

Kazakhstan Utility Systems
is one of the largest players
in the country's energy market

Sustainability Report

2025

Kazakhstan
Utility Systems
LLP

KUS

Sustainability Report



2025



Казахстанские коммунальные системы



kus.kz

2025

SUS- TAINABILITY REPORT

with reference to IFRS S1 & S2



Kazakhstan
Utility
Systems



HOW TO USE THIS DOCUMENT

This report presents the 2025 sustainability disclosures of Kazakhstan Utility Systems LLP (KUS), prepared with reference to IFRS S1 and IFRS S2.

The content of this version is final and approved: no further textual changes are expected, and the report can be used as the basis for design and layout.

The table below summarises the report type, reporting year, preparers and the primary sources used.



Document status

Report type

Reporting year

Prepared by

Primary sources used

Detail

First sustainability report with reference to IFRS S1/S2

2025

DFB/Sapeco

Final KUS Annual Report 2025; independently verified GHG inventory reports for KEC and UK CHPP; Sapeco IFRS S2/climate risk input; final materiality assessment; additional information provided via the data gathering sheet.

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MANAGEMENT FOREWORD

and report snapshot

1.1

MANAGEMENT FOREWORD

Kazakhstan Utility Systems LLP (KUS) is one of the leading power and utilities companies in Kazakhstan, providing reliable electricity and heat supply to industry, businesses and households. Operating a vertically integrated model - from generation and transmission through to distribution and customer service - the Group plays a systemically important role in the energy infrastructure of the regions in which it operates, home to around 6.1 million people (approximately 30% of Kazakhstan's population). Energy is not simply a product for us: it is the foundation on which homes are heated, hospitals operate and industry grows.

In recent years, sustainability and climate change have had an increasingly visible impact on KUS's operations. Operating an energy system that is still largely based on thermal



generation, the Company faces growing requirements in environmental regulation, energy efficiency and disclosure transparency. At the same time, the role of renewable energy is expanding and the resilience of infrastructure to climate-related risks is becoming more important. These factors already influence KUS's strategic decisions and will shape its long-term development, including access to finance and the expectations of investors and regulators.

In this context, sustainability for KUS means striking a balance between the reliability and affordability of energy supply, environmental responsibility and the necessary modernisation of infrastructure. The Company regards progress in occupational health and safety, workforce development, digitalisation and environmental performance as important elements of sustainable growth and long-term value creation.

In 2025, KUS made significant progress in delivering key investment projects, including advancing the modernisation of Karaganda CHPP-3 and carrying out priority measures under its investment programme aimed at improving the reliability and efficiency of the energy system. The Company also strengthened its position in the capital markets, including engagement with investors and financial institutions, and further developed its practices in occupational health and

safety, staff training and environmental monitoring. In addition, KUS continued its active engagement with local communities, delivering social and infrastructure initiatives in the regions where it operates.

Looking ahead, KUS intends to focus on further improving the reliability of its network infrastructure, modernising its generation and network assets, and delivering its energy-transition priorities, including the development of renewable energy projects and improvements in energy efficiency. Particular attention will be given to the digitalisation of operations, the development of employee competencies and stronger engagement with stakeholders.

This report marks an important step in the development of KUS's transparency: for the first time, the Company is disclosing sustainability-related information with reference to IFRS S1 and IFRS S2. We aim to give our stakeholders a clear and consistent understanding of how KUS manages sustainability-related risks and opportunities.

We invite all our stakeholders to engage with this report and welcome their feedback as we continue to enhance our reporting.

Yours sincerely,



Sabyrgali Idrissov
General Director

Sabyrgali Mukhametkaliyevich Idrissov,
General Director, Kazakhstan
Utility Systems LLP

1.2

2025
REPORT
SNAPSHOT

Key Performance Indicators

Electricity generation

5.77 billion kWh

Heat generation

5.46 million Gcal

Electricity grid infrastructure

36,316 km

Installed electrical capacity

1,066.5 MW

Total headcount

9,115 employees

Employees trained

7,864 employees

Scope 1 GHG emissions

7.76 million tCO₂e

Revenue

435.5 billion KZT

EBITDA

91.1 billion KZT



ABOUT KUS

2.1

BUSINESS MODEL AND ACTIVITY PROFILE

KUS is one of the leading power and utilities companies in Kazakhstan, supplying electricity and heat to both industrial and residential customers. The Group operates across the full energy chain - from generation and transmission to distribution and supply - and provides electricity and heat services in the regions where it operates. In 2025, KUS operated in Karaganda, East Kazakhstan, Mangystau and Turkestan regions, as well as the city of Shymkent. The Group employs approximately 9,115 people and in 2025 served more than 1.105 million individual customers and more than 54,000 legal entities in regions home to approximately 6.1 million people.

The Group operates through six main business units spanning the energy chain. Coal-fired heat and power generation is provided by Karaganda

Energocenter (KEC) and Ust-Kamenogorsk CHPP, a subsidiary of Shygys Energo LLP, which together account for the bulk of installed capacity. Electricity transmission, distribution and supply are handled by the regional network companies - Karagandy Zharyk, Ontustik Zharyk Transit and Mangystau Regional Electric Grid Company - across approximately 36,316 km of electricity lines, comprising 33,892 km of overhead lines and 2,424 km of cable lines. Renewable generation is being developed through New Clean Energy LLP, owner of the Zhuzimdyk wind power project; further renewable-energy pipeline projects are under consideration, subject to project approval, final design and grid connection. Following amendments to the Law of the Republic of Kazakhstan on Electric Power Industry, effective from 2025, electricity sales activities were transferred to the electricity distribution companies.

**KUS
BUSINESS
UNITS**

**Karaganda
Energocenter LLP
(KEC)**



Ust-Kamenogorsk
CHPP LLP (UK CHPP)
subsidiary of Shygys Energo LLP



Generation

Karaganda

Generation

East Kazakhstan

**Karagandy
Zharyk LLP
(KZh)**



**Ontustik Zharyk
Transit LLP
(OZhT)**



Transmission, distribution and sales

Karaganda Region

Transmission, distribution and sales

Turkestan Region / Shymkent

**Mangystau Regional
Electric Grid Company JSC
(MREC)**



New Clean Energy LLP Zhuzimdyk wind power project



Transmission and distribution

Mangystau Region

Wind project

Turkestan Region
Shayan settlements, Baydibek district

Business unit	Activity	Region
Karaganda Energocenter LLP (KEC)	Coal-fired heat and power generation (CHPP-1 and CHPP-3). Combined installed electrical capacity 694 MW; installed thermal capacity 1,824 Gcal/h.	Karaganda
Ust-Kamenogorsk CHPP LLP (UK CHPP), subsidiary of Shygys Energo LLP	Coal-fired heat and power generation. Installed electrical capacity 372.5 MW; installed thermal capacity 859.9 Gcal/h.	East Kazakhstan (Ust-Kamenogorsk)
Karagandy Zharyk LLP (KZh)	Electricity transmission, distribution and sales through networks operating at 0.4-220 kV, including 105 substations, covering a 21,400 km ² service area.	Karaganda Region
Ontustik Zharyk Transit LLP (OZhT)	Electricity transmission, distribution and sales through networks operating at 0.4-110 kV, including 260 substations, serving the Turkestan Region and Shymkent.	Turkestan Region / Shymkent
Mangystau Regional Electric Grid Company JSC (MREC)	Electricity transmission and distribution through networks operating at 0.4-220 kV, including 68 substations, serving the Mangystau Region.	Mangystau Region
New Clean Energy LLP (owner of the Zhuzimdyk wind power project)	Wind power generation. First stage 150 MW; total planned capacity 250 MW by 2030; development phase, subject to commissioning and final project confirmation. Batys WPP and solar PV are potential longer-term renewable-energy pipeline projects under consideration, subject to project approval, final design and grid connection.	Turkestan Region (Shayan settlements, Baydibek district)

2.2

VALUE CHAIN AND VALUE CREATION MODEL

KUS operates an end-to-end energy system - from fuel and equipment procurement upstream, through generation and grid operations, to energy delivery for households, businesses

and public-sector customers. This model links operational reliability, affordability, environmental performance and workforce competence to long-term value creation.

VALUE CREATION MODEL



MATERIAL TOPICS AND RELATED SDGS



Stakeholder group	Why they matter to KUS
Customers	More than 1.105 million individual customers and more than 54,000 legal entities. Energy reliability, affordability and customer service quality are core expectations.
Employees	Approximately 9,115 employees across the Group. Safety, skills and working conditions are central to reliable operations.
Regulators and government	Ministry of Energy, KRREM, environmental regulators and regional authorities. Tariff, permitting, market rules and investment oversight are key.
Shareholders and investors	Founders, lenders, bondholders, rating agencies and potential finance providers. Governance, resilience, cash flows and risk management are decision-useful topics.
Local communities	Residents in served regions. Key concerns include availability and continuity of electricity and heat supply, environmental impacts and community contribution.
Suppliers and contractors	Fuel, equipment, construction, maintenance and service providers. Procurement integrity, contractor safety and supply continuity affect operations.
Industry associations	KEA, KAZENERGY, Atameken and other sector bodies. These support regulatory dialogue and sector development.

