# ANNUAL REPORT 2025



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# ADDRESS BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



## DEAR SHAREHOLDERS, PARTNERS AND COLLEAGUES!

On behalf of the Board of Directors of Almaty Power Stations JSC, I present the annual report on our performance for **2025**. In 2025, the Board of Directors focused its efforts on implementing critical investment projects aimed at ensuring the long-term energy security of the Almaty region. The main emphasis was placed on reducing the environmental impact on the urban agglomeration and replacing ageing generating capacity:

- **Modernisation of Almaty CHPP-2:** construction of a new gas turbine station at the CHPP-2 site is currently in full swing. The facility is scheduled for completion by the end of 2026.
- **Reconstruction of CHPP-3:** the planned stages for converting the plant's capacity to environmentally friendly gas fuel have been successfully completed.

These projects are being implemented with the aim of supplying heat to the centralised heating zone of the city of Almaty, generate electricity, partially address the shortage of flexible capacity in the Southern region of the Republic of Kazakhstan through the construction of a flexible power station, and reduce the negative impact of the power stations on the environmental conditions of the Almaty conurbation *(currently 50.4 thousand tons per year, to be reduced to 6.7 thousand tons per year).*

It should be noted that, as of today, AlES JSC is making every effort (in accordance with the Head of State's instructions) to implement the project 'Modernization of Almaty CHPP-2 whilst minimizing the impact on the environment'. It should be noted that this project is exceptional and represents cutting-edge technology in the field of gas-fired power station construction in the Republic of Kazakhstan.

- Planned investments have been made to maintain the operational readiness and expand the capacity of our hydropower assets — the Kapshagai Hydropower Station and the Hydropower Cascade.

Despite macroeconomic challenges, the company has demonstrated a high degree of resilience. The Board of Directors commends the Management Board for its coordinated efforts in implementing tariff estimates and defending the key parameters of investment programs before the regulator.

- Uninterrupted supply of electricity and heat has been ensured during the critically important 2025–2026 heating season.

- The objectives of the Company's Development Plan for 2025 have been successfully achieved, confirming the growth in financial and operational results.
- An updated Action Plan for improving the corporate risk management system for 2025–2026 has been implemented, strengthening internal controls.

AlES JSC consistently implements the principles of sustainable development (ESG). The switch of base-load generation to natural gas directly addresses the objectives of carbon neutrality and improving air quality in Almaty. During the reporting period, rigorous verification of greenhouse gas emissions was carried out, and best practices in the field of industrial safety were implemented.

Our employees are the company's greatest asset. In 2025, we continued to improve social and living conditions at our production sites and to index the wages of skilled workers. As part of our succession planning, the Board of Directors supported a large-scale program to unlock the leadership potential of young professionals and develop the youth movement at AlES JSC.

I would like to express my deep gratitude to our sole shareholder, Samruk-Energo JSC, the Government of the Republic of Kazakhstan and the Almaty City Administration for their comprehensive support of the company's strategic initiatives. I would also like to thank the members of the Board of Directors, the Management Board and the thousands of staff at AlES JSC for the high level of professionalism they have demonstrated in managing peak loads and delivering large-scale construction projects.

We look to the future with confidence and will continue to build a reliable, modern and clean energy system for the prosperity of the region.

**Yours faithfully,**
**Chairman of the Board of Directors of AlES JSC**
**Galyimbek Autalipov**

# ADDRESS BY THE CHAIRMAN OF THE MANAGEMENT BOARD



## LADIES AND GENTLEMEN!

The year 2025 has been a period of stable operations for AlES JSC, characterised by high demand on the energy infrastructure, the continuation of large-scale modernisation of production assets, and the consistent implementation of strategic projects that will shape the future of the energy sector in the city of Almaty and the Almaty metropolitan area.

Behind every operational and financial indicator lies the daily work of a team of many thousands of energy professionals, ensuring a reliable and uninterrupted supply of electricity and heat to consumers. Thanks to the professionalism of the company's staff, timely management decisions and the coordinated work of its operational divisions, AlES JSC has continued to fulfil its key mission – to ensure the region's energy security.

At the end of 2025, the company's revenue stood at 141.4 billion tenge. Despite ongoing pressure from external factors related to tariff regulation, rising costs of strategic resources and a high investment burden, the company maintained its financial stability, ensured the fulfilment of its key operational objectives and continued to implement major investment projects. Net profit amounted to 5.4 billion tenge.

During the reporting year, the stable operation of the company's production assets was ensured. Work continued on improving equipment reliability, reducing production risks, optimizing maintenance programs and modernizing technological processes.

Particular attention was paid to issues of production safety, occupational health and safety, and the development of a culture of responsible production.

The year 2025 marked a significant milestone in the implementation of the largest infrastructure projects in the company's modern history.

The active phase of the Almaty CHPP-2 modernization project continued, with efforts to minimize the impact on the environment. The project is being implemented with the support of international financial institutions – the European Bank for Reconstruction and Development and the Asian Development Bank. During the reporting year, construction and installation works continued, alongside equipment supply, the development of engineering infrastructure and the preparation of key technological solutions. This project is of strategic importance not only for the company but also for the entire energy system of Almaty, forming the basis for the transition to more environmentally friendly, modern and efficient power generation.

The refurbishment of the Almaty CHPP-3 remains an equally significant area of focus.

In 2025, work continued on the project aimed at improving the plant's reliability, efficiency and safety. The project involves a large-scale upgrade of the generating equipment and will significantly enhance the stability of the region's energy supply.

Alongside its flagship projects, the company continued to work on promising areas of development. Among its priorities were the further modernisation of the B. Orazbaev Almaty CHPP-1, the development of hydropower assets, and the implementation of measures aimed at improving the environmental performance of its production facilities.

The anniversary year of 2025 held particular significance for the company – marking the 90th anniversary of the B. Orazbayev Almaty CHPP-1. The history of the plant is the history of the development of Almaty's energy sector; it is a symbol of the continuity between generations of energy professionals, as well as of their professionalism and dedication to their work. For nine decades, CHPP-1 has remained a vital part of the city's energy system, and its staff have made a significant contribution to the development of the national energy sector.

The company's focus remains firmly on its workforce. In 2025, AlES JSC continued to implement measures to improve employees' social and living conditions, develop staff support programs, enhance workplace safety and strengthen social stability within the workforce. Particular attention was paid to modernizing welfare facilities, organizing staff catering, developing corporate culture and engaging with the trade union.

Workplace safety, respect for people and the development of human resource potential remain the fundamental principles underpinning the company's operations.

We are convinced that the sustainable development of the energy sector is impossible without a strong team, professional continuity and employees' confidence in the future.

The year 2026 will mark a period of continued implementation of strategic objectives for AlES JSC. The company will continue to actively modernize its production assets, implement investment projects, enhance the reliability of energy supply, develop environmental initiatives and improve production processes.

Key priorities include ensuring the timely completion of the modernisation of CHPP-2 and the reconstruction of CHPP-3, improving operational efficiency, developing human capital and strengthening AlES JSC's position as one of Kazakhstan's leading energy companies.

I would like to thank the company's staff, industry veterans, partners and shareholders for their professionalism, support and collaboration.

I am confident that our team's accumulated experience, sense of responsibility and unity will enable us to successfully achieve all our objectives and ensure the continued sustainable development of AlES JSC.

**Yours faithfully,**
**Chairman of the Management Board of AlES JSC**
**Erik Mashirov**

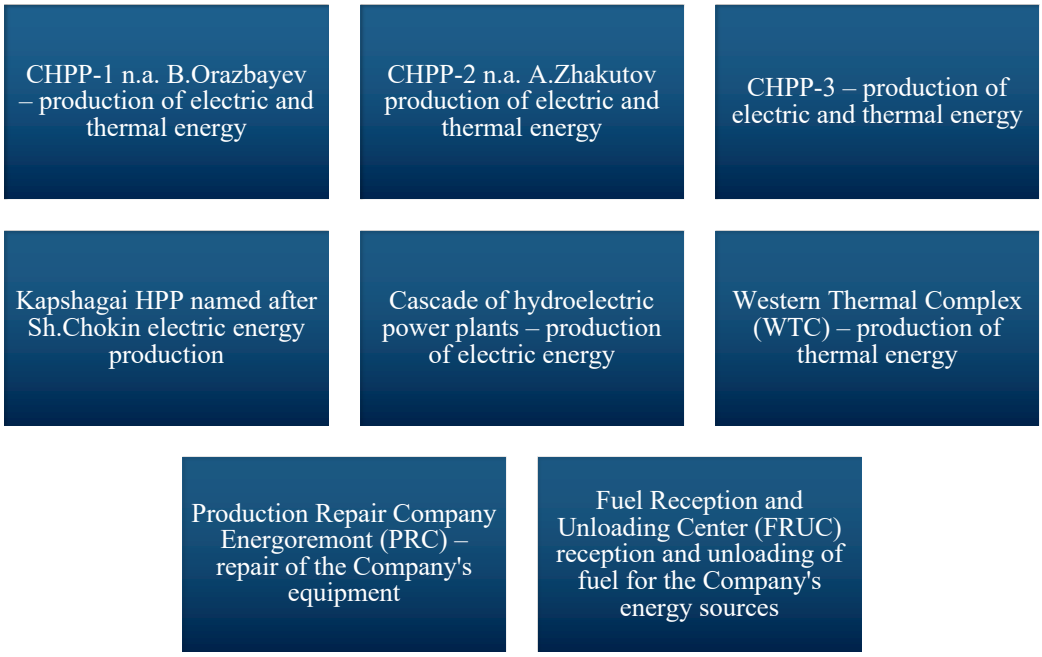
# COMPANY INFORMATION

AlES JSC is an energy-generating organisation engaged in the production of heat and electricity in the city of Almaty and the Almaty region, supplying electricity and heat to the population, as well as to industrial and agricultural enterprises.

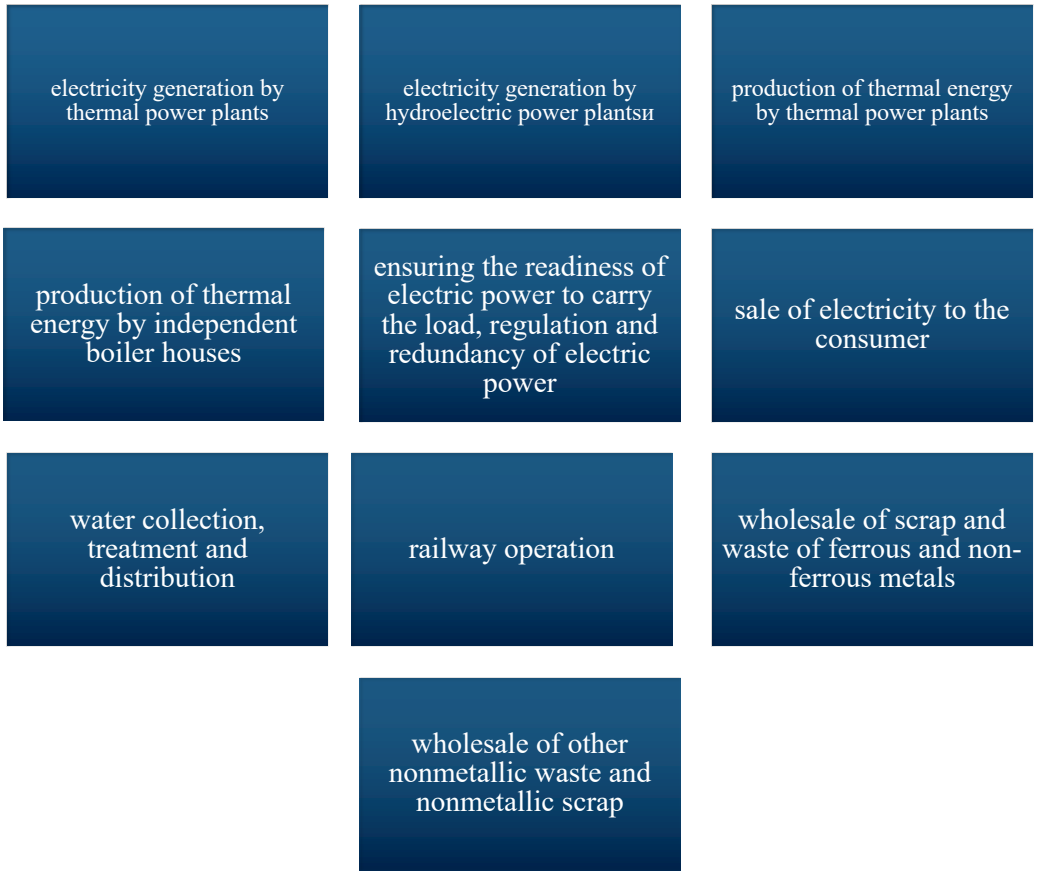
The Company is listed in the Republican section of the State Register of Natural Monopolies (as a natural monopoly in the production of heat) and holds a dominant position in the supply of electricity in the Almaty region and the city of Almaty.

The sole shareholder of the Company is Samruk-Energo JSC, which holds 100 per cent of the shares.

The Company's organizational structure comprises eight operational divisions:



# AREAS OF ACTIVITY OF ALES JSC:



# HISTORY OF THE COMPANY'S DEVELOPMENT

AlES JSC was established pursuant to a resolution of KMG-Energo JSC dated 26 May 2006 and registered with the relevant authorities on 1 June 2006.

As part of the reform program for JSC 'Almaty Power Consolidated', carried out in accordance with the Laws of the Republic of Kazakhstan 'On the Electric Power Industry' and 'On Natural Monopolies', with the aim of separating the functions of generation, transmission and sale of electricity and heat, on 10 January 2007, an agreement was concluded between AlES JSC and Almaty Power Consolidated JSC entered into an agreement for the purchase of asset complexes providing a complete technological cycle for the generation of electricity and heat, comprising a complex of buildings and structures – CHPP-1 (now B. Orazbayev CHPP-1), CHPP-2 (now the A. Zhakutov CHPP-2), CHPP-3, the Western Heating Complex (WTC), the Kapshagai Hydroelectric Power Station (now the Sh. Chokin Kapshagai Hydroelectric Power Station), the Cascade Hydroelectric Power Station, the 'Energoremont' Production and Repair Enterprise (PRP) and the Fuel Reception and Unloading Centre (FROC).



**CHPP-1 named after B.Orazbayev The design and construction of the Alma-Ata TPP (now CHP-1 n.a. B.Orazbayev ) began in 1931. On October 25, 1935, the first unit was put under industrial load. Main equipment: six BKZ-160-100 gas-fired steam boilers, fuel oil was used as kindling fuel; two PT-60-90 turbine units with steam production and heating selections, one R-25-90 turbine unit; seven PTVM100 hot water boilers, the main fuel is natural gas, reserve fuel– fuel oil. The equipment was put into operation from 1960 to 1996**



**CHPP-2 n.a. A.Zhakutov The construction of the Alma-Ata HPP-2 began in 1974. In 1980-1983, three steam boilers of the BKZ type were put into operation-420-140- 7C and three steam turbines of the PT80/100-130/13 type. The 2nd stage of construction was carried out in 1985-1989. The main equipment is eight steam boilers BKZ–420-140 and PK-100, powered by coal from the Ekibastuz coal basin, fuel oil was used as kindling fuel; three PT-80-130 turbine units with steam production and heating selections, one R-50-130 turbine unit and two T-110-130 turbine units with heating selections and boiler unit No. 8, the commissioning of which allowed to increase the thermal capacity of the station by 20%, provided the load of the Alatau district, Industrial zone, Universiade 2017 facilities and "Affordable Housing 2020". The equipment was put into operation from 1980 to 2016.**



**CHPP-3 The construction project of the first stage of the Alma-Ata TPP (now CHPP–3) with a capacity of 100 thousand kWh was approved by the decision of the Alma-Ata Council of National Economy on December 9, 1957. The year of the beginning of construction is 1959. Main equipment: six steam boilers BKZ-160-100, powered by coal from the Ekibastuz coal basin, fuel oil is used as kindling fuel; three turbine units T-41-90 with steam heating, one turbine unit K-50-90. The equipment was put into operation from 1960 to 1967.**



Western Thermal Complex (WTC)-The beginning of the Western Thermal Complex was laid on 26 November 1963, when two hot-water boilers were installed and put into operation, in 1964-1967 another hot-water boiler and five steam boilers were put into operation. The WTC includes: Western district boiler house, South-Western district boiler house, New-Western district boiler house. The main fuel is natural gas, the reserve fuel is fuel oil. At the present moment the ZTK includes the following main equipment: two steam boilers; two hot-water boilers PTVM-50; six hotwater boilers PTVM-100; four hot-water boilers KVGM-100. The equipment was put into operation from 1963 to 2015



Kapshagai HPP named after Sh.Chokin The design of the Kapshagai HPP was carried out by th Kazakh branch of the All-Union Design and Survey Institute "Gidroproekt" named after S.Ya. Zhuk in 1959, with the completion of the project in 1961– 1964. In 1965, by order of the Council of Ministers of the Kazakh SSR No. 266-R dated February 25, 1965, the directorate of the Kapchagai HPP under construction was established, and construction began. In 1980, the construction of the Kapchagai HPP was completed and the state commission signed an acceptance certificate. Currently, the main equipment of the HPP is four hydraulic units PL2-50/642-V650. The equipment was put into operation from 1970 to 1971



Cascade of hydroelectric power plants The design and preparatory work for the construction of a Cascade of hydroelectric power plants on the Bolshaya Almatinka river was started by the Leningrad Branch of the Gidroproekt Institute in 1942, and from April 1943 the construction of the first power plants began directly. The cascade of hydroelectric power plants consists of 9 power plants, which are cascaded in the Great Almaty Gorge for 25 km from the Great Almaty Lake to the water intake facilities of the "Almaty Su organization. At the moment, the HPP Cascade includes the following main equipment: three F. Ansaldo hydroelectric units (Italy) installed at HPP-1; three KVG179x16,4-1 hydroelectric units installed at HPP-2; one RO638-VM-100 hydroelectric unit installed at HPP-5; three F.Laffel (USA) hydroelectric units installed at HPP- 6,7,8; one ROF700 hydroelectric unit installed at HPP-9,10,11. The equipment was put into operation from 1943 to 1963.



Production repair company "Energoremont" (PRC) The main production units of the PRC are based on the territory of CHP-1,2,3, WTC. The company provides repair services for the main and auxiliary equipment of all thermal energy sources of JSC AIES.



Fuel Reception and Unloading Center (FRUC) The main production units of FRUC are based on the territory of CHP-1,2,3. FRUC provides services for receiving, processing and unloading wagons with fuel and other goods arriving by rail to the enterprises of CHP-1,2,3, thereby ensuring uninterrupted unloading of fuel at these stations, as well as repairs and maintenance of railway tracks of CHP-1,2,3

# MISSION, VALUES AND PRINCIPLES

**Mission:**
We ensure the region's energy security and contribute to the accelerated energy transition, whilst adhering to the principles of sustainable development and efficient management
.

## Values

*Mentoring*
providing assistance and support, building relationships of trust with all stakeholders, and preserving and passing on accumulated experience.

*Professionalism*
a conscientious approach to the tasks at hand, continuous improvement, and the implementation of various methods and approaches to enhance efficiency.

*Reliability*
ensuring smooth and high-quality operations; recognising our responsibility towards future generations regarding the environment and ecology; creating safe, comfortable and competitive working conditions; and honouring our commitments.

*Fairness*
Objective assessment and fairness in resolving all matters; equal standards and opportunities; the opportunity to express one's views and be heard.

## Principles

*Professionalism*
A high level of professionalism is the key to our success. We strive to create the right conditions for a comfortable working environment and for every employee to realise their potential, providing equal opportunities for personal and professional development

*Compliance*
Adherence to the rules enables us to be a team of professionals united by common goals, a shared culture of conduct and our traditions

*Safety*
We generate energy and strive to do so using safe methods

*Risk-based approach*
We recognise the importance of risk management and take measures aimed at the timely identification and mitigation of risks

*Social Responsibility*
We strive to conduct our operations whilst protecting the environment and respecting the communities with which we interact

*Transparency*
Long-term cooperation, dialogue, respect for rights and a balance between the interests of the Company and those of its stakeholders.

## KEY EVENTS AT AlES JSC IN 2025

| Date | Event |
|---|---|
| **March–December 2025** | The annual maintenance program was successfully implemented as part of the maintenance campaign. |
| **10 April** | The 189-day 2024–2025 heating season has come to an end. CHPP-1, CHPP-2, CHPP-3, WTC and the hydroelectric power cascade operated without any disruptions. |
| **12 April** | Festive events were held to mark Nauryz Meyram. |
| **10 April** | Free hot meals were provided to 2,873 Company employees. |
| **18 June** | The annual AlES JSC Sports Festival was held, along with events honouring veterans of the energy sector and internationalist soldiers. |
| **20 June** | A new Collective Agreement for AlES JSC covering the period 2025–2028 was concluded. |
| **17 June** | The EBRD highly commended the progress of the Almaty CHPP-2 modernisation project, which is being carried out with minimal environmental impact. |
| **29 September** | A long-term contract for the retail supply of commercial gas has been signed with KazTransGas Aimak JSC. |
| **8 October** | The 2025–2026 heating season was launched on schedule. |
| **15 October** | As part of the housing program, 38 Company employees received the keys to their flats. |
| **20–22 October** | The recertification audit for compliance with the ISO 9001, ISO 14001, ISO 37001, ISO 45001 and ISO 50001 standards was successfully completed. |
| **28 October** | Almaty CHPP-1 celebrated the 90th anniversary of its foundation. |
| **8 December** | The 4th forum of AlES JSC's youth organisation, 'Zharkyn Bolashak', was held. |
| **20 December** | Gas turbine №1 and generator №1, manufactured by Ansaldo Energia, were delivered to the CHPP-3 construction site. |
| **22 December** | A celebration was held to mark Energy Workers' Day, with 171 Company employees receiving awards. |
| **24 December** | Employees from CHPP-1 and CHPP-3 represented the Company at the national 'Zhumysshymamandarly' event. |
| **2025** | 19 suggestions for process improvements were submitted, of which 15 were approved; rewards were paid to 38 co-authors. |
| **2025** | 157 children were born to the families of the Company's employees. |

# MARKET OVERVIEW AND THE COMPANY'S MARKET POSITION.

## ANALYSIS OF THE CURRENT SITUATION

The Unified Electric Power System (UESP) of the Republic of Kazakhstan comprises a network of power stations, transmission lines and substations that ensure a reliable and high-quality power supply to consumers in the Republic of Kazakhstan.

The main directions of state policy in the electricity sector are developed and determined by the Government of the Republic of Kazakhstan.

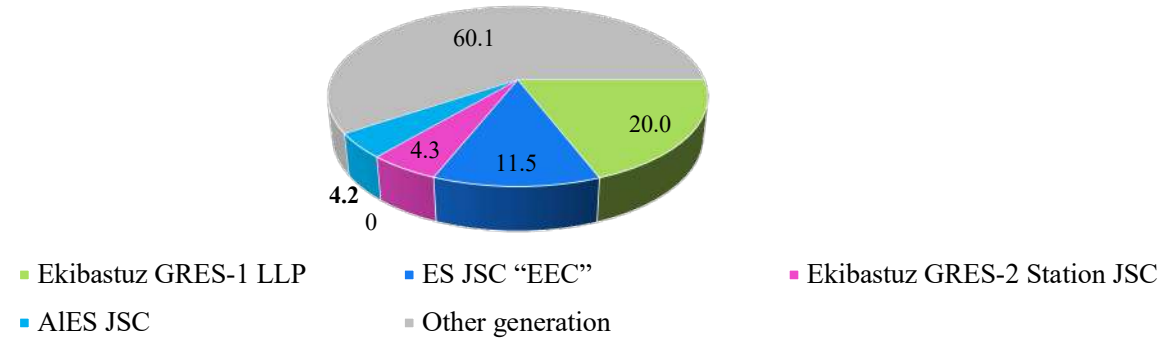
The Ministry of Energy of the Republic of Kazakhstan is the authorised state body responsible for overseeing the electricity sector.

Supervision and control in the electricity sector are carried out by the authorised body responsible for state energy supervision and control.

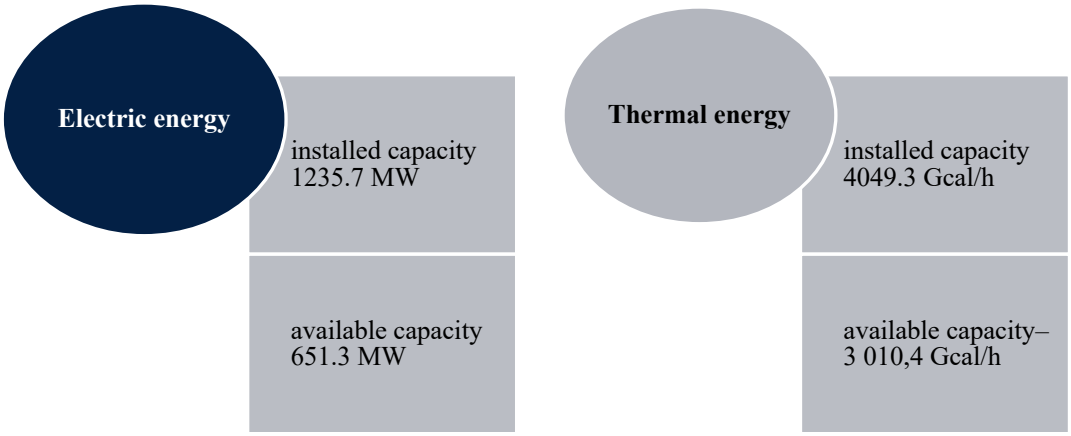
The electricity sector of the Republic of Kazakhstan comprises the following sectors:

- ✓ Electricity generation;
- ✓ Transmission of electricity;
- ✓ Electricity supply;
- ✓ Electricity consumption;
- ✓ Other activities in the electricity sector.

**AlES JSC's share of electricity generation in the wholesale electricity market of the Republic of Kazakhstan**




**The total capacity of AlES JSC's power stations as at 31 December 2025 is:**



## ELECTRICITY MARKET

On 1 July 2023, amendments to the Law 'On the Electricity Sector' came into force, regulating the functioning of the wholesale electricity market through the introduction of a single electricity purchaser model and a real-time electricity balancing market.

The system operator, regional electricity network companies and other organisations owning electricity networks shall ensure access to the electricity market for all participants in accordance with the procedure established by the state body responsible for regulating natural monopolies.

Relationships arising from the generation, transmission and consumption of electricity in the electricity market are governed by the relevant contracts.

The wholesale electricity and capacity market in Kazakhstan comprises the wholesale electricity market, the balancing electricity market, the electricity capacity market and the market for system and ancillary services.

**The wholesale electricity market** operates on the basis of the purchase and sale of planned volumes of electricity included in the daily electricity generation and consumption schedule approved by the system operator.

**Centralised electricity trading** comprises transactions for the purchase and sale of electricity carried out between electricity-generating organisations and the single purchaser, as well as between the single purchaser and digital miners via an electronic trading system.

The real-time **electricity balancing market** operates for the purpose of financial settlement of hourly imbalances arising during an operational day between actual and planned volumes of electricity, as approved by the System Operator in the daily electricity generation and consumption schedule.

**The market for system and ancillary services** operates on the basis of both the procurement of ancillary services from participants in the wholesale electricity market and the provision by the system operator of system services to participants in the wholesale electricity market for the physical settlement of hourly imbalances, as well as to ensure the reliability of the Unified Energy System of the Republic of Kazakhstan and the quality of electricity, as established by national standards.

**The electricity capacity market** has been operating since 1 January 2019 with the aim of attracting investment to commission new electricity generation capacity in a volume sufficient to meet the demand for electricity and to maintain the level of electricity capacity in the Unified Energy System of the Republic of Kazakhstan, as determined on the basis of the forecast electricity capacity balance.

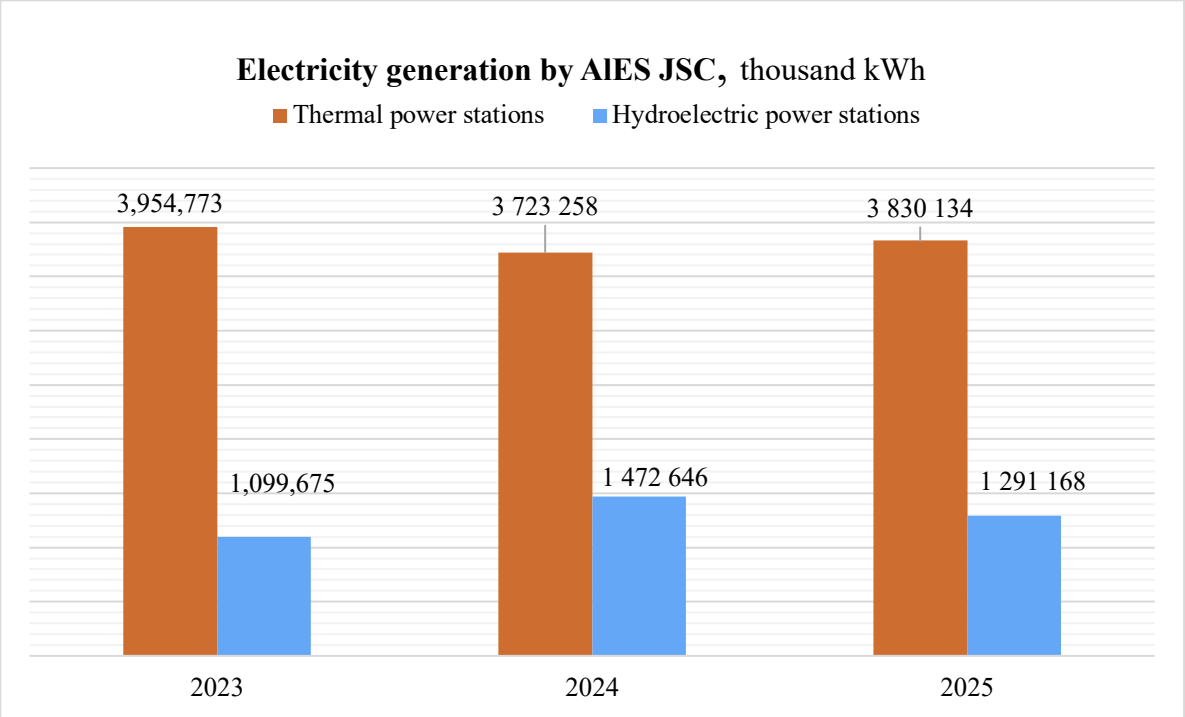
The electricity generated by AlES JSC is sold via the networks of regional electricity distribution companies and power transmission organisations in the Almaty region.

In accordance with the amendments made to the Republic of Kazakhstan's Electricity Code, from 1 July 2023, AlES JSC will sell its entire planned volume of electricity exclusively to the Single Buyer, the Renewable Energy Resource Centre LLP. At the same time, the settlement of

any imbalances arising from the Daily Schedule is carried out by JSC 'KOREM' in accordance with the Rules of the Electricity Balancing Market.

**Volumes of electricity sold by AlES JSC:**

| Consumers | Thousand kWh | Share, % | thousand kWh | Share, % | thousand kWh | Share, % |
|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | |
| AlmatyEnergoSbyt LLP | 1,786,826 | 39.4 | - | - | - | - |
| Alatau Zharik Kompaniyasy JSC | 508 474 | 11 | | | | |
| Other consumers | 136,487 | 3 | | | | |
| Centralised purchaser | 2,098,431 | 46.4 | 4,602,595 | 100 | 4,517,080 | 100 |
| **Total:** | 4,530,218 | 100 | 4,602,595 | 100 | 4,517,080 | 100 |



Electricity generation in 2025 decreased by 1.4% (74.6 million kWh) compared with 2024, with the following actual deviations in electricity generation from the planned figures:

- ✓ an increase in generation at CHPP-1 of 25.5% (83.2 million kWh) was due to emergency repairs to unit transformer T-6 in 2024;
- ✓ an increase in generation at CHPP-2 of 3.7% (92.5 million kWh) was due to unscheduled and emergency repairs to main equipment in 2024;
- ✓ the 7.8% decrease in generation at CHPP-3 (68.9 million kWh) is due to unscheduled and emergency repairs to key equipment;
- ✓ a 12.5% decrease in electricity generation at the Kapshagai Hydroelectric Power Station (160.3 million kWh) due to a reduction in water flow from the Kapshagai Reservoir into the lower reach, as ordered by the Balkash-Alakol Basin Inspectorate;
- ✓ a 11 per cent reduction in generation at the Hydroelectric Power Station Cascade (21.2 million kWh) due to a reduction in inflow into the Great Almaty Lake.

## HEAT ENERGY MARKET

AlES JSC is registered in the Republican section of the State Register of Natural Monopolies under the activity category 'Heat Production'.

The thermal energy produced by AlES JSC is intended for the domestic market in Almaty.

