



GFC

Green
Finance
Centre

**POST-ISSUE EXTERNAL AUDIT REPORT
IN VERIFICATION FORMAT
for compliance of the Annual KEGOC
Green Bonds Report to
Green Bond Principles of
International Capital Markets Association (ICMA),
as well as KEGOC's Green Finance Policy**

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1. Coverage of post-issuance verification

Issuer	KEGOC
Date of issue of green bonds	21 December 2022
Maturity date of green bonds	21 December 2037
Date of Adoption of the Issuer's Green Finance Policy	11 October 2022
Verifier	AIFC Green Finance Centre Ltd (GFC)
Type of debt instrument	Bonds
Name of debt instrument/debt instrument issuance programme	Green bonds
Reporting period	1 year from the date of issue
Issue value	KZT 35,000,000,000,000
Placed value	KZT 32,141,100,000 (91.83% of the total value of the announced issue) of which: KZT 16.1 billion on 21 December 2022 KZT 16 billion on 30 March 2023
External criteria/standards or the issuer's internal policies used to conduct the post-issuance assessment.	<ol style="list-style-type: none"> 1) International Capital Markets Association (ICMA) Green Bond Principles; 2) KEGOC's Green Finance Policy (hereinafter referred to as the Policy)
Projects/assets to be financed under the Issuer's issuance of a debt financial instrument	<ul style="list-style-type: none"> • Stage I: Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC (first project) • West Kazakhstan Electricity Transmission Reinforcement Project (second project)
Date of issuance of the verification report	30 January 2024
Verifier contacts	Greenfinance@aifc.kz; M.Takhanova@aifc.kz

AIFC Green Finance Centre Ltd ("AIFC Green Finance Centre" or "GFC") has been engaged by KEGOC (the "Company") to undertake a verification assignment in respect of the Company's post-issue Green Bond Report and its compliance with the International Capital Markets Association (ICMA) Green Bond Principles and the Company's Green Finance Policy.

2. Completed Works

Verification procedures included the following, not limited to the following:

- Assessment of compliance of the green bond issue and related internal documents and procedures of the Company with the main key criteria of the International Capital Markets Association (ICMA) Green Bond Principles and the Company's Green Finance Policy, in accordance with the checklist of post-issuance verification requirements
- Review of the Issuer's documentation (see Appendix II for a list of documents)
- Interviews with representatives of the Issuer.

3. Responsibility of the Issuer

The Issuer's management is responsible for the preparation and fair presentation of the Annual Report on Green Bonds Issued (the "Issuer's Annual Report"). This responsibility includes establishing and maintaining internal control relevant to the preparation and presentation of information that is free from material misstatement, whether due to fraud or error, and selecting and applying appropriate accounting policies.

4. Verifier's opinion on the results of post-issue verification

GFC conducted a post-issuance review in accordance with ISAE 3000 International Standard on assurance engagements other than audits or reviews of historical financial information¹. GFC planned and performed the review by considering such materials, evidence, other information and explanations from the Company's representatives as GFC considered necessary to provide assurance that the debt instrument under review complies with ICMA Green Bond Principles and the Issuer's Green Finance Policy.

Verification under limited assurance procedures (limited assurance)²

Based on the limited assurance procedures performed and the evidence obtained, nothing has come to our attention that causes GFC, as verifier, to believe that, in all material respects, the Issuer's debut green bonds and the Issuer's related post-issue Annual Report do not comply with the International Capital Market Association (ICMA) Green Bond Principles and the Company's Green Finance Policy.

Our policies on independence, quality control and external evaluation

To ensure quality control in its professional external assessment activities, GFC relies on a combination of internal professional conduct guidelines and internationally recognized standards. These standards include: ISAE 3000 for principles for assurance engagements other than audits or reviews of historical financial information and ISQC 1³ for provisions addressing ethical requirements, quality control, and management's responsibility for external evaluation results.

For pre-issue and post-issue assessment of the compliance of companies' sustainability finance policies (including green finance) and related business processes with the international Green Bond Principles and Green Lending Principles, GFC applies a number of approved methodologies as part of its external assessment activities.

In particular, for post-issue external verification, GFC applies the approved "Forms and Procedures for External Assessment Engagements", which have been developed to meet the requirements of ICMA, LMA/APLMA/LSTA ("LMA")⁴, and the requirements of CBI⁵ for approved verifiers, in terms of implementing a system of verification engagements in accordance with ICMA External Review Guidelines, CBI Climate Bonds Standard and Certification Scheme. These include conducting two types of assessments as part of limited assurance engagements:

- Assessment of compliance of the target (use-of-proceeds) financial instruments and related assets with the established standards and requirements, as well as the issuer's readiness at the stage before the issuance of the financial instrument;
- Ensuring that the actual use of proceeds is confirmed and that internal systems and controls are in place post-issue.

¹ International Standard on Assurance Engagements 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. This statement of commitment to the principles of the International Federation of Accountants Standard has not been verified

² The procedures performed under a limited assurance engagement are different in nature and timing from those under a reasonable assurance engagement and are smaller in scope than those under a reasonable assurance engagement.

³ International Standard on Quality Control 1: Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services engagements. This statement of commitment to the principles of the International Federation of Accountants Standard has not been verified

⁴ Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association.

⁵ Climate Bonds Initiative

For information, in relation to proposed sustainability bond issues (i.e. green, social and sustainability bonds), GFC uses GFC's approved Methodology to provide an external assessment, in the format of a Second Party Opinion, of the suitability of green, social and sustainability bonds and other sustainability debt instruments, including issuers' policies on green, social and sustainability bonds, including the issuers' policies on green, social and sustainability bonds, to Green Bond Principles, Social Bond Principles (SBP), and the Sustainability Bond Guidelines.

5. GFC Limitation of Liability

The independent assessment reflects our opinion on the actual results of the green bond issue and the compliance of the Issuer's post-issuance Annual Report with the Issuer/Borrower Policy on Green Finance, including green bonds and loans, the Green Bond Principles and the Green Lending Principles.

The independent valuation is an external assessment based on information provided by the issuer/borrower in accordance with GFC methodology. It does not disclose confidential information of the issuer/borrower and does not constitute a recommendation for investment decisions.

The independent evaluation may be updated after publication with reasons for the update provided.

