Ambulance Vehicles

Flights were arranged for the repatriation of students and delivery of medicine to the Atyrau Oblast





Kazakhstani content

How to be a TCO supplier

There are two possible scenarios:



Supplier requirements **

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



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 should be capable of updating and maintaining their own SEOI Profile created on the TCO SEOI web platform.



**Daniel Zholdybayev,
Director of Domestic Market
Development:**



To support the development of Kazakhstani suppliers, TCO works with the European Bank of Reconstruction and Development (EBRD) to implement a joint Supplier Development Program. This program enables potential suppliers to access a diverse range of consulting services to build their capacity in quality management systems (ISO), quality certifications, finances, and management information systems. The program was very successful: 73 percent of assisted companies increased turnover by 66 percent; the number of employees of each of these companies increased by 32 percent; accumulated increase in annual turnover totaled 35 percent for the companies; new jobs creation rose by 20 percent; productivity per employee increased by 13 percent, and two of the fifteen companies reported an increase in exports.

About Kazakhstani business development

TCO has been consistently increasing Kazakhstani Content (KC) in goods and services year by year. TCO currently purchases various types of materials from all over Kazakhstan.

TCO works with current and potential suppliers on ensuring the international quality and safety standards of the oil and gas industry. The continued development of Kazakhstani manufacturers and service providers that meet international standards is the 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, workforce training, and the creation of jobs for the citizens of the Republic of Kazakhstan.

Supplier development activities

TCO achieves our high performance in Kazakhstani Content through:



Identification, development, and utilization of local suppliers



Involving third party organizations for assessment of local market capabilities



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

As of 2020, we are developing over 26 commodities and are assessing over 45 companies to provide these goods and services. These include but are not limited to:

- Construction materials
- Electrical equipment and cables
- IT and telecom equipment and cables
- Production equipment
- High and low voltage motors repair services
- Fittings and flanges manufacturing

KC development map

While we operate in Western Kazakhstan, our focus is on developing suppliers throughout the entire country. As part of our strategy to develop the national market, TCO specialists identify and assess quality companies throughout the country to further establish agreements with:

East Kazakhstan region	valves, high and low voltage cables
West Kazakhstan region	maintenance services, valves, gratings, flanges, fittings
Atyrau region	flanges, gaskets, stud bolts, structural steel, fencing, automatic welding
Pavlodar region	chemicals, rebar, cables and wires
North Kazakhstan region	heat exchangers, maintenance services
Karaganda region	valves
Turkestan region	pumps, tanks, packaged substations, HVAC filters

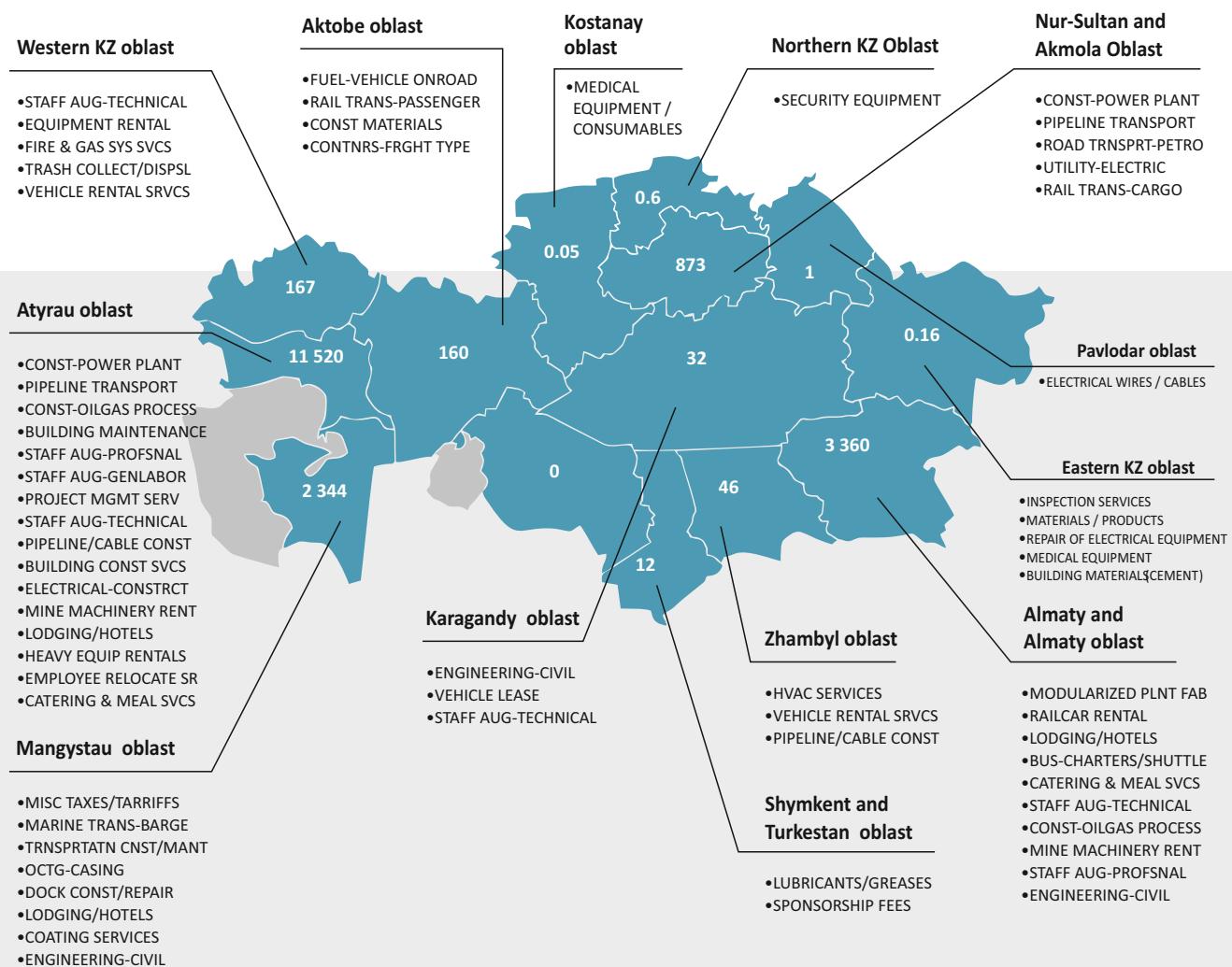
Developing KC through strategic contractors

