



# 2018 CORPORATE RESPONSIBILITY REPORT



FUELING PROGRESS

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[www.tengizchevroil.com](http://www.tengizchevroil.com)



# ABOUT THIS REPORT

Tengizchevroil's first Corporate Responsibility (CR) report was published in 2008. This report covers 2018.

The purpose of this report is to share an update on Tengizchevroil's (TCO) CR achievements in 2018. TCO will continue to report on its CR efforts and activities on our website.

Please stay up to date on our efforts at [www.tengizchevroil.com](http://www.tengizchevroil.com).



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### Dear TCO Partners and company employees,

I would like to congratulate you on this remarkable anniversary – 25 years since the inception of Tengizchevroil joint venture!

Tengizchevroil is indeed a recognized corporate leader in the national petroleum industry. Over the last 25 years, TCO has increased production output by almost 30 times, reaching a historic milestone of 3 billion barrels of oil produced in 2017 since establishment of the company. Over the same period, crude production in Kazakhstan has increased fourfold and reached 85 million tonnes per year.

A company accounting for more than a third of the total oil production output in Kazakhstan, TCO makes a significant contribution to the country's economic development. The company's direct contribution has exceeded 135 billion US dollars, including Kazakhstani employees' salaries, purchases of Kazakhstani goods and services, tariffs and fees paid to state-owned companies, profit distributions to Kazakhstani shareholder and taxes and royalties paid to the government.

TCO has helped develop thousands of Kazakhstani companies in the most diverse sectors of the economy. The company pays great attention

to social projects in the Atyrau region, primarily focusing on the construction of kindergartens, schools, hospitals, improving water supply system and electricity. The image of Atyrau has absolutely changed today, becoming a modern city.

Eighty percent of the company's employees are Kazakh specialists. This was because Chevron made a great contribution to the training of specialists. They brought their experience and knowledge.

TCO demonstrates strong results in safety, health and environmental protection. TCO has invested over \$3 billion on projects to minimize environmental impact. The company has become one of the first enterprises in Kazakhstan to eliminate routine flaring. TCO's gas utilization rate is 98 percent.

I remember launching the Second-Generation Plant back in 2008. Thanks to this unique project, TCO doubled its oil production volume. The sour gas injection process was previously used only in the Gulf of Mexico oil fields. Its application in Tengiz has opened new opportunities to develop deep sub-salt fields.

TCO's Future Growth Project – Well Head Pressure Management Project is the next major expansion of the Tengiz oil field that will create significant value for Kazakhstan and TCO partners by introducing new technologies and leaving a legacy for future generations. To date, the Project has already employed more than 30 thousand Kazakhstani.

Once again, congratulations on the 25th anniversary of TCO. I wish you success, prosperity and new achievements!

**Nursultan Nazarbayev**  
President of the Republic  
of Kazakhstan



the Future Growth-Wellhead Pressure Management Project (FGP-WPMP). We continued our journey of digital transformation, which is unlocking new value from our assets. We also continued to advance our corporate responsibility activities, which are a vital part of our ability to create value for Kazakhstan.

In the report below, you will read more about TCO's contributions in the area of corporate responsibility. Our efforts are guided by the values embodied in the TCO Way, which define who we are as a company and how we conduct our business. We strive to always operate in a socially and environmentally-responsible manner and to continuously improve our performance.

We are a leading corporate social investor in the Atyrau region, where we are headquartered and where many of our employees and their families live and work. Yet, as you will learn in the report, our corporate responsibility efforts impact almost every region of Kazakhstan. We value our long-term partnerships with the local, regional and republican-level governments of Kazakhstan. Through our corporate responsibility commitments, we continue to focus on giving back to the communities where we operate.

We hope you enjoy reading this report and learning about TCO's significant contributions in the area of corporate responsibility.

## A MESSAGE FROM OUR LEADERSHIP

### Dear Readers,

On behalf of Tengizchevroil (TCO), we are pleased to share with you our 2018 Corporate Responsibility Report. Last year we celebrated an incredible milestone in the history of our company: the 25th anniversary of TCO's establishment in 1993.

Our purpose over the past 25 years has been – and continues to be – to create value for the Republic of Kazakhstan, our shareholders, our employees

and the communities where we operate. For more than a quarter of a century, TCO has been creating value for Kazakhstan by relentlessly focusing on safe and reliable operations. We have remained dedicated to delivering on our commitments, and 2018 was a fantastic year for TCO in this respect.

Last year, we achieved new records in safety, reliability and production. We met key milestones in the next major expansion of the Tengiz field,

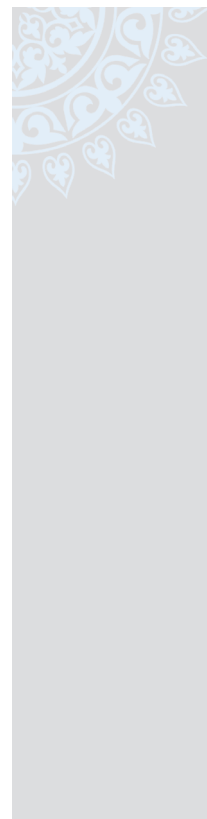
Eimear Bonner  
TCO General Director

Murat Mukashev  
TCO Deputy General Director

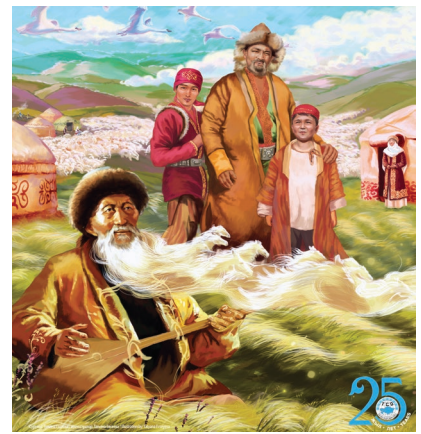




Tengizchevroil (TCO) has a great tradition of issuing informative illustrated calendars on an annual basis with the mission to support and promote Kazakh culture. It has been seven years since the first calendar was published. During this time the following calendars were published: “Kazakh Fairy Tales”, “Kazakh National Games”, “Mushel – Kazakh Calendar”, “Everyday Life and Traditions of Kazakh Nomads”, “Alpamysh Batyr”.







Tengizchevroil's 2018 Calendar is a continuation of the tradition to support and promote Kazakh culture. The calendar is dedicated to "Kyz Zhibek," the most monumental masterpiece, emphatic and favorite lyrico-epic poem of the Kazakh people.

The poem storyline takes us back a few centuries, to the vast Kazakh steppe, where a dramatic and tragic love story unfolds, of the young man Tolegen and the beauty Zhibek. Faithfulness, friendship, courage and patriotism are glorified in the poem. The essential points of the poem are Tolegen's aspiration for freedom and love. Tolegen, guided by his bright feelings, seeks his beloved one despite many obstacles in his path – a harsh desert,

parental protest, loneliness, treachery and meanness.

Tolegen and Kyz Zhibek both have great personalities, a willing spirit, human dignity, and the embodiment of the ideals of freedom-loving youth. Their characters reflect the best features that the people wished to see in the young generation.

