



**POST- ISSUANCE EXTERNAL REVIEW REPORT
IN VERIFICATION FORMAT
for compliance of the second 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	2 nd year from the date of issue (from January 1, 2024, to December 31, 2024)
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 2025
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 second 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. Reference Information on Previous External Assessment Reports Related to the Company's Green Bonds

As part of the reviewed green bond issuance, the Company received the following external assessment reports from GFC:

- **Pre-issuance external review report in the form of a second-party opinion** on the compliance of the Company's Green Finance Policy with the ICMA Green Bond Principles, dated November 18, 2022. GFC expressed the opinion that the Company's Green Finance Policy aligns with the ICMA Green Bond

Principles, and that the Issuer demonstrates an excellent level of governance in terms of fund allocation, project selection, management of proceeds, reporting, and disclosure of information on implemented green projects.

- **Post-issuance verification report on the Issuer's first Annual Green Bond Report**, dated January 30, 2024 (covering the reporting period from December 21, 2022, to December 31, 2023). Based on the limited assurance procedures performed and the obtained evidence, the verifier stated that nothing had come to its attention that would lead it to believe that, in all material respects, the Issuer's debut green bonds and the corresponding first post-issuance Annual Report do not comply with the ICMA Green Bond Principles and the Company's Green Finance Policy.

3. 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.

4. 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.

5. 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 second 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

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.

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.

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.

6. 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 second 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

7. 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

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

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 sustainable 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/>.

54% of the total volume of registered bond issuance programs and labelled sustainable development 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 36 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>). Additionally, it has conducted 7 post-reporting verifications for issuers. GFC's major clients include large state-owned enterprises (Samruk-Energy, Damu Entrepreneurship Development Fund), banks (Halyk Bank, Development Bank of Kazakhstan), financial institutions (Solva Microfinance Organisation, Arnur Credit Microfinance Organisation) 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).

