

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

KGHM Polska Miedź S.A. is the Parent Entity of a Group which is a world-class producer of copper and silver with over 60 years of experience in the copper ore mining and processing sector. In Poland, KGHM Polska Miedź S.A. operates one of the world's largest copper deposits, guaranteeing continuous production in Poland for the next several decades. KGHM Polska Miedź S.A. also produces silver, gold, molybdenum, lead and rock salt, as well as being one of the leading exporters in the country and one of the largest companies in Poland.

The KGHM Polska Miedź S.A. Group is a global and innovative organisation, which conducts technologically advanced exploration-mining and metallurgical activities and has a geographically diversified portfolio of mining projects. KGHM's business model is divided into 7 areas, through which the Group ensures a complete chain of value creation, from exploration to the sale of finished products. KGHM actively supports the realms of science, the arts and sport. Through its Foundation founded in 2003, KGHM Polska Miedź engages in charitable activities.

The KGHM Polska Miedź S.A. Group includes the Parent Entity – KGHM Polska Miedź S.A. – and 65 subsidiaries (as at 31 December 2022). Uniformity in such a complex organisation is ensured by KGHM's values – zero harm, teamwork, results-driven, accountability and courage. For more than 60 years they have been the Company's business compass, indicating the direction of development and the means of operation on the international market.

The Company has been listed on the Warsaw Stock Exchange since July 1997. The Company's shares are traded on the primary market of the WSE in the continuous trading system and are a component of the WIG, WIG20 and WIG30 main indices as well as the WIG – ESG index published since 3 September 2019, comprising listed companies which adhere to the principles of corporate social responsibility. The Company was also a permanent component of the RESPECT Index, from 19 November 2009 until 1 January 2020 when it ceased to be calculated and published. KGHM Polska Miedź S.A. is also a component of the sector index WIG-Mining. Moreover, KGHM Polska Miedź S.A. is a component company of the FTSE4Good Index Series. The FTSE4Good Index Series is part of the group of ethical investment indicators, reflecting criteria of corporate social responsibility and ESG risk management.

Most recently the Company's commitment to sustainable operations has been confirmed by the certification of its two smelter/refinery complexes under the Copper Mark program, and most recently the Cedyňa Copper Wire Rod plant as **the world's first stand-alone wire rod plant to be granted this distinction**. Also in 2023 KGHM calculated and announced for the first time the environmental and carbon footprints of its main products.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

January 1 2022

End date

December 31 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 2 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 3 emissions data for

2 years

C0.3

(C0.3) Select the countries/areas in which you operate.

Poland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

PLN

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-MM0.7

(C-MM0.7) Which part of the metals and mining value chain does your organization operate in?

Row 1

Mining

Copper

Gold

Platinum group metals

Silver

Lead

Other mining, please specify (Salt)

Processing metals

Copper

Gold

Platinum group metals

Silver

Lead

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	PLKGHM000017
Yes, a Ticker symbol	KGH

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Chief Financial Officer (CFO)	The Vice President of the Management Board (Finance) is responsible for supervision of the organisational unit responsible for implementation and monitoring of the Climate Policy.
Please select	

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Other, please specify (Annually)	Reviewing and guiding annual budgets Reviewing and guiding strategy Overseeing and guiding scenario analysis Reviewing and guiding the risk management process	<Not Applicable>	
Other, please specify (Quarterly)	Other, please specify (Reviewing Risk Management Reports with climate risks evaluations and KRI included.)	<Not Applicable>	The Corporate Risk Management Policy describes our systematic approach to risk: from identification and assessment, through analysis and response, to the monitoring of risk levels, including those related to the climate issues. Taking into consideration the key risk factors described in the Group’s financial statements, risks related to environmental issues are dealt with by the KGHM Group. Our internal procedures call for the preparation of corporate risk reports which are presented each quarter to the Management Board and Supervisory Board. This means that oversight of key risks (including those related to climate issues) is the direct responsibility of the Management Board. This also includes broadly-defined climate risk, a description of which has been included in overall risk analysis and reported on in the annual report for 2022.
Other, please specify (Monthly)	Overseeing major capital expenditures	<Not Applicable>	

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The Vice President of the Management Board (Finance) is a graduate of the Warsaw School of Economics with a major in Finance and Banking, as well as of the University of Warsaw’s Institute of International Relations. He also completed postgraduate studies in Accounting and Corporate Finance at the Warsaw School of Economics. He expanded his professional competence during courses, amongst others in International Financial Reporting Standards, financial audit and internal control, as well as financial risk management as well as valuation and accounting principles of derivatives. The process of integrating climate issues into the day-to-day operations of an organization is no longer just a corporate governance dimension. The market consensus, and thus the expectations of stakeholders, indicate that climate change and the transformation towards a low-emission economy will be one of the main trends shaping expenses, sources of financing and the environment of enterprises in the coming decades. Therefore, the financial perspective becomes one of the most important, and climate change may affect the company’s operations on the revenue and cost side, but also on the value of assets, liabilities, cost of capital and available financing. He has been a member of the supervisory boards and management boards of many capital companies, where among others he served as Chairman and Deputy Chairman.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Risk committee

Climate-related responsibilities of this position

Please select

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

As part of the task and rights of the Committee are, among others: a) analysis and issuing recommendations in the scope of accepting Quarterly Reports with Corporate Risk Management in KGHM Group (including climate risk assessment, related KRI's), in order to submit them for the Management's approval; b) issuing recommendations in the scope of corporate risk management in the KGHM Group (including in particular those referring to Risk Response Plan and Adjustment Measures in the KGHM Group, taking into consideration climate risks); c) analysis of interim reports (which may relate to climate risk) on changes in the risk level, incidents and Adjustment Measures status having important impact on the implementation of the set business aims and undertaking decisions or issuing recommendations in that scope.