A significant portion of TCO expenditure is with major contractors that share our dedication to building Kazakhstani Content. Therefore, we work with these major international suppliers and large local companies to nationalize their workforce and localize production. TCO is currently focusing on the following areas:

- Maintenance services
- Construction materials production
- Production Chemicals
- OEM Localization

TCO RoK Economic Impact: TCO KC Spend by Oblast (\$MM), 4Q 2020

TCO direct spend impacts many oblasts in multiple sectors – more than \$3.5 bln of KC Spend



2020 Success stories:

«Karlskrona» LLP – water pumps

In 2019, the company was qualified by TCO

In 2020, the pumps were purchased and delivered to TCO

«Alliance B Commerz» LLP – manufacturer of mobile offices

In 2019, the company was qualified by TCO specialists

In 2020, the company manufactured and delivered a mobile office to TCO

«EDIL – ORAL.kz» LLP service center for repairs of high voltage motors

In 2019, the company was qualified by TCO specialists

In 2020, a pilot order was placed for the repair of a high voltage motor

«ARTS» LLP – Local HVAC manufacturer

In 2019, specialized TCO experts visited production capacity of ARTS

In 2019, "ARTS" LLP won a tender for the project on the modernization of the HVAC system

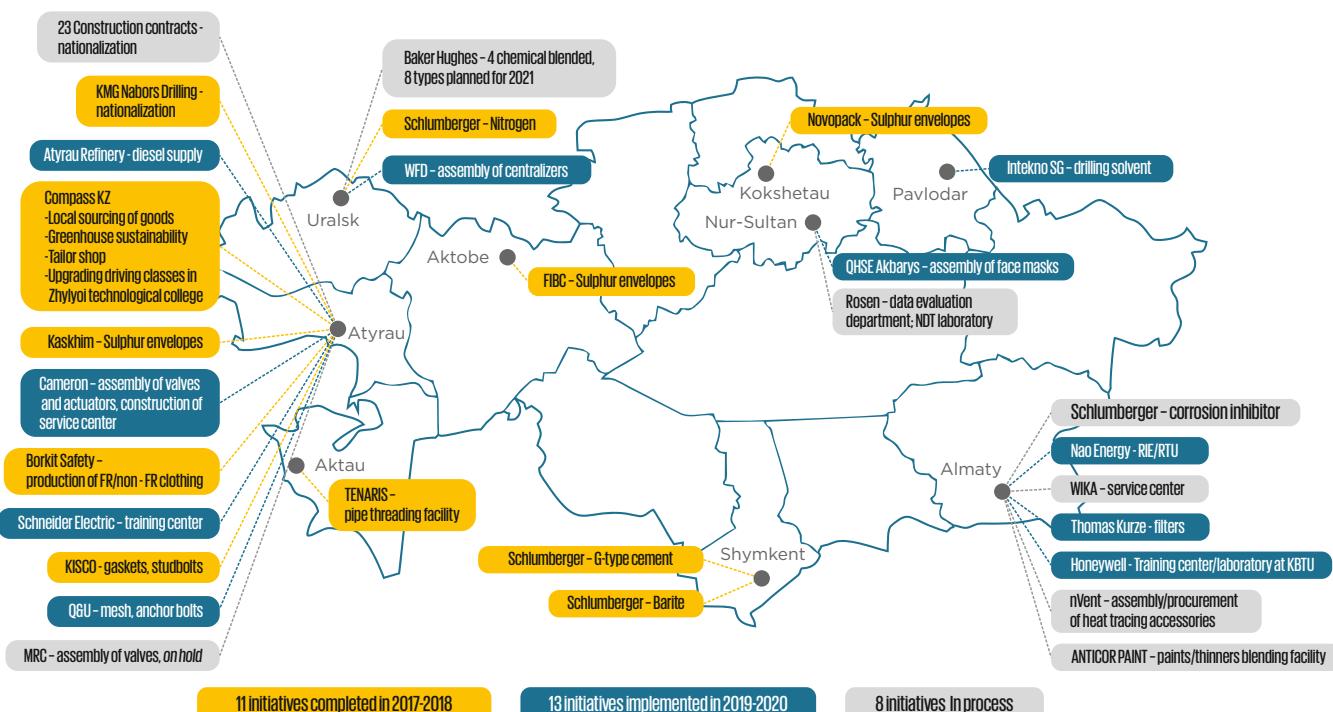
In 2020, a modernization process of the HVAC system was implemented

