



LME Red Flag Assessment Template

Reporting template for LME-listed Brands, version 2

Revision date: January 2023

LME RED FLAG ASSESSMENT TEMPLATE

Introduction

- This document constitutes the LME RFA Template (the “template”) for the purposes of the LME Policy on Responsible Sourcing of LME-Listed Brands (the “Policy”). This template and embedded workbook is only required for Brands following the Audited LME RFA Track (Track B) and the Published LME RFA Track (Track C). Capitalised terms not defined herein have the meaning ascribed to them in the Policy.
- This template is based on the “Supplement on Tin, Tantalum and Tungsten” of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Third Edition. References to “OECD Guidance” in the context of this template should be interpreted accordingly.
- The purpose of the OECD Guidance is to help companies respect human rights and avoid contributing to conflict through their sourcing decisions, including the choice of their suppliers¹.
- Producers should consult the Policy for information on Reporting Periods, and submission deadlines; other contextual information may be found in the guidance notes published by the LME.
- Please submit all relevant documents in English, this includes the template, RFA workbook, and any supplemental documents the LME should consider as part of the submission.
- The RFA workbook is available here:



Microsoft Excel
Worksheet

¹ OECD Guidance, page 12



Section 1. BRAND INFORMATION	
LME Brand Producer name ²	"Kazakhstan Aluminium Smelter" JSC
LME Brand name(s) ^{2,3}	KAS
Reporting Period start date (DD/MM/YYYY)	01-ЯНВ-2025
Reporting Period end date (DD/MM/YYYY)	31-Дек-2025
Date of submission (DD/MM/YYYY)	22-Сен-2026
Address of Brand producing site	Republic of Kazakhstan, Pavlodar city, Industrial zone East, building 60/2
Website of Brand Producer	https://erg.kz/en/enterprises/ao-kazaxstanskii-elektroliznyi-zavod-kez
Name of person submitting RFA	Raushan Beknazarova
Job title of person submitting RFA	ESG Manager, Environment Protection and ESG Department, Eurasian Group LLP
Phone number	+7 702 000 52 32
Email address	Raushan.Beknazarova@erg.kz

² This may be found on the list of LME Approved Brands: <https://www.lme.com/en/physical-services/brands/approved-brands>

³ In the majority of cases, each Brand will require a unique RFA. However, if multiple Brands are produced by the same Producer, and the responses to the RFA questions are identical for all said Brands, one RFA may be submitted for all Brands.



Section 2. COMPANY MANAGEMENT SYSTEMS

- a. Describe the Producer's supply chain due diligence policy. The policy should incorporate the standards against which due diligence is to be conducted, consistent with the model policy contained in Annex II of the OECD Guidance.⁴

Please provide a link or a copy where available.

Part 1. Important foreword

Kazakhstan Aluminium Smelter JSC (hereinafter - KAS) - a producer of a high-grade primary aluminium is a 100% subsidiary of the Eurasian Resources Group s.a.r.l (hereinafter - ERG), which is a leading diversified natural resources group headquartered in Luxembourg (website of ERG: <https://eurasianresources.lu/en/home.html>). The present LME Red Flag Assessment Template of KAS has been prepared by ERG on behalf of the KAS brand.

ERG is a global metals and mining company with integrated exploration, mining, processing, energy and logistics operations in Kazakhstan, Africa and Brazil. TNC Kazchrome, SSGPO, Aluminium of Kazakhstan, KAS, Manganese of Zhairam, Eurasian Energy Corporation, Shubarkol Komir and TransCom Transportation Group - are among the ERG's major assets in Kazakhstan. As a global company with operations across four continents, ERG is required to demonstrate and uphold the highest business, operational and ethical standards. This includes, at the very minimum, abiding by the laws of all countries in which we operate. We expect to be held accountable for our actions by our stakeholders and work to ensure that we conduct business ethically. One of our fundamental commitments is to live up to the highest standards of business integrity and professionalism. These standards are set out in the ERG Code of Conduct. ERG requires its business partners to comply with the highest ethical standards, which are set out in the ERG Code of Conduct, and with all applicable laws and regulations. ERG has also adopted a Supplier Code of Conduct, which sets out the expectations it has of its suppliers in relation to maintaining ethical and responsible supply chains. The ERG Code of Conduct and the ERG Supplier Code of Conduct and the supporting compliance policies and procedures are embedded in ERG's entities in Kazakhstan, including KAS and the Aluminium of Kazakhstan (hereinafter - AK), and are obligatory for execution by their employees and suppliers.