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MANAS GIZHDUANIYEV

General Director

AIFC Green Finance Centre Ltd

30 January 2025

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, S	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 second 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 in the pre-issuance External Assessment Report issued by AIFC Green Finance Centre Ltd (GFC) in the form of a Second-Party Opinion (SPO) dated November 18, 2022 (hereinafter referred to as the SPO), specifically:</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</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>lines with elements of Smart Grid technologies, which contributes to the improvement of energy efficiency and reliability of networks, as well as the development of RES. The project shall restore 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 is increased from 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 transmission capacity of the 220kV network, 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</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>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 balance.</p> <p>During the reporting period (from January 1, 2024, to December 31, 2024), the net proceeds from the issuance of the Issuer's debut green bonds amounting to KZT 1,479,496 thousand were allocated to nominated assets. Since the issuance of the green bonds (i.e., since December 21, 2022), 90.8% of the total net proceeds (amounting to KZT 29,181,186 thousand) have been allocated to nominated assets.</p> <p>For further details, see the commentary on section 1.3.</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.	A, B, C, F, G, H, I, J, K, R, S	Document review, interviews	<p>According to the Policy, the Prospectus, the Issuer's Annual Report, the SPO, the Post-Issuance 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</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>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 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>According to the Issuer's Annual Report, the conclusions of the SPO, and the Post-Issuance External Review Report, 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</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			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 increased transmission capacity of backbone electrical connections. Moreover, in the area covered by the 220 kV transit expansion project, approximately 600 MW of wind power capacity is expected to be commissioned by 2035. This project also complies with the Company’s internal eligibility criteria, as established in the Green Finance Policy, for this type of initiative—“new, expanded, and upgraded transmission systems (lines, substations), storage systems (battery, mechanical, pumped hydro), and new information and communication technologies (smart grids and mini-grids) for scaling up renewable energy sources”—without restrictions as a threshold criterion.	
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	A, C, F, G, H,	Document review, interviews, cross-checking	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	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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	I	with publicly available data	<p>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 2024, borrowed funds in the amount of KZT 32.14 billion, proceeds from the issue of green bonds, were disbursed in the amount of KZT 29.18 billion and allocated to the above projects: KZT 7.44 billion for Rehabilitation of 220-500 kV overhead lines (OHTLs) of KEGOC and KZT 21.74 billion for West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities. In the second reporting period under review (January 1, 2024 – December 31, 2024), a total of KZT 1,479,496 thousand was allocated to nominated assets, with KZT 984,890 thousand directed to the first project and KZT 494,607 thousand to the second project (note: amounts rounded).</p> <p>Thus, since the issuance of the bonds, 90.8% of the raised funds have been allocated during the reporting period. The remaining 9.2% of the proceeds from the green bond issuance is yet to be allocated in future periods. Uncommitted borrowed funds in the amount of KZT 2.96 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.</p> <p>The Verifier confirms (based on the analysis of the received primary documents) that the above information on the distribution of proceeds from the issuance of the Issuer's green</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			bonds is correctly presented in the Issuer's Annual Report. It is expected that the allocation of the balance of proceeds (9.2%) will take place no later than 36 months after the issuance of the debt instrument. According to the Issuer's Annual Report, the projects have been completed, and the remaining funds will be allocated to final payments for the projects.	
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	A, B, C, F, G, H, I, J, K, L, R, S	Document review, interviews	<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 the approved minutes of the decisions of the Working Group on Monitoring the Intended Use of Funds since the bond issuance. According to the Issuer's Annual Report, there were no exclusions or additions to the portfolio of the nominated projects.</p> <p>Therefore, in accordance with the Annual Report, the Company</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			has allocated the net proceeds of the Green Bond Issue entirely to the above projects in accordance with the eligibility criteria.	
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	A, B, E, F, G, H	Document review, interviews	The Policy does not stipulate this condition, however, according to the Issuer's Annual Report, SPO findings, and the Post-Issuance External Review Report 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.	Complies
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, 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	A, B, E, F, G, H, R, s	Document review, interviews	<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, SPO findings, and the Post-Issuance External Review Report, the Company 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>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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				
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	A, B, C, F, G, H, I, J, K, L	Document review, interviews	<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>In accordance with the provided documents, the Issuer held quarterly and semi-annual meetings of the Working Group and have maintained (documented) quarterly reports on the allocation of funds from the green bond issue.</p>	Complies
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	A, B, C, F,	Document review, interviews	See paragraph 1.4.	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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	G, H, I, J, K, L			
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 limitation:	A, B, C, K, L	Document review, interviews	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 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.	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
2.1.1 A statement of the environmental and/or social (as applicable) objectives of the bond	A, B, C, D, R, S	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 attached to the Policy).</p> <p>According to the Issuer's Annual Report, the Prospectus, SPO findings, and the Post-Issuance External Review Report, 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, strategy, policies and/or processes	A, B, C, F, G, H, M, N, O, P, Q,	Document review, interviews, cross-checking with publicly available data	<p>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 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</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
	R, S		<p>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 Issue Prospectus, the intended use of the issued green bond is the implementation of the two aforementioned green projects, which were assessed in the SPO and the Post-Issuance External Review Report as compliant with the categories of the ICMA Green Bond Principles. Thus, the objectives of the projects are integrated with the objectives of 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 	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>increasing the share of green electricity purchased from RES to compensate for losses in KEGOC's grid and reaching 20% by 2031.</p> <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>	
2.1.3 The issuer's rationale for issuing a debt instrument	A, B, C, P, Q, R, S	Document review, interviews	<p>The issuance of the green 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); and large-scale modernisation of the NPG synchronised with the commissioning of new generating capacities, providing the necessary interregional and interstate flows of electricity (the second project). 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</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			UPS of Kazakhstan enabling isolated operation and supporting large-scale renewable energy integration.	
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
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, S	Document review, interviews	As per the Polic, 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 statements of account KZ...231 opened with Halyk Bank for the period from 21.12.2022 to 31.12.2024, 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, B, E, F.	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-	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
a separate account or sub-account) to properly manage and account for the allocation of net proceeds to the nominated projects and assets	G, H, I		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).	
3.3 As long as the debt instrument remains outstanding, the balance of traceable net proceeds shall be reduced by the amounts allocated to the nominated projects and assets. Prior to such allocation to nominated projects and assets, the balance of unallocated net proceeds shall:	A, B, G, H, I, J, K, L	Document review, interviews	<p>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 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>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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, S	Document review, interviews	<p>The policy stipulates, and the SPO and the Post-Issuance External Review Report confirm, 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 31.12.2024, the undisbursed borrowed funds from the issue of green bonds in the amount of KZT 2.96 billion, in accordance with the Corporate Treasury Standard, 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.</p>	Complies
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