APPENDICES:

- I. Post-issue inspection checklist
- II. List of documents reviewed

6. ABOUT GFC

IFCA Green Finance Centre (GFC) is a legal entity registered in the jurisdiction of Astana International Financial Centre since December 2019. The shareholders of GFC are the AIFC Administration (95%) and Eurasian Development Bank (5%). The principal shareholder of the AIFC Administration is the National Bank of the Republic of Kazakhstan, and the trust management is performed by the Ministry of Finance of the Republic of Kazakhstan.

The GFC has been working on the development of the green finance market in Kazakhstan since 2016, starting with the adoption of the Concept of Introduction and Development of Green Finance Instruments and Principles in Kazakhstan (adopted by the AIFC Administration in 2017) and the Strategy for Ensuring AIFC Regional Leadership in Green Finance until 2025 (adopted in 2018), which reflects the main stages of institutional development of green finance in the International Financial Centre Astana and the Republic of Kazakhstan.

The activities of the AIFC Green Finance Centre focus on three main areas:

- Providing external evaluation services for issuers of sustainable finance.
- Developing a legal and regulatory framework for the sustainable finance market, both within the AIFC and Kazakhstan's wider jurisdiction.
- Supporting regional initiatives aimed at accelerating the development of sustainable finance in Central Asia.

GFC holds a licence issued by the IFCA regulator (AFSA) to provide consulting services (described as green finance and sustainability advisory services (No. AFSA-A-LA-2019-0060) <https://publicreg.myafsa.com/details/191240900122/>.

66% of green bonds and loans in the Republic of Kazakhstan have been externally reviewed by GFC. It is the only company in Central Asia accredited by the Climate Bonds Initiative and listed by the International Capital Markets Association (ICMA) in the ICMA External Review Mapping.

GFC has prepared over 20 external evaluation reports in the format of Second Party Opinion to issuers of green and social bonds, as well as to borrowers of green loans (<https://gfc.aifc.kz/en/second-party-opinion>). GFC's major clients include large state-owned enterprises (Samruk-Energy, Damu Entrepreneurship Development Fund), banks (Halyk Bank, Development Bank of Kazakhstan), financial institutions (Microfinance Organisation OnlineKazFinance) and non-financial corporations. In December 2023, the GFC acted as a verifier for Kazakhstan's first issue of green bonds certified under the Climate Bonds Initiative Standard (issuer: DBK).

