



THE BEST  
POWER ENGINEERS  
WORK HERE



ANNUAL REPORT  
2023



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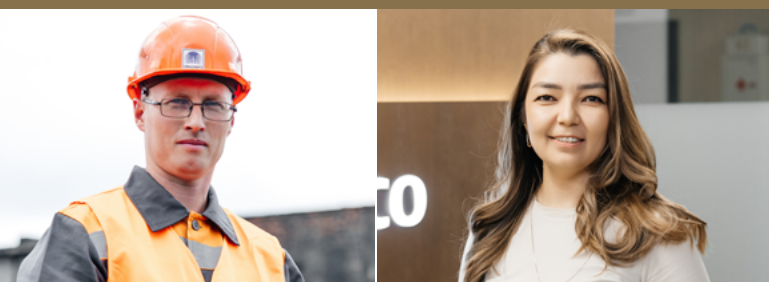


Behind the formal phrase  
"human capital" there is  
a huge number of human  
destinies related to the history  
of our corporation.

CAEPCO JSC is a team of  
specialists who come to work  
every day in order to make  
the lives of millions of people  
better, warmer and brighter.

**Look at their faces!**

**These are the best people  
in their profession and they  
work here!**





# MESSAGE OF CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-22, 203-2;

SDG



## DEAR COLLEAGUES AND PARTNERS,

The assets of the Central-Asian Electric Power Corporation play a significant part in the energy system of Kazakhstan.

Over 15 years of its operation, CAEPCO JSC has demonstrated significant success in terms of the growth of installed capacity, optimisation of emissions in electric and heat power production, as well as the introduction of green electric power generation.

These facts testify to the Corporation's commitment to global trends in sustainable development: the carbon footprint reduction agenda, a systematic approach to production, and social responsibility.

In 2023, an unprecedented amount of reconstruction and modernisation of equipment was carried out, aimed at increasing generation volumes, reducing losses during transportation of heat and electric power, and introducing energy-saving technologies.

The Corporation focuses on improving the environmental component of traditional energy with the parallel development of green energy, which will strengthen its position in terms of low-carbon development indicators and contribute to improving the environmental perception of the country.

These projects can be implemented only if there is a professional, involved team, which is today comprised of almost 10 thousand employees in CAEPCO group. The results of the activities of this large team in 2023 are presented in this document.

Thanks to the professional staff, CAEPCO JSC has the potential of a high-tech energy company with a convincing level of social and environmental responsibility.

In this regard, I would like to wish the company success in its planned projects! I would like to wish health, well-being, and great victories to all employees of CAEPCO JSC group, as well as partners and friends!

**Over 15 years of its operation, CAEPCO JSC has demonstrated significant success in terms of the growth of installed capacity, optimisation of emissions in electric and heat power production, as well as the introduction of green electric power generation.**



**Chairman of the Board of Directors of  
CAEPCO JSC**

LEVIN TAN





# MESSAGE OF THE CHAIRMAN OF THE MANAGEMENT BOARD

GRI 2-22, 203-2;

SDG



## DEAR COLLEAGUES AND PARTNERS,

15 years ago, by combining the energy assets of PAVLODARENERGO JSC, SEVKAZENERGO JSC, and Astanaenergoby LLP, the country's largest private energy holding was established. Already in 2009 and 2011, international investors entered the company's equity represented by the European Bank for Reconstruction and Development and the Islamic Infrastructure Fund, reputable financial institutions acquired 24.99% and 12.89% shares of CAEPCO JSC, respectively. The entry of international development institutions into the equity of an energy company is a unique case in the history of independent Kazakhstan.

In 2014, the assets of Akmola Electric Distribution Company JSC were consolidated into the Corporation, which allowed to increase the length of the Corporation's electric networks to 50 thousand km. In the period from 2015 to 2020, the project of the Astana EXPO-2017 wind farm with a capacity of 100 MW was implemented and put into operation. Today, CAEPCO JSC provides electric power to more than two million people.

All these years, human capital has been and remains the main value of the Corporation. Our specialists, possessing high professional capabilities, are the stable basis of all the development and modernisation processes taking place in the CAEPCO group. We have a systematic policy of supporting employee development. Since 2016, the PROFENERGY program has been implemented at the group's enterprises, in which more than 4,000 students

have already participated. More than 1,300 employees took advantage of the project's opportunities to improve their education. An unprecedented challenge in 2023 was the repair campaign at the Ekibastuz CHP. In record time – almost in one season – the station was completely modernised: 8 boiler units were overhauled, 2 more underwent routine repairs. In addition, a number of important nodes, auxiliary equipment, buildings and structures of the station have been repaired. The Ekibastuz CHP was fully operational and passed the 2023-2024 heating season in normal mode. This success took place thanks to the people who took part in this process.

Looking at the current situation, as the country's largest energy holding, we cannot but be concerned about the problem of energy shortages and the urgent need to increase capacity. In addition to solving current problems, we are thinking about systematic measures for the development of production, taking into account real technical, environmental, economic and legislative conditions.

I would like to sincerely thank all my colleagues and partners for their joint work, loyalty and professionalism. Your dedication and focus on results create a solid foundation for the development of both our company and the industry as a whole.

**Thank you for your trust and participation in the overall success!**



**In addition to solving current problems, we are thinking about systematic measures for the development of production, taking into account real technical, environmental, economic and legislative conditions.**



**Chairman of the Management  
Board of CAEPCO JSC**

**BAGDAT ORAL**



Every specialist in our company is unique. With their knowledge and experience, they ensure the reliability of complex energy production.



**THE BEST  
POWER  
ENGINEERS  
WORK HERE**





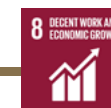
Central-Asian Electric Power Corporation Joint Stock Company is the largest private energy holding company in Kazakhstan.



## KEY INFORMATION

GRI 2-1, 2-2, 2-6

SDG



## MAIN PRODUCTION CHARACTERISTICS

The total installed electric capacity of CAEPCO JSC

1,318 MW,

and according to this indicator, the Corporation is one of the leaders among private energy generating companies in Kazakhstan

The total length of power transmission lines is

48.4 thousand km,

heating networks

987.01 km,

2,949 Gcal/h

The total installed heat capacity of the Corporation

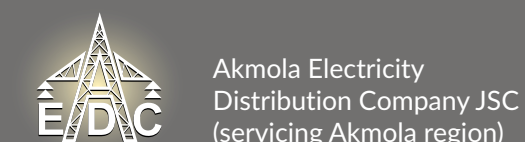
### Production assets



PAVLODARENERGO JSC  
(serving Pavlodar, Ekibastuz, Pavlodar region)



SEVKAZENERGO JSC  
(serving Petropavlovsk, North Kazakhstan region)



Akmola Electricity Distribution Company JSC  
(serving Akmola region)

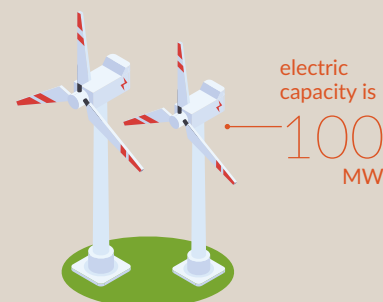


The enterprises of the PAVLODARENERGO and SEVKAZENERGO groups provide all links of energy supply: generation, transportation, distribution, sale of thermal and electric energy.

Akmola Electricity Distribution Company JSC provides transportation, distribution and marketing of electric energy in the Akmola region.

CAEPCO is developing both traditional coal and alternative energy.





Located in the structure of the CAPEC Green Energy Corporation, it implements alternative energy (RES) projects, one of which is the largest wind power plant in Kazakhstan, Astana EXPO-2017. It is located 40 km from Astana northeast of the village of Kostomar in the Arshaly district of Akmola region. 29 wind turbines with a nominal capacity of 3.3 MW with a power regime of up to 3.45 MW each are installed on the territory of the WPP. The total installed electric capacity is 100 MW.

SEVKAZENERGO Joint Stock Company is a vertically integrated company that includes enterprises of the North Kazakhstan region for the generation, transportation and sale of electric and heat power. The Company actively implements advanced global practices and builds its activities in accordance with international standards in the area of production, ecology, health and social sphere.

SEVKAZENERGO JSC is:

- Petropavlovsk CHP-2;
- North-Kazakhstan Electric Distribution Company JSC (electric networks of the North Kazakhstan region and Petropavlovsk);
- Petropavlovsk Heat Networks LLP (heat networks of Petropavlovsk city);
- Sevkazenergosbyt LLP.

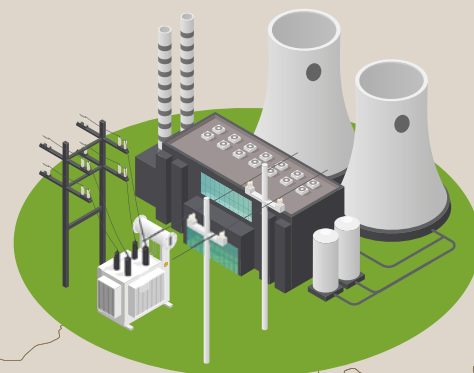
AKMOLA ELECTRICITY DISTRIBUTION COMPANY JSC (AEDC JSC) is an electric grid company that carries out the transmission and distribution of electric energy for consumers of the Akmola region and Astana. AEDC JSC has a subsidiary, AEDC-Energosbyt LLP, which purchases electric power in order to supply consumers of the Akmola region.

AEDC JSC comprises of:

- 2 branches of inter-district electric networks and 14 district electric networks.
- AEDC JSC serves 0.4 kV-110 kV electric networks located in 14 administrative districts of the Akmola region.

PAVLODARENERGO JSC is a vertically integrated company that includes generating, transporting and marketing units operating in the Pavlodar region, in Pavlodar city, and in the Akmola region:

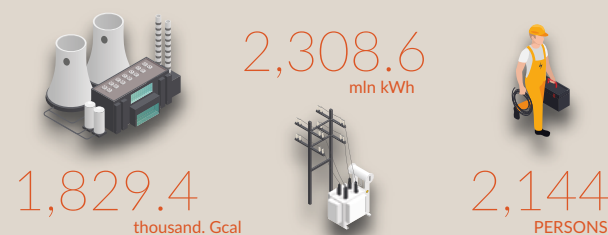
- Pavlodar CHP-2;
- Pavlodar CHP-3;
- Pavlodar Electric Distribution Company JSC;
- Pavlodar Heat Networks LLP (heat networks of Pavlodar city);
- Ekibastuzteploenergo LLP (Ekibastuz CHP and Ekibastuz heat network);
- Pavlodarenergosbyt LLP;
- CAPEC Green Energy LLP.



## GEOGRAPHY OF OPERATIONS

CAEPCO Group of Companies supplies electric and heat power to consumers in Pavlodar and Petropavlovsk, heat power in Ekibastuz; electric power in the districts of Pavlodar, North Kazakhstan, Karaganda, Akmola, East Kazakhstan regions.

### SEVKAZENERGO JSC



- Petropavlovsk CHP-2
- North-Kazakhstan Electric Distribution Company JSC (electric networks of the North Kazakhstan region)
- Petropavlovsk Heat Networks LLP (heat networks of Petropavlovsk city)
- Sevkazenergosbyt LLP

The electric power generated by SEVKAZENERGO JSC is supplied to the markets of the northern, central, eastern, and southern regions of Kazakhstan.

### PAVLODARENERGO JSC



- Pavlodar CHP-2
- Pavlodar CHP-3
- Pavlodar Electric Distribution Company JSC
- Pavlodar Heat Networks LLP (heat networks of Pavlodar city)
- Ekibastuzteploenergo LLP (Ekibastuz CHP and Ekibastuz heat network)
- Pavlodarenergosbyt LLP
- CAPEC Green Energy LLP

Electric power generated by PAVLODARENERGO JSC is supplied to the markets of Pavlodar, Karaganda, Akmola and East Kazakhstan regions.



### AKMOLA ELECTRIC DISTRIBUTION COMPANY JSC

- AEDC-Energosbyt LLP
- 2 branches of inter-district electric networks
- Akmola Electric Grid Enterprises
- 13 regional electric networks



2,528 PERSONS

AEDC JSC serves 0.4 kV-110 kV electric networks located in 14 administrative districts of the Akmola region



Installed capacity

CHP, WPP	Installed electric power, MW	Installed heat capacity, Gcal-hr	Year of commissioning
Pavlodar CHP-3	555	1,154	1972
Pavlodar CHP-2	110	332	1961
Ekibastuz CHP	12	750	1956
Petropavlovsk CHP-2	541	713	1961
CAPEC Green Energy	100	-	2019

PTL length

PTL type	Pavlodar EDC JSC	North-Kazakhstan EDC JSC	Akmola EDC JSC
220 kW	13.73	84.84	-
110 kW	2,798.31	1,380.64	2,507.10
35 kW	2,421.75	2,849.43	5,165.98
6-10 kW	5,713.08	4,379.28	7,066.10
0.4 kW	4,366.55	4,327.24	5,365.95

Number of substations by type

Substation type	Pavlodar EDC JSC	North-Kazakhstan EDC JSC	Akmola EDC JSC
220 kW	4	4	2
110 kW	74	36	52
35 kW	102	121	193
6-10 kW	3,511	2,180	3,270

Heat network length, km

The total length of the heating networks is

987.01 Km

Pavlodar Heat Networks LLP

415.45 Km

Ekibastuz heat networks of Ekibastuzteploenergo LLP

342.3 Km

Petropavlovsk Heat Networks LLP

229.26 Km

THE NUMBER  
OF CONSUMERS  
OF ENERGY SUPPLY  
ORGANISATIONS  
BY REGION

All energy supply organisations of subsidiaries of CAEPCO JSC are guaranteeing suppliers in the retail electricity market.

According to the accepted definitions, the guaranteeing supplier of electric energy is an energy supply organisation that provides energy to consumers in cases of termination of energy supply to consumers by all other energy supply organisations through no fault of the consumer.

The guaranteeing supplier is determined from among the energy supply organisations, which include the majority of household consumers in comparison with other energy supply organisations in accordance with the area of responsibility.

Mostly all household consumers (the population) are supplied with electric energy through the provision of services by these organisations.

The volume of consumption by the population in the general consumption structure of the CAEPCO group accounts for more than

50%

In order to implement the energy saving program, within the framework of the current legislation of the Republic of Kazakhstan, differentiated tariffs for electric power are applied depending on the volume of its consumption by individuals.



//

The workshop that I run is one of the main production workshops, which provides the generation of heat and electric power. The most difficult thing is working with people. Each employee needs their own approach. The most important thing is when you return home, turn on the light, turn on the hot tap, and you realise that you have contributed your part to ensuring that everyone in the house has light and heat.



IGOR  
LUKYANENKO

head of the turbine shop of the heat and power plant

work experience in the energy sector is 19.5 years



→

Name of energy sales organisation	Number of consumers as of 01.01.2024					
	electric power			heat power		
	domestic consumers	non-domestic consumers	Total	domestic consumers	non-domestic consumers	Total
Pavlodarenergosbyt LLP	223,943	9,024	232,967	120,898	3,192	124,090
Sevkazenergosbyt LLP	159,376	6,552	165,928	75,649	2,438	78,087
AEDC-Energosbyt LLP	121,474	6,169	127,643	-	-	-
Ekibastuzteploenergo LLP	-	-	-	48,114	1,079	49,193
Total	504,793	21,745	526,538	244,661	6,709	251,370

IMS certificates

Ser. No.	Standard	Reg. Certificate No.	Validity period	Audit type in 2023
PAVLODARENERGO JSC (CHP-2 and CHP-3)				
1	ISO 14001:2015	01 104 132 1810	from 20.12.2021 to 19.12.2024	2 <sup>nd</sup> supervisory audit
2	ISO 9001:2015	01 100 132 1810	from 20.12.2021 to 19.12.2024	2 <sup>nd</sup> supervisory audit
3	ISO 45001:2018	01 213 132 1810	from 01.02.2024 to 31.01.2027	recertification audit
4	ISO 50001:2018	01 407 132 1810	from 20.12.2021 to 19.12.2024	2 <sup>nd</sup> supervisory audit
EKIBASTUZTEPLOENERGO LLP				
5	ISO 14001:2015	01 104 1819006	-	Recertification audit
6	ISO 9001:2015	01 100 1819006	-	Recertification audit
7	ISO 45001:2018	01 213 1819006	-	Recertification audit
8	ISO 50001:2018	01 407 1819006	-	Recertification audit

IMS certificates

Ser. No.	Standard	Reg. Certificate No.	Validity period	Audit type in 2023
PEDC JSC				
9	ISO 14001:2015	01 104 1319426	from 21.06.2021 to 20.06.2024	2 <sup>nd</sup> supervisory audit
10	ISO 9001:2015	01 100 1319426	from 21.06.2021 to 20.06.2024	2 <sup>nd</sup> supervisory audit
11	ISO 45001:2018	01 213 1319426	from 21.06.2021 to 20.06.2024	2 <sup>nd</sup> supervisory audit
12	ISO 50001:2018	01 407 1319426	from 21.06.2021 to 20.06.2024	2 <sup>nd</sup> supervisory audit
Pavlodar Heat Networks LLP				
13	ISO 14001:2015	01 104 2143050	from 18.02.2021 to 17.02.2024	2 <sup>nd</sup> supervisory audit
14	ISO 9001:2015	01 100 2143050	from 18.02.2021 to 17.02.2024	2 <sup>nd</sup> supervisory audit
15	ISO 45001:2018	01 213 2143050	from 18.02.2021 to 17.02.2024	2 <sup>nd</sup> supervisory audit
SEVKAZENERGO JSC				
16	ISO 14001:2015	01 104 2026502	from 10.09.2023 to 09.09.2026	Recertification audit
17	ISO 9001:2015	01 100 2026502	from 10.09.2023 to 09.09.2026	Recertification audit
18	ISO 45001:2018	01 213 2026502	from 07.10.2023 to 06.10.2026	Recertification audit
North-Kazakhstan REDC JSC				
19	ISO 14001:2015	01 104 1518811	from 28.06.2021 to 27.06.2024	2 <sup>nd</sup> supervisory audit
20	ISO 9001:2015	01 100 1518811	from 28.06.2021 to 27.06.2024	2 <sup>nd</sup> supervisory audit
21	ISO 45001:2018	01 213 1518811	from 28.06.2021 to 27.06.2024	2 <sup>nd</sup> supervisory audit
Petropavlovsk Heat Networks LLP				
22	ISO 14001:2015	01 104 2026503	from 07.07.2021 to 06.07.2024	2 <sup>nd</sup> supervisory audit
23	ISO 9001:2015	01 100 2026503	from 01.12.2023 to 31.11.2026	Recertification audit
24	ISO 45001:2018	01 213 2026503	from 07.07.2021 to 06.07.2024	2 <sup>nd</sup> supervisory audit
AEDC JSC				
25	ISO 14001:2015	01 104 1819000	from 19.08.2021 to 18.08.2024	2 <sup>nd</sup> supervisory audit
26	ISO 9001:2015	01 100 1819000	from 19.08.2021 to 18.08.2024	2 <sup>nd</sup> supervisory audit
27	ISO 45001:2018	01 213 1819000	from 19.08.2021 to 18.08.2024	2 <sup>nd</sup> supervisory audit





# KEY PERFORMANCE INDICATORS FOR 2023

GRI 2-24

SDG



## SALE OF HEAT AND ELECTRIC POWER

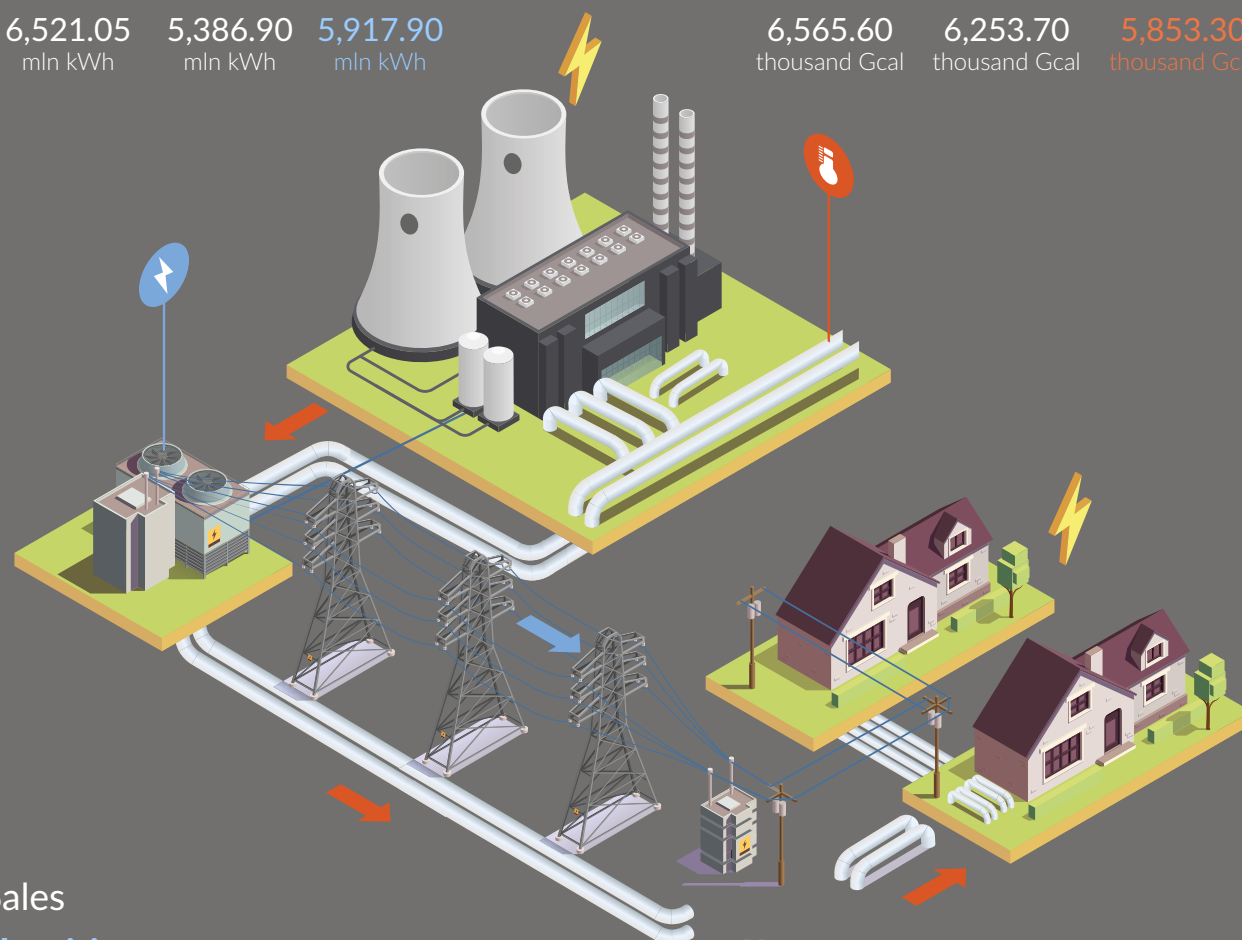
### Production

#### Electricity

2021	2022	2023
6,521.05	5,386.90	5,917.90
mln kWh	mln kWh	mln kWh

#### Heat energy

2021	2022	2023
6,565.60	6,253.70	5,853.30
thousand Gcal	thousand Gcal	thousand Gcal



### Sales

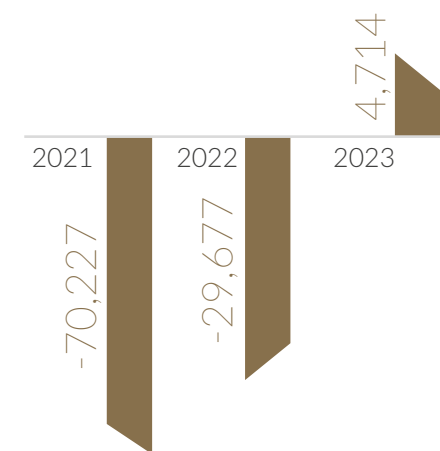
#### Electricity

2021	2022	2023
6,622.88	5,168.71	6,710.30
mln kWh	mln kWh	mln kWh

#### Heat energy

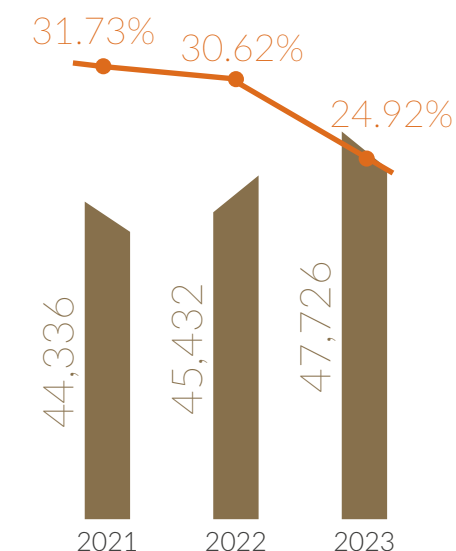
2021	2022	2023
9,966.78	5,546.07	5,200.15
thousand Gcal	thousand Gcal	thousand Gcal

### Net profit



Profit (loss) for the year, million tenge

### EBIDTA



Total EBITDA for the year\*, million tenge

Total EBITDA for the year, margin in %

### ASSETS



Assets, million tenge

### Sale of heat and electric power

The sale of thermal energy shows stable growth in natural and monetary units in a comparative analysis compared to previous years.

The volume of electricity sales decreased by **0.46 %**

This decrease was due to the massive outflow of consumers (legal entities and budgetary organisations) to unregulated energy supply organisations (ESOs).



At least

**5 000** EMPLOYEES  
working around the clock in  
hazardous production  
provide comfortable living conditions  
for consumers



**THE BEST  
POWER  
ENGINEERS  
WORK HERE**





# ABOUT THE CORPORATION

GRI 2-1, 2-2, 2-3, 2-6

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## KEY EVENTS IN THE COMPANY'S HISTORY

Central Asian Electric Power Corporation Joint Stock Company (CAEPCO) was established on **August 8, 2008**.

The issue of shares of CAEPCO JSC was registered on **10 October 2008** by the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Institutions.

# 2008



The Central-Asian Electric Power Corporation Joint Stock Company was formed, uniting SEVKAZENERGO JSC, PAVLODARENERGO JSC and Astanaenergobytt LLP. As of the date of registration, Central-Asian power-energy Company JSC was the only founder of CAEPCO JSC

# 2009



Installation of **turbine unit No. 1** was carried out at Ekibastuz thermal power plant

The European Bank for Reconstruction and Development bought **24.99 shares of CAEPCO JSC**

# 2010



The Investment program of the corporation 2010-2015 was approved

# 2011



A new **boiler unit No. 1** has been installed at Pavlodar CHP-3

Modernisation of **boiler unit No. 1** was carried out at Pavlodar CHP-2

The Islamic Infrastructure Fund (Kaz Holdings Cooperatief U.A., Amsterdam) became one of the shareholders of CAEPCO JSC, buying out **12.89% of the Corporation's shares**

The tennis center "**Energetik**" (Pavlodar) was built

# 2012



A new **turbine generator No. 1** has been installed at Pavlodar CHP-3

A new **cooling tower No. 2** has been installed at Pavlodar CHP-2

**Turbine unit No. 6** has been upgraded at Petropavlovsk CHP-2

**Boiler unit No. 6** has been upgraded at Petropavlovsk CHP-2

**Boiler unit No. 7** has been upgraded at Petropavlovsk CHP-2

# 2013



A new **turbine generator No. 4** has been installed at Petropavlovsk CHP-2



# 2014

CAPEC LLP was established on 23 July for implementing investment projects in the area of renewable energy sources ("RES" Energy).

A new boiler unit No. 8 has been installed at Petropavlovsk CHP-2

A new boiler unit No. 6 has been installed at the Ekibastuz CHP

Modernisation of turbine unit No. 5 was carried out at Pavlodar CHP-3

Modernisation of boiler unit No. 3 was carried out at Pavlodar CHP-3

The Central-Asian Electric Power Corporation acquired 48.41% of the shares of JSC Akmola Electricity Distribution Company, consolidating 100% of the Company's shares. Previously, 51.59% of the company's shares were transferred to the authorised capital of CAEPCO JSC by its controlling shareholder, i.e., Central-Asian power-energy Company JSC

According to the results of the Expert-200-Kazakhstan rating, CAEPCO JSC was recognised as the largest private energy company in Kazakhstan



# 2015

A new turbine generator No. 1 has been installed at Petropavlovsk CHP-2

A new turbine generator No. 2 has been installed at Pavlodar CHP-3

A new cooling tower No. 5 has been installed at Pavlodar CHP-3

Reconstruction of turbine unit No. 4 was carried out at Pavlodar CHP-3

Modernisation of turbine unit No. 2 was carried out at Pavlodar CHP-3

Turbine unit No. 7 has been upgraded at Petropavlovsk CHP-2

A new Central Control room for the management of the Pavlodar region's energy system has been put into operation

The shareholders of CAEPCO JSC included subsidiary funds of NMH Baiterek JSC: KIF ENERGY S.a.r.l., Baiterek Venture Fund JSC, CKIF ENERGY S.a.r.l.

"Alakai" kindergarten was commissioned in Petropavlovsk. The facility was built according to a public-private partnership project between the Akimat of the North Kazakhstan region and the shareholder of CAEPCO JSC with the support of SEVKAZENERGO JSC



# 2016



Reconstruction of turbine unit No. 5 was carried out at Pavlodar CHP-3

A new turbine unit No. 5 has been installed at Petropavlovsk CHP-2

Modernisation of boiler unit No. 12 has been completed at Petropavlovsk CHP-2

Subsidiaries of CAEPCO JSC signed a trilateral agreement on the implementation of projects for the modernisation of heat supply systems in the cities of Pavlodar, Petropavlovsk, Ekibastuz with the European Bank for Reconstruction and Development, the Ministry of Economy of the Republic of Kazakhstan as part of the implementation of the state program for infrastructure development "Nurly Zhol"

A new 90-apartment small-family dormitory has been opened in Petropavlovsk for employees of SEVKAZENERGO JSC and residents of the city



# 2017



A new 200-bed dormitory has been opened for power engineering students of Pavlodar Assembly College



# 2018



Modernisation of turbine unit No. 6 has been completed at Pavlodar CHP-3

A new enterprise Ekibastuzteploenergo LLP was formed as part of PAVLODARENERGO JSC

The planned withdrawal of the European Bank for Reconstruction and Development and the Islamic Infrastructure Fund from the shareholders of CAEPCO JSC was carried out. The EBRD's mission in modernising the Corporation's energy facilities has ended.



# 2019



The first launch complex of the Astana Expo 2017 wind farm with a capacity of 50 MW has been commissioned





# 2020



The second launch complex of the **Astana Expo 2017** wind power plant with a capacity of **50 MW** has been commissioned. The station has reached a design capacity of **100 MW**. The **Astana Expo 2017** wind power plant has allowed to ensure the annual energy consumption of more than ten thousand families, reduce greenhouse gas emissions by **230 thousand tons** per year and save over **79 thousand tons** of fuel per year



# 2021



исправить на Akmola Electricity Distribution Company JSC commissioned the substation "**Garden Village**"



# 2022



The construction of a reinforced concrete trunk of a new **chimney** has been completed at Pavlodar CHP-3

Construction of a **110 kV** Makinsk – Nikolskoye overhead power transmission line with a length of **48.2 km** has been completed in Akmola region

On **November 27, 2022**, an accident occurred on the heating networks in Ekibastuz, as a result of which the Ekibastuz CHP was forced to stop



# 2023



Major repairs of boiler units **No. 6, 7, 8, 11, 12, 13, 14** and routine repairs of **boiler unit No. 5** were carried out at Ekibastuz CHP

Modernisation of **boiler unit No. 11** has been completed at Petropavlovsk CHP-2

The construction and reconstruction of thermal pipelines with the use of pre-insulated pipes with a length of **1,267 km** has been completed:

Pavlodar – **0.246 km**  
Petropavlovsk – **1.021 km**



## MISSION



The Company sees its mission in improving the quality of life of its consumers and creating conditions for the economic development of the regions of its presence. These goals are achieved by providing high-quality services for energy supply and life support to the population, industrial enterprises, budgetary and commercial organisations in Pavlodar, North Kazakhstan, Akmola regions, the cities of Ekibastuz, Pavlodar, Petropavlovsk, Astana.

The quality of the services provided implies reliable and uninterrupted power supply in compliance with all technical requirements and a high level of customer service.

The basis of the Company's sustainable development is its employees, whose value lies in their high professionalism, ability to work in a team and focus on achieving results.

## VISION



Central-Asian Electric Power Corporation JSC is a leader among private energy companies in Kazakhstan.

The Company operates in the most challenging climate conditions in the north of the country.

The Company successfully uses the advantages of the holding structure by combining dynamism and flexibility of its business units (companies within the Group) with stability and reliability of centralised management on the Group level.

Employees of the Company are a team of professionals who are striving for higher goals. The Company's relations with its customers and suppliers are based on the principles of respect and mutual responsibility.



# BUSINESS MODEL

GRI 2-6

The Holding's business model is based on the principle of vertical integration in order to ensure high business sustainability and risk diversification.

## EQUITY

### FINANCIAL CAPITAL

**46.043**  
billion tenge

Authorised capital

**505**  
billion tenge

Assets

### PRODUCTION CAPITAL

**4** thermal power plants

**4** sales companies

**987.01** km  
of heating networks

**48.4** thousand km  
of electric networks

### INTELLECTUAL CAPITAL

Implemented systems Ellipse, Mobility, ASCAEE, ASCAHE, THESIS automated system for control over the process of technological connection to electricity networks, billing, boiler and turbine generator automated control system, ASM.

### NATURAL CAPITAL

As part of its production activities, the Corporation uses various types of fuel (fuel oil and coal), water resources and electricity, as well as the resources of the air basin.

### HUMAN CAPITAL

**9,477**  
employees

**821**  
employees  
personnel reserve,

**32.9%**  
with higher  
education

**14.9%**  
staff turnover

**34%**  
share of employees  
in the trade union

**4,053**  
participants  
in the PROFENERGY  
young professionals  
support program

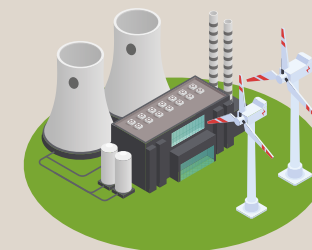
### SOCIAL CAPITAL

The Corporation establishes trust relations with communities in the regions of presence and makes a significant contribution to the social and economic development of the regions being a major employer and an important link in the industrial sector.

## PRINCIPAL ACTIVITIES

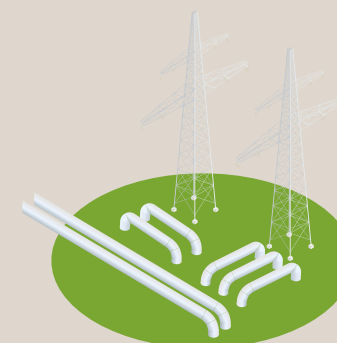
### Heat and electric power generation

combined generation of heat and electric power at 4 CHPs of the Corporation, as well as electricity generation based on renewable energy sources



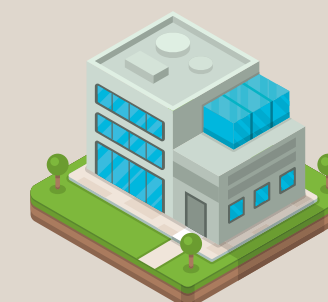
### Transportation and distribution of heat and electric power

shall mean transmission of energy from places of generation to the places of consumption carried out through heat and electric power networks, which include converters, power lines and switching gears.



### Sales of heat and electric power

shall mean activities for the sale of heat and electric power to consumers



## PERFORMANCE INDICATORS FOR 2023

### CONSUMERS

**5,917.9**  
million kWh

is electric power generation

**5,853.3**  
thousand Gcal

is heat production

**100,544**  
consumers

are equipped with ASCAE

**51,201**

installed heat meters

### EMPLOYEES

**7,551**  
employees  
trained

**2.3**  
billion tenge

were allocated for occupational health and safety measures and improvement of working conditions

### STATE

**23.9**  
billion tenge taxes paid

### REGIONS OF PRESENCE

### IMPLEMENTATION OF THE PLAN FOR INTERACTION WITH STAKEHOLDERS

**24**  
billion tenge of investments in the modernisation of the production fund

**5.9**  
billion tenge are environmental protection costs

**1.4**  
billion tenge of tax payments for emissions into the environment



## DEVELOPMENT STRATEGY

GRI 2-22

SDG



Building a vertically integrated private power company rendering its consumers consistent and reliable services through synergy of generation, distribution, transmission and guaranteed sales of both electric power and heat is

THE STRATEGIC GOAL FOR THE COMPANY.



### The main directions for pursuing the strategic goal of CAEPCO JSC

- Targeted market expansion with guaranteed sales and low risk;
- Improving production efficiency through improving the technical level of production and updating fixed production assets and infrastructure;
- Introduction of promising projects through the balanced development of innovative areas;
- Implementation of the best management standards through continuous training of personnel in new effective technologies in the production sector and enterprise management.

### To achieve its strategic goal, the Corporation is implementing the following:

- Providing enterprises with highly qualified personnel;
- Maintaining up-to-date certification for compliance with the requirements of international standards in the area of ecology, personnel health protection, industrial safety;
- Introduction of energy-saving and energy-efficient technologies in the production and transmission of energy;
- Minimisation of specific consumption for production of a unit of heat and electric power;
- Reduction of excess losses during transportation of heat and electric power;
- Reconstruction and modernisation of equipment of power generating facilities through investment programs, reducing the risks of accidents and eliminating downtime.

The Development Strategy has been drawn up taking into account the tasks defined by the state program "Nurly Zhol" to strengthen the energy infrastructure of the Unified Electric Power System. The Corporation's Development Strategy takes into account the requirements dictated by the development of the modern energy market and global trends, such as the development of alternative energy, energy efficiency and energy conservation.



