

# 7. Appendices

## Appendix 1. About the Report

This KEGOC JSC Annual Report 2023 provides a comprehensive overview of the Company’s activities in all key areas, including its sustainability performance and audited financial statements for 2023. Information on sustainable development activities is presented in the form and scope traditionally used by KEGOC JSC since 2009. The Company continues the practice of issuing and making publicly available information on sustainable development annually in the second quarter.

### 2-3

In accordance with the Charter of KEGOC JSC, Annual Reports and Sustainability Reports prepared by the Management Board and previously reviewed by the Strategy, Corporate and Sustainable Development Committee and the Audit Committee are approved by the Board of Directors of KEGOC JSC. The previous KEGOC JSC Sustainability Report for 2022, included in the Annual Report for 2022, was approved by the Board of Directors of KEGOC JSC and published in May 2023. All the Company’s reports are available on the official website of KEGOC JSC.

### 2-3, 2-14

The Company has engaged an independent party, determined on a competitive basis, to confirm the indicators of material topics. The list of topics and indicators is provided in the Materiality Analysis section of this Appendix. The independent auditor’s report is presented in Appendix 6.

### 2-5

#### Reporting boundaries

KEGOC JSC has prepared this Report at the general corporate level - the data in the context of sustainable development presented in this Report includes data of KEGOC’s subsidiary organization Energoinform JSC.

### 2-2

The sustainability information included in this Report has been prepared in accordance with GRI Universal Standards 2021 (in accordance), considering the requirements of the AA1000SES Stakeholder Engagement Standard, and describes the Company’s relevant activities from 1 January 2023 to 31 December 2023.

Any information regarding the plans set out in this Annual Report is forward-looking and reflects KEGOC JSC’s current views on future events. It is subject to certain risks, uncertainties and assumptions relating to KEGOC JSC’s business, financial position, operating results, growth strategy and liquidity.

### Sustainable Development Goals

This Report contains information confirming the commitment of KEGOC JSC to the principles of the UN Global Compact, as well as information on the SDGs adopted by all UN member states in 2015 as part of the 2030 Agenda for Sustainable Development.

We believe that the main contribution of any business to the achievement of the SDGs lies in employment opportunities, tax payments and socio-economic development, and environmental stewardship. In addition, real and lasting positive change can only be achieved by managing our environmental impact (broadly defined), responding in a targeted manner, collaborating with key players and stakeholders, and expanding our efforts.

Each year we will report on our work on the specific SDGs that have the strongest links to our activities. We also analyse the areas where we have the greatest potential to make a difference. We examine where we may be having a negative impact and look for areas where we are uniquely positioned to make positive change with our stakeholders. The assessment analyses factors such as the relevance of the purpose and objectives to our value chain, the alignment with our aspirations to develop responsibly and sustainably, whether we could use our skills, competencies, and resources to drive change and the importance of the issues to our stakeholders.

### Key highlighted SDGs worked on in 2023



### Principles of the UN Global Compact

Principles of the Global Compact	page
<b>Human rights principles</b>	
<b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights.	<a href="#">40</a>
<b>Principle 2.</b> Business should not be complicit in human rights abuses.	<a href="#">75</a>
<b>Labour Principles</b>	
<b>Principle 3.</b> Businesses should support freedom of association and real recognition of the right to collective bargaining.	<a href="#">49</a>
<b>Principle 4.</b> Businesses should advocate for the elimination of all forms of forced and compulsory labour.	<a href="#">40</a>
<b>Principle 5.</b> Businesses should advocate for the complete eradication of child labour.	<a href="#">40</a>
<b>Principle 6.</b> Businesses should advocate for the elimination of discrimination in employment.	<a href="#">40</a>
<b>Environment Principles</b>	
<b>Principle 7.</b> Businesses should support a precautionary approach to environmental issues.	<a href="#">33</a>
<b>Principle 8.</b> Businesses should take initiatives to increase environmental responsibility.	<a href="#">33</a>
<b>Principle 9.</b> Businesses should promote the development and dissemination of environmentally sound technologies.	<a href="#">33</a>
<b>Anti-corruption Principles</b>	
<b>Principle 10.</b> Businesses should oppose all forms of corruption, including extortion and bribery.	<a href="#">75-76</a>