Website: <https://gfc.aifc.kz/>

Post-issuance verification report
Green bonds of KEGOC

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Nursultan Serikbay

**Chairman of the Management Board
AIFC Green Finance Centre Ltd**

30 January 2024

Appendix I. Post-issue inspection checklist

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
1.1 The net proceeds of the debt instrument should be allocated to the nominated projects and assets	A, B, C, F, G, H, I, J, K, R	Document review, interviews	<p>In accordance with the Policy, all proceeds from the issuance of Green Bonds shall be allocated by the Issuer to finance or refinance green projects that have been evaluated and selected in accordance with the Policy (“Eligible Projects”). The Eligible Projects may include both capital and operating costs, including research and development costs.</p> <p>In accordance with KEGOC’s Annual Report on Green Bonds (hereinafter referred to as the Issuer’s Annual Report), out of the total announced issue of KZT 35 billion, green bonds in the amount of KZT 32.14 billion were placed, with the proceeds from the bond issue being used exclusively to finance KEGOC’s nominated green projects, which were appropriately selected by KEGOC’s Green Finance Working Group (hereinafter referred to as the Working Group) and additionally confirmed to meet the criteria of “eligible” green bonds.</p> <p>1) Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC. The goal is to improve the reliability of the National Power Grid (hereinafter referred to as the NPG) of Kazakhstan through the upgrade of the existing power lines with elements of Smart Grid technologies, which will contribute to the improvement of energy efficiency and reliability of networks, as well as the development of RES. It shall restore</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>technical characteristics of power transmission lines in order to extend their service life, preserve/improve the conditions of electricity transmission for at least 30 years, increase the permissible transmission capacity of the overhead lines and reduce losses. The length of 220-500 kV overhead lines to be rehabilitated within the first stage is 2029 km. At this stage of the project it is envisaged to suspend an optical cable embedded in a lightning protection cable (hereinafter referred to as OPGW) with a total length of 242.8 km. As a result, the portion of OPGW-equipped overhead lines of KEGOC will be increased from the current 20 per cent to 21 per cent. OPGW is an integral part and link of the Smart Grid technologies that are being implemented and will be implemented in the future;</p> <p>2) West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities. The project goal: construction of the second circuit of the existing 220 kV Uralskaya - Pravoberezhnaya - Inder - Karabatan - Kulsary – Tengiz transmission line with connection to the existing 220 kV substations and to the new Karabatan substation. The project will double the capacity of the 220kV network, significantly increasing power supply reliability for consumers in the region. It will strengthen Zone West’s network and facilitate its future unification with Zone South. This unification will enable eventual integration with the UPS of Kazakhstan, providing the potential for isolated operation while accommodating the large-scale integration of renewable energy sources (RES) into the energy</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>balance.</p> <p>In the reporting period (December 21, 2022 – December 31, 2023), 86.19% of the net proceeds from the Issuer’s debut green bonds were allocated to nominated assets. For more details see the commentary to Clause 1.3</p>	
<p>1.2 All nominated projects and assets must meet the documented objectives of the debt instrument and comply with the eligibility criteria set out in the Sustainability Bond Programme (Policy) and/or the standards/taxonomies referred to therein.</p>	<p>A, B, C, F, G, H, I, J, K, R</p>	<p>Document review, interviews</p>	<p>According to the Policy, the Prospectus, the Issuer’s Annual Report, the External Review Report and other relevant documents, in terms of the compliance of the nominated projects with the documented goals of the debt instrument and the eligibility criteria, this item is fully complied with.</p> <p>In the Prospectus of the issue (taking into account amendments thereto of the second issue within the second bond programme as of 21.10.2022) it is stated that the goal of the issue covers two projects mentioned above: 1) Rehabilitation of 220-500 kV overhead lines (OHTLs) of KEGOC and 2) West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities.</p> <p>In general, according to the Policy, the eligible projects should fall under the categories of projects that aim to develop and implement energy and resource efficient technologies and processes that help mitigate climate change or otherwise have a positive impact on the environment and the achievement of the UN SDGs, which are relevant in areas such as renewable energy, energy efficiency, clean transport, sustainable management of living natural resources and land use, biodiversity conservation</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>and sustainable development. The eligible projects must meet the categories, descriptions and threshold criteria set out in the detailed Eligible Green Projects Table.</p> <p>In accordance with the Issuer’s Annual Report and SPO, the nominated projects (Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC and West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities) fulfil the goals set out above and also meet the eligibility criteria set out in the Policy. In particular, the first project (Rehabilitation of 220-500 kV overhead power lines) meets the category of the International Capital Markets Association (ICMA) Green Bond Principles in terms of energy efficiency in power generation, transmission and distribution systems, including the introduction of smart grids, and also meets the Company’s own threshold criteria for grid energy efficiency set out in the Policy - “reduction of electricity losses by 10% compared to the baseline (before project implementation), or introduction of elements of Smart Grid technologies”. The second project (West Kazakhstan Electricity Transmission Reinforcement Project) meets the ICMA Green Bond Principles category for transmission of electricity from renewable energy sources and for scaling up the use of renewable energy sources, taking into account that new large renewable energy consumers and power plants are expected to be introduced in this region, requiring an increase in the capacity of backbone electricity interconnections,</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
<p>1.3 The Issuer shall allocate the net proceeds to the Nominated Projects and Assets within 24 months of the issuance of the debt instrument or within the specific time period set out in the Sustainability Bond Programme (Policy) (if any). The 24-month period may be extended for up to 5 years (and in exceptional cases up to 10 years if duly justified by the nature of the financed projects with documented justifications). At the end of the placement period specified under the Sustainability Bond Programme, the issuer is advised to submit a Post Issuance Verification Report prepared by the verifier. The Issuer is advised to submit annual Post Issuance Verification Reports until the verifier confirms the allocation of 100% of the proceeds</p>	<p>A, C, F, G, H, I</p>	<p>Document review, interviews, cross-checking with publicly available data</p>	<p>and that in the area of the project under consideration for the construction of the second circuit of the existing transit system.</p> <p>The policy expects bond proceeds to be used for eligible projects as soon as possible, but no later than 36 months after the date of issuance of the green bonds. The proceeds may be used for additional financing of previously initiated projects and refinancing of projects, provided that financing for such projects was initiated no earlier than 24 months prior to consideration.</p> <p>In accordance with the Issuer’s Annual Report, during the period from the date of issue 21 December 2022 to 31 December 2023, borrowed funds in the amount of KZT 32.14 million, proceeds from the issue of green bonds, were disbursed in the amount of KZT 27.7 billion and allocated to the above projects: KZT 6.45 billion for Rehabilitation of 220-500 kV overhead lines (OHTLs) of KEGOC and KZT 21.25 billion West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities. Uncommitted borrowed funds in the amount of KZT 4.44 billion in accordance with the Corporate Standard on Treasury Operations were placed in short-term notes of the National Bank of the Republic of Kazakhstan and deposits of second-tier banks of the Republic of Kazakhstan. Thus, 86.19% of attracted funds were distributed during the reporting period since the bonds issue. The balance to be allocated in future periods is 13.81% of attracted funds from “green” bonds issue.</p> <p>The Verifier confirms (based on the analysis of the received</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>primary documents) that the above information on the distribution of proceeds from the issuance of the Issuer's green bonds is correctly presented in the Issuer's Annual Report. It is expected that the allocation of the balance of proceeds (13.81%) will take place no later than 24 months after the issuance of the debt instrument.</p>	