Stakeholder engagement is built into how the Group operates rather than treated as a separate exercise. During 2025, engagement with customers and communities centred on the handling of connection requests, billing queries and supply-quality complaints through the regional customer-service centres, with response times monitored so that recurring issues could be identified and addressed. Dialogue with regulators and government took place mainly through participation in tariff-setting proceedings and reliability-standard consultations, while shareholders, lenders and bondholders were kept informed through briefings around bond issuances and regular financial reporting. Within the organisation, the Group consulted employees and their safety representatives on workplace health, safety and training priorities, and carried the same emphasis on safety and integrity through to its suppliers and contractors by means of pre-

work safety briefings and procurement-integrity requirements applied during tendering.

In setting its engagement priorities, the Group distinguishes between two circles of stakeholders. The immediate circle - those with a direct and legitimate influence on the business - comprises its shareholders, management, employees and their trade union, business partners and customers. The wider circle - those whose influence is more indirect - includes government and regulatory authorities, competitors, financial institutions, suppliers, the general public, civil-society organisations and the media. Mapping stakeholders in this way allows the Group to concentrate its most active engagement where operations and decisions are most directly affected, while remaining attentive to the wider environment in which it operates.

2.3 STAKEHOLDERS

KUS engages with stakeholders whose interests shape the Group's sustainability priorities and whose decisions may affect the Group's access to finance, regulatory position, operating performance and stakeholder trust both in the current reporting period and in the future.

3.3

ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals are included as a supplementary stakeholder communication reference. They

are not part of KUS's financial materiality assessment, which is prepared with reference to IFRS S1 and the SASB Electric Utilities & Power Generators industry guidance. The mapping below links each material topic to one primary United Nations Sustainable

Development Goal (SDG) where the connection is most direct, helping stakeholders understand how the Company's material sustainability topics relate to broader sustainable development themes.

Material topic	Primary SDG	Icon
Energy affordability	SDG 7 - Affordable and Clean Energy	7 AFFORDABLE AND CLEAN ENERGY
GHG emissions and energy resource planning	SDG 13 - Climate Action	13 CLIMATE ACTION
Physical climate hazards and business continuity	SDG 13 - Climate Action	13 CLIMATE ACTION
Grid reliability	SDG 9 - Industry, Innovation and Infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Workforce health and safety	SDG 8 - Decent Work and Economic Growth	8 DECENT WORK AND ECONOMIC GROWTH
Anti-corruption and business ethics	SDG 16 - Peace, Justice and Strong Institutions	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Air quality and pollutant emissions	SDG 3 - Good Health and Well-being	3 GOOD HEALTH AND WELL-BEING
Customer service reliability	SDG 9 - Industry, Innovation and Infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Smart grids and end-user efficiency	SDG 9 - Industry, Innovation and Infrastructure	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Employee training and development	SDG 4 - Quality Education	4 QUALITY EDUCATION

SUSTAINABILITY STRATEGY

and transition priorities

4.1

STRATEGIC PRIORITIES AND INITIATIVES

KUS's sustainability priorities reflect its role in Kazakhstan's energy system: reliable and affordable energy supply, modernisation of infrastructure, management of climate and environmental exposure, workforce safety and competence, and governance integrity. These priorities are grouped into four strategic areas, each linked to the material topics it addresses and to the initiatives through which KUS pursues it, as set out below.

KUS operates in a national energy system where reliable supply, tariff affordability and gradual decarbonisation must be balanced. Kazakhstan's power sector remains dependent on thermal

generation, while investment in renewables, grid modernisation and environmental performance is increasing. This context shapes the pace and sequencing of KUS's sustainability priorities.

For a coal-intensive utility, credible transition positioning combines reliable and affordable energy supply with renewable-energy development, grid modernisation, energy-efficiency measures, emissions monitoring and progressively stronger climate-related data and targets. KUS pursues these elements within Kazakhstan's regulatory framework, the continued need for reliable electricity and heat supply, and the availability of financing for capital-intensive transition measures.

Strategic priority	Linked material topics	Key initiatives
Reliable energy supply and grid modernisation	Grid reliability; Physical climate hazards; Customer service reliability; Smart grids	Approved investment programmes covering capital repair, reconstruction and modernisation; substation renewal and network reconstruction; SCADA and automated metering roll-out; seasonal autumn-winter readiness and outage management.
Climate and environmental performance	GHG emissions and energy resource planning; Air quality	Verified installation-level GHG inventories and KZ ETS reporting; proposed GHG-intensity targets; renewable-energy development through the Zhuzimdyk wind power project; monitoring of NOx, SOx and particulate emissions and permit compliance.
Workforce safety and competence	Workforce health and safety; Employee training and development	ISO 45001-based H&S management; annual safety certification; technical training; contractor safety training.
Governance integrity and responsible business	Anti-corruption and business ethics; Energy affordability	Code of Business Ethics; zero-tolerance anti-corruption policy; tariff transparency; regulatory engagement.

4.2

SUSTAINABILITY AND ENERGY TRANSITION POSITIONING

KUS is developing its energy-transition positioning through renewable-energy development, asset modernisation, grid digitalisation, emissions management and progressively stronger climate-related disclosure. The pace and sequencing of

these measures reflect Kazakhstan's continued reliance on thermal generation, the need to maintain reliable and affordable electricity and heat supply, regulatory requirements and the availability of financing for capital-intensive investment.

4.3

ENERGY TRANSITION TARGETS

KUS has developed the following proposed sustainability and energy-transition targets, which remain subject to formal approval, with 2025 as the proposed base year where applicable¹. Renewable-energy capacity additions are the principal decarbonisation lever, supported by a measured reduction in GHG-emissions intensity.

Target area	2030 target	2035 target
Renewables share of total installed capacity	19%	To be defined at a later stage
Renewable capacity (cumulative)	250 MW total planned capacity by 2030, including a 150 MW first stage	To be defined at a later stage
Renewables share of total power generation	5.0%	To be defined at a later stage
Coal share of total installed capacity	81%	To be defined at a later stage
GHG-emissions intensity, Scope 1 (base year 2025: 0.641 tCO ₂ e/MWh)	≤ 0.625 tCO ₂ e/MWh (-2.5%)	≤ 0.609 tCO ₂ e/MWh (-5.0%)
GHG, ESG and sustainable-development training	2 sessions/year	2 sessions/year

These targets reflect KUS's generation mix, in which coal-fired assets still account for the majority of installed capacity. Renewable-capacity additions are therefore the principal lever for decarbonisation, while the near-term reduction in GHG-emissions intensity is set at a measured pace because it depends on the potential introduction of complementary lower-carbon fuels alongside coal and on modernisation at coal-fired assets, subject to technical, regulatory and financial feasibility. Consistent with this being KUS's first reporting cycle prepared with reference to IFRS S1 and S2, the figures above are presented as proposed planning targets rather

¹ Note: Climate and GHG emissions targets include only Scope 1 emissions.

than formal public commitments and remain subject to formal approval; further targets may be developed as data systems and the decarbonisation pathway mature. Additional energy-efficiency targets may be developed in future reporting cycles.

4.4

APPROACH TO ENERGY TRANSITION AND DECARBONISATION MEASURES

Expanding renewable generation is KUS's principal potential decarbonisation lever. KUS is assessing the possible co-location of battery energy storage systems (BESS) with renewable-energy projects, subject to technical feasibility, project approval, final design and grid connection.

Transition measures described in the current planning materials include the Zhuzimdyk wind power project of New Clean Energy LLP, with a first stage of 150 MW and total planned capacity of 250 MW by 2030. Batys WPP and solar PV are potential longer-term renewable-energy pipeline projects under consideration and are not approved public commitments.

Other potential longer-term options include selected energy-efficiency improvements, the possible introduction of complementary lower-carbon fuels alongside coal, carbon-credit mechanisms where projects meet applicable eligibility requirements, potential future electrification of parts of the Group's own vehicle fleet, and future screening of relevant Scope 3 categories and gradual development of Scope 3 reporting. These options remain subject to further technical, regulatory, financial and management assessment. Smart grids, demand response and related digitalisation measures, which further support renewable utilisation and system-wide efficiency, are addressed in Sections 7.2 and 8.9.

GOVERNANCE OF SUSTAINABILITY

and climate-related matters

5.1

OVERSIGHT STRUCTURE

KUS governance operates across the General Meeting of Participants, Supervisory Board and executive management.

Sustainability-related risks and opportunities are identified, prioritised, measured and overseen through existing

governance, strategy, risk management and compliance processes.

Governance element	2025 position
Supervisory Board oversight	Supervisory Board of KUS LLP. Committees include Strategy, Finance and Investment, and Audit. KUS does not currently maintain a dedicated sustainability / Environmental, Social and Governance (ESG) committee; oversight of sustainability and climate-related matters remains embedded in the existing Supervisory Board committees and executive management. This is consistent with IFRS S2, which requires a designated body or individual responsible for oversight but does not mandate a separate committee.
Management-level responsibility	The Director of Corporate Development holds management-level responsibility for sustainability and corporate reporting. The Compliance Director oversees compliance with regulatory requirements, and the Legal Director oversees the Company's compliance with applicable legislation. All functional directors report to the Director General.
Reporting cadence	The Annual Report forms part of the Group's annual governance and reporting cycle, and climate-related risks are channelled through the Group-wide risk management process. Sustainability and climate-related matters are reported to management and the Supervisory Board at least annually, aligned with the annual financial reporting cycle.
Remuneration	In 2025, no sustainability, climate or safety performance indicators were linked to management remuneration.
External assurance	GHG emissions for KEC and UK CHPP are independently verified by an accredited validation and verification body under the applicable national GHG reporting framework. This report, KUS's first prepared with reference to IFRS S1 and IFRS S2, is not externally assured.