In 2023, there was an increase in electricity consumption associated with the growth of industrial production



**THE BEST  
POWER  
ENGINEERS  
WORK HERE**



# MARKET ENVIRONMENT ANALYSIS

## GRI 2-6

### SDG

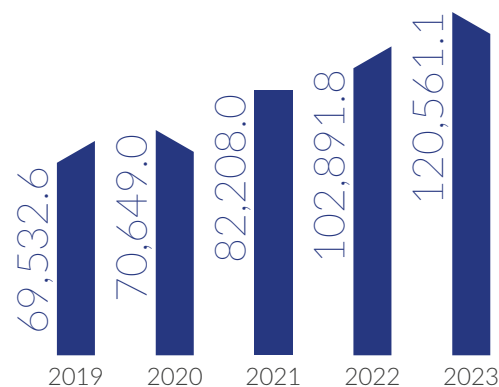


## Economic overview

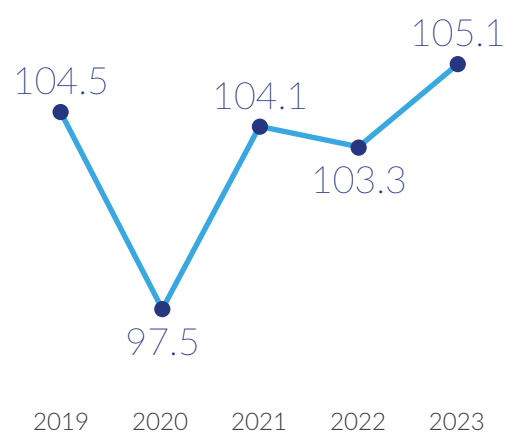
The volume of gross domestic product (GDP) in Kazakhstan amounted to KZT 120.6 trillion in 2023 and increased by 5.1% compared to the previous year. The largest contribution to GDP growth was made by trade (1.87 percentage points), industry (1.21 percentage points) and construction (0.7 percentage points). The industrial sector was supported by the growth of oil production and favourable conditions in foreign export markets, trade growth was ensured by stable domestic demand and consumer confidence.

In 2023, industrial production grew by 4.4%. In the mining industry, the increase was 4.9%, due to an increase in production of crude oil, natural gas and other minerals. In the manufacturing industry, the growth reached 4%. In

Dynamics of gross domestic product, billion tenge



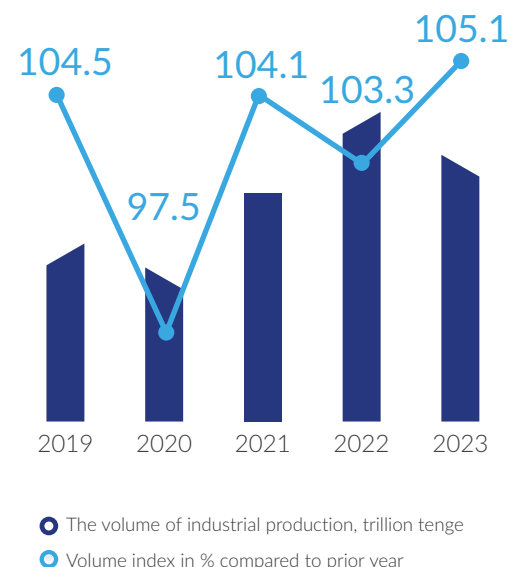
Gross domestic product index in % compared to the previous year



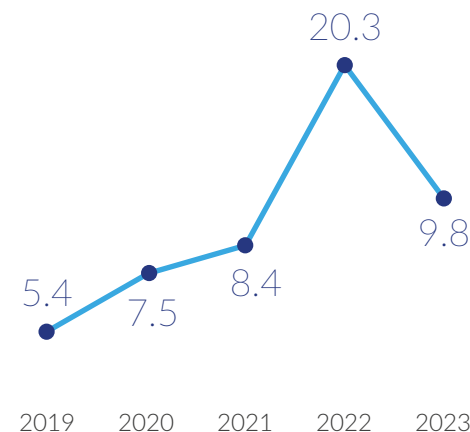
particular, light industry (12.2%) and mechanical engineering (28.2%) showed significant growth. In the supply of electricity, gas, steam, hot water and air-conditioned production increased by 5.4%.

The growth of industrial production was observed in 16 regions of the republic. The most significant increase in industrial production was recorded in North Kazakhstan (14.4%), Akmola (11.9%), and Atyrau (11.2%) regions. The decrease was observed in Aktope, Karaganda, Ulytau, and Mangystau regions.

Dynamics of industrial production



Consumer Price Index in the Republic of Kazakhstan, %



## Overview of the energy industry

222 electric power plants produce electric power in Kazakhstan. As of 1 January 2024, the total installed capacity of the country's power plants is 24,641.9 MW, and the available capacity is 20,428.4 MW. In 2023, there was an increase in electric power consumption in light of the growth of industrial production, while there was some decline in generation, which led to an increase in electricity shortages.

An important change in the energy industry in 2023 was the introduction of a single electricity buyer and a real-time balancing electricity market from 1 July 2023. The market has switched to centralised purchase and sale of planned volumes of electric energy. All generated electrical energy is sold to a Single buyer. At that, the balancing electric power market ensures the settlement of imbalances in the UES of Kazakhstan. All subjects of the wholesale market are required to participate in the balancing market. The new mechanism is designed to smooth out imbalances in electricity production and consumption and equalise tariffs.

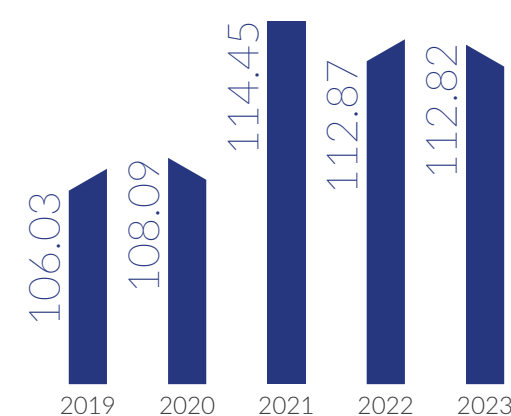
## Production

According to the KEGOC system operator, electricity production in 2023 amounted to 112.8 billion kWh, which is approximately the same as in 2022.

Growth was observed in the Northern zone of the UES of Kazakhstan – by 1%. It accounts for approximately 53% of Kazakhstan's electric power production. There was a decrease in production in the Western and Southern zones of the UES.

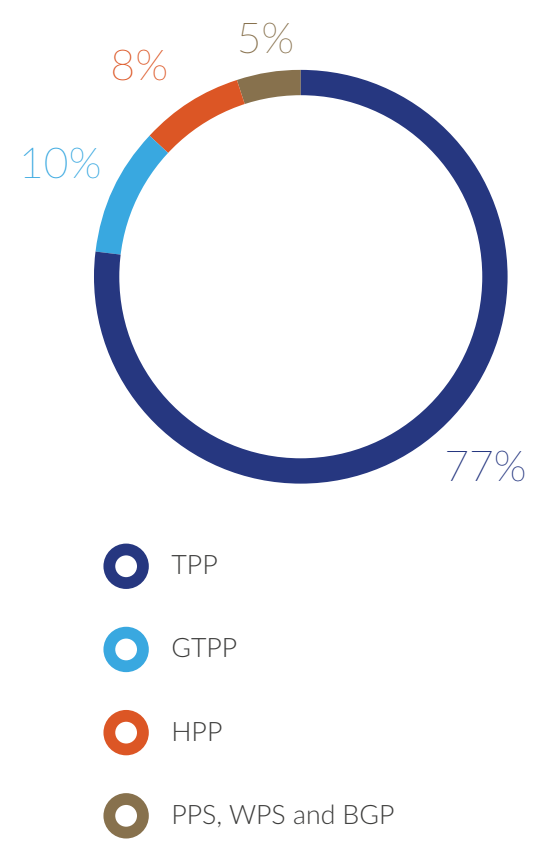
At thermal power plants, production decreased by 1.4% and eventually amounted to 87.4 billion kWh of electric power over the year – this is more than 77% of total output. At that, there was a significant increase in electric power production by renewable energy facilities.

Electric power generation in Kazakhstan, billion kWh





The structure of electric power generation in Kazakhstan in 2023 by type of generation



Electric power production by generation type, billion kWh

Generation type	2021	2022	2023	Change
TPP	91.16	88.62	87.36	-1%
GTPP	10.70	10.94	11.02	1%
HPP	9.18	9.19	8.75	-5%
SPP, WPP and BGP	3.40	4.12	5.69	38%

Electric power production by zones, billion kWh

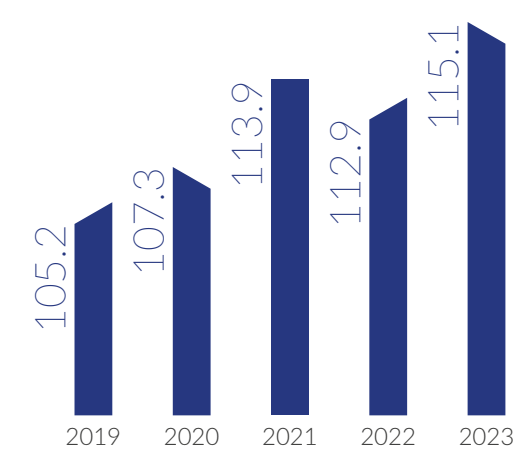
EEC Zone of the Republic of Kazakhstan	2021	2022	2023	Change
North	87.78	83.91	84.43	1%
South	12.18	14.44	14.05	-3%
Western	14.49	14.52	14.34	-1%

## Consumption

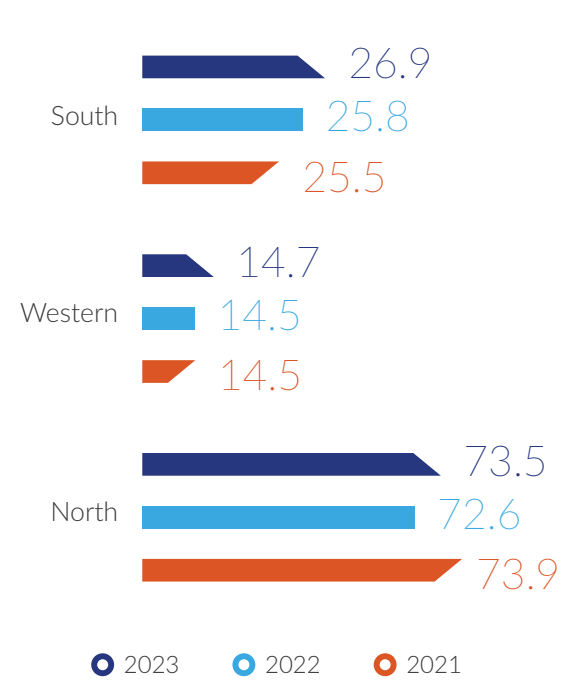
The growth in electric power consumption in 2023 amounted to 1.88% and reached 115.1 billion kWh. Growth was observed in all zones of the UES of Kazakhstan, in particular in the Northern and Southern zones, consumption increased by 1.2% and 4.2%, respectively. This means that with a slight decrease in generation, there was an increase in electric power consumption. The shortage of electric power eventually amounted to 1,519 MW and was covered by overflows from the Russian Federation.

According to KEGOC, the projected balance of electric power for 2024-2030 is formed with a shortage of electric power up to 6.2 GW.

Electric power consumption in Kazakhstan, billion kWh



Electric power consumption by zone, billion kWh



We carry out repairs of the fuel supply path, including current and medium ones, eliminate defects. The most important thing in our work is experience. It is achieved through overcoming difficulties. Also, you need to be able to get along with the young people who come to us, find a common language. Of course, it is important that our equipment works smoothly, and ultimately, that the residents of our city always have light and warmth.



MADI UTEKEEV

coal-moving equipment maintenance foreman

24 years of work experience in the energy sector



Even when it's summer  
outside, we take care of  
the heat in your home



CAERCO

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POWER  
ENGINEERS  
WORK HERE**





# OPERATING RESULTS

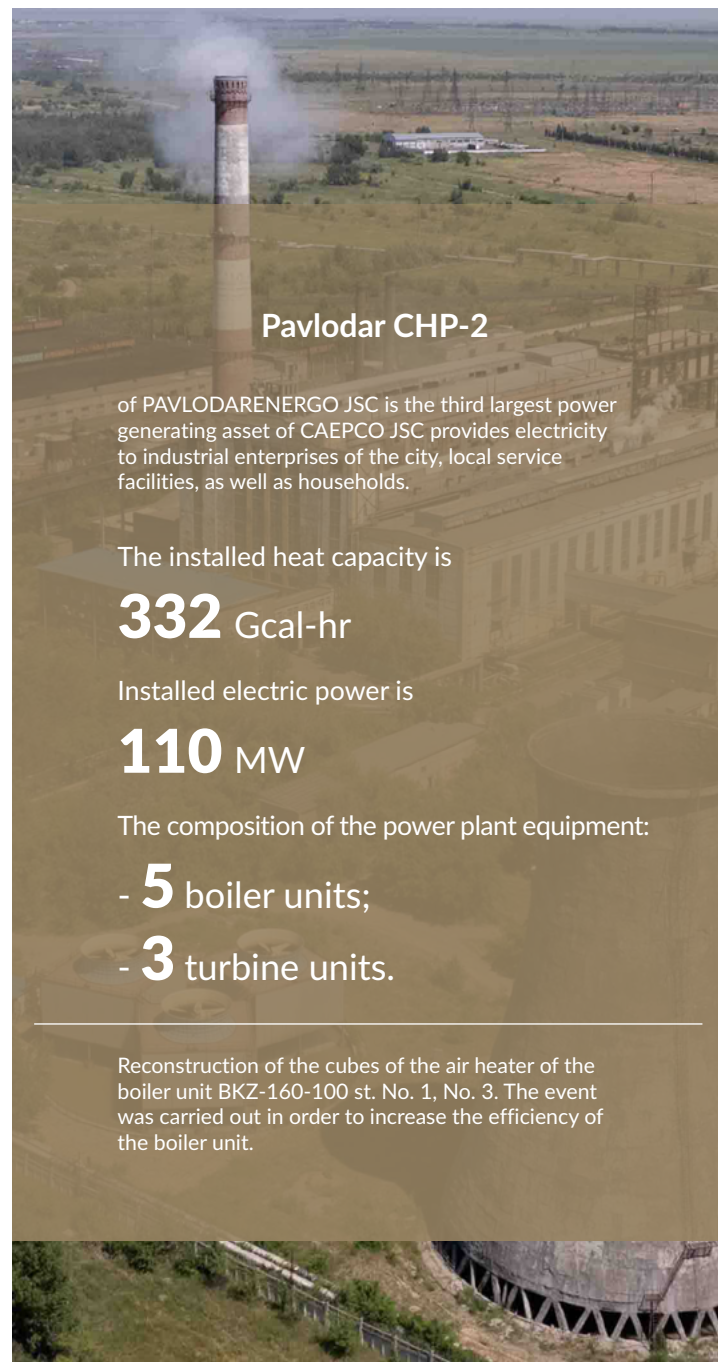
SDG



## RESULTS OF THE IMPLEMENTATION OF THE INVESTMENT PROGRAM 2023

GRI 203-1

Generation of electric and heat power



### Pavlodar CHP-2

of PAVLODARENERGO JSC is the third largest power generating asset of CAEPCO JSC provides electricity to industrial enterprises of the city, local service facilities, as well as households.

The installed heat capacity is

**332** Gcal-hr

Installed electric power is

**110** MW

The composition of the power plant equipment:

- **5** boiler units;
- **3** turbine units.

Reconstruction of the cubes of the air heater of the boiler unit BKZ-160-100 st. No. 1, No. 3. The event was carried out in order to increase the efficiency of the boiler unit.

### Pavlodar CHP-3

PAVLODARENERGO JSC is the largest energy generating asset of the CAEPCO JSC.

Installed heat capacity is

**1 154** Gcal-hr

Installed electric power is

**555** MW

The composition of the power plant equipment:

- **6** boiler units;
- **6** turbine units.

- reclamation of the 1st stage of the ash dump. The event was carried out in order to prevent dusting of the surface of the washed ash and slag of the spent section;
- construction of chimney No. 2 to remove the restrictions on the thrust of existing boiler units operating on the chimney No. 1, and the ability to connect to the tube of boiler units at the stations No. 5, 6 and promising boilers at the stations No. 7, 8;
- reconstruction of the cubes of the air heater of the boiler unit BKZ-420-140 st. No. 2. The event was carried out in order to increase the efficiency of the boiler unit;
- reconstruction of the condenser of the turbine unit No. 2. The event is aimed at improving the reliability of the condensing unit and the turbine unit as a whole;
- reconstruction of electrical equipment in the turbine unit cell No. 5;
- manufacture and replacement of VEK-1-st. boiler unit of st.No. 5;
- manufacture and replacement of upper cubes of VZP-12 pcs (II st.) boiler unit of st. No.5.

### Ekibastuz CHP

of PAVLODARENERGO JSC is the fourth largest power generating asset of CAEPCO JSC.

Installed heat capacity is

**750** Gcal-hr

Installed electric power is

**12** MW

The composition of the power plant equipment:

- **10** boiler units;
- **1** turbine units.

- major repair of boiler unit No. 6;
- major repair of boiler unit No. 7;
- major repair of boiler unit No. 8;
- major repair of boiler unit No. 11
- major repair of boiler unit No. 12;
- major repair of boiler unit No. 13;
- major repair of boiler unit No. 14;
- current repair of boiler unit No. 5;
- repair of general station and auxiliary equipment;
- reconstruction of mains water pipelines in the building of the hot water boiler house with the installation of three new pumps capacity - 1,250 m3/hour;
- the reconstruction of the boiler and turbine shop building has been completed;
- work has continued on the reconstruction of section No. 2 of the ash dump in the bed of Lake Tuz.



## Petropavlovsk CHP-2

of SEVKAZENERGO JSC is the largest energy-generating asset of the CAEPCO JSC.

The installed heat capacity is

**713** Gcal-hr

Installed electric power is

**541** MW

The composition of the power plant equipment:

- **12** boiler units;
- **7** turbine units.

- major repair of boiler unit No. 11
- work has begun on the reconstruction of turbine unit No. 1;
- work has been carried out on the reconstruction of the building of the main building of the boiler shops;
- work has begun on the reconstruction of the boiler unit of station No. 2
- repairs of chimneys No. 2, 3 were carried out.

## Reconstruction of electric grid facilities

In 2023, as part of investment programs, work was performed on construction, reconstruction and technical re-equipment of 0.4-10 kV electric networks for 44.1 km:

North Kazakhstan EDC JSC –

**19.9** km of self-supporting insulated

PAVLODAR EDC JSC –

**24.2** km

### PAVLODAR EDC JSC

- design and estimate documentation were developed for the reconstruction of cells and relay protection and automation of substations 220/110kV "Industrial" and 110/10kV "Central-urban";
- development of design and estimate documentation for the reconstruction of the 110/10kV Tsentralnaya Gorodskaya substation;
- partially purchased materials for the reconstruction of the 110/10kV Leninskaya substation in 2024;
- design and estimate documentation have been developed for the construction of a new 35 kV L-63 Olgino-Timiryazev overhead line in 2025 to replace the existing one;
- partially purchased materials for the construction of the new 35 kV L-32 Kyzyl-Kuroma-Belogorye-1 overhead line in 2024 to replace the existing 24.5 km length;
- Work continued on the construction of the 110/10 kV Severnaya-Gorodskaya substation with the construction of a 110kV double-circuit overhead line Promyshlennaya-Severnaya-Gorodskaya substation.
- 35-110kV power transformers were overhauled at 35/6kV Beregovaya and 110/10kV Transportnaya substations.
- Commissioning of SAMUR equipment at the 110/10kV "Usolskaya" substation was completed with replacement of 17 batteries.
- installation of security and fire alarm systems in the buildings of the Bayanaulsky, Shcherbaktinsky, Irtysh districts distribution zones and in the building of the URiK of Pavlodar;
- work has begun on the installation of an antenna mast structure at the 110 / 10kV substation "Maraldy" in the Shcherbaktinsky district;
- installed 1,252 meters of the automated system of technical electricity metering;
- works on construction, reconstruction and technical re-equipment of 0.4-10 kV electric networks in the amount of 24.2 km were completed;

- 55 units of industrial buildings and structures were reconstructed.
- technological equipment, special mechanisms and other fixed assets were purchased in the amount of 304 units.

### NORTH-KAZAKHSTAN EDC JSC

- measures were taken to reconstruct 0.4 kV overhead lines in Kyzylzhar, Akkayyn districts and Magzhan Zhumabayev district with a length of about 19.9 km using SIP technology;
- reconstruction of the -35 kV switchgear at the 110/35/10 kV s substation has been completed. Pokrovka of Esil district of North Kazakhstan region and OPU -35 kV at 110/35/10 kV Liteynaya substation of Mamlyut district of North Kazakhstan region;
- Two 110 kV ORU units were purchased and replaced at the 220/110/35/10 kV "Kiyaly" substation in Akkayyn district.
- he 6.3 MVA power transformer of the 35/10 kV Rabochy Poselok substation was replaced by 10 MVA;
- non-insulated entrance doors were replaced, seals and curtains were installed on the gates of industrial buildings of the central base of SK REC JSC;
- insulated roofs (attic floors) of buildings;
- reconstruction of 4.71 km of cable lines in Petropavlovsk was completed;
- econstruction of 4,023 km of 10 kV overhead lines in Petropavlovsk was completed;
- reconstruction of 2 buildings of TP 10/0. 4 kV in Petropavlovsk was completed;
- 6 roofs of buildings of TP 10/0. 4 kV in Petropavlovsk were repaired;
- repair and restoration of 198 metal fences of KTP 10/0. 4 kV was performed in the districts of North Kazakhstan region and Petropavlovsk;
- purchased power equipment for replacement at 10/0. 4 kV substations in the city and region (9 10/0. 4 KTPS with a capacity of 160 kVA, 250 kVA, 400 kVA, 83 power transformers with a capacity from 25 kVA to 400 kVA);
- purchased a special vehicle (oil truck).
- electrical measuring devices and diagnostic equipment were purchased.
- updated a set of technical tools for automating management and engineering work (PCs, MFPs, licenses).

### AKMOLA EDC JSC

- partial technical modernisation of equipment at 10 substations was performed;
- 210 kV reclosers were installed;
- major repairs were made to 6 buildings and structures in Korgalzhynsky, Bulandynsky, Zhaksynsky and Yesilsky distribution zones, as well as administrative buildings of AEDC JSC in Astana on Seyfulin Street and Tsiolkovsky Street;

- 220 kV substation – 1 piece, 110 kV substation – 10 pieces, 35 kV substation – 33 pieces, KTP -10/0.4 kV-657 pieces, 110 kV overhead line-316.609 km, 35 kV overhead line-451.43 km, 10 kV overhead line-741.99 km, 0.4 kV overhead line kV – 988.187 km.
- the fleet of special equipment and vehicles in the amount of 36 units has been updated.

## Reconstruction of heat networks

In 2023, the construction and reconstruction of thermal pipelines with the use of preinsulated pipes of 1.267 km was completed:

Pavlodar – **0.25** km

Petropavlovsk – **1.02** km.

In 2023, as part of the approved Investment Program of Pavlodar Heat Networks LLP, the following activities were carried out:

- Work continued on Reconstruction of pumping station No. 3 with the installation of a central heat supply station in Lesozavod micro-district in Pavlodar". Adjustment". Reconstruction of the pumping station NS-3 with re-equipment in the central heat supply station is necessary to improve the hydraulic regime for consumers in the areas of Lesozavod and Radiozavod.
- The "Reconstruction of the heat network from TC-616/A to the entry into the railway of Surganov Street 20 in the city of Pavlodar" was completed.
- The planned measures for the reconstruction of the 246-meter-long heat network were fully implemented by the contractor Sredazenergomontazh Pavlodar LLP: these are dismantling works, general construction works, installation of the heat network, landscaping. The facility has been put into operation.
- Reconstruction of the transition of the TM-34 thermal highway under the newly built highway (crossing) to the new Zhastar micro-district in Pavlodar has been completed.
- The planned measures for the reconstruction of the TM-34 thermal highway junction were fully implemented by the contractor organisation P. K. Stema LLP: these are dismantling works, general construction works, installation of the heat network, landscaping. The facility has been put into operation.
- The design and estimate documentation was developed and the expert examination of the project "Reconstruction of the heat network from TC-134 to TC-134/8" in Pavlodar was carried out.

A partial purchase of materials and equipment was made within the framework of the signed contract for construction and installation works with Sredazenergomontazh Pavlodar LLP.

The planned works were not completed in full, due to the fact that suppliers and manufacturing plants are physically unable to deliver/produce the necessary equipment and materials for the project in a timely manner, the outstanding volumes will be postponed to 2024 and reflected in the adjustment of the investment program.



- Special equipment was purchased for carrying out current and major repairs. Special equipment was purchased under the contract with WEST LINE LTD LLP in the amount of 3 units, including: an auto repair shop, a vacuum machine on a KAMAZ chassis, and a truck crane on a KAMAZ chassis. Delivery is 100% complete, the equipment is accepted on the balance sheet of "Pavlodar Heat Networks" LLP.

Petropavlovsk Heat Networks LLP will implement the following measures in 2023:

- Reconstruction of TM-3 2Du 500mm continued. The project implementation period is 2022-2024. 1.021 km of the main pipeline, 3 heat chambers, and a drainage well were reconstructed, and the asphalt surface was restored.
- "Institute "KazNIPIEnergoprom" JSC "adjusted the project" Reconstruction of TM No. 6 2Du400-Du500mm on Ruzhynikova St. from UN-6-10 to TC-6-14";
- The design of work projects for major repairs of pumping station No. 1 was completed, and their comprehensive non-departmental expertise was carried out. Installation of high-voltage equipment (retrofit cells) was completed.

On the Ekibastuz heat networks of Ekibastuzteploenergo LLP, contractors engaged by the akimat of Ekibastuz, in accordance with the POI transferred from Ekibastuzteploenergo LLP to the Akimat of Ekibastuz, carried out works on the reconstruction of heating mains:

- Reconstruction of 1.2 km long TM-II sections
- Reconstruction of the 2.1 km long TM - V section
- Reconstruction of the 1.1 km long TM-VIII section
- Reconstruction of the 1.0 km long TM - XII section

## PROCESS AUTOMATION

In the subsidiaries of CAEPCO JSC, modernisation and automation of production, accounting and related information systems is carried out. All projects are aimed at improving labour productivity, transparency of activities and economic efficiency.

Thus, automatic heat flow controllers, industrial controllers and modems are installed at heat-transmitting enterprises of the Corporation to connect mechanisms and control and measuring devices with the dispatching unit. All the equipment of heat points is introduced into a single network, which allows dispatchers to quickly control hydraulic and temperature conditions, and specialists to make decisions faster in emergency situations.

In addition, the Corporation applies advanced technologies to detect sources of heat energy losses: thermovision inspection devices for monitoring and diagnostics of main pipelines, ultrasonic flaw detectors.

### Automated electricity metering system

In 2023, within the framework of the approved concept of organising automated control over electricity distribution, JSC SKREK and JSC AREK successfully implemented the automated information system "Balances "and the software" Technical Accounting", which allow automating the processes of calculating balances and analysing losses.

### Billing

In the direction of corporate billing system development, the following projects were implemented in 2023:

- receiving electric and thermal energy readings via a chatbot (WhatsApp and Telegram mobile apps)
- integration of data from the billing system to the accounting system is implemented
- improved heat distribution algorithms

### Thesis document and task management system

Corporate electronic document management continues to develop, with the following works completed in 2023:

- preparation works to update the system release in order to: improve productivity and administration, implement a mobile app, implement the possibility of using an electronic digital signature,
- improvement of HR processes and internal records management.

### Process automation plans for 2024

In 2024, the following events are planned:

- Implementation of the THESIS update to the current release, development of automation of personnel processes and information security processes. Switch to the mobile app.
- Implementation of the software "Mobile application and application management system" in North-Kazakhsatn EDC JSC, Pavlodar EDC JSC, in order to automate the process of collecting readings from metering devices.
- Accepting payments in real-time (online) mode and on electronic invoices submitted through Halyk Bank of Kazakhstan JSC.

## WORKING WITH CONSUMERS

The main task of the CAEPCO Group's energy sales organisations is to ensure the quality of services provided to consumers in the sale of electric and thermal energy.

### Analysis of the sale of electric and thermal energy of ESO for 2023

ESO indicators	Volume	Amount
	thousand kWh	thousand tenge, VAT inclusive
Sale of electric power:	3,017,644	73,384,725
legal entities	1,688,372	50,985,478
individuals	1,329,272	22,399,247
Pavlodarenergosbyt LLP	1,327,467	30,074,693
legal entities	723,121	21,408,419
individuals	604,346	8,666,274
Sevkazenergosbyt LLP	893,074	19,732,900
legal entities	566,283	14,971,135
individuals	326,791	4,761,764
AEDC-Energosbyt LLP	797,103	23,577,132
legal entities	398,968	14,605,923
individuals	398,135	8,971,209



//

The most important thing is responsibility for the quality of the work, for the colleagues who are next to you. Because, despite compliance with safety regulations, there are different cases at work: there is steam, hot water, pressure, and work in trenches, as well as with equipment. The most difficult thing in the profession is to understand the hydraulic system. Because hydraulics is also a science, you can't fool it.



NIKOLAY VASHCHENKO

locksmith for walkdowns, repair and maintenance of heat network equipment, honoured power engineer of the Kazakhstan Electric Power Association, energy veteran  
15-year work experience with the company



ESO indicators	Volume	Amount
	thousand kWh	thousand tenge, VAT inclusive
Sale of heat:	4,463	25,628,902
legal entities	1,782	16,905,215
individuals	2,681	8,723,687
Pavlodarenergosbyt LLP	2,627	12,756,522
legal entities	1,126	8,094,200
individuals	1,501	4,662,322
Sevkazenergosbyt LLP	1,366	9,653,220
legal entities	501	6,398,564
individuals	865	3,254,656
Ekibastuzteploenergo LLP	471	3,219,160
legal entities	156	2,412,451
individuals	315	806,709



### Organisation of customer service works

In order to improve the quality of services provided and create favorable conditions for consumers on an ongoing basis, there are several ways to pay for consumed electric and thermal energy:

- Payment terminals.
- POS terminals.
- Branches of Kazpost JSC.
- Online banking (via mobile banking apps Kaspi.kz, Homebank, as well as through the payment systems QIWI Kazakhstan, Astana-Plat (kassa24).
- Payment system through second-tier banks.

For consumers of electric and thermal energy of individuals on the websites of organisations, there is a "Personal account of the consumer", where household consumers can use the tariff calculator for preliminary calculation of the amount to be paid, as well as the function of correspondence with the consumer in the service. Also, household consumers can make payments based on ERC receipts without the bank's commission.

On the basis of energy sales organisations of subsidiaries of CAEPCO JSC, there are Contact centers that provide customer service on the issues of charging for energy supply, water supply, sewerage, solid waste removal, maintenance of intercoms and condominium facilities, as well as take readings and provide information on planned and emergency power outages.

The interactive voice response system provides information on standard questions. Moreover, by calling a single Contact Center number, the consumer will always be able to get comprehensive information from the operator about the reasons for power outages and the timing of troubleshooting. And in case of emergency situations, information about which is provided by the consumer himself, Contact Center operators send requests to the

appropriate dispatching services of energy transmission organisations for further work. The introduction of this function in the Contact Center for Servicing Consumer Calls on Energy supply issues has significantly reduced the load on consumer calls to the relevant dispatching services of Companies. In order to improve the quality of customer service, the quality of service is monitored by monitoring requests in electronic form.

The main tasks of energy supply organisations are to meet the needs of the population, improve the level of customer service and meet the mandatory requirements of the international quality system standards.

In 2023, the Second supervisory audit of the quality management system was conducted, which resulted in a conclusion on compliance with the ISO 9001:2015 standard.

The processes required for the organisation's management system are identified and managed. These processes include:

- Provision of services for the sale of heat and electric energy to consumers.
- Purchases.
- Management and development of the quality management system.
- Information technology management (outsourcing).

In order to improve customer service and improve the quality of customer service, the organisation implemented the following measures in 2023:

- an annual plan for training and testing staff knowledge, aimed at improving the level of knowledge and training of employees of full-time and part-time public service centers;
- surveys in the form of questionnaires of visitors in service centers and sales sites, in order to analyse the level of customer satisfaction with the organisation's services offered, and to understand the needs of the population;
- assessment of the quality of customer service, in order to analyse satisfaction with the quality of service in contact and service centers.

#### Number of consumers by ESO region

Name of energy sales organisation	Number of consumers as of 01.01.2024					
	electric power			heat power		
	domestic consumers	non-domestic consumers	Total	domestic consumers	non-domestic consumers	Total
Pavlodarenergosbyt LLP	223,943	9,024	232,967	120,898	3,192	124,090
Sevkazenergosbyt LLP	159,376	6,552	165,928	75,649	2,438	78,087
AEDC-Energosbyt LLP	121,474	6,169	127,643	-	-	-
Ekibastuzteploenergo LLP	-	-	-	48,114	1,079	49,193
Total	504,793	21,745	526,538	244,661	6,709	251,370

The volume of consumption of the population in the total structure of consumption occupies more than 50%

In order to implement the energy saving program, within the framework of the current legislation of the Republic of Kazakhstan, differentiated tariffs for electric power are applied depending on the volume of its consumption by individuals.





## Implementation of digital projects

In 2023, Pavlodarenergosbyt LLP implemented chat-bot services for receiving readings in automatic mode based on WhatsApp and Telegram messengers. The robotic chat system allows you to cover the entire flow of incoming messages, and transfer the Contact Center staff involved in this process to work with clients via telephony, which significantly reduces the queue and waiting time for clients.

State Institution "Department of Digital Technologies of Pavlodar region" within the framework of the approved state program "Digital Kazakhstan" plans to launch an electronic platform for automating and submitting applications and receiving services by individuals and legal entities in the housing and utilities sector.

AEDC-Energosbyt LLP has launched a test version of a ready-made industry solution – a voice robot based on artificial intelligence with the chatbot function, which takes over communication between the organisation and consumers. This service allows you to: receive and process up to 73% of all incoming calls received at the branch without passing the primary operator; auto-call debtors; provide initial advice on various topics of appeals; record the results of a conversation with a storage period of 6 months, etc.

## ANALYSIS OF ACCOUNTS RECEIVABLE

### Collection of accounts receivable

Accounts receivable management is aimed at reducing the number of overdue accounts receivable.

In order to reduce accounts receivable in 2023, the following measures were implemented:

- Increased control over timely notification of legal entities' debts.
- Increased control over the submission and execution of energy transmission organisations' requests for disconnection of consumers who are in arrears.
- Work is underway to sign applications for acceptance with electricity consumers with whom electricity supply contracts were concluded until February 2020, which made it possible to increase the number of payment documents sent and notifications via SMS messages.

## Management methods

The following management methods are used when working with accounts receivable:

- Interaction with consumers occurs from the moment of delivery of unified payment documents for the consumed product.
- The next steps of interaction, the purpose of which is to encourage consumers who are debtors to pay their debts, are voice information, SMS messages, sending electronic messages, serving notifications and claims, sending requests for disconnection to energy transmission organisations.
- On a regular basis, representatives of energy transmission organisations disconnect consumers for arrears.
- Effective methods of repayment of receivables in relation to malicious defaulters are judicial and enforcement proceedings.

The adoption of all these measures helps to increase the return of overdue receivables.

If consumers do not have the opportunity to quickly repay accounts receivable, the "Step towards" promotion applies – the ability to repay existing debt in instalments.

## PROCUREMENT ACTIVITIES

### GRI 414-1

#### SDG



### Volume of purchases in the reporting year:

#### inventory values

**11.73 billion tenge**

#### works and services

**28.99 billion tenge**



## SERVICE DEVELOPMENT PLAN FOR 2024

Pavlodarenergosbyt LLP plans to implement the functionality for group distribution of SMS notifications to household consumers with overdue accounts receivable in 2024;

Starting from 2024, Sevkazenergosbyt LLP will resume the work of the interdepartmental commission on improving the quality of customer service and creating comfortable conditions for interaction with power engineers, as well as discussing problematic issues related to public utilities.

The purpose of resuming the work of the interdepartmental commission will be to consider issues of interaction between energy service providers and consumers, simplify procedures related to the organisation of energy supply to the population, water and gas supply, and promptly resolve problematic issues related to customer service.

An interdepartmental commission is an open platform for discussing consumer issues and taking effective actions to address them. Earlier, thanks to the activities of the interdepartmental commission, the processes of concluding energy and heat supply contracts were optimised. This made it possible to reduce the time required for signing

contracts from 15 to 5 days. The inclusion of a number of utilities for convenient payment by the population under a single payment document is also the result of the commission's activities.

In 2024, it is planned to introduce additional functions that will allow you to get the necessary information about the activities of the Unified Information and Settlement Center online.

AEDC-Energosbyt LLP plans to:

- work on concluding a contract for the introduction of a new billing system for organising payments with electric energy consumers;
- Work on signing applications for acceptance with consumers who have signed electricity supply contracts before February 2020.



Following the results of the reporting period, the following tasks were completed:

- the report on purchases made is integrated with the Electronic Trading platform. Report data is displayed in real time (MS Power BI);
- the annual procurement plan was executed for 100%;
- the number of procedures announced as of 31.12.2023 was 7,089;
- the level of automation has reached more than 90%;
- the level of digitalisation of purchases was 90%.

In addition, it is conducted:

- work to reduce inventory and illiquid volume in warehouses. The fact of illiquid sales for 2023 – 140 million for CAEPCO Group of Companies;
- actively work with authorised state bodies to introduce amendments to regulatory legal acts on procurement activities.

### Key financial and economic indicators

Key financial and economic indicators for 2021-2023, million tenge

Indicators	2021	2022	2023
Income from core activities	139,734	148,382	191,553
Cost	-106,209	-120,782	-159,228
Gross profit	33,525	27,600	32,325
Profit from operating activities	22,396	15,153	17,310
Total EBITDA for the year*	44,336	45,432	47,726
Total EBITDA for the year, margin in %	31.73%	30.62%	24.92%
Profit (loss) for the year	-70,227	-29,677	4,714
Assets	504,785	475,229	504,606
Liabilities	325,556	359,798	347,644
Equity	179,229	115,431	157,282
Capital expenditures on fixed assets, excluding VAT	14,025	16,803	23,990

## FINANCIAL AND ECONOMIC INDICATORS

### GRI 201-1

#### SDG



The consolidated financial statements of CAEPCO JSC Group of Companies (the "Group") for 2023 have been prepared in accordance with International Financial Reporting Standards and comprise of the financial statements of subsidiaries from the date of their acquisition. The principles of accounting policy are the same for all enterprises of the Group. The key financial and economic indicators demonstrate the results of operating and financial activities, as well as implementation of the main directions of the Group strategic development.

