

Modern Slavery Act Statement 2017

KAZ Minerals PLC

Description of the Group

KAZ Minerals is a copper miner focused on large scale, low cost, open pit mines in Kazakhstan. It operates the Bozshakol and Aktogay open pit mines, three underground mines and three concentrators in the East Region of Kazakhstan and the Bozymchak copper-gold mine in Kyrgyzstan. In 2017 the Group produced 259 kt of copper, 58 kt of zinc in concentrate, 179 koz of gold and 3,506 koz of silver.

Approach to Modern Slavery

The Group recognises all human rights as defined in the Universal Declaration of Human Rights and is committed to ensuring that working practices in its operations and supply chain do not infringe on these rights. The Group has policies and procedures in place aimed at preventing Modern Slavery and encourages employees and contractors to report any instances or suspected occurrences of Modern Slavery or Human Trafficking.

Structure of business and supply chain overview

KAZ Minerals PLC is listed on the London Stock Exchange, the Kazakhstan Stock Exchange and the Hong Kong Stock Exchange and is a member of the FTSE 250 index of UK companies. The Group has subsidiaries in Kazakhstan and Kyrgyzstan which own and operate its copper mining and processing assets in those countries. For further details on the Group's business model please see pages 12 and 13 of the 2017 Annual Report and Accounts.

Employees, key suppliers and contractors

During 2017 the Group employed around 13,000 people, principally in Kazakhstan. The Group's supply chain includes contractors and suppliers providing skilled and unskilled labour, energy, transport, smelting and other services, consumables and raw materials required for the mining, processing and sale of copper. A key supplier to the Group includes the Balkhash smelter in Kazakhstan where 87 kt of copper cathode, 73 koz of gold bar and 2,843 koz of silver bar were toll processed in 2017. Approximately 90 separate contracting firms worked at the Group's mining sites in 2017, providing a variety of specialised services with around 4,500 contractor employed workers present on KAZ Minerals' sites comprised of both Kazakh and non-Kazakh nationals.

National context

Kazakhstan and Kyrgyzstan ranked joint 25th in an index of 167 countries in the 2016 Global Slavery Index published by the Walk Free Foundation, with an estimated 0.5% of the population in Modern Slavery. Ranked by the estimated total number of people in Modern Slavery, Kazakhstan was 64 and Kyrgyzstan 99. A ranking of 1 represented the most serious problems and 167 the least severe problems. In Kazakhstan the main sectors of concern, in particular in relation to living and working conditions for migrant workers, are the construction, hospitality and domestic sectors¹.

Policies and controls

The Group has established policies and procedures to combat Modern Slavery, which include the Suppliers' Charter and Code of Fair Employment. The policies can be viewed at the following links:

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

The Code of Fair Employment, which applies to contractors as well as the Group's own employees, includes clauses prohibiting any forced, involuntary, bonded, indentured or child labour. Document retention and any involvement in human trafficking of any form is prohibited. Employees of contractor companies are to be provided with contracts of employment setting out their rights and responsibilities and workers must not be required to lodge deposits or security payments. Wages and

¹ Global Slavery Index 2016, Walk Free Foundation

working hours must comply with legal limits, harsh or inhumane treatment is strictly prohibited, all staff are to be treated equally and workers must be free to terminate their contract of employment and leave the workplace at any time.

The Suppliers' Charter also sets out the Group's expectations in relation to anti-bribery, corruption and environmental issues.

The Group encourages reporting of any suspected or actual breaches of its supplier policies directly to KAZ Minerals' management, or via an anonymous 'Speak Up' telephone reporting system. All reports made through these channels are investigated and referred to the Audit Committee for consideration, if appropriate.

Review of working practices and staff training

The Group undertook an assessment of internal working practices amongst its own employees in 2016 to manage the risk of Modern Slavery occurring within its own operations. The assessment conducted in 2016 confirmed that conditions of Modern Slavery were not present amongst the Group's own employees. This assessment will be repeated every three years unless a material change occurs to the Group's employment profile.

During 2017, approximately 800 employees were trained on Modern Slavery, including the conditions which could indicate Modern Slavery.

Supplier review

- All of the Group's major contractors and suppliers have confirmed compliance with the terms of the Group's Suppliers' Charter and Code of Fair Employment in respect of 2017.
- A risk assessment of the Group's major contractors and suppliers in 2017 was carried out to identify those with a higher potential risk of Modern Slavery.
- The Group's standard terms and conditions for major new suppliers now incorporate the Suppliers' Charter and Code of Fair Employment.
- Managers at each of the Group's operations have confirmed that they have reported any conditions which could indicate Modern Slavery amongst contractors' staff working at KAZ Minerals' sites during 2017 or confirmed that no such conditions were observed.

Compliance with policies

All suppliers are required to comply with the Group's policies upon entering into a contract with the Group. Any negative outcome from due diligence undertaken, 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.

Further information

For further information on the Group's approach to human rights and employee relations, please see the Corporate Responsibility section of the 2017 Annual Report and Accounts ([LINK](#)) and the Corporate Responsibility section of our website ([LINK](#)).

Board Approval

This statement has been approved by the Board of KAZ Minerals PLC.

Andrew Southam

Chief Executive Officer, KAZ Minerals PLC

June 2018