<p>1.4 The net proceeds may be reallocated to other nominated projects and assets at any time while the debt instrument remains outstanding, provided that the issuer has selected and approved such projects and assets in accordance with the procedures set out in the Sustainability Bond Programme (Policy) for assessing eligibility, including the possible involvement of external experts</p>	<p>A, B, C, F, G, H, I, J, K, L, R</p>	<p>Document review, interviews</p>	<p>According to the Policy, the List of Eligible Projects, formed in accordance with the criteria specified in the Policy, may be periodically reviewed to add new Eligible Projects or to exclude projects that no longer meet the specified criteria. The Working Group monitors the targeted use of borrowed funds every six months for projects financed and/or refinanced using green financing instruments included in the portfolio (register) of green projects. If the use of borrowed funds does not correspond to their intended purpose, the Working Group excludes the relevant project from the portfolio (register) of green projects and replaces it with another project (meeting the requirements of the Policy). If such a replacement is not possible, measures are taken in accordance with the emission (loan) documentation.</p> <p>The Issuer has provided the verifier with all approved minutes of the decisions of the Working Group on Monitoring the Intended Use of Funds. According to the Issuer's Annual Report, there were no exclusions or additions to the portfolio of the nominated projects. In a particular case, the Working Group replaced one of the contracts with contractors with contracts with other contractors for an equivalent amount and scope of work for West</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities, which did not affect the content of the work performed and compliance of the project with the established criteria.</p> <p>Therefore, in accordance with the Annual Report and the SPO, the Company has allocated the net proceeds of the Green Bond Issue entirely to the above projects in accordance with the eligibility criteria.</p>	
<p>1.5 The nominated projects and assets should not be denominated in other sustainability debt instruments unless the issuer demonstrates that different sustainability bonds finance separate parts of the nominated projects and assets, or the sustainability debt instrument is refinanced with another sustainability debt instrument</p>	<p>A, B, E, F, G, H</p>	<p>Document review, interviews</p>	<p>The Policy does not stipulate this condition, however, according to the Issuer’s Annual Report and SPO, the Company has not nominated the above projects to other sustainability debt instruments. The verifier, during interviews with the Issuer, confirmed the Working Group members’ understanding that the same expenditure incurred on the same project cannot be attributed to different green bonds and double counting of the intended use is not allowed.</p>	<p>Complies</p>
<p>1.6 Where a proportion of the net proceeds of the bond are used for refinancing, the issuer shall track the share of the net proceeds used for financing and refinancing and identify which nominated projects and assets may be refinanced. This may also include the expected look-back period for refinanced nominated projects and assets,</p>	<p>A, B, E, F, G, H, R</p>	<p>Document review, interviews</p>	<p>The Policy provides for the use of proceeds from the issuance of green bonds or a loan raised to refinance previously started projects. However, financing for such projects must have been carried out no earlier than 24 months before the consideration. The Working Group carries out both the assessment and selection of projects for refinancing and the control of the allocation of funds.</p> <p>However, according to the Annual Report and SPO, the Company</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
<p>which should reflect the functional life of the projects or assets to achieve the stated environmental and/or social (as applicable) benefits. The remaining useful life of the projects or assets must equal or exceed the life of the instrument being verified. The net proceeds may only be used to refinance operating costs that were incurred during the three years prior to the issuance of the sustainability debt instrument, unless otherwise specified in the Sustainability Bond Programme</p>			<p>allocated all net proceeds from the issuance of green bonds to finance new eligible projects. Accordingly, there was no refinancing within the framework of this issue.</p>	
<p>1.7 The issuer shall track the net proceeds of the debt instrument in accordance with a formal internal process that is documented in accordance with B.3.3</p>	<p>A, B, C, F, G, H, I, J, K, L</p>	<p>Document review, interviews</p>	<p>The Policy stipulates that the Working Group is a responsible body for controlling the allocation of funds. Thus, the Working Group semi-annually monitors the targeted expenditure of borrowed funds for projects financed and/or refinanced by green finance instruments included in the portfolio (register) of green projects. Also, the Working Group once a quarter monitors the utilisation of funds received from the issuance of green bonds or attraction of green loans. If there are undisbursed borrowed funds, the funds are used in accordance with the Corporate Standard on Treasury Operations covering the issues of placement of funds in liquid instruments (and not in non-green investment projects), until they are fully disbursed.</p> <p>According to the documents provided, the Issuer held Working Group meetings on a quarterly basis and have maintained</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			(documented) quarterly reports on the allocation of funds from the green bond issue.	
<p>1.8 Additional Nominated Projects and Assets may be added to, or used to replace or supplement, the portfolio of Declared Projects and Assets, provided that the additional Nominated Projects and Assets meet the requirements of the Sustainability Bond Programme and/or the standards/taxonomies referred to therein and are consistent with the objectives of the debt instrument. Where the Additional Nominated Projects and Assets fall under criteria that have not been included in the scope of the Sustainability Bond Programme, the Issuer shall engage an external due diligence provider to provide a valuation report covering at least the compliance of the Additional Nominated Projects and Assets with the relevant green/social project criteria</p>	<p>A, B, C, F, G, H, I, J, K, L</p>	<p>Document review, interviews</p>	<p>See paragraph 1.4.</p>	<p>Complies</p>
<p>2.1 The issuer shall document and maintain a decision-making process to determine the continued eligibility of the nominated projects and assets. This includes, without</p>	<p>A, B, C,</p>	<p>Document review, interviews</p>	<p>The Policy regulates the decision-making process for determining the continued eligibility of the nominated projects. Thus, the list of eligible green projects, formed according to the criteria specified in the Policy, may be periodically reviewed to</p>	<p>Complies</p>

