



# GOLDEN PROSPECTS FOR A SUSTAINABLE FUTURE

2023

SUSTAINABLE DEVELOPMENT REPORT

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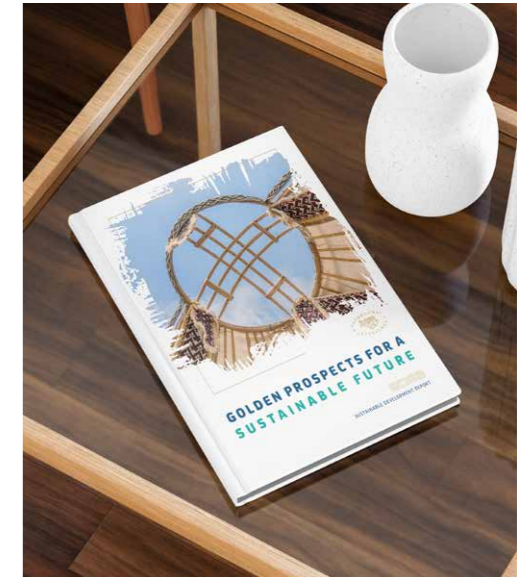
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The full version of the Report can be downloaded on the Company website: [altynalmas.kz](http://altynalmas.kz)



# GOLDEN PROSPECTS FOR A SUSTAINABLE FUTURE

# 2023



# Address of Chief Executive Officer



GRI 2-22

**Dear colleagues,**

I am pleased to present the Sustainability Report 2023 of AK Altynalmas JSC (hereinafter referred to as Altynalmas, the Company, the Group), which clearly reflects our achievements and the strategic direction of the Company.

In 2023, the team of AK Altynalmas JSC continued its path to sustainability, which defined the Company's strategy for the future years. We have set five corporate values – safety, cooperation, professionalism, innovation

and sustainable development, which occupies a special place among our values.

Altynalmas declared this year as the Year of Compliance in the Company, thus conveying the importance of compliance with legal requirements and standards of behavior in the market, fair treatment of employees and partners – everything that defines the compliance direction.

In the reporting year, Altynalmas successfully passed the supervisory audit for compliance with ISO 45001, 14001 and 9001 standards, and completed the certification audit for ISO 37001. These are high international standards of which we are proud and which set a quality approach to work in any major company in our industry.

In 2023, Altynalmas approached the final part of voluntary certification for compliance with the requirements of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold. I would like to note that the Cyanide Code is an efficiency-oriented certification program using best practices for the management of cyanide in gold mining. This appreciation and trust are a professional recognition for us on the global stage.

In 2020, Altynalmas implemented the Safety and Health Golden Rules. And in 2023, the Green Rules, which define key requirements for compliance with environmental safety, were implemented at all the Company's enterprises. They were based on the current environmental legislation of our country and the experience of leading mining companies in the field of environmental protection. The Green Rules now operate on a par with the Golden Rules for employees, guests of operational sites and suppliers. The Code includes rules on waste management, air protection, water and soil protection. Environmental Protection Department of Altynalmas has also

developed training materials and provides training on the Green Rules to all employees. These documents are used as handbooks.

In 2023, all enterprises began conducting research and development work to study the impact of production factors on environmental components and biodiversity. The purpose of such studies is to determine the impact of production factors on environmental components and biodiversity. We pay special attention to analysis, research and qualitative assessment of the results obtained in order to exclude negative factors and incorporate useful conclusions.

The past year did not pass for us without celebratory events, and this is undoubtedly an achievement of our big team! Altynalmas entered the top 3 best employers of Kazakhstan among mining and metallurgical enterprises, we won silver in a fair assessment of the researchers of this rating. Among all companies of our country, Altynalmas took the honourable 7<sup>th</sup> place out of 84. Moreover, in 2023, the Company was awarded the Grand Prix in the prestigious HR Impact Awards Nomination. HR Impact Award is a prestigious recognition for the best solutions in HR management using modern strategies, methods and technologies.

Ensuring safe working conditions is a priority for our Company. In 2023, we achieved our goal of a Zero Fatalities Year. Last year, we also completed a pilot project on the "Blind Spots Monitoring System on Heavy Duty Haul Trucks" at the Pustynnoye Deposit. The objective of the project is to ensure the safety of heavy-duty haul trucks and mining equipment during operations, loading and unloading maneuvers.

Also in 2023, Altynalmas employees participated in flood control activities in Shortandy District, where Prigorodny Rural District was flooded, as well as Kamyshenka Village in Astrakhan District, Akmola Region. Near Prigorodny, our colleagues carried out blasting operations on the Koluton River, which had

overflowed its banks by 100 meters, to clear ice jams and free up the riverbed to drain melt water. Altynalmas, together with other national companies, allocated KZT 40 billion, building 100 new houses in Petropavlovsk and buying flats to help Kazakhstanis who became homeless and were affected by the unprecedented floods.

In the reporting period, our Company's ESG Strategy was recognised as the best in the Golden Hephaestus Industry Competition at the 13<sup>th</sup> Astana Mining & Metallurgy Congress, which once again showed that we are moving in the right direction.

In conclusion, I would like to note that the positive and beneficial ESG practices are an integral part of high engagement of all Altynalmas and have a favourable impact on operational and financial performance, building the Company's value and reputation.

**Sincerely, Balamir Makhanov,  
Chief Executive Officer of AK Altynalmas JSC**

# 01

## ABOUT THE COMPANY

08 General Information

11 Business Model

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# GENERAL INFORMATION

GRI 2-1, 2-6

## AK ALTYNALMAS JSC IS A COMPANY THAT PROVIDES A FULL CYCLE OF GEOLOGICAL EXPLORATION, GOLD MINING AND PROCESSING.

The main activities of the Altyntalmas Group include:

- Geological exploration;
- Mining and processing of gold-bearing ore;
- Design and performance of construction and assembly work;
- Financing of scientific research, design development and survey;
- Construction and modernisation of enterprises engaged in exploration, mining and processing of precious metals.

### ALTYNALMAS TODAY



Altyntalmas ranks among the top 3 largest gold producers in Kazakhstan both in gold production and resource capacity.



Altyntalmas ranks first by the number of gold deposits and is the leader among gold mining companies by the number of regions where it operates.



Company's assets are present in 4 regions of Kazakhstan: Akmola, Abai, Zhambyl and Karaganda regions.



Resources (including indicated and inferred) – 22 million ounces, average grade – 2.61 g/ton.



Mineral resources are processed at own gold processing plants (GPP) Akbakai, Pustynnoye, Dolinnoye, Aksu 2, Zholymbet, as well as in processing plant and the plant for historical tailings (HT) processing in Aksu QH.

## PRODUCTS OF THE COMPANY

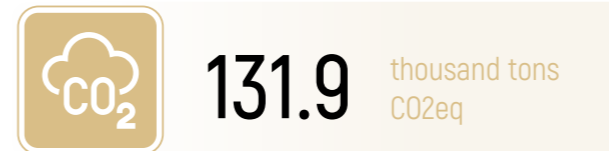
Gold Doré bars, which are sent to the Tau-Ken Altyntalmas LLC refinery in Astana for further processing. The main buyer of refined gold is the National Bank of Kazakhstan. In addition to gold, Altyntalmas produces and sells

silver and precious metal by-products. The Company is also actively engaged in the design and construction of industrial facilities for the mining and processing of precious metals.

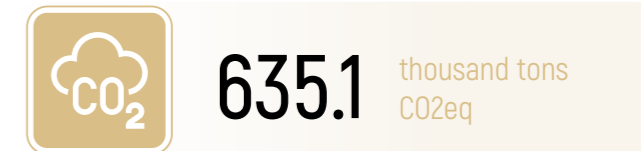
## SUSTAINABLE DEVELOPMENT

### OVERVIEW OF KEY SUSTAINABILITY PERFORMANCE INDICATORS FOR 2023

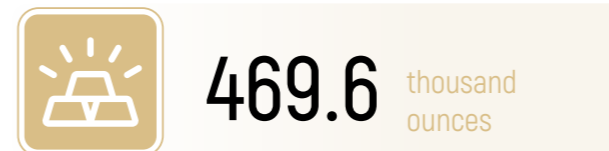
#### Total Scope 1 GHG Emissions



#### Total Scope 2 GHG Emissions



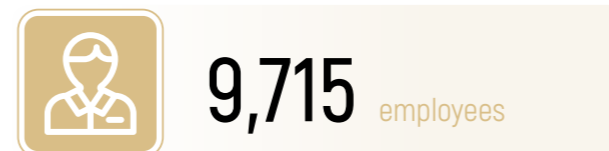
#### Gold Output



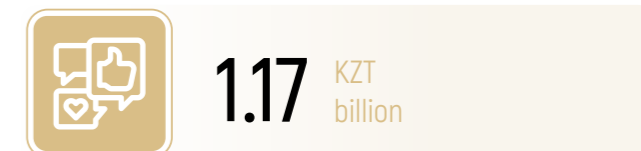
#### LTIFR (Lost Time Injury Frequency Rate)



#### Average Headcount



#### Social Investments



Altyntalmas is aware of its impact on society and the environment, builds mutually beneficial relationships with stakeholders, and works to create a business model that provides for all possible consequences throughout all stages of the Company's life cycle. The Company's corporate values lay the foundation for sustainable development, and adherence to them is a prerequisite for our activities.



# Business Model

Our business model is based on our core competences in gold mining and processing, as well as on respecting the interests of all stakeholders. We are pursuing sustainable development, taking into account social

and environmental factors, to ensure the prosperity of our Company and the regions in which we live.

## BUSINESS PROCESSES OF ALTYNALMAS

### GEOLOGICAL EXPLORATION



Geological exploration activities defining the resource and reserve base of the deposit according to the State Reserve Commission and JORC standards

### PRE-DESIGN ACTIVITIES



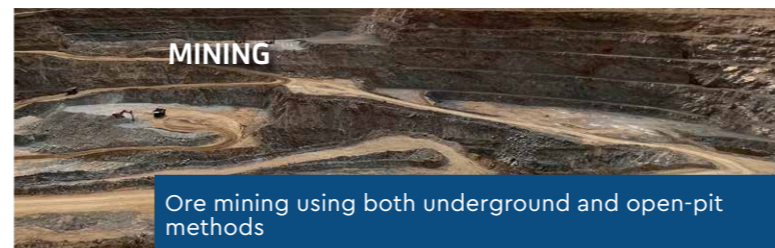
Identification of ore mining and processing technologies and conducting feasibility studies of potential projects (from Concept to Feasibility Study).

### CONSTRUCTION



Mine development and plant construction activities under the EPC

### MINING



Ore mining using both underground and open-pit methods

### PROCESSING



Full cycle processing to produce dore gold



### MISSION

We convert the subsoil potential into golden opportunities for society, employees, investors and other stakeholders. The Company's areas of operation include geological exploration, pre-design, construction, mining and processing.



### VISION

To become the leading company in the Central Asian gold mining sector. The Company's priority geography of interest is Kazakhstan.

### VALUES

SUSTAINABLE DEVELOPMENT	COOPERATION
INNOVATION	SAFETY
PROFESSIONALISM	

The Company operates within the framework of the 2021–2025 Corporate Strategy, and its activities are based on the basic strategic goals.

### INVESTING IN GEOLOGICAL EXPLORATION

The Company actively invests in prospecting and exploration of new deposits. Over the last five years (from 2019 to 2023), the Company has implemented and is implementing 8 geological exploration projects. Total investments – more than KZT 6 billion.

### MODERNISATION OF OPERATIONAL SITES

The Company's operational site was previously modernised with the complete conversion of manual labour to mechanised labour, and a digitalisation program was introduced as part of the Digital Mine Project.

### FAIR TREATMENT OF EMPLOYEES AND PARTNERS, COMFORTABLE WORKING ENVIRONMENT

2023 was declared the Year of Compliance in the Company, thus conveying the importance of compliance with legal requirements and standards of behavior in the market, fair treatment of employees and partners.

### COMMITMENT TO SUSTAINABLE DEVELOPMENT PRINCIPLES

The Company's ESG strategy was recognised as the best in the Golden Hephaestus Industry Competition at the 13<sup>th</sup> Astana Mining & Metallurgy Congress. Altylnalmas was the first to implement Green Rules at its facilities, which set out the key requirements for environmental safety at its operations.

In a survey conducted by PwC Kazakhstan among 96 organisations, the Company was ranked 8<sup>th</sup> among the best practices of sustainability disclosure in Kazakhstan.

## WHAT MAKES ALTYNALMAS DIFFERENT FROM OTHER COMPANIES?



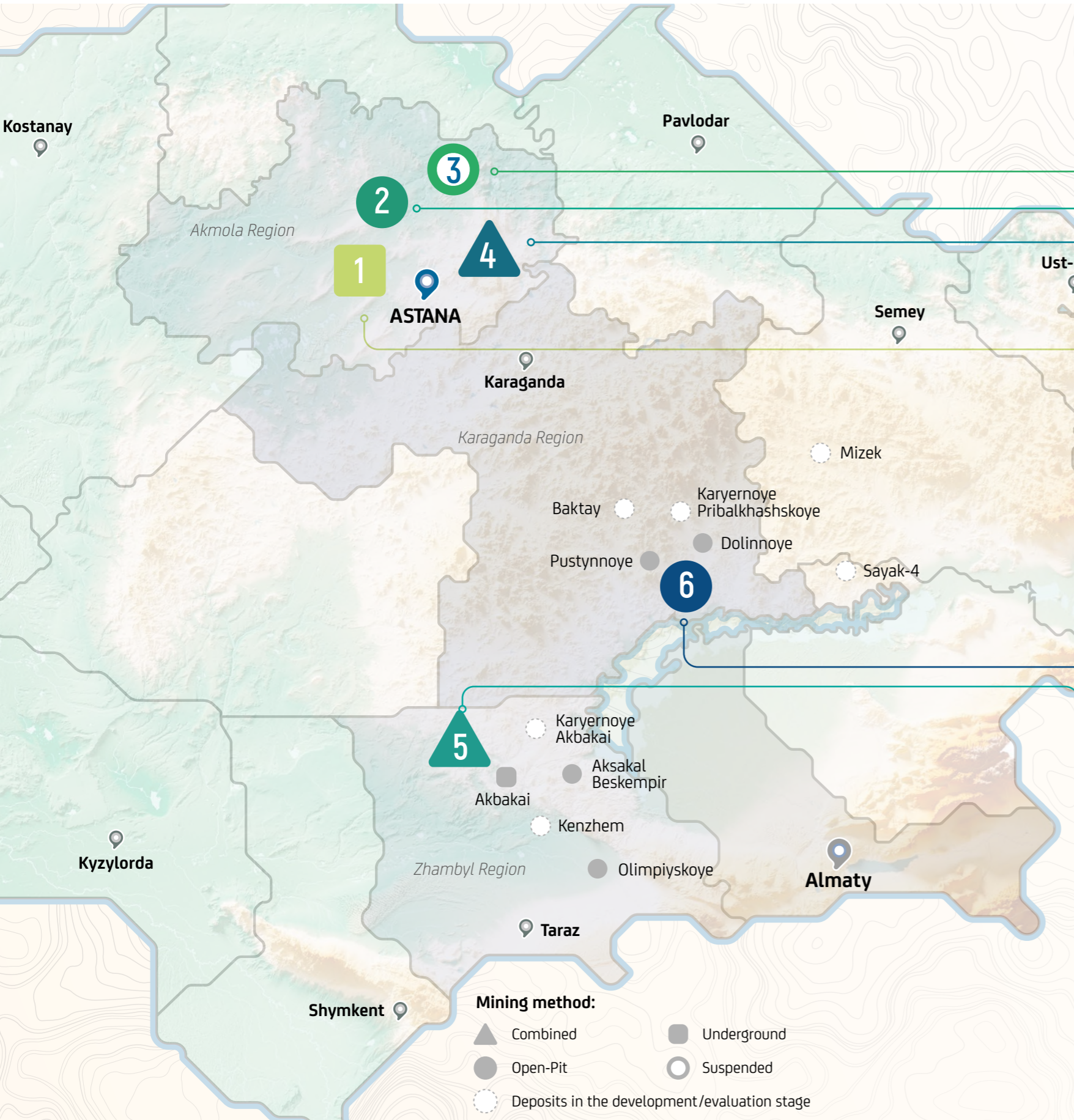
### CREATING FAVOURABLE CONDITIONS FOR EMPLOYEES

In 2023, the Company entered the top 3 best employers in Kazakhstan, ranking 2<sup>nd</sup> among mining and metallurgical enterprises.

### LOCAL COMMUNITY ENGAGEMENT, IMPROVING THE QUALITY OF LIFE OF THE LOCAL POPULATION

The Company actively engages with the local community and maintains a dialogue with key stakeholders, invests in infrastructure development and improvement of settlements.

# Geographic Reach



## AKSU PROJECT

ORE MINING	263.7 kilotons
AVERAGE HEADCOUNT	857 employees
LTIFR	0
GHG EMISSIONS (SCOPE 1)	8,882 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	76,992 t CO <sub>2</sub> eq

## AKSU 2 PROJECT

ORE MINING	6,306.7 kilotons
AVERAGE HEADCOUNT	837 employees
LTIFR	0.24
GHG EMISSIONS (SCOPE 1)	36,438 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	182,486 t CO <sub>2</sub> eq

## BESTOBE PROJECT

ORE MINING	0.407 kilotons
AVERAGE HEADCOUNT	768 employees
LTIFR	0.58
GHG EMISSIONS (SCOPE 1)	0 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	1,015 t CO <sub>2</sub> eq

## ZHOLYMBET PROJECT

ORE MINING	1,797.6 kilotons
AVERAGE HEADCOUNT	1,099 employees
LTIFR	0.54
GHG EMISSIONS (SCOPE 1)	10,264 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	95,799 t CO <sub>2</sub> eq

## AKBAKAI PROJECT

ORE MINING	1,289.3 kilotons
AVERAGE HEADCOUNT	1,225 employees
LTIFR	0.27
GHG EMISSIONS (SCOPE 1)	13,193 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	75,062 t CO <sub>2</sub> eq

## PUSTYNNNOYE PROJECT

ORE MINING	4,390.3 kilotons
AVERAGE HEADCOUNT	1,163 employees
LTIFR	0.64
GHG EMISSIONS (SCOPE 1)	60,509 t CO <sub>2</sub> eq
GHG EMISSIONS (SCOPE 2)	203,774 t CO <sub>2</sub> eq

Note: Scope 1 GHG emissions reported for the projects do not include head office emissions and fuel consumption of AA Mining LLP machinery leased to the Company's production facilities

### ESG-RELATED HIGHLIGHTS

GRI 2-1

## January



On January 21, Altynalmas celebrated its 30th anniversary;

Altynalmas gold mining company was chosen as an accredited observer of Qazaq Green RES Association.

## February



Commencement of the phased transfer of the production process from the Zholymbet gold processing plant to the Kazakhaltyn Technology LLP processing plant;



Altynalmas is preparing for International Cyanide Management Code (ICMI) certification at the Pustynnoye MPC, emphasising its commitment to the safe use and disposal of cyanide in its operations.

## April

As part of the Digital Mine Program, a Wenco system was implemented at Altynalmas' Aksu 2 operational site.



The Company organised environmental and industrial safety classes for pupils in Aksu and Zholymbet Villages. Such events for children are timed to coincide with Earth Day and World Day for Safety and Health at Work, the Company reported.

## May

Balamir Makhonov was appointed Chief Executive Officer of AK Altynalmas JSC by the Resolution of the Board of Directors.



Launch of the second stream of training for women to drive heavy-duty machinery as part of the Women in Mining Program started by the Company at the end of 2022.

The Company helped local communities in Karaganda and Akmola Regions to combat floods, providing equipment, pipes, pumps and specialists.

## June



Altynalmas strategy was recognised as the best at the 13th Mining and Metallurgical Congress. The Company's successful cases in environmental friendliness, digitalisation, site management, social responsibility practices and gender equality were noted.

Altynalmas has developed Green Rules, the implementation of which was timed to coincide with World Environment Day.

Zhasyl Akbakai Project was launched in Zhambyl Region: more than 80 saplings of fruit trees were planted within Akbakai operational site, Moyinkum District.

## August

Start of restoration work at Bestobe operational site;



Altynalmas took part in the Road to School Republican Campaign. On the eve of the school year, the Company presented school kits to Akmola Region children.

## September



Altynalmas received the HR Impact Award at the Human Capital Forum Industry Event.



# Overview of Financial and Operating Performance

GRI 201-1

**Our approach:**

Growth, transparency and social responsibility are at the heart of our Company's strategy. Our activities are focused on supporting social and economic progress in the regions through providing new work opportunities, local business development and community engagement, as well as paying taxes.

**Our Guidelines**

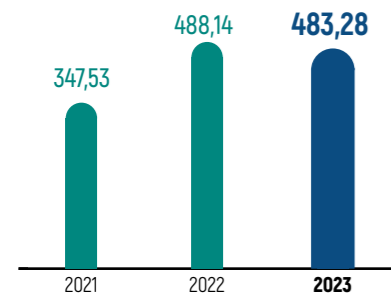
- **The Accounting and Financial Reporting Act of Republic of Kazakhstan**, which regulates accounting and financial reporting based on International Financial Reporting Standards (IFRS).

**International Financial Reporting Standards (IFRS).**

- The standards govern the presentation and disclosure of financial information.
- **The Tax Code of Republic of Kazakhstan**, which determines the tax liabilities to be disclosed in the financial statements, including the calculation of tax payments and liabilities.
- **The Securities Market Act of Republic of Kazakhstan**, which regulates the reporting of joint stock companies and requirements for public disclosure of financial information.

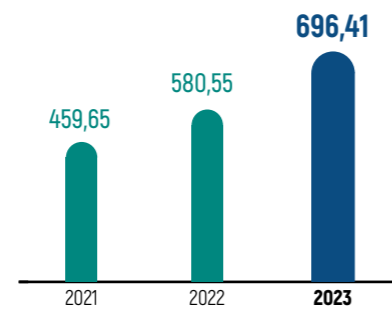
## KEY FINANCIAL INDICATORS

Revenue, KZT billion



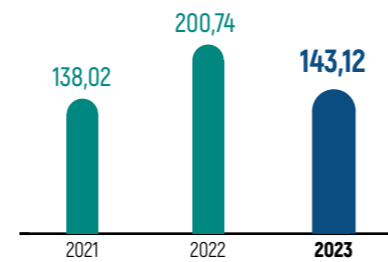
In 2023, revenue was KZT 483 billion, down 1% from KZT 488 billion in 2022.

Cash costs, KZT thous. per gold equivalent ounce



Cash costs per gold equivalent ounce increased by 20% from KZT 581 thousand to KZT 696 thousand.

EBITDA, KZT billion



EBITDA decreased by 29% to KZT 143 billion compared to KZT 201 billion in 2022.

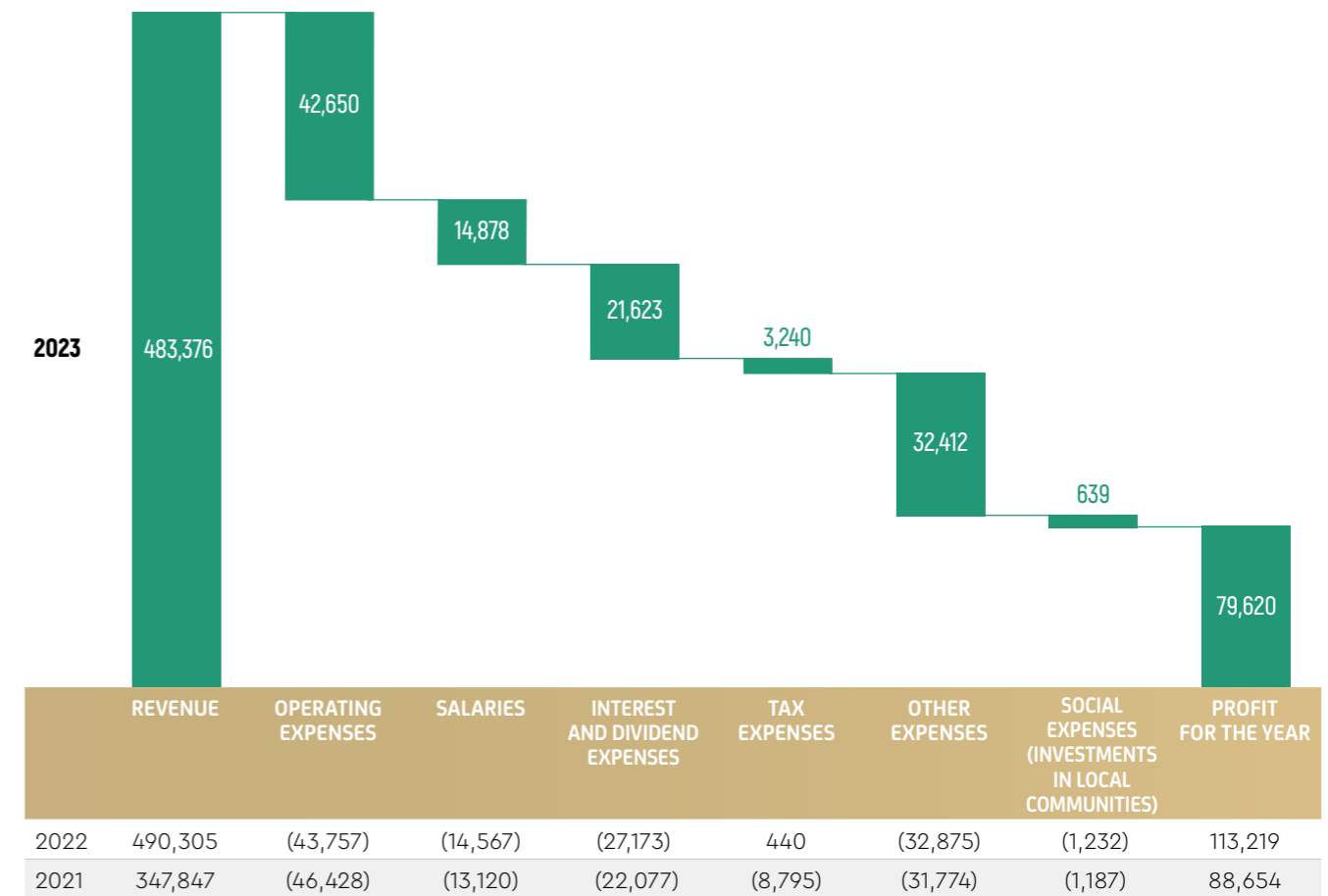
## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GRI 201-1, 207-1, 207-2, 207-3

One of the most significant and valuable contributions we can make locally is the economic value we bring to our shareholders and the regions of our operation. The Company recognises that the long-term success of any business depends on maintaining social and economic stability in the regions of operation and in the country as a whole, on ensuring mutually beneficial relationships with stakeholders,

and on the quality of working conditions and employees safety. We are committed to openly inform our founders, partners, employees and other stakeholders about the results of economic value generation. Disclosure of this indicator allows the Company's stakeholders to see how AK Altynalmas JSC generates and distributes economic value for the reporting period.

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, KZT THOUSAND



**Amount paid to the state budget in 2023**



**76** KZT bln

**The main activity of AK Altynalmas JSC**



Gold mining

**TAXES**

AK Altynalmas JSC Group is a major taxpayer subject to tax monitoring and strictly complies with the tax legislation of Republic of Kazakhstan. The Group is contributing substantially to local social and economic development through tax payments to local and state budgets. In 2023, the Company paid KZT 76 billion to the state budget.

The Group follows the Tax Accounting Policy approved by the Altynalmas Executive Committee. [For more detailed information please refer to the Audited Financial Statements of the Company.](#)

**TAXES, KZT MLN**

	2023
Country	Republic of Kazakhstan
Headcount	9,052
Sales revenue	483,376
Profit (loss) before tax	75,840
Tangible assets less cash and cash equivalents	423,921
Income tax accrued on profit (loss)	3,780
Total employee benefits (incl. appropriate taxes)	(60,885)
Tax charges levied on customers	0
Industry tax levies and other taxes or payments to the government	(37 021)
Significant uncertain tax positions	0

**GROUP'S APPROACH TO TAXATION**

**CONTROL IMPLEMENTATION**



To achieve our goals, we have implemented strictly regulated tax accounting and reporting processes, as well as control methods.

All material transactions are subject to review and agreement at various management levels within the Company.

For each applicable change in Kazakhstan tax legislation or court practice is analysed to determine whether new control methods are needed and the Company takes appropriate action.

**TAX PLANNING**



In carrying out its activities, the Company does not apply aggressive tax planning methods and complies with the requirements of applicable tax legislation.

The taxes paid are consistent with the actual activities performed.

**APPROACH TO TAX RISK MANAGEMENT**



The Director of Tax Department is responsible for managing tax risks and ensuring that appropriate processes and systems are in place to control them.

The Group's tax strategies and tax structures are continually monitored to ensure that they are in line with ongoing changes in Kazakhstan tax legislation.

**INTERACTION WITH TAX AUTHORITIES AND OTHER STAKEHOLDERS**



The Company favours transparent interaction and open communication with the tax authorities, ensuring that all reporting required under the legislation of the Republic of Kazakhstan is provided in a timely manner.

AK Altynalmas JSC Group is an active member of industry associations that facilitate an open constructive dialogue with government authorities. This allows the management to be up to date with key trends in taxation development.

Stakeholders can ask any tax-related questions using the contact details on official website of the Company. Our tax transparency helps us build trust and strong relationships with local communities in the regions where the Group operate.

**INFORMATION DISCLOSURE**



The Group complies with all disclosure rules and requirements in accordance with the legislation and the Tax Code of the Republic of Kazakhstan.