**The thermal energy produced was supplied to the following consumers:**

| Consumers | thousand Gcal | Share, % | thousand Gcal | Share, % | thousand Gcal | share, % |
|---|---|---|---|---|---|---|
| Almaty Heating Networks LLP (Almaty) | 2023 | | 2024 | | 2025 | |
| | 5,415.8 | 98 | 5,624.2 | 98 | 5,490.4 | 98 |
| Other consumers | 102.1 | 2 | 99.6 | 2 | 97.6 | 2 |
| **Total:** | **5,518.0** | **100** | **5,723.8** | **100** | **5,588.0** | **100** |

**Heat supply to the city of Almaty is provided from the following sources:**

| Name | thousand Gcal | Share, % | thousand Gcal | Share, % | thousand Gcal | share, % |
|---|---|---|---|---|---|---|
| Almaty Power Stations JSC | 2023 | | 2024 | | 2025 | |
| | 5,518.0 | 69 | 5,723.8 | 68.2 | 5,587.9 | 68.1 |
| Almatyteplokommunenergo LLP | 2,499.5 | 31 | 2,673.7 | 31.8 | 2,619.4 | 31.9 |
| **Total:** | **8,017.5** | **100** | **8,397.5** | **100** | **8,207.3** | **100** |

# ANALYSIS OF THE EXTERNAL AND INTERNAL ENVIRONMENT

## ANALYSIS OF THE EXTERNAL ENVIRONMENT

| Factor | Key trends | Impact on AlES JSC |
|---|---|---|
| Economic environment | Growth in electricity consumption in the Almaty region; development of the Single Electricity Purchaser model | Ensures stable demand for the Company's products, whilst raising requirements for the reliability and efficiency of production |
| Technological environment | High levels of wear and tear on generating capacity in the sector, and the development of digital and energy-efficient technologies | Requires the implementation of large-scale investment projects to modernise equipment and improve production efficiency |
| Environmental context | Tighter environmental regulations, the development of a carbon regulation framework and the adoption of best available techniques (BAT) | Encourages the implementation of environmental protection measures, the reduction of emissions and the improvement of environmental performance |
| Legal environment | Improvements to legislation in the electricity sector, tariff regulation and natural monopolies | Affects the Company's financial stability through tariff-setting and cost recovery mechanisms |

## ANALYSIS OF THE INTERNAL ENVIRONMENT

| Factor | Characteristics |
|---|---|
| Corporate Culture | The Company has established a corporate culture based on the principles of safety, professionalism, responsibility and teamwork. |
| Human Resources | AlES JSC has a qualified workforce and implements programs for training, developing a talent pool and recruiting young professionals. |
| Management System | A multi-tiered corporate governance system is in place, ensuring the distribution of powers and oversight of decision-making. |
| Internal communications | Well-developed channels of internal communication ensure that employees are kept informed and engaged in production processes. |
| Production Capacity | The company possesses the largest generating capacity in the Almaty region and is implementing a program to modernize its production assets. |
| Risk management and internal control system | The Company has mechanisms in place for identifying, assessing and monitoring risks, aimed at ensuring the sustainability of its operations and the achievement of its strategic objectives. |

An analysis of the external and internal environment shows that AlES JSC operates in a context of growing demands for energy supply reliability, environmental responsibility and technological development. The key factors for the Company's sustainable development remain the modernisation of production assets, the development of human capital, the improvement of the corporate governance system and effective risk management.

## SWOT ANALYSIS

An analysis of the external and internal environments has identified the Company's strengths and weaknesses, as well as existing opportunities and threats, which are set out below:

**Strengths**

- Leader in the supply of electricity and heat to Almaty and the Almaty region
- Part of the Samruk-Energo JSC Group
- Skilled workforce and a well-developed staff training system
- Stable demand for the electricity and heat it generates
- Implementation of major projects to modernise and expand production capacity
- Key processes are regulated

**Weaknesses**

- High wear and tear on key generating equipment
- Investment projects are capital-intensive
- High proportion of costs attributable to fuel and equipment repairs
- Dependence on tariff regulation and state-set pricing
- Presence of low-profitability assets
- Environmental performance is heavily dependent on coal-fired generation

**Opportunities**

- Growth in electricity and heat consumption in the Almaty metropolitan area
- Implementation of projects to modernise and build new generation capacity
- Introduction of digital technologies and energy-efficient solutions
- Improving production efficiency through the adoption of modern technologies
- Development of ESG approaches and securing sustainable financing

**Threats**

- Tighter environmental regulations and higher environmental charges
- Rising prices for fuel, materials, equipment and contractors' services
- Changes in legislation (increases in export duties, tax rises, etc.)
- A policy of tariff restraint within the country
- Increase in overdue receivables
- Risks of delays in the implementation of major investment projects
- Strengthening of the climate agenda and requirements to reduce greenhouse gas emissions

A SWOT analysis shows that the key factors for the further development of AlES JSC are the modernisation of production assets, improving environmental performance, developing human resource capacity and ensuring financial stability in a changing regulatory and market environment.

# FINANCIAL AND ECONOMIC INDICATORS

The audit of the Company's financial statements for 2025 as at 31 December 2025 was carried out by the independent auditor Ernst & Young LLP ('EY'). The financial statements are available on the Company's corporate website and can be accessed via the following link:

https://www.ales.kz/wp-content/uploads/2025/04/25ye_ales.pdf
EY is a global leader in audit, tax, transaction and advisory services.
EY has been providing professional services to the energy and extractive industries for over 100 years worldwide. EY is a trusted partner to the largest companies in Kazakhstan's oil and gas, coal, electricity and renewable energy sectors. Its portfolio includes projects on energy efficiency, decarbonisation and the development of 'clean' energy across the country, including support for government programs.

## FINANCIAL INDICATORS

This section sets out the key financial and operational indicators and an analysis thereof, enabling the identification and assessment of key trends and significant changes in the performance and financial position of AlES JSC.

## KEY FINANCIAL RESULTS

| Figures, in million tenge | 2023 Actual | 2024 Actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 Forecast |
|---|---|---|---|---|---|---|---|
| Revenue | 96,721 | 125,675 | 139,754 | 111% | 149,117 | 361,981 | 514,286 |
| Cost of production | (89,560) | (96,785) | (119,137) | 123% | (142,157) | (213,812) | (311,420) |
| Gross profit | 7,162 | 28,890 | 20,617 | 71% | 6,960 | 148,168 | 202,867 |
| General and administrative expenses | (2,479) | (3,154) | (8,429) | 267% | (4,879) | (5,440) | (5,342) |
| Other operating income | 413 | 591 | 1,072 | 181% | 162 | | |
| Other operating expenses | (314) | (440) | (1,782) | 405% | (139) | | |
| Impairment loss | (17) | (1) | (16) | 1763% | (708) | (342) | (117) |
| Operating profit | 4,765 | 25,886 | 11,463 | 44% | 1,396 | 142,386 | 197,408 |
| Financial income | 216 | 413 | 692 | 167% | 492 | 580 | 649 |
| Financial expenses | (3,279) | (2,323) | (3,961) | 171% | (6,544) | (124,665) | (138,028) |
| Profit/loss (-) before tax | 1,703 | 23,977 | 8,193 | 34% | (4,655) | 18,302 | 60,030 |
| Income tax expense (-) / saving | (381) | (4,934) | (2,727) | 55% | 931 | (3,660) | (12,006) |
| (Profit/Loss) | 1,321 | 19,043 | 5,466 | 29% | (3,724) | 14,642 | 48,024 |

Based on its financial results for 2025, AlES JSC reported a profit of 5,466 million tenge. Compared with the previous year, the actual profit in 2025 fell by 13,577 million tenge. This significant deterioration in the financial result is attributable to an increase in production costs due to

rising fuel and transport costs, an increase in depreciation resulting from a review of the useful lives of fixed assets and the amount of financial provision for meeting obligations to remedy the environmental impact of Category I facilities, in accordance with the requirements of the Environmental Code, as well as an increase in general administrative expenses due to the accrual and payment of a fine of 4,429.6 million tenge for breaching antitrust legislation, as ordered by the court (following an appeal by Prime Energy Resources LLP to the Department of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan).

FORECAST FOR THE COMING PERIOD:

The forecast of financial and economic indicators has been prepared in accordance with the Forecast of Socio-Economic Development of the Republic of Kazakhstan for 2026–2028, approved at the meeting of the Republican Budget Commission on 26 August 2025 (Minutes № 32).

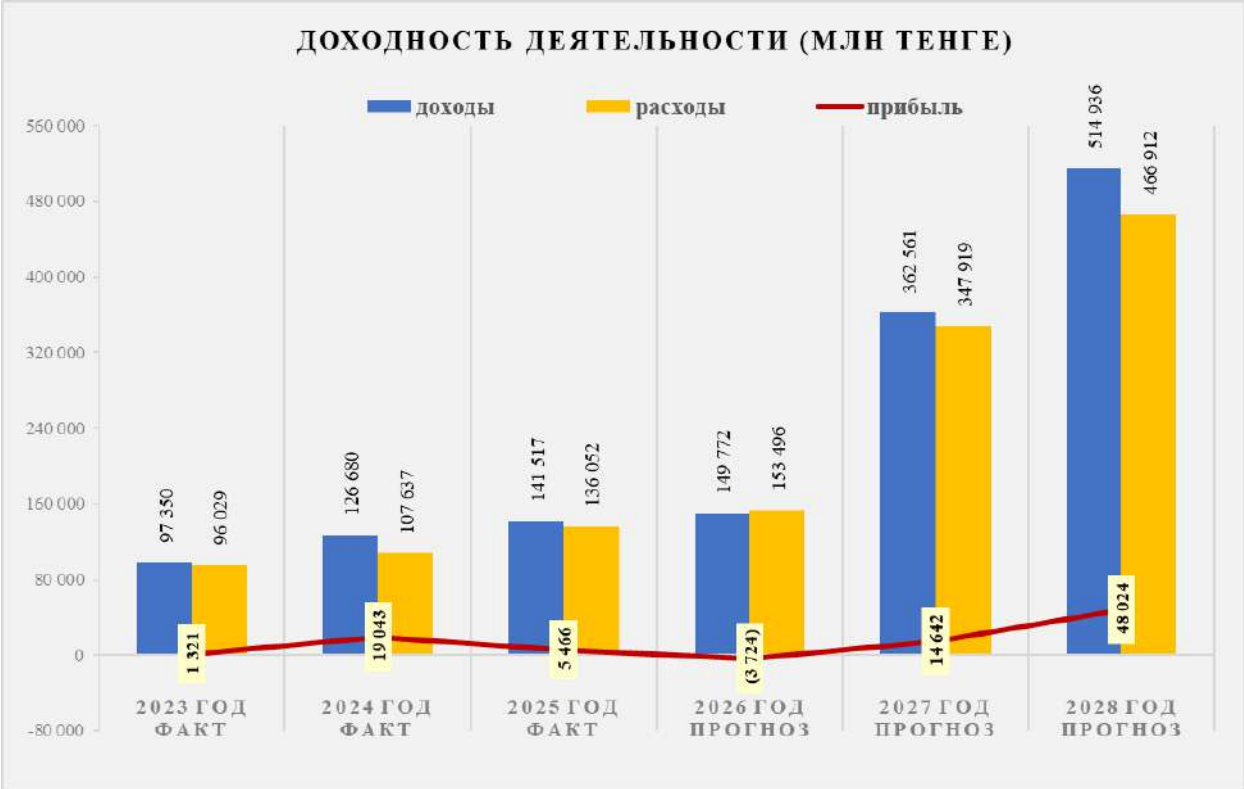
Despite an increase in revenue from 139,754 million tenge in 2025 to 149,117 million tenge in 2026 (a rise of just 6.7 per cent), AlES JSC expects to incur a loss of 3,724 million tenge. The projected loss is due to a combination of factors, the impact of which outweighs the effect of the moratorium on utility tariff increases introduced by the Government of the Republic of Kazakhstan from October 2025 to March 2026.

According to the forecast, production costs in 2026 will rise from 119,137 million tenge to 142,157 million tenge, representing an increase of 19.3 per cent. The main drivers of cost growth in 2026 are:

- an increase in depreciation due to a review of the provision set aside for the decommissioning of TPP-3 facilities, with dismantling being treated as a separate project, and an increase in the nominal cost of decommissioning works in line with the requirements of the Environmental Code;
- a significant rise from the second half of 2026 in forecast energy prices (coal by 15 per cent, gas by 30 per cent, fuel oil by 11 per cent);
- wage indexation for employees in accordance with the Collective Agreement;
- an increase in expenditure on the repair of main and auxiliary equipment, aimed at restoring the performance characteristics of key units.

Consequently, the rate of growth in operating expenses, coupled with a significantly lower rate of revenue growth, will lead to a sharp deterioration in the Company’s financial position in 2026; as a result, AlES JSC will be forced to operate at a loss, unable to cover current production costs and interest on loans from its own revenue.

Following a loss-making 2026 (-3,724 million tenge), a profit of 14,642 million tenge is expected in 2027 and 48,024 million tenge in 2028. The sharp rise in revenue (from 149,117 million tenge in 2026 to 361,981 million tenge in 2027 and 514,286 million tenge in 2028) following moderate growth in previous years is due to the application of a specific tariff of for the service of maintaining the readiness of electrical capacity for newly commissioned facilities as part of the implementation of the projects ‘Modernisation of Almaty CHPP-2, AlES JSC, with minimisation of environmental impact’ and ‘Reconstruction of CHPP-3 (construction of a combined cycle power plant with a capacity of at least 450 MW)”.




## 2.1 REVENUE

### REVENUE STRUCTURE

| Figures, in million tenge | 2023 Actual | 2024 Actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 forecast |
|---|---|---|---|---|---|---|---|
| Revenue, including | 97,350 | 126,680 | 141,517 | 112% | 149,772 | 362,561 | 514,936 |
| Revenue | 96,721 | 125,675 | 139,754 | 111% | 149,117 | 355,757 | 514,286 |
| other operating income | 413 | 591 | 1,072 | 181% | 162 | | |
| financial income | 216 | 413 | 692 | 167% | 492 | 580 | 649 |

In 2025, AlES JSC's total revenue amounted to 141,517 million tenge. The increase of 14,838 million tenge, or 12 per cent, compared with 2024 was driven by rises in electricity and heat tariffs, as well as the maximum tariff for the service of maintaining electricity generation capacity. As in previous periods, revenue from the sale of products accounted for the largest share of total revenue (99%), amounting to 139,754 million tenge.

The increase in other operating income in 2025 compared with 2024 was due to a favourable exchange rate difference arising from payments in EUR and CNY to POWERCHINA SEPCO1 Electric Power Construction Co for the 'Modernisation of Almaty CHPP-2, AlES JSC, with minimisation of environmental impact' project.




Revenue from electricity generation in 2025 amounted to 75 per cent, which is on a par with the 2024 figure. The share of revenue from heat generation and the sale of chemically treated water in the structure of revenue from core operations in 2025 stood at 22 per cent and 3 per cent, respectively. There were no significant changes to the revenue structure in 2025.

FORECAST FOR THE COMING PERIOD:

Revenue growth in 2027–2028 is driven by income from providing electricity capacity standby services at individual tariffs, following the planned commissioning of facilities as part of the implementation of the projects 'Modernisation of Almaty CHPP-2, AlES JSC, with minimisation of environmental impact' and 'Reconstruction of CHPP-3 (construction of a combined cycle power plant with a capacity of at least 450 MW)', as well as the projected growth in generation and ceiling tariffs for electricity.

Changes in the revenue structure for the period 2027–2028 are insignificant and are driven by the implementation of investment projects to modernise the Almaty CHPs. For example, the share of revenue from electricity generation in the company's total revenue for the period 2026–2028 is forecast to range from 74% to 83 per cent, revenue from heat generation from 23 per cent to 16 per cent, and revenue from the production of chemically purified water from 2 per cent to 1 per cent.

## 2.2 EXPENSES

| Figures, in million tenge | 2023 Actual | 2024 actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 forecast |
|---|---|---|---|---|---|---|---|
| Expenditure, including | (95,648) | (102,703) | (133,325) | 130% | (154,427) | (344,259) | (454,906) |
| cost of sales | (89,560) | (96,785) | (119,137) | 123% | (142,157) | (213,812) | (311,420) |
| General and administrative expenses | (2,479) | (3,154) | (8,429) | 267% | (4,879) | (5,440) | (5,342) |
| other operating expenses | (314) | (440) | (1,782) | 405% | (139) | - | - |
| financial expenses | (3,279) | (2,323) | (3,961) | 171% | (6,544) | (124,665) | (138,028) |
| impairment loss | (17) | (1) | (16) | 1,763% | (708) | (342) | (117) |

AlES JSC's expenditure in 2025 amounted to 133,325 million tenge, which is 30% higher than in 2024. The increase in costs was also due to higher production costs resulting from rising fuel and transport costs, increased depreciation following a review of the useful lives of fixed assets and the amount of financial provision for meeting obligations to remedy the environmental impact of Category I facilities, in accordance with the requirements of the Environmental Code, as well as general administrative expenses arising from the accrual and payment of a fine of 4,429.6 million tenge for breaching antitrust legislation, as ordered by the court (following an appeal by Prime Energy Resources LLP to the Department of the Agency for the Protection and Development of Competition of the Republic of Kazakhstan).

FORECAST FOR THE COMING PERIOD:

The Company's expenditure forecast has been prepared in accordance with the Forecast for the Socio-Economic Development of the Republic of Kazakhstan for 2026–2028, approved at the meeting of the Republican Budget Commission on 26 August 2025 (Minutes №32), and reflects an increase in costs due to the expected rise in the cost of goods, services and works. The Company's financial expenditure for 2026–2028 is forecast on the basis of the Company's planned funding requirements for its operating activities and investment program, and also takes into account the provisioning of reserves for the remediation of the environmental impact caused by the operation of Category I facilities and tailings ponds, in accordance with IFRS.




The share of cost of production in total costs in 2025 stood at 89 per cent, whereas the figure for the corresponding period in 2024 was 94 per cent. The decrease in the proportion of production costs is due to an increase in general administrative expenses resulting from the accrual and payment of a fine, as ordered by the court in the case brought by Prime Energy Resources LLP, amounting to 4,429.6 million tenge in 2025.

According to forecasts, production costs are expected to account for the largest share of the cost structure during the period 2026–2028, ranging from 92% to 68%.

The increase in financial expenses is linked to the planned completion of construction works under the projects 'Modernisation of Almaty CHPP-2, AlES JSC, with minimisation of environmental impact' and 'Reconstruction of CHPP-3 (construction of a combined cycle power unit with a capacity of at least 450 MW)' in December 2026, as well as the cessation of interest capitalisation on

the project loan in accordance with IAS 23. Once the asset is commissioned, borrowing costs will be recognised directly as part of the period's finance costs, which will contribute to the growth of this figure during the planning period.

General and administrative expenses are expected to remain at this year's level, at around 3%–1%.

LIQUIDITY AND FINANCIAL STABILITY RATIOS

| Indicators, in million tenge | 2023 Actual | 2024 actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 Forecast |
|---|---|---|---|---|---|---|---|
| Financial result: (+) Net profit / (-) Net loss | 1,321 | 19,043 | 5,466 | 29% | (3,724) | 14,642 | 48,024 |
| Profit before depreciation, interest and income tax | 18,721 | 39,227 | 30,244 | 77% | 24,663 | 179,214 | 249,024 |
| Debt/EBITDA | 0.61 | 1.69 | 10.13 | 600% | 26.04 | 4.30 | 2.89 |
| Interest coverage | 3.08 | 72.38 | 7.30 | 10% | 0.85 | 1.15 | 1.43 |
| Financial leverage ratio | 0.09 | 0.44 | 1.82 | 416% | 3.91 | 4.03 | 3.00 |
| Current liquidity | 1.04 | 0.62 | 0.62 | 101% | 0.45 | 0.39 | 0.64 |

The 'Debt/EBITDA' ratio for 2025 stood at 10.13. The sharp increase compared with 2024 (the ratio rose sixfold) indicates a significant rise in the debt burden relative to operating profit due to the conversion of the Almaty CHPs to gas. In 2026, this ratio reaches a critical level of 26.04. The improvement in the ratio in 2027 is due to revenue generated from providing standby power capacity services under a bespoke tariff, which ensures the recovery of capital expenditure and interest payments on investment loans raised to implement the gasification projects for the Almaty CHPs, as well as an increase in revenue resulting from higher electricity generation.

The 'Interest Coverage Ratio' for 2025 stands at 7.3. The deterioration in this ratio compared with the corresponding period in 2024 (2023: 72.38) is due to a decrease in profit. In 2026, the deterioration in the ratio was influenced by a decline in profit. Subsequently, for the period 2027–2028, a steady improvement is forecast, linked to growth in operating profit resulting from revenue generated from the capacity market following the implementation of investment projects to convert the Almaty CHPs to gas, an increase in finance costs and the reclassification of costs from capitalisation to finance costs in accordance with IFRS requirements, as well as an increase in electricity generation at the A. Zhakutov CHPP-2 and CHPP-3.

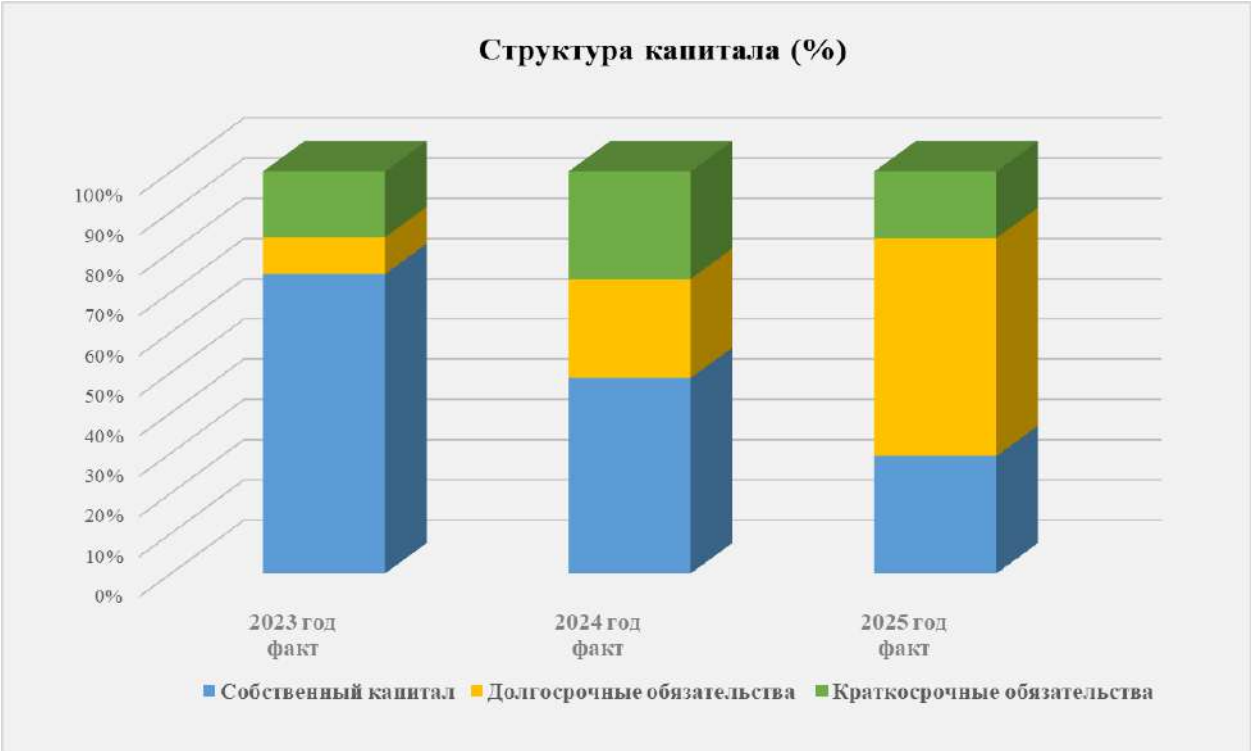
The 'financial leverage' ratio (Debt/Equity) stood at 1.82 in 2025, thus showing a deterioration compared with the figure for the corresponding period of the previous year (2024: 0.44), which is mainly due to an increase in the level of borrowings. Growth is forecast for the subsequent periods (2026–2028), which is also linked to the expected increase in current liabilities arising from the implementation of investment projects to convert the Almaty CHPs to gas.

The current liquidity ratio for 2025 stood at 0.62, which is 1 per cent higher than the level for the corresponding period in 2024. In the subsequent years 2026–2028, uneven trends are forecast (2026: 0.45; 2027: 0.39; 2028: 0.64), linked to changes in the debt burden resulting from the implementation of investment projects (reconstruction of CHPP-3 (construction of a combined cycle gas turbine plant with a capacity of at least 450 MW), modernisation of Almaty CHPP-2 (AlES JSC) whilst minimising environmental impact).

STRUCTURE OF EQUITY AND BORROWED CAPITAL

Equity in 2025 amounted to 168,343 million tenge (in 2024: 151,278 million tenge); this increase was due to the profit generated. The Company's liabilities in 2025 amounted to 408,174 million tenge (in 2024: 159,987 million tenge); this increase was due to the raising of borrowed funds for investment projects.

| Figures, in million tenge | 2023 Actual | 2024 Actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 Forecast |
|---|---|---|---|---|---|---|---|
| Share capital and share premium | 109,960 | 109,960 | 121,414 | 110% | 121,414 | 133,278 | 133,278 |
| Other equity | (827) | (868) | (722) | 83% | (909) | (909) | (909) |
| Retained earnings | 23,143 | 42,186 | 47,651 | 113% | 43,927 | 58,905 | 106,929 |
| **Equity** | **132,276** | **151,278** | **168,343** | **111%** | **164,432** | **191,274** | **239,298** |
| Long-term liabilities | 16,231 | 76,916 | 312,684 | 407% | 555,507 | 644,082 | 684,520 |
| including loans | 240 | 56,227 | 273,293 | 486% | 526,048 | 608,600 | 632,343 |
| Current liabilities | 29,064 | 83,071 | 95,489 | 115% | 187,339 | 325,005 | 212,636 |
| including loans | 10,878 | 9,712 | 33,142 | 341% | 116,150 | 162,444 | 86,605 |
| **Total liabilities** | **45,295** | **159,987** | **408,174** | **255%** | **742,846** | **969,087** | **897,156** |
| **Total:** | **177,571** | **311,265** | **576,517** | **185%** | **907,278** | **1,160,361** | **1,136,454** |




SHARE CAPITAL STRUCTURE AND SECURITIES

Share capital – 84,540 million tenge. Additional paid-up capital – 36,874 million tenge. Total: 121,414 million tenge.

Type of shares: ordinary; of which the number of authorised shares is 18,700,160, and the number of issued shares is 8,207,765, comprising 2,950,160 shares with a par value of 10,300 tenge each, 294,000 shares at a price of 12,500 tenge per share, including 2,194,510 shares at a price of

17,021 tenge per share, 2,219,100 shares at a price of 17,370 tenge per share, 549,995 shares at a price of 20,826.07 tenge per share. The number of unallocated shares is 10,492,395.

The sole shareholder of AlES JSC is Samruk-Energo JSC.

In 2025, no dividends were paid on the Company's ordinary shares for 2024.

Minutes №16 of the meeting of the Management Board of Samruk-Energo JSC dated 25 May 2026 recorded a decision not to pay dividends on the Company's ordinary shares for 2025 and to make these funds available to the Company for the implementation of major investment projects.

## ASSET STRUCTURE

The steady growth in long-term assets is linked to the implementation of the investment program and the corresponding change in the carrying amount of fixed assets. The increase in trade receivables led to a rise in current assets by 2025.

| Figures, in million tenge | 2023 Actual | 2024 Actual | 2025 actual | 2025 compared with 2024, as a percentage | 2026 Forecast | 2027 forecast | 2028 Forecast |
|---|---|---|---|---|---|---|---|
| Long-term assets | 147,325 | 260,176 | 516,944 | 199% | 823,440 | 1,033,618 | 999,914 |
| Current assets | 30,246 | 51,089 | 59,573 | 117% | 83,838 | 126,743 | 136,540 |
| **Total** | **177,571** | **311,265** | **576,517** | **185%** | **907,278** | **1,160,361** | **1,136,454** |

## PROFIT DISTRIBUTION AND DIVIDENDS

Following the results of operations for 2025, the sole shareholder of AlES JSC resolved not to pay dividends on the Company's ordinary shares (Minutes №16 of 25 May 2026).

The net profit generated for the financial year was retained by the Company and allocated to the implementation of major investment projects, as well as to the fulfillment of obligations relating to the repayment of borrowings.

As no decision was taken to pay dividends, no dividends were declared or paid on ordinary shares for 2025. Neither the record date for the payment of dividends nor the payment commencement date was set.

## REPORT ON PAYMENTS TO THE STATE FOR THE REPORTING PERIOD 1 JANUARY 2025 – 31 DECEMBER 2025

This report is based on the amounts of taxes and payments for 2025 paid (in cash) to the budget of Kazakhstan, in millions of tenge, broken down as follows:

*Corporate income tax (CIT)*

*Corporate income tax, including corporate income tax withheld at source*

*Mineral Extraction Tax (MET) – is a mandatory payment in respect of the extraction of groundwater.*

*Other taxes* – including property tax, vehicle tax, land tax, social tax, environmental impact charges, fees for the use of land plots, water resources and the radio frequency spectrum, and the signature bonus, excluding value added tax.

**Report on payments to the state in 2025 (in million tenge)**

| Government | Type of payment | | | |
|---|---|---|---|---|
| | **Corporate Income Tax** | **Mineral extraction tax** | **Other** | **Total:** |
| Kazakhstan | 5,046 | 75 | 3,370 | 8,491 |

# INVESTMENT ACTIVITIES

AlES JSC's investment activities are aimed at modernising and developing production capacity, enhancing the reliability of energy supply, improving environmental performance and ensuring the sustainable operation of the energy infrastructure.

In 2025, the Company continued to implement investment projects relating to the reconstruction and modernisation of energy sources, the development of engineering and information and communications infrastructure, and the maintenance of production assets in good working order.

Total investment in 2025 amounted to **277.4 billion tenge excluding VAT**, including:

- **254.3 billion tenge** for the implementation of investment projects;
- **20.0 billion tenge** for the maintenance of production assets;
- on the maintenance of administrative assets – **3.1 billion tenge**.

During the reporting year, a number of projects were completed to develop and modernise production infrastructure, including the introduction of automated monitoring systems, the refurbishment of power equipment, and the development of utility networks and digital infrastructure at production facilities.

**Key investment projects**

**Modernisation of Almaty CHPP-2 with minimised environmental impact**

The project is one of the Company's largest investment projects and aims to construct a modern gas-fired power station to replace the existing coal-fired capacity. In 2025, construction and installation work continued; the main equipment was supplied and installed; gas supply to the site was secured; the necessary approvals and expert reports were obtained; and funding was secured for the project's further implementation.

**Reconstruction of Almaty CHPP-3**

The project involves converting the plant to gas-fired operation and constructing new generating capacity. During the reporting year, work continued on developing project documentation, undergoing expert reviews and preparing the site for subsequent implementation stages.

**Reconstruction of the Combined Ash and Slag Removal System at CHPP-2**

In 2025, work was completed on the refurbishment of the ash and slag removal system, aimed at improving the operational reliability of the equipment and reducing the environmental impact.

**Installation of an automated emissions monitoring system at CHPP-2**

During the reporting year, work was completed on the implementation of an automated emissions monitoring system, ensuring continuous monitoring of environmental indicators and improving the efficiency of operational environmental monitoring.

**Development of operational and digital infrastructure**

Throughout the year, the Company carried out projects to modernize production facilities, electrical equipment and information and communications infrastructure. Design work was completed, the necessary expert opinions were obtained, and the implementation of individual projects aimed at improving equipment reliability, developing infrastructure and digitizing production processes was commenced. The implementation of a number of projects will continue in 2026.

## SUSTAINABLE DEVELOPMENT MANAGEMENT

AlES JSC integrates the principles of sustainable development and responsible business conduct into its corporate governance system, operational activities and decision-making processes. Issues relating to environmental protection, industrial safety, human resources management, procurement, risk management and internal control are regarded as an integral part of the Company's sustainable development.

The Company strives to ensure transparency in its operations, compliance with legal requirements, and adherence to the principles of business ethics and corporate governance. ESG approaches are taken into account when implementing investment projects, engaging with stakeholders, managing production assets and developing human capital.

The Board of Directors of AlES JSC exercises overall leadership and oversight in the area of sustainable development, considers key issues relating to the ESG agenda, risk management, occupational health and safety, and monitors the achievement of the Company's strategic objectives and key performance indicators.

The Management Board of AlES JSC ensures the practical implementation of sustainable development principles, the execution of approved programs and measures, the achievement of targets, as well as the regular monitoring of performance results and reporting to the Board of Directors on progress made.