OEM Localization (original equipment manufacturers)

Significant potential for Kazakhstani Content resides with TCO's major contractors and suppliers. TCO enters long-term strategic relationships with these companies because they share our values – one of which is a strong commitment to the development of Kazakhstani content. In order to do this, the suppliers and TCO work together to develop a Kazakhstani Content Plan which outlines the investment, employment, training, and purchasing to promote Kazakhstani Content. TCO then monitors its suppliers over the life of the contract to support these goals or make corrective actions if necessary. **TCO also encourages contractors to conclude long-term contracts with the purpose of increasing local content through a range of initiatives.**

TCO KC Plan Results: RoK Investments by Strategic Suppliers

TCO encourages long term suppliers to develop goods and services in RoK



In 2020, Baker Hughes in partnership with local producer Topan commenced the mixing of four types of chemicals. A number of other types of chemicals are planned to be localized in 2021. The Cameron has completed the construction of a valve maintenance and the renovation of a facility in Tengiz. The initiative is under qualification for use in the TCO Base Business.

Search for potential suppliers

TCO conducts forums and seminars with the participation of local business community representatives to find partnership opportunities in various business sectors for the future strategic needs of the company in the relevant products and services. We share technical specifications and requirements, organize round tables with representatives of different TCO departments and technical experts.





Summary of program results (2015-2020)

30
projects with local consultants

8
projects with international consultants

8
trainings and master classes

3
webinars

2
online courses

More than
400
participants were trained

15
local consultants were trained and certified by the ILO as EOSH Instructors

TCO and the European Bank for Reconstruction and Development (EBRD) Joint Supplier Capacity Development Program

TCO maintains a sponsorship agreement with the European Bank for Reconstruction and Development (EBRD) to develop supplier capacity.

Since the launch of the program, the EBRD Team has been actively working on the development and implementation of consulting projects. In 2020, 5 local and 1 international consulting projects were launched. These programs covered areas such as access to finance, cost reduction, quality management, and safety. In addition, more than 200 representatives of local companies were trained in project management, introduction to the oil and gas sector, and business process modeling and implementation.

In 2020, the EBRD organized and conducted online training for TCO Business Partners:

- **Waste Management and Recycling** – 89 participants enrolled, 67 participants successfully completed
- **Safety Culture Fundamentals** – 60 participants enrolled, 43 participants successfully completed
- **Women's Economic Empowerment, webinar series** – 17 participants participated in each webinar series
- **Anti-Crisis Webinars** – Procurement and Inventory Management, Finance and Liquidity, Human Resources Management and Retention





**FUTURE GROWTH PROJECT –
WELLHEAD PRESSURE MANAGEMENT PROJECT**



Future growth project – Wellhead pressure management project (FGP-WPMP)

The FGP-WPMP project is 80% complete and TCO will continue to work with its Partners to advance this project of national importance, to its completion.

The Future Growth Project-Wellhead Pressure Management Project (FGP-WPMP) are two integrated projects implemented by TCO simultaneously. FGP-WPMP implementation will allow an increase in Tengiz crude oil production capacity. While FGP implementation will expand production, WPMP will keep the existing Tengiz plants at full capacity by lowering wellhead pressure and boosting the pressure of the six existing processing trains. The implementation of this project made it possible to provide jobs for thousands of Kazakhstani citizens, increase the competence of human capital, and transform the technologies in Kazakhstan.

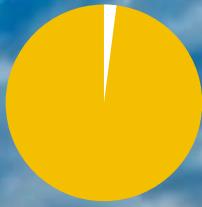
Work on the production of pre-assembled racks (PAR) at the ERSAI production site in Kazakhstan and on the production of five gas turbine generators (GTG) in Avenza, Italy, was completed in 2019. And at the end of the third quarter of 2020, work on the production of modules at South Korean fabrication yards was completed. All modules amounting to 81 units were safely and timely delivered to the Tengiz field. This important milestone in the development of the project highlights the successful completion of a three-year maritime transport program, which included the transportation of 408 large modular cargoes by sea from international locations to Kazakhstan. All modules are now at the facilities, which will allow the FGP-WPMP to continue the work on the assembly of modules and construction in Tengiz.

Work continues on construction of the Integrated Operation Control Center (IOCC), which will become a hub of TCO's all future production activities.