KAS is certified in accordance with the certification procedure for the management system according to the ISO 14001:2015

⁴ OECD Guidance, page 20



b. Describe how this policy been communicated to suppliers, employees, and the public.⁵

Strong ethical standards underpin all that we do at ERG. We apply a “beyond compliance” approach to ethics, focusing on a risk-based approach and continuous improvement. We are continuously aligning our policies with fast-evolving legislation, as well as sustainability standards and frameworks. Our compliance policies are implemented through a risk-based Compliance management system, which covers key areas such as anti-bribery and corruption, anti-money laundering, sanctions, human rights and data protection. This system is supported by robust processes for risk identification, counterparty due diligence, training, monitoring and reporting.

ERG ensures that its business partners, governance body members and employees have a deep understanding of the Group's ethical standards through the application of a robust annual Compliance Training and Awareness (T&A) Programme. T&A Programme conducted in 2024-2025 includes the following components:

- Senior management communications reinforcing compliance culture;
- E-learning modules for employees focused on ERG Code of Conduct, Anti-bribery and corruption, Respect for human rights, Conflict of Interests, Personal data protection;
- Targeted face-to-face compliance training on CPDD principles, Sanctions, Personal data protection for employees handling high-risk

c. Explain the management structure responsible for the Producer's due diligence, including who is directly responsible for implementing the supply chain due diligence policy.⁶

Risk-based approach sits at the core of ERG's approach to responsible sourcing. This approach ensures that risk management is integrated into our planning and decision-making processes, including procurement, and key risks are properly identified, their impact analyzed, assessed and appropriate risk management measures taken. ERG risk management framework is overseen by the Board of Managers and the appropriate Board Committees of ERG.

CPDD for all ERG entities in Kazakhstan, including KAS and AK, is carried out centrally by specialists of the Compliance Directorate of Eurasian Group LLP, the subsidiary of ERG, who have the necessary knowledge and professional competencies in field of compliance risk management and utilize advanced international databases to conduct thorough CPDD verification check. In cases of compliance risks identification, the appropriate controls are promptly applied in accordance with the CPDD Procedure, which may include refusal to engage in contractual relationships or termination of existing contracts.

Organizationally, the ERG Kazakhstan Compliance Directorate reports directly to the CEO of ERG Kazakhstan Perimeter (Eurasian Group LLP) and functionally to the Deputy Group CEO - ERG Chief Legal Officer & Head of Compliance and ERG Compliance Committee. The

⁵ OECD Guidance, page 17

⁶ OECD Guidance, page 17 and page 52



- d. Describe the system of controls and transparency over the mineral supply chain put in place by the Producer. This includes:
 - a. the type of information⁷ the Producer collects from suppliers,
 - b. whether this information is required in commercial contracts with suppliers⁸
 - c. the format of the record-keeping of the Producer (such as paper-based, computerised, digital ledger technology, or part of an institutionalised mechanism)⁸, and
 - d. for how long this information is stored⁸.

The supply of mineral resources for KAS production takes place within the ERG from AK without the involvement of third parties. According to the rules of CPDD Procedure, the CPDD is conducted in relation to transactions with third parties and is not conducted for intra-group deliveries. The CPDD Procedure uses advanced international databases to search for information necessary for verification, applies a risk-based approach to assessment and includes, i.e. identification of the counterparty to the ultimate beneficial owner, verification of the transaction itself, including consignors, consignees and other parties involved in the transaction, in order to timely identify compliance risks in the interaction of ERG entities with third parties.

a. Type of information to be collected from suppliers (third parties):

As part of the CPDD process, counterparties provide the following documents:

- Documents confirming the state registration of the counterparty as a legal entity or individual entrepreneur (for individuals - documents certifying the identity of the counterparty);
- Taxpayer certificate (if the supplier is not a resident of Kazakhstan);
- Documents disclosing the counterparty's ownership structure down to the ultimate beneficial owners, each of whom owns 10 percent or more of the shares/stakes in the counterparty's authorized capital;
- The Charter of a counterparty;
- Documents confirming the authority of the person signing the contract on behalf of the counterparty;
- Documents confirming the chain of origin of the purchased goods from the declared manufacturer to the counterparty: certificate for manufactured products, letter, contract, shipping documents, documents for payment for the goods, other documents confirming that the purchased goods were delivered from the manufacturer to the counterparty on legal grounds;
- Licenses for work and services (if required or necessary), etc.

⁷ OECD Guidance, page 38, which refers to the information expected on page 37

⁸ OECD Guidance, page 38



e. Describe the data the management system has yielded this Reporting Period and how it has strengthened the company's due diligence efforts.⁹

Alumina, the raw material for the production of KAS, is supplied through intra-group chain within ERG from AK. There is no import or cross-border transit of alumina/bauxite within procurement of KAS, the supply chain and logistics are fully limited within the territory of Kazakhstan. Alumina bauxite is supplied via a direct route (railway delivery): bauxite mining from the branch of AK - Krasnooktyabrskoye Bauxite Mining Administration (KBRU) - to the Pavlodar Aluminum Plant of AK (Kazakhstan, Pavlodar region, Pavlodar, Vostochnaya industrial zone).

According to the rules of the CPDD Procedure, intra-group transactions do not pose third-party risks and therefore CPDD is not conducted in relation to intra-group deliveries. All intra-group transactions-related data, including supply of mineral resources from AK to KAS, is collected and recorded by KAS/ERG in the SAP data management system of ERG.

CPDDs for the counterparties/third parties are mandatory before making business decisions regarding the cooperation with a counterparty in accordance with the CPDD Procedure rules. For instance, in 2025 Directorate of Compliance made 13 554 CPDD checkups for ERG

f. Confirm that a company-level or industry-wide grievance mechanism has been established and provide evidence.¹⁰

ERG is committed to creating a speak-up culture where all employees of all ERG entities, including KAS and AK, are free to ask questions and report concerns or suspicions related to violations of the principles of the ERG Code of Conduct or other ERG policies and procedures, including through the ERG Hotline, without fear of reprisal. The ERG business partners also may use ERG Hotline if they have any concerns or suspicions that any ERG employee or business partner is in breach of, or has breached, any of the provisions of the ERG Code of Conduct or any applicable laws or regulations.

ERG provides a grievance mechanism for reporting of Human Rights incidents by its employees and external stakeholders via its whistleblowing hotline and other available reporting channels, including site based grievance mechanisms. All Human Rights incidents will be recorded, assessed and investigated in accordance with the ERG Code of Conduct and internal procedures. The ERG Hotline is operated by an independent operator and allows anonymous reporting.

Contacts of the ERG Hotline are publicly available:

- Website: www.erg.integrityline.org; and email contact: compliance@erg.net
- Published on ERG Kazakhstan website: <https://www.erg.kz/en/ethical-principles> and

⁹ OECD Guidance, page 52

¹⁰ OECD Guidance, page 17 with details on page 40



g. Describe the Producer's method for identifying Conflict-Affected and High-Risk Areas ("CAHRA").¹¹

ERG adopted the Procedure for Responsible Sourcing in relation to Conflict-Affected and High Risk Areas (hereinafter - CAHRA Procedure). In accordance with the CAHRA Procedure (which is aligned with Paragraph 1 of Annex II of the OECD DDG), the definition of CAHRA means: "Conflict-affected and high-risk areas, or areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict may take a variety of forms, such as conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation or insurgencies, civil wars, etc. High-risk areas are often characterized as areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law. A CAHRA can be a region, a country, an area within a country or an area that crosses one or more national boundaries."