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
limitation:	K, L		add new eligible projects or exclude the projects that no longer meet the specified criteria. Moreover, the Working Group carries out documented control of targeted expenditure of borrowed funds for projects financed and/or refinanced by green finance instruments included in the portfolio (register) of green projects.	
2.1.1 A statement of the environmental and/or social (as applicable) objectives of the bond	A, B, C, D, R	Document review, interviews	<p>In accordance with the Policy, eligible projects should be used for development and implementation of energy and resource efficient technologies and processes, help mitigate climate change or otherwise have a positive impact on the environment and the achievement of UN SDGs that are relevant in areas such as renewable energy, energy efficiency, clean transport, sustainable management of living natural resources and land use, biodiversity conservation, and climate change adaptation. In addition, the eligible projects must meet the categories, descriptions and criteria set out in the relevant qualifier (Table 1 attached to the Policy).</p> <p>According to the Issuer's Annual Report, the Prospectus, and the SPO, the eligible projects meet the environmental objectives stated in the Policy and the eligibility criteria.</p>	Complies
2.1.2 How the environmental and/or social (as applicable) objectives of the debt instrument are positioned in the context of the issuer's overall environmental sustainability objectives,	A, B, C, F, G,	Document review, interviews, cross-checking with	Taking into account the objectives set out in the Company's Development Strategy in terms of ensuring sustainable development in accordance with the ESG principles, in particular, reducing carbon footprint, improving environmental safety, energy conservation and rational use of resources, as	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
strategy, policies and/or processes	H, M, N, O, P, Q, R	publicly available data	<p>well as being aware of the need to attract investment to finance/refinance new/ongoing environmental projects, the Company approved the Green Finance Policy on 11 October 2022 in order to formalise and apply the best global practices and approaches. The Policy is aimed at facilitating the implementation of KEGOC’s development and financing strategy in the context of the Republic of Kazakhstan’s commitments to reduce greenhouse gas emissions and carbon neutrality targets, including initiatives to achieve the Company’s own carbon neutrality, energy saving and energy efficiency measures, care for the environment and promotion of a culture of environmental stewardship.</p> <p>In turn, in accordance with the SPO and the Prospectus, the intended purpose of the issued green bond is defined as the implementation of the above green projects: 1) Rehabilitation of 220-500 kV OHTLs in the branch of KEGOC in order to improve the reliability of the National Electric Grid of Kazakhstan through the reconstruction of existing transmission lines; and 2) West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities in order to increase the capacity and reliability of electricity supply to consumers of Zone West of the Unified Energy System of Kazakhstan by strengthening the 220 kV power grids between the western regions of the country. As noted, both projects are categorised under the Green Bond Principles. Thus, the objectives of the projects are integrated with the objectives of</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>the Development Strategy in terms of ensuring sustainable development in accordance with the ESG principles, in particular, reducing carbon footprint, improving environmental safety, energy conservation and rational use of resources.</p> <p>The Company's 2060 Carbon Footprint Reduction Programme provides indicators for achieving low carbon development by 2031:</p> <ul style="list-style-type: none"> - Scope 1 (direct emissions) - by gradually replacing light motor vehicles with internal combustion engines with similar types of vehicles with electric motors to achieve a 2 per cent reduction in emissions by 2030; - Scope 2 (indirect emissions) - by gradually increasing the share of green electricity purchased from RES to compensate for losses in KEGOC's grid and reaching 20% by 2031. <p>Also, according to the Company's development strategy, KEGOC's key areas of technological development and digitalisation include development and application of digital substations, development and application of energy storage systems for system services and RES integration, and development of synchrophasor technologies. In order to save energy and improve energy efficiency, the Company takes measures to reduce electricity losses in power grids.</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
2.1.3 The issuer's rationale for issuing a debt instrument	A, B, C, P, Q, R	Document review, interviews	The issuance of this bond, as stated in the Policy and SPO, is driven by the need to implement two projects that contribute to: 1) improving the reliability of the National Power Grid (hereinafter - NPG) of Kazakhstan through the rehabilitation of the existing transmission lines using the elements of Smart Grid technologies, resulting in increased energy efficiency and reliability of networks, as well as the facilitation of development of RES (the first project); in addition 2) the second project is an integral part of large-scale modernisation projects of the NPG and will be synchronised with the introduction of new generating capacities, providing the necessary interregional and interstate flows of electricity. According to the Concept of Development of the Electric Power Industry of the Republic of Kazakhstan for 2023-2029, strengthening of Zone West and Zone South and further interconnection of Zone West with Zone South facilitates unification of the Zone West with the UPS of Kazakhstan enabling isolated operation and supporting large-scale renewable energy integration.	Complies
2.1.4 The process of determining whether Nominated Projects and Assets meet the industry eligibility requirements specified in the Standard	n/a	n/a	Not applicable, only applies to Climate Bonds Initiative Standard certification cases.	n/a
2.1.5. Other information provided by the issuer, stipulated by clause A.2.	n/a	n/a	Not applicable, only applies to Climate Bonds Initiative Standard certification cases.	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
3.1 Net proceeds of a debt instrument must be credited to sub-accounts, transferred to a sub-portfolio or otherwise identified by the issuer in a proper and documented manner	A, B, G, H, I, R	Document review, interviews	As per the Policy and SPO, the proceeds from the issue of green bonds or from green loans raised are credited by the Company to a special account for separate accounting and control of revenue recognition. The Verifier has accessed the worksheets and confirmed that the Issuer has a system in place to document the sub-portfolio of assets financed by the bond issue. The Verifier has also confirmed, based on the information provided in the statement of account KZ...231 opened with Halyk Bank for the period from 21.12.2022 to 31.12.2023, that the net proceeds have been credited to a separate account.	Complies
3.2 An issuer of debt instruments should either maintain a process for earmarking the proceeds of issuance (earmarking) or adopt a method of ringfencing (by creating a separate account or sub-account) to properly manage and account for the allocation of net proceeds to the nominated projects and assets	A, B, E, F, G, H, I	Document review, interviews	In addition to a separate open account for proceeds from the placement of green bonds, the Issuer keeps analytical records in Excel on a quarterly basis on the utilisation of borrowed funds (“Information on project payments” (summary excel-table), “Register of contracts with contractors concluded within the framework of KEGOC financed projects” (excel-table)). Thus, the Issuer applies both the ringfencing method (opening a special account) and maintains a system of documentary monitoring of the sub-portfolio of assets financed by issuing bonds, which corresponds to the first option of this requirement (earmarking).	Complies
3.3 As long as the debt instrument remains outstanding, the balance of traceable net proceeds shall be reduced by the amounts	A, B, G,	Document review, interviews	According to the Policy, the Working Group semi-annually monitors the intended use of borrowed funds for projects financed and/or refinanced by green finance instruments	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
allocated to the nominated projects and assets. Prior to such allocation to nominated projects and assets, the balance of unallocated net proceeds shall:	H, I, J, K, L		<p>included in the portfolio (register) of green projects. In case of non-compliance of borrowed funds with the intended purpose, the Working Group excludes the relevant project from the portfolio (register) of green projects and replaces this project with another project (meeting the requirements of the Policy), and in case of impossibility of such replacement, the measures stipulated in the issue (loan) documentation are taken. The Working Group on Green Finance once a quarter monitors the utilisation of funds received from the issuance of green bonds or attraction of green loans.</p> <p>The above is confirmed by the information contained in the Reports, in the Minutes of the meetings, as well as in the conclusions, quarterly and semi-annual reports of the Working Group.</p>	
3.3.1 be held in temporary investment instruments that are cash, money market instruments or other liquid short-term instruments equivalent to cash within the treasury function; and/or	A, B, G, H, I, R	Document review, interviews	<p>The policy governs, and the SPO confirms, that where undrawn borrowings are available, funds are utilised in accordance with the Corporate Treasury Standard covering the placement of funds in liquid instruments (rather than non-green capital projects) until they are fully utilised.</p> <p>In accordance with the Issuer's Annual Report, during the period from 21.12.2022 to 31.12.2023, the undisbursed borrowed funds from the issue of green bonds in the amount of KZT 4.44 billion, in accordance with the Corporate Treasury Standard, were placed in short-term notes of the National</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			Bank of the Republic of Kazakhstan and deposits of second-tier banks of the Republic of Kazakhstan.	