By the end of 2020, the indicator progress of work on the project was
80%



Engineering and technical overall design completed on
98%



General indicator progress of work for purchases is
99%





Kazakhstan content

TCO seeks opportunities and actively promotes the engagement of local goods, works and services by involving Kazakhstani engineering companies, design institutes, suppliers, manufacturers, construction contractors, and labor resources in all projects and works to the maximum extent possible. To perform this task, the Kazakhstan Content Group (KC) has been formed at the FGP-WPMP whose representatives are based in Tengiz and Atyrau.

Within two years, TCO acquired goods and services of Kazakhstani suppliers worth 8.1 billion US dollars only within the framework of the FGP-WPMP.

The project continues to create new opportunities focusing on technology transfer through the creation of joint ventures and the promotion of partnerships involving domestic and foreign companies, the creation of jobs, the training of a large number of domestic specialists and development of the material and technical base of enterprises.

Training and professional development

As part of the implementation of the agreements signed between the Akimat of Atyrau oblast, the Akimat of Mangystau oblast and Tengizchevroil LLP, training and retraining of unemployed residents of the regions continues in order to obtain the most popular specialties in the labor market. Overall, 900 people are planned to be trained annually within the framework of these programs. Training of unemployed residents of Atyrau and Mangystau oblasts is organized on the basis of training centers in Aktau and Atyrau. The duration of the training course is 2 to 3 months depending on the specialization.

The training program includes assessment of knowledge and qualifications by representatives of the vocational training group FGP-WPMP. Students who have successfully completed training under this program receive certificates of completion. Their chances of getting a job both in the Republic of Kazakhstan and abroad increase significantly. It should be noted that many graduates of the program have already found a job or have started their own businesses.

To date, 77% of graduates of the program are (self) employed.



Digitalization

Digitalization



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Our work in the field of digitalization is aligned with the “Digital Kazakhstan” policy of the Republic of Kazakhstan and is aimed at supporting the digital opportunities in the Republic of Kazakhstan by developing and building digital talents. To make TCO’s vision of becoming “the safest, most efficient, and most profitable oil and gas company in the world” a reality, we need to maintain a high level of digital project implementation and continue to develop a digital culture.

Baurzhan Kassenov, Digital Champion

In 2019, to improve security, improve risk management, and improve workflow efficiency, TCO has begun to address complex business challenges through the development of digital solutions. Digital transformation has led to changes and covered various processes, from the office to the exploitation of deposits.

TCO's Real-Time Personnel Safety Pilot Program has provided a simplified, automated, and standardized process to improve the safety of our colleagues in the field, production, and office areas of our vast Tengiz field. The program involved about 350 wireless sensors that improved personal security through situational awareness. We are now moving on to this program for post-pilot testing and look forward to its production.

TCO's Simultaneous Operations Visualization and Analysis Project allowed timely identification of planning conflicts, control of risk prevention measures, assessment of a large number of future field operations, and reduction of production losses.

The Decision Analysis Team, in collaboration with other departments, implemented the Minimum Viable Product (MVP), which allowed us to work out a **comprehensive integration of the TCO business situation assessment workflow**, which in turn allowed us to speed up decision-making and maximize the value of assets.

Warehouse Inventory Replenishment Tool provides TCO team members with advanced data and capabilities for analyzing inventory levels. The processes of manually entering information and using a large number of spreadsheets have been replaced by an integrated solution that allows to analyze orders by prioritizing them and adjust the replenishment time. This allows our colleagues to increase the reliability of production by identifying inventory needs at an early stage.

In collaboration with the Chevron teams, we have developed **solutions to improve the assembly and tooling management process**. Data migration and a new web interface enabled the team to efficiently work through large volumes of PBR changes, reducing lead times and increasing the reliability of results.

Using the TCO Real Data Optimization Program (RDO), we developed a network of monitoring and analysis screens for real-time data visualization, providing data from all Field facilities. These solutions helped facilitate the transfer of the data operator function of all assets from the project team to the base business in 2019.

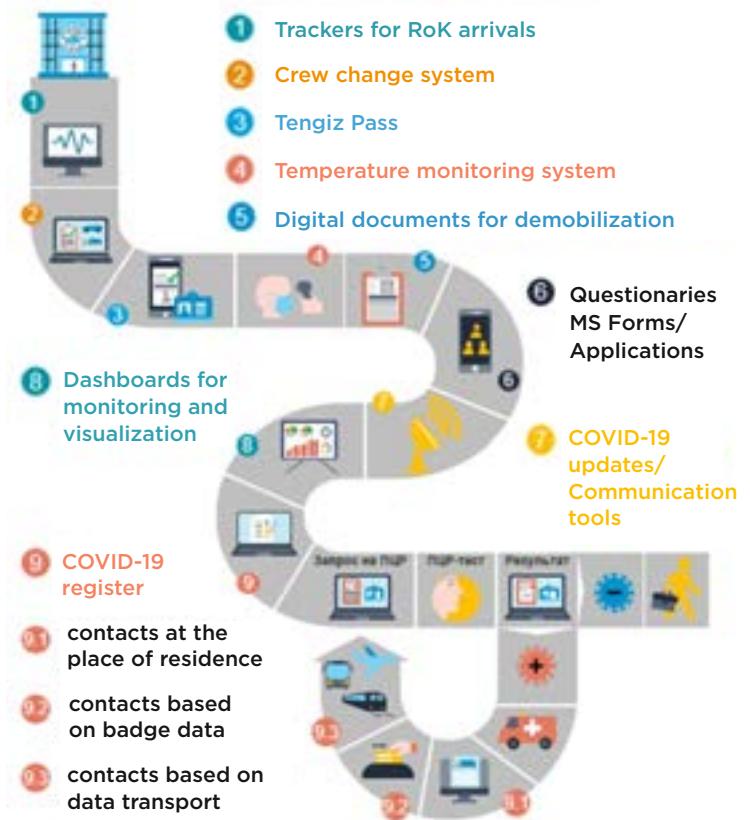
Automated Process Control (APC) applications use a variety of digital techniques, such as data mining and modeling, to develop a specific set of process settings in our operating plants in real time, including variables such as seasonal weather changes or process changes. The effectiveness of the APC is confirmed by volume increase in the production by about 4.8 million barrels per year.

