



ҚАЗАҚСТАН-ҚЫТАЙ ҚҰБЫРЫ  
**KAZAKHSTAN-  
CHINA PIPELINE**  
КАЗАХСТАНСКО-КИТАЙСКИЙ ТРУБОПРОВОД

# *IMS PERFORMANCE ANALYSIS BY MANAGEMENT FOR 2021*

Almaty, March 2022



IMS performance analysis by the management for 2021 was conducted in accordance with sections of international standards:

**ISO 9001:2015** (quality management system) section 9.3.,  
**ISO 45001:2018** (occupational health and safety management system) section 4.6.,  
**ISO 14001:2015** (environmental management system) section 9.3.,  
**ISO 50001:2018** (energy management system) section 4.7.

**Kazakhstan-China Pipeline LLP's Policy** in the field of quality, health and safety, environment and energy efficiency was approved by the order of Kazakhstan-China Pipeline LLP (The Partnership) dated 24.02.2021 No.22/61, and is currently up to date, brought to the attention of all employees and suppliers, and posted on the Partnership's external website.

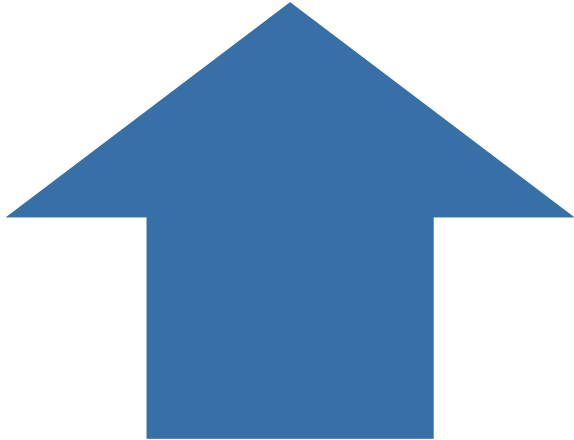
The Partnership implements its policy in the field of quality, health and safety, environment and energy efficiency based on the following principles:

- Ensuring safe and reliable oil transportation through main pipelines;
- Performing operating processes on the environmentally friendly level;
- Creation of safe labor conditions, prevention of industrial injuries and improvement of employees health;
- Training in necessary skills to improve employees' business culture and professional qualification;
- Mutually beneficial cooperation with consumers and suppliers.



## Efficiency of the previous analysis of IMS activity by management

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In 2021, the Partnership approved the IMS goals of the Partnership.



All measures have been performed according to the approved Plan of corrective and preventive measures for inconsistencies detected during the external IMS audit in 2020.

In 2021, the Partnership approved goals in the field of quality, ecology, health and safety and energy efficiency.

1	Secure zero level of accidents resulting in suspension of production, environmental damage and harm to human health during oil transportation
2	Secure zero level of failures of main and ancillary equipment involved in the technological process and resulting in temporal changes in the technological process of oil transportation
3	Ensure implementation of energy conservation measures in order to increase energy efficiency and maintain the level of total energy consumption not exceeding the level of 2020 when transporting oil in the same volume
4	Ensure safe working conditions in order to achieve a zero level of accidents at work



## Health, safety and environment (HSE) indicators

INDICATORS	2015	2016	2017	2018	2019	2020	2021
Production accidents	0	0	0	0	0	0	0
Non-production accidents	1	0	0	0	0	0	0
Traffic accidents	0	0	0	0	0	0	0
Idle time due to production injuries	0	0	0	0	0	0	0



## HSE Management System indicators

Environmental impact	Based on results of industrial monitoring, environmental impact is within permissible environmental norms
Industrial accidents	None
Fire accidents	None
Oil spills	None
Production activity is performed	According to the current laws of RK
Environmental regulations for discharges, emissions and waste disposal	Within the limits
Facts of penalties imposed for violation of legal requirements of RK	The Ministry of Industry and Development of the Republic of Kazakhstan conducted 1 inspection (industrial safety). The inspection revealed a minor violation, which was immediately corrected. The amount of the fine is 145,850 tenge.
Staff training	71 employees have passed induction training 23 employees have been examined for knowledge of occupational safety 58 employees have been briefed on fire safety



## Accidents and nonconformities investigation

Accidents, emergencies, potentially dangerous incidents, downtime due to accidents, industrial injuries, illnesses and adverse effects on human health are analyzed and corrective measures are taken.

The causes of those incidents are analyzed to identify opportunities both for continuous improvement and preventive measures. Information on the analysis results is distributed within the Partnership. Responsibilities and authorities have been established to correct nonconformities, to take corrective and preventive measures, and measures to mitigate the effects of HSE violations.



## Communication, cooperation and consultation in the field of IMS

The Partnership has introduced and regularly performs the processes of internal and external communication by involving employees for identification of hazards, risks assessment and selection of risk management measures, incident investigation, development and analysis of the IMS policy and goals, as well as discussion of changes that may affect their health and safety.