The principles of sustainable development are integrated into the Company's corporate governance system and business processes through mechanisms for strategic and operational planning,

risk management, internal control, operational safety, environmental management and engagement with stakeholders.

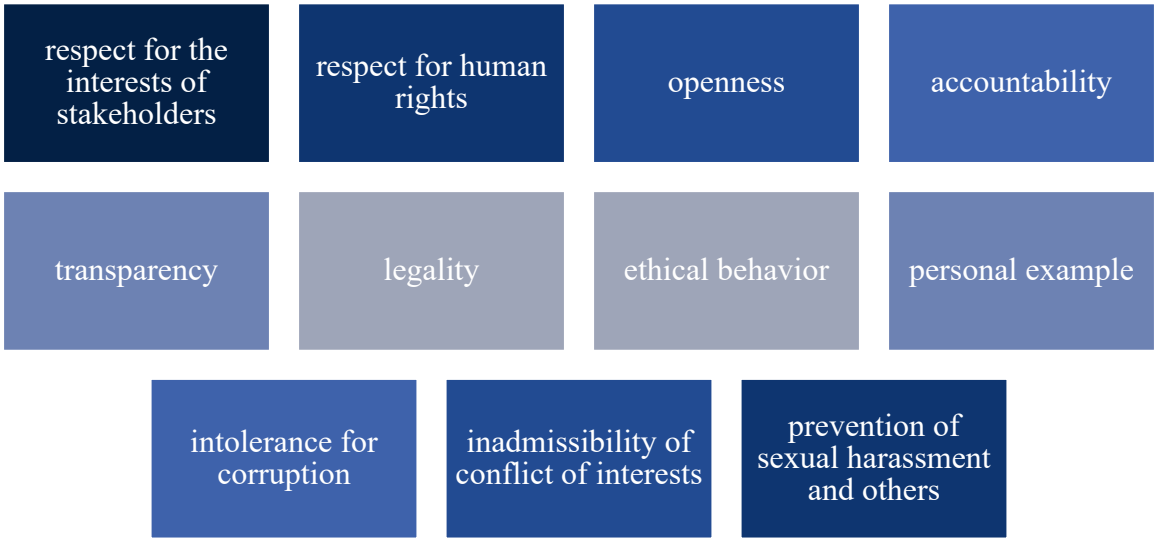
In 2025, issues relating to sustainable development, occupational health and safety, environmental performance, corporate ethics and risk management were incorporated into the system of key performance indicators for the Company's senior executives.

**ESG indicators in the performance targets for executives of JSC 'ALES' for 2025**

| Component | Indicator | Weight | Description |
|---|---|---|---|
| **E (Environment)** | Specific consumption of standard fuel for electricity generation | 15% | Improving the fuel efficiency of electricity generation. |
| | Implementation of measures for the repair and maintenance of production assets | 20% | Ensuring the reliable and efficient operation of equipment. |
| | Electricity consumption for own use | 10% | Improving the energy efficiency of production processes. |
| | Ensuring the technical availability rate | 10% | Maintaining the reliability and operational readiness of equipment. |
| | Environmental performance indicator for electricity generation (emissions of CO, SOx, NOx and particulate matter per 1 kWh) | 10% | Reducing environmental impact. |
| | Preventing a decline in the K3 and K8 coefficients in the electricity capacity market | 15% | Ensuring the sustainable and efficient operation of generating capacity. |
| **S (Social Responsibility)** | LTIFR and behavioural monitoring | 25% | Reducing workplace injuries and fostering a safety culture. |
| | Implementation of the Action Plan to achieve zero injuries | 20% | Improving occupational health and safety standards. |
| | Increasing the share of domestic value in the procurement of goods, works and services | 10% | Support for domestic producers and the development of local content. |
| **G (Corporate Governance)** | Implementation of major and priority investment projects by AlES JSC | 20% | Implementation of the Company's strategic investment projects. |
| | Implementation of the Roadmap for improving the sustainable development | 15% | Development of the ESG and corporate governance frame- |

| Component | Indicator | Weight | Description |
|---|---|---|---|
| | management system | | work. |
| | Implementation of the Sustainable Development Initiatives Plan | 20% | Achievement of the Company's sustainable development goals. |
| | No breaches in procurement activities, as confirmed by the authorised body | 40% | Ensuring transparency and compliance with procurement procedures. |
| | Conclusion of off-take agreements | 20% | Support for domestic producers and the development of long-term cooperation. |
| | Achieving a target share of domestically produced goods in procurement | 10% | Increasing the local content in procurement. |
| | Reducing the number of adjustments to the annual procurement plan | 15% | Improving the quality of procurement planning. |
| | Preventing procurement without operational marketing | 15% | Adherence to the principles of fair competition and transparency in procurement. |

## PRINCIPLES IN THE FIELD OF SUSTAINABLE DEVELOPMENT:




The Company has analysed its internal and external environment through the economic, environmental and social components of sustainable development. On this basis, and with a view to identifying the list of stakeholders and the extent of their influence, a Stakeholder Map was developed and approved by the Company's Board of Directors in 2018.

## IMPLEMENTATION OF ESG OBJECTIVES AND INITIATIVES

In 2025, AlES JSC continued to implement sustainable development measures aimed at improving economic efficiency, environmental performance, developing human capital, ensuring industrial safety and strengthening corporate ethics.

At the end of the reporting year, most of the planned ESG indicators had been met or exceeded. Targets were achieved in the following areas:

- responsible procurement;
- energy efficiency and energy saving;
- water reuse and waste management;
- talent pool development and ensuring equal opportunities;
- anti-corruption and compliance with business ethics;
- health and safety at work;
- enhancing social stability and staff engagement;
- engagement with stakeholders.

During the reporting year, the following were achieved:

- 100% fulfilment of the responsible procurement plan;
- economic benefits from energy-saving measures that exceeded the planned targets;
- an increase in the proportion of reused water to 24.5 per cent;
- no confirmed cases of corruption;
- no fatal workplace accidents;
- implementation of measures to enhance staff social stability.

However, certain indicators fell short of the set targets, including those relating to EBITDA, the implementation of investment projects and the proportion of women in the total workforce. Corrective measures have been developed and are being implemented in these areas.

Overall, the level of implementation of ESG initiatives in 2025 confirms the consistent integration of sustainable development principles into the Company’s operations.

# CORPORATE GOVERNANCE REPORT

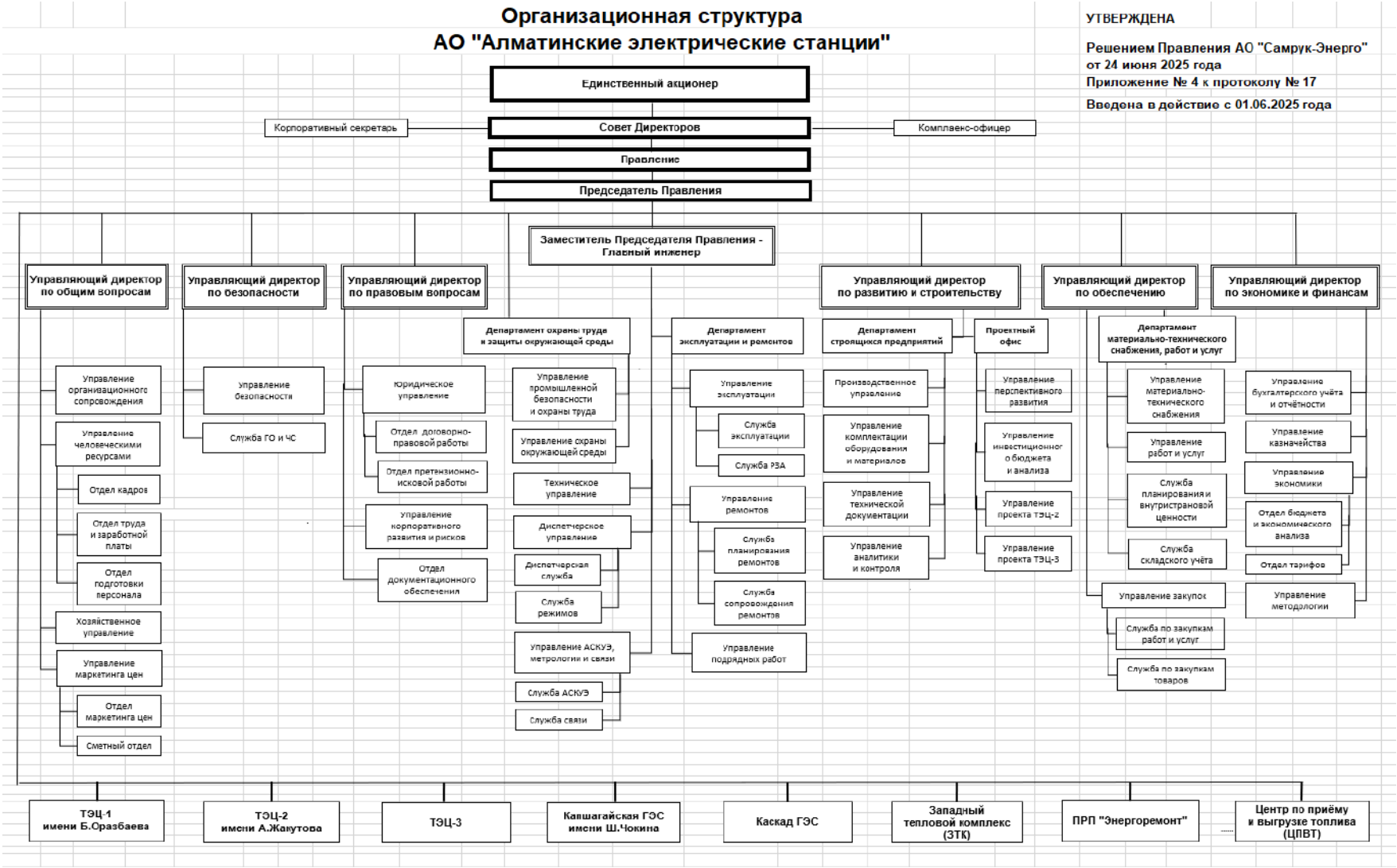
AlES JSC operates on the basis of the principles of transparency, accountability and effective corporate governance. Improvements to the corporate governance system are aimed at ensuring the Company's sustainable development, protecting the Shareholder's interests and taking into account the interests of all stakeholders.

The corporate governance system ensures the adoption of timely and well-founded decisions, effective oversight of the Company's activities, the allocation of powers and risk management.

The powers and responsibilities of the governing bodies, officers and employees are set out in the Company's Articles of Association and internal regulations. The Board of Directors provides strategic guidance and oversight of the Company's activities, whilst the Management Board ensures the implementation of the strategy and the effective management of day-to-day operations.

The corporate governance system of AlES JSC is designed to:

- compliance with the requirements of the legislation of the Republic of Kazakhstan and the Company's internal documents;
- a clear division of powers and responsibilities between the governing bodies;
- improving operational efficiency and the quality of decision-making;
- ensuring transparency, accountability and control of business processes;
- the timely identification and management of risks.


Организационная структура
АО "Алматинские электрические станции"
УТВЕРЖДЕНА
Решением Правления АО "Самрук-Энерго"
от 24 июня 2025 года
Приложение № 4 к протоколу № 17
Введена в действие с 01.06.2025 года
Единственный акционер
Корпоративный секретарь
Совет Директоров
Комплаенс-офицер
Правление
Председатель Правления
Заместитель Председателя Правления - Главный инженер
Управляющий директор по общим вопросам
Управляющий директор по безопасности
Управляющий директор по правовым вопросам
Департамент охраны труда и защиты окружающей среды
Департамент эксплуатации и ремонтов
Департамент строящихся предприятий
Проектный офис
Управляющий директор по развитию и строительству
Управляющий директор по обеспечению
Департамент материально-технического снабжения, работ и услуг
Управляющий директор по экономике и финансам
Управление организационного сопровождения
Управление человеческими ресурсами
Отдел кадров
Отдел труда и заработной платы
Отдел подготовки персонала
Хозяйственное управление
Управление маркетинга цен
Отдел маркетинга цен
Сметный отдел
управление безопасности
Служба ГО и ЧС
Юридическое управление
Отдел договорно-правовой работы
Отдел претензионно-исковой работы
Управление корпоративного развития и рисков
Отдел документационного обеспечения
Управление промышленной безопасности и охраны труда
Управление охраны окружающей среды
Техническое управление
Диспетчерское управление
Диспетчерская служба
Служба режимов
Управление АСКУЭ, метрологии и связи
Служба АСКУЭ
Служба связи
Управление эксплуатации
Служба эксплуатации
Служба РЗА
Управление ремонтов
Служба планирования ремонтов
Служба сопровождения ремонтов
Управление подрядных работ
Производственное управление
Управление комплектации оборудования и материалов
Управление технической документации
Управление аналитики и контроля
Управление перспективного развития
Управление инвестиционного бюджета и анализа
Управление проекта ТЭЦ-2
Управление проекта ТЭЦ-3
Управление материально-технического снабжения
Управление работ и услуг
Служба планирования и внутристрановой ценности
Служба складского учёта
Управление закупок
Служба по закупкам работ и услуг
Служба по закупкам товаров
Управление бухгалтерского учёта и отчётности
Управление казначейства
Управление экономики
Отдел бюджета и экономического анализа
Отдел тарифов
Управление методологии
ТЭЦ-1 имени Б.Оразбаева
ТЭЦ-2 имени А.Жакутова
ТЭЦ-3
Капшагайская ГЭС имени Ш.Чокина
Каскад ГЭС
Западный тепловой комплекс (ЗТК)
ПРП "Энергоремонт"
Центр по приёму и выгрузке топлива (ЦПВТ)

# CORPORATE GOVERNANCE CODE AND COMPLIANCE WITH ITS PRINCIPLES

AlES JSC operates in accordance with the legislation of the Republic of Kazakhstan, the Company's Articles of Association and the Corporate Governance Code of Samruk-Energo JSC, approved on 6 August 2025 (Minutes №21).

In 2025, the Company carried out an assessment of compliance with the principles and provisions of the Corporate Governance Code of Samruk-Energo JSC.

Based on the results of the assessment, 112 provisions of the Code were reviewed, of which:

- 91 provisions are complied with;
- 20 provisions were partially complied with;
- 1 provision was not complied with.

Partial compliance with certain provisions of the Code is due to the specific features of the Company's corporate governance system, including the distribution of powers between the Sole Shareholder, the Board of Directors and the Management Board in accordance with the legislation of the Republic of Kazakhstan, the Articles of Association and the Company's internal documents.

Certain provisions of the Code are not applied in full due to the fact that the Company's shares are not listed on a stock exchange, and also taking into account the organisational structure and the current corporate governance system. In particular, a number of functions provided for in the Code for the Board of Directors and its committees fall within the remit of the Sole Shareholder.

Non-compliance with one provision of the Code is due to the current procedure for submitting proposals regarding candidates for the collegial executive body, which is determined by the Company's internal documents and falls within the remit of the Sole Shareholder.

The Company is consistently improving its corporate governance practices and implementing measures aimed at further embedding the principles of the Corporate Governance Code, enhancing the transparency of its activities and improving the effectiveness of its governing bodies.

# CORPORATE MANAGEMENT SYSTEM

AlES JSC maintains and continuously improves its corporate management system, which is designed to ensure high-quality production processes, environmental responsibility, occupational health and safety, energy efficiency and the prevention of corruption risks.

The Company's corporate management system is certified as compliant with the requirements of the following international standards:

| Standard | Scope |
|---|---|

| | |
|---|---|
| ISO 9001:2015 | Quality management system |
| ISO 14001:2015 | Environmental management system |
| ISO 45001:2018 | Occupational Health and Safety Management System |
| ISO 50001:2018 | Energy management system |
| ISO 37001:2016 | Anti-bribery management system |

**Scope of application of the corporate management system:** the generation of electricity and heat.

In 2025, AlES JSC successfully underwent an external audit of its corporate management system to verify compliance with the requirements of the international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018 and ISO 37001:2016.

The audit found no non-conformities. It confirmed the effectiveness of the corporate management system, the high level of staff engagement, the efficiency of production processes, and compliance with requirements in the areas of quality, environmental protection, occupational health and safety, energy management and anti-corruption.

In line with the principle of continuous improvement, the Company continues to work on further developing and enhancing the effectiveness of its corporate management system.

The audit confirmed that AlES JSC's corporate management system complies with the requirements of the international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018 and ISO 37001:2016, and is maintained in an operational state.

# KEY PRINCIPLES OF CORPORATE GOVERNANCE

The corporate governance system of AlES JSC is based on the following principles:

- protection of the rights and legitimate interests of the Sole Shareholder;
- the effective functioning of the Board of Directors and the Management Board;
- sustainable development and the integration of ESG principles into the Company's operations;
- effective risk management and an internal control system;
- transparency in decision-making and disclosure of information;
- compliance with standards of business ethics and the fight against corruption.

# BOARD OF DIRECTORS

The Board of Directors is the Company's governing body and exercises general oversight of the Company's activities, with the exception of matters assigned by the Law of the Republic of Kazakhstan 'On Joint-Stock Companies' and/or the Company's Articles of Association to the exclusive competence of the Sole Shareholder and the executive body.

Decisions of the Board of Directors are taken in accordance with the procedures set out in the Company's Articles of Association, the Corporate Governance Code of Samruk-Energo JSC, the Regulations on the Company's Board of Directors and other internal documents of the Company.

The Board of Directors is accountable to the Sole Shareholder for the overall management of the Company's activities.

As at 31 December 2025, the Company's Board of Directors comprised 7 (seven) members, 3 (three) of whom are Independent Directors. Members of the Company's Board of Directors are appointed by resolution of the Sole Shareholder. There were no women on the Board of Directors.

# COMPOSITION OF THE COMPANY'S BOARD OF DIRECTORS AS AT 31 DECEMBER 2025



**GALYMBEK TEMKESHOVICH AUTALIPOV**

**Chairman of the Board of Directors**

**Date of birth:** 20 October 1977

**Nationality:** Republic of Kazakhstan

**Date of election to the Board of Directors:** 27 November 2025 (Minutes of the Board of Directors of Samruk-Energo JSC № 20/25).

**Education**:

Ekibastuz Engineering and Technical Institute, Ekibastuz, graduated in 1999
Specialisation: 'Thermal Power Stations'
Pavlodar University, Master's degree, graduated in 2005
Specialisation: 'Management'.

**Work experience over the last 5 years:**

Since November 2025 – Managing Director of Production at Samruk-Energo JSC
2023–2025 – Director of the 'Generation and Fuel' Department, Samruk-Energo JSC
2022–2023 – Managing Director for Health, Safety and Environmental Protection, AlES JSC
2019–2022 – Deputy Chairman of the Management Board for Production and Maintenance, SEGRES-2 JSC

He is also Chairman of the Board of Directors of AZhK JSC, a member of the Supervisory Board of Ekibastuz GRES-1 LLP, and a member of the Board of Directors of Ekibastuz GRES-2 JSC

Number and percentage of shares held in affiliated companies – none.



**ANSAR AIDAROVICH AIDAROV**

**Member of the Board of Directors, shareholder representative**

**Date of birth:** 24 April 1986

**Nationality:** Republic of Kazakhstan

**Date of election to the Board of Directors:** 28 August 2023 (Minutes of the Board of Directors of Samruk-Energo JSC № 11/23).

**Education**:

Al-Farabi Kazakh National University, graduated in 2008.

Specialisation: 'International Relations'; D. Kunaev Eurasian Law Academy, graduated in 2012. Specialisation: 'Law';

Humanities and Technical Academy, graduated in 2013. Specialisation: 'Economics and Business'.

**Work experience over the last 5 years:**

2013–2019: 'Energia Semirechya' LLP, Managing Director.

From June 2020 to the present, he has held the position of Head of the Project Office at Samruk-Energo JSC;

He is also a member of the Supervisory Board of Ekibastuzskaya GRES-1 LLP.

Number and percentage of shares held in affiliated companies – none.



**ERIK KANYSHBEKOVICH MASHIROV**

**Member of the Board of Directors, shareholder representative**

**Date of birth:** 10 March 1988

**Nationality:** Republic of Kazakhstan

**Date of election to the Board of Directors:** 28 July 2023 (Minutes of the Board of Directors of Samruk-Energo JSC № 10/23)

**Education**:

T. Ryskulov Kazakh Economic University, graduated in 2010 (Bachelor's degree) Specialisation: Finance.

T. Ryskulov Kazakh Economic University, graduated in 2011 (Master's degree in Economics and Business). Specialisation: Finance.

'Kokshe' Academy, graduated in 2013. Specialisation: Law

**Work experience over the last 5 years:**

March 2018 to March 2019 – Managing Director of Demeu Business Group LLP.

From April 2019 to December 2020 – Adviser to the Chairman of the Management Board on Procurement and Commerce at Moinak Hydroelectric Power Station JSC;

From April 2021 to June 2022 – Adviser to the Chairman of the Management Board of Samruk-Energo JSC;

From December 2021 to June 2023 – Coordinator at Insight Consult LLP;

From 3 July 2023 to the present – Chairman of the Management Board of AlES JSC;

Number and percentage of shares held in affiliated companies – none.



**KAMALOV ALMASBI NIZAMADDINOVICH**

**Member of the Board of Directors, shareholder representative**

**Date of birth:** 7 April 1989

**Nationality**: Republic of Kazakhstan

Date of election to the Board of Directors: 15 March 2024 (Minutes of the Board of Directors of Samruk-Energo JSC № 03/24).

**Education** – higher:

Kazakhstan Institute of Management, Economics and Forecasting, Almaty, graduated in 2010 Specialization: 'Management/Marketing, Bachelor of Business Administration and Accounting'.

Kazakhstan Institute of Management, Economics and Forecasting, Almaty, graduated in 2010. Specialization – 'Management/Marketing, Bachelor of Business Administration and Accounting'.

**Work experience over the last 5 years:**

2017–2021: Samruk-Energo JSC, Head of the 'Economic Analysis' Section, 'Strategy and Economic Analysis' Department.

2021–2023: Samruk-Energo JSC, Director of the 'Strategy and Economic Analysis' Department;
From September 2023 to the present: Managing Director for Economics and Finance, Samruk-Energo JSC;

Number and percentage of shares held in affiliated companies –



**MARAT TURGANBEKOVICH DULKAIROV**

**Member of the Board of Directors (Senior Independent Director)**

**Date of birth:** 4 June 1947

**Nationality:** Republic of Kazakhstan

Date of election to the Board of Directors: 17 April 2023 (Minutes of the Board of Directors of Samruk-Energo JSC № 05/23).

**Education:** graduated from the Magnitogorsk Mining and Metallurgical Institute of the Russian Federation with a qualification as a power engineer; graduated from the Magnitogorsk Industrial Technical College of the Russian Federation with a qualification as a metallurgical technician;

**Work experience over the last 5 years:**

From 2015 to the present – Chief Executive Officer of the 'Union of Power Engineers of the Republic of Kazakhstan' (a sole proprietorship).

He does not hold any shares in the Company, its suppliers or competitors.



**MUSABEKOV RASULBEK AKHYLBEKOVICH**

**Member of the Board of Directors (independent director)**

**Date of birth:** 27 October 1958

**Nationality:** Republic of Kazakhstan

Date of first election to the Board of Directors: 30 March 2018 (Minutes of the Board of Directors of Samruk-Energo JSC № 02/18).

Date of election to the current Board of Directors of AlES JSC: 8 April 2021 (Minutes of the Board of Directors of Samruk-Energo JSC № 04/21).

Higher **education**; graduated from the Kazakh Institute of Chemical Technology, Faculty of Mechanical Engineering, Shymkent (Machinery and Equipment for Chemical Production), and the Almaty Energy Institute, Faculty of Thermal Power Engineering, Almaty (Thermal Power Stations, Thermal Power Engineer).

Candidate of Technical Sciences, Associate Professor of Power Engineering.

**Work experience over the last 5 years:**

From 2009 to the present – Almaty Institute of Energy and Communications, Head of the Department of Industrial Thermal Power Engineering.

He does not hold any shares in the Company, its suppliers or competitors.



**MAKEEV MURATKUL SEITKULOVICH**

**Member of the Board of Directors (independent director)**

**Date of birth:** 3 May 1966

**Nationality**: Republic of Kazakhstan

Date of election to the Board of Directors: 25 December 2023 (Minutes of the Board of Directors of Samruk-Energo JSC № 18/23 dated 25 December 2023).

**Education** – higher:

Almaty Energy Institute – Faculty of Thermal Power Engineering, specialising in thermal power stations, graduated in 1990

**Work experience over the last 5 years:**

2018–2019: Ekibastuz GRES-2 JSC, Deputy Chairman of the Management Board for Production and Maintenance.

2019–2022: Angren Thermal Power Station JSC, Republic of Uzbekistan, Chief Executive Officer.

From July 2022 to the present, Commercial Director at Energoinvest Atyrau LLP.

Holds no shares in AlES JSC, suppliers or competitors.

| | | | |
|---|---|---|---|
| none. | | | |

## TERMS OF OFFICE OF MEMBERS OF THE BOARD OF DIRECTORS

Members of the Board of Directors of AlES JSC hold office for the term established by the Sole Shareholder's resolution on their election. Representatives of the Sole Shareholder serve on the Board of Directors without entering into separate contracts with the Company. Independent directors carry out their duties on the basis of contracts valid for the duration of their term of office on the Board of Directors. Contracts with the independent directors of the current Board of Directors were concluded on 8 April 2024.

## CRITERIA FOR THE SELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

In accordance with the Articles of Association and the Regulations on the Company's Board of Directors, members of the Board of Directors are elected by resolution of the Sole Shareholder. A natural person who is not a shareholder of the Company and who has not been proposed (or recommended) for election to the Board of Directors as a representative of the Shareholder may be elected as a member of the Board of Directors. The number of such individuals must not exceed fifty per cent of the composition of the Board of Directors.

Members of the Company's Management Board, other than the Chairman of the Management Board, may not be elected to the Board of Directors. The Chairman of the Management Board may not be elected as Chairman of the Board of Directors.

The number of members of the Company's Board of Directors is determined by a resolution of the Sole Shareholder.

***Note: detailed information on the procedure for electing members of the Company's Board of Directors, as well as their key functions, can be found in the Regulations on the Board of Directors , published on the Company's corporate website: www.ales.kz.***

## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS (FOR 2025)

The Company's Board of Directors' Work Plan for 2025 (hereinafter referred to as the 'Work Plan') was approved by a resolution of the Company's Board of Directors dated 15 November 2024 (Minutes №09/24).

The Work Plan for 2025 provided for the consideration of 39 items, whilst ensuring an even distribution of the number of items scheduled for consideration throughout the year.

The Company's Board of Directors' Work Plan for 2025 was implemented in full (100 per cent); 11 face-to-face meetings were held, and a quorum was present at all meetings.

All decisions of the Company's Board of Directors were implemented within the stipulated timeframes (report attached).

In addition, during 2025, the Company's Board of Directors considered unscheduled items (53 items) falling within the exclusive remit of the Company's Board of Directors.

## ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS:

A quorum was present at all meetings; on average, more than 90% of the members of the Company's Board of Directors took part in the voting, and written opinions were submitted at two in-person meetings.

## KEY ISSUES CONSIDERED BY THE BOARD OF DIRECTORS IN 2025

During the reporting year, the Board of Directors considered matters relating to the Company's strategic development, financial stability, investment activities and the improvement of corporate governance.

The key decisions were:

- approval and oversight of the implementation of major investment projects, including the conclusion and amendment of agreements with financial institutions and contractors;
- entering into a long-term contract for the supply of commercial gas with QazaqGaz Aimaq JSC;
- the approval of internal regulatory documents, including the Code of Conduct, the Risk Management Policy and the Corruption Risk Mitigation Plan;
- the appointment of the Ombudsman and the Corporate Secretary, and the election of the Senior Independent Director;
- review of the results of the Company's financial and operational activities and the achievement of key performance indicators;
- reviewing reports on health and safety, risk management, compliance, the Ombudsman's activities and the implementation of sustainability initiatives;
- approval of the Risk Register, Risk Map, Action Plan for minimising key risks, key risk indicators and the Company's overall risk appetite;
- reviewing audit reports and reports on the effectiveness of investment projects;
- making amendments to the Company's employee remuneration system;
- approval of the Board of Directors' Work Plan for 2026.

## COMMITTEES OF THE BOARD OF DIRECTORS

The following committees operate under the Company's Board of Directors:




## ACTIVITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

In 2025, the Nomination and Remuneration Committee of the Board of Directors of AlES JSC held four meetings via videoconference. Committee members attended 100 per cent of all meetings.

During the year, the Committee considered matters relating to the assessment of the performance of the Board of Directors, its committees, the Chairman, members of the Board of Directors and the Corporate Secretary, as well as issues concerning the professional development of Board members. In addition, the Committee reviewed the Ombudsman's report on the results of their work and on employees' compliance with the Code of Conduct, drew up relevant recommendations for the Board of Directors, and approved the Committee's Work Plan.

Following its review of these matters, the Committee prepared recommendations for the Board of Directors to adopt decisions on corporate governance and the development of the human resources management system.

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS

AlES JSC maintains an internal control and risk management system designed to enhance operational efficiency, safeguard assets, ensure compliance with the legislation of the Republic of Kazakhstan and the Company's internal regulations, and guarantee the reliability of the financial statements.

The internal control system governing the financial reporting process is based on the principles of segregation of duties, multi-level data verification and compliance with International Financial Reporting Standards (IFRS). Control procedures are carried out at all stages of the preparation of the financial statements and include verifying the completeness and accuracy of the recording of business transactions, compliance with approved accounting policies, checking the reliability of financial data and the timeliness of information disclosure.

The Company operates a corporate risk management system designed to identify, assess, monitor and minimise risks that could affect its financial and operational activities and the reliability of its financial statements. The Risk Register, Risk Map, key risk indicators and measures to minimise key risks are approved annually.

The Board of Directors oversees the effectiveness of the internal control and risk management system by reviewing the financial statements, risk management reports, the results of internal and external audits, and reports on the implementation of measures to improve the corporate risk management system. Following its review of these matters, the Board of Directors assesses the adequacy of the existing control mechanisms and takes decisions aimed at further improving the corporate governance system.

## ALES'S MANAGEMENT BOARD. MANAGEMENT REPORT FOR 2025

### ORGANISATION OF THE MANAGEMENT BOARD'S ACTIVITIES

The day-to-day management of the Company is carried out by a collegial executive body in the form of the Management Board, headed by the Chairman of the Management Board.

The organisation of the Company's Management Board's work, the procedure for convening and holding its meetings, and the procedure for adopting and formalising decisions are determined by the Regulations on the Management Board of , approved by a resolution of the Company's Board of Directors dated 21 October 2024 (Minutes №32).

The main principles governing the Management Board's activities are the utmost regard for the interests of the Sole Shareholder, the fulfilment of the tasks and instructions of the Company's Board of Directors, and the principles of honesty, good faith, reasonableness, prudence and regularity.

The Management Board is fully accountable to the Sole Shareholder and the Company's Board of Directors.

The Company's Management Board holds regular face-to-face meetings.

As at 31 December 2025, the Management Board of AlES JSC comprised six members, one of whom was a woman, representing 16.7 per cent of the total membership of the Management Board.

# COMPOSITION OF THE MANAGEMENT BOARD AS AT 31 DECEMBER 2025



**ERIK KANYSHBEKOVICH MASHIROV**

**Chairman of the Management Board, Member of the Board of Directors**

Born on 10 March 1988

Education: T. Ryskulov Kazakh Economic University (Bachelor's degree). Specialisation: Finance.

T. Ryskulov Kazakh Economic University (Master's in Economics and Business). Specialisation: Finance.

'Kokshe' Academy. Specialisation: Law.

Work experience over the last 3 years:

April 2021 to June 2022 – Adviser to the Chairman of the Board of Samruk-Energo JSC;

December 2021 to June 2023 – Coordinator at Insight Consult LLP;

From 3 July 2023 to the present – Chairman of the Management Board of AlES JSC.



**BAUYRZHAN BOLATOVICH KALIYEV**

**Deputy Chairman of the Management Board for Production – Chief Engineer, Member of the Management Board**

Born on 11 November 1982.

Education: Almaty Institute of Energy and Communications.

Specialisation: 'Thermal Power Engineer'.

Work experience over the last 3 years:

April 2019 to November 2023 – Chief Engineer at CHPP-2, AlES JSC;

November 2023 to June 2024 – Director of CHPP-3, AlES JSC;

From June 2024 to the present – Deputy Chair of the Management Board for Production – Chief Engineer at AlES JSC.



**ASEL AMANTAEVNA ARGINBAEVA**

**Managing Director for Economics and Finance, Member of the Management Board**

Born on 24 March 1975.

Education: Kazakh State Academy of Management. Specialisation: Finance and Credit, Banking.

Work experience over the last 3 years:

From November 2017 to 31 December 2019 – Deputy Chair of the Management Board for Economics and Finance at AlES JSC;

From January 2020 to the present – Managing Director for Economics and Finance at AlES JSC.