RISK MANAGEMENT

6.1

RISK MANAGEMENT PROCESS

KUS identifies, assesses and monitors risks through its Group-wide risk management framework, which applies an enterprise risk management (ERM) approach based on the Committee of Sponsoring Organizations (COSO)

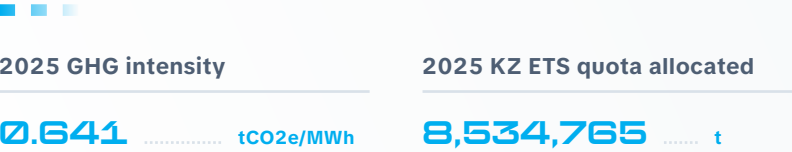
framework. The Group risk register already includes a number of sustainability-related risks, including climate, health and safety, environmental and compliance risks. KUS is further aligning sustainability-related risk identification, ownership

and reporting with its existing enterprise risk management processes, so that material sustainability-related risks and opportunities are reviewed with the same governance discipline as operational and financial risks.

Time horizon	Definition for this report	KUS planning reference
Short term (1-2 years)	Immediate operational priorities, annual targets, regulatory compliance obligations and near-term capital expenditure.	Annual operational and financial planning cycle; ETS compliance period; annual tariff review.
Medium term (3-5 years)	Investment programme cycles, tariff review periods, network improvement projects and regulatory reform horizons.	KUS Group investment programme, approved for the tariff validity period; tariffs approved for five or more years with the possibility of annual revision; climate risk register priority horizon.
Long term (beyond 5 years)	Energy transition pathway, major infrastructure renewal, long-term climate regulatory developments and strategic asset-level decisions.	KUS corporate (development) strategy; the Concept for the Development of the Electric Power Industry of the Republic of Kazakhstan for 2023-2029 and other national strategic planning documents in the energy sector; coal asset lifecycle planning; renewable development horizon.

SCOPE 1 GHG EMISSIONS OVERVIEW

Scope 1 direct emissions tCO₂e



GHG metric	Status and figures
Scope 1 direct emissions (tCO ₂ e)	2025: 7,762,583 tCO ₂ e. 2024: 8,083,228 tCO ₂ e. 2023: 8,022,427 tCO ₂ e. Figures are based on the independently verified GHG inventories. Sources: KEC (CHPP-1, CHPP-3) and UK CHPP - coal combustion and auxiliary sources.
Breakdown by gas (2025)	2025: CO ₂ : 7,730,342 tCO ₂ e; CH ₄ : 1,639 tCO ₂ e; N ₂ O: 30,603 tCO ₂ e. Figures are based on the independently verified GHG inventory reports, with CH ₄ and N ₂ O aggregated across KEC (CHPP-1 and CHPP-3) and UK CHPP.
Scope 2	Scope 2 emissions have not been assessed in this reporting cycle. Accordingly, no conclusion on their materiality is presented. Future assessment may be considered as the reporting framework develops.
Scope 3	Scope 3 emissions have not been assessed in this reporting cycle. Screening of relevant categories may be considered in future reporting cycles to support further alignment with IFRS S2.
GHG emission intensity	2025 proposed base year: 0.641 tCO ₂ e/MWh. KUS has developed proposed GHG-intensity targets of 0.625 tCO ₂ e/MWh by 2030 and 0.609 tCO ₂ e/MWh by 2035. These figures remain subject to formal approval.
KZ ETS quota allocated	2025: 8,534,765 t allocated. 2024: 8,742,489 t. 2023: 8,762,359 t. KEC and UK CHPP are KZ ETS-covered installations.
Scope 1 covered by emissions-limiting regulations (%)	99.58%. The KZ ETS is an emissions-limiting (cap-and-trade) scheme covering CO ₂ from KZ ETS-covered installations (KEC and UK CHPP). CH ₄ and N ₂ O are not covered by the scheme. (SASB IF-EU-110a.1)
Scope 1 covered by emissions-reporting regulations (%)	100%. Based on the current disclosure boundary, all reported Scope 1 emissions are understood to be subject to mandatory emissions-reporting requirements under the KZ ETS and the national GHG inventory. (SASB IF-EU-110a.1)

7.4

FURTHER DEVELOPMENT OF CLIMATE-RELATED DISCLOSURES

As this is KUS's first sustainability report prepared with reference to IFRS S1 and IFRS S2, the Group may expand its climate-related disclosures in future reporting cycles. Potential areas of development

include broader Scope 2 and Scope 3 coverage, strengthened climate-related data and controls, and more mature, formally approved targets, to support the future information needs of investors, lenders

and other providers of capital. The pace and scope of further development will reflect data availability, methodology and management approval.

MATERIAL TOPIC CHAPTERS



8.1

ENERGY AFFORDABILITY

Primary SDG:

SDG 7



Energy affordability is strategically relevant for KUS as the Group provides essential electricity and heat services under regulated tariff frameworks. The topic reflects

KUS's role in balancing reliable and affordable energy supply with the investment required to maintain and modernise energy infrastructure. Identifying this topic as material does not

imply that KUS lacks control over affordability or tariffs; it means the topic is decision-useful for investors and other stakeholders.

WHY THIS IS MATERIAL

Energy affordability is material because it is central to KUS's regulated business model, customer relationships and long-term investment capacity. Tariff decisions influence

revenue and infrastructure funding, while affordability considerations shape how the Group communicates and manages reliable supply, modernisation needs and

customer relationships. The topic should be presented as a strategic business and stakeholder topic, not as an indication that KUS does not manage the issue.

MANAGEMENT APPROACH

KUS operates under tariff regulation set by the Committee for Regulation of Natural Monopolies and related authorities. The Group monitors tariff decisions, regulatory developments and customer-related considerations across generation,

transmission, distribution and sales activities. KUS explains how it balances affordability, cost recovery and infrastructure investment at a high level, without disclosing commercially sensitive information beyond approved public tariffs.

Data point / information	2025 figure / status
Customers served	More than 1.105 million individual customers and more than 54,000 legal entities.
Population coverage	Regions served by KUS cover approximately 6.1 million people, or around 30% of Kazakhstan's population.
2025 tariff developments	In 2025, the tariffs of Karagandy Zharyk were adjusted under the state "Tariff in exchange for investment" programme and in accordance with the requirements of Republic of Kazakhstan legislation and the tariff-formation rules. Following approval of the changes by the authorised state body (the Department of the Committee for Regulation of Natural Monopolies), the Company informed consumers of the new tariffs as prescribed by law: the information was published on the Company's official website and in the media, and legal-entity customers were sent official notification letters regarding the new electricity-transmission tariff. Call-centre specialists also provided consumers with clarifications on the application of the new tariff.
Complaints / disconnections	Subsidiary-level customer complaint data are disclosed in Section 8.8. Group-level disconnection data are not available for this reporting cycle and are identified as a future-reporting enhancement.
Average retail electric rate by customer class	Approved tariff rates by customer class are disclosed above. A weighted-average retail electricity rate by customer class is not separately calculated for this reporting period. (SASB IF-EU-240a.1)
Typical monthly residential bill	The typical monthly residential electricity bill (SASB IF-EU-240a.2) is not separately disclosed for this reporting period and is identified as a future reporting enhancement.

- Approved tariffs and tariff estimates are published in publicly available sources following their approval. In 2025, the tariffs for the Company's services were revised in accordance with the requirements of Republic of Kazakhstan legislation on tariff regulation. The tariffs approved in 2025 were as follows.
- Ceiling tariffs for electricity: Karaganda Energocenter LLP - 17.64 KZT/kWh; Ust-Kamenogorsk CHPP LLP - 17.82 KZT/kWh.
- Tariffs for heat generation: Karaganda Energocenter LLP - 4,630.30 KZT/Gcal; Ust-Kamenogorsk CHPP LLP - 6,524.83 KZT/Gcal.
- Tariffs for electricity transmission services: Karagandy Zharyk LLP - 11.42 KZT/kWh; Ontustik Zharyk Transit LLP - 12.70 KZT/kWh; MREC JSC - 7.26 KZT/kWh.
- Average electricity supply tariffs: Karagandy Zharyk LLP - 27.93 KZT/kWh; Ontustik Zharyk Transit LLP - 34.31 KZT/kWh; MREC JSC - 29.34 KZT/kWh.

Approved electricity supply tariffs by customer class

- The following approved 2025 electricity-supply tariffs were provided by KUS. These are published tariff rates and should not be interpreted as weighted-average retail rates.
- Karagandy Zharyk: residential customers: KZT 9.13-21.61/kWh; legal entities: KZT 27.93-38.51/kWh; budget organisations: KZT 90.36/kWh.
- Ontustik Zharyk Transit: residential customers: KZT 22.60/kWh; legal entities: KZT 41.06/kWh; budget organisations: KZT 73.74/kWh.
- MREC: residential customers: KZT 20.67/kWh; legal entities: KZT 32.16-34.50/kWh; budget organisations: KZT 39.62/kWh.