"The 'Kyz Zhibek' poem is also a true reflection of the old nomadic way of life of Kazakh people. It depicts a slow-moving caravan

of steppe nomads, erected yurts, and a lone rider galloping across the steppe. The core value of the poem is its language which is pure, lively, beautiful, like the soul of the people," said Kazakh writer Mukhtar Auezov about the poem.

The "Kyz Zhibek" poem was performed by many akyns (poets-improvisers) and has been published repeatedly since 1894. Today, a number of original versions of the epic are known. The poem is included in the list of world cultural heritage and 2008





was declared by UNESCO as the year of the 500th anniversary of the epic.

In 1934, based on the “Kyz Zhibek” folk epic, the first Kazakh eponymous opera was created, and was immediately recognized as the pearl of the national musical art. The libretto to the epic was written by the recognized playwright Gabit Musrepov. Evgeniy Brusilovsky composed its music and extensively used Kazakh folk songs and kyuis (na-

tional instrumental music), works of traditional composers - Ybrai, Mukhit, Zhaiou Musa, Tattimbet. He easily applied the European instrumentation art and harmony to Kazakh music.

In 1970, Sultan-Akhmet Khodzhi-kov, the Kazakh filmmaker directed, a two-part film of the same name, in Kazakhfilm studio. Meruert Utekesheva (Kyz Zhibek), Kuman Tastanbekov (Tolegen) and Asanali Ashimov (Bekezhan) were in the leading roles. The film

was awarded the State Prize of the Kazakh SSR in 1972, it was rolled out in 43 countries around the world.

The plot of the “Kyz Zhibek” epic is timeless and beyond borders. It asserts the primacy of love over the conventionalities and prejudices of society. Centuries from now, it will echo in countless human lives and people will still identify the stories of their love, with the poem about Tolegen and Zhibek.



# 25 TABYSTY 25 JYL JARQYN BOLASHAQQA BIRGE



## The TCO 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 PARTNERS

<b>Chevron</b>	<b>50 %</b>
<b>ExxonMobil</b> Kazakhstan Ventures Inc	<b>25 %</b>
<b>KazMunaiGas</b>	<b>20 %</b>
<b>LukArco</b>	<b>5 %</b>

## TENGIZCHEVROIL OVERVIEW

TCO is a leading company that produces oil, gas and associated products to fuel the modern economy. Our history is closely interlinked with the rise of an independent Kazakhstan. 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 to build upon.





**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.

## HISTORY

The Tengiz field in western Kazakhstan was discovered in 1979.

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

TCO's current partners include: Chevron (50 percent); KazMunaiGas (20 percent); ExxonMobil (25 percent); LukArco (5 percent).

## THE FIELD

The 2,500-square-kilometer (1,600-square-mile) project license area includes the Tengiz field and a smaller, but sizable, Korolev field.

Total recoverable oil at Tengiz and Korolev fields is between 890 million to 1.37 billion tonnes (7.1 to 10.9 billion barrels). Estimated oil in place in Tengiz field is 3.2 billion metric tonnes (25.5 billion barrels). At a world class size of 200 million tonnes (1.6 billion barrels), Korolev is one-sixth the size of Tengiz.

The Tengiz field is the world's deepest developed super giant oil field with the top of the reservoir at about 4,000 meters

(13,000 feet). Tengiz reservoir is 20 kilometers (12 miles) wide by 21 kilometers (13 miles) long, the oil column measures an incredible one mile thick. The reservoir area is so large that you would have to run nearly two marathons to cover the entire distance around it.





# YEARS OF SUCCESS

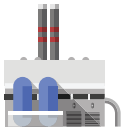
## BUILDING THE FUTURE TOGETHER



**1993**  
On April 6 the President of the Republic of Kazakhstan N. Nazarbayev and Chevron Chairman of the Board, K. Derr, signed an Agreement in Almaty on formation of Tengizchevroil Joint Venture



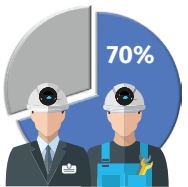
**1994**  
TCO launches a \$50 million five-year social investment program called the Atyrau Bonus Fund to fund social infrastructure in Atyrau Oblast



**1997**  
Construction of KTL-2 is successfully completed. A rail tank car loading rack is put into operation



**1998**  
The production enhancement program is completed and results in an increase in annual oil output to 6.9 million tonnes



**1999**  
National employees represent 70 percent of the workforce



**1996**  
50 percent of employees are Kazakhstani citizens



**1996**  
TCO spent \$1 million on training programs for national specialists, which includes training and educational assistance



**1997**  
Construction of the 5th crude processing train (Train-5) begins



**1998**  
Atyrau oblast residents start getting gas from Tengiz field to their households



**1999**  
TCO launches a new voluntary social infrastructure program named Egilik ('Benefit' in Kazakh)



**2000**  
TCO starts production, loading and transportation of European quality propane and butane



**2001**  
First export of crude oil through CPC



**2002**  
TCO produces 131 million tonnes of oil



**2007**  
The Sour Gas Injection (SGI) facility is successfully completed



**2008**  
The SGP expansion project in Tengiz is completed. The facility is officially commissioned by President Nazarbayev



**2000**  
TCO announced completion of Gas Utilization Project to eliminate routine gas flaring in Tengiz



**2001**  
TCO completes the construction of Train-5 and Program 12



**2002**  
TCO's spend on Kazakhstani goods and services totals \$415 million



**2002**  
TCO increases Egilik spending to \$20 million



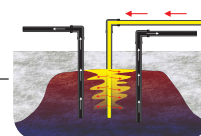
**2003**  
TCO sets another annual crude oil production record at 25.9 million tonnes



**2004**  
TCO produces 1 billion barrels of oil since its formation in 1993



**2005**  
Reduction in the number of technical malfunctions at the KTL plant by 87 percent. The volume of sour and acid gas flaring during technical malfunctions were reduced by 87 percent since 2000



**2006**  
SGI injects its first sour gas



**2007**  
Total SGI/SGP KC spendings reach more than \$2 billion



**2008**  
TCO Produces 2 billion barrels of oil since 1993



09



TCO wins a Gold Paryz award for the Best Collective Agreement



TCO completed Crude tank farm project

10



TCO received Paryz Republican Corporate Responsibility Contest Grand Prize from the President of Kazakhstan Nursultan Nazarbayev

12



TCO is recognized as the safest large enterprise in Kazakhstan at the Kazakhstani International Conference on labor protection and industrial safety KIOSH



The Republic of Kazakhstan and TCO sign a Memorandum of Understanding within Future Growth Project – Wellhead Pressure Management Project (FGP-WPMP)



TCO increases annual Eglik spending to \$25 million



TCO achieves a record annual spending of over \$2.4 billion on Kazakhstani goods and services



TCO commissioned a Wastewater Treatment Facility



Sulfur Inventory Elimination in Tengiz

2013



TCO produces 271 million tonnes of oil



Since 2007, 143 Kazakhstani specialists replaced expatriates in key managerial, supervisory and key technical positions



TCO Partners made the Final investment decision for the FGP-WPMP

2014



Kazakhstani citizens represent 87 percent of TCO positions, Kazakhstani managers and supervisors represent 76.5 percent of the TCO managerial workforce



A \$65 million Kulsary water supply system replacement project is fully completed



The entire volume of produced oil is transported via CPC

2015



TCO sets another crude oil production record at 2716 million tonnes



TCO's spend on Eglik program totals more than \$239 million since 1999 with 110 projects completed and over 1,000 new jobs created