## INCOME FROM SALE OF PRODUCTS/SERVICES

At the end of 2023, the Group's operating income amounted to 191,553 million tenge, an increase of 43,171 million tenge (+29%) compared to the results of 2022, including:

growth of revenue from electricity sales - by

37,701 million tenge

growth of revenue from electricity transmission

2,766 million tenge

revenue growth from the electric capacity market - by

866 million tenge

(including Sevkazenergo JSC-by 932 million tenge);

increase in revenue from the sale of thermal energy - by

1,872 million tenge

reduced revenue from heat transmission - by

-24 million tenge

decrease in income from other activities by

-10 million tenge

The main factors influencing revenue growth in 2023 are:

- growth of tariffs for electric and thermal energy; growth of electricity sales volumes, which was formed due to an increase in the production volumes of SEVKAZENERGO JSC after restoration works at the plant (+704 million kWh, or 44%), as well as due to the lack of elimination of intra-group turnover in terms of electricity volumes due to the introduction of the wholesale electricity market mechanism with the introduction of a single buyer of electric energy from July 01, 2023.

The main factor that affected the decrease in revenue in 2023 is a decrease in sales of thermal energy by 346 thousand Gcal, or 6% due to the reduction of heat generation by Ekibastuzteploenergo LLP by 359 thousand tons Gcal or 24%.

## Cost of sales

The cost of electricity and heat sold in 2023 amounted to 159,228 million tenge, which is 38,446 million tenge, or 32% more compared to 2022, including:

- electricity for KZT 28,979 million;
- for thermal energy by KZT 8,746 million;
- for other activities by KZT 721 million.

Main factors: increase in fuel costs by 9,228 million tenge, repairs by 4,568 million tenge, labor remuneration with taxes by 5,587 million tenge, electricity transmission services by 2,111 million tenge, purchased electricity and electricity for losses by 15,032 million tenge (due to an increase in the price of electric energy, as well as the lack of elimination of intra-group turnover in terms of electricity volumes due to the introduction of the wholesale electricity market mechanism with the introduction of a single buyer of electric energy from July 01, 2023).



## EBITDA dynamics, total

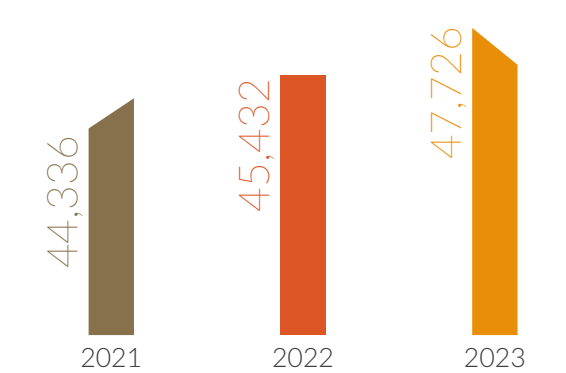
The operating EBITDA indicator was chosen as the main indicator when evaluating the Corporation's production activities. This performance indicator does not take into account other income, finance income, non-monetary component of foreign exchange liabilities, depreciation, amortisation and non-recurring or non-permanent items that do not affect the basic production activities of the Corporation.

EBITDA operating income of the Corporation for 2023 amounted 47,726 to 47,726 million tenge with an increase of 2,294 million tenge, or 5% compared to 2022, including:

- In the structure of the operating EBITDA indicator, the leading (primary) margin segment is the production of electric and thermal energy, which in 2023 amounted to 48,442 million tenge with an increase of 7,699 million tenge, or 19%, mainly due to an increase in tariffs for electric energy production from 01.06.23, including JSC Pavlodarenergo-by SEVKAZENERGO JSC - by 33%, and SEVKAZENERGO JSC's output growth by 704 million kWh or 44%.
- In the electricity transmission and distribution segment, operating EBITDA amounted to 8,237 million tenge, with a decrease of 639 million tenge, or 7%, due to a decrease in operating profit related to an increase in cost and expenses of the period (including repairs, labour remuneration, motor transport services, electricity transmission services through the national networks of KazTransOil JSC).

- In the heat transmission and distribution segment, EBITDA was 948 million tenge, with a decrease of 844 million tenge, or 47%, due to a decrease in operating profit related to a decrease in heat transmission volumes by 347 thousand tenge. Gcal or 8%, and an increase in the cost of production (including repairs, materials for operation, labour remuneration, heat energy for losses).
- In the electricity and heat sales segment, EBITDA was 3,229 million tenge, with a decrease of 4,290 million tenge, or 404%, due to an increase in production costs (including purchased energy and energy transmission services) and expenses during the period (due to wage indexation).

Operating EBITDA for the year, mln tenge

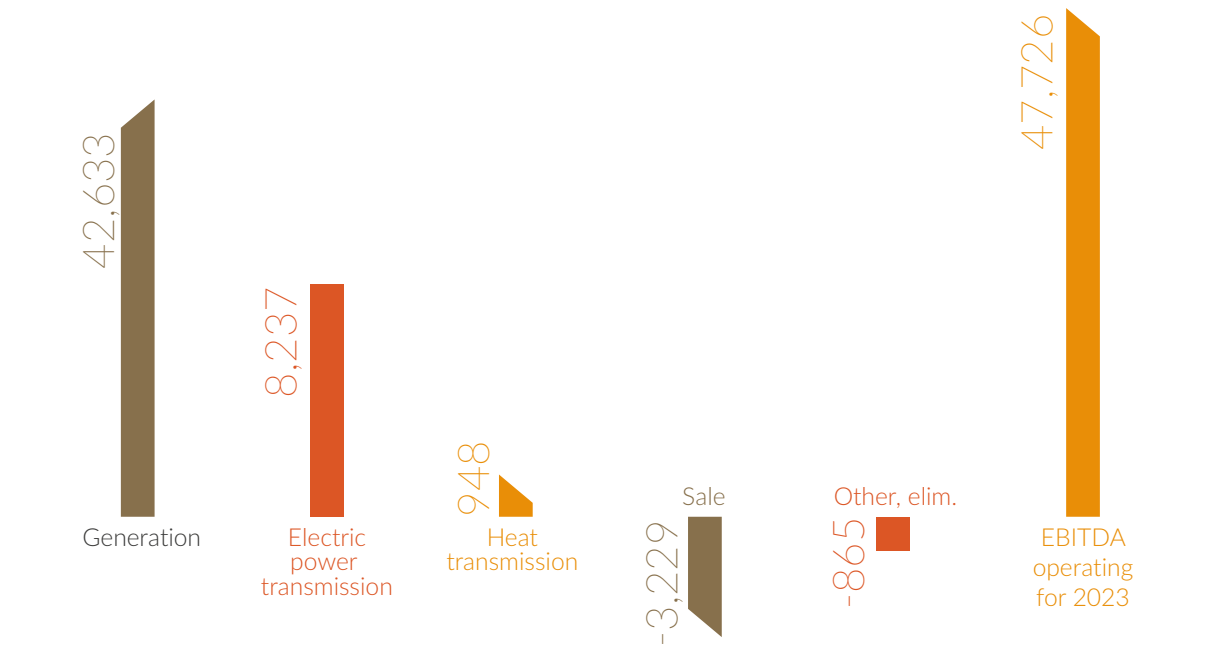


Operating EBITDA by segment, million tenge

Indicators	Electric and heat power generation	Electric power transmission and distribution	Heat transmission and distribution	Sale of electric and heat power	Other	Total
Income from core activities	118,585	37,723	9,758	86,204	355	191,553
Cost	-93,568	-31,197	-8,975	-86,077	-414	-159,228
Gross profit	25,017	6,525	783	127	-59	32,325
Expenses for the period	-7,036	-2,864	-688	-3,471	-1,223	-15,014
Profit from operating activities	17,981	3,661	95	-3,344	-1,282	17,310
Depreciation	24,652	4,576	853	115	218	30,415
Operating EBITDA by segment	42,633	8,237	948	-3,229	-1,064	47,726

Note: Elimination of intra-group turnover is not shown in the table

Operating EBITDA by segment, million tenge



## Dynamics of net profit/loss

Operating profit for 2023 amounted to 17,310 million tenge (margin of 9 % to sales revenue), with an increase of 2,158 million tenge (14 %) compared to 2022, due to the following main factors:

- increase in gross profit by 4,725 million tenge, or 17%, due to an increase in sales revenue by 43,171 million tenge, while cost increased by 38,446 million tenge;
- increase in expenses for the period by 2,567 million tenge, or 21%.

Net profit (loss) for 2023 based on the audit results amounted to 37,077 million tenge , which is 74,407 million tenge more compared to 2022, mainly due to:

- growth in revaluation of assets by 43,605 million tenge;
- increase in foreign exchange gain (net) by 35,270 million tenge;
- increase in operating profit by 2,158 million tenge;
- decrease in finance costs (net) by 4,410 million tenge;
- decrease in income from other activities by 2,493 million tenge;
- income tax expense increased by 8,492 million tenge.





## Assets, liabilities and equity

The currency of the Group's balance sheet as at 31 December 2023 is

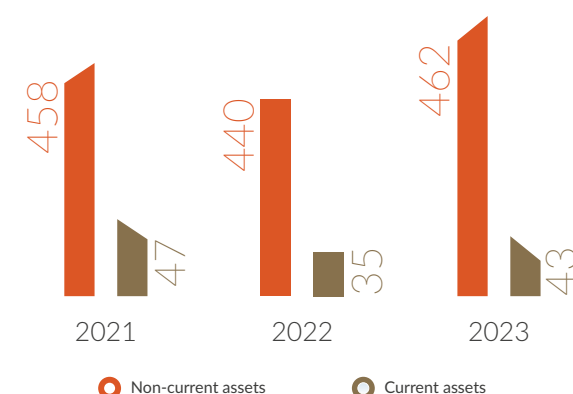
**504,926 million tenge,**  
which is 29,697 million tenge or 6% higher than in 2022.

The Group's assets are divided into current and non-current.

Non-current assets include property, plant and equipment, the value of which as at 31 December 2023 amounted to

**382,431 million tenge,**  
or 76% of the value of all assets. Investments in fixed assets for 2023 amounted to 23,990 million tenge (excluding VAT).

Assets, billion tenge

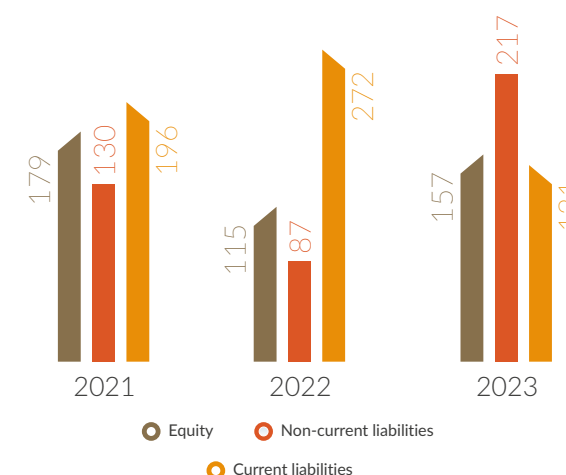


The declared authorised capital of the Group is 50 million ordinary shares. As at 31 December 2023, the value of fully paid ordinary shares amounted to

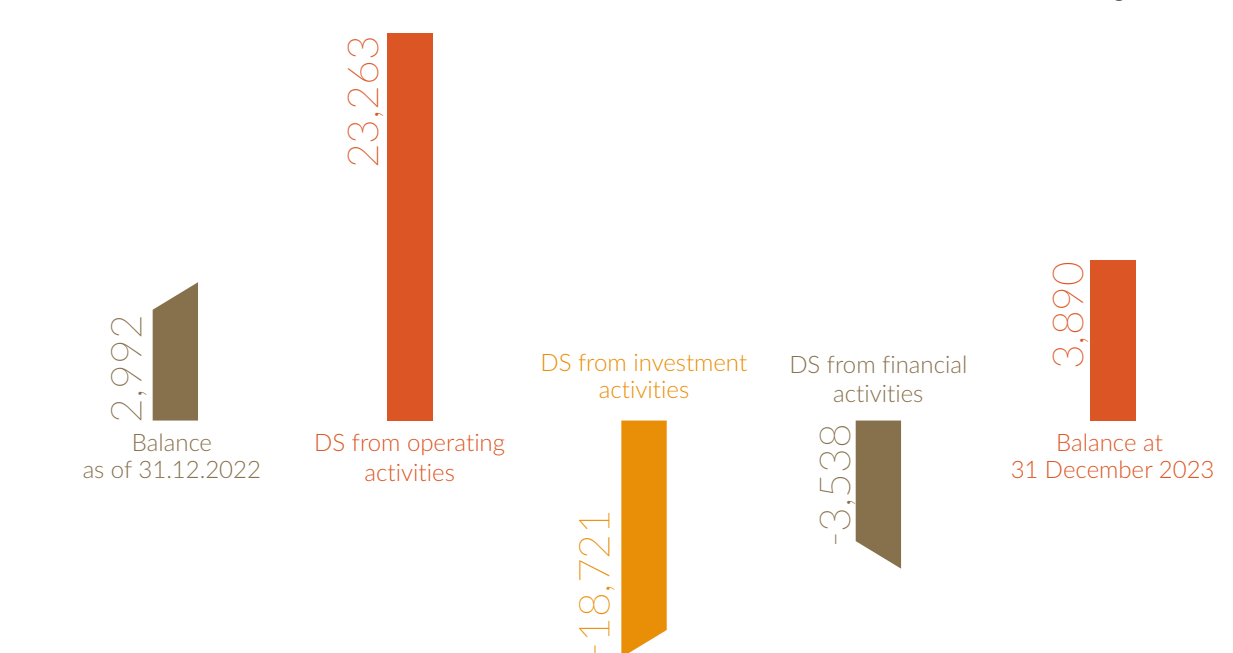
**46,043 million tenge.**

Long-term and current liabilities consist, inter alia, of obligations to DB VTB Bank JSC (Kazakhstan, Russia), the European Bank for Reconstruction and Development (EBRD), Halyk Bank of Kazakhstan JSC, and the Clean Technology Fund (CTF). The loans were raised to finance an investment program for reconstruction and modernisation of facilities of the Group and the purchase of a stake in other entities.

Liability and equity, billion tenge



Cash flow, million tenge



## Cash flow

Net cash from operating activities in 2023 amounted to **23,263 million tenge**, which is 5,099 million tenge, or 28% more than in 2022 (mainly due to an increase in revenue due to an increase in electricity and heat tariffs). Net cash used in investing activities was (-18,721 million tenge), which is 14,114 million tenge, or 43% less compared to 2022. The cash outflow is related to the fulfilment of obligations under the investment program and capital investments in fixed assets. Net cash generated from financing activities was (-3,538 million tenge), which is 16,864 million tenge, or 127% less than in 2022 (due to a decrease in the amount of borrowed funds and repayment of bank loans). The cash balance at the end of 2023 is 3,890 million tenge.

What are my responsibilities? Organisation of work, calculation, what maintenance of documentation, organisation of work process according to industrial safety measures. Working with people. It is not easy to find the right approach to each employee, but I manage it. Attention to every detail is important in the work, there can be no insignificant things in the work.

RAUSHAN KSHUKOVA

master of the thermal insulation section of the repair unit

15-year work experience with the company





People are the main value  
of the Corporation



CAEPCO

**THE BEST  
POWER  
ENGINEERS  
WORK HERE**



# DEVELOPMENT OUTLOOK

GRI 2-22, 203-1

SDG



## PLANS FOR THE RECONSTRUCTION AND MODERNISATION OF EQUIPMENT FOR 2024

**In 2024, within the framework of the investment program, a number of measures for modernisation of equipment aimed at increasing generation, reducing losses during the transmission of electric power and heat and improving the environmental parameters of activities were planned to be continued.**

At CHP-3 of PAVLODARENERGO JSC, it is planned to continue reconstruction of the gas flues of boiler units No. 3 - No. 6 for transfer to the chimney no.2 CHP-3.

It is also planned to carry out the following activities at the CHP-3 of PAVLODARENERGO JSC:

- reconstruction of the air heater cubes of BKZ-420-140 boiler units at stations No. 1, No. 3, No. 5;
- reconstruction of clarifier No. 1;
- installation of an automated system for monitoring environmental emissions;
- installation of gas stations of container type.



It is planned to conclude contracts for the supply of a turbine unit and a turbo generator at **CHP-2 of PAVLODARENERGO JSC** under the project "Reconstruction of CHP-2 of PAVLODARENERGO JSC". Replacement of the turbine unit of station No. 1".

Also, the following activities are planned to be carried out at CHP-2 of PAVLODARENERGO JSC:

- construction of the 3rd stage of ash dump at CHP-3 of PAVLODARENERGO JSC. Adjustment of the 2nd start-up complex (for CHP-2);
- reconstruction of the air heater cubes of BKZ-160-100 boilers at stations No. 4 and No. 5;
- installation of an automated system for monitoring environmental emissions;
- major repairs of the boiler unit BKZ-160-100 st. No. 5 leading to an increase in the cost of fixed assets;
- reconstruction of the condenser and replacement of the RVD-RND (Bi-bi) coupling of the PT-60-90/13 turbine unit No. 3;
- reconstruction of railway tracks No. 28.

At **Petropavlovsk CHP-2** of SEVKAZENERGO JSC in 2024, it is planned to:

- perform work on the construction of the trunk of a new reinforced concrete chimney;
- perform repair work on buildings and structures;
- perform major repairs of boiler units No. 1,9, turbine units No. 3,6;
- perform works on building up the enclosing dams of section 3 of ash dump No. 2 (second stage);
- install an automated system for monitoring environmental emissions;
- continue the reconstruction of the boiler unit of station No. 2 with an increase in steam capacity to 240 t / h and implement part of the project for the reconstruction of the turbine unit of Station No. 1.



In 2024, as part of the investment programs for distribution grid companies (RECs), it is planned to:

**Ekibastuz CHP** plans to perform the following tasks:

- reconstruction of the raw water scheme with the replacement of boilers 1, 2;
- implementation of a system of environmental control of emissions from sources of emissions into the environment of thermal power plants;
- reconstruction of buildings and structures.

- construction, reconstruction and technical re-equipment of 0.4-10 kV electric networks of 110.72 km, including 54.82 km for AEDC JSC, and 55.9 km for PEDC JSC;
- construction and reconstruction of 35-110 kV overhead lines of 225.76 km, including 158.63 km for NK EDC JSC, 42.6 km for AEDC JSC construction, 24.53 km for PEDC JSC;
- reconstruction of 22 substations of 35 kV and more, including -6 substation for PEDC JSC, 14 substations for NK EDC JSC, 2 substations for AEDC JSC.



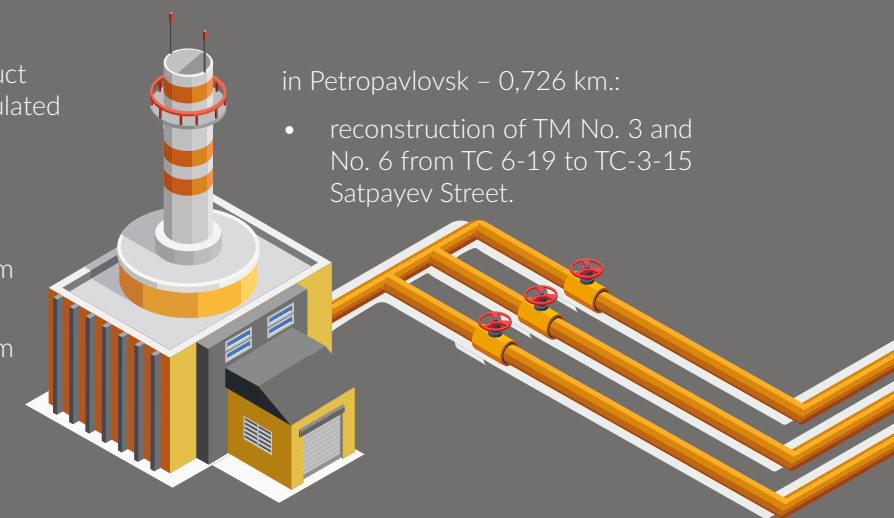
In 2024, it is planned to build and reconstruct main heat pipelines with the use of pre-insulated pipes with a length of 2,284 km,

in Pavlodar - 1,558 km.:

- reconstruction of the heat network from TC-134 to TC-134/8 -0.728 km.;
- reconstruction of the heat network from TC-134 to TC-134/8-0.830 km.

in Petropavlovsk - 0,726 km.:

- reconstruction of TM No. 3 and No. 6 from TC 6-19 to TC-3-15 Satpayev Street.





## SOUND DEVELOPMENT FORECASTS FOR THE NEXT THREE YEARS (2025-2028)

In 2025-2028, the following main activities are planned to be implemented at the CHP within the framework of investment programs:

### Pavlodar CHP-3:

- Replacement of clarifiers No. 2, No. 3;
- Reconstruction of swirlers and drop traps of emulsifiers of the boiler unit BKZ-420-140 st. No. 1-6
- Reconstruction of VZP cubes of BKZ-420-140 boiler units at stations 1-6
- Reconstruction of the ceiling superheater of the boiler unit BKZ-420-140 st. No. 4, No. 6
- Building up the dams of the first start-up complex of the 3rd stage of the ash dump of CHP-3

### Pavlodar CHP-2:

- Replacement of turbine unit No. 1 at CHP-2
- Reconstruction of swirlers and drop traps of emulsifiers of boiler units BKZ-160-100 No. 1-5
- Reconstruction of cubes of air heaters of BKZ-160-100 boiler units, st. №№1-5
- Replacement of the drum of boiler units BKZ-160-100FM No. 2,3
- Reclamation of the 2nd stage of the CHP-2 ash dump
- Construction of the 2nd start-up complex of the 3rd stage of the ash dump of CHP-2
- Reconstruction of dredging pumping plant of CHP-2

### Petropavlovsk CHP-2:

- Reconstruction of boiler unit No. 2
- Reconstruction of turbine unit No. 1
- Reconstruction of the heat output scheme
- Replacement of the main (3 pcs) boilers of boiler unit No. 6
- construction of gas flues for a new reinforced concrete chimney
- Reconstruction of the common gas flue (with the aim of switching boilers to a new chimney and chimney No. 3)
- Building up the enclosing dams of section 3 of ash dump No. 2 (stage III)
- Construction of ash dump No. 4

- Reconstruction of fuel supply at PTPP-2
- Reconstruction of the ORU-220 kV
- Major repairs of buildings and structures of PTPP-2.

In 2025-2028, the following main measures are planned to be implemented within the framework of investment programs for heating networks:

### Pavlodar Heat Networks LLP:

- Reconstruction of the thermal highway TM-20 with an increase in capacity (up to Dn1000) on the section NO-52-NP-6 in Pavlodar, 0.830 km;
- Construction of ONS-1A;
- Reconstruction of TSTP-69 in the city of Pavlodar;
- Reconstruction of the heat network from NO-21 to TSTP-58 in the city of Pavlodar;
- Reconstruction of quarterly heating networks under a trust management agreement.

**Petropavlovsk Heat Networks LLP** plans to reconstruct the main pipelines with a length of 3,387 km, including:

- Reconstruction of TM No. 6 2Du400-2Du500mm on Ruzhynikova St. from UN-6-10 to TC-6-14 with a length of 1,254 km;
- Reconstruction of the heating main No. 7-18 2Du500mm along Almatinskaya Street from TC-8-01 to TC-7-09A with a length of 0.514 km;
- Reconstruction of heat main No. 9 2Du400mm from UN-9-01 to TK-9-08 with a length of 1,350 km;
- Reconstruction of heat main No. 1 2Du600mm from TP1-19s to TK-1-20 with a length of 0.269 km.

In 2025-2028, the following main activities are planned to be implemented within the framework of investment programs for electric networks:

### PEDC JSC:

- development of design and estimate documentation for the reconstruction of substations 110/35/6 kV substation "Southern water intake" Pavlodar, 35/6 kV substation "Beregovaya" Pavlodar, 110/35/10 kV substation "Krasnokutskaya" Aktogay district;
- construction and installation work for the reconstruction of 110kV cells and RPA of the 220/110/10kV Promyshlennaya substation;
- construction and installation work on reconstruction

of substations 110/10kV "Tsentralnaya-Gorodskaya" substation, 110/35/6kV "Yuzhny Vodozabor" substation, 35/6kV "Beregovaya" substation, 110/35/10kV "Krasnokutskaya" substation;

- development of design and estimate documentation for the reconstruction/construction of 35-110kV overhead lines: 35 kV overhead line No. 58 "Zhelezinka-2-Moiseyevka (14.1 km) Zhelezinsky district, 35 kV overhead line No. 51 "Kachyry-2-Bobrovka" (42.67 km) Terenkolsky district;

- construction and installation work for the reconstruction/construction of 35-110kV overhead lines:

1. 110kV overhead line S-137 "Maikain-64-Bayanaul" (39.36 km) Bayanaul district;
2. 35 kV overhead line connections to 35/0.4 kV "Kyrk-uy" substation from 35 kV overhead line No. T-24 "Ivanovka-Novotroitskaya" (3.41 km), Aktogay district;
3. 35 kV overhead line No. 58 "Zhelezinka-2-Moiseyevka (14.1 km) Zhelezinsky district;
4. 35 kV overhead line No. 51 "Kachyry-2-Bobrovka" (42.67 km) Terenkolsky district;

- construction of 35 kV overhead line No. 63 "Olgino-Timiryazovo" in Pavlodar and Uspensky districts with a total length of 29.0 km;

- installation of security and fire alarm systems in Uspensky, Maysky, Zhelezinsky, Terenkolsky, Pavlodar and Aksu districts;

- construction, reconstruction and technical re-equipment of 0.4-10 kV electrical networks with a length of 146 km with the development of design and estimate documentation;

- reconstruction of buildings and structures in the amount of 126 units;

- installation of 1,684 automated technical accounting counters;
- purchase of technological equipment, special mechanisms and other fixed assets in the amount of 946 units.

### North-Kazakhstan REDC JSC:

- reconstruction of ORU-35-110 kV at 110/35/10 kV substations in Petropavlovsk and the districts of the region;
- reconstruction of ORU-35-110 kV at 110/35/10 kV substations in Petropavlovsk and the districts of the region;
- reconstruction of the 10 kV ZRU at 110/10 kV

substations No. 5 in Petropavlovsk, 110/35/10 kV "Presnovka" substation in Zhambyl district, 110/35/10 kV "Novomikhailovka" substation in Mamlyut district;

- reconstruction of the 35 kV Timiryazovo-B. Khmelniysky overhead line -10 km;
- replacement of insulation on overhead lines-35-110 kV - 40,000 pcs;
- reconstruction of power equipment of 220/110/35/10 kV substation - 4 substations;
- reconstruction and technical re-equipment of 0.4 kV electrical networks in the amount of 150.0 km;
- reconstruction of equipment and buildings of TP 10/0.4 kV in Petropavlovsk-15 units;
- creation of an automated dispatching control structure with a "SKADA" system in the operational dispatch service in Petropavlovsk;
- implementation of energy saving and energy efficiency measures;
- purchase of fixed assets (special vehicles, electrical measuring devices).

### AEDC JSC:

- Technical modernisation of 35 kV substations and above-37 units.
- Construction and modernisation of overhead lines 35 kV and above with a length of 275.6 km, including:
  - 110 kV overhead line "Kurgaldzhino-Krasnoznamenska" - 81.6 km;
  - 110 kV overhead line "TsGPP-Zapadnaya" - 3 km;
  - 110 kV overhead line "Zhuravlevka-Zhaltyr" -39.6 km;
  - 110kV overhead line "Urman-Krasnoznamenska" - 55.5 km;
- 35kV overhead line "Sabyndy-Manshuk Mametova" - 29.8 km;
- 35 kV overhead line "Karamyshevka-Kolokolovka" -53.9 km;
- 35 kV overhead line "Mametova-Chelkarskaya" -12.2 km.
- Technical modernisation of 0,4-10 kV networks 203,731 km, installation of new KTPN in the amount of 111pcs.



Energy is a  
symbiosis of  
physical and  
intellectual work



THE BEST  
POWER  
ENGINEERS  
WORK HERE



# CORPORATE GOVERNANCE

GRI 2-9

SDG



CAEPCO JSC follows high standards of corporate governance.

The Company's activities are based on balanced consideration of the interests of all parties, in particular investors, shareholders, employees, and officials of the Company.



The Board of Directors of the Corporation determines strategic objectives, supports the necessary mechanisms for monitoring activities, including ongoing monitoring and evaluation of the enterprise's performance. The Board of Directors consists of independent directors who are not affiliated with the Company.

In order to improve business processes and improve the efficiency of decisions made, the Company has established internal control mechanisms.

Internal control is systematic for CAEPCO JSC, integrated into strategic and operational management at all levels, covering all divisions and employees when they perform their functions in any business processes.

The Company's Board of Directors has an Audit Committee that monitors decisions and processes made to ensure the reliability of financial statements and coordinate internal control and risk management systems.

CAEPCO JSC is committed to the policy of information openness and transparency of its activities. The Company provides for a plan of actions for posting information about the Company's activities in open sources. In this way, shareholders can constantly monitor events occurring in the Company.

The corporate governance system of the Corporation is based on the recognised basic principles of transparency, fairness, accountability and responsibility.

Understanding the importance of effective and responsible corporate governance, CAEPCO JSC consistently follows high standards based on international principles and best international practices. The Corporation strives for continuous improvement of the corporate governance system and builds its activities taking into account the interests of all parties, in particular investors, shareholders and employees.

## GENERAL MEETING OF SHAREHOLDERS

The supreme governing body of the Corporation is the General Meeting of Shareholders. The main way for shareholders to exercise their rights recorded in the Corporation's Charter is to participate in the annual meeting of shareholders and in extraordinary meetings at the initiative of the Board of Directors or the executive body.

The shareholders of the Corporation are entitled to:

- submit proposals to the agenda of the annual General Meeting;
- nominate candidates to the Board of Directors and Committees;
- convene meetings of the Board of Directors;
- other rights stipulated by the current legislation.



## PERFORMANCE OF THE GENERAL MEETING OF SHAREHOLDERS

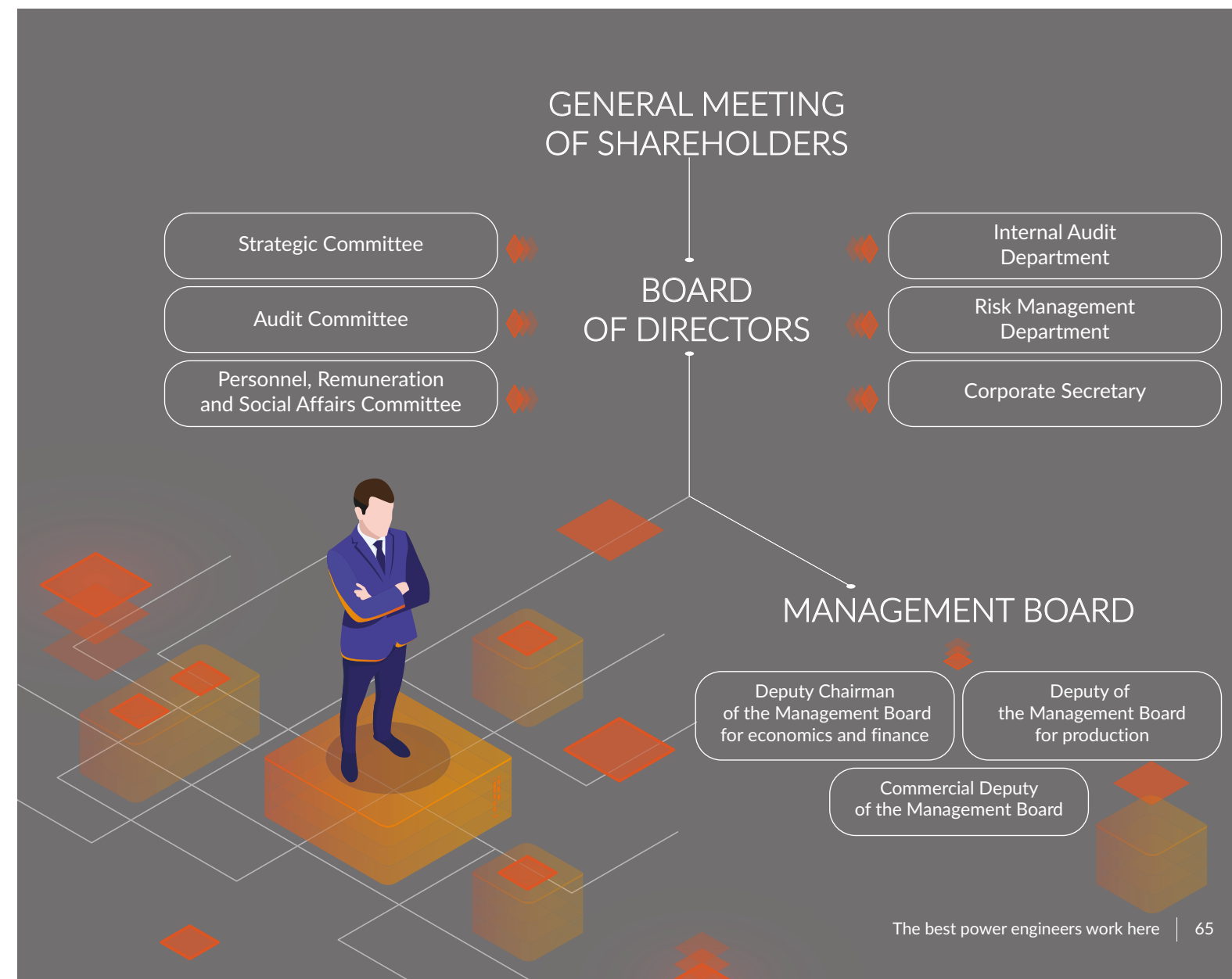
In 2023, one annual and three extraordinary General Meetings of Shareholders were held, where the following issues were reviewed:

- approval of the financial statements of CAEPCO JSC;
- determining the order of allocation of net income of CAEPCO JSC;
- considering issues on appeals of shareholders to the actions of CAEPCO JSC;
- designating the audit firm for the audit of the financial statements of CAEPCO JSC and its subsidiaries;
- election of new members of the Board of Directors of CAEPCO JSC;
- determining the amount and conditions of remuneration payment to the newly elected members of the Board of Directors of CAEPCO JSC;
- other items.

## ORGANISATIONAL STRUCTURE

GRI 2-9

SDG





## SHARE CAPITAL STRUCTURE

As of December 31, 2023 the authorised capital of CAEPCO JSC is

46,043,272 THOUSAND TENGE

The shareholders of CAEPCO JSC are resented by Alexandr Klebanov (47,1%), Sergey Kan (47/1%),KIF ENERGY S. a. r. I – 4.02%, Central-Asian power-energy Company JSC 1.78%



## DIVIDEND INFORMATION

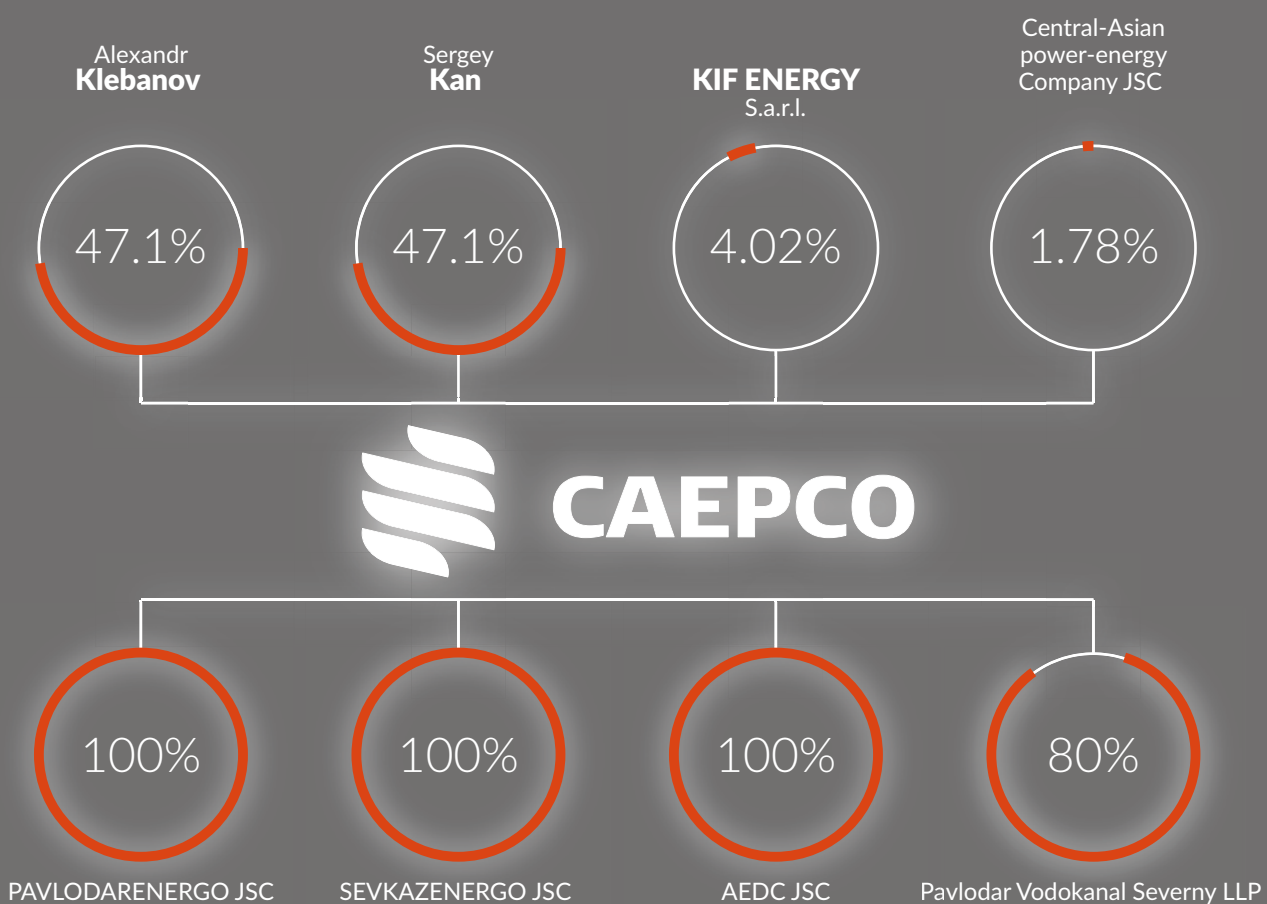
The Corporation's policy regarding the accrual, the procedure for declaring, the amount, form and timing of payment of dividends is defined in the Corporation's Charter and the Regulations on the Dividend Policy of CAEPCO JSC.

**The main principles of the Corporation's dividend policy are as follows:**

- strict compliance with the rights of shareholders stipulated by the current legislation of the Republic of Kazakhstan, the Company's Charter and its IRD, taking into account the interests of shareholders and maximising their assets;
- balance of interests of the Corporation and its shareholders in determining the amount of dividend payments;
- increasing the investment attractiveness, financial stability, capitalisation and liquidity of the Corporation;
- ensuring market return on invested capital.