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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-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.	A, B, C, F, G, H, I, J, K, L	Document review, interviews	In accordance with the Policy, the Issuer publishes on 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. The Company has prepared and plans to approve the Issuer's second Annual Green Bond Report, after which the report will be published on the Company's official website. The Verifier has been granted access to the final version of the Issuer's second Annual Report.	Complies
4.2 The Issuer shall also provide an updated report in a timely manner in the event of	A, B,	Document review,	The policy provides for the annual report to be updated, including in the event of any material changes.	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
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	E, F, G, H, I, J, K, L	interviews	There were no material changes in this reporting period.	
4.3 Issuers are encouraged to submit their updated reports through existing bond market reporting channels	A, B, E, F, G, H, I, J, K, L	Document review, interviews	See section 4.1. The Verifier confirmed with the Issuer that the verified second Annual Green Bond Report is planned to be approved and published on the Company's official website (www.kegoc.kz) in February 2025.	Complies
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	The Issuer's Annual Report consists of the Allocation Report , which contains the following information: - 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);	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>- balance of unallocated funds at the end of the reporting period;</p> <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>	
4.4.1 Allocation reporting confirms the allocation of bond proceeds to eligible projects and assets, and is mandatory for all debt instruments	A, B, E, F, G, H, I, J, K, L	Document review, interviews	<p>According to the Issuer's Annual Report and, in particular, the section on allocation, the borrowed funds from the bond 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 quarterly statements on the bank account No. KZ...231 (KZT), opened by the Issuer in Halyk Bank to record the allocation of funds from the issue of green bonds, for the reporting period, information from the relevant payment orders on account No. KZ...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</p>	Complies

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			primary contracts with contractors concluded within the framework of KEGOC's financed projects	
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, L	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 from renewable energy sources and for scaling up the use of renewable energy sources, as well as energy efficiency).	n/a
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>The implementation period 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>The project aims to enhance the reliability of Kazakhstan's National Power Grid through the reconstruction of existing transmission lines with elements of Smart Grid technologies. This contributes to improving energy efficiency, network</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>reliability, and the development of renewable energy sources (RES).</p> <p>Project Scope:</p> <p>At this phase, the project includes the installation of an optical ground wire (OPGW) cable embedded in a lightning protection wire, with a total length of 242.8 km, distributed as follows:</p> <ul style="list-style-type: none"> • 62.3 km on the 220 kV OHL L-2106 "Sokol – Lissakovskaya" • 180.5 km on the 500 kV OHL L-5726 "Zhitikara – Sokol" <p>As a result, the share of OPGW in KEGOC's total transmission line network will increase from 20% to 21%.</p> <p>OPGW is an essential component and a key enabler of both existing and future Smart Grid technologies. Additionally, increasing the transmission capacity of fibre-optic communication lines (FOCL) provides the necessary technical conditions for KEGOC's planned SCADA system modernization. This upgrade aims to enhance visibility over electricity market participants, including under the growing share of RES integration.</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 Status:</p> <p>Construction and installation work has been completed on all 24 transmission lines selected for rehabilitation.</p> <p>Since the project's launch, a total of 2,029 km of transmission lines have been rehabilitated.</p> <p>Energy Efficiency Impact:</p> <p>According to the Issuer's Annual Report, the following energy efficiency performance indicator has been recorded for Project No. 1:</p> <p>Between 2020 and 2023, the project has achieved a 14% reduction in the average energy loss rate, decreasing from 6.3% to 5.4%, compared to the historical average recorded between 2000 and 2019.</p> <p>This exceeds the minimum threshold criterion of at least a 10% reduction in electricity losses compared to the pre-project baseline, as stipulated in both the Issuer's own Policy and Kazakhstan's Green Taxonomy.</p> <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</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>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> <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</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>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. At the same time, according to the approved "Energy Balance until 2035" for the Western Zone, the share of newly commissioned renewable energy generation capacity out of the total planned capacity additions is expected to reach 37.4% by 2035.</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).</p> <p>Project Status:</p> <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</p>	

