



OCCUPATIONAL HEALTH AND SAFETY

KMG Group's Occupational Health and Safety Policy is driven by our senior management setting the tone at the top in occupational health and industrial safety and engaging every employee in building a safety culture. The leadership of KMG and its subsidiaries takes a zero tolerance approach to losses and damage caused by accidents (including traffic accidents), emergencies, as well as by the use of alcohol, narcotic drugs, psychotropic substances or their analogues. KMG is committed to ensure compliance with both national laws and relevant international and national standards.

As part of the efforts to implement the Roadmap to Improve Occupational and Environmental Safety in KMG Group approved by the resolution of the Management Board on 27 September 2016 (Minutes No. 39), the Company is phasing in KMG's corporate health programmes aimed primarily at reducing the occupational disease rates among employees and fatalities not related to injuries. The 2019 Roadmap included 31 projects.

In 2019, the Company piloted the Near Miss Reporting/Qorgau Map project to identify and correct unsafe behaviours. The Near Miss Reporting programme will identify unsafe working conditions and cover employees at all levels, enabling them to communicate their concerns, issues, and proposals.

The Company has in place a Crisis Management System to ensure rapid responses to potential crises, prevent their escalation, and mitigate the consequences and potential damage. The system is a three-tier framework which insures incident response escalation from the facility and subsidiary level to the strategic management level at the Corporate Centre. In 2019, the Company ran its first crisis management exercise

for the crisis management team, and also continued internal crisis management trainings at its subsidiaries.

Our review of the Company's Ground Vehicle Safety Management System identified three areas for improvement: driver training and upskilling, vehicle GPS tracking, and trip management system. To enhance transport safety and methodology framework and set unified requirements in line with KMG's Transport Safety Policy, on 23 October 2019, KMG's Modernisation and Transformation Council approved the launch of the Trip Management project within KMG's Digital Transformation Programme.

The project aims to improve road safety through instilling a safe driving culture based on global best practice, advanced digital solutions, and process automation. Project timeline: 2020–2022. The project will also unify the trip safety management requirements for all ground transport operations, implement a centralised tracking of key metrics and enable improved fleet utilization through analytical reports and corporate-level indicators.

The health and safety of our employees are the Company's top priority, and we remain committed to zero injuries, i.e. 100% safety. We have made significant progress on health and safety over the past five years. Our employees are engaged on safer working conditions and adoption of the highest standards to better protect themselves, their colleagues, and others. But there is still room for improvement. Despite all our efforts, we deeply regret to report two fatalities during the second half of 2019 – in a road traffic accident and in a fire.