The Corporation intends to allocate a certain portion of its net profit to pay dividends in the amount that allows the Corporation to keep enough funds for further development. The decision to pay dividends is made by the annual General Meeting of shareholders upon the recommendation of the Board of Directors. If there are unforeseen negative circumstances for the Corporation, the Board of Directors is obliged to recommend to the General Meeting of shareholders not to make a decision to pay (declare) dividends.

**In 2023, the annual General Meeting of shareholders made a decision on the absence of payment of dividends to the shareholders of CAEPCO JSC for the 2022 financial year.**





## BOARD OF DIRECTORS

**GRI 2-10,2-11,2-12, 2-13**

**SDG**



The Board of Directors of the Corporation determines strategic objectives, supports the necessary mechanisms for monitoring activities, including ongoing monitoring and evaluation of the Holding's performance.

In order to increase the transparency of the Corporation's activities, the Board of Directors comprises of three independent directors who are not affiliated with the Corporation. The independence of the members of the Board of Directors of the Corporation is determined in accordance with the requirements of the Law of the Republic of Kazakhstan "On Joint-Stock Companies".

### Independent members of the Board of Directors of CAEPCO JSC meet the following criteria:

- they are not affiliated with CAEPCO JSC and were not affiliated with CAEPCO JSC for three years prior to their election to the Board of Directors;
- they are not subordinated to officials of CAEPCO JSC or entities of persons affiliated with CAEPCO JSC and were not subordinated to such persons for three years prior to their election to the Board of Directors;
- they are not government employees;
- they are not representatives of the shareholders at the meetings of the bodies of CAEPCO JSC and were not such representatives for three years prior to their election to the Board of Directors;
- they do not participate in the audit of CAEPCO JSC as auditors working for an audit firm, and did not participate in such an audit for three years prior to their election to the Board of Directors.

**The Board of Directors is headed by the Chairman, who convenes meetings of the Board of Directors and prepares their agenda based on suggestions received from the members and committees of the Board of Directors and the executive body.**

### The activities of the Board of Directors are governed by the following principles:

- peer-review decision making with thorough discussion of issues using reliable and complete information on the Corporation's activities in accordance with the highest business standards;
- inadmissibility of restrictions on the legitimate interests and rights of shareholders to participate in the management of the Corporation, receive dividends, reports and information on the Corporation;
- ensuring a balance of interests of shareholders of the Corporation and maximum objectivity of decisions made by the Board of Directors in the best interests of shareholders;
- providing the Corporation's shareholders with reliable and timely information.

## Selection and appointment

The members of the Board of Directors of CAEPCO JSC are elected by the decision of the General Meeting of shareholders of the Corporation. According to the provisions of the Charter, the Board of Directors of CAEPCO JSC must consist of at least six persons, of which at least one third of the members of the Board of Directors must be represented by independent directors. Only an individual can be a member of the Board of Directors of CAEPCO JSC and be elected from among:

- individual shareholders;
- persons proposed for election to the Board of Directors representing the interests of shareholders;
- individuals who are not shareholders of the company and have not been proposed for election to the Board of Directors representing the interests of shareholders.

The Chairman of the Management Board of CAEPCO JSC may also be elected as a member of the Board of Directors, but may not be elected Chairman of the Board of Directors.

The Chairman of the Board of Directors of CAEPCO JSC is elected from among its members by a majority vote of the total number of members of the Board of Directors by open voting.

The term of office of the members of the Board of Directors is established by the General Meeting of shareholders of CAEPCO JSC. The term of office of the Board of Directors expires at the time of the General Meeting of shareholders, at which a new Board of Directors is elected. Persons elected to the Board of Directors may be re-elected an unlimited number of times.

### Term of service on the Board of Directors of CAEPCO JSC (as of December 31, 2023):

- **10-15 years – 3 persons**
- **2-6 years – 3 persons**
- **1-2 years – 1 person**

The term of office of the elected members of the Board of Directors is 2 years (until 17 March 2024)



//

I am engaged in the repair and maintenance of electrical equipment, appliances and installations. The most difficult thing in our work is electrical safety. The most important thing in 15 years of work at AEDC is that the staff is appreciated here. Our profession is in demand. It requires skills and knowledge that cannot be neglected.



**GANBAT  
SAGYNGAN**

**master of the workshop for operation  
and maintenance of high-voltage  
electric networks**

15-year work experience with the Company



## COMPOSITION OF THE BOARD OF DIRECTORS

### GRI 2-11

In 2023, the performance of the Board of Directors was not evaluated.

Not affiliated with CAEPCO JSC and was not affiliated with CAEPCO JSC three years prior his election.

- **01.2015 - 12.2015** – Project Finance and Corporate Development Manager at SUNEDISON ENERGY HOLDINGS (SINGAPORE) PTE. LTD.
- **03.2016 - 03.2019** – Vice President for Infrastructure Investments at CAPITAL ADVISORS PARTNERS ASIA PTE. LTD.;
- **03.2019 - 03.2023** – Director of Infrastructure Investments at CAPITAL ADVISORS PARTNERS ASIA PTE. LTD.;
- **2023 – until now** – General Manager for Business Development in Asia and the Middle East at VOPAK ASIA PTE. LTD.  
(member of the Board of Directors since 2022).



TAN LEVIN

Chairman of the Board of Directors,  
Independent Director



ALEXANDR  
NIGAY

Member of the Board of Directors

- **03.08.2015** – until now, Director of strategic development for Kazakhstanskiye Trubnye Sistemy LLP;
- **26.07.2016** – until now, Director of strategic development for Mineral Product LLP;
- **09.2020 - 30.06.2021** - Deputy Chairman of the Management Board of CAEPCO JSC for Commerce;
- **17.03.2022** – re-elected as a member of the Board of Directors of CAEPCO JSC.

(member of the Board of Directors since 2021).



ELDAR  
TABANOV

Member of the Board of Directors

- **04.01.2013** – a member of the Board of Directors, Independent Director of CAPEC JSC;
- **01.01.2014 - 13.06.2017** – Member of the Board of Directors, Independent Director of JSC North-Kazakhstan Regional Electric Distribution Company;
- **09.09.2015-16.11.2016** – Deputy Chairman of the Management Board of JSC NC SEC "Astana";
- **13.10.2016** – a member of the Board of Directors, Independent Director of Pavlodar Electric Distribution Company JSC;
- **29.09.2017** – Director of City Box LLP;
- **15.01.2018** – a member of the Board of Directors, Independent Director of PAVLODARENERGO JSC;
- **15.01.2018** – a member of the Board of Directors, Independent Director of Akmola Electric Distribution Company JSC;
- **15.01.2018** – a member of the Board of Directors, Independent Director of SEVKAZENERGO JSC.
- **17.03.2022** – re-elected as a member of the Board of Directors of CAEPCO JSC.

(member of the Board of Directors since 2017).



FRANZ-JOSEPH  
KAISER

Member of the Board of Directors,  
Independent Director

Not affiliated with CAEPCO JSC and was not affiliated with CAEPCO JSC three years prior his election.

- **17.11.1975 - 30.06.2009** – Partner of Price Waterhouse Coopers (PWC);
- **2005–30.06.2009** – PWC Partner for RAO UES of Russia project;
- **17.03.2022** – re-elected as a member of the Board of Directors, Independent Director of CAEPCO JSC.

(member of the Board of Directors since 2009).



MANFRED-JOSEPH  
KEHR

Member of the Board of Directors,  
Independent Director

It is not affiliated with CAEPCO JSC and has not been so for the previous three years.;

- **2003 - 2009** – Vice President of RWE Power International;
- **2008 - 2010** – Managing Director, Senior Advisor of RWE Power International;
- **25.02.2011** – Chairman of the Board of Directors Rhein Ruhr Power;
- **25.10.2011** – a member of the Board of Directors, Independent Director of CAEPCO JSC;
- **17.03.2022** – re-elected as a member of the Board of Directors, Independent Director of CAEPCO JSC.

(member of the Board of Directors since 2011).

IGOR  
LASHKUL

Member of the Board  
of Directors

- **2015 – 2023** - Advisor to the General Director of Stepnogorsk Mining and Chemical Combine LLP;
- **2016 – until now** - Director of Prime Business LLP.



ORAL BAGDAT

Member of the Board of Directors

- **03.2014 – 06.2014** – Head of the Prospective Development Department of Samruk-Green Energy LLP;
- **06.2014-07.2018**-Director of CAPEC Green Energy LLP;
- **07.2018 – 04.03.2021** – Deputy Chairman of the Management Board for Energy Sales and Tariff Policy of CAEPCO JSC;
- **05.03.2021** – Chairman of the Management Board of CAEPCO JSC;
- **17.03.2022** – re-elected as a member of the Board of Directors of CAEPCO JSC.

(member of the Board of Directors since 2021).





## ACTIVITIES OF THE BOARD OF DIRECTORS

	2021	2022	2023
meetings in presentia	9	9	7
meetings in absentia	9	7	8

**In 2023, the Board of Directors held 15 meetings.**  
The Board of Directors focused on the following key issues:

- review of monthly and quarterly management reports;
- monitoring the implementation of the consolidated business plan of CAEPCO JSC for 2022;
- approval of the consolidated business plan (budget) of CAEPCO JSC for 2023;
- approval of the annual consolidated financial statements of PAVLODARENERGO JSC, SEVKAZENERGO JSC and Akmola Electric Distribution Company JSC
- determining the order of distribution of net income of subsidiaries for 2022, as well as designating the audit firm for conducting an audit of the financial statements for 2022;
- preliminary approval of the annual consolidated financial statements of CAEPCO JSC for 2023;
- determination of the procedure for distributing the net income of CAEPCO JSC for the past

fiscal year 2023 and the amount of dividends per common share of CAEPCO JSC;

- preliminary selection of an audit firm for the audit of CAEPCO's consolidated financial statements for 2023;
- consideration of reports on activities of the Internal Audit Department and the Risk Management Department of CAEPCO JSC;
- approval of a number of internal regulatory documents;
- other.

### Information about major transactions

In 2023, major transactions were made, information about which is posted on the websites of the Financial Statements Depository and the Kazakhstan Stock Exchange.

## 28.02.2023

Amendments to the decision of the Board of Directors of Central-Asian Electric Power Corporation JSC (Minutes No. 3 dated February 28, 2022) on the third item of the agenda " On approval of CAEPCO JSC as the Sole Shareholder of SEVKAZENERGO JSC, conclusion of SEVKAZENERGO JSC Supplementary Agreement No. 1 to the Real Estate Pledge Agreement No. 1659-2021 dated September 30, 2021 as a major transaction in which the Company has an interest";

Conclusion of Supplementary Agreement No. 2 to the Agreement No. 1650-2021 on mortgage of real estate (mortgage) dated September 28, 2021 between JSC Halyk Savings Bank of Kazakhstan and JSC Central Asian-Electric Power Corporation;

Conclusion of Supplementary Agreement No. 3 to the Agreement No. 1684-2021 on pledge of real estate (mortgage) dated September 30, 2021 signed between JSC Halyk Savings Bank of Kazakhstan and JSC Central Asian-Electric Power Corporation.

## 18.10.2023

Approval of the conclusion of Supplementary Agreement No. 6 between Central-Asian Electric Power Corporation JSC and VTB Bank PJSC.

## RESULTS OF THE ACTIVITIES OF THE BOARD OF DIRECTORS COMMITTEES

**GRI 2-12, 2-13**

There are  
**THREE COMMITTEES**  
under the Board of Directors  
of CAEPCO JSC.



### Strategic Committee

**The core functions of the Committee are as follows:**

- consideration and evaluation of the priority areas of activity of CAEPCO JSC, its development strategy;
- consideration and evaluation of the concepts, policies, programs, development plans of CAEPCO JSC and the results of their implementation;
- consideration and evaluation of financial and economic indicators of CAEPCO JSC activities;
- consideration and evaluation of CAEPCO JSC budget and the results of its implementation;
- bringing to the attention of the Board of Directors of CAEPCO JSC recommendations on any issues that, in the opinion of the Committee, require action on its part;
- assistance to the Board of Directors on improving the frameworks for planning and developing the Corporation's activities.

**Composition of the Committee\***

- **M. Kehr - Chairman**
- **S.V. Kan**
- **B.E. Oral**
- **O.V. Perfilov**
- **A.D. Nigay**

In 2023, there were no meetings of the Strategic Committee.





What is my job about?  
Prevention of accidents and malfunctions of electrical equipment, carrying out scheduled and extraordinary inspections of electrical equipment, in case of malfunction, performing its replacement.  
The most difficult and at the same time the most important thing is the safety of people in production and the integrity of equipment.  
Reliability of energy supply is important. Today it is difficult to imagine life without electricity.



AMANZHOL  
KOZHENBEKOV

electrician for maintenance  
of 110/10 kV "Severnaya" substations has  
been working for AEDC since its foundation

## Audit Committee

The core functions of the Committee are as follows:

- assisting the Board of Directors in the effective implementation of its regulatory and supervisory functions in terms of control over financial reporting and internal control, as well as control over availability and functioning of an adequate risk management system and internal control system in the company;
- improving and strengthening of internal audit, as well as risk management systems and internal control systems;
- bringing to the attention of the Board of Directors recommendations on any issues requiring action on its part.

Composition of the Committee\*

- **F. Kaiser - Chairman**
- **M. Kehr**
- **B.E. Oral**
- **A.D. Nigay**
- **L. Tan**

In 2023, four Committee meetings were held. The Committee assists the Board of Directors in the effective implementation of its regulatory and supervisory functions, improvement and strengthening of internal audit, as well as risk management systems. The Committee considered issues related to the work of the external auditor Deloitte LLP, approval of the annual consolidated financial statements of CAEPCO JSC for the year ended 31 December 2023, and the activities of the departments reporting to the Board of Directors – the Internal Audit Department and the Risk Management Department.

## Personnel, Remuneration and Social Affairs Committee

The core functions of the Committee are as follows:

- development of a unified personnel policy for CAEPCO JSC and its subsidiaries, including issues of payment of additional remuneration, compensation and social benefits to employees;
- development of an effective corporate governance system and implementation of its principles.

Composition of the Committee\*

- **L. Tan - Chairman**
- **S. V. Li**
- **N.V. Konstantinova**
- **A. Zhumabekova**

In 2023, four Committee meetings were held. The Committee provides assistance to the Board of Directors in building an effective corporate governance system, in particular, the report on personnel management indicators in the CAEPCO Group of companies for 2022 was considered.

## EXECUTIVE BODY

The collegial executive body was  
established on

1 SEPTEMBER 2020

from employees holding senior  
positions in the Corporation.



The collegial executive body is represented by the Management Board headed by the Chairman of the Management Board, which manages the current activities of the Corporation and implements the strategy determined by the Board of Directors and shareholders.

The Management Board is guided by the principles of action in the best interests of shareholders, integrity, diligence, prudence and vigilance.

In 2023, twenty meetings of the Management Board were held, at which a number of decisions were made on the Holding's operational activities, including an increase in wages to CAEPCO JSC.



BAGDAT  
ORAL

Chairman of the Management Board  
of CAEPCO JSC

### Education

- **2009–2011**, Albert Ludwigs University of Freiburg, Master of Science (Renewable Energy Management)
- **2004–2008**, Almaty University of Power Engineering and Communications, Bachelor of Thermal Power Engineering (Thermal Power Plants)

### Professional experience

- **March 2021–present**, Chairman of the Management Board of CAEPCO JSC
- **July 2018–March 2021**, , Deputy Chairman of the Management Board of CAEPCO JSC for Energy Sales and Tariff Policy
- **June 2014–July 2018**, Director of CAPEC Green Energy JSC



OLEG  
PERFILOV

Deputy Chairman of the Management  
Board of CAEPCO JSC on production

### Education

- **1985–1992** – Pavlodar Industrial Institute, Automatic control of Electric Power systems, electrical engineer

### Professional experience

- **August 31, 2023–present**, Deputy Chairman of the Management Board of CAEPCO JSC for Production
- **2022–August 31, 2023** - General Director of SEVKAZENERGO JSC
- **2013–2022**, General Director, Acting Chairman of the Management Board, PAVLODARENERGO JSC
- **2009–06. 2013**, Deputy Chairman of the Production Management Board, SEVKAZENERGO JSC



SERGEY  
LI

Deputy Chairman of the  
Management Board of CAEPCO JSC  
for economics and finance Education

### Education

- Swiss Business School, MBA
- Durham University, United Kingdom, Bachelor of Business Economics
- St. John's College Andrew, United Kingdom, A-Level Program

### Professional experience

- **March 2021–present**, CAEPCO JSC, Deputy Chairman of the Management Board of CAEPCO JSC for economics and finance
- **January 2020–March 2021**, Co-Managing Director for Economics and Finance of Samruk-Energy JSC
- **March 2016-January 2020**, Director of the Treasury and Corporate Finance Department of Samruk JSC-Energo



## REMUNERATION POLICY

**GRI 2-19, 2-20**

**The amount of remuneration to the Board of Directors is determined by the decision of the General Meeting of shareholders of CAEPCO JSC.**

**The amount of remuneration to the executive body is determined by the decision of the Board of Directors of CAEPCO JSC.**



The framework for determining the amount of remuneration to members of the Management Board meets the following requirements:

- remuneration consists of constant and variable parts;
- the variable part of remuneration depends on the key performance indicators of the member, is linked to the level of qualification and personal contribution to the performance of the Corporation for a certain period; the variable part is aimed at stimulating a member of the Management Board to achieve a high quality of work;
- social support, guarantees and compensation payments to a member of the Management Board are carried out in accordance with the legislation, internal documents of the Corporation and the labour agreement.

In 2023, the amount of remuneration paid to the Board of Directors and the members of the executive body totalled **142,6 million tenge**.

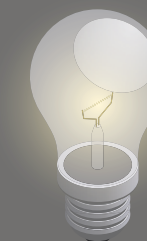
**SDG**



In 2023, the corporate governance practice of the Corporation fully complied with the provisions of the Corporate Governance Code developed in accordance with the requirements of the legislation of the Republic of Kazakhstan On Joint-Stock Companies. The document takes into account the existing international experience in the area of corporate governance, and recommendations on the application of corporate governance principles by Kazakh joint-stock companies.



The principles of the Corporate Governance Code are aimed at developing and introducing norms and traditions of corporate behaviour that meet international standards and contribute to creating a positive image of the Corporation in the eyes of its shareholders, customers and employees into the daily practice of the Corporation's activities to achieve the fullest exercising of shareholders' rights and increase their awareness of the Corporation's activities, as well as to control and reduce risks, maintain sustainable growth of the Corporation's financial indicators and the successful implementation of its statutory activities.



**The main principles of the Corporate Governance Code are as follows:**

- Justice
- Accountability
- Responsibility
- Transparency
- Environmental protection and social responsibility
- Effectiveness
- Control

In 2023, all the fundamental principles of the Corporate Governance Code were respected.



## CORPORATE ETHICS

GRI 2-23, 2-24

SDG



The Corporation has a

### CODE OF BUSINESS CONDUCT

approved by the Board of Directors in 2020



The document combines the standards of international practice of regulating business relations in four areas:

- Business and professional ethics.
- Organisational ethics.
- Corporate governance.
- Social responsibility of the company.

All employees of the Corporation adhere to the standards and provisions of the Code of Business Conduct promoting the achievement of the following operating results:

- Reducing the number of compromise decisions and promoting independent judgement.

- Improving the corporate culture and overall reputation/image of the Corporation in the company.
- Improving the efficiency of the corporate governance, risk management and crisis management process.
- Promoting efficient interaction with stakeholders.
- Allowing to avoid litigations.

Control over observance of business ethics in the Corporation is carried out by the management through organisation of activities in accordance with the prescribed ethical principles and norms. The established standards and regulations of the Code are shared by all employees of the Corporation.

## CONFLICT OF INTEREST

GRI 2-15

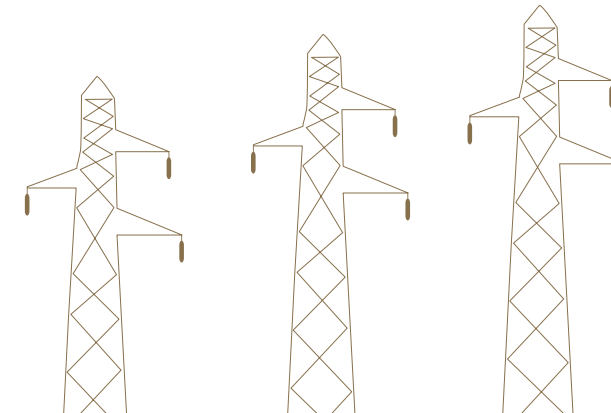
SDG



The conflict of interests is regulated by the Code of Business Conduct (paragraph 11), which prescribes the responsibility of employees for abuse of official position, the activities of employees internally.

Minimising Conflicts of Interest is one of the main principles regarding fraud and corruption in the Anti-Corruption and Fraud Policy. This principle declares that the Corporation reduces the conflict of interests on the basis of an effective distribution of powers and responsibilities through the development of a transparent organisational structure.

The activities of the members of the Board of Directors are regulated by the relevant Regulation. Avoidance of conflicts of interest among members of the Board of Directors is prescribed in the clause on the Rights and Obligations of members of the Board of Directors.



## INFORMATION POLICY

GRI 2-16

SDG



The information policy of CAEPCO JSC is a set of actions, measures and regulations that allow to manage the process of distributing corporate information, the perception of a single vision of the Corporation among stakeholders.

The main objectives of information disclosure are as follows:

- Timely provision of information on all material issues related to the Corporation in order to comply with the legal rights of shareholders, investors, as well as other interested parties in providing information required for making an informed decision or performing other actions that may affect the financial and economic activities of the Corporation, as well as other information that contributes to the most complete understanding of the activities of the Corporation.
- Ensuring the availability of public information about the Corporation for all interested parties.
- Increasing the level of openness and trust in relations between the Corporation and shareholders, potential investors, market participants, government agencies and other interested parties.
- Improving the corporate governance of CAEPCO JSC.
- Creating a positive image of the Corporation.





## INTERNAL CONTROL AND AUDIT

### GRI 2-25, 2-26

In order to improve business processes and the efficiency of decisions made, CAEPCO JSC has established internal control mechanisms, which is systematic for the Corporation, integrated into strategic and operational management at all levels and covers all departments in the exercise of their functions.

The Corporation has a functioning internal control system that provides sufficient confidence in the effectiveness of control in operating activities, compliance with laws and regulations.

The Internal Audit Department operates in CAEPCO JSC, and the Internal Audit Departments operate at the level of subsidiaries.

The independence of the activities of the Internal Audit Department and units (hereinafter referred to as the "IAD", "IAU") are ensured by subordination and accountability to the Board of Directors of Companies. The Audit Committees under the Board of Directors of CAEPCO JSC and its subsidiaries supervise the activities of the IAD/IAU.

The activities of the IAD/IAU are carried out in accordance with the current legislation of the Republic of Kazakhstan, the Code of Ethics and internal regulatory documents of internal audit. The main policies and procedures regulating the activities of IAD/IAU are the Regulations on IAD/IAU, the Internal Audit Policy and the Rules for Conducting Internal Audit. The Department performs its work in accordance with the annual work plan approved by the Board of Directors and submits reports on the Department's performance to the Board of Directors.

**In 2023, the Group of Companies centralised the internal audit function at the level of the Internal Audit Department of CAEPCO JSC.**



The implementation of recommendations is also monitored on an ongoing basis, as well as consulting and methodological work.

Internal auditors adhere to the following principles in their work: integrity, objectivity, confidentiality, professional competence.

In 2023, the effectiveness of the internal control system of business processes in subsidiaries was evaluated:

- "Accounting for fixed assets";
- "Planning of investment programs";
- "Purchasing and inventory management".

Based on the results of the audit assignments, relevant recommendations were made aimed at taking corrective/preventive measures to improve the risk management, internal control and corporate governance systems.

## EXTERNAL AUDIT

### GRI 2-25, 2-26

Deloitte LLP is the audit firm that conducts an external audit of the financial statements of CAEPCO JSC group. The contract with the company for rendering of audit services is concluded until 2024.





THE BEST  
POWER  
ENGINEERS  
WORK HERE

At each production site, not only **high professionalism** is required from a specialist, but also **self-control**, concentration and the ability to find the only right solution in any situation



# RISK MANAGEMENT

GRI 2-25

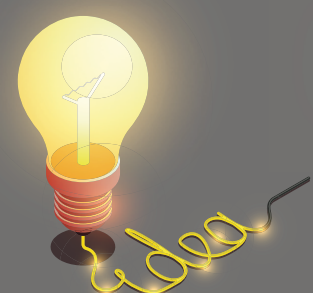
## CORPORATE RISK MANAGEMENT SYSTEM

CAEPCO JSC group of companies has a functioning corporate risk management system (RMS).

Starting from 2022, CAEPCO JSC adopted a Strategy for developing and improving the risk management and internal control system. As part of the implementation of the adopted Development Strategy, based on the principles of the COSO concept "Risk management of the organisation. Integration with strategy and performance", as well as the ISO 31000-2018 standard "Risk Management. Principles and guidelines", updated and approved by the decision of the Board of Directors the Risk Management Policy in the Group of Companies.

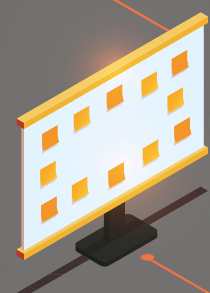
The Risk Management Policy approved and implemented by the Group of Companies establishes the Group's attitude to risks, general principles of development and functioning of the RMS, its goals and objectives, the main approaches to the organisation, implementation and control of risk management processes.

### Principles of development and functioning of the risk management system



#### CREATING AND PROTECTING BUSINESS VALUE

risk management contributes to achieving set goals and improving performance, including in terms of human health and safety, environmental protection, business continuity, compliance with regulatory requirements, quality of services provided, project management, operational efficiency, Group management and reputation



#### INTEGRATION

risk management is an integral component of all processes, including processes strategic planning, project and change management, business continuity management, which helps the management of the Group of Companies to make informed choices, determine the priority of actions and distinguish between alternative directions of action



#### USING THE BEST AVAILABLE INFORMATION

The input data for the risk management process is based on information sources such as historical data, experience, feedback from stakeholders, observations, forecasts, and expert assessments. This takes into account possible limitations/errors in the data used or the results of modeling/forecasting, as well as differences of opinion among experts.



#### INTERACTION AND COORDINATION

risk management corresponds to the current external and internal environment in which the Group of Companies strives to achieve its goals



#### RESPONSIBILITY AND FUNCTIONALITY

Management assumes the authority and obligations to ensure access to the necessary resources to assist those accountable and responsible for risk management; contributes to improving the risk culture in the Group of Companies. The Board of Directors plays the role of a supervisory authority, determining whether the necessary risk management processes exist and whether these processes are adequate and effective



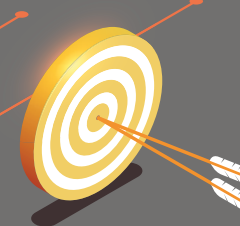
#### ENGAGEMENT

The appropriate and timely involvement of stakeholders and, in particular, decision makers at all levels of the Group of Companies ensures that risk management remains relevant and meets modern requirements. This allows stakeholders to be properly represented and to be sure that their opinions are taken into account in the process of setting risk criteria.



#### ADAPTABILITY

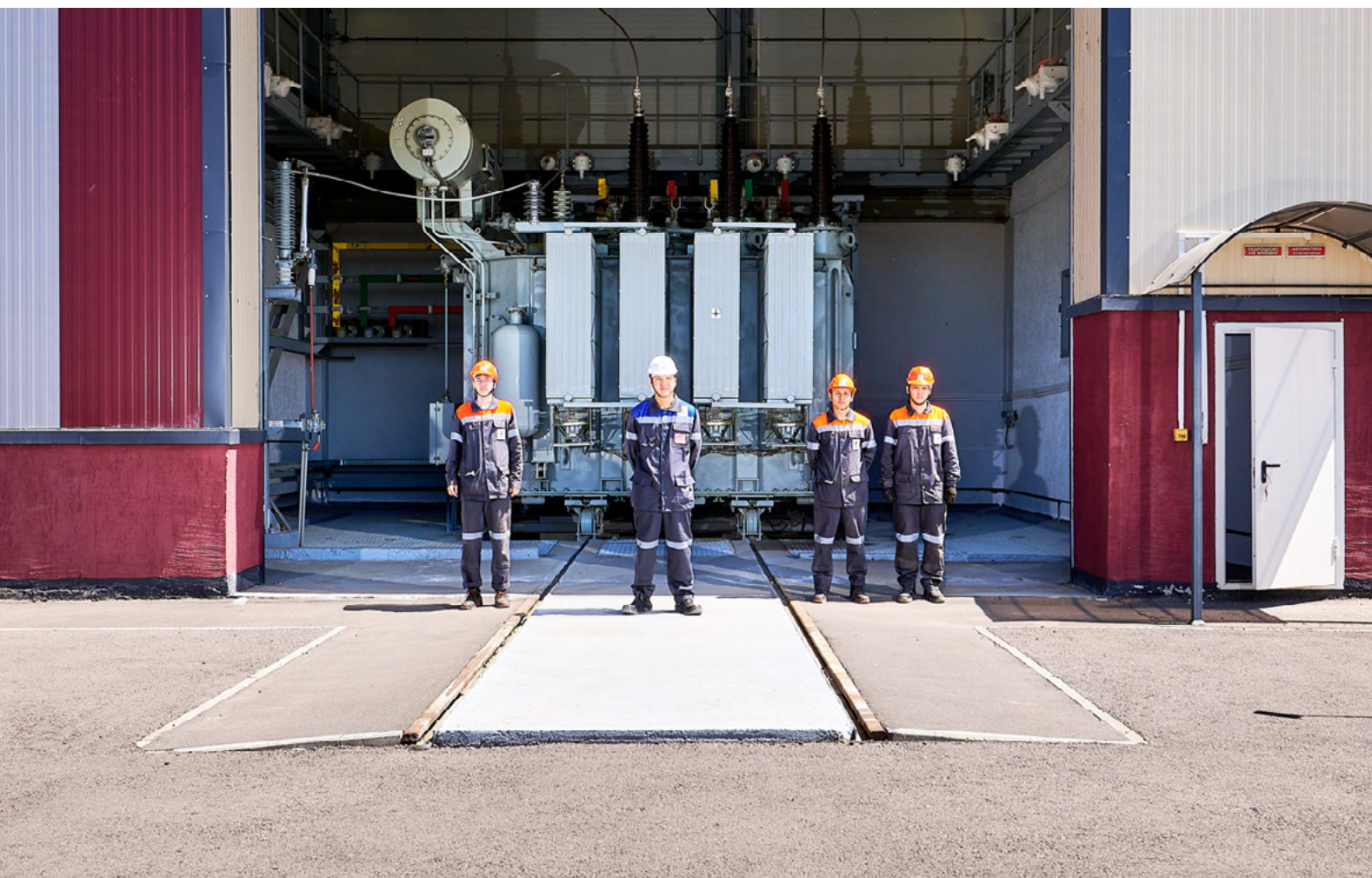
risk management responds to ongoing changes. In response to external and internal events, changes in the corporate environment and knowledge are monitored and reviewed, new risks appear, some risks change, others disappear, new approaches and methods are being developed and implemented in order to continuously improve the risk management system in the Group of Companies



#### PRIORITY

The Group of Companies takes the necessary measures, first of all, in relation to the risks critical to its activities





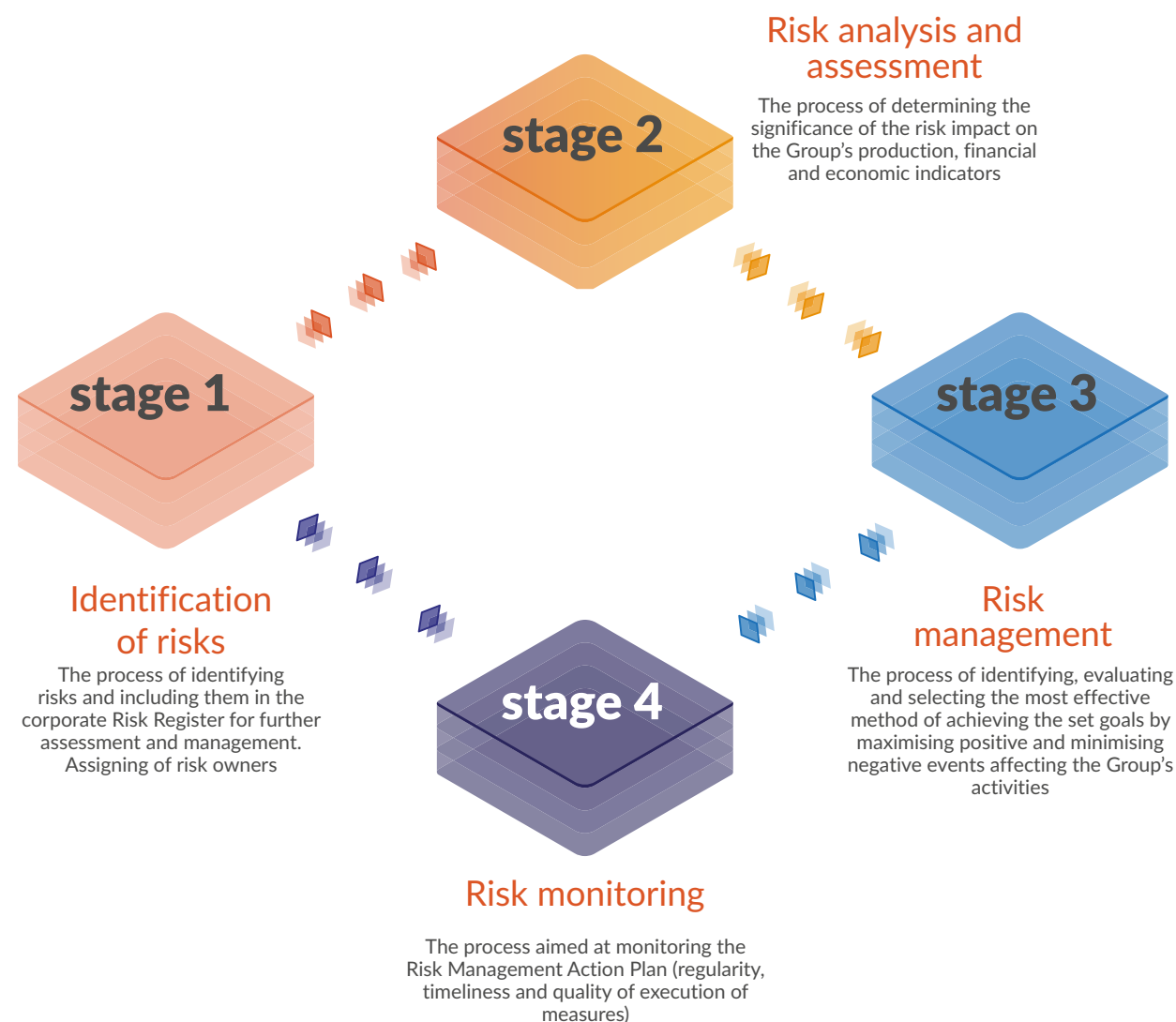
The main objectives of the Group in the area of risk management are represented by timely identification, assessment and reduction of the negative impact of risks that pose a threat to the effective implementation of economic activities and the reputation of the Group, health of employees, the environment, the property interests of shareholders and investors, as well as the implementation of favourable opportunities to ensure sustainable continuous operation and development, reasonable confidence in achieving the strategic and operational goals set for the Group.



To determine the level of risk impact on the Group's activities, the level of risk materiality is determined by expert assessment of the probability and consequences of risk, as well as by quantitative assessment using mathematical methods for calculating the probability and consequences of risk.

## MAIN STAGES OF THE RISK MANAGEMENT PROCESS

Allocation of responsibility between the participants of the RMS and the nature of their interaction is regulated by internal regulatory documents approved by the Board of Directors of the Company







//

I have been working for AEDC for 24 years. The most difficult thing is the elimination of the emergency mode, the production of operational switches. But work experience eliminates the difficulties in the work. It is important not to make mistakes. In our business, we cannot refer to the human factor, knowledge is important.



MARAT  
ALTYNBEKOV

electrician for maintenance of 110/10 kV  
"Severnaya" substations

with 24 years of work experience at the  
enterprise

## MAIN RMS PARTICIPANTS

### Audit Committee

- Preliminary consideration and approval:
  - Internal audit reports on RMS efficiency
  - Acceptable risk level (risk appetite)
  - Risk Register
  - Risk management reports
  - Internal RMS documents
- Timely informing of the Board of Directors about risks and preparing proposals for improving RMS

### Internal Audit Department

functional subordination  
to the Audit Committee

- Independent evaluation of the efficiency and monitoring of the current condition of RMS and ICS
- Recommendations for improving RMS and ICS efficiency improvement
- Informing the Executive Body and the Board of Directors about the status of RMS and ICS based on the results of the conducted audits

### Risk Management Department

functional subordination  
to the Audit Committee

- Coordination of actions of all RMS participants
- Coordination and methodological support of risk management processes
- Critical risk analysis and aggregation of information about key risks
- Organisation of the risk identification and assessment process (development/updating of the Corporate Risk Register and the Critical Risk Register)
- Collection and analysis of information on implementation of RMS measures
- Monitoring and analysis of Key Risk Indicators
- Providing all stakeholders (Executive Body, Audit Committee, Board of Directors) with information about risks

### BOARD OF DIRECTORS

- Defining the strategy for RMS development
- Goal-setting, approval of principles and approaches to RMS organisation
- Making decisions on critical risk management
- Approval:
  - Acceptable risk level for shareholders (risk appetite)
  - Risk management performance indicators
  - Risk register
- Review and approval of key risk management reports
- Approval of internal RMS documents

### Management Board

- Ensuring functioning of RMS, including:
  - Adoption and approval of the necessary decisions on RMS functioning
  - Resolution of cross-functional risk management tasks (performed by several structural divisions)
- Assigning of risk owners

### Risk owners

- Timely identification and assessment of risks
- Making proposals on risk management methods
- Timely development and organisation of implementation of risk management measures
- Risk monitoring

### Performers of control procedures and risk management measures

- Assistance to the risk owner in the development of risk management measures
- Execution of control procedures for timely mitigation of risks
- Timely and full implementation of risk management measures

Information/Reporting in long-term power market under RMS



CAEPCO JSC Group of Companies strives to meet the standards and best risk management practices, increases the risk management culture and continuously improves risk management processes.