TCO achieves a new record by spending over \$2.5 billion on Kazakhstani goods and services, including over \$1.12 billion for FGP-WPMP. TCO has invested more than \$24 billion on Kazakhstani goods and services since 1993



The Collective Agreement is updated

2016



TCO produces 2756 million tonnes of oil

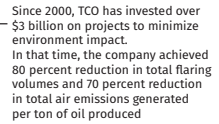


TCO has remediated 1,320 ha of technologically disturbed lands

2017



A new laboratory at TCO Industrial Base Maintenance and Operations Area is opened



Since 2000, TCO has invested over \$3 billion on projects to minimize environment impact. In that time, the company achieved 80 percent reduction in total flaring volumes and 70 percent reduction in total air emissions generated per ton of oil produced



TCO Workforce achieved 60 million man-hours without DAFW – the highest performance in TCO's history



TCO produces 3 billion barrels of crude since 1993



TCO achieves a record production of 28.7 million tonnes



# PERFORMANCE DATA - 2018

## PRODUCTION

**Oil Production**  
(million tonnes) **28.6**

## PRODUCT SALES

**LPG**  
(million tonnes) **1.3**

**Dry Gas**  
(billion cubic meters) **9.2**

**Sulfur**  
(million tonnes) **2.5**

## SAFETY

**Hours worked**  
(hours) **115**

**Miles driven**  
(million) **103**

## CONTRIBUTION TO KAZAKHSTAN

**Kazakhstani Content spend**  
(billion USD) **3.5**

**Total payment to Kazakhstan**  
(billion USD) **10.1**

## PEOPLE

**International/Domestic Assignments** **41**

**Kazakhstani people in Bases Business:**

• **Employees:**  
(%) **89**

• **Supervisors/Managers:**  
(%) **77**





## RELIABILITY

- SGI/SGP and KTL facilities demonstrated world-class reliability of 98 percent in 2018.
- Last year, TCO safely and efficiently completed the KTL-2 turnaround ahead of schedule, within budget and with zero Days Away From Work. This is an incredible achievement involving over 2 years of planning and 8,000 workers to complete.

## FUTURE GROWTH PROJECT – WELLHEAD PRESSURE MANAGEMENT PROJECT



**W**e have embarked on the next major expansion of the Tengiz oilfield. In 2016, TCO's Partners announced approval for the final investment decision of the Future Growth Project - Wellhead Pressure Management Project (FGP-WPMP).

FGP-WPMP is a state-of-the-art project that will create a legacy of a 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.

The FGP-WPMP is being constructed simultaneously to realize efficiencies and cost savings.

Based on TCO's highly-successful SGI/SGP expansion project, FGP-WPMP will expand production by approximately 12 million tonnes per year/260,000 barrels per day to about 39 million tonnes per year/850,000 barrels per day.

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

There are more than 45,000 Kazakhstanis working on FGP-WPMP in Kazakhstan, which is 91 percent of the total project workforce in the country.

Kazakhstani Content spend since the project started has totaled more than \$5.6 billion.

In 2018, FGP-WPMP achieved several significant project milestones, including:

- 28 pre-assembled racks were delivered to the Third Generation Plant (3GP) and Third Generation Sour Gas Injection (3GI) from Ersai, Kazakhstan
- The first Gas Turbine Generator was delivered to the 3GP site from Avenza, Italy
- 12 modules sailed away from South Korea and were delivered to Tengiz.











# DIGITALIZATION

**20**18 saw a continuation of TCO's digitalization journey. Building on our early investments in data foundation, information management and data science, we formalized TCO's Digital Transformation Roadmap. The roadmap consists of four focus areas: fatality prevention, base business excellence, maximizing cash from operations, and delivering FGP. The roadmap also defines key enabling capabilities divided into two categories: digital foundation and digital culture.

Digital foundation consists of building scalable digital platforms through the adoption of cloud technologies, the industrial inter-



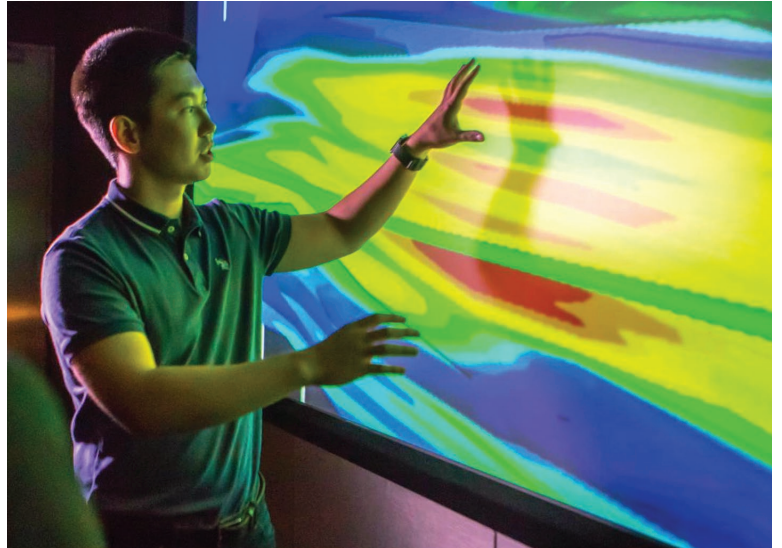




net of things (IIoT), and modern API-based architecture. We continued to improve quality, accessibility, and discoverability of our data by further investing in the TCO Data Foundation, Real-Time Data foundation and data lake technologies.

Digital culture efforts were focused on developing digital leaders by improving digital fluency and technology awareness through a series of digital workshops and bootcamps. We implemented an agile project delivery methodology based on industry-standard SAFe framework. We continued to develop our digital organizational capability both by growing IT skills in emerging technologies (cloud, data science, big data, architecture) as well as improving digital skills of the overall workforce.

In 2018, TCO's data science team developed and deployed several analytics solutions. The flowback performance optimization tool applies artificial intelligence to historical data in order to determine the variables that impact the length and success of flowbacks such that reliable optimized schedule may be created. The inventory optimization tool was developed to right-size inventory levels of 2000



stock-controlled items by analyzing historical demand and lead time patterns. We also developed a production optimization solution to maximize oil production and minimize a risk of well liquid loading by providing recommendation for optimal choke settings and pipe lineup.

We continued our investments in motor vehicle safety analytics project. The project is focused on improving motor vehicle safety on Tengiz roads by early detection of hazardous conditions or unsafe driving. The project deployed a real-time procedure adherence and violation detection system capable of detecting number of violations like overtaking procedure adherence or driving in harsh weather conditions as well as number of analytical dashboards and a geospatial visualization tool. We deployed 450 fatigue detection devices in critical vehicles (busses, night patrol vehicles, dump trucks).

The Real-time Data Foundation program deployed water dashboard for tracking and optimization of consumption of potable and technical water in Tengiz.





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.

## PROTECTING PEOPLE AND THE ENVIRONMENT

### PROTECTING PEOPLE

In 2017, TCO initiated a Fatality Prevention Project to enhance safety culture at TCO's operational locations. Fatality Prevention has been a combined effort of the One TCO team, which includes members from Base Business, FGP and our business partners. The team has worked jointly on three focus areas: Job Planning & Supervision, Contractor Management, and Verification & Validation.