The Company also submits a national report on tax and non-tax payments as required by the Extractive Industries Transparency Initiative (EITI) Standard in Kazakhstan.

# 02

## SUSTAINABILITY MANAGEMENT

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- 36 Description of Material Risks
- 42 Climate Risks
- 44 Stakeholder Engagement
- 45 Emerging Risks



### OUR APPROACH

GRI 2-23, 2-24, 2-28, 415-1

#### OUR GUIDELINES



##### INTERNAL REGULATIONS:

1. The Code of the Republic of Kazakhstan On Subsoil and Subsoil Use
2. The Environmental Protection Act of the Republic of Kazakhstan
3. ESG Management System Policy



##### STANDARD:

1. The UN Global Compact
2. The UN Sustainable Development Goals
3. The International Council on Mining and Metals (ICMM)

Altylnalmas continues to adhere to high standards of environmental protection, social responsibility and corporate governance despite the challenging and changing environment of recent years. The implementation of sustainability principles in every aspect of our operations contributes to the long-term stability of the Company, ensuring that the interests of all stakeholders are taken into account at every level of management.

The Board of Directors of Altylnalmas plays a key role in developing the Company's strategy, in risk management and in monitoring sustainability performance. These issues are regularly reviewed at meetings of the Board of Directors, which also approves key initiatives within the framework of the sustainable development strategy.

The SHE Committee supports the Board of Directors in matters of Safety and Health. The Committee also manages environmental and social risks and monitors

compliance with corporate standards, ensuring compliance with professional ethics, transparency and corporate responsibility.

The Board of Directors pays special attention to adaptation measures to ensure the Company's sustainable development. Effective corporate governance is an integral part of achieving sustainable development goals.

The Nomination and Remuneration Committee is responsible for the management remuneration policy, including monitoring the gender pay gap and ensuring a balanced Board of Directors, taking into account the principles of diversity.

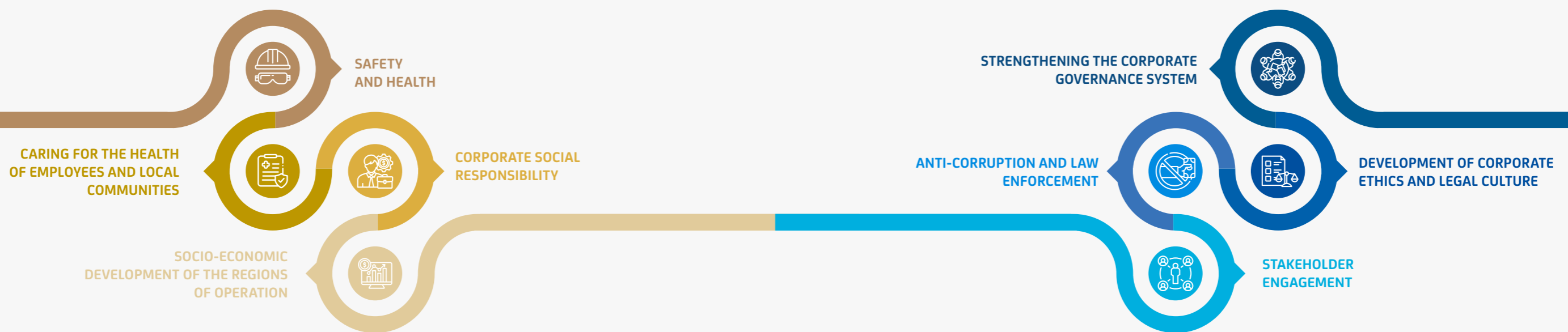
The Company strives to create a safe working environment, provide social support to employees and reduce incident and injury rates. Attention is also paid to minimising the negative environmental impact by optimising resource consumption and implementing biodiversity conservation programs in the regions of operation.

The Company adheres to the sustainable development management model with the implementation of ESG practices at all levels of corporate governance. The main bodies responsible for sustainable development are:

- The Board of Directors, which manages strategy, assesses risks and monitors sustainability performance;
- The Executive Committee, which is responsible for managing ESG risks and environmental, social and economic aspects of the Company's operations;
- The ESG Department, which coordinates sustainability initiatives and enhances information transparency of the Company's operations.

A mandatory online course 'ESG Fundamentals' has been developed for all employees to raise awareness of sustainable development, which emphasises the Company's commitment to involve employees in these processes.

### THE COMPANY'S ESG MANAGEMENT SYSTEM POLICY IS AIMED AT IMPLEMENTING BEST PRACTICES IN THE FOLLOWING AREAS:



# Contribution to the UN Sustainable Development Goals

GRI 3-2, 3-3

Altylnalmas actively supports the UN Sustainable Development Goals, integrating them into its strategy through projects on environmental protection, social responsibility and sustainable development of regions.

## ACHIEVING GOALS ON MATERIAL TOPICS

### SAFETY AND HEALTH



#### 2023 Goals

- Ensure safe working environment and support programs aimed at the health of employees and local communities.

#### Actual, 2023

- Zero fatalities.
- Programs were also implemented to provide medical check-ups for employees and improve working conditions at workplaces.

#### 2024 Goals

- Continue to implement innovative solutions for employee Safety and Health and develop corporate wellness programs.
- Continue to work on improving safety culture.

### EMPLOYEES



#### 2023 Goals

- Support local communities and create jobs in remote areas.
- Create safe working environment and programs to improve employee health.
- Support educational programs and staff development.
- Increase the role of women in the Company.
- Create jobs and increase economic contribution to the regions of operation.

#### Actual, 2023

- Women made up 16% of the Company's employees.
- In 2023, 28% of open positions were filled by internal candidates.
- The employee turnover rate was 20%.

#### 2024 Goals

- Continue social programs to support local communities.
- Expand educational programs for young specialists and employees of the Company.
- Increase the proportion of women in line with the long-term gender equality strategy.
- Continue to grow the number of employees and improve working conditions.
- Reduce the employee turnover rate.

### WATER RESOURCES



#### 2023 Goals

- Reduce water consumption at production facilities, improve water treatment and sustainable use of water resources at the Company's facilities.

#### Actual, 2023

- In 2023, Altylnalmas implemented projects to improve water treatment and water recycling at its production facilities.

#### 2024 Goals

- Continue modernisation of wastewater treatment plants and introduce innovative technologies to increase the rate of water reuse

### CLIMATE AND ENERGY CONSUMPTION



#### 2023 Goals

- Reduce negative climate impacts through energy efficiency, emission reduction and waste management.

#### Actual, 2023

- Altylnalmas was the first company in Kazakhstan in the mining and metallurgical sector to introduce the Green Rules at its facilities: rules on waste management, air, water and soil protection.
- In 2023, Altylnalmas was chosen as an accredited observer of the Qazaq Green RES Association.

#### 2024 Goals

- Continue working on optimising carbon-intensive processes.
- Continue to train employees and develop a corporate culture aimed at raising awareness of climate issues.

### WASTE AND POLLUTANTS



#### 2023 Goals

- Increase environmental responsibility and reduce waste.

#### Actual, 2023

- As part of the Integrated Management System, a Waste Management Program has been developed, which includes separate collection, transportation and recycling of waste.

#### 2024 Goals

- Continue to work on introducing efficient technologies to reduce waste and increase recycling rates.

### BIODIVERSITY AND LAND USE



#### 2023 Goals

- Conduct biodiversity monitoring as part of the environmental control program and carry out research work to study the impact of production factors on environmental components and biodiversity of the surrounding area.

#### Actual, 2023

- Biodiversity monitoring and landscaping are carried out in accordance with the Environmental Action Plan.
- The Company has initiated research work to assess the impact of production factors on ecosystems.

#### 2024 Goals

- Continue planned reclamation of disturbed lands and monitoring of biodiversity status.
- Complete research work to assess the impact of production factors on ecosystems.

### LOCAL COMMUNITIES



#### 2023 Goals

- Improving the quality of life of locals in the regions of presence by implementing projects to improve their social well-being.
- Engage with local authorities and participate in public initiatives, taking into account the interests and needs of the local community.

#### Actual, 2023

- In 2023, Altylnalmas actively implemented initiatives to support local communities, investing KZT 693 million in social projects.
- The Company bought 52 houses in Aksu Village for KZT 520 million. This includes previously bought houses in the sanitary protection zone, as well as houses bought on a voluntary basis following complaints from locals.

#### 2024 Goals

- Continue comprehensive social support for the regions of presence. For example:
- Buying about 50 houses in Aksu Village with a budget of KZT 600 million.

### SUPPLY CHAIN



#### 2023 Goals

- Implement supplier standards for environmental and social compliance.
- Increase the share of purchases from local companies to support regional economic development.
- Establish transparent mechanisms for evaluating and selecting suppliers.

#### Actual, 2023

- In 2023, over 89% of all purchases were made from local companies, supporting job creation and developing local economies.
- The Compliance Service carries out a comprehensive Counterparty Due Diligence when engaging with third parties.

#### 2024 Goals

- Increase purchases from local producers, which will boost the local economy and create new jobs.

# Participation in Associations and International Initiatives



## UNITED NATIONS GLOBAL COMPACT

Since 2022, AK Altynalmas JSC has been a member of the United Nations Global Compact, which confirms the Company's commitment to basic principles such as protecting human rights, caring for the environment, complying with labour standards and fighting corruption.

**Note:**

The Company's profile on the United Nations Global Compact website is available at <https://unglobalcompact.org/what-is-gc/participants/155007-JSC-AK-Altynalmas>

## ASSOCIATION OF MINING AND METALLURGICAL ENTERPRISES



Altynalmas has been an active member of the Association of Mining and Metallurgical Enterprises of Kazakhstan (AMME) since 2021. As part of this Association, the Company participates in the development and improvement of the country's mining industry, takes part in initiatives to improve the regulatory framework, share experience and implement best practices in the field of sustainable subsoil use and environmental protection.

## NATIONAL CHAMBER OF ENTREPRENEURS OF THE REPUBLIC OF KAZAKHSTAN 'ATAMEKEN'



Altynalmas has been cooperating with Atameken, National Chamber of Entrepreneurs since 2021, which supports entrepreneurship and promotes the development of the private sector in Kazakhstan.

The total payments to industry associations amounted to KZT 16.6 million, and to international initiatives – KZT 3.4 million.

**AMOUNT PAID, KZT THOUSAND**

	2021	2022	2023
Total cash payments to industry associations	14,265	16,783	16,639
Total cash payments to international initiatives	–	3,470	3,409

Altynalmas does not pay funds to political organisations and parties, both nationally and internationally. We make regular contributions to industry associations that support the development of the mining and related

sectors, but we strictly prohibit the use of these contributions to lobby the Company's interests through these organisations. This is part of our commitment to ethical standards and transparency.

# Material Topics

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

Altynalmas actively integrates materiality assessment into its risk management (ERM) process in order to achieve sustainable development and ensure compliance with stakeholder expectations. Material topics are the basis for building the Company's ESG Strategy, influencing decision-making and risk management at all levels of the organisation. This process includes the following key aspects:

01

### MATERIALITY ASSESSMENT IS INTEGRATED INTO THE COMPANY'S ERM PROCESS

The process of determining and assessing materiality is aimed at identifying key issues and opportunities that may affect the Company's sustainable development and its business model. Material topics are thoroughly analysed and integrated into the ERM process to ensure systematic management of environmental, social and governance (ESG) risks. The assessment is based on a comprehensive approach that includes analysing stakeholder opinions and examining internal and external factors.

02

### THE RESULTS OF THE MATERIALITY ASSESSMENT ARE APPROVED BY MANAGEMENT

After the materiality assessment is performed, the results are subject to approval by the Company's Executive Committee. This process ensures that the identified topics are properly considered in the Company's strategy and incorporated into decision-making at all levels, including business operations, investment strategies and corporate social responsibility.

03

### FREQUENCY OF MATERIALITY ANALYSIS

Altynalmas analyses material topics every three years, updating them as the business environment, legislation and stakeholder expectations change. This regularity allows the Company to adapt to new challenges in a timely manner and be prepared to manage new risks or opportunities associated with changing ESG trends. The next materiality analysis is scheduled for 2024.

04

### PARTICIPATION OF EXTERNAL STAKEHOLDERS IN IDENTIFYING MATERIAL TOPICS

An important part of the process is the active participation of external stakeholders. Including the opinions of investors, customers, local communities and partners helps the Company to better understand their expectations and needs, which contributes to the formation of a balanced and sustainable strategy. This process allows the Company to take into account not only internal priorities, but also the interests of the environment and society.

05

### MATERIAL TOPICS ARE RANKED BY PRIORITY

Once material topics are identified, the Company prioritises them based on their impact on the business and stakeholders. This helps focus resources on the most critical aspects and promptly respond to emerging risks or opportunities.



KEY MATERIAL TOPICS

LAND AND BIODIVERSITY CONSERVATION DESCRIPTION

Land and biodiversity conservation is a key aspect of sustainable development for companies operating in the mining sector, as their operations are directly linked to the use of natural resources. Good land and biodiversity management determines both the ecological and social well-being of local communities and ecosystems.

BUSINESS IMPACT:	ACTIONS TAKEN:
Ineffective management of these natural resources can lead to ecosystem degradation, soil degradation and long-term negative environmental impacts. This could result in negative reactions from local communities, increased regulatory pressure and reputational losses, as well as additional costs for compensation measures. The Company addresses this issue by identifying material risks (see Section on Material Environmental Risks)	The Company implements land reclamation programs that include post-mining land restoration, soil remediation and tree planting. It also implements technologies aimed at minimising the environmental impact of field operations. The Company implements programs to preserve biodiversity in the areas of its operation, including pre-mining environmental assessments, minimising the impact on sensitive ecosystems, and post-mining restoring natural landscapes.

SAFETY AND HEALTH DESCRIPTION

Safety and Health are a priority for any company, especially in the mining industry where workers face physically dangerous conditions. Sustainable development is not possible without ensuring workplace safety, preventing injuries and maintaining employee health.

BUSINESS IMPACT:	ACTIONS TAKEN:
Workplace injuries, incidents or ill health of employees can result in significant financial losses due to business downtime, compensation and lawsuits. It also undermines employee morale and negatively affects the Company's reputation. The Company addresses this issue by defining material risks (see Section on Material Safety and Health Risks)	Altynalmas actively implements safety management systems at production facilities, conducts regular training for employees, improves monitoring and conducts independent safety audits. The Company also uses innovative technologies to improve safety, including process automation and digital monitoring systems.

GREENHOUSE GAS EMISSIONS DESCRIPTION

Reducing greenhouse gas emissions is one of our Company's top priorities. In the mining industry, where production processes can have a significant impact on the climate, it is important to minimise our carbon footprint. Sustainable development is impossible without proactive actions to reduce emissions, which helps to combat climate change and improve the quality of life in local communities.

BUSINESS IMPACT:	ACTIONS TAKEN:
Reducing greenhouse gas emissions has a significant impact on our business. Firstly, it helps to reduce operating costs by improving energy efficiency and optimising production processes. Secondly, meeting environmental standards and regulations strengthens our reputation as a responsible and sustainable enterprise, which attracts investors and partners. Finally, proactive actions to reduce emissions help us avoid potential fines and penalties associated with environmental violations, which in turn ensures the stability and long-term sustainability of our business. The Company addresses this issue by identifying material risks (see Section on Material Environmental Risks)	We are actively investing in modern technologies that reduce the carbon footprint of our production processes. The Company continues to implement measures to optimise fuel and electricity consumption (e.g. electrification of mining and fixed equipment). In addition, we conduct regular monitoring and auditing of emissions to identify and eliminate potential sources of pollution in a timely manner. Employee training and awareness raising also play an important role in our efforts to reduce emissions and achieve sustainable development.

WATER RESOURCES DESCRIPTION

Gold mining is a water-intensive process. Efficient use of water resources is critical to the Company's operations, especially in the face of climate change and the increasing risk of water scarcity.

BUSINESS IMPACT:	ACTIONS TAKEN:
A shortage of water resources could result in reduced production and increased costs, as water is required for the washing and processing of ore. The Company addresses this issue when assessing material environmental risks (see Section on Material Environmental Risks).	Actions include water conservation through water recycling systems, surface and groundwater control, and regular monitoring and maintenance of water bodies and treatment facilities.

## WASTE AND TAILINGS DESCRIPTION

One of the most important areas of environmental protection in the Company is production and consumption waste management. The main objective is to minimise environmental impact through waste reduction and recovery.

### BUSINESS IMPACT:

In the mining industry, effective waste management helps to reduce disposal and land reclamation costs, reduces the risk of environmental fines and penalties, and improves relations with local communities.

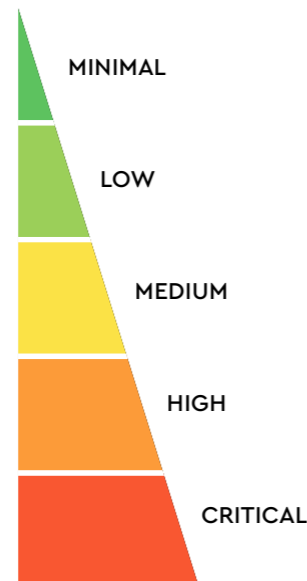
### ACTIONS TAKEN:

The Company develops and implements waste management activities, reduces waste generation, segregates waste collection and transportation, reuses certain types of waste, transfers waste for recovery and disposal, and maintains waste records.

The material topics for the Report were selected in accordance with GRI 2016 Standards. This assessment takes into account two key criteria: the significance of economic, environmental or social impacts and the impact on stakeholder decision-making. The benchmark analysis also took into account the requirements of rating agencies regarding the disclosure of material topics and compared the indicators with peer companies.

The Company assesses material topics once every three years. Since the last assessment took place in 2021, the current list of material topics will apply until the end of 2023. To construct the materiality matrix, the results of internal and external indicators were used and displayed on the horizontal and vertical axes of the matrix, respectively. The topics were assessed on a scale from 1 to 5.

To take into account the views of stakeholders, an online survey was prepared, in which representatives of shareholders, suppliers, industry associations, local government authorities, banks, partners and customers took part. Each sustainability topic was asked to be assessed on a scale from 1 to 5:



As part of the 2021 assessment, 19 material topics were identified and disclosed in accordance with the GRI Standards. The generated materiality matrix will be valid until 2024, providing a basis for data management and disclosure in reporting.

## MATERIALITY MATRIX



ECONOMIC TOPICS	
1	Financial KPIs
2	Market Presence
3	Indirect Economic Impacts
4	Procurement Practices
5	Anti-Corruption
36	Technology and Innovation

SOCIAL TOPICS	
17	Labor Practice
19	Occupational Health and Safety
20	Employee Training and Development
29	Local Communities
18	Labor/Management Relations
21	Diversity and Equal Opportunity

ENVIRONMENTAL TOPICS	
9	Energy Consumption Management
10	Water
11	Land and Biodiversity Conservation
12	GHG Emissions
13	Air Quality
14	Waste and Tailings
15	Environmental Compliance



# Sustainability and Climate Risk Management

GRI 2-13, 2-25

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. **The Code of the Republic of Kazakhstan 'On Subsoil and Subsoil Use'**
2. **The Environmental Protection Act of the Republic of Kazakhstan**
3. **Risk Management Policy**
4. **Regulations on the Organisation of the Risk Management System**
5. **Regulations on the Risk Management Committee**
6. **Regulations on the Risk Management Subdivision**



### STANDARD:

1. **COSO IC-IF, COSO ERM, ISO 31000 Risk Management**
2. **Task Force on Climate-related Financial Disclosures (TCFD)**

## OUR APPROACH

Altynalmas manages sustainability and climate risks using a system of monitoring and assessment of environmental, social and climate risks. The Company focuses on reducing its carbon footprint, complying with environmental standards and implementing sustainable practices.

## RISK MANAGEMENT SYSTEM

The Company's Risk Management System (RMS) was implemented in 2018. In the reporting year 2023, the risk management framework underwent changes in the following areas:

- the Risk Management Service as a structural subdivision came under the direct supervision of the Head of the Internal Audit and Risk Management Service and was renamed the Risk Management Subdivision.
- the Risk Management Committee was excluded from the list of Committees of the Board of Directors, issues of the Risk Management Subdivision are heard by the newly established Risk Committee under the Executive Committee, with subsequent submission of some issues by the Executive Committee to the Board of Directors.
- the Board of Directors reviewed and approved conceptual changes to the existing Risk Management System and regulatory documents governing its operation in terms of:
  - a) changes in risk management methods and criteria for their assessment, changes in risk awareness mechanisms for senior management.
  - b) the procedure for dealing with emerging risks, assessing the impact on business processes, as well as the long-term impact on the Company.
  - c) automating tools for identifying and timely reporting existing or potential risks and communicating them to senior management;
  - d) centralisation of the Company's risk register, with the possibility of autonomous and automated monitoring of measures within the framework of risk minimisation;
  - e) strengthening the risk culture by fully involving all subsidiaries of the Company in the risk identification and management processes. Changes in the training course, with the use of interactive elements, practical cases,

- and the possibility of testing at the end of the training.
- f) linking risk management measures to the performance evaluation of an individual/unit.
- g) automating the risk assessment process by introducing a new risk registration form using internal classifiers;
- h) automating internal management reporting forms based on the POWER BI platform to make stakeholders aware of emerging risks and measures to deal with them.

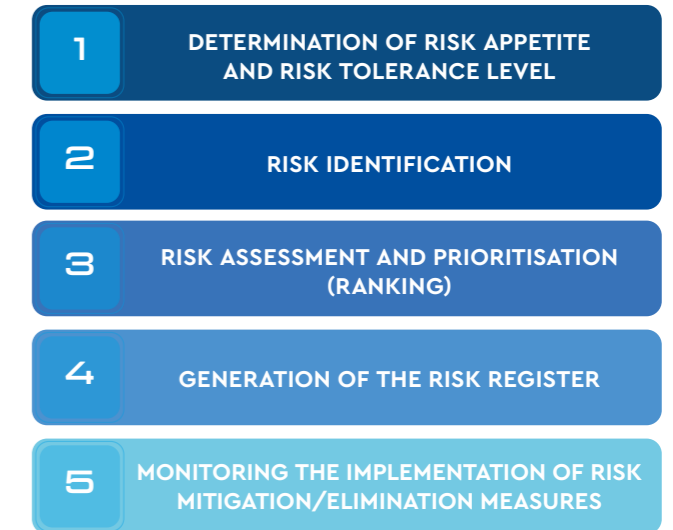
With the help of the RMS, the full cycle of risk management is implemented:

- Risks are identified, assessed and processed in a timely manner;
- Risks are assessed in terms of their impact on the Company's risk appetite and strategic goals for the short and long term;
- Risks are assessed in direct correlation with the impact on the detail performance indicators of key employees and/or risk owners;
- Action plans developed within the framework of risk management are controlled at 3 levels, represented by the Risk Management Subdivision, the risk owner and a representative of the Company's senior management supervising the area where the risk is identified.

In order to assist the Company's Executive Committee in carrying out its function of building and organising an effective Risk Management System, the Risk Management Committee regularly reviews the most significant and all risks of the Company identified for the period, as well as risks with Extreme status and necessary measures to respond to them (in accordance with internal gradations), on a quarterly basis, submitted by the Executive Committee for consideration by the Board of Directors.

The risk management process applies to all subsidiaries, structural subdivisions and projects of the Company and operates in accordance with the updated RMS Policy and Procedures in accordance with the recommendations of the international concept and standards in the field of risk management and internal control COSO IC-IF, COSO ERM, ISO 31000.

The process of implementing the risk management system in the Company consists of the following elements:



The RMS structure in the Company is represented by 4 (four) levels involving all bodies and subdivisions



## RISK MANAGEMENT SUBDIVISION

The Risk Management subdivision reports to the Head of the Internal Audit and Risk Management Service, which in turn reports to the Board of Directors of the Company and is administratively subordinated to the Chief Executive Officer of Altylnalmas. The tasks of the Risk Management Subdivision include:

- improvement of business organisation processes by identifying and preventing process risks, including violations of internal documents and processes, to provide reasonable assurance of achieving strategic and operational goals, as well as goals

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee is a permanent collegial and advisory body, the purpose of which is to review, analyse, develop and make decisions and recommendations to the Executive Committee on issues related to ensuring the effective functioning and development of the Company's risk management and internal control system.

### The Risk Management Committee assists the Executive Committee in monitoring:

- the Company's risk management structure;
- the Company's risk management and assessment guidelines and policies;
- the Company's risk tolerance;
- the effectiveness of the Company's risk management function, thereby ensuring that the Company has an effective system that is sufficiently designed to assess and control risks;
- the timely execution and achievement of risk objectives.

### The tasks of the Committee include:

- Periodically reviewing and recommending to the Executive Committee the risk appetite metrics to be used by management in conducting the Company's risk assessment;

of compliance with the requirements of legislation and internal documents;

- integration into the Company's core business processes and involvement of each employee;
- development of the internal environment, risk culture, awareness and commitment to the RMS through education (workshops, trainings) and sharing knowledge and experience;
- automation and optimisation of existing risk management processes.

- Monitoring the Company's performance to ensure that its results are in line with the Company's risk appetite;
- Receiving and reviewing information on the Company's business practices, policies and procedures related to risk management;
- Reviewing risk reporting, including reports on major risks and actions taken to monitor, mitigate and control them, and approving risk information within the Company;
- Periodic reviewing the Company's risk policies and actions taken to ensure that appropriate processes are in place to implement those policies and to identify, measure, monitor and control the Company's current and emerging risks;
- Preliminary reviewing and approving risk performance reporting with subsequent submission to the Company's Board of Directors;
- Reviewing proposals and providing recommendations to improve the efficiency of the Company's risk management activities;
- Monitoring the implementation of recommendations of the Company's external and internal auditors regarding internal control and risk management systems.

## DEVELOPMENT OF RISK CULTURE AND RISK MANAGEMENT

Altylnalmas pays great attention to the development of risk management culture. Risk culture is considered not only as a fundamental component of corporate culture, but also as a critical element that ensures sustainability and successful functioning of the Company in a volatile economic and regulatory environment. This is achieved through the systematic involvement of all structural subdivisions and subsidiaries in the process of active risk management and regular information exchange between key participants in the management process.

### Risk culture is developed through:

- Trainings and workshops: risk workshops and trainings aimed at raising awareness of potential risks and methods of their minimisation are regularly held for the Company's employees. These events are aimed at developing risk identification, assessment and management skills.
- Self-study courses: A mandatory self-study course on the basics of risk management on the SAP Success

## RESULTS OF RISK CULTURE ASSESSMENT MONITORING

Surveys are conducted annually to assess the effectiveness of the trainings conducted by the Risk Management Subdivision:

- In 2023, 286 people shared feedback on the risk management courses in SAP LMS SuccessFactors. Most participants rated their risk management knowledge highly after completing the course, indicating that the course was effective. The level of knowledge at the end of the course was rated 8-10 points by most respondents.

Factor Learning platform has been introduced, which every employee must complete. The course provides basic knowledge of key risk management principles and practices, which helps to increase risk awareness at all levels of the organisation.

### Risk culture is monitored and assessed through:

- Surveys: regular surveys are conducted among employees to assess the quality of the Risk Management Subdivision's work, as well as to assess the quality of risk sessions and workshops held. This allows receiving feedback from employees and adapting approaches and materials to improve risk management performance.
- Monthly monitoring: feedback from the members of the Risk Management Committee is systematically collected, which contributes to the continuous improvement of risk management processes and the quality of the internal risk culture.

- 73 people were surveyed in the course of analysing the quality of risk meetings. Most respondents rated the quality and informativeness of risk meetings positively. Participants noted that the sessions helped them better understand the risks they face and provided an opportunity to discuss real cases.

# Description of Material Risks

Sustainability risks encompass a wide range of potential threats and challenges that can affect an organisation's ability to sustain its operations, financial stability, environmental responsibility and social performance

## STRATEGIC RISKS

Strategic risks require comprehensive management and often involve scenario planning and the development of strategic initiatives that help an organisation adapt and remain competitive. Successful management of these risks can not only prevent potential threats, but also open up new opportunities for sustainable development.

In order to minimise strategic risks, a process of analysis and consideration of external factors of risk

## ENVIRONMENTAL RISKS

Risks are closely linked to sustainable development because they affect the ability of organisations and societies to maintain a healthy and viable environment that is the foundation for current and future generations. Managing these risks helps prevent or minimise negative impacts on nature and society, maintaining environmental stability and ensuring long-term economic and social well-being.

A number of the Company's production processes use cyanide, a toxic substance, and generate cyanide-containing waste. The Company is guided by the existing legislation of the Republic of Kazakhstan and the requirements of international standards in the field of environmental protection. In order to reduce environmental risks, the Company has policies and procedures in place, in accordance with which operational management standards have been developed, industrial environmental control is carried out and the environmental impact of production processes is monitored.

over the long term. These risks are important because they are linked to long-term strategic objectives and the potential for sustainable growth.

occurrence and influence of external factors affecting their occurrence has been implemented, including: changes in legislation, industry trend, competitiveness of the Company, development of innovations, labour market, natural and climatic factors of the regions for the development and implementation of activities, political and economic situation in the country and the world, etc. Plans are developed and their implementation is monitored.

In addition to the impact from the use of toxic chemicals, a significant impact on environmental components is caused by the emission of solid fine pollutants, the main of which is inorganic dust, which arises from drilling and blasting operations, excavation and loading operations with mining ore, dust from the movement of mining and small-sized machinery, etc. The environmental impact of pollutants is monitored on a continuous basis, and mitigation is achieved through the use of aspiration dust collection equipment, the use of reagents for dust suppression of roads and control of standards for the number of drilling and blasting operations at operational sites.