### Risk-appetite

Risk appetite-represents the maximum allowable level of risks that the Group of Companies considers acceptable and strives to maintain in the process of achieving its goals.

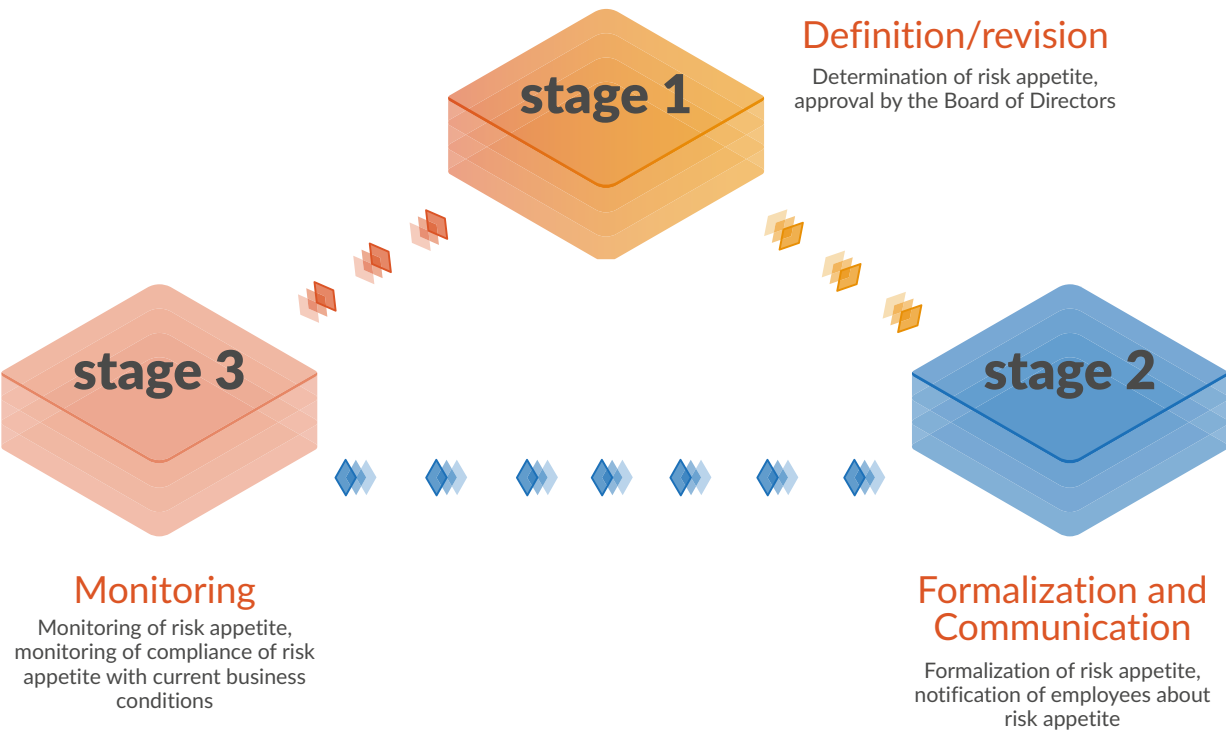
In 2022, the Board of Directors approved an updated Methodology for determining and monitoring risk appetite in the Group of Companies, aimed at integrating risk management with the Group's strategic management.



RISK-APPETITE

Risk-appetite is an additional management instrument in the Group of Companies that determines the boundaries for conducting operating, financial and investment activities at an acceptable risk-level. Complying with it gives a reasonable assurance in reaching the strategic goals of the Group of Companies.

### The process of determining, managing and monitoring risk appetite



The Group's Risk Appetite Statement was approved by the decision of the Board of Directors of CAEPCO JSC (Minutes No. 8 dated 19.08.2022). The approach to the Risk Appetite Statement is based on close integration of risk management with strategic management.

### Selected excerpts from the Risk Appetite Statement

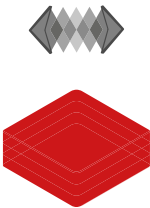
RISK GROUPS	Risk appetite targets
Human resources risks	The Group strives to ensure that staff turnover levels do not exceed the established limit
	The Group strives to ensure that the full-time headcount is not lower than the established limit
	The Group considers it unacceptable that there is a pay gap between its employees and the average industrial salary in the region where the subsidiary operates and seeks to eliminate it by
Commercial risks	Group has zero tolerance for losses resulting from excess losses in the transportation of thermal energy, and strives to ensure the implementation of a comprehensive set of organisational and technical measures aimed at reducing (eliminating)them
Technological risks	The Group has zero tolerance for the risks of equipment accidents due to poor quality and / or incomplete implementation of repair and / or investment programs
	The Group considers it unacceptable to violate the deadlines (schedules) for the implementation of MRO measures for equipment/buildings/
Project risks	The Group considers it unacceptable to violate the deadlines (schedules) for the implementation of investment programs aimed at timely replacement of retired generating capacities, energy transmission and distribution facilities, and major industrial buildings and structures during the autumn-winter period of Project risks
	It is unacceptable to implement investment projects without a comprehensive risk assessment and passing project approval procedures in accordance with the requirements of corporate documents
Professional risks	The Group understands its responsibility for ensuring trouble-free production activities, safe working conditions and has zero tolerance for risks that may lead to industrial injuries to the Group's employees, contractors and visitors
Credit risks and financial stability	The Group expresses its willingness to take a low risk in relation to achieving its strategic goals, expressed in a decrease in revenue, measured in the deviation of EBITDA in the direction of decline from the business plan.
	The Group assumes risks that do not lead to a breach of the covenants established by the loan agreements with financial institutions
Reputational risks	Group has zero tolerance for risks that may lead to an increase in overdue receivables in the retail electricity and heat market Reputational risks
	The Group recognises that reputation is important and therefore avoids any risks in its operations that jeopardise its reputation Environmental risks The
Environmental risks	Group has zero tolerance for risks that may have a significant negative impact on the environment and lead to exceeding the limits and requirements established by the environmental legislation of the Republic of Kazakhstan. In order to avoid possible negative impacts, the Group assumes obligations and takes all necessary actions to ensure environmental protection, conservation and restoration of natural resources
Legal and compliance risks	The Group adheres to the principle of non-acceptance of corruption in any form and manifestations in its operational and investment activities, as well as in other activities
	The Group adheres to a high level of compliance with legislation and regulations, as well as a high level of corporate governance. The Group has a low-risk appetite (preference is given to reducing risk) for any violations of the laws and regulations of the Republic of Kazakhstan
	The Group considers unacceptable any manifestations of corporate fraud, dishonest behaviour, bribery in any form and manifestations, regardless of the amount of damage caused to it and takes active measures to counteract fraud in its activities

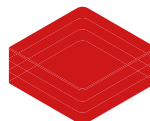
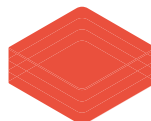
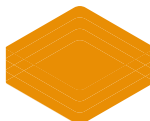
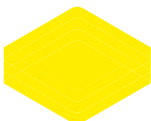
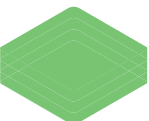



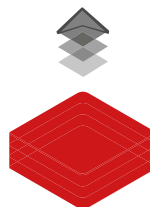
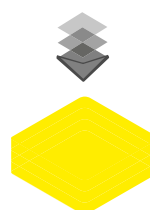


# ANALYSIS OF KEY RISKS THAT HAVE A SIGNIFICANT IMPACT ON THE ACTIVITIES AND RESPONSE MEASURES

Based on the results of updating the Corporate Risk Register and the Risk Map, carried out in accordance with the approved Risk Management Policy, 58 risks were identified in 2023 that affect the Group's activities as a whole.

The priority of risks is determined on the basis of their impact on key financial, environmental and social aspects of the CAEPCO Group of Companies, taking into account the strategic directions and priorities of development, and the Company's mission.

The name of the key risk and the dynamics of the significance of the risk for the year	Risk description and key risk factors	Risk management approach
Area: strategic risks		
 <b>Untimely replacement of generating and grid equipment, buildings and structures that are retired by their service life</b>	The significance of the risk is due to the high level of physical and moral wear and tear of the main and auxiliary equipment of the Group of Companies generating enterprises (CHP), as well as equipment of electric and heat networks, which may result in a reduction in the volume of electric power generation/transmission, and/or the inability to provide consumers with sufficient heat power. Despite the appearance in 2023 of additional sources of financing for the modernisation of fixed assets of the Group's enterprises within the framework of the Tariff-for-Investment Program launched in Kazakhstan and the shareholders' own funds invested to restore the consequences of major accidents at SEVKAZENERGO JSC and Ekibastuzteploenergo LLP in 2022, the effect of investments should be expected only in 2024 year. Therefore, the risk remains in the catastrophic zone of the risk map.	Within the framework of managing this risk, the Group of Companies carries out the following activities: <ol style="list-style-type: none"><li>Inclusion in Investment Programs of a Group of measures for reconstruction/modernisation/new construction for timely replacement of outgoing equipment, buildings and structures;</li><li>Determination of the order of work on reconstruction/modernisation/new construction, taking into account the criticality of equipment for reliable supply of heat and electric energy to consumers in sufficient volume;</li><li>Work is being carried out to attract additional employees of the Company, sources of financing for the implementation of reconstruction/modernisation/new construction works to replace outgoing equipment, buildings and structures.</li></ol>
	<b>KEY RISK FACTORS:</b> <ol style="list-style-type: none"><li>Actual wear and depletion of the resource of the main generating/network equipment, buildings and structures;</li><li>Unsatisfactory growth rates of reconstruction, modernisation and new construction;</li><li>Inefficient model of investment financing of energy enterprises in the Republic of Kazakhstan;</li><li>Limited own financial resources;</li><li>The inability to attract significant credit resources within the framework of the current structure of the industry and the model of regulating tariffs for heat and electric power;</li><li>Adoption of unfavourable tariff decisions regarding the production, transmission and distribution of electric and heat power by the authorised body.</li></ol>	Since July 2023, as part of the implementation of the Address of the President of the Republic of Kazakhstan dated September 1, 2022, the Ministry of Energy of the Republic of Kazakhstan has launched an updated program "Tariff in exchange for investment". As part of the implementation of this program, in the period 2023-2029, tariffs of natural monopolies will be gradually increased to ensure accelerated modernisation of fixed assets. This should increase the reliability of the equipment and ensure the fulfilment of reducing the wear of generating capacities, electrical and thermal networks.

Risk levels				
				
Catastrophic	Critical	Major	Notable	Minor
 Reducing the significance of risk	 Increase in the significance of risk	 No changes (or insignificant dynamics)		
The name of the key risk and the dynamics of the significance of the risk for the year	Risk description and key risk factors		Risk management approach	
Area: strategic risks				
 <b>Non-fulfilment/failure to meet deadlines and / or increase the cost of investment program</b>	The volume and timeliness of investment programs directly affect the generation/transmission of electric energy and the provision of heat to consumers. A key risk event for the Group in 2023 was the non-fulfilment of the planned measures for the construction of a new chimney at CHP-2 of JSC Sevkazenergo. The risks of non-fulfilment of contractual obligations by the contractor due to poor quality of work were realised, which led to the need to dismantle the erected part of the pipe. The risk has increased to a catastrophic level.		To eliminate the consequences of the realised risk and minimise risks in the future, the Group of Companies implements the following measures:	
	<b>KEY RISK FACTORS:</b> <ul style="list-style-type: none"><li>1. Improper performance of contractual obligations by the contractor;</li><li>2. Non-compliance with construction and installation schedules;</li><li>3. Low control of work.</li></ul>		<ul style="list-style-type: none"><li>1. Independent assessment of the technical and financial viability of the contractor when performing significant works of the investment program.</li><li>2. Wide selection of candidates for the most responsible contract work, including potential foreign contractors.</li><li>3. Organisation of proper technical and author's supervision with the involvement of the customer's management in the technical and financial control of the contractor when performing the QMS.</li><li>4. When concluding contracts for significant objects of the investment program, the expediency of forming financial and/or property security for the paid advances to the contractor will be considered.</li></ul>	
 <b>Adoption of unfavourable tariff decisions by the authorised body (tariff underfunding)</b>	After a long period of restraining the growth of tariffs, the State moved to a gradual increase in tariffs for the production, transmission and sale of electric and thermal energy, which is caused by catastrophic wear and tear of power and network equipment in the industry, low rates of renewal of production assets and a sharp increase in accidents. As a result, the significance of this risk has significantly decreased in 2023. The risk moved from catastrophic to major on the Group's risk map and was no longer significant for 2023-2024.		As part of the management of these risks, a set of measures is carried out:	
	<b>KEY RISK FACTORS:</b> <ul style="list-style-type: none"><li>1. Imperfection of legislation;</li><li>2. Lack of tariff policy;</li><li>3. Changes in legislation regarding marginal tariffs;</li><li>4. The possibility of "freezing" tariffs;</li><li>5. Refusal to approve tariffs (curbing inflation at the expense of tariffs for end users).</li></ul>		<ul style="list-style-type: none"><li>1. Participation in the work of the Market Council (CEA).</li><li>2. Participation in working commissions of the Ministry of National Economy of the Republic of Kazakhstan.</li><li>3. Timely and economically sound submission of requests for tariff changes, including adjustments to existing tariffs due to the growing cost of strategic resources and the level of wages in the industry.</li><li>4. Work with key stakeholders to build their loyalty to fair tariffs, which are justified by the Group in the public space.</li></ul> <p>In 2023, in a timely manner and taking into account the justifications of JSC SEVKAZENERGO and JSC PAVLODARENERGO, the Ministry of Energy of the Republic of Kazakhstan reviewed and approved the maximum tariffs for electricity production. According to the updated Rules of tariff formation in the Republic of Kazakhstan and on the basis of the "Tariff in exchange for Investment" program, tariffs were increased for enterprises of the Group of Companies – subjects of natural monopolies.</p>	



## Risk management

The name of the key risk and the dynamics of the significance of the risk for the year

Risk description and key risk factors

Risk management approach

### Area: operating risks

#### Shortage of qualified personnel

The Holding's activities largely depend on key qualified employees, and the lack of a sufficient number of qualified personnel, in particular in the production and technical area, leads to risks associated with a shortage of personnel. Competition in Kazakhstan and the near abroad in the area of personnel is increasing due to the limited number and simultaneous growth of demand for qualified specialists in the labour market. In 2023, according to expert estimates, the risk of a shortage of qualified production and technical personnel is in the zone of critical risks of the Risk Map.

##### KEY RISK FACTORS:

1. Uncompetitive level of wages of employees of the energy industry, due to the current tariff regulation, as a result-low attractiveness of this area;
2. High internal and external population migration in the regions where the Group's Subsidiaries operate;
3. Low level of training of qualified personnel for the energy industry by educational institutions.

As part of the management of these risks, a set of measures is carried out:

1. Increase of the wage fund in the tariff estimates of the Group of Companies while protecting tariffs for the next period;
2. Optimisation of management and production processes, staffing levels in order to identify the reserves of the wage fund with the subsequent distribution and allocation of the released funds to increase wages, primarily to crucial and key production personnel;
3. Continuation of the "PROFENERGY" project;
4. Introduction of modern recruiting tools;
5. Work with the personnel reserve;
6. Strengthening the Group's image, developing the HR brand;
7. Material and non-material incentives for qualified employees.

Since July 2023, the Ministry of Energy of the Republic of Kazakhstan has launched an updated Tariff - for-Investment program. As part of the implementation of this program, in the period 2023-2029, tariffs of natural monopolies will be gradually increased to ensure not only accelerated modernisation of fixed assets, but also an increase in employee wages. In addition, in the Rules of tariff formation in the Republic of Kazakhstan for subjects of natural monopolies, it became possible to apply annually to the authorised body for an increase in tariffs in order to bring the average salary of employees to the level of the industry average in the relevant region. It is expected that this measure will have a positive impact on the attractiveness of the energy sector for young professionals and will lead to a decrease in the outflow of qualified personnel in the industry.

#### Loss of qualified / key personnel

According to the results of 2023, the turnover rate of personnel in the Group of Companies tends to improve, which is associated with an increase in wages in all subsidiaries and enterprises of the group. In turn, the staffing level remains low. Therefore, according to expert estimates, the risk remains in the critical risk zone of the Group's risk map.

#### Excess heat energy losses

According to the results of 2023, in comparison with 2022, an increase in the level of excess heat energy losses is observed in the heat transfer enterprises of the Group of Companies. In this regard, the risk according to expert estimates has moved to the zone of critical risks on the Group's risk map.

##### KEY RISK FACTORS:

1. High level of wear of heating networks;
2. Technological violations and accidents on heating mains;
3. Irrational mode of operation of heating networks (to ensure hydraulic and temperature conditions at heating unit of end users);
4. Lack of metering devices on the heating networks of domestic consumers;
5. Non-compliance of the heat consumption rate of the housing stock with the actual heat consumption (multi-storey residential buildings);
6. Unpaid losses of heat power on abandoned/ consumer heating networks;
7. Joint laying of heat power pipelines by cold water supply pipelines.

Within the framework of risk minimisation, a set of measures aimed at reducing excess losses is implemented on an ongoing basis:

1. Restoration of the destroyed / missing thermal insulation of pipelines;
2. Performing annual capital and current repairs of heating networks;
3. Priority implementation of investment measures that directly reduce heat losses and give an obvious economic effect.
4. Reconstruction of heating networks with the use of pre-insulated pipelines (foamed polyurethane technology);
5. Installation of design throttling devices on elevator heating units of consumers;
6. Identification and suppression of unauthorized consumption of thermal energy;
7. Interaction with authorised state bodies in order to increase the rate of heat consumption of the housing stock to the level of actual heat consumption.

The name of the key risk and the dynamics of the significance of the risk for the year

Risk description and key risk factors

Risk management approach

### Area: operating risks

#### Technological violations in the operation of equipment (accidents, failures of 1<sup>st</sup> and 2<sup>d</sup> degrees)

BIn 2023, the risk of technological violations decreased compared to the catastrophic risk in 2022, when major incidents occurred at JSC SEVKAZENERGO and LLP Ekibastuzteploenergo. However, it remains in the critical risk zone due to a large number of minor grade II technological failures at the Group's enterprises.

Physical and moral obsolescence of generating and network equipment inevitably leads to the occurrence of emergency failures. The consequences of emergency failures are:

- reduction of electricity generation volumes;
- non-delivery of the volume (non-fulfilment of obligations) under the contract for maintaining the availability of electric capacity;
- decrease in the quality of heat supply to consumers.
- increase in heat energy losses.

##### KEY RISK FACTORS:

1. High wear and depletion of the main generating/ network equipment resource;
2. Limited financial resources, as a result-low growth rates of reconstruction and modernisation of equipment, insufficient repair programs.

### Area: financial risks

#### Increase in overdue accounts receivable in the retail market of electric and heat power

The share of overdue accounts receivable (over 3 months) in the total amount of accounts receivable increased for all subsidiaries of the Group, with the exception of Pavlodarenergosbyt JSC. As a result, the total share of overdue accounts receivable (over 3 months) for the Group for 2023 did not change significantly. The risk is large and relevant for the Group and is under constant control.

##### KEY RISK FACTORS:

1. Non-compliance with the terms of contracts regarding the implementation of timely and full payment for energy supply services by consumers of heat and electric power due to:
  - low payment discipline;
  - deterioration of key macroeconomic indicators.
2. Imperfection of the legislative framework regarding the possibility of carrying out transactions for the purchase and sale of residential real estate without paying off debts for energy supply services;
3. Untimely renegotiation of energy supply contracts when changing the homeowner;

As part of the management of this risk, the Group's energy marketing organisations carry out a set of measures on an ongoing basis:

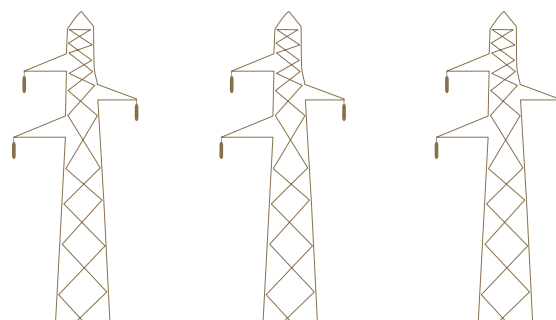
- consumers are notified about the amount due;
- the power supply is stopped in case of late payment for energy supply services;
- debt repayment schedules are drawn up in instalments;
- claim work is being carried out to recover debts and penalties from non-paying consumers for late payment of services rendered;
- the property of debtors is seized;
- Defaulters are visited with the presence of enforcement agents for estate inventory and seizure of property;
- information about amounts due by employees for utilities is sent to the address of enterprises;
- debtors' departure from the Republic of Kazakhstan is restricted;
- collection is carried out through the debtor's source of financing (deduction from wages and pension contributions);
- the method of collection is changed, on the basis of which the debtor's property (apartment or vehicle) is evaluated for sale at auction.

For debts with a low probability of recovery, reserves for doubtful debts are created in the accounting of the Group's energy sales organisations..



## SUSTAINABLE DEVELOPMENT RISKS

The Group's activities are associated with risks in the field of sustainable development. CAEPCO Group of Companies makes every effort to ensure that its activities comply with the fundamental principles of the United Nations Global Compact on Human Rights, labour relations, environmental protection and anti-corruption. The Group shares the UN Sustainable Development Goals and contributes to their achievement, including through timely identification, assessment and response to risks.



## CLIMATE CHANGE RISKS

Risks associated with climate change are one of the priority issues in the formation and implementation of plans and strategies for the development of the CAEPCO Group of Companies.

As a large energy holding company, CAEPCO Group of Companies is aware of the impact of environmental and climate risks (aspects). To date, international environmental and climate standards and the legislation of the Republic of Kazakhstan in the area of environmental protection oblige the Group to take immediate measures to manage this group of risks.

Kazakhstan ratified the Paris Climate Agreement in 2015, thus confirming its commitment to the global fight against climate change. As part of the commitments made to reduce greenhouse gas emissions, the Country implements carbon quotas for major industries, including energy-producing organisations. CAEPCO Group of Companies is fully responsible for reducing greenhouse gas emissions, but notes that carbon quotas are associated with the following problems and risks for the Group as a whole, such as:

- formation of a quota deficit for energy-producing enterprises with their own specific CO<sub>2</sub> emission factors, which are higher than the approved benchmarks;
- withdrawal of part of the limit of free-of-charge distributed quotas from enterprises that have allowed a decrease in production relative to the baseline;
- approval in 2023 of the Updated national contribution of the Republic of Kazakhstan to the global response to climate change, according to which, starting from 2026, it is planned to increase the reduction of free quotas by 2.25-5.1% annually, launch an auction for the primary sale of carbon quotas to quota-based installations with a fixed price, and tighten benchmarks for quota-based industries;
- it is not possible to cover the costs of purchasing quotas at the expense of tariffs (costs are not included in the tariffs of energy-producing enterprises);
- the probability of the absence/shortage of free quotas in the sales market due to the reduction of free allocated quotas and the lack of effective, working mechanisms for implementing projects aimed at reducing greenhouse gas emissions and absorption.

The new Environmental Code of the Republic of Kazakhstan (adopted in 2021) motivates and obliges enterprises that are sources of pollution (which largely includes coal generation) to reduce their impact on the environment using economic (high-cost) incentive mechanisms. These include:

- the need to implement the best available techniques (BAT). Meanwhile, the cost of BAT implementation (which, according to preliminary simplified calculations of the required investment and additional operating costs associated with BAT implementation, may amount to more than

**100 billion tenge**

for all energy-producing enterprises of the Group over the next 10-15 years) they are not included in either electricity or heat tariffs. Thus, the existing system of tariff formation for energy generated by power plants does not allow introducing the most promising and environmentally efficient technologies due to the lack of payback;

- the need for facilities of the first category (which include almost all of the Group's CHPs) to provide financial security for the fulfilment of their obligations to eliminate the consequences of operation. According to preliminary forecast estimates, the minimum amount of elimination of consequences only for **CHP-2 and CHP-3 of PAVLODARENERGO JSC will amount to about**

**190 billion tenge.**

At the same time, the sources and mechanisms of financing for ensuring the fulfillment of obligations to eliminate the consequences of operation for energy-producing enterprises, whose tariffs are strictly regulated, are not defined by law.

At the same time, it provides for an increase in administrative fines for non-compliance with the requirements of the Environmental Code, strengthening sanctions for repeated offences, including the statute of limitations and the period of recidivism. If the company does not switch to BAT, then the rates of payment for emissions to the environment will increase 2-fold from 2025, 4-fold from 2028, and 8 - fold from 2031.

Compliance with all modern environmental and climate standards (within the framework of decarbonisation of the economy of the Republic of Kazakhstan) at the Group's generating facilities represents a financial risk that may entail serious financial costs for the Group.

Fulfilment of obligations on large-scale implementation of expensive BAT implementation projects and reduction of greenhouse gas emissions will require significant costs and, as a result, may have a significant negative impact on the financial position and results of the Holding's operations as a whole.

However, the Group understands that the new Environmental Code poses not only new challenges for the energy industry, but also new opportunities aimed at reducing air emissions and improving the energy and environmental efficiency of the Holding. With this in mind, the Group of Companies, together with major participants in the energy market of the Republic of Kazakhstan, communicates with authorised state bodies, relevant ministries and other interested parties to develop mechanisms for implementing the requirements of the Environmental Code.



So, as a result of meetings of working groups from representatives of the industry and state bodies in early 2024, the First Deputy Prime Minister of the Republic of Kazakhstan instructed the MENR to work out the issue of making changes to the legislation to postpone the requirements for the formation of financial security for liquidation for objects of the first category for 5 years and develop an alternative to financial security, BAT from 2025 to 2031 for life support facilities included in the TOP 50, as well as to work out and make agreed decisions on including the costs of BAT implementation by existing energy-producing organisations within the framework of using the capacity market mechanism.

## HEALTH AND SAFETY RISKS FOR EMPLOYEES

One of the fundamental principles of the corporate policy of the CAEPCO Group of Companies is that its main asset is employees. Risks of accidents resulting from violations of labour protection, industrial and fire safety requirements during production activities are included in the Group's list of significant risks.

The Holding has special requirements for ensuring the safety of its employees' activities and working conditions: priority training is given to employees in occupational health and safety rules and techniques for safe performance of work at power facilities.

The Group's strategic priority in the area of occupational health and safety is the continuous improvement of processes that ensure the safe performance of work, which is inextricably linked with the adaptation of the best international practices in the area of industrial safety. Measures aimed at preventing accidents and injuries are aimed at achieving the strategic goal of

**"zero accidents".**

## INTERNAL CONTROL STANDARDS

CAEPCO JSC group of companies has implemented an internal control system (ICS), which is a set of policies, processes, procedures, standards of conduct and actions combined into a single continuous process. The ICS is part of the management process of the group of companies carried out by the Board of Directors, the Management Board, all executive bodies of subsidiaries, control bodies and employees.

The management at all levels of management creates an effective control environment by:

- forming an understanding of the need for and implementation of internal control procedures among the employees of the group of companies;
- maintaining a high level of corporate culture and demonstrating the principles of integrity and competence;
- improving the professionalism and competence of employees of the group of companies;
- ensuring effective interaction of structural divisions and employees;
- ensuring effective distribution of powers and responsibilities;
- formation of fraud prevention mechanisms;
- organisation of the activities of internal control bodies.

The ICS is aimed at ensuring the achievement of the goals of the group of companies and minimising risks in its operational and investment activities, the reliability of all types of reporting, compliance with the requirements of legislative acts and internal corporate requirements. The Company strives to ensure that all its activities are adequately controlled in order to reduce risks. Control procedures are implemented at all levels of management.





The group of companies has three levels of internal control system:



## OPERATIONAL

It is applied to the main business goals of the group of companies, including productivity, profitability, and resource safety.



## FINANCIAL

Referring to the preparation of reliable published financial statements, including interim, condensed financial statements, as well as certain data extracted from these reports (for example, income data), published openly.



## COMPLIANCE CONTROL

It is associated with ensuring compliance with the laws and regulations governing the activities of the organisation.

# PLANS FOR THE DEVELOPMENT OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM IN 2024

In 2023, the Company continued introducing and improving a risk-based approach to business management. Coordination and methodological support for the functioning and improvement of the RMS and ICS is carried out by the Risk Management Department, which solves the following tasks:

- coordination of risk management and internal control processes;
- development of methodological and internal regulatory documents in the area of ensuring internal control and risk management processes;
- organisation of training of employees of the group of companies in internal control and risk management;
- analysis of the corporate Risk Register and the Risk Map of CAEPCO group of companies and development of proposals for responding and reallocating resources in relation to the management of relevant risks;
- formation of consolidated risk management reports;
- implementation of operating control over the processes of internal control and risk management of the divisions of the group of companies in accordance with the established procedure.

During 2023, the Risk Management Department carried out its work in accordance with the annual work plan approved by the Board of Directors:

- updating of the corporate Risk Register and Risk Map of CAEPCO JSC and its subsidiaries and analysis of critical risks;
- conducting training in risk management and internal control system for key employees of divisions and senior employees of the CAEPCO group;
- identification and assessment of risks, analysis and testing of the effectiveness of the ICS organisation in business processes in the Group of Companies;
- Development and integration of the system of Key Performance Indicators (KPIs) of business processes and the system of Key Risk Indicators (KRI);

In order to increase the level of maturity of risk management in the group of companies in 2023, training was conducted for key employees of departments and managers. During training, attention is paid to explaining the basic principles and approaches to risk management in order to apply a risk-based approach to making managerial and operational decisions.

In order to implement the adopted Strategy for developing and improving the risk management and internal control system, the Group will continue to implement measures to improve the RMS and ICS, including:

- Updating of internal methodological documents in the field of internal control and risk management;
- Improving approaches to integrating risk management into key business processes;
- Updating of the risk register and risk map of CAEPCO JSC and its subsidiaries and analysis of critical risks;
- Conducting training sessions for key employees of CAEPCO Group divisions and senior managers on the organisation and functioning of the internal control and risk management system;
- Identification and assessment of risks, analysis and testing of the effectiveness of the ICS organisation in business processes of operating and financial activities;
- Development and integration of the system of Key Performance Indicators (KPIs) of business processes and the system of Key Risk Indicators (KRI);
- Work to improve the approaches and principles of process management of the Group of Companies.





**THE BEST  
POWER  
ENGINEERS  
WORK HERE**

Our team is a  
community of people  
united not only by  
work.

**This is a big close-knit  
team of like-minded  
people with warm  
hearts and a broad  
soul!**



# SUSTAINABLE DEVELOPMENT

GRI 2-27, 2-29, 303, 304, 305, 306, 307, 401, 402, 403, 405, 406, 413, 414, 415, 418

SDG



## INTERACTION WITH STAKEHOLDERS

GRI 2-29

CAEPCO JSC implements a set of measures aimed at expanding and improving the efficiency of interaction with all interested parties, in accordance with the principles of corporate behaviour: openness, reliability and completeness of information about the Corporation's activities, completeness of consideration of the interests of all interested parties, prompt response to the manifestation of these interests.

In order to minimise risks, CAEPCO JSC implements a set of measures aimed at expanding and improving the efficiency of interaction with all interested parties. The Corporation works with interested parties and promptly responds to their requests in accordance with such principles as openness, reliability, and completeness of information.

## COUNTERING CORRUPTION

GRI 2-25, 2-26, 205-2, 205-3



CAEPCO JSC group of companies has an Anti-Corruption and Fraud Policy approved by the Board of Directors, which is the fundamental internal regulatory document of the Holding and its subsidiaries in this area. The Policy, among other things, determines modelling of a single ethical standard by the top management of the Group for rejection of corruption in all its forms and manifestations.

The main principles of the Policy are represented by maintaining a high level of corporate governance, intolerance to corruption and fraud, proper risk assessment, minimising conflicts of interest based on an effective distribution of powers and responsibilities by building a transparent organisational structure.

Important elements of strengthening this area are represented by creation and implementation of an effective strategy that ensures anti-corruption and fraud, as well as prompt response to emerging events of this nature. The Group develops an appropriate corporate culture and a negative attitude to all manifestations of corruption and fraud.

The Policy highlights the methods and procedures used to counter fraud and corruption, in particular, to identify and assess such facts, conduct official investigations, and bring to justice for all identified cases of illegal actions.

CAEPCO JSC group of companies has developed and operating feedback channels (hotline, telephone and mail services) for legal entities and individuals (including employees of the Group) to contact and report on the upcoming or known facts of corruption and fraudulent actions.

Work aimed at increasing the transparency of activities is performed on an ongoing basis. In order to inform the business partners of the group of companies about the existing requirements and principles of the Anti-Corruption and Fraud Policy, the approved standard templates of contracts concluded by the Company and its subsidiaries for the purchase of goods, works and services include certain sections that also reflect communication channels in the event of corruption.

In accordance with internal procedures, all newly hired employees are required to familiarise themselves with the requirements of the Anti-Corruption and Fraud Policy and sign a written confirmation of compliance with these requirements.

**No facts of corruption and fraud were identified during 2023.**

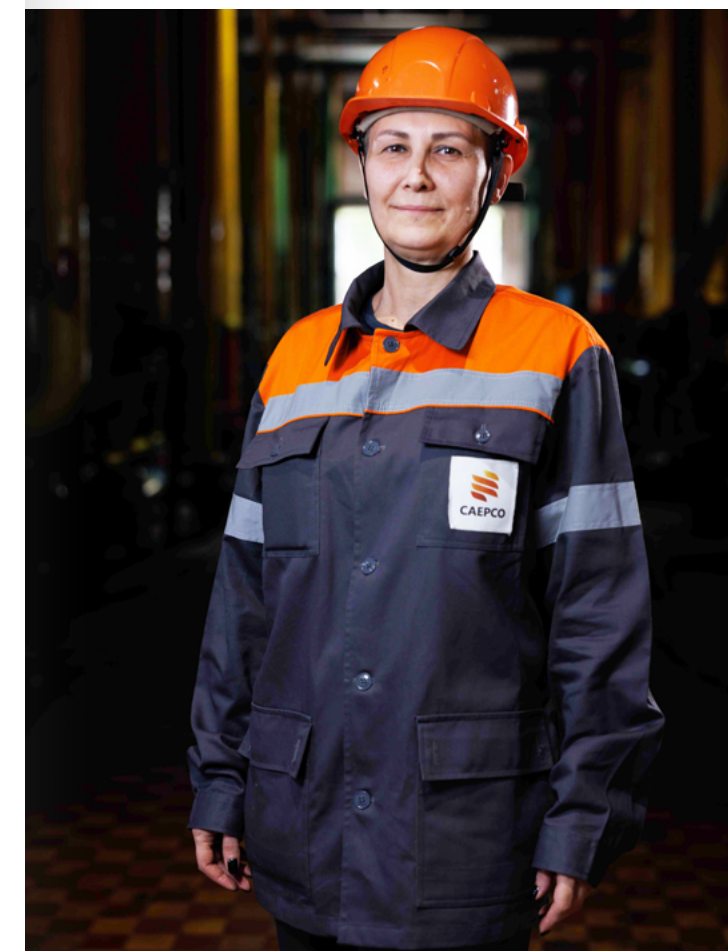
## ENVIRONMENTAL SAFETY

In the regions of its presence, the Corporation strives to continuously reduce the negative environmental impact of fossil fuel energy production.

For this purpose, the Corporation takes a set of measures and carries out systematic work to modernise its production assets, continuously improving the level of environmental safety and sustainable development of its subsidiaries.

During the period of operation of the state program "Tariff in exchange for investment" (2009-2015), the Corporation attracted significant investments to modernise the main generating equipment and funds of environmental significance. All of the Corporation's boilers have upgraded their ash treatment facilities and implemented primary methods for reducing nitrogen oxide emissions. In the construction of new sections of landfills, effective international technologies and materials are used to prevent contamination of ecosystem components.

In the reporting year, the Corporation was engaged in eliminating the consequences of an emergency situation and upgrading the technological equipment of Petropavlovsk CHP-2 and Ekibastuz CHP, building new chimneys at Pavlodar CHP-3 and Petropavlovsk CHP-2.



//

My task is to the introduction of reliable, uninterrupted, trouble-free operation of the entire water treatment plant and the technological process of chemical water purification with the provision of recharge of steam boilers.

The most difficult thing is starting and stopping the equipment, switching in the scheme of the water treatment plant, performing flushing, filter regeneration, switching from working to backup equipment, while ensuring economical operation of all serviced equipment.



**GALINA AYUPOVA**

**equipment operator for cleaning the waste water of the chemical workshop**

15-year work experience with the Company



## ENVIRONMENTAL MANAGEMENT SYSTEM

GRI 307-1

SDG



For more than nine years, an environmental management system has been operating at all the Corporation's production facilities, which is developed in accordance with the international standards of the ISO series.

Certification helps enterprises improve their processes for minimising risks to the environment, personnel or other stakeholders who may be exposed to hazards associated with their production activities, and more effectively fulfil their obligations in the area of environmental safety.

In addition to the environmental management system, the Corporation also successfully operates a quality management system (ISO 9001), a health and safety management system (ISO 45001) and an energy management system (ISO/CD 50001).

In **2023**, TÜV Rheinland Gert GmbH conducted supervisory and certification audits of subsidiaries of the Corporation for compliance with the requirements of international standards **ISO 14001** (Environmental Management System), **ISO 9001** (Quality Management System), **ISO 45001** (Health and Safety Management System), **ISO/CD 50001** (Energy Management System). As a result, certificates of the integrated management system were obtained and its efficiency, effectiveness and focus on improvement were confirmed.



## ENVIRONMENTAL POLICY

GRI 307-1

SDG



The main obligations and principles in ensuring a favourable environment are set out in

### THE CORPORATION'S ENVIRONMENTAL POLICY

The document contains the Corporation's goals and objectives in the area of the environment in the regions where it operates, and also emphasises the importance of continuous environmental education for all its employees.

The fundamental principles of the Corporation's Environmental Policy are:



recognition of the constitutional human right to a favourable environment



priority of preventive measures over measures to eliminate environmental negative impacts



energy saving and rational use of natural and energy resources at the stages of production, transmission, distribution and consumption of electric power and heat



reducing the impact on the environment by implementing the best available technologies and improving the energy efficiency of production

General management of environmental protection activities is carried out by the Department of Safety, Labour Protection and Ecology. The Department coordinates the Corporation's work in the area of environmental protection, analyses the effectiveness of this work, and prepares reports for senior management and shareholders. At the level of subsidiaries, divisions are formed that ensure the implementation of Environmental Policy, compliance of all production processes with legal requirements in the area of environmental protection and corporate standards.

Within the Corporation, mutual environmental audits are conducted twice a year on the basis of one of its subsidiaries, within which environmental specialists from all enterprises actively exchange experience in the area of effective environmental management and environmental management and develop common approaches in the area of environmental safety.