Position or committee

Other, please specify (Executive Director of Transformation)

Climate-related responsibilities of this position

Developing a climate transition plan
Implementing a climate transition plan
Assessing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

As important matters arise

Please explain

Position or committee

Other, please specify (Executive Director of Head Office)

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Annually

Please explain

Position or committee

Other, please specify (Executive Director of Controlling)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D)

Coverage of responsibilities

<Not Applicable>

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	Under Section 5 of the Remuneration Policy of Members of the Management Board and Supervisory Board of KGHM, reducing environmental impact is one of the management goals on which the allocation of variable remuneration may be dependent (the relevant criteria for allocation is reduced emissions of specified substances / reduced emissions fees. The possibility of expanding this to include climate-specific targets is being discussed and will be addressed in future.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	10	
Long-term	10	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The risk in various areas of the KGHM Polska Miedź SA Group's operations is identified, assessed and analyzed on an ongoing basis in the context of the possibility of its reduction. Risks may have various effects, thus, in order to ensure the widest possible recognition of a potential impact and limit the assessment subjectivity, the Impact assessment dimensions have been defined, incl.: Finances – determines the impact of effects of a particular risk with reference to the financial dimension through applying value ranges. Strategy – within this dimension the assessment of risk impact on the ability to implement strategic objectives is made. The risks are monitored by the Corporate Risk and Compliance Department, and in terms of financial risk additionally by the department of the General Treasury Director - Corporate Treasurer.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Description of process

Definition of Context - The objective of the stage is to collect information necessary for the conduct of a cyclical process of corporate risk management and its continuous improvement, among others through update of the adopted approach and method of operation on the basis of know-how and experience of the participants of this process, results of monitoring, including internal and external audits, reviews and verifications. Definition of Context consists of three actions: specification of the external, internal and risk management context.

The external context is the environment in which the KGHM Polska Miedź S.A. Group is pursuing its Strategy. Identification of the context requires an update of the understanding of the social, political, legal, regulatory, financial, economic and technological aspects of the environment that affect the business activity. At this stage, based on the results of a scenario analysis, the key drivers of transition to a low-emission economy are also examined along with the pathways of climate change and weather patterns that are processed at further stages of the process.

Identification of the internal context requires an analysis of (strategic/business) goals, planned and implemented changes in the organizational structure, new areas of the business activity, projects, etc.

The final action within this step is to define the risk management context, which comprises setting or updating goals, scope, responsibility as well as procedures and methodologies applied in the risk management process.

Value chain stage(s) covered

Direct operations

Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Description of process

Risk Identification and Assessment - The objective of the stage is to collect and organize knowledge on the risks present within the organization and those whose sources lie outside the organization, their assessment and to develop a Risk Map on their basis. The final outcome of the stage is the selection of key risks. At this stage of the process, risks that may have impact on the achievement of objectives (strategic/business) both at the KGHM Group level and at the level of KGHM's Divisions are identified and assessed. The main objective of this stage is to develop a complete list of risks that may facilitate, inhibit, accelerate or delay the achievement of objectives. Risks are systematized into categories and subcategories in the form of a Risk Model, which is used by the KGHM Group as a standardized risk taxonomy. After identification, the risks undergo assessment using the Risk Assessment Matrix. This stage of the process also includes an analysis to identify potential sources of risk and specify the possible financial and non-financial effects of their materialisation.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Description of process

Analysis and Response to Risk - The aim of this stage is to deepen the knowledge and understanding of the nature of key risks selected at the previous stage. Cause and effect analyses and an in-depth description of risk handling methods are to allow undertaking decision on the maintenance or possible change of the current handling method. The directional decision is called the The Response to risk. Any change of the handling procedure requires Adjustment Measures, i.e. organizational, process, systemic and other changes, the aim of which is to reduce the level of the key negative risk or to increase the key positive risk, to be specified.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Monitoring and communication - The aim of the monitoring and communication process is to ensure that the applied Risk Response Plan is effective (interim and periodic reports), new risks are identified, changes in the internal and external environment and their impact on the operation have been detected and the appropriate measures were taken in response to incidents. Effective, well-planned and appropriately implemented risk monitoring enables flexible and fast responses to changes taking place in the external and internal environment (e.g. escalation of risk, changes in the measures related to response to risk, or the risk assessment parameters, etc.). Effective risk monitoring involves also periodic reviews of Key Risk Indicators, completeness and timeliness of reporting the implementation status of Response to Risk (update of information on Adjustment Measures).