The ERG CAHRA Procedure has been developed based on OECD DDG requirements considering the specific risks inherent to the regions of ERG's presence, including all kinds of human rights abuses and violence forms specified by OECD DDG (Paragraph 1 of Annex II). According to CAHRA Procedure, determination/affiliation of any country/territory as/with CAHRAs is defined by authorised publicly available source, such as the indicative, non-exhaustive list of conflict-affected and high-risk areas list visualised at the website: www.cahralist.net/ used as a primary screening reference, supplemented by additional risk-based sources; or a similar authoritative/proven source of information.

It is essential to note the following two important assumptions:

- 1) aluminium/primary aluminium, including its precursor alumina/bauxite, is not considered as a conflict-raising mineral/product;
- 2) the Republic of Kazakhstan is not a (and has not been in the list of) CAHRA-territory.

Additionally, to ensure ERG's internal CAHRA-Determination-Methodology for aluminium, and to assess the Kazakhstan's status related to conflict/governance/human rights risks, we assess the Kazakhstan's country-based indexes and ratings based on the following list of criteria/ratings/watchlists:

- 1) Heidelberg Conflict Barometer (No or Low risk in 2025)

¹¹ Though not directly referenced in the OECD Guidance, the LME requires this information to be disclosed as part of the transparency requirements for Track C. In line with the Policy, the LME expects that the definition of "conflict-affected and high-risk areas" will be as set out in the "Supplement on Gold" of the OECD Guidance page 66.



Section 3. LOCATION OF MINERAL ORIGIN AND TRANSIT RED FLAG EVALUATION

Use the workbook to provide the following information:

- a. On the basis of the Producer's Company Management Systems for tracing the transit of materials from its operations and those of its suppliers, list all countries from which the minerals used for this Brand originated and transited through during the Reporting Period.
- b. Identify whether each of the countries listed in (a.) is a source for the Brand material or a country through which the material only transits.
- c. Specify the type of material being sourced or transited. This is optional to disclose and only requested to assist in answering the remaining questions.
- d. Classify each country's CAHRA status:
 - (i) A country of which no area falls into the CAHRA definition;
 - (ii) A country of which all areas fall into the CAHRA definition; or
 - (iii) A country of which some, but not all areas fall into the CAHRA definition. In this case, indicate whether the material is sourced from or transits through the CAHRA in the comment column.
- e. For each of the source countries identified, assess if the volume of mineral the Producer sourced during the Reporting Period is in keeping with the source country's known reserves and expected production levels. Provide the result of your assessment.
- f. For each of the countries identified, assess if this country known to transit materials from CAHRAs.
- g. For each of the source countries in (b.), assess the status of the supplier's Extractive Industry Transparency Initiative ("EITI") implementation following these steps¹²:
 - (i) State whether or not the country is an EITI-implementing country¹³;
 - (ii) If the supplier is located in an EITI-implementing country, identify if the supplier is in compliance with the EITI reporting requirements of that country¹⁴. Provide links to the relevant company's submission for the purpose of EITI reporting, where such a disclosure does not reveal commercially sensitive information.
 - (iii) If the country is not an EITI-implementing country, identify if the supplier takes other steps to provide transparency on payments to governments and other matters in line with the aims of EITI. Provide link(s) to disclosures where available.

¹² The LME believes that financial crime and corruption risk represent important concerns for industry stakeholders. Accordingly, the LME is particularly keen to ensure that the principles of the EITI, as referenced on page 52 of the OECD Guidance, are embedded into global supply chains. As such, this template references the specific wording of the OECD Guidance in respect of EITI, but further requires that Producers explain broader disclosure on a per-country basis.

¹³ The status of country's EITI implementation can be found here: <https://eiti.org/countries>

¹⁴ Producers are encouraged to contact the EITI International Secretariat secretariat@eiti.org for support in finding and understanding supplier's reports.



Section 4. SUPPLIER RED FLAG EVALUATION

The Producer is expected to identify all intermediaries, consolidators, or other actors upstream in their supply chain through their management system¹⁵. This includes but is not limited to: traders who provide minerals to the Producer or the Producer's suppliers; parent companies of the Producer or the Producer's suppliers; and companies that have a controlling interest in the Producer or Producer's suppliers ("Relevant Companies"). The Producer then must identify whether any of the Relevant Companies operate in or source from CAHRAs¹⁶.