### Principles of Report Preparation

In preparing the part of the Annual Report related to reporting on sustainable development activities, the Company applies the following principles of the GRI Standards:

<b>Accuracy</b>	The information presented in this Report has been compiled based on documented data and allows stakeholders to assess the Company's performance. Audited financial statements prepared in accordance with IFRS were used to prepare the sections of this Report relating to the economy.
<b>Balance</b>	This Report reflects positive and negative themes of KEGOC JSC's performance.
<b>Clarity</b>	KEGOC JSC endeavours to make this Report understandable and accessible to a wide range of stakeholders. To understand specific terms and abbreviations, a glossary is provided at the end of the report.
<b>Comparability</b>	This Report has been prepared in accordance with the GRI Standards, which allows stakeholders to compare the performance of KEGOC JSC with that of other organisations. The indicators disclosed in this Report are presented in dynamics for the last five years.
<b>Completeness</b>	This Report contains information on the activities of all MES branches, NDC SO branch, Executive Directorate, subsidiary organisation Energoinform JSC on all significant economic, environmental and social impacts, taking into account the specifics of the industry. In some cases, to avoid duplication of information, references to KEGOC JSC's website or publicly available documents are provided.
<b>Context of sustainable development</b>	The data in this Report is presented in the context of sustainable development as defined by the Corporate Governance Code of KEGOC JSC, including three components: economic, environmental and social. KEGOC JSC's Development Strategy defines goals, objectives, key initiatives and strategic KPIs in the field of sustainable development, and information on their achievement for 2023 is included in this Report.
<b>Timeliness</b>	The preparation of this Report is of a planned nature and is published in the second quarter of the year following the reporting year.
<b>Verifiability</b>	All information in the Report is based on data that can be verified, including official statistical reports, reports to regulatory authorities, information posted on the Company's website and KASE, SAP ERP digital platform, audited financial statements and others.

### Stakeholder engagement and materiality assessment

To achieve the Company's strategic goals, it is important to:

- Have an effectively functioning stakeholder engagement policy;
- Achieve openness and mutually beneficial co-operation with all stakeholders;
- Ensure stakeholders understand the measures taken by the Company to minimise and eliminate all real risks when implementing the Development Strategy;
- Create a reliable source of information on the Company's activities for stakeholders and ensure prompt communication of reliable information on KEGOC JSC activities to target stakeholder groups.

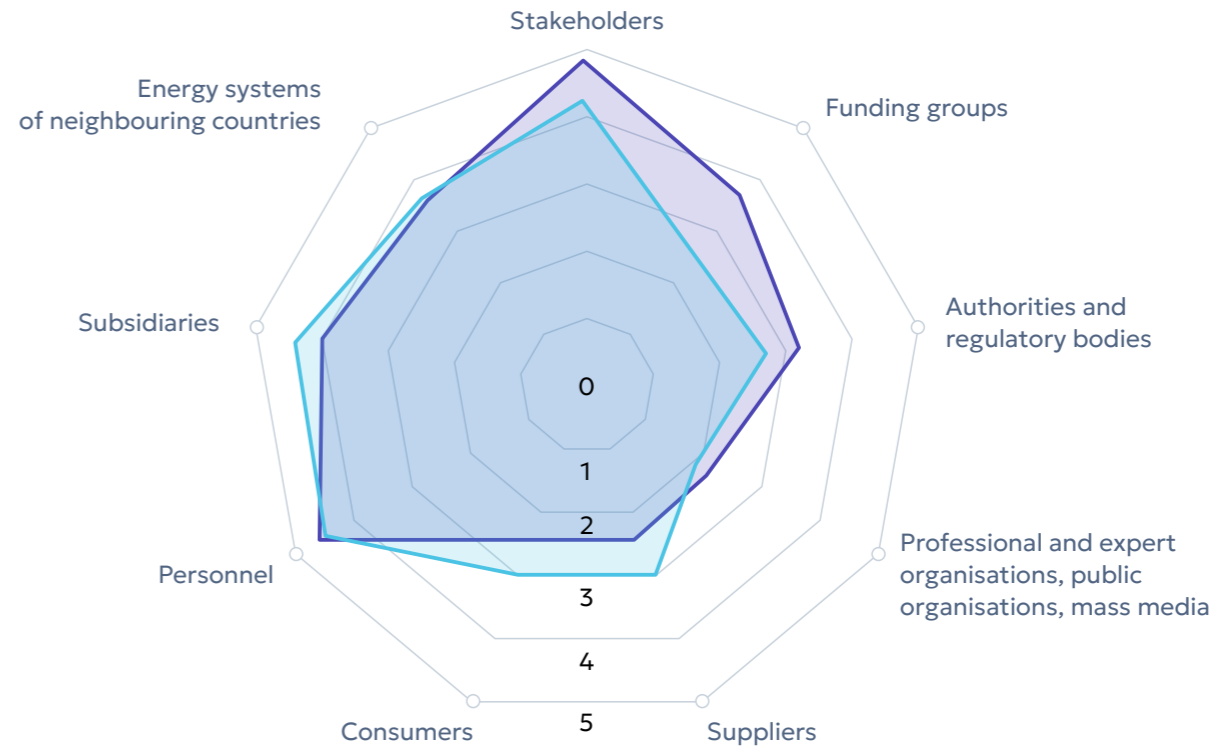
of their influence on the achievement of the Development Strategy objectives and the extent to which the Company's activities influence them on a five-point scale. In summarizing the results of the analysis, special attention was paid to the opinions of 'experts', i.e., structural subdivisions directly interacting with specific groups of stakeholders.

