

# Business ethics

## Compliance Service

### Anti-corruption

KMG's compliance system helps make sure all our operations are aligned with the laws, industry standards, and other regulatory requirements. Its components are integrated into the Company's operations.

### Internal anti-corruption policies and practices

KMG conducts its business in a fair and ethical manner, always guided by the principle of legitimacy. We strictly comply with all applicable laws and regulations, take all steps to prevent corruption, care about business reputation, and seek to implement high international standards of ethics.

#### The key areas of focus for KMG's Compliance Service are:

- anti-corruption;
- regulatory compliance and adherence to the standard norms of corporate and business ethics;
- insider information management;
- business reputation management;
- conflicts of interest management.

In line with best global practices of corporate governance, KMG has the following internal documents on compliance:

- Anti-Corruption Policy;
- Confidential Informing Policy;
- Conflict of Interest Management Policy;
- Rules for Compliance Due Diligence of Third Parties at KMG and its Subsidiaries and Associates;
- Internal Control Rules for Granting Access Rights to Insider Information and Preventing Information Misuse by Insiders;

- Code of Business Ethics;
- Regulations on the Compliance Service;
- KMG Anti-Corruption Guidelines.

The Compliance Service periodically reports on its performance to KMG's Audit Committee and Board of Directors under Chapter 8 of its Regulations.

The Compliance Service regularly submits information on anti-corruption measures to the relevant authorised government body.

Through ongoing training programmes, including sessions with senior management, the Compliance Service assesses staff awareness of anti-corruption practices, employing tools such as testing and surveys.

In 2025, KMG successfully completed a two-stage initial certification audit for compliance with ST RK ISO 37001<sup>1</sup>:2017 (Anti-Bribery Management Systems – Requirements and Guidance for Use). The audit was conducted in accordance with the Company's Service Procurement Agreement and clause 9.3.1.1 of ST RK ISO/IEC 17021-1-2015 "Conformity Assessment – Requirements for Bodies Providing Audit and Certification of Management Systems".

The first stage involved the following activities by external auditors:

1. reviewing KMG's management system documentation;
2. assessing KMG's location and production site conditions, and discussing stage two readiness with staff;
3. analysing KMG's current state and its comprehension of the standard, particularly requirements for identifying key activities, significant aspects, processes, objectives, and management system performance;
4. gathering information on the management system scope, including KMG's production sites;

5. analysing processes, equipment use, and applicable legal and regulatory requirements;
6. reviewing resource allocation for stage two and agreeing stage two details with KMG;
7. ensuring stage two planning was correctly focused based on clear understanding;
8. assessing KMG's management system and production site operations against the management system standard or another regulatory document.

The second stage comprised a certification audit of the anti-bribery management system to verify compliance of KMG's documentation and activities with the requirements of ST RK ISO 37001:2017, and assess the system effectiveness and efficiency. During the audit, auditors conducted interviews with the Chairman of the Management Board and heads of KMG's units.

A final meeting with the auditors was held on 11 December 2025.

Based on the certification audit results, the auditors issued an opinion confirming that KMG's anti-bribery management system complies with the requirements of ST RK ISO 37001:2017.

KMG successfully passed the certification audit for compliance with the requirements of ST RK ISO 37001:2017 (Anti-Bribery Management Systems – Requirements and Guidance for Use).

The certificate of conformity was registered on 26 December 2025 and is valid until 25 December 2028.

### Compliance controls

In order to meet the standards of business conduct and ethics, the Compliance Service carries out due diligence of KMG's counterparties. This practice helps prevent signing contracts with those acting in bad faith while also reducing the risks of contractual violations.

The Compliance Service also screens candidates nominated to fill vacancies related to administrative and organisational functions. This is a way to enable the reliability and professionalism of the Company's management by reducing the possibility of corruption by highly ranked officers. One of the hiring criteria for new employees in the area of procurement is to successfully pass psychology and polygraph (lie detector) tests.

Key measures to combat corruption at KMG Group include conducting anti-corruption monitoring and performing an internal analysis of corruption risks. Based on analysis results, we adopt action plans to eliminate root causes and conditions conducive to corruption.

Since 2020, the Company requires employees across the board to declare any conflicts of interest. This contributes to the efficiency of conflict of interest management.

KMG Group employs a whistleblower hotline as an effective tool in combating violations. Furthermore, since KMG's securities are listed and traded on stock exchanges, the Compliance Service takes steps to prevent insider information misuse by those classified as insiders under the laws of Kazakhstan.

Regular initiatives are conducted to cultivate an anti-corruption culture within the Company. To mitigate compliance risks in corporate decisions, the Compliance Service reviews materials submitted for consideration by the Management Board and the Board of Directors of KMG.

