

Appendix to the Order  
of the Managing Director for  
Construction  
joint stock company  
"National company  
"Kazakhstan temir zholy"  
dated September 25, 2024 No. 714-ИЗ

## **Supplier Code of the Joint Stock Company «National Company «Kazakhstan temir zholy»**

### **1. Purpose**

1.1. The Supplier Code of the Joint Stock Company «National Company «Kazakhstan Temir Zholy» (further - Code) contains the minimum standards that the Joint Stock Company «National Company «Kazakhstan Temir Zholy» (further - Company) asks all winners of procurement procedures, agents, intermediaries, consultants, performers and contractors (further - Suppliers) to comply with and respect within the framework of joint commercial activities with the Company.

### **2. Basic Provisions**

2.1. Suppliers must comply with the requirements of the legislation of the Republic of Kazakhstan, other applicable legislation, internal documents of the Company and, in particular, the principles set out in this Code.

2.2. The Supplier shall comply with the Company's principles in the field of sustainable development: openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest, personal example.

2.3. All actions related to business information and reporting shall be performed honestly and correctly, comply with all applicable laws governing their implementation and accuracy.

2.4. The Supplier is responsible for dissemination, familiarization and careful verification of compliance with the provisions of this Code by its partners, officials, employees, co-executors, subcontractors, agents, intermediaries of suppliers and individuals involved as specialists (each individually - a «supplier representative»).

### **3. General principles**

3.1. The Supplier in its activities:

- does not allow corruption offenses in its work;

- prohibits its employees, representatives and co-executors under contracts with the Company from committing commercial bribery and other actions of a corrupt nature;
- excludes all forms of illegal forced labor;
- excludes child labor;
- excludes any kind of discrimination, including with respect to employment and labor activity;
- complies with regulatory legal acts concerning the minimum wage;
- complies with the labor and tax legislation of the Republic of Kazakhstan and/or another country of its activities.

#### **4. Anti-corruption requirements**

4.1. All forms of corruption, including extortion, bribery, facilitation payments, fraud, money laundering and nepotism are strictly prohibited in the Supplier's activities.

4.2. In fulfilling their obligations, the Supplier and/or its representatives shall not pay, offer to pay or authorize the payment of any money or valuables, directly or indirectly, to any persons, in order to influence the actions or decisions of these persons in order to obtain any undue advantages or to achieve other undue goals.

4.3. In fulfilling their obligations, the Supplier and its representatives shall not carry out actions classified in accordance with applicable law as giving/receiving a bribe, commercial bribery, or actions that violate the requirements of applicable law and international acts on combating the legalization (laundering) of proceeds from crime.

4.4. The Supplier refuses to incentivize the Company's employees in any way, including by providing monetary amounts, gifts, gratuitous performance of work (services) in their favor, and other methods that place the employee in a certain dependence and are aimed at ensuring that this employee performs any actions in favor of the Supplier or another person determined by the Supplier.

4.5. The Company informs the Supplier of the principles and requirements of the Anti-Corruption Policy in the Company (further - Policy). By concluding the agreement, the Supplier confirms familiarization with the Company's Policy. When fulfilling their obligations under the agreement, the parties undertake to comply with and ensure compliance by their employees and representatives with the requirements of the anti-corruption legislation of the Republic of Kazakhstan, as well as not to commit corruption offenses provided for by international acts and legislative acts of foreign states on combating corruption applicable for the purposes of the agreement.

#### **5. Conflict of Interest**

5.1. Conflict of interest is a contradiction between the personal interests of the Company's officials and their official powers, in which the personal interests of the said persons may lead to their failure to perform and/or improper performance of their official duties.

5.2. The Supplier shall make every effort to identify and prevent situations in which there is a real or potential conflict of interest regarding the Supplier/its employee and the Company's employees or their relatives, which may adversely affect their business reputation or decisions made.

5.3. The Supplier shall inform the Company of any situations that may constitute a conflict of interest and which may affect business relations, and shall not allow such.

5.4. When carrying out its activities, the Supplier shall make decisions based only on objective criteria. Any factors that may influence the Supplier's decision-making due to a conflict of personal, commercial or other interests shall be excluded from the very beginning.

## **6. Human Rights and Labor**

6.1. Any discrimination is prohibited regardless of the grounds, including with respect to employment and labor activity, sex or gender, nationality, citizenship, race, skin color or ethnicity, religion, age, language, marital status, social and parental status, property and official status, membership in public associations and political motives, pregnancy, disability, as well as other circumstances not related to the professional qualities of the employee and the results of his work.

6.2. The Supplier guarantees and confirms the creation of an accessible environment for people with disabilities in accordance with the requirements of the legislation of the Republic of Kazakhstan and / or another country where the main business activity is carried out.

6.3. The Supplier is prohibited from using forced labor, prison labor, human trafficking and purchasing commercial sexual services. It is prohibited to use all forms of forced labor, including bonded labor, forced labor (including slavery) or other forms of forced labor. Supporting or participating in any form in human trafficking or forced labor through threats, use of force, fraudulent statements and (or) other forms of pressure is prohibited.

