



Standards of Company

Kazakhmys Smelting LLP

POLITICS
of Kazakhmys Smelting LLP, Part of Group Kazakhmys,
in the Responsible Silver Supply Chain Practices

Balkhash
2021

Kazakhmys Smelting LLP, as a company having in its structure a Precious Metals Plant producing silver ingots that meet the Good Delivery Quality of LBMA, accepts and undertakes to comply with the requirements of the LBMA Guidelines for Responsible Silver Supply Chain Practices.

We will comply with the legislation of the Republic of Kazakhstan, the requirements of the LBMA Guidelines, within which we undertake the following obligations:

1. In respect of serious violations related to the transportation, supply of silver, we commit ourselves to not allowing, not contributing to and not supporting in the following:

- violations and abuses of human rights (torture, cruel, inhuman and abusive treatment);
- forced and compulsory labor;
- war crimes, violations of international humanitarian law, crimes against humanity or genocide;
- the use of child labor.

2. With regard to public or private security forces, we confirm that the role of public or private security forces is to ensure the safety of workers, facilities, equipment and property in accordance with the laws of the Republic of Kazakhstan, including guarantees for the observance of human rights. We will not provide direct or indirect support to the forces of public or private security, which will violate our obligations, indicated in the first paragraph of this Policy.

3. With regard to bribery and intentional misrepresentation of the origin of silver, we undertake not to offer, promise, not give, not demand or accept bribes offered to conceal or change the origin of silver, or to distort the size of payments paid to the state treasury in accordance with the legislation of the Republic of Kazakhstan.

4. With regard to money laundering, we commit ourselves to assist the relevant authorities in the effective fight against money laundering, in cases where there are reasonable facts of such risks arising from the processing, transportation of silver.

5. With regard to transaction monitoring, we inform you that silver is processed and produced: 74% of the own production of the Group of Companies and 26% of affiliated companies.

At the development stage, the deposit of the considered raw material is checked on the UNESCO transparency portal (link to the website <https://whc.unesco.org/en/list/&order=country#alphaK>);

It is also checked whether the Raw material deposit is in a war zone or other armed conflicts through the Heidelberg conflict barometer (link to the website <http://www.responsiblemineralsinitiative.org/minerals-due-diligence/risk-management/conflict-affected-and-high-risk-areas/>.)

For more information about possible violations of the Anti-corruption legislation, we are guided by the ST Standard LLP 050140000656-01-8.1-02-2017 “Contract (contract, agreement). The order of consideration, conclusion and control over its execution”.

We monitor information on possible risks in relation to silver supply chains, which can be registered according to the announcement in the “Hot Line” section.

We use other data about contractors or information from reliable, independent sources.

In case of risks during the execution of the Contracts, we request the necessary information, if it not presented, the Contract may be terminated.

Also, in case of insufficient information on the supplier’s activities or potential offers, we refuse to cooperate.

6. Record keeping

In order to strengthen the company’s interaction with silver supply contractors, we keep within “GUARANTEES FOR COMPLIANCE WITH THE LBMA GUIDELINES”.

We carry out continuous monitoring of transactions with documentation of information provided for by the contract.

We check the generally accepted methods of the company that the silver arriving to the Precious Metals Plant for compliance with the requirements of the contracts.

We organize training for personnel involved in the supply of silver.

We inform the Company's management in a timely manner about the factual or based on the available evidence the alleged violation by the counterparty of the requirements of the LBMA guidelines.

We conduct an independent audit of our activities in the field of compliance with the LBMA requirements for Responsible Practices in relation to Silver Supply Chain.

We are constantly developing and improving practical measures to ensure compliance with the requirements of the LBMA Guidelines for Responsible Practices in the Silver Supply Chain.

The LBMA Guidelines for Good Practices in the Silver Supply Chain takes precedence over this Policy of Kazakhmys Smelting LLP and is applied directly, unless it follows from the LBMA Guidelines that an additional refinery normative document is required for its application.

All changes and additions made to the LBMA Guidelines on Responsible Practice in the field of silver supply chain are mandatory for the use in Kazakhmys Smelting LLP.