A significant risk is also the risk of accidental emissions of pollutants into the atmosphere, soil or surface water due to emergencies at equipment and facilities that use highly toxic chemicals in various concentrations. The risk of possible emergencies is controlled by timely maintenance and repairs carried out by competent specialists of the maintenance service and contractors.

## OPERATIONAL RISKS

Operational risks determine the Company's ability to maintain stable and efficient operations while ensuring compliance with the principles of sustainability. Operational risks include potential failures or disruptions in production processes that could negatively affect the sustainability of the business, as well as its impact on the environment and society.

### EXPLORATION RISKS

The Company's operating activities are associated with risks associated with non-confirmation of mineral resources and ore reserves of deposits. The realisation of these risks leads to failure to meet the planned targets for the extraction of raw materials and output of finished products. In order to minimise exploration risks, the Company estimates resources and reserves with the involvement of independent international consulting companies in the field of geology, uses various software (Minevision, Surpac, Micromine, Datamine, Desvik, Leapfrog) – such approach allows to reduce the influence of human factor in the estimation of mineral resources and planning of mining production. All related work is performed in accordance with JORC 2012 procedures, and training is provided to improve the quality of work.



### MINING RISKS

In mining operations, the Company is exposed to such risks as improper planning of mining operations, ore extraction and transportation, as well as failure to timely maintain self-propelled machines in accordance with maintenance and preventive repair schedules. The realisation of these risks could result in significant downtime, failure to meet the ore extraction plan and financial losses to the Company. To mitigate and prevent mining risks, the Company carries out high-quality planning of mining operations using modern software, controls the process of timely and high-quality mining in accordance with the required technology, and controls timely transportation of ore with careful use of self-propelled machines. At the same time, a maintenance and repair schedule is prepared for each piece of equipment, which is taken into account in monthly ore mining planning and strictly observed.



### PROCESSING RISKS

Processing and output of finished products involves technological risks associated with possible breakdowns of fixed equipment, power and water supply interruptions. The realisation of this type of risks may adversely affect the production performance and output of finished products and, as a result, lead to failure to meet the output plan, breach of contractual obligations to the customer and financial losses of the Company. To reduce technological risks, the Company strictly observes and controls technological parameters of production and output of finished products, performs timely and qualitative technical inspection, condition checks and preventive maintenance of fixed equipment, trains employees using simulators, and implements energy and water saving measures.



## FINANCIAL RISKS

Financial risks, such as changes in interest rates, currency fluctuations, credit risks and market risks, can jeopardise not only a Company's financial stability, but also its ability to achieve long-term sustainable development goals.

### PRICE RISK

Fluctuations in the world price of gold and silver have a significant impact on the Company's financial results, as the Company's sales price for finished products is determined by reference to the LBMA exchange price for gold and silver. Exchange prices depend on the structure and balance of supply and demand in the global market, as well as other factors over which the Company has no direct influence.

To mitigate the impact of price risk, the Company continuously reviews the sensitivity of its business to fluctuations in commodity prices and based on the analysis, budgets conservative prices. As a protective measure, to ensure stability of cash inflows, the Company may resort to risk transfer instruments through the use of hedging.

### CURRENCY RISK

The Company is exposed to significant currency risk when making purchases and borrowings in foreign currency. In this case, the Company has a natural hedge through the sale of gold in local currency with a link to the US dollar exchange rate.

### INTEREST RATE RISK

Future financial inflows and outflows may fluctuate due to changes in interest rates in the financial markets. Interest rate risk may primarily be realised in the form of an increase in the cost of borrowing for the Company. It also has an impact on fixed income investment instruments.

### CREDIT RISK

represents the possibility of loss due to the inability of a counterparty to fulfill its contractual obligations. The Company manages credit risk in respect of monetary claims on counterparty banks by setting credit limits. Limits are set based on international credit ratings and the amount of equity capital of counterparty banks. The Company periodically monitors the financial condition of counterparty banks to identify and respond to potential risks in a timely manner.

### LIQUIDITY RISK

The Company may find itself in a situation where it is unable to discharge its liabilities on time and in full. The Company utilises a detailed budgeting and cash forecasting process over various time horizons to ensure that all payment obligations are met.

## SAFETY AND HEALTH RISKS

Safety and Health risks directly affect the social and economic aspects of the Company's sustainability. These risks affect the health and safety of employees, which is a critical component of an organisation's social responsibility and its ability to maintain long-term operational stability.

In order to reduce Safety and Health risks, the Company has implemented Safety and Health policies and procedures, it is working to implement international Safety and Health standards and to develop corporate standards for the use of personal protective equipment. In addition, the Company regularly conducts training and awareness-raising activities for employees and contractors, and implements industrial control.

## RISKS ASSOCIATED WITH POSSIBLE CHANGES IN ENVIRONMENTAL LEGISLATION

Risks directly affect the ability of companies and organisations to adapt to new requirements and maintain their operations within sustainable practices. Changes in legislation may introduce new standards and requirements for managing environmental aspects of operations, such as air emissions, waste management, natural resource use and biodiversity protection. Organisations must be prepared to adapt to these changes to avoid legal violations and fines.

Kazakhstan legislation contain requirements that imply the need to incur ongoing costs in the implementation of mining projects. Failure by the Company to comply with these requirements could result in fines, suspension of operations, deprivation of subsoil use rights or deprivation of environmental permits. Given the frequent changes in legislation, the Company is unable to estimate the long-term environmental costs, and these costs may become significant over time.

## RISKS ASSOCIATED WITH INCREASED LIABILITY FOR ENVIRONMENTAL LEGISLATION VIOLATION

Risks highlight the need to comply with environmental regulations, protect the environment and minimise the negative impact on nature. Tougher environmental standards and liabilities encourage companies to adhere to sustainability principles and adapt their strategies to the new requirements.

activities have caused environmental damage have been tightened. Bringing the Company or officials to criminal liability may result in fines (from 160 to 3,000 MCI), forced labour, imprisonment (from 2 to 3 years), deprivation of the right to hold certain positions or engage in certain activities for various periods. In addition, if the Company is brought to administrative liability, this may result in reputational losses, which may affect the public hearing processes when approving the Company's various projects.

For example, with the release of the new Environmental Code, stricter standards of liability for repeated violations have been introduced in multiples. Criminal liability standards for officials and employees whose

## INFORMATION SECURITY AND DATA PROTECTION

Information security and data protection plays an important role in maintaining long-term business stability, customer and partner trust, and regulatory compliance. With digitalisation and increasing use of technology, information security risk management is becoming a critical aspect of a Company's sustainable development.

During 2023, work continued on the implementation of key information security systems in the Company aimed at detecting the actions of intruders and responding to them in a timely manner. New and updated internal documents regulating IS processes were developed, and work was carried out to raise user awareness in the field of IS.

### RISKS ASSOCIATED WITH THE ABILITY TO REALISE THE DESIGNED PRODUCTION FACILITIES IN A TIMELY MANNER DUE TO LACK OF POSITIVE PUBLIC RESPONSE

Risks reflect the need to take into account the interests and expectations of local communities and other stakeholders. In sustainable development, not only economic, but also social and environmental sustainability is important, which requires companies to engage closely with the community.

Mandatory involvement of the public and the local executive body in the discussion of environmental

impact assessment, all objects of the state environmental expertise in the implementation of the state environmental expertise, development of draft programs to improve environmental efficiency may lead to an increase in the financial costs of project implementation, which may be due to a forced change in the original project location, additional wishes of the local community, etc.

### HR MANAGEMENT RISKS

Human capital is a key factor for achieving long-term sustainability and success of the Company. HR management risks are related to ensuring qualified and motivated personnel who can effectively implement the organisation's strategic goals, including sustainable development goals.

Dynamic growth in the number of personnel of Altynalmas allowed the Company to increase its production capacity and improve its competitiveness. However, the shortage of narrow-profile specialists in the labour market and loss of qualified specialists, as well as employee turnover can negatively affect the achievement of long-term strategic goals of the Company both in operational and project activities. To mitigate HR risks, the Company pays special attention to the continuous development and training of employees, providing opportunities to participate in various training programs, including

those aimed at the long-term development of employees, strategic and innovative projects.

To improve the efficiency of the quality of training of young specialists, the Company cooperates with educational institutions on a regular basis and implements social partnership activities with specialised educational institutions, including leading domestic universities on internships and traineeships.

To develop the motivation system, the Company uses a pay grading system that provides for job evaluation/reevaluation and annual analysis of the competitiveness of employee salaries.

### RISKS FROM LIABILITIES AND CONTINGENCIES

Risks include legal, contractual, regulatory and financial liabilities, as well as threats that may arise from unexpected events such as force majeure, economic crises or legal disputes. Risks from liabilities and contingencies significantly affect the Company's financial stability, reputation and long-term prospects.

#### LEGISLATIVE AND REGULATORY RISKS

The Company operates in the field of subsoil use, which is subject to state regulation and is highly dependent on changes in the country's legislation. The consequences of these changes are difficult to foresee and calculate, which creates certain risks and unplanned costs for industry participants. It is difficult to predict the possible consequences of legislative and regulatory risks for the Company.

When operating in Kazakhstan, we conduct exploration and other development work on our assets in accordance with permits and approvals from governmental authorities. Timely receipt of necessary documents directly affects the successful fulfillment of tasks and contractual obligations. It is also necessary to take into account the factor of the local population, which affects the Company's operations and requires consent to perform certain works through a complex agreement process.

Another risk to our operations is potential changes in the country's legislation caused by the ratification of international agreements by Kazakhstan. These agreements are adopted by organisations based on global trends in subsoil use and may establish new requirements for operations, which may also result in changes and/or revisions to the terms of existing contracts/licenses. Such changes may lead to revision of the terms of our contracts and, as a result, reduce production volumes up to full or partial suspension of production.



#### LOCAL FEATURES

The Company's activities are regulated by the legislation of the Republic of Kazakhstan; however, the Company is subject to the regulatory requirements of a number of administrative and territorial units, peculiarities of local legislation (executive power) and/or regulation of legal relations, which may affect the Company's activities.



#### COMPLIANCE RISKS

The Company must operate in compliance with the various regulatory requirements of the Republic of Kazakhstan in all of its jurisdictions, including subsoil use rights in Kazakhstan. Laws and regulations may be subject to frequent changes and uncertainties of interpretation, application and enforcement.

Failure to comply with legislative provisions may result in sanctions by the relevant authorities, fines, litigation and, ultimately, the loss of a license to operate. The Company may also be charged significant taxes, or tax refunds may not be paid as expected.

To mitigate compliance risks, the Company ensures control over compliance with all legal requirements, provisions of subsoil use contracts, internal regulatory requirements, determines external regulatory requirements, assesses compliance risks, including sanctions risks, develops and implements various compliance standards and policies, performs due diligence of third parties having business relations with the Company or potential partners before establishing business relations with them, and uses corporate violation notification systems with the possibility of anonymous reporting.



# Climate Risks

GRI 14.2

Climate change poses serious challenges for companies, communities and the global economy as a whole. Sustainable development implies a balance between economic growth, social equity and environmental responsibility, and climate risks can undermine this balance. Climate risk management is becoming an important factor in sustainable development strategies, as it helps companies and nations minimise the impact of climate change and adapt to new conditions.

The Company supports the work of the Task Force on Climate-related Financial Disclosures (TCFD) and the Paris Agreement. We strive to ensure that our strategy and risk assessment processes are aligned

with the challenges and opportunities associated with climate change.

Our governance structure creates clear lines of accountability, provides flexibility to adapt to unforeseen circumstances and ensures that sustainable practices are embedded in all aspects of our business. Within this structure, responsibility for climate-related issues lies at the level of the Strategy Committee of the Board of Directors. At an executive level, the ESG Officer oversees corporate climate risks and opportunities, develops strategies to manage climate risk, promote decarbonisation and invest in low carbon technologies.

## CLIMATE RISKS AND OPPORTUNITIES

Climate risk assessment has two main components: physical risk assessment and transition risk assessment. Each risk is carefully analysed based on a set of criteria: indicators, potential consequences, probability of occurrence and overall risk level. Identification and prioritisation of key risks is done

through the application of the ThinkHazard! tool developed by the Global Facility for Disaster Reduction and Recovery (GFDRR) and three climate scenarios (SSP1 RCP2.6, SSP3 RCP7.0, SSP5 RCP8.5) according to the Intergovernmental Panel on Climate Change (IPCC) climate models.

## CLIMATE OPPORTUNITIES



### GOLD AS A COUNTERWEIGHT TO CLIMATE RISKS

Gold's risk-return profile and sensitivity to climate risk is relatively robust compared to many other major assets. Gold is widely recognised as a risk hedge, portfolio diversifier and insurance asset, making it attractive in the face of heightened market volatility and uncertainty caused by climate risks.

The Company is currently in the process of conducting a detailed analysis of the impact of climate risks and opportunities and is developing targets to reduce its carbon footprint.

## PHYSICAL RISKS



### ACUTE

#### INCREASED STORMS AND FLOODS

Increased frequency and intensity of storms and floods due to climate change may lead to flooding of mines and infrastructure, disruption of production processes and economic losses. Floods can also cause soil erosion and contamination of water resources.

#### STEPPE FIRES

Steppe fires can damage mining sites, disrupt ecosystems and create hazardous working conditions. High temperatures and dry conditions contribute to the spread of fire, which can lead to the shutdown of operations and financial losses.



### CHRONIC

#### WATER-RELATED PROBLEMS (DROUGHTS AND WATER SHORTAGES)

Water scarcity may have a negative impact on the Company's operations due to high consumption of water resources.

#### INCREASING TEMPERATURES AND HEAT STRESS

Increasing temperatures can increase the frequency of wildfires, impair optimal values of production processes, and create unfavourable working conditions.

## TRANSITION RISKS



### POLICY AND LEGISLATION

#### CARBON REGULATION

As a carbon-intensive sector, the introduction of carbon pricing could increase the cost of gold mining processes.



### LEGISLATIVE CHANGES

Tighter carbon requirements to reduce emissions and mitigate environmental and social impacts may affect the Company's overall costs.



### REPUTATIONAL RISKS

#### INCREASED INVESTOR ACTIVITY

Investors are increasingly taking climate risks into account and pushing businesses to reduce their carbon footprint and move away from carbon-intensive sectors.



# Emerging Risks

The Company seeks to identify and manage potential risks that could become key risks in the future, in addition to current material risks. These risks could affect the Company's financial condition, competitiveness or reputation in the near or medium term.

## CLIMATE CHANGE

Climate change poses not only physical risks, such as water availability, but also the challenge of the energy transition. In the near future, this may mean having to comply with new environmental standards and requirements to reduce carbon footprints. Meeting the growing external expectations may require significant investment in sustainable technologies, but failure to adapt could result in financial losses and reduced competitiveness. The Company is assessing the impact of climate risks and opportunities to determine a further adaptation plan.

## 'SOCIAL LICENSE'

Maintaining social acceptance of operations is becoming increasingly important. With changes undermining established approaches, the Company needs to adapt to new social expectations. Business social responsibility issues will play a key role in the next five years. This includes conducting digital transformation, addressing additional risks and implementing innovative solutions. Successful management of these aspects will help strengthen the Company's reputation and ensure its long-term sustainability. Failure to meet social expectations may lead to a loss of public trust and, consequently, to operational and financial risks. The Company is committed to socially responsible activities and continues to implement a comprehensive development program in the regions of presence. For more detailed information, please see the section 'Contribution to Social and Economic Development'.

# Stakeholder Engagement

GRI 2-29, 413-1

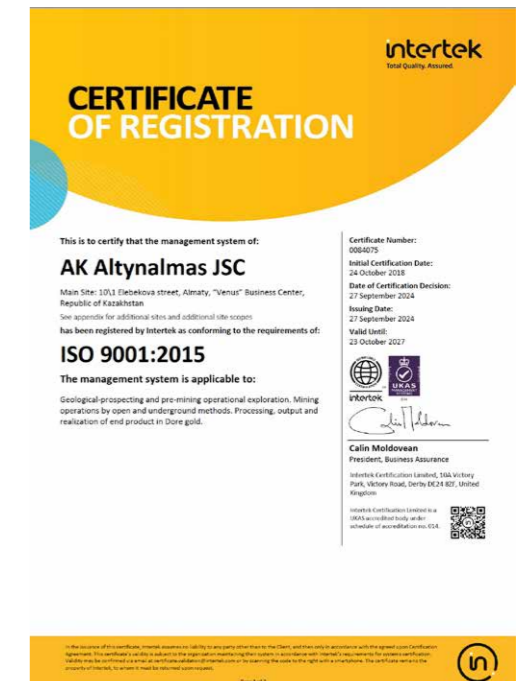
## APPROACHES TO STAKEHOLDER ENGAGEMENT

As part of ISO 9001:2015 international certification, the Company identified a list of stakeholders with whom it interacts in the course of its activities, according to the criterion of degree of their influence on the Company's activities. The Company's stakeholders included customers, government, suppliers, local and other authorities, banks, investors, residents of the regions of presence, regulatory authorities, shareholders, employees, and managers. The certification also identified key stakeholder expectations, their needs and interests, as well as actions required to meet their needs.

The Group builds relationships with stakeholders based on the principles of mutual respect and partnership, information transparency, regularity of engagement and good faith compliance with the obligations undertaken.

Due to our complex structure and activities, we engage with a wide range of stakeholders, and in order to effectively communicate with them, we have built an engagement system focused on achieving the UN SDGs and harmonising the interests of all stakeholders.

## THE COMPANY USES A STANDARDISED STAKEHOLDER IDENTIFICATION AND ENGAGEMENT PROCESS IN ACCORDANCE WITH AA1000 SES INTERNATIONAL STANDARDS:



Engagement is carried out through meetings, round tables, training and other public events, as well as through official public communication channels. When disclosing its activities, the Company relies on the principles of relevance, significance and openness of information provision.

# 03

## CORPORATE GOVERNANCE

51 The Board of Directors

60 The Executive Committee

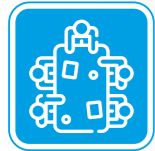
64 Business Ethics and Compliance





## KEY PERFORMANCE INDICATORS

In 2023, the Board of Directors of Altynalmas considered:



81 topics

Share of independent directors:



50 %

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. The Joint-Stock Companies Act of the Republic of Kazakhstan
2. The Corporate Governance Code of Altynalmas
3. The Code of Corporate Ethics of Altynalmas
4. The Charter of Altynalmas
5. Regulations on the Board of Directors
6. Regulations on Committees of the Board of Directors

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-19, 2-20

## OUR APPROACH

Altynalmas emphasises its commitment to high standards of transparency, accountability and ethics. The Company applies best management practices to protect the interests of shareholders and follow the principles of sustainability.

## CORPORATE GOVERNANCE SYSTEM

The Company's corporate governance is based on professionalism, honesty, fairness, responsibility, professionalism and competence; it is aimed at creating trust in relations arising in the process of the Company's management. The efficiency of corporate governance implies observance of the rights and interests of all stakeholders and contributes to the successful development of the Company, including growth of its capitalisation, ensuring stable financial condition and profitability.

Altynalmas is successfully listed on the Kazakhstan Stock Exchange (KASE) and fully complies with all requirements of the Exchange. This confirms the Company's high level of transparency and reliability, as well as its commitment to international standards of corporate governance and financial reporting.

The rules and principles of corporate governance of Altynalmas are set out in the Corporate Governance Code (CGC) approved by the General Meeting of Shareholders on December 20, 2005. The Company has strictly complied with all provisions of the CGC since its approval.

The Company carries out its activities recognising the supremacy of the Constitution, laws and other regulations in relation to the Company's internal documents and not allowing decisions to be made at the personal discretion of the Company's officers and other employees.

The Company's corporate governance bodies are:

- the supreme body – the General Meeting of Shareholders;
- the governance body – the Board of Directors;
- the executive body – the Executive Committee;

## PRINCIPLES OF CORPORATE GOVERNANCE OF ALTYNALMAS

01

### PROTECTION OF SHAREHOLDERS' RIGHTS AND INTERESTS

Realisation of fundamental shareholders' rights in terms of:

- access to information on the Company's activities;
- disposal of shares owned by them;
- participation in the Company's management;
- receiving the share of profit (dividends) due to them, etc.

02

### EFFECTIVE MANAGEMENT

In their activities, the Company's management bodies ensure;

- implementation of the Company's long-term strategic goals;
- adoption of effective management decisions taking into account the current economic and market conditions;
- effective management of the Company's risks;
- optimal allocation of resources available to the Company;
- compliance with the requirements of the legislation of Kazakhstan;
- full transparency and accountability to shareholders;
- maximum observance of stakeholders' interests.

03

### TRANSPARENCY AND OBJECTIVITY OF DISCLOSURE OF INFORMATION ABOUT THE COMPANY AND ITS ACTIVITIES

Providing all stakeholders with accessible, relevant, truthful and understandable information about the Company and its activities to the necessary and sufficient extent.

04

### LEGALITY AND ETHICS

Strict compliance of the internal regulatory framework and decisions made by the Company's officers and bodies with the law, as well as with the rules of corporate and business ethics.

05

### EFFECTIVE DIVIDEND POLICY

Transparency of the mechanism for determining the amount of dividends on ordinary and preference shares of the Company, the procedure for their distribution and payment.

06

### EFFECTIVE HR POLICY

Development of partnership relations between the Company and its employees, protection of employees' rights in resolving social issues, improvement of working conditions and creation of a favourable atmosphere among employees.

07

### ENVIRONMENTAL PROTECTION

Careful and rational attitude to the environment, minimisation of damage to ecology, human life and health.

08

### SETTLEMENT OF CORPORATE CONFLICTS

Conscientious performance of their official duties by the Company's employees and managers, minimisation of opportunities for conflicts of interest, observance of ethical standards, settlement of conflicts through negotiations.

Shareholders holding voting shares and the Board of Directors of the Company do not interfere in the Company's operational activities, except for cases stipulated by the legislation of the Republic of Kazakhstan and the Charter.

The Board of Directors and the Executive Committee of the Company carry out their activities in accordance with the principles of professionalism, reasonableness in decision-making, and avoidance of conflicts of interest.

## SHAREHOLDER COMPOSITION

GRI 2-9

### COMPANY'S SHAREHOLDER COMPOSITION IN 2023

	AS OF JANUARY 1, 2023	AS OF JANUARY 1, 2024
GOUDEN RESERVES B.V.	60.0%	60.0%
Vladimir Dzhumanbayev	20.0%	20.0%
Diyar Kanashev	10.5%	10.5%
Igor Vetuil	6.5%	6.5%
Other shareholders	3%	3%

**Note:** As of October 1, 2024, the composition of the Company's shareholders has changed. Balamir Makhanov owns 3.75%, and other members of the Executive Committee own 6.25% of shares.

## GENERAL MEETING OF SHAREHOLDERS

In 2023, the Company held four General Meeting of Shareholders, including one annual and three ad hoc. The following issues were considered at the meetings:

- amendments and supplements to the Company's Charter and approval of a new version of the Company's Charter;
- determination of the auditing organisation to audit the Company;
- consideration of recommendations of the Nomination and Remuneration Committee of the Board of Directors;
- approval of the Company's consolidated annual financial statements for 2022, as well as non-

distribution and non-payment of dividends on the Company's ordinary shares based on 2022 results;

- determination of the number of members, term of office of the Board of Directors, election of its members, as well as determination of the amount and terms of payment of remuneration and reimbursement of expenses to the members of the Board of Directors for the performance of their duties;
- consummation of major transactions by the Company, including interested party transactions, etc.

## PAYMENT OF DIVIDENDS

GRI 2-19, 2-20

In 2022 and 2023, no dividends on ordinary shares were declared and paid. In 2023 dividends in the amount of KZT 206 thousand were accrued and paid on preference shares.

Information on corporate events and other information significant from the point of view of observance of stakeholders' interests is disclosed in accordance with the requirements of the legislation of the Republic of Kazakhstan on the KASE website.

Note: Documents of Altylnalmas posted on the website of the Kazakhstan Stock Exchange (KASE) are available at <https://kase.kz/ru/issuers/ALMS/>.

# The Board of Directors

GRI 2-10

## FUNCTIONS OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the general management of the Company's activities, except for matters within the exclusive competence of the General Meeting of Shareholders. The activities of the Board of Directors are based on the principle of maximum observance of shareholders' interests and is aimed at increasing the Company's market value.

The Board of Directors:

- ensures transparency of processes and increased efficiency of corporate governance

and the Company's activities as a whole to shareholders;

- is responsible for the Company's activities information disclosure and coverage, and is obliged to justify the classification of information and ensure the protection and safety of internal (proprietary) information;
- exercises control over the activities of the executive body.

## PRINCIPLES OF NOMINATION OF THE BOARD OF DIRECTORS

Altylnalmas strives to ensure high standards of corporate governance through an effective model of the Board of Directors (BoD).

### Independence requirements for members of the Board of Directors

In accordance with the Joint-Stock Companies Act of the Republic of Kazakhstan:

Requirements for independent directors:

1. is not an affiliate of this joint stock company and has not been such an affiliate for three years preceding his/her election to the Board of Directors;
2. is not affiliated with any affiliates of this joint-stock company;
3. is not subordinated to officials of this joint stock company or affiliates of this joint stock company and has not been subordinated to such officials or affiliates for three years preceding his/her election to the Board of Directors;
4. is not a public officer;
5. is not a representative of a shareholder at meetings of the bodies of this joint stock company and has not been such a representative for three years preceding his/her election to the Board of Directors;
6. does not participate in the audit of this joint stock company as an auditor working as part of an audit organisation, and has not participated in such an

audit for three years preceding his/her election to the Board of Directors;

7. must not be an employee of the company in an executive capacity;
8. does not accept or have a family member who accepts any payment from this joint stock company or its subsidiaries;
9. is not a relative of a person employed by the company as an executive director;
10. is not a consultant or advisor to the company or a member of the company's senior management;
11. is not affiliated with a major customer or supplier of this joint stock company;
12. must not have any personal service contracts with this joint stock company;
13. is not affiliated with a non-profit organisation that receives significant donations from this joint-stock company;
14. must have no conflict of interest.

## MODEL OF THE BOARD OF DIRECTORS

Altynalmas uses a one-level model of the Board of Directors, where all members of the Board of Directors are united into one governance body responsible for strategic management and control over

the Company's activities. Under this model, the BoD supervises the actions of the executive management and protects the interests of shareholders.

## STRUCTURE OF THE BOARD OF DIRECTORS

GRI 2-11

The Board of Directors of the Company consists of executive, non-executive and independent directors:

management of the Company, but provide strategic advice and oversight.

Executive directors are involved in the management of the Company on a day-to-day basis (Chief Executive Officer and other top managers of the Company). Non-executive directors are not involved in the operational

Independent directors should comprise at least 30% of the total Board of Directors according to the Company's Charter, and their main role is to ensure objectivity and independent oversight of the Company's activities.

## COMPOSITION AND INDEPENDENCE OF THE BOARD OF DIRECTORS

	2021	2022	2023
Chairman of the BoD	1	1	<b>1</b>
Independence of the Chairman of the BoD at the time of nomination	No	No	<b>No</b>
Independent non-executive directors of the Company	2	2	<b>2</b>
Non-executive directors of the Company	1	1	<b>1</b>
Executive directors	1	1	<b>1</b>
Total	4	4	<b>4</b>
Share of independent non-executive directors of the Company	50%	50%	<b>50%</b>
Share of women	0%	0%	<b>0%</b>

## NUMBER OF MEETINGS AND AVERAGE ATTENDANCE

GRI 2-12

During 2023, 20 meetings of the Board of Directors were held, with an average attendance rate of 100%. These meetings discussed key issues of strategic planning,

risk management, as well as the Company's operational and financial performance.

## MEETINGS OF THE BOARD OF DIRECTORS

MEMBERS OF THE BOD	ATTENDANCE OF MEETINGS
Vladimir Dzhumanbayev	20/20
Scott Morrison	20/20
Balamir Makhanov	20/20
David Cather	20/20

## MANDATES OF THE MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board of Directors also actively participate in the work of various committees, including the Audit Committee, Nomination and Remuneration Committee, SHE Committee and Risk Management Committee.

## INDEPENDENCE OF THE COMMITTEES OF THE BOARD OF DIRECTORS

	2021	2022	2023
Audit Committee	67%	67%	<b>67%</b>
Nomination and Remuneration Committee	40%	40%	<b>40%</b>
SHE Committee	67%	67%	<b>67%</b>
Risk Management Committee	67%	67%	<b>67%</b>

Each member of the Board of Directors may simultaneously hold mandates in other companies, as long as this does not create a conflict of interest. For example, some of the BoD members also work in other international organisations, which allows them to bring useful experience and best practices to the governance of Altynalmas.

## MECHANISM AND FREQUENCY OF RE-ELECTION

GRI 2-10

Members of the Board of Directors are nominated by shareholders by cumulative voting. Shareholders may vote all their shares for one candidate or distribute votes among several candidates. Members of the Board

of Directors are re-elected every 3 years, and they may be re-elected again if they demonstrate efficiency and compliance with corporate requirements.

## AVERAGE TENURE

	2021	2022	2023
less than 3 years	2	1	<b>1</b>
4-7 years	1	2	<b>3</b>
8 years and above	1	1	<b>-</b>

The average term of office of the members of the Board of Directors at the end of 2023 is 4.1 years.

## COMPOSITION OF THE BOARD OF DIRECTORS

GRI 2-11

In 2023, the Board of Directors continued to provide governance and performance improvement to the Company, representing the interests of all stakeholders in the decision-making processes.