Affordability measures

Information on the affordability of electricity supply is publicly available: tariffs, terms and any tariff changes

Each supplying subsidiary applies special reduced tariffs for consumers producing socially important food products.

are published openly in the media, while personal customer data remains confidential.

8.2

PHYSICAL CLIMATE HAZARDS AND BUSINESS CONTINUITY

Primary SDG:

SDG 13



KUS infrastructure operates across regions exposed to different actual and potential physical climate hazards, including extreme heat, dust storms,

freezing rain, high winds, flooding and water stress. These risks may affect generation assets, network infrastructure, construction sites and field personnel.

WHY THIS IS MATERIAL

Physical climate hazards are material because they may increase emergency repair costs, disrupt fuel supply, reduce plant efficiency, cause outages and

delay capital projects. They can therefore affect short- and medium-term cash flows and require systematic investment in business continuity and resilience.

MANAGEMENT APPROACH

KUS has completed qualitative identification and initial assessment of climate-related risks and opportunities across its business units; a summary of this assessment and selected risk and opportunity examples is provided in Section 7.1. Preliminary measures include planned and emergency equipment inspections, seasonal preparation for flood, thunderstorm and winter periods, emergency material reserves and disaster recovery plans. Quantitative financial modelling of physical risks is not included

in this report; KUS may further develop this in future reporting cycles to support further alignment with IFRS S1 and IFRS S2.

For the Zhuzimdyk wind power project, relevant climate-related considerations include construction-stage exposure to heavy precipitation, flooding and soil-stability risks, as well as future operational exposure to extreme wind gusts, icing and periods of low wind once the project is commissioned.

Data point / information	2025 figure / status
Climate risk register	A summary of the climate risk and opportunity register and selected risk and opportunity examples is provided in Section 7.1. The detailed internal register is maintained separately. This chapter focuses on the physical-hazard and business-continuity implications for KUS's assets and operations.
Critical physical examples	See Section 7.1 for the consolidated physical-risk examples; the exposures most relevant to business continuity are dust and sand-salt damage in Mangystau and flooding of substations and ash-disposal sites.
SAIDI / SAIFI	Outage frequency (SAIFI) and outage duration (SAIDI), 2025 - KZh: SAIFI 1.66 interruptions per customer, SAIDI 3.67 hours; MREC: SAIFI 0.0141 interruptions per customer, SAIDI 0.9373 hours. QZhT: SAIFI 8.23 interruptions per customer, SAIDI 5.79 hours.
Weather-related incidents	In 2025, Karagandy Zharyk recorded 220 weather-related technological disruptions, with associated electricity undersupply of approximately 175.81 thousand kWh; MREC recorded no weather-related technological disruptions during the year.
Resilience investment	In 2025, KUS continued its approved investment programmes, including capital repairs, reconstruction and modernisation of network and generation assets. These programmes are described in general terms and are not attributed specifically to climate or extreme-weather risks.

KUS does not currently maintain a single dedicated business continuity or climate resilience policy, and a responsible organisational unit has not yet been formally designated; these matters are managed through existing internal documents and processes, and the current status is disclosed in line with IFRS S1/S2. Outage and weather-related incidents are logged in the Company's realised-risks database.

8.3

Primary SDG:SDG 13

GHG EMISSIONS AND ENERGY RESOURCE PLANNING

13CLIMATE ACTION

KUS's coal-fired generation assets are the primary source of Scope 1 GHG emissions and create direct exposure to Kazakhstan's Emissions Trading System and long-term transition risk. Energy resource planning therefore connects emissions, generation reliability, investment needs and future access to finance.

WHY THIS IS MATERIAL

This topic is material because GHG emissions and energy resource planning can influence carbon compliance costs, asset modernisation needs, access to finance, cost of capital and long-term resilience of generation assets. The topic is also central to IFRS S2 climate-related disclosure.

MANAGEMENT APPROACH

KUS's KZ ETS-covered generation assets - KEC and UK CHPP - prepare annual GHG inventories that are independently verified. 2025 has been selected as the proposed base year because it is the most recent reporting year for which installation-level verified inventory reports are available for KEC and UK CHPP. KUS monitors gross Scope 1 emissions, GHG intensity, ETS quota allocation and transition-related investment needs.

period, it is not reflected in 2025 generation, emissions intensity or low-carbon generation performance.

The climate risk register also identifies transition risks related to changes in electricity market rules, the increasing role of renewable generation, potential volatility in wholesale electricity prices, and future requirements for grid and generation investment. These risks reinforce the importance of energy-resource planning that balances reliability, affordability, environmental performance and financial resilience.

development, energy-efficiency measures and future Scope 3 screening. KUS develops these elements to remain consistent with Kazakhstan's regulatory framework, the continued need for reliable heat and electricity supply, and the availability of financing for capital-intensive transition measures.

The Zhuzimdyk wind power project forms part of KUS's longer-term energy-resource planning and may contribute to portfolio diversification once operational. As the project remained in the development phase during the reporting

For a coal-intensive utility, transition planning typically combines GHG-intensity management, renewable-energy

Data point / information	2025 figure / status
Scope 1 GHG emissions	The Scope 1 emissions reported for KEC and UK CHPP within the current disclosure boundary, together with the gas breakdown, emissions intensity and KZ ETS quota allocations, are presented in Section 7.3.
GHG intensity	See Section 7.3 (proposed 2025 base year).
KZ ETS quota allocation	See Section 7.3 (allocations for 2023-2025).
Targets / monitoring metrics	KUS has developed proposed GHG-intensity targets of 0.625 tCO ₂ e/MWh by 2030 and 0.609 tCO ₂ e/MWh by 2035. These figures remain subject to formal approval. Achievement depends on the potential introduction of complementary lower-carbon fuels alongside coal and on modernisation at coal-fired generation assets, subject to technical, regulatory and financial feasibility, and where such fuels are not introduced within the target horizon individual assets may not reach these intensity levels. This dependency is disclosed alongside the targets.
Scope 3	See Section 7.3. Scope 3 emissions have not been assessed in this reporting cycle. Screening of relevant categories may be considered in future reporting cycles to support further alignment with IFRS S2.
Generation mix by major energy source	In 2025, electricity generation was almost entirely coal-fired (KEC's CHPP-1 and CHPP-3 and UK CHPP). The Zhuzimdyk wind power project remained in development and did not contribute during the year, so renewable sources did not contribute to the 2025 generation mix; total electricity generated is reported in the 2025 report snapshot (Section 1.2). (SASB IF-EU activity metric: electricity generated, % by major energy source.)

8.4

GRID RELIABILITY

KUS operates electricity networks across Karaganda, Turkestan/Shymkent and Mangystau regions. Grid

reliability is linked to the condition of network assets, outage duration and frequency, network losses, service quality

and the ability to respond to incidents.

Primary SDG:

SDG 9



WHY THIS IS MATERIAL

Grid reliability is material because interruptions can affect customers, regulated revenues, operating costs, investment requirements and stakeholder trust. The

topic covers physical network reliability, outage management, asset modernisation and the digital systems that support system resilience. Cybersecurity

and operational-technology controls are treated as supporting elements of grid reliability rather than as a separate material topic for 2025.

MANAGEMENT APPROACH

KUS manages grid reliability through investment programmes, maintenance planning, seasonal readiness for the autumn-winter period, network modernisation and digital monitoring. Digital tools include automated metering

and supervisory control and data acquisition systems, which help monitor network performance. Cybersecurity and operational-technology controls are addressed within this topic as supporting elements of system resilience.

CAIDI is not disclosed for this reporting cycle because the subsidiary methodologies and reported values have not yet been harmonised at Group level. Harmonisation is identified as a future-reporting enhancement.

Data point / information	2025 figure / status
Network length	Approximately 36,316 km of electricity lines, comprising 33,892 km of overhead lines and 2,424 km of cable lines.
Electricity transmission	11,705 million kWh transmitted in 2025.
Outage indicators	Reliability indices are tracked by subsidiary. In 2025: Karagandy Zharyk - SAIFI 1.66, SAIDI 3.67; MREC - SAIFI 0.0141, SAIDI 0.9373; OZhT - SAIFI 8.23, SAIDI 5.79. No accidents or first-degree failures were recorded in the 6-220 kV networks in 2025; second-degree failures totalled 854 (1,033.06 thousand kWh undersupplied) at Karagandy Zharyk and 9 (200.6 thousand kWh) at MREC. A consistent Group-level consolidation approach is being developed.
2025 modernisation projects	In 2025, Karagandy Zharyk's investment volume amounted to KZT 13.576 billion. Investment activities included network reconstruction, technical upgrading and development works (including KZT 799,348 thousand under the "Tariff in exchange for investment" programme), covering 250.44 km of power lines, 13 substations and 39 transformer points, and the installation of 534 lower-level 6/10 kV SCADA monitoring, metering and alarm units. MREC delivered the 35/10 kV 'Sayin' substation and a 25 km 35 kV line (KZT 1.666 billion), modernisation of the 35/6 kV 'PTF' substation (KZT 0.924 billion) and replacement of power transformers at the 110/6 kV 'Tenge' substation (KZT 0.639 billion). These measures improve supply reliability and quality, increase network capacity and reduce the risk of technological disruptions.