6.4. It is prohibited to employ persons who have not reached the minimum age for employment established by applicable law. The Supplier shall not use the labor of children or minors, except in cases where the conclusion of an employment contract is permitted in accordance with applicable law.

6.5. All employees of the Supplier must have a signed employment contract that reflects all mandatory requirements stipulated by the labor legislation of the Republic of Kazakhstan, including terms of payment, labor standards, working hours and rest time, compensation for overtime work, notice period, as well as other conditions stipulated by applicable law.

6.6. The Supplier guarantees and confirms its compliance with regulatory legal acts regarding the working hours and rest time of employees, and other obligations of the employer.

6.7. The Supplier guarantees and confirms compliance with the requirements of the labor legislation of the Republic of Kazakhstan, agreements, collective and labor contracts, acts issued by it.

6.8. The Supplier ensures that employees have the opportunity to know and fully understand the rights and responsibilities of employees, set out in their native or understandable language.

6.9. The Supplier guarantees and confirms the implementation of a policy and the adoption of measures to prevent physical punishment, illegal detention, physical, sexual harassment and / or psychological pressure.

6.10. The Supplier shows respect for the freedom of association for its employees in accordance with applicable law.

## **7. Occupational Health and Safety**

7.1. The Supplier guarantees and confirms the provision of favorable working conditions at workplaces, employees must be familiar with information on occupational health and safety and undergo appropriate training, including fire safety, radiation safety, emergency preparedness and first aid.

7.2. Potential risks that may lead to accidents/injuries or occupational diseases among the Supplier's employees must be assessed and controlled by taking appropriate preventive actions (for example designing, engineering, administrative control, preventive maintenance, occupational safety procedures, ongoing safety training, as well as provision of personal protective equipment).

7.3. The Supplier guarantees and confirms the adoption of adequate measures to prevent or eliminate the consequences, damage from accidents and injuries, as well as social and psychological diseases in order to minimize the factors inherent in hazardous types of work. The Supplier must provide its employees with appropriate personal protective equipment at no additional cost. Any incident or accident resulting in physical injuries, as well as social and psychological illnesses, must be documented and brought to the attention of the Supplier's senior management.

7.4. The Company carries out active work to continuously improve the level of safety in the Company, ensure the safety of its employees and requires this from its business partners.

7.5. The Supplier must comply with the legislation of the Republic of Kazakhstan in the process of performing work/providing services, including the legislation on labor protection, industrial safety and environmental protection, as well as the requirements of the standards, regulations, instructions and other acts of the Customer in the field of safety and labor protection, environmental safety at the Customer's facilities transferred by the Customer to the Supplier under the acceptance certificate, which are an appendix to the Contract.

7.6. The Supplier must provide the Customer with the right of access to the location of its facility(ies) and material and technical resources.

7.7. When performing work/providing services for a period of at least 1 year at the Customer's facilities, the Supplier is required to undergo training in the course "Occupational Safety Culture".

## **8. Environmental Protection**

8.1. The Company recognizes its social responsibility for environmental protection and advocates for environmental sustainability. The Company expects the Supplier to share the Company's corporate aspirations to proactively reduce carbon emissions, reduce water consumption and minimize waste generation.

8.2. The Supplier shall implement and/or carry out measures that contribute to the preservation of the environment and reduce, to the maximum extent possible, their negative impact on natural resources.

8.3. The Supplier shall limit the amount of harmful substances generated during the performance of the contract and shall ensure the elimination of such waste without causing significant harm to the environment.

8.4. The Supplier shall guarantee and confirm that it has taken measures to prevent the use of toxic substances. In the absence of an alternative, the Supplier shall guarantee and confirm that it will minimize the use of toxic substances and ensure their safe handling and destruction. With regard to other harmful substances, elements or restricted-use waste, the Supplier shall guarantee and confirm that it will strictly comply with all applicable legal regulations.

8.5. The Supplier shall develop both environmentally friendly technologies (for example, control of pollutants, carbon dioxide emissions) and energy saving and waste recycling technologies, and shall implement logistics strategies that reduce their negative impact on the environment (especially with regard to storage, handling and transportation).

8.6. The Supplier warrants and confirms that it has taken measures to use resources efficiently, i.e. to analyze the ratio of benefits and expenditure of resources in the creation, use and processing of products, optimizing resource consumption, positively differentiating consumer value and reducing costs.

8.7. The Supplier warrants and confirms that it prevents and minimizes the negative impact of its activities on the ecosystem and avoids conducting operations near areas containing biodiversity.

8.8. In order to reduce deforestation and preserve land, the Supplier warrants and confirms:

the use of systems that ensure the safe handling, movement, storage, recycling, reuse and management of waste;

the desire to use recycled products, as well as to collect and hand over waste paper;

carrying out land reclamation during the development of mineral deposits, due to leakage of petroleum products, during construction work, during land reclamation work, during logging work, during exploration work, during the placement of industrial and solid municipal waste.

## **9. Climate change**

9.1. Low-carbon development is a necessary condition for sustainable development and is aimed at preventing the catastrophic consequences of global climate change.