## COMPOSITION OF THE BOARD OF DIRECTORS

NAME	POSITION
Vladimir Dzhumanbayev	Chairman of the Board of Directors
Scott Morrison	Member of the Board of Directors (Independent Director) – Chairman of the Internal Audit Committee and of the Nomination and Remuneration Committee
Balamir Makhanov	Member of the Board of Directors, Chief Executive Officer
David Cather	Member of the Board of Directors (Independent Director) – Chairman of the Risk Management Committee and of the SHE Committee



**Chairman of the Board of Directors**

**WORK EXPERIENCE:**

has been working for Altylnalmas since 2017. 20 years of management experience: Karazhyra JSC (Chairman of the Board of Directors), Kazakhaltyn Mining and Metallurgical Concern JSC (Member of the Board of Directors), Vertex Holding LLP (General Director), Kazakhmys Corporation LLP (Director for Strategic Development), Karazhyra Ltd LLP (General Director).

**EDUCATION:**

Kazakh State Academy of Management named after Turar Ryskulov (Economist)

**Vladimir DZHUMANBAYEV**



**Member of the Board of Directors since July 31, 2023**

**Chief Executive Officer since May 2, 2023**

**WORK EXPERIENCE:**

has been working for Altylnalmas since 2021. Over 14 years of experience in management and finance: Kazakhaltyn Mining and Metallurgical Concern JSC (last position held – General Director), Kazakhmys Corporation LLP (Leading Specialist of Investment Planning and Small Projects Department), Deloitte LLP (Auditor).

**EDUCATION:**

KIMEP University (Business Administration), MISIS (MBA)

**Balamir MAKHANOV**



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

**Chairman of the Internal Audit Committee and of the Nomination and Remuneration Committee**

**WORK EXPERIENCE:**

has been working for Altylnalmas since 2018. Over 35 years of experience in mining, metallurgy and manufacturing: Fengro Inc (Chairman of the Board of Directors), Tri-Star Resources PLC/Zinc Oxide LLC/ASA Resources Group PLC (Member of the Board of Directors), Metalor Technologies International SA (Chairman of the Board of Directors, CEO), SGS SA (Executive Vice President), Commercial testing and engineering Co. (President and CEO), SGS Ghana Ltd (Managing Director), SGS SA (Technical Manager).

**EDUCATION:**

Bachelor's Degree (Geology), Doctor of Sciences (Metallurgical Engineer)

**Scott MORRISON**



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

**Chairman of the Risk Management Committee and of the SHE Committee**

**WORK EXPERIENCE:**

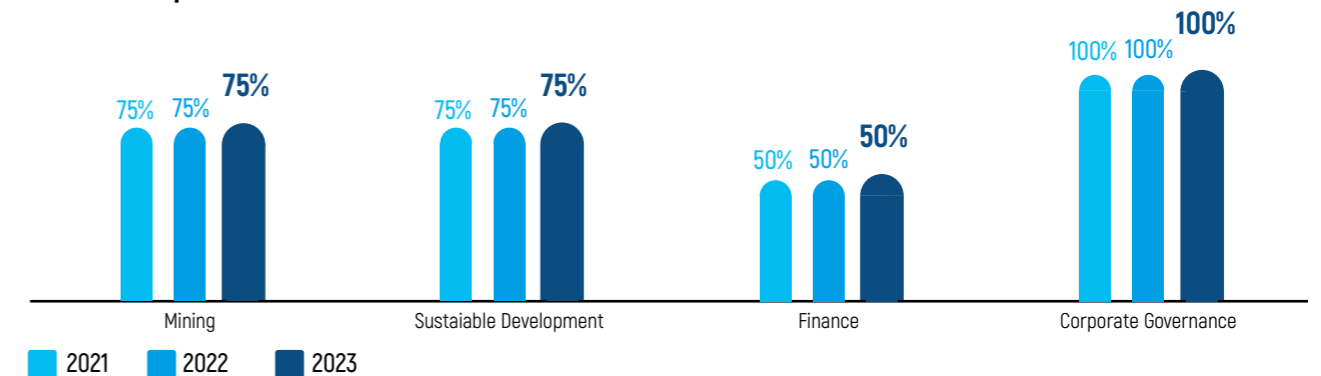
has been working for Altylnalmas since 2019. Over 30 years of experience in the mining industry: Fengro Industries (Member of the Board of Directors), European Goldfields LTD. (CEO), Abu Dhabi Capital Group (CEO), Avocet mining LTD (CEO), Grafton Resource Investments LTD (Director), Anglo American PLC (Managing Director), Miller mining (Development Director), Redland aggregates LTD (Commercial Manager for the Central Region)

**EDUCATION:**

Imperial College (BSc, Mining)

**David Cather**

**Balance of qualifications on the Board of Directors**



**PERFORMANCE OF THE BOARD OF DIRECTORS**

In 2023, 20 meetings of the Board of Directors were held, during which 81 issues were considered, including:

- consummation of related-party transactions by the Company;
- decision-making on issues related to the activities within the competence of the general meeting of shareholders (members) of a legal entity, ten or more percent of shares (participatory interests

in the authorised capital) of which are owned by the Company;

- approval of the Company's consolidated budget for 2023;
- consideration of the Company's consolidated performance report;
- consideration of recommendations of the Nomination and Remuneration Committee of the Board of Directors.

## COMMITTEES OF THE BOARD OF DIRECTORS

As of the end of 2023, the Company had four Committees of the Board of Directors: the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the HSE Committee.



### THE RISK MANAGEMENT SERVICE

The Risk Management Service is a structural subdivision of Altylnalmas and is administratively subordinated to the Chief Executive Officer of Altylnalmas and functionally subordinated to the Board of Directors.

The Risk Management Service performs the following functions:

- development, updating and improvement of the Company's risk management methodology;
- implementation and execution of the Risk Management Policy and Risk Management Rules, Regulations on the Risk Management Committee and Risk Management Procedures of the Company, as well as control over their compliance;
- organisation and control of risk management work in the Company;
- integration of the risk management process into corporate governance and existing core business processes in order to make risk-oriented management decisions;
- control over the implementation of a single unified approach to risk management;
- control over improving the efficiency of the risk management system in the Company;
- planning and execution of risk management work of the Company;
- consolidation and preparation of external and internal risk management reporting of the Company for submission to the management, the Executive Committee, the Risk Management Committee of the Board of Directors, and the Board of Directors;
- preparation of documentation on top-20 risks and its submission to the Risk Management Committee of the Board of Directors;

- preparation of the List of Key Risks of the Company for submission to the management, the Executive Committee and the Risk Management Committee of the Board of Directors;
- consolidation of Risk Registers and Risk Matrices of the Company for submission to the management, the Executive Committee, the Risk Management Committee of the Board of Directors, and the Board of Directors;
- consolidation of risk management reporting for submission to the Executive Committee, the Risk Management Committee of the Board of Directors, and the Board of Directors;
- increasing the level of risk culture of the Company's employees through risk management training, sessions and consulting;
- organisation of the work of the Risk Management Committee of the Board of Directors of the Company.

As of the end of 2023, the Risk Management Committee consisted of:

- **David Cather** – Independent Director, Chairman of the Committee;
- **Balamir Makhanov** – Chief Executive Officer, Member of the Committee;
- **Scott Morrison** – Independent Director, Member of the Committee;

In 2023, 4 meetings of the Risk Management Committee were held.



### THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is a standing collegial and advisory body of the Board of Directors of the Company, which acts within the authority granted to it by the Board of Directors. The objectives of the Nomination and Remuneration Committee are preliminary review, analysis and development of recommendations on issues within its competence to assist the Company's Board of Directors in adopting resolutions on nomination and remuneration.

The Nomination and Remuneration Committee performs the following functions:

- development of recommendations on the number of members and candidates, terms of nomination, fixed salary, terms of remuneration and bonuses for members of the Executive Committee, including the Chief Executive Officer;
- development of recommendations on the minimum and maximum value of the fixed salary scale and percentage of annual salary (non-fixed) bonus payment for members of the Executive Committee, directors of departments directly reporting to the Executive Committee, the Corporate Secretary, employees of the Internal Audit Service and Risk Management Service and subsidiaries;
- development of recommendations on the nomination, terms of nomination, fixed salary, terms of remuneration and bonuses for the Corporate Secretary;
- development of recommendations on the composition, terms of nomination of the Internal Audit Service, nomination of its head and members, the amount of fixed salary, terms of remuneration and bonuses for the employees of the Internal Audit Service;
- development of recommendations on the composition, terms of nomination of the Risk Management Service, nomination of its head, the amount of fixed salary, terms of remuneration and bonuses for the employees of the Risk Management Service;
- development of recommendations on representative expenses for members of the Executive Committee as part of the Company's annual budgeting process;

- development of recommendations on the succession policy for members of the Board of Directors and members of the Executive Committee;
- development of recommendations on the values of key performance indicators for members of the Executive Committee, the internal auditor (including the Internal Audit Service) and the Risk Management Service;
- proposing candidates to the General Meeting of Shareholders, proposals on the terms of remuneration and bonus policy for members of the Executive Committee, the Corporate Secretary, the Internal Auditor (including the Internal Audit Service), the head of the Risk Management Service (nomination, terms of remuneration and bonus policy) and employees of the Risk Management Service (terms of remuneration and bonus policy).

Composition of the Nomination and Remuneration Committee:

- **David Cather** – Independent Director, Member of the Committee;
- **Balamir Makhanov** – Chief Executive Officer, Member of the Committee;
- **Vladimir Dzhumanbayev** – Chairman of the Board of Directors, Member of the Committee;
- **Makpal Nusipova** – Member of the Executive Committee, Member of the Committee;
- **Scott Morrison** – Independent Director, Chairman of the Committee;

In 2023, 4 meetings of the Nomination and Remuneration Committee were held.



### THE AUDIT COMMITTEE

The Audit Committee is a supervisory and advisory body reporting to the Board of Directors and acting within the authority granted to it by the Board of Directors. The objective of the Audit Committee is to provide structural and systematic supervision of work in the area of corporate governance and internal control.

The Audit Committee assists the Board of Directors by consulting and developing recommendations on:

- 1) establishing an effective system of control over financial and economic activities (including the completeness and reliability of financial statements);
- 2) monitoring the reliability and effectiveness of the internal control system, as well as compliance with the requirements of corporate governance documents;
- 3) monitoring the independence of external and internal audit, as well as the process of ensuring compliance with the legislation of the Republic of Kazakhstan.

The Audit Committee considers each of the above issues and provides the Board of Directors with an independent opinion and recommendations on current practices and potential improvements in these areas.

As of the end of 2023, the Audit Committee consisted of:

- **Scott Morrison** – Independent Director, Chairman of the Audit Committee;
- **Balamir Makhanov** – Chief Executive Officer, Member of the Audit Committee;
- **David Cather** – Independent Director, Member of the Audit Committee

In 2023, 4 meetings of the Audit Committee were held.



### THE SHE COMMITTEE

The SHE Committee is a supervisory and advisory body of the Board of Directors of the Company, accountable in its activities to the Board of Directors of the Company. The objectives of the Committee are preliminary review, analysis and development of recommendations on issues within its competence to assist the Board of Directors in making decisions on industrial safety, occupational health and environmental protection.

The SHE Committee performs the following functions:

- consideration and approval of the Company's strategic vision and SHE policies;
- provision of recommendations to facilitate the effective implementation of SHE standards and related safety controls;
- consideration of aggregate trends in incidents and illnesses/injuries statistics to identify areas of concern and provide recommendations for corrective actions;
- consideration of the results of investigations of unacceptable SHE risks and review of recommendations to eliminate or reduce hazards;

- control and monitoring of S&H activities and head the S&H Department;;
- consideration and approval of internal S&H regulatory documents;
- consideration of all issues raised by any member of the Committee.

Composition of the SHE Committee:

- **David Cather** – Independent Director, Chairman of the Committee;
- **Balamir Makhanov** – Chief Executive Officer, Member of the Committee;
- **Scott Morrison** – Independent Director, Member of the Committee.

In 2023, 4 meetings of the SHE Committee were held.

#### AVERAGE ATTENDANCE OF THE BOD COMMITTEE MEMBERS AT MEETINGS IN 2023:

MEMBER OF THE COMMITTEE	INDEPENDENCE	AUDIT COMMITTEE	SHE COMMITTEE	RISK MANAGEMENT COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Scott Morrison	Yes	100%	100%	100%	100%
David Cather	Yes	100%	100%	100%	100%
Balamir Makhanov	No	100%	100%	100%	100%
Vladimir Dzhumanbayev	No	-	-	-	100%
Makpal Nusipova	No	-	-	-	100%

#### THE BOARD OF DIRECTORS PERFORMANCE EVALUATION

The Company is considering implementing an evaluation of the performance of the Board of Directors and its Committees. The performance evaluation will identify how effectively the Board of Directors performs its

functions and achieves its objectives. This process will identify strengths and weaknesses, as well as identify areas for improvement.

# The Executive Committee

GRI 2-9

## FUNCTIONS OF THE EXECUTIVE COMMITTEE

The Executive Committee is the executive body of the Company, which carries out the current management of its activities in accordance with the approved plans. The activities of the executive body

are based on the principle of maximum observance of shareholders' interests and are fully accountable to the decisions of the Company's General Meeting of Shareholders and the Board of Directors.

## COMPOSITION OF THE EXECUTIVE COMMITTEE

During 2023, the composition of the Executive Committee was changed as follows:

- May 2023 – by the Decision of the Board of Directors (1) Diyar Kanashev was removed from the Executive Committee; (2) Balamir Makhanov was appointed to the Executive Committee as Chief Executive Officer;
- May 2023 – by the Decision of the Board of Directors (1) Kairat Rakhishov, Cleghorn Simon James, Bakhrom Dzhabolov were removed from the Executive

- Committee; (2) Rustem Karakessov, Roman Vodopshin, Dauren Orazayev were appointed to the Executive Committee;
- July 2023 – by the Decision of the Board of Directors, Cleghorn Simon James was appointed to the Executive Committee;
- September 2023 – by the Decision of the Board of Directors, Cleghorn Simon James was removed from the Executive Committee.

## COMPOSITION OF THE EXECUTIVE COMMITTEE

NAME	POSITION
Balamir Makhanov	Chief Executive Officer
Rustem Karakessov	Member of the Executive Committee, Chief Executive Officer for Finance
Dauren Orazayev	Member of the Executive Committee, Chief Executive Officer for Strategy and Development
Roman Vodopshin	Member of the Executive Committee, Chief Executive Officer for Production
Makpal Nusipova	Member of the Executive Committee, Chief Executive Officer for HR Management



### Chief Executive Officer

#### WORK EXPERIENCE:

has been working for Altylnalmas since 2021. Over 14 years of experience in management and finance: Kazakhaltyn Mining and Metallurgical Concern JSC (last position held – General Director), Kazakhmys Corporation LLP (Leading Specialist of Investment Planning and Small Projects Department), Deloitte LLP (Auditor).

#### EDUCATION:

KIMEP University (Business Administration), MISIS (MBA)

**Balamir MAKHANOV**



**Roman VODOPSHIN**

### Member of the Executive Committee, Chief Executive Officer for Production

#### WORK EXPERIENCE:

has been working for Altylnalmas since 2021. Over 26 years of experience in mining, including 20 years in senior positions. He held various positions in such companies as Kazakhaltyn Mining and Metallurgical Concern OJSC, Donetskstal-Metallurgical Plant, Donetskhakhtoprokhodka Mine Construction Company LLC, Komsomolets Donbassa Coal Mine OJSC, Donetsk Coal Energy Company SE.

#### EDUCATION:

1992–1997 – Donetsk National Technical University, Donetsk, Ukraine. Holds a degree in mining and underground development of mineral deposits. 2016–2017 – Business School at the Russian Presidential Academy of National Economy and Public Administration (RANEPA). Holds a Master of Business Administration (MBA) degree in mining.



**Rustem KARAKESSOV**

### Member of the Executive Committee, Chief Executive Officer for Finance

#### WORK EXPERIENCE:

has been working for Altylnalmas since 2023. Over 16 years of experience in finance, including 10 years in senior positions in mining sector. He held various positions in such companies as Kazakhaltyn Mining and Metallurgical Concern OJSC and Deloitte OJSC.

#### EDUCATION:

Bachelor of Engineering and Technology (Mining Engineering), Karaganda Technical University. Bachelor of Business Administration, KIMEP UNIVERSITY.



**Dauren ORAZAYEV**

### Member of the Executive Committee, Chief Executive Officer for Strategy and Development

#### WORK EXPERIENCE:

has been working for Altylnalmas since 2023. Over 18 years of experience in finance and mining. He held various positions in such companies as E4 Capital, Bank RBK, KazMinerals, BTA Securities.

#### EDUCATION:

Bachelor's degree in Modeling and Forecasting in the Financial Sector at Al-Farabi Kazakh National University. Bachelor's degree in Underground Engineering at Kazakh National Technical University named after Kanysh Satbayev



**Member of the Executive Committee, Chief Executive Officer for HR Management**

**WORK EXPERIENCE:**

has been working for Altylnalmas since 2019. Over 20 years of experience in HR management in international and national companies: Alcon/Novartis Group, Verry Capital, JV Katko/Kazatomprom, Kazyna JSC, Halliburton International, Schlumberger, AGIP KCO (NCOC).

**EDUCATION:**

Bachelor's degree in Engineering and Economics, Master's degree in HR Management.

Kazakh National Technical University named after Kanysh Satbayev (Engineer-Economist), Robert Gordon University (HR Management), CIPD (Certified Institute of Personnel Development) International Certification in HR Management

**Makpal NUSIPOVA**

**ACTIVITIES OF THE EXECUTIVE COMMITTEE**

In 2023, a total of 29 meetings of the Executive Committee were held, at which, among other things, the following issues were considered:

- Consummation of single source procurement transactions;
- Approval of the Regulations on S&H Management in Contracting Organisations;

- Approval of the ESG Management System Policy;
- Approval of the Environmental Protection Policy;
- Approval of the Regulations on Personnel Training and Development;
- Approval of the Regulations on Bonuses for Operating Personnel.

**REMUNERATION**

GRI 2-19, 2-20

The terms and amounts of bonuses paid to members of the Executive Committee are approved by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee.

Remuneration of key management personnel, including salaries, bonus payments and pension contributions, paid in 2023 amounted to KZT 2,396,893 thousand (2022 – KZT 2,286,643 thousand).

**REMUNERATION**

	2021	2022	2023
Remuneration of key management personnel, KZT thousand	1,513,369	2,286,643	<b>2,396,893</b>

The Remuneration Committee annually reviews key performance indicators (KPIs) of Members of the Executive Committee and senior management to ensure that remuneration is aligned with the Company's goals. These KPIs are aimed at achieving long-term success. The remuneration determination process is robust and transparent. The annual bonus for the reporting period is paid by decision of the Board of Directors. No director participates in determining

his/her remuneration. The Remuneration Committee consists of independent non-executive directors who apply the Remuneration Policy in a balanced manner and have the authority to determine bonuses and remunerations. Collective goals for the Company relate to operational and financial performance, including health and safety performance. Goals are reviewed annually and set at a level consistent with the Company's plans and budget.

**GOALS FOR 2023**

No	KPI	WEIGHT
1	Gold Output	35%
2	All-In Sustaining Cost (AISC)	30%
3	Lost Time Injury Frequency Rate (LTIFR)	35%

**APPROACH TO REMUNERATION OF THE CHIEF EXECUTIVE OFFICER**

The Chief Executive Officer is the only member of the Board of Directors who is an executive officer of the Company. The structure and composition of the Chief Executive Officer's remuneration incentivises the achievement of performance goals, which helps align his interests with those of shareholders. Based on the results of the Company's performance and achievement of the set KPIs, the Chief Executive Officer is remunerated annually for the fulfillment of collective and his individual goals.

**APPROACH TO REMUNERATION OF OTHER EMPLOYEES**

The remuneration policy for other executives of the Company is similar to the policy for the Chief Executive Officer in terms of the composition and structure of KPIs. Remuneration for members of the Executive Committee and all senior executives consists of a base salary and an annual bonus. The KPI structure for employees is designed to take into account individual responsibility and performance.



# Business Ethics and Compliance

GRI 2-26, 2-27, 205-2

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. Code of Corporate Ethics
2. Anti-Corruption Code
3. Conflict of Interest Policy
4. Compliance Policy
5. Gifts and Hospitality Policy



### STANDARD:

1. ISO 37001:2016 Anti-bribery Management System

## OUR APPROACH

Altyntalmas adheres to the principles of business ethics and respect for the rule of law, guaranteeing transparency, honesty and responsibility in business. The Company strictly follows anti-corruption regulations, prevents conflicts of interest and observes high standards of professional ethics.



## CORPORATE ETHICS

The main principles of the Company's corporate ethics are enshrined in the Code of Corporate Ethics of Altyntalmas approved by the Board of Directors in 2019. The Code regulates the basic aspects of behavior, values and principles that guide Altyntalmas and its employees in carrying out their activities, including:

- SAFETY
- RELATIONSHIPS IN THE TEAM
- SUSTAINABLE DEVELOPMENT
- EMPLOYEE BEHAVIOR
- TEAM SPIRIT
- RELATIONSHIPS WITH PARTNERS
- STATUTORY COMPLIANCE

The Code of Corporate Ethics contains provisions requiring strict compliance with Kazakhstan and international laws by all employees of the Company. In particular, employees are obliged to comply with:

- the provisions of the laws of the Republic of Kazakhstan on currency regulation and currency control;
- the statutes of the antitrust laws of the Republic of Kazakhstan and the competition laws of the Republic of Kazakhstan;

- international sanctions restrictions;
- the provisions of other Kazakhstan and international legal acts.

The Company's employees receive annual online training on compliance with the Code of Corporate Ethics.

## COMPLIANCE CONTROL

GRI 205-1

It is the function of the Compliance Service to provide regular training to management and employees to ensure that they are aware of compliance-related policies and that they comply with anti-money laundering and counter terrorism financing requirements.

The Compliance Service has an independent status in order to properly implement its functions and ensure objectivity and independence of judgment. The Service continuously monitors changes in the regulatory framework.

### ORGANISATIONAL STRUCTURE OF THE COMPLIANCE CONTROL SERVICE OF THE DEPARTMENT OF LEGAL AFFAIRS



The Compliance Control Service is responsible for preventing and detecting the following offenses:

- **Data protection:** The Service monitors strict compliance with the data protection and privacy laws and prevents data leakage.
- **Conflicts of interest:** Employees are required to declare possible conflicts of interest, and the Compliance Service reviews them and implements settlement mechanisms.
- **Money laundering and terrorism financing:** Regular inspections, employee training and internal audits are conducted to prevent such offenses.
- **Corruption:** The Company develops anti-corruption measures, including internal investigations and employee training.

- **Discrimination and harassment:** A strict control and monitoring system is in place to prevent any discrimination and harassment, including anonymous complaint mechanisms and subsequent investigations.

The compliance system includes:

- **Responsibility and accountability:** All employees are required to comply with internal standards and procedures, receive regular compliance training and be accountable for their actions.
- **Ombudsman and hotlines:** The Company provides the opportunity to anonymously report any wrongdoing through hotlines or contacting the Ombudsman.

- **Disciplinary measures:** In case of confirmed violations, disciplinary measures such as warnings, reprimands, severe reprimands, termination of employment are applied. The Company also provides for disciplinary actions involving reduction of an employee's bonus at the discretion of management. In case of a reprimand, the bonus may be reduced up to 25%, and in case of a severe reprimand – up to 50%.

The Company has developed a clear system to prevent discrimination and harassment, including:

- **Training:** Mandatory training is provided to all employees on ethical behavior, respect for colleagues, non-discrimination and harassment.
- **Reporting procedures:** Employees can anonymously report incidents of discrimination and harassment through hotlines. These reports are reviewed by competent professionals for appropriate action.
- **Disciplinary measures:** If discrimination and harassment are confirmed, severe penalties

are applied, including disciplinary action, dismissal and referral to law enforcement authorities.

The Compliance Control Service systematised the types of compliance risks and developed measures to minimise them:

- **Potential litigation:** Conducting explanatory talks and training to prevent wrongdoing.
- **Corruption offenses:** Includes training and internal investigations of corruption incidents.
- **Violation of corporate ethics standards:** Compliance training of employees and use of anonymous channels to identify violations.
- **Violations by suppliers:** Due diligence of counterparties and monitoring of their compliance with the Supplier Code of Conduct.
- **Violation of international sanctions:** Due diligence of counterparties for their presence in sanctions lists and mandatory representations of non-engagement with sanctioned persons.

## NOTIFICATION OF VIOLATIONS

GRI 205-3, 2-16

Altylnalmas adheres to the highest standards of honesty, openness, responsibility and values its reputation, and we expect employees and partners of the Company to adhere to the highest standards of ethics and integrity.

To maintain the principles of honesty and integrity, it is essential that the Company's management has the ability to receive information about violations of ethical standards, laws, the Code of Corporate Ethics of Altylnalmas or other internal rules. This will allow the Company to respond to and eliminate violations in a timely manner.

Altylnalmas has implemented the Regulations on Notification of Violation of Ethical Standards, Laws and Internal Rules of the Company.

Employees who have reasonable suspicions of violations of ethical standards, laws or local regulations of the Company should first of all inform their immediate manager who is in charge of the situation and who can effectively respond to it as soon as possible. If this option seems inappropriate, the concern should be

referred to the Chief Compliance Officer. If an employee is wary of using the above internal mechanisms, he/she may report concerns to an independent third party through the hotline.

A third party who has specific facts or has reasonable suspicions (assumptions) about violations of ethical standards, laws and regulations should first of all inform his/her contact person in the Company or directly the Chief Compliance Officer. The third party also has an additional opportunity to report concerns anonymously through the hotline.

The hotline provides an opportunity to confidentially report incidents or suspected incidents of corruption, fraud, discrimination, harassment, as well as other violations of ethical standards, laws or the Code of Corporate Ethics of Altylnalmas by any person.

The hotline and online resource are maintained by an independent company as a guarantor of the confidentiality of all reports. The service is available 24/7 and has multilingual support for both the telephone line and the online resource.

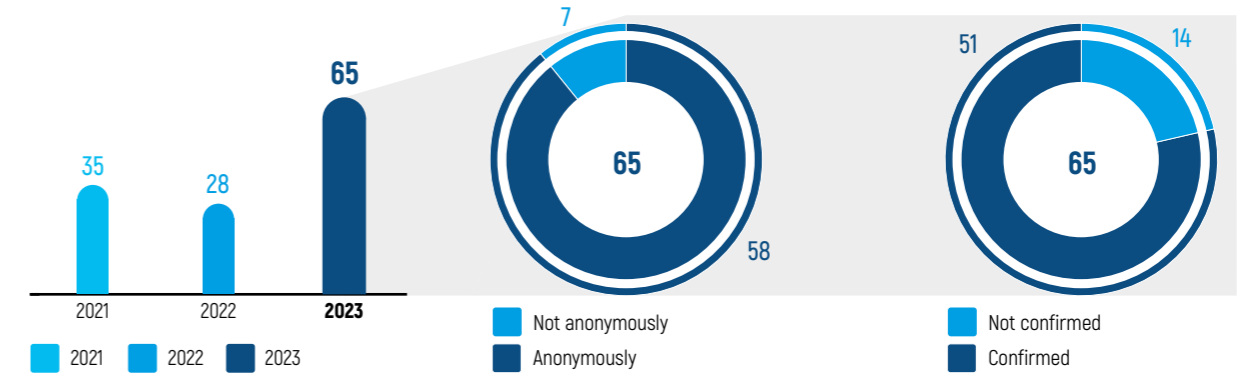
Whistleblowers may report violations of the Code of Conduct anonymously; the choice of whether or not to remain anonymous is at the whistleblower's discretion.

Once a report is received, it is reviewed by the Compliance Service and a decision is made on the necessary measures to be taken.

By reporting suspicions, a whistleblower does not risk losing his or her job or being subjected to any form of retaliation or harassment as a result of such action. Even if the whistleblower is wrong, the most important thing is that the whistleblower act in good faith in order to protect the Company's interests.

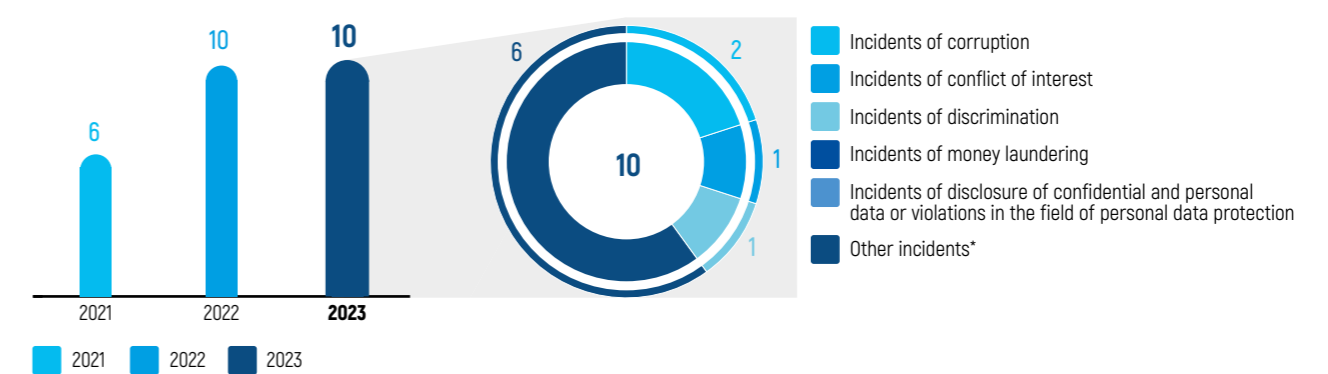
## GENERAL STATISTICS OF THE HOTLINE REPORTS

### Number of hotline complaints and reports



During the reporting period, the number of hotline reports was 65, of which 7 were not anonymous and 58 were anonymous. Of these, 51 were confirmed, and 14 were not confirmed.

