

KAZ Minerals Limited
Modern Slavery Act Transparency Statement 2021

Introduction

KAZ Minerals Limited ('KAZ Minerals' or 'the Group') is committed to ensuring the absence of modern slavery both within its business and in its supply chain and this statement sets out the steps we have taken to prevent it. KAZ Minerals is one of Kazakhstan's highest profile and fastest growing companies. With this economic strength comes a corporate responsibility to protect and respect our employees and contractors, their families and the local environment. All employees are paid above the minimum wage and in Kazakhstan they are paid above the living wage, as defined by the Government of Kazakhstan. We respect the right of our workers to freedom of association and we communicate with our employees and trade unions and consult them about changes to our business and employment conditions.

Our business, structure and supply chain

KAZ Minerals is a high growth copper company focused on large scale, low cost, open pit mining in Kazakhstan and Kyrgyzstan. It operates the Aktogay and Bozshakol open pit copper mines in the East Region and Pavlodar region of Kazakhstan, three underground mines and associated concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2021, total copper production was 299 kt with by-products of 167 koz of gold, 3,417 koz of silver and 47 kt of zinc in concentrate. The Group's total turnover was \$2,784 million. The majority of the Group's copper concentrate is supplied to smelter customers in China and zinc concentrate from the East Region is sold to customers in Kazakhstan, China and the CIS. East Region and Bozymchak copper concentrate (and some material from Aktogay and Bozshakol) is toll processed into cathode at the Balkhash smelter in Kazakhstan. The Group acquired the Baimskaya copper project in the Chukotka region of Russia in January 2019.

During 2021, the Group employed around 15,000 staff in Kazakhstan and around 1,000 in Kyrgyzstan. There were approximately 500 separate contracting firms who worked at the Group's mining sites, providing a variety of specialised services, with around 11,000 contractor-employed workers present on Group sites in Kazakhstan and Kyrgyzstan and a small number in Russia, comprised of both local and overseas workers. Further details of the KAZ Minerals business model can be found on pages 12 to 13 of the 2020 Annual Report and Accounts.

The Group's supply chain includes contractors and suppliers providing skilled and unskilled labour, energy, transport, smelting and other services and providing consumables and raw materials required for the mining, processing and sale of copper and its by-products. A key supplier to the Group is the Balkhash smelter in Kazakhstan where 81 kt of copper cathode, 51 koz of gold bar and 650 koz of silver bar were toll processed in 2021.

National context

The latest Global Slavery Index, which was published for 2018 by the Walk Free Foundation, ranks Kazakhstan, Kyrgyzstan and Russia at 21st, 22nd and 11th respectively within the Europe and Central Asia region, with an estimated 0.4% in Kazakhstan and Kyrgyzstan, and 0.6% in Russia, of the population living in modern slavery. Ranked by the estimated prevalence of slavery at national level, Kazakhstan was 83, Kyrgyzstan 85 and Russia 64 out of 167 globally (with a ranking of 1 representing the highest estimated prevalence and 167 the lowest estimated prevalence of modern slavery). In Kazakhstan the main sectors of concern, in particular in relation to living and working conditions for migrant workers, are the construction, cotton and tobacco industries.¹

¹ Global Slavery Index, Walk Free Foundation

Covid-19

The Group has continued to support its employees, contractors and local communities throughout the pandemic and has worked closely with its suppliers amid a period of significant restrictions on the movement of goods and people. The Group did not reduce its staff headcount as a result of Covid-19; overtime payments were made to employees and contractors working extended shifts and those workers required to remain at home due to quarantine measures, continued to receive their salaries. Further details can be found in the Sustainability section of the 2020 Annual Report and Accounts.

Our policies in relation to modern slavery and human trafficking

The Group has established policies and procedures aimed at identifying, preventing and mitigating the risk of modern slavery and human trafficking and it encourages employees and contractors to report any suspected or actual breaches of the principles set out in the Group's policies, either to KAZ Minerals management, or by using the confidential reporting 'Speak Up' facility which has local telephone numbers in all our countries of operation.

The Group's Code of Fair Employment sets out the standards it expects to be upheld in relation to its own employees and the employees of suppliers or contractors to the Group. It prohibits any involvement in human trafficking of any form and includes clauses prohibiting any forced, involuntary, bonded, indentured or child labour, the retention of passports or identification documents, the taking of deposits, restrictions on freedom of movement and the charging of recruitment fees to workers. All employees of contractor companies must be provided with contracts of employment setting out their rights and responsibilities, be paid above the legal minimum wage, be treated equally with working hours that comply with legal limits and have access to grievance procedures. Harsh or inhumane treatment is strictly prohibited, and workers must be free to terminate their contracts of employment at any time and leave the workplace.

The Suppliers' Charter sets out the Group's expectations from its suppliers in relation to human rights, employee wellbeing, anti-bribery and corruption, community relations and environmental responsibilities.

The objectives of the Group's Human Rights Policy are to ensure respect for human rights for all, in every aspect of the Group's operations, in the communities in which it operates. We have adopted the UN Guiding Principles on Business and Human Rights.

Our policies reflect our commitment to act with integrity in all our business relationships to ensure the absence of slavery and human trafficking in our supply chains.

The above mentioned Group policies can be viewed at the following links:

1. Code of Fair Employment ([LINK](#))
2. Suppliers' Charter ([LINK](#))
3. Human Rights Policy ([LINK](#))
4. Speak Up Policy ([LINK](#))

Due diligence processes in relation to modern slavery and human trafficking in our business and supply chains

The Group conducts due diligence checks on all suppliers and contractors to obtain information on the compliance systems and processes they have in place and to ensure that the Group works with business partners who meet its standards. The due diligence process requires suppliers to explain their compliance programme or code of conduct, and to confirm whether they have anti-bribery and corruption policies in place and whether they are aware of any modern slavery within their organisation and to provide details. All suppliers are required to comply with the Group's policies upon entering into a contract with the Group and to commit to upholding the standards set out in the Suppliers' Charter and the Code of Fair Employment. Any negative outcome from due diligence undertaken, any breaches of the Suppliers' Charter or Code of Fair Employment, or a refusal to confirm compliance with the policies, could result in the termination of the Group's contract with that supplier and/or the exclusion of the contractor from working with the Group in the future.

Risk assessment

During 2021 a risk assessment of the Group's major suppliers was conducted to identify those with a higher potential risk of modern slavery, using information from a range of sources, including the Global Slavery Index and suppliers' labour policies and supply chain management. Suppliers identified as a possible modern slavery risk were subject to further enquiries regarding their policies and processes.

Measuring effectiveness

Staff are expected to monitor suppliers and contractors to prevent instances of slavery and human trafficking in the Group's supply chain and to report any suspected breaches of the Group's policies through the appropriate channels.

Regular assessments of internal working practices amongst the Group's own employees are carried out to manage the risk of slavery and human trafficking occurring within its own operations. The assessments confirm that conditions of modern slavery are not present amongst the Group's own employees. The last assessment was carried out in 2019 and the next assessment will be carried out during 2022.

The Group has an independently managed 'Speak Up' facility, which provides a confidential and secure means for our employees, contractors, suppliers, business partners and other external stakeholders to report concerns. The facility allows complaints to be submitted anonymously. The Group does not tolerate any form of retaliation against employees who raise concerns in good faith. Any complaints are thoroughly investigated and findings are reported to the Audit Committee or Health, Safety and Sustainability Committee of the Board which meet regularly during the year.

During 2021, senior managers at each of the Group's projects, at the Aktogay expansion construction project and at the Baimskaya copper project confirmed that they had assessed and monitored working conditions, in particular amongst contractor staff, and had detected no indicators of modern slavery on KAZ Minerals' sites. At the Aktogay expansion construction site, senior managers also conducted short interviews with selected contractors' staff on site regarding their working conditions and recorded the responses in writing which were then signed by the interviewees.

Training for staff on modern slavery and human trafficking

The Group has a training programme addressed specifically at individuals from procurement teams, human resources and managers whose roles involve the supervision of contractors, particularly on site, to ensure they understand the risks of modern slavery and human trafficking and to raise awareness of the related standards contained within the Code of Fair Employment and Suppliers' Charter. During 2021 training continued both as part of the induction programme for new employees in relevant roles and by way of refresher training, with over 5,500 staff in the Group trained.

Additional training is given to new senior managers on the Group's construction projects where there are higher numbers of contractor construction workers, to ensure vigilance on those sites. Training is cascaded by managers to their teams.

Next steps

KAZ Minerals is committed to continuous improvement of controls throughout the organisation. During 2022 the Group will continue to raise awareness and to assess and monitor the effectiveness of the actions it has taken to ensure that slavery and human trafficking are not present within the Group or its supply chain and we will incorporate additional measures where appropriate.

Further information

For further information on the Group's approach to human rights and employee relations, please see the Sustainability section of the 2020 Annual Report and Accounts ([LINK](#)) and the Environmental, Social and Governance section of the Group website ([LINK](#)).

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the modern slavery statement for KAZ Minerals Limited and its relevant subsidiaries as listed below for

the financial year ended 31 December 2021. It was approved by the Board of Directors of KAZ Minerals Limited on 12 May 2022.

Andrew Southam
Chief Executive Officer
KAZ Minerals Limited

15 June 2022

Relevant subsidiaries:

KAZ Minerals Finance PLC

KAZ Minerals Sales Limited

KAZ Minerals Investments Limited

KAZ Minerals Aktogay Finance Limited

KAZ Minerals Aktogay Project Finance Limited

The full list of subsidiaries of KAZ Minerals Limited can be found in the KAZ Minerals PLC 2020 Annual Report and Accounts [[LINK](#)].