3.3.2 be held in temporary investment instruments that do not relate to greenhouse gas intensive projects or any projects that are incompatible with the creation of a low carbon and climate resilient economy; and/or social projects	n/a		Not applicable, only applies to Climate Bonds Initiative Standard certification cases.	n/a
3.3.3 Apply to temporarily reduce revolving debt before reallocating it to investments in or payments on nominated projects and assets	n/a		Not applicable, only applies to Climate Bonds Initiative Standard certification cases.	n/a
3.4 The Issuer shall track and monitor all payments for Nominated Projects and Assets using source documents, records and evidence available to verify allocation and earmarking (vouchers, contracts, invoices, payment documents, accounting and management records, etc., if applicable).	A, B, C, F, G, H, I, J, K, L	Document review, interviews	The requirement is fulfilled (see clause 3.3). The verifier has accessed a sample of primary contracts with suppliers for the projects under implementation, payment orders, invoices, statements of work performed and project documentation, and confirmed their compliance with the information disclosed in the Issuer's Annual Report. Also see clauses. 3.1 and 3.2 regarding the verifier's access to other source documents.	Complies
4.1 Following the issuance of a use-of-	A,	Document	In accordance with the Policy, the Issuer intends to publish on	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
proceeds sustainability instrument, all issuers must provide annual updated reports within 12-24 months from the date of issuance of the debt instrument until maturity.	B, C, F, G, H, I, J, K, L	review, interviews	<p>its official website annually updated reports on the Green Bonds issued and Green Loans raised from the date of issue or raising to full repayment and in the event of any material changes are made available and kept in the public domain, including the Issuer's first Annual Report.</p> <p>The Company has prepared and plans for approval by the authorised body on 31.01.2024 the Annual Report on Green Bonds (the Issuer's Annual Report), which is subject to verification by an independent verifier, after which it is subject to publication. The verifier has obtained access to the final version of the Issuer's Annual Report agreed for approval on 31.01.2024.</p>	
4.2 The Issuer shall also provide an updated report in a timely manner in the event of material changes. Material changes include, among other things, early redemption, change of control or acquisition, change of name, changes in the eligibility of assets and projects and any material amendments to the transaction documents, including any liquidation or enforcement proceedings	A, B, E, F, G, H, I, J, K, L	Document review, interviews	<p>The policy provides for the annual report to be updated, including in the event of any material changes.</p> <p>However, there were no material changes in this reporting period.</p>	Complies
4.3 Issuers are encouraged to submit their updated reports through existing bond market reporting channels	A, B, E,	Document review, interviews	See paragraph 4.1. The Verifier has confirmed with the Issuer that the verified Annual Report of the Issuer for the debut issue of Green Bonds is scheduled to be approved on	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
	F, G, H, I, J, K, L		31.01.2024, after which it will be published on the Company's official website https://www.kegoc.kz in late January or early February 2024.	
4.4 An updated report may contain three types of reporting: allocation reporting, eligibility reporting, and impact reporting:	A, B, H, I, J, K, L	Document review, interviews	<p>The Issuer's Annual Report consists of the Allocation Report, which contains the following information:</p> <ul style="list-style-type: none"> - net proceeds received from each green bond of the Company or each loan raised; - the total amounts of funds allocated to each project from the eligible categories (as per Table 1) and the ratio of funding/refinancing amounts (if applicable); - balance of unallocated funds at the end of the reporting period; <p>and an Impact Report containing information on the predicted quantitative environmental effect for each project.</p> <p>The eligibility report is not applicable in this case as it is a requirement of the Climate Bonds Initiative Standard (see 4.4.2 below).</p>	Complies
4.4.1 Allocation reporting confirms the allocation of bond proceeds to eligible	A, B,	Document review,	According to the Issuer's Annual Report and, in particular, the section on allocation, the borrowed funds from the bond	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
projects and assets, and is mandatory for all debt instruments	E, F, G, H, I, J, K, L	interviews	<p>issue were used only to finance two investment projects: Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC and West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities.</p> <p>Allocation of the funds is confirmed by data from the statement on the bank account No. Z...231 (KZT), opened by the Issuer in Halyk Bank to record the allocation of funds from the issue of green bonds, for the period from 21.12.2022 to 31.12.2023, information from the relevant payment orders on account No. Z...231 with Halyk Bank (to record allocation on green bonds for the period), data from the register of the Issuer's contracts with contractors concluded within the framework of KEGOC's financed projects (excel-table), as well as information on project payments (summary excel-table) and primary contracts with contractors concluded within the framework of KEGOC's financed projects</p>	
4.4.2 Eligibility reporting confirms the characteristics or performance of projects and assets by demonstrating their compliance with relevant industry criteria and is mandatory for all debt instruments	A, B, E, F, G, H, I, J, K,	Document review, interviews	The eligibility report is not applicable in this case, as it is a requirement of the Climate Bonds Initiative Standard. However, based on the information received and disclosed in the Issuer's Annual Report on the funds actually disbursed, the parameters of the financed projects continue to meet the green finance objectives stated in the Issuer's Policy and the main categories of green projects set out in the ICMA Green Bond Principles (namely, in terms of electricity transmission	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
	L		from renewable energy sources and for scaling up the use of renewable energy sources, as well as energy efficiency).	
4.4.3 Impact reporting discloses indicators reflecting the expected or actual impact of eligible projects and assets and is recommended for all certified debt instruments	A, B, E, F, G, H, I, J, K, L	Document review, interviews, reconciliation with publicly available data, regulations	<p>According to the Issuer’s Annual Report the first project’s energy efficiency impact indicator is a 10% reduction in the average energy loss rate losses as a result of the project implementation compared to the average actual electricity loss rate between 2000 and 2019 and the second project’s environmental impact indicator is promoting the scaling up of renewable energy (RES) use by increasing access to transmission lines for new RES capacity. By 2035, at least 50% of the planned RES capacity will be connected to the grid in the specified area.</p> <p>The timeframe for the two projects is 2018-2023.</p> <p>Information on projects and current status of works is sufficiently disclosed in the Issuer’s Annual Report:</p> <p>Project No.1. The first stage of Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC (the first project).</p> <p>Project Objective:</p> <p>To improve the reliability of the National Power Grid of Kazakhstan by rehabilitating the existing transmission lines with Smart Grid technologies. This will increase the energy efficiency and reliability of the grid, and also support the</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>development of renewable energy sources (RES).</p> <p>Project Scope:</p> <p>This phase of the project involves the installation of 242.8 km of optical cable integrated into ground wire cable (OPGW) on two transmission lines:</p> <ul style="list-style-type: none"> • 62.3 km on the 220 kV L-2106 “Sokol-Lisakovskaya” transmission line • 180.5 km on the 500 kV L-5726 “Zhytikara-Sokol” transmission line <p>Project Significance:</p> <p>OPGW is an integral part and a link between the implemented and prospective Smart Grid technologies. Increasing the bandwidth of existing channels by expanding the fibre optic communication lines (FOCL) facilitates the planned modernization of SCADA by KEGOC to improve observability of the electricity market participants, including in the context of developing RES.</p> <p>Project Status:</p> <p>Construction and installation works have been completed on 24 transmission lines selected for rehabilitation. Since the beginning of the project, 2023 km of transmission lines have been rehabilitated.</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>Project No. 2. West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities.</p> <p>Project Objective:</p> <p>To construct a second circuit for the existing 220 kV Ural-Pravoberezhnaya-Inder-Karabatan-Kulsary-Tengiz transmission line. This will connect to existing 220 kV substations and the new Karabatan substation. The project will double the transmission capacity of the 220 kV network and significantly improve the reliability of electricity supply to consumers in the region.</p> <p>Project Significance:</p> <p>This project is an integral part of the large-scale modernization projects of the National Power Grid (NPG) and is synchronized with the commissioning of new generating capacities. According to the Concept of Development of the Electric Power Industry of the Republic of Kazakhstan for 2023-2029, the reinforcement of Zone West and Zone South and the further unification of Zone West with Zone South and facilitate the unification of the Zone West with the Unified Power System (UPS) of Kazakhstan. This will allow for isolated operation if necessary and will take into account the large-scale involvement of renewable energy sources (RES) in the energy balance.</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>Expected Growth of Renewable Energy Sources:</p> <p>According to the approved “Energy Balance until 2035”, the growth of RES capacity in Zone West is expected to be 9.3 times higher in 2035 compared to 2022 (up to 1.102 GW), and 9 times higher by 2025 (up to 1.068 GW). According to the Preliminary Vision for the Further Development of the NPG (Draft Vision for the Development of the National Power Grid until 2035), about 600 MW of wind RES capacity is expected to be commissioned in the area of the project for the construction of the second circuit of the existing 220 kV transit line (Ural-Pravoberezhnaya-Inder-Karabatan-Kulsary-Tengiz). This makes 56% of the planned generating capacity to be commissioned in the specified area.