### Violations of the Code of Corporate Ethics



The Company identified 10 violations of the Code of Corporate Ethics in 2023, which is similar to the number of incidents in 2022.

**Note:** 'Other incidents' relate to violations related to abuse of authority, environmental compliance, procurement procedures and theft of inventory.

There were no significant fines and non-financial sanctions, including limited enforcement actions for 2023 for violation of statutory requirements that could affect the activities of Altylnalmas and its subsidiaries.

## CONFLICT OF INTEREST MANAGEMENT

Altyntalmas implements a clear conflict of interest management policy aimed at preventing situations that may affect the objectivity of employee decisions. The Company conducts regular training, identifies

and eliminates possible conflicts in a timely manner, ensuring transparency and compliance with ethical standards.

GRI 2-15

## RESPECT FOR HUMAN RIGHTS

The Company and its subsidiaries regulate their activities in accordance with the Human Rights Policy of Altyntalmas approved in 2022. The Policy regulates the Company's activities in the field of equal rights, labour protection, freedom of association, and defines the main requirements for identifying, preventing and tracking potential human rights violations.

The Company imposes strict requirements on its partners based on the principles of responsible business conduct.

- All Company partners are obliged to comply with international standards such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.
- The Company declares its commitment to prevent any form of discrimination and harassment, child or forced labour, and to observe standards of safe and decent working conditions for all employees.

We strictly comply with the requirements for the protection of human rights in relation to our employees, direct activities, products and services. These requirements include:

- Ensuring safe working conditions and equal opportunities for all employees.
- Compliance with labour standards, including fair pay, rest and vacation rights, and protection from discrimination, harassment and any form of exploitation.

Our suppliers are required to fulfill strict requirements related to human rights and corporate ethics standards. The Company carries out thorough due diligence of its counterparties, requiring them to demonstrate compliance with the following commitments:

- Prohibiting the use of child labour, forced labour or any other form of exploitation.
- Ensuring fair working conditions, including the right to a safe working environment.
- Complying the laws on the protection of employee rights, equality and non-discrimination.

Altyntalmas pays special attention to human rights issues in its work with its own security service units and third-party security companies. Key commitments in this area:

- The Security Service is obliged to comply with standards aimed at protecting human rights and to use methods consistent with the principles of respect for individual rights.
- All security units undergo mandatory human rights training, which excludes any form of abuse, arbitrary detention and violence.
- We regularly inspect and audit security services to ensure compliance with all human rights standards enshrined in both company policy and international standards.

For 2024, our goals and plans remain unchanged from previous years:

- Continue to promote a culture of corporate ethics.
- Pass a surveillance audit in accordance with ISO 37001.

GRI 2-23

## INFORMATION SECURITY

### OUR GUIDELINES



#### INTERNAL REGULATIONS:

1. **Informatisation Act of the Republic of Kazakhstan**
2. **Information Security Policy**
3. **Information Security Rules for Employees and Third Parties**
4. **Regulations on Information Security Incident Management**
5. **Regulations on Technical Vulnerability Management**
6. **Regulations on Network Security**
7. **Rules for Ensuring Information Security in Production Information Systems**



#### STANDARD:

1. **ISO/IEC 27001 Information Security Management System**

Altyntalmas pays special attention to data protection and information security, applying advanced technologies to prevent leaks and cyberattacks. The Company implements a privacy policy, controls access to information and conducts regular audits of security systems.

Information security in the Company is implemented on the basis of Policies and in accordance with the approved Information Security Management System (ISMS).

Cybersecurity at Altyntalmas is managed at several levels, ensuring appropriate management oversight and control over the effectiveness of information system protection. Executive management, which

oversees the implementation of cybersecurity strategies and policies, makes key decisions on risk management and ensuring the protection of critical information assets. The Company has nominated a Managing Director of Security who is responsible for employee safety and for information security. Under his leadership is the Information Security Division, which is directly responsible for monitoring, threat identification, implementation of protection measures and incident response. The Managing Director for Security reports directly to the Chief Executive Officer and provides regular reports on the current state of security and the results of data protection measures.

In line with international standards and evolving cyber security requirements, the Company regularly updates internal policies and conducts internal and external security audits to identify vulnerabilities and weaknesses. Regular training programs are conducted for all levels of employees to raise awareness of cyber threats and ways to prevent them.

Altyntalmas has developed and implemented a comprehensive mechanism for responding to information security incidents, which is aimed at promptly identifying and minimising the consequences of cyberattacks.

The Company uses modern analytical tools to conduct in-depth analysis of cyber incidents, which allows it not only to eliminate threats, but also to prevent their recurrence. All incidents are thoroughly documented, analysed, and based on their results, measures are implemented to improve the stability of the Company's information system. During 2023, no incidents of disclosure of confidential and personal data or violations in the field of personal data protection were identified.

Plans for 2024:

- Audit of IT infrastructure at the Head Office
- Audit of the industrial system of the Pustynnoye MPC.

# 04

## CONTRIBUTION TO SOCIAL AND ECONOMIC DEVELOPMENT

72 Procurement Practices

74 Regional Engagement



# Procurement Practices

GRI 2-6, 204-1

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. The Code of the Republic of Kazakhstan 'On Subsoil and Subsoil Use'
2. The Rules for Goods, Works and Services Procurement by Subsurface Users and Their Contractors
3. The Rules for Synchronising the Operation of E-procurement Systems for Solid Minerals with the Operation of the Goods, Works and Services Register
4. The Procurement Policy
5. The Procedure for S&H Management in Contractor Organisations
6. Regulation on Safety, Health, Sanitary Inspection and Environmental Protection in contractors
7. The main principles of procurement are transparency, competitiveness, fairness and efficiency.

## PRINCIPLES OF PROCUREMENT OF ALTYNALMAS

### 01 TRANSPARENCY

- The procurement procedures and requirements are clearly defined and regulated by the Company's internal regulatory documents;
- Potential suppliers are provided with necessary and sufficient information to participate in procurement procedures;
- Information on procurement is posted in the sources as required by the laws and on the Company's website;
- The Company has established transparent principles and criteria for evaluating bids and selecting a supplier.

### 02 COMPETITIVENESS

- Procurement is done by selecting the best bid in a competitive environment;
- Procurement without competitive environment is carried out in limited cases.

### 03 FAIRNESS

- Suppliers are given equal conditions for participation in procurement;
- Reasonable requirements for suppliers and goods, works and services to be procured are established.

### 04 EFFICIENCY

- Procurement decisions are made on the basis of the ratio of the required quality of goods, works and services to be procured to their cost.

## KEY PERFORMANCE INDICATORS

### Amount of procured GWS



135.8 KZT billion

### Total share of local content in procurement



89 %

### OUR APPROACH:

The Company implements procurement practices based on the principles of transparency, competitiveness, fairness and efficiency. The Company has established transparent principles and evaluation criteria

for all procured goods, works and services (GWS) and potential suppliers, set reasonable requirements and provided equal opportunities for participation in the procurement process.

The Group's total procurement volume in 2023 amounted to KZT 135.8 billion excluding VAT, the share of local content in procurement was 89%.

TYPE OF PROCUREMENT	AMOUNT OF PROCUREMENT, KZT THOUSAND	SHARE OF LOCAL CONTENT IN PROCUREMENT
Procurement of goods	29,819,267	51%
Procurement of services	9,291,322	100%
Procurement of works	96,717,820	100%
Total amount of procurement for subsoil use	135,828,409	89%

# Cooperation with regions

GRI 2-29, 203-1, 203-2, 411-1, 413-1

## KEY PERFORMANCE INDICATORS

### Social investments



1.6 KZT billion

### Rehousing of residents in Aksu Village in 2023



52 houses

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. Code of Corporate Ethics
2. Anti-Corruption Code
3. Human Rights Policies
4. Conflict of Interest Policy
5. Tax Policy



### STANDARDS:

1. The UN Global Compact
2. The UN Sustainable Development Goals
3. The AA1000 Stakeholder Engagement Standard

## OUR APPROACH

Altylnalmas actively engages with organisations in the regions of presence, recognising the importance of social responsibility and sustainable development in the areas of its operation. The Company strives for long-term and mutually beneficial cooperation with local communities, providing socio-economic support, improving infrastructure and fulfilling its obligations to the population.

Altylnalmas states that there are no indigenous peoples or ethnic minorities requiring special protection under international human rights standards in the areas of its operations. The areas where the Company operates are predominantly inhabited by Kazakhs, who are not an ethnic minority as they constitute the majority of the population of the Republic of Kazakhstan.

The activities of Altylnalmas are carried out in strict compliance with national legislation and international standards, respecting the rights and interests of all groups living in these areas. The Company actively engages with local communities, observing the principles of social responsibility and sustainable development.

The Company recognises its responsibility to the regions of operation and invests in their development. As part of its corporate social responsibility strategy, Altylnalmas allocates significant funds to improve infrastructure, social services, healthcare and education in the regions.

The Company operates taking into account the opinions and interests of local communities, ensuring minimal social impact and supporting sustainable development of the regions.

Altylnalmas attaches great importance to the engagement of local communities in the decision-making process. The Company has introduced a grievance mechanism that ensures: regular public hearings and consultations with representatives of local

communities on development and environmental impact issues, the possibility to submit complaints and proposals within the established procedures that ensure prompt consideration of all concerns.

## SOCIAL INVESTMENTS OF ALTYNALMAS, KZT THOUSAND

	2023	2022	2021
Social Investments	1,173,144	1,621,804	<b>1,643,112</b>
Contract	480,557	281,057	<b>308,605</b>
Over-contract	172,587	1,092,747	<b>348,507</b>
Sports	6,036	8,000	<b>250</b>
Healthcare	2,367	247,123	<b>95,648</b>
Education	8,681	299,620	<b>80,965</b>
Social infrastructure of settlements	121,290	439,868	<b>162,732</b>
Charity	31,113	54,249	<b>7,774</b>
Holidays	3,099	43,886	<b>1,138</b>
Resettlement	520,000	248,000	<b>986,000</b>

In 2023, Altylnalmas implemented significant projects aimed at sustainable development of the regions of operation, the priority of which was the resettlement

of residents whose homes were located in the area of mining operations, as well as the modernisation of infrastructure.

## SOCIAL PROJECTS

### RESETTLEMENT PROGRAM

In 2023, Altylnalmas implemented a large-scale rehousing program aimed at improving living conditions for the residents of Aksu Village, whose houses were located in the area of mining operations. As part of the program:

- The Company bought 52 houses for KZT 520 million.
- All resettled families received new housing that meets high standards.
- The remaining houses are bought on a voluntary basis, based on the grievances received.

To minimise the need for rehousing and protect the interests of local residents, the Company implemented the following measures:

- Early information about the right to rehousing and compensation at public hearings.
- Fair compensation for land and property.
- Development of resettlement plans to ensure comfortable movement.
- Development of income restoration plans for the economically rehoused residents.
- Introduction of grievance mechanisms for timely resolution of problems.

## SOCIAL INITIATIVES AND SUPPORT FOR THE REGIONS OF OPERATION

Altynalmas actively participates in the development and support of mining settlements:

- 2 outdoor gyms and 80 lighting poles were installed in Aksu Village.
- A 100 m2 playground with fencing was built in Kvartsitka Microdistrict.
- In Zholymbet, the Company repaired the Akimat administrative building, installed 20 lighting poles,

purchased LED-screen for the House of Culture and furniture for the family outpatient clinic.

- In Bestobe Village, folk festivities on the Victory Day were organised, food packages were given to low-income families.
- In Akbakai (Zhambyl Region), the installation of lighting on the sports ground was financed.

## EVENTS (FOR VETERANS, CHILDREN, PROFESSIONAL HOLIDAYS)

- By the 79<sup>th</sup> anniversary of the Victory in the Great Patriotic War, 57 veterans were congratulated, each of whom received monetary aid and a food basket.
- On the International Children's Day, the Company presented memorable gifts to more than 200 children.

- As part of the Road to School campaign, backpacks with school supplies were provided to children from low-income families.
- On New Year's Eve, children from mining villages received holiday gifts.
- The Company organised a festive event for the Miner's Day for local residents.

## SUPPORT FOR VULNERABLE GROUPS OF THE POPULATION

- In 2024, the Company will allocate 440 tons of coal for low-income and large families, as well as disabled people.

- It is planned to supply 3,750 tons of coal to the population at cost price for the 2024–2025 heating season.

## SUSPENSION OF OPERATIONS AT THE ZHOLYMBET GOLD PROCESSING PLANT

Since the beginning of March, the operation of the Zholymbet Gold Processing Plant (ZhGPP), which was commissioned in 1953, has been suspended in order to modernise and increase the Company's production and provide better working conditions for the plant's

employees. To support employees, the Company has organised:

- Regular meetings with government officials and local communities to discuss the Company's plans.

- Transfer of employees to the new processing plant of Kazakhaltyn Technology LLP (a subsidiary of the Company) in the same village of Zholymbet

- to ensure maximum and comfortable employment at their place of residence.
- Employee training and social guarantees that exceed the labour contracts.

## RECLAMATION WORK AT THE BESTOBE MPC

From August 2023, mine water pumping and reclamation of the Bestobe Mine, Akmola Region, commenced. As this work progressed, quartz ore extraction commenced in October of the same year. Mine water pumping is expected to be completed in the first quarter of 2025, with reclamation work and production capacity planned

for the second half of 2025. A job fair was also held at the Bestobe Mine office from 2022 through July 2023. All work is done in accordance with the decisions recorded in the minutes of the meetings of Bestobe population with representatives of the government authorities and the Company.

## ARTISANAL MINING MANAGEMENT

GRI 14.13

The Company does not engage with unlicensed sources of ore or gold, including any sources of artisanal mining

and/or processing. All ore extracted and processed by the Company is mined within licensed areas.

## PUBLIC HEARINGS AND HANDLING APPEALS

During the year, the Company held 27 public hearings with the participation of local authorities and the public, which promoted open dialog and transparency. Minutes of all meetings are freely available for review.

- In 2023, we received 124 requests and complaints from representatives of local communities. All requests were reviewed and responded to within the established deadlines.

Engagement with residents, support for vulnerable groups of population and implementation of social initiatives remain the most important priorities, confirming the Company's long-term commitment to the regions of operation.

# 05

## WELL-BEING OF OUR EMPLOYEES

81 HR Management

88 Employee Training and Development

90 Diversity and Inclusion

91 Safety and Health





## KEY PERFORMANCE INDICATORS

Headcount as of December 31, 2023



**9,052** employees

### OUR GUIDELINES



#### INTERNAL REGULATIONS:

1. Laws and regulations of the Republic of Kazakhstan
2. Labour Code of the Republic of Kazakhstan
3. Company's Charter
4. Regulations on the Organisational Development Department
5. Regulations on the Remuneration and Benefits Department
6. Regulations on the HR Administration Department
7. Regulations on HR Recruitment
8. Regulations on the HR Performance Management System
9. Regulations on Employee Compensation
10. Regulations on Annual Bonus Payments to Employees
11. Regulations on Bonus Payments to Operating Staff



#### STANDARDS:

1. The Universal Declaration of Human Rights
2. Standards of the International Labour Organisation
3. The UN Global Compact
4. The UN Sustainable Development Goals
5. Integrated Management System Manual

## OUR APPROACH

GRI 2-30, 405-1

Attracting and retaining skilled professionals in the mining industry is a key objective for Altylnalmas. We strive to create a fair and inclusive working and leisure environment, providing competitive remuneration, career development opportunities, and maintaining an open dialogue with employees, which is particularly important in volatile times.

Our corporate culture is built on the principles of mutual respect, trust, transparency and continuous development. We introduce and improve training and mentoring programs to help our employees improve their professional skills and acquire new knowledge in such areas as engineering, geology, mineral processing and environmental protection. We ensure that educational programs are accessible to all employees, regardless of their location, so that distance does not limit their opportunities for professional growth.

We pay special attention to the well-being and satisfaction of our employees. We have established a system of internal communications that allows each employee to address management on any issues and concerns without fear of negative consequences. Issues affecting the entire Company are discussed at the level of a committee of the Board of Directors in order to make the best possible decisions.

We also expect our employees and contractors to adhere to the high standards of business ethics set out in our Code of Conduct. Altylnalmas adheres to the policy of zero tolerance to any form of discrimination and harassment, promoting a culture of equal opportunities. We support socio-cultural diversity and inclusion through corporate programs that include training, mentoring, talent acquisition and proactive internal communications.

## HR Management

GRI 405-1, 406-1, 408-1, 409-1

Altylnalmas implements an HR Policy aimed at attracting, developing and retaining highly qualified specialists. The Company provides safe and comfortable working conditions, implements training and professional development programs, promotes career growth of employees and supports equal opportunities. More details can be found in the Annual Report for 2023.

### PRINCIPLES OF PERSONNEL SEARCH AND SELECTION

To select employees for vacancies, Altylnalmas uses a comprehensive approach, including the international Skills Assessment Tool – SHL. The Company also actively engages with talented graduates of educational institutions, identifying promising personnel. Personnel searches are conducted through various channels, including employment websites, social networks and professional communities. An important initiative is the 'Invite a Friend' internal recruitment program, which promotes employee involvement in the team building process.

### ANTI-DISCRIMINATION AND ANTI-HARASSMENT

Altylnalmas strictly adheres to the principles of anti-discrimination and anti-harassment. All employees of the Company have equal rights and opportunities, and remuneration is based solely on their contribution to the Company's activities.

The Company has implemented an escalation process for reporting incidents that helps ensure timely and effective response to incidents. Any employee who feels unfairly treated can contact their line manager, the Head of HR Administration Department, the Director of Legal Affairs or the Compliance Manager. All complaints are treated confidentially and,

## KEY PERFORMANCE INDICATORS

### Female employees



**16** %

### Training hours per employee per year



**22** hours

### Employees who have signed a collective bargaining agreement



**87** %

if substantiated, an internal investigation is initiated with possible disciplinary action in accordance with the Code of Corporate Ethics, the Anti-Discrimination and Anti-Harassment Policy and the Human Rights Policy.

The Company conducts mandatory training on 'Human Rights Compliance' for all employees, which includes sections on anti-discrimination and anti-harassment. No incidents of discrimination and harassment of employees were registered during the reporting period.

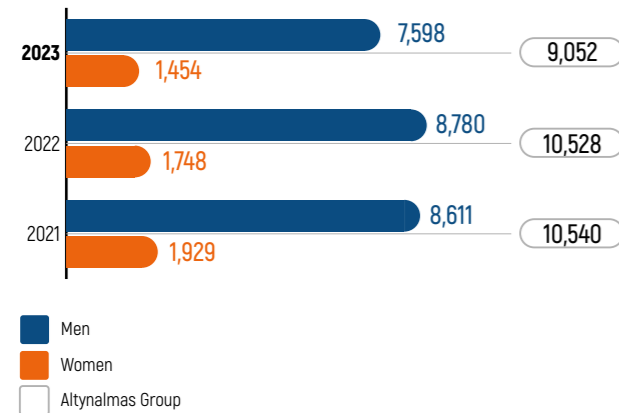
## EMPLOYEES

GRI 2-7, 2-8, 401-1, 401-2, 401-3, 405-1

At the end of 2023, the employee headcount was 9,052. The Company does not allow any discrimination, difference, exclusion and preference in the realisation

of employees' rights. Each employee is entitled to equal pay for equal work without any discrimination.

### Employee Headcount



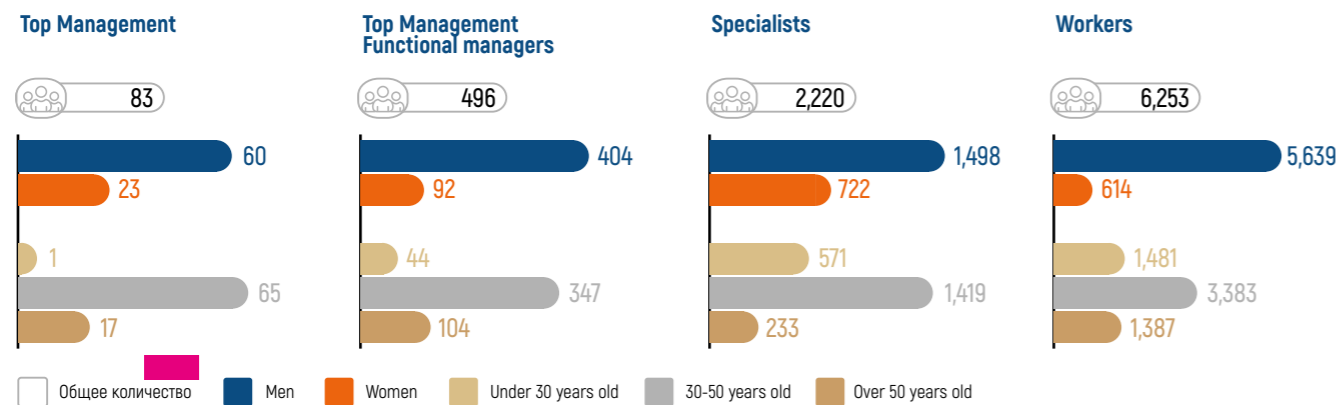
The gender structure of the Group's personnel remained virtually unchanged in the reporting year. At the end of the year, the share of women in the total number of employees was 16%. The disproportionate gender representation among employees reflects the peculiarities of working in the mining industry, where a large share of the workforce is male due

### Personnel structure by employee category, in % at the end of the period



to hazardous and physically demanding working conditions. Nevertheless, we have diversity initiatives and strategies in place to attract and promote talented employees regardless of race, religion, age, gender, disability group or other characteristics. The staffing structure of the entire Company and its management team reflects diversity in terms of age.

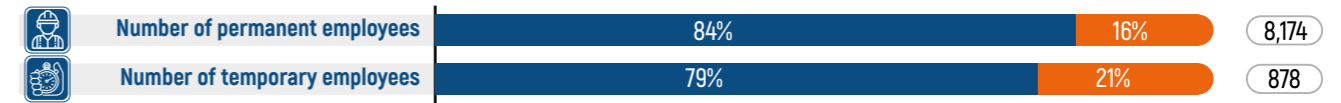
### Headcount, number of people



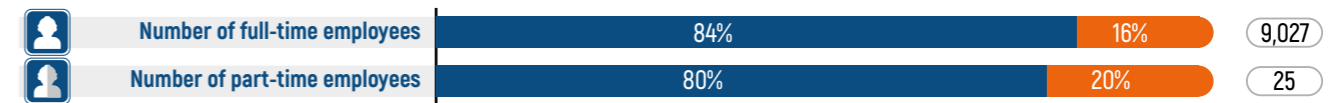
The Group respects and values its employees, regardless of whether they work full-time or part-time, takes care of them and takes into account their needs

and requirements, and promotes favourable working conditions that meet safety requirements.

### Breakdown of employees by type of employment



### Breakdown of employees by form of employment



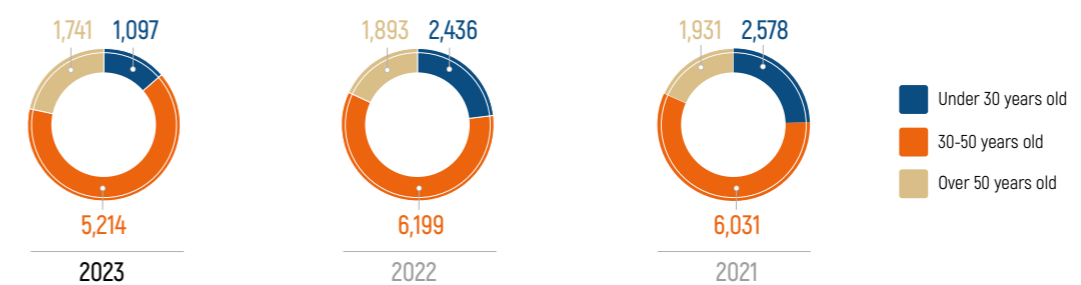
Altylnalmas Group provides a social package to employees hired on a permanent basis, as well as to employees hired for the period of parental leave of the main employee.

In 2023, the share of employees under 30 years old increased from 19.6% to 23.2%, while the share of employees over 50 years old increased from 17.7% to 19.2%. The 30-50 years old age group remains the most represented in the Company, accounting for 57.6% of the total workforce. At the same time, the share of employees over 50 years old is slightly higher among workers – 22.2%, while in the category of ETS and administrative, the share of employees under 30 years old is 25.7%.

In 2023, the number of employees who took parental leave was 90, of which 87 were women and 3 men. This data demonstrates that the Company does not have gender discrimination in the provision of social leave. Women raising young children receive the necessary social support, and most of them return to work after parental leave ended. In 2023, 49 employees returned to work after social leave until the child reaches the age of three ended.

The total number of Altylnalmas Group employees with disabilities was 102, including 3 functional managers, 17 ETS and 82 workers.

### Personnel structure by age groups, persons



## EMPLOYEE TURNOVER

The employee turnover rate at Altyntalmas Group decreased from 22% in 2022 to 20% in 2023. This decrease was due to an increase in salaries, which had a positive impact on employee retention. In 2023, the Company recruited 3,020 new employees.

### Employee Turnover Rate at Altyntalmas Group



The majority of employees are between 30 and 50 years old (58%), the share of employees over 50 years old is 19%, under 30 years old – 23%. The Company relies on experienced and professional specialists with both professional knowledge and sustainable skills. But the Company also cares about the transfer

### EMPLOYEE TURNOVER BY GENDER AND AGE GROUP, %

	BY GENDER		BY AGE GROUP		
	MEN	WOMEN	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD
Employee turnover rate	22	5	3	19	4

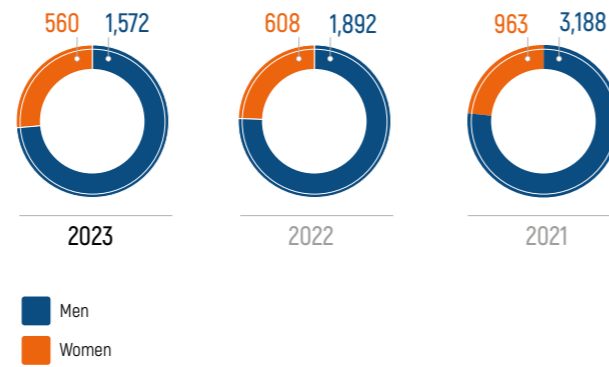
## EMPLOYEE COMPENSATION AND INCENTIVE

Altyntalmas is committed to providing fair and competitive remuneration to its employees that reflects their contribution to the achievement of the Company's strategic and operational goals. Employee remuneration includes several components: base remuneration, monthly and/or year-end bonuses

### EQUAL PAY POLICY

The Company adheres to a policy of equal pay for all employees. The difference in the average wage level between women and men is about 3%, reflecting primarily differences in qualifications and the level

### Number of employees accepted



of experience, which can increase its sustainability and reduce the risk of knowledge loss.

The employee turnover rate at Altyntalmas is 20%. The main reasons for turnover are retirement of employees, as well as dismissals at the initiative of both the employer and employees.

and social benefits. We strive to ensure that all our employees, regardless of gender, age or nationality, receive equal pay for equal work. This is an important part of our corporate culture and a commitment to our employees.

of positions held, rather than discrimination. In 2023, the average monthly wage was KZT 413,172 for women and KZT 426,218 for men.

GRI 2-7

## RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE IN 2023

	MEN	WOMEN
Average monthly wage in the Company	426,218	413,172
Minimum wage in the Republic of Kazakhstan	70,000	70,000
Average monthly wage for the period according to the Office for National Statistics	371,511	418,788

## EMPLOYEE INCENTIVE SCHEME

Altyntalmas uses a multi-level incentive scheme including both material and non-material components. The main elements of the incentive scheme:

- **Material incentives:** include both fixed payments (base salary) and variable payments (monthly and annual bonuses).
- **Intangible incentives:** includes recognition of employees' merits, career growth, participation in training and development programs.

## EMPLOYEE ASSISTANCE PROGRAMS

Altyntalmas provides its employees with a variety of benefits aimed at maintaining well-being and comfortable working conditions:

Provision of safe and comfortable working conditions, including compensation for work in conditions with harmful and hazardous factors:

- **Remote work**
  1. Part-time employment
  2. Paid leave
- **Family support programs**
  1. Paid parental leave
  2. Maternity and paternity leave

3. Material assistance in difficult life situations
4. Benefits of breastfeeding
  1. Child care contributions
- **Employee benefits:**
  1. Medical insurance
  2. Compensation for training expenses
  3. Additional leave for employees combining study and work
  4. Lump sum retirement benefit
  5. Bonuses and incentives
  6. Professional development programs
  7. Material assistance in case of illness or other extreme situations.

## EMPLOYEE PERFORMANCE EVALUATION

Employee performance is evaluated based on the KPI system, which allows for an objective evaluation of each employee's contribution to achieving the Company's goals. The evaluation is carried out in stages throughout the year, which allows timely identification of opportunities for improvement and corrective

actions. Based on the evaluation, the amount of bonuses and career development opportunities for employees are determined.