Within the integrated management system created, the Partnership attracts employees to review the HSE issues through interaction. The Central Office is equipped with the anonymous mailbox, where employees may put their proposals and comments on IMS issues.

## Environmental aspects

Environmental aspects have been identified and their significance has been assessed pursuant to the company requirements. Assessment was conducted on 15.09.2021.

The company identified the following significant aspects within its activity:

- Possibility of an emergency situation (oil spills, explosion, fire, diversion, illegal tapping).

The audit confirmed that there are risks identified in the Partnership.

Measures to respond to risks and possibilities, significant environmental aspects, commitments made are planned and adequate. For example:

- Patrolling of a linear part of the oil pipeline;
- Protection of the linear facilities of the oil pipeline against illegal actions;
- Introduction of a pipeline integrity management system based on ROAIMS software;
- Conclusion of contracts for disposal of contaminated soil.

## Energy planning results

In 2021, in accordance with the approved document “Program for improving energy efficiency and reducing overall energy consumption in Kazakhstan-China Pipeline LLP till 2022”, the following measures were taken to reduce power consumption in the Partnership:

1. Implementing the project “Reconstruction of external power supply to PS-10 and PS-11 of the Atasu-Alashankou oil pipeline with connection to the designed substation 500/220kV Aktogai”;
2. When purchasing the electrical equipment, the Partnership includes the information on energy-efficiency class and characteristics in the technical specifications in accordance with the RK Law # 541-IV “On Energy Conservation and Increase of Energy Efficiency” dated 13.01.2012.

Earlier in 2019 there were measures taken to reduce power consumption in the Partnership:

1. “Energy Partner” LLP conducted an energy audit and issued a conclusion on energy conservation and improvement of energy efficiency in KCP with recommendations for energy conservation;
2. Updated the list of places of significant power consumption and made changes to the list of facilities, equipment, systems, processes that have impact on the use and consumption of power in the Partnership;
3. Introduced separate power metering for each MPU at PS-8, 9, 10, 11.

## Energy characteristics analysis



There is a tendency towards a decrease in specific consumption of total energy resources spent by the Partnership against the total volume of oil pumped in comparison with the base year 2015 as a result of planned measures to reduce energy consumption and increase energy efficiency.

In accordance with the Rules for the formation and maintenance of the State Energy Register (hereinafter SER), approved by the order of the Minister of Investment and Development of the Republic of Kazakhstan dated March 31, 2015 No. 387 (hereinafter - the Rules), the Partnership annually sends information on the energy consumption in accordance with the appendix of the Rules, including information on the actual energy consumption per unit of output, such as the energy used to produce a product.

A ton of reference fuel - coefficients for the conversion of energy resources into reference fuel in accordance with the appendix of the Rules, used in calculating the annual consumption of energy resources of the SER subject by the National Development Institute of Energy Conservation and Energy Efficiency.

## Reports received by the Partnership from external stakeholders, including complaints:



General Director's blog  
– no reports and  
complaints



No reports and  
complaints registered  
through the Document  
Control Office



No complaints and  
proposals from  
customers

## Analysis of the survey results on the satisfaction of consumers of oil transportation services for 2021

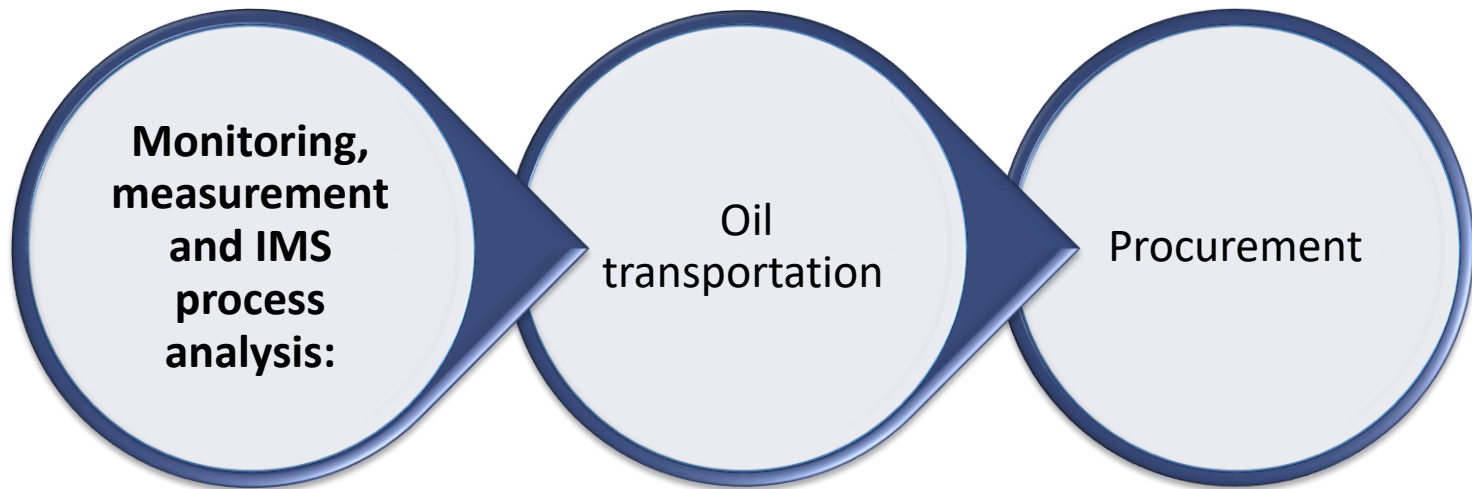
- 1) Questionnaires sent – 28
- 2) Questionnaires responded to – 28
- 3) Total number of questions – 13
- 4) Total percent of consumer satisfaction – 99%

Satisfaction rate – 90%

In accordance with the adopted rate the satisfaction of the Partnership's consumers is evaluated as positive.

## Functioning of IMS Processes

Efficiency of IMS processes was revealed.  
IMS processes meet the specified criteria for performance indicators.  
Activities on achievement of process goals have been implemented in full scope.



Internal audit was performed for compliance with the international standards in the field of management systems:

ISO 9001: 2015 – Quality Management System;

ISO 45001:2018 – Occupational Safety and Health Management System;

ISO 14001:2015 – Environment Management System;

ISO 50001:2018 – Energy Management System,

pursuant to the IMS audit program approved by the order of the Partnership dated June 30, 2021 # 22-46 in the specified period in 2021.

The Partnership's facilities were audited on a selective basis during the IMS internal audit in 2021.

The following was performed in the course of the IMS internal audit:

- Selective audit of the Partnership's production facilities for compliance with international standards ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, ISO 50001:2018;
- Audit of compliance with observations and comments given by the previous internal IMS audit 2019;
- Developed reports on each production facility of the Partnership;
- Reviewed the results of the internal audit program for 2019, the results of the plan of corrective and preventive measures;
- Established the compliance with legal requirements in the field of occupational health and safety.



## Information on the results of the internal IMS audit:

Nonconformities identified – 0

Examples of demonstrated improvements – 37

Recommendations for improvement - 6

Possibilities for improvement - 9

## Information on the results of the previous internal IMS audit:

Nonconformities identified – 0

Recommendations received – 12

Measures for the identified nonconformities and recommendations are effective and fully implemented.



## Analysis of conformity and amendments of applied legal and regulatory requirements

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Employees of the Partnership have access to the up-to-date legal and other requirements. Access to legal and regulatory documents is provided in the local network. The legal requirements are updated through the information and reference system “Paragraph”.

The entire staff of the Partnership organizes its activity in such a way so it fully complies with the laws of the Republic of Kazakhstan, and meets the established internal requirements and those of other stakeholders in the Partnership.

In October 2021, the responsible employees analyzed compliance and amendments of legislative and other requirements applied in the Partnership in the following fields:

- energy conservation and energy efficiency;
- occupational health and safety;
- environmental protection.

### In October 2021 the Partnership held the 2nd supervisory audit of IMS by TUV Rheinland Kazakhstan

Efficiency of IMS was verified by a competent group of auditors.

Based on results of the 2nd supervisory audit, the Audit group confirmed that the Partnership has implemented and maintains an effective system for implementation of its policy and goals, organization's management system complies with, properly maintains and implements requirements of ISO 9001:2015, ISO 14001:2015, ISO 45001:2015, ISO 50001:2018.

Based on IMS documentation, tracing it across a number of processes, current regulatory requirements and directives were compared to their practical application.

Based on the IMS audit findings, the auditors recommend issuing new certificates ISO 45001:2018, ISO 50001:2018 and confirming the validity of certificates ISO 9001:2015, ISO 14001:2015 issued in 2019 for the existing management systems in the Partnership.

- Determine the maximal deadlines for revision and updating of internal regulatory documentation.
- Revise all internal regulatory documents in order to bring them in line with the names of the standards.
- Determine the procedure of updating information related to the integrated management system on the corporate website.
- Revise the Regulation on the Administrative Department in terms of fuel and lubricants accounting and control (at the moment F&L are not used).
- Revise the Procedure of acceptance, issuance, storage and accounting for inventory in the Partnership in terms of requirement for availability of temperature-moisture control means in the storage room in the office.

Based on objective evidences the Management System demonstrates improvements in terms of introduction of a process approach and risk-oriented thinking among the Partnership employees and is able to maintain compliance with the international standards.

The Partnership employees fulfill the requirements of international standards for the implemented management systems and established internal requirements.

The Partnership has developed, documented, introduced and maintains the Integrated Management System, which meets the requirements of international standards ISO 9001:2015, ISO 45001:2018, ISO 14001:2015 and ISO 50001:2018.

It is recommended to recognize the efficient, appropriate and adequate performance of The Partnership in accordance with the requirements of the above international standards.