</p> <p>Portion of Renewable Energy Sources:</p> <p>As of January 1, 2022, the portion of RES in Zone West was 3.3% of the total installed capacity (the installed capacity of the Western zone is 3620 MW). By 2035, according to the vision for the further development of the NPG, the portion of RES in the total installed capacity in Zone West will be 16.3% (1102 MW out of a total capacity of 6746 MW). This means that 31% of the newly installed generating capacity in Zone West by 2035 will be accounted for by newly installed RES capacity.</p> <p>Project Status:</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>The installation of the conductor over the entire length of the 779.7 km transmission line has been completed, including 481.9 km in 2023. All 4,203 towers have been installed, including 1,305 in 2023. The 220 kV Ural-Pravoberezhnaya-Inder-Karabatan-Kulsary-Tengiz transmission line with a total length of 779.7 km was put into operation on November 28, 2023, with the participation of Prime Minister of the Republic of Kazakhstan Alikhan Smailov via teleconference.</p> <p>According to the verifier's rough calculations based on IPCC indicators and the List of Benchmarks in Regulated Sectors of Kazakhstan's economy, due to the introduction of new RES capacity, the average emission factor of the national grid based on electricity generation sources in Kazakhstan can be reduced from 2023 to 2035 by 28% to 0.493 tCO₂/MWh (calculations based on the forecast Energy Balance to 2035 approved on 30 January 2023).</p>	
4.5 Three different types of reporting may be included in a single updated report to be submitted to the Climate Bonds Standard Secretariat (if required) and publicised or presented annually to bondholders/creditors for as long as the debt instrument remains outstanding	n/a		Not applicable.	n/a
4.6 The timing of reporting under this	n/a		Not applicable.	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
paragraph may be agreed in accordance with the Issuer’s regular reporting schedule and need not necessarily coincide with the anniversary of the certification (where applicable) or issue of the bond				
4.7 The allocation report shall, among other things, include:	A, B, E, F, G, H, I, J, K, L	Document review, interviews	See below	Complies
4.7.1 Confirmation of compliance of bonds issued under the Issuer’s Sustainability Financing Programme with the Climate Bonds Standard (where applicable)	n/a		Not applicable.	n/a
4.7.2 A statement of the Bond’s climate social objectives (in accordance with the Climate Bonds Standard)	n/a		Not applicable.	n/a
4.7.3 List of nominated projects and assets to which net proceeds have been allocated (or reallocated) (in	n/a		Not applicable.	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
accordance with the Climate Bonds Standard)				
4.7.4 Amounts allocated to nominated projects and assets	A, B, E, F, G, H, I, J, K, L	Document review, interviews	In accordance with the Issuer’s Annual Report, in the period from the issuance on 21.12.2022 to 31.12.2023, the funds from the issue of the green bond in the amount of KZT 32.14 billion were utilised in the amount of KZT 27.7 billion, of which KZT 6.45 billion was allocated to finance the first project, and KZT 21.25 billion to finance the second project. Uncommitted borrowed funds in the amount of KZT 4.44 billion (13.81%) in accordance with the Corporate Standard on Treasury Operations, were placed in short-term notes of the National Bank of the Republic of Kazakhstan and deposits of second-tier banks of the Republic of Kazakhstan.	Complies
4.7.5 An estimate of the respective proportions of net proceeds used for financing and refinancing, as well as those nominated projects and assets that have been refinanced. This may also include the expected period of analysis of refinancing of nominated projects and assets	A, B, E, F, G, H, I, J, K, L, R	Document review, interviews	The Policy provides for the possibility of channelling the proceeds of the bond issue for refinancing, however, in accordance with the Annual Report and SPO, the Company has allocated all net proceeds from the green bond issue to finance new eligible projects. The verifier confirms that no refinancing took place under this issue. The Verifier, in particular, confirms the statement in the Issuer’s Annual Report that according to the Second Party Opinion pre-issue external verification report dated 18.11.2022 on compliance of KEGOC’s Green Finance Policy with the ICMA Green Bond Principles. on compliance of KEGOC’s Green Finance Policy with the ICMA Green Bond	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			Principles, KEGOC before issuing the green bond planned to use the option of directing a part of the raised funds from the issue to reimburse the costs of green projects incurred from 1 December 2022 until the issuance of the bond (i.e. incurred within 2-3 weeks before the bond placement) to avoid cash gaps. However, in fact, this option was not utilised by the issuer: the funds from the issue of green bonds were used by KEGOC solely for new expenditures on green projects incurred after the placement of the bond under contractual obligations with suppliers, and were not used to reimburse previously incurred costs.	
4.7.6 Geographical allocation of nominated projects and assets	A, B, E, F, G, H, I, J, K, L	Document review, interviews	See 4.4.3 above.	Complies
4.8 The compliance report shall, among other things, include:	n/a		Not applicable, only applies to Climate Bonds Initiative Standard certification cases.	n/a
4.8.1 Confirmation that the nominated projects and assets continue to meet	n/a		Not applicable	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
the eligibility requirements applicable for certification (where applicable)				
4.8.2 Information on the environmental and/or social performance or efficiency of nominated projects and assets, as stipulated by the relevant industry criteria	n/a		Not applicable	n/a
4.9 Some bonds have very stable revenue allocation and do not require tracking of any performance indicators to maintain project and asset eligibility (e.g. financing one large solar power plant). This means that the annual update report can be brief and repeat information from previous reports	n/a		Not applicable	n/a
4.10. Where there are limitations on the detailed information that can be provided in an updated report on specific nominated projects and assets (as per A.2.4.3), the disclosure should include the investment areas to which the nominated projects and assets relate and an explanation of the reasons for the limited detailed information on the nominated projects and assets	A, B, E, F, G, H, I, J, K, L, R	Document review, interviews	The Issuer's Annual Report as well as the SPO provide sufficient detail on the nominated projects themselves, as well as on the allocation of funds and the environmental impact of these projects.	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
4.11. Impact reporting shall:	A, B, E, F, G, H, I, J, K, L	Document review, interviews	See below	Complies
4.11.1 Provide for expected or actual outcomes or impacts of the Nominated Projects and Assets relating to the climate and/or social objectives of the Bond	A, B, E, F, G, H, I, J, K, L	Document review, interviews	The Issuer's impact reporting within the Issuer's Annual Report provides expected impact indicators for the nominated projects relating to the climate objectives of the bonds. See para. 4.4.3	Complies
4.11.2 Apply qualitative performance measures and, where possible, quantitative performance measures of the outcomes or impacts of nominated projects and assets to achieve the climate and/or social objectives of the Bond	A, B, E, F, G, H, I, J, K,	Document review, interviews	The Issuer's impact reporting within the Issuer's Annual Report provides quantitative environmental performance indicators. See para. 4.4.3	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
	L, R			
4.11.3 Provide the methods and key assumptions underlying the calculation of performance indicators and metrics	A, B, E, F, G, H, I, J, K, L, R	Document review, interviews	The methods and key underlying assumptions underlying the calculation of performance indicators and metrics are not disclosed in the Issuer's Annual Report. However, according to the Policy, in terms of the methodological basis for calculating the Impact indicators, the Issuer's impact reporting is guided by the indicators provided in the Policy, and the SPO provides references to the reference books and guidelines used as a source of applicable ratios and benchmarks in assessing the environmental effect of the financed projects.	Partially complies
5.1 Examples of quantitative performance indicators for the results of nominated projects and assets may include, but are not limited to: installed renewable energy capacity, avoided greenhouse gas emissions, emission intensity, energy performance of buildings, number of passengers transported by public transport, volume of wastewater treated. Impact indicators may include, but are not limited to: reduction/avoidance of greenhouse gas emissions, number of households with access to clean energy, reduction in water consumption, reduction in the number of	A, B, E, F, G, H, I, J, K, L, R	Document review, interviews	The Issuer's impact reporting within the Issuer's Annual Report provides examples of quantitative performance measures of the results of the nominated projects. See para. 4.4.3	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
cars needed, number of individuals/families using subsidised housing, number of patients using health services or undergoing medication, etc.				
5.2 Methods shall include the approaches and the calculation methodology used, including annual and/or life cycle (life cycle) calculations. Both institutional and private (proprietary, firm) approaches may be used: institutional approaches may be referred to by name, but proprietary and new structures should be described in sufficient detail to allow for evaluation	A, B, C, D, H	Document review, interviews	See para. 4.11.3.	Partially complies
5.3 The issuer shall make available to the public any verification reports or other relevant material justifying the updated report	A, B, C, D, H	Document review, interviews	The Issuer's Annual Report and the corresponding (this) Verification Report are scheduled for publication on the official website of the Issuer and the Verifier. See paras. 4.2. и 4.3.	Complies