The bonus system at Altyntalmas is based on key performance indicators (KPIs) that cover all levels



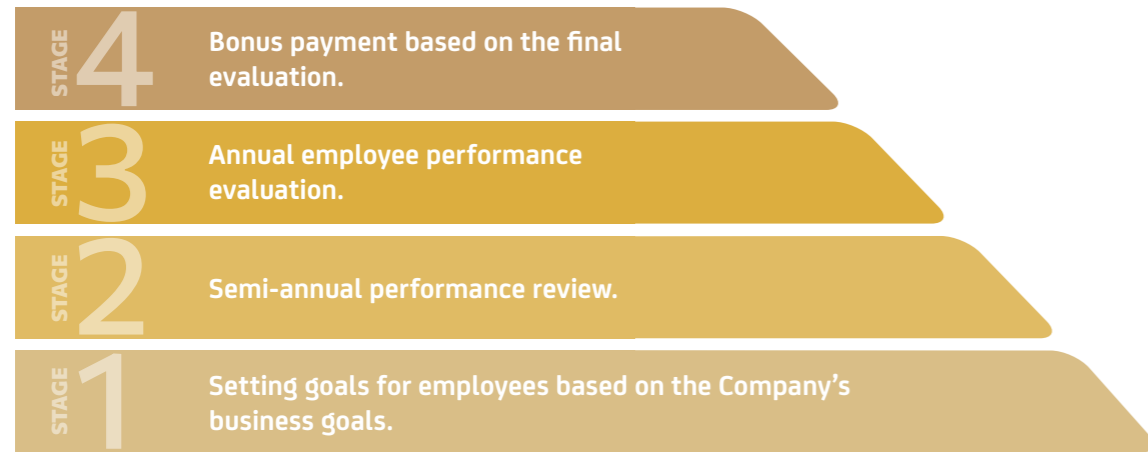
of management, from the Board of Directors to line employees.

- KPIs for Management: Include performance indicators for strategic areas of the Company's development,

financial performance, as well as the implementation of initiatives to increase productivity and reduce costs.

- KPIs for employees: Include performance indicators for fulfilment of plans, quality of work and compliance with internal standards.

**THE PERFORMANCE MANAGEMENT CYCLE INCLUDES THE FOLLOWING STAGES:**



The Company plans to develop a Long-Term Incentives program for key employees over the next two years. This initiative is designed to reward and retain our talented people and to ensure their long-term motivation and engagement in achieving the Company's strategic goals. The Long-Term Incentives program will deliver many benefits including:

- **Increased motivation:** Employees will strive to achieve long-term goals knowing that their efforts will be rewarded.
- **Talent retention:** The program will help retain key talent, reducing turnover and providing stability in the team.

- **Goal synchronisation:** Employees will be more involved in the strategic development of the Company, leading to more cohesive and efficient work.
  - **Attracting new talent:** Having such a program in place makes the Company more attractive to highly skilled professionals in the labour market.
- We are confident that this program will be an important step towards our shared success and prosperity.

**EMPLOYEE SURVEYS AND WELL-BEING**

The Company conducts annual surveys to assess employee satisfaction, engagement and general well-being. These surveys help to identify areas for improvement in working conditions and employee motivation. The results of the surveys are used to adjust the Company's policies and introduce new initiatives to improve employee engagement.

The Company conducts surveys in two formats: 80% of the questionnaires are completed on paper and 20% are completed electronically. Key topics

include working conditions, employee loyalty and communication. The surveys are anonymised so that employees can freely express their opinions. Focus groups are also held to better understand the survey results and to obtain detailed feedback.

Based on the data obtained, the Organisational Development Department conducts a qualitative analysis to identify key issues and holds sessions for employees to review the survey results. The Organisational Development Department then

develops an action plan to improve the identified areas of concern, with specific steps and timelines for implementation, and carries out annual monitoring.

**SAFE WORKING CONDITIONS AND SUPPORT FOR EMPLOYEE HEALTH**

Altyntalmas places special emphasis on creating safe working conditions and supporting the health of its employees. The Company provides its employees with access to voluntary medical insurance, which covers the cost of treatment and disease prevention. Employees are also fully compensated in case of temporary disability caused by illness.

As part of its social package, the Company insures its employees against incidents, which includes payments for injuries and other.

Based on the results obtained, systematic work and implementation of necessary changes is started.

The Company provides material assistance to employees in the event of work-related injuries, as well as in difficult life situations, such as the loss of loved ones. Employees have the opportunity to undergo treatment and rehabilitation in health and recreation resorts as part of social benefits.

The Company also implements programs to improve working conditions, including protective measures at work, regular medical examinations, and providing employees with the necessary protective equipment and clothing.

**SOCIAL PROTECTION OF EMPLOYEES**

GRI 2-30

Altyntalmas implements an active social policy aimed at ensuring the health and social security of employees and their families. One of the key elements of this

policy is the collective bargaining agreement covering the majority of employees and regulating social guarantees and benefits.

**COOPERATION WITH TRADE UNIONS**

The Company actively cooperates with trade unions to protect the rights and interests of its employees. In 2023, the share of employees who have signed a collective bargaining agreement was 87%, or 7,832 employees.

The Company's collective bargaining agreement is aimed at improving social guarantees for employees, including additional leave, compensation and incentive payments, bonuses for industry awards, health resort treatment benefits and more. The document was developed on the basis of a sectoral agreement between the Ministry of Industry and Development of the Republic of Kazakhstan, the Republican Association of Mining and Metallurgical Enterprises and industrial trade unions. This agreement is valid from 2022 to 2024.

- Kasip Korgan Industrial Trade Union – 824 employees (13% of personnel).
- Kasip Kazakaltyn Industrial Trade Union – 474 employees (8% of personnel).
- Baiterek Industrial Trade Union – 420 employees (7% of personnel).
- Representative Body of Altyntalmas Employees – 3,481 employees (55% of personnel).

Trade unions actively cooperate with the Company's management, contributing to the creation of balanced conditions for all employees.

The Company declares that it does not use child and forced labour in its operations. We strictly follow the principles of respect for human rights and compliance with labour legislation.

Altyntalmas has several trade unions that ensure the protection of employees' rights:

- Kazprofmetall Trade Union – 1,094 employees (17% of personnel).

In 2023, no significant labour conflicts were registered at Altyntalmas, which indicates a constructive dialogue between the employer and trade unions, as well as a high degree of employee satisfaction with working conditions.



# Employee Training and Development

GRI 404-1, 404-2

Altylnalmas pays great attention to the development and training of its employees by implementing comprehensive programs covering all functional subdivisions of the Company. Training covers all categories of employees – from senior managers

to production workers. Altylnalmas strives to continuously develop the skills of its employees throughout their career, which allows maintaining a high level of professionalism and meeting the needs of the Company's growth.

## TRAINING AND DEVELOPMENT PROGRAMS

Training in the Company is based on the principle of a blended approach (70–20–10):

- 70% of training takes place directly at the workplace, where employees gain experience by solving practical tasks.
- 20% of time is devoted to interaction with mentors, internal and external experts, and knowledge sharing among employees.
- 10% of time is devoted to training (synchronous or asynchronous) and self-learning.

### Main areas of training in 2023:

- Mandatory training of production personnel – 54%

- Training and professional development in working professions – 21%
- Professional development of engineering and technical specialists – 14%
- Corporate training and personal effectiveness development – 11%

The number of trainees in 2023 totaled 21,708 employees, including 4,366 women and 17,342 men (one employee can participate in several trainings/workshops). Average hours of training per year per employee – 22 hours. Training was conducted in various formats: distance courses, group trainings and individual sessions.

## PROFESSIONAL DEVELOPMENT PROGRAMS IN 2023

### PROGRAM FOR CATERPILLAR HAUL TRUCK DRIVERS, 100% OF FTES PARTICIPATING IN THE PROGRAM

#### PROGRAM DESCRIPTION AND PURPOSE

An advanced program for experienced haul truck drivers. The program is designed to teach experienced haul truck drivers how to operate their machines carefully, efficiently and safely, thereby reducing wear and tear and unscheduled downtime.

#### BUSINESS BENEFITS

1. Increased productivity through efficiency, accuracy and reduced operating costs.
2. Improved employee skills.
3. Improved employee safety: reduced incidents and injuries.
4. Reduced operating costs: saved fuel and reduced maintenance costs.
5. Reduced environmental impact: reduced greenhouse gas emissions and reduced waste.

### WELDING TECHNOLOGY PROGRAM, 100% OF FTES PARTICIPATING IN THE PROGRAM

#### PROGRAM DESCRIPTION AND PURPOSE

The program is aimed at developing welding skills, including improvement of technical knowledge, mastering new welding techniques, training in working with different materials and using special equipment. The program is designed to improve the technical skills of welders such as accuracy of welds, ability to work with different materials and welding methods.

#### BUSINESS BENEFITS

1. Increased productivity: increased welding process speed and optimised welding processes.
2. Improved employee skills.
3. Improved employee safety.
4. Improved quality of welding: welding in accordance with high quality and safety standards.
5. Reduced costs: saved materials and reduced energy consumption.
6. Reduced environmental impact: reduced emissions of greenhouse gases and other pollutants.

### SAFE OPERATION OF TAILINGS. HYDRAULIC FACILITIES. 100% OF FTES PARTICIPATING IN THE PROGRAM

#### PROGRAM DESCRIPTION AND PURPOSE

The program is designed to:

1. Improve the competence of workers operating tailings in areas of non-compliance.
2. Make employees aware of the requirements in operation of tailings in areas of non-compliance.

#### BUSINESS BENEFITS

1. Reduced incident risks: prevented incidents and improved waste management.
2. Increased productivity through optimised tailings management processes.
3. Reduced incident response costs.
4. Reduced environmental impact: reduced negative impact on ecosystems and water resources.
5. Increased safety for employees and the local communities.
6. Improved Company reputation: Improved employee safety: Social responsibility and compliance.

## COOPERATION WITH EDUCATIONAL INSTITUTIONS

Altylnalmas actively cooperates with leading educational institutions of the country, providing training for employees under special programs. The Company sends its employees to professional development and training programs at educational institutions,

which allows them to develop their knowledge and skills required to perform complex professional tasks. Educational institutions provided training for 41 Company employees at universities and 42 employees at secondary vocational schools.

## MENTORSHIP PROGRAM

The Company has introduced a mentoring program where experienced professionals share knowledge with newcomers and less experienced employees. This process helps to adapt employees to new working

conditions, as well as facilitates the development of professional and leadership skills. Mentors provide constant feedback and guidance, which allows employees to develop within their profession.

## CORPORATE CONTESTS

Altylnalmas also implements corporate contests aimed at developing professional skills and creating a spirit of team competition. One of the most famous contests is the annual Altyln Sheber contest, which is held as part of 'Metallurgist's Day' and 'Miner's Day' professional holidays. The main purpose of this initiative is to identify and encourage talented employees, develop mentoring, create a talent pool, and provide an additional motivational tool for our personnel. In 2023, 306 employees took part in the contest, which is more than double the number of participants in 2022. 27 different professions were represented in the contest, and the number of finalists totaled 113, which is 1.6 times more than in 2022 (67 finalists). This demonstrates that the contest stimulates professional development and active participation of our employees.

The winners receive not only monetary incentives, but also the opportunity to study under special educational programs at leading CIS universities.

# Diversity and Inclusion

GRI 405-1

Altylnalmas is committed to creating an inclusive and diverse work environment where every employee, regardless of gender, age, physical ability or other personal characteristics, has equal opportunities for professional development and career growth.

Maintaining the principles of diversity and inclusion is a key element of our HR Policy, contributing to the achievement of the Company's strategic goals and the creation of a strong corporate culture.

## COMPANY'S APPROACH TO DIVERSITY AND INCLUSION

The Company recognises that diversity strengthens the team by facilitating the sharing of experience, knowledge and ideas. We strive to ensure that employees feel part of a united team that values the uniqueness of each individual. Altylnalmas strives to create a level playing field for all employees and candidates, eliminating discrimination at any stage of the employment relationship.

The Company pays special attention to attracting and retaining employees from different social and cultural groups and implements programs to adapt and support employees with special physical and mental needs.

## GENDER EQUALITY

One of the key objectives of the Company's HR Policy is to ensure gender equality. In 2023, the share of women among the Company's employees was 16%. The Company carries out activities aimed at further increasing the number of women in the mining industry, and also implements support programs to improve their professional skills and adapt to difficult production conditions.

develops special programs aimed at adapting workplaces and working conditions for such employees, providing equal opportunities for their professional growth and inclusion in the team.

Since 2022, Altylnalmas has been actively supporting women in the mining industry through participation in the **Women in Mining** international program developed for 2 years. One of the training stages was training at the Borusan Cat Kazakhstan training center in Karaganda, where female operators honed their skills in operating various types of equipment. Upon completion of the program, a memorandum of cooperation between Altylnalmas and Borusan Cat Kazakhstan was signed in 2023, aimed at building active support for gender equality measures, promoting education, skills development and professional growth of women at production facilities.

At the end of 2023, the Company had 102 employees with disabilities. The Company strives to create an environment in which employees with increased needs can realise their full potential by providing them with the necessary support and development opportunities.

### Individual Approach and Inclusive Recruitment Processes

Altylnalmas implements inclusive recruitment processes to ensure that all candidates, regardless of their individual characteristics, have an equal employment opportunity. We take an individual approach to each candidate, ensuring that the interview and workplace environment is tailored to enable them to reach their full potential.

The Company continues to develop its HR initiatives to support diversity and inclusion, thereby creating a level playing field for all employees and fostering a culture of respect and mutual support within the team.

### Supporting People with Increased Physical or Mental Needs

Altylnalmas recognises the importance of an individual approach when recruiting and supporting employees with increased physical or mental needs. The Company

# Safety and Health

GRI 403-1, 403-2, 403-4, 403-5, 403-6, 403-7, 403-9

## OUR APPROACH

Employee safety is the top priority of Altylnalmas. The Company pays special attention to ensuring safe working environment for all employees, as well as the safety of contractors' employees, transport safety issues, hazard identification and risk assessment, training and improvement of employees' competencies in the field of Safety and Health (S&H), introduction of advanced methods and technologies aimed at minimising the impact of production hazards on the lives and health of employees, as well as preventing S&H incidents.

## PERSONAL RESPONSIBILITY OF MANAGERS

Responsibility for safe working conditions rests with managers at all levels, from the CEO to department heads. S&H performance is included in the performance evaluation system for senior managers and directly affects their remuneration.

## SAFETY AND HEALTH MANAGEMENT SYSTEM

All of the Group's enterprises have implemented an Safety and Health Management System (SHMS) compliant with international standards. The system covers the full range of Safety and Health issues, including processes for identifying and assessing occupational risks, managing hazards, training personnel in safe working practices, and preparing for and responding to emergencies. Special attention is paid to the management of Safety and Health issues in contractor organisations, which ensures that all safety requirements are met at every stage of cooperation. Transport safety measures are also implemented as part of the SHMS, which reduces risks in transport operations.

## KEY PERFORMANCE INDICATORS

### Fatalities among employees and contractors



0

### LTIFR



0.32

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. **Golden Safety Rules**
2. **S&H Policy**
3. **S&H Tips**
4. **Procedures for S&H Management in Contractor Organisations**
5. **Procedure for Safe Operation of Vehicles**
6. **Procedure for Root Cause Analysis of Safety and Health Incidents**
7. **Regulations on Industrial Control**



### STANDARDS:

1. **ISO 45001 Safety and Health Management System**
2. **Standards of the International Labour Organisation**

### ZERO INJURY CULTURE AND THE RIGHT TO REFUSE WORK

The Company's S&H Policy is aimed at fostering a culture of zero injuries, where every employee has the right to refuse to perform work if it seems unsafe. All employees are also required to report any identified hazards immediately, which enables risks to be

addressed promptly and incidents to be prevented. This culture promotes safety at all levels of the Company and strengthens employee engagement with management on S&H issues.

### INTEGRATED SAFETY MANAGEMENT STRUCTURE

The Company has implemented a system of safety (S), health (H) and environment (E) committees, which is a safety management structure that is built at different levels of the Company. The main purpose of such a system is to ensure effective control and cooperation on S&H issues, starting from the Company's top management to line subdivisions.

This structure helps to enhance and strengthen the Company's safety culture, improve risk management and ensure compliance with S&H norms and standards at all levels of the Company.

Committees are established at different management levels (at the level of the Group, MPCs, structural subdivisions) to ensure safety control and management at all stages of operations.

**SHE Committee 1** is a committee at the management level of the Company under the leadership of the Chief Executive Officer. The meeting of the Committee is held with the participation of the Managing Directors and Heads of Departments of the Company on a quarterly basis.

**SHE Committee 2** is a committee at the project level of the Company under the leadership of the Company's Project Production Directors. The meeting of the Committee is held with the participation of heads of structural subdivisions and line personnel at least once per shift.

**SHE Committee 3** is a committee at the level of structural subdivisions and project sites of the Company under the leadership of the heads of structural subdivisions and sites. The meeting of the Committee is held with the participation of production personnel at least once per shift.

### INTERNAL AUDIT AND EFFICIENCY ASSESSMENT

To assess the efficiency of the S&H management system, the Company has introduced an internal audit procedure. This process allows timely identification of deviations from the established standards and taking corrective measures to eliminate them. Internal audits are conducted on a regular basis and cover all structural subdivisions and key processes of the Company. The main objective of the S&H management system audit is to confirm the system's compliance with the requirements of standards and corporate regulations, as well as to ensure its continuous improvement by identifying opportunities to improve the system's performance. The results of audits are discussed within the framework of SHE Committees, which helps to improve the management system and implement best safety practices.



In addition, in 2023, the Company passed a mandatory surveillance audit for compliance with ISO 45001:2018.

### SAFETY AND HEALTH PROGRAM

Altylnalmas implements a set of measures aimed at improving the level of Safety and Health, which are aimed at preventing incidents, improving working conditions and creating a safe working environment. These measures include the introduction of international best practices, development of standards

### AUTOMATED MONITORING SYSTEMS

The Company has implemented a vehicle monitoring system that helps minimise production risks. In 2023, a pilot project was implemented at the Pustynnoye MPC to install a blind spot monitoring system on heavy-duty

### SAFETY PERFORMANCE

In 2023, the Company had **no fatalities** among employees and contractors. The Company continues to work on improving the effectiveness of health and safety measures and a safety culture based on strict adherence to regulations.

Altylnalmas actively uses international rates to measure the effectiveness of health and safety management:

In 2025, the Company plans to certify the MPC in Akmola Region under ISO 45001:2018.

and procedures, automation of S&H processes, mandatory training of the Company's employees, and regular S&H inspections. The application of these elements ensures a systematic approach to SHE issues and contributes to improving the level of safety culture in the Company.

haul trucks. This project is aimed at improving safety during the operation of mining equipment and will be expanded to other Company facilities in 2024.

- **LTIFR (Lost Time Injury Frequency Rate):** At Altylnalmas, Lost Time Injury Frequency Rate was 0.35 in 2023, an increase of 39% compared to 2022.
- **TRIR (Total Recordable Injury Rate):** In 2023, the Company's Total Recordable Injury Rate was 0.59, down 9.2% from 0.65 in 2022.

### S&H STATISTICS

	2021	2022	2023
Number of fatalities	–	1	–
LTIFR	0.22	0.23	<b>0.32</b>
TRIR	N/A	0.65	<b>0.59</b>
Number of fines	11	11	<b>3</b>
Amount of fines, KZT	8,206,828	6,524,190	<b>2,984,250</b>

During the reporting period, there were 19 lost time injury (LTI) incidents and 8 restricted duty injury (RDI) incidents. All incidents are thoroughly investigated to identify root causes and corrective actions are developed to prevent similar incidents in the future.

### IMPROVING SAFETY CULTURE AND TRAINING

Altynalmas is actively working to improve the safety culture at all levels. As part of the mandatory training and professional development program, employees regularly undergo health and safety training, including both mandatory induction training and specialised courses.

All Company employees undergo mandatory safety training, including training in handling hazardous materials, vehicle operation and emergency response.

The Company pays special attention to the development of employees' safety skills and competences. Upon hiring, each employee receives a health and safety induction training. There are also regular mandatory industrial safety training and knowledge checks in accordance with the approved training matrix. These trainings cover not only workplace safety, but also compliance with the Company's internal regulations.

### HAZARD IDENTIFICATION AND RISK ASSESSMENT

The Company uses a risk-oriented approach to SHE management.

All potential hazards are identified and assessed before work commences, which helps minimise the risks of abnormal situations and prevent injuries to employees while performing work tasks. In 2023, based on the results of audits and assessment of the effectiveness of the implemented safety management systems, preventive and corrective

actions were developed and implemented to reduce the risk level to an acceptable level. Regular monitoring and review of risk assessment results ensure that controls are adapted to changes in work processes and conditions.

Employees are actively involved in the risk management process through regular training and education programs, which increases their safety awareness and responsibility.

### INCIDENT INVESTIGATION

The Company conducts investigations of Safety and Health (S&H) incidents in strict compliance with applicable legislation. This is not only a legal obligation, but also a necessary measure to prevent recurring incidents and improve overall safety at work.

In addition to compliance with the requirements of the legislation of the Republic of Kazakhstan, the Company pays particular attention to root cause analysis (RCA) of all S&H incidents, including potentially hazardous incidents.

Root cause analysis helps to find the systemic factors that led to the incident. For example, this could be a lack of training of employees, errors in work organisation, lack of necessary protective equipment or systemic problems in safety management.

This approach ensures that effective corrective and preventive actions are taken to eliminate identified problems and reduce the risk of future reoccurrences.

### EMERGENCY PREPAREDNESS

Altynalmas has developed Emergency Response Plans (ERPs) at all its facilities, which provide for actions to be taken in case of emergencies. All employees of the Company undergo regular

emergency response training, the units are provided with modern firefighting equipment, and contracts with professional emergency rescue services are concluded.

### FINES AND ADMINISTRATIVE ACTIONS

In 2023, SHE fines totaling KZT 3 million were imposed on Altynalmas.





06

## ENVIRONMENTAL RESPONSIBILITY

101 Land and Biodiversity Conservation

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109 Use of Water Resources

113 Energy Consumption

115 Waste Management



## KEY PERFORMANCE INDICATORS

### Environmental investments



**505** KZT million

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. Environmental Code of the Republic of Kazakhstan
2. Company's Green Rules
3. Environmental Policy
4. Environmental Compliance Instructions
5. Environmental Compliance Guidelines for Contractor Organisations
6. Industrial Environmental Control Programs



### STANDARDS:

1. ISO 14001 Environmental Management System
2. International Standard for Cyanide Management in the Production of Gold (ICMI)
3. The UN Global Compact

## OUR APPROACH

GRI 3-3

Altyntalmas pays special attention to compliance with the environmental legislation of the Republic of Kazakhstan and international environmental standards. The Company strives to minimise the negative environmental impact by ensuring sustainable use of natural resources and prevention of pollution in the course of its activities.

## MAIN DIRECTIONS OF ENVIRONMENTAL POLICY

Production processes at the Company's facilities are organised taking into account the principles of environmental protection and are aimed at improving environmental safety. For this purpose, Altyntalmas actively uses the global best practices and the latest technologies to improve the efficiency of environmental management.

The EP Operations Affairs Division of the Environmental Protection Department oversees all environmental issues at the Company's production facilities, conducts internal audits and inspections, and implements best environmental practices into production processes. The Corporate Department deals with environmental reporting, permit documentation and support for environmental projects.

## PRINCIPLES OF THE COMPANY'S ENVIRONMENTAL ACTIVITIES

Altyntalmas adheres to the following key principles in its environmental activities:

- Ensuring environmental safety in all production processes.
- Strict control over compliance with environmental laws, guidelines and standards.
- Consideration of environmental risks when making strategic decisions and implementation of effective corrective actions.
- Continuous improvement of environmental education and training of the Company's employees and contractors.
- Transparency and accessibility of environmental information for stakeholders and the public.
- Striving for sustainable use of natural and energy resources.
- Introduction of innovative technologies to reduce waste and prevent environmental risks.

In September 2023, the Company approved the Green Rules, becoming the first Kazakhstan mining and metallurgical enterprise to develop such a document. These rules are aimed at improving the environmental culture and responsibility of employees.

### RULE 1. AIR PROTECTION

Take measures to improve air quality and prevent atmospheric air pollution while performing work tasks

#### Employees are obliged to:

1. use only approved routes for internal process operations when moving by motor transport or special machinery;
2. operate machinery and equipment only after routine inspections and checks for compliance with the standards of smoke opacity and toxicity of exhausts. In the warm season, avoid idling transport and special machinery;
3. burn waste only in incinerators, if provided;
4. immediately report cases of machinery and equipment operation with violations of standards (e.g. increased toxicity and smoke opacity of exhausts, leaks of oil products, etc.);
5. prevent cutting down and destruction of trees, saplings and other green spaces.

### RULE 2. WATER CONSERVATION

Take measures to prevent pollution and depletion of soil cover.

#### Employees are obliged to:

1. not to discharge untreated water, technical liquids and waste water into rivers, lakes, the earth's surface and wells (observation, drinking and other);
2. prevent pollution of water protection zones, including coastal strips of rivers and lakes;
3. not to discharge into sewerage systems substances that can disturb their operation, such as acids, alkalis, rubbish, oils and other hazardous substances;
4. strictly follow the instructions for safe operation of biological water treatment plants;
5. notify responsible persons immediately if leaks or damage to the isolation layer of the tailings dam or slurry pipeline is detected.

## GREEN RULES

### RULE 3. SOIL COVER PROTECTION

Take measures to prevent pollution and depletion of soil cover.

#### Employees are obliged to:

1. not to pollute the ground surface with waste and to dispose of it only in specially designated places;
2. take measures to prevent leaks of oil products, waste water, slurry and other pollutants on the ground;
3. remove the fertile soil layer before starting works related to prospecting, exploration and extraction of minerals or construction of new facilities;
4. perform restoration (reclamation) of disturbed lands after completion of prospecting and exploration of deposits, as well as after completion of construction and mining works (underground or open pit).

### RULE 4. WASTE MANAGEMENT

Take measures to reduce the negative impact of production and household waste on the environment.

#### Employees are obliged to:

1. not to mix different types of waste to ensure proper disposal and recycling;
2. keep records of all stages of waste management: generation, placement, accumulation, disposal, transfer or recycling;
3. take measures to reduce waste and, where possible, consider recycling;
4. comply with the established waste accumulation periods: no more than 6 months for industrial waste and no more than 12 months for mining waste (waste rock and tailings);
5. store all types of waste, including waste rock, only in places provided for in the design documentation and specially equipped for this purpose.



### EMS CERTIFICATION

In October 2023, Altyntalmas successfully passed the mandatory audit for compliance with the requirements of the international standard ISO 14001:2015, which regulates the Environmental Management System (EMS). Based on the results of the independent audit, the Company confirmed its compliance with the requirements of the standard, which demonstrates its commitment to sustainable development and environmental protection. The Company plans to certify the MPC in the Akmola Region under ISO 14001:2015.

### INDUSTRIAL ENVIRONMENTAL CONTROL

The Company carries out regular environmental control, which includes monitoring of the following:

- Atmospheric air at the boundary of sanitary protection zones.
- Groundwater and wastewater.

- Soils and land resources.
- Production and consumption waste.
- Radiation situation and condition of flora and fauna.
- Process facilities and sanitary and living conditions of employees.

### ENVIRONMENTAL CAMPAIGNS AND EVENTS

In 2023, Altyntalmas took part in the international Earth Hour campaign for the first time, as a result of which by switching off electricity at all facilities for one hour 23,158 kW of electricity was saved, which is equivalent to 23 tons of GHG emissions.

During 2023, the Company organised 54 environmental campaigns, including 36 clean-up days, in which more than 300 employees participated. As part of the formation of environmental culture among employees, the Green Patrol competition was held to increase involvement in the implementation of environmental protection measures.



# Land and Biodiversity Conservation

GRI 304-1, 304-2, 304-3, 304-4

### OUR APPROACH

Altyntalmas is committed to responsible management and development in biodiversity conservation.

Altyntalmas recognises the importance of biodiversity conservation and its role in environmental processes. The Company strictly complies with environment protection and biodiversity conservation standards and national legislation of the Republic of Kazakhstan, which confirms its participation in the UN Framework Convention taking into account climate and biodiversity features. All the Company's activities are focused on compliance with environmental requirements aimed at minimising environmental impact and conserving diversity in the regions of biotechnology presence. Altyntalmas operational sites are not adjacent to or within specially protected natural areas of state and local significance, cultural heritage sites and World Heritage sites.

Altyntalmas regularly monitors the state of biodiversity as part of its environmental control program to assess the impact of its activities on ecosystems. All of the Company's facilities are located outside protected areas and water protection zones, which helps to minimise negative environmental impact. Studies are also conducted at these facilities to investigate operational environmental factors and biodiversity in the surrounding areas, with regular updates on the status of flora and fauna.

To protect biodiversity, the Company has installed birdscarers and scarecrows in the territory of tailings facilities. Tailings undergo a cyanide degradation stage before disposal. To prevent disturbance of plant and animal habitats, special vehicles and cars move strictly along established routes. This helps to avoid negative impact on nature. As part of production and environmental control, the Company also monitors the state of flora and fauna and measures the impact of its operations on the environment.

The Company assesses the impact of proposed activities on flora and fauna during the environmental assessment in accordance with the requirements

### OUR GUIDELINES



#### INTERNAL REGULATIONS:

1. The Specially Protected Natural Areas Act of the Republic of Kazakhstan
2. The Land Code of the Republic of Kazakhstan
3. The Forest Code of the Republic of Kazakhstan
4. Company's Green Rules
5. Mining Response Plan

of the legislation of the Republic of Kazakhstan. The assessment includes collection of information and identification of potentially significant impacts, study of the initial state of flora and fauna, identification of habitat factors on the state of flora and fauna, determination of the nature of the impact of the proposed activities and expected changes in the area of the facility, identification of the consequences of changes on the life and health of the population, and recommendations on biodiversity conservation.

Biodiversity is monitored at the facilities to implement the environmental protection plan. The reports provide summarised information on the dynamics of biodiversity changes.