The COVID-19 pandemic in 2020 has been an important test for the company. Digital solutions were developed to help the Crisis Management Team.

- One such solution was **the Tengiz Pass application**, which allows representatives of the operational headquarters under the Akimat to receive and approve crew change requests for companies outside the TCO; perform electronic scanning of identity documents at entry points; conduct real-time analysis of the presence of people in Tengiz in accordance with the rotation databases and the operational headquarters under the Akimat.
- **A PCR test registry was also created** – an integrated web-based system for submitting requests for PCR tests, collecting PCR swaps at the field, and automatically exchanging data with third-party laboratories; in case of a positive result, data generation algorithms are triggered to track contacts.
- There are a lot of other solutions that have helped TCO to cope with the coronavirus pandemic.

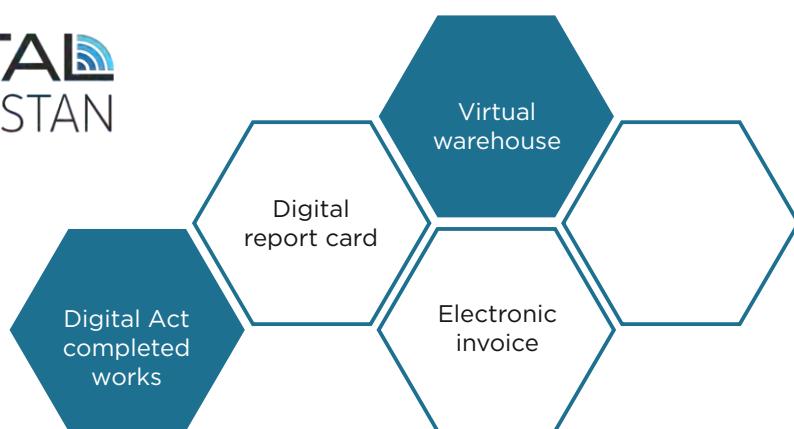


TCO's Digital Transformation Program supports the "Digital Kazakhstan" strategy, and we are actively working with the government to implement digital initiatives for our work processes. TCO employees actively use electronic digital signatures to work with government portals. For example, we have implemented an electronic certificate of work performed and an electronic invoice with the assistance of the state portal. This helps to significantly reduce the time for processing documents. We are also working on the next state initiative to introduce accompanying invoices for goods and a virtual warehouse. All these innovations help TCO to better perform its work processes, and we will continue to work with the state in this direction.



In 2020, we were able to speed up the Digital Transformation and involved even more TCO departments in project development. The Process engineering group in cooperation with the Information department have developed a tool that allows the analysis of the operation of heat exchangers in real time. It significantly improves equipment maintenance processes. Another project of the Maintenance team provides updated data on the progress of the production work throughout the cycle: the creation of the work order, permit to work, work performance and closing of work order. This will help to plan further work for many years to come.

An essential aspect of the successful digital transformation is a high-level digital culture in the organization and a sufficient understanding of digitalization by all company employees. It allows for all employees to achieve performance objectives. We have a number of activities featuring invited guests who talk about digitalization outside of TCO and digital projects implemented within the company.



A group of school children in white shirts and blue ties are working on a large, complex LEGO robot. One boy in the foreground is looking down at the robot's mechanical components. A teacher in a dark suit is standing behind him, observing. The background shows a classroom setting with other students and educational posters.