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
			<p>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 Issuer's Annual Report, the following impact indicator has been recorded for Project No. 2:</p> <p>The project facilitates the scaling up of renewable energy usage by enhancing access for newly commissioned renewable energy capacities to transmission lines. By 2035, the share of newly commissioned renewable energy generation capacity connected to the grid in the Western Zone is expected to reach 37.4% of the total planned capacity additions in the region.</p> <p>As a result of the integration of new renewable energy capacities, the average emission factor of the Western Zone's electricity grid, based on power generation sources, is projected to decrease by 43% between 2022 and 2035 (from 0.5253 tCO₂/MWh to 0.2982 tCO₂/MWh).</p> <p>For detailed information on the calculation of project impacts, see Appendix 1 below.</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	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
bondholders/creditors for as long as the debt instrument remains outstanding				
4.6 The timing of reporting under this 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	n/a		Not applicable.	n/a
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	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 Climate Bonds Standard)				
4.7.3 List of nominated projects and assets to which net proceeds have been allocated (or reallocated) (in accordance with the Climate Bonds Standard)	n/a		Not applicable.	n/a
4.7.4 Amounts allocated to nominated projects and assets	A, B, E, F, G, H, I, J, K, L	Document review, interviews	<p>See section 1.3. According to the Issuer's second Annual Report, from the issuance date (December 21, 2022) to December 31, 2024, proceeds from the green bond issuance totalling KZT 32.14 billion were utilized in the amount of KZT 29.18 billion, including:</p> <ul style="list-style-type: none"> • KZT 7.44 billion allocated to financing Project No. 1 • KZT 21.74 billion allocated to financing Project No. 2 <p>The unutilized loan proceeds, amounting to KZT 2.96 billion (9.2%), were placed in short-term notes of the National Bank of the Republic of Kazakhstan and deposits in second-tier banks of Kazakhstan, in accordance with the Corporate Treasury Operations Standard.</p>	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	A, B, E, F, G,	Document review, interviews	The Verifier confirms that no refinancing took place under this bond issuance.	n/a

List of requirements	Reference is made to the document in question no.	Verification activities	Data obtained	Conclusion on compliance with the requirements
also include the expected period of analysis of refinancing of nominated projects and assets	H, I, J, K, L, R, S			
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 the eligibility requirements applicable for certification (where applicable)	n/a		Not applicable	n/a
4.8.2 Information on the environmental and/or social performance or efficiency	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
of nominated projects and assets, as stipulated by the relevant industry criteria				
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, S	Document review, interviews	The Issuer's Annual Report provides sufficient detail on the nominated projects themselves, as well as on the allocation of funds and the environmental impact of these projects.	Complies
4.11. Impact reporting shall:	A, B, E,	Document review,	See below	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	interviews		
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, L, R,	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
	S			
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, S	Document review, interviews	<p>The methods and key underlying assumptions used in the calculation of performance indicators and metrics are partially disclosed in the Issuer's Annual Report.</p> <p>At the same time, according to the Policy, the Issuer's impact reporting follows the indicators outlined in the Policy as the methodological basis for calculating impact metrics.</p> <p>In the SPO and the Verifier's reports on the Issuer's first and second Annual Reports, the impact calculations for the projects were conducted based on the data provided by the Issuer regarding forecasted renewable energy capacity additions in the Western Zone of the National Power Grid (NPG) and energy losses in the NPG. Additionally, references are provided to guidelines and manuals used as sources for the applied coefficients and benchmarks in assessing the environmental impact of the financed projects.</p>	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,	A, B, E, F, G, H, I, J, K,	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
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 cars needed, number of individuals/families using subsidised housing, number of patients using health services or undergoing medication, etc.	L, R, S			
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 previous (first) reporting period (December 21, 2022 – December 31, 2023) and the current (second) reporting period (January 1, 2024 – December 31, 2024)

Date of engagement	Borrowed at nominal value	UTILISED				KZT thousand BALANCE OF UNALLOCATED FUNDS	
		Total utilised, incl:	Reporting period 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
December 21, 2022	16,141,100	16,141,100	Period No. 1	5,102,908	11,038,192	0	
March 30, 2023	16,000,000	11,560,589	Period No. 1	1,349,722	10,210,867	4,439,411	
Total for the First Reporting Period	32,141,100	27,701,689	Period No. 1 86.1%	6,452,630	21,249,059	4,439,411	13.9%
Total for the Second Reporting Period		1,479,496	Period No. 2 4.6%	984,890	494,607	2,959,914	9.2%
Total Since Bond Issuance	32,141,100	29,181,186	Both Periods 90.8%	7,437,520	21,743,666	2,959,914	9.2%

Note: Amounts rounded to the nearest million.*

Schedule 1. Information on Project Impact Calculation

Project No. 1

First phase of the project: Rehabilitation of 220-500 kV overhead lines (OHTLs) of Aktyubinskiye MES branch, Sarbayskiye MES branch, and Zapadnye MES branch of KEGOC