Fatality Prevention and Process Safety are the two cornerstones to incident-free construction and operations. TCO strives for zero workplace injuries and is continuously working to improve safety and prevent serious injuries or fatalities. In 2018, the

following key Fatality Prevention initiatives were deployed at TCO's operated facilities:

- **Managing Safe Work (MSW) Coaching Program.** This program aims to hold engagements by discipline experts at the field for the benefit of the workforce. The engagements are intended to explain, teach and show the critical safeguards required to prevent serious injuries or fatalities during work execution. The primary objective of MSW Coaching Program is to improve workforce competency and fluency with MSW Standards. The main areas of focus are electrical (de-energized and energized), confined space entry, excavation, hot work, isolation of hazardous energy, lifting and rigging, and working at heights.
- **Save Your Life Actions and Start Work Checks.** This process includes validation of critical safeguards by work crews and by an independent verifier every time prior to start of work. Start Work Checks enable our workforce to visually verify that the safeguards designed to protect them are in place and functioning before



starting work and ensure that the work does not commence until the critical safety action is performed. Job Safety Analysis (JSA) form was enhanced by providing examples of applicable safeguards specific to each task. The form was made user friendly for multi-language workforce and updated to integrate the requirement of performing start work checks for critical activities.

- Construction Management Plan and Work Method Statement guidelines were developed for Engineering and Construction business partners. New standardized guidelines included RoK and TCO expectations with an aim to focus on review of construction execution methods at the stage of developing engineering solutions and prior to start of field work. It is expected that this integrated approach and cooperation between our business partners and client will bring positive outcome improving and ensuring safe execution.

Recognizing that our business partners are key stakeholders for our success, regular communication meetings and networks were established last year to enhance safety communications. In 2018, TCO Management held two Business Partners (BP) Community meetings with over 80 companies. This meeting is conducted in the form of a dialog between TCO and BP leaders where TCO shares our values, strategic directions, expectations and best practices. BP Leaders actively participate in the meeting by sharing their success stories and providing candid feedback, suggestions and ideas on the ways of improving safety performance and saving lives.

To reinforce communication on fatality prevention efforts, TCO published the “Change Agent Chatter” (CAC) on a monthly basis and distributed across BP and TCO workforce. The CAC is meant to communicate the progress of fatality prevention initiatives, convey an inspiring message from our TCO leaders and share best practices submitted by our Business Partners.

TCO feels strong in achieving results and always supports open communication by sharing experience and looking for industry best practices. In 2018, TCO participated in external events and shared TCO fatality prevention program and initiatives at HES Forum conducted by Kaztransoil (KTO) with guests from NCOC, Air Astana, KPO and at Share Experience meeting with KazMunaiGaz (KMG).

In 2018, TCO worked 115 million man-hours with 9 DAFW incidents. We will continue to learn and improve on our performance to achieve strong and sustainable results in Operational Excellence.

## TENGIZCHEVROIL AND THE ENVIRONMENT

Protecting the environment is also one of TCO’s core values and a focus area of the company’s Operational Excellence Management System (OEMS). The company focused on five key objectives of OE to meet and exceed environmental protection expectations.

Operational Excellence Objectives:

- Achieve an incident- and injury-free workplace
- Promote a healthy workforce and mitigate significant workplace health risks
- Identify and mitigate environmental and process safety risks
- Operate with industry-leading asset integrity and reliability
- Use natural resources and assets efficiently

TCO has implemented an Environmental Process to provide a consistent, methodical approach for improving environmental performance and reducing potential impacts over an asset’s life-cycle. The Environmental Process drives effective management of potential impacts and identifies beneficial environmental improvement opportunities for consideration during the business planning process.

The consistent and systematic implementation of the Environmental Process, including the Environmental, Social and Health Impact Assessment Process, the Natural Resources Standard and the Third-Party Waste Stewardship Standard facilitates TCO to continue progressing the goal of leading environmental performance.

Since 2000, TCO has invested \$3.1 billion on projects to minimize environmental impact at Tengiz.

This investment has enabled TCO to achieve reductions in flaring and air emissions (since 2000), improve wastewater treatment and support an increase in water reuse.

## AIR PROTECTION

### Air Emissions

Protection of air quality includes record-keeping to understand trends in pollutant concentrations and taking actions to systematically decrease pollutant emissions when feasible. TCO strictly complies with the legislative requirements of the Republic of Kazakhstan and conducts air protection activities by utilizing real-time monitoring technologies.

Total air emissions generated per ton of oil produced have been reduced by 72 percent since 2000. In that same period, TCO increased annual crude oil production volume by over 2.7 times as a result of investments in capital programs and equipment reliability.

### Flaring

TCO has implemented several major projects to reduce flaring, including the gas processing capacity expansion project, the gas export pipeline capacity growth project and the gas utilization project.

Since 2000, investments in environmental protection and plant reliability improvement projects have helped TCO reduce total gas flaring volumes by 85 percent. By 2009, TCO eliminated continuous routine flaring of associated gas.

There was a slight increase in instances of gas flaring from 2014 to 2016 as a result of TCO's efforts to improve equipment reliability through Turnaround activities. Major plant Turnarounds in Tengiz, which include replacing equipment and often requires intermittent flaring as a safety precaution, is part of TCO's approach to maintaining world-class reliability and production.

### Greenhouse Gases

Kazakhstan has enforced greenhouse gas (GHG) standards since 2013. Beginning in 2010, TCO adopted the Republic of Kazakhstan national statistical system data reporting requirements covering all categories of GHG sources associated with crude oil production. Data collected in TCO operations indicate that electric power and heat generation account for the largest category of GHG emissions. After flaring, tail gas combustion represents the next largest source of CO<sub>2</sub> emissions. Other GHG sources include hydrocarbon production, processing and transportation and associated operations.

The inventory program includes the following emissions with a potential climate change impact: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). TCO's intention is to support the initiatives of the Republic of Kazakhstan (RoK) and continue its contribution to the RoK nationwide drive for GHG estimation, control and monitoring.

## WASTE MANAGEMENT

TCO is exploring opportunities to maintain a waste recycling rate of 61 percent achieved in 2018 and makes considerable efforts developing local waste management services. TCO sends more than 25 types of solid wastes for recycling. In addition, we are implementing recycling projects, including col-

lecting paper and plastic bottles and sending them to third parties for recycling and reuse. Through our company's recycling efforts, we have helped establish a waste recycling industry in Kazakhstan. We remain committed to developing local Kazakh content through our waste recycling partnerships and continue to identify additional waste treatment opportunities involving third party service providers.

List of waste streams recycled or re-used in 2018

- Plastic wastes, including plastic bottles
- Paper and cardboard waste
- E-wastes
- Metal scrap
- Concrete waste
- Construction and demolition waste
- Wood waste
- Used tires
- Spent car batteries
- Oil sludge
- Drill cuttings

## RATIONAL WATER USE

TCO uses water every day for technical and potable needs while conducting operations. TCO recognizes the value of fresh water as a fundamental social, environmental and economic resource. We place great emphasis on water conservation and re-use whenever possible. TCO facilities, like most other water users in Atyrau Oblast, are supplied with fresh water through the Astrakhan-Mangyshlak water pipeline from the Kigach River, one of the Volga River's channels, because the Tengiz region does not have fresh ground or surface water.