Social investment in the local community

Social programs



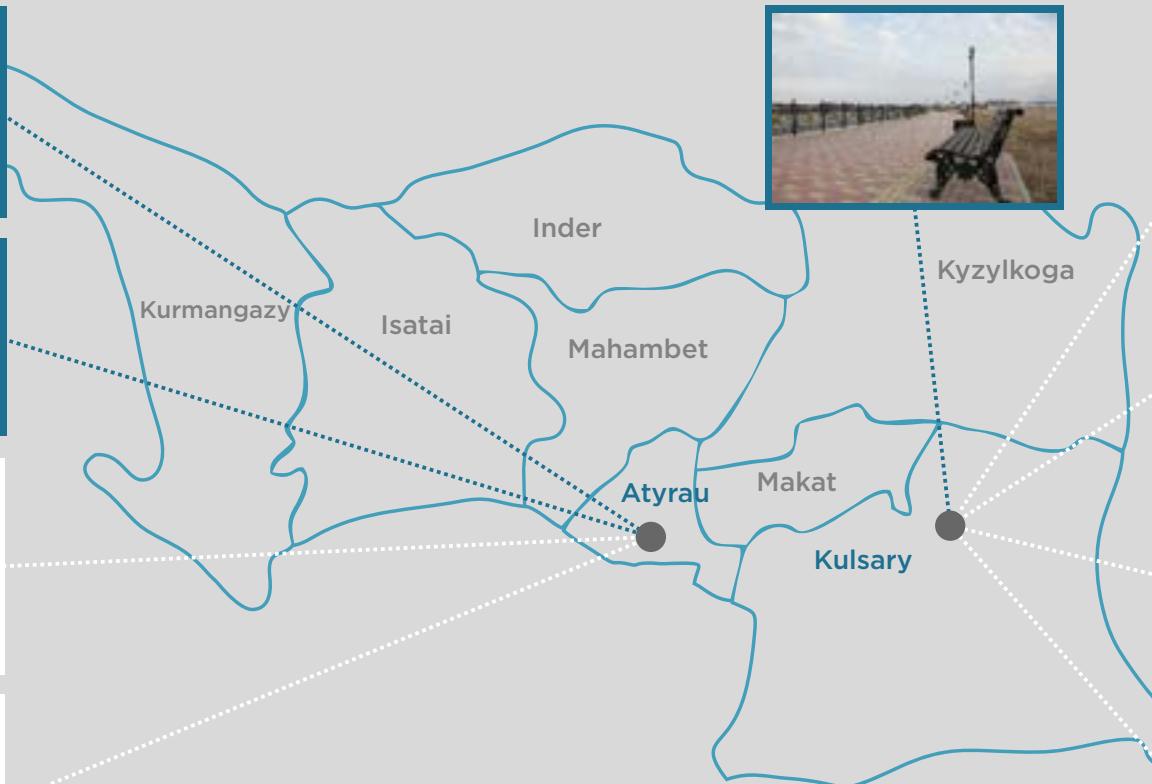
Throughout the history of TCO, social investment has been part of our company's sustainable development. We are convinced that good business development is possible only when business is ethically related to the community in which it is situated. In the past two years, \$50 million was spent on social support of the community and \$4.2 million on long-term development projects for social business.



**Rzabek Artygaliyev,
General Manager of Government and
Public Affairs at TCO**

TCO invests in the communities of Atyrau Oblast through two programs: the Egilik voluntary social infrastructure program and the Community Investments Program (CIP). The Egilik program is focused on the construction of social infrastructure (kindergartens, schools, parks, etc.), while the Social Investments Program supports the building of long-term capacities in subject areas of strategic importance. The main objectives of CIP are to stimulate economic development, ensure availability and quality of education opportunities, and, of course, public health.

List of egilik projects, 2019-2020



Work in progress

Completed projects

The Social investment program covers:

Atyrau region:

Atyrau city
Zhylyoi district
Kulsary
Erkinkala village
Kyzylkoga District (Miyaly village)
Kurmangazy District (Kurmangazy village)
Inder districts (Inderbor village)

Mangystau region:

Aktau city
Fort-Shevchenko
Kuryk village (Karakiya district)
Bautino village (Tupkaragan region)
Borankul village (Beyneu district)

The last two years will be remembered for the full-fledged implementation of 13 CIP projects in the Mangystau region. Local NGOs and residents of the region were actively involved in the implementation of projects; we found understanding in the community and support of all positive initiatives.

CIP projects, 2019-2020

Projects undertaken in the framework of social investment program share common TCO goals: to benefit the Republic of Kazakhstan, Atyrau and Mangystau Oblasts. The greatest asset in every project is a person.



Projects	Project start year	Project completion year
Kursay river clean-up project and landscaping of embankment in Kulsary		2019
Kindergarten for 100 children in the village of Maikomgen		2019
A 200-seat community center in Bodene village		2019
A 300-seat community center in Esbol village		2019
Recreation center in Maikomgen village		2019
Kindergarten for 280 children in Dossor village		2020
A 100-bed dormitory for students of Atyrau College of Energy and Construction		2020
Flagpole in Atyrau		2020
Additional work on the Kursai river clean-up project in Kulsary		2020
Kindergarten for 280 children in Vodnikov mcrd	2020	
Kindergarten for 280 children in Rakusha mcrd	2020	
A 580-seat school in Kulsary	2020	
A 75-bed hospital in Kulsary	2020	
A 200-bed hospital in Kulsary	2020	

Helping improve public health

Health care development in Zhylyoi region. Kazakhstan Association of Family Physicians (KAFP). Conditions have been created for continuous training and professional development of doctors and nurses. Patients and community have been provided with better opportunities which give more access to health information and the health system. Also, additional specialized training classes were delivered for schoolchildren on promoting healthy habits. And last but not least, a new confidentiality standard of patient counseling is being introduced in Kazakhstan known as «one medical worker - one patient in the room».