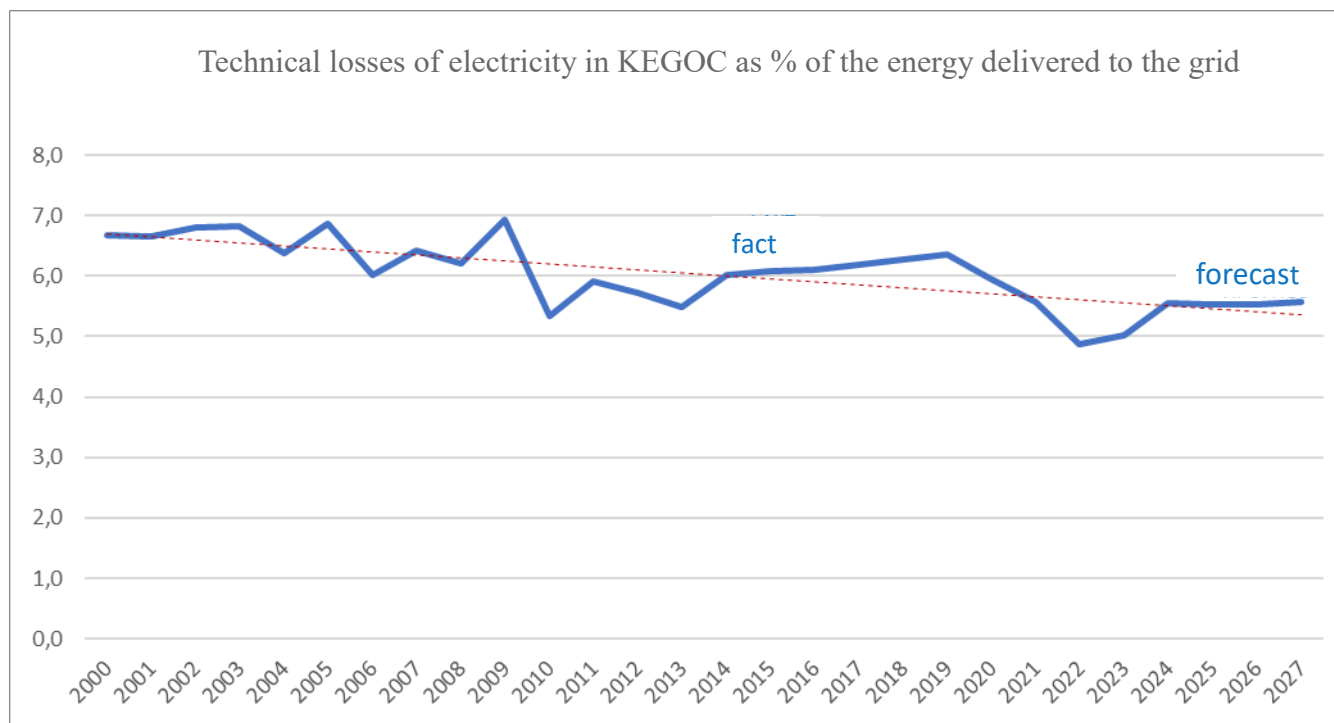
Project objective: To enhance the reliability of Kazakhstan's National Power Grid by rehabilitating the existing transmission lines with Smart Grid technologies, contributing to higher energy efficiency, improved network reliability, and the development of renewable energy sources (RES).

One of the key objectives of the project is to increase reliability and energy efficiency in the network, ensuring a sustainable reduction and maintenance of low technical energy losses as a percentage of total electricity supplied to the grid.

Since the start of actual implementation of Phase I (from 2019), according to KEGOC, the average actual energy loss rate for 2020-2023 was 5.4%, which is 14% lower than the historical average loss rate of 6.3% for the period 2000-2019 (see chart below).

Thus, based on actual data for 2020-2023, KEGOC has achieved a 14% reduction in the average energy loss rate compared to the historical baseline (2000-2019), meeting the minimum threshold criterion of at least a 10% reduction in energy losses, as required by both the Issuer's own Policy and Kazakhstan's Green Taxonomy.

Diagram: KEGOC's technical losses of electricity as percentage of the electricity supply in the grid



Project No. 2

West Kazakhstan Electricity Transmission Reinforcement Project: Construction of the Power Grid Facilities, specifically the construction of a second circuit for the existing 220 kV transit line:

Uralsk – Pravoberezhnaya – Inder – Karabatan – Kulsary – Tengiz, including connections to existing 220 kV substations and a new Karabatan switching station. This project is an integral part of the large-scale modernization of the National Power Grid (NPG) and is synchronized with the commissioning of new power generation capacities.