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Medium-term

Description of process

Risk Identification and Assessment - Identified and assessed are the risks that may threaten the achievement of the main goal of a given strategic area and result in the lack of implementation of initiatives under individual operational objectives. Risks at the strategic level are decomposed into risks at the corporate level in accordance with the KGHM Corporate Risk Management Procedure and Methodology. Risk mitigation takes place at the corporate level, and the consolidated assessment of their vulnerability comes down to risk assessment at the strategic level.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Transition-Related Risks)
Emerging regulation	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Transition-Related Risks)
Technology	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Transition-Related Risks)
Legal	Relevant, always included	As part of the Corporate Risk Management process in the KGHM Group, each identified risk is assessed in terms of impact on Laws and Regulations (details in C2.3a)
Market	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Transition-Related Risks)
Reputation	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Transition-Related Risks)
Acute physical	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Physical Risks)
Chronic physical	Relevant, always included	According to Risk Model (Corporate Risk Category: Climate Risk, Subcategory: Physical Risks)

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The KGHM Group is exposed to the risk of non-compliance with the generally applicable legal requirements, internal corporate regulations and voluntarily adopted legal obligations and standards. The risk of interruptions to operations or the need to reorganize work due to new legislation may have a substantial impact on the operations of the KGHM Group (such as the risk of transitioning to the low-carbon economy, circular economy).

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

As part of the Corporate Risk Management process in the KGHM Group, each identified risk is assessed in terms of impact on Laws and Regulations – assessment of the

compliance of occurrences with the applicable laws, the necessity to participate in proceedings before public administration authorities responsible for supervision and regulation and potential sanctions resulting from such proceedings (litigation claims). Having a consistent compliance system in the KGHM Polska Miedź S.A. Group is an element of effective management as part of corporate governance through e.g. a more efficient response and readiness for regulatory changes, care for reputation and ethical culture building in the organization as well as awareness raising and enhancement of the sense of responsibility for compliance among employees.

Comment

The Compliance Management Policy of the KGHM Polska Miedź S.A. Group describes the approach to compliance management, the basic principles involved and the process of compliance management in the KGHM Polska Miedź S.A. Group. We recognise compliance as an important element of our effective operations and we have a compliance management process which is linked to the process of managing corporate risk in the KGHM Polska Miedź S.A. Group. The compliance system is an important business tool used to prevent the occurrence of events which could lead to sanctions. The Compliance Management Policy is available on the KGHM website (<https://kgbm.com/en/investors/esg/policies-and-codes>)

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Acute physical	Other, please specify (Key factors have been identified that may cause materialization of acute physical risk: - accumulated dry days - heatwaves - heavy rains)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Materialisation of this risk may have an adverse impact on both the infrastructure and on working conditions and employee safety. Acute weather events as a consequence of climate change may result in restrictions in operations both as a result of damage to infrastructure and the occurrence of temporary hindrances and interruptions in individual elements of the KGHM Polska Miedź S.A. value chain (e.g. utility supply, logistics disruption). With regard to days without precipitation (droughts), relevant factors include a) restrictions on the availability of water for the needs of the Core Production Business processes, b) the level of the Odra river, which affects the quantity and management of process water. The potential materialisation of the risk in question may involve increased costs relating to the remedying of the adverse consequences of risk materialisation in the form of increased operating costs, maintenance work, energy consumption and other losses, e.g. associated with the suspension of production. The consequences of such materialisation are examined on a case by case basis for the individual elements of the value chain of KGHM Polska Miedź S.A.

Time horizon

Short-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

- Appointment of task forces and expert teams in the area of counteracting the effects of the materialised extreme weather events on business continuity and development of instructions on the procedure in case of emergency situations.
- Ongoing communication and cooperation with utility suppliers concerning potential supply interruptions.
- Periodic overhauls of key infrastructure equipment on the basis of predetermined schedules.
- Preventive management of key infrastructure elements affecting production continuity and application of crisis response procedures.
- Actively seeking technical and technological solutions that would limit the adverse impact of operations on climate. Conducting and planning investments affecting the infrastructure, among others, to enable remote control and reduce response time
- Application of solutions counteracting the effects of climate hazards using neutral measures and by using modern technology.
- Ongoing monitoring of the microclimate parameters and introduction of remote control and visualisation and surveillance systems in workplaces with particularly adverse climate parameters.
- Division of KGHM Polska Miedź S.A. The Mine and Metallurgical Rescue Unit (JRGH) ensures the safety of employees and provides comprehensive assistance in dealing with the effects of natural hazards and acute physical events associated with climate change, while ensuring the safety of people and facilities.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (Key factors have been identified that may cause materialization of chronic physical risk: - temperature (warm/cool) - average temperature - change of wind intensity)
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Primary potential financial impact

Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

In the corporate risk management process (which includes analysis of physical scenarios – medium and high emission), the following key factors have been identified that may cause materialisation of acute physical risk:

- change in average daily temperature,
- change in total precipitation,
- change of wind intensity,
- change of cooling/heating degree days (hot/cool - temperature above/below 18°C),
- change in the number of days with snow cover.

Materialisation of this risk may lead, among other things, to changes in the conditions in which the operations must be conducted, interruption of business continuity of the Core Production Business, including higher and faster depreciation of infrastructure components than before. Permanent changes in weather patterns as a consequence of climate change can also increase the onerousness of work (e.g. as a result of changes in the average daily temperature, changes in wind intensity, changes in the number of days with snow cover) and consequently necessitate the provision of additional personal protective equipment and reorganisation of work. The potential materialisation of this risk may involve increased costs relating to the upgrading or replacement of individual infrastructure components and increased costs of higher consumption of energy used, for example, for cooling processes. The consequences of such materialisation may be presented for the individual elements of the Parent Entity’s value chain.