TCO's Wastewater Treatment Facility (WTF) and Water Recycling Facility (WRF) were Major Capital projects which focused on fresh water conservation and wastewater management. TCO's WTF, designed to treat 6,000 m<sup>3</sup>/day of sanitary wastewater, began operations in January 2014. The treated wastewater from the WTF provides the WRF influent to produce high-quality water for operational purposes. This facility was commissioned in 2016 and is a major component of TCO's long-term, comprehensive water management program.

TCO's WRF treats wastewater to technical water quality via reverse osmosis. WRF is designed to produce up to 3,600 m<sup>3</sup>/day of recycled technical quality water to support TCO operations. The recycled water from operation of the WRF has increased TCO's annual recycled water rate to over 30 percent of overall consumption.





TCO has established a Water Master Plan to document the strategy for short-, mid-, and long-term water management.

TCO is actively evaluating and executing various projects to manage water use, including:

#### Water Conservation

- TCO developed and maintains a Water Resource Management Plan
- TCO installed water saving equipment in Shanyrak Village, TCO Village, and Rotational Village accommodation facilities.
- Water Re-use / Re-purposing
- Installation of an ultra-filtration system at the New Boiler House to enable use of KTL SCOT water for steam generation

- Use of alternative water sources such as groundwater and filter backflush water for FGP technical water.

- TCO is increasing the treatment capacity of our Water Treatment Facility from 6,000 m<sup>3</sup>/day to 7,800 m<sup>3</sup>/day

#### Reliability Projects

- Providing financial support to install a new technical water line from Kulsary to TCO
- Installation of storage / buffer tanks in Kulsary with a new technical water line
- Installation of a third ultrafiltration system at our Water Recycling Facility
- Installation of new Potable Water Treatment and Wastewater Collection System at the Rotational Village

## LAND CONSERVATION

The production of natural resources and construction works results in the formation of man-made landscapes and other land quality changes.

To mitigate the impact of our operations on the landscape, TCO annually monitors technologically disturbed lands (TDL) in the TCO partnership area to identify disturbed or contaminated areas and capture data necessary to reclaim the areas at a later stage. Conditions of contaminated lands are assessed, reclamation projects are developed, and findings on revealed and reclaimed areas are reflected in an ArcGIS data base and cartographical materials.

The area of reclaimed/remediated lands as of 2018 is 1,394 ha, which is 96 percent of TDLs that are identified for reclamation/remediation work. Most of the reclamation work is related to landscape disturbance and not contamination.

Reclamation of disturbed lands includes collection and removal of garbage, and restoration of the natural landscape by repairing the natural slopes and roughness of the terrain and creating conditions to encourage the growth of natural vegetation. TDL sites that are reclaimed and covered with drought-resistant and salt-sensitive vegetation naturally revegetate within several years. TCO's environmental reclamation of disturbed lands is part of TCO's environmental protection strategy that demonstrates commitment to principles of corporate social responsibility.

## ENVIRONMENTAL MONITORING

TCO conducts regular environmental monitoring of air, water and soil to verify that TCO operations comply with RoK regulations and align with the company's OE expectations regarding environmental protection. Our integrated environmental monitoring program is carried out by licensed contractors and data are analyzed by relevant TCO departments. Measurement data are collected according to the TCO Industrial Control Program developed in accordance with RoK environmental requirements.

### Air Monitoring

There are 12 automated stationary environmental air monitoring stations within and on the boundary of TCO's Sanitary Protection Zone in Tengiz. TCO also has fixed monitoring stations in TCO Village as well as in the closest settlement, New Karaton, 95 kilometers distance from Tengiz. A mobile laboratory is used weekly to monitor the area near the plant's emissions stacks. Readings are taken 16 kilometers upwind from the plants to identify background values for the substances being monitored.



Samples are also taken 0.5 to 15 kilometers downwind from the plants and at the border of the Sanitary Protection Zone.

### Soil Monitoring

There are 55 soil sampling sites identified and sampled yearly for documenting the overall and local soil quality within the TCO partnership area. Sampling sites for soil monitoring are identified based on wind directions to understand if potential contamination may have been spread via wind from outside of the area. Location of sampling sites may slightly change depending on the composition of the soil cover, soil status and other conditions.

### Groundwater Monitoring

TCO performs regular industrial monitoring of groundwater to obtain information about the condition of the environment and assess if there have been any impacts from production activity. The first two water-bearing horizons below ground surface are subject to routine monitoring through a network of groundwater observation wells. Unserviceable wells are decommissioned, and old or failed wells





are routinely repaired or replaced with new wells to maintain a competent and comprehensive groundwater monitoring network resulting in reliable groundwater quality results.

### **Waste Water Monitoring**

Industrial and sanitary wastewater monitoring enables TCO to control the quality of effluents discharged to evaporation ponds and subsurface horizons (industrial water is disposed in injection wells) and to enable compliance with established RoK environmental standards. Wastewater is monitored at discharge points at evaporation ponds and injection wells.

### **ENVIRONMENTAL PROJECTS AT FGP-WPMP**

Within the framework of FGP-WPMP implementation, TCO supports several additional conservation actions in the region:

- Actions to improve the Ural-Atyrau Sturgeon Hatchery conditions by facilitating technical workshops on hatchery best practices and providing quality feedstock for brook stock and fingerlings, aerators to increase dissolved oxygen concentrations in growing ponds, and excavators to improve outdoor maintenance capabilities
- Support conservation of the Social Lapwing (*Vanellus Gregarius*), a critically endangered species, by providing financial support to the Association for the Conservation of Biodiversity in Kazakhstan (2018 – 2019)
- Ghost Fishing Nets Removal Project in collaboration with the Ghost Fishing World Organization of Specialists to protect and contribute to the growth of endangered marine species within the project area, including the Caspian Sea Sturgeon. In 2017, approximately 2.8 tons of ghost nets were recovered and recycled for other uses. Fifty-three sturgeon species were released to the sea. In 2018, TCO continued Caspian coastal area debris removal.



We differentiate our performance through our people. We are proud of our diverse and inclusive workforce, consisting of many nationalities that works together as one focused team to deliver high performance results.

## STRATEGIC WORKFORCE DEVELOPMENT

### **Workforce Development Approach**

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.

TCO provides for a robust social package to its employees 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.

A critical element in the management of our human resources is our commitment to ensuring that every employee not only understands the company's goals, but also understands the unique contribution they can make to help TCO achieve those goals. The communication of business goals and objectives is carried out through regular engagements between TCO management and employees during performance management process, the monitoring of labor and industrial relations in TCO's departments and contractor companies, and the use of an employee "Hotline" reporting and feedback process.

TCO's social responsibility to its employees is formalized in a collective agreement that has been effective since 1996. The collective agreement is reviewed every three years and the latest updates were made on January 1, 2017. The collective agreement reflects the rights and responsibilities of employees and the company. At the same time, the collective agreement creates the possibility of discussing a wide range of issues, thus ensuring that the opinions of employees are taken into account.



## Strategic Staffing 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.

At the end of 2018, the share of full-time Kazakhstani employees in TCO's base business was 88.7 percent, while the share of national supervisors and managers in TCO's base business was 77 percent of the total number of management personnel. 173 Kazakhstani specialists were appointed to positions of managers, middle managers and key engineering positions, replacing expatriate employees.