9.2. In order to implement the Strategy for achieving carbon neutrality by 2060, and taking into account the high consumption of fuel and energy resources

and electricity from coal generation, the Supplier undertakes to reduce its carbon footprint.

9.3. One of the key areas in achieving carbon neutrality is increasing the energy efficiency of the Company. In addition, the continuous increase in energy prices with a simultaneous increase in the volume of transportation leads to an annual increase in the Company's financial costs for the acquisition of energy resources. In these conditions, the role of energy conservation is high and the Company continuously strives to improve its energy efficiency indicators. When delivering goods, performing work or rendering services, the Supplier adheres to the principles of energy conservation and uses technologies aimed at increasing the energy efficiency of the Company.

## **10. Business Ethics**

10.1. The Supplier warrants and confirms that it operates in accordance with national and international competition laws and does not engage in price fixing, market or customer allocation, market division or collusion with competitors during tenders.

10.2. The Supplier warrants and confirms that it does not directly or indirectly contribute to the legalization (laundering) of income or the financing of terrorism and extremism.

10.3. The Supplier warrants and confirms its compliance with national and international export control measures, as well as trade, economic and financial sanctions and embargoes applicable to its activities. The Supplier warrants and confirms that it is familiar with trade restrictions applicable to its activities, including information on countries and organizations subject to sanctions, and complies with them.

10.4. The Supplier warrants and confirms that it carries out its activities in accordance with the principles of responsibility and honesty. The Supplier guarantees and confirms the use of an internal control system to detect and prevent all types of fraud, including money laundering/legalization, and response measures in such cases. The Supplier undertakes to immediately report to the Company all cases of potential fraud that may affect the Company's operations.

## **11. Final Provisions.**

11.1. The Supplier guarantees and confirms that it will ensure that its employees are familiar with the Code as soon as possible, but no later than 3 working days from the date of conclusion of the contract with the Company.

11.2. The Supplier and/or its employees are obliged to inform the Company of any identified or suspected violation of the Code. This will not be used against the Supplier and/or its employees if they act in good faith. If anyone receives information or assumes or witnesses any actions that violate the Code, the relevant information must be transferred to the Company.

11.3. In order to ensure familiarization with the Code, the customer shall include in the terms of contracts for the purchase of goods, works and services,

provisions ensuring compliance by the supplier with the Code of the supplier of the joint-stock company «National Company «Kazakhstan Temir Zholy», in accordance with the appendix to this Code.

Appendix  
to the Supplier Code  
approved by the order of the  
Deputy Chairman of the Board  
of the Joint Stock Company  
«National Company  
«Kazakhstan temir zholy»  
dated September 25, 2024 No. 714-II3

**Terms of contracts for the purchase of goods, works and services that ensure the supplier's compliance with the Supplier Code of the Joint Stock Company «National Company «Kazakhstan temir zholy»**

In order to ensure the supplier's compliance with the provisions of this Code, as well as in accordance with the acts of the Joint Stock Company «National Company «Kazakhstan Temir Zholy», the initiator of the contract ensures the inclusion of the following conditions in the contract for the purchase of goods, works and services (further - Contract):

1. In the preamble of the Contract:

«The Contractor/Executor/Supplier, by signing this Contract, confirms that:

- has carefully studied and understood the content of the Supplier Code of the Joint Stock Company «National Company «Kazakhstan Temir Zholy», posted on the corporate website of the joint-stock company «National Company «Kazakhstan Temir Zholy» (further - Supplier Code), and also confirms that the Contractor/Executor/Supplier acts in full compliance with the Supplier Code»;

2. In the section, clauses of the Agreement, providing for the obligations of the Contractor/Executor/Supplier:

«Comply with the requirements of the Supplier Code posted on the corporate website of the joint-stock company «National Company «Kazakhstan Temir Zholy»;

- prior to the commencement of work/delivery of goods/provision of services, ensure that the employees of the Contractor/Executor/Supplier, employees of subcontractors, co-executors and other persons involved in the performance of this agreement are familiar with and comply with the requirements of the Supplier Code»; 3. In the sections and clauses of the Agreement that provide for the rights of the Customer, grounds/cases for termination of the Agreement:

«Unilaterally refuse to perform the Agreement in the event of a breach by the Contractor/Executor/Supplier of the guarantees and assurances stipulated by the Supplier Code during the term of the Agreement, without applying penalties (fines, penalties) to it.»

*Note: the conditions specified in this appendix may not apply in cases of purchasing goods, works, services:*



- from a state monopoly entity for the main subject of its activity, from a natural monopoly entity for regulated services in accordance with the legislation on natural monopolies;
- from a person determined by the legislation of the Republic of Kazakhstan;
- under contracts concluded in the form approved by law;
- from government agencies, as well as government services rendered by a single provider operating in the field of rendering government services to individuals and (or) legal entities in accordance with the legislation of the Republic of Kazakhstan on government services, unless otherwise established for them by the laws of the Republic of Kazakhstan.

Also, the conditions can be adjusted depending on the nature of the obligations and the names of the parties in the contract.