Time horizon

Long-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

- Periodic overhauls and comprehensive modernisation of key infrastructure equipment on the basis of predetermined schedules and/or investment plans.
- Maintaining the required level of supporting/alternative facilities and infrastructure elements (e.g. power generators, photovoltaic infrastructure, retention infrastructure).
- Systematic limitation of energy consumption under the implemented, ISO 50001:2018-compliant Energy Management System and Energy Savings Program. Planned increase in the efficiency and flexibility of the KGHM Polska Miedź S.A. Group in terms of its Polish and international assets, among others by partially satisfying the needs for electricity from its own sources as well as from renewable energy sources (“RES”) by the end of 2030.
- Development of own zero- and low-emission sources in the short and medium term including construction and acquisition of photovoltaic and wind power plants, supplemented in the long term by the use of small modular reactors (SMRs).
- Diversification and efforts towards sustainable development through building own power capacity from low-emission sources is one of the main Pillars of the newly-adopted Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040, and one of its elements is for KGHM Polska Miedź S.A. to achieve the position of one of the leading producers of environmentally-friendly electricity supporting Poland’s energy transition.
- Efficient risk management system for long-term/strategic risk, encompassing also climate risk management allowing for risk categorisation, identification, assessment and management as well as plans for its mitigation.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Emerging regulation	Other, please specify (The existing and increasing climate-related legal requirements may have direct and indirect impact on KGHM Polska Miedź S.A.)
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Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The existing and increasing climate-related legal requirements may have direct and indirect impact on KGHM Polska Miedź S.A. This pertains to both European regulations as well as requirements at the domestic level, which will be effectively enforced. This may be materially impacted by the planned full implementation of the European Green Deal in domestic documents and climate/energy frameworks till 2030 and fulfilment of the EU’s climate neutrality objective by 2050. An incorrect interpretation or a failure to

observe new regulations may potentially result in non-compliance with the law, exposure to court disputes or sanctions. New legal regulations may also cause interruptions in operations or the necessity to reorganize work and consequently may substantially impact the operations of the KGHM Polska Miedź S.A. Group (among others, transition to the low-carbon economy, circular economy).

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

– As part of the Corporate Risk Management process in the KGHM Polska Miedź S.A. Group, each identified risk is assessed in terms of impact on Laws and Regulations (assessment of the compliance of occurrences with the applicable laws, the necessity to participate in proceedings before public administration authorities responsible for supervision and regulation and potential sanctions resulting from such proceedings).

– A consistent compliance system in place in the KGHM Polska Miedź S.A. Group is an element of effective management as part of corporate governance through, for example, a more efficient response and readiness for regulatory changes, care for reputation and ethical culture building in the organisation as well as awareness raising and enhancement of the sense of responsibility for compliance among employees.

– Active cooperation with the academic environment, which issues opinions on changes to legal acts, and the on-going providing of positions and opinions with respect to numerous areas subject to legislative change (including as part of membership of national and international organisations). Taking pre-emptive actions to adapt to organisational, infrastructural and technological changes.

Comment

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Heightened expectations and awareness of stakeholders as regards climate issues may lead to increased operating and investment costs and, in extreme cases, to limitation of the business activity. The changing consumer requirements also involve a focus on the production method rather than merely the quality and price of the final product.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

Care and due diligence in identification of expectations and requirements of the external stakeholders concerning the climate and environmental issues and consideration given to these issues in the long-term, strategic perspective. Ongoing analysis of technical and technological solutions, which satisfy stakeholder requirements concerning climate issues affecting changes in supply and demand.

Comment

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The KGHM Polska Miedź S.A. Group is exposed to the risk of increasing expectations of stakeholders (e.g. investors, customers, ESG rating agencies) towards the Company with respect to reduction of its impact on climate resulting in a deterioration of the Company's image and/or loss of stakeholder confidence. Potential difficulties in attracting customers, employees, business partners and investors if the KGHM Polska Miedź S.A. Group's activity is considered to be harmful to the climate. In extreme cases, the materialisation of this risk may lead to the blocking of development plans.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

- Care and due diligence in identification of expectations and requirements of external stakeholders concerning the climate and environmental issues.
- Establishment of trade and business relationships with entities that declare that they care about environmental protection and comply with the regulations applicable in this regard.
- Increased awareness of climate change in the organisation and improvement of communication with all stakeholders in this respect, among others through the improvement in the quality of reporting on climate-related information after climate reporting was launched based on the 2017 Recommendations of the Task Force on Climate-Related Financial Disclosures.
- Implemented and improved effective system for resolving sustainable development themes (ESG) in the form of regular meetings of the Sustainable Development Council.

Comment

Identifier

Please select

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Technology	Transitioning to lower emissions technology
------------	---

Primary potential financial impact

Increased capital expenditures

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The EU's ambitious climate targets and the existing pressure on the implementation of new low-carbon solutions and the search for reduction of CO₂ emissions in order to achieve the approved emission goals may have a direct impact on KGHM Polska Miedź S.A.'s activities. The need to make the necessary investments and/or a potentially sudden reduction in carbon dioxide emissions in a relatively short period of time may generate considerable costs and difficulties in adapting new solutions to the technology that is used currently. As a result of the necessary changes, the level of complexity of production activities in the new conditions and the increased technical,

economic or legal requirements for the Company will rise at the same time, resulting in the need for KGHM Polska Miedź S.A. staff to continuously and dynamically increase their qualifications. Due to the rise in popularity of topics related to the progress towards a low-carbon economy, an increase is seen in the importance of decarbonisation technology providers and a significant increase in demand for their services. In the case of a decision to use solutions offered on the market, the availability of suppliers within the required timeframe may be limited and the need to wait a long time for the procurement of services or goods necessary for the implementation of new technologies may arise, thus extending the project implementation period.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost of response to risk

Description of response and explanation of cost calculation

– Ongoing monitoring of policy changes intended to reduce CO₂ emissions and the potential tightening of regulations, analysis of market standards, technological innovations, opportunities for using alternative energy sources (RES). Taking pre-emptive actions to adapt to changes in the technological area. Monitoring the activities of competitors and related industry players (e.g. steel industry). Research market observation, technology scouting. Continuous monitoring of ongoing calls for projects financed from national and European funds, which could be used to finance research or investment projects of KGHM Polska Miedź S.A. in the area of climate transformation.