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 educational institutions, based on the needs of the company.

## Training and Development

The safety of our personnel and the performance of our work without injuries and accidents is of the utmost importance to TCO. All TCO employees and contractors are required to receive safety training before they are allowed to perform their job responsibilities. Training includes not only legislatively-approved programs, but also a system of specially developed corporate trainings and events aimed at anticipating and reducing potential risks.

The company implements a talent management process to support the ongoing development of organizational capabilities of employees. The main objective of the process is to identify and develop high potential employees and future leaders to meet the company's needs for the level of skills of employees today and in the future. TCO focuses efforts on ensuring the transfer of knowledge from a more experienced generation to a less experienced one; this, in turn, supports such processes as succession planning and nationalization.

TCO actively implements a structured leadership development program that ensures the consistent development of leadership competencies among employees at all levels of the organizational structure. We also offer a mentoring program, internal technical and professional skills training programs, and cross-functional assignments.

Accelerated development of technical university graduates, recruited to work for TCO, is carried out through a program called "Horizons." The effectiveness of this program is supported by the fact that in addition to compulsory classroom instruction in the

necessary technical disciplines, the program also includes mentoring and cross-functional assignments.

TCO implements four specialized training programs focused on technical and professional disciplines for the worker category staff in accordance with the requirements of safety and reliability standards when performing jobs that require the use of highly complex equipment in plants.

For the past five years (2014-2018), the company has invested \$33 million on employee training programs for employees. Since 2010, as part of our Educational Assistance Program, TCO has provided financial aid to 143 employees to pursue higher or postgraduate education. TCO continues to make efforts to provide national employees with the opportunity to gain international experience. At the end of 2018, 41 TCO employees worked in various Chevron business locations around the world as part of TCO's International and Domestic Assignments Program.

## 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 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 has grown to over 300 members today.**

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

**Personnel Motivation**

TCO's remuneration philosophy is based on the principles of unity, objectivity, competitiveness that contributes to increasing individual labor productivity (pay for performance).

The TCO salary program is revised on an annual basis taking into account the results of an analysis of the labor market in the Republic of Kazakhstan and the oil and gas industry, including the financial and economic situation of the company and the level of inflation. TCO provides competitive compensation to its employees, which allows attracting, retaining and motivating qualified personnel.

The employee bonus system is aimed at achieving shared goals and is interlinked with key performance indicators of the employee and the company. The system creates additional interest of employees in improving their overall performance of work and consists of short-term and long-term incentive payments. In addition, the company provides employees a number of additional benefits and payments, such as the provision of paid social leave, the payment of health benefits when granting an annual leave of absence, and others.

TCO has an extensive social package for its employees. Below is a brief description of the company's most popular social programs.

**Health Insurance / Healthy Lifestyle and Sports Programs**

The company offers programs to help employees take care of their own health and the health of their families.

TCO provides mandatory insurance to employees in accordance with the legislation of the Republic of Kazakhstan. Voluntary medical insurance for TCO national employees and their families is offered by insurance companies of the Republic of Kazakhstan. In 2018, 10,008 employees were insured by TCO. TCO offers a standard package of medical insurance services for employees and their families. The employee has the right to voluntarily enroll in other categories of insurance, in which TCO covers between 50 and 70 percent of the total cost of the package.

To promote healthy lifestyles, all TCO employees can use fitness centers, the associated costs are reimbursed by TCO.

Within the framework of this program, in 2018, employees were reimbursed more than 630 thousand US dollars. Employees working on a rotational basis at the Tengiz field have access to fully equipped gyms, swimming pools and sports grounds. Also, various sports events and competitions are held for employees.

**Medical Service**

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 provides psychological assistance to employees of the company and their family members on a free and completely confidential basis.

**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. Since 2010, more than 1,600 housing loans have been issued for a total amount of over 118 million US dollars.

**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 2018, 1278 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 Nursultan Nazarbayev Education Foundation.

**Reimbursement of expenses on children's rest program**

TCO reimburses the employees' expenses on children's rest. Payments under the program in 2018 amounted to more than 326,000 US dollars.

**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 6.5 million US dollars as financial assistance in obtaining higher education. In the 2017-2018 academic year, 126 students took part in the program; while the total amount of financial assistance amounted to 400,000 US dollars.

#### **TCO Veterans**

At the end of 2018, 230 former TCO employees hold the status of “TCO Veteran,” a title given to employees who reached retirement age while working in the company.





We believe that sustainable local companies are beneficial to the Kazakhstani economy, and we actively support businesses to help enhance their capabilities and prosper.

## CONTRIBUTIONS TO KAZAKHSTAN'S ECONOMY

**F**rom 1993 through 2018, TCO has contributed over \$135 billion to the Republic of Kazakhstan, including in purchases of Kazakhstani goods and services, profit distributions to TCO partner KazMunaiGas, taxes and royalties paid to the national government, tariffs and fees paid to state-owned companies, and employee salaries.

In 2018, direct payments to the Republic of Kazakhstan totaled \$10.1 billion.

TCO has consistently increased its use of Kazakhstani content in goods and services each year. In 2002, the company purchased over \$415 million in goods and services from domestic producers. In 2018, these expenses reached over \$3.5 billion.

Between 1993-2018, TCO has invested more than \$28 billion in Kazakhstani goods and services.

### **TCO's Kazakhstani Content Development Strategy**

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

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

## DOING BUSINESS WITH TENGIZCHEVROIL

### Creating Successful Partnership with TCO

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

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

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

### Supplier Requirements

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

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

### Supplier Expression of Interest (SEOI)

Suppliers interested in doing business with TCO shall provide a Supplier Expression of Interest (SEOI) by submitting a SEOI Web Form through the SEOI web tool on the TCO external website: [www.tengizchevroil.com](http://www.tengizchevroil.com).

With the SEOI web tool TCO and Suppliers will be able to communicate on a single platform with the following advantages:

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

### Regional Approach

While TCO's business operations are located in Western Kazakhstan, our focus is on developing local suppliers throughout the entire country. As part of our strategy to develop the national market TCO specialists identify, assess, and qualify companies throughout the country to do business with TCO. We source many products from throughout Kazakhstan, including:

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

### Cooperation with European Bank for Reconstruction and Development (EBRD)

In 2015, the EBRD and TCO established a joint program to support small and medium-sized enterprises (SMEs) in Kazakhstan.

As of year-end 2017, 23 potential suppliers from various regions of Kazakhstan have entered into projects with local consultants and two suppliers have formed partnerships with international experts. These advisory projects help companies access global best practices, such as technical knowledge on introducing a quality management system that meets ISO standards, or improving accounting and financial management. SMEs work with local consultants and international experts on a cost-sharing basis, covering up to 75 per cent of the total project cost.

In December 2018, the program was extended for another four-year period.