According to the Concept for the Development of Kazakhstan's Power Sector (2023–2029), strengthening the Western and Southern Zones, along with the further integration of the Western Zone with the Southern Zone, will create conditions for connecting the Western Energy Zone to Kazakhstan's Unified Power System (UPS). This will enable the option for isolated operation, while also facilitating large-scale integration of renewable energy sources (RES) into the national energy balance.

Based on GFC calculations, using IPCC indicators and the List of Benchmarks for Regulated Sectors of Kazakhstan's Economy, the introduction of new RES capacities is projected to reduce the average emission factor of the Western Zone's electricity grid by 43% from 2022 to 2035—from 0.5253 tCO₂/MWh to 0.2982 tCO₂/MWh (see Table 2 below).

These calculations are based on data from the forecasted Energy Balance until 2035, approved on January 30, 2023.

**Table 2. Forecasted Electricity Balance of Kazakhstan's Western Zone until 2035
(Billion kWh)**

Electricity Production in the Western Zone								
Indicator	Reported (2022)				Forecast (2035)			
		Share in Total Generation	GHG Emission Factor	Average Emission Factor (2022)		Share in Total Generation	GHG Emission Factor	Average Emission Factor (2035)
Western Zone	14.5173				10.47			
Wind Power	0.301	2%	0.011	0.000228	2.691	26%	0.011	0.002819143
Gas Turbine	7.7507	53%	0.621	0.331548	0.001	0%	0.621	5.91429E-05
Combined Cycle	0	0%	0.355	0	1.631	16%	0.355	0.055143333
Solar Power	0.0032	0%	0.048	1.06E-05	0.389	4%	0.048	0.001778286
Gas CHP Plants	6.4624	45%	0.4347	0.193507	5.758	55%	0.4347	0.2383812
				0.525294				0.298181105

Notes

Greenhouse gas (GHG) emission factors were sourced from:

For coal and gas-based generation: List of Benchmarks for Regulated Sectors of Kazakhstan's Economy (Order of the Vice Minister of Ecology, Geology, and Natural Resources of the Republic of Kazakhstan No. 260, dated July 19, 2021).

For renewable energy sources (RES): IPCC Report (2014: Annex III: Technology-specific cost and performance parameters, in: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change).

For combined-cycle gas turbine (CCGT) plants: IFC Environmental, Health, and Safety Guidelines for Thermal Power Plants.

Additionally, emission factors for gas-fired and coal-fired CHP plants were calculated assuming a 30% reduction in GHG emissions due to the use of CHP technology (combined heat and power) compared to traditional separate generation at boilers and power plants.

For reference, according to the U.S. Environmental Protection Agency (EPA), CHP technology plays a crucial role in decarbonization and emissions reduction, with comparative emission reductions of up to 50% compared to traditional power plants and boilers <https://www.epa.gov/chp/chps-role-decarbonization>
<https://www.epa.gov/chp/chps-role-decarbonization>.

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. Second 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, as well as quarterly "Reports on the Utilization of Loan Proceeds" (Excel files).
- G. Quarterly bank account statements tracking green bond allocations, covering the following periods:
 - Q1: January 3, 2024 – March 29, 2024
 - Q2: April 1, 2024 – June 28, 2024
 - Q3: July 1, 2024 – September 30, 2024
 - Q4: October 4, 2024 – December 30, 2024
(Account No. KZ...231 at Halyk Bank)
- H. Copies of payment orders on account Account No.KZ... 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):
 - 1. No. 6 dated April 30, 2024 (quarterly)
 - 2. No. 7 and No. 4 dated July 15, 2024 (quarterly and semi-annual, respectively)
 - 3. No. 8 dated October 11, 2024 (quarterly)
 - 4. No. 9 and No. 5 dated January 10, 2025 (quarterly and semi-annual, respectively)
- 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.
- S. Post-Issuance External Review Report: Issued by AIFC Green Finance Centre Ltd (GFC) in the form of verification, assessing the compliance of JSC "KEGOC"'s first Annual Green Bond Report with the Green Bond Principles (GBP) of the International Capital Market Association (ICMA) and the Green Finance Policy of JSC "KEGOC", dated January 30, 2024.

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, Managing Director for Economics And Finance;

Dinara Sagintayeva, Head of Corporate Finance Department;

Aigul Narymbiyeva, Chief Expert of Payments Management and Corporate Finance of the Corporate Finance Department;

Dastan Zhumagaliyev, Payments Management and Corporate Finance of the Corporate Finance Department.