If a Relevant Company operates in or sources minerals from a CAHRA, a potential OECD Red Flag is raised. Producers should verify through public sources, KYC checks, and engagement with suppliers to secure evidence (including spot checks as appropriate), that the supplier has strong company-wide due diligence management systems. If evidence is secured (and provided to the LME upon request) that minerals from a red flag location of mineral origin and transit have not entered the Brand's feedstock and the Relevant company has strong company-wide due diligence management systems, Producers may continue to use this template and follow the public disclosure requirements of the relevant Track. If no evidence is available, the supplier red flag remains and the Producer will be referred to Track A for enhanced due diligence with the support of an assurance framework¹⁷.

Use the workbook to provide the following information:

- a. Indicate where the "Relevant Companies" have operated in or sourced minerals during the Reporting Period.
- b. Classify the locations provided in (a.) into either locations where no minerals are produced (such as headquarters, offices, or holding companies) or locations where minerals are produced.
- c. Classify each country's CAHRA status:
 - (i) A country of which no area falls into the CAHRA definition;
 - (ii) A country of which all areas fall into the CAHRA definition; or
 - (iii) A country of which some, but not all areas fall into the CAHRA definition. In this case, indicate whether the operations are located within the CAHRA in the comment column.
- d. If any CAHRAs are identified, provide confirmation that the Producer has secured evidence that the origin or transit of the material entering their feedstock was not sourced from the CAHRA that raised the OECD supplier red flag and that the Relevant Company has strong company-wide due diligence management systems.

¹⁵ OECD Guidance, page 34, which refers to the information expected to be collected by Producers on page 37

¹⁶ The LME is aware that the OECD Guidance goes further on this point, including countries with limited reserves or production levels and countries where minerals from CAHRAs are known to transit; however, the LME considers these points to be adequately covered in Section 3.

¹⁷ The LME provides a guidance note on this topic: <https://www.lme.com/en/About/Responsibility/Responsible-sourcing#Guidance-notes-and-webinars>



Section 5. RED FLAG ASSESSMENT

a. Is there any Input Material for the LME Brand where the origin is unable to be determined?	☐ Yes	☒ No
b. Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the CAHRA areas identified in 3.d?	☐ Yes	☒ No
c. Do any of the source countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION receive a quantity of material that is out of keeping with the source country's known reserves and expected production levels as answered in 3.e?	☐ Yes	☒ No
d. Do any of the countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION fall into the list of countries known to transit materials from CAHRAs identified in 3.f?	☐ Yes	☒ No
e. Do any of the countries identified in Section 4. SUPPLIER RED FLAG EVALUATION fall into the CAHRA areas identified in 4.c without confirmation provided in 4.d?	☐ Yes	☒ No
f. Is the answer to any of Section 5.a – 5.e positive? If yes, the LME Brand is considered to have raised an OECD Red Flag and must use Track A.	☐ Yes	☒ No
g. Does the Producer fail to identify the EITI status of any of the source countries identified in Section 3 LOCATION OF MINERAL ORIGIN AND TRANSIT EVALUATION in 3.g.(i)?	☐ Yes	☒ No
h. Does the Producer fail to provide supplier's EITI disclosure information described in 3.g.(ii) for suppliers located in EITI-implementing countries?	☐ Yes	☒ No



- i. Does the Producer believe that the Red Flag Assessment should result in a different outcome than indicated in 5.f? If so, then a full explanation must be given.

☐ Yes ☒ No

Explanation:



Additional comments:

The internet links to the public documents and resources were provided throughout the RFA Template above.

The list of non-public attachments to the RFA Template:

- 1) CPDD Procedure
- 2) CAHRA Procedure
- 3) International Economic Sanctions Compliance Policy
- 4) Certificate of ISO 14001:2015 Environmental Management and ISO 45001:2018 Occupational Health and Safety
- 5) EITI reports of AK for 2025
- 6) Cover letter to the RFA Template 2025 submission.