– Since most of the technology is in early advancement stage, it is assumed that by 2030 KGHM Polska Miedź S.A. will focus its efforts primarily on the continuation or launch of research and development work in selected areas, as well as on launching pilot projects. Full implementation of new innovative solutions, leading to achievement of the expected decarbonisation effects in the direct emissions area, will be effected in 2030-2050.

– A Transformation Projects Department dedicated to this risk has been operating since 2022.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify (Shift in consumer preferences)

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Opportunity coming from increased demand for copper arising from the necessity to supply it to meet the needs of the low-carbon economy as a result of a higher level of electrification (through increased copper consumption for purposes related to manufacturing components for electrical vehicles and development of electromobility) and increased consumption of copper in power networks. Stable growth of the global demand for copper is expected until 2040. The forecast growth will be an effect of, among others, the dynamically increasing demand from industries associated with renewable energy sources.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

Care and due diligence in identification of expectations and requirements of the external stakeholders concerning the climate and environmental issues and consideration given to these issues in the long-term, strategic perspective. Ongoing analysis of technical and technological solutions, which satisfy stakeholder requirements concerning climate issues affecting changes in supply and demand.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

In the corporate risk management process (which includes analysis of physical scenarios – medium and high emission), the following key factors have been identified:

- change in average daily temperature,
- change in total precipitation,
- change of wind intensity,
- change of cooling/heating degree days (hot/cool - temperature above/below 18°C),
- change in the number of days with snow cover.

Taking the above factors into account, KGHM Polska Miedź S.A. also recognises the opportunity associated with investments in its own renewable energy sources, which may reduce production costs and ensure business continuity while reducing greenhouse gas emissions.

Time horizon

Long-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

- Systematic limitation of energy consumption under the implemented, ISO 50001:2018-compliant Energy Management System and Energy Savings Program. Planned increase in the efficiency and flexibility of the KGHM Polska Miedź S.A. Group in terms of its Polish and international assets, among others by partially satisfying the needs for electricity from its own sources as well as from renewable energy sources (“RES”) by the end of 2030.
- Development of own zero- and low-emission sources in the short and medium term including construction and acquisition of photovoltaic and wind power plants, supplemented in the long term by the use of small modular reactors (SMRs).
- Diversification and efforts towards sustainable development through building own power capacity from low-emission sources is one of the main Pillars of the newly-adopted Strategy of the KGHM Polska Miedź S.A. Group to the year 2030 with an outlook to 2040, and one of its elements is for KGHM Polska Miedź S.A. to achieve the position of one of the leading producers of environmentally-friendly electricity supporting Poland’s energy transition.
- Efficient risk management system for long-term/strategic risk, encompassing also climate risk management allowing for risk categorisation, identification, assessment and management as well as plans for its mitigation.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify (Use of recycling)

Primary potential financial impact

Reduced direct costs

Company-specific description

In the technology area an opportunity has been identified arising from increased consumption and capability to process a volume of copper scrap and copper-bearing materials by the smelters and refineries of KGHM Polska Miedź S.A., which results in improved efficiency of waste management in global terms in the context of resource use and longer copper life cycle – a change in the customer's and the Regulator's approach in favour of a circular economy and low-carbon economy.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure**Cost to realize opportunity****Strategy to realize opportunity and explanation of cost calculation**

– Ongoing monitoring of policy changes intended to reduce CO₂ emissions and the potential tightening of regulations, analysis of market standards, technological innovations, opportunities for using alternative energy sources (RES). Taking pre-emptive actions to adapt to changes in the technological area. Monitoring the activities of competitors and related industry players (e.g. steel industry). Research market observation, technology scouting. Continuous monitoring of ongoing calls for projects financed from national and European funds, which could be used to finance research or investment projects of KGHM Polska Miedź S.A. in the area of climate transformation.

– Since most of the technology is in early advancement stage, it is assumed that by 2030 KGHM Polska Miedź S.A. will focus its efforts primarily on the continuation or launch of research and development work in selected areas, as well as on launching pilot projects. Full implementation of new innovative solutions, leading to achievement of the expected decarbonisation effects in the direct emissions area, will be effected in 2030-2050.

– A Transformation Projects Department dedicated to this risk has been operating since 2022.

Comment**Identifier**

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Markets

Primary climate-related opportunity driver

Other, please specify (Use of lower-emission sources of energy)

Primary potential financial impact

Increased revenues resulting from increased production capacity

Company-specific description

The opportunity (positive risk) identified in this area is associated with investments in renewable energy, which support combating greenhouse gas emissions – an image- and market-related opportunity with respect to the industry, i.e. the image of a company caring for the natural environment and striving to limit global climate change (green energy / green copper / green KGHM); a change in the customer's approach but also legislative changes in favour of KGHM Polska Miedź S.A.'s attitude.