In **2023**, mutual audits were conducted in May and September on the basis of SEVKAZENERGO JSC and AEDC JSC and CAPEC Green Energy LLP, respectively



The Corporation manages environmental safety when working with suppliers and contractors. Environmental requirements for purchasing products and services defined in the corporate document "Rules of interaction with contractors in the field of Safety and Labor Protection and environmental protection" and the standard contract of the Corporation. Compliance with these requirements is mandatory on the part of counterparties.

The Corporation constantly cooperates with contractors to inform and ensure compliance with local environmental

requirements and begins this work at the stage of selecting a supplier and entering into a contract.

The Department of Safety, Labour Protection and Environment, together with the responsible services of subsidiaries, monitors contractors' activities locally by conducting inspections. Based on the results of inspections, reports are generated with an assessment of contractors' performance and their compliance with all corporate environmental standards.

## GREEN OFFICE PRINCIPLES IN THE CORPORATION

### GRI 307-1

#### SDG



The goal of the Green Office is to reduce the negative impact of the company's activities on the environment and promote the rational use of resources.

The following measures have been implemented in subsidiaries of the Corporation within the framework of the recommendations of the "green Office Principles":

- separate collection of waste paper (waste paper and cardboard);
- information about saving water and electricity is reflected in the guidelines for visitors and newly hired employees.
- introductory instructions for employees and contractors reflect the recommendations of the Green Office regarding the rational use and saving of water resources, energy, and calls for separate waste collection.

As part of the "green Office Principles" by the end of 2023, about a

**2.031 tons of waste paper**  
(paper and cardboard).

were collected and transferred for recycling in the Corporation's subsidiaries.

The use of waste paper significantly saves wood (1 ton of waste paper replaces about 4 cubic meters of wood, or 100 kg of waste paper saves 1 tree) and reduces deforestation.

Introduction of THESIS electronic document management system allowed to reduce the number of paper documents in circulation and save office paper.

## ENVIRONMENTAL PROTECTION MEASURES

To improve the efficiency of activities in the area of environmental protection, the Corporation plans and implements environmental protection measures aimed at reducing the level of impact of its activities on the environment and improving the environmental efficiency and safety of its enterprises.

**5.947 BILLION TENGE**

costs of implementing environmental protection measures in **2023**.



**1.424 BILLION TENGE**

of tax payments for environmental emissions for **2023** was transferred by the Corporation in the regions of its presence.

The list of such measures includes modernisation of equipment that has a negative impact on the operating system, major repairs of the main and auxiliary technological equipment in power generation, transmission and distribution, industrial waste management, and industrial environmental control.

For all new construction and reconstruction projects, a project or section on environmental issues Environmental Impact Assessment is developed, the materials of which are brought to the attention of local communities and the interested public in the form of public hearings. To confirm compliance with the environmental standards of the Republic of Kazakhstan, all projects undergo state environmental expertise in the territorial supervisory authorities in the area of environmental protection.



Costs for environmental protection measures\*, million tenge

Description of costs	Amount of expenses, million tenge		
	2021	2022	2023
<b>CAEPCO JSC</b>	<b>9,340.916</b>	<b>6,328.419</b>	<b>5,947.480</b>
<b>PAVLODARENERGO JSC</b>			
Investment costs for updating equipment that has a negative impact on the PPE	6,940.504	3,130.022	2,048.270
Cost of overhaul repair of key assets intended for environment protection	60.070	71.736	150.466
Operating costs	285.977	321.623	144.599
<b>SEVKAZENERGO JSC</b>			
Investment costs for updating equipment that has a negative impact on the PPE	1,164.349	1,802.977	2,890.688
Cost of overhaul repair of key assets intended for environment protection	257.756	874.493	216.523
Operating costs	70.070	115.126	147.952
<b>AEDC JSC</b>			
Investment costs for updating equipment that has a negative impact on the PPE	553.171	0	0
Cost of overhaul repair of key assets intended for environment protection	-	-	-
Operating costs	9.018	12.442	11.044



MATERIALS USED

GRI 301-1

SDG



The Corporation's products are thermal and electrical energy. Regulation of this industry is carried out by state bodies represented by the Ministry of Energy of the Republic of Kazakhstan and the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan.

Environmental labeling and packaging requirements do not apply to manufactured products.

Electric and heat power was produced using non-renewable fuels (Ekibastuz coal and M100 fuel oil).

Used materials	Unit of measurement	value		
		2021	2022	2023
<b>Coal, total</b>	<b>tons</b>	<b>6,029,199</b>	<b>4,985,999</b>	<b>5,379,881</b>
Including electrical power generation	tons	3,738,789	2,829,026	3,315,627
heat power generation	tons	2,290,410	2,156,973	2,064,254
<b>Fuel oil, total</b>	<b>tons</b>	<b>10,496</b>	<b>11,026</b>	<b>19,161</b>
Including electrical power generation	tons	6,124	5,446	6,178
heat power generation	tons	4,372	5,580	12,983

CLIMATE CHANGE

GRI 201-2, 305-1

SDG



Climate change, especially in recent years, is a very relevant topic for the whole world. Negative trends of climate change are increasingly reflected in Kazakhstan. Water scarcity, loss of biodiversity, and natural disasters can lead to serious economic consequences, crop failures and famine.

The Corporation supports the UN Sustainable Development Goal No. 13 and the Paris Climate Agreement, which call for urgent measures to combat climate change and its consequences.



My job is to carry out major repairs and maintenance of power transmission lines. I've been working for AEDC for 13 years. The most important thing in our business is responsibility. We have no room for error.

The most difficult thing is emergency recovery work in difficult weather conditions, where our work directly affects the preservation of energy supply and the safety of people.



ALEXEY  
KUPAVTSEV

electrician for the operation  
of distribution networks  
13-year work experience with the Company



## Sustainable development

In the Corporation, greenhouse gases are generated during the burning of fossil fuels (coal, fuel oil) in order to generate energy to support the life of the population in the regions of its presence. On a regular basis, activities are carried out to monitor greenhouse gas emissions, quantify the volume of direct emissions (SCOPE1), including a partial estimate of indirect emissions (SCOPE2), since the calculation of direct emissions also takes into account the company's own energy needs.

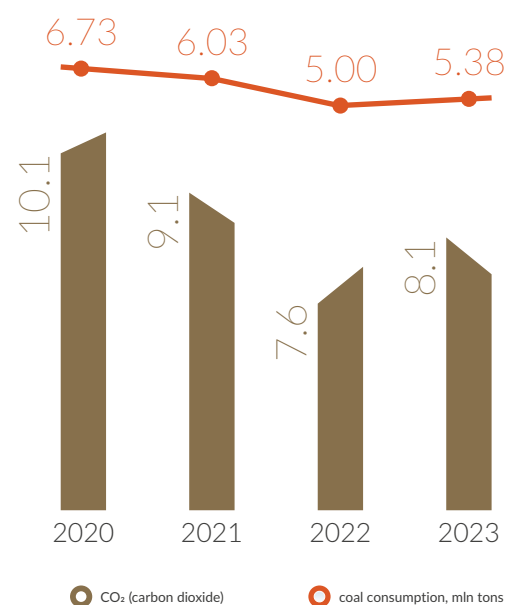
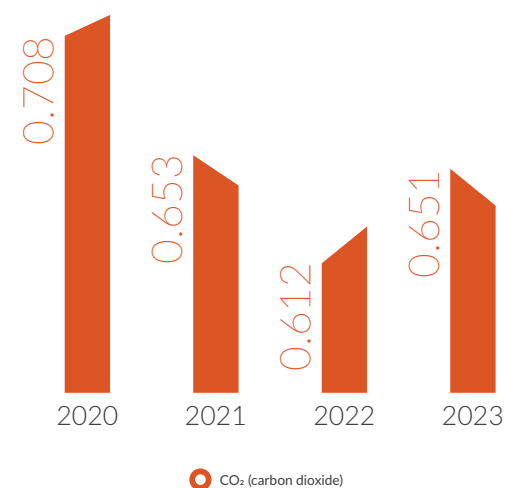
For monitoring greenhouse gases, a calculated method is used with laboratory determination of the carbon content in fuel, according to current regulatory guidelines. Control over accounting for greenhouse gas emissions is carried out by the Department of Safety, Labour Protection and Ecology.



# 8,078 THOUSAND TONS OF CO<sub>2</sub>

accounted for the Corporation's greenhouse gas emissions in **2023**, which is

**6.7%** more than in **2022**

Direct CO<sub>2</sub> emissions in 2020-2023 million tonsCO<sub>2</sub> emission rate in 2020-2023 tons/MW

The increase in greenhouse gas emissions in 2023 is due to an increase in the volume of fuel burning (coal and fuel oil) to generate products.

The total limit of allocated quotas for greenhouse gas emissions for 2023 was

**9,838.4 thousand tons** of carbon dioxide (CO<sub>2</sub>),

the actual volume of production was

**8,078 thousand tons** of carbon dioxide.

In the reporting period, the Corporation expects a certain shortage of greenhouse gases due to the withdrawal of part of the quota limit due to a decline in production compared to the baseline.

The Corporation's strategic goals in the fight against climate change include: the development of renewable energy sources, the widespread introduction of an energy management system, and the development of programs to improve energy efficiency and energy conservation.

The implementation of renewable energy projects reduces greenhouse gas (CO<sub>2</sub>) emissions by generating electricity from wind energy and supplying it to the national grid of the Republic of Kazakhstan. The amount of electric power produced replaces electricity generated from traditional fossil fuel power plants and provides an overall reduction in CO<sub>2</sub> emissions in the electricity sector.

Since 2020, the Corporation's structure includes the Astana EXPO-2017 wind power plant (CAPEC Green Energy LLP). Wind farm generation in 2023 saved 116.893 thousand tons of conventional fuel and provided an overall reduction in CO<sub>2</sub> emissions in the electric power sector by approximately 302.293 thousand tons/year.

Based on the results of the National Carbon Quota Plan for 2022, the Corporation as a whole purchased additional CO<sub>2</sub> emission quota in 2023 for a total amount of

**47.8 MILLION TENGE**



## AIR EMISSIONS

## GRI 305-1

## SDG



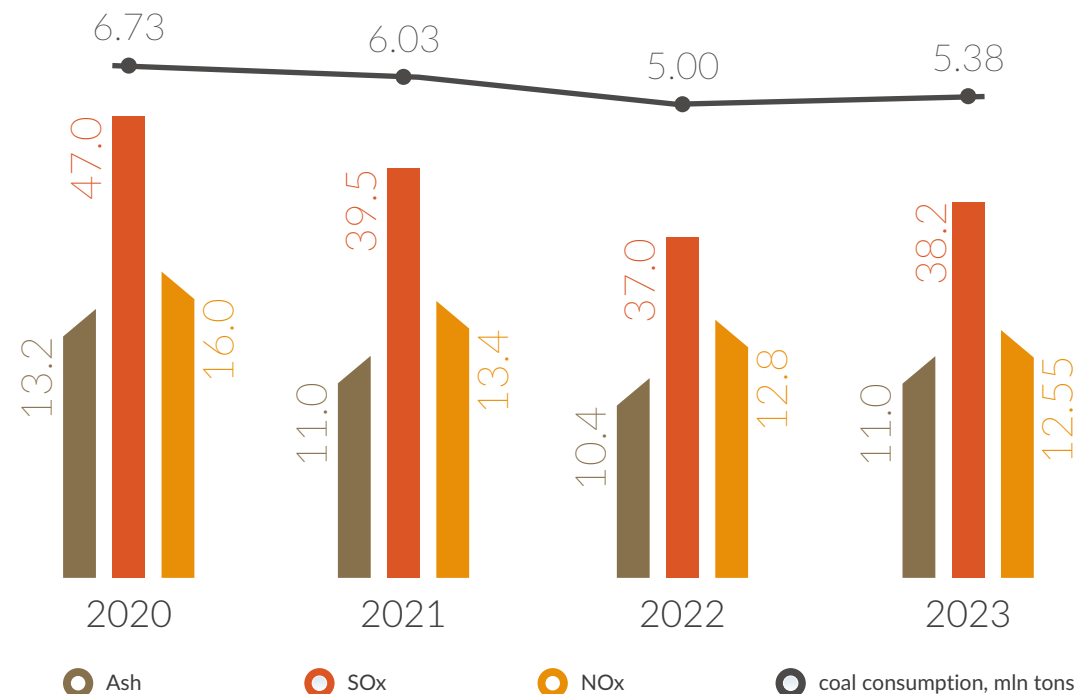
Minimising emissions of pollutants into the atmosphere is an important aspect of the Corporation's environmental activities. Replacement of outdated generating facilities with low energy and environmental efficiency with new capacities that meet modern requirements in the area of environmental protection has the greatest impact on reducing the emissions.

In the reporting year, there was an increase in the volume of production and, accordingly, an increase in the volume of fuel burned by **7.7 %**; gross emissions of pollutants increased by **2.1% .** Of these, emissions of sulphur oxides (SO<sub>x</sub>) and solid particles (coal ash) increased by **3.2 %** and **5.4%** respectively, and nitrogen oxides (NO<sub>x</sub>) decreased by **1.8 %**. Specific emissions also show an increase in sulphur oxides and solid particles, but a decrease in nitrogen oxides.

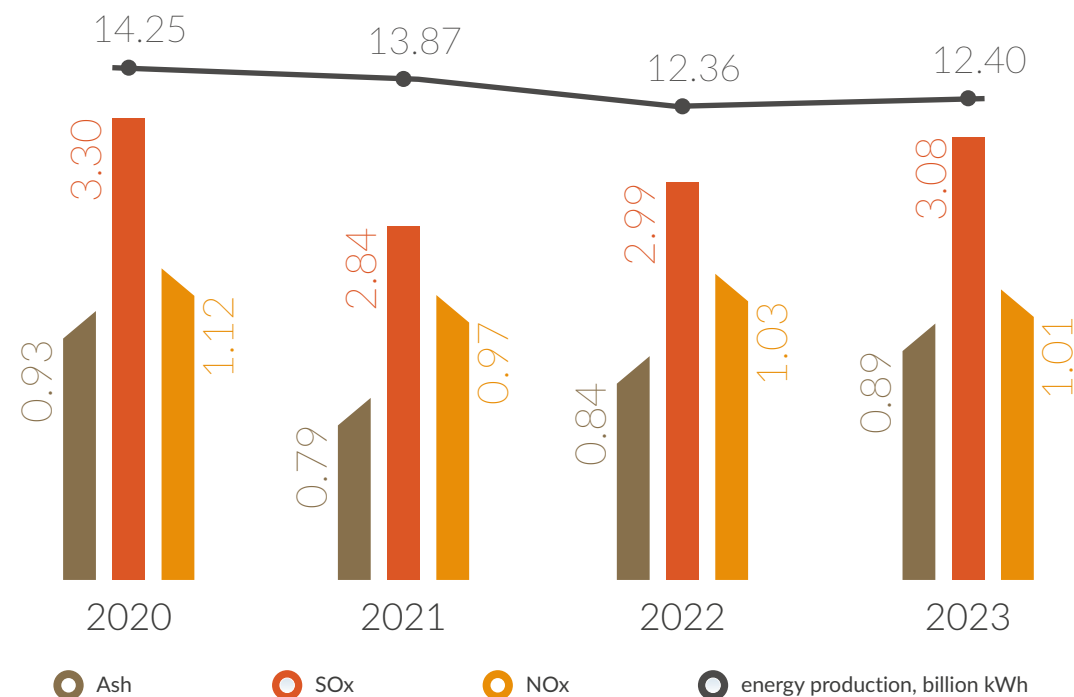


## Sustainable development

Gross emissions of pollutants into the atmosphere in 2020-2023 thousand tons



Specific emissions of pollutants into the atmosphere in 2020-2023, kg/thousand kWh



In the Corporation, greenhouse gases are formed in the process of burning fossil fuels (coal, fuel oil) in order to generate energy to ensure the vital activity of the population in the regions of presence. On a regular basis, activities are carried out to monitor greenhouse gas emissions, quantify the volume of direct emissions (SCOPE1), including a partial estimate of indirect emissions (SCOPE2), since the calculation of direct emissions also takes into account the company's own energy needs.

For monitoring greenhouse gases, a calculated method is used with laboratory determination of the carbon content in fuel, according to current regulatory guidelines. Control over accounting for greenhouse gas emissions is carried out by the Department of Safety, Labour Protection and Ecology.



### AMONG THE MOST SIGNIFICANT ENVIRONMENTAL MEASURES AIMED AT REDUCING ATMOSPHERIC EMISSIONS AND IMPLEMENTED IN 2023, THE FOLLOWING CAN BE IDENTIFIED:

- capital and current repairs of dust and gas treatment plants (repair of worn-out elements of ash-collecting plants and flues, repair of aspiration plants and measurement of their efficiency), restoration of thermal insulation and walling of burners, repair and replacement of burners during major repairs of boiler units;
- construction of chimneys in Pavlodar and Petropavlovsk.

at the generation facilities of JSC SEVKAZENERGO and JSC PAVLODARENERGO, the installation of an automated industrial environmental monitoring system (AFM) in existing chimneys has begun. **This system tracks the emissions of pollutants into the environment from the main stationary sources of pollution and provides data transmission to the information system for monitoring environmental emissions in real time.**

One of the organisational tools for reducing emissions of pollutants and greenhouse gases is the energy saving program and improving overall fuel efficiency, as well as the introduction of the ISO 50001 Energy Management System in the Corporation's subsidiaries. As part of the program, energy-saving measures are planned, the purpose of which, along with increasing the energy efficiency of production processes, is also to reduce emissions of pollutants and greenhouse gases.





My task is to carry out major repairs and maintenance of the power line. Also work on consumer requests. It is sometimes difficult to cope with difficult weather conditions and eliminate an emergency shutdown. The most important thing in our business is compliance with safety regulations.



SERIK  
ZHUNUSOV

master of the linear workshop section  
18-year work experience with the company

# ENERGY CONSERVATION

GRI 302-1

SDG

3

GOOD HEALTH AND WELL-BEING

6

CLEAN WATER AND SANITATION

11

SUSTAINABLE CITIES AND COMMUNITIES

The Corporation's activities in the area of energy saving and energy efficiency improvement are carried out on the basis of the international standard ISO 50001 Energy Management Systems. The Corporation's subsidiaries have the Energy Saving and Efficiency Program.



The purpose of this Program is to develop measures to improve the efficiency of using fuel and energy resources, including the organisation of control and accounting. As part of the ongoing work on energy saving and energy efficiency improvement, 53 measures totalling

1.7 BILLION TENGE were carried out in the reporting year.

The achieved effect of implementing these measures:

- savings of 127,926 thousand tons of natural fuel;
- savings of 3,029.44 thousand kWh of electricity;
- savings of 63,959.0 Gcal of thermal energy;
- extending the park life and improving the reliability of equipment operation.



AMONG THE MOST SIGNIFICANT MEASURES OF THE ENERGY SAVING PROGRAM AIMED AT REDUCING EMISSIONS OF POLLUTANTS AND GREENHOUSE GASES IMPLEMENTED IN 2023, THE FOLLOWING CAN BE IDENTIFIED:

- cleaning of boiler installations and turbine condensers by the hydraulic pumping unit of PTPP-2 of SEVKAZENERGO JSC;
- replacement of gas flues, sealing of the furnace insulation at PTPP-2 boilers of SEVKAZENERGO JSC;
- replacement of pipes of air mixture of burners of boiler units of station No. 2,4,6 of CHP-3 of PAVLODARENERGO JSC;
- elimination of suckers along the gas-air path of boilers;
- repair of air heater cubes of boiler units at station No. 1,3 of CHP-2 of PAVLODARENERGO JSC
- replacement of the tubular air heater of boiler units at station No. 6,7,8,11 of Ekibastuzteploenergo LLP.

Thanks to the implementation of the measures of this program, a reduction in greenhouse gas emissions by 187.15 THOUSAND TONS OF CO<sub>2</sub> was achieved in 2023.



# STATE ENVIRONMENTAL CONTROL

In 2023, the Corporation's subsidiaries were subject to inspections of compliance with environmental legislation in the form of preventive control without visits and unscheduled inspections of complaints /appeals, which resulted in violations being identified and administrative fines for violating environmental legislation requirements.

The total amount of paid penalties amounted to 32.574 million tenge. All instructions were fulfilled in full and on time, and damages were paid for.



# WATER RESOURCES

GRI 303-5

SDG



The use of water resources is an integral part of the production processes of enterprises and plays a key role in the cooling process of equipment. At the generating facilities of the CAEPCO group of companies, closed water use is used, i.e., a revolving system of technical water supply with cooling ponds (in Petropavlovsk) or cooling towers (in Pavlodar).

Also, the enterprises of CAEPCO JSC group of companies have systems of drinking water supply, stormwater and municipal sewage. Water supply for household, drinking, fire needs and wastewater disposal is carried out centrally, at the expense of city water supply and sewerage networks under the contract.

All the water used by CAEPCO JSC is fresh water. Sensitive water sources are not used.

In 2023

663,891.1

THOUSAND M<sup>3</sup> OF WATER

was used for water consumption purposes, the main share of which is water from recycled water supply systems. In the reporting period, the volume of water disposal amounted to

1,614.9 THOUSAND M<sup>3</sup>

The total amount of water used, broken down by sources, thousand m<sup>3</sup>

Indicator	2021	2022	2023
<b>Total water used, including:</b>	<b>676,012.9</b>	<b>671,529.4</b>	<b>663,891.1</b>
from surface water bodies	8,472.6	5,299.1	10,215.0
from third-party suppliers	26,947.4	27,031.9	23,432.6
in close water consumption systems	640,592.9	639,198.4	630,243.4

Volumes of waste disposal, thousand m<sup>3</sup>

Indicator	2021	2022	2023
<b>Total waste water generated</b>	<b>2,256.2</b>	<b>1,487.4</b>	<b>1,614.9</b>
Discharged to third-party organisations	605.4	552.9	943.5
Discharged to surface water bodies	1 650.8	934.5	671.4



AMONG THE MOST SIGNIFICANT ENVIRONMENTAL MEASURES AIMED AT THE RATIONAL USE OF WATER RESOURCES IMPLEMENTED IN 2023, THE FOLLOWING CAN BE DISTINGUISHED:

- maintenance and repair of rotating grids at the central pumping station, routine repairs of artesian and drainage pumps of the coastal pumping station, pumps of the central pumping station, maintenance of the make-up pump of circulation pumps, cleaning of the discharge channel of Petropavlovsk CHP-2;
- inspection of the underwater part of the advance chambers of the central pumping station, repair of make-up pumps, artesian pump of Petropavlovsk CHP-2;
- replacement and repair of pipelines, shut-off and control valves of technical and household drinking water of Ekibastuz CHP, Pavlodar CHP;
- repair of ash and slag pipelines
- monitoring of quantitative and qualitative characteristics of water resources;
- organisation of measures to improve the quality of the water discharged, increase the efficiency of treatment facilities (cleaning of installed booms of permanent buoyancy of the Rubezh 45 brand).

# WASTE MANAGEMENT

GRI 306-1, 306-3

Ash and slag waste, which makes up 99% of the total volume of waste, is stored in specially equipped hydraulic structures of the plain type - ash dumps. Compliance with the environmental legislation of the Republic of Kazakhstan when creating a new container for storing ash and slag waste allows to prevent environmental pollution with ash and slag waste from production and ensure stable operation of the CHP.

The increase in the volume of waste generation compared to 2022 by **126.4 thousand tons** is due to an increase in the formation of ash and slag waste due to an increase in the consumption of burnt fuel.

In 2023, the total volume of waste generation at the enterprises of CAEPCO JSC amounted to

2,261.6 THOUSAND TONS,

of which ash and slag waste –

2,251.4 THOUSAND TONS

industrial and municipal -

10.2 THOUSAND TONS



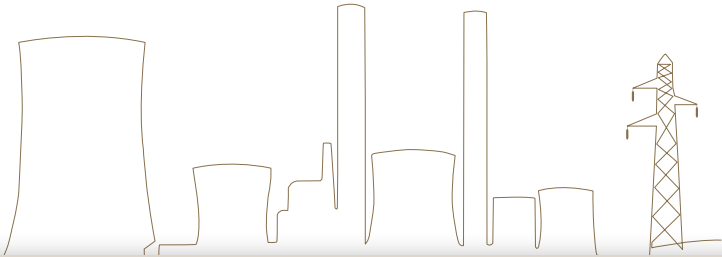
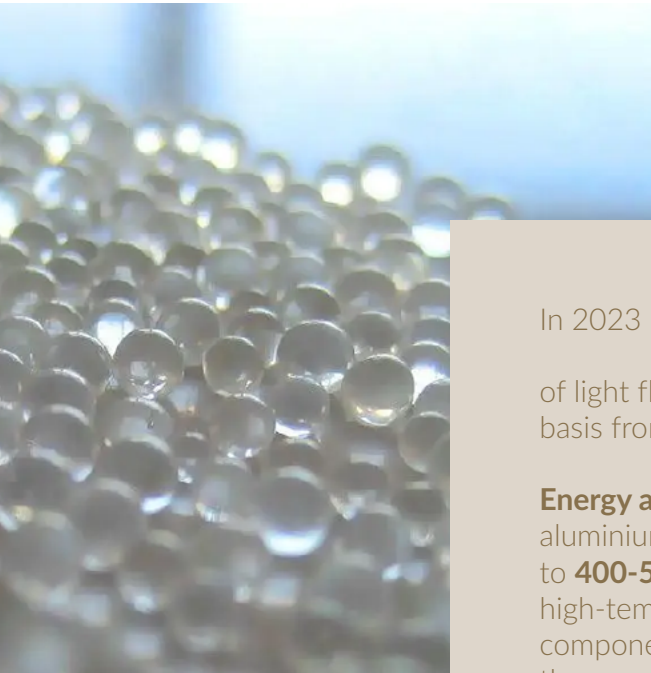


Total mass of waste generation, thousand tons

Indicator	2021	2022	2023
<b>Waste generated:</b>	<b>2,479.0</b>	<b>2,135.2</b>	<b>2,261.6</b>
Hazardous waste	0.28	0.50	0.28
Non-hazardous waste of them,	2,478.7	2,134.7	2,261.4
ash and slag	2,465.8	2,113.2	2,251.4

Waste by methods of handling, thousand tons

Indicator	2021	2022	2023
<b>Waste generated</b>	<b>2,479.0</b>	<b>2,135.2</b>	<b>2,261.6</b>
Waste management at the enterprise	0.352	0.103	0.211
Waste disposed at the enterprise	0.03	0.486	0.001
Transferred waste to third-party organisations*	12.404	16.235	9.736
Buried at the enterprise's own facilities	2,465.8	2,117.7	2,251.5
including ash and slag waste	2,465.8	2,113.2	2,251.4



In 2023 **40.671 TONS**

of light fly ash fraction (microsphere) were sold on a contractual basis from the ash dumps of subsidiaries of the Corporation.

**Energy ash microspheres** are hollow glass-crystalline aluminium-silicate balls, with an average size of **20-50 microns** to **400-500 microns**, which are formed as part of fly ash during high-temperature coal flaring. They are the most valuable components of thermal power plant ash waste. They are used in the manufacture of insulation materials, fillers, aerosols, etc.



The most significant waste management activities aimed at waste management and improving the industrial and environmental safety of landfills, completed in 2023:

- organisation of storage sites for waste generated during the reconstruction and construction of energy facilities (equipment of sites, arrangement of containers);
- sale of ash and slag waste (microspheres) to reduce the volume of their formation;
- implementation of the mechanism of separate collection of waste that is not subject to placement at the landfill: waste paper, paper and cardboard, plastic and glass waste;
- recultivation of ash dumps and quarries of subsurface use.

During the construction of new ash dump sections, the latest technology of an anti-filtration screen in the ash dump bed - the Canadian polysynthetic geomembrane was used. The use of a special geomembrane film will allow achieving 100% waterproofing. This is a reliable and durable anti-filtration screen that protects soils and underground water from contamination by chemical components contained in the clarified water of the reverse hydraulic ash transport system.



## ENVIRONMENTAL PROJECT PLANS FOR 2024

In 2024, the Corporation will carry out further work on upgrading existing assets, leading to an increase in environmental efficiency and safety of enterprises, minimising the negative impact of their activities on the operating system.

### Priority:

- implementation of environmental protection plans and energy saving programs;
- further modernisation of obsolete equipment and restoration of normal operation of Petropavlovsk CHP-2, Ekibastuz CHP;
- construction of chimneys and ash dumps;
- commissioning of automated emission monitoring systems and synchronisation of data transmission;
- compliance with the requirements of environmental legislation;
- active participation in initiating amendments to environmental regulations.



The most important thing is the team. If the team is well-coordinated, they understand each other without words. The continuity of generations is very developed in our workshop - more experienced employees always share their professional knowledge with colleagues.



NADEZHDA  
KUKLINA

**head of the chemical department**  
32-year work experience in the energy sector



## HUMAN RESOURCE DEVELOPMENT

GRI 2-7, 404-1, 404-2, 405-1

SDG



The personnel management system of CAEPCO JSC corresponds to the strategic development goals of the Corporation in terms of developing an energy company with an effective corporate governance system with constant work to create opportunities for realising the potential of employees.

The formation of labour resources in the Corporation is carried out in the following areas:

- attracting professional employees of various levels;
- creating conditions for retaining professional employees;
- continuous professional training and staff development;
- providing opportunities for professional growth of enterprising young employees;
- creation of a talent pool and talent management.

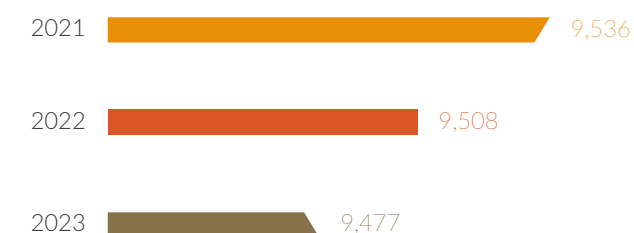


### Structure and headcount

The list number of the Corporation's staff remains stable, as of 31 December 2023, it amounted to

9,477 EMPLOYEES

#### Dynamics in change in headcount, persons



#### Distribution of the headcount by enterprises of CAEPCO JSC at the end of 2023

Company name	Number of employees, persons
CAEPCO JSC	110
PAVLODARENERGO group of companies	4,695
SEVKAZENERGO group of companies	2,144
AEDC group of companies	2,528
<b>Total</b>	<b>9,477</b>



The most difficult thing is to organize the work correctly and take responsibility.

The most important aspect of our work is to ensure high-quality heat supply.

We are responsible to the whole city. Every house should be warm.



VLADIMIR  
DOROFEEV

is a master of the repair service  
of heating network equipment with  
28 years of experience in the energy sector



## Staff structure by category and gender

The structure of the Corporation's personnel, due to the peculiarities of its activities, is characterised by a high proportion of male employees **60.2%**.

The production personnel mainly consist of the Workers category, where men make up **72.2%**.

Personnel category	Total		of them:			
			men		women	
	persons	%	persons	%	persons	%
<b>Headcount</b>	9,477	100	5,704	60.2	3,773	39.8
Management	1,512	16.0	1,105	73.1	407	26.9
Professional employees/white collar employees	2,958	31.2	984	33.3	1,974	66.7
Blue collar employees	5,007	52.8	3,615	72.2	1,392	27.8

## Personnel structure by age

At the end of 2023, the main share of employees was made up of the most experienced employees aged 30-50 years (53.1%), which is 0.2% lower than in 2022. The share of employees under the age of 30 (14.3%) decreased by 0.9%. The 1.1% increase in the share of employees over the age of 50 (32.6%) compared to 2022 is due to the lack of interest of young people in working in production due to global trends in the development of the labour market in the service sector.

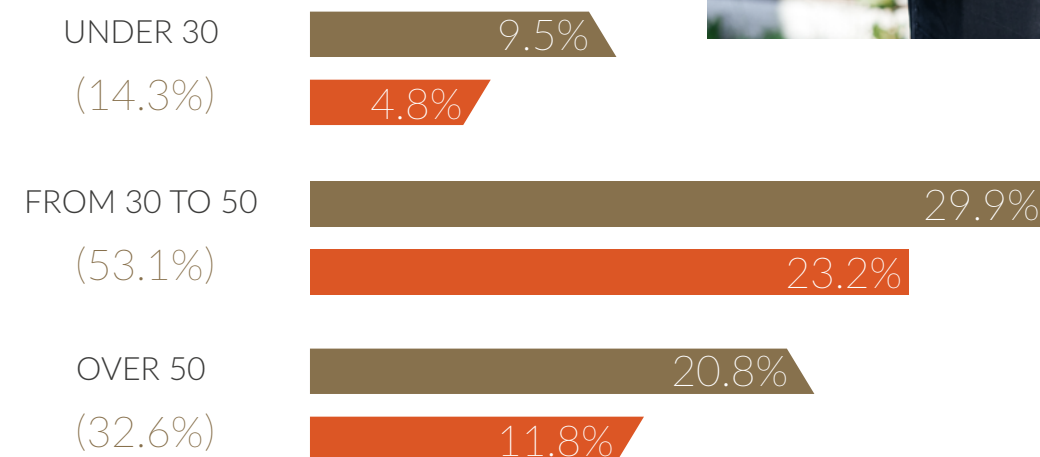
Taking into account these indicators, the Corporation's enterprises carry out activities aimed at attracting young specialists and developing mentoring to ensure continuity and transfer of professional knowledge and skills, and gradual rejuvenation of personnel to achieve an optimal combination of young proactive workers and experienced, highly professional employees.



THE AVERAGE AGE OF THE GROUP OF COMPANIES IS

**42 YEARS**

### Age composition of personnel



Men



Women





//

The most important thing in my profession is not just to do the job, but to do it so that the equipment functions smoothly. This requires not only technical precision, but also a deep understanding of every detail. Thanks to my extensive work experience, the tasks that I solve seem simple.



MADIYAR  
DUKENBAYEV

is a locksmith for the repair of fuel supply equipment of the 5th category at the CHP,

work experience in the energy sector is 16 years

### Personnel structure by education

In the Group of Companies as a whole, in the dynamics of 2021-2023, there is an increase in the share of employees with higher and technical / vocational education, and a decrease in the share of employees with general secondary education.

Every year, the Group's enterprises hold events aimed at motivating employees to improve their level of education, including as part of the implementation of activities under the corporate program PROFENERGY.

At the end of 2023, **214 employees** of the Corporation are studying at universities and colleges, including **151 employees** in specialised specialties. Regardless of participation in the events of PROFENERGY, enterprises provide support to students and graduates of an educational institution.

In 2023,

67 EMPLOYEES

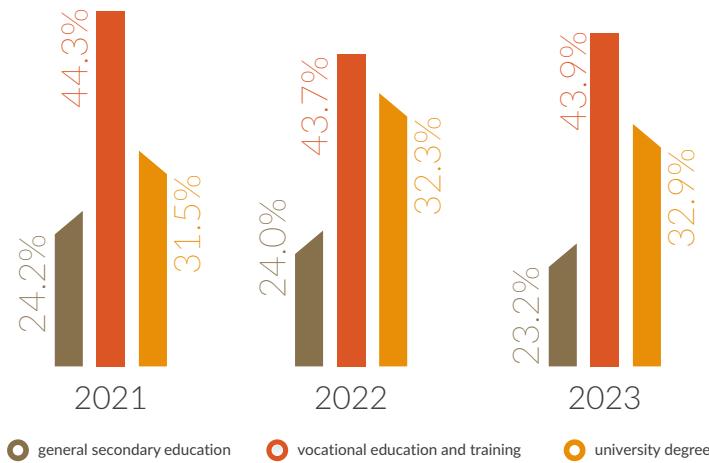
defended their theses, including

45 EMPLOYEES

in the profile specific for the enterprise.

★

Dynamics of the educational level



### The total number of employees by type of employment

At the end of 2023, the share of employees attracted under an employment agreement totalled 99.9%. To perform certain types of work or seasonal work, enterprises attract part-time employees, the share of which totalled 0.1% of the total workforce. Part-time employment totalled 1.8% of the number of employees of the group of companies.

The total number of employees by type of employment and gender

Indicator	Value (persons)	including	
		men	women
Headcount at the end of the reporting period (full-time)			
by agreement term:	9,477	5,704	3,773
Working under an agreement for an unspecified term	7,206	4,320	2,886
Working under a fixed-term agreement	2,271	1,384	887
by type of employment:	8,854	5,704	3,150
Full-time employees	9,305	5,613	3,692
Part-time employees	172	91	81
Supervised workers (part-time)	6	1	5
Total headcount	9,483	-	-

### Employees hired in 2023

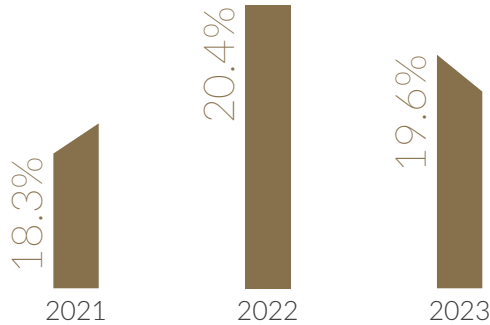
In the reporting period, 1,851 employees were employed, which accounted for 19.6% of the average number of employees in the Group of Companies.

The 0.8%

decrease in the hiring turnover ratio compared to 2022 is due to a decrease in staff attrition.

★

Hiring turnover rate



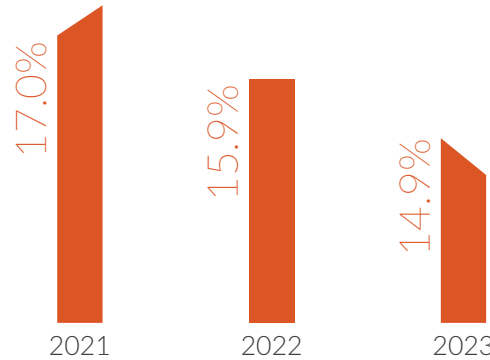
Indicator	Total		of them:			
	persons	%	men		women	
			persons	%	persons	%
<b>Hired, of them:</b>	<b>1,851</b>	<b>100</b>	<b>1,144</b>	<b>60.2</b>	<b>737</b>	<b>39.8</b>
- under 30	568	30.7	370	65.1	198	34.9
- from 30 to 50	879	47.5	479	54.5	400	45.5
- over 50 years	404	21.8	265	65.6	139	34.4

### Staff turnover

At the end of 2023, the Corporation's staff turnover rate decreased by 1% compared to 2022. The main reasons for personnel leaving the Holding remain:

- pay dissatisfaction;
- migration of personnel within Kazakhstan (urban/rural settlements);
- due to family circumstances.