KEGOC JSC maintains an ongoing open dialogue with these groups and regularly discloses information related to KEGOC JSC activities, including in sustainable development. The Company has approved the Stakeholder Map, the Communication Strategy, which defines the main channels of interaction, as well as the Communication Plan with all stakeholders, which defines the frequency of interaction and is developed annually to support the implementation of the Development Strategy.

KEGOC JSC identified groups of stakeholders identified jointly with all structural units of the Company, as well as the degree

**2-29**

### Stakeholder map of KEGOC JSC



■ Degree of influence of stakeholders on the Company  
 ■ Degree of influence of the Company on stakeholders

## Stakeholder engagement

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Stakeholders	Purposes of interaction	Channels of interaction
1. Shareholders	The Company's shareholder relations activities aim to protect and respect the rights and legitimate interests of shareholders outlined in the Corporate Governance Code and the Charter of KEGOC JSC.	Publication of the Company's annual and interim reports, information on corporate events, transactions, information on General Shareholders' Meetings, meetings with the investment community, and responses to appeals. In the period from 1 January to 31 December 2023, there were no appeals from shareholders regarding the actions of KEGOC JSC and its officers. <b>2-25</b>
2. Funding groups	The Company fulfils its financial obligations to investors on time and in full, seeking long-term co-operation based on mutual trust.	Publication of the Company's annual and interim reports, sending periodic reports to IFI and information upon request, meetings, missions, and visits of IFI delegations within the framework of projects implemented with borrowed funds, posting information on the website.
3. Authorities and regulatory bodies	KEGOC JSC, being a strategic object of the Republic of Kazakhstan and a subject of natural monopolies, realises its responsibility to the state and strives to fulfil legal and ethical obligations, as well as to comply with the norms of legislation.	Regular reporting, participation in the development of legal acts, program and sectoral documents, working meetings, responses to enquiries, operational meetings.
4. Professional and expert organisations, public organisations, mass media	KEGOC JSC is a member and participant of international, regional and national industry organisations, focusing on mechanisms for deepening integration and developing a coordinated strategy for the development of the electric power industry in the Republic of Kazakhstan and beyond. The Company ensures the formation of reputational capital and a positive image in the mass media through interaction and disclosure of information, relying on the principles of promptness, reliability, accessibility and balance.	Active participation in the activities of electric power organisations, development of program and industry documents and initiatives, public hearings on investment projects, disclosing information on activities on the website and in the media, responding to enquiries, holding briefings, press conferences. <b>2-26</b>
5. Suppliers	When procuring goods, works, and services, the Company is based on principles: of publicity and transparency of the procurement process; acquisition of quality goods, works, and services; equal opportunities for all potential suppliers, supporting organisations of persons with disabilities; fair competition among potential suppliers; control and responsibility for decisions made; and minimising the participation of intermediaries in the procurement process.	Fulfilment of contractual obligations, preliminary discussions of draft tender documents with potential suppliers, informing about procurement activities.
6. Consumers	The Company has introduced and adheres to the principle of customer orientation and has created and ensured a mechanism for identifying and fulfilling customer requirements.	Regular customer satisfaction assessments, public hearings, annual report to customers, meetings with customers, publication on the website of the access procedure and availability of spare capacity by region of operation. <b>2-26</b>
7. Personnel	The Company respects and values its employees, is oriented towards their needs and requirements, strives to provide safe working conditions, a decent level of remuneration and social benefits, professional training, and development.	Reporting meetings of the management with the team on the results of the year and plans for the future period, employee opinion polls on topical issues, information and feedback via the internal portal, annual social stability rating surveys, ombudsman institute, hotline. <b>2-26</b>
8. Subsidiaries	The Company strives for balanced development of its subsidiaries based on effective corporate governance mechanisms.	Interaction takes place within the framework of corporate procedures. KEGOC JSC manages through representatives in subsidiaries management bodies, provides methodological support to subsidiaries activities.
9. Energy systems of neighbouring countries	To ensure parallel operation of power systems of the Republic of Kazakhstan and neighbouring countries, the Company seeks mutually beneficial and effective cooperation with the Russian Federation and Central Asian countries.	Holding meetings on a regular basis (CEPC CA, CIS Electric Power Council, etc.), harmonisation of power system operation modes and regulatory documentation.