Time horizon

Medium-term

Likelihood

Please select

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

Please select

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

- Care and due diligence in identification of expectations and requirements of external stakeholders concerning the climate and environmental issues.
- Establishment of trade and business relationships with entities that declare that they care about environmental protection and comply with the regulations applicable in this regard.
- Increased awareness of climate change in the organisation and improvement of communication with all stakeholders in this respect, among others through the improvement in the quality of reporting on climate-related information after climate reporting was launched based on the 2017 Recommendations of the Task Force on Climate-Related Financial Disclosures.
- Implemented and improved effective system for resolving sustainable development themes (ESG) in the form of regular meetings of the Sustainable Development Council.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Important but not an immediate priority	The current document 'KGHM Group Strategy to 2030 with a 2040 horizon' does not explicitly include a transition plan that aligns with a 1.5 C world but the approach to reducing the Company's impact on the environment, including climate, is included in the risks and presented in the non-financial report in the risks section.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>On 14 January 2022 the Supervisory Board of KGHM approved the Strategy of the KGHM Polska Miedz S.A. Group until 2030 with a horizon of 2040. The Strategy of KGHM until 2030 also indicates climate targets related to the reduction of emissions by KGHM, consistent with the Climate Policy of KGHM Polska Miedz S.A.</p> <p>On 16 November 2021 KGHM Polska Miedz S.A. adopted a Climate Policy. It describes the Company's objectives with respect to the reduction of greenhouse gas emissions over the 2030 and 2050 horizons, as well as the scope and degree of changes necessary to achieve these objectives.</p> <p>The intermediate target is to reduce the total Scope 1 and Scope 2 emissions by 30% by 2030 compared to 2020 emissions. The reduction targets covering the entire KGHM Group will be made public no later than in the first half of 2023.</p> <p>In the first edition of the Climate Policy, the Company committed to publicly disclose the reduction targets for the entire KGHM Group no later than in the first half of 2023.</p> <p>Due to the highly volatile situation on the energy markets, the unforeseeable global economic situation and the overall impact of Russia's aggression on Ukraine on the international situation, it is necessary to change the date of preparation of the entire Decarbonization Program of the KGHM Group and subsequently the climate targets for the KGHM Group. The aforementioned factors make it significantly more difficult to model CAPEX and OPEX, and as a result also NPV for the decarbonization initiatives of the Group.</p> <p>As a result of the above, it is necessary to change the date of setting the climate targets for the KGHM Group from the first half of 2023 to the end of 2024.</p> <p>A comprehensive approach to risk management is consistent across the KGHM Group and it was designed in such a way as to support the building of a resistant corporate structure. KGHM Polska Miedz S.A. also took steps to include issues related to climate change in the risk taxonomy in accordance with the Recommendations of TCFD. In subsection 3.3 (The Management Board's Report on the Activities of KGHM Polska Miedz S.A. in 2022) we describe a climate risk management strategy in more detail and indicate that our activities and such an approach in this area is the result of, among others, the Company's pursuit of operational excellence and the mission of acting in regard to the principles of sustainable business.</p>
Supply chain and/or value chain	Yes	Same as above.
Investment in R&D	Yes	Same as above.
Operations	Yes	Same as above.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Capital expenditures Access to capital Assets Liabilities	Climate change risks and opportunities have influenced financial planning as follows: - Direct costs - the costs of charges related to CO2 emissions were taken into account; - CAPEX - investments in line with environmental requirements have been implemented; - Access to capital - opportunities to access new sources of finance are expected under the planned climate policy. All the above-mentioned factors indirectly influenced the projected level of assets and liabilities.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	Please select	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	We are planning to introduce a target in the next two years		<p>On 8th March 2023 KGHM reported as follows: In the first edition of the Climate Policy, the Company committed to publicly disclose the reduction targets for the entire KGHM Group no later than in the first half of 2023.</p> <p>Due to the highly volatile situation on the energy markets, the unforeseeable global economic situation and the overall impact of Russia's aggression on Ukraine on the international situation, it is necessary to change the date of preparation of the entire Decarbonization Program of the KGHM Group and subsequently the climate targets for the KGHM Group. The aforementioned factors make it significantly more difficult to model CAPEX and OPEX, and as a result also NPV for the decarbonization initiatives of the Group.</p> <p>As a result of the above, it is necessary to change the date of setting the climate targets for the KGHM Group from the first half of 2023 to the end of 2024.</p>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Business division

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Target year for achieving net zero

2050

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Please explain target coverage and identify any exclusions

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*		
Implementation commenced*		
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for other emissions reduction activities	Equity expenditures planned by KGHM Polska Miedz S.A. in 2023 amount to PLN 2 129 million, including on key areas connected with energy projects – involving photovoltaics, the acquisition of shares in Offshore Wind installations and investments in the energy companies of the KGHM Group. These investments will undergo appropriate economic feasibility reviews, reflecting the expected rate of return.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1413129

Comment

Scope 2 (location-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1617217

Comment

Scope 2 (market-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

1617217

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 6: Business travel

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1288052

Start date
January 1 2022

End date
December 31 2022

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
1457899

Start date
January 1 2021

End date
December 31 2021

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
1413129

Start date
January 1 2020

End date
December 31 2020

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

1912062

Scope 2, market-based (if applicable)

1912062

Start date

January 1 2022

End date

December 31 2022

Comment

Past year 1

Scope 2, location-based

1651717

Scope 2, market-based (if applicable)

1651717

Start date

January 1 2021

End date

December 31 2021

Comment

Past year 2

Scope 2, location-based

1617217

Scope 2, market-based (if applicable)