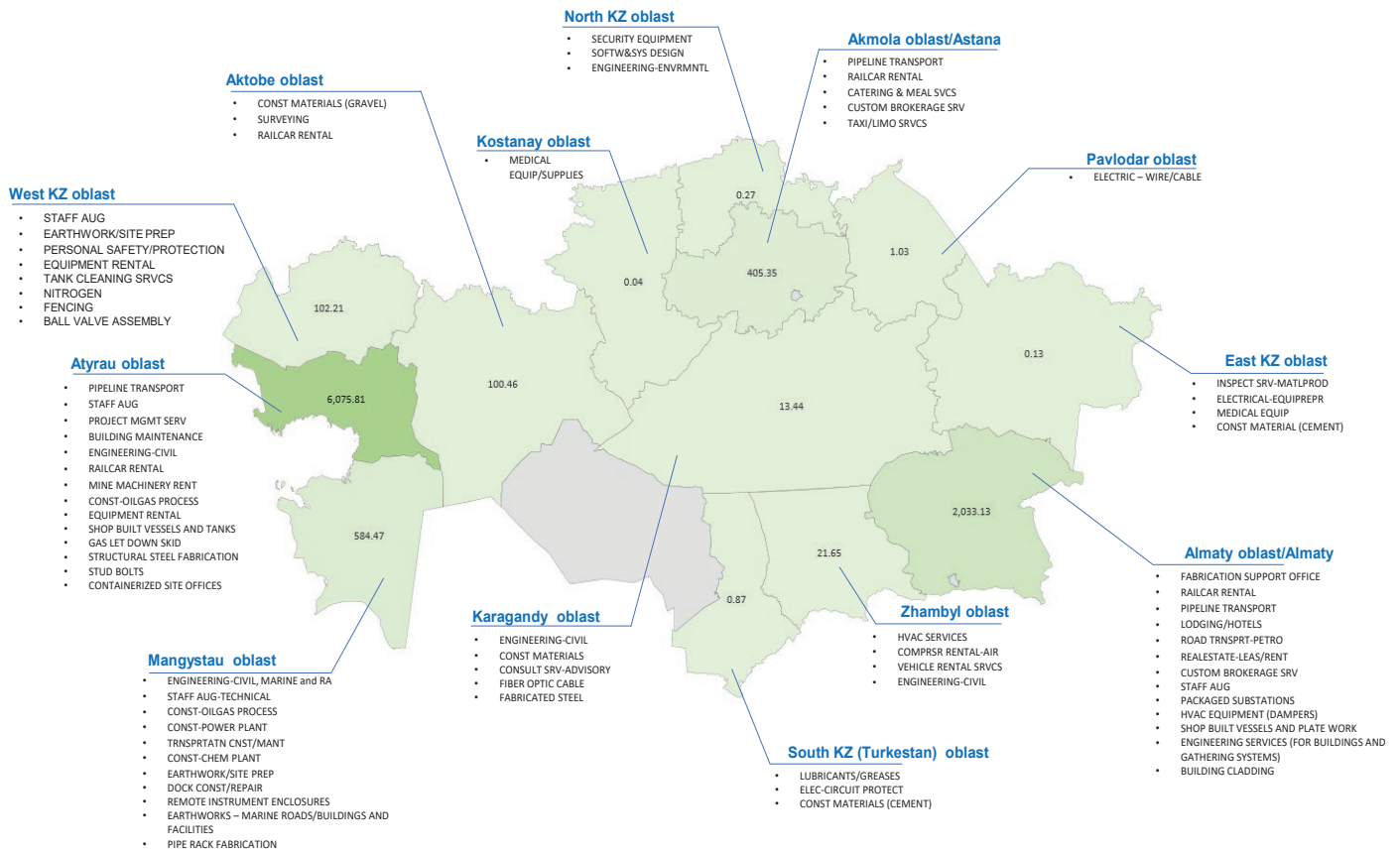
The TCO-EBRD joint program phase II targets have been identified and will include: five local consultancy and one international advisory projects; technical assistance to TCO Tier 1 contractors; training for local potential and current suppliers, HES training, tender preparedness and API training; business matching tours; local community development for the FGP project; and communications.





## TCO RoK Economic Impact: TCO KC Spend by Oblast, 2015 – 2018

TCO direct spend impacts almost all oblasts in multiple sectors (mln USD)



Impact

Planning

Development

Communications

Social Investments

In September 2018, TCO participated in annual KIOGE exhibition where TCO conducted several sessions. TCO organized an Original Equipment Manufacturers session, where they presented KC initiatives and two Digitalization workshops.

In November 2018, four of Kazakhstan's major oil and gas field Operators – TCO, KMG, NCOC and KPO held a joint Forum in Almaty on localization of production chemicals in collaboration with the Oil and Gas Strategic Partnership Development Council.

The main objective of the Forum was to stimulate growth and develop the domestic market of chemical products amid high and stable demand in oil and gas projects. The Forum brought together

domestic and international suppliers and manufacturers of chemical products to share information on the needs and demands of the Operators, and to find new opportunities to develop the chemicals production sector in Kazakhstan.

The Forum presented an overview of the projects of the North Caspian, Tengiz and Karachaganak fields to familiarize with their demands in various types of chemicals in the short and mid-term perspective. More than 100 companies from different regions of the country took part in the Forum where they widely shared information on business opportunities. As a result, the Forum participants put forward their proposals and ideas on establishing chemicals production facilities in Kazakhstan.



We are committed to investing in the communities where we operate through social investment and social infrastructure development programs.

## PARTNERING WITH COMMUNITIES

Since 1993, TCO has invested over \$1.7 billion to fund social projects and programs in Atyrau Oblast for the community and our employees.

In 1993, TCO launched a 5-year program called “Bonus Fund Atyrau” with an initial investment of \$50 million designed to benefit both the company and local community. The “Bonus Fund Atyrau” program was successfully completed in 1998.

As a result of the success of this program, in 1998 the voluntary program Egilik (which translates from Kazakh into English as “benefit”) was created by TCO. Egilik’s initial annual budget was \$4 million, but TCO gradually increased its funding of the program, first up to \$8 million annually until 2003, then to \$12 million until 2006.

From 2009 to 2012, the annual budget of Egilik amounted to \$20 million. Since 2013, TCO has bud-

geted \$25 million annually to finance social projects under the framework of Egilik.

TCO engages closely with the Atyrau Oblast Akimat on social infrastructure programs funded by Egilik. Through successful cooperation with local authorities, many projects were completed within the framework of Egilik that positively affect the image and improve living conditions in the city.

Egilik successes include the construction of modern schools and kindergartens, a college in Kulsary, a water treatment station in Atyrau, houses of culture, hospitals and family-medical outpatient clinics in the villages. They also include gasification projects in the city and the construction of a boiler house to improve heating supply in the right bank of Atyrau, as well as the construction of sports and recreation complexes, parks, reconstruction of the water supply system in the city.

Since the establishment of Egilik, over \$250 million have been spent on 84 projects. As a result of that more than 1,000 new jobs were created for doctors, teachers and technical personnel.





## EGILIK PROJECTS ARE GROUPED IN THE FOLLOWING CATEGORIES:

CATEGORY	QUANTITY
Houses of Culture	2
Hospitals	7
Infrastructure and other facilities	22
Kindergartens	9
Parks	4
Schools	10
Recreation and health centers	3
Engineering facilities	27
<b>Total</b>	<b>84</b>



In 2018, two kindergartens were completed for 290 seats each in Kulsary city. TCO purchased 50 passenger buses for Atyrau and Kulsary citizens as well as medical equipment for the regional hospital located in Kulsary.

