

CENTRAL ASIA METALS

(GROUP, INCLUDING CENTRAL ASIA METALS PLC AND ALL ITS SUBSIDIARIES, BRANCHES, JOINT VENTURES AND ASSOCIATED BUSINESSES)

2020 MODERN SLAVERY STATEMENT

Central Asia Metals plc is a base metals producer with mining and processing operations in both Kazakhstan and North Macedonia with a total net annual revenue of \$160 million in 2020. In Kazakhstan, we operate an in-situ dump leach copper operation which through the SX-EW plant produces copper cathode and, in North Macedonia, we operate an underground zinc and lead mine which produces metal concentrate products that are sold to smelters for further treatment through our offtake partner. As an international business, we have a variety of local and international suppliers servicing our subsidiaries. As such, we are keenly aware of the need for checks and measures along our supply chains to ensure we are tackling indentured servitude, child labour, and human trafficking within and tangential to our operations.

As a socially responsible company, we are aware of the human rights risks which are associated with working within the labour-intensive extractives industry. Therefore, we are taking active steps, in line with the UN Guiding Principles, to help ensure that our business operations do not cause, contribute to, or are directly linked to human rights abuse anywhere in the world. Modern slavery, defined as slavery, servitude, or forced or compulsory labour is one of the most egregious violations of human rights and has no place within our business or in our modern world.



We understand that our license to operate, as well as our reputation, depends largely on our ability to conduct business sustainably, responsibly, and in line with our high standards and corporate values. Respect, particularly that of human rights, is a fundamental principle of our business and is a thread that runs through both our internal and outwards facing policies. In order to demonstrate our values, we promote our Sustainability Policy at the forefront of what we do. This policy speaks to our commitment to fair labour practices, comprehensive risk management, and upholding human rights through an ethical supply chain. It guides our conduct both internally and through our engagement with suppliers, contractors, and relevant stakeholders.

Our Sustainability Policy is underpinned by our Code of Conduct which echoes the need for treating not only our workers but those along our supply chains humanely and calling for violations, real or suspected, to be reported through our designated channels. Our Whistleblowing Policy, which includes an external hotline, is one such channel and its placement at strategic places on site ensures that not only employees, but contractors and third parties are able to alert us, confidentially, and without the fear of retribution. This past year we have engaged in a communication campaign, formulating a plan to increase awareness of this and other policies with increased employee communications through multimedia and electronic methods.

Through a 2020 site-based corporate governance internal review, we have turned our attention to risk management and evaluation of business risks, with the procurement teams being at the centre of the discussion. This internal review formed the basis of setting our objectives and targets for the coming year. Through an internal assessment, we have been able to better identify areas of risk, whilst noting potential areas for improvement. Whilst we have over 1,000 suppliers fulfilling our business needs, our local procurement goals of prioritising small, local businesses (2020: 60% at our Kazakhstan Sary-Kazna subsidiary and 52% at our Sasa operation), means that our overall risk at present is medium to low when it comes up upstream purchasing. Our long-term partnership with a single off-take partner means our downstream sales are limited to a reputable business partner, minimising the potential risks of onward sales.



We have always conducted due diligence in line with normal business practices; however, whilst setting our priorities for the following year we have taken a critical look at our sourcing and vetting processes in order to augment our due diligence practices. Areas which could benefit from increased due diligence were identified and focus groups were held with the teams to discuss what proportionate measures could be taken in order to assure our procedures are robust. The recommendation was made that a risk-based approach would be best and that potential suppliers meeting certain criteria (size, location, and quantum of contractual spend) would benefit from enhanced scrutiny. Through discussions it was determined that questionnaires for such higher risk suppliers should be implemented, whereby suppliers would be assessed and evaluated by their answers which may include queries about working conditions, composition of workforce, training in human rights policies, freedoms afforded for association and collective bargaining, availability of outlets for workforce grievances, and whistleblowing protections.

In addition to our risk assessment and corporate governance review, we have taken other steps towards assuring ethical supply chains. Inductions by way of a more formalised on-boarding process for new suppliers and informative seminars for our site-based contractors was another goal set for the coming year. The purpose of this is to ensure that our suppliers, contractors and intermediaries have a full understanding of our policies, our stance on human rights and modern slavery, and our expectations of them going forward. We have included human rights provisions in our standard contract templates, as well as other contractual protections which allow us to terminate an agreement where there is a potential breach or suspected violations. Whilst all our suppliers are notified of our policies, we strongly believe in further cultivating transparency and accountability. Therefore, in 2020 our top 30 suppliers (by expenditure) received annual letters drawing attention to our Modern Slavery Policy. In our letters, we informed them of our newly debuted Human Rights Policy and highlighted the measures we took during the year within our own operations. This past year, we included a 'Call-to-Action' inviting each supplier to share their own policies and requested additional information about their efforts or endeavours over the year. Finally, as a responsible business, we asked about their vision and proposed actions for 2021, offering our help and support to those suppliers looking to develop or implement comparable measures within their own business.



We are committed to not only implementing changes but also maintaining a great deal of involvement in order to track and measure meaningful progress. In order to do this, we have increased stewardship on the ground at site to further our insight into the effectiveness of our policies, their implementation, and to better identify emerging human rights risks. As a sign of our commitment to human rights and ethical supply chains, we have decided to make these areas part of our Key Performance Indicators for our long-term incentive plans, meaning that all employees, including those at Board level, have a vested interest in attaining our goal of zero human rights abuses in our enterprise.

During the year, we developed and introduced a Human Rights Policy which reflects our values and reinforces our stance against those who threaten internationally recognised human rights laws. This has been communicated to our employees through seminar-based training to top management. Training opportunities have been identified as another forum to help promote and promulgate our policies and we will ensure that those employees in high-risk roles will receive additional training through an on-line platform.

We are proud to say that we have spent 2020 reviewing our business for risks in order to create a framework of improved corporate governance and transparency in our supply chains and to ensure a roadmap for the years to come. However, throughout the year we will continue to find ways to ensure our suppliers, contractors, and business partners understand our expectations and hold values and principles similar to that of our own.

We believe that, in taking these steps, we are doing our part to ensure that modern slavery is eliminated within our own business and those of our business partners.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and relates to our actions and activities during the 2020 financial year and to 21 May 2021.



Nick Clarke
Chairman
Central Asia Metals Plc

This statement has been approved by Central Asia Metal plc's Board of Directors on 21 May 2021.

For more information on any of the policies mentioned in this statement, please follow these links:

- [Sustainability Policy](#)
- [Human Rights Policy](#)
- [Code of Conduct](#)
- [Whistle Blowing Policy](#)