Cybersecurity / operational technology	Karagandy Zharyk and MREC are included in the national register of critical information and communication infrastructure facilities. Particular attention is given to protecting the supervisory control and data acquisition (SCADA) network, which is critical to technological operations. Protection combines organisational and technical measures, including outsourced information-security monitoring through a security operations centre (continuous monitoring and incident prevention and response), ESET anti-malware protection for endpoints and servers, a data-loss-prevention (DLP) system that controls privileged-user actions and prevents unauthorised data transfer, and access-management controls under internal information-security procedures. Together these measures provide multi-layered protection of critical infrastructure and support the continuous, reliable operation of the SCADA network.
Major event days (included / excluded)	SAIDI and SAIFI are currently reported by subsidiaries; the treatment of major event days will be harmonised as the Group-level consolidation approach is developed (SASB IF-EU-550a.2).

CASE STUDY: SUBSTATION RECONSTRUCTION AND RELIABILITY GAINS

Project example: In 2025, OZhT reconstructed the 35/10 kV ‘Atabay’ substation in Kentau (Turkistan region), replacing two transformers and six 10 kV switchgear units; emergency outages fell from 17 to 4 over

the comparable period (around 76% lower), and all necessary telemetry was integrated into the central dispatch service. Separately, Karagandy Zharyk completed a new 110 kV substation in Karaganda (2022-

2025; project cost KZT 3.407 billion) providing 80,000 kVA of transformer capacity to replace an overloaded 35 kV substation, improving supply reliability for around 24,700 customers.

Karagandy Zharyk LLP: construction of a new 110 kV substation in Karaganda



OZhT's 2025 reconstruction of the 35/10 kV ‘Atabay’ substation



Before reconstruction



After reconstruction



Before reconstruction



After reconstruction

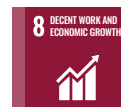


8.5

WORKFORCE HEALTH AND SAFETY

Primary SDG:

SDG 8



KUS operates technically complex generation and high-voltage network assets where health and safety risks

are material to employees, contractors, communities and business continuity. The Group manages health and safety

through certified management systems, training, audits and operational controls.

WHY THIS IS MATERIAL

Fatal or serious injuries during high-voltage, construction, repair and thermal generation activities can lead to human

harm, regulatory penalties, production downtime, legal exposure and reputational damage. The topic is material

for all operational business units and for contractors working on KUS sites.

MANAGEMENT APPROACH

KUS operates ISO 45001-certified occupational health and safety management systems across its main operating

subsidiaries. Group practices include monthly safety and environmental days, equipment isolation procedures, electric

arc protection kits, qualification-test notifications and contractor training through the Corporate Training Centre at UK CHPP.

Data point / information	2025 figure / status
Management systems	ISO 45001 (Occupational Health and Safety Management) certification is held at parent-company and main operating-entity level. The KUS LLP certificate (No. O-12969/25, issued 29 September 2025; initial certification 29 September 2022) covers the management of subsidiary energy enterprises engaged in the generation, transmission and sale of electricity. In addition to the international ISO 45001 certification, the management system of KUS LLP is certified against ST RK ISO 45001-2019 (ISO 45001:2018) "Occupational health and safety management systems - Requirements with guidance for use", registered in the state technical regulation register on 5 September 2025 (initial certification 23 August 2013) under No. KZ.Q.02.0729.Q.25.14177. In addition, the subsidiaries are individually certified and hold their own ISO 45001 certificates of conformity. The certification scope varies across subsidiaries.
2025 injury data	Group injury statistics for 2025 comprised 2 light, 1 moderate and 2 severe work-related injuries and 2 fatalities; the two fatalities and the two severe injuries occurred at Ontustik Zharyk Transit, while MREC and Ust-Kamenogorsk CHPP recorded no injuries. Following the 2025 carbon-monoxide poisoning of an employee, Karagandy Zharyk was fined KZT 7,384,000 for breach of sanitary and hygiene requirements.
TRIR / LTIR	Group-level TRIR and LTIR are not disclosed for 2025 because a consistent Group-level calculation methodology and Group-wide hours-worked denominator were not available for this reporting cycle.
Safety training	In 2025, Karagandy Zharyk delivered occupational health and safety training to 5,097 employees (engineering-technical staff and workers) through 16 training courses and 4 training seminars, totalling 7,680 hours.
Contractor coverage	Contractor hours and contractor incidents are excluded from the reported health and safety indicators; the reporting boundary covers the Group's own personnel.
Fatality rate	Two work-related fatalities were recorded in 2025. A fatality rate (fatalities relative to hours worked, SASB IF-EU-320a.1) is not disclosed because the required hours-worked denominator has not yet been confirmed.
Near-miss frequency rate (NMFR)	A near-miss frequency rate is not currently tracked; establishing near-miss monitoring is identified as an area for further development. (SASB IF-EU-320a.1)

CASE STUDY: LOCK OUT - TAG OUT (LOTO) HAZARDOUS-ENERGY CONTROL

Project example: In 2025, the Group continued rolling out a Lock Out - Tag Out (LOTO) system to control hazardous energy sources during repair and service works on energy equipment. The initiative included staff training, procedure

development, provision of LOTO kits and hands-on practice during Safety Days. It covers the Group's energy facilities and the contractor organisations performing repair works, together with the production personnel involved

in equipment operation and maintenance. Unified hazardous-energy control procedures reduced the risk of accidental energisation or start-up during repairs, improved work discipline and reinforced the Group's safety culture.

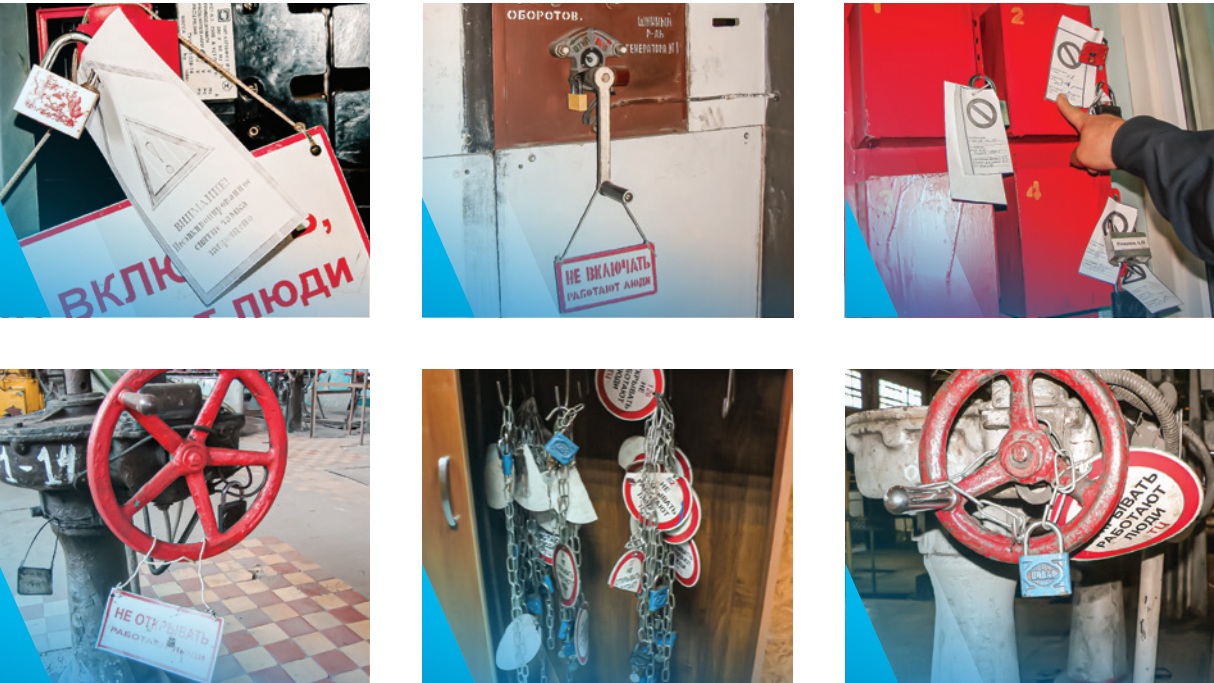
MREC: safety training during an on-site Safety Day



MREC: implementation of Lock Out - Tag Out (LOTO)



UK CHPP: implementation of Lock Out - Tag Out (LOTO)



8.6

ANTI-CORRUPTION AND BUSINESS ETHICS

KUS operates in regulated markets and undertakes significant procurement, investment and tariff-related activities.

WHY THIS IS MATERIAL

This topic is material because weaknesses in anti-corruption controls, procurement integrity or compliance culture could lead to legal

penalties, loss of trust, financing constraints and reputational damage. It is relevant across all KUS business units and key supplier relationships.

Primary SDG:

SDG 16



MANAGEMENT APPROACH

KUS maintains a Code of Business Ethics and a zero-tolerance approach to corruption. The Compliance Control Department, established in December 2023,

supports compliance with legislation, assesses compliance risks, monitors anti-corruption measures and works on automation of compliance processes.