Turnover rate



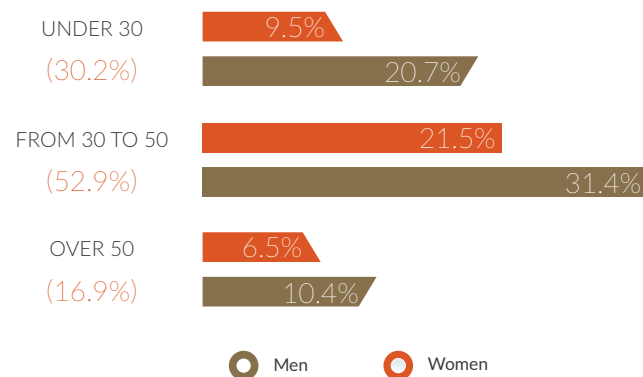


## Sustainable development

### Number of people who left as part of staff turnover in 2023, broken down by age in the context of men and women

In 2023, 1882 labour agreements with employees of the Corporation were terminated, which is 5.1% less than in 2022. 1,406 people dropped out due to turnover, of which the main share is made up of employees aged 30-50 years (52.9%).

Number of dismissed employees as part of staff turnover by age and gender



### Staff training and development

The training and development system in the Corporation provides for the following areas:

- mandatory, prescribed training in the rules of safety, fire safety, and maintenance;
- versatility training;
- advanced training for the development of professional and managerial competencies.

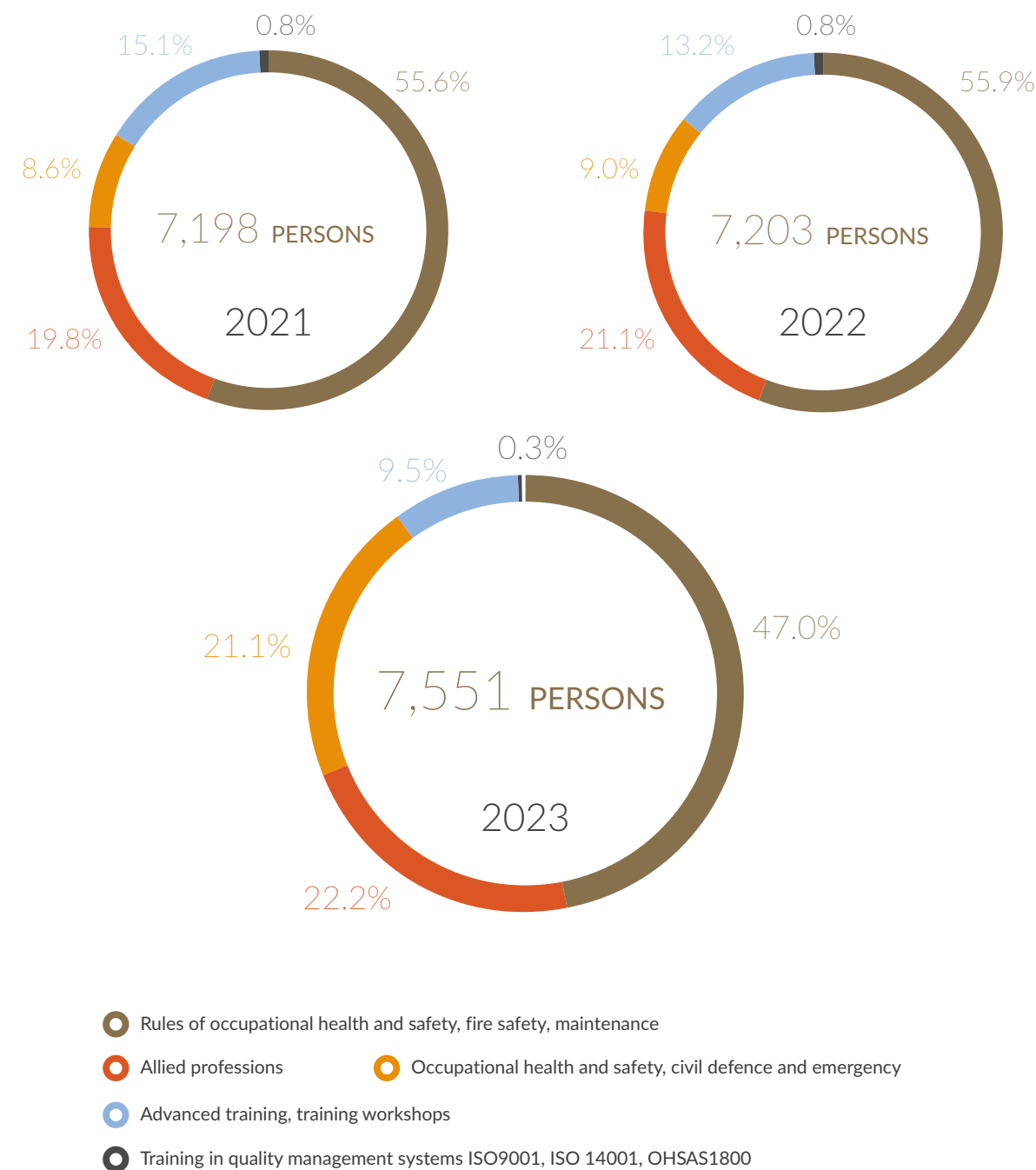
In order to increase the efficiency of activities and create safe working conditions at the Corporation's enterprises, training is conducted in a corporate format and according to individual development plans, in-house and remote forms of training are being introduced. We practice training in our own training centers for corporate programs, as well as in third-party training centers.

In 2023,  
**7,551 PEOPLE,**  
were trained, which is **79.7%**  
of the total number of employees.

The number of employees trained at the Corporation's training centers at the end of the reporting period amounted to 3,234 people (42.8% of the total number of those trained). The total number of students trained in 2023 compared to 2022 without significant changes.

The main focus is primary and periodic training on safety, fire safety, and operational techniques: in 2023, 5,140 people were trained (68.1% of the total number of those trained).

In order to expand the professional profile of the Corporation's employees and prepare them for secondary professions, 1,677 employees (22.2% of all trained employees) were trained in 2023. Advanced training (including QMS training) in 2023 is organised for 734 employees (9.5% of the total number of trained employees).



### IN ORDER TO MANAGE THE "STAFF TURNOVER" RISK IN 2023, THE FOLLOWING ACTIVITIES WERE CONTINUED:

- identification of the reserves of the wage fund and allocation of the released funds for increasing wages;
- improving mentoring processes and the support system for young professionals;
- material and non-material incentives for qualified employees;
- improving conditions and social guarantees in accordance with collective agreements.







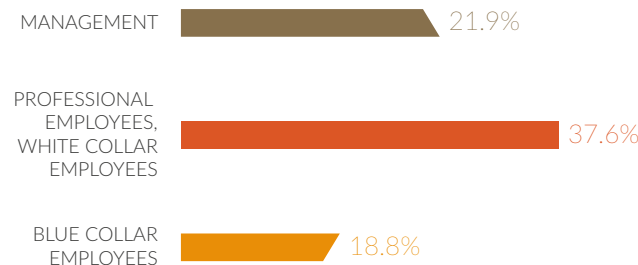
I plan the work, the placement of locksmiths, welders. The most important thing for me is to provide high-quality repairs and show a conscientious attitude to my duties. In addition, it is important to be able to find an approach to each employee.

The most difficult thing is unexpected emergencies when you have to work on a day off. In such cases, it is necessary to quickly assemble a work team, set a task and promptly fix the problem. Despite this, over 16 years of work, I have managed to face various challenges, and I am ready for any new tasks.



RAHAT  
SARANGIPOV  
foreman of the fuel and transport  
shop of the CHP  
work experience in the energy sector is  
16 years

Average number of training hours per employee



The average number of hours of training  
per male employee is  
19.8 HOURS,  
female –  
30.7 HOURS.

Training for employees of production units in accordance with their positions and professions, regulatory requirements and corporate components in training programs, features of training programs prevail in the Corporation.

### Employee pool



In order to ensure the necessary reserve for  
holding managerial positions at various levels,  
a personnel reserve for 821 senior, middle and  
lower-level managers has been formed in the  
subsidiaries of CAEPCO JSC.

For the development of reservists, the following methods are used:

- individual programs of professional and organisational and managerial training;
- training, including in our own training centers;
- professional development, internship;
- mentoring, performing managerial functions, temporary relocation of an employee.

During 2023, 93 people from among the employees who are in the employee pool were transferred to senior positions. Every year, work is carried out to form an external employee pool, including from among graduates of educational institutions.

332 young specialists work at the Corporation's enterprises, which is 3.5% of the total number of employees. In 2023, 63 young employees were hired, including 30 persons in the positions of lead specialists. At that, the number of persons hired with vocational education and training is 35 persons, with university degree – 28 persons.

### Attracting young specialists and staff development

Since 2016, the PROFENERGY project has been implemented in the subsidiaries of CAEPCO JSC to support young specialists and improve the educational level of staff. The program is aimed at attracting graduates of educational institutions to key / crucial professions of enterprises and promotion of the energy profession, personnel development and improvement of the educational level of personnel, retention of key employees. The Corporation's enterprises cooperate with universities and colleges in the regions of their operations.

Regular work is carried out to inform about the contents and conditions of the Program, meetings with students and tours to production facilities are held, employees of enterprises participate in the examination boards and the state attestation commission for final exams and the defence of graduation works.

During implementation of the program,

4,053 STUDENTS TOOK  
PART IN THE EVENTS,  
INCLUDING:



- 230 students undertook a paid internship and signed an agreement on further employment at the Corporation's enterprises after getting a degree;
- 3,666 students completed unpaid industrial placement and pre-graduation internship;
- 126 students were employed during the summer holidays;
- Based on the results of the competition of scientific papers, 31 students were awarded a nominal corporate scholarship.





The program is constantly being improved, conditions are being adjusted to meet the needs of students, the capabilities of enterprises and the specifics of the labour market in the regions of presence in order to increase the interest of graduates of educational institutions to work at the Holding's enterprises. The Program also provides for activities that encourage employees to receive industry-specific education.

In the period from 2016 to 2023, more than **1,309 EMPLOYEES** took advantage of the available opportunity:

- 784 employees were granted paid study leave;
- 293 employees were paid bonuses for successful completion of educational institutions;
- 194 employees were provided with an interest-free loan to pay for training;
- 30 employees are compensated for travel expenses to the educational institution for passing the session;
- the Corporation paid for training of 8 employees.



As part of the PROFENERGY project, a mentoring project is being developed. The purpose of the project is to transfer professional knowledge and skills to students, as well as fast and effective adaptation of young specialists. For 8 years, a pool of mentors has been formed from among highly qualified employees of subsidiaries of CAEPCO JSC, including those of retirement and preretirement age.

Every year, about 400 employees are appointed as mentors.

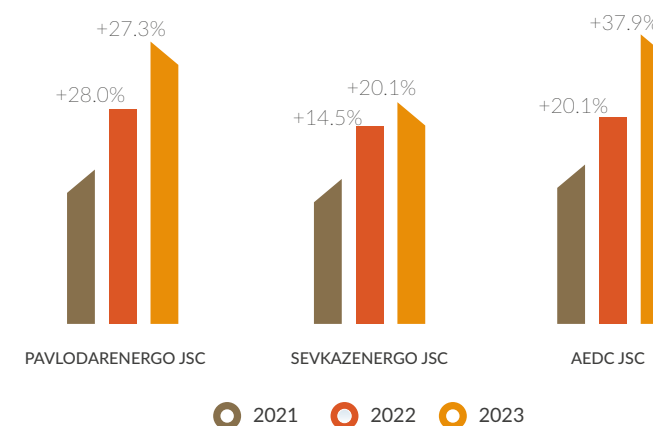
## Motivation and remuneration of personnel

The group of companies has a unified system of remuneration and incentives for employees. The salary level is set in accordance with the unified tariff grid, which is a grading system of remuneration for all categories of employees, regardless of their gender identity.

Incentives and remuneration in the Corporation are aimed at improving the efficiency and effectiveness of each employee's work. Every year, the enterprises of CAEPCO JSC make a differentiated increase in wages within the approved budgets and tariff estimates, taking into account the importance and significance of the personnel and the contribution to the results of work.

During 2023, the Group of Companies carried out wage indexation with an emphasis on production and working personnel. On average, the Corporation's salary level increased by 28.0%.

## Growth rate of average income in the context of subsidiaries of CAEPCO JSC



## Intangible incentives

Every year, events are held at the Corporation's enterprises, where the most distinguished, honoured employees, as well as long-service employees of enterprises are honoured. In 2023, 301 employees and long-service employees of enterprises were put in for awarding for strong performance and contributing to the development of the energy industry in the Republic of Kazakhstan, including 149 persons with state, departmental and industry awards, and 152 employees with corporate awards of CAEPCO JSC and enterprises.

## Employee-management relations

In relations with employees, the Corporation complies with all the requirements of labour legislation and the Code of Business Ethics, respects personal freedom and human rights, provides everyone with equal opportunities and does not allow discrimination in labour, as well as does not use child labour in any of its businesses.

The minimum period for notifying employees of significant changes in the Corporation's activities is made in accordance with the legislation of the Republic of Kazakhstan and in accordance with internal regulatory documents.

The minimum period for notifying employees upon termination of employment relations due to a reduction in force is one month in accordance with the Labour Code of the Republic of Kazakhstan.

Labour disputes at the Corporation's enterprises are resolved in accordance with the current legislation, as well as within the framework of Collective Agreements and the provisions on the grievance committee for individual labour disputes with the participation of representatives of the employer and employee. The procedure for applying and receiving feedback on labour disputes is determined by the internal regulatory document of the enterprise which is presented to employees during employment.

The composition of the grievance committee is approved by the organisational and administrative document for enterprises. In the event of a labour dispute, before applying to the grievance committee, an employee has the right to apply:

1. to the head of the human resources department,
2. to the chairman of the trade union/employee representative,
3. to the chief executive officer of the enterprise.

In 2023, two cases of employees applying to the grievance committee for the settlement of a labour dispute were established. All appeals were reviewed and settled. Discrimination of employees on any basis and cases of violation of the rights of employees were not revealed.





Interaction with trade unions

Trade unions operate at the Corporation's enterprises, and labour relations with employees are regulated by collective agreements.

In SEVKAZENERGO group of enterprises, a single collective agreement was concluded for 2021-2024, at the enterprises of AEDC group – for 2022-2025, in PAVLODARENERGO group of enterprises - for 2020-2025.

The principles of the collective agreement are represented by economic feasibility, sufficiency, joint responsibility and transparency. Collective agreements regulate measures of social responsibility for employees and their families, regardless of their membership in a trade union.

As part of social partnership, with the participation of enterprises and trade unions, the following events are held annually:

- sports and recreational activities;
- organisation of leisure and recreation, mass cultural events;
- sponsorship of anniversaries and holidays;
- charitable support.



The social policy of CAEPCO JSC is determined jointly with employees and their representatives, i.e., trade unions, and is provided at the expense of the financial capabilities of the Corporation's subsidiaries.

Social support, guarantees and compensatory payments

Objectives	Social package
Incentives for personnel for long-term work	<ul style="list-style-type: none"><li>• Additional professional pension contributions in the amount of 5%</li><li>• Award for professional competitions</li><li>• Remuneration on the occasion of anniversaries and holidays</li></ul>
Effective compensation and preferential system	<ul style="list-style-type: none"><li>• Compensation of housing maintenance and utilities expenses, dormitory discounts, residential lease</li><li>• Motor transport services for transportation of workers to and from work</li><li>• Coal supply at cost to employees living in houses with stove heating</li><li>• Compensation of vouchers to camps for children under 15</li><li>• New Year's gifts for children</li></ul>
Supporting fitness for work and health of the staff	<ul style="list-style-type: none"><li>• Insurance against accidents and diseases at work</li><li>• Mandatory medical insurance</li><li>• Reimbursement of costs for health resort preventive treatment</li></ul>
Social support for employees	<ul style="list-style-type: none"><li>• Financial aid for the birth of a child</li><li>• Financial aid for funeral services</li><li>• Financial aid to large and low-income families</li><li>• Paid educational leave</li><li>• Retirement benefits</li><li>• The company's long-service employees support program</li><li>• other aid</li></ul>
Sports and recreational activities	<ul style="list-style-type: none"><li>• Reimbursement of expenses for meals to participants of sports competitions;</li><li>• Reimbursement of expenses for holding cultural events and collective recreation</li></ul>

Name	2021	2022	2023
Number of employees participating in a trade union, persons	3,862	3,614	3,186
Share of the total headcount, %	40	38	34



In the dynamics of past years, all enterprises of the Corporation show a decrease in the share of employees who are members of a trade union organisation, which is due to the influence of global processes of individualisation of social and labour relations.



Our functionality consists in the installation, dismantling, laying of heating networks. The most important thing in our work is the speed and continuity of its execution. It works with heating networks, we always try to be strict with the norms and standards of reliability. This not only protects our specialists from potential hazards, but also ensures the reliability and durability of installed systems for our customers.



VLADIMIR  
KLOCHKOV

is a locksmith of the 6<sup>th</sup> category  
work experience at the company is 21 years



Social assistance due to maternity or paternity

Company name	Number of employees who have issued maternity leave/childcare leave during a year			Number of employees on maternity leave/ childcare leave at the year-end	Number of employees who returned from maternity leave/ childcare leave during the year
	women	men	total		
CAEPCO JSC	2	0	2	2	1
PAVLODARENERGO group of companies	76	2	78	182	67
SEVKAZENERGO group of companies	29	0	29	56	22
AEDC group of companies	39	0	39	38	17
Total	146	2	148	278	107

HR management plans for 2024

In 2024, implementation of the personnel management policy aimed at attracting and developing the professional staff of the Corporation will continue. As part of this direction, it is planned

To further develop the PROFENERGY project in the following areas:

- A system for supporting young professionals and improving the educational level of personnel;
- Development of the mentoring and talent pool project;
- Key personnel development program;
- Crucial professions program.

Improvement of key performance indicators for achieving the strategic and operational goals of the Corporation.

Implementation of programs to improve the living conditions of employees of key and crucial professions.

Further automation of HR processes related to staff development and motivation: adaptation, evaluation, training, recognition system, etc.

Improvement of the system of corporate training, training and retraining of personnel amid shortage of the labour market, improvement of qualitative indicators of training, introduction of a system for monitoring the effectiveness of training results.

OCCUPATIONAL SAFETY AND HEALTH

GRI 403-1, 403-2, 403-4, 403-5, 403-7

SDG



Goals in occupational health and safety and carried out activities

The main principle in all types of activities of the Group of Companies is the priority of the life and health of employees in relation to the results of production activities. The personnel of the group of companies is the main resource in creation of a high production culture.



The Corporation regularly provides social support to veterans and former employees of enterprises who have reached retirement age. As part of the Collective Agreement, financial assistance is provided, leisure time is organised for holidays, etc.



CAEPCO JSC is an active participant in social projects aimed at supporting the population in the regions of its presence. In Petropavlovsk, there are two dormitories and a kindergarten Alakay for employees of enterprises and residents of the city. In Pavlodar, the sanatorium-preventorium "Energetik" and the rest house "Energetik" function to receive medical and preventive measures.



The best power engineers work here





**The strategic objective of CAEPCO JSC and its subsidiaries and the goal in the field of occupational safety and health is to prevent incidents and accidents at work (0 cases), and to increase the level of occupational safety.**

**The Group understands its responsibility to ensure trouble-free production operations and safe working conditions, and has zero tolerance for risks that may result in serious and fatal occupational injuries to the Group's employees, contractors, and visitors.**

#### Related goals:

- minimisation of risks associated with possible damage to the life and health of employees;
- development and support of employees' abilities, orientation to personal potential, level and quality of knowledge and skills, competence in the field of Occupational health and safety, education of employees at all levels of a safety culture, responsible attitude to compliance with Occupational health and safety standards and regulations.

The set goals are achieved by implementing a set of Occupational health and safety activities, implementing best practices in the field of Occupational health and safety, and implementing various programs.

We have to admit that the set goals were not met. According to the results of the working period, a case with a fatal outcome and an increase in industrial injuries in comparison with 2022 by 40% was allowed.

**In 2023, the following activities were / are being implemented at the Company's enterprises:**

1. Traditionally, in order to promote safe work in all branches of the Company, events dedicated to the

World Day of Occupational Safety and Health were held:

- safety months, during which audits, preventive conversations and meetings on occupational health and safety with personnel were conducted;

- contests of children's creativity on the theme: My parents work safely;

- identify and reward the best and most committed workers;

- a company-wide meeting on Occupational health and safety was held, and rallies were held in the Company's DO;

- the best occupational health and safety services of the Company were identified and rewarded with a cash award and certificate.

2. Work continues on the exchange of experience in the field of Occupational health and safety. In 2023, two mutual audits were conducted, the first at the enterprises of the SEVKAZENERGO Group of companies in Petropavlovsk, the second at the enterprises of the Akmol REC group of Companies and at CAPEC Green Energy LLP in Astana. Mutual audits are aimed at preventing injuries, as well as incidents and accidents during the operation of power and technological equipment. Applying the best practices learned from mutual audits can improve the overall Occupational health and safety situation and performance.
3. In all subsidiaries of the Company, external audits of TUV Rheinland Kazakhstan LLP were conducted for compliance with the requirements of the ISO 45001 standard, and compliance with the standard was confirmed for all enterprises.
4. Specialists of the Department of Safety, Labour Protection and Ecology of CAEPCO JSC conducted inspections of the state of Occupational health and safety at all subsidiaries, and based on the results, inspection certificates were issued indicating the identified inconsistencies.
5. Implementation of the previously developed Occupational health and safety procedure: "Work Safety Analysis or ADB", which defines the process of risk assessment and instructing personnel before starting work;
6. During the year, production tests of samples of personal protective equipment (special clothing and footwear) were carried out, relevant documents (acts, protocols) were drawn up based on the results of these tests;
7. The automated system of three-stage control in the field of occupational safety and health 1C Safety Walk has been implemented and is functioning;
8. Within the framework of warning the population about the danger of electric shock, information lectures on the danger of electric shock are regularly held in schools across the regions before and at the end of the school year.

#### For The Group of Companies of PAVLODARENERGO JSC:

1. Pavlodar CHP-2 and CHP-3:

- 110 informational and educational (preventive) lectures in the field of medicine were held among employees of PAVLODARENERGO JSC, covering 602 people

2. Pavlodar Heat Networks LLP;

- certification of workplaces according to working conditions has been carried out;

- purchased barrels for pumping based on KAMAZ-1 unit, lawn "Emergency" - 1 unit, truck crane based on KAMAZ-1 unit, ultrasonic dog repellers for the Management of work with consumers;

- repair of roofs of ABK of the southern network district (repair service), transport shop, central warehouse was made.

3. Pavlodar REC JSC:

- to practice the skills of performing resuscitation measures with the staff, a dummy simulator "M-05 Alexander" was purchased in the amount of 2 pcs.

4. Ekibastuz CHP:

- large-scale repairs of power equipment, buildings and structures have been completed.

#### For The SEVKAZENERGO Group of Companies:

1. Petropavlovsk CHP:

- inspection of load-bearing metal structures was carried out;

- a project to replace the station perimeter fence has been developed.

- a comprehensive inspection of the chimneys was carried out using special non-destructive and thermal imaging controls;

- repairs were made in the men's and women's showers of the old ABK, in the laboratories of the chemical shop, in the premises of the precursor warehouse and the health center;

- contactless and elbow mixers are installed;

- a room for temporary storage of medical waste with refrigeration equipment has been installed;

- installed and put into operation a room for blowing special clothes from coal dust in the boiler shop.

2. Petropavlovsk Heat Networks LLP;

- passed an audit in the field of fire safety;

- computer equipment has been updated.

- certification of workplaces according to working conditions has been carried out;

- purchase of a pharmaceutical refrigerator for the medical center was made.

3. North-Kazakhstan EDC JSC:

- the transition to special clothing for electrical personnel made of heat-resistant fabrics with protection against thermal risks and electric arc was made;



- made the transition to personal protective equipment against falling from a height-safety leashes with five fixation points;

- purchase of mobile video recorders was made to increase labor discipline and responsibility of production personnel during operational switches, preparation of workplaces, installation/removal of earthing devices at workplaces and overhead lines, etc.

4. Sevkazenergosbyt LLP:

- purchased bags for supervisors;

- suits and dressing gowns were purchased for the service personnel of the uniform, for administrators and employees of the contact center;

- purchased dog repellers for supervisors;

- medicines have been purchased.

#### For the Group of Companies of JSC AEDC:

- in order to update and strengthen the knowledge of personnel in terms of safe operation and repair of electrical installations, during the winter period, technical training was conducted at production sites in the structural divisions of the REC and demonstration admissions of working crews..

- in order to improve the professional skills of employees, in May 2023, on the basis of the training grounds of the MES, RES, certification of electricians for the operation of distribution power networks was carried out.





The actual costs of implementing  
Occupational health and safety measures  
and improving working conditions in 2023  
amounted **TO ABOUT**  
**2.3 BILLION TENGE**

Financial resources have been invested in providing the Corporation's employees with the necessary personal protective equipment, including electrical protective equipment, special food, medicines, vaccination, staff training, in the purchase of information posters, publications of regulatory and technical documents and signs on occupational health and safety, in the purchase of fire extinguishing equipment, as well as the implementation of measures for additional lighting of workplaces, repair of ventilation and air conditioning systems, repair of buildings and structures, and others.

By a decision of the Company's Board of Directors in 2023, a Risk Appetite Statement was adopted, according to which the Group seeks to provide financing for Occupational health and safety activities and improve the working conditions of employees at the proper level (to the extent and in accordance with the requirements of regulatory legal acts of the Republic of Kazakhstan and internal regulatory documents of the Company). Sequestration of budgets, reduction of expenditures on Occupational health and safety activities, and spending of the Occupational health and safety fund for other purposes are not allowed.

What is my job about?  
This is an active site in the preparatory work for the replacement of pipelines. Earthworks with a crane.

The most important thing is to keep the rippers' houses warm. We work with low and low temperatures, in an aggressive environment (hot water, steam).

**SERGEY ZAITSEV**  
is a locksmith for the repair of heating networks  
16-year work experience with the Company

## Occupational health and safety councils

Each subsidiary organisation has established Occupational health and safety councils. The Council is headed by a chairman from among the employees of the enterprise. The council consists of representatives of the employer, representatives of the trade union organisation, including technical labour inspectors.

**The Occupational Health and Safety Council performs the following functions:**

- studies the causes of industrial injuries and occupational diseases, analyses the effectiveness of measures taken on labour conditions and protection, information and analytical materials on the actual state of labour protection in the organisation;
- analyses the results of workplace certification in terms of working conditions, participates in the preparation of structural divisions and the organisation as a whole to bring permanent jobs at production facilities in line with labour protection requirements;
- considers proposals to eliminate identified violations in the area of occupational health and safety, create safe working conditions in the organisation, develop programs, recommendations, decisions and others aimed at preserving the life and health of employees in the course of their work;
- provides assistance in conducting timely and high-quality training of employees on labour protection, as well as checks of knowledge in the area of occupational health and safety, regular training and improving the knowledge of employees, trade union activists and employees on issues of legislation in the area of labour protection;
- makes proposals for introducing more advanced technologies and new equipment into production in order to create safe working conditions and eliminate heavy physical work;

- informs employees of the organisation about the measures taken to improve labour conditions and safety, prevent industrial injuries, occupational diseases, current standards for providing certified special clothing, special shoes and other personal protective equipment, and the correctness of their use;
- participates in the consideration of issues related to the financing of labour protection measures in the organisation, mandatory social insurance against industrial accidents and occupational diseases; monitoring the expenditure of the organisation's funds aimed at improving labour protection conditions.

## Health and safety technical inspectors

**Technical labour protection inspectors work in each subsidiary. In their activities, technical labour protection inspectors interact with the heads of departments, the labour safety and health service, the operation inspection, the inspection for supervision of industrial safety facilities, as well as with state labour inspectors, state supervision and control.**

**The main functions of occupational health and safety technical inspectors are:**

- protection of the rights and interests of employees;
- participate in the development and submission of proposals to the Labour protection of the collective agreement, as well as in comprehensive target programs and plans of priority measures to improve labour protection developed by the bodies;
- monitoring compliance with labour protection requirements at workplaces;
- representation of the interests of trade union members in state, public organisations, courts of various instances when reviewing labour disputes related to the application of the Labour Code in terms of labour protection.





## Types and level of occupational injuries

In the reporting year, 8 accidents were committed at the enterprises of subsidiaries of the Corporation, including 4 with a light outcome, 3 with a heavy one, and 1 with a fatal outcome. Every year, the Company conducts a detailed analysis of industrial injuries, including statistics on the severity and number of injuries in CAEPCO JSC and its subsidiaries, data on the accident frequency coefficient, the dynamics of injury indicators, diagrams of the distribution of the number of accidents by the time of their occurrence during the day, the distribution of the number of accidents by the age of the victims, the distribution of the number of accidents by the length of work of the victims, the causes of accidents, a classifier by types of accidents that resulted in the accident, comparison of the level of injuries by companies with a similar field of activity, etc.

### A set of measures was carried out for each accident:

- a detailed investigation to identify the root and systemic causes and prevent the recurrence of such incidents;
- familiarisation of the staff with the circumstances and causes of accidents;
- elimination of the causes of the accident;
- instructing staff, etc.



The Corporation strives to minimise industrial injuries and pays great attention to both the state of safety at workplaces and the elimination of the causes that resulted in accidents.



### Classification of accidents by type of accidents in 2023:

- (1) an accident on the organisation's transport - 1 case;
- (7) Victim's fall - 3 cases;
- (8) The victim falls from a height of -2 cases;
- (9) Collapse, collapses, falling objects, materials, earth, etc. - 1 case;
- (13) Exposure to harmful and dangerous industrial factors and substances -1 case.

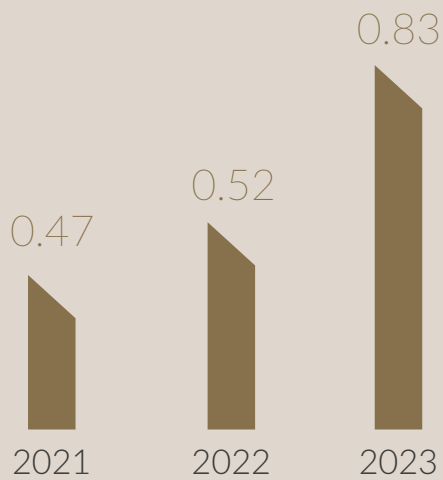
### According to official documents, the main causes of accidents were:

- increased dustiness and insufficient illumination;
- unsatisfactory monitoring of the technical condition of vehicles;
- unsatisfactory organisation of work and gross negligence of the victim;
- violation of the requirements of the Occupational health and safety instructions and gross negligence of the victim;
- sharp deterioration of health.

### Occupational injury rate

	2021	2022	2023
List number of personnel	10,494	9,559	9,588
Number of traumatic cases	5	5	8
Number of victims / of them women	5/1	5/1	8/3
<b>Number of fatal cases</b>	<b>0</b>	<b>1</b>	<b>1</b>

### Total Incident Frequency Rate (TIFR) per 1,000 employees



The frequency coefficient of all accidents and injuries at work (TIFR) per 1,000 employees was calculated using the formula:

$$Kh = \frac{n \times 1,000}{N}, \text{ where}$$

**n** – the total number of victims of industrial accidents during the reporting period;

**N** – is the average number of employees.

### Fatality Incident Frequency Rate (FIFR) per 1,000 employees



Fatality Incident Frequency Rate (FIFR) per 1,000 employees was calculated using the formula:

$$Kp_1 = \frac{n_1 \times 1,000}{N}, \text{ where}$$

**n<sub>1</sub>** – the number of fatal industrial injuries during the reporting period;

**N** – is the average number of employees.

The system of registration, reporting and notification of accidents operating in the Corporation complies with the requirements of the legislation of the Republic of Kazakhstan and the International Labour Organisation.



## Sustainable development

In order to prevent occupational injuries, monitor and account for cases of violations of safety and labour protection requirements, the following work is carried out in the Corporation and its subsidiaries:

- investigation of micro-injuries, incidents, potentially dangerous incidents that are the basis for more serious injuries and damage;
- preparation of newsletters on the results of accidents and informing the personnel of all enterprises of the Corporation's subsidiaries about them in order to bring the causes and prevent the recurrence of similar cases in the future;
- training of personnel on occupational health and safety, electrical safety and knowledge testing;
- implementation of internal regulatory documents on occupational health and safety;
- carrying out planned and sudden checks of the state of occupational health and safety;
- conducting occupational health and safety days;
- holding meetings on occupational health and safety;
- bringing workplaces in line with the requirements of occupational health and safety;
- providing workplaces with information posters and safety signs;
- conducting professional competitions;
- carrying out events on an indicative outfit-admission, etc.

In accordance with the requirements of the Law of the Republic of Kazakhstan "On compulsory insurance of an employee against accidents in the performance of his / her labour (official) duties", all employees of the Corporation's enterprises are insured against accidents.



**THANKS TO A SET OF MEASURES IMPLEMENTED IN 2023, FOR THE FIRST TIME IN THE LAST 4 YEARS, NO CASES OF PERSONNEL BEING ELECTROCUTED WERE REGISTERED.**

### Improving the safety of Corporate employees whose professional activities are associated with a high risk of injury

The maintenance and repair of power equipment is associated with high risks. To ensure safety during the work in electrical installations, personnel training, organisational and technical measures are carried out, and their implementation is monitored. The personnel is provided with the necessary personal protective equipment, electrical protective equipment and others.

In recent years, a number of measures have been taken to improve safety during work in electrical installations:

- electrotechnical personnel of CAEPCO JSC are provided with the best personal protective equipment and special clothing for protection from heat emission and electric arc;
- to increase the labour discipline and responsibility of production personnel involved in operational switching during admission to work, preparation of workplaces, installation/removal of earthing at workplaces, etc. mobile video recorders are used by personnel in the Company's management department;
- the EDC staff is provided with touch voltage detectors designed for remote monitoring of the presence of dangerous voltage in order to prevent electric shock to personnel servicing electrical installations and overhead lines of 6-10 kV, and a number of others;
- all crews and electrical installations are provided with high-quality electrical protection equipment.

### Contracting entities

The activities of contractors involved in the production facilities of the Corporation are monitored: specialists of the subsidiaries conduct inspections in contractors, briefings for contractors' personnel, meetings with contractors. Interaction with contractors of CAEPCO JSC in terms of the requirements in the area of safety, labour protection and ecology imposed on contractors when performing works or services on the territory of the subsidiaries, as well as when delivering goods/materials, is carried out in accordance with the Rules approved by the Company for interaction with contractors in occupational health and safety and ecology.

Any accident with the contractor that occurs on the contract territory is primarily reflected in the image of the customer's company. In order to prevent injuries and promptly respond to accidents committed by the contractor, the same work is carried out as in the production units of CAEPCO JSC.

In 2023, the contractor allowed 1 accident with a light outcome, the cause of which was the personal negligence of the victim.

### Consumer safety

The Corporation cares about the health and safety of its consumers. For this purpose, systematic public awareness efforts, as well as inspection of equipment, are carried out. The Corporation's subsidiaries are introducing advanced technologies, as well as implementing measures for the safe production of works.

### Public awareness efforts

The management of each district subdivision of the Corporation's electric grid enterprises, together with specialists of occupational health and safety services, conduct information and explanatory work among the population on the topic of compliance with safety rules near existing electrical installations and power transmission lines.

Extracurricular hours on electrical safety are held annually in educational institutions (in the regions of operation). Letters are sent to the Department of Education of the Akimat of North-Kazakhstan, Pavlodar and Akmola regions, the State Institution Department of Education of Petropavlovsk and Pavlodar, heads of district education departments with a memo of the basic rules of electrical safety and measures to prevent electrical injuries among children for further distribution. These activities are carried out in order to prevent injuries among third parties, namely among school-age children and college students.

In order to warn the public and personnel about the danger, safety signs and inscriptions are placed on all electrical installations operated by subsidiaries, all equipment is protected from unauthorised entry, there are appropriate fences and locks.

Regional and district mass media publish articles aimed at preventing injuries, including children's injuries, and protecting the health of the population.





## Ensuring the health and safety of consumers in sales enterprises

In order to ensure the safety and health of consumers, the service centers of energy marketing enterprises of CAEPCO JSC are equipped / provided with:

- anti-slip rubber mats on the entrance units to prevent visitors from falling;
- ramps or call buttons for staff to help customers with disabilities;
- video surveillance systems;
- medical first-aid kits with the necessary medicines;
- air conditioning systems;
- fire and security alarm systems and primary fire extinguishing means, emergency plans and safe emergency exits.

All requirements for premises and services are set out in the Company's regulatory documents.



## Occupational safety and health plans for 2024

**In 2024, a new corporate Occupational health and safety Action Plan for 2024-2026 (hereinafter referred to as the Plan) will be developed and submitted to the Company's Board of Directors for consideration. As before, the Plan will be prepared based on the causes of accidents at the Group's enterprises, problematic issues related to Occupational health and safety, taking into account the best practices in the field of Occupational health and safety. In the first year of implementation of the Plan, it is planned to prepare for its implementation (development of internal regulatory documents, planning of funds in budgets, etc.), and in the next two years, its implementation.**



### The Plan will include the following activities:

- implementation of the Vision Zero concept or the Zero Injuries Program - a program to improve safety and reduce injuries at work;
- introduction of performance evaluation criteria (KPIs) for first managers in the Occupational health and safety sector;
- development and implementation of a single regulatory document for conducting emergency control and fire prevention training with personnel;
- improvement of sanitary and living conditions for personnel by means of repair and reduction to a uniform standard of showers, changing rooms and rooms for rest and eating, installation of separate rooms for dust removal of workwear in workshops with high dust content, updating of saturators in "hot" workshops to ensure a normal drinking regime of employees;
- equipment of pass-through enterprises with so-called alcohol frames for contactless and rapid testing;
- installation of remote thermometers and hygrometers for rapid monitoring of air parameters at workplaces and timely response in case of violation of parameters (warning personnel about the use of personal protective equipment, ventilation, etc.);

- pilot implementation of a Occupational health and safety management program using an electronic monitoring system for crews engaged in the repair of overhead lines, substations, and other electrical equipment;
- pilot implementation of live work or voltage switching regulator in electric grid companies;
- introduction of methods for testing supports for strength using non-destructive testing devices in electric grid companies;
- carrying out work to prevent injuries at the company's power facilities among 3 persons.