The project **Improving Medical Care Quality and Conditions in the Mangystau region** contributed to an increased interest in maintaining a healthy population. The Kazakhstan Association of Family Physicians (KAFP) carried out this project, and focused on:

- improvement of primary health care in the Karakiya District, Bautino village of the Tupkaragan region and Borankul village of the Beineu region, improving working conditions of primary health care teams, in cooperation with the local administration, health workers and stakeholders
- training of medical workers in the districts and provision of professional support by KAFP specialists in accordance with needs for clinical knowledge and skills, in the process of communication with patients and between staff
- «raising awareness» campaigns for Karakiya District population, especially schoolchildren, regarding the key health risks such as cardiovascular diseases, diabetes, reproductive and mental health

Improving the skills of health workers on adolescent reproductive health. «Akbobek» NGO conducted trainings for gynecologists in the field of providing medical care, by considering the clinical and psychosocial characteristics of adolescents. It also provided a program for training of nurses working in schools, equipping them with the knowledge and skills to explain the basics of reproductive health among adolescents. Within the program framework, a manual has been developed and produced for use by medical workers in counseling adolescents.

Enhancing the capacity to provide healthcare and rehabilitation services. The «Bolashak» Public fund has established an educational center for training and retraining of personnel in medical rehabilitation (kinesiotherapy, physical therapy, massage and kinesthetic), pedagogical and social correction (defectology, ergotherapy, speech and language pathology and phycology). This has resulted in the improvement of accessibility and quality of these services for the residents in the Atyrau region, by training specialists, parents, and relatives of patients in advanced rehabilitation measures.



The «People to People» Health Foundation has taken measures to prevent tuberculosis. The Health Foundation has provided a broad political and organizational support for the project, as well as strengthened human resources in health systems, preschool education, and education to ensure comprehensive coverage of children and adolescents with tuberculosis prevention.



Была поддержана инициатива общественного фонда «Өркениетті келешек» по открытию реабилитационного центра для содействия улучшению методов реабилитации детей с ограниченными возможностями с применением инновационного оборудования в комплексе с такими методиками исцеления как йога, плавание, а также занятиями с родителями в г. Актау. В рамках проекта также проводились семинары и организовывались ознакомительные визиты для детей и родителей. За весь период более 120 детей прошли курсы реабилитации.

«Little Country» social village is a village farm with horses, goats, sheep and chickens, a vegetable garden, a garden, a creative workshop, and educational classes for children with disabilities. Within the project framework, a month-long training seminar was held for employees in equestrian, therapeutic, adaptive riding with the participation of an international master of equestrian sports. Also, agricultural equipment was purchased (tractor «Belarus», mower, baler, and other mechanisms), which allowed the organization to begin its own production of hay.



Developing human capital

English to Success Project from the British Council. The development of English and basic subject teachers' potential in the settlements of the Mangystau region will allow young people from the regions to be more successful in the future. As part of the project, teachers gained experience in subject-language integrated learning and teaching scientific terminology in English through practical scientific experiments, which they can use during face-to-face or online training courses with students in the new academic year. Distance learning teachers have been supported through ambitious, far-reaching, and innovative initiatives that will benefit many schools and students in the region.



The «Yntymak» project implements educational and charitable events aimed at improving the availability and quality of education opportunities in orphanages, higher and secondary educational institutions of the Atyrau region by attracting TCO volunteers. Volunteers of the Yntymak community organized English language clubs, guest lectures and numerous courses for the Atyrau region youth. Every year, Yntymak volunteers rescue small fry in the Ural River, plant trees, and actively participate in environmental projects. Among the beneficiaries of the Yntymak project are children and adolescents from the Shanyrak orphanage, the Youth House, the Adaptation Center, students of educational institutions in Atyrau and Kulsary, as well as elderly people living in the Home for the elderly and disabled.

The Private foundation named after academician Z. Kabdolov continues to implement the «Q@Z@QSH@S@IR@!» project, whose purpose was to increase the audience for and popularize the study of the Kazakh language using innovative technologies. The work was done to familiarize the beneficiaries with Abai's work by translating his poems into Russian, which was timed to coincide with the 175th anniversary of the great poet. In addition, a number of activities were conducted on content production and updating the website of [Kazakhsha Saira! \(kabdolov.kz\)](http://Kazakhsha.Saira!.kabdolov.kz) with new materials under such headings like: «Customs and traditions of the Kazakh people», «Educational materials», «Poetry and music», «Proverbs and sayings of Kazakh people», «Electronic books», «Video podcasts», «Documentary films»



The «Approach to Future» Project, organized by «Zhastar zhetistikteri – Achievements of Youth», has promoted introduction in 25 schools of Aktau and 3 schools Borankul village (Beyneu district) of integrated programs "Professional orientation", "Professional self-determination". Training and professional development of schoolteachers in communication methods of professional orientation was carried out, moreover the teachers had opportunity to gain relevant experience.