As part of implementing the Anti-Corruption Policy Concept of the Republic of Kazakhstan for 2022–2026 (approved by Presidential Decree No. 802 dated 2 February 2022), KMG was awarded the national ST RK ISO 37001 certificate for its anti-bribery management system in the reporting period.

<sup>1</sup> ST RK ISO 37001 (Anti-Bribery Management Systems – Requirements and Guidance for Use) — Kazakhstan's national standard, based on the international standard ISO 37001, establishing requirements for a management system designed to prevent, detect and address bribery within an organisation.

**Staff training**

KMG is dedicated to fostering an anti-corruption culture among its employees. To that end, we provide anti-corruption training and make sure it is continuous, consistent, and up-to-date.

In 2025, a variety of activities, including workshops and meetings, were carried out to strengthen the anti-corruption culture, improve compliance, and enhance corporate governance. As part of the anti-corruption policy implementation, KMG focused on awareness-raising and training for its employees across various entities.

The Compliance Service actively engages in initiatives to foster and develop the anti-corruption culture, implying a strong commitment to zero tolerance for corruption. These include in-person training sessions and awareness-raising events for employees, along with the display of visual materials that explain the Company's anti-corruption policy requirements in accessible public areas. Furthermore, ongoing consultations are held with employees and managers, supplemented by anti-corruption meetings with the Group leadership and regular newsletters that keep everyone informed about legislative requirements.



**Hotline**

In order to quickly identify violations, prevent any negative implications, ensure compliance with applicable laws and internal regulations, maintain strong business reputation and public perception, and foster corporate culture, Samruk-Kazyna Group, including KMG and its subsidiaries and associates, have a centralised hotline in place operated by KPMG, an independent auditor.

Using the hotline, employees can anonymously report known facts of corruption, fraud, discrimination, and any other violations committed by employees and counterparties of KMG and its subsidiaries and associates.

The hotline contacts are available on the websites of KMG and its subsidiaries and associates, with measures taken to raise employee awareness about it.

We encourage everyone to come forward and report violations of the Code of Conduct, including cases of corruption, discrimination, unethical behaviour, and other offences. We guarantee confidentiality and anonymity in the processing of 100% of reports.

**Hotline**

Phone: +7 (800) 080 47 47  
 WhatsApp: +7 (771) 191 88 16  
 Internet portal: [www.sk-hotline.kz](http://www.sk-hotline.kz)  
 E-mail: [mail@sk-hotline.kz](mailto:mail@sk-hotline.kz)  
 The hotline is run by KPMG as an independent operator.

**Nysana Hotline**

Phone: +7 (800) 080 30 30  
 WhatsApp: +7 (702) 075 30 30  
 Internet portal: [nysana.cscck.kz](http://nysana.cscck.kz)  
 E-mail: [nysana@cscck.kz](mailto:nysana@cscck.kz)

The Nysana call centre is available 24/7 to accept free calls related to any social and labour violations.

**146** reports were received via the hotline (including the E-otinish system)

In 2025, a total of 146 reports were received via the hotline (including the E-otinish system), of which 9 were confirmed, 36 were partially confirmed, 92 were not confirmed, 2 remain under review, and 7 were discontinued.

The most frequent report topics were corruption, labour disputes, and procurement.

For confirmed reports, corrective measures were implemented to prevent recurrence.

Three criminal proceedings on corruption-related offences (misappropriation, embezzlement, and abuse of authority) ended in court convictions in 2025, with the concerned individuals removed from their positions.

Indicator	Unit	2025
<b>GRI 205-3.</b> Confirmed incidents of corruption and actions taken	-	-
Total number of confirmed incidents of corruption	incidents	3
Total number of incidents in which employees were dismissed or disciplined for corruption	incidents	3
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	incidents	-
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	cases	-

In 2025, hotline reports increased by 25.2% year-on-year, reflecting rising interest and engagement from employees and contractors, along with increased awareness of the hotline and growing trust in both the hotline and the compliance function at KMG.

We are aware of the importance of fostering whistleblowing channels as the key sources of information about threatened or actual violations. It is our belief that in order for people to trust whistleblowing tools, all reports so received need to be considered comprehensively, in full, and without any bias.

**Information on identified corruption risks**

During the reporting period, KMG conducted an internal analysis of corruption risks associated with its internal regulations, and organisational and management processes.

The analysis identified corruption risks in both domains.

In line with the guidelines of the Anti-Corruption Agency of the Republic of Kazakhstan, the Company developed an action plan to address the causes and conditions that contribute to the identified corruption risks. Additionally, we implemented measures to assess these risks for their inclusion in the Company's overall risk map.