Data point / information	2025 figure / status
Code of Business Ethics	Applies to all Group employees; approved 12 August 2016 (document owner: Human Resources).
Compliance function	Compliance Control Department established in December 2023; objectives include prevention, detection and reduction of compliance risks.
Training coverage	In 2025, the Company's anti-corruption activities focused on preventive measures, in particular familiarising employees with the approved anti-corruption and ethics policies. A quantitative training-coverage KPI is not reported for the period.
Whistleblowing / reports	During the 2025 reporting year, no official complaints or reports of violations of compliance procedures, ethical standards or corruption were recorded through the Company's internal reporting channels.
Confirmed corruption incidents	No confirmed incidents of corruption were recorded at Group level in 2025.

The Group's anti-corruption framework comprises the Anti-Corruption Policy (P-KKS-27-01, approved by resolution of the General Meeting of Participants on 25 November 2025; document owner: Compliance Control Department); the Code of Business Ethics (approved 12 August 2016; document owner:

HR); and the Conflict of Interest Policy (P-KKS-27-02, approved by the General Meeting of Participants).

A standard anti-corruption clause (an integrity and legal-compliance provision) is included, as a mandatory requirement, in all contracts

with the Group's suppliers and contractors. Procurement processes are conducted through the specialised electronic procurement platform in accordance with the applicable procurement rules, supporting transparency, equal access and fair competition among suppliers.

CASE STUDY: FAMILIARISING EMPLOYEES WITH COMPLIANCE POLICIES

As a practical example, in 2025 the Group carried out systematic work to familiarise employees with its key compliance policies. On joining, every new employee

signs an acknowledgement of the Anti-Corruption Policy (P-KKS-27-01) and the Conflict of Interest Policy (P-KKS-27-02). These policies

are also communicated regularly to existing staff through internal channels, supporting continuous awareness of business-ethics standards across the organisation.

8.7

AIR QUALITY AND POLLUTANT EMISSIONS

Primary SDG:

SDG 3



KUS operates thermal generation assets located in urban and industrial regions.

WHY THIS IS MATERIAL

Air quality and pollutant emissions are material because exceedances, permit issues or insufficient control technologies can lead to fines, operational

restrictions, community concerns and additional capital expenditure. The topic is especially relevant for KEC and UK CHPP generation assets.

MANAGEMENT APPROACH

KUS manages air emissions through environmental permits, industrial environmental control, emissions-control equipment and automated monitoring

systems. These include electrostatic precipitators, third-generation emulsifiers, automated emissions monitoring and related environmental-control activities.

Data point / information	2025 figure / status
NOx emissions	12,478 tonnes in 2025 (KEC + UK CHPP).
SOx emissions	20,780 tonnes in 2025 (KEC + UK CHPP).
Particulate matter / dust	7,109 tonnes in 2025 (KEC + UK CHPP).
Permit compliance	In 2025, Ust-Kamenogorsk CHPP received an administrative fine of KZT 25.302 million related to an exceedance of the permitted dust-emission limit at source No. 0010. The fine was paid and corrective measures were implemented to prevent recurrence. Separate administrative fines totalling KZT 6.5 million at UK CHPP were not related to exceedances of permitted air-emission limits.
Control technologies	Emissions-control technologies include dust-collection systems, automated emissions monitoring and best-available-technology (BAT)-related measures.
Mercury (Hg) and lead (Pb) emissions	Lead (Pb) and mercury (Hg) air emissions (SASB IF-EU-120a.1) are not separately determined within the current reporting system and are not included in the reported NOx, SOx and particulate-matter figures. Separate reporting is not planned under the current regulatory reporting approach.
Emissions in or near densely populated areas (%)	KEC and UK CHPP are located in urban and industrial regions. A quantified percentage of pollutant emissions occurring in or near densely populated areas is not available for this reporting cycle. (SASB IF-EU-120a.1)

8.8

CUSTOMER SERVICE RELIABILITY

Primary SDG:

SDG 9



The topic is relevant to KUS as a provider of electricity and heat services in regions where service continuity is socially significant.

WHY THIS IS MATERIAL

Reliable customer service can affect regulatory relationships, customer trust, complaint levels and the quality of engagement

during outages, connection requests and tariff changes. The topic is material because customer service quality

supports the broader objective of reliable, accessible and affordable energy services.

MANAGEMENT APPROACH

KUS's distribution and sales functions handle customer interactions, connection requests, complaints and service-quality matters in accordance with Republic of Kazakhstan electricity-sector legislation and internal customer-service regulations. Consumer enquiries and complaints are logged and managed through the "ARTA Synergy" electronic document-management system, with the sales departments (city and district sales sections) responsible for consumer interaction. Following the 2025 legal changes, sales activities are carried out through electricity distribution companies, while the Customer Service Centre is retained as a single point of contact so that service continuity is maintained. In 2025 the sales units processed 6,866 incoming and 17,982 outgoing letters and 1,043 household-consumer enquiries (868 official responses), with no repeat enquiries on previously resolved matters recorded during the year. Complaint volumes are tracked at subsidiary level; Group-wide customer-satisfaction metrics are not yet compiled on a consistent basis, and establishing them is identified as an area for further development.

Data point / information	2025 figure / status
Customer base	More than 1.105 million individual customers and more than 54,000 legal entities.
Customer service standards	Customer service is governed by the OZhT subprocess map "Customer Service Organisation" (KPP-OZhT-04-09-25), which defines the intake, registration and handling of enquiries, complaints and applications and the consulting of customers, and is applied by the head of the Customer Service Centre.
Complaints received	Complaints are centrally logged at the Customer Service Centre and handled within the timeframes set by RK legislation. OZhT: 8,121 complaints received and 8,121 resolved (100%) in 2025. Karagandy Zharyk: 121 complaints in 2025, relating to the technical condition of networks, emergency outages, low voltage, meter-reading procedures and staff conduct; each was reviewed within 15-30 calendar days and answered in writing, and a number of the complaints related to other grid operators. Complaint volumes are monitored relative to total enquiries as an operational service indicator.
Customer satisfaction	OZhT uses feedback mechanisms - reviews, enquiries, complaints, suggestions and applications received via e-services, official email, written requests and in person at the Customer Service Centre - to assess satisfaction and improve service quality. Karagandy Zharyk monitors complaint volumes relative to total enquiries as an operational service indicator; this should not be interpreted as a formal customer-satisfaction score. No dedicated customer-satisfaction survey was conducted in 2025 and no consistent Group-wide customer-satisfaction metric was compiled; feedback mechanisms are planned once the Customer Service Centre renovation is complete.

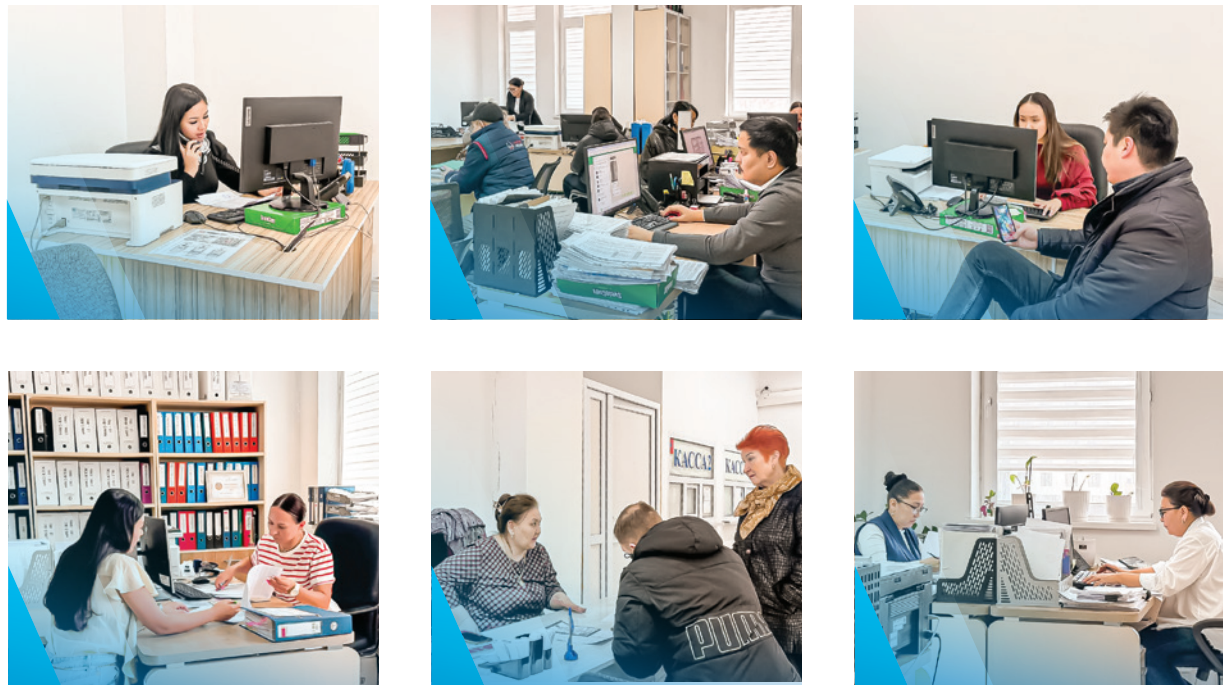
CASE STUDY: SINGLE-WINDOW SERVICE AND CONSUMER REFUNDS

Single-window practice (Mangystau region): around 18 grid operators transmit electricity in the region, and many billing-related enquiries require verification of commercial-metering data held by the grid operator. In 2025 the Customer Service Centre introduced a mechanism

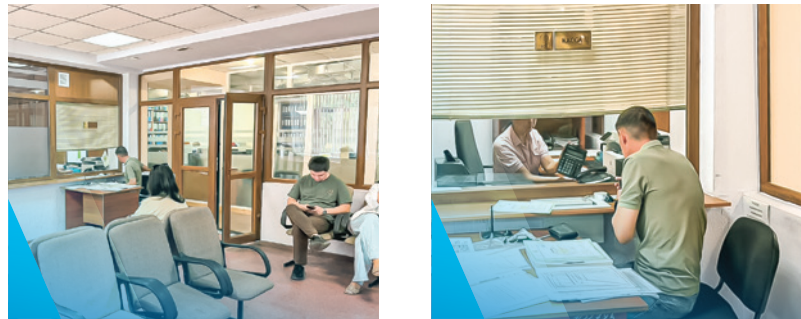
for handling such enquiries jointly with the grid operator on the spot, so consumers can resolve billing and metering questions in a single visit. This reduced resolution times and inter-agency correspondence, removed the need to redirect consumers and improved customer convenience.

Consumer refund (Karagandy Zharyk): on 23 September 2025 a consumer mistakenly paid KZT 70,000 instead of KZT 7,000 for electricity via the Kaspi app; the overpayment was refunded to the consumer's bank account within two business days.

'Single-window' practice (Mangystau region)



Karagandy Zharyk LLP (single-window principle)



8.9

SMART GRIDS AND END-USER EFFICIENCY

KUS is progressively digitalising its network operations,

including automated metering and loss reduction, to improve

the reliability and efficiency of electricity distribution.

WHY THIS IS MATERIAL

This topic is material because digital grid technologies and end-user efficiency can improve network visibility, reduce losses, support service quality, improve

billing accuracy and strengthen the long-term efficiency of distribution operations. It also demonstrates that KUS is monitoring the future

development of the energy sector and the role of digital infrastructure.

MANAGEMENT APPROACH

For KUS, the topic currently centres on automated commercial electricity metering systems, AMI metering rollout, network-loss monitoring, supervisory control

and data acquisition systems, and the gradual modernisation of grid operations. These systems support network visibility, billing accuracy and loss reduction, and

KUS continues to monitor wider developments in smart-grid and demand-side technologies as the sector evolves.

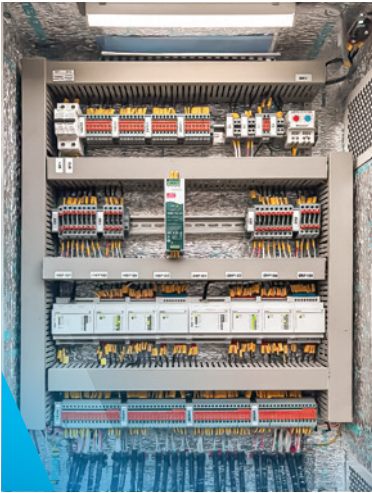
Data point / information	2025 figure / status
Automated metering rollout	OZHT (Ontustik Zharyk Transit, Shymkent), figures as at 1 June 2026 (latest available): the upper-level Automated Commercial Electricity Metering System (ACEMS) comprises 659 multifunction meters at 19 substations (Energomera CE6850M and Sayman Corporation SAR4U-E712) and operates normally. Shymkent consumers are fully metered (295,005 metering units, 100%). The lower-level ACEMS currently integrates 28,180 multifunction meters (14,995 meters and 114 data-collection devices from Energomera; 13,185 meters and 92 concentrators from Sayman), covering 8.31% of Shymkent consumers, with further installation planned. In 2025 OZHT also rolled out AMI smart metering for 0.4 kV networks in Shymkent and the Turkestan region. Karagandy Zharyk: ACEMS has operated since 2011, with the commissioning act agreed with KEGOC and Energoinform in 2014, and provides 100% coverage for interaction with KEGOC and legal entities supplied at 6 kV and above. At the latest available reporting date, at the 10/6/0.4 kV level 224,787 of 278,235 metering units (81%) are under ACEMS; at 6/10/35/110/220 kV, all 1,794 meters at 105 substations and all 394 meters at 32 distribution points are under ACEMS. Coverage spans Karaganda and Saran, with expansion to rural districts planned.
Network losses	Network losses are monitored at subsidiary level; Group network losses were 9.47% in 2025 against a revised plan of 9.44%. A consistent subsidiary breakdown is not disclosed in this reporting cycle.
Grid monitoring / digitalisation	Karagandy Zharyk and other transmission and distribution subsidiaries are implementing SCADA monitoring, measurement, alarm and communication systems, begun in 2021, both as standalone projects and as part of substation new-build and reconstruction. At the upper 35/110 kV level, equipment was installed at 28 substations in 2021-2022 and, together with earlier and reconstructed sites, 31 of the company's 105 substations (30%) are now SCADA-equipped. At the lower 6/10 kV level, work began in 2023 at 369 distribution and transformer points in Karaganda, with completion planned for 2027 and coverage expected to reach 17%, aimed at reducing the number and duration of technological-fault outages. Further SCADA expansion is planned for Karaganda, its satellite towns and rural districts.
Customer-facing efficiency	KUS did not operate dedicated customer-facing demand-response or efficiency programmes in 2025; it monitors these as developing sector trends and potential future measures.
Investment	Under its approved investment programmes, the Group is implementing an Automated Commercial Electricity Metering System (ACEMS) and SCADA systems as part of its network digitalisation. These initiatives represent the Group's principal smart-grid-related capital expenditure; specific capex amounts are not separately disclosed for this reporting period.
Electric load served by smart-grid technology (%)	The share of electric load served by smart-grid technology (SASB IF-EU-420a.3) is not yet quantified. As an interim measure, the Group intends to report the percentage of meters or customers covered by AMI/ACEMS systems, building on the 2025 AMI rollout at OZHT. (SASB IF-EU-420a.3)

CASE STUDY:
SCADA ROLLOUT
AT KARAGANDY ZHARYK

In 2025 Karagandy Zharyk continued its lower-level 6/10 kV SCADA rollout, installing telemetry and data-transmission equipment at 369 distribution and transformer points across

Karaganda. Completion is planned for 2027, reaching 17% SCADA coverage, with the expected benefit of fewer and shorter outages caused by technological faults.

SCADA implementation at Karagandy Zharyk



8.10

EMPLOYEE TRAINING AND DEVELOPMENT

Primary SDG:

SDG 4



KUS operates high-voltage networks and thermal

generation facilities where continuous training supports

safety, operational reliability and workforce resilience.

WHY THIS IS MATERIAL

This topic is material because insufficient technical competence can increase safety

incidents, outages, operational inefficiency and compliance risk. Training also supports attraction

and retention of qualified specialists in a technically complex sector.

MANAGEMENT APPROACH

KUS manages workforce development through subsidiary-level annual training plans covering advanced training, re-certification, occupational

safety, technical competence, environmental management and professional development. In 2025, 7,864 people were trained, representing 86.28%

of the workforce, at a total cost of KZT 50,465,098. Total training hours were 200,959, equal to approximately 22.05 hours per employee.

Data point / information	2025 figure / status
Training participants	7,864 people trained in 2025.
Participation rate	86.28% of total employees.
Training costs	KZT 50,465,098 in 2025.
Total training hours	200,959 hours.
Average training hours	22.05 hours per employee.
Technical certifications	The number of technical and safety certifications completed in 2025 is not separately compiled at Group level for this reporting cycle and is identified as a future-reporting enhancement.

Employee training and development is governed by the Group's internal regulatory documents covering the organisation of training and the work of the standing examination and appeals commissions. Selected subsidiary-level examples

include 5,097 employees at Karagandy Zharyk, delivered through 16 training courses and 4 training seminars totalling 7,680 hours, and 632 employees at OZhT. These examples do not constitute a complete reconciliation of the Group total.

METRICS, TARGETS

and 2025 performance dashboard

This chapter brings together the key performance indicators across the ten material topics. Where formal targets are not yet approved, the

report discloses the baseline or current management indicator and explains the planned improvement path. Where a data point is not yet

consistently tracked across the Group, it is identified as a future-reporting enhancement rather than estimated.