1617217

Start date

January 1 2020

End date

December 31 2020

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

748057

Emissions calculation methodology

Average data method
Spend-based method
Average product method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using emission factors. Due to the lack of weight data information for most materials, the emissions were determined from their financial value expressed in PLN and in emissions related to extraction, production and transport (Supply Chain) in PLN terms.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

140336

Emissions calculation methodology

Hybrid method
Average data method
Spend-based method
Average product method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using emission factors. Due to the lack of weight data information for most materials, the emissions were determined from their financial value expressed in PLN and in emissions related to extraction, production and transport (Supply Chain) in PLN terms.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

97824

Emissions calculation methodology

Average data method
Spend-based method
Average product method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Emissions were calculated using emission factors. Due to the lack of weight data information for most materials, the emissions were determined from their financial value expressed in PLN and in emissions related to extraction, production and transport (Supply Chain) in PLN terms.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

91116

Emissions calculation methodology

Hybrid method
Average data method
Spend-based method
Average product method
Average spend-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This category includes transport of purchased goods, capital goods and fuel to KGHM Polska Miedź S.A.

Due to the significant number of types of goods transported and the multiplicity of suppliers, data on transport from suppliers, such as the amount of fuel used and distance, could not be obtained. Obtaining data on the weight of goods transported, the type of vehicle used and the transport distance from KGHM's database is also not possible. Therefore, transport-related emissions of the input streams were calculated from supply chain-related factors developed by the US EPA Supply Chain expressed in kgCO2e/USD and then converted to PLN taking into account exchange rates and the inflation rate. The EPA provides emission factors for goods:

- not including emissions from the producer's gate to the point of sale (Supply Chain EF without Margins), used to calculate emissions for purchased goods (Table 5.2),
- emission factors for goods from the manufacturer's gate to the point of sale (Margins of Supply Chain EF), which are related to emissions from the manufacturer's gate. Chain EF), which are related to the transport of these goods.

Based on the ratio between these 2 values, transport emission factors were determined from the indicators for purchased goods. For the indicators given by UK DE and JAPAN 3EID, the emission factors for the transport of goods were taken from the proportions determined for the EPA factors.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The category covers the disposal and treatment of waste generated during the company's operations. Most of the waste generated is recycled. Only a small amount of waste (a few percent) is incinerated. GHC emissions associated with waste management are therefore not significant and have not been considered in this balance sheet.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

231

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

Based on the place of departure and destination, the distances of the individual trips were determined. Emissions were calculated from the emission factors for business trips according to DEFRA, expressed in kg CO2e per kilometre per passenger, for the individual modes of transport.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

20278

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Please explain

This category includes mass transport organised by KGHM Polska Miedź S.A., carried out by external companies, as well as own transport in vehicles belonging to employees. Organised transport is provided by buses and minibuses at all divisions, except at Legnica smelter. The distances travelled by employees in their own commuting were determined based on the distance of employees' residences from the workplace and the number of employees using their own transport. Emissions were determined from the emission factors and fuel consumption presented in the European Environment Agency report "EMEP/EEA air pollutant emission inventory guidebook 2019" (updated 2020). The age and type of vehicles for organised and employees' own transport, were determined from the latest data from the Central Statistical Office for 2018-2019. It has been conservatively assumed that own commuting is done exclusively by car.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Due to the small extent of asset rentals, emissions for this category are insignificant.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

14473

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

Greenhouse gas emissions from product transport were determined using the company's own data: the amount of product transported, the number of transports, the weight per transport and distance to destination, and the type of transport.

Emission factors from the UK Government's Department for Environment Food and Rural Affairs (DEFRA) described in the 2021 Government Greenhouse Gas Conversion Factors for Company Reporting, June 2021, file January 2022, expressed in kg CO2e per Mg of cargo transported and per km of transport route (kgCO2e/Mg/km), were used to determine emissions.

Processing of sold products

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Due to the huge number of uses of the substances and products produced by KGHM, it is not feasible to determine the emissions associated with the processing of these products.

Use of sold products

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Due to the huge number of uses of the substances and products produced by KGHM, it is not feasible to determine the emissions associated with the use of these products.

End of life treatment of sold products

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Due to the huge number of uses of the substances and products produced by KGHM, it is not feasible to determine the emissions associated with the use of these products.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

KGHM does not lease assets to tenants

Franchises**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not applicable to KGHM Polska Miedź S.A.

Investments**Evaluation status**

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain**Other (upstream)****Evaluation status**

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain**Other (downstream)****Evaluation status**

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain**C6.5a**

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

January 1 2021

End date

December 31 2021

Scope 3: Purchased goods and services (metric tons CO2e)

632348

Scope 3: Capital goods (metric tons CO2e)

105403

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

119399

Scope 3: Upstream transportation and distribution (metric tons CO2e)

105232

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

231

Scope 3: Employee commuting (metric tons CO2e)

18637

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

14549

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 2

Start date

January 1 2020

End date

December 31 2020

Scope 3: Purchased goods and services (metric tons CO2e)

339176

Scope 3: Capital goods (metric tons CO2e)

94690

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

58543

Scope 3: Upstream transportation and distribution (metric tons CO2e)

43276

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

290

Scope 3: Employee commuting (metric tons CO2e)