In addition, the Company takes measures to minimise its impact on biodiversity. For example, all tailings of Altyntalmas are equipped with waterproofing. Domestic wastewater generated at Aksu MPC and Zholymbet MPC is transferred to third parties for treatment. At other facilities, domestic wastewater is treated at environmentally friendly facilities and reused in production processes. The Gold Processing Plant has introduced a recycling water supply system, where clarified water and treated domestic wastewater are reused in the process cycle. Scheduled inspections of tailings and process units have been carried out with timely repairs. The Company has developed emergency response plans taking into account the environmental impact, and regularly conducts drills and updates data.

When performing projects involving earthworks, the Company removes the fertile soil layer so that it can be used for land restoration (reclamation) or temporary storage for subsequent use. The Company has also implemented land restoration programs that include

**BIODIVERSITY MITIGATION HIERARCHY**

**01 AVOID:**

Altylnalmas is making efforts to minimise its footprint. In 2023, most of the Company's projects were implemented on existing industrial and other non-agricultural land, without changing sanitary protection zones.

**02 REDUCE:**

To protect biodiversity, the Company has installed birdscarers and scarecrows in the territory of tailings facilities. Tailings undergo a cyanide degradation stage before disposal. The movement of special machinery is organised along established routes, which helps prevent fragmentation of plant and animal habitats. Regular monitoring of flora and fauna and environmental impact is carried out.

The Company also takes measures to minimise its impact on biodiversity. All tailings are equipped with waterproofing. Domestic wastewater from facilities such as Aksu MPC and Zholymbet MPC is transferred to third-party treatment facilities. At other MPCs, water is treated at in-house treatment facilities and reused in production processes. A recycling water supply system has been introduced, where clarified water from tailings and treated domestic wastewater are reused in the process cycle. Scheduled inspections of tailings

both technical and biological stages. In the near future, it is expected to establish liquidation funds to support entrepreneurs and subsoil users, as well as to take out annual environmental insurance.

and process units have been carried out with timely repairs. The Company has developed emergency response plans that include environmental impact scenarios and regularly conducts drills to update them.

**03 REGENERATE:**

Altylnalmas implemented a landscaping plan for 2023–2025. The Company has committed to landscaping 40% to 70% of the sanitary protection zones of its industrial facilities using tree and shrub plantings with high biological stability and sanitary and hygienic efficiency. Plantings alternate between open and closed spaces, creating vertical and horizontal air flows, which contributes to the ventilation of industrial areas and the creation of new habitats for local flora and fauna.

**04 RESTORE:**

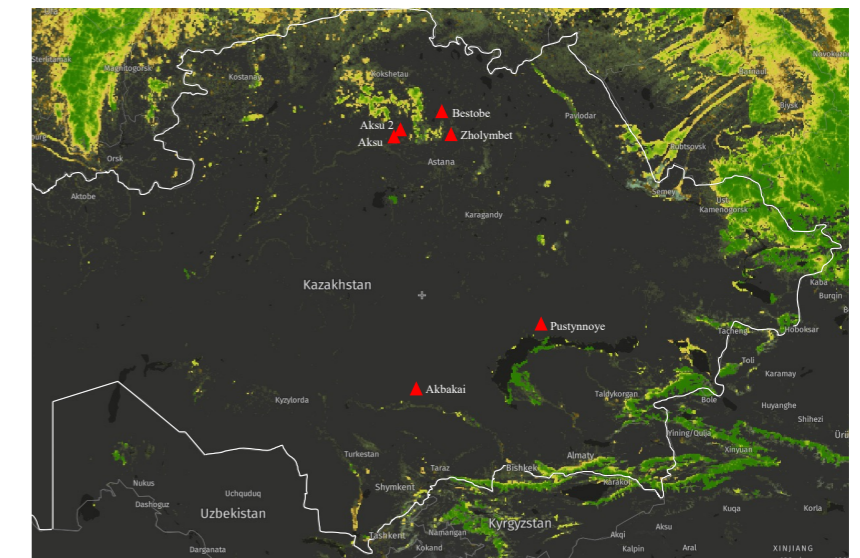
When performing projects involving earthworks, Altylnalmas removes the fertile soil layer with its subsequent rational use for reclamation or storage. The Company implements land reclamation projects that include both technical and biological stages. In the long term, it is expected to establish liquidation funds to support infrastructure and subsoil use facilities. Every year the Company takes out an environmental insurance policy.

**PROTECTED AND RARE SPECIES INHABITING THE AREAS OF OPERATION**

	2021	2022	2023
<b>CATEGORY (ACCORDING TO THE IUCN CLASSIFICATION)</b>			
Critically Endangered (CR)	–	–	–
Endangered (EN)	–	–	–
Vulnerable (VU)	1	1	2
Near Threatened (NT)	2	3	2
Least Concern (LC)	1	1	2
<b>CATEGORY (ACCORDING TO THE KAZAKHSTAN CLASSIFICATION)</b>			
Endangered (Category 1)	–	–	1
Decreasing (Category 2)	1	1	1
Rare (Category 3)	2	2	2
Not Evaluated (Category 4)	1	–	–
Restored (Category 5)	1	1	1

**LANDSCAPING**

All of the Company's projects are located in the steppe zone where there are forb-fescue-feather grass steppes. Small forest spikes are observed in Akmola Region. Therefore, the Company's operations do not put pressure on the forest fund. At the same time, the Company has developed and approved landscaping plans for the territory. The Company carries out planting, watering and care of seedlings for all projects. Thus, in 2023, 4,634 seedlings of pine, poplar, birch, acacia, maple and silver elk were planted in accordance with legal requirements in the regions of presence.



▲ Assets      ■ Forested areas      Source: Global Forest Watch

NAME	NUMBER OF TREES PLANTED
Akbakai MPC	2,300
Pustynnoye MPC	520
Aksu 2 MPC	714
Aksu MPC	700
Zholymbet MPC	400

The Company is committed to implementing new environmental projects that have a positive impact on biodiversity and benefit all stakeholders in the regions of presence. Involving our employees

in environmental initiatives will help instil an environmental culture and make our Company even more environmentally responsible.

**MINE CLOSURE**

GRI 14.8

During the reporting year, reclamation of Svetinsky Open Pit and Open Pit No. 5 was completed, and reclamation of Manybai and Zapadny open pits continues. In 2024, it is planned to complete

the development of the open pit abandonment project at the Zholymbet technogenic mineral formation processing plant.

	in hectare
<b>Total area of land owned, leased or managed</b>	14,507
<b>Area of disturbed land</b>	3,113
<b>Area of reclaimed land in 2023</b>	27
<b>Total area of disturbed and not yet reclaimed lands</b>	3,086

**THE COMPANY RELIES ON THE FOLLOWING REGULATIONS WHEN PLANNING THE ELIMINATION OF THE CONSEQUENCES OF DEPOSIT DEVELOPMENT:**

- 01 ENVIRONMENTAL CODE OF THE REPUBLIC OF KAZAKHSTAN DATED JANUARY 2, 2021**
- 02 ABANDONMENT PLAN DRAWING MANUAL AND METHODOLOGY FOR CALCULATING THE APPROXIMATE COST OF LIQUIDATION OF THE CONSEQUENCES OF SOLID MINERAL EXTRACTION OPERATIONS.**
- 03 METHODOLOGY FOR DETERMINING THE FINANCIAL SECURITY FOR THE PERFORMANCE OF OBLIGATIONS TO LIQUIDATE THE CONSEQUENCES OF FACILITY OPERATION**
- 04 GUIDELINES FOR CONDUCTING STUDIES FOR MAJOR SUSTAINABLE DEVELOPMENT PROJECTS**



A separate design document, the Mining Reclamation Plan, is developed to address the consequences of mining operations, including:

- decommissioning of the mine and other production facilities at the mining site,
- reclamation of lands disturbed as a result of mining,
- phased liquidation and reclamation,
- other mining reclamation operations,
- calculation of the approximate cost of reclamation operations.

Based on this documentation, a decommissioning fund is established, to which the user of natural resources transfers funds. These funds are used to eliminate the consequences of the mining operations, including reclamation of disturbed lands and their return to economic turnover.

An important stage of decommissioning is the biological stage of reclamation, which is carried out to create a root-bearing layer that prevents soil erosion and removal of fine-grained soil. This stage helps to reduce dust emissions and improve the microclimate of the area. Fixing dusty surfaces is one of the key environmental protection measures.

Taking into account the natural, climatic and geographical conditions of the area, biological reclamation involves sowing perennial grasses in the reclaimed areas: open pits, dumps, transshipment and industrial sites.

The mine closure plan is an integral part of the feasibility study (FS) stage of new design development.

Altyntalmas regularly audits these plans to ensure that the scope of work on which closure costs are calculated remains up to date and in line with actual conditions.

Long-term reclamation and closure obligations are reviewed every three years to ensure compliance with legal requirements and changing operating conditions.

In addition, in the event of asset sales or changes in ownership, the Company provides for the creation of financial reserves to cover closure and reclamation obligations to ensure that all necessary requirements are met in the future. This approach ensures the Company's financial stability and prevents possible environmental risks after the completion of mining operations.

Altyntalmas carefully plans and manages the process of closure of deposits and gold recovery plants, complying with all legal requirements of the region of operation to minimise the social negative impact. The Company uses a corporate approach that takes into account socio-economic indicators, which includes the following:

- assessment of the impact of plant closure on the local community;
- land reclamation plan;
- development of economic diversification programs (SME support, training and skills development of local residents, social investments, cooperation with local government authorities to create new economic opportunities);
- stakeholder engagement during plant closure;
- plans to mitigate the impact of plant closure.

# Air Emissions

GRI 305-1, 305-2, 305-4, 305-6, 305-7

## KEY PERFORMANCE INDICATORS

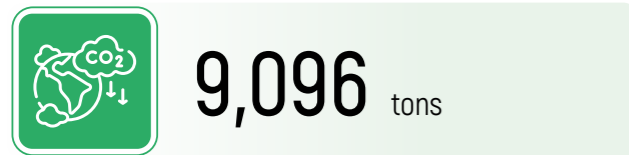
### Greenhouse gas emissions (Scope 1)



### Specific greenhouse gas emissions (Scope 1 and 2), per gold equivalent ounce



### Pollutant emissions



## OUR APPROACH

Altynalmas' pays special attention to the protection of atmospheric air based on the requirements of the environmental legislation of the Republic of Kazakhstan, as well as international practices. The Company carries out measures on qualitative and quantitative reduction of pollutant emissions.

In accordance with the Environmental Action Plan, the following is carried out:

- weekly internal inspections at the Company's facilities;
- quarterly monitoring of atmospheric air at stationary sources, as well as at the boundary of the sanitary protection zone in accordance with the Environmental Control Program;
- projects for the installation of an automated monitoring system;
- preventive maintenance and adjustment work to reduce pollutant emissions from stationary sources;
- dust suppression on the operational sites during loading and unloading operations, haul roads, during open-pit mining operations;
- water flooding and dust suppression on the dry beaches of tailings;
- timely technical inspections of motor vehicles, control of exhaust opacity;
- limiting the burning of industrial waste and garbage;
- control of technical serviceability of motor vehicles;
- landscaping of areas and sanitary protection zones (SPZ); environmental training of the Company's employees.

In 2023, the Company carried out the following activities:

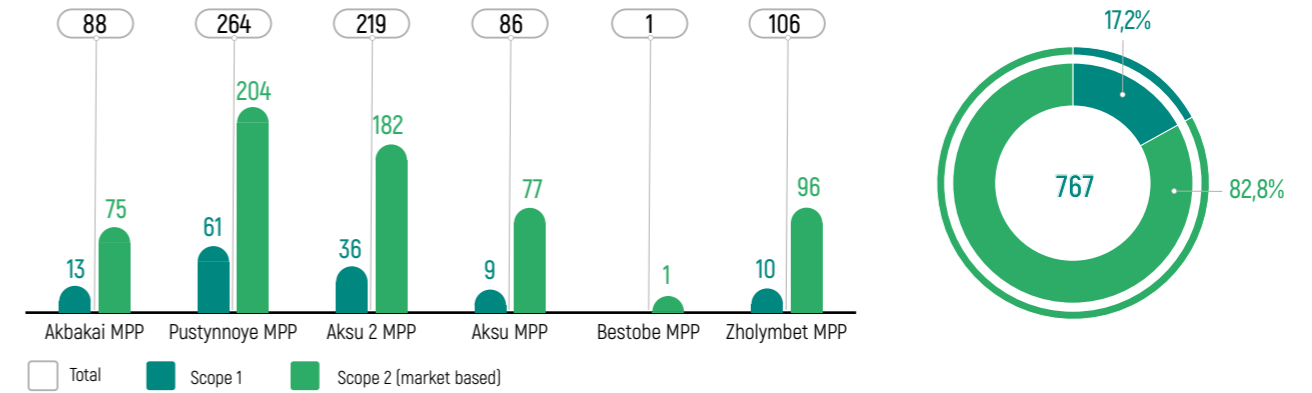
- installation of a bag filter in the Mill's finished product shop of gold recovery plants – Aksu Technology LLP;
- reconstruction/modernisation of the aspiration system of the crushing and screening complex – Akbakai MPC;
- reconstruction/modernisation of the ventilation system – Akbakai MPC.

## EMISSIONS STRUCTURE BY SUBDIVISIONS

Altynalmas strictly controls emissions of greenhouse gases (GHGs) and other pollutants at all its production facilities. Total GHG emissions in 2023 were 131.9 thousand tons of CO<sub>2</sub> eq. The emission intensity

in 2023 reached 1.63 tons of CO<sub>2</sub> eq. per ounce of gold produced. Pustynnoye and Aksu 2 MPCs show the highest values for Scopes 1 and 2 due to higher production levels.

### Emissions by Project, kilotons CO<sub>2</sub> eq



## POLLUTANT EMISSIONS

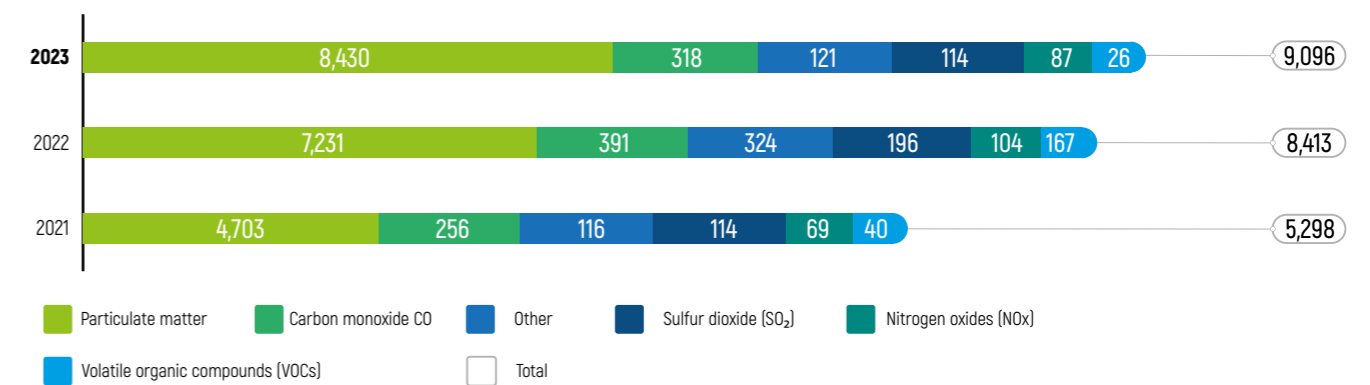
In addition to greenhouse gases, Altynalmas' production facilities also emit pollutants such as sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), hydrocarbons and particulate matter. In 2023, cumulative SO<sub>x</sub> emissions are 114 tons, down 41.8% from 2022. Carbon monoxide emissions decreased by 18.6%t, nitrogen oxide by 16.3% and volatile organic compounds by 84.4%.

1. Changes in production processes;
2. Ratio of operated, mothballed and newly commissioned facilities;
3. Changes in the methodologies for calculating pollutant emissions and concentration factors.
4. Amendments to the regulations of the Republic of Kazakhstan.

The observed measurement dynamics in 2021–2023 is related to the following factors:

The Company emits pollutants within the limits set by environmental emission permits.

### Pollutant Emissions, t



**GHG EMISSIONS, T CO<sub>2</sub> EQ**

	2021	2022	2023
Scope 1 (direct emissions)	120,632	131,518	<b>131,947</b>
Scope 2 (market-based indirect energy emissions)	373,985	616,349	<b>635,126</b>
Scope 2 (location-based indirect energy emissions)	373,985	616,349	<b>635,126</b>
Energy direct and indirect (Scope 1 and 2) GHG emissions	494,617	747,867	<b>767,073</b>
Specific (Scope 1 and 2) GHG emissions, per gold equivalent ounce	1.21	1.43	<b>1.63</b>

**MEASURES TO REDUCE EMISSIONS**

To eliminate negative impact on the atmospheric air, the Company implements modern technologies. All projects use the latest generation of aspiration units that ensure dust capture at the crushing and screening complex and other production and municipal facilities with an efficiency of over 95%. The sanitary protection zone (SPZ) is also landscaped.

In 2023, documentation and technical section on implementation of the automated solutions

system for the Akbakai project was developed. This system ensures continuous control of pollutants in the atmospheric air on the area.

The growth of pollutant emissions is associated with increased production capacity, commissioning of new sources and construction works, including reclamation of disturbed land.

**THE MAIN PRODUCTION PROCESSES AFFECTING THE ATMOSPHERIC AIR AT THE COMPANY'S OPERATIONAL SITES INCLUDE:**



**MINING OPERATIONS**

Drilling and blasting, ore extraction, transport and storage.



**EMISSIONS FROM STATIONARY SOURCES**

Emissions resulting from the operation of fixed equipment, units, buildings, structures and other facilities whose activities are accompanied by pollutant emissions.



**OPERATION OF AUXILIARY FACILITIES**

Operation of gas stations, heating plants, boiler houses and other auxiliary facilities.

**Use of Water Resources**

GRI 303-1, 303-2, 303-3, 303-4, 303-5

**OUR APPROACH**

The Company applies a sustainable approach to the use of water resources aimed at their efficient consumption and minimisation of environmental impact.

Altynalmas recognises the need to protect water resources and implements measures for their sustainable use and protection from pollution. The Company strictly complies with the requirements of the Water and Environmental Codes of the Republic of Kazakhstan, water withdrawal and use are carried out on the basis of special water use permits. Water is discharged into storage ponds within the established limits agreed upon in the environmental emission permits.

Water resources protection measures include measures for the sustainable water use (saving water consumption and increasing its efficiency), protection of water resources and water bodies from pollution and depletion.

- discharge of treated wastewater into storage ponds;
- quarterly monitoring of water bodies and groundwater;
- monitoring the efficiency of wastewater treatment;
- construction of drainage ditches to divert rainwater and groundwater on slopes;
- drilling and maintenance of observation and background wells according to the schedule;
- installation of a geomembrane impervious blanket;
- use of mine water to replenish losses of process water from the recycling water supply system;
- routine inspection of pipelines and the integrity of hydraulic structures to prevent contamination of surface and ground water from tailings and mines;
- installation and maintenance of a drinking water disinfection unit;
- maintenance of biological treatment plants for domestic wastewater;
- use of treated domestic wastewater in the recycling water supply system at the MPCs.

**KEY PERFORMANCE INDICATORS**

**Fresh water withdrawal**



**10** thousand m<sup>3</sup>

**Total recycled and reused water**



**14** thousand m<sup>3</sup>

**OUR GUIDELINES**

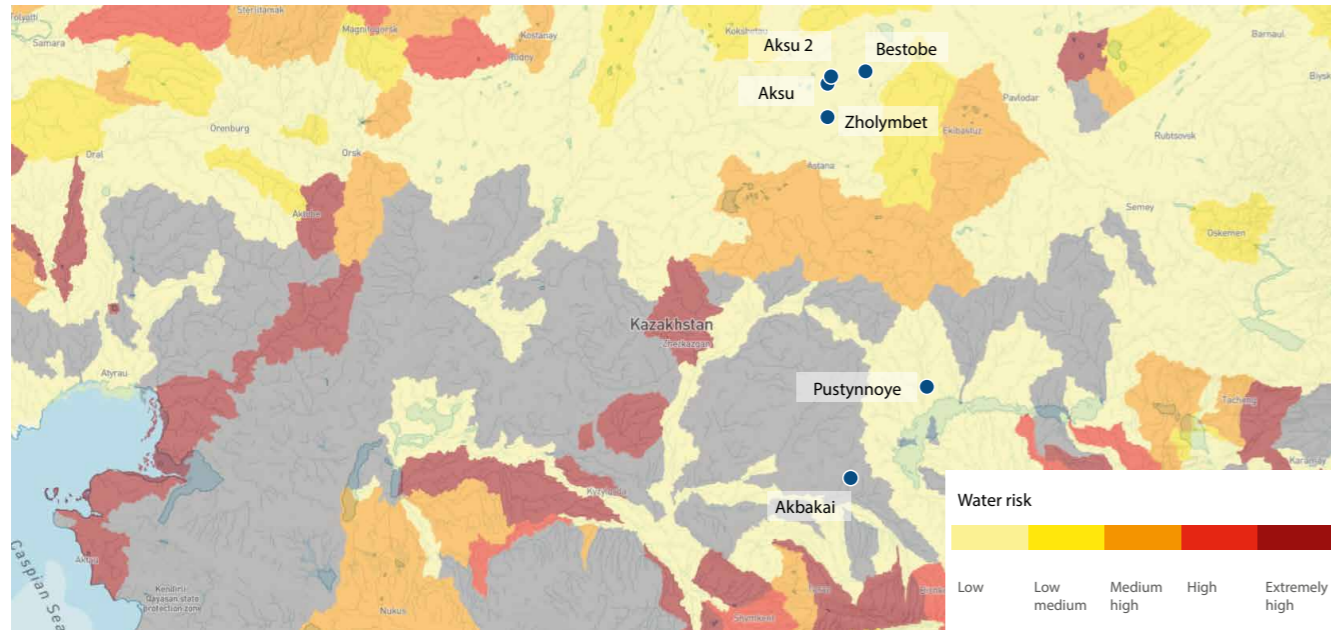


**INTERNAL REGULATIONS:**

- 1. The Water Code of the Republic of Kazakhstan**
- 2. Sanitary Rules of the Republic of Kazakhstan**
- 3. Instructions for Standardising Discharges of Pollutants into Water Bodies of the Republic of Kazakhstan**
- 4. Methodology for Determining Emission Standards for the Environment**

Compared to 2022, the volume of pollutants discharged with wastewater decreased by 9%.

### WATER SCARCITY RISK IN THE REGIONS OF PRESENCE



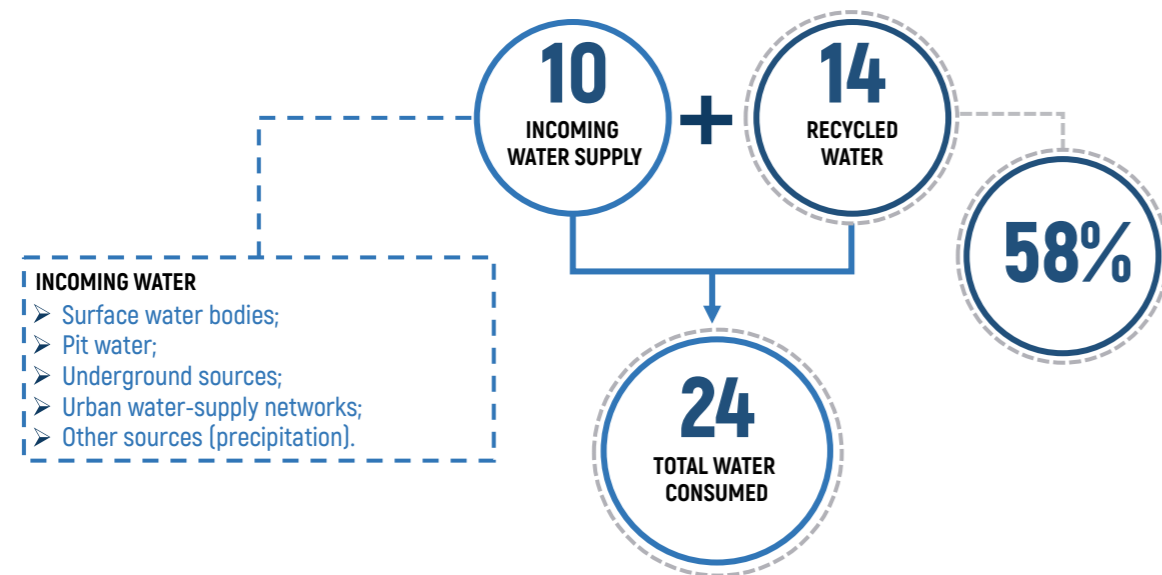
Assets

Source: Aqueduct Water Risk Atlas (wri.org)

We also use the World Resources Institute's (WRI) Aqueduct platform, which assesses water risks at the river basin level and identifies areas of potential

water scarcity. Thus, according to Aqueduct, none of the Company's facilities are located in areas with water scarcity.

### Group water consumption indicators for 2023, million m<sup>3</sup>



### WATER DISCHARGE

Production water and domestic wastewater (DWW) are not discharged onto the terrain or into natural water bodies. Discharge is made only into specially designed hydraulic structures (HS) (evaporation ponds, tailings ponds, etc.), thus preventing negative environmental impact. Before discharging into the HS, DWW undergoes several stages of physical, chemical and biological treatment at specialised treatment facilities, which are available at Akbakai, Pustynnoye and Aksu 2 plants. Only at Aksu KG and Zholymbet plants, DWW is collected in septic tanks and transported by specialised organisations for further processing and treatment at treatment facilities.

### DWW transferred to a third party, thousand m<sup>3</sup>



In determining the substances of concern for which wastewater is treated, the Company applies prioritisation in accordance with the requirements specified in the following regulations:

1. Rules for Determining Standards of Permissible Anthropogenic Impact on Water Bodies, No. 254 dated July 16, 2021
2. Article 216 (Standards of Permissible Discharges) of the Environmental Code of the Republic of Kazakhstan dated January 02, 2021.
3. Methodology for Determining Environmental Emission Standards, No. 63 dated March 10, 2021
4. List of Pollutants, Emission of which is Subject to Environmental Regulation, approved by Order No. 212 dated June 25, 2021 of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan

The main hazardous substance used in Altyntalmas' production processes is cyanide. This chemical is used to dissolve and extract gold from ore, but is toxic to aquatic life due to its toxicity. Therefore, the Company strictly controls its handling and limitation of wastewater discharge in natural water bodies, respecting the ecosystem and protecting environmental standards.



### TREATMENT OF OPEN PIT WATER FROM NATURAL RADIONUCLIDES AT THE MANYBAI URANIUM OPEN PIT:

In 2023, pilot tests of the EPSE pilot plant were conducted to test the ability to treat radioactively contaminated water from the Manybai open pit using the co-precipitation method. As a result, the efficiency of treatment of the open pit's source water to a safe radiation state was confirmed. Thus, the basic design of the treatment plant is planned for 2024.



## COOPERATION WITH STAKEHOLDERS IN TERMS OF WATER RESOURCES MANAGEMENT

When making decisions related to water use, the Company strives to take into account the interests and expectations of all stakeholders. In the matter of water consumption for the needs of the Company's operations, stakeholders include representatives of the local community (residents of nearby settlements), competent state regulatory authorities, public environmental associations, local executive bodies, shareholders and business partners of the Company.

Stakeholder engagement in the use of water resources is carried out through the development of design documents, public hearings, measurements of pollutants as part of IEC and as part of additional measurements

at the request of local executive bodies. There is an increased interest on the part of stakeholders, which demonstrates concern for the environment in the regions of presence. At the request of local residents, the Company conducts additional measurements of the quality of water withdrawn with the involvement of independent laboratories and representatives of local communities. The results of measurements are disclosed to stakeholders during public hearings. Operating facilities that consume water resources are continuously monitored by the Company's specialists in the field of environmental protection (as part of IEC) and sanitary supervision (as part of industrial sanitary supervision).

of water bodies or other incidents that could adversely affect water resources in the regions of presence.

## WATER-RELATED INCIDENTS

Altynalmas declares that during the reporting period no water-related incidents were registered, including violations of water use standards, spills, pollution



# Energy Consumption

GRI 302-1, 302-3

## OUR APPROACH

To minimise environmental impact and reduce ecological consequences, the Company pays special attention to programs to reduce and optimise energy consumption.

## ENERGY EFFICIENCY

As part of this strategy and to improve labour productivity, Altynalmas strives for continuous compliance with energy efficiency. The Company collects and analyses data on energy consumption, monitors the dynamics of changes and identifies opportunities for improvement.

The main objectives of energy management are:

- High-quality technical support of equipment.
- Control and lockout of hazardous energy sources at all projects.
- Implementation of standard operating procedures (SOPs) to improve safety and quality of work.

To ensure safety at production facilities, the LOTO matrix (Lockout Tagout – lockout/tagout and control of hazardous energy sources) is applied, implementation of SOPs ensures not only safety but also guaranteed quality of work performance. In accordance with the state energy saving policy, the Company has been conducting energy audits for five years to assess energy saving and energy efficiency improvement opportunities.

At the substations of the Akbakai and Pustynnoye projects, the implementation of the Automated Commercial Electricity Metering System (ACEMS) provides energy and net metering of electricity, which improves data collection and helps to reduce imbalances when taking synchronous readings.

In 2023, an 8% increase in the Company's total energy consumption was registered compared to the previous reporting period.

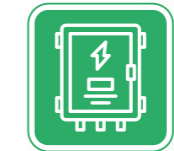
## KEY PERFORMANCE INDICATORS

### Total energy consumption



4.5 mln GJ

### Energy intensity



9.6 GJ per thousand ounces of gold equivalent

## OUR GUIDELINES



### INTERNAL REGULATIONS:

1. The Electricity Industry Act of the Republic of Kazakhstan
2. The Energy Saving and Energy Efficiency Improvement Act of the Republic of Kazakhstan
3. Regulations for Plant Electrical Installations
4. Safety Regulations for the Operation of Electrical Installations
5. Regulations for the Operation of Consumer Electrical Installations



**ENERGY CONSUMPTION BY THE GROUP, GJ**

	2021	2022	2023
<b>Diesel fuel:</b>	<b>1,157,368</b>	<b>1,492,518</b>	<b>1,578,935</b>
Diesel fuel for mobile sources	N/A	1,410,547	<b>1,499,869</b>
Diesel fuel for electricity generation	N/A	465	<b>21,254</b>
Diesel fuel for heat generation	N/A	81,506	<b>57,811</b>
Coal for heat generation	539,088	242,561	<b>161,874</b>
Gasoline	25,940	42,322	<b>34,027</b>
Renewable energy sources	-	-	-
Purchased electricity	1,579,485	2,425,502	<b>2,746,900</b>
<b>Total energy consumption</b>	<b>3,301,881</b>	<b>4,202,903</b>	<b>4,521,736</b>
Energy intensity	8.1	8	<b>9.6</b>
Heat consumption	-	-	-

**MEASURES TO REDUCE ENERGY CONSUMPTION**

**ALTYNALMAS IS ACTIVELY IMPLEMENTING ACTIVITIES TO REDUCE ENERGY CONSUMPTION AND IMPROVE ENERGY EFFICIENCY OF ITS FACILITIES. MAIN ACTIVITIES:**

**ENERGY SAVING TECHNOLOGIES:**

installation of lighting sensors, commissioning of reactive power compensation unit at Akbakai MPC, replacement of incandescent lamps with LED (energy efficient) lamps.

**IMPROVEMENT OF ENERGY EFFICIENCY OF BUILDINGS AND STRUCTURES:**

introduction of modern thermal insulation systems and energy-saving lighting allows reducing heat and electricity consumption at the Company's facilities.

The Projects adhere to the control of the equipment operation mode, and optimal types of lighting fixtures with LED lamps are also used in lighting. Frequency converters are also used.

# Waste Management and Tailings

GRI 306-1, 306-2, 306-3

**OUR APPROACH**

Altynalmas applies an integrated approach to waste management aimed at minimising its volume and reducing its environmental impact.

**BASIC PRINCIPLES OF WASTE MANAGEMENT:**

All disposed and accumulated waste is regulated by environmental emission permits.

Priorities in waste management in the Company are distributed as follows:

- Development and implementation of production and consumption waste management activities;
- Reduction of waste generation;
- Separate waste collection and transportation;
- Reuse of some types of production waste;
- Use of waste rock for production needs: road construction, extension of tailings, construction of new tailings, reclamation and abandonment of waste pits and old tailings;
- Waste transfer for recovery;
- Burial of the remaining part of waste;
- Waste calculation.

At the Company's sites, mining waste is stored in specially designated places in accordance with the design solutions and environmental emission permits. Each site of the Company has a Mining Waste Management Program that provides for the activities to minimise waste generation, recovery and disposal.

In 2023, the Company installed a waste incineration furnace at the Pustynnoye Project.

**KEY PERFORMANCE INDICATORS**

Share of non-hazardous waste generated



84 %

**OUR GUIDELINES**



**INTERNAL REGULATIONS:**

1. Sanitary Rules of the Republic of Kazakhstan
2. Waste Classifier of the Republic of Kazakhstan
3. Civil Protection Act of the Republic of Kazakhstan
4. Regulations for Production and Consumption Waste Management
5. Technological Regulations for Operation of the GPP Tailings
6. Emergency Response Plan
7. Procedure for Operation of Tailings

## WASTE VOLUMES BY HAZARD

In 2023, the distribution of waste by hazard was as follows:

- **Hazardous waste:** 13.7 million tons, of which 6.7 million tons are tailings waste

- **Non-hazardous waste:** 69.9 million tons, of which 99.8% are waste rock

## MINERAL WASTE AND TAILINGS MANAGEMENT

One of the key challenges for Altylnalmas is the effective management of mineral waste, including tailings generated during ore mining and processing. In 2023, a significant portion of waste was mineral waste such as tailings and other mining waste.

Production and consumption waste management is carried out in accordance with the program developed and approved by the Company's management. Operation of tailings provides for procedures for monitoring the filling level of tailings, monitoring the concentration of pollutants in groundwater monitoring wells as a measure to detect leaks. Periodic maintenance and repairs of tailings are also carried out.

Altylnalmas applies a systematic and planned approach to monitoring and sustainable operation of tailings. This ensures the strength of the dam walls and prevents the leakage of pollutants into the environment. In 2023, Altylnalmas approached the final stage of voluntary certification for compliance with the requirements of the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold.

At present, the Company has 7 operating and 7 non-operating tailings.

Over the past four years, there have been no violations in the operation of the tailings at the Company's projects.

## THE COMPANY'S TAILINGS MANAGEMENT OBJECTIVES INCLUDE:



### IMPROVING THE RELIABILITY AND SAFETY OF TAILINGS:

regular inspections and modernisation of waste storage systems.



### WASTE REDUCTION:

through optimisation of production processes and implementation of innovative technologies.



### SITE REMEDIATION:

remediation on sites used for tailings storage, thus minimising environmental impact.

## EMERGENCY PREPAREDNESS PLANS

Within the framework of Civil Protection Act No. 188-V ZRK dated April 11, 2014, the Company develops emergency response plans that include potential risks associated with the operation of tailings, conducts drills with specialised services and project staff according

to the schedule, and analyses the results of the drills. In addition, in 2023, the Company developed the Crisis Communication Regulations for effective communication during crisis situations.

## ABANDONMENT AND CLOSURE OF TAILINGS

In matters of abandonment and reclamation of tailings, the Company is guided by and complies with the requirements of the Environmental Code, the Subsoil and Subsoil Use Code, and regulations providing for the obligations of the operator.

The Company develops designs for the construction and reconstruction of tailings, where a preliminary estimate of the cost of abandonment and reclamation of tailings is made. The Company then enters into Agreements with second-tier banks to provide

financial security for the performance of its obligations to liquidate the consequences of the operation of such facilities. During the operation of tailings, the Company makes systematic contributions to the decommissioning funds. Upon completion of the use of tailings, draft projects for abandonment and reclamation of these facilities are developed. After approval of these draft projects by the government authorities concerned, the Company performs abandonment and reclamation of tailings using money from the decommissioning fund; if necessary, additional money is allocated.

## WASTE SENT FOR RECYCLING

Altylnalmas makes efforts to increase the share of waste sent for recycling and reuse. This includes recycling of metal waste, paper, plastic and other materials that

can be reused in the production process or transferred to third-party partners for recycling.

## MEASURES TO REDUCE WASTE GENERATION

The Company is actively implementing measures to reduce the volume of waste and improve waste management efficiency. The main areas include:

- Optimisation of production processes: Introduction of new technologies to reduce waste generation at the stage of extraction and processing of raw materials.
- Increasing the share of recycling: Increasing the volume of recycling of both hazardous and non-hazardous waste in order to minimise its disposal.

- Personnel training: Conducting environmental awareness programs for employees, which helps improve waste sorting and recycling processes at all levels of production.

Compared to 2022, the total volume of waste generated in the Group increased by 8%.

## Waste Generation and Waste Management, mln tons





## MANAGEMENT OF ACID ROCK DRAINAGE AND METAL LEACHING (ARDML\*)

### ARD RISK ASSESSMENT

The Company applies the Research Guidelines for Large-Scale Sustainability Projects, which takes into account assays to determine the chemical and physical properties of the ore, which includes an assessment of the acid generating potential of the waste.

As part of the feasibility study of Kariernoje-Pribalkhashskoye deposit, geochemical studies were performed for Kariernoje-Pribalkhashskoye deposit in 2021. The purpose of the studies was to assess the formation of acid rock drainage and metal leaching. Samples were collected for static and kinetic tests to measure sulfur and sulfide content as well as carbonate minerals that can neutralise acid. The Company is currently conducting similar studies at Aksu KG and Sayak-4 deposits.

### ARD MANAGEMENT PLAN

Geochemical characterisation of waste rock is an important component of Kariernoje-Pribalkhashskoye Feasibility Study to predict the potential long-term geochemical reactivity and/or stability of the recovered material, and to identify management and closure options for the deposit's waste storage facilities. Based on this study, guidance was provided for waste management and mitigation of potential impacts. Waste management strategies were developed, including measurement of sulfur and carbonate content and metal leaching behavior.

### ARD MANAGEMENT DURING MINE CLOSURE






The feasibility study also included a waste management program for the closure stage. Measures have been proposed to manage the water quality of the water flowing from the waste, taking into account the long-term water balance and possible leaching of metals from the tailings. Further studies were recommended to better understand the mineralogy and acid generating and neutralising mineral behavior.

*Note: \*ARDML – Acid Rock Drainage and Metal Leaching*

## EXPENDITURES ON ENVIRONMENT PROTECTION MEASURES

GRI 302-1, 303-5, 305-1, 306-1, 306-3, 307-1

### ENVIRONMENTAL INVESTMENTS, KZT THOUSAND

	2021	2022	2023
 <b>Protection and rehabilitation of soil, ground and surface waters</b>	12,700	522,100	<b>47,015</b>
 <b>Wastewater treatment</b>	159,529	18,200	<b>17,298</b>
 <b>Waste management</b>	37,147	74,300	<b>150,656</b>
 <b>Air quality</b>	74,021	41,000	<b>154,126</b>
 <b>Other</b>	207,000	25,100	<b>136,190</b>

In 2023, there were no incidents of non-compliance with environmental legislation and regulations that resulted in the imposition of significant (exceeding KZT 5 million) fines.

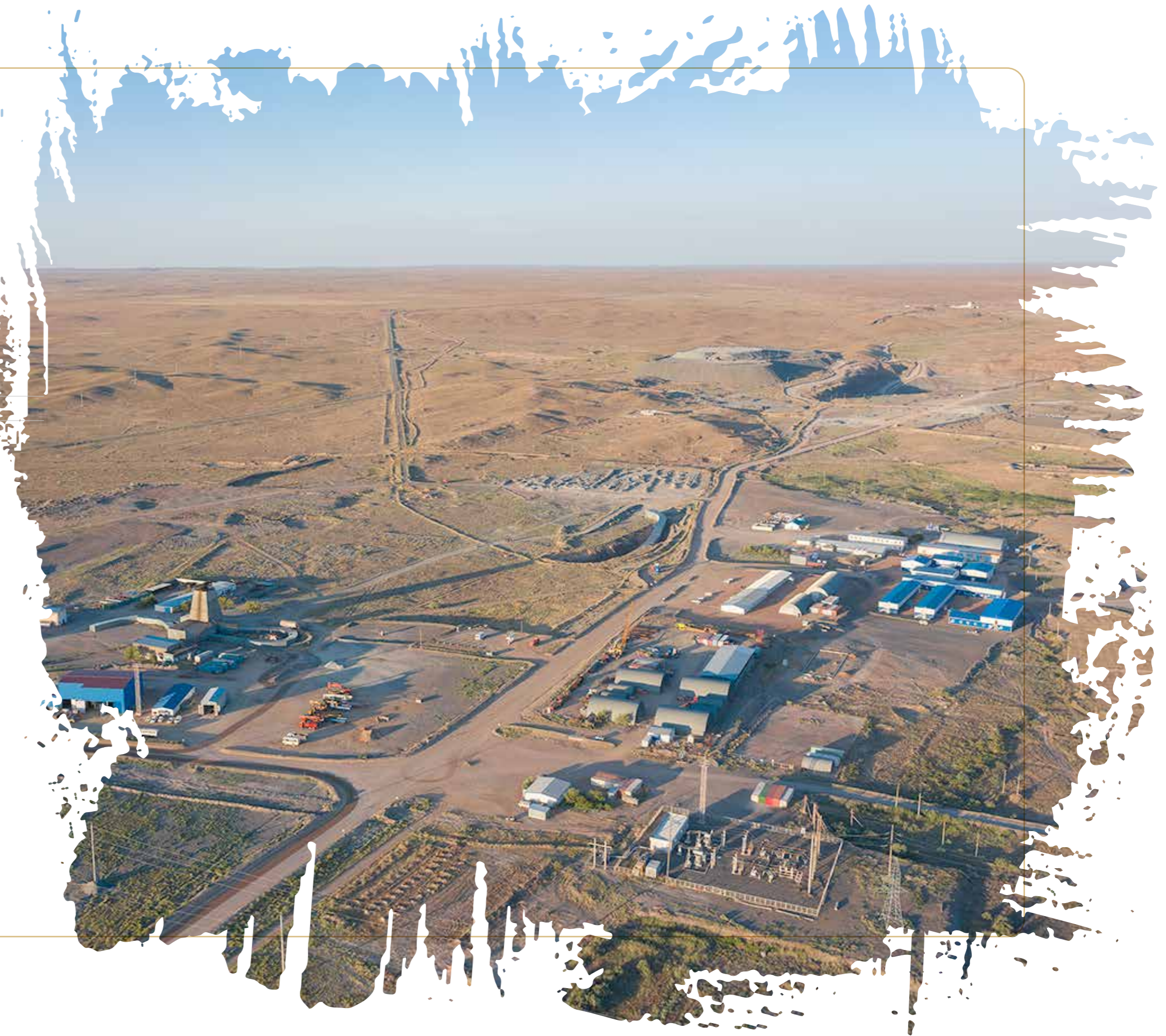
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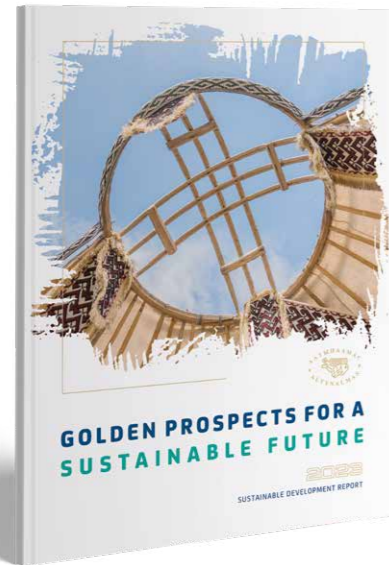
## ABOUT THE REPORT

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## ABOUT THE REPORT

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

The Company presents the Sustainability Report 2023 (hereinafter referred to as the Report). The Report highlights the sustainability activities and performance of Altylnalmas. The previous Report was published in October 2023.

The electronic version of the Report 2022 is available on the official website of Altylnalmas. The Company plans to continue the practice of annual publication of non-financial reporting, confirming its commitment to increase the transparency of its activities and demonstrate economic, social and environmental performance and commitments.

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. Application of the GRI Standards and the GRI

Standard Elements Index are published in Appendix 1. In addition, the Report discloses information on the Company's contribution to the implementation of the prioritised UN Sustainable Development Goals and describes the activities.

The process of preparing the Report and disclosure of material topics is coordinated by the Company's ESG Department with active participation of all structural subdivisions concerned.

## REPORTING BOUNDARIES

GRI 2-2

The sustainability information disclosed in the Report relates to the operations of business units and subsidiaries of Altylnalmas (see Appendix 2).

Legal entities included in the Company's Consolidated Financial Statements include all business units of Altylnalmas covered by the Sustainability Report 2023.

In other cases where the reporting boundaries for certain indicators differ from those described above, information on the business units included in the reporting boundaries is provided additionally in the text of the Report.

## INDEPENDENT REVIEW OF THE REPORT

GRI 2-5

External assurance of the Report 2023 was not carried out. However, the Company recognises the importance of external assurance of sustainability information and considers the possibility to assure non-financial information in the future.

# Appendix 1. GRI Index

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
<b>GRI 2: THE ORGANISATION AND ITS REPORTING PRACTICES</b>				
2-1	Organisational details	About the Company Contacts us Geography of Operation Direct Economic Value Generated and Distributed The Most Important ESG Events Financial performance	Full	
2-2	Entities included in the organisation's sustainability reporting	Geography of Operation Reporting Boundaries	Full	
2-3	Reporting period, frequency and contact point	About the Report Contacts us	Full	
2-4	Restatements of information	There were no restatements of information.	Full	
2-5	External assurance	About the Report	Full	
<b>GRI 2: ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS</b>				
2-6	Activities, value chain and other business relationships	About the Company Procurement Practices	Partial	For detailed information on value chains and business relationships, see Annual Report 2023
2-7	Employees	Well-being of Our Employees	Full	
2-8	Workers who are not employees	Well-being of Our Employees HR Management	Full	
<b>GRI 2: GOVERNANCE</b>				
2-9	Governance structure and composition	Corporate Governance	Full	
2-10	Nomination and selection of the highest governance body	Corporate Governance Principles of Nomination of the Board of Directors Mechanism and Frequency of Re-election	Full	

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
2-11	Chair of the highest governance body	Corporate Governance Structure of the Board of Directors Composition of the Board of Directors Composition of the Executive Committee	Full	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Corporate Governance System Activities of the Executive Committee Number of Meetings and Average Attendance Mandates of the Members of the Board of Directors	Full	
2-13	Delegation of responsibility for managing impacts	Corporate Governance Committees of the Board of Directors	Full	
2-15	Conflicts of interest	Business Ethics and Compliance Conflict of Interest Management Respect for Human Rights	Full	
2-16	Communication of critical concerns	Business Ethics and Compliance Notification of Violations	Full	
2-17	Collective knowledge of the highest governance body	Employee Training and Development	Full	
2-18	Evaluation of the performance of the highest governance body	Performance of the Board of Directors	Full	
2-19	Remuneration Policy	Corporate Governance Payment of Dividends Remuneration	Full	
2-20	Process to determine remuneration	Corporate Governance Nomination and Remuneration Committee Remuneration	Full	
2-21	Annual total compensation ratio		Not disclosed	The indicator is not disclosed for reasons of data protection

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
2-22	Statement on sustainable development strategy	Sustainability Management	Full	
2-23	Policy commitments	Our Guidelines	Full	
2-24	Embedding policy commitments	Sustainability Management	Full	
2-25	Processes to remediate negative impacts	Sustainability Management	Full	
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Compliance Notification of Violations	Full	
2-27	Compliance with laws and regulations	Business Ethics and Compliance	Full	
2-28	Membership associations	Sustainability Management Membership in Associations and International Initiatives	Full	
2-29	Approach to stakeholder engagement	Commitment to the UN Sustainable Development Goals Regional Engagement	Full	
2-30	Collective bargaining agreements	Well-being of Our Employees Social Protection of Employees	Full	
<b>GRI 3: MATERIAL TOPICS</b>				
3-1	Process to determine material topics	Commitment to the UN Sustainable Development Goals Material Topics	Full	
3-2	List of material topics	List of material topics	Full	
3-3	Management of material topics	Sustainability Management Contribution to Social and Economic Development Commitment to the UN Sustainable Development Goals Material Topics	Full	
<b>GRI 14: SECTOR STANDARD FOR MINING</b>				
14.8	Closure and rehabilitation	Mine Closure	Full	
14.13	Artisanal and small-scale mining	Regional Engagement	Full	

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
<b>GRI 201: ECONOMIC PERFORMANCE</b>				
201-1	Direct economic value generated and distributed	Direct Economic Value Generated and Distributed Overview of Financial and Operating Performance	Full	
202-2	Proportion of senior management hired from the local community		Full	See ESG Databook
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>				
203-3	Infrastructure investments and services supported	Regional Engagement	Full	
<b>GRI 204: PROCUREMENT PRACTICES</b>				
204-1	Proportion of spending on local suppliers	Procurement Practices	Full	
<b>GRI 205: ANTI-CORRUPTION</b>				
205-1	Operations assessed for risks related to corruption	Business Ethics and Compliance	Full	
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Compliance	Full	
205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Compliance	Full	
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR</b>				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No		
<b>GRI 207: TAX</b>				
207-1	Approach to tax	Direct Economic Value Generated and Distributed	Full	For detailed information, see Audited Financial Statements 2023
207-2	Tax governance, control, and risk management	Direct Economic Value Generated and Distributed	Full	
207-3	Stakeholder engagement and management of concerns related to tax	Direct Economic Value Generated and Distributed	Full	
207-4	Country-by-country reporting	Direct Economic Value Generated and Distributed	Full	For detailed information, see Audited Financial Statements 2023
<b>GRI 302: ENERGY</b>				
302-1	Energy consumption within the organisation	Energy Consumption	Full	
302-3	Energy intensity	Energy Consumption	Full	
302-4	Reduction of energy consumption	Energy Consumption	Full	

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
<b>GRI 303: WATER AND EFFLUENTS</b>				
303-1	Interactions with water as a shared resource	Use of Water Resources	Full	
303-2	Management of water discharge-related impacts	Use of Water Resources	Full	
303-3	Water withdrawal	Water Consumption and Withdrawal	Full	
303-4	Water discharge	Water Discharge	Full	
303-5	Water consumption	Use of Water Resources	Full	
<b>GRI 304: BIODIVERSITY</b>				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Land and Biodiversity Conservation	Full	
304-2	Significant impacts of activities, products, and services on biodiversity	Land and Biodiversity Conservation	Full	
304-3	Habitats protected or restored	Land and Biodiversity Conservation	Full	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Land and Biodiversity Conservation	Full	
<b>GRI 305: EMISSIONS</b>				
305-1	Direct (Scope 1) GHG emissions	Air Emissions	Full	
305-2	Energy indirect (Scope 2) GHG emissions	Air Emissions	Full	
305-4	GHG emissions intensity	Air Emissions	Full	
305-6	Emissions of ozone-depleting substances (ODS)	Air Emissions	Full	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions	Full	
<b>GRI 306: WASTE</b>				
306-1	Waste generation and significant waste-related impacts	Waste Management	Full	
306-2	Management of significant waste-related impacts	Waste Management	Full	
306-3	Waste generated	Waste Management	Full	
<b>GRI 401: EMPLOYMENT</b>				
401-1	New employee hires and employee turnover	HR Management	Full	
401-2	Benefits provided to employees	HR Management	Full	



INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
401-3	Proportion of employees that returned to work after parental leave ended	HR Management	Full	
<b>GRI 402: LABOUR/MANAGEMENT RELATIONS</b>				
402-1	Minimum notice periods regarding operational changes; and for organisations with collective bargaining agreements, report whether the notice period is specified in collective agreements	Well-being of Our Employees	Full	
<b>GRI 403: SAFETY AND HEALTH</b>				
403-1	Safety and Health management system	Safety and Health	Full	
403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health	Full	
403-3	Occupational health services	Safety and Health	Full	
403-4	Worker participation, consultation, and communication on Safety and Health	Safety and Health	Full	
403-5	Worker training on Safety and Health	Safety and Health	Full	
403-6	Promotion of worker health	Safety and Health	Full	
403-7	Prevention and mitigation of Safety and Health impacts directly linked by business relationships	Safety and Health	Full	
403-8	Workers covered by an Safety and Health management system	Safety and Health	Full	
403-9	Type and rate of work-related injuries	Safety and Health	Full	
<b>GRI 404: TRAINING AND EDUCATION</b>				
404-1	Average hours of training per year per employee	Training of Employees	Full	
404-2	Programs for upgrading employee skills and transition assistance programs provided to facilitate continued employability	Training of Employees	Full	
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>				
405-1	Composition of governance bodies and major categories of the organisation's employees, by gender and age groups	Well-being of Our Employees Diversity and Inclusion	Full	

INDICATOR	DISCLOSURE	SECTION	DISCLOSURE LEVEL	COMMENTS
405-2	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	Employee Compensation and Incentive	Full	
<b>GRI 406: NON-DISCRIMINATION</b>				
406-1	Total number of incidents of discrimination and corrective actions taken	HR Management	Full	
<b>GRI 408: CHILD LABOUR</b>				
408-1	Operations and suppliers at significant risk for incidents of child labour	HR Management	Full	Altynalmas does not tolerate any form of forced or compulsory labour
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	HR Management	Full	Altynalmas does not tolerate any form of forced or compulsory labour
<b>GRI 411: RIGHTS OF INDIGENOUS PEOPLES</b>				
411-1	Incidents of violations involving rights of indigenous and minority peoples, by category of action taken	Regional Engagement	Full	There are no indigenous peoples or ethnic minorities in the Company's area of operation.
<b>GRI 413: LOCAL COMMUNITIES</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	Regional Engagement Procurement Practices	Full	
<b>GRI 415: PUBLIC POLICY</b>				
415-1	Political contributions	Sustainability Management	Full	

## Appendix 2. Reporting Boundaries

GRI 2-2

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITIES	SHARE OF OWNERSHIP	COMMENTS
<b>KAZAKHALTYN</b>	Mining and processing of gold-bearing ore	100%	–
<b>AKSU TECHNOLOGY</b>	Mining and processing of gold-bearing ore	100%	–
<b>KAZAKHALTYN TECHNOLOGY</b>	Processing of technogenic mineral formations formed during the processing of gold-bearing ores	100%	–
<b>ALTYNALMAS TECHNOLOGY</b>	Processing of gold-bearing ore	100%	–
<b>AAENGINEERING GROUP</b>	Design, construction and reconstruction of industrial facilities using advanced design modeling technologies	100%	Financial, tax and personnel data only
<b>ALTYNALMAS TRADE HOUSE</b>	Trading in precious metals and rare metal ores	100%	Financial, tax and personnel data only
<b>AKBAKAI GOLD RESOURCES</b>	Geological exploration, ore mining and processing, sales of precious metals	100%	–

## Glossary

**Carbon in Leach** is a process of leaching gold and silver with cyanide solutions with simultaneous adsorption of metal from the pulp by activated carbon.

**Carbon in Pulp** is a process of leaching gold and silver with cyanide solutions followed by adsorption of metal from the pulp by activated carbon.

**Cathode gold** is metallic gold obtained by electrochemical deposition at the cathode from gold-containing solutions.

**Doré alloy** is a gold-silver alloy obtained from gold deposits and sent to refineries for further purification.

**Doré bar** is a doré alloy in bars.

### LIST OF ABBREVIATIONS

**AI** – Artificial Intelligence.

**AISC** – All-In Sustaining Costs.

**AK Altyntalmas JSC, Altyntalmas, Company** – AK Altyntalmas Joint Stock Company.

**Altyntalmas Group, the Group** – Group of companies of AK Altyntalmas Joint Stock Company.

**AMS** – Automated Monitoring System

**BCC** – Budget Classification Code.

**BNS ASP&R RoK** – Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan.

**CGC** – Corporate Governance Code.

**CIL** – Carbon in Leach.

**CIP** – Carbon in Pulp.

**CP** – Checkpoint.

**EBITDA** – Earnings Before Interest, Taxes, Depreciation, Amortisation.

**Flotation** is a process of separating small solid particles based on their different wettability with water. Valuable particles float to the surface and form a frothy mineralised layer, which is collected for further processing.

**Refining** is the final stage of metal processing, at which residual impurities are removed from the intermediate product (doré alloy, cementate) and metal ingots are produced in accordance with the requirements of the London Metal Exchange.

**Tailings** (in mining) are waste from mineral processing, consisting mainly of waste rock, i.e. having minimal mineral content.

**EDS** – Electronic Digital Signature.

**EF** – Efficiency Factor.

**EHCS** – Electronic Health Checkup System.

**EP** – Environmental Protection.

**ERM** – Enterprise Risk Management.

**ERP** – Emergency Response Plan.

**ERP** – Enterprise Resource Planning.

**ESG** – Environmental, Social, Governance.

**ET** – Engineering Technician.

**ETF** – Exchange-traded fund.

**FS** – Feasibility Study.

**GDP** – Gross Domestic Product.

**GPP** – Gold Processing Plant.

**GRI** – Global Reporting Initiative.

**IEC** – Industrial Environmental Control.

**JSC** – Joint Stock Company.

**KPI** – Key Performance Indicator.

**kV** – kilovolt.

**kWh** – kilowatt-hour.

**LBMA** – London Bullion Market Association.

**linear m** – linear meter.

**LLC** – Limited Liability Company.

**LLP** – Limited Liability Partnership.

**MCI** – Monthly Calculation Index;

**MGIS** – Mining and Geological Information System

**MI&I** – Measured, Indicated and Inferred Resources.

**MM** – Mass Media.

**MMC** – Mining and Metallurgical Complex.

**MSW** – Municipal Solid Waste.

**NB RoK** – National Bank of the Republic of Kazakhstan.

**NJSC** – National Joint Stock Company.

**OH** – Occupational Health.

**SH** – Safety and Health.

**OPM** – Open-Pit Mining.

**OS** – Occupational Safety.

**OTC** – Over the Counter Market.

**oz** – troy ounce (a measure of weight equal to 31.1034768 grams).

**PA** – Private Association.

**R&D** – Research and Development.

**ROA** – Return on Assets.

**ROE** – Return on Equity.

**RoK** – the Republic of Kazakhstan.

**ROS** – Return on Sales.

**RSA** – the Republic of South Africa.

**Settlem.** – Settlement.

**HT** – Historical Tailings.

**ToR** – Terms of Reference

**UM** – Underground Mining.

**USA** – the United States of America.

**USGS** – United States Geological Survey.

**VO** – Volume Index.

**WGC** – World Gold Council.



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IF YOU HAVE ANY QUESTIONS REGARDING THIS REPORT AND THE INFORMATION CONTAINED THEREIN, PLEASE CONTACT THE ESG DEPARTMENT: