
Nur-Sultan

KazMunayGas gets the ESG rating in sustainable development

In 2020, the sustainable development activities of JSC NC “KazMunayGas” (KMG) have been rated at the international level by the Sustainalytics rating agency¹ for the first time. Sustainalytics gives KMG a rating of 69 points, which reflects the company's rather high sustainability indicators (ranks 33rd in the world out of 119 industry players). It ought to be noted that its ESG Risk Rating is 34.5 points. In terms of the ESG Rating components, KMG has been rated as follows: Environmental - 69 points, Social - 70 points and Governance - 67 points.

Compliance with ESG principles implies the implementation of best Environmental, Social and Governance practices. The framework was formulated about 15 years ago by the UN in the form of Principles for Responsible Investment.

Sustainalytics' high rating confirms the strategic commitment and responsibility of KMG to current and future generations in terms of environmental health and social stability, along with a continuous process of corporate governance improvement.

As a national operator representing the interests of the state in the oil and gas industry of the Republic of Kazakhstan, KMG will continue to improve its operations to meet the highest sustainability standards.

In order to enhance the transparency of its ESG disclosures, since 2012, KMG has been publishing annual reports in accordance with the GRI Standards.

¹ Sustainalytics is an independent ESG research, ratings and analysis firm supporting investors around the world with the development and implementation of responsible investment strategies.

For reference:

Joint-Stock Company “National Company “KazMunayGas” (KMG) is Kazakhstan’s leading vertically integrated oil and gas company. KMG manages assets throughout the entire production cycle from hydrocarbon exploration and production to transportation, refining and provision of special services. Founded in 2002, the Company represents Kazakhstan’s interests in the country’s oil and gas industry.

KMG’s material assets include:

Exploration and Production: Tengizchevroil (TCO) - 20%, Karachaganak (KPO) - 10%, Kashagan - 8.44%², Ozenmunaigaz (OMG) - 100%, Mangistaumunaigas (MMG) - 50%, Embamunaygas (EMG) - 100%, Kazgermunai (KGM) - 50%, PetroKazakhstan (PKI) - 33%, Karazhanbasmunai (KBM) - 50%, Kazakhoil Aktobe (KOA) - 50%, Kazakhturkmunay (KTM) - 100%, KazMunayTeniz - 100%.

Oil and Gas Transportation, Gas Marketing: KazTransOil - 90%, Kazakhstan-China Pipeline (KCP) - 50%, MunaiTas - 51%, Batumi Oil Terminal - 100%, CPC – 20.75%³, Kazmortransflot - 100%, KazTransGas - 100%, ICA - 100%, AGP - 50%, KTG Aimak - 100%, Beineu-Shymkent Gas Pipeline - 50%, KazRosGas - 50%.

Refining: Pavlodar Refinery - 100%, Atyrau Refinery - 99.53%, PKOP - 49.72%, KMG International - 100%, Petromidia - 54.63%, Vega - 54.63%.

² In October 2015, Samruk-Kazyna acquired a 50% stake in Kashagan with the right to buy back shares in 2020 and 2022 in accordance with the option agreement. KMG and Samruk-Kazyna own an aggregate share of 16.88% in Kashagan.

³ 19% through KMG and 1.75% through Kazakhstan Pipeline Ventures (KPV).