Material topic	Key KPIs	2025 status
Energy affordability	Customer count; tariff developments; complaints; affordability measures	Customer base and 2025 tariff developments reported. Subsidiary-level complaint data are disclosed in Section 8.8; Group-level disconnection data are not available.
Physical climate hazards	Climate incidents; weather-related outages; SAIDI/SAIFI; resilience projects	Climate risk register and 2025 weather-incident data reported. The 220 weather-related disruptions relate to Karagandy Zharyk.
GHG emissions and energy resource planning	Scope 1; Scope 2; Scope 3 roadmap; GHG intensity; ETS quota	Scope 1 emissions, GHG intensity and ETS quota are reported. Scope 2 emissions have not been assessed in this reporting cycle. Accordingly, no conclusion on their materiality is presented. Scope 3 emissions have not been assessed in this reporting cycle. Screening of relevant categories may be considered in future reporting cycles to support further alignment with IFRS S2.
Grid reliability	Network length; SAIDI/SAIFI; network losses; outage data; ACEMS/SCADA	Network length, transmission data, subsidiary-level SAIDI and SAIFI, and Group network losses are reported. A harmonised Group-level reliability methodology, including CAIDI and the treatment of major event days, remains a future-reporting enhancement.
Workforce health and safety	TRIR; LTIR; fatalities; severe injuries; contractor coverage; safety training	2025 incident figures reported on an own-personnel basis, excluding contractor hours and incidents. Group-level TRIR and LTIR are not disclosed for 2025 because a consistent Group-level calculation methodology and Group-wide hours-worked denominator were not available for this reporting cycle.
Anti-corruption and business ethics	Training coverage; reports; confirmed incidents; supplier clauses	Compliance function, policies and 2025 status reported; no confirmed corruption incidents and no whistleblowing reports recorded.

Air quality and pollutant emissions	NOx; SOx; PM/dust; permit compliance; environmental fines	NOx, SOx and particulate emissions reported. One administrative fine of KZT 25.302 million at UK CHPP related to an exceedance of a permitted dust-emission limit; corrective measures were implemented. Other environmental fines totalling KZT 6.5 million were unrelated to emission-limit exceedances.
Customer service reliability	Complaints; resolution rate; response time; satisfaction data	Complaint volumes reported at subsidiary level. The introduction of a consistent Group-wide complaints and customer-satisfaction metric has been identified as a future reporting improvement measure.
Smart grids and end-user efficiency	ACEMS/AMI coverage; network losses; digitalisation capex; efficiency programmes	Metering and SCADA coverage and Group network losses are reported. Quantification of the share of electric load served by smart-grid technology has been identified as a future reporting improvement measure.
Employee training and development	Participants; participation rate; training hours; training cost; certifications	Training participation, hours and cost reported; certification counts identified as a future-reporting enhancement.

9.1 TARGET-SETTING ROADMAP

KUS's approach to target-setting is at an early stage, consistent with this being its first reporting cycle prepared with reference to IFRS S1 and IFRS S2. The report distinguishes between proposed targets, established baselines, current management indicators and areas where targets remain to be developed. Proposed targets are not presented as formally approved public commitments.

For climate and GHG emissions, a proposed 2025 GHG-intensity baseline of 0.641 tCO₂e/MWh is presented, with proposed intensity targets of 0.625 tCO₂e/MWh by 2030 and 0.609 tCO₂e/MWh by 2035. ² The proposed GHG-intensity targets remain subject to formal KUS approval and depend on asset modernisation, renewable-energy development and the potential introduction of complementary lower-carbon fuels alongside coal. For the other material topics, the

report presents 2025 baselines and current indicators - across grid reliability, workforce safety, air quality, customer service and employee training - while formal Group-level targets, consolidation methodologies and ownership are still being developed.

Future reporting cycles may include the formalisation of targets and the expansion of consolidated Group-level metrics as KUS's data systems and disclosure framework mature.

² Note: Climate and GHG emissions targets include only Scope 1 emissions.

ANNEXES

ANNEX A: LIST OF ABBREVIATIONS

Abbreviation	Full name / note
ACEMS / AMI	Automated Commercial Electricity Metering System / Advanced Metering Infrastructure.
AIX	Astana International Exchange
BAT	Best Available Techniques
BESS	Battery Energy Storage System
BU	Business unit
CAPEX	Capital expenditure
CH ₄	Methane
CHPP	Combined heat and power plant
CO ₂	Carbon dioxide
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPI	Consumer Price Index
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
GHG	Greenhouse gas
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
IFRS S1	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS S2 Climate-related Disclosures
ISO	International Organization for Standardization

ISSB	International Sustainability Standards Board
JSC	Joint Stock Company
KEC	Karaganda Energocenter LLP
KKS	Kazakhstanskiye Kommunalnye Sistemy / Kazakhstan Utility Systems
KPI	Key Performance Indicator
KRREM	Committee for Regulation of Natural Monopolies (Republic of Kazakhstan tariff regulator)
KUS	Kazakhstan Utility Systems LLP / Group
KZ ETS	Kazakhstan Emissions Trading System
KZh	Karagandy Zharyk LLP
KZT	Kazakhstani Tenge (national currency)
LLP	Limited Liability Partnership
LTIR	Lost Time Injury Rate
MREC	Mangystau Regional Electric Grid Company JSC
MW	Megawatt
MWh	Megawatt-hour
N ₂ O	Nitrous oxide
NO _x	Nitrogen oxides
OZhT	Ontustik Zharyk Transit LLP
PM	Particulate matter
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SASB IF-EU	SASB Electric Utilities & Power Generators industry guidance
SCADA	Supervisory Control and Data Acquisition
SDG	United Nations Sustainable Development Goal(s)
SO _x	Sulphur oxides
tCO ₂ e	Tonnes of carbon dioxide equivalent
TRIR	Total Recordable Incident Rate
UK CHPP	Ust-Kamenogorsk CHPP LLP

ANNEX B: IFRS S1/S2 DISCLOSURE INDEX

This index maps key disclosure areas to the draft report. The report is prepared with reference to IFRS S1 and IFRS S2 and does not assert full compliance.

IFRS S1 (General Requirements for Disclosure of Sustainability-

related Financial Information) and IFRS S2 (Climate-related Disclosures) are the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), part of the IFRS Foundation; they are commonly referred to as the

“ISSB Standards”. This report adopts their core structure - governance, strategy, risk management, and metrics and targets - and is prepared with reference to, rather than in full compliance with, IFRS S1 and IFRS S2 in this first reporting cycle.

Disclosure area	Requirement / topic	Report section
IFRS S1 - Governance	Governance body / management oversight of sustainability-related risks and opportunities	Section 5
IFRS S1 - Strategy	Sustainability-related risks and opportunities affecting business model and strategy	Sections 2, 3, 4, 8
IFRS S1 - Risk management	Processes to identify, assess, prioritise and monitor sustainability-related risks	Sections 3, 6, 8
IFRS S1 - Metrics and targets	Metrics, baselines and targets for material topics	Section 9; proposed targets are not yet formally approved.
IFRS S2 - Governance	Climate-related governance and oversight	Sections 5, 7
IFRS S2 - Strategy	Climate-related risks and opportunities and transition priorities	Section 7 (qualitative only)
IFRS S2 - Financial effects	Current and anticipated financial effects of climate-related risks and opportunities on financial position, financial performance and cash flows	Financial effects are described qualitatively in this reporting cycle (Section 7). Quantification may be developed in future reporting cycles as methodologies and data mature.
IFRS S2 - Risk management	Climate risk identification and assessment process	Sections 6, 7.1, 8.2 (initial qualitative register available)

IFRS S2 - Scope 1 GHG	Gross Scope 1 emissions and methodology	Section 7.3; installation-level GHG inventories for KEC and UK CHPP, the current disclosure boundary and reported Scope 1 emissions are provided. The detailed GHG-intensity calculation methodology is not included in this reporting cycle.
IFRS S2 - Scope 2 GHG	Scope 2 emissions	Scope 2 emissions have not been assessed in this reporting cycle. Future assessment may be considered as the reporting framework develops.
IFRS S2 - Scope 3 GHG	Relevant Scope 3 categories	Scope 3 emissions have not been assessed in this reporting cycle. Screening of relevant categories may be considered in future reporting cycles to support further alignment with IFRS S2.
IFRS S2 - Climate targets	Climate-related targets and progress	Proposed targets are disclosed in Sections 4.3, 7.2 and 9.1 and remain subject to formal KUS approval.
IFRS S2 - Capital deployment	Amount of capital expenditure, financing or investment deployed toward climate-related risks and opportunities	Not disclosed in this reporting cycle; to be considered in future cycles
IFRS S2 - Internal carbon price	Whether and how an internal carbon price is applied in decision-making	No internal carbon price is disclosed for this reporting cycle.
IFRS S2 - Remuneration	Whether and how climate-related considerations are factored into management remuneration	Climate-related considerations were not factored into management remuneration in 2025.
IFRS S2 - Industry-based metrics	SASB Electric Utilities & Power Generators (IF-EU) topics relevant to KUS: GHG emissions and energy resource planning, air quality, energy affordability, workforce health and safety, end-use efficiency and demand, grid resiliency, and activity metrics.	Relevant topics addressed within Sections 2, 7.3, 8.1, 8.4, 8.5, 8.7 and 8.9; Coal ash management and water management assessed as not material (Section 3).
IFRS S2 - Risk & opportunity exposure	Cross-industry metrics: amount and percentage of assets and business activities vulnerable to transition and physical climate risks, and aligned with climate-related opportunities	Risks and opportunities described qualitatively in Sections 7.1, 8.2; quantified exposure metrics not included in this reporting cycle and identified as a potential future enhancement.
IFRS S2 - Scenario analysis	Climate resilience and scenario analysis	Not undertaken in this reporting cycle; to be considered as disclosures develop