«Career guidance and Direction to the future» project, organized by «Zhastar Zhetistiktery» non-governmental foundation, has been successful in raising awareness about a conscious choice of profession by introducing complex programs, like «Professional orientation», «Professional self-determination» in 25 schools in Aktau and 3 schools in Borankul village of Beyneu region. In addition, the foundation conducted trainings, professional development of teachers in the field of communicative methods of vocational guidance, thereby providing them with the opportunity to obtain relevant experience.

Rehabilitation and development center "Perishte". The public fund "Orkenietti keleshek" has carried out work on the development of handicrafts, STEM, art therapy, health improvement and the development of fine motor skills of children in sand therapy circles, improving the knowledge of teachers through influencing children's enthusiasm for needlework therapy in their free time from school, teaching children with disabilities opportunities and their parents for needlework in the center "Perishte".



«Perishte» rehabilitation and development center. The «Shanyrak» public fund carried out work on the development of handicrafts, STEM, art therapy, health improvement and development of fine motor skills of children in sand therapy circles. It enhanced teacher's awareness and knowledge of working with and supporting children who find freedom of expression via needlework therapy in their free time from school, by teaching handicrafts to children with disabilities and to their parents.

Stimulating economic development



Social Entrepreneurship Development Program «Zharkyra», implemented by the Eurasia Foundation of Central Asia (EFCA).

The project aims to support innovative social initiatives, sustainable entrepreneurial solutions to social, economic, and environmental problems in Atyrau and Mangystau regions. The «Zharkyra» program provides the entire support cycle of the joint venture: selection of applications, training, competition for project financing and consultations.

Social project for women with disabilities from Aktau, Borankul, Bautino and Kuryk villages. The Public Foundation «Urpak Next» organized training for girls and women with disabilities from 18 to 45 years of age in sewing, knitting, making souvenirs using the latest technologies (embroidery, construction, design development, patchwork), as well as the skills of making confectionery. The beneficiaries also gained knowledge on the basics of doing business and setting up their own business.

The project **«Home Business for Women»**, implemented by «Zhastar Zhetikteri», provided women in Aktau, the villages of Bautino, Borankul and Kuryk with the opportunity to learn the skills of doing small business at home, producing high-quality products, and bringing them to the market, opportunities in the development of competition and collaboration, raising funds for business development, and developing leadership skills. Within the framework of the project, several master classes were held on the topics such as: «Milk and dairy products», «New technologies for making wool products», «New technologies for making clothing products», «Growing berries, vegetables, mushrooms in greenhouses in small areas», «Fish products».

Creation of a laboratory for testing soil, water, and plants (SWAPTEL) in Atyrau. The Center for Support of Scientific Initiatives has organized innovative research on water, soil, and plants in the Atyrau region, which will help the state's awareness of the ecological situation in the region, as well as the development of agriculture in the region through the study of soil and crops suitable for growing in the local climate.



«Psychology for All» is a project of the «Independent Generation of Kazakhstan» International Public Organization, the purpose of which is to increase psychological and parental competencies and develop the potential of future professionals in society. Specialists help to form the skills of children's understanding, their psycho-emotional state and help parents to form the skills of developing life strategies to raise children as future professionals. In 2020 the projects were modified to the **«Future Atyrau Professionals»** project organized by the «Independent Generation of Kazakhstan» IPO, aimed at increasing psychological and parental competencies and developing the potential of future professionals in society. As part of the project, psychologists and teachers studied personality structures of schoolchildren, conducted explanatory consultations for school graduates on their choice of profession, and replenished their portfolio with psychological methods.

The project of the public association of disabled people «Mugedeck Alemi» is designed to improve the quality of life of people with disabilities. The main task of the project for the current year was the creation of the first training center «DOS» in Atyrau for people with disabilities, which will help them gain knowledge and master the necessary labor skills.

Restoration of the recreational potential of tourist places of the Mangystau region, NPU «Eco Mangystau». The project was aimed at increasing the tourists' attraction for the recreational areas of the Mangystau region through proactive environmental measures with the participation of the general public and the formation of an ecological culture. More than 1,000 volunteers held 12 subbotniks, cleaned sanitary and recreational areas, and installed information boards and boxes for separate garbage collection.

The «Umit» project, organized by Riza-Ana, helped to reduce the unemployment rate in the Tupkaragan district by training 20 unemployed women in the skills and basics of entrepreneurship that are in demand in the market. For women, seminars and master classes, courses of cutting and sewing, make-up artist, baking at home and manicure skills were held. Women also learned about such projects as «NurKapital», «Business Bastau», «Entrepreneur», «Zhumyspen kamtu», «Zhas Project».

Public Spaces, Eurasia Foundation of Central Asia. The goal of the "Public Spaces" project is to increase the capacity of local communities to improve the quality of life. This project was implemented in 6 villages of Zhylyoy district, as well as in Fort Shevchenko and Bautino, Kuryk and Bornakul of Mangystau region, where local residents themselves were engaged in the arrangement of children's playgrounds and sports grounds, recreation areas, landscaping of kindergartens and schools, and many others. Local activists have acquired new skills and knowledge in the field of project design and management, identified the main problems related to the infrastructure of public places and improved their localities.



In many ways, the success of community engagement programs is achieved through the public-private partnership of TCO, which works side by side with government, non-governmental organizations and the public.



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