Table 1. Allocation of funds received from placement of KEGOC's green bonds for the reporting period

Date of engagement	Borrowed at nominal value	REVIEWED				BALANCE OF UNALLOCATED FUNDS	
		Total utilised, incl:	Percentage	PROJECT No.1 Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC	PROJECT No.2 West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities	Monetarily	Percentage
21.12. 2022	16 141 100	16 141 100		5 102 908	11 038 192	0	
30.03. 2023	16 000 000	11 560 589		1 349 722	10 210 867	4 439 411	
Total	32 141 100	27 701 689	86.19%	6 452 630	21 249 059	4 439 411	13.81%

Appendix II. List of documents reviewed

Review of documentation

The documents provided by KEGOC in relation to the Green Bonds issued are set out below and have been used as direct sources of evidence, testimony and information for the verification conclusions and have been further verified, where necessary, through interviews with key employees of the Company and reconciliation with publicly available data.

- A. Annual Report on KEGOC's green bonds
- B. KEGOC's Green Finance Policy (Green Finance Framework) approved by KEGOC's Management Board on 11 October 2022.
- C. Order of the Chairman of the Management Board of KEGOC on establishment of the Working Group on Green Finance dated 12 October 2022.
- D. Prospectus of the second issue of bonds within the Second Bond Programme of KEGOC with amendments registered on 29 November 2022 and 24 March 2023.
- E. Register of contracts with contractors concluded within the framework of KEGOC financed projects (excel-table)
- F. Information on project payments (summary excel-table containing worksheets on monitoring of KEGOC green bond issues and their allocation to green assets (Excel file))
- G. Bank account statement to record distributions on green bonds for the period from 21.12.2022 to 31.12.2023 (Account No. 231 with Halyk Bank)
- H. Copies of payment orders on account Account No. 231 with Halyk Bank (to record distributions on green bonds for the period)
- I. Primary contracts with contractors concluded within the framework of KEGOC financed projects (scans):
 1. EIS Corporation LLP
 2. Promstroy-Energo LLP
 3. Promstroy-Energo LLP
 4. ASPMK-519 LLP
 5. ASPMK-519 LLP
 6. ASPMK-519 LLP
 7. KARELEKTROSPETSSTROY LLP
 8. KARELEKTROSPETSSTROY LLP
 9. KARELEKTROSPETSSTROY LLP
 10. Kazakh Armature and Insulator Plant LLP
 11. Temirbeton LLP
 12. TC Metacon LLP
 13. TC Metacon LLP
- J. Copies of certificates of completed works with contractors concluded under the financed projects and invoices for payment for each KEGOC contract (scans)
- K. Project documentation (copies of executive technical documentation, RSE Gosekspertiza conclusions, permits for construction works, design and estimate documentation, financial model, copies of investment memorandum, project management plans)
- L. Minutes of decisions and conclusions of KEGOC's Working Group on Green Finance (semi-annual, quarterly)
- M. KEGOC's Environmental Policy
- N. KEGOC's Development Strategy for 2022-2031
- O. Sustainability Management System Guidelines
- P. KEGOC Annual Report for 2022.
- Q. S&P Global CSA Score 2023 ESG rating of KEGOC at 51/100 (<https://www.spglobal.com/esg/scores/results?cid=5000964>)

- R. External verification report from AIFC Green Finance Centre Ltd (GFC) in the format of second party opinion (SPO) on compliance of KEGOC's Green Finance Policy with the International Capital Markets Association (ICMA) Green Bond Principles on 18 November 2022.

Interviews conducted and information received from the Issuer

GFC primarily interacted with members of the Green Finance Working Group and KEGOC's Treasury and Corporate Finance Department team to gather information on the bonds issued and received information from the Issuer.

Specifically, interactions took place with the following key personnel:

Aigul Akimbayeva, Head of the Working Group;

Dinara Sagintayeva, Head of Treasury and Corporate Finance Department;

Aigul Narymbiyeva, Chief Expert, Treasury and Corporate Finance Department;

Dastan Zhumagaliyev, Payments Management and Corporate Finance, Treasury and Corporate Finance Department.