**ISABAYEV NURZHAN SHAGANBEKOVICH**

**Managing Director for Legal Affairs, Member of the Board**

Born on 17 May 1980.

Higher education – Academy of the Ministry of Internal Affairs of the Republic of Kazakhstan.
Specialisation: Law.

R. Baisseitov State Financial and Economic College, Semipalatinsk. Specialisation: Finance.

NAO 'G. Daukeev Almaty University of Energy and Communications'.

Specialisation: Thermal Power Engineering.

Work experience over the last 3 years:

2016–2022 – Managing Director for Legal Affairs – Member of the Board of Directors of AlES JSC;

2022–2023 – Head of Legal Support, Head of Human Resources (concurrent role) Insight Consult LLP ;

August 2023 to present – Managing Director for Legal Affairs AlES JSC



**SANDYBAEV ERNAR ASKAROVICH**
**Managing Director for General Affairs, Member of the Management Board**

Born on 3 August 1983

Higher education – Al-Farabi Kazakh National University.

Degree: Law.

Kazakh National Agrarian University.

Specialisation: Electrical Power Engineering.

Work experience over the last 3 years:

November 2020 – May 2022 – Executive Director of the State-Owned Enterprise 'Almaty Su', Department of Energy Efficiency and Infrastructure Development, Almaty.

July 2022 – January 2023 – Head of the Organisational Support Department at AlES JSC

January 2023 – 19 September 2023 – Head of the Administrative Department at AlES JSC

20 September 2023 – present – Managing Director for General Affairs – Member of the Board of Directors of AlES JSC



**ERZHAN TOKSANBEKOVICH BURAMBAYEV**

**Managing Director for Development and Construction, Member of the Management Board**

Born on 20 November 1968

Higher education – G.V. Plekhanov Mining Institute, St Petersburg, awarded the Orders of Lenin, the October Revolution and the Red Banner of Labour

Specialisation: Mining Engineer.

International Banking Institute.

Specialisation: Economist-Manager.

Saint Petersburg State University.

Specialisation: Economics and Business Management.

From July 2022 to July 2023 – Contract for the provision of services for remuneration with AlES JSC;

From July 2023 to August 2025 – Head of the Technical Documentation Division, Department of Enterprises Under Construction, AlES JSC;

From 15 August 2025 to the present – Managing Director for Development and Construction at AlES JSC;

## CHANGES TO THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD

In accordance with the decision of the Company's Sole Shareholder (Minutes of the Meeting of the Management Board of Samruk-Energo JSC №7 dated 15 March 2024):

The composition of the Management Board of AlES JSC has been determined to consist of 6 (six) members:

- Mashirov, Erik Kanyshbekovich – Chairman of the Management Board of AlES JSC;
- Gaziy Zhumabaevich Ismukhambetov – Deputy Chairman of the Management Board – Chief Engineer of AlES JSC (his term of office was terminated early on 13 June 2024);
- Asel Amantaevna Arginbaeva – Managing Director for Economics and Finance of AlES JSC;
- Sagidulla Dauren – Managing Director for Development and Construction at AlES JSC (employment contract terminated by mutual agreement on 18 July 2024);
- Aktymbaev Erasyl Kairatovich – Managing Director for Supply at AlES JSC (employment contract terminated by mutual agreement on 17 March 2025);
- Nurzhan Shaganbekovich Isabaev – Managing Director for Legal Affairs at AlES JSC (employment contract terminated by mutual agreement on 3 March 2026);

In accordance with the decision of the Company's Sole Shareholder (Minutes of the Meeting of the Management Board of Samruk-Energo JSC №18 dated 13 June 2024):

- , Bauyrzhan Bolatovich Kaliev, was appointed to the position of Deputy Chairman of the Management Board – Chief Engineer of AlES JSC on 13 June 2024.

In accordance with the decision of the Company's Sole Shareholder (Minutes of the meeting of the Management Board of Samruk-Energo JSC № 19 dated 10 July 2025):

Ernar Askarovich Sandybaev has been elected as a member of the Management Board of AlES JSC with effect from 10 July 2025.

In accordance with the decision of the Company's Sole Shareholder (Minutes of the meeting of the Management Board of Samruk-Energo JSC №21 dated 6 August 2025):

Erzhan Toksanbekovich Burambaev has been elected as a member of the Management Board of AlES JSC with effect from 6 August 2025.

## CRITERIA FOR THE SELECTION OF MEMBERS OF THE MANAGEMENT BOARD

Members of the Management Board are appointed by resolution of the Company's Sole Shareholder.

The composition of the Company's Management Board is determined by the Regulations on the Management Board of the Company, approved by a resolution of the Company's Board of Directors dated 21 October 2024 (Minutes №32), and must consist of at least 5 (five) members.

Candidates for membership of the Management Board must possess the relevant professional experience, a good reputation, knowledge, qualifications and a track record of success in the business and/or industry environment, necessary to fulfill their duties and ensure the effective operation of the Management Board in the interests of the Sole Shareholder and the Company.

## NUMBER OF BOARD MEETINGS IN 2025

In 2025, the Board of Directors of AlES JSC held 23 meetings, at which over 100 matters were considered. All meetings were held in person.

During the reporting year, the Board considered matters relating to the strategic and operational management of the Company's activities, the implementation of investment projects, financial and economic activities, risk management, sustainable development, the improvement of internal business processes and corporate governance.

Significant attention was paid to the implementation of major investment projects, including the modernisation of the Almaty CHPP-2 whilst minimising environmental impact, the refurbishment of the Almaty CHPP-3, and the preparation of the refurbishment project for the B. Orazbayev CHPP-1. Issues relating to project insurance, the approval of design and cost estimates, and adjustments to feasibility studies were also discussed.

In the area of corporate governance and risk management, the Board reviewed and approved internal regulatory documents aimed at developing the corporate risk management system, internal control, and the management of insider information, as well as improving the system of key performance indicators and staff appraisal.

During the year, the Management Board reviewed the Company's financial statements prepared in accordance with IFRS, the results of the audit, matters relating to the updating of accounting policies, the approval of production costs and the conduct of an asset inventory. In addition, the Board considered the implementation of sustainability initiatives, the Company's participation in industry bodies and professional associations, and the disposal of non-core assets and secondary resources.

## DIVERSITY POLICY FOR GOVERNING BODIES

AlES JSC adheres to the principles of equal opportunities, non-discrimination and diversity in the composition of its governing bodies and talent pool.

The Company has not adopted a separate Diversity Policy. However, diversity considerations are taken into account within the framework of its human resources policy, recruitment and staff development procedures, and in the composition of the Company's governing bodies.

When selecting candidates for the Board of Directors, the Management Board and senior management positions, the key criteria are professional qualifications, work experience, competencies, leadership qualities, professional reputation and the ability to ensure the achievement of the Company's strategic objectives, regardless of gender, age, nationality, health status or other characteristics.

The objectives of applying the principles of diversity are:

- to ensure a balanced composition of the governing bodies;
- to attract specialists with diverse professional experience and competencies;
- to develop the human resource potential of employees across different age groups;
- to create equal opportunities for professional development and career progression for employees.

As at 31 December 2025, the Company's Board of Directors comprised specialists in the fields of energy, finance, corporate governance, strategic development and education. The Management Board included representatives from various professional fields, including production, con-

struction, finance, legal support and administrative management. Women accounted for 16.7 per cent of the Management Board.

The Company also ensures equal employment opportunities for young people, employees of different age groups and people with disabilities in accordance with the requirements of the legislation of the Republic of Kazakhstan.

# RISK MANAGEMENT AND INTERNAL CONTROL

Effective risk management is an integral part of AlES JSC's corporate governance system and is aimed at ensuring the Company's sustainable development, achieving its strategic objectives and preserving business value.

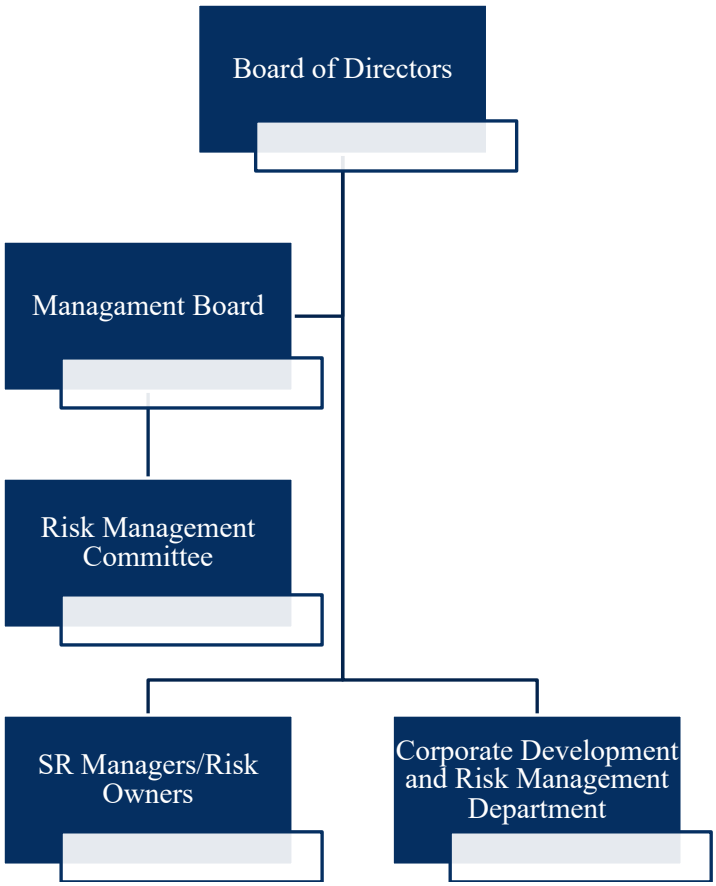
The risk management system covers all areas of the Company's operations and is based on the principles of timely identification, assessment, monitoring and minimisation of risks. Risk management is carried out in accordance with the international COSO framework and the 'Three Lines of Defence' model, which ensures comprehensive control over key business processes and facilitates the adoption of well-founded management decisions.

The Company's Board of Directors oversees the functioning of the risk management system. Each year, the Risk Register, Risk Map, key risk indicators (KRIs) and the Risk Management Action Plan are drawn up and approved.

The main internal documents relating to risk management are:

- AlES JSC Risk Management Policy;
- Rules for the Identification and Assessment of Risks;
- Rules for the Organisation and Implementation of Internal Control.

## Organisational structure of AlES JSC's risk management system



## INTERNAL CONTROL SYSTEM AND BUSINESS CONTINUITY MANAGEMENT

The internal control system ensures the reliability and effectiveness of core and support business processes, the accuracy of financial reporting, and compliance with statutory requirements and the Company's internal policies.

In 2025, work continued on improving the internal control system, including updating risk and control matrices, implementing new control procedures and developing automated risk monitoring tools.

The business continuity management system provides for the regular assessment of the resilience of business processes, the monitoring of potential threats and the maintenance of readiness to respond to emergencies. The Company regularly monitors and tests its business continuity and recovery plans.

## RISK APPETITE AND RISK MONITORING

The Board of Directors has established the Company's risk appetite, which defines the acceptable level of risk in the pursuit of strategic and operational objectives.

Following the results of 2025, the Risk Register, Risk Map and key risk indicators were updated. During the assessment, 36 risks inherent in the Company's operations were identified, of which 19 were classified as key risks (compared with 15 risks in 2024).

### RISK MAP

| Impact | | | | | |
|---|---|---|---|---|---|
| 5 | 60-O-AIES | 1-S-AIES; 10-S-AIES; 15-F-AIES; 11-S-AIES; 65-F-AIES | | 58-O-AIES | 8-C-AIES; 24/4-F-AIES |
| 4 | | | 30-S-AIES; 31-S-AIES | 24/3-F-AIES | 55-C-AIES; 56-C-AIES |
| 3 | 18-F-AIES; 4-C-AIES | 28-O-AIES; 53-P-AIES | 64-O-AIES; 66-O-AIES | | 3-C-AIES |
| 2 | 29-C-AIES | 51-P-AIES; 52-P-AIES; 59-O-AIES | | 61-O-AIES | 38-O-AIES; 63-O-AIES |
| 1 | 26-O-AIES; 48-P-AIES | 27-O-AIES; 68-P-AIES | 17-F-AIES; 32-O-AIES; 49-P-AIES | 67-O-AIES | |
| | 1 | 2 | 3 | 4 | 5 |

Probability

## KEY RISKS OF ALES JSC

| Risk code | Description |
|---|---|
| 8-C-AlES | Risk of harm to the health and lives of employees whilst performing their duties, and accidents at work. (Injuries to production staff) |
| 24/4-F-AlES | Failure to secure an economically justified electricity tariff. |
| 58-O-AlES | Environmental risk |
| 1-S-AlES | Reputational risk |
| 10-S-AlES | Risks associated with investment projects |
| 11-C-AlES | Social risks |
| 15-F-AlES | Lack of liquidity for carrying out operational, investment and financial activities |
| 24/3-F-AlES | Failure to secure a heat tariff at an economically viable level. |
| 55-S-AlES | Decline in electricity generation volumes |
| 56-S-AlES | Decrease in heat production |
| 65-F-AlES | Risk of breach of external creditors' covenants |
| 3-S-AlES | Human resources risks |
| 30-S-AlES | Physical climate risks |
| 31-C-AlES | Climatic transitional risks |
| 38-O-AlES | Accidents and disasters in the electricity generation sector (technological equipment failures) |
| 60-O-AlES | Risk of inadequate insurance cover |
| 63-O-AlES | Failure to adhere to the equipment repair schedule |
| 64-O-AlES | Acceptance by organisational units of goods, works and services of poor quality from a supplier, service provider or contractor. |
| 66-O-AlES | Failure by the contractor to fulfil the terms of contracts, works and services |

## RISKS REALISED IN 2025

During the reporting period, certain risks materialised, affecting the Company's financial results and operations.

| Materialised risk | Main consequences |
|---|---|
| Breach of competition law | An administrative fine of 4,430 million tenge was imposed |
| Environmental risk | Administrative fines totalling 2.36 million tenge were imposed |
| Risk of heat tariffs falling below an economically viable level | Losses from heat generation activities amounted to 3,298.6 million tenge |

## KEY RESULTS OF RISK MANAGEMENT IN 2025

At the end of 2025, the risks relating to tariff regulation and the risk of breaching antitrust legislation had the most significant impact on the Company's operations.

The key risk that materialised was a breach of antitrust legislation, resulting in fines totalling 4,430 million tenge. Financial results were also affected by tariff restrictions in the heat generation sector and the need to finance a large-scale investment program.

At the same time, the remaining 16 risks from the key areas of the risk map did not materialize in 2025, which demonstrates the effectiveness of the existing risk management and internal control mechanisms.

# CLIMATE POLICY OF ALES JSC IN 2025

Low-carbon development is a prerequisite for the sustainable development of industrial enterprises and is aimed at preventing and mitigating the catastrophic consequences of global climate change.

In December 2015, the Paris Agreement was adopted, aimed at supporting environmental integrity, a 'green' economy, the transfer of highly efficient technologies and adaptation to a changing climate. The main objectives of this Agreement are to limit the increase in global average temperature to below 2°C above pre-industrial levels (the 1850–1900 period) and to pursue efforts to limit the temperature increase to 1.5°C.

The current stage of development in the energy sector is characterised by profound structural changes driven by both economic and environmental factors. Tighter international and national requirements for reducing greenhouse gas emissions, rising energy consumption, and the need to improve the reliability of energy supply are shaping the new operating environment for companies generating electricity and heat.

In the current climate, companies in the energy sector need to adapt to new requirements by introducing innovative technologies, modernising their production facilities and switching to more environmentally friendly energy sources.

AlES JSC is one of the key enterprises in the region's energy system. The company meets a significant proportion of the electricity and heat requirements of the city of Almaty and the Almaty region. The existing generation mix is based predominantly on the use of coal and natural gas.

AlES JSC's climate strategy constitutes a corporate framework for:

- managing GHG emissions;
- improving the energy efficiency of production activities;
- developing a climate risk management system;
- implementing measures to adapt to potential climate change;
- improving the accounting and monitoring of GHG emissions;
- expanding engagement with stakeholders in the field of low-carbon development;
- developing new areas of activity based on the use of natural gas for energy purposes.

To implement the principles of its climate policy, AlES JSC has drawn up an Energy Transition Program (hereinafter referred to as the 'Program'), which was developed on the basis of the second edition of Samruk-Energo JSC's Energy Transition Program up to 2060, second edition (approved by a resolution of the Board of Directors of Samruk-Energo JSC dated 18 November 2024, Minutes №16/24). AlES JSC's Energy Transition Program up to 2060 was developed taking into account global and national trends in the Republic of Kazakhstan's climate policy.

AlES JSC's Climate Strategy and the Program's scenarios have set out the following targets for reducing GHG emissions:

Baseline – defined as the baseline scenario modeling development in line with Samruk-Energo JSC's Corporate Environmental and Energy Targets, in the absence of significant technological breakthroughs and new climate policies. It is based on the extrapolation of historical data and reflects the energy sector's path of development by inertia.

Decarbonisation – a moderate decarbonisation scenario, involving a phased reduction in the carbon footprint as part of the implementation of the environmental and energy objectives of Samruk-Energo JSC and AlES JSC. This is the unconditional target scenario and the optimal course of events.

Deep decarbonisation – defined within the framework of the Republic of Kazakhstan's long-term environmental and energy objectives to achieve a balance between anthropogenic GHG emissions and their absorption by 2060.

Taking into account Kazakhstan's climate policy, global trends and its own objectives, the Company has set itself the following objectives in the decarburization scenario:

− Achieving carbon neutrality by 2060 (primary objective);

− Reducing specific GHG emissions from the Company's operations by ≥75% by 2050 and by ≥100% by 2060 relative to the base year (monitoring target).

Taking into account the uncertainties surrounding global and local decarbonisation processes, the Company has adopted an ambitious deep decarbonisation scenario with the following targets:

− Achieving carbon neutrality by 2050 (primary objective);

− Reducing specific GHG emissions from the Company's operations by ≥100% by 2050 and by ≥100% by 2060 relative to the base year (monitoring target).

In 2025, AlES JSC carried out an inventory of greenhouse gas emissions covering the period of the National Allocation Plan for Greenhouse Gas Emissions for 2022–2025 (hereinafter referred to as the NAP). The actual figures for 2025 are set out below.

**Greenhouse gas emissions in 2025 (Scope 1)**

| Greenhouse gas emissions by type | Units of measurement | Quota for 2025 | 2025 |
|---|---|---|---|
| $CO_2$ | tons of $CO_2$ | 5,949,562 | 5,559,096 |
| $CH_4$ | tons of $CO_2eq$ . | not specified | 1 349.379 |
| $N_2O$ | tons of $CO_2$ eq. | Not specified | 12,539.641 |

Greenhouse gas emissions for 2025 were verified by the validation and verification body, EKOSERVICE-S LLP; the greenhouse gas inventory report was submitted to the authorized environmental protection body within the prescribed time limits and accepted without comment.

In accordance with the Action Plan for Environmental Management within the Samruk-Energo JSC Group of Companies, AlES JSC has determined the volume of hydrofluorocarbon (HFC) emissions. The actual figures for 2025 are set out below.

| Greenhouse gas emissions by type | Units of measurement | 2025 |
|---|---|---|
| HFCs | tons | 262.1 |

As part of Scope 3, AlES JSC considered the boundaries of the system under review, within which calculations of indirect greenhouse gas emissions ($CO_2$ equivalent) were carried out.

Calculations for AlES JSC were carried out by category: 1 – Purchased goods and services; 2 – Purchased capital goods; 4 – Transport of raw materials and purchased goods; 5 – Waste generated during operations; 6 – Business travel; 7 – Employee travel (to and from work).

The calculations for total Scope 3 emissions are shown in the table below.

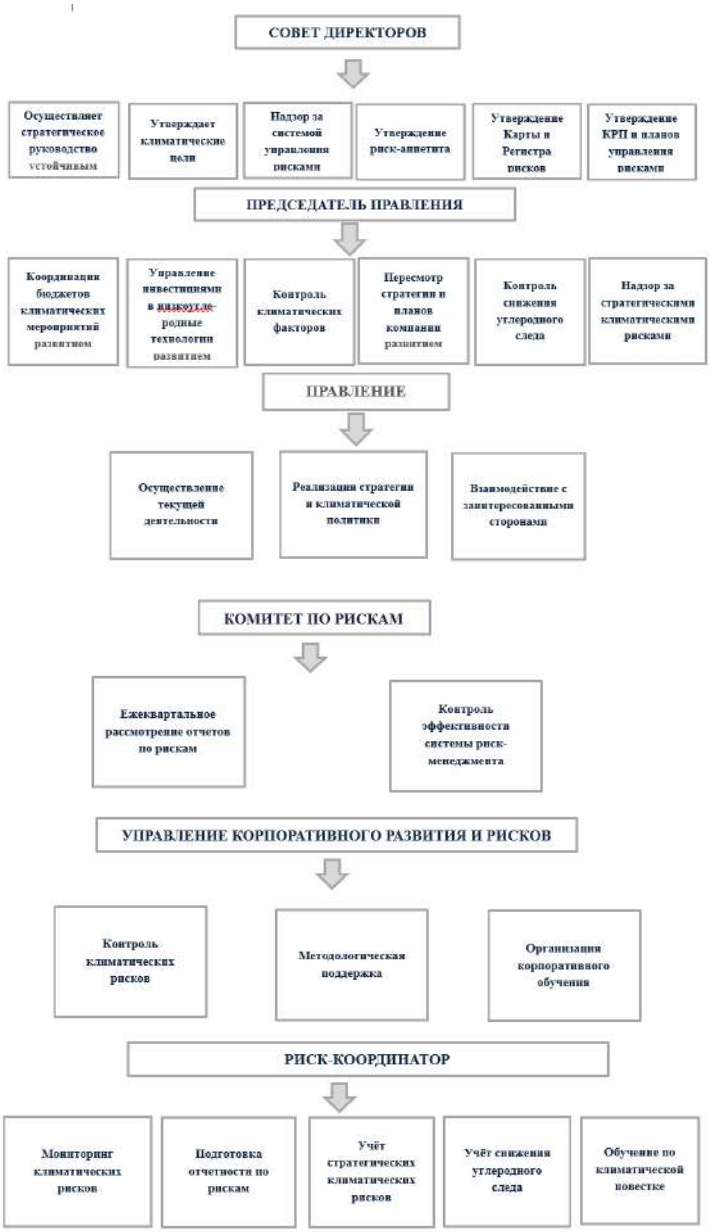
| Categories 1, 2, 4, 5, 6, 7 | Scope 3 emissions (t $CO_2eq$) . |
|---|---|
| **Total** | **89,592.401** |

In 2025, measures were implemented to minimize the negative impact of climate change on production activities. Measures were developed and implemented in accordance with energy-saving and energy efficiency programs, which enabled a reduction in greenhouse gas emissions of 24,5 thousand tons. Detailed information on climate risks and the energy efficiency measures implemented is provided in Section E: Environmental Protection.

AlES JSC's corporate governance system is focused on recognising the importance of the environmental and social aspects of its operations and, consequently, the need to take into account the interests of all stakeholders.

AlES JSC attaches paramount importance to climate risk management, providing a sound foundation for achieving its strategic objectives. By voluntarily committing to reducing greenhouse gas emissions, it is actively implementing energy-saving and energy efficiency measures to put the principles of decarbonisation into practice.

The structure for managing climate-related issues at AlES JSC is set out below.



# ENVIRONMENTAL PROTECTION. RATIONAL USE OF WATER RESOURCES

AlES JSC's operational activities are geared towards minimising environmental impact, the rational use of natural resources and the conservation of biodiversity.

AlES JSC recognises its responsibility to the public for the rational use of natural resources and the preservation of a healthy environment, and guarantees the rational use of natural resources, a consistent reduction in environmental impact through the introduction of new, accessible, low-waste and environmentally safe technologies, equipment and materials, the implementation of measures to adapt to climate change, and the prevention of potential damage to the environment.

AlES JSC adheres to the principles of sustainable development, which it understands as a balanced and socially acceptable combination of economic growth and the preservation of a favourable environment for future generations.

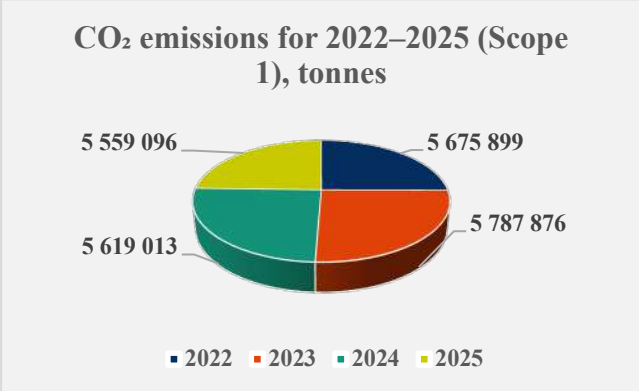
## ➢ Greenhouse gas emissions

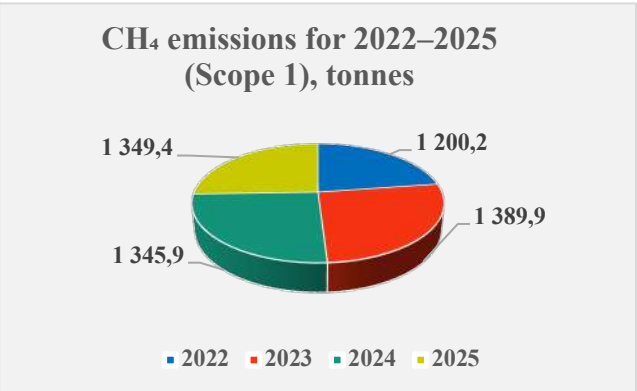
To ensure transparency in its environmental activities, in 2025 AlES JSC carried out an inventory of greenhouse gas emissions at CHPP-1, CHPP-2, CHPP-3 and WTC for the period covered by the National Plan

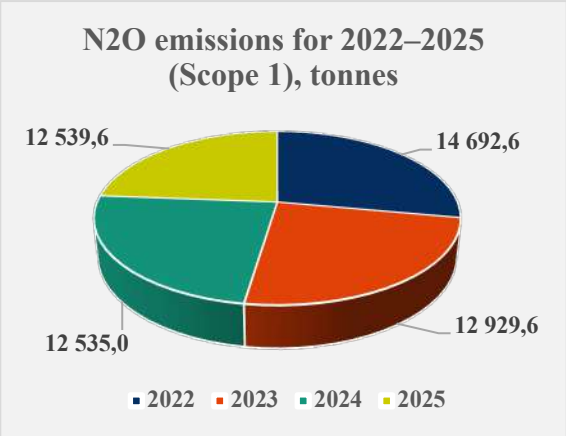
allocating greenhouse gas emission allowances for 2022–2025 (hereinafter referred to as the NP). Under the NP, AlES JSC was allocated 5,949.562 thousand tons for 2025. In 2025, the actual volume of greenhouse gas emissions for AlES JSC as a whole amounted to 5,559.096 thousand tons, of which: 475.285 thousand tons were from the B. Orazbayev CHPP-1; A. Zhakutov CHPP-2: 3,694,452 thousand tons; CHPP-3: 1,170,772 thousand tons; and WTC: 218,587 thousand tons.

**Greenhouse gas emissions for 2022–2025 (Scope 1)**

| Greenhouse gas emissions by type | Units of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| $CO_2$ | tons of $CO_2$ | 5,675,899 | 5,787,876 | 5,619,013 | 5,559,096 |
| $CH_4$ | tons of $CO_{2\text{-eq}}$ | 1,200.2 | 1,389.9 | 1,345.876 | 1,349.379 |
| $N_2O$ | tons of $CO_{2\ eq.}$ | 14,692.6 | 12,929.6 | 12,535.0 | 12,539.641 |
| Specific greenhouse gas emissions relative to revenue | million tons of $CO_2$ equivalent per million tenge | 0.00007 | 0.00006 | 0.00004 | 0.000058 |






The expected surplus of allowances relative to the national allocation plan for carbon allowances will amount to – 90,466 thousand tons. In 2025, as a result of energy-saving and energy efficiency measures, total greenhouse gas emissions were reduced by 24,5 thousand tons.

Greenhouse gas emissions for 2025 were verified by the validation and verification body, EKOSERVICE-S LLP; the greenhouse gas inventory report was submitted to the authorized environmental protection body within the prescribed time limits and accepted without comment.

In accordance with the Action Plan for Environmental Management within the Samruk-Energo JSC Group of Companies, AlES JSC has determined the quantities of greenhouse gas emissions such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride ($SF_6$) and nitrogen trifluoride ($NF_3$).

| Greenhouse gas emissions by type | Units of measurement | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| GWP | tons | 116.2 | 133.9 | 262.1 |
| PFU | metric tons | not available | not available | not available |
| $SF_6$ | metric tons | not available | not available | None |
| $NF_3$ | metric tons | not available | not available | not available |

Under Scope 2, emissions from the generation of purchased and consumed electricity, steam, heat or cooling are subject to quantification. As AlES JSC does not purchase electricity or heat, greenhouse gas emissions are not calculated.

Under Scope 3, AlES JSC defined the boundaries of the system under consideration, within which calculations of indirect greenhouse gas emissions ($CO_2$ equivalent) were carried out. The 'cradle-to-grave' approach was adopted as the methodological framework. The base year for calculating indirect greenhouse gas emissions (Scope 3) is 2024. AlES JSC plans to track indirect greenhouse gas emissions (Scope 3) on an annual basis.

The system boundaries cover the entire life cycle of products and services: from the extraction of raw materials (including coal), through production, transport and use, to the disposal of the end product. The calculations included only indirect emissions resulting from the activities of AlES JSC but occurring outside its direct operational control.

's Scope 3 emissions are divided into 15 different categories. This division has been made to facilitate the accounting of all possible greenhouse gas emissions. These 15 categories are also divided into two types of flows within the supply chain: upstream and downstream flows, referred to as 'Upstream emissions' and 'Downstream emissions' respectively.

Upstream emissions include emissions from raw materials, goods and services procured by the organization, excluding those emissions accounted for under Scope 1 and 2. These emissions are generated outside the organization's premises during the production of the procured goods. Downstream flows, accordingly, include those emissions generated outside the production departments of AlES JSC from the operation and end-of-life of the products it manufactures.

Calculations for AlES JSC were carried out by category: 1 – Purchased goods and services; 2 – Purchased capital goods; 4 – Transport of raw materials and purchased goods; 5 – Waste generated during operations; 6 – Business travel; 7 – Transport of employees (to and from work).

The remaining categories were not applied due to the specific nature of the company's production activities.

Consequently, within the scope of this study, Scope 3 greenhouse gas emissions were not assessed for the following categories: 3 – Other indirect emissions from energy consumption – Transmission losses; 8 – Leased assets; Category 9 – Transport and delivery of finished products; 10 – Transport and delivery of finished products, Category 11 – Use of finished products, 12 – Disposal of sold products, 13 – Leased assets, 14 – Franchising, 15 – Investments.

Category 3 – Other indirect emissions from energy consumption – Transmission losses – has been excluded as emissions from fuel and energy consumption are already accounted for under Scope 1 and Scope 2. AlES JSC does not purchase any additional types of energy or fuel in the form of services (e.g. district heating).

Category 8 – Leased assets – the majority of production facilities and vehicles are owned by or on the balance sheet of AlES JSC's production departments. The use of leased equipment is minimal and does not make a significant contribution to total emissions.

Category 8 is not calculated because:

- the company does not use leased assets that are outside its operational control;

- all major production and ancillary assets, including equipment, buildings and machinery, are owned by the organisation or are fully controlled by it;

- leased assets (if any) are included in Scope 1 and 2 if they are under operational control, in accordance with the GHG Protocol approach.

In the absence of relevant emission sources, Category 8 is deemed inapplicable to the activities of the production departments of AlES JSC and has been excluded from the Scope 3 calculation.

Category 9 – Transport and distribution of products:

This category does not apply, as:

- The product (electricity) is fed into the grid, and distribution is subsequently carried out by independent system operators not affiliated with the company.

- The physical transmission of electricity does not require the use of transport in the traditional sense (such as the carriage of goods by lorries or rail).

- AlES JSC does not control or organise the logistics or distribution of electricity to the end consumer.

Category 9 (Scope 3) does not apply to AlES JSC, as there are no transport or logistics activities relating to the distribution of products carried out by the production departments.

Category 10 – Transport and delivery of finished products – is not applicable.

This category includes indirect emissions arising from the subsequent processing or transformation of products sold by the organisation prior to their end use.

The company's products – electricity and coal – are not subject to any further physical processing or modification after sale. Electricity and coal are used directly by end users (the general public, businesses and organisations) without further processing.

Consequently, there is no process generating emissions as a result of the processing or transformation of the products sold.

Category 11 – Use of finished products – excluded.

This category covers greenhouse gas emissions arising from the end-user's use of products sold by the company, provided that this usage process results in emissions.

This category does not apply because:

- The main product – electricity – is used by a wide range of consumers across various sectors (households, industry, services).

- There is no control over how the electricity is used – AlES JSC does not determine the manner or efficiency of its end-use.

- According to the GHG Protocol's methodological guidelines, energy supplied to the grid is not generally accounted for under Scope 11 for energy generators, but is classified as Scope 2 at the consumer's end.

Scope 3 Category 11 does not apply to AlES JSC, as it neither controls nor determines how the electricity it sells is used by end consumers.

Category 12 – Disposal of sold products. This category covers emissions associated with the disposal or recycling of sold products at the end of their useful life.

The main product of AlES JSC is electrical and thermal energy, which is consumed directly and does not generate any physical waste after use. Electricity, as a form of energy, does not produce any residual material product requiring disposal or recycling. Coal does not have any residual mass or components requiring disposal, unlike durable goods.

AlES JSC's operations do not involve any waste disposal or management processes that could result in additional greenhouse gas emissions.

Category 13 – Leased assets.

This category covers emissions associated with the use of leased assets that are not owned by the company but are used by it as part of its operational activities.

AlES JSC does not lease assets outside its operational control that could generate greenhouse gas emissions within the downstream supply chain. This category does not apply.

Category 14 – Franchising.

This category covers greenhouse gas emissions resulting from the activities of organisations operating under a franchise agreement under the reporting company's brand, but which are not under its direct ownership or operational control.

AlES JSC does not use a franchising model in its operations.

Category 15 – Investments – within Scope 3 covers greenhouse gas emissions resulting from the company's investment or lending activities. These emissions are indirect and relate to the activities of third-party organisations in which investments have been made.

AlES JSC is a subsidiary of Samruk-Energo JSC and does not carry out independent investment or lending activities; therefore, Category 15 does not apply.

The calculation of total Scope 3 emissions is shown in the table below.

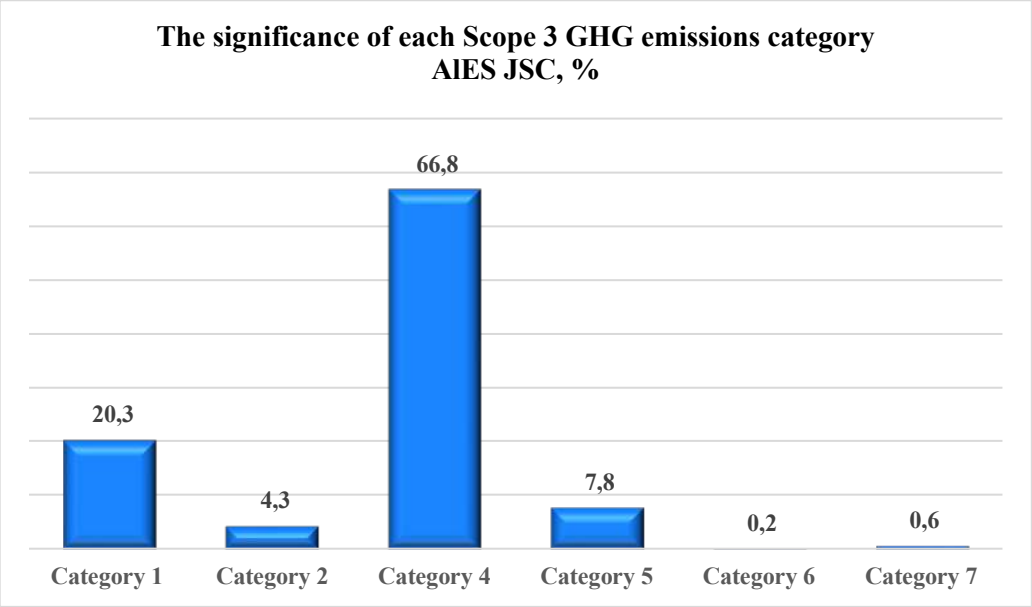
Table 7.8 – Total Scope 3 GHG emissions by category for Almaty Power Station JSC

| **Categories** | **Scope 3 emissions (t $CO_2eq$) .** |
|---|---|
| **Category 1** | 18 156.572 |
| **Category 2** | 3,873.314 |
| **Category 4** | 59,888.460 |
| **Category 5** | 6,948.430 |
| **Category 6** | 166,048 |

| | |
|---|---|
| **Category 7** | 559,577 |
| **Total** | **89,592.401** |

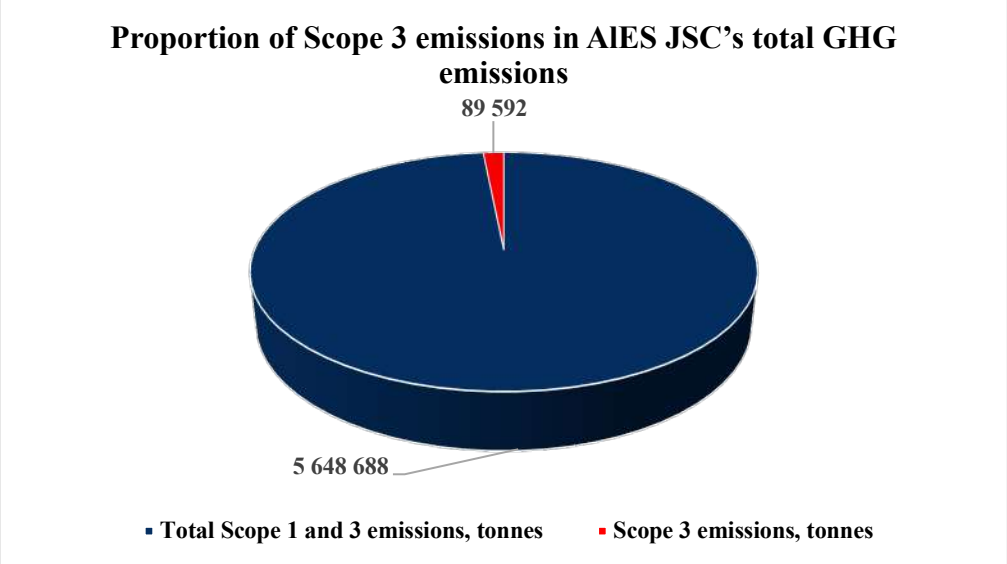
Thus, total Scope 3 greenhouse gas emissions amounted to 89,592.401 tons of $CO_2$ equivalent.

Based on the table, the contribution of each emissions category as a percentage of AlES JSC's total emissions can be calculated.




Based on the analysis of the figures, it can be concluded that, in percentage terms, the share of Scope 3 greenhouse gas emissions in AlES JSC's total GHG emissions is 1.6%.

The diagram below shows the 'Proportion of Scope 3 emissions in AlES JSC's total GHG emissions'.




## Carbon intensity of power generation

The assessment of AlES JSC's carbon intensity was carried out by comparing direct greenhouse gas emissions (Scope 1) for 2025 with the average industry figures for the electricity sector in the Republic of Kazakhstan.

This approach is consistent with international standards for climate-related disclosures, including IFRS S2 Climate-related Disclosures and the GHG Protocol Corporate Standard.

According to IFRS S2 and the GHG Protocol, Scope 1 emissions represent direct greenhouse gas emissions from sources under the control of AlES JSC, including fuel combustion in boiler units.

For electricity companies, the key indicator of carbon intensity is the ratio of $CO_2$-eq emissions to the volume of electricity and heat generated, or to the company's financial results. IFRS S2 recommends using the SASB/ISSB sector-specific metrics for the Electric Utilities & Power Generators sector.

As part of the assessment of AlES JSC, the following carbon intensity formula was used:

per unit of electricity generated:

**CI = Scope 1 emissions ($tCO_2e$) / Electricity generation (MWh)**

where:

**CI** — carbon intensity;

**Scope 1 emissions** — direct greenhouse gas emissions, tons of $CO_2$ equivalent;

**Electricity generation** — volume of electricity generated, MWh.

and

per unit of thermal energy generated:

**$CI_{heat}$ = Scope 1 emissions ($tCO_2e$)/Heat generation (Gcal)**

**Scope 1 emissions** — direct greenhouse gas emissions, tons of $CO_2$ equivalent;

**Heat generation** — the volume of thermal energy generated, Gcal.

To assess AlES JSC's carbon intensity, its Scope 1 figures were compared with those of Kazakhstan's largest energy companies: Samruk-Energo and KEGOC.

This comparative analysis complies with the requirements of the international standards IFRS S2 and the GHG Protocol on sectoral benchmarking of climate indicators.

- per unit of electricity generated:

| Company | Main business activity | Type of generation | Approximate carbon intensity | Characteristics |
|---|---|---|---|---|
| AlES JSC | Electricity and heat supply to Almaty | Coal + partly gas | 0.9–1.0 t $CO_2$-e/MWh | High carbon intensity |
| EGRES-1 | Coal-fired generation | Coal | 1.0–1.2 t $CO_2$-e/MWh | Very high |
| EGRES-2 | Coal-fired power generation | Coal | 0.9–1.1 t $CO_2$-e/MWh | High |
| Samruk-Energo JSC | Electricity generation | Predominantly coal | 0.8–1.0 t $CO_2$-e/MWh | Higher than the industry average |
| KEGOC | Electricity transmission | Grid infrastructure | <0.05 t $CO_2$-e/MWh | Low carbon intensity |

- per unit of thermal energy generated:

| The company | Main activity | Type of generation | Approximate carbon intensity | Characteristics |
|---|---|---|---|---|
| AlES JSC | Electricity and heat supply to Almaty | Coal + partly gas | coal – 0.35–0.45 t $CO_2$-e/Gcal | High carbon intensity |

| | | | | |
|---|---|---|---|---|
| | | | gas – 0.18–0.25 t $CO_2$-e/Gcal | |
| EGRES-1 | Coal-fired generation | Coal | 0.45–0.55 tons $CO_2$-e/Gcal | Very high |
| Gas-fired CHPPs in Kazakhstan | Gas-fired power generation | Gas | 0.18–0.30 t $CO_2$-e/Gcal | Below average |
| Samruk-Energo JSC | Electricity generation | Mainly coal | 0.35–0.50 t $CO_2$-e/Gcal | Above the industry average |

Under Scope 1, the carbon intensity of AlES JSC's electricity generation in 2025 was calculated in comparison with the preceding periods of 2022–2024. The volume of greenhouse gas emissions depends directly on the volume of fuel burnt and the fuel's characteristics.

| № | Indicator | Unit of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| 1 | $CO_2$ emissions | tons | 5,675,899 | 5,787,877 | 5,619,013 | 5,559,096 |
| 2 | Electricity generation | MWh | 4,039,025 | 3,954,773 | 3,723,258 | 3,830,134 |
| 3 | Heat generation | Gcal | 5,550,462 | 5,851,848 | 6,083,619 | 5,920,172 |
| 4 | Specific $CO_2$ emissions per unit of electricity generated | $tCO_2$/MWh | 0.988 | 1.001 | 1.002 | 0.972 |
| 5 | Specific $CO_2$ emissions per unit of thermal energy generated | $tCO_2$/Gcal | 0.304 | 0.312 | 0.310 | 0.310 |

**Energy Transition Program and Greenhouse Gas Emissions Reduction**

AlES JSC has committed to reducing greenhouse gas emissions. To this end, AlES JSC has developed an Energy Transition Program covering the period from 2026 to 2060.

The Program's scenarios have set out the following targets for reducing GHG emissions:

✓ Short-term (baseline) (2025–2030) – set for a five-year period as part of the corporate environmental and energy targets of Samruk-Energo JSC and AlES JSC.

↓ $CO_2$ emissions by 20–30%

↓ share of coal to <60%

Development/modernisation/construction of hydroelectric power stations.

✓ Medium-term (decarbonisation) (2030–2040) – defined for a ten-year period as part of the long-term corporate environmental and energy objectives of Samruk-Energo JSC and AlES JSC.

maintaining coal-fired power stations;

Development of new gas-fired power sources; commissioning of new hydroelectric power station capacity.

✓ Long-term (deep decarbonisation) (2041–2060) – defined within the framework of the Republic of Kazakhstan's long-term environmental and energy objectives to achieve a balance between anthropogenic GHG emissions and their absorption by 2060.

carbon neutrality

70–80% of electricity generation will be from clean energy sources.

Given the significance of global trends towards mitigating climate change and the risks associated with production activities based on conventional power generation, AlES JSC, as a subsidiary of Samruk-Energo JSC, will, by 2060, minimise its negative impact on the environment by reducing its carbon footprint by 2060.

### ➢ Emissions of pollutants

AlES JSC has committed to reducing emissions of pollutants into the atmosphere during production by its operational departments. To reduce emissions in 2025, the following environmental protection measures were implemented:

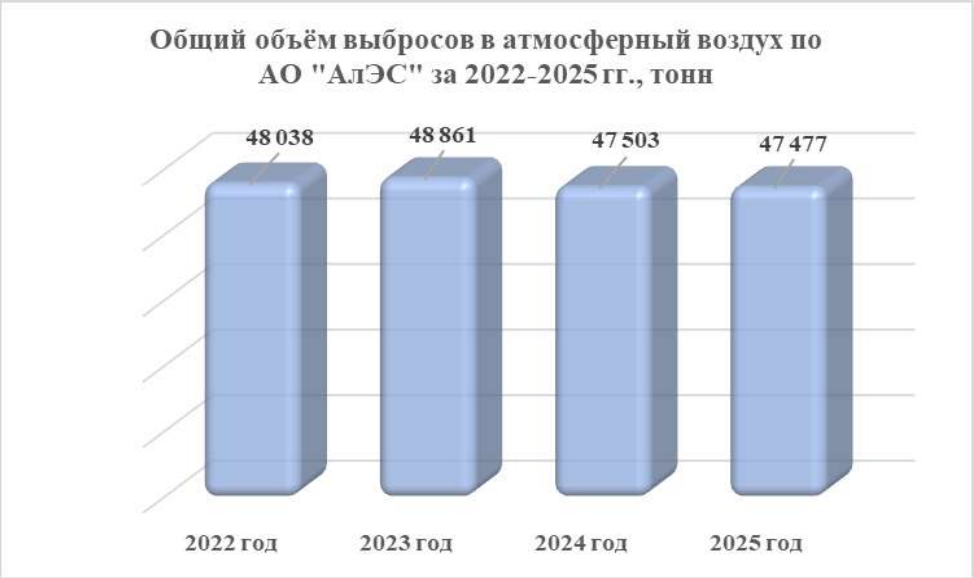
- work was carried out to maintain the efficiency of dust collectors;
- air preheater cylinders were repaired and replaced;
- repairs were carried out on boiler burners and emulsifiers;
- measures were taken to improve efficiency;
- faults in the operational cycle of the boiler units were rectified;
- Commissioning and adjustment work was carried out on boiler units and extraction systems at CHPPs 1, 2 and 3.

Furthermore, in 2025, AlES JSC continued work on the modernisation and refurbishment projects for Almaty CHPs 2 and 3. Once these projects have been completed, emissions will be reduced through the use of natural gas in efficient gas turbine units, ensuring that emissions of harmful substances into the atmosphere comply with the Republic of Kazakhstan's requirements for the implementation of best available technologies.

The actual volume of emissions across AlES JSC as a whole in 2025 fell by 0.1% compared with 2024, amounting to 47,477 thousand tons, against a permitted volume of 54,424 thousand tons. By way of comparison, in 2024 it stood at 47,503 thousand tons, against a permitted limit of 56,153 thousand tons, whilst in 2023 it stood at 48,861 thousand tons, against a permitted limit of 57,065 thousand tons.

**Volume of pollutant emissions in 2022–2025, thousand tons**

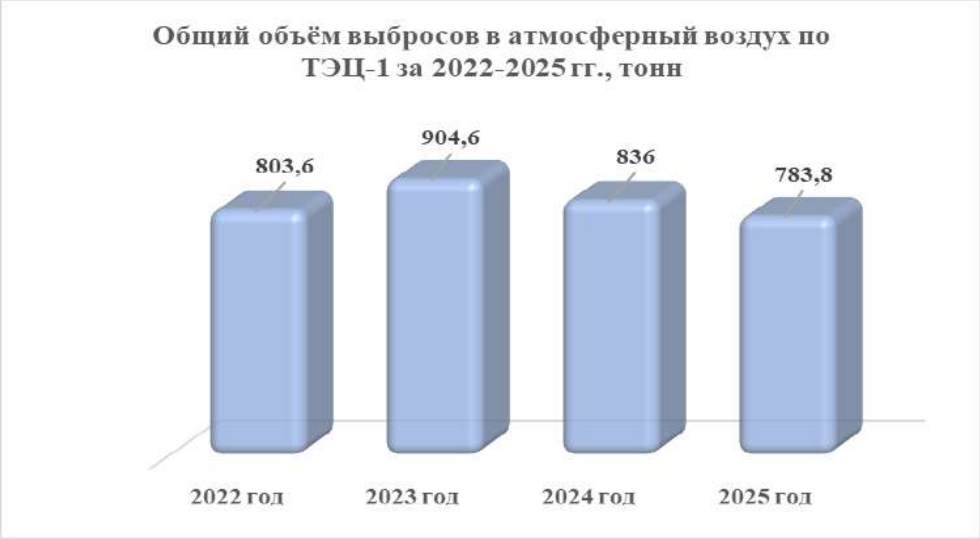
| Pollutants | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| NOx | 11,078 | 11,286 | 10,963 | 10,363 |
| SOx | 25,557 | 25,820 | 25,086 | 25,352 |
| Particulate matter | 8,212 | 8,614 | 8,349 | 8,489 |
| CO | 3,115 | 3,095 | 3,019 | 2,993 |
| Volatile organic compounds (VOCs) | 0.032 | 0.035 | 0.050 | 0.111 |
| Other gaseous substances | 0.044 | 0.011 | 0.036 | 0.169 |
| **Total** | **48.038** | **48.861** | **47.503** | **47,477** |
| Persistent organic pollutants (POPs) | None | none | none | None |
| Hazardous air pollutants (HAPs) | 48,038 | 48,861 | 47,503 | 47,477 |
| Specific emissions (g/kWh) | 8.63 | 8.74 | 8.81 | 8.7 |
| Specific emissions of pollutants relative to revenue | 0.00056 | 0.00051 | 0.00038 | 0.00037 |




**CHPP-1**

Emissions of pollutants into the atmosphere in 2025 amounted to 783.795 tons (including fugitive emissions), against a permitted limit of 1,436.466 tons. Gross emissions of pollutants into the atmosphere in the reporting year fell by 52,205 tons (-6%), as no fuel oil was burnt in 2025, whereas 5,802 tons of fuel oil were burnt in 2024.

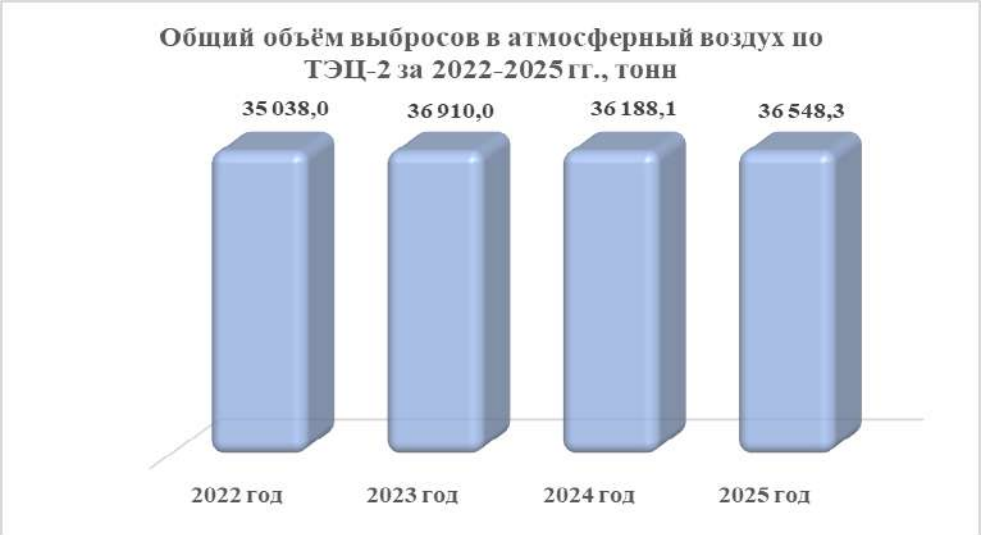
| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 803.6 | 904.6 | 836.0 | 783.8 |




**CHPP-2**

Emissions of pollutants into the atmosphere in 2025 amounted to 36,548.334 tons (including fugitive emissions), against a permitted limit of 37,581.169 tons. Gross emissions of pollutants into the atmosphere in the reporting year increased by 360 tons (+0.9%), which was due to a 4% increase in electricity generation in 2025 compared with 2024.

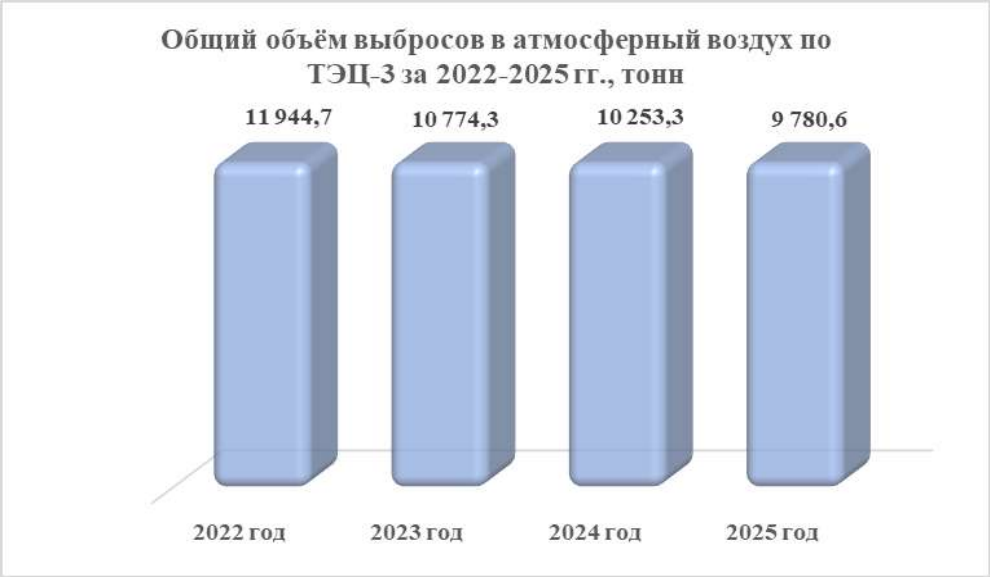
| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 35,037.990 | 36,909.985 | 36,188.081 | 36,548.334 |




## CHPP-3

Atmospheric emissions of pollutants from the CHPP-3 department in 2025 amounted to 9,780.602 tons (including peak emissions), against a permitted limit of 13,965.162 tons. Gross atmospheric emissions of pollutants in the reporting year fell by 473 tons (-5%), due to an 8% reduction in electricity generation in 2025 compared with 2024.

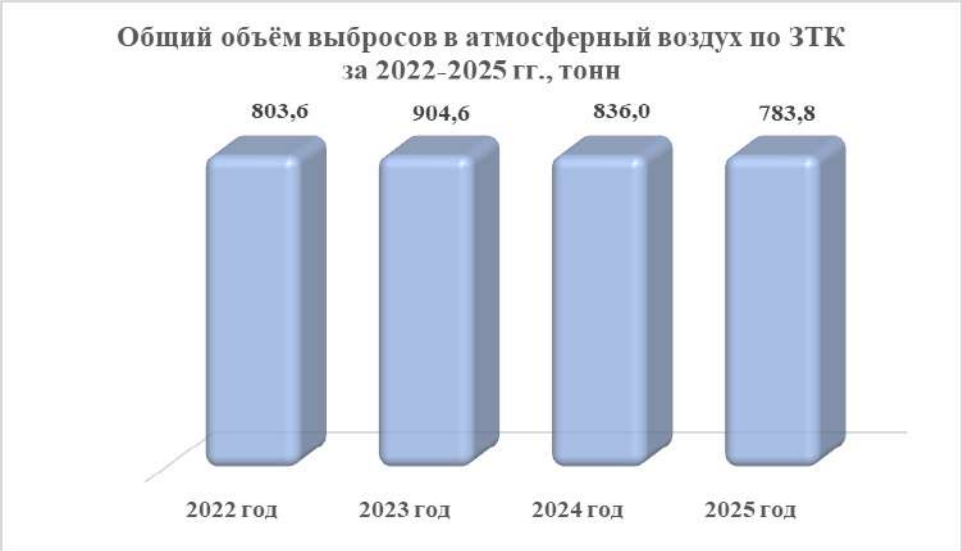
| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 11,944.728 | 10,774.274 | 10,253.273 | 9,780.602 |




## WTC

Emissions of pollutants into the atmosphere from WTC in 2025 amounted to 214,709 tons, against a permitted limit of 1,288,936 tons. Gross emissions of pollutants into the atmosphere in the reporting year fell by 1.5 tons (-0.8%), due to a reduction in heat generation in 2025 compared with 2024.

| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 243,012 | 262,968 | 216,304 | 214,709 |




**Kapshagai Hydroelectric Power Station**

Emissions of pollutants into the atmosphere from the Kapshagai Hydroelectric Power Station in 2025 amounted to 1,258 tons, against a permitted limit of 1,258 tons; discharges of pollutants into surface waters from the Kapshagai Hydroelectric Power Station in 2025 amounted to 1,5791 tons, compared with a permitted limit of 1.64898 tons. The volume of discharges increased by 0.02306 tons, which was due to an increase in the volume of treated domestic wastewater discharged (outlet №3) at the Kapshagai Hydroelectric Power Station

| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 1,432 | 1,258 | 1,258 | 1,258 |
| Volume of discharges into water bodies, tons | 1,535 | 1,522 | 1,556 | 1,579 |

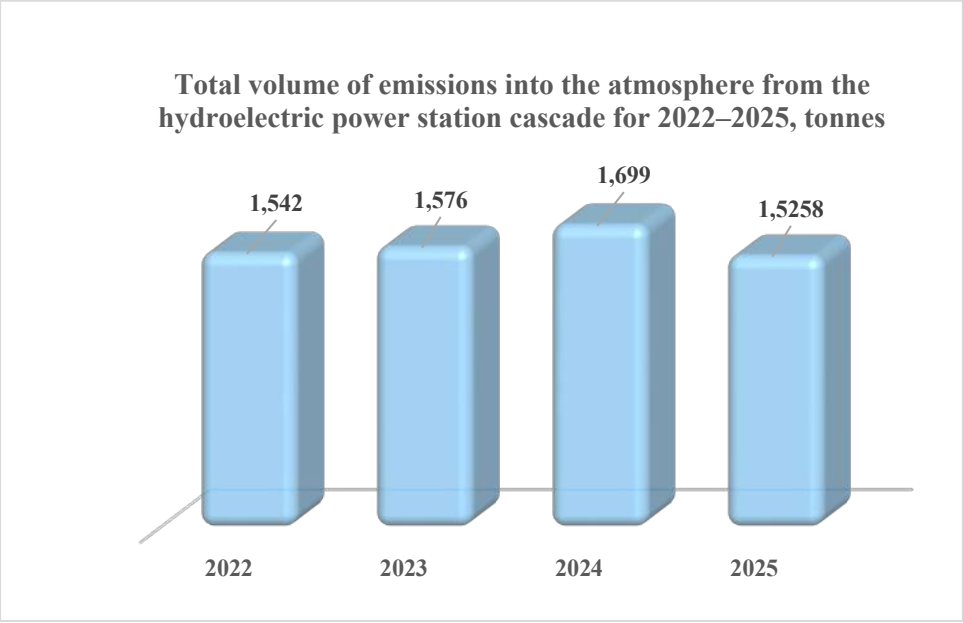





**Hydroelectric power plant cascade**

Air pollutant emissions from the hydroelectric power station cascade in 2025 amounted to 1.5258 tons and did not exceed the emissions limit of 2.679 tons

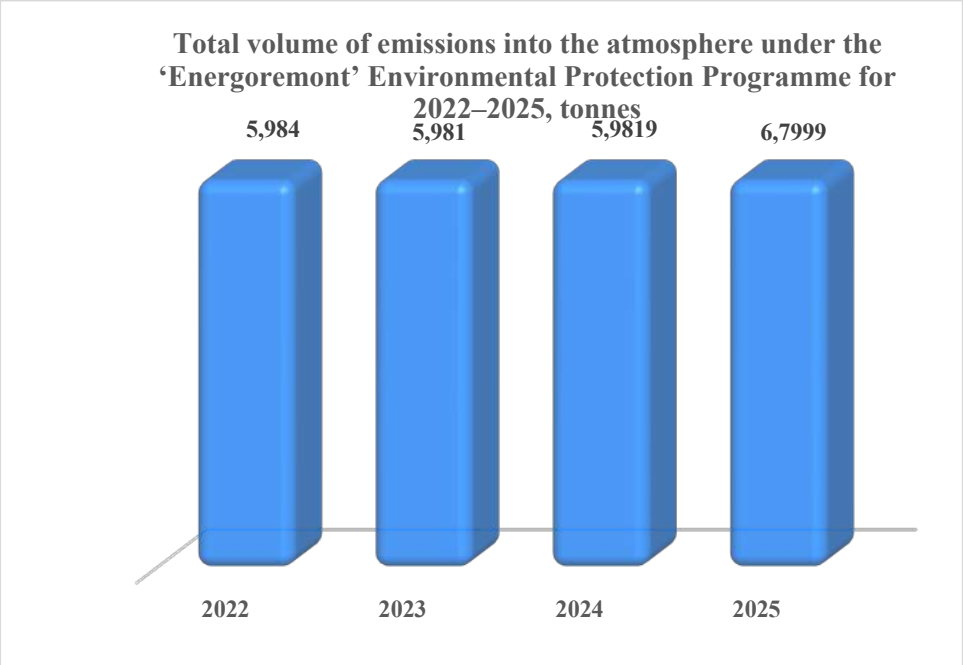
| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 1,542 | 1,576 | 1,699 | 1,5258 |




**PRP 'Energoremont'**

Air pollutant emissions from PRP 'Energoremont' in 2025 amounted to 6.79995 tons. The limit on gross air pollutant emissions was not exceeded in the reporting year.

| Indicator | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Volume of emissions into the atmosphere, tons | 5.9840 | 5.9810 | 5.9819 | 6.7999 |




### ➢ Water resources

The main source of water supply for AlES JSC's CHPP-1, CHPP-2 and WTC departments is the 'Almaty Su' State-Owned Enterprise under the Almaty City Energy and Water Supply Authority (hereinafter 'Almaty Su').

Water is supplied to CHPP-1 from the 'Almaty Su' pumping station via two pressure pipelines with a diameter of 1,000 mm. Water is supplied to CHPP-2 from Pumping Station №29 of the Talgar underground water intake of 'Almaty Su' via two pipelines with a diameter of 700 mm and two pipelines with a diameter of 800 mm.

To partially replace the raw water supplied to CHPP-1 for process requirements and to CHPP-2 for the treatment of desalinated water, the plant's own water intake wells are in operation; in addition, under a contract, process water is abstracted for CHPP-2.

The domestic and industrial water supply for CHPP-3 is provided via a departmental water intake from artesian wells. The water intake for CHPP-3 consists of one single production well and five water intake clusters, each comprising two production wells. The production wells range in depth from 200 to 300 m. In 2025, 11 wells were in operation.

For Cascade Hydroelectric Power Station, the source of water supply for power generation is Lake Bolshoye Almatinskoye and the catchment area of the Bolshaya Almatinka River. Domestic and drinking water supply for Cascade Hydroelectric Power Station is provided under a contract.

Water is abstracted from the Kapshagai Reservoir for electricity generation and process requirements at the Kapshagai HPP, and from underground wells at the Nikolaevskoye groundwater field for domestic and industrial use.

The calculation of water consumption and discharge for the departments of AlES JSC – CHPP-1, CHPP-2, CH3P-3 and WTC are carried out in accordance with the Individual Current Balance Standards for Water Consumption and Discharge, approved by the Committee on Water Resources of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan. The volumes of water abstracted from surface sources at the Kapshagai HPP, the Cascade HPP, and the dedicated water intakes of CHPP-1, CHPP-2 and CHPP-3 are determined by the terms of the special water use permit.

The tables below present data on water consumption and water use for the period 2022–2025.

## Analysis of water consumption and water use by AlES JSC sources, in m³

| Indicators | B. Orazbayev CHPP-1 | | A. Zhakutov CHPP-2 | | CHPP-3 | | WTC | | Sh. Chokin Kapshagai Hydroelectric Power Station | | Hydropower Cascade | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 |
| Water supply sources | State-owned enterprise at the Almaty Su water treatment plant Alma-Ata Municipal Water Supply Company's own water intake | | State-owned enterprise at the 'Almaty Su' water intake facility Boralday Municipal Water Supply Company's own water intake | | Pokrovskoye Municipal Water Supply's own water intake | | State-owned enterprise at the 'Almaty Su' water intake facility | | Kapshagai Reservoir Wells at the private water intake | | Bauyr LTD Company LLP Almaty Su State-Owned Enterprise for Water Supply and Sewerage | |
| Total raw water received | 6,097,567 | 6,715,791 | 33,343,439 | 33,241,179 | 5,645,610 | 4,961,400 | 34,309 | 42,330 | 7,402,692 | 7,462,429 | 594 | 426 |
| Own water intake | 404,243 | 370,069 | 472,170 | 366,850 | 5,645,610 | 4,961,400 | - | - | 5,351 | 5,288 | - | - |
| Expenditure | 6,097,567 | 6,715,791 | 33,343,439 | 33,241,179 | 5,645,610 | 4,961,400 | 34,309 | 42,330 | 7,402,692 | 7,462,429 | 594 | 426 |
| Heating network replenishment | 5,201,086 | 5,768,279 | 25,285,479 | 24,577,015 | 159,840 | 178,484 | - | - | - | - | - | - |
| Transferred to other consumers without being used | 5,196,077 | 5,763,120 | 25,112,013 | 24,340,386 | 138,002 | 147,725 | - | - | - | - | - | - |
| Production requirements of AlES JSC | - | - | 127,844 | 192 192 | - | - | - | - | - | - | - | - |
| Domestic hot water | 4,473 | 4,935 | 42,187 | 42,692 | 7,746 | 7,746 | - | - | - | - | - | - |
| Transferred to other customers | 536 | 224 | 3,435 | 1,745 | 14,092 | 23,013 | - | - | - | - | - | - |
| Desalinated water | 184,679 | 191,000 | 969,488 | 1,105,423 | 335,093 | 371,221 | 23,161 | 24,861 | - | - | - | - |
| Boiler feed | 184,679 | 191,000 | 752,492 | 791,939 | 335,093 | 371,221 | 23,161 | 24,861 | - | - | - | - |
| Condensate non-return | - | - | 6,971 | 6,971 | - | - | 70 | 120 | - | - | - | - |
| The desalination plant's own water requirements | - | - | 210,025 | - | - | - | - | - | - | - | - | - |
| Process water | 673 944 | 719,222 | 7,052,535 | 7,522,374 | 5,138,353 | 4,396,179 | 2,626 | 3,509 | 7,357,009 | 7,417,958 | - | - |
| Irrecoverable losses | - | - | - | - | - | - | 1,420 | 4,864 | 40,332 | 39,183 | - | - |
| Domestic and drinking water | 37,858 | 37,291 | 35,937 | 36,367 | 12,324 | 15,516 | 7,102 | 9,096 | 5,351 | 5,288 | 594 | 426 |
| Supplied to other consumers | 133 | 293 | 521 | 1,091 | - | - | 1,904 | 2,143 | - | - | - | - |
| Sewerage | 342,727 | 361,039 | 78,124 | 79,059 | 23,095 | 22,656 | 22,460 | 26,821 | - | - | 594 | 426 |
| Private sewerage system | 342 169 | 360 581 | 77,256 | 77,547 | 23,095 | 22,656 | 19,854 | 24,146 | - | - | 594 | 426 |

## Analysis of water consumption and water use by AlES JSC's sources, in m³

| Indicators | B. Orazbayev CHPP-1 | | A. Zhakutov CHPP-2 | | CHPP-3 | | WTC | | Sh. Chokin Kapshagai Hydroelectric Power Station | | Cascade HPP | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| Water supply sources | State-owned enterprise at the Almaty Su water treatment plant Alma-Ata's own water intake MPV | | State-owned enterprise at the 'Almaty Su' water intake facility Boralday MPV's own water intake | | Pokrovskoye MPV's own water intake | | State-owned enterprise at the 'Almaty Su' water intake facility | | Kapshagai Reservoir Wells at the private water intake | | Bauyr LTD Company LLP State-owned enterprise at the 'Almaty Su' water intake | |

| | | | | | | | | | | | facility | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total raw water received | 5,990,376 | 6,106,984 | 36,015,423 | 33,546,830 | 5,235,050 | 5,539,400 | 45,196 | 38,546 | 9,556,800 | 8,912,785 | 633 | 293 |
| Own water intake | 411,916 | 311,235 | 255,180 | 325,770 | 5,235,050 | 5,539,400 | - | - | 5,400 | 5,483 | - | - |
| Expenditure | 5,990,376 | 6,106,984 | 36,015,423 | 33,546,830 | 5,235,050 | 5,539,400 | 45,196 | 38,546 | 9,556,800 | 8,912,785 | 633 | 293 |
| Heating network replenishment | 5,010,910 | 5,283,409 | 25,648,861 | 26,596,540 | 218,414 | 274,357 | - | - | - | - | - | - |
| Transferred to other consumers without being used | 5,005,839 | 5,278,607 | 25,593,772 | 26,413,396 | 190,267 | 247,239 | - | - | - | - | - | - |
| Production requirements of AlES JSC | - | - | 15,321 | 136,573 | - | - | - | - | - | - | - | - |
| Domestic hot water | 4,557 | 4,428 | 36,389 | 42,111 | 7,746 | 7,746 | - | - | - | - | - | - |
| Transferred to other customers | 514 | 374 | 3,379 | 4,460 | 20,401 | 19,372 | - | - | - | - | - | - |
| Desalinated water | 192,864 | 207,090 | 1,127,588 | 1,144,804 | 395,745 | 347,876 | 28,706 | 25,108 | - | - | - | - |
| Boiler feed | 192,864 | 207,090 | 715,997 | 695,077 | 395,745 | 347,876 | 28,706 | 25,108 | - | - | - | - |
| Condensate non-return | - | - | 6,837 | 6,971 | - | - | 166 | 160 | - | - | - | - |
| The desalination plant's own water requirements | - | - | 404 754 | 442,756 | - | - | - | - | - | - | - | - |
| Process water | 751 189 | 585 587 | 9,207,974 | 5,769,612 | 4,599,969 | 4,897,993 | 4,264 | 2,800 | 9,508,987 | 8,868,937 | - | - |
| Irrecoverable losses | - | - | - | - | - | - | 3,721 | 2,751 | 42,413 | 38,365 | - | - |
| Domestic and drinking water | 35,412 | 30,898 | 31,000 | 35,874 | 20,922 | 19,174 | 8,505 | 8,430 | 5,400 | 5,483 | 633 | 293 |
| Supplied to other consumers | 237 | 39 | 1,258 | 2,163 | - | - | 2,100 | 1,739 | - | - | - | - |
| Sewerage | 220,861 | 64,188 | 67,389 | 77,984 | 15,601 | 29,659 | 24,774 | 20,480 | - | - | 645 | 299 |
| Private sewerage system | 220,390 | 64,088 | 65,541 | 74,768 | 15,601 | 29,659 | 22,217 | 18,393 | | | 645 | 299 |

Changes in the actual water balance across the departments of AlES JSC mainly depend on production output volumes and the actual operating conditions of the equipment (number of boiler unit start-ups and shutdowns, ash dump water filling regime, maintenance work on pipelines, etc.). Raw water consumption across the departments of AlES JSC – CHPPs 1, 2 and 3, the Cascade Hydroelectric Power Plant, the Kapshagai Hydroelectric Power Plant and WTC – amounted to 54.1 million tons in 2025.

Absolute water consumption in 2025 decreased compared with 2024, due to a reduction in water consumption at CHPP 2 (in 2024, Section №2 of Ash Dump №1 was being filled) and a reduction in the inflow to the Kapshagai Reservoir.

The table shows data on water abstraction volumes for 2022–2025.

| Sources | Unit of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Surface sources | thousand m³ | 11,310,032 | 11,878,750 | 16,148,572 | 14,083,522 |

| | | | | | |
|---|---|---|---|---|---|
| Groundwater sources | thousand m³ | 6,527 | 5,704 | 5,908 | 6,182 |
| Municipal water supply systems | thousand m³ | 38,469 | 39,031 | 41,108 | 38,848 |
| Water from third-party organisations: 'Aksay–Karagalin Main Canal' | thousand m³ | 132 | 233 | 277 | 210 |
| Specific water abstraction rate relative to income | thousand m³ /million tenge | 0.00014 | 0.00015 | 0.00019 | 0.00017 |

The table shows data on the total volume of discharges, broken down by receiving bodies, for the period 2022–2025.

| Sources | Unit of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Surface sources | thousand m³ | 11,310,032 | 11,878,750 | 16,148,572 | 14,083,522 |
| Transferred to other parties for treatment | thousand m³ | 469 | 492 | 332 | 196 |
| Total volume of discharges | thousand m³ | 11,310,502 | 11,879,243 | 16,148,904 | 14,083,718 |
| Non-hydroelectric power stations | thousand m³ | 469 | 492 | 332 | 196 |
| Hydroelectric power stations | thousand m³ | 11,310,032 | 11,878,750 | 16,148,572 | 14,083,522 |

The table shows data on water use by type of operation for the period 2022–2025.

| Sources | Unit of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Production requirements | thousand m³ | 21,919 | 21,999 | 25,881 | 22,041 |
| Domestic and drinking water | thousand m³ | 101 | 106 | 104 | 103 |
| Transferred to third parties | thousand m³ | 11,302,635 | 11,871,293 | 16,139,021 | 14,074,615 |
| Transferred to third parties | thousand m³³ | 30,464 | 30,276 | 30,814 | 31,963 |
| PPD | thousand m³ | 42 | 44 | 46 | 41 |
| **Total:** | **thousand m³** | **11,355,161** | **11,923,718** | **16,195,866** | **14,128,762** |

The table shows data on the volumes of recycled and reused water for 2022–2025.

| Sources | Unit of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Volume of reused water (after treatment) | thousand m³ | 3,801 | 4,929 | 5,269 | 3,273 |
| Volume of recirculated water | thousand m³ | 423,378 | 406,488 | 384,999 | 362,970 |

To reduce fresh water consumption at thermal power stations, two water supply systems are in operation: recirculating and reused; at WTC, the recirculating system is used. Types of recirculating water supply systems:

- process water supply (cooling of main building equipment), with losses replenished by fresh water;

- the hydro-ash removal system, where losses are replenished by process effluent and rainwater runoff.

Water consumption in the recirculating and reclaimed water supply systems across AlES's departments for 2025 amounted to 366,243.7 thousand $m^3$, of which the recirculating water supply system accounted for 362,970.4 thousand $m^3$; the re-supply system – 3,273.3 thousand $m^3$

At the Kapshagai HPP, wastewater that meets regulatory standards (without treatment) and wastewater treated to regulatory standards (in the 'Stok' biological treatment system) is discharged into natural water bodies. There are no discharges of contaminated wastewater into surface water bodies.

**Volume of discharges into water bodies in 2022–2025**

| Production Department | Units of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Kapshagai Hydroelectric Power Station | tons | 1,535 | 1,522 | 1,556 | 1,579 |

The volume of treated effluent discharged in 2025 increased by 0.0223 tons, due to an increase in the volume of treated domestic wastewater discharged (outlet №3) at the Kapshagai Hydroelectric Power Station.

During 2025, a range of technical measures was implemented to prevent the silting up, pollution and depletion of water resources, namely:

- at CHPP-1, work was carried out to repair pumping equipment at the treatment facilities to ensure that effluent meets regulatory standards, as well as to repair pumping equipment in the boiler house, turbine hall and chemical workshops;

- At CHPP-2, work was carried out to reduce water losses during the transport of ash and slag materials, and repairs were carried out on the production-use recirculation system (cooling towers, dredging system);

- At CHPP-3, measures were taken to reduce water losses.

As part of the implementation of the industrial environmental monitoring system, the quality of groundwater and surface water at the industrial site, as well as in the rivers and at the power stations' ash dumps, was monitored on an ongoing basis; At the Kapshagai HPP, monitoring of pollutant discharges into surface water bodies was carried out on an ongoing basis. Sampling was carried out at the locations and at the intervals specified in the environmental monitoring program.

**A comparison of the intensity and trends in freshwater use in 2025 with the average intensity and trends in freshwater use in the energy sector.**

The energy sector is the most water-intensive sector of the economy, where: the energy sector's share of industrial water consumption ranges from 60–99 per cent; the bulk of consumption is accounted for by thermal power stations (coal-fired stations); and the average specific water intensity is ≈ 1.5–2.5 $m^3$/MWh (which remains high due to cooling)

✓ Reasons for high water intensity:

- cooling towers (evaporative cooling);

- coal-fired generation (low efficiency);

- limited use of closed-cycle systems.

According to AlES's operational reports for 2025, the actual water use breakdown comprises: municipal networks (Almaty Su), the company's own boreholes, and surface water sources (the Ili River, Prokhodnaya, the Kapshagai Reservoir, and BAO)

Below is a comparison of the intensity and trends in freshwater use during the reporting period with the average intensity and trends in freshwater use in the energy sector.

**Trends in freshwater use (2023–2025)**

| Indicator | AlES (2023–2025) | Kazakhstan's energy sector (average) | Comparative conclusion |
|---|---|---|---|
| Electricity generation | ↑ moderate growth (driven by the Almaty CHPP) | ↑ growth of ~3–4% in 2025 | Both segments are growing |
| Freshwater abstraction | → stable or slight growth | ↑ steady growth | Growth is being held back in AlES |
| Specific water consumption ($m^3$/MW•h) | ↓ gradual decline | → stable / slight growth | AlES is more efficient |
| Proportion of recycled water supply | ↑ increase (high proportion of reused water) | → being partially implemented | AlES is more advanced |
| Water losses (evaporation/discharge) | ↓ decrease | → stable or high | AlES reduces losses |
| Overall intensity of water use | ↓ slight decrease | → stable, high | The gap is widening |

In 2025, AlES JSC demonstrates a lower and more stable intensity of freshwater use compared with the average for Kazakhstan's energy sector, as: water abstraction has stabilised, specific water consumption has decreased, the proportion of recirculating systems is higher, specific water abstraction per unit of energy is lower, and water consumption trends are more stable.

### ➢ Production and consumption waste

The main approach to managing production and consumption waste (solid and liquid) in AlES JSC's production departments involves ensuring that storage periods are not exceeded and that requirements regarding temporary storage sites are not breached, prior to transfer to specialist organisations responsible for their disposal. To this end, a system has been introduced to record the volume and timing of waste generation, as well as the volumes disposed of. Compliance with these targets is ensured annually that these targets are met.

Production and consumption waste on the premises of AlES JSC's production departments is temporarily stored in compliance with the requirements of the Republic of Kazakhstan's environmental and health legislation and is removed by specialist organisations for disposal under the terms of concluded contracts. Waste such as scrap metal and used oils is reused within the production departments themselves during repair work and for lubricating parts of auxiliary equipment.

The following types of waste are generated during the production activities of AlES JSC's production departments:

- by source of generation: industrial, production and domestic;

- by degree of hazard: hazardous and non-hazardous;

- by physical state: solid, liquid, paste-like;

- by type: waste oils; metal scrap; non-ferrous metal scrap (copper, bronze, brass and aluminium scrap); construction and renovation waste; cullet; wood waste; used oil, fuel and air filters; used rubber products (including worn tyres and rubber goods); used mercury-containing lamps; used batteries; electronic equipment unfit for use (office equipment, monitors, plastic products, communications equipment, domestic appliances, radio equipment, cartridges), oil-soaked rags, oil-contaminated sludge, oil-contaminated soil/sand/crushed stone contaminated with petroleum products, waste paint and varnish materials, spent Raschig rings, waste paper, mixed municipal solid waste (MSW), and ash and slag waste.

**Volume of waste generated in 2022–2025**

| Types of waste | Units of measurement | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Hazardous waste | tons | 19.0 | 32.0 | 46.0 | 59.7 |
| Non-hazardous waste | metric tons | 1,267,892 | 1,320,881 | 1,260,154 | 1,272,287 |
| Total | metric tons | 1,267,911 | 1,320,913 | 1,260,200 | 1,272,347 |
| Specific volumes of waste generated relative to revenue | million tons/million tenge | 0.000015 | 0.000014 | 0.000010 | 0.000010 |

The characteristics and methods of handling the waste generated are set out below.

| № | Type of waste | Generation | Characteristics | Physical state and composition | Management (storage and disposal) |
|---|---|---|---|---|---|
| 1 | Used oils | These are generated once the service life has expired and as a result of a decline in quality parameters.<br>Turbine oils are generated after use for lubricating equipment and when drained from turbines during major overhauls.<br>Transformer oils are generated during routine maintenance of transformers and circuit breakers, when topping up oil in equipment, and during oil drainage operations.<br>Engine and transmission oils are generated after the end of their service life and as a result of a decline in quality parameters during use in transport | Flammable, non-explosive | Liquid; oil – 91.2%, water – 4.543%, impurities – 2.3% | Sealed containers → Vita Prom LLP (≤6 months) |
| 2 | Ferrous metal scrap | Metal waste is generated from construction, repair and metalworking activities. Metal waste includes ferrous metal shavings and scrap, welding electrode stubs and ferrous metal particles | Non-flammable, non-toxic | Solid; iron – 98% | SVHO → ‘Stal QZ’ LLP |
| 3 | Non-ferrous metal scrap | These are produced during the machining of metals and the repair of instrumentation and control equipment and motor vehicles. Non-ferrous metal scrap, such as copper, bronze, aluminium and brass, is generated by construction, repair and metalworking activities. | Not flammable | Solid; brass – 70%, bronze – 30% | SVHO → ‘Stal QZ’ LLP |
| 4 | Construction waste | Generated during repair and construction works. Major and routine repairs, depending on their scale, are carried out and planned for the future either in-house or by engaging contractors.<br>Construction waste comprises plaster residues, concrete and brick rubble, removed tiles, dust, soil, sand, etc. | Flammable, non-toxic | Solid; sand/soil – 60%, cement – 35% | SVHO → ‘Akhmetov’ Individual Enterprise |
| 5 | Glass cullet | Glass products or parts of products unsuitable for direct use that have lost | Non-flammable | Solid; $SiO_2$ – up to 99.9% | Containers → Marshal-EcoLand |

| № | Type of waste | Generation | Characteristics | Physical state and composition | Management (storage and disposal) |
|---|---|---|---|---|---|
| | | their practical value, as well as products with irreparable defects, and broken domestic and industrial glass. Generated following the repair and construction of premises | | | LLP |
| 6 | Wood waste | Generated in the joinery workshop as a result of processing timber used in repair, construction and maintenance work. | Flammable | Solid; wood – 98.9% | SVHO → IP 'Akhmetov' |
| 7 | Used filters | Formed during oil changes and when the oil is cleaned whilst the engine is running. | Flammable | Solid; cellulose – 38.7%, $Fe_2O_3$ – 25% | SVHO → UtilIndustry LLP |
| 8 | Rubber products | Generated during the operation of machinery and process equipment. | Flammable | Solid; rubber – 96% | SVHO → UtilIndustry LLP |
| 9 | Mercury-containing lamps | Generated as a result of reaching the end of their service life. LB-40 (SL40/38-735), LB-80, DRL-250, 400 and 700 fluorescent lamps are used to illuminate production and office premises and the company's grounds. | Non-flammable and non-explosive Toxic | Solid; glass – 90%, Hg – 4.2% | Special storage → demercurisation (UtilIndustry LLP) |
| 10 | Used rechargeable batteries | These are generated once they have reached the end of their service life and are temporarily stored in a specially equipped area within the warehouse. Rechargeable batteries are used in motor vehicles, and the station also utilises various types of stationary batteries for emergency and uninterruptible power supply. | Non-flammable and non-explosive Toxic | Solid; lead – 52.3% | Warehouse → QZ Steel LLP |
| 11 | Electronic equipment unfit for use (office equipment, monitors, plastic items, communications equipment, domestic appliances, radio equipment, cartridges). | This consists of end-of-life electronic equipment (office equipment, monitors, telecommunications equipment, household appliances, radio equipment, cartridges). It is temporarily stored in a designated area of the warehouse. | Non-flammable and non-explosive Non-toxic | Solid; plastic, metal | SVHO → UtilIndustry LLP |
| 12 | Oily rags used for wiping | Generated as a result of maintenance of process equipment (wiping down mechanisms, parts, machine tools and machinery); collected in special sealed metal containers in the workshops. | Flammable | Solid; fabric – 56%, oil – 30.6% | SVHO → UtilIndustry LLP |
| 13 | Oil-contaminated sludge | Formed as a result of periodic cleaning of fuel oil tanks and reservoirs. Fuel-contaminated sludge is temporarily stored in strictly designated areas, in sealed metal containers, and is removed by a specialist contractor as it accumulates, in accordance with a contract. | Flammable | Paste-like; oil – 80% | Sealed → UtilIndustry LLP |

| № | Type of waste | Generation | Characteristics | Physical state and composition | Management (storage and disposal) |
|---|---|---|---|---|---|
| | | Temporarily stored in sealed metal containers. | | | |
| 14 | Oil-contaminated soil/sand/crushed stone | Oil-contaminated soil is formed as a result of oil spills caused by equipment malfunctions, or during the refuelling and operation of motor vehicles. Oil-contaminated soil/sand/crushed stone is temporarily stored in strictly designated areas, in sealed metal containers on a solid surface, and is removed by a specialist contractor as it accumulates, in accordance with a contract. It is temporarily stored in sealed metal containers. | Flammable | Solid; oil – 30% | Sealed → UtilIndustry LLP |
| 15 | Waste paint and varnish materials | These are generated during the repair and installation of equipment and motor vehicles, and during the repair and construction of buildings and structures. They are temporarily stored in sealed metal containers. | Non-explosive | Solid; up to 99% tin | SVHO → IP 'Akhmetov' |
| 16 | Spent Raschig rings | Formed following wear in decarboniser tanks. | Inactive | Solid; metal oxides | Site → specialist facility |
| 17 | Waste paper | Produced as a result of the use of all types of paper and cardboard suitable for further use as fibrous raw material. | Flammable | Solid; cellulose | Collection → 'Paper of Kazakhstan' LLP |
| 18 | Mixed municipal waste (MMW) | Generated as a result of economic activity | Flammable | Solid; mixed composition | Containers → Marshal-EcoLand LLP, Akhmetov Sole Trader |
| 19 | Ash and slag waste | The Combined Ash and Slag Disposal System site houses a two-section dry ash storage facility and a wet ash and slag treatment plant, which form part of the main structures of the Combined Ash and Slag Waste Storage System.<br>Ash and slag materials are generated during the combustion of fuel in power station boilers. | Non-flammable and non-explosive Non-toxic | Solid/slurry | Storage (DOGS, PRZSHO) |

AlES JSC has undertaken to reduce the volume of dry ash and slag waste stored. To fulfil these commitments, in 2025, Vulban Construction Materials Limited LLP and Sichuan Jiujianglong Steel Structure Engineering Co., Ltd. LLP continued to implement the project to construct and operate a plant for the production of construction mixes and aerated concrete blocks. According to the project, the volume of dry ash and slag waste processed will amount to approximately 300,000 tons per year. The implementation of this measure will reduce the area of dry storage dumps, thereby significantly reducing the impact on the environment and human health.

Contracts have also been signed with 2-A LLP, Nuran Group LLP, KorCemTas LLP, Saulet Stroy Engineering LLP, Unisource LLP, Zyjz LLP, M.D.A.&Business LLP, Sapa Industry Group

LLP and Arlan Logistics Group LLP for the disposal of ash and slag waste from the combined ash and slag removal system at CHPP-2 and CHPP-3. In 2025, 57,025.96 tons of ash and slag waste were sold.

**Radioactive waste**

No radioactive waste is generated in the course of the operations of AlES JSC's production departments.

## ➢ Management of environmental management aspects

The Environmental Management System (hereinafter referred to as EMS) forms part of the corporate management system.The aim of implementing and operating the EMS is to ensure compliance with environmental protection requirements by the production departments of AlES JSC as a result of their activities, as well as by contractors and subcontractors carrying out work and providing services on the premises of the production departments.

AlES JSC continuously improves the EMS and directs all its efforts towards reducing the negative impact on the environment associated, inter alia, with greenhouse gas emissions into the atmosphere, emissions and discharges of pollutants, and the management of production and consumption waste, as well as industrial waste.

AlES JSC has defined the areas of focus for implementing its environmental policy as an integral part of the EMS:

- ensuring compliance with the requirements of the Republic of Kazakhstan's current environmental legislation and corporate standards in the field of environmental protection;
- continuously improving the environmental management system and ensuring its sustainable operation;
- technological modernisation and the gradual phasing out of obsolete equipment, the introduction of best available technologies, and the improvement of production processes;
- reducing the volume of production waste generated and released into the environment, ensuring its safe management, and implementing industrial waste recycling projects;
- conducting assessments of the impact of planned activities by its production departments on the environment, staff health and public health, based on a comparison of alternative options;
- involving staff in the implementation of measures to ensure environmental safety, and fostering an environmental culture amongst the organisation's employees by ensuring that every employee is made aware of the environmental aspects of the organisation's activities and their impact on the environment.

AlES JSC has identified significant environmental aspects, on the basis of which environmental risks have been assessed and environmental objectives set, and programs of environmental protection measures have been developed and implemented.

The following have been identified as current significant environmental aspects for AlES JSC: emissions into the atmosphere from main plant, arising from the combustion of fuel in boiler units and auxiliary equipment, in the course of the main process of generating electricity and heat, as well as during the implementation of modernization and refurbishment projects at coal-fired power stations; the discharge of effluent into surface water bodies; the disposal of ash and slag waste and the temporary storage of production and consumption waste on the premises of production depart-

ments; harmful physical impacts and other environmental aspects that indirectly affect the main process of electricity generation.

Environmental aspects are reviewed and updated in the following cases:

1) changes to the legislation of the Republic of Kazakhstan in the field of environmental protection;

2) changes to the methodology for identifying environmental aspects and determining their significance;

3) changes to technological processes, or the emergence of new sources of impact.

The senior management of AlES JSC ensures the availability of the human, technological and financial resources necessary for the development, implementation, operation and improvement of the environmental management system in accordance with the environmental protection legislation of the Republic of Kazakhstan.

In accordance with the EMS, environmental protection is achieved through:

⁂ the development and implementation of action plans aimed at ensuring environmental protection;

⁂ compulsory environmental insurance when carrying out production activities, construction, installation and repair works;

⁂ carrying out operational environmental control and monitoring of emissions, waste, etc.;

⁂ carrying out scheduled preventative maintenance.

In 2025, AlES JSC carried out quarterly internal EMS audits to monitor compliance with the regulatory legal acts of the Republic of Kazakhstan and technical standards in the field of environmental protection, monitoring the state of the environment, identifying environmental aspects and assessing risks, rectifying non-conformities identified during previous audits, and implementing environmental protection measures.

Based on the results of the internal audit, corrective and preventive actions were developed to address the non-conformities, and these were implemented in full.

### ➢ Operational environmental control and monitoring

AlES JSC implements quarterly operational environmental control programs, developed in accordance with the requirements of the Environmental Code of the Republic of Kazakhstan and designed to fulfill the following objectives:

- ✓ to obtain up-to-date information on the impact of core and production processes on the environment;
- ✓ to implement corrective and preventive actions and respond promptly to emergency situations;
- ✓ keeping stakeholders (the local population, government regulatory bodies, partner companies) informed about the company's environmental activities and the measures being taken to reduce its environmental impact.

As part of environmental monitoring, observations are carried out on emissions into the environment – emissions into the atmosphere, discharges into water bodies, and the volumes of waste accumulation and disposal – as well as on the quality of environmental components – atmospheric air, surface and groundwater, soil at the boundaries of the sanitary protection zones of industrial enterprises.

In 2025, an automated emissions monitoring system (hereinafter referred to as the 'AEMS') was installed at the stationary emission sources of CHPP-2, enabling real-time monitoring of compli-

ance with emission standards. Averaged data from the AEM systems at CHPP-1 and WTC are transmitted every 20 minutes to the National Environmental Data Bank of the Republic of Kazakhstan and are monitored by the authorized environmental protection body.

In 2025, a specialist organization carried out quarterly operational environmental monitoring, whilst the laboratories at CHPP-1, CHPP-2, CHPP-3 and WTC carried out operational environmental monitoring and systematic checks of background radiation levels within the departments' premises and in production facilities; the results showed no instances of environmental pollution levels exceeding permitted limits.

The activities of the production departments of AlES JSC are strictly regulated by existing environmental emission permits, which set out the permissible emission levels in quantitative terms. AlES JSC pays constant attention to attracting and implementing investment projects in the field of environmental protection; it explores opportunities for applying new technologies and techniques, and complies with the resolutions adopted by the Government of the Republic of Kazakhstan concerning the resolution of environmental issues.

- **Environmental protection measures**

AlES JSC has carried out all planned environmental protection measures, including:

Air quality protection: work was carried out to maintain the efficiency of dust collectors; air preheater chambers were repaired and replaced; boiler burners were repaired; emulsifiers; anti-corrosion work was carried out; metal structures, pipes and worn heating surfaces were replaced; measures to improve efficiency were implemented; malfunctions in the operational cycle of boiler units were rectified; and commissioning and adjustment work was carried out on boiler units and extraction systems at CHPPs 1, 2 and 3.

Emissions monitoring and impact monitoring were carried out at the boundary of the sanitary protection zone for all production departments.

Regarding the protection and rational use of water resources: repairs were carried out on pumping equipment in the boiler, turbine and chemical workshops, as well as at the treatment facilities of CHPP-1; measures were taken to carry out an inventory and reduce water losses during the transport of ash and slag waste at CHPP-2 and №3; the production-purpose recirculation system at CHPP-2 was repaired, and sanitary and microbiological analyses of water samples were carried out at the Kapshagai Hydroelectric Power Station.

With regard to the protection of land resources and the rational use of mineral resources, flora and fauna: work was carried out to replace worn-out pipelines to prevent the spillage of ash-slag waste and pulp; work was carried out to landscape departmental grounds and to reclaim degraded areas at CHPP-2 and CHPP-3; a protective layer was laid on top of the loam stack, slopes were stabilized by sowing grass, a loam containment embankment was constructed at CHPP-2, and work was carried out to prepare the soil for the creation of formal and ordinary lawns, including sowing grass and watering the grass seedlings at CHPP-3. A site for the temporary storage of production and consumption waste was constructed and fitted out at the WTC.

With regard to the management of production and consumer waste, and radiation, biological and chemical safety: work was carried out to reconstruct and expand the ash dump at CHPP-2, and work was carried out to prevent dust emissions from the combined ash and slag removal system at CHPPs №1, 2 and 3; and solid domestic waste, mercury-containing lamps and other hazardous waste from the departments of CHPPs №1, 2 and 3, WTC, the Kapshagai HPP, the Cascade HPP and the 'Energoremont' Production and Repair Plant were sent for disposal.

Total investment in environmental protection amounted to 1.126 billion tenge in 2022, 3.918 billion tenge in 2023, 2.123 billion tenge in 2024 and 1.502 billion tenge in 2025.

**Investments in environmental protection in 2022–2025, in million tenge**

| Expenditure item | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Air quality protection | 646.2 | 2,050.0 | 1,317.4 | 1,268.0 |
| On the protection and rational use of water resources | 157.4 | 161.9 | 221.0 | 117.9 |
| On the protection of land resources and the rational use of mineral resources, flora and fauna | 42.9 | 28.0 | 149.5 | 18.7 |
| On the management of industrial and consumer waste, and on radiation, biological and chemical safety | 199.9 | 1,678.1 | 435.1 | 97.8 |
| **Total** | **1,126.0** | **3,918.0** | **2,122.9** | **1,502.4** |

The implementation of all environmental protection measures has made it possible to reduce the environmental impact and comply with environmental quality standards.

### ➢ Charges for adverse environmental impact

In accordance with Articles 636–642 of the Tax Code of the Republic of Kazakhstan, JSC 'AlES' pays a fee for adverse environmental impact (emissions, discharges of pollutants and disposal of production waste, carried out on the basis of the relevant environmental permit and environmental impact statement in accordance with the environmental legislation of the Republic of Kazakhstan). In 2025, the fee for adverse environmental impact amounted to 994.8 million tenge.

**Environmental impact charges for 2022–2025, in million tenge**

| Payments | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|
| Charges for emissions of pollutants into the atmosphere | 755.7 | 864.1 | 896.4 | 954.1 |
| Fee for emissions from fuel and lubricants | 1,879 | 2,114 | 2,271 | 1,182 |
| Pollutant discharge charges | 0.004 | 0.002 | 0.002 | 0.002 |
| Fee for the disposal of waste in the natural environment | 67.6 | 204.4 | 198.9 | 39.6 |
| **Total** | **825.1** | **1,070.6** | **1,098.5** | **994.8** |

### ➢ Campaigns and initiatives

In 2025, the following environmental campaigns were held: 'What will remain after us…' – a campaign to collect and hand in waste paper, during which 4.5 tons of unusable paper and cardboard were sent for recycling; and 'Discharge!' – a campaign to hand in used household batteries, during which 65.1 kilograms of household batteries were handed in. Between 2021 and 2025, employees of AlES JSC collected and handed over 303 kg of batteries and 48.0 tons of waste paper for recycling.

In 2025, the following campaigns were held: the spring community clean-up 'Tazartu Künü'; the 'ECO NOMAD' environmental campaign in Almaty's Yuzhny Park; a community clean-up in the mountains at the throttle station of the Cascade Hydroelectric Power Station under the slogan 'Caring for nature starts with each of us'; and the '#'A clean river means a clean soul' on the Prokhodnaya River in the Alma-Arasan Gorge; and the 'Cleanliness Born of Care' environmental campaign to clear the area along the heating pipeline from Raiymbek Avenue to Monke Bi Street. As a result of these campaigns, 3,300 bags of rubbish weighing 10–15 kg were collected.

In total, between 2021 and 2025, AlES JSC staff collected more than 3,500 rubbish bags during these field campaigns.

On 19 June 2025, AlES JSC organised a 'Paper-Free Day' campaign; in mid-autumn, 3,500 carp fry, each weighing at least 20 grams, were released into the Kapshagai Reservoir.

An art installation was created from used plastic containers. The 'Minion-containers' were handed over to the production departments for the collection of used batteries.

During 2025, 1,200 deciduous tree saplings were planted on the site of the combined ash and slag disposal system at CHPP-2, and 1,590 deciduous tree saplings were planted within the sanitary protection zone.

- **Inspections by regulatory authorities.**

In 2025, during a routine inspection of CHPP-2, the Almaty City Department of Ecology found that Order №78 of 10 December 2024 on the rectification of violations had not been complied with, namely, by 31 December 2024, an automated system for monitoring emissions into the environment had not been installed on the main stationary emission sources and was not transmitting data to the authorized environmental authority. Following the inspection, Inspection Report №7 dated 14 March 2025 was drawn up, with the total amount of penalties set at 295,360 tenge.

The Specialized Inter-District Court for Administrative Offences of the City of Almaty issued Ruling №7528-25-00-3/15460 of 27 March 2025 in the case concerning an administrative offence, namely the failure to comply with the order to install an automated system for monitoring emissions into the environment at the main stationary emission sources of CHPP-2. The amount of the fines was 1,966,000 tenge.

The total amount of penalties was 2,261,360 tenge.

During a routine inspection of CHPP-1 and CHPP-2 carried out jointly by the Almaty City Prosecutor's Office and the Almaty City Department of Ecology, the following was identified:

- at CHP3-1, the site was littered with industrial and domestic waste; on the northern side of the site, where the railway siding is located, dry branches were piled up on the platform;
- at CHP3-2, the container area for solid municipal waste was in an unsatisfactory condition; the containers were not labelled, and waste was not being sorted for collection;
- At CHPP-2 and the Cascade Hydroelectric Power Station Cascade, two diesel vehicles exceed the permissible exhaust emission limits.

The total amount of fines was 1,179,600 tenge.

The total amount of fines in 2025 was 4,845,760 tenge. The fines have been paid in full. The breaches were rectified within the specified timeframes and corrective measures were implemented in full.

In 2024, during an unscheduled inspection of CHPP-1 and CHPP-2, the Almaty City Department of Ecology identified the following:

- at CHPP-1, a breach of the Republic of Kazakhstan's environmental legislation, namely, soil contamination with hazardous chemicals, which did not result in environmental damage (a fuel oil leak due to damage to a gasket on the flanged connection of the fuel oil preheater at CHPP-1), constituting a breach of the requirements of Article 238 and paragraph 4 of Article 186 of the Environmental Code of the Republic of Kazakhstan;
- at CHPP-2, no automated system for monitoring emissions into the environment has been installed on the main stationary emission sources of CHPP-2, which constitutes a breach of the requirements of Article 418 of the Environmental Code of the Republic of Kazakhstan.

The total amount of fines was 2,584,400 tenge. The fines have been paid in full. The breaches were rectified within the prescribed time limits and the corrective measures were implemented in full.

In 2023, the Environmental Departments for the city of Almaty and the Almaty Region did not carry out any scheduled or unscheduled inspections involving visits to the premises of production departments, and no penalties were imposed. The Department of Ecology for the Almaty Region carried out one inspection in the form of a preventative check without visiting the premises. Following the inspection, one observation was made regarding the lack of authorization documentation held by a contractor responsible for waste disposal from the premises of the CHPP-3 department. The observation was rectified. The necessary permits were requested from the contractor and submitted to the Department of Ecology for the Almaty Region. Following a review of the submitted documents, the observation was withdrawn.

In 2022, the Almaty Region Department of Ecology identified, on the premises of CHPP-3, the mixing of hazardous waste with non-hazardous waste, and a lack of labeling on packaging indicating the name of the waste. The Almaty City Department of Ecology identified the following: at CHPP-1, there was an overrun (deviation) from the design documentation and the State Environmental Expert Review (SEER) conclusions regarding the annual gas consumption of the boilers, and the site was littered with dead wood and scrap metal; separate waste collection was not being carried out; On the premises of CHPP-2, it was found that there is no water-spraying system in the thermal treatment centre (the area where solid fuel is transferred and prepared during trans porting) and that the industrial site (on the northern side) is littered with solid domestic and industrial waste; furthermore, an accumulation of construction waste and scrap metal was found in an unidentified location; on the WTC site, deviations from the design documentation (PDV) and the GEE Conclusion on the PDV regarding the annual gas consumption of the boilers were identified.

Based on the results of the inspections, corrective measures were developed, namely the conduct of internal audits of compliance with environmental legislation (measurements at emission sources, waste storage systems, etc.), an assessment of the functioning of the environmental management system and the implementation of environmental protection measures, assessing the impact of energy-saving and fuel-saving programs, conducting annual training for staff responsible for environmental protection, participating in training courses and seminars organized by the authorized body, and providing in-house training on changes to the Republic of Kazakhstan's environmental legislation.

### ➢ Climate risks

AlES JSC takes a responsible approach to climate change and is taking concrete measures aimed at reducing greenhouse gas emissions, consistently lowering the carbon footprint of its products.

The reduction of greenhouse gas emissions is set out in AlES JSC's Environmental Policy. In 2025, measures were implemented to minimise the negative impact of climate change on production activities. Measures were developed and implemented in accordance with energy-saving and energy efficiency programs, which enabled a reduction in greenhouse gas emissions of 24.5 thousand tons.

To implement the climate policy in 2025, actual and potential climate risks (including physical and transitional risks) were identified and assessed. The table below shows the classification of climate risks

**1. Actual climate risks:**

| Risk type | Climate risk | Description of impact |
|---|---|---|
| Physical | Rise in maximum temperatures in Almaty and the Almaty region – summer peak temperatures | Reduction in production capacity (decrease in output/failure to meet production targets), impact on staff working outdoors and in enclosed spaces with natural ventilation |
| Physical | Increase in humidity (in winter), increased precipitation, formation of ice | Corrosion affecting main and auxiliary equipment, electrical circuits, instruments and automation systems; power line failures; erosion of buildings and structures |
| Physical | Drought, reduced precipitation during certain periods, depletion of groundwater | Shortage of surface and groundwater for cooling systems and for filling tailings ponds,<br>Decrease in water levels in the Ili River and Lake Bolshoye Almatinskoye, affecting the ability of hydroelectric power stations to generate electricity |
| Physical | Potential impact of operations on the fish fauna of the Ili River and the Kapshagai Reservoir | Need to install fish-protection devices; costs of restocking rivers |

| | | |
|---|---|---|
| Transitional | National carbon regulation and greenhouse gas emission quotas for operational activities | Additional costs of regulatory compliance, risks of a ban on and/or restrictions on operational activities, risks of fines, risks associated with the need to purchase additional missing greenhouse gas emission allowances |

**2. Potential climate risks:**

| Type of risk | Climate risk | Description of impact |
|---|---|---|
| Physical | An increase in the frequency and intensity of earthquakes | Damage to property and infrastructure; disruptions to the reliability and stability of electricity and heating supplies; lack of a stable supply of water and fuel |
| Transitional | Increase in operating costs due to changes in legislation regulating greenhouse gas emissions | Additional costs for the acquisition of additional allowances to comply with environmental legislation on offsetting statutory greenhouse gas emissions, and the tightening of the legal and regulatory framework regarding greenhouse gas emissions and the country's overall climate responsibility. Risk of tariff increases should the costs of purchasing greenhouse gas emission allowances be passed on, and consequently social tension |
| Transitional | Adverse court rulings in legal or arbitration disputes relating to breaches of environmental legislation | Risks of fines and/or financial compensation for identified breaches. Legal costs |
| Transitional | Costs of transitioning to low-emission technologies, such as wind and solar power stations | Costs of adapting to/implementing new technologies and processes (transition from coal to gas); energy-generating companies may face the risk of increased costs associated with the transition to low-carbon technologies. |
| Transition | Stakeholders' concerns regarding the objective of reducing emissions and, consequently, the impact on the environment | Risks of social tension and complaints from the public should projects to reduce atmospheric emissions and greenhouse gases not be implemented (coal-fired generation instead of gas, lack of flue gas treatment plants, etc.) |

To implement the policy on minimising climate risks, work continued in 2025 on the modernisation and refurbishment of Almaty CHPP-2 and CHPP-3, including the installation of combined cycle gas turbines fuelled by natural gas.

**Accounting for the costs of AlES JSC's climate risk and opportunity management activities**

AlES JSC accounts for climate-related costs within the framework of:

- ✓ its environmental policy;
- ✓ the Energy Transition Program for 2026–2060;
- ✓ the investment program for the modernization of production departments;
- ✓ measures to reduce greenhouse gas emissions (Scope 1);
- ✓ measures to improve energy efficiency and water conservation.

Costs are accounted for in two areas: climate risk management costs and investments in climate opportunities.

Costs of managing risks are broadly divided into:

- ✓ Adaptation (risks)

- protection of main and auxiliary equipment from climatic impacts;
- ensuring the resilience of production processes, increasing equipment efficiency, and reducing the risks of shortfalls in electricity and heat generation.

- ✓ Mitigation (opportunities)

- reducing greenhouse gas emissions

- improving the efficiency of production processes
- Transition to carbon neutrality and obtaining carbon offset credits.

**Climate risk management costs**

| Risk category | Measures | Economic impact |
|---|---|---|
| Physical climate risks (droughts, water shortages, heatwaves) | modernisation of CHPP cooling systems, increasing the proportion of recirculated water | Reduction in emissions and fuel losses |
| Water scarcity | Introduction of closed-loop water cycles, reduction of losses | Reducing water abstraction, increasing the proportion of recycled water |
| Extreme weather events | Improving infrastructure resilience | Engineering protection of equipment |
| Increasing regulatory requirements on emissions | Environmental monitoring, ESG reporting | Reducing environmental risks |

**Costs of utilising climate opportunities**

| Opportunity | Measures | Economic benefits |
|---|---|---|
| Improved energy efficiency | modernisation of turbines, boilers and auxiliary equipment | Improving equipment efficiency |
| Reduction in $CO_2$ emissions (Scope 1) and implementation of $CO_2$ capture projects | Transition to more efficient fuel combustion technologies and implementation of offset projects | Generating offset credits, reducing the cost of purchasing additional greenhouse gas emission allowances |
| Development of hydropower | Repair and modernization of the Cascade of Hydropower Stations and the Kapshagai Hydropower Station | Reducing water consumption in production, increasing the share of electricity generation from renewable energy sources |
| Digitalisation | Automation of power unit control | Reducing accident rates, rapid response to process changes |

In 2025, AlES JSC's expenditure on minimizing climate risks amounted to 17.2 billion tenge, including expenditure on the repair of main and auxiliary equipment, the implementation of fuel-saving measures, water conservation, energy conservation and improving energy efficiency, costs for health and safety, and costs for implementing biodiversity restoration measures (landscaping and restocking fish stocks).

- **Efficient use of natural resources and energy**

AlES JSC strives to use natural and energy resources sparingly and to improve the energy efficiency of its operations. To achieve its strategic commitments for 2025, an Action Plan for energy saving and improving energy efficiency has been drawn up by the departments of CHPP-1, CHPP-2, CHPP-3 and WTC of AlES JSC. This Plan sets out targets for the conservation of natural resources (water, natural gas and coal) and energy for 2025. By the end of 2025, the following measures had been implemented:

**Energy savings**

| № | Name of measure | Actual investment for 2025 (including VAT), tenge | Actual savings achieved through the implementation of measures | |
|---|---|---|---|---|
| | | | Name of energy resource | in physical terms |
| 1 | Replacement of brass tubes during the repair of PB-2 TG-8 at CHPP-1. | 53,450,000 | Heat energy, Gcal | 1,850 |

| | | | | |
|---|---|---|---|---|
| 2 | Replacement of defective components during the repair of the feedwater electric pump, unit № 8A, PE-270-150 pump, CHPP-1. | 30,640,000 | Electricity for own use, kWh | 985,000 |
| 3 | Withdrawal from service and standby of 20 CHPP-1 auxiliary power transformers during the plant shutdown | 0 | Electricity for own use, kWh | 155,000 |
| 4 | Installation of insulation on uninsulated on-site sections of WTC pipelines | 0 | Heat energy, Gcal | 1,520 |
| 5 | Elimination of steam and mains water leaks through leaks in WTC shut-off and control valves | 0 | Heat energy, Gcal | 40 |
| 6 | Decommissioning of the power transformer for the standby generator | 0 | Electricity for own use, kW·h | 303,840 |
| 7 | Optimal operating mode for the power transformers at HPP-1 and HPP-2 | 0 | Electricity for own use, kWh | 18,000 |
| 8 | Replacement of lamps in LL luminaries with T8 iPower IP-OL18WT8-1200 LEDs (CHPP-1, CHPP-2 and AMC sites) | 2,600,000 | Electricity for own use, kWh | 21,561 |
| | **TOTAL** | **86,690,000** | | |

According to the results for 2025, 3,410 Gcal of thermal energy and 1,483,858 kWh of electricity were saved.

**Conservation of natural resources. Water**

| № | Name of measure | Actual investment for 2024 (including VAT), tenge | Actual savings achieved through the implementation of measures | |
|---|---|---|---|---|
| | | | Name of energy resource | in physical terms |
| 1 | Water reuse and water conservation at CHPP-1 | 0 | Water, m³ | 19,000 |
| 2 | Repair of the refractory lining and thermal insulation of steam boilers № 1–6 at CHPP-3 | 41,600,000 | Water, m³ | 487,500 |
| 3 | Repair of steam and feedwater leaks caused by leaks in the shut-off and control valves of the steam turbine unit | 0 | Water, m³ | 500 |
| | **TOTAL** | **41,600,000** | | **507,000** |

According to the results for 2025, 507,000 m³ of water was saved.

**Conservation of natural resources. Gas**

| № | Name of measure | Actual investment for 2024 (including VAT), tenge | Actual savings achieved through the implementation of measures | |
|---|---|---|---|---|
| | | | Name of energy resource | in physical terms |
| 1 | Replacement of VZP-4 tier cylinders. During the overhaul of the BKZ-160-100F boiler unit, unit №13, CHPP-1 | 66,390,000 | Natural gas, m³ | 394,730 |
| 2 | Replacement of the rear screen during the overhaul of the BKZ-160-100F boiler unit, Unit №11, CHPP-1 | 86,460,000 | Natural gas, m³ | 328,560 |
| 3 | Carrying out operational commissioning of CHPP-1 equipment | 0 | Natural gas, m³ | 591,760 |
| 4 | Installation of insulation on uninsulated sections of CHP3-2 – WTC pipelines | 0 | Natural gas, m³ | 800,000 |

| | | | | |
|---|---|---|---|---|
| 5 | Carrying out major overhauls of boiler units | 1,250,000,000 | Natural gas, $m^3$ | 435,000 |
| | **TOTAL** | **152,850,000** | | **2,550,050** |

According to the results for 2025, 2,550,050 $m^3$ of natural gas was saved.

**Conservation of natural resources. Coal and fuel oil.**

| № | Name of measure | Actual investment for 2024 (including VAT), tenge | Actual savings achieved through the implementation of measures | |
|---|---|---|---|---|
| | | | Name of energy resource | in physical terms |
| 1 | Repairs, including the manufacture and replacement of suspension cubes for the air preheater of boiler unit №2 at CHPP-2 | 210 070 202 | Coal, tons | 1,371.5 |
| 2 | Repairs involving the manufacture and replacement of the first-stage (upper tier) air preheater and the pre-heating air preheaters for boiler unit №5 at CHPP-2 | 231 115 608 | Coal, metric tons | 3,536.8 |
| 3 | Repair, including the manufacture and replacement of the first-stage air preheater (upper tier) of boiler unit №6 at CHPP-2 | 92,834,814 | Coal, metric tons | 1,007.1 |
| 4 | Repair, including the manufacture and replacement of the first-stage air preheater (lower tier) of boiler unit №7 at CHPP-2 | 89,029,754 | Coal, metric tons | 1,290.9 |
| 5 | Repair involving the replacement of tubes in the main bundle of the condenser of turbine unit №3 at CHPP-2 | 353,439,383 | Coal, tons | 3,214.8 |
| 6 | Repair involving the replacement of brass tubes in the horizontal network-type preheater (model -2300-3-8-1), Turbine Unit №5, CHPP-2 | 415 627 403 | Coal, metric tons | 1,333.5 |
| 7 | KA №5 Repair involving the replacement of the ShBM-5A gear-box at CHPP-3 | 9,400,000 | Fuel oil, metric tons | 21 |
| 8 | KA №6 Repair, including the manufacture and replacement of screen tubes for the circuits at CHPP-3 | 42,200,000 | Coal, metric tons | 410.3 |
| | **TOTAL coal** | **1,443,717,164** | | **12,164.8** |
| | **TOTAL fuel oil** | | | **21.0** |

According to the results for 2025, 12,164.8 tons of coal and 21 tons of fuel oil were saved.

Total expenditure on measures to conserve natural and energy resources in 2024 amounted to 1.8 billion tenge

### ➢ Management of biodiversity conservation activities

AlES JSC recognises the importance of conserving flora and fauna and has therefore undertaken to contribute to the preservation of biological balance, as well as to compensate for any potential damage to the environment. All projects for the reconstruction and modernisation of AlES JSC's production departments are planned with due regard to the need to prevent adverse impacts on the ecosystem, and during project implementation, the company minimises the risks of adverse impacts on natural sites. In 2025, no significant direct or indirect impact of the operations of AlES JSC's production departments on vulnerable ecosystems and biodiversity was observed, as CHPP-1, CHPP-2, CHPP-3, WTC and the 'Energoremont' Production and Repair Plant are located in urbanized areas within an industrial zone; furthermore, the operations of the Hydroelectric Power Plant Cascade and the Kapshagai Hydroelectric Power Plant do not have a significant impact on natural environments, as they produce using water which, once the process is complete, is returned to water bodies in compliance with regulatory standards.

To reduce the impact on biodiversity, measures were implemented in 2025 to landscape the site and the sanitary protection zones of the production departments.

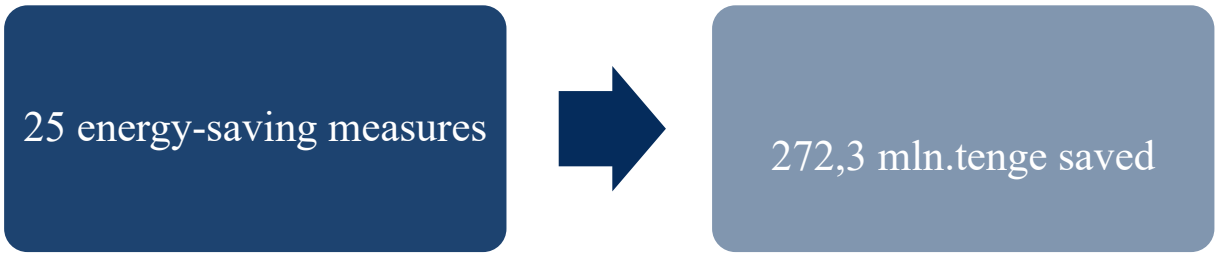
| Production Department | Quantity, pcs | Species/variety | Planting area |
|---|---|---|---|
| CHPP-1 | 5,400 | Compensatory planting: dwarf elm – 5,400 trees | Ash dump area |
| CHPP-2 | 5,400 | Compensatory planting: dwarf elm – 1,200 trees | Ash dump area |
| CHPP-3 | 1,590 | Compensatory planting: hornbeam – 1,480 trees, shrub (bladdernut) – 110 shrubs. | Industrial site and ash dump area |

To preserve biodiversity, AlES JSC carried out quarterly production and environmental monitoring in 2025 of emissions into the environment – emissions into the atmosphere, discharges into water bodies, volumes of waste accumulation and disposal, and the quality of environmental components – atmospheric air, surface and groundwater, and soil – within the territories and at the boundaries of the sanitary protection zones of production facilities.

**Cooperation with organizations on matters relating to the conservation of biodiversity.**

On 19 August 2025, AlES JSC entered into Contract №1138145/2025/1 with HALYK BALYK LLP for the provision of services relating to the stocking of water bodies with fish fry. On 23 September, in the presence of a representative of the Almaty Region Akimat, a representative of the Fisheries Production Centre, and a representative of the Qazaqbalyk Republican Association of Fisheries and Aquaculture, 3,500 carp fry, each weighing at least 20 grams, were released into the Kapshagai Reservoir.

# ENERGY SAVINGS AND IMPROVED ENERGY EFFICIENCY




In 2025, 25 energy-saving and energy efficiency measures were implemented, including additional measures. The actual financial benefit amounted to 272.3 million tenge, including VAT.

| Performance indicators for AlES JSC | 2023 | 2024 | 2025 |
|---|---|---|---|
| Energy intensity, at current prices, t.u.t./million tenge | 24.7 | 18.3 | 16.5 |
| Energy intensity in 2014 prices, t.u.t./million tenge | 43.9 | 41.8 | 42.8 |
| Gross volume of marketable output at 2014 prices, million tenge | 53,947.3 | 55,075.7 | 54,022.1 |
| Gross volume of marketable output at current prices, million tenge | 95,582.7 | 125,484.9 | 139,630.7 |
| Annual consumption of all types of fuel and energy resources, tons of coal equivalent | 2,368,663.8 | 2,305,937.6 | 2,314,068.7 |

The main factors influencing energy intensity are: a reduction in electricity generation by hydroelectric power stations due to lower inflows into the Ili River and the Great Almaty Lake; an increase in electricity generation at CHPP-2 and CHPP-3 to compensate for the reduction in electricity generation by hydroelectric power stations, with the aim of supplying consumers in the city of Almaty and the Almaty region.

Furthermore, with a view to saving energy, improving energy efficiency and optimising existing production processes, AlES JSC is carrying out rationalization activities in accordance with the ‘Rules for Handling Ideas and Proposals from Employees of Samruk-Energo JSC and its Subsidiaries’ (SE-PR-54/01). These rules establish a uniform methodological and organisational procedure for the submission, consideration and implementation of employees’ ideas and proposals, as well as a mechanism for rewarding authors with financial and other forms of remuneration.

The rules are aimed at fostering a culture of continuous improvement within the idea management process, establishing uniform approaches and principles for optimising existing operations, implementing new technical solutions, and addressing organisational and socio-economic challenges in order to make fuller use of the creative potential of the Company’s employees.

In 2025, 19 improvement proposals were submitted to AlES JSC, of which 15 were approved, and 8 proposals were implemented in 2025.

# HUMAN RESOURCES POLICY

By a resolution of the Sole Shareholder dated 28 July 2023, the HR Policy of Samruk-Energo JSC for 2023–2031 was approved, aimed at meeting current and future needs for qualified personnel, developing human capital, improving the effectiveness of human resources management, strengthening the employer brand and creating conditions for the professional and career development of employees.

As part of the implementation of its HR policy, AlES JSC is carrying out a range of measures to retain internal talent and attract highly qualified staff, including the development of a talent pool and succession planning programs, continuous staff training, salary indexation, and the provision of social benefits and financial support to employees.

## Key HR performance indicators

| Indicator | 2023 | 2024 | 2025 |
|---|---|---|---|
| Average number of employees, persons | 3,011 | 2,971 | 3,013 |
| Wage bill, thousand tenge | 17,449,287 | 20,380,946 | 24,112,120 |
| Average monthly wage, tenge | 480,646 | 567,123 | 666,891 |
| Proportion of employees who have undergone training, % | 103.0 | 103.6 | 100.0 |
| Training costs per employee, thousand tenge | 35.3 | 44.5 | 80.0 |
| Staff development expenditure as a percentage of the total wage bill | 0.63 | 0.67 | 1.04 |

## Quantitative targets and results in the area of human capital development

Human capital development is one of the key factors in the sustainable development of AlES JSC. During the reporting year, the Company continued to implement measures aimed at improving the professional skills of its employees, ensuring safe working conditions, developing human resource potential and strengthening social stability within the workforce.

Quantitative targets for human capital development are integrated into the corporate governance and performance management systems, and are taken into account in the implementation of training, health and safety, social support and staff development programs. By the end of 2025, the Company had ensured the implementation of measures, as set out at, aimed at retaining a skilled workforce, enhancing staff competencies and fostering a culture of safety.

| Area | Quantitative indicator | Result for 2025 |
|---|---|---|

| Area | Quantitative indicator | Result for 2025 |
|---|---|---|
| Staff skills development | Number of employees who have undergone compliance training | 2,423 people |
| Workplace safety | Implementation of measures to achieve zero injuries | Measures fully implemented |
| Social support for employees | Employees who received financial assistance for their annual paid leave | 2,904 people |
| Support for employees' families | Employees' children who received compensation for the cost of school supplies | 622 children |
| Organisation of children's holidays | Children and grandchildren of employees who received compensation for the cost of trips to the 'Edelweiss' camp | 295 people |
| Support for employees' housing conditions | Employees provided with accommodation under the housing program | 38 people |
| Support for the Company's veterans | Pensioners who received one-off payments on public holidays | 1,733 people |

In 2025, AlES JSC continued its systematic work on human capital development, paying particular attention to staff upskilling, fostering a safety culture, providing social support for staff and strengthening human resource capacity. The measures implemented help to increase staff engagement, strengthen social stability within the workforce and ensure the Company's sustainable development.

## STAFF DEVELOPMENT AND SKILLS ENHANCEMENT

The specific nature of the electricity sector requires continuous training and retraining of staff to ensure the safe, reliable and efficient operation of energy facilities. Staff development is one of the key principles of the Company's HR policy at and an important tool for retaining skilled employees.

Training is coordinated by the Staff Training Department, which provides vocational training, retraining, professional development for employees and compulsory training for staff at hazardous production facilities.



An important element of the succession program is the involvement of industry veterans and former Company employees as trainers and mentors. The transfer of professional experience helps to preserve unique operational expertise and accelerates the adaptation of young specialists.

Vocational training for staff

| Category of employees | 2023, people | 2023, million tenge | 2024, people | 2024, million tenge | 2025, people | 2025, million tenge |
|---|---|---|---|---|---|---|
| Workers | 2,379 | 24.1 | 2,458 | 44.8 | 2,032 | 82.7 |
| Engineers and technical staff | 716 | 82.8 | 620 | 90.2 | 1,070 | 164.8 |
| Employees studying at universities and colleges | 15 | 2.5 | 8 | 1.9 | 12 | 4.7 |
| **Total** | **3,095** | **109.4** | **3,078** | **136.9** | **3,114** | **252.2** |

In 2025, staff training was focused on developing professional, managerial and sector-specific skills.



**Key training areas in 2025**

| Specialised training | Vocational training |
|---|---|

| Specialised training | Vocational training |
|---|---|
| Training of staff to operate the combined cycle gas turbine (Omnivise T3000) | Health and safety |
| IOSH and NEBOSH international certificates | Industrial safety |
| Certification of non-destructive testing technicians | Training for gas cutters and welders |
| Improving the safety culture | Safe driving training for drivers |
| Artificial Intelligence | Transport of dangerous goods |
| Project management in accordance with IPMA standards | First aid |
| Environmental Code of the Republic of Kazakhstan | Working at Height |
| MBA Program | Training for operational staff in key occupational specialisms |
| ESG and the circular economy | On-the-job technical and operational training |

# DEVELOPMENT OF YOUNG PROFESSIONALS AND COOPERATION WITH EDUCATIONAL INSTITUTIONS

One of the ways in which we attract future specialists is through collaboration with universities, colleges and schools.

## Results of youth engagement in 2025

| Indicator | Value |
|---|---|
| Students who have completed work placements | 270 |
| AUE students who have completed dual-track training | 5 |
| Students sent on a placement to the University of Genoa (Italy) | 4 |
| Participants in industrial visits | 274 |





Students from Almaty University of Energy and Communications, ALT University, KBTU, Al-Farabi Kazakh National University, K.I. Satpayev Kazakh National Technical University, Almaty College of Energy and Electronic Technologies and other educational institutions undertook work placements and internships at the Company's divisions.

Throughout the year, factory tours were also organised for students, lecturers and school pupils, whilst employees' children took part in the 'Open Doors' program at CHPP-2 and CHPP-3.





## CAREER DEVELOPMENT, TALENT POOL AND SUCCESSION PLANNING

With a view to retaining internal talent and ensuring succession for key positions, the Company operates a talent pool formed on the principles of objectivity, equal opportunities, transparency and fairness.

On 26 December 2025, the traditional online meeting took place between members of AlES JSC's talent pool and members of the Board of Directors. This format of interaction, which has been in place since 2014, fosters open dialogue between management and high-potential employees, the exchange of experience and discussion of the Company's strategic objectives. During the meeting, the importance of a systematic approach to staff training and development, retaining internal talent, attracting highly qualified specialists and developing the talent pool to ensure a reliable and uninterrupted supply of heat and electricity to consumers was highlighted. It was emphasised that the implementation of large-scale modernisation projects requires employees to demonstrate a high level of professionalism, initiative and commitment to the principles of sustainable development.

By the end of 2025, the talent pool comprised 247 employees, of whom 14 were appointed to senior positions. A further 97 employees from the talent pool undertook additional training as part of development programs.

## Development of the talent pool in 2025

| Indicator | Value |
|---|---|
| Talent pool members | 247 |
| Promoted to higher-level posts | 14 |
| Have undergone training | 97 |



## Key areas of training for the talent pool

| Management competencies | Professional competencies |
|---|---|
| Conflict management | Education at universities and colleges |
| Emotional intelligence in leadership and team management | IPMA Project Management |
| AlES JSC Youth Forum – Leadership | Training for members of the conciliation committee |

| Management competencies | Professional competencies |
|---|---|
| Presentation Skills Development | Gender Equality and Women's Leadership |
| | Artificial Intelligence |
| | Improving the culture of occupational safety |

# REMUNERATION AND STAFF MOTIVATION

One of the key tools for staff retention is a competitive remuneration system.

The Company uses two main forms of remuneration: piecework and time-based pay.

Piecework pay is used for staff in the 'Energoremont' PRP department, who are directly responsible for the repair and maintenance of main and auxiliary power equipment – approximately 770 people.

The time-based system is used to pay all other categories of the Company's staff – approximately 2,200 people.

In accordance with the Regulations on Remuneration and the Collective Agreement, pay scales and basic salaries are indexed annually.

In 2025, employees' wages were indexed:

- from 1 January – by 6.5%;
- from 1 June – by a further 7 per cent.

The total indexation amounted to **13.96** per cent.

The minimum pay rate for a Grade 2 worker was **160,900 tenge**, which is **89.2% higher** than the national minimum wage (85,000 tenge).

## Average monthly wage

| Indicator | 2023 | 2024 | 2025 |
|---|---|---|---|
| **Average monthly wage – total, including** | **480,646** | **567,123** | **660,392** |
| women | 454 149 | 534,281 | 625,145 |
| men | 486,450 | 574,123 | 667,916 |
| Gender pay gap | 6.6% | 6.9% | 6.4% |

| | | | |
|---|---|---|---|
| **Total administrative staff, including:** | **730,928** | **894,931** | **1,038,347** |
| women | 626,262 | 708,871 | 902,331 |
| men | 955,847 | 1,267,052 | 1,285,894 |
| Gender pay gap | 34.4% | 44% | 29.8% |
| **Total production staff, including:** | **467,708** | **550,790** | **641,837** |
| women | 414,641 | 495,936 | 567,687 |
| men | 477,345 | 560,564 | 655,216 |
| Gender pay gap | 13.1% | 11.5% | 13.4 |

## SOCIAL SUPPORT AND BENEFITS

AlES JSC provides its employees with a wide range of social guarantees and support measures in accordance with the Collective Agreement. The Company's social policy is aimed at improving the well-being of employees and their families, strengthening the social security of staff, and supporting employees at various stages of their working lives, including after retirement.

### Main types of social support

Financial assistance on the birth of a child

Payments to mark employees' service anniversaries

Lump-sum health allowance upon the granting of annual leave

Financial assistance following the death of an employee or close relatives

Assistance in the event of emergencies and force majeure

Additional leave for working in hazardous conditions

Additional leave due to disability

Compensation payments upon retirement

Social support for retired former employees

Corporate programs for health, leisure and support for employees' families

## STAFF TURNOVER

As part of its disclosure of human capital management indicators, the Company monitors staff turnover by reason for leaving.

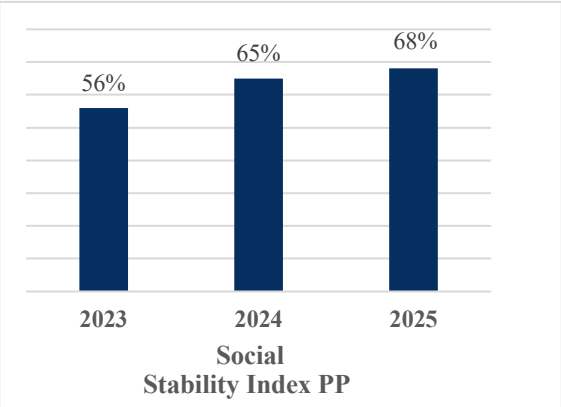
Staff turnover by reason

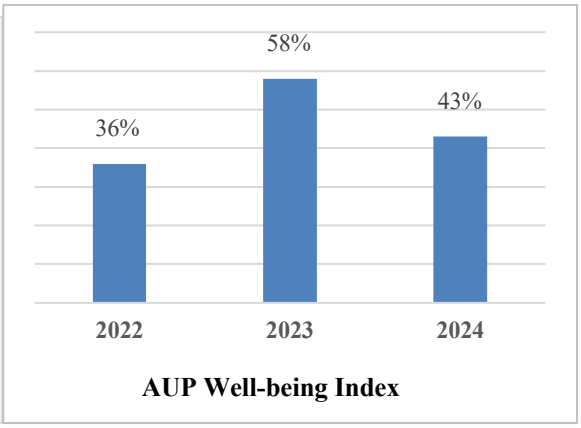
| Indicator | 2023 | 2024 | 2025 |
|---|---|---|---|
| Number of employees made redundant | 347 | 384 | 403 |
| At the employee's own request | 341 | 373 | 399 |
| By mutual agreement | 0* | 0* | 0* |
| Through the employee's fault | 6 | 11 | 4 |
| Staff turnover, % | 11.0 | 12.5 | 13.0 |

* This information is not available in the records and may be disclosed at a later date if statistics become available.

The majority of resignations in 2025 (99%) were voluntary. The proportion of redundancies due to employee fault was less than 1%. To reduce staff turnover, the Company continues to implement measures to develop its talent pool, train staff, improve the incentive scheme, index salaries, expand social benefits and strengthen its employer brand.

## STAFF ENGAGEMENT INDICES




The Centre for Social Interaction and Communications at Samruk-Kazyna JSC has presented the results of a study to determine the Social Stability Index and the Well-being Index for AlES JSC for 2025. A total of 398 people took part in the Social Stability Index survey for production staff.

The total number of staff who took part in the survey was 445. Dina will clarify

Based on the survey results:

| | Social Stability Index for production staff | Well-being Index for administrative and management staff |
|---|---|---|
| 2025 | 68% | **45%** |
| 2024 | 65% | 43% |

| | | |
|---|---|---|
| 2023 | 56% | 58% |

Based on the results of the study, an Action Plan has been drawn up to improve the social stability and well-being of AlES JSC staff by 2026.

The Plan sets out measures in the following key areas of activity: 'Remuneration and Motivation', 'Staff Training and Development', and 'Health, Safety and Occupational Health'.

## PROGRAMS TO PROMOTE CONTINUED EMPLOYMENT AND MANAGE CAREER TRANSITIONS

AlES JSC implements measures to support employees at various stages of their working lives, including professional development, support for career transitions and support for employees of retirement age.

As part of the 'Modernisation of Almaty CHPP-2 with Minimised Environmental Impact' project, staff are undergoing retraining and upskilling to accommodate the introduction of new technologies and changes to production processes.

The Company operates mentoring programs aimed at passing on professional experience to young specialists and ensuring the continuity of skills.

For employees deciding to leave the workforce, consultations and interviews are conducted to identify the reasons for leaving, explore alternative solutions and facilitate further employment, including through the corporate platform 'QSamruk' and the Samruk-Energo JSC group of companies.

In accordance with the Collective Agreement, employees are paid a lump-sum compensation equivalent to three months' salary (comprising both fixed and variable components) upon retirement.

The company also continues to engage with former employees of retirement age, involving them in mentoring and staff training to pass on professional experience and preserve corporate expertise.

Financial support measures are in place for former employees who have retired from the company, including assistance in cases of financial hardship, medical treatment and other socially significant circumstances.

## MEASURES AND INITIATIVES TO PROMOTE DIVERSITY IN THE WORKFORCE AND AN INCLUSIVE WORKING ENVIRONMENT

AlES JSC adheres to the principles of equal opportunities, non-discrimination and respect for diversity in the recruitment, training, development and promotion of employees. Staff recruitment is based on professional competencies, qualifications and work experience, regardless of gender, age, nationality, health status or other circumstances not related to the candidates' professional qualities.

To ensure workforce diversity, the Company advertises vacancies on public platforms, including the QSamruk platform, attracts young professionals through partnerships with universities

and colleges, and organizes work placements, internships and mentoring programs to help new employees settle in.

As at 31 December 2025, the gender breakdown of the workforce was as follows:

| Category | Number | Proportion, % |
|---|---|---|
| Men | 2,529 | 81 |
| Women | 592 | 19 |
| **Total** | **3,121** | **100** |

The company supports equal opportunities for the professional and career development of its employees. Women accounted for 22% of senior management.

| Management | Men | Women |
|---|---|---|
| Proportion, % | 78 | 22 |

The age structure of the workforce reflects a balanced mix of employees from different generations and helps to ensure the continuity of professional experience.

| Age group | Number of employees | Proportion, % |
|---|---|---|
| Up to 30 years | 476 | 15 |
| 30 to 50 years | 1,646 | 53 |
| Over 50 | 999 | 32 |
| **Total** | **3,121** | **100** |

AlES JSC also focuses on developing an inclusive working environment and ensuring equal access to employment. During the reporting year, the Company continued its practice of employing people with disabilities and creating conditions conducive to their professional development.

| Indicator | Value |
|---|---|
| Number of employees with disabilities recruited during the reporting year | 8 people |
| Number of employees with disabilities at the end of the year | 34 |
| Proportion of employees with disabilities in the total workforce | 1.08% |

All employees are provided with equal opportunities for training, skills development, participation in the talent pool and professional development, regardless of gender, age or other individual characteristics.

# RESULTS OF SOCIAL INITIATIVES IN 2025

In 2025, AlES JSC continued to implement social initiatives aimed at supporting employees and their families, developing corporate culture, charity, volunteering and engagement with local communities. The programs being implemented help to strengthen social protection for staff, foster corporate values and improve employees' quality of life.

## Support for employees, pensioners and their families

During the reporting year, the Company provided a wide range of social guarantees and support measures:

| Program name | Result |
|---|---|
| One-off payments to pensioners on public holidays | 1,239 pensioners |
| Financial assistance to pensioners in difficult life circumstances | 40 cases |
| Financial assistance for funeral services | 37 cases |
| Financial assistance for annual paid leave | 2,904 employees |
| Retirement compensation payments | 59 employees |
| Reimbursement for the cost of school supplies | 622 children |
| Reimbursement of the cost of trips to the 'Edelweiss' camp | 295 children and grandchildren of employees |
| Free hot meals | around 2,900 employees |
| Housing program | 38 employees were allocated flats |
| Severance payments in cases provided for by labor legislation and the Collective Agreement | were made in accordance with current regulations |
| Other compensation payments and financial assistance to employees | were provided in accordance with the Collective Agreement |

A key event in 2025 was the signing of a new Collective Agreement for 2025–2028, which provides for the expansion of social guarantees, an increase in certain types of financial assistance, additional support measures for families with children and children with disabilities, as well as further improvements to the occupational health and safety system.



Among the most significant social initiatives of the reporting year, the introduction of a free hot meals program and the implementation of a housing program for the Company's employees are particularly noteworthy. Around 2,900 employees in the production divisions of AlES JSC were provided with free hot meals, which was one of the largest social support measures for staff, aimed at improving working conditions, promoting employees' health and enhancing their well-being.



The housing program also made a significant contribution to enhancing social stability and the quality of life for employees, with 38 AlES JSC employees receiving flats under the scheme. The Company's total investment in the purchase of housing amounted to approximately 1 billion tenge. The implementation of these projects confirms AlES JSC's commitment to the principles of social responsibility and to creating favorable conditions for employees and their families.








## Charity and Volunteering

The youth organisation ‘Zharkyn Bolashak’ has made a significant contribution to the implementation of social initiatives.

The following projects were carried out during the year:

| Charity initiatives | Result |
|---|---|
| Support for children of employees with special needs | 44 children |
| Charity campaign to mark Children’s Day | 107 children from large families |
| Fundraising campaign in support of a child with leukaemia | over 100 employees |
| Support for children in a children’s home | 15 children |
| Support for utility workers | 30 people |
| Celebrating the company’s veterans | 9 veterans |
| New Year’s charity campaign | 125 children |

In the run-up to New Year, the Company's employees organised a charity fundraiser for the children at the 'Zhiger' Centre and the Early Childhood Rehabilitation Centre. The campaign raised 1.12 million tenge, and 125 children received New Year's presents.



As part of the 'Talimger' project, an orphan was employed in the production department of CHPP-2.

## Child and Youth Development

AlES JSC places particular emphasis on supporting employees' children and promoting engineering careers among young people.

In 2025, tours of production facilities, open days and educational events were organised for schoolchildren and students. As part of the 'School Ambassadors' project, training sessions on first aid, career guidance meetings and interactive activities were organised at the 'Edelweiss' children's camp.

At the end of the year:

- 295 children and grandchildren of employees enjoyed a holiday at the 'Edelweiss' camp;
- 171 children took part in a children's drawing competition;
- open days and factory tours were held for schoolchildren and students;
- 9 students were awarded educational grants by AlES JSC.

## Corporate culture and employee engagement

In 2025, the Company continued to develop a corporate culture based on the principles of respect, mutual support and teamwork.

The AlES JSC Women's Club, comprising around 480 female employees, organised events focusing on financial literacy, leadership skills development, gender equality and personal growth. Representatives of the Company took part in the 7th Forum of the KAZENERGY Women's Energy Club and the Forum for Women in Blue-Collar Professions organised by the Samruk-Energo JSC Group of Companies.





The key corporate initiatives of the year were:

- the 'Women for Women' project;
- the corporate Nauryz celebration;
- the Samruk-Energo JSC Group's corporate KVN festival;
- the children's drawing competition;
- the 'Energy of a Step' corporate challenge.







## Sport and a healthy lifestyle

AlES JSC actively supports the development of sporting culture and a healthy lifestyle.

During the reporting year:

- the 10th anniversary AlES JSC Spartakiad was held, bringing together more than 200 employees;
- the Company's athletes won 201 medals and 57 certificates;

- the AlES JSC team came second in the overall team standings at the Samruk-Energo JSC Group of Companies Spartakiad;
- employees took part in the Almaty Half Marathon, the Almaty Marathon and the Samruk Charity Marathon;
- A sports festival was held to mark the 90th anniversary of the B. Orazbaev Thermal Power Station №1.







## Engagement with local communities

AlES JSC continued to implement initiatives aimed at engaging with local communities and developing partnerships with civil society organisations.

In 2025, the Company:

- held a series of open meetings with residents and the public on the implementation of investment projects;
- provided information support to around 500 non-profit organisations in Almaty and the Almaty region regarding participation in social programs run by the ‘Samruk-Kazyna Trust’ Corporate Foundation;
- facilitated the development of educational and social projects in the regions where it operates.

These initiatives help to strengthen stakeholder trust and foster sustainable relationships with local communities.

## EXPENDITURE ON COMMUNITY NEEDS IN THE FORM OF EMPLOYEES' WORKING HOURS

| Category | Activity | Scope | Working hours, person-hours |
|---|---|---|---|
| **Volunteering** | Support for children of employees with special needs | 44 children | 120 |
| | Charity campaign to mark Children's Day | 107 children from large families | 160 |
| | Support for children in care homes | 15 children | 160 |
| | Support for pensioners – former employees | 30 people | 160 |
| | Congratulating the company's veterans | 9 veterans | 20 |
| | New Year's charity campaign | 125 children | 160 |
| | Blood donation drive in support of a child with leukaemia | Employees of AlES JSC | 200 |
| **Total for volunteering** | | | **980** |
| **Educational projects** | Factory tours for students and representatives of other organisations | 274 people | 1,680 |
| **Total for educational projects** | | | **1,680** |
| **Environmental initiatives** | Landscaping and tree planting | Employees of AlES JSC | 800 |
| | 'Tazartu Kuni' (community clean-up days) | Employees of AlES JSC | 400 |
| **Total for environmental initiatives** | | | **1,200** |
| **Total** | | | **3,860** |

**In** 2025, the total number of working hours contributed by AlES JSC employees towards socially significant initiatives amounted to **3,860 man-hours**. The main contribution came from educational projects (**1,680 man-hours**), environmental initiatives (**1,200 man-hours**) and voluntary work (**980 man-hours**).

During the reporting year, the Company's employees took part in charitable and fundraising campaigns, provided support for children, pensioners and veterans, organised factory tours for students, and participated in environmental initiatives aimed at greening local areas and improving the local environment.

# OCCUPATIONAL HEALTH AND SAFETY

Employee safety is one of AlES JSC's key priorities and an integral part of the Company's sustainable development framework. Activities in the field of health and safety are aimed at preventing workplace injuries, occupational diseases and accidents, fostering a safety culture, reducing workplace risks and ensuring safe working conditions for employees and contractors. To achieve these objectives, the Company implements a range of organisational, technical and preventative measures based on a risk-based approach and the principle of zero injuries.

In 2025, AlES JSC ensured the stable operation of its occupational health and safety management system. During the reporting period, no workplace accidents or cases of occupational diseases were recorded at the Company. The rates for workplace injuries, occupational diseases and lost days were all 0, confirming the effectiveness of the measures implemented to ensure occupational safety.

## LEVELS OF WORK-RELATED INJURIES AND OCCUPATIONAL ILLNESSES

| Indicators | 2023 | 2024 | 2025 |
|---|---|---|---|
| Total number of hours worked | 5,198.6 thousand hours | 5,226.2 thousand hours | 5,269.2 thousand hours |
| Total number of injuries | 1 | 2 | 0 |
| Occupational injury rate (OIR) | 0.1924 | 0.382 | 0 |
| Total number of cases of occupational diseases | 0 | 0 | 0 |
| Occupational disease rate (ODR) | 0 | 0 | 0 |
| Total number of days lost | 64 | 93 | 0 |
| Loss-day ratio (LDR) | 0.101 | 0.146 | 0 |
| Total number of days lost | 34,963 | 26,977 | 36,732 |
| Total number of days worked | 634,508 | 635,166 | 637,278 |
| Absenteeism rate (AR) | 0.055 | 0.042 | 0 |
| Number of fatal accidents | 0 | 1 | 0 |

*Note: Further information is available on the Company's corporate website:* www.ales.kz*, under the section 'Sustainable Development – Health and Safety'.*

## MEASURES TAKEN TO PREVENT ACCIDENTS IN THE WORKPLACE

The Company takes all necessary measures to prevent any risks in the workplace and in production processes by implementing preventative measures and replacing production equipment and processes with safer alternatives. It provides training and instruction to employees on health and safety, creates the necessary sanitary and hygienic conditions for employees, ensures the provision and laundering of special clothing, special footwear, and supplies preventive treatment products, cleaning and disinfectant products, a first-aid kit and special milk.

Staff are fully provided with personal and collective protective equipment. Workstations are equipped with electrical safety devices.

In the production departments and at Head Office, compulsory medical examinations have been carried out for staff who are systematically exposed to harmful, hazardous and adverse working conditions.

In accordance with the Law of the Republic of Kazakhstan 'On Compulsory Insurance of an Employer's Civil Liability for Harm Caused to the Life and Health of an Employee whilst Performing their Labour (Official) Duties', all 3,146 members of staff whose lives and health may be at risk are insured. Of these, 2,996 are production staff and 150 are the Company's administrative and management staff. The sum insured amounts to 17,653,264,704.00 tenge.




Following the results of workplace assessments, 1,978 employees from departments working in adverse working conditions receive milk. The cost of providing milk amounted to 102,121,880.58 tenge.




In 2025, with a view to automating and improving the process of pre-shift and post-shift medical examinations for the production departments of the B. Orazbayev CHPP-1, A. Zhakutov CHPP-2 and the Western Thermal Complex (WTC), three medical hardware and software systems were purchased for the organisation and conduct of pre-shift and post-shift medical examinations, at a cost of 38,610,000.00 tenge.

***Note: Further details are available on the Company's corporate website: www.ales.kz, under the section 'Sustainable Development – Health and Safety'.***

## ‘SAFE PRODUCTION’ INFORMATION SYSTEM

Project SKE.01.01.P ‘Implementation of a New Comprehensive Safety Management Model’ has been underway since 2021. It aims to change employees’ awareness and mindset, ensure compliance with workplace safety rules, enable the timely reporting of breaches to management, and apply a risk-based approach to occupational health and safety management. The main objectives of the project are to enhance the safety culture, increase staff engagement in occupational health and safety matters, reduce the incidence of injuries, and improve the assessment of the effectiveness of the occupational health and safety management system.

In 2025, the staff training department at AlES JSC conducted training to enhance the safety culture through the course ‘Fundamentals and the Role of Safety Culture in Reducing Injuries’. A total of 2,405 employees completed the training.

Furthermore, since 2021, the SKE.01.02.P ‘Safe Production’ program has been implemented, aimed at automating safety processes at production sites, reducing injuries and improving the speed of response to incidents.

Throughout the year, awareness-raising activities were carried out among employees on the use of the ‘Safe Production’ information system, including the recording of incidents and defects in the BPMS system, as well as the monitoring of training and the conduct of leadership behavioral safety audits (LBSAs). A total of 3,522 LPABs were carried out across the departments of AlES JSC; these were based on observing employees’ actions whilst performing their work tasks, followed by a discussion with the auditor. Based on the audit findings, 303 corrective measures were developed and have been fully implemented.

## SAFETY MANAGEMENT OF CONTRACTORS

AlES JSC has implemented a safety management system for contractors, governed by the Regulations on the Organization of Contractors’ Work. The main objectives of the system are to prevent workplace injuries, reduce the risks of accidents and incidents, ensure safe working conditions, and ensure compliance with uniform requirements in the field of occupational health and safety, industrial safety and fire safety by all organizations carrying out work at the Company’s sites.

Before being granted access to carry out work, contractors undergo an assessment and are required to confirm that they have qualified personnel, designated safety officers, as well as the necessary certificates, accreditations, authorizations and other permits stipulated by the legislation of the Republic of Kazakhstan in the field of safety and occupational health. Qualification requirements have been established for employees of contractors regarding training, knowledge assessments, medical examinations and the possession of the required certifications for the relevant types of work.

All employees of contractors and subcontractors undergo compulsory induction training on health and safety before commencing work, during which they are familiarized with the Company’s requirements regarding industrial safety, potential risks, and rules of conduct at production sites, procedures for dealing with emergencies and the use of personal protective equipment. Completion of the briefing is documented in accordance with established procedures.

Compliance with safety requirements is monitored through regular inspections, audits and the monitoring of contractors’ activities. Depending on the nature of the work carried out, contractors are classified according to risk a level, which enables a risk-based approach to be applied to the organization of monitoring. Based on the results of these inspections, the implementation of corrective measures is monitored and the performance of contractors in the field of health and safety is assessed.

## AIMS AND OBJECTIVES IN THE FIELD OF CONTRACTOR SAFETY MANAGEMENT

**Objectives:**

- to ensure safe working conditions for employees of contractors and subcontractors at AlES JSC sites;
- to prevent occupational injuries, accidents, incidents and other occurrences during the performance of contract works;
- to ensure compliance with the requirements of the legislation of the Republic of Kazakhstan and the internal regulatory documents of AlES JSC in the field of health and safety;
- to foster a safety culture and establish uniform standards of safe behaviour for the Company's employees and those of contracting organisations.

**Objectives:**

- to allow only qualified personnel who hold the necessary certificates, attestations, authorisations and certifications in the field of health and safety to carry out work;
- to conduct mandatory induction training on health and safety for employees of contractors and subcontractors prior to the commencement of work;
- to apply a risk-based approach when assessing and authorising contractors to carry out work;
- carrying out inspections, audits and monitoring of contractors' compliance with occupational safety requirements;
- monitoring the implementation of corrective measures based on the results of inspections and audits;

## COMPLIANCE BY SUPPLIERS AND CONTRACTORS WITH SOCIAL AND ENVIRONMENTAL STANDARDS, AS WELL AS LEGAL REQUIREMENTS.

In 2025, as part of measures to monitor compliance by suppliers and contractors with social and environmental standards, as well as legal requirements, a survey of business partners was conducted. The aim of the survey is to assess the level of compliance by business partners with standards relating to environmental protection, labour legislation, occupational health and safety, and social responsibility.

The questionnaires are available on the Company's corporate website in the 'Procurement' section.

The results of the survey have been analysed and will be taken into account in future dealings with suppliers and contractors.

# INFORMATION SECURITY

AlES JSC places particular emphasis on ensuring information security as one of the key elements of the sustainable and reliable operation of production and business processes. Activities in this area are carried out in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Company's internal regulatory documents, and the Corporate Information Security Standard of Samruk-Kazyna JSC.

The information security management system is designed to ensure the confidentiality, integrity and availability of information, to protect information assets and technological infrastructure from internal and external threats, and to raise staff awareness of cybersecurity issues.

During the reporting period, particular attention was paid to developing a culture of information security and enhancing employees' knowledge. Pursuant to Order №164-P of the Chairman of the Management Board of AlES JSC dated 10 July 2025, annual testing of staff at the Head Office and all operational departments was conducted between 21 July and 22 September 2025 to assess their knowledge and understanding of information security requirements. The testing enabled the Company to assess staff awareness levels, increase employees' accountability for complying with information security requirements, and strengthen a culture of secure handling of the Company's information resources.

AlES JSC continues to improve its information security system, paying particular attention to risk management, the protection of information systems and enhancing staff digital literacy in order to ensure the reliability and sustainability of the Company's operations.

# ANTI-CORRUPTION

AlES JSC carries out activities to prevent and combat corruption in accordance with the legislation of the Republic of Kazakhstan and the internal regulatory documents of the Samruk-Energo JSC Group.

In accordance with the Law of the Republic of Kazakhstan 'On Combating Corruption', the position of Compliance Officer, reporting to the Company's Board of Directors, was introduced at AlES JSC in 2021.

The Compliance Officer's activities are aimed at establishing and developing an effective compliance system, preventing instances of corruption, identifying and assessing compliance risks, and monitoring the implementation of anti-corruption measures.

To ensure effective compliance oversight within the Company, the following have been introduced and are applied: the Corporate Standard on the Compliance Function of the Samruk-Kazyna JSC Group, the Samruk-Energo JSC Voluntary Disclosure Policy, the Anti-Corruption Policy of Samruk-Energo JSC, and the Policy on the Resolution of Corporate Conflicts and Conflicts of Interest of Samruk-Energo JSC. No significant compliance risks were identified during the reporting period.

At AlES JSC, in accordance with Samruk-Energo JSC's Compliance Training Program, employees undergo regular training and testing on anti-corruption issues, as well as familiarization with the Company's Anti-Corruption Policy. In 2025, 2,352 employees underwent compliance training. These measures are designed to enhance the compliance culture, ensure compliance with anti-corruption legislation and foster a zero-tolerance approach to corruption.

In 2025, 2,712 counterparties (100 per cent of counterparties with whom contracts were concluded during the reporting period) confirmed their familiarity with Samruk-Energo JSC's Anti-Corruption Policy by signing contracts containing the relevant obligations.

A single hotline operates within the Company to raise staff awareness of the mechanisms for confidentially reporting potential breaches. Employees may report suspected breaches of legislation or the Code of Conduct, instances of corruption or conflicts of interest, as well as cases of unauthorized disclosure of confidential and insider information. The Hotline's contact details are available on the corporate website of AlES JSC, as well as on notice boards at the Company's Head Office and production departments.

In 2025, the Compliance Department received one report via the Hotline, which was reviewed within the prescribed timeframe; the alleged breach was not confirmed.

The Compliance Officer submits quarterly and annual reports to the Board of Directors of AlES JSC on the results of their work and the status of the compliance system within the Company.

## Political activities and contributions

The Company interacts with state-affiliated entities in accordance with the requirements of applicable legislation. The Company does not finance or support in any other way political parties or non-profit organizations engaged in political activities. Furthermore, it does not permit sponsorship, charitable or lobbying activities carried out with the direct or indirect aim of obtaining unlawful benefits in return for such assistance.

- The Company's principles in this area are as follows:
- It is prohibited to use the Company's accounts for political contributions;

- It is prohibited to use the Company's resources (including email) to engage in political activities;
- It is prohibited to make charitable donations in exchange for contributions to political causes;
- It is prohibited to allow the use of the Company's funds or assets, whether through industry organisations or by other means, to make contributions to political parties.

According to the results for 2025, the Company has not recorded any instances of sponsoring events or celebrations held solely for the purposes of political propaganda, nor has there been any direct or indirect pressure exerted on political parties.

## OMBUDSMAN. CONFLICT MANAGEMENT

AlES JSC operates an Ombudsman scheme, which ensures compliance with the principles of business ethics and corporate values, and helps to prevent and resolve labour and corporate disputes. The Ombudsman's activities are aimed at strengthening a culture of open dialogue, ensuring the fair consideration of employees' complaints and supporting a positive social and psychological climate within the workforce.

In 2025, the Ombudsman received 15 formal complaints from the Company's employees. All complaints were considered in accordance with established procedures; appropriate measures were taken in each case and the necessary explanations were provided.

No cases of discrimination were recorded during the reporting period.

One of the key tools for fostering an ethical corporate culture is the Code of Conduct of AlES JSC, approved by a resolution of the Board of Directors on 19 March 2024 (Minutes №20/24). The Code establishes uniform standards of professional conduct, as well as principles of good faith, mutual respect, non-discrimination and the avoidance of conflicts of interest. To raise awareness amongst employees, a guide to the Code of Conduct is distributed in the official language and Russian across all the Company's organizational units.

During the reporting period, the Ombudsman organized a test for employees, including senior management, to assess their knowledge and understanding of the main provisions of the Code of Conduct. The testing was conducted electronically in Kazakh and Russian across all production departments and at the Company's Head Office. The test results were recorded in the relevant reports and are being used to further improve efforts to develop corporate culture and enhance employees' ethical competence.

Throughout the year, compliance with the requirements of the Code of Conduct was also monitored across the Company's organisational units; on-site meetings were held with employees in production departments; and feedback channels were maintained, alongside the option to submit complaints directly to the Ombudsman.

Information on the Ombudsman's activities, the procedure for submitting complaints and the available communication channels is published on the Company's official website and is accessible to all employees.

In order to promote the principles of business ethics and responsible business conduct, AlES JSC ensures that potential suppliers and contractors are informed of the requirements of the Code of Conduct. The current version of the Code is published on the corporate website and is available to all interested parties.

Furthermore, standard contract templates include provisions requiring counterparties to comply with the requirements of AlES JSC's Code of Conduct. By signing a contract, suppliers and contractors confirm that they have read and understood the Code of Conduct, Samruk-Energo JSC's Anti-Corruption Policy and other internal regulatory documents of the Company. In 2025, the relevant terms were included in 2,712 contracts concluded, ensuring that 2,712 counterparties were informed of and familiarised with the requirements of the Code of Conduct.

# STAKEHOLDER FEEDBACK MECHANISM

AlES JSC operates the following feedback channels for employees and stakeholders, guaranteeing protection against retaliation and persecution for anyone who submits a report in good faith:

| | |
|---|---|
| 24/7 hotline | https://www.ales.kz/home/hotline/<br>**Telephone:** 8 800 080 47 47<br>**WhatsApp number:** 8 771 191 88 16<br>**Web portal:** www.sk-hotline.kz<br>**Email:** mail@sk-hotline.kz |
| Ombudsman | **Email:**77_15_01_T02@ales.kz<br>**Telephone:** +7 (727) 227-70-38, +7-707 787 48 36 |
| Compliance Officer | **Telephone**: +7 (727) 254-04-60<br>**Email :** 77_01_00_P13@ales.kz |
| Chairman's Blog | https://www.ales.kz/blog-rukovoditelya/ |

## Statistics on enquiries and complaints

| Source | Quantity | | |
|---|---|---|---|
| | 2023 | 2024 | 2025 |
| Hotline (including direct enquiries to compliance officers) | 1 | 4 | |
| AlES JSC Secretariat, of which: | | | |
| from government bodies | | | |
| from the Shareholder | | | |
| Enquiries, including those from the secretariat | | | |
| E-otinish | | 2 | |
| Ombudsmen and trade unions | 11 | 11 | 8 |
| Courts and supervisory bodies | | | |
| Written communications to the CEO (including the CEO's blog on companies) | 10 | 11 | 22 |
| Conciliation committees | | | |
| **TOTAL** | **22** | **28** | **30** |

## Statistics by subject of enquiries

| | |
|---|---|
| Abuse of authority | |
| Breach of the law | 3 |
| Corruption | |
| Unethical behaviour, harassment, sexual harassment | |
| Towards other staff members | 5 |

| | |
|---|---|
| Breach of working conditions and health and safety regulations | |
| Revocation of disciplinary action, recalculation of the one-off payment | 1 |
| Procurement | 1 |
| Charity | |
| Salaries, remuneration, payments | |
| Actions by a manager | |
| Recruitment | 1 |
| Theft | |
| Other | 19 |

# ABOUT THE REPORT

This Annual Report (hereinafter referred to as the 'Report') of Almaty Power Stations JSC (hereinafter referred to as the 'Company' or 'AlES JSC') sets out the key facts regarding the Company's operations for the year 2025. The Report provides all stakeholders with an overview of the Company's performance and achievements from 1 January 2025 to 31 December 2025.

This Report contains information on the Company's economic activities, its sustainable development and its financial and operational results. The information and quantitative data are presented for the year 2025 and over a three-year period for comparison.

The Company's Annual Report was first published in 2013, covering the results of its operations for 2012. The Company prepares reports on an annual basis.

The preparation of annual reports plays an important role in enhancing the Company's transparency. The report serves as a means of communication with the Sole Shareholder and all stakeholders.

In preparing and compiling the annual report, the Company has followed the recommendations of the Corporate Governance Code, as well as certain principles of international disclosure standards.

***For enquiries regarding the information contained in this Report, please contact the Company's Corporate Development and Risk Management Department at the following address: 7 Dostyk Avenue, Almaty, 050002. Telephone: +7 (727) 254-03-31; email: kancel@ales.kz***

**APPENDIX 1.** Abbreviations used
JSC – Joint Stock Company
RES – Renewable energy sources
WTO – World Trade Organisation
GRES – State regional power station
HPP – Hydropower plant
Subsidiaries and Affiliates
UES – Unified Energy System
CSM – Corporate Management System of the Samruk-Energo JSC Group
Kapshagai HPP – Kapshagai Hydroelectric Power Station named after Sh. Chokin
KPIs – Key Performance Indicators, indicators characterising the level of the Company's operational efficiency, enabling an assessment of the Company's overall performance as well as that of its senior management.
The Company – Joint-Stock Company 'Almaty Power Stations'.
IFRS – International Financial Reporting Standards
Risk – Exposure to uncertainty arising from events or actions that may affect the achievement of set goals and objectives
RK – Republic of Kazakhstan
Strategy – The development strategy of Samruk-Energo JSC for 2024–2033, approved on 19 July 2024 by a resolution of the Board of Directors of Samruk-Energo JSC
The Company's organisational units – Units of the Company responsible for carrying out a specific type of activity and reflected in the Company's organisational structure (departments, divisions)
LLP – Limited Liability Partnership
CHPP – Combined Heat and Power Plant
The Fund – Joint-Stock Company 'Samruk-Kazyna National Welfare Fund'
EBITDA – Earnings before interest, taxes, depreciation and amortisation
EBITDA/Margin – The company's profitability before interest, tax and depreciation
ISO – International Organisation for Standardisation
SWOT – Analysis of the positive and negative impacts of external and internal factors
Units of measurement
Gcal – Gigacalorie
kV – Kilovolt
kWh – Kilowatt-hour
km – Kilometre
m – metre
m³ – Cubic metre
MW – Megawatt
Mln. – Million
thousand – Thousand