Today, in addition to Egilik, TCO operates the Community Investment Program (CIP) with an annual budget of \$1 million. CIP aims to help improve health, education and social entrepreneurship in the Atyrau region.

CIP was launched in 2010 and its main focus areas are:

- Improving capabilities of local citizens or organizations to benefit the community and TCO
- Providing educational workshops, training sessions and socioeconomic development programs in the region
- Promoting healthy lifestyle and supporting initiatives to improve quality of life
- Improving ecological literacy and supporting environmental initiatives

From 2010 to 2018, TCO has executed 64 projects totaling over \$7 million with non-governmental organizations (NGO's) under the auspices of CIP. Examples of these projects are listed below:

#### EURASIA FOUNDATION OF CENTRAL ASIA

Project: **Zharkyra** – the development of social entrepreneurship in Atyrau Oblast and Zhylyoi District. Zharkyra is designed to promote entrepreneurship by solving socially important issues of communities in Atyrau Oblast and Zhylyoi District.

Results: In 2018, within the framework of Zharkyra program, 8 social and entrepreneurial projects were supported, including 6 projects from Atyrau and 2 projects from Zhylyoi and Makhambet districts.

#### THE PUBLIC FOUNDATION “CENTER FOR SUPPORT OF SCIENTIFIC INITIATIVES”

Project: **Creation of a soil, water and plant testing laboratory (SWAPTEL)** in Atyrau. The laboratory is the first of its kind in Kazakhstan and will provide a valuable source of knowledge about the ecological state of the region.

Results: During the reporting period, the laboratory had been fully equipped with laboratory furniture, equipment for water, soil and plant analyses. Purchased equipment had been fully installed and verified, documents for “SWAPTEL” laboratory accreditation had been prepared.

#### KAZAKHSTAN ASSOCIATION OF FAMILY PHYSICIANS

Project: To establish Zhylyoi healthcare as industry leader in Atyrau Oblast by creating an innovative, differentiated, and patient-centered experience.

Results:

- 11,309 direct project beneficiaries
- 2,171 beneficiaries receiving preventive education and care
- 79 people had received treatment
- 30 trained local healthcare workers
- 2,146 hours for training of local healthcare workers
- Doctors, nurses, midwives, psychologists, social workers (24 people) had completed 3-day clinical training on Effective communication, which was facilitated by a Qazaq-speaking coach and a doctor from Zhezqazgan, experienced in coaching physicians.
- A pilot facility with 6 examination rooms and 2 offices had been established and equipped with 19 laptops, 2 WIFI routers, 2 printers, 16 boards, 2 lockers with individual slots, 4 air conditioners, 6 fans, 10 blood pressure cuffs;



- 5 Atyrau and Qulsary healthcare senior management doctors had attended II International Family Medicine Conference in Almaty;
- 12 monitoring and evaluation visits had been paid to healthcare facilities in Atyrau and rural areas;
- Total 22 complicated patients were consulted by KAFP residents;
- 165 thematic posts in Kazakh and Russian published on Facebook (11, 402 followers), Telegram (142 followers) and Instagram (1, 634 followers) with outreach of 70,736 people.
- People with disabilities living in Makat, Makhambet and Issatay districts of Atyrau oblast, for whom off-site 10-day master classes had been organized;
- Recipients of special social services MPU “Special social services provision center #3” (Leskhoz, 8A Alipov street, former special boarding school for mentally retarded children)
- 90 beneficiaries receiving trainings
- 125 days of lessons on applied arts and wood-works
- 30 master classes in districts of Atyrau oblast.

## THE INDEPENDENT GENERATION OF KAZAKHSTAN

Project: **“Psychology for all”** The project is aimed at training psychologists, parents, and schoolchildren of the city, in order to increase the professional competence of general educational institutions in the field of psychological knowledge; to teach parents effective interaction with children, as well as to reveal the potential of the personality of children; and to help children choose their personal and professional paths in a conflict-free way in family and school.

Results:

- 2,166 direct project beneficiaries
- 1,654 students-project participants
- 264 trained teachers
- 180 hours for training of teachers
- 361 involved parents / public representatives
- more than 900 children had been trained.

## NGO “MUGEDEK ALEMI”

Project: **“Workshop Koltanba”** included events to increase the social participation of people with disabilities, distract them from loneliness, expand the circle of communication, teach skills in applied art and joiner’s skill.

Results: The project covered people with disabilities living in Atyrau city and Atyrau oblast districts:

- Students of K.Dutbaev Atyrau Humanitarian College
- Students of Atyrau Service College
- Inclusive class pupils of secondary school #4 named after Yu.Gagarin;

## NGO “YNTYMAK ATYRAU”

Project: **“Yntymak” Community Development Program**

Total volunteers in 2018 – 397

Total volunteer hours for 2018 – 2,629

Total funds raised in 2018 – 25,571,168 KZT

## BRITISH COUNCIL

Project: **“English for Success”**

Results:

192 Atyrau city and 7 district schools have been involved in the project.

1. Main group – 15 English language teachers
2. Main group – 22 STEM teachers
3. 233 school English teachers
4. 297 school STEM teachers

## ENGAGEMENTS WITH COMMUNITIES

### Community consultation meetings

In 2018, TCO held a series of FGP-WPMP Consultation Meetings with the communities of Atyrau and Mangystau Oblasts. TCO met with residents of Atyrau and Zhylyoi Region villages of Zhana Karaton, Maikumgen, Koschagil, Shokpartogay, Turgyzba, Akkiiztogay and Kulsary, and with residents of Aktau and villages of Borankul, Kuryk and Bautino in Mangystau Oblast. Consultation Meetings were also held in Rotational Village in Tengiz.

The objective of Consultation Meetings is to provide the community with a project status update and progress. This is a good platform for community



members to raise any questions or feedback they might have on FGP-WPMP and other major capital projects, as well as existing TCO operations. TCO welcomes stakeholders to share their opinion and feedback regarding TCO operations and its project.

Atyrau and Mangystau oblasts will be the initial focus of engagement because the majority of FGP-WPMP activities are taking place there. TCO is committed to continue conducting such Consultation Meetings annually.

Fishing organizations of Atyrau and Mangystau oblasts are other important project stakeholders. In 2017, to further strengthen a dialogue with these stakeholders, TCO started to conduct Consultation Meetings with the fishing organizations of these oblasts. Such Consultation Meetings will be conducted regularly and continue over the life of the FGP-WPMP Project.

### ONGOING ROUTINE ENGAGEMENTS

As part of its KC commitments, TCO engages with an Expert Group composed of Government, Ka-

zakhstani business and TCO / FGP-WPMP representatives. Expert Group meetings are held regularly in Nur-Sultan and to date 12 meetings have taken place.

### GRIEVANCE MANAGEMENT (FEEDBACK)

TCO is committed to building productive, collaborative and beneficial relationships with government, businesses, and local communities. Fundamental to this commitment is open dialog between TCO and the communities. TCO's Feedback Process provides a reliable way to present a concern, suggestion or grievance to the company and then receive a response.

More and more of our stakeholders are using the Feedback Process, with over 400 inquiries received in 2018. The vast majority of the communications received relate to employment and business opportunities. Others are looking for the information about the company operations, projects, internship process, marketing.





[www.tengizchevroil.com](http://www.tengizchevroil.com)