**Conflict of interest**

The Company has established a process for disclosing information about conflicts of interest. The procedures and methods for such disclosure are outlined in the Conflict of Interest Management Policy for Employees and Officers. Furthermore, mandatory conflict of interest disclosures are required during the hiring process, when transferring to a higher position within another business unit, when changing job responsibilities, and in other relevant situations.

## Ombudsman Office

The Ombudsman Office is a key element of KMG's corporate ethics framework, employee rights protection, and social and labour risk management. The Ombudsman's activities are aimed at ensuring fair, objective, and confidential handling of submissions, as well as preventing conflicts and fostering a healthy moral and psychological climate within KMG Group's workforce.

### Submission channels and operating principles

KMG provides safe, accessible, and confidential channels for submitting concerns about violations of the Code of Business Ethics, employee labour rights, and Kazakhstan's laws. Employees of the Company, its subsidiaries, and contractors may report suspected violations (anonymously if preferred) when unsure about the ethicality or legality of actions, inactions, or decisions by employees, managers, contractors, or other stakeholders.

The handling of submissions at KMG is guided by independence, neutrality, confidentiality, and informality.

- **Submission channels:** employees may contact the Ombudsman directly, via email (ombudsman@kmg.kz), by telephone, or through dedicated channels such as the Nysana and Samruk-Kazyna hotlines.
- **Protection guarantees:** the Company explicitly guarantees non-retaliation against employees who report suspected violations. Managers are required to prevent any form of reprisal.

In 2025, a total of 107 submissions were lodged in person, by email, and through the Nysana hotline concerning breaches of business ethics and employee rights and legitimate interests. Every submission was

reviewed through a comprehensive process involving analysis of materials, investigations, surveys, and interviews, with visits to subsidiaries and production facilities as needed.

The submissions covered a broad range of topics, ranging from breaches of the Code of Business Ethic (unethical conduct, psychological pressure, and management conflicts) to labour disputes, pay, and compensation matters. Around 70% fell within the Ombudsman's remit, covering the Code of Ethics compliance, labour rights, anti-discrimination, social and labour relations, and workplace morale.

The remaining submissions concerned operational matters of subsidiaries and contractors, including production issues, contractual arrangements, and payment settlements for work performed.

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### Conflict resolution and employee rights protection

Each submission was assessed on its merits, with decisions based on the nature and validity of the facts presented. Where allegations could not be confirmed, complainants received reasoned explanations.

Some submissions pointed to systemic issues requiring updates to internal regulations. Following analysis, the Ombudsman prepared and submitted recommendations to Company management for improving internal regulations, including:

- revisions to the regulations governing outstaffed employment contracts;
- harmonisation of social benefits across all employee categories.

Where submissions revealed violations of the Code of Business Ethics, the Ombudsman presented recommendations to Company and subsidiary management for disciplinary action against the employees involved. The same standards applied equally to submissions from a KMG employee or from contractor personnel, provided it revealed unethical conduct by Company staff.

For some violations, it sufficed to provide individual clarifications of the Code of Business Ethics' provisions and principles, along with warnings of potential disciplinary consequences for any recurrence. The Ombudsman also provided recommendations to direct supervisors on measures to improve moral and psychological climate within their departments.

Collective submissions prompted mandatory visits to the subsidiaries concerned, including meetings and surveys involving a significant number of employees.

### Staff training and awareness

In 2025, the Ombudsman Office's activities were closely linked to extensive work on implementing the updated KMG Code of Business Ethics approved by the Board of Directors.

### Board of Directors oversight

KMG's Board of Directors plays a key role in ensuring the Ombudsman's independence:

- **reporting line and appointment:** the Ombudsman Office reports directly to the Board of Directors, which also decides on the appointment or dismissal of the Ombudsman;
- **approval of plans and reports:** the Board of Directors approves the Ombudsman's annual work plan and reviews regular reports on the Ombudsman Office's activities;
- **regulatory oversight:** the Board of Directors approves new versions of the Regulations on the Ombudsman Office, the Ombudsman's job description, and the Code of Business Ethics.

A virtual town hall meeting was held for Corporate Centre employees presenting the Code's key provisions. All Corporate Centre staff were familiarised with the document via the electronic document management system.

In KMG's subsidiaries, the Code of Business Ethics and information about the Ombudsman Office were posted on corporate websites. Meetings were held with the workforce of nearly all production subsidiaries to explain the Code's provisions and the procedure for contacting the Ombudsman.

Additionally, following review of individual submissions, targeted awareness sessions were organised for specific units of KMG and its subsidiaries to prevent recurring violations and strengthen the culture of ethical conduct.