### Materiality analysis

The Company endeavours to reflect in the Annual Report information that is relevant and material to stakeholders. KEGOC JSC conducts an annual materiality analysis based on a survey of external and internal stakeholders. When identifying material topics in 2023, the most complete list was considered, including the specifics of the Company’s management, economic efficiency, observance of human rights, the Company’s impact on society and the environment, taking into account industry specifics. In accordance with the principle of materiality of GRI standards, in order to identify the most relevant topics on sustainable development, in August 2023, a five-point scale survey and assessment of internal and external stakeholders with the most significant impact on the Company was conducted in the form of a questionnaire. The materiality analysis carried out in 2023 is based on the ‘Double Materiality’ approach. As part of the preparation of this Report, a stakeholder survey was conducted, including 243 completed questionnaires from 120 external (consumers) and 123 internal (shareholders, Company employees) stakeholders.

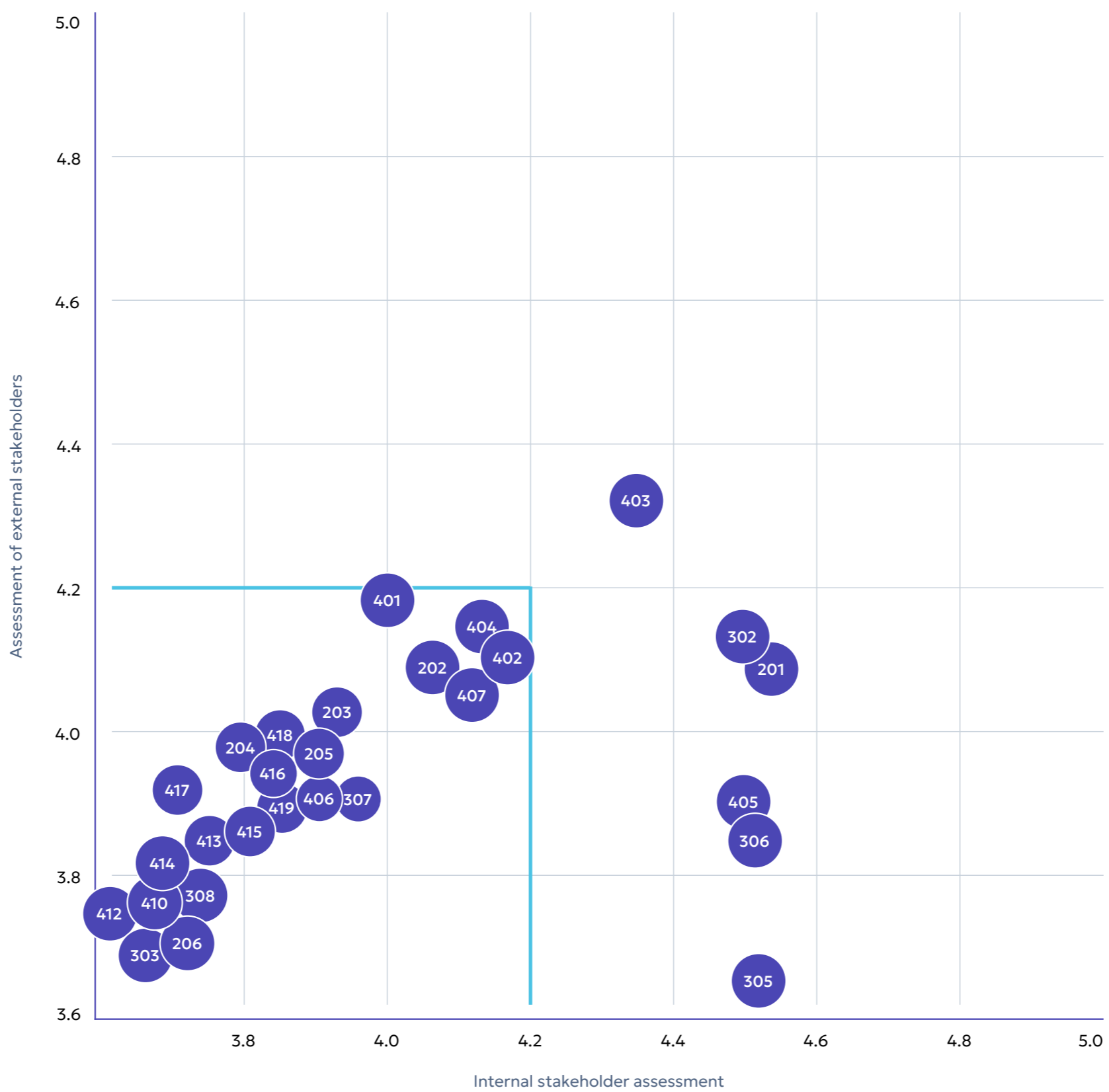
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After reviewing the results of the questionnaire analysis, the Sustainable development coordinating council and IMS also assessed the materiality of the economic, environmental and social impact of the relevant topics on stakeholder assessments and decisions on a five-point scale. The survey results were combined with the assessment of internal documents reflecting stakeholder priorities and key trends in sustainable development. The results of the materiality assessment were approved by the Sustainable development coordinating council and IMS (Minutes No. 4 dated 11 December 2023).

Based on the above two assessments, a Materiality Matrix was constructed, according to which six topics of most interest to KEGOC JSC’s stakeholders that are material to the Company were identified.

**3-1**

Materiality matrix



Thus, the list of material topics disclosed in this Report includes:

**Economic topics:**

- 201 Economic performances

**Environmental topics:**

- 302 Energy
- 305 Emissions
- 306 Waste

**Social topics:**

- 403 Occupational health and safety
- 405 Diversity and equal opportunities

**3-2**

The results of the 2023 survey analysis were compared to the results of the 2022 analysis. In addition to the topics identified as material in the 2022 analysis, the topics ‘Waste’, ‘Diversity and Equal Opportunities’ were selected by stakeholders as material. Nevertheless, the majority of GRI topics are disclosed in this Report, including for compliance with the requirements of the Rules of information disclosure by the initiators of admission of securities of KASE and AIX exchanges, developed with the application of TCFD recommendations.

**3-2**

The growing focus of businesses and markets with increasing interest in sustainable finance decision-making on sustainability-related issues and objectives has led to a greater focus on ESG aspects and the associated risks. ESG issues are an integral part of the Group’s strategy and business model and the fact that they are receiving increasing attention. This primarily concerns risks of an environmental nature and risks related to social issues.