## PLANS FOR 2024 IN THE COMPANY'S SUBSIDIARIES:

- PAVLODARENERGO JSC will continue to work on improving the production and sanitary working conditions of employees. In the changing rooms, it is planned to update metal cabinets with compartments for clean and dirty clothes.
- at the EKIBASTUZTEPLOENERGO Ekibastuz CHP, the roof of the buildings of the main and auxiliary production workshops will be repaired;
- Pavlodar Heat Networks LLP plans to purchase auto repair shops - 2 units;
- Pavlodar Heat Networks LLP plans to restore the stairs at the service sites of thermal temperature converters in the Southern Grid district, repair the service sites in the ground pavilions; Holding the World Labour Protection Day;
- Holding competitions in professional skills among divisions in JSC North Kazakhstan REC and JSC Ekibastuz CHP;
- Training of employees of the SEVKAZENERGO Group of Companies on providing Occupational health and safety when working at height;

In 2024, work will continue on the implementation of best practices in the area of occupational health and safety, such as:

1. Holding events dedicated to the World Day of Occupational Health and Safety;
2. Conducting mutual audits at the enterprises of PAVLODARENERGO JSC and SEVKAZENERGO JSC;
3. Certification/bringing jobs ("Quick wins") to a safe state;
4. Continue work on the implementation of a comprehensive automation system for all aspects of occupational safety and health. Automation of Safety Walk detours. A program that allows you to enter all work safety and health checks at various levels and automatically monitor the implementation of identified nonconformities by responsible persons;
5. Organisation and conduct of behavioural security audits;
6. Support of previously developed internal regulatory documents, audit of compliance with the requirements established in the internal regulatory documents for occupational health and safety.





## SOCIAL PARTNERSHIP

### GRI 413-1

#### SDG



### PROFENERGY

CAEPCO JSC pays special attention to interaction with students and schoolchildren, creates conditions for the professional development of young specialists.

In 2016, the subsidiaries of CAEPCO JSC launched the PROFENERGY project, a program to support young professionals and attract graduates of educational institutions to enterprises.

During the implementation of the PROFENERGY project, 4,053 students have already taken part in the program, and 31 students have been awarded a personal corporate scholarship based on the results of the research competition.

PROFENERGY also helps develop and train young employees. As part of the program, they can expect to pay for study leave, an interest-free loan to pay for their education, and bonuses in connection with graduation.

The program on the system of support for young specialists and improving the educational level of personnel within the framework of the PROFENERGY project allows implementing the state policy on training technical personnel.



### iQanat

Sergey Kan, a shareholder of CAEPCO JSC, is one of the trustees of the IQanat Educational Foundation.

The IQanat Foundation works to reduce the disparity between rural and urban students in accessing quality education. Its goals are in line with the globally accepted UN Sustainable Development Goals.

The Foundation implements social and educational projects and programs aimed at supporting rural schoolchildren and teachers in all regions of Kazakhstan. 55,135 rural students

are covered by motivational and academic programs.

Since 2019, CAEPCO JSC has been supporting schoolchildren in the North Kazakhstan region. These are Olympiads and post-Olympic support (up to 1300 people, of which 40-50 students qualify for the final), training in specialised subjects for admission to universities, motivational meetings with participants of Olympiads, Teacher's camp for the best rural teachers.

### Cooperation with local executive bodies

As part of the implementation of the social partnership goals of Sevkazenergosbyt LLP in 2023, the process of implementing the City Services Portal project was launched through the conclusion of a memorandum of cooperation with the Petropavlovsk Situational Center of Petropavlovsk Akim's Office.

The City Services Portal information system combines all city services on a single platform. This is the provision of public services for individuals and legal entities on the principle of "one window", providing direct access to services online, which allows consumers to interact more comfortably with the service provider without having to visit the service centers of Sevkazenergosbyt LLP.

In 2023, a Memorandum of Understanding and strategic cooperation in the organisation of education within the framework of the state educational order program for training personnel

with technical and professional, post-secondary education, dual and short-term training in Arshaly district was signed between AEDC JSC and the State Enterprise Agrotechnical College of Arshaly village. Within the framework of the memorandum, in the 1st quarter of 2023, 5 college students completed free practical training in the Arshaly branch of AEDC-Energosbyt LLP.

Employees of regional sales areas of Pavlodarenergosbyt LLP on a permanent basis, together with local executive bodies, participate in the organisation and holding of social events, such as the celebration of Nauryz Meiramy, Victory Day, Children's Day, etc.





# ABOUT THE REPORT

The Annual Report of the Central-Asian Electric Power Corporation JSC (CAEPCO JSC) has been issued on an annual basis since 2013. The annual report is one of the main channels of communication with stakeholders, and therefore the Corporation pays special attention to the preparation of this document. The holding was included in the Rating of the 50 best companies for disclosure of information in the area of sustainable development, presented by PwC Kazakhstan. The report provides information on the activities of CAEPCO JSC and its subsidiaries in 2023. The document contains a Sustainable Development Report prepared in accordance with the GRI Guidelines. The main version of information disclosure and the GRI application for the electric power industry were used in the preparation.

# ANNEX 1

## GRI 2-3, 3-1, 3-2

# SIGNIFICANT ASPECTS AND REPORTING BOUNDARIES

CAEPCO JSC strives for the best possible disclosure of information to a wide range of stakeholders. This Annual Report includes information on operational and financial performance, as well as information on corporate governance and sustainability issues.

The Company issues annual reports every year. The previous one (based on the results of 2022) was published in November 2023. This report covers the Company's activities in the period from January 1 to December 31, 2023.

The procedure for external certification of the Report for 2023 was not carried out, but the company is aware of the importance of certification of information in the field of sustainable development and is considering confirming non-financial information in the future.

The report was prepared taking into account the principles of the GRI 2021 Standards. In particular, the report included only the most significant topics of sustainable development. When determining the content of the report, the results of interaction with stakeholders were taken into account, the principle of completeness and the broader context of

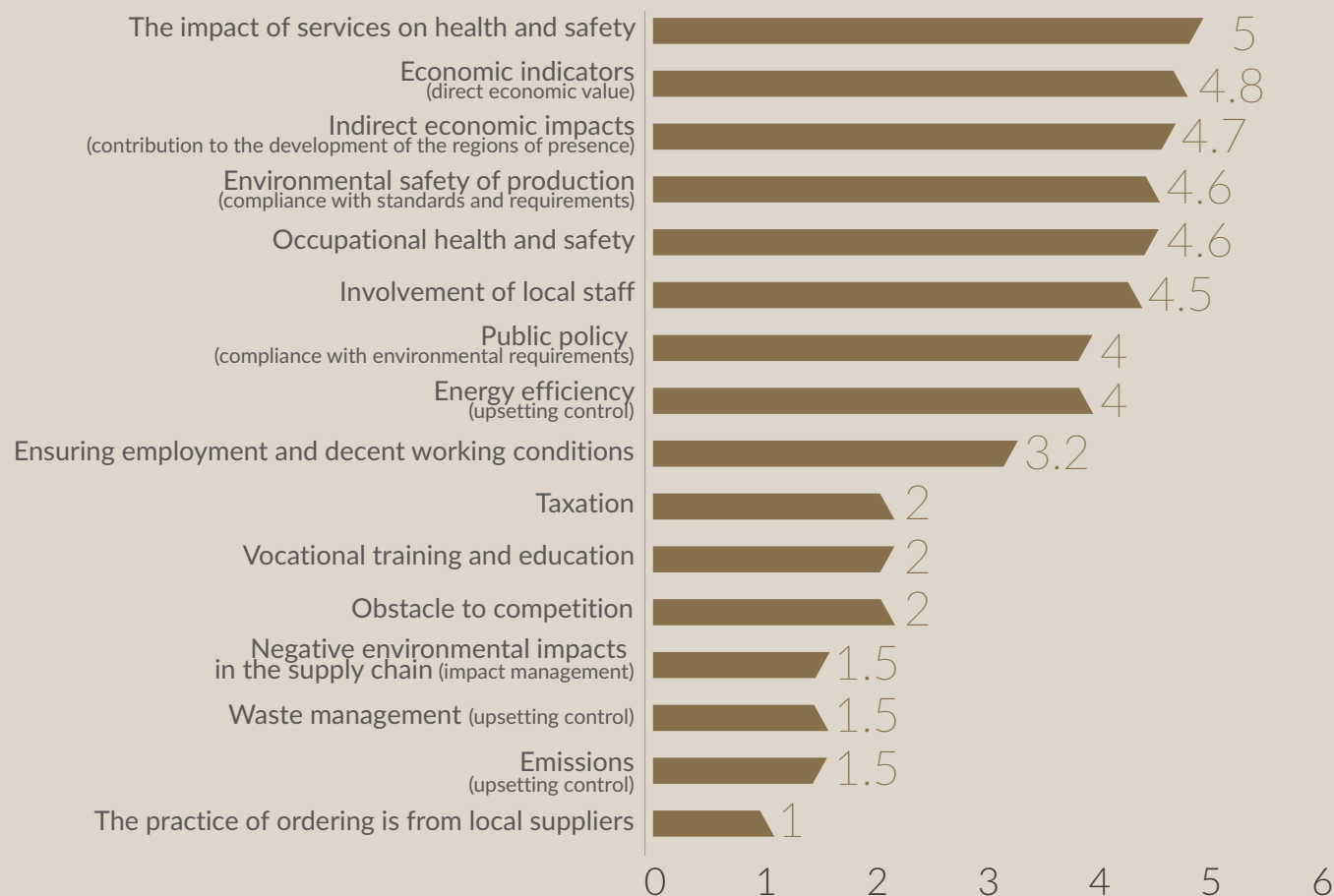
sustainability were observed. The quality of the report was ensured by observing the principles of accuracy, balance, clarity, reliability, comparability, and urgency.

The selection of material topics for the report was carried out on the basis of the materiality principle, which allows us to identify aspects that have a significant impact on stakeholders and the environment. The materiality process involves identifying stakeholders, analysing their interests and expectations, and assessing the impact on aspects such as the environment, social aspects, economics, and governance. Material aspects were prioritised according to the criteria "regularity of actual impacts", "probability of potential impacts", strength of positive and negative impacts "and" scale and scope of impacts, "materiality". Materiality was assessed on a 5-point scale, and probability was assessed on a scale from 0 to 1.

At the same time, the topic "Emissions" is mainly related to the indirect influence of Society on stakeholders outside the organisation.



THE BEST  
POWER  
ENGINEERS  
WORK HERE







**The Sustainable Development Goals (SDGs)** are globally accepted goals that aim to end poverty and poverty, fight inequality and injustice, and protect the planet and ensure peace and prosperity for all people. Until 2030, **17 key areas** were selected, the implementation of which could potentially lead the country to sustainable development of all major spheres of life and the solution of global problems affecting every person in this world.

The process of implementation and achievement of the SDGs is constantly monitored by both the UN representatives and the government of the Republic of Kazakhstan. To effectively achieve the SDGs, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators (IAEG - SDGs) developed a system of global indicators, with the ability for each UN member state to nationalize these indicators. To date, Kazakhstan's monitoring system for achieving the SDGs includes **280 indicators**, of which **205 are global and 75 are national indicators**.

More details:



ANNEX 2

GRI INDEX

Indicator	Disclosure	Report Section/Comment	Page
SDG Page, GRI 1: Fundamentals (2021, 2016)			
GRI 2: The Company and its Reporting Practices (2021)			
2-1	Organisation Information	Key Information About the Corporation	11, 22
2-2	Subjects included in the reporting of the organisation for sustainable development	Key Information	11, 22
2-3	Reporting period, frequency and contacts	Annex №1 Essential aspects and reporting boundaries	151
2-4	Information	Revision Data and information revision was not performed	-
2-5	External assurance	External assurance was not performed	-
GRI 2: The Company's activities and employees (2021)			
2-6 SDG 2,8,9,11,17	Company activities, value chain and other business relationships	Key Information Key Performance Indicators for 2023 Business-Model About the Corporation Analysis of the market environment	11, 22, 34, 28
2-6 SDG 9,11,17	Industry in which the company operates	Analysis of the market environment Economic overview Industry overview	34
2-7 SDG 8	Employees	Human resources and social policy	122
2-8 SDG 8	Freelancers	Human resources and social policy	122
Corporate governance			
GRI 2: Corporate Governance (2021)			
2-9 SDG 5	Structure and composition of management bodies	Corporate governance Organisational structure	64, 65
2-10	Appointment and selection of the top management body	Board of Directors Selection and appointment	68
2-11	Chairman of the Senior Management Body	Board of Directors Composition of the Board of Directors	70
2-12 SDG 16	Role of the Senior Management Body in overseeing impact management	Performance of the committees of the Board of Directors	73
2-13 SDG 16	Delegation of responsibility for impact management	Performance of the committees of the Board of Directors	73
2-14 SDG 16	Role of the Senior Management Body in overseeing impact management	Performance of the committees of the Board of Directors	73



Indicator	Disclosure	Report Section/Comment	Page
<b>GRI 2: Corporate Governance (2021)</b>			
<b>2-15 SDG 16</b>	Conflict of interest	Conflict of interest	79
<b>2-16 SDG 17</b>	Informing Senior management about critical issues	Information Policy	79
<b>2-17</b>	Collective knowledge of Senior Management	Compliance with the basic principles of the Corporate Governance Code	77
<b>2-18</b>	Evaluating the performance of Senior Management	The activities of the Board of Directors for 2023 are evaluated positively	
<b>2-19</b>	Remuneration policy	Remuneration policy	76
<b>2-20</b>	Remuneration Determination process	Remuneration policy	76
<b>GRI 2: Strategy, policy, practice</b>			
<b>2-22</b>	Strategy Statement	Letter of the Chairman of the Board of Directors Letter of the Chairman of the Management Board on Development Strategy Development Strategy The development of Perspective	4, 6, 30, 58
<b>2-23</b>	Commitment to policies	Corporate ethics	78
<b>2-24</b>	Fulfilment of commitments	Corporate ethics	78
<b>2-25</b>	Elimination of negative impact	Internal control and audit Risk management Anti-corruption management  In 2022, there were no complaints about negative consequences caused by the Company	80, 84, 104
<b>2-26</b>	Mechanisms for obtaining advice and expressing concerns	Internal control and audit External audit Anti-corruption management	80, 81, 104
<b>2-27</b>	Compliance with legislation	State environmental control  In 2022 following the review of compliance with environmental legislation, regulations were issued	
<b>2-28 SDG 17</b>	Membership in associations	CAEP JSC is a member of KAZENERGY	
<b>2-29</b>	Approach to interaction with stakeholders	Sustainable development Interaction with stakeholders	104
<b>2-30 SDG 2,4,7,8, 9,11, 12,17</b>	Collective agreements	The corporation has Collective agreements	

Indicator	Disclosure	Report Section/Comment	Page
<b>GRI 3: Essential topics (2016)</b>			
<b>3-1</b>	Process for defining Essential Topics	Annex №1 Material aspects and reporting boundaries	151
<b>3-2</b>	List of essential topics	Annex №1 Material aspects and reporting boundaries	151
<b>Economy</b>			
<b>GRI 201: Economic indicators (2016)</b>			
<b>3-3</b>	Material topics management	About the corporation Financial and economic indicators	22, 50
<b>201-1 SDG 4,6,13</b>	Direct economic value Created and Distributed	About the corporation Financial and economic indicators	22, 50
<b>201-2 SDG 13</b>	Financial impact and actual risks and opportunities due to climate	Climate change	111
<b>201-3 SDG 2,3</b>	Defined benefit obligations and other pension plans	All employees of the corporation are covered by the state pension system and they pay mandatory pension contributions	
<b>GRI 202: Market presence (2016)</b>			
<b>3-3</b>	Material topics management	Corporate governance Board of Directors	68
<b>202-2</b>	Percentage of senior management in important locations hired from the local community	Corporate governance Board of Directors	68
<b>GRI 203: Indirect economic impact (2016)</b>			
<b>3-3</b>	Material topics management	Results of the investment program Reconstruction and modernisation plans	40, 58
<b>203-1</b>	Supported investments in infrastructure and services	Results of the investment program Reconstruction and modernisation plans	40, 58
<b>203-2 SDG 3,4,8,11,17</b>	Significant indirect economic impact	Letter of the Chairman of the Board of Directors Letter of the Chairman of the Management Board on Development strategy	4, 6
<b>GRI 205: Fighting Corruption (2016)</b>			
<b>3-3 SDG 16</b>	Material topics management	Sustainable development Anti-corruption management	104
<b>205-2 SDG 16</b>	Information and training on anti-corruption policies and procedures	Sustainable development Anti-corruption management	104
<b>205-3</b>	Confirmed cases of corruption and actions taken	In 2023 there were no cases of corruption offenses committed by employees of the corporation	104



Indicator	Disclosure	Report Section/Comment	Page
Environmental aspects			
GRI 301: Materials (2016)			
3-3 SDG 11,12	Material topics management	Sustainable development Materials used	104, 110
301-1 SDG 11,12	Materials used by weight or volume	Sustainable development Materials used	104, 110
GRI 302: Energy (2016)			
3-3	Material topics management	Sustainable development Energy saving	104, 116
302-1	Energy consumption within the organisation	Sustainable development Energy saving  The Company's activities in the area of energy saving and energy efficiency improvement are carried out on the basis of the international standard ISO 50001 Energy Management Systems	116
GRI 303: Water and Wastewater (2016)			
3-3 SDG 6,11,12	Material topics management	Sustainable development Water Resources	118
303-5	Water consumption	Sustainable development Water Resources	118
GRI 304: Biodiversity (2016)			
304-2	Significant impact of products and services on biodiversity	Significant impact of products and services on biodiversity	-
GRI 305: Emissions (2016)			
3-3	Material topics management	Sustainable development Air emissions	111, 113
305-1 SDG 3,11,12,13	Direct greenhouse gas	Sustainable development Air emissions	111, 113
GRI 306: Waste (2016)			
3-3	Material topics management	Sustainable development Waste management	119
306-1	Waste generation and significant impact associated with waste	Sustainable development Waste management	119
306-3	Generated waste	Sustainable development Waste management  Compliance with the environmental legislation of the Republic of Kazakhstan when storing ash and slag waste allows you to prevent environmental pollution with ash and slag production waste.	

Indicator	Disclosure	Report Section/Comment	Page
GRI 307: Environmental Compliance (2016)			
307-1 SDG 3,6,11,12,14,15	Management approach	Sustainable development Environmental management System Environmental Policy	106, 107, 109
GRI 414: Environmental Assessment of Suppliers (2016)			
414-1 SDG 8,11,12,16	New suppliers selected according to social and environmental impact criteria	Procurement Activities  In 2023 Last year, there were no suppliers that failed to qualify for social and environmental impact criteria	122
Social Responsibility			
GRI 401: Employment (2016)			
3-3 SDG 8	Material topics management	Sustainable development Human resources and social policy	122
401-1 SDG 8	Recruitment and staff turnover	Sustainable development Human resources and social policy	122
GRI 402: Labor relations/Management relations (2016)			
3-3 SDG 8	Material topics management	Social partnership	122
402-1 SDG 8	Minimum terms for notification of changes in working conditions	Notification of changes in working conditions is provided in accordance with the norms of Kazakhstan labour legislation	
GRI 404: Training and Education (2016)			
3-3 SDG 4,8	Material topics management	Sustainable development Personnel Policy	122
404-1 SDG 4,8	Average number of training hours per employee per year	Sustainable development Human Resources and Social Policy	122
404-2	Employee development programs and transition assistance	Sustainable development Human Resources and Social Policy	122
GRI 405: Diversity and equal opportunities (2016)			
405-1	Diversity of governing bodies and employees	Board of Directors Human Resources and Social Policy	122
GRI 406: Non-discrimination (2016)			
406-1 SDG 5,8,10	Cases of discrimination and remedial measures	In 2023 no cases of discrimination were recorded	



# ANNEX 3

## CONSOLIDATED AUDITED FINANCIAL STATEMENTS

### CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (in thousands of tenge)

	Note	31 December 2023	31 December 2022 (restated)*
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	7	382,430,604	352,360,609
Intangible assets	8	68,170,744	74,733,990
Deferred tax assets	31	3,430,003	5,029,235
Other financial assets	10	58,219	-
Advances paid	12	7,673,184	6,373,351
Investments in associates		-	102,402
Other non-current assets	14	40,551	1,217,197
<b>Total non-current assets</b>		<b>461,803,305</b>	<b>439,816,784</b>
<b>CURRENT ASSETS:</b>			
Inventories	11	7,021,485	6,313,843
Trade accounts receivable	13	23,625,032	17,825,145
Advances paid	12	1,344,627	2,045,098
Income tax prepaid		1,315,527	1,396,782
Other current assets	14	3,335,234	2,267,659
Loans issued	9	-	982,480
Other financial assets	10	2,590,832	1,588,789
Cash	15	3,889,773	2,992,004
<b>Total current assets</b>		<b>43,122,510</b>	<b>35,411,800</b>
<b>TOTAL ASSETS</b>		<b>504,925,815</b>	<b>475,228,584</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	16	46,043,272	46,043,272
Additional paid-in capital		1,348,105	1,348,105
Properties revaluation reserve		108,776,175	84,294,954
Retained earnings / (accumulated deficit)		1,027,038	(16,365,766)
Non-controlling interest		86,963	110,808
<b>Total equity</b>		<b>157,281,553</b>	<b>115,431,373</b>

Indicator	Disclosure	Report Section/Comment	Page
<b>GRI 403: Security practices</b>			
<b>403-1</b> <b>403-2</b> <b>403-4</b> <b>403-5</b> <b>403-7</b> <b>SDG 4</b>	Occupational Health and Safety Management System. Prevention and mitigation of negative production impacts directly related to the organisation's business relationships. Participation of employees in ensuring labour protection, consultations with employees and providing them with information on labour protection issues. Training in the field of labour protection for employees	Sustainable development Occupational health and safety	137
<b>GRI 413: Local Communities (2016)</b>			
<b>3-3</b> <b>SDG</b> <b>1,2,3,4,8,</b> <b>10,11</b>	Material topics management	Sustainable development Social partnership	148
<b>413-1</b>	Operations involving local communities, impact assessment and development programs	Sustainable development Social partnership	148
<b>GRI 415: Public Policy (2016)</b>			
<b>415-1</b> <b>SDG 17</b>	Political Contributions	The company does not make political contributions	
<b>GRI 418: Consumer Privacy</b>			
<b>418-1</b> <b>SDG 16</b>	Customer Privacy. Well-founded complaints about violations of confidentiality	There were no complaints of privacy violations in 2023	
<b>GRI G4 Electric power transmission protocol</b>			
<b>G4-EU2</b>	Power generation	About the corporation Key performance indicators Energy generation and sales volume	22, 18
<b>G4-EU3</b>	Number of personal accounts of household, industrial, institutional and commercial consumers	Number of consumers	15
<b>G4-EU4</b>	The length of aboveground and underground transmission and distribution lines of electricity, broken down by regulation modes	Key Information Transmission line length	11, 14
<b>G4-EU5</b>	Distribution of quotas for COR2R emissions or equivalents	Sustainable development Climate change Air emissions	111, 113



## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 DECEMBER 2023 (in thousands of tenge)

	Note	31 December 2023	31 December 2022 (restated)*
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES:</b>			
Bonds issued	17	13,612,265	8,221,617
Non-current borrowings	18	119,255,948	-
Deferred income		1,234,107	1,402,896
Lease liabilities	20	8,534,171	10,527,296
Deferred tax liabilities	31	64,315,070	58,591,501
Asset decommissioning and restoration obligations	19	5,399,454	6,959,849
Employee benefit obligations		203,507	168,993
Other long-term accounts payable	23	3,476,330	705,084
Other liabilities and accrued expenses		669,811	790,548
<b>Total non-current liabilities</b>		<b>216,700,663</b>	<b>87,367,784</b>
<b>CURRENT LIABILITIES:</b>			
Current portion of bonds issued	17	785,682	7,300,885
Current borrowings and current portion of non-current borrowings	18	67,698,129	219,809,516
Deferred income, current portion		6,360	2,964
Current portion of lease liabilities	20	2,236,162	1,796,891
Trade accounts payable	21	42,115,447	30,589,669
Advances received	22	4,304,281	4,907,412
Current portion of asset decommissioning and restoration obligations	19	684,099	894,062
Income tax liability		4,227,586	261,764
Current portion of employee benefit obligations		46,303	31,720
Payables to employees		3,525,313	2,484,531
Taxes payable, other than income tax		4,766,686	3,590,950
Other current liabilities and accrued expenses		547,551	759,063
<b>Total current liabilities</b>		<b>130,943,599</b>	<b>272,429,427</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>504,925,815</b>	<b>475,228,584</b>

\*Some of the amounts stated here do not correspond to the issued consolidated financial statements for the year ended 31 December 2022, as they reflect the adjustments made, as indicated in Note 5.

Signed on behalf of Group management:

B.Y. Oral  
Chairman of the Management Board

28 June 2024  
Astana, Republic of Kazakhstan

The notes on pages 13-77 form an integral part of these consolidated financial statements. Independent Auditor's Report is on pages 2-7.



L. I. Miroshnichenko  
Chief Accountant

## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 (in thousands of tenge)

	Note	2023	2022
Revenue	24	191,552,852	148,382,068
Cost of sales	25	(159,228,096)	(120,781,997)
<b>GROSS PROFIT</b>		<b>32,324,756</b>	<b>27,600,071</b>
General and administrative expenses	26	(12,532,307)	(10,428,819)
Selling expenses		(2,482,121)	(2,018,700)
Finance costs	27	(35,263,359)	(36,156,210)
Finance income	28	5,583,400	2,066,376
Recovery / (accrual) of allowance for expected credit losses		3,461,014	(940,592)
Foreign exchange gain / (loss), net	29	23,920,832	(11,348,785)
Impairment loss on property, plant and equipment	7	(1,831,477)	(1,018,169)
Other expenses	30	(6,450,957)	(4,479,882)
Other income	30	1,621,467	2,143,064
Share of results of associates		-	48,815
Loss from disposal of subsidiaries		(2,352)	-
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>8,348,896</b>	<b>(34,532,831)</b>
Income tax (expense) / benefit	31	(3,635,288)	4,856,000
<b>PROFIT / (LOSS) FOR THE YEAR</b>		<b>4,713,608</b>	<b>(29,676,831)</b>
<b>OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of property, plant and equipment, net of tax	7	32,363,530	-
Impairment loss on property, plant and equipment, net of income tax	7	-	(7,652,677)
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>37,077,138</b>	<b>(37,329,508)</b>
<b>Income / (loss) attributable to:</b>			
Shareholders of the Group		4,737,453	(21,002,243)
Non-controlling interests		(23,845)	(8,674,588)
<b>Total comprehensive income / (loss) attributable to:</b>			
Shareholders of the Group		37,077,138	(28,655,363)
Non-controlling interests		-	(8,674,145)
<b>PROFIT / (LOSS) PER SHARE</b>			
Profit / (loss) per share, basic and diluted	36	128.21	(568.38)

Signed on behalf of Group management:

B.Y. Oral  
Chairman of the Management Board

28 June 2024  
Astana, Republic of Kazakhstan



L. I. Miroshnichenko  
Chief Accountant

28 June 2024  
Astana, Republic of Kazakhstan

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## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (in thousands of tenge)

	Share capital	Additional paid-in capital	Properties revaluation reserve	Retained earnings / (accumulated deficit)	Non-controlling interest	Total equity
At 1 January 2022	46,043,272	1,348,105	100,844,231	(21,760,117)	52,753,959	179,229,450
Loss for the year	-	-	-	(21,002,243)	(8,674,588)	(29,676,831)
Other comprehensive loss for the year	-	-	(7,652,677)	-	-	(7,652,677)
<b>Total comprehensive loss for the period</b>	-	-	<b>(7,652,677)</b>	<b>(21,002,243)</b>	<b>(8,674,588)</b>	<b>(37,329,508)</b>
Amortisation of properties revaluation reserve	-	-	(8,896,600)	8,896,600	-	-
Effect of operations under common control	-	-	-	694,247	-	694,247
Acquisition of non-controlling interest	-	-	-	16,805,747	(43,968,563)	(27,162,816)
<b>At 31 December 2022</b>	<b>46,043,272</b>	<b>1,348,105</b>	<b>84,294,954</b>	<b>(16,365,766)</b>	<b>110,808</b>	<b>115,431,373</b>
Profit / (loss) for the year	-	-	-	4,737,453	(23,845)	4,713,608
Other comprehensive income for the year	-	-	32,363,530	-	-	32,363,530
<b>Total comprehensive income for the year</b>	-	-	<b>32,363,530</b>	<b>4,737,453</b>	<b>(23,845)</b>	<b>37,077,138</b>
Amortisation of properties revaluation reserve	-	-	(7,882,309)	7,882,309	-	-
Effect of operations under common control	-	-	-	4,773,042	-	4,773,042
<b>At 31 December 2023</b>	<b>46,043,272</b>	<b>1,348,105</b>	<b>108,776,175</b>	<b>1,027,038</b>	<b>86,963</b>	<b>157,281,553</b>

Signed on behalf of Group management:

B.Y. Oral  
Chairman of the Management Board

28 June 2024  
Astana, Republic of Kazakhstan



L. I. Miroshnichenko  
Chief Accountant

28 June 2024  
Astana, Republic of Kazakhstan

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## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (in thousands of tenge)

	Note	2023	2022 (restated)*
<b>OPERATING ACTIVITIES:</b>			
Profit / (loss) for the year		4,713,608	(29,676,831)
Income tax expense / (benefit) recognised in profit or loss	31	3,635,288	(4,856,000)
Adjustments for:			
Depreciation and amortisation	7, 8	30,415,809	30,279,254
Finance costs	27	35,263,359	36,156,210
(Recovery) / accrual of allowance for expected credit losses		(3,461,014)	940,592
(Recovery) / accrual of allowance for obsolete inventories	11	(46,868)	120,356
Loss from disposal of property, plant and equipment and intangible assets	30	2,752,002	784,411
Impairment loss on property, plant, and equipment	7	1,831,477	1,018,169
Foreign exchange (gain) / loss, net		(23,920,832)	11,348,785
Finance income	28	(5,583,400)	(2,066,376)
Accrual of a provision for construction in progress	30	1,133,832	-
Loss from write-off of accounts payable		-	(54,001)
Share of results of associates		-	(48,815)
Income from government grants		(146,636)	(144,142)
Others		1,166,070	(134,808)
<b>Operating cash flow before movement in working capital</b>		<b>47,752,695</b>	<b>43,666,804</b>
Changes in inventories		(660,684)	607,668
Changes in trade accounts receivable		(5,477,944)	577,468
Changes in advances paid		23,971	528,382
Changes in other current assets		(1,318,102)	(563,565)
Changes in trade accounts payable		14,402,261	6,847,649
Changes in advances received		(1,003,131)	2,847,521
Changes in other liabilities and accrued expenses		1,512,260	(538,174)
<b>Cash generated by operations</b>		<b>55,231,326</b>	<b>53,973,853</b>
Income tax paid		(1,654,903)	(2,428,007)
Interest paid		(30,313,588)	(33,381,963)
<b>Net cash from operating activities</b>		<b>23,262,835</b>	<b>18,163,883</b>



# GLOSSARY

Overhead power line	electric line for transmission of electric power through the wires located in the open air and attached by means of insulators and fittings to supports or brackets.
Overhead transmission lines	the structures intended for transmission of electric power over a distance by wires.
Gigacalorie	unit of measurement of thermal energy used for assessment in the heat power industry, heating systems and the utilities sector.
Gigacalorie per hour	derived unit of measurement used to specify the amount of heat produced or used by a certain equipment per a unit of time.
Cooling tower	structure shaped like an exhaust tower providing air stack effect.
Goodwill	the difference between the price of a company and the fair value of all its assets.
Ash	incombustible residue (in the form of dust) which consists of mineral impurities left after complete combustion of fuel.
Ash dump site	place for collection and disposal of waste ash and slag generated during combustion of solid fuel at combined heat and power plants.
Calorie or cal	off-system unit for measuring the amount of heat.
Boiler unit	device for generating pressurized steam or hot water through fuel combustion, use of electric power, heat of exhaust gas or technological process.
Power transmission line or PTL	structure consisting of wires (cables) and auxiliary devices for transmission of electric power from power plants to consumers.
Megawatt	unit of power measurement in electric power production.
Pump	device for pressure movement (suction, discharge) of fluid (primarily) as a result of energising (kinetic or potential energy).
Pumping station	spump set with ancillary equipment mounted according to a certain model that ensures operation of the pump.
Substation	electric installation used for conversion and distribution of electric power and consisting of transformers or other power converters, switchgear, control devices and auxiliary facilities.
Combined heat and power plant or CHP or cogeneration unit	thermal power plant generating not only electric power, but also heat supplied to consumers in the form of steam and hot water.
Transformer (from Latin: transformare, 'transform')	device for converting any significant properties of energy (e.g., electric transformer, torque converter) or objects (e.g., photo transformer).
Turbine	combination of a steam turbine, electricity generator and exciter united by one shaft train; it converts potential energy of steam into electric power.
Installed capacity	effective value of the turbine generators' rated capacity.

## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JOINT STOCK COMPANY AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023 (in thousands of tenge)

	Note	2023	2022 (restated)*
<b>INVESTING ACTIVITIES:</b>			
Disposal of property, plant and equipment		1,280,000	-
Proceeds on disposal of investments		100,050	-
Purchases of property, plant and equipment		(28,623,536)	(17,350,667)
Purchases of intangible assets		(52,811)	(34,816)
Withdrawal of cash from deposit accounts		1,569,970	9,998,472
Interest received on placed deposits		527,067	617,404
Interest received on loans issued		1,010,011	21,269
Sale of subsidiaries		-	10,860
Receipt of dividends		-	40,464
Return of cash given for investments		-	14,780
Repayment of loans issued		3,492,084	1,036,587
Acquisition of a non-controlling interest in a subsidiary	32	-	(27,162,815)
Return of financial assistance issued to the Company under common control	9	1,879,824	-
Return of financial aid from shareholder		94,721	-
Other investment activities		2,000	(26,126)
<b>Net cash used in investing activities</b>		<b>(18,720,620)</b>	<b>(32,834,588)</b>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from bank borrowings	18	45,146,729	169,512,519
Bonds issue		8,609,375	-
Proceeds from financial aid from shareholder (individual)		4,902,280	3,000,000
Proceeds from financial aid from third parties		2,400,000	-
Repayment of borrowings	18	(55,373,093)	(156,381,185)
Redemption of bonds	17	(7,079,564)	(500,000)
Lease payments	20	(2,143,785)	(2,335,330)
<b>Net cash (used in) / from financing activities</b>		<b>(3,538,058)</b>	<b>13,296,004</b>
<b>NET INCREASE / (DECREASE) IN CASH</b>		<b>1,004,157</b>	<b>(1,374,701)</b>
<b>CASH at the beginning of the year</b>	<b>15</b>	<b>2,992,004</b>	<b>4,598,104</b>
Effect of exchange rate changes on cash balances in foreign currencies		159	790
Effect of changes in allowance for expected credit losses for cash		(106,547)	(232,189)
<b>CASH at the end of the year</b>	<b>15</b>	<b>3,889,773</b>	<b>2,992,004</b>

\*Some of the amounts stated here do not correspond to the issued consolidated financial statements for the year ended 31 December 2022, as they reflect the adjustments made, as indicated in Note 5.

Signed on behalf of Group management:



B.Y. Oral

Chairman of the Management Board



L. I. Miroshnichenko

Chief Accountant

28 June 2024

Astana, Republic of Kazakhstan

The notes on pages 13-77 form an integral part of these consolidated financial statements. Independent Auditor's Report is on pages 2-7.



Installed heat capacity of the plant	the sum of all rated heating capacities for all the equipment commissioned under the act and designed for supplying heat to external consumers and steam and hot water for internal needs.
Installed electrical capacity of the energy system	total effective capacity of all turbo and hydropower generators of power plants in the energy system in accordance with their passports or specifications.
Emulsifier	wet ash and dust cleaning device operating in the phase inversion mode.
COSO	the Committee of Sponsoring Organisations of the Treadway Commission.
EBITDA	an analytical indicator, which equals earnings before interest, taxation, depreciation and amortisation.
ESAP	Environmental and Social Action Plan.
ISO	International Organisation for Standardisation.
KEGOC	Kazakhstan Electricity Grid Operating Company JSC.
OHSAS	International occupational health and safety management system.
JSC	joint-stock company.
AEDC or Akmola EDC	Akmola Electric Distribution Company JSC
ASKAHE	automatic system for commercial accounting for heat energy.
ASKAE	automatic system for commercial accounting of electricity.
GDP	gross domestic product.
OHL	overhead lines.
Gcal	gigacalorie.
Gcal-hr	gigacalorie per hour.
GTPP	gas turbine power plant.
HEPP	hydroelectric power plant.
EBRD	European Bank for Reconstruction and Development.
kWh	kilowatt per hour.
MW	megawatt.
NGO	non-governmental organisation.
Pavlodar EDC	Pavlodar Electric Distribution Company JSC
PCHP-2	Petropavlovsk combined heat and power plant No. 2

RK	Republic of Kazakhstan.
ICK	internal control system.
BoD	Board of Directors.
NK EDC	North-Kazakhstan Electric Distribution Company JSC.
SKE	SEVKAZENERGO JSC.
RMS	risk management systems.
LLP	limited liability partnership under the laws of the Republic of Kazakhstan.
TPP	thermal power plant.
CHP	is a combined heat and power plant
CAPEC	shall mean Central-Asian power-pnergy Company JSC
CAEPCO	shall mean Central-Asian Electric Power Corporation JSC.



# CONTACTS

## CENTRAL-ASIAN ELECTRIC POWER CORPORATION JSC

The head office of CAEPCO JSC is located at:

SAAD business center, 2 Dostyk Street, Astana, 050012, Republic of Kazakhstan

Email: [info@energy.kz](mailto:info@energy.kz)

Tel: +7 (7172) 64-57-50

### Full name/position

### Contact details

#### Responsible persons for working with investors and shareholders

Sergey Li  
Deputy Chairman of the Management Board  
for economics and finance

2 Dostyk Street, Astana, Republic of Kazakhstan,  
tel. +7 (7172) 64-57-50

Talgat M. Zhumadilov  
Managing Director for Corporate Development,  
CAEPCO JSC

2 Dostyk Street, Astana, Republic of Kazakhstan,  
tel. +7 (7172) 64-57-50

#### Person in charge for the Annual Report

Elena N. Klivets  
Director of Public Relations Department,  
CAEPCO JSC

2 Dostyk Street, Astana, Republic of Kazakhstan,  
tel. +7 (7172) 64-57-50