19357

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	2244	

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000113

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

3200114

Metric denominator

unit total revenue

Metric denominator: Unit total

28429000000

Scope 2 figure used

Market-based

% change from previous year

10.89

Direction of change

Decreased

Reason(s) for change

Change in revenue

Please explain

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1251396	IPCC Sixth Assessment Report (AR6 - 100 year)
CH4	1107	IPCC Sixth Assessment Report (AR6 - 100 year)
N2O	1429	IPCC Sixth Assessment Report (AR6 - 100 year)
SF6	58	IPCC Sixth Assessment Report (AR6 - 100 year)
HFCs	34062	IPCC Sixth Assessment Report (AR6 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
Poland	1288052

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

By facility

By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
KGHM Polska Miedz S.A.	1288052

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Rudna Mine Division	78391	51.51646	16.14642
Polkowice-Sieroszowice Mine Division	58443	51.554139	16.158548
Concentrators Division	33262	51.487868	16.065927
Tailings Division	2099	51.511461	16.24489
Legnica Smelter and Refinery Division	35707	51.189243	16.121198
Glogów Smelter and Refinery Division	929467	51.688651	15.978235
Cedynia Wire Rod Division	16727	51.573574	16.346828
Gas-Steam Blocks	106611	51.408879	16.196755
Lubin Mine Division	26973	51.43506	16.15866
Head Office	371	51.40881	16.19657

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Mining	199169
Metallurgy	981901
Energy Production	106611
Office	371

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	1288052	<Not Applicable>	
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Poland	1912062	1912062

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

By facility

By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
KGHM Polska Miedz S.A.	1912062	1912062

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Rudna Mine Division	335365	335365
Polkowice-Sieroszowice Mine Division	362494	362494
Lubin Mine Division	111549	111549
Concentrators Division	396345	396345
Tailings Division	65157	65157
Legnica Smelter and Refinery Division	79675	79675
Glogów Smelter and Refinery Division	541548	541548
Cedynia Wire Rod Division	15721	15721
Gas-Steam Blocks	4208	4208

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Mining	1270909	1270909
Metallurgy	636944	636944
Energy Production	4208	4208

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	1912062	1912062	
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions	90498	Increased	2.9	Increase electricity consumption
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		1511127	1511127
Consumption of purchased or acquired electricity	<Not Applicable>		2776356.15	2776356.15
Consumption of purchased or acquired heat	<Not Applicable>		154583.61	154583.61
Consumption of purchased or acquired steam	<Not Applicable>		167122.22	167122.22
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>		<Not Applicable>	
Total energy consumption	<Not Applicable>		4609188.98	4609188.98

C-MM8.2a

(C-MM8.2a) Report your organization's energy consumption totals (excluding feedstocks) for metals and mining production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstocks)	LHV (lower heating value)	1511127
Consumption of purchased or acquired electricity	<Not Applicable>	2776356.15
Consumption of purchased or acquired heat	<Not Applicable>	154583.61
Consumption of purchased or acquired steam	<Not Applicable>	167122.22
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	
Total energy consumption	<Not Applicable>	4609188.98

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Please select
Consumption of fuel for the generation of heat	Please select
Consumption of fuel for the generation of steam	Please select
Consumption of fuel for the generation of cooling	Please select
Consumption of fuel for co-generation or tri-generation	Please select

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
<Not Applicable>

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total fuel

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	289954.61	289954.61		
Heat	194810.28			
Steam	566753.06	532648.33		
Cooling				

C-MM8.2d

(C-MM8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed for metals and mining production activities.

	Total gross generation (MWh) inside metals and mining sector boundary	Generation that is consumed (MWh) inside metals and mining sector boundary
Electricity		
Heat		
Steam		
Cooling		

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-MM9.3a

(C-MM9.3a) Provide details on the commodities relevant to the mining production activities of your organization.

C-MM9.3b

(C-MM9.3b) Provide details on the commodities relevant to the metals production activities of your organization.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Please select	

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

Page/ section reference

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Third party verification/assurance underway

Attach the statement

Page/ section reference

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

83

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2022

Period end date

December 31 2022

Allowances allocated

917618

Allowances purchased

0

Verified Scope 1 emissions in metric tons CO2e

1069518

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Facilities we own and operate

Comment

Excess allowance purchases from previous years were used to cover 2022 emissions

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

KGHM's ETS compliance strategy mainly consists of purchasing allowances.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.4

(C12.4) Have you published information about your organization’s response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Please select	

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, board-level oversight	The Vice President of Production is responsible for environmental risk control.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments only	Adoption of the mitigation hierarchy approach Commitment to respect legally designated protected areas Other, please specify (We do not conduct our activities at World Heritage Sites and, where our activities are adjacent to World Heritage Sites, we will ensure that our activities do not threaten the security and value of these sites)	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

Yes

Value chain stage(s) covered

Direct operations

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

Other, please specify (Ecological footprint and impact on biodiversity)

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

The assessment of the ecological footprint and impact on biodiversity consists of several modules. The first and fundamental element is to draw up a wildlife inventory of the area. The wildlife inventory is the initial instrument for completing the subsequent assessment steps. These are the natural valorisation, the impact assessment (negative and positive) and the minimising and compensating recommendations, i.e. the so-called directional plan for biodiversity.

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No and we don't plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

No

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Species management Education & awareness

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Content of biodiversity-related policies or commitments	page 148 - ACTIVITIES TO PRESERVE BIODIVERSITY mbs_report_on_activities_in_2022.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director of the Investor Relations Department	Other, please specify (Investor Relations Officer)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
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SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms