

KAZ Minerals PLC

Modern Slavery Act Transparency Statement 2019

Introduction

KAZ Minerals PLC ('KAZ Minerals' or 'the Group') is committed to ensuring modern slavery plays no part in its business or supply chain and this statement sets out the steps we have taken to ensure our business and supply chain are free of slavery and human trafficking. 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 the living wage in Kazakhstan, as defined by the Government of Kazakhstan. We respect the right to freedom of association and consult with our employees and trade unions 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, Russia 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 2019, total copper production was 311 kt with by-products of 201 koz of gold, 3,382 koz of silver and 38 kt of zinc in concentrate. The Group acquired the Baimskaya project in the Chukotka region of Russia in January 2019, one of the world's most significant undeveloped copper assets, with the potential to become a large scale, low cost, open pit copper mine. During 2019 the Group employed around 16,000 staff and there were approximately 11,000 contractors working on its sites, principally in Kazakhstan. Further details of the KAZ Minerals business model can be found on pages 14 to 15 of the 2019 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 consumables and raw materials required for the mining, processing and sale of copper and its by-products. A key supplier to the Group includes the Balkhash smelter in Kazakhstan where 109 kt of copper cathode, 76 koz of gold bar and 2,492 koz of silver bar were toll processed in 2019.

In 2019, approximately 450 separate contracting firms 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.

National context

The latest Global Slavery Index which was published in 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 industries¹.

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 anonymous 'Speak Up' system which has local telephone numbers in all our countries of operation.

¹ Global Slavery Index, Walk Free Foundation

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 contract 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.

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](#))

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.

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

The Group conducts due diligence checks on new 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.

Risk assessment

During 2019 a further 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. Following the assessment, none of the major suppliers were deemed to require additional due diligence.

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.

In 2019 the Group undertook an assessment of internal working practices amongst its own employees to manage the risk of slavery and human trafficking occurring within its own operations. The

assessment confirmed that conditions of modern slavery were not present amongst the Group's own employees. This assessment is repeated periodically.

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 2019, the list of suppliers with staff working on KAZ Minerals' sites was updated. In respect of suppliers with staff on site, the senior managers at each of the Group's operations and at the Artemyevsky and Aktogay expansion construction projects, confirmed that they had assessed and monitored working conditions and had detected no indicators of modern slavery on KAZ Minerals' sites. At the expansion construction sites, senior managers also conducted short interviews with selected contractors' staff on site regarding their working conditions.

Training for staff on modern slavery and human trafficking

The Group procurement team is qualified to understand the risks of modern slavery and human trafficking and there is a training programme addressed specifically at individuals from procurement teams and managers involved in the supervision of contractors. The aim is to raise awareness of the standards contained within the Code of Fair Employment and Suppliers' Charter, in particular those relating to slavery and human trafficking. During 2019 this training continued as part of the induction programme for new employees in relevant roles, with approximately 1,400 staff 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 throughout their teams.

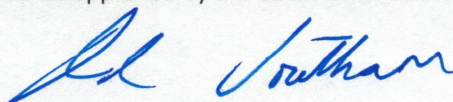
Next steps

KAZ Minerals is committed to continuous improvement of controls throughout the organisation. In 2020 the Group will continue to train staff 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 will incorporate additional measures where appropriate. Due to the progression of our Russian project Baimskaya during 2020, increased focus is being placed on the training and awareness of workers in Russia, especially in construction management at site and in procurement.

Further information

For further information on the Group's approach to human rights and employee relations, please see the Corporate Responsibility section of the 2019 Annual Report and Accounts ([LINK](#)) and the Environmental, Social and Governance section of the Group website ([LINK](#)).

This statement has been prepared in respect of the Group's financial year ended 31 December 2019 and was approved by the Board of Directors of KAZ Minerals PLC



Andrew Southam
Chief Executive Officer
